

Life.  
Research.  
Hope

We are committed to  
providing affordable and  
innovative medicines  
for healthier lives.



# Affordability

The high cost of many medicines puts them out of reach of the millions who need them. Our Generics business, supported by our Pharmaceutical Services & Active Ingredients business, provides high quality, lower-cost alternatives to expensive drugs, bringing hope and health to people around the globe.



# Innovation

Despite the great advances of medical science, there are still many diseases without a satisfactory treatment. Our Proprietary Products businesses work at providing solutions to some of these unmet medical needs through innovation in science, technology and processes.



# Gaining Strength Delivering Value



April 11, 2001, the symbolic bell rang and Dr. Reddy's became the first pharmaceutical company in the Asia-Pacific, outside Japan, to be listed on NYSE. It became the year's best performing GDR, and in the words of founder chairman Dr. Anji Reddy "gave us credibility as a company with a solid governance, and visibility with customers and employees".



Founded in 1984 by entrepreneur-scientist Dr. Anji Reddy with just \$40,000 in cash and a bank loan of \$120,000, Dr. Reddy's Laboratories had humble beginnings. But the appetite for growth and the desire to make a difference has made it the second largest pharmaceutical company from India today. We were the youngest among our peers to cross the \$1 billion mark, a testimony to the trust we have earned from our stakeholders.

Beginning as a bulk actives manufacturer, with a solitary drug in a single product facility near Hyderabad (India), we seized early opportunities for growth and expansion. After our first foray into international markets with the export of Methyldopa to West Germany in 1986, there has been no looking back. We rapidly moved up the value chain, entering the finished dosages business and expanding our footprint across several key global markets.

To address unmet medical needs through science and innovation, we initiated our drug discovery program in 1993. We were the first private pharmaceutical company in India to begin New Chemical Entity (NCE) research and the first from India to have a product in phase III of clinical development.



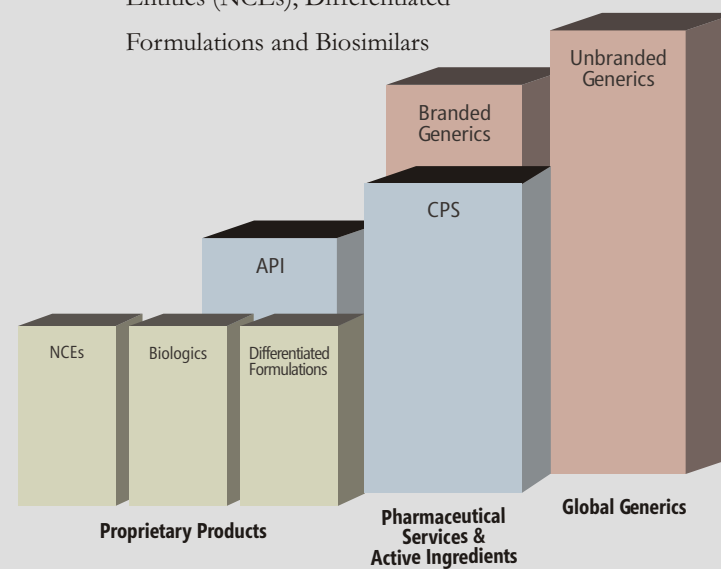
New markets, partnerships and alliances, strategic acquisitions and sustained capability enhancement have only made us stronger and more customer-centric.

We have been single-minded in our commitment to excellence. We have been benchmarking and always improving ourselves across various domains - people practices, manufacturing facilities, safety & environmental standards, governance norms- to be among the best in whatever we do.



We are now, a fully integrated global pharmaceutical company committed to providing affordable and innovative medicines through three core businesses:

- **Pharmaceutical Services and Active Ingredients:** Active Pharmaceutical Ingredients and Custom Pharmaceutical Services
- **Global Generics:** Branded and Unbranded Generics
- **Proprietary Products:** New Chemical Entities (NCEs), Differentiated Formulations and Biosimilars



# Building Capabilities Exceeding Expectations



## Deep Manufacturing Expertise

We have 16 world-class manufacturing facilities of which 9 have a long history of regular USFDA inspections. With an annual capacity of nine billion tablets/ capsules a year, dedicated to servicing the more regulated markets, one of our finished dosages facilities is among the largest in Asia. Our facilities are designed to respond to a wide range of technologies - oral solids, injectibles, topicals, inhalers, cytotoxic, hormonals and other dosage forms.

