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Sun Pharma closes Able Labs acquisition in the US

Mumbai, December 23, 2005: Sun Pharma today announced it has successfully completed the purchase of dosage form manufacturing operations of Able Labs in the US for USD 23.15 million by its wholly owned subsidiary company, Sun Pharmaceutical Inc, Michigan. The US Bankruptcy Court of the District of New Jersey, Trenton, had accepted the Sun Pharma bid as the highest, earlier this year.

These assets include ownership and lease rights to manufacturing operations at two sites in New Jersey, with total 275,000 sq. ft. floor area, including special suites for the manufacture of controlled substances. The purchase also includes intellectual property for the products being marketed by Able until it was required by the USFDA to withdraw these earlier this year; as also products under approval. Sun Pharma will evaluate and revalidate these dossiers and resubmit selected products with the USFDA. These products, on launching, are expected to make a significant addition to the company's US generic business.

This is Sun Pharma's fourth acquisition in the US, the other three being the acquisition of Caraco in 1997, the acquisition of 2 brands from Women's First Healthcare in 2004, and the purchase of a dosage form plant at Bryan, Ohio earlier in September this year. Caraco's business was built from sales of USD 0.8 million in 1997 to over USD 60 million in 2004. Sun Pharma continues to evaluate further acquisition opportunities in the US.

Dilip Shanghvi, Sun Pharma's Chairman and Managing Director said, "The completion of the Able asset purchase significantly strengthens our ability to compete in the US generic space. This plant will allow for a quick product rollout, especially in the controlled substances space. We will be working for a turnaround as we did with Caraco."

About Sun Pharma

Sun Pharma (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) the speciality pharma company is ranked 6th among all Indian pharma companies with a 3.31 % market share (IMS -ORG Stockist Secondary Audit, October 2005). In the Indian market, the company is a leader in niche therapy areas of psychiatry, neurology, cardiology, diabetology, gastroenterology, orthopedics, with a rank among the top 3 companies (CMARC March - June 2005). More information about the company can be found at www.sunpharma.com.

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