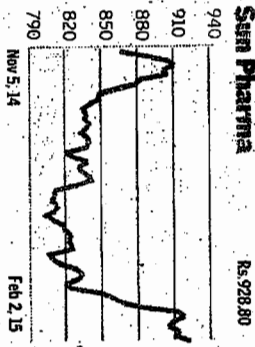


Sun-Ranbaxy merger deal gets US. FTC approval

Special Correspondent

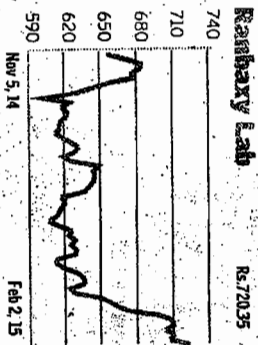
MUMBAI: In a significant step towards the completion of the acquisition of Ranbaxy Laboratories by Sun Pharmaceutical Industries, the U.S. Federal Trade Commission (FTC) has completed its review of the \$4-billion merger deal, and granted early termination of the waiting period under the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976.

A joint statement from Sun and Ranbaxy said: "the early termination of the waiting period under the HSR Act satisfies one of the essential conditions to the closing of the Ranbaxy acquisition." Last week, the U.S. FTC



complaint was that the proposed merger would likely harm future competition by reducing the number of suppliers in the U.S. market for three dosage strengths (50 mg, 75 mg and 100 mg) of generic minocycline tablets. Generic minocycline tablets are used to treat a range of bacterial infections including pneumonia, acne and urinary tract infections. The compa-

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nies also announced that the FTC accepted a proposed consent agreement pursuant to which, Sun Pharma and Ranbaxy have agreed to divest Ranbaxy's interests in generic minocycline tablets and capsules to an external third party. Accordingly, under the proposed settlement, Ranbaxy's generic minocycline capsule assets will be sold to Torrent Pharmaceuticals

that markets generic drugs in the U.S. "Sun Pharma and Ranbaxy are working closely towards completion of the transaction, and will comply with the conditions laid down in the FTC consent agreement within the specified time," the statement said. Once completed, the deal will create the world's fifth largest and India's largest pharmaceutical company

with operations spread over 65 countries and 47 manufacturing facilities across five continents.

In December last, the Competition Commission of India (CCI) had approved the acquisition of Ranbaxy by Sun Pharmaceuticals with the pre-condition that both companies divest seven products as it could impact competition in the domestic market.

The bourses rewarded both stocks following the news and on the BSE, both stocks scaled their yearly highs. Sun Pharma scaled to a 52-week high of Rs.942 before closing up 1.4 per cent at Rs.928.80. Ranbaxy too hit its yearly high of Rs.728, before closing up 2.37 per cent at Rs.720.35.

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