TARO Pharmaceutical Industries Ltd

## Taro Completes $60 Million Non-Convertible Debt Offering

June 2, 2003

HAWTHORNE, N.Y., Jun 2, 2003 (BUSINESS WIRE) -- Taro Pharmaceutical Industries Ltd. (Nasdaq/NMS:TARO) today announced the completion of its previously announced offering of $60 million in long-term, non-convertible debt to certain banks and institutional investors in Israel.

Approximately $45 million of the debt issued in the offering carries a fixed annual interest rate of 6% and the balance bears a fluctuating annual interest rate of LIBOR + 2.25%. The principal amount and interest payments are in U.S. dollars. There will be five equal annual repayments of principal, between 2006-2010. Interest payments will be made semi-annually. The debt has an "AA" rating from Maalot, the Israeli affiliate of Standard & Poor's, based on the rating standard employed in Israel.

Of the $60 million, three major Israeli banks each invested $10 million in the offering. The remaining $30 million was oversubscribed and allocated to additional banks and institutional investors.

Taro plans to utilize the proceeds from the debt offering for capital investments, potential acquisitions and for general corporate purposes.

Taro is a multinational, science-based pharmaceutical company dedicated to meeting the needs of its customers through the discovery, development, manufacturing and marketing of the highest quality healthcare products.

Certain statements in this release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements that are not describing historical facts, such as comments describing what the Company or its officers "intend," "plan," or similar statements; and comments concerning Taro's expectations regarding raising capital or any future uses of debt. Although Taro believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. Factors that could cause actual results to differ include the continuance of any particular rating by Maalot or any other rating entity, industry and market conditions, slower than anticipated regulatory approval of new generic or proprietary products, other regulatory actions, slower than anticipated penetration of new markets, changes in the Company's financial position, the situation in the Middle East and other risks detailed from time to time in the Company's SEC reports, including its Form 20-F for 2002.

SOURCE: Taro Pharmaceutical Industries Ltd.

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