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Sun Pharma to acquire Ranbaxy

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Singapore: India based generics firm Sun Pharmaceutical Industries has announced to acquire Ranbaxy Laboratories through an all-stock transaction. Under the deal, Ranbaxy shareholders will receive 0.8 share of Sun Pharma for each share of Ranbaxy.

On a pro forma basis, the combined entity's revenues are estimated at USD 4.2 billion with EBITDA of USD1.2 billion for the twelve month period ended December 31, 2013. The transaction value implies a revenue multiple of 2.2 based on 12 months ended December 31, 2013.

The combination of Sun Pharma and Ranbaxy would create a specialty generics company with operations in 65 countries, 47 manufacturing facilities across 5 continents, and a significant platform of specialty and generic products marketed globally, including 629 ANDAs.

Mr. Dilip Shanghvi, Managing Director, Sun Pharma said, "Ranbaxy has a significant presence in the Indian pharma market and in the US where it offers a broad portfolio of ANDAs and first-to-file opportunities. In high-growth emerging markets, it provides a strong platform which is highly complementary to Sun Pharma's strengths. We see tremendous growth opportunities and are excited with the prospects to create lasting value for both our shareholders through a successful combination of our franchises."

"We believe this transaction brings significant value to all Ranbaxy shareholders. Sun Pharma has a proven track record of creating significant long-term shareholder value and successfully integrating acquisitions into its growing portfolio of assets. We are confident that Sun Pharma is the ideal partner to help us realize our full potential and are excited to participate in future value creation opportunities," stated Arun Sahwney, Managing Director and Chief Executive Officer of Ranbaxy.

The proposed transaction has been unanimously approved by the Boards of Directors of Sun Pharma, Ranbaxy, and Ranbaxy's controlling shareholder, Daiichi Sankyo. Ranbaxy's board and Sun Pharma's board have recommended approval of the transaction to their respective shareholders.