Likewise our API facilities offer lean manufacturing, adhere to stringent regulatory guidelines and continually drive cost competitiveness. Such manufacturing capabilities and our inherent expertise to navigate intellectual property road blocks make us a preferred partner for some of the world's leading pharmaceutical companies.



## Safety, Health and Environment (SHE)

Meeting the evolving standards to safety, occupational health and environmental

preservation is something that is a core corporate belief. Our SHE systems and programmes ensure the occupational safety and health norms of our associates at all our facilities. We are aggressively at work to support a better planet by incessantly reducing our carbon footprint. All our API plants have zero liquid discharge water recycling systems. We encourage the use of green chemistry and engineering principles in our product development.



## Globally Synchronized Supply Chain

We put the needs of our partners and customers first. Our globally synchronized supply chain and a comprehensive information technology platform help us assure customers of timely delivery and superior inventory turns. The uninterrupted success of our customers' business is our promise.

## Regulatory Performance

Over the years we have built an expertise in understanding the regulatory frameworks of the various countries in which we operate. This has given us a distinctive edge, for ourselves and our customers. We have built a successful track record of timely and extensive approvals. As an example, we are among the leaders in terms of DMFs and ANDAs in the US itself, with more than half of these being Para IV possibilities.



- We were the first India-based pharmaceutical company to:
  - Out-license an original molecule to an innovator company
  - Receive 180-day marketing exclusivity in the US for the launch of generic Prozac® 40mg
  - Enter an authorized generic deal for Zocor® and Proscar® by Merck
  - Enter a Global Phase III trial for our NCE, Balaglitazone
- We were the first manufacturing company from India to be Sarbanes-Oxley certified
- The world's first bio-similar monoclonal antibody Reditux™, came out of our laboratories
- The fastest Indian pharma company to cross \$1 billion in revenues

# Customer-centric Process-oriented Metrics-driven



“Leverage industry-leading science & technology, product offering, and customer service with execution excellence to provide affordable and innovative medicines for healthier lives.”

We believe that only when our stakeholders benefit, we benefit. We are committed to bringing better solutions to more patients at more affordable prices. This promise drives us to be innovative, cost-efficient and push for excellence in everything we think, say and do.

Our pursuit of excellence is reflected in our systems and processes; organizational design, infrastructure, people and work culture. We have, over the years, driven initiatives to improve manufacturing, purchase practices, supply chain management and sales process effectiveness. We have implemented the discipline of cross functional project management in product development, enhancing scale and reducing complexity.

Our Business Excellence Model helps sustain the robustness of process and information throughout our organization. We have also embraced lean principles in our operations, creating a culture of continuous improvement and efficiency. These enable us to effectively service new and diverse markets and deliver enhanced value to all our stakeholders.

We have an integrated operations and supply chain organization to ensure high availability, pull based replenishment of products at the retail level and superior inventory turns to our customers.

Furthermore, in branded generics markets, our prescription generation capabilities bring to patients the benefit of our large product portfolio.

## Portfolio

We are constantly at work, reviewing and upgrading the quality of our portfolio to ensure more of the patient pool has access to newer and more affordable medicines.

## Generics

- 34 product families marketed in the US
- 160 products marketed in EU
- 195 Branded Formulations marketed in the Rest of the World markets

## APIs

- 140 APIs in the market
- 20 products under development at any given point of time

Our dedicated Product Development teams bring in varied functional expertise to deliver, to the markets we serve, a wide portfolio, with assured speed and predictable quality, no matter how complex the science.



Our Integrated Product Development Organization housed in this 'green' building offers world class product development capability; creates significant value through its IP expertise and cost leadership breakthroughs.

