

Sun Pharma to buy 3 US brands for \$5.4 mill Entry in brand market in North America

Mumbai, September 23, 2004: Sun Pharma, the speciality pharma company today announced it has reached an agreement for the purchase of three niche brands from the San Diego, US based Women's First Healthcare. (WFHC not listed). These brands had been offered for sale as a part of WFHC's Chapter 11 bankruptcy filing.

These brands are the synthetic antibacterial Bactrim™ (sulfamethoxazole with trimethoprim), the gynecological Ortho-Est® (estropipate), and the antimigraine preparation Midrin® (isometheptene, acetaminophen, dichloralphenazone). These brands have combined US annual sale of \$ 7.6 mill. (IMS; MAT December 2003 data)

In 2001, WFHC had acquired the US rights for Bactrim™ from Roche, ORTHO-EST® from Ortho- McNeil Pharmaceutical, and Midrin® from Elan for a total of \$25.7 mill plus royalty payments. Sun Pharma has agreed to acquire the same rights for these products for the US market for a total \$5.4mill (without any royalty commitment).

Sun Pharma expects sales for some of these products to begin shortly, while some products have may larger inventory and it may take some time to commence sales.

Said Mr Dilip Shanghvi, CMD, "The acquisition of these US brands will help us understand brand promotion in the US at a low cost. In the past too, we have acquired assets at a low cost and created value. We are confident of unlocking the value that these brands offer."

Sun Pharma is ranked 5th among all Indian pharma companies with a 3.20 % market share (IMS -ORG Retail Chemist Audit, August 2004). The company has used a number of acquisition opportunities to propel growth in the last decade. Important among turnarounds were that of the Detroit based generic manufacturer Caraco Pharm labs (AMEX; CPD), with sales growing from \$2.3mill in 2000 to over \$45 mill in 2003. Sun Pharma holds a 63% stake in Caraco. Another formulations plant in Halol, India had been acquired in 1997; this plant now holds approvals from international regulatory authorities including the USFDA and UKMHRA.

Several turnarounds in the bulk active space have been accomplished, such as acquisition of a bulk active plant in Ahmednagar from Knoll Pharma, this plant is now USFDA approved with ISO 140001 and ISO 9002 certification.

In the domestic 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 2004).

The Company has recently implemented strong initiatives in research, with additional 250,000 sq ft of research floor area recently added, 2 R&D new sites, a 400 person strong scientist team, and commitments of \$15 mill to R&D for each of the next two years.

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