



RANBAXY

11 June 2008, Tokyo and New Delhi

Ranbaxy to bring in Daiichi Sankyo as Majority Partner Strategic Combination creates Innovator and Generic Pharma Powerhouse

Highlights

- *Complementary business combination*
- *Global reach covering mature and emerging markets*
- *Strong growth potential*
- *Cost competitiveness*

June 11, 2008 – Daiichi Sankyo Company, Limited (TSE: 4568.JP) (“Daiichi Sankyo”), one of the largest pharmaceutical companies in Japan, and Ranbaxy Laboratories Limited (NSE/BSE: Ranbaxy/500359) (“Ranbaxy”), among the top 10 generic companies in the world and India’s largest pharmaceutical company, today announced that a binding Share Purchase and Share Subscription Agreement (the “SPSSA”) was entered into between Daiichi Sankyo, Ranbaxy and the Singh family, the largest and controlling shareholders of Ranbaxy (the “Sellers”), pursuant to which Daiichi Sankyo will acquire the entire shareholding of the Sellers in Ranbaxy and further seek to acquire the majority of the voting capital of Ranbaxy at a price of Rs737 per share with the total transaction value expected to be between US\$3.4 to US\$4.6 billion (currency exchange rate: US\$1=Rs43). On the post closing basis, the transaction would value Ranbaxy at US\$8.5 billion.

Mr. Malvinder Singh will continue to lead the company as its CEO and Managing Director while additionally assuming the position of Chairman of the Board, upon closure.

Daiichi Sankyo and Ranbaxy believe this transaction will create significant long-term value for all stakeholders through:

- **A complementary business combination** that provides sustainable growth by diversification that spans the full spectrum of the pharmaceutical business;
- **An expanded global reach** that enables leading market positions in both mature and emerging markets with proprietary and non-proprietary products;
- **Strong growth potential** by effectively managing opportunities across the full pharmaceutical life-cycle; and
- **Cost competitiveness** by optimizing usage of R&D and manufacturing facilities of both companies, especially in India

"The proposed transaction is in line with our goal to be a Global Pharma Innovator and provides the opportunity to complement our strong presence in innovation with a new, strong presence in the fast growing business of non-proprietary pharmaceuticals" said Takashi Shoda, President & CEO of Daiichi Sankyo Company, Limited. "This complementary combination represents a perfect strategic

fit and delivers a considerable opportunity for the future growth of the new Daiichi Sankyo Group. While both companies will closely cooperate to explore how to fully optimize our growth opportunities, we will respect Ranbaxy's autonomy as a standalone company as well. We respect and believe in the management skill of Mr. Malvinder Mohan Singh and we are happy that we can invite him to be a member of the "Senior Global Management" of Daiichi Sankyo, while he continues to lead Ranbaxy as its CEO and Managing Director; additionally, upon closing he would assume the position of Chairman of the Board."

Mr. Malvinder Mohan Singh, CEO and Managing Director of Ranbaxy Laboratories Limited, said *"I am delighted to announce our association with Daiichi Sankyo, a leading research based pharmaceutical company that puts us on a new and much stronger platform to harness our capabilities in drug development, manufacturing and global reach. Together with our pool of scientific, technical and managerial resources & talent, we would enter a new orbit to chart a higher trajectory of sustainable growth in the medium and long term in the developed and emerging markets organically and inorganically. This is a significant milestone in our Mission of becoming a Research based International Pharmaceutical Company."*

The SPSSA has been unanimously approved by the Boards of Directors of both companies. Daiichi Sankyo is expected to acquire the majority equity stake in Ranbaxy by a combination of (i) purchase of shares held by the Sellers, (ii) preferential allotment of equity shares, (iii) an open offer to the public shareholders for 20% of Ranbaxy's shares, as per Indian regulations, and (iv) Daiichi Sankyo's exercise of a portion or all of the share warrants to be issued on a preferential basis. All the shares/warrants will be acquired/issued at a price of Rs737 per share.