# Pharmaceutical Services

## Deep Understanding Partner-of-choice



Through our PSAI business, which comprises the Active Pharmaceutical Ingredients (API) and Custom Pharmaceutical Services (CPS) businesses we offer IP advantaged, speedy product development, cost-effective and robust manufacturing services to our customers, both generic companies and innovators. This helps us make more medicines available to more patients around the world, quicker and more affordable.

We offer our customers:

- **A large and diverse product portfolio**
- **World class chemistry expertise**
- **Intellectual Property (IP) driven product development**
- **State-of-the-art infrastructure**
- **Eight FDA-inspected plants and three technology development centers**
- **Robust, large-scale manufacturing capabilities with seamless supply chain management**

### Active Pharmaceutical Ingredients

Our API business seeks to make our generics customers successful, early and always. At the outset, we enable them to be the first to launch a generic product by leveraging on IP strengths. Thereafter, we ensure them value added services that sustains their competitiveness and

# and Active Ingredients

profitability for the entire life cycle of the product. This customer-centric “first in, last out” approach and our wide product portfolio of more than 140 products, including niches like oncology and hormones, have made us the third ranked API player globally.

Our highly skilled API global team ensures that our customers gain the full benefits of timely product development and supply, in line with all regulatory and quality requirements. Our six USFDA approved plants in India, another in Mexico and a USFDA inspected plant in Mirfield, UK, gives us a significant 3300KL capacity.

## Custom Pharmaceutical Services

Our Custom Pharmaceutical Services (CPS) business serves several 'innovators', both Big Pharma and emerging biotech. Within a few years, we have become the largest CPS player from India and a partner-of-choice to innovators, offering top-end technical expertise and tailor-made pharma solutions.

Our acquisition of Roche's API manufacturing unit in Mexico added the capability to manufacture niche steroidal APIs. The acquisition of the Small Molecule business of Dow Pharma at its Mirfield and Cambridge sites in the UK has further strengthened our portfolio and

service offerings for our customers. We now also offer a pool of chiral technologies, including biocatalysis.

Our CPS business offers both speed and flexibility. We have the capability to supply both small-scale clinical trial quantities and commercial-scale requirements. Our end-to-end services and competitive pricing makes a compelling value proposition to our global 'innovator' customers.



Niche technology-led acquisitions have made us a one-stop shop for many customers. The API facility in Mexico, acquired from Roche, gives us niche steroidal API capacities. The two Dow Pharma sites in the UK (see above) give us chiral and biocatalysis expertise.

# Global

## Affordable Medicines Trusted Relationships



Through our global generics business we seek to serve the millions around the world who find access to medicines unaffordable. Even in high income countries, proprietary drugs are often prohibitively expensive, particularly for the growing numbers of the uninsured. Generic drugs, hence, undeniably hold great promise for the future. Growing acceptance of generics and favorable legislation in many countries, combined with the large volume of branded products losing patent protection over the coming years is expanding the generic pharmaceuticals market in an unprecedented way.

Our branded and unbranded generic products offer lower-cost alternatives to highly-priced innovator brands, both directly and through key partnerships.

Our effort spans the entire value chain - from process development of the API to submission of the finished dosage dossier to the regulatory agencies - offering high quality products at the right time and at competitive prices.

### Branded Generics

Our Branded Generics portfolio offers over 200 products in the major therapeutic areas of gastro-intestinal, cardiovascular, pain management, oncology, anti-infectives, paediatrics and dermatology. Brands like Omez, Ciprolet, Nise, Enam, Ketorol, Exifine and Cetrine enjoy leadership

# Generics

positions in several key markets, including India, Romania, Venezuela, Russia & the CIS countries.

Our 2,000 plus representatives, armed with technology enabled devices and supported by a well integrated back-end service deliver value to our customers on every call. Deep customer relationships, quality medicines and consistently delivered promise make us a trusted brand across the world.

## Unbranded Generics

In the unbranded generics space, we have capitalized on every opportunity to bring our high-quality products to more people around the world. A synchronized supply chain that leverages our strong product development capabilities, state-of-the-art manufacturing and vertical integration with our own APIs has created a creditable track record of successful “Day 1” launches, with significant market shares in all our key markets. Our transparent and strong relationships with pharmacy chains, insurance funds and other distributor networks help us deliver upon our promise to customers and patients globally.

