THE ECONOMIC TIMES, AUGUST 11, 2008

Announcement to the Shareholders of

Ranbaxy Laboratories Limited

[Registered office: A-11, Industrial Area, Sahibzada Ajit Singh Nagar, Mohali, Punjab 160 055, India]

This Announcement ('Announcement') is being issued by ICICI Securities Limited, (the 'Manager to the Offer') for and on behalf of Daiichi Sankyo Company, Limited ('Daiichi Sankyo' or the 'Acquirer') pursuant to Regulations 10 and 12 of and as required by under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended ('Regulations').

With reference to the Public Announcement published on June 16, 2008 (the 'PA') in The Economic Times, Navbharat Times and Punjabi Tribune whereby the Acquirer has made an open offer to the equity shareholders of Ranbaxy Laboratories Limited ('RLL' or the 'Target Company') to acquire up to 92,519,126 fully paid-up equity shares of face value Rs. 5/- each from the remaining shareholders (other than the parties to the Share Purchase and Share Subscription Agreement dated June 11, 2008) of RLL representing up to 20% of the Emerging Voting Capital of RLL and the Corrigendum to Public Announcement published on July 31, 2008 in The Economic Times, Navbharat Times and Punjabi Tribune, the shareholders are requested to note the following:

1. In terms of Regulation 18(1) of the Regulations, the draft Letter of Offer had been submitted to Securities and Exchange Board of India ('SEBI') on June 27, 2008. We have received the observations in terms of Regulation 18(2) of the Regulations from SEBI on August 4, 2008. Hence, the revised schedule of activities is as under:

Activity	Original Schedule	Revised schedule
1 Public Announcement Date	Monday, June 16, 2008	Monday, June 16, 2008
2 Specified date*	Friday, June 27, 2008	Friday, June 27, 2008
3 Last date for announcement of a competitive bid	Monday, July 7, 2008	Monday, July 7, 2008
4 Date of first Corrigendum to the Public Announcement	N/A	Thursday, July 31, 2008
5 Date of second Corrigendum to the Public Announcement	N/A	Monday, August 11, 2008
6 Date by which Letter of Offer will be dispatched to shareholders	Thursday, July 31, 2008	Monday, August 11, 2008
7 Offer Opening Date	Friday, August 8, 2008	Saturday, August 16, 2008
8 Last date for revising the Offer Price / number of Shares	Thursday, August 14, 2008	Friday, August 22, 2008
9 Last date for withdrawing acceptance from the Offer	Thursday, August 21, 2008	Thursday, August 28, 2008
10 Date of Closure of the Offer	Wednesday, August 27, 2008	Thursday, September 4, 2008
11 Date by which acceptance/ rejection under the Offer would be intimated and the corresponding payment for the acquired shares and/or the unaccepted shares/share certificates will be credited/ dispatched	Wednesday, September 10, 2008	Friday, September 19, 2008

** Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent and all owners (registered or unregistered) of the shares of the Target Company (except the Acquirer and the Sellers) are eligible to participate in the Offer anytime before the closure of the Offer.*

2. During the offer period, the Acquirer will not have any representation on the board of directors of the Target Company nor is there any person representing or having interest in Daiichi Sankyo Company, Limited who is entitled to be appointed on the Board of Directors during the offer period. Hence, the Acquirer will comply with provisions of Regulation 22(7) of the Regulations.

3. **Statutory Approvals for the Offer**

3.1 The Offer is subject to the Acquirer and, in the case of certain antitrust approvals, RLL obtaining the following approvals:

a. Approval of the Reserve Bank of India (the 'RBI') under the Foreign Exchange Management Act, 1999 and pursuant to the RBI's Master Circular No. 02/2008-09 dated July 1, 2008 ("Master Circular"). In terms of the Master Circular, any transaction (more particularly, instances of transfer of shares from residents to non-residents by way of sale) which attracts the provisions of the Regulations requires the prior approval of the RBI. The Acquirer has filed an application with the RBI for its approval for the transfer of the equity shares tendered pursuant to the Offer and for the acquisition of the Sale Shares and is currently awaiting the approval;

