J.P. Morgan Annual Healthcare Conference 2017

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Safe Harbor Statement

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 and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & 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 Governments in our key global markets;
- 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; and
- Changes in political conditions in India and in our key global markets.

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.

For more detailed information on the risks and uncertainties associated with the Company’s business activities, please see the Company’s Form 20-F for the fiscal year ended March 31, 2016, and Form 6-K for the quarters ended September 30, 2015, December 31, 2015 June 30, 2016, and September 30, 2016 and its other filings with the Securities and Exchange Commission. 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.
## Contents

- Company Purpose
- Update on US FDA Matter
- Sustainable Performance over Five Years
- Growth Roadmap
- Optimistic Future
Our Purpose

We accelerate access to affordable and innovative medicines

Because

Good Health Can’t Wait.
Our Purpose Guides Our Customer Value Proposition Leading to Specific Strategic Choices

**PURPOSE**

We accelerate access to affordable medicines because Good Health Can’t Wait.

**OUR STRATEGIC CHOICES**

- First-to-market, tough-to-make products
- Differentiated formulations for unmet medical needs
- Value-added services for patients and customers
- Reliable & flexible supply chain

**OUR PROMISES**

- Bringing expensive medicine within reach
- Addressing unmet patient needs
- Helping patients manage disease better
- Enabling and helping our partners ensure our medicines are available where needed
Update on ongoing FDA matters

All the commitments as part of Warning Letter response have been completed

Independent product quality assessments performed by Lachman Consulting Services

Re-audit has been scheduled for Q1 of 2017*

*Assuming no unexpected changes in the current schedule
SUSTAINABLE PERFORMANCE
OVER FIVE YEARS
## Sustainable Revenue Growth Over Last 5 Years

### REVENUES (Rs Cr)

<table>
<thead>
<tr>
<th>FY</th>
<th>Revenue (Rs Cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>9,674</td>
</tr>
<tr>
<td>FY13</td>
<td>11,627</td>
</tr>
<tr>
<td>FY14</td>
<td>13,217</td>
</tr>
<tr>
<td>FY15</td>
<td>14,819</td>
</tr>
<tr>
<td>FY16</td>
<td>15,471</td>
</tr>
</tbody>
</table>

+10% Revenue growth over the last 5 years.

### REVENUE CONTRIBUTION across Geographies - FY16 (%)

- **North America**: 53%
- **India**: 15%
- **Russia & Other CIS**: 11%
- **Europe**: 11%
- **Rest of the World**: 9%

All figures converted at respective periods’ convenience translation rates (as reported in our Form 20-F).
2016 Highlights

1. North America: Steady base business despite headwinds of pricing pressures and limited launches; Acquisition of Teva and Ducere Portfolio

2. India: Despite price controls, business has delivered robust growth accelerated by successful UCB Integration and Amgen deal expansion

3. Russia: Strong underlying performance in base business enhanced by Ruble stabilization

4. Launched first 2 NDAs in US through our Proprietary Products Business Unit- ZEMBRACE™ SymTouch™ and Sernivo™

5. Institutionalizing our renewed comprehensive Quality Management System across the Global manufacturing network
Growth Roadmap
Robustly positioned to drive long-term profitable growth through diversified business model

- **Proprietary products**
- **Globalized R&D & Integrated Manufacturing Network**
- **Unbranded Generics**
- **Branded Generics**
- **APIs / CPS**
- **Biologics**

- Pipeline of First-to-market, tough-to-make products
- Differentiated products and services
- Technology platforms to develop complex APIs
- Address unmet patient needs through innovative solutions
- Maximizing value in Emerging markets while pursuing global development
Well-positioned for long-term profitable growth

**Current**

- Strong and proven track record across our base businesses
- Focused efforts in accelerating the growth momentum
- Investing for long-term growth across all the core businesses

**FY18 - 21**

**NAG:**
- Complex Injectables, Patches/ Topicals
- OTC Brands

**India:**
- Ramp-up Biosimilars business through Internal & partnered assets

**EM:**
- Launch Reditux & presence in Hospitals
- Oncology portfolio in select geographies

**PP**
- First set of differentiated products based on bio pathway

**Biologics:**
- Maximize value of existing assets in Emerging Markets

**FY22-25**

**NAG:**
- 505 b2 Generics, C2s
- Non-substitutable Generics

**India:**
- Base business ramp-up
- Differentiated assets in relevant therapies

**EM:**
- Base business ramp-up
- Scale in new markets like China, Japan, Columbia

**PP**
- Highly differentiated assets get to market
- NCE pipeline kick-in

**Biologics:**
- Gain scale in Emerging markets
- Launch in developed markets
Globalized R&D leverages Global Talent to address our complex scientific challenges