Our generics offerings deliver quality at cost-effective prices in the highly regulated markets of the US, UK and Germany.

In the US, we rank among the top 12 generic companies, with 34 product families

being marketed and a large pipeline pending approval. In the UK, we have more than 30 products in the market. Our acquisition of betapharm, Germany's 5th largest generics company, further consolidated our presence in the European Union (EU), with 145 products in the market.



Our state-of-the-art facilities reflect international standards. We market over 250 finished dosages across various markets. Our six finished dosage manufacturing facilities in India and one in the US at Shreveport give us the 'high quality + low cost' advantage.

# Proprietary

## Exploring Science

## Innovating Solutions



Through our Proprietary Products business, we join the world in its search for solutions to unmet medical needs. Our Proprietary Products business comprises of New Chemical Entities (NCEs), Biosimilars and Differentiated Formulations. We are building world-class capabilities and partnerships to accelerate the discovery and development of new and improved therapies in select diseases.

### NCE Research

We were amongst the first pharmaceutical companies in India to commence NCE research in 1993. From being the first Indian pharmaceutical company to out-license an original molecule to an innovator company in 1997, today we are the only company from India with a product in a Global Phase III trial for our NCE--Balaglitazone.

We select areas of research based on the unmet needs and the treatment gaps. Our definition of the Target Product Profile is evolved based on strong differentiation and significant superiority over existing therapies. Our NCE research efforts are focused on metabolic diseases, anti-infectives and inflammatory diseases.

# Products

## Biologics

Biologics, or engineered proteins drawn from living forms, are now the fastest growing class of therapeutics. In many ways, the future of medicines lies in this niche space. We are at the forefront of this space and currently focussed on the development of biosimilars, the equivalent of a generic in the arena of biological medicines.

Our Biologics Development Centre has dedicated development and manufacturing suites for both E. coli & mammalian cell culture, conforming to the highest development standards of cGMP, GLP and other applicable bio-safety levels. We possess in-house process development, analytical development, IPM, pre-clinical and clinical development, all threaded seamlessly by a competent project management framework.

We developed our first biosimilar, Grafeel™ (generic Filgrastim), a cancer drug that stimulates bone marrow to replace white blood cells lost due to chemotherapy, entirely in-house, from the molecular biology phase up to commercial manufacturing. Soon after, we developed the world's first biosimilar monoclonal antibody, Reditux™, (generic Rituximab), that combats non-Hodgkins lymphoma.

Currently, with eight products in the pipeline, we are on our way to build one of the largest portfolios of biosimilars in the world.

## Promius Pharma™

Promius Pharma™, our wholly owned subsidiary, headquartered in New Jersey, US, develops and markets differentiated formulations for important dermatology indications. Our portfolio includes in-licensed and co-developed dermatological products and an internal pipeline of products under development that will provide better answers to the skin care needs of today and tomorrow. The launch of EpiCeram® Skin Barrier Emulsion used in the treatment of atopic dermatitis and Scytera™ for the treatment of chronic psoriasis marks the entry of our branded dermatology products into the US market. A well identified product portfolio and a highly committed team of field representatives promise differentiated and responsive service to healthcare professionals, patients, and the larger dermatology community in the US.



A scientist deeply engaged at the Discovery Research Center. Discovery Research focuses on early phase discovery of newly synthesized compounds for the treatment of diseases, such as metabolic disorders, anti-infectives and inflammation.

# Inspired People Breakthrough Performance



People make organizations. It is their talent and commitment that inspires creativity. We nurture an environment that attracts the best and gets them to deliver their best. We are today home to almost 11,000 associates the world over. We continually seek ways to make their work environment more engaging and empowering. Inspired people, we acknowledge, deliver breakthrough performance.

We recruit from some of the best technical and business schools, apart from top industry pedigree hiring; encourage talent to explore diverse experiences and opportunities through our internal job mart; we are a practicing meritocracy where talent alone counts. We have fast tracked many promising leaders to bigger and more complex responsibilities, creating crucibles of leadership development. We are committed to coaching and feedback across levels in our pursuit of excellence as a way of life. Our talent philosophy emphasizes our belief in continuous learning. Our various technical conclaves and seminars bring some of the best scientific minds to learn from. Our Leadership Academy and Summits actively support our continuous endeavour to foster best-in-class leadership. We encourage our associates to enhance their academic qualifications even as they work. That explains why we have numerous tie-ups with various leading schools and Universities for both technical and management courses.

