



**FOR IMMEDIATE RELEASE**

## **Sun Pharma reports a strong quarter**

*Net Sales Rs. 4287 crores, up 50%, EBITDA Rs. 1975 crores, up 57%*

*Net Profit Rs. 1531 crores, up 74%*

Mumbai, February 13, 2014: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for third quarter & nine months ending December 31<sup>st</sup>, 2013.

### **Highlights of Q3 FY14 consolidated financials**

- Net sales / Income from operations at Rs. 4287 crores, a growth of 50% over same quarter last year.
- Branded generic sales in India at Rs. 947 crores, up by 20% over Q3 last year.
- US finished dosage sales at US\$ 434 million grew by 57% (in US\$ terms) over Q3 last year.
- International formulation sales outside US at US\$ 84 million grew by 16% (in US\$ terms) over same quarter last year.
- Overall international revenues accounted for more than 75% of total revenues for the quarter.
- EBITDA at Rs. 1975 crores grew by 57%; resulting EBITDA margin of 46%, compared to 44% for Q3 last year.
- Net profit at Rs. 1531 crores compared to Rs. 881 crores for Q3 last year, up 74% over Q3 last year; resulting margin of 36%.

### **Highlights of 9m FY14 consolidated financials**

- Net sales / Income from operations at Rs. 11961 crores, a growth of 46% over the same period last year
- India branded generic sales at Rs. 2745 crores, a growth of 26% over 9 months last year. Normalizing for lower sales in Q1FY13, adjusted growth at 16% for 9 months FY14.
- US finished dosage sales at US\$ 1217 million grew by 52% (in US\$ terms) over 9 months last year.
- International formulation sales outside US at US\$ 244 million grew by 17% (in US\$ terms) over 9 months last year.
- EBITDA at Rs. 5334 crores grew by 46%; resulting EBITDA margin of 45%, compared to 45% in 9 months last year.
- Net profit for 9 months FY14 at Rs. 1617 crores compared to Rs. 1996 crores in 9 months last year.
- Recurring net profit for 9 months FY14 at Rs. 4134 crores, up 54% over 9 months last year; resulting margin of 35%. This excludes provision of Rs. 2517 crores and of Rs. 584 crores respectively, both related to generic Protonix litigation in the US.

These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Dilip Shanghvi, Managing Director of the Company said, "Our overall performance reflects the focus on execution of our strategy. We are developing a differentiated and specialty business and continue to evaluate opportunities to enhance our global presence."

### **India Branded Generics – Chronic Therapy Leadership**

Sale of branded prescription formulations in India was Rs. 947 crores, up by 20% from Q3 last year. For the 9 months, sales were at Rs. 2745 crores, higher by 26% over same period last year. Normalizing for lower sales in Q1FY13, adjusted growth was at 16% for 9 months FY14.

Sun Pharma is ranked 2<sup>nd</sup> and holds 5.3% market share in the Rs.74000 crore pharmaceutical market, as per Dec-2013 AIOCD-AWACS report. It continues to be ranked no. 1 based on share of prescriptions with 7 classes of

Sun Pharmaceutical Industries Ltd.  
17/B, Mahal Industrial Estate,  
Mahakali Caves Road,  
Andheri (East), Mumbai 400 093 India  
Tel.: (91-22) 6645 5645  
Fax.: (91-22) 6645 5685



specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedicians, nephrologists and gastroenterologists.

### **US Formulations: Strong Performance**

Sales in the US were US\$ 434 million for Q3 FY14, up by 57%, accounting for 62% of total sales. For the 9 months, sales were US\$ 1217 million recording a growth of 52%.

Taro recently posted Q3 FY14 sales of US\$ 213 million, up 15% from the corresponding quarter last year. For the 9 months, sales were US\$ 572 million, up by 13% over 9 months last year. Taro's net profit for Q3 was US\$ 115 million, up by 30% over Q3 last year. Net profit for 9 months FY14 was at US\$ 270 million, up by 25% over 9 months last year.

