

RECKONER

A Business Snapshot

FY 2007-08

May 20, 2008

Business Highlights

- Revenues at Rs. 50 billion (\$1,250 million) in FY08 as against Rs. 65 billion (\$1,627 million) in FY07.
- EBITDA at Rs. 10 billion (\$243 million) in FY08 as against Rs. 16 billion (\$408 million) in FY07.
- PAT at Rs. 4.7 billion (\$117 million) in FY08 as against Rs. 9.3 billion (\$233 million) in FY07.
- Revenues in India (finished dosage) cross \$200 million in FY08.
 - Revenues increase by 16% to Rs. 8 billion (\$201 million) in FY08 from Rs. 7 billion (\$174 million) in FY07, driven by performance of key brands as well as new product launches.
 - Reditux, launched in April 2007 contributes Rs. 154 million in revenues.
 - Company ranked 10th in India. (Source: ORG IMS MAT Mar 08)
- Revenues in Russia (finished dosage) cross \$100 million in FY08.
 - Revenues increase by 13% (\$ growth rate of 22%) to Rs. 4.1 billion (\$102 million) in FY08 from Rs. 3.6 billion (\$90 million) in FY07 driven by growth in key brands as well as contribution from new product launches.
 - Company ranked among the fastest growing international branded generic companies in volume terms. (Source: Pharmexpert MAT Dec 07)
 - Improvement in market rank to 14th position (Source: Pharmexpert MQT Mar 08)
- In North America, revenues at Rs. 8 billion (\$201 million) in FY08 as against Rs. 23.6 billion in FY07.
 - Revenues increase by 39% (\$ growth rate of 49%) to Rs. 7.7 billion (\$193 million) excluding the benefit of upsides from authorized generics and ondansetron exclusivity in FY07 of Rs. 18.1 billion.
- Revenues from Germany (betapharm) at Rs. 8.2 billion (\$205 million) & EBITDA at \$27 million in FY08. YoY sales volume growth of 26%.
 - FY08 revenues reflect the impact of (a) higher rebates to insurance companies being deducted from revenues from FY08 onwards ; (b) pricing pressure ; (c) supply constraints for large part of the year.
 - Improvement in the supply situation in Q4 FY08 results in increase in market share of betapharm to 2.96% in Mar 08 as against 1.74% in April 07. (Source: Market Report NVI volume, March 2008)
- Revenues from organic segment of custom pharmaceuticals services business increase by 53% to Rs. 1.9 billion (\$47 million) in FY08 from Rs. 1.2 billion (\$31 million) in FY07.
- Revenues in API at Rs. 12 billion (\$295 million) in FY08. Growth across key markets offset by upsides from sertraline & rabeprazole in FY07.
- During the year, the Company launched 89 generic products and made 397 filings across all markets.

Financial Updates

All figures in millions, except EPS
All dollar figures based on convenience translation rate of USD = Rs 40.02

Audited USGAAP Income Statement for the year ended March 31, 2008

Particulars	FY08			FY07			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Total revenues	1,250	50,006	100	1,627	65,095	100	(23)
Cost of revenues	615	24,598	49	855	34,220	53	(28)
Gross profit	635	25,408	51	772	30,876	47	(18)
Selling, general & administrative expenses	379	15,175	30	351	14,051	22	8
R&D expenses ⁽¹⁾	88	3,533	7	62	2,463	4	43
Amortization expenses	40	1,615	3	39	1,571	2	3
Write-down of intangible assets	62	2,489	5	44	1,770	3	41
Impairment of Goodwill	2	90	0	-	-	-	
Foreign Exchange (Gain)/ Loss, net	(19)	(745)	(1)	(3)	(137)	(0)	445
Other operating (income)/expense net	(3)	107	(0)	(2)	(67)	(0)	59
Operating income/(loss)	84	3,358	7	280	11,224	17	(70)
Equity in (loss)/ income of affiliates, net	0	2	0	(2)	(63)	(0)	
Other income/(expense), net	1	30	0	(17)	(661)	(1)	
Income before income taxes and minority interest	85	3,390	7	262	10,500	16	(68)
Income tax (expense)/benefit	32	1,279	3	(29)	(1,177)	(2)	
Minority interest	0	9	0	0	3	0	147
Net income	117	4,678	9	233	9,327	14	(50)
DEPS	0.69	27.73		1.46	58.56		
Exchange rate		40.02			40.02		

