



**FOR IMMEDIATE RELEASE**

## **Sun Pharma reports a strong quarter** *Net Sales Rs.2852 crores, up 33%, Net Profit Rs.881 crores, up 32%*

Mumbai, February 8, 2013: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the third quarter and nine months ending December 31<sup>st</sup>, 2012.

### **Highlights of Q3 FY13 consolidated financials**

- Net sales / Income from operations at Rs. 2852 crores, a growth of 33% over same quarter last year.
- Branded generic sales in India at Rs. 788 crores, up by 13% over Q3 last year. Adjusting for the change in treatment of expected sales returns and treatment of discounts, the underlying growth was 19% compared to Q3 last year.
- US finished dosage sales at \$ 276 million grew by 32% (in \$ terms) over Q3 last year.
- International formulation sales at \$ 73 million grew by 31% (in \$ terms) over same quarter last year
- EBITDA at Rs1261 crores recorded 31% growth compared to Q3 last year.
- Net profit at Rs 881 crores witnessed a growth of 32% over Q3 last year.

### **Highlights of 9m FY13 consolidated financials**

- Net sales / income from operations at Rs 8167 crores, a growth of 44% over 9 months last year
- India branded generic sales at Rs 2186 crores, a growth of 7% over same period last year. Adjusted for the extra sales recorded in the fourth quarter of financial year '12 as well as the change in treatment of expected sales returns and treatment of discounts, the underlying sales growth of the domestic formulation business is 20%.
- US finished dosage sales at \$ 802 million grew by 53% (in \$ terms) over 9 months last year.
- International formulation sales at \$ 208 million grew by 24% (in \$ terms) over the same period last year.
- EBITDA at Rs. 3646 crores recorded 59% growth compared to the 9-month period last year
- Recurring Net profit at Rs 2580 crores witnessed a growth of 46% over 9 month last year.
- In Q2 FY13, the company had made a provision of Rs 584 crores towards potential damages in respect of patent infringement litigation related to generic versions of 'Protonix'. After considering this provision, net profit for 9-month period was at Rs 1997 crores, registering a growth of 13% over corresponding period last year.

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, "All our businesses continue to perform in-line with our expectations. The recent approval of our generic Doxorubicin HCl Liposomal Injection in the US reflects our technological strengths in developing complex products. The acquisition of DUSA and URL's generic business will further strengthen our presence in the US. Overall, we shall strive to remain focused on execution and building a business with consistent performance."

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

Sale of branded prescription formulations in India was Rs. 788 crores for the third quarter, accounting for 27% of total sales. For the first nine months, sales were at Rs 2186 crores higher by 7% over same period last year. Adjusting for the change in treatment of expected sales returns and treatment of discounts, the underlying growth was 19% compared to Q3 last year and 20% for the first nine months ended Dec-2012.



Sun Pharma is ranked 3<sup>rd</sup> and holds 4.8% market share in the Rs.69,000 crores pharmaceutical market, as per Dec. 2012 AIOCD-AWACS report. The company continues to be ranked no. 1 based on share of prescriptions with 7 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedicians, nephrologists and gastroenterologists.

7 products were launched during the quarter taking the total to 22 for the first nine months.

### **US Formulations: Strong performance**

Sales in the US were \$ 276 million for Q3 FY13, up by 32%, accounting for 52% of total sales. For the first nine months, sales were \$ 802 million showing a growth of 53%.

Lipodox sales continued in Q3 FY13. Sun Pharma's subsidiary recently received US FDA approval for its Abbreviated New Drug Application (ANDA) for generic Doxorubicin HCl Liposome Injection USP, 2mg/mL, an anti-cancer product.

Taro recently posted Q3 FY13 sales of \$ 186 million, up 25% from the corresponding quarter last year. For the first nine month, sales were \$ 506 million. Net profit for Q3 was \$ 89 million, and \$ 217 million for the first nine month. Both for the third quarter and nine months volumes declined marginally.

### **US Acquisitions: DUSA & URL Acquisitions to further strengthen US presence**

During the quarter, the DUSA acquisition achieved financial closure. DUSA is a dermatology company focused on developing and marketing its Levulan® (Aminolevulinic Acid HCl) photodynamic therapy platform.

During the quarter, Caraco Pharma, Sun Pharma's wholly-owned subsidiary, announced the acquisition of URL Pharma Inc.'s generic business in US. This deal has recently achieved financial closure. The non-Colcrys (Colchicine, USP) generic assets of URL Pharma will be owned and managed by Caraco.

### **Rest of World**

Formulation sales in rest of the world (ROW) markets outside of India and US accounted for \$ 73 million in Q3FY13 registering a growth of 31% (in \$ terms). ROW sales for the first nine months were \$ 208 million, also growing at 24% (in \$ terms). Excluding ex US Taro sales, underlying sales growth in \$ terms for Sun Pharma business in these markets was 58% for the third quarter and 45% for the first nine months.

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

API business continues to grow, and largely be used for vertical integration on key products. A cumulative of 232 DMF / CEP applications have been made, with 161 approved so far. External sales of API, accounting for a fraction of the total API production, reached Rs 209 crores in Q3FY13 registering a growth of 36% over Q3 last year. API sales were up 27% to Rs 585 crores for the first nine months.

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

Consolidated R&D expense for Q3 FY13 was Rs. 188 crores, at 6.6% of sales. For first nine months, R&D spend was Rs 473 crores, at 5.8% of sales.

In the third quarter, ANDAs for 8 products were filed while for the first nine months, ANDAs for 16 products have been filed with the US FDA. After counting these, and adjusting for filings that were dropped, cumulatively ANDAs for 403 products have been filed by Sun Pharma and Taro with the USFDA (as on December 31, 2012). ANDAs for 2 products received approvals in the third quarter while ANDAs for 11 products were approved for the first nine

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months. As of December 31, 2012, cumulative approvals stand at 261 while ANDAs for 142 products now await USFDA approval, including 17 tentative approvals. The recent acquisition of URL's generic business in US adds ANDAs for 107 products to our product basket.

The total number of patent applications submitted now stands at 655, with 308 patents granted so far.

### **Earnings Call (7pm IST, February 8, 2013)**

The Company will host an earnings call at 7pm IST on February 8, 2013, 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 3065 1212 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 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, nephrology, gastroenterology, orthopedics and ophthalmology. 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](http://www.sunpharma.com).

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