

Sun Pharma to delist Ranbaxy after merger

GLOBAL OUTREACH Drugs major integrating businesses; new entity to invest \$300 mn in R&D; Sun looks for more buys

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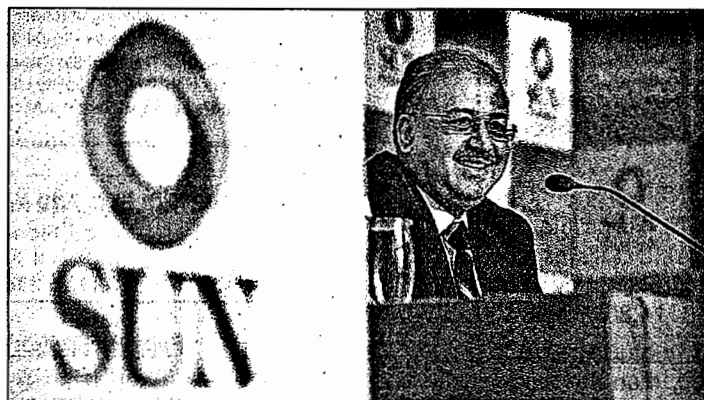
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MUMBAI: Dilip Shanghvi-promoted Sun Pharmaceutical Industries, which last year acquired Ranbaxy Laboratories for \$4 billion to become the world's fifth-largest pharma company, will seek to correct regulatory anomalies that continue to grapple Ranbaxy, while also raising investments in research to boost product pipeline.

After the merger, Japan's Daiichi Sankyo, which sold Ranbaxy to Sun Pharma, will become the second-largest shareholder in Sun Pharma. Following the closure, Ranbaxy will be delisted from the stock exchanges, and its shareholders will receive 0.8 share of Sun Pharma for each share held.

Shanghvi, who recently overtook Reliance Industries Ltd chairman Mukesh Ambani to become India's richest businessman, said his company would continue to look at acquisitions, and that Ranbaxy buy does not restrict Sun Pharma's plans.

"We will do whatever it takes



■ Sun Pharma MD Dilip Shanghvi at a conference in Mumbai on Wednesday.

PHOTO: REUTERS

to win back the confidence of regulators," Shanghvi said, referring to Ranbaxy's various run-ins with authorities, including the US Food and Drug Administration and other health regulators in Europe.

On his plans for the merged company, which will have combined sales of \$4.5 billion, and synergy benefits of \$250 million from the third year, Shanghvi said the company would invest \$300 million in research and development.

Sun Pharma also said it had begun the integration of Ranbaxy's business following the closure of the merger process that was initiated 10 months ago. The combined entity's products are sold in over 150 nations, with strong presence in the US, India, Asia, Europe, and other countries.

"The combined entity will enhance our dominance as a world leader in the specialty generics landscape," said Sun Pharma chairman Israel Makov.

Company