### **International ex-US formulation sales – Growth continues**

Formulation sales in international markets outside of US accounted for US\$ 84 million in Q3FY14 registering a growth of 16% (in US\$ terms). Sales for the 9 months were US\$ 244 million, growing at 17% (in US\$ terms). Excluding ex-US Taro sales, underlying sales growth in US\$ terms for Sun Pharma business in these markets was 18% for the third quarter and 17% for the 9 months FY14.

### **Active Pharmaceutical Ingredients (API): Strategic strength**

The API business has strategic importance for vertical integration on key products. A cumulative of 252 DMF / CEP applications have been made, with 172 approved so far. External sales of API reached Rs. 174 crores in Q3FY14, a decrease of 17% over Q3 last year. For 9 months FY14, API sales declined 1% to Rs. 579 crores over 9 months last year. This decline is mainly due to increased captive consumption of APIs.

### **Research – Investing for future**

Consolidated R&D expense for Q3 FY14 was Rs. 306 crores, or 7.1% of sales. For 9 months, R&D spend was Rs. 734 crores at 6.1% of sales.

In the third quarter, ANDA for 5 products were filed. After counting these, and adjusting for filings that were dropped, cumulatively ANDAs for 468 products have been filed with the USFDA (as on December 31, 2013). ANDAs for 4 products received approvals in the third quarter, taking the total number of approvals to 337 (as on December 31, 2013). ANDAs for 131 products now await USFDA approval, including 14 tentative approvals.

The total number of patent applications submitted now stands at 534 with 342 patents granted so far.

### **Revised Guidance for FY14**

Consolidated FY14 revenue growth guidance revised to 29% compared to previous guidance of 25%. The revised guidance takes in to account the performance achieved in 9MFY14, higher base of Q4FY13 on consolidation of acquisitions as well the risks associated with increase in competition for some products. Guidance is at constant exchange rate.

Sun Pharmaceutical Industries Ltd.  
17/B, Mahal Industrial Estate,  
Mahakali Caves Road,  
Andheri (East), Mumbai 400 093 India  
Tel.: (91-22) 6645 5645  
Fax.: (91-22) 6645 5685



### **Earnings Call (07.00 pm IST, February 13, 2014)**

The Company will host an earnings call at 07.00 pm IST on February 13, 2014, where senior management will discuss the Company's performance and answer questions from participants. This call will be accessible through an audio dial-in and a web-cast.

*Audio conference* Participants can dial-in on the numbers below  
Primary number: +91 22 6629 0088  
Secondary number: +91 22 3065 0088

*Playback of call: +91 22 30651212 ID: 786742*

*Web-cast* More details will be provided through our website, [www.sunpharma.com](http://www.sunpharma.com)

To participate in the audio call, please dial the numbers provided above five to ten minutes ahead of the scheduled start time. The operator will provide instructions on asking questions before the call.

The transcript of the event will be available at [www.sunpharma.com](http://www.sunpharma.com). The playback will be available for a few days.

### **About Sun Pharma**

Established in 1983, listed since 1994 and headquartered in India, Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) is an international specialty pharmaceutical company with over 72% sales from global markets. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in US, India and several other markets across the world. For the year ending March 2013, overall revenues were at US\$2.1 billion, of which US contributed US\$1.1 billion. In India, the company is a leader in niche therapy areas of psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopedics and ophthalmology. The company has strong skills in product development, process chemistry, and manufacturing of complex dosage forms. More information about the company can be found at [www.sunpharma.com](http://www.sunpharma.com).

### **Contacts**

Nimish Desai  
Tel +91 22 6645 5645, Xtn 5717  
Tel Direct +91 22 6645 5717  
Mobile +91-98203 30182  
E mail [nimish.desai@sunpharma.com](mailto:nimish.desai@sunpharma.com)

Mira Desai  
Tel +91 22 6645 5645, Xtn 5606  
Tel Direct +91 22 6645 5606  
Mobile +91 98219 23797  
E mail [mira.desai@sunpharma.com](mailto:mira.desai@sunpharma.com)