



FOR IMMEDIATE RELEASE

Sun Pharma reports strong performance

Net sales growth 25%, Net profit up 17%; R&D spend at Rs.713 mill

Mumbai, October 25, 2007 : Sun Pharmaceutical Industries Ltd. reported continuing strong growth for the second quarter and first half ending September 30, 2007.

Highlights of Q2 FY08 consolidated financials

- Net sales increased 25% to Rs. 6,679 million, from Rs 5,362 million in Q2 FY07
- International dosage form sales grew at 38%
- EBITDA increased by 41%; EBITDA margin at 36% compared to 32% for Q2 FY07
- Net profit was at Rs. 2,186 million, which is an increase of 17% over Q2 last year.

Highlights of H1 FY08 consolidated financials

- Net sales were Rs. 12,954 million, a 24% increase from Rs 10,478 million in the first half of FY07
- International dosage form business grew 30%
- EBITDA margin increased to 35% from 34% for the first half last year.
- Net profit was at Rs.4,458 million, an increase of 23% over the first half last year.
- Net margin at 34%, marginally lower than that for the first half last year.

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

According to Dilip Shanghvi, Chairman and Managing Director of the Company, "We've had a strong half year, powered by growth across all segments of our business: solid domestic growth, a fundamentally strong US generics business, growth in all international markets. Recent USFDA approvals with marketing exclusivities for our products demonstrates the quality of our intellectual property, now increasingly visible in our patent challenges."

Domestic formulations- Consistent growth

Continuing the strong performance, domestic formulations at Rs. 3,720 million registered a growth of 31% over the Q2 last year, contributing 54% of total sales. For H1, growth is 28% over last year H1. In an increasingly competitive market, Sun Pharma continues to retain its number 1 slot and increase market share with psychiatrists, neurologists, cardiologists, diabetologists, ophthalmologists and orthopedicians. Overall market share is 3.3%, as per latest IMS ORG report. 21 key products were launched during the first half.

US Generics – Visible pipeline

Caraco recently announced Q2 sales of USD 41.4 million, up 46% from USD 28.3 million for Q2 FY07. It recorded a net income of USD 4.6 million for this quarter, up 100% from same quarter last year. Net sales and net income for H1 increased by 45% and 79 % respectively, as compared to H1 last year.

Between Sun Pharma and its US subsidiary Caraco Pharma, 16 more ANDAs corresponding to 13 products were approved during this half year. Important approvals for generic Protonix®, generic Trileptal® and generic Exelon® have been received in the last 2 months. For these products, Sun Pharma has been granted 180 days of marketing exclusivity which it shares with other first filers. Annual sales in US of these 3 products is approximately USD 3 billion. While generic Trileptal® tablets have been launched, the Company is still evaluating all its options for generic Protonix ® and generic Exelon ®.

A total of 13 ANDAs corresponding to 11 products have been filed during Q2. With this, 87 ANDAs representing 71 products await USFDA approval, including 8 tentative approvals.

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



Research & Development

Consolidated R&D expense for Q2 is Rs.713 million and for H1 is Rs 1,321 million. This translates into 11% of net sales for the quarter, while 10% for the first half. The Company had earlier shared estimates of R&D spend at 8-10% net sales. This, of course, excludes the cost of innovative research, an activity that has moved to Sun Pharma Advanced Research Company Ltd.

The total number of patents applications submitted now stands at 426 with 74 patents granted.

A cumulative of 92 DMF / CEP applications made for API with 45 approvals so far.

Update on Taro

Taro had announced that it will schedule the meeting of its shareholders to approve the merger after announcing the audited 2006 and first half 2007 financials. Our holding in Taro stands at 25%, and the Company remains confident of closing this transaction.

Earnings call

A conference call to discuss the numbers has been scheduled for 1000 hours India time tomorrow, October 26. The dial in numbers for the call are (+91 22) 2781 3047 and (+91 22) 6776 3747. A replay will be available for three days, and the transcript would be put on the company's website as soon as possible.

About Sun Pharma

Established in 1983, listed since 1994 and headquartered in India, Sun Pharma (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) is an international, integrated, speciality pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in India, US and several other markets across the world. In India, the company is a leader in niche therapy areas of psychiatry, neurology, cardiology, diabetology, gastroenterology, and orthopedics. The company has strong skills in product development, process chemistry, and manufacturing of complex API, as well as dosage forms. More information about the company can be found at www.sunpharma.com.

Contacts

Uday Baldota
Tel +91 22 6645 5645, Xtn 605
Tel Direct +91 22 6645 5605
Mobile +91 98670 10529
E mail uday.baldota@sunpharma.com

Mira Desai
Tel +91 22 6645 5645, Xtn 606
Tel Direct +91 22 6645 5606
Mobile +91 98219 23797
E mail miradesai@sunpharma.com