

Sun Pharma shares FY 06 guidance

Mumbai, May 6, 2005: Sun Pharma shared guidance for different parts of the business, powered by strong growth in formulations, both in India and in international markets.

Sun Pharma expects Indian formulations sales, the largest part of its business to grow 18-20%, powered by strong growth across speciality therapy areas. Part of this growth would also be accounted for by sales that would have happened in the fourth quarter of the previous financial year but for the issues related to the implementation of VAT and destocking by the trade, which led to a slowdown in sales across the sector.

Export formulations, ie sales of speciality prescription brands to markets other than the US are likely to continue growing in excess of 40%. The same prescription pull based speciality strategy that has earned market leadership in India is being implemented in select markets.

Caraco, the US subsidiary, has earlier shared estimates of 15-20% topline growth for the year.

The sales of high value speciality bulk actives, including those of technically complex products like steroids, anticancers and peptides, is expected to grow 20-25% across India and international markets, with emphasis on regulated markets.

R&D spend is expected to be 10-11% of turnover, with innovation based long term projects in new molecules and novel delivery systems accounting for most of the expenditure.

Sun Pharma is ranked 5th among all Indian pharma companies with a 3.36 % market share and twice industry growth rate (IMS -ORG Retail Chemist Audit, March 2005). In India, the company is at ranked number 1 in psychiatry, neurology, cardiology, and amongst the top 4 in 7 more speciality therapy areas (CMARC Nov2004- Feb 2005).

Last year 250,000 sq ft of research floor area was added across 2 new sites, where a 400 person strong scientist team works on projects in drug discovery innovation as well as process and product development.

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