Key Balance Sheet Items

	As on 31 Mar 08		As on 31 Mar 07	
Cash and cash equivalents	185	7,421	464	18,588
Investment in securities (current & non-current)	119	4,756	28	1,105
Borrowings from banks (Short + Long)	488	19,542	619	24,754
Accounts receivable, net of allowances	171	6,824	188	7,519
Inventories	278	11,133	189	7,546
Property, plant and equipment, net	419	16,765	311	12,428

1. Income recognition under Generics R&D partnership with ICICI Venture amounted to Rs. nil in FY08 compared to Rs. 453 million in FY07.

Reimbursement of expenses from Perlecan Pharma Private Limited of Rs. 90 million in FY08 as against Rs 373 million in FY07.

Income Statement Highlights

- Gross profit at Rs. 25.4 billion in FY08 as against Rs. 30.9 billion in FY07. Gross profit margins on total revenues at 51% as against 47% in FY07. In FY07 revenues from authorized generics contributed 22% to total revenues and earned gross margin significantly below company average gross margin.
- R&D investments (net) at 7% of total revenues in FY08 as against 4% in FY07. Gross R&D investments increase by 10% to Rs. 3.6 billion in FY08 as against Rs. 3.3 billion in FY07. During the year, the Company recognized Rs. 90 million under its R&D partnerships as a benefit to the R&D line item as compared to Rs. 826 million in FY07.
- Selling, General & Administration (SG&A) expenses increase by 8% to Rs. 15.2 billion in FY08 from Rs. 14.1 billion in FY07. The SG&A ratio to revenue is at 30% in FY08 as against 22% in FY07.
- Other income (net) at Rs. 30 million in FY08 as against other expenses (net) of Rs. 661 million in FY07. This is primarily on account of net interest expense of Rs. 378 million in FY08 as against net interest expense of Rs. 1,055 million in FY07.
- Write down of intangibles & goodwill amounting to Rs. 2.6 billion in FY08
- Amortization expenses are at Rs. 1.62 billion as compared to Rs. 1.57 billion in FY07. This largely relates to amortization of intangibles in betapharm, Spain (acquisition of products) and acquisition in Mexico.
- Net income at Rs. 4.7 billion (9% of total revenues) as against Rs. 9.3 billion (14% of total revenues) in FY07. This translates to a diluted EPS of Rs. 27.73 as against Rs. 58.56 in FY07.
- During FY08, the Company incurred capital expenditure (net) of Rs. 5.6 billion.

Revenue Mix by Geography

(in million)

	FY08 \$	FY08 INR	as a %	FY07 \$	FY07 INR	as a %	Growth %
India	261	10,450	21	229	9,179	14	14
North America	323	12,910	26	708	28,337	44	(54)
Russia	102	4,064	8	90	3,584	6	13
Europe	396	15,858	32	371	14,839	23	7
Others	168	6,724	13	229	9,157	14	(27)
TOTAL	1,250	50,006	100	1,627	65,095	100	(23)

Revenue Mix by Segment

(in million)

	FY08 \$	FY08 INR	as a %	FY07 \$	FY07 INR	as a %	Growth %
APIs	295	11,805	24	297	11,883	18	(1)
India	59	2,351	20	52	2,077	17	13
International	236	9,454	80	245	9,806	83	(4)
Branded Formulations	381	15,241	30	327	13,087	20	16
India	201	8,060	53	174	6,964	53	16
International	179	7,181	47	153	6,122	47	17
Generics	444	17,782	36	830	33,224	52	(46)
Custom Pharmaceutical Services	120	4,818	10	165	6,660	10	(27)
Others	9	361	0	8	302	0	20
Total	1,250	50,006	100	1,627	65,095	100	(23)

Active Pharmaceutical Ingredients (APIs)