b. Approval of the Foreign Investment Promotion Board ('FIPB'), Department of Economic Affairs, Ministry of Finance, India for inter alia, acquisition and subscription of equity shares and warrants of the Target Company by the Acquirer as required by Press Note No. 1 (2005 Series) dated January 12, 2005 ("PN 1"). In terms of PN 1, a foreign investor having a joint venture or collaboration in India entered into prior to January 12, 2005 requires the prior approval of the FIPB for a new investment proposed to be made in the "same field" of activity as that of the existing joint venture. Accordingly, since the Acquirer holds 39.99% of the equity share capital of Uni-Sankyo Limited ("USL"), an Indo-Japanese pharmaceutical joint venture company, incorporated by the erstwhile Sankyo Company Limited on August 5, 1969 with Mr. Jay Soman and his relatives as the Indian partners and which later became part of the Acquirer pursuant to a joint share transfer by Daiichi Pharmaceutical Co., Ltd and Sankyo Company Limited, it constitutes an existing joint venture of the Acquirer for the purposes of PN 1. In addition, since the activities of both, the Target Company and USL fall in the "same field", the prior approval of the FIPB is required in terms of PN 1.

Accordingly, the Acquirer had filed an application with the FIPB, seeking its approval for the proposed transaction in terms of PN 1, which based on FIPB's press release dated August 4, 2008, has been granted by the FIPB. A formal approval letter of the FIPB is currently awaited.

c. Antitrust clearance is required to be obtained from the anti-trust authorities of the United States of America, the European Union, Taiwan, Ukraine and South Africa in respect of the Acquisition, the Subscription and the Offer. Notification for the clearance from each of the foregoing antitrust authorities were made because the Acquisition, the Subscription and the Offer meet the jurisdictional thresholds set forth in the applicable laws that require notification. As of the date of the Letter of Offer, the antitrust clearance in the United States of America and Taiwan has already been obtained.

4. **Board of directors of RLL**

4.1 On the completion of the purchase by the Acquirer of all of the Sale Shares or the completion of the Offer, whichever is later, the board of directors of the Target Company will be re-constituted such that it will consist of 10 members, of which a combination of 4 independent and non-independent directors (including Mr. Malvinder Mohan Singh) will be nominated by the Sellers and 6 independent and non-independent directors will be nominated by the Acquirer. Mr. Malvinder Mohan Singh will remain the Chief Executive Officer and Managing Director of RLL and will also become the Chairman of the Board of RLL. Subject to the provision of the applicable law and the Articles of Association of the Target Company, the Board of Directors of the Target Company may upon the completion of the purchase of the Sale Shares and the Offer, under the terms of the Share Purchase and Share Subscription Agreement dated June 11, 2008 ('SPSSA'), be reconstituted.

4.2 The appointment of a director, in the case of a public limited company, is governed by Section 255 of the Companies Act, 1956 (the "Act"). Under Section 255, the appointment of a director must be made by a company in a general meeting and is therefore subject to the vote of the shareholders. Furthermore, under Section 257 of the Act, a person who is not a retiring director, is (subject to the provisions of the Act) eligible for appointment to the office of director at any general meeting, if he or some member intending to propose him has provided the company with his candidature at the office of the company. Accordingly, any shareholder of RLL is entitled to nominate a person to the office of a director. However, such candidature is subject to the vote of the members of RLL and such other provisions as may be prescribed under the Articles of Association of RLL and applicable law.

4.3 As per the SPSSA, Daiichi Sankyo and the Sellers have agreed to grant each other the right to nominate certain persons, who in their opinion would represent the best interests of RLL and its shareholders, to the office of a director. However, any such nomination will at all times be subject to the provisions of the Act, the Articles of Association of RLL and the listing agreement. Notwithstanding the mechanism of nomination contemplated under SPSSA, it is eventually the shareholders of RLL who will appoint the directors of the Target Company. Hence, as mentioned above, the rights contained in SPSSA are limited to the right of nomination only. The appointment of any such nominated persons to the office of a director will, at all times, remain subject to the vote of the shareholders of RLL.

4.4 Daiichi Sankyo has, in the interest of the public shareholders and in order to ensure the independence of the management of RLL, agreed to the present arrangement as explained under clause in para 4.1 above.