This purchase price represents a premium of 53.5% to Ranbaxy's average daily closing price on the National Stock Exchange for the three months ending on June 10, 2008 and 31.4% to such closing price on June 10, 2008.

The closing of the transactions is subject to approval of shareholders of Ranbaxy and customary regulatory and statutory approvals. The acquisition is expected to be completed by the end of March, 2009. Upon completion of the transaction, Ranbaxy is expected to become a subsidiary of Daiichi Sankyo.

The deal will be financed through a mix of bank debt facilities and existing cash resources of Daiichi Sankyo.

It is anticipated that the transaction will be accretive to Daiichi Sankyo's EPS and Operating income before amortization of goodwill in the fiscal year ending March 31, 2010 (FY2009). EPS and Operating income after amortization of goodwill are expected to see an accretive effect in FY2010 and FY2009, respectively.

Nomura Securities Co., Ltd., the Japan headquartered investment bank, acted as the exclusive financial advisor, Jones Day as the legal advisor outside India, P&A Law Offices as the legal advisor in India, Mehta Partners LLC as the strategic business advisor and Ernst & Young as the accounting and tax advisor to Daiichi Sankyo.

Religare Capital Markets Limited, a wholly owned subsidiary of Religare Enterprises Limited, is the exclusive financial advisor to Ranbaxy and the Singh family. Vaish Associates are the legal advisors to Ranbaxy and the Singh family.

Joint Press Conference

Daiichi Sankyo and Ranbaxy will host a joint press conference to discuss the transaction as follows:

On June 11 at 1:30 pm in New Delhi (JST 5:00 pm)

On June 12 at 3:00 pm in Tokyo (IST 11:30 am)

About Daiichi Sankyo Company, Limited

Daiichi Sankyo Company, Limited, established in 2005 after the merger of two leading century-old Japanese pharmaceutical companies, is continuously generating innovative drugs that enrich the quality of life for patients around the world. The company uses its cumulative knowledge and expertise in the fields of cardiovascular disease, cancer, metabolic disorders, and infection as a foundation for developing an abundant product line-up and R&D pipeline. For more information, visit <www.daiichisankyo.com>

About Ranbaxy Laboratories Limited

Ranbaxy Laboratories Limited, India's largest pharmaceutical company, is an integrated, research based, international pharmaceutical company producing a wide range of quality, affordable generic medicines, trusted by healthcare professionals and patients across geographies. Ranbaxy's continued focus on R&D has resulted in several approvals in developed markets and significant progress in New Drug Discovery Research. The Company's foray into Novel Drug Delivery Systems has led to proprietary "platform technologies," resulting in a number of products under development. The Company is serving its customers in over 125 countries and has an expanding international portfolio of affiliates, joint ventures and alliances, ground operations in 49 countries and manufacturing operations in 11 countries.

Disclaimer

Statements contained in this press release regarding the benefits of the acquisition, the business outlook, the demand for the products and services, and all other statements in this release other than recitation of historical facts are forward-looking statements. Words such as "expect", "estimate", "project", "budget", "forecast", "anticipate", "intend", "plan", "may", "will", "could", "should", "believes", "predicts", "potential", "continue", and similar expressions are intended to identify such forward-looking statements. Forward-looking statements in this press release include, without limitation, forecasts of market growth, future revenues, benefits of the proposed acquisition, expectations that the acquisition will be accretive to the results, future expectations concerning growth of business, cost competitiveness and expansion of global reach following the acquisition, and other matters that involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from results expressed or implied by this press release. Such risk factors include, among others: difficulties encountered in integrating businesses; uncertainties as to the timing of the acquisition; approval of the preferential allotment/transaction by the shareholders of Ranbaxy; the satisfaction of the closing conditions to the transaction, including the receipt of regulatory approvals; whether certain market segments grow as anticipated; the competitive environment in the pharmaceutical industry and competitive responses to the proposed acquisition; and whether the companies can successfully develop new products and the degree to which these gain market acceptance. Actual results may differ materially from those contained in the forward-looking statements in this press release.

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