We understand that the best minds need careful nurturing. Empowerment and care make us an experience worth aspiring for. Progressive human resources policies and practices have won us repeated prestigious external recognitions as one of the best places to work.

Diversity has been an agenda that we have pursued consciously to create a global and inclusive work place. Numerous countries are represented in our workforce. We remain committed to making ourselves a preferred destination for women, continually improving our programmes for this target group.

We are a listening organization. Various employee communication and interface platforms help our associates share their thoughts, ideas and even concerns. Town halls, skip level conversations, regular business updates from the leadership, employee satisfaction surveys and even blogging opportunities with the CEO allow for free expression. To us these are opportunities to continually improve the organization and remain a preferred choice of our customers and partners.

## Some of our Recent Awards:

- Economic Times Corporate Excellence Award - Best Corporate Citizenship, 2009
- Global HR Excellence Awards - Asia Pacific HR Congress, 2009
- Recruiting and Staffing Best in Class (RASBIC) Award & Employer Branding Award - World HRD Congress, 2009
- NASSCOM - CNBC IT User Award, 2008
- Golden Shield Award for Excellence in Financial Reporting - Institute of Chartered Accountants of India, 2008
- Reditux™ conferred the 'Product of the Year' -BioSpectrum, 2008
- Best Workplace in Biotech / Pharma Industry Sector - The Economic Times & Great Place to Work Institute, 2008



Our Leadership Academy seeks to prepare our leaders across levels to learn and build a world-class organization, trusted and respected.

# Respected Credentials

# Soaring Partnerships



We invite and pursue partnerships to develop and commercialize possibilities across the value chain, including co-developing NCEs, differentiated formulations, biosimilars, generics and active pharmaceutical ingredients.

We are an agile, integrated company with proven R&D and manufacturing capabilities, a robust marketing organization in key focus countries with regulatory and IP teams that support hundreds of active dossiers around the world.

## Partnerships for growth

We look for mutually meaningful collaborations and partnerships across the entire value chain. Our business development team is always co-exploring such opportunities with potential partners.

Our seamless, networked business development and alliance management system is a value added offering to our partners that differentiates us from peer companies. We strongly believe that successful partnerships depend on collaboration, transparency, mutual trust and respect. Our partnerships not surprisingly then are long-lasting and trusting relationships. Post-agreement, an alliance manager becomes the single point of contact with the partner, managing the relationship, championing the best interest of the partnership and ensuring that mutual expectations are met.

## Commercial Partnerships

We have a strong commercial presence in some of the largest and fastest growing pharmaceutical markets such as the US, UK, Germany, India, Russia, CIS, Romania and Venezuela. In all these markets, our strong product pipeline and customer focus have delivered successful product launches and increase in market share.

In the unbranded generic markets, we have built a broad customer base, including all major retailers, wholesalers/ distributors, pharmacy benefit managers, regional/non-warehousing chains and independents. We have successfully in-licensed, co-developed, and acquired products with various partners in the US.

In the branded space, our regulatory expertise, highly motivated and knowledgeable field force and large product portfolio have driven sales, market position and market share. We welcome opportunities to leverage our commercial organization to maximize the value of our partners' assets.

## Contract / Outsourcing Services

Our Custom Pharmaceutical Services (CPS) business is today a partner of choice for all the strategic outsourcing needs of innovators worldwide. With strengths in IP - advantaged product development & scale up, world-class manufacturing capability and a strong network of strategic partners, CPS provides integrated services to our partners, including extensive Chemistry & Process R&D expertise (including steroids, cytotoxic and hormonal APIs), cGMP compliant API & USFDA inspected finished dosages manufacturing.



We foster a culture of building fair and mutually beneficial winning collaborations. Our senior management is an active partner, ensuring quick decisions and resource mobilization.