- Revenues at Rs 11,805 million in FY08 as against Rs 11,883 million in FY07. Revenues in FY07 included the benefit of upsides in sertraline & rabeprazole.
- Revenues in North America increase by 88% to Rs. 3.8 billion in FY08 from Rs. 2 billion in FY07 primarily led by sales of certain development products & commercialized products.
- Revenues in Europe at Rs. 2.5 billion in FY08 as against Rs. 2.1 billion in FY07. YOY growth of 19% led by increase in sales of certain development products & commercialized products.
- Revenue mix by Geography: North America – 32%, India – 20%, Europe – 21%, ROW – 26%

Custom Pharmaceutical Services (CPS)

- Revenues from CPS business at Rs. 4.8 billion in FY08 as against Rs. 6.6 billion in FY07.
- Revenues from organic business increase from Rs. 1.2 billion in FY07 to Rs. 1.9 billion in FY08, driven by growth in customer base and product portfolio.
- Revenues from Mexico at Rs. 3 billion in FY08 as against Rs. 5.4 billion in FY07.

Global Generics*

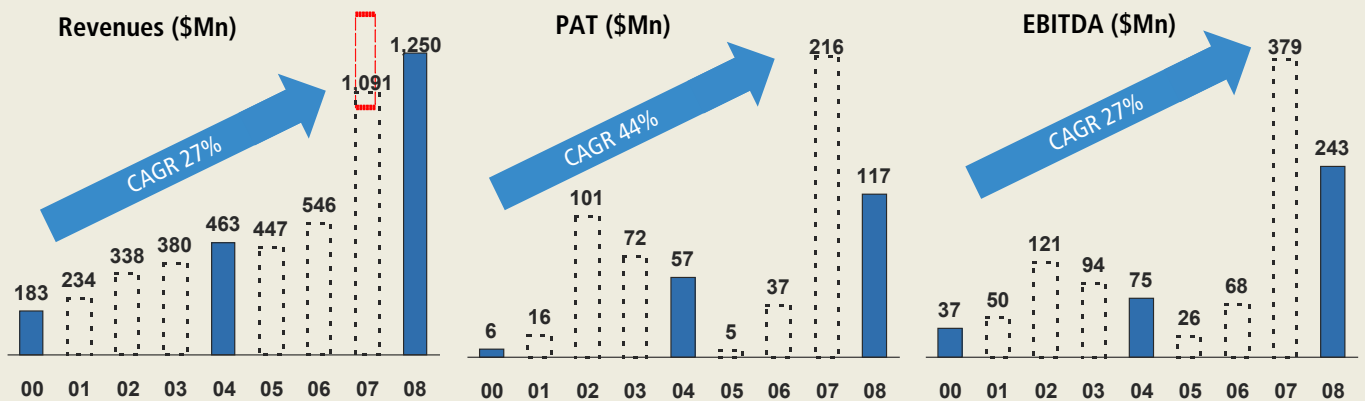
- Total revenues at Rs 33.02 billion in FY08 as against Rs. 46.36 billion in FY07 (included benefit of upsides from authorized generics and ondansetron exclusivity in FY07 of Rs. 18.1 billion).
- North America & Europe revenues at Rs 17.8 billion in FY08 as against Rs. 33.2 billion in FY07.
- North America revenues at Rs. 8 billion (\$201 million) in FY08.
- Europe revenues at Rs. 9.7 billion in FY08 as against Rs. 9.6 billion in FY07.
- Rest of the World revenues at Rs.15.2 billion in FY08.
- Revenues from betapharm (Germany) at Rs. 8.2 billion (\$ 205 million) in FY08 as against Rs. 8 billion in FY07.
- Improvement in the supply situation in Q4 FY08 and new product launches results in increase in market share of betapharm to 2.96% in Mar 08 as against 1.74% in Apr 07. (Source: Market Report NVI volume, March 2008).
- Revenues in Russia increase by 13% to Rs. 4.1 billion (\$ 102 million) in FY 08 as against Rs 3.6 billion in FY07. Growth driven by increase in sales from key brands like Keterol, Bion & Omez and new product launches.
- Revenues in India increase by 16% to Rs 8.1 billion (\$201 million) in FY08 from Rs 7 billion in FY07. Growth driven by key brands like Omez, Razo & Stamlo Beta.

