



PRESS RELEASE

Sun Pharma Q1 2006-07 Net Sales up 31%, Net Profit up 30 %

**Exports up 59%, R&D spend at Rs. 620million,12.1% of net sales
Demerger in progress**

Mumbai, July 26: Sun Pharmaceutical Industries Ltd., the speciality pharmaceutical company reported strong performance for the first quarter of 2006-07.

Consolidated Q1, April- June 2006 (figures of first quarter last year in brackets)

- Net sales at Rs.5116 million (Rs 3902 million) up 31%
- Net Profit is Rs.1767 million (Rs.1361 million), up 30%
- R&D spend at Rs. 620 million (Rs 313 million), up 98%

These results were taken on record by the Board of Directors at a meeting held in Mumbai on July 26, 2006.

According to Dilip Shanghvi, Chairman and Managing Director of the Company, "At the start of the year we continue to grow profit at a healthy pace while integrating recent acquisitions and increasing R&D investments. We've absorbed costs of the newly acquired facilities from which we will file for product approvals, and maintained overall profitability despite an increased level of costs. Continuing growth from India on one hand and making the most of these new international opportunities on the other, can transform the sales mix at Sun Pharma."

Consistent increase in market share

India formulations at Rs. 2918 million registered a growth of 16% over the first quarter of the previous year. Sun Pharma continues to grow at higher than market growth rate and has increased its market share to 3.31% (ORG IMS Stockist Secondary Audit May 2006). Across all marketing divisions, 16 key products were launched, 8 of which were based on own bulk actives.

US Generics

The Detroit based Caraco Pharma Labs recently announced Q1 sales of USD 24.8 million, up 41% from USD 17.6 million the same quarter last year, against an increasingly competitive landscape.

This performance has been achieved through growth in existing products, as well as new products like Ultracet, its first para 4 approval.

Between Sun Pharma and Caraco, till date 24 approvals have been received. Caraco currently has 15 ANDAs awaiting FDA approval while Sun Pharma has another 35 filings with the USFDA, making a total of 50 ANDAs awaiting approval including 10 tentative approvals.

Research and IP

The total number of patents submitted pending approval now stands at 344 in addition to 57 patents received. Plans to demerge innovative R&D have been approved by shareholders and the required legal and regulatory approvals are being sought. Projects related to new molecule and novel drug delivery

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system technologies continue to present strong growth opportunity. Our NCE is on track for US IND filing and we expect to take 2 NDDS projects to the next phase soon.

Consolidated R&D expense for the quarter was Rs.620 million (Rs.313 million) equivalent to 12.1% of net sales.

Financials on website

This press release and financials are available on the website.

Conference call

A conference call to discuss the numbers has been scheduled for 9 a.m. tomorrow, July 27. The dial in numbers for the call are (+91 22) 2781 2277 and (+91 22) 6791 7977. 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. The company is pursuing NCE and NDDS programs with the aim to bring products based on proprietary technology to market. More information about the company can be found at www.sunpharma.com.

Contact

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