# Sustainability Thinking Preserving the Planet

Sustainability is a multi-dimensional aspiration, which has its roots in the very purpose of our existence. Our business, by its very nature, serves a social good.

While sustainability thinking was always woven into the fabric of our organization, we formally declared our intent to institutionalize it in 2004. We annually publish our Sustainability Report with direction from the guidelines recommended by Global Report Initiative G3, covering social, ethical, economic, safety and environmental aspects of our business.

## Our Critical Dimensions



## Delivering Value:

With a presence across the entire pharmaceutical value chain, we seek to meet the needs of society for affordable and innovative medicines that meet the highest standards of quality and safety. By achieving consistent financial performance and profitability, we assure our own future and the success of our customers, investors & partners.



## An Employer of Choice:

We provide our people with an invigorating work environment, progressive

HR policies, two-way communication and opportunities for development.



## In Harmony with the World:

We have reduced our consumption of water and energy, achieved zero discharge of harmful effluents in all our plants, incorporated green building concepts in our facilities, and introduced principles of green chemistry and engineering in product development.



#### **Reducing our Ecological Footprint:**

We have consciously worked at reducing our carbon footprint for more than a decade now. We continually seek new and innovative ways of minimizing our impact on the environment. These efforts have resulted in declining consumption of finite resources (freshwater and energy), zero discharge of harmful effluents and responsible disposal of hazardous waste. Our strategic business partners (third party manufacturers) are also subjected to high environmental, safety and quality standards.



#### **Green Chemistry & Engineering:**

The use of resin-based technologies is one of the innovative ways that we have reduced solvent usage, solid waste generation and effluent generation. We have made considerable headway in the development of alternate catalysts to replace toxic and unsafe catalysts, thereby improving reaction efficiency and minimizing effluent generation.



#### **Green Buildings, a way of life:**

All our newer infrastructural projects strongly subscribe to our 'green' commitment. The Innovation Plaza, our R&D hub and the Leadership Academy have active and passive features to save on lighting, cooling and water. The design ensures that we maximize daylight, use energy efficient electric lighting, promote passive ventilation and use active sensors to optimize water use in lab and wash areas.



## Supporting Social Concerns

Through our Dr. Reddy's Foundation (DRF), we support innovative education and livelihood creation programs for underprivileged youth. DRF addresses the issue of employability through its Livelihood Advancement Business School (LABS) which trains low income or disadvantaged youth for entry level jobs in high growth sectors. The program, which has so far created more than 150,000 livelihoods, is much sought after by both corporates and public agencies.

The Foundation aims to improve the quality of primary education, reduce dropout rates and bring marginalized children into the mainstream. A new initiative, the Pudami Primary Schools, provides quality English medium education to low income children in Hyderabad through a network of

neighborhood schools, enhancing their prospects for higher education and the job market.

As good neighbours, we undertake health, education and development programs in the communities near our plants.



### **beta Institut:**

beta Institut, the not-for-profit partner of our German operation, betapharm, develops new projects and undertakes research in the area of social health, offering advanced training & consulting. The institute maintains betaCare, the most extensive information network on illness and social issues in Germany. beta Institut's innovative and far-reaching programs are considered leading examples of CSR in Germany and Europe.



#### **Dr. Reddy's Foundation For Health Education:**

Patient rights and well-being are an important concern for us. The desire to improve patient care and help create a more responsive, integrated healthcare service prompted us to establish the Dr. Reddy's Foundation for Health Education (DRFHE). DRFHE gives healthcare professionals and physicians' assistants the skills and training to provide value-added assistance to the medical fraternity. 'Life at Your Doorstep', a unique palliative care initiative of DRFHE offers pain & symptom management as well as counseling to terminally ill patients and their families.



#### **Sparsh: A Touch of Caring:**

Sparsh, which means 'touch' in several Indian languages, is what we have called our initiative to supply free medicine to the economically challenged. As an example, selected oncologists across India recommend such deserving patients. The scheme started with Glioz™, used in the treatment of brain tumors, supplied free to 100 persons for the duration of their treatment. Today our entire oncology range is included in this programme. Sparsh has already benefited over 1500 patients and is recognized as a truly innovative model, touching lives.



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