* Branded Formulations + Generics

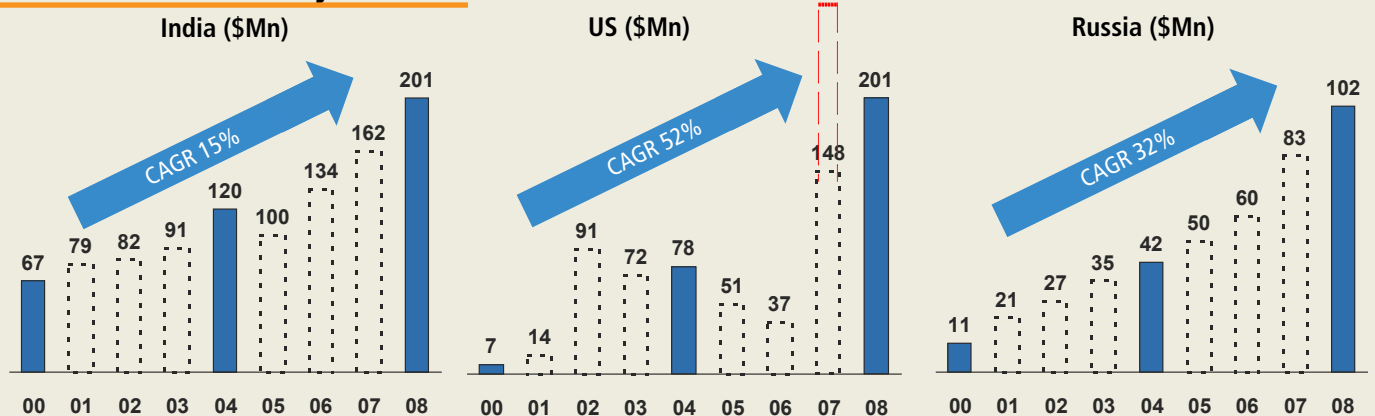
Building a Profitable & Sustainable Company

Driving sustainable long-term growth

Consolidated Performance



Global Generics: Key Markets



Upsides (\$Mn)

All figures converted at the respective years' convenience translation rates

- Revenues from four key markets - US, Germany, India and Russia at Rs. 28.42 billion.
- Three markets (US, Germany and India) of over \$200 million and one market (Russia) of over \$100 million in revenues.

Investing for the future

- Committing significant investments in infrastructure scale-up to address growth opportunities; FY08 capex of \$140 million
 - Phase I expansion of capacities for US/Europe market complete
 - New R&D center for API and Generics R&D commissioned
 - Future investments include biologics global manufacturing infrastructure, additional capacities for Global Generics
- Strategic acquisitions add new capabilities
 - US plant: Support scale-up of the North America Generics business; provides platform for additional growth opportunities
 - UK sites: New R&D capabilities in chemical/bio catalysis will help strengthen the portfolio of services in the CPS business

Manufacturing Bandwidth and R&D Capabilities

Active Pharmaceutical Ingredients

- 6 FDA-inspected plants in INDIA
- 1 Cytotoxic facility
- 1 FDA-inspected plant in Mexico
- 1 FDA-inspected plant in Mirfield, UK



Generic Product Development

- Integrated Product development Capabilities that includes API development, Formulations development and analytical development skills.
- One Integrated Product development facility in Hyderabad, INDIA.



Biologics

- Biologics development center
- GMP production
- E coli and mammalian cell platforms



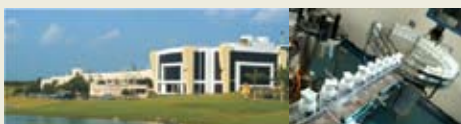
Custom Pharmaceutical Services

- 3 Technology development centers (2 in Hyderabad, INDIA; 1 in Cambridge, UK)



Finished Dosages

- 6 Formulation plants in INDIA (1 USFDA inspected)
- 1 USFDA inspected plant in USA



New Chemical Entities

- Discovery Research centers in Hyderabad, INDIA and Atlanta, USA
- Conducts research in the areas of diabetes, obesity, cardiovascular diseases, anti-infectives, and inflammation.