5. **Andhra Pradesh High Court Matter**

5.1 Two separate writ petitions had been filed by certain shareholders of Zenotech Laboratories Limited ("Zenotech") before the Andhra Pradesh High Court (the "Court"). In the first petition (Writ Petition No. 15183/2008), the petitioner, Mr. Krishna G.T., made Union of India (represented by the Secretary of Finance), the SEBI, Daiichi Sankyo Group, RLL and Zenotech as the respondents. In the second petition (Writ Petition No. 15187/2008) the petitioner, Mr. Chennupati Tukaram, made the SEBI, the FIPB, Daiichi Sankyo Group, RLL and Zenotech as the respondents. In the first petition, the petitioner had approached the Court under Article 226 of the Constitution of India and sought an appropriate writ, order or direction more particularly in the nature of Writ of Mandamus declaring the inaction of SEBI in not restraining the Acquirer from in anyway acquiring, directly or indirectly an interest in Zenotech as being illegal, unjust, arbitrary, discriminatory and unconstitutional, being in violation of Articles 14,19(1)(g) and 300-A of the Constitution of India, and consequently to direct the respondents to put on hold the entire process until the Acquirer and RLL have followed the mandatory procedure vis-à-vis Zenotech.

5.2 In the second petition, the petitioner had alleged that the Acquirer is acting in concert with RLL to acquire the shares of the public shareholders in Zenotech and as such the acquisition is in contravention of applicable law. The petitioner had approached the Court under Article 226 of the Constitution of India requesting it to issue appropriate writ, direction or order especially in the nature of a Writ of Mandamus directing SEBI and the FIPB to conduct a detailed investigation and to take suitable actions against the Acquirer and RLL by barring the Acquirer's entry into the Indian capital market.

5.3 On July 15, 2008 the Court, while issuing notice thereon had directed that any entry by the Acquirer in the Indian capital market in respect of shares of Zenotech would be subject to further orders passed in the said petitions.

5.4 Subsequently, on July 30, 2008 the petitioners filed an application with the Court seeking its permission to withdraw the aforesaid petitions. The matter came up for hearing on July 31, 2008, wherein the Court accorded its permission to withdraw the aforesaid petitions. As a result, the matters were dismissed as withdrawn pursuant to the order of the Court dated July 31, 2008.

6. Based on the information provided by RLL, a motion was filed by the United States attorney's office in Maryland on July 3, 2008. The filing of the motion has resulted in intense media scrutiny of RLL and has also resulted in the announcement of an investigation of the Food and Drug Administration Authority. The motion and subsequent responses have also detailed an investigation of RLL by the United States attorney's office in Maryland which has not yet resulted in any litigation/charges. All documents responsive to the motion have been turned over to the Government on August 6, 2008. In anticipation, the motion has been ordered to be held in abeyance by the judge in charge. The impact, if any on the business of the Target Company in USA is currently indeterminate. The SPSSA is binding on each party thereof, in accordance with and subject to the terms and conditions contained therein and subject to all laws and regulations applicable to the transactions contemplated therein. In addition, to the current knowledge of the Acquirer, the proposed transaction(s) is not affected by the Motion filed against RLL by the Government of the United States of America on July 3, 2008 before the US District Court in the District of Maryland.

7. As per the provisions of clause 40A (iii) of the listing agreement with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, the Target Company is required to maintain at least 10% public shareholding for listing on a continuous basis. The public shareholding is not expected to fall below 10% of the share capital of the Target Company as a consequence of the Offer. The Target Company is covered under the said provision of clause 40A as it has more than 2 Crores equity shares (listed and outstanding) and it has a market capitalisation of more than Rs 1,000 Crores consistently since May 1, 2006.

8. Post the Acquisition, Offer (assuming the entire Offer size is tendered and accepted) and issue of Subscription Shares but before exercise of Warrants, the Acquirer will have a shareholding of 64.06% of the equity share capital of RLL (equity share capital as on the date of the PA dated June 14, 2008 and Subscription Shares). In the event, the Acquirer opts to exercise its right of conversion of the Warrants, the shareholding would increase to 65.99% of the equity share capital of RLL (equity share capital as on date of PA dated June 14, 2008 and Subscription). In the event, if the Warrants are exercised, the shareholding of the Acquirer would go up to 65.99% and in that event the Acquirer will comply with Regulation 11(2) of the Regulations.

The Acquirer accepts full responsibility for the information contained in this Announcement and its obligations under the Regulations.

The terms used but not defined in this Announcement shall have the same meaning as assigned in the PA published on June 16, 2008 and the Corrigendum issued on July 31, 2008. This Announcement will also be available on the SEBI website www.sebi.gov.in.

Issued by the Manager to the Offer For and on behalf of the Acquirer	Financial Advisor to the Acquirer
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Place: Mumbai
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