



For Immediate Release

Sun Pharma Augments Presence in Controlled Substances

Strengthens vertical integration, acquires US based registered narcotic API importer & producer

Mumbai, India: November 25, 2008: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUN PHARMA, BSE: 524715) today announced that its fully owned US subsidiary, Sun Pharmaceutical Industries, Inc., has acquired 100% ownership of Chattem Chemicals, Inc. (Chattem) from Elcat, Inc.. The terms of the transaction were not disclosed. The Company will apply to regulatory authorities for appropriate clearances, as required.

Chattem is registered with the US Drug Enforcement Administration (DEA) as a narcotic raw material importer. This import registration includes four controlled substance products listed in Schedule 2: methamphetamine, phenylacetone, raw opium and concentrate poppy straw. Additionally, it is also licensed by the DEA to manufacture Schedule 1 to 5 controlled substances. At its facility spread over 6.5 acres in Chattanooga, Tennessee, Chattem employees 60 people and manufactures a variety of active pharmaceutical ingredients (APIs) with a focus on controlled substances. For the year ending June 2008, Chattem is estimated to have sales of USD 26 million.

This is Sun Pharma's third acquisition of a controlled substance business. In 2005, Sun Pharma acquired a facility in Hungary authorized to make controlled substance APIs, starting from the initial stage, i.e. poppy farming. In the same year, the Company acquired a brand new manufacturing site in New Jersey, equipped with special suites for the manufacture of controlled substances finished dosages.

Dilip Shanghvi, Sun Pharma's Chairman & Managing Director said, "This acquisition reflects our strategic resolve to be a more active player in the pain management segment in the US."

About Sun Pharmaceutical Industries Ltd.

Established in 1983, listed since 1994 and headquartered in India, Sun Pharmaceutical Industries Ltd. (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, U.S. 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. More information about the company can be found at www.sunpharma.com.

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