Manufacturing Bandwidth

R&D Capabilities

Quick Facts

Branded Formulations:

- 150 + Brands
- 7 National Best Sellers
- Presence in over 45+ countries
- Omez (Omeprazole): No. 1 in 14 countries
- Stamlo (Amlodipine): No. 1 in 10 countries
- Nise (Nimesulide): No. 1 in 9 countries
- Ciprolet (Ciprofloxacin): No. 1 in 5 countries
- Ketorol (Ketorolac): No. 1 in 4 countries
- Finast (Finasteride): No. 1 in 3 countries
- Enam (Enamapril): No. 1 in 2 countries
- Ranked No. 10 in INDIA (Source: ORG IMS MAT Mar, 08)
- Ranked 14th in Russia (Source: Pharmexpert MAT Mar, 08)



US Generics:

- 29 product families currently sold in US market
- 11 new products families launched in FY08
- Launched Private Label (Store Brand) OTC Ranitidine 150, Ranitidine 75, Cetirizine 10mg in FY08



Europe Generics:

- Operations in UK, Spain, Italy, Germany, Romania and Bulgaria
- Number of products sold:
Germany: 163, UK: 18, Spain: 13, Italy: 21



Biologics:

- Two products in the market
 - Grafeel (Generic Filgrastim or GCSF) was launched in 2001
 - Reditux (Generic Rituximab) is the world's first biosimilar monoclonal antibody. It was launched in 2007
- 8 products in the pipeline



Active Pharmaceutical Ingredients

- Portfolio of 100+ APIs
- Among the Top-5 players globally
- Sales to 100+ countries



Regulatory Filings:

- Total ANDAs filed till date: 122 out of which 35 are Para IVs and 23 FTF status
- 58 ANDA's pending approval targets innovator sales of \$ 78 billion (IMS Dec 2007)
- ANDA's filed in FY 07-08: 18 out of which 7 are Para IVs and 5 FTF status
- 127 USDMF filled till date.
- 23 USDMFs submitted in FY 2007-08
- 9 Canadian DMFs submitted in FY 2007-08
- 13 EDMFs submitted in FY 2007-08
- 11 ROW DMFs submitted in FY 2007-08



Acquisition Updates

Dr. Reddy's acquires Dowpharma Small Molecules business associated with Dow's Mirfield and Cambridge, UK Sites

Dr. Reddy's acquired a portion of The Dow Chemical Company's Small Molecules business associated with its United Kingdom sites in Mirfield and Cambridge. The site at Mirfield is a manufacturing facility whereas the one at Cambridge is an R&D facility.



The acquisition included the relevant business, customer contracts, associated products, process technology, intellectual property, trademarks as well as the transfer of the facilities at Mirfield and Cambridge in UK. The two sites and the business employ around 80 people.

Dr. Reddy's will also have a non-exclusive license to Dow's Pfenex Expression Technology™ for biocatalysis development. This acquisition will bring strengths in industrial synthesis of complex prostaglandins and carbohydrate chemistry. The proprietary chiral and biocatalysis technology at the Cambridge site and the scale up capability in the Mirfield site will add significant value to Dr. Reddy's existing R&D and commercial infrastructure and position it as a leading provider of Custom Pharmaceutical Services globally.

Dr. Reddy's Acquires BASF's Pharmaceutical Contract Manufacturing Business and related facility at Shreveport in the US

Dr. Reddy's acquired BASF's pharmaceutical contract manufacturing business and related facility in Shreveport, Louisiana, USA. This business involves the contract manufacturing of generic prescription and over-the-counter products for branded and generic companies in the US. It recorded revenues of US\$43 million for the year ended December 31, 2007.

The acquisition includes relevant business, customer contracts, related ANDAs and NDAs, trademarks, as well as the manufacturing facility and assets at Shreveport, Louisiana. It also included a tolling and supply agreement. The facility currently employs approximately 150 people and is designed to manufacture solid, semi-solid and liquid dosage forms.

The acquisition will help

Dr. Reddy's to strengthen its supply chain for North America and enable it to respond to local market needs as well as provide competitive solutions to its customers globally. It provides a profitable revenue base built on strong customer relationships with branded and generic companies. It also provides Dr. Reddy's with an additional platform to further expand its portfolio of prescription generics, OTC capabilities and product portfolio and the ability to supply generic products to US government agencies.



Dr. Reddy's acquires Jet Generici Srl. Acquisition establishes Generics business in Italy

Dr. Reddy's acquired Jet Generici Srl, a company engaged in the sale of generic finished dosages in Italy. The deal was completed via Dr. Reddy's Italian subsidiary, Reddy Pharma Italia SpA, which has been engaged in building a pipeline of registrations since its incorporation. The acquisition provides access to an essential product portfolio, a pipeline of registration applications, and a sales and marketing organization.

The acquisition helps Dr. Reddy's establish its business in the third largest pharmaceutical market in Europe.

Dr. Reddy's will be able to immediately supplement the Jet Generici portfolio via its own pipeline. Dr. Reddy's already has one significant product registration, and a strong pipeline of registration applications. This strategic investment will generate substantial opportunities for long-term value creation in one of the fastest growing generic markets of the world.

Recognitions

- Dr. K Anji Reddy wins 'The Lifetime Achievement Award' at the Pharma Excellence Awards 2007. Dr. Reddy's also wins awards for Sustained growth, Shareholder protection & CSR (May 2007).
- Business leader in the Pharmaceutical sector at the NDTV Profit Business Leadership Awards 2007 (July 2007)
- Dr. Reddy's CFO, Saumen Chakraborty conferred the Best Performing CFO in the Pharma Sector at the CNBC's CFO awards (November 2007)
- 'Best Corporate Social Responsibility Initiative' at the BSE Business for Social Responsibility Awards 2007. (December 2007)
- Golden Shield Award for Excellence in Financial Reporting by the Institute of Chartered Accountants of India (ICAI) (February 2008)
- 'Top Indian company in the Pharmaceuticals sector' at the Dun & Bradstreet American Express Corporate Awards 2007 (Feb 2008)
- RASBIC 2007-08 awards for the third time in a row at the Asia Pacific HRM Congress (Feb 2008)
- Amity Leadership Award for best HR practices in the Pharmaceutical Sector at the 4th HR Summit
- Among the 25 Best Employers in India in the Hewitt Associates - Economic Times survey for 2007
- Among the 10 Best Companies to work for in India as per the Business Today- - Mercer study for 2007



About people

- 9500+ Employees
- 35+ Nationalities
- 2000+ at International Locations
- 1500+ Research & Scientific Personnel



Key news Updates

Profit

"There are plenty of opportunities in emerging markets"



11
100
73
45
21

DRL's anti-diabetes drug set to roll out by 2011

Inks \$100-M Contract With AbbVie

These markets help sustain growth



Dr Reddy's, 7TM Pharma in drug discovery pact

Hyderabad, Dr Reddy's Laboratories (DRL) and 7TM Pharma have signed a drug discovery agreement for select drugs in the metabolic disorders space. Under the agreement, both the companies will collaborate to identify clinical candidates for selected targets. Both the parties will jointly develop these drugs.

Pharma industry facing more challenges now

Betting on biotech

DRL set for solo OTC foray in US

Gets Okay For Ranitidine (Zantac T)

Hyderabad: Dr Reddy's Laboratories (DRL) has received clearance from the US Food and Drug Administration (FDA) for its over-the-counter (OTC) foray into the US market with Ranitidine (Zantac T). The company has filed a New Drug Application (NDA) for Ranitidine (Zantac T) with the FDA. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The FDA has granted the NDA and sNDA for Ranitidine (Zantac T) for OTC use. The company is expected to launch Ranitidine (Zantac T) in the US market in the next few months.

DRL enters Philippines market

Our Business

AFTER moving the west, Dr Reddy's Laboratories is now on course to establish its stronghold in Asian markets. The Philippines is the first of its Asian countries to enter the market. The company has entered the Philippines market through a joint venture with a local partner. The joint venture is expected to launch Ranitidine (Zantac T) in the Philippines market in the next few months.

Dr Reddy's to scale up biologicals operation

Dr Reddy's Laboratories (DRL) is planning to scale up its biologicals operation. The company has received clearance from the FDA for its biologicals foray into the US market. The company has filed a New Drug Application (NDA) for its biologicals with the FDA. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The FDA has granted the NDA and sNDA for biologicals for OTC use. The company is expected to launch biologicals in the US market in the next few months.

DRL eyes biosimilar drug launch in Europe by 2010

Hyderabad: Dr Reddy's Laboratories (DRL) is planning to launch biosimilar drugs in the European market by 2010. The company has received clearance from the European Commission for its biosimilar drugs. The company has filed a New Drug Application (NDA) for its biosimilar drugs with the European Commission. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The European Commission has granted the NDA and sNDA for biosimilar drugs. The company is expected to launch biosimilar drugs in the European market in the next few months.

USFDA to work with drug firms

U.S. Health Secretary, FDA Commissioner visit Dr Reddy's Lab



The US Food and Drug Administration (FDA) Commissioner and the US Health Secretary visited Dr Reddy's Laboratories (DRL) in Hyderabad. The visit was aimed at strengthening the relationship between the FDA and drug firms. The FDA Commissioner and the US Health Secretary discussed the FDA's plans to work with drug firms to improve the drug development process. The FDA Commissioner and the US Health Secretary also discussed the FDA's plans to launch a new initiative to support drug firms in the development of new drugs. The FDA Commissioner and the US Health Secretary also discussed the FDA's plans to launch a new initiative to support drug firms in the development of new drugs.

The brand value will remain, irrespective of who runs the firm

Dr Reddy's Laboratories (DRL) is confident that the brand value of its products will remain, irrespective of who runs the firm. The company has received clearance from the FDA for its products. The company has filed a New Drug Application (NDA) for its products with the FDA. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The FDA has granted the NDA and sNDA for its products. The company is expected to launch its products in the US market in the next few months.

Dr Reddy's buys BASF's biz in US

Hyderabad: Dr Reddy's Laboratories (DRL) has acquired BASF's pharmaceutical business in the US. The acquisition is expected to strengthen DRL's presence in the US market. The company has received clearance from the FDA for its products. The company has filed a New Drug Application (NDA) for its products with the FDA. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The FDA has granted the NDA and sNDA for its products. The company is expected to launch its products in the US market in the next few months.

DRL to foray into Japan via JV

Hyderabad: Dr Reddy's Laboratories (DRL) is planning to foray into the Japanese market via a joint venture. The company has received clearance from the Japanese government for its products. The company has filed a New Drug Application (NDA) for its products with the Japanese government. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The Japanese government has granted the NDA and sNDA for its products. The company is expected to launch its products in the Japanese market in the next few months.

Dr Reddy's launches Supanac

Dr Reddy's Laboratories (DRL) has launched Supanac, a new painkiller. The company has received clearance from the FDA for Supanac. The company has filed a New Drug Application (NDA) for Supanac with the FDA. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The FDA has granted the NDA and sNDA for Supanac. The company is expected to launch Supanac in the US market in the next few months.

Dr. Reddy's in News

BusinessWeek: Dr. Reddy's Mode of Discovery



The Indian entrepreneur's (DRL) explains the company's new drug discovery process, and its focus on emerging markets. The company has received clearance from the FDA for its products. The company has filed a New Drug Application (NDA) for its products with the FDA. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The FDA has granted the NDA and sNDA for its products. The company is expected to launch its products in the US market in the next few months.

Dr Reddy's new pill to revitalise betapharm

Multi-pronged strategy in place to ensure profits

G. Naga Srihar, Hyderabad, Oct. 26

Stung by the impact of its German subsidiary, beta-pharm's, sales, Dr Reddy's Laboratories Ltd is now busy preparing a pill to return beta-pharm to the pink of health. The stated reason for the Hyderabad-based company's poor show in the second quarter of current fiscal with 17 per cent and 5 per cent dip in revenue and net profit respectively to maintain schedules. "We are adopting a multi-pronged strategy to put beta-pharm back on track," Mr Reddy told Business Line here. Shifting key product manufacturing to India, adopting different cost structures and ensuring steady supplies from other suppliers would be part of the strategy, he explained. About 20 products had been transferred out of beta-pharm to improve its sales in Germany which led to its 190 crore in the second quarter of current fiscal from Rs 240 crore in the corresponding period of last fiscal through strengthening its competitive cost position and leveraging relationships with insurance companies by entering into rebate contracts and securing tenders. "We have started participating in major tenders. The focus is on driving demand through re-

Dr Reddy's acquires Jet Generici of Italy

To provide access to generic finished dosages

Dr Reddy's Laboratories (DRL) has acquired Jet Generici of Italy. The acquisition is expected to strengthen DRL's presence in the European market. The company has received clearance from the European Commission for its products. The company has filed a New Drug Application (NDA) for its products with the European Commission. The NDA is for a 150mg tablet formulation. The company has also filed a Supplemental New Drug Application (sNDA) for a 75mg tablet formulation. The European Commission has granted the NDA and sNDA for its products. The company is expected to launch its products in the European market in the next few months.

Press Releases in FY08

April 17, 2007: Dr. Reddy's is the First Participant in United States Pharmacopoeia's New Pharmaceutical Ingredient Verification Programme

April 25, 2007: Dr. Reddy's announces the launch of Zolpidem Tartrate tablets

April 30, 2007: Dr. Reddy's launches Reditux™ - Monoclonal Antibody Treatment for Non-Hodgkin's Lymphoma

April 30, 2007: Dr. Reddy's announces new R&D Chief

May 18, 2007: Dr. Reddy's FY07 revenue at Rs. 65,095 million (US\$ 1.5 billion); Net income at Rs. 9,327 million (US\$ 216 million)

June 08, 2007: Dr. Reddy's enters the Dermatology topical steroid market with the launch of 'Ultravex™' - (Halobetasol)

June 15, 2007: Dr. Reddy's commences operations in Nigeria

July 10, 2007: Dr. Reddy's launches Glimy MP 1 and Glimy MP2. Triple drug combination ideal to address the triple defects in diabetes

July 23, 2007: Dr. Reddy's Q1 FY08 revenue at Rs 12,018 million; Net income at Rs 1,825 million

August 01, 2007: Rheoscience and Dr. Reddy's commence the first Phase III trial of Balaglitazone (DRF 2593)

September 05, 2007: Dr. Reddy's enters the Dermatology topical anti-fungal market with the launch of 'Ebernet™' - (Eberconazole)

September 13, 2007: Dr. Reddy's receives USFDA approval for Ranitidine (Zantac™) Tablets, 150mg (OTC)

September 28, 2007: Dr. Reddy's commences operations in Philippines. Expands presence in the ASEAN region

October 24, 2007: Dr. Reddy's Q2 FY08 revenue at Rs 12,670 million; Net income at Rs 2,672 million

November 26, 2007: Argenta Discovery and Dr. Reddy's progress pre-clinical anti-inflammatory candidate to treat chronic respiratory disease

November 26, 2007: SYGNIS AG and Dr. Reddy's sign exclusive supply collaboration for AX200 in stroke

January 16, 2008: Dr. Reddy's launches Supanac® - (Diclofenac potassium)

January 21, 2008: Dr. Reddy's announces settlement of Exelon® (rivastigmine tartrate) ANDA litigation with Novartis

January 25, 2008: Dr. Reddy's Q3 FY08 Revenue at Rs 12,320 million; EBITDA at Rs 2,037 million

February 08, 2008: Dr. Reddy's Announces Collaboration with SkyePharma for New Product utilizing two of SkyePharma's proprietary drug delivery systems

March 10, 2008: Dr. Reddy's enters into drug discovery collaboration with 7TM Pharma on selected drug targets

About Dr. Reddy's Laboratories Ltd.

At Dr. Reddy's, our aim is to help people lead healthier lives through two parallel objectives: delivering affordable and accessible medication to all parts of the world; and discovering, developing and commercializing innovative medicines that satisfy unmet medical needs.

Headquartered in India, we are a global pharmaceutical company with a presence in more than 100 countries. We have wholly-owned subsidiaries in the US, UK, Russia, Germany and Brazil; joint ventures in China, South Africa and Australia; representative offices in 16 countries; and third-party distribution set ups in 21 countries. Dr. Reddy's is the first pharmaceutical company in Asia outside of Japan to be listed on the NYSE.

Our strong portfolio of businesses, geographies and products gives us an edge in an increasingly competitive global market and allows us to provide affordable medication to people across the world, regardless of geographic and socio-economic barriers.

Safe Harbor

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects" and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India
- The ability to successfully implement our strategy, our research and development efforts, growth and expansion plans and technological changes
- Changes in the value of the Rupee and other currency changes
- Changes in the Indian and international interest rates
- Allocations of funds by the Government
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry
- Changes in political conditions in India

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement.

We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

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