Complex Chemistry Centre of Excellence
Cambridge, UK

Complex Generics & Proprietary Products
Princeton, NJ, USA

Complex Injectable Centre of Excellence
Leiden, Netherlands

Product Development Centres
Hyderabad & Bangalore

Aurigene Discovery Technologies Ltd
Bangalore

Canada
USA
UK
Germany
Italy

External partners
**STRATEGIC FOCUS**

**Investments in Product Portfolio & Partnerships**

- Build capabilities for Complex dosage forms
- Augment capacities for Oral Solids and Injectables
- Leverage the pipeline for EU and other unbranded markets

**Sharpening Go-to-market model**

- Outreach model for novel dosage forms in Non-traditional channels
- Build scale in branded OTC space

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**North America Generics:** Consistent growth driven by limited competition products

- Base Business has grown at 15% CAGR since FY12 (FY16 Gr:12%)
- Growth driven by limited competition assets
- Unique business model with presence across dosage forms, channels, and product mix
Healthy Pipeline of First-to-market, Tough-to-make Products

Bringing Expensive Medicines within Reach

PIPELINE HIGHLIGHTS

83 pending ANDAs & 2 pending NDAs (505b2s)

- No incl. 56 para-IV and 19 first to file products

Portfolio of products based on:

- Complex Characterization / Analytical chemistry
- Novel regulatory pathway
- Large & complex clinical / Bio-studies
- High technology barrier in development & manufacturing

Fast-following on potential OTC switches

NUMBER OF PENDING Gx FILINGS BY DOSAGE FORM

- OSD, 26
- Topical/Transdermal, 4
- Acq. ANDAs (Teva), 7
- Softgel/Ophthal, 4
- Complex Inj/Sterile, 17
- Inj, 10
- Complex OSD, 15
STRATEGIC FOCUS

Building differentiated portfolio of brands and services

- Portfolio augmentation and productivity improvement
- Step-up in Chronic and Super-specialty therapies
- Strategic business development and M&A efforts
- Differentiated assets in relevant therapies

India business: Robust growth driven by successful new business integration

- Business grew at 12% CAGR since FY12 (FY16 Gr:19%)
- Successful integration of UCB acquisition; Amgen Deal expansion
- Focused efforts on mega brands
- Improvement in new launch productivity
Russia Business: Fundamental demand for our brands continues to be strong with more stable Macro Economic Conditions

STRATEGIC FOCUS

- Strong revival in base business performance with ruble stabilization
- Established strong presence in Pain, G.I. and Anti-Infective therapies
- Top 5 brands rank #1 in their respective segments; 10 brands in the top 3

Building differentiated portfolio of brands and patient-centric services

- Focus on portfolio augmentation and productivity improvement
- Scale-up the OTC business
- Establish Biosimilar business with launch of Reditux
- Expand presence in Hospital channel through Biosimilars and Oncology Portfolio
**Biologics:** Maximizing value of current assets in near to mid-term while pursuing global development

**BIOLOGICS REVENUE HAS GROWN AT APPROX. 35% CAGR OVER THE LAST 10 YEARS**

1. **Grafeeel®**
   - **Pre-2006**
   - Dr. Reddy’s filgrastim launched; The 1st biosimilar filgrastim (G-CSF) in India

2. **Reditux®**
   - **2007**
   - Dr. Reddy’s rituximab launched in India; 1st biosimilar MAb in the world

3. **Cresp®**
   - **2010**
   - Dr. Reddy’s darbepoetin alfa was launched in India; The first biosimilar darbepoetin alfa in the world

4. **Peg-grafeel®**
   - **2011**
   - Dr. Reddy’s peg filgrastim launched; End-to-end development in-house (single source pegfilgrastim)

- **2012**
  - EM Clinical Studies for Trastuzumab and Bevacizumab

- **2014**
  - EU/US Clinical Program for Bevacizumab

- **2016**
  - EU/US Clinical programs for Rituximab and Peg-GCSF
**Biologics:** Creating substantial value in long term from new portfolio choices while driving R&D productivity

**FY20 Product Portfolio**
- 6 existing products; > 50 filings across 14 major countries
- 5 new products in clinical development
- 5 new products in early development

**FY20 Business Profile**
- Emerging Markets Revenue: $150Mn – $200Mn
- Developed Markets Profits/Royalties expected to Kick-in
- EBITDA margin post R&D: > 25 %

**FY25 Business Profile**
- Emerging Markets Revenue: $300Mn – $400Mn
- Developed Markets Profits: ~ $150 – 200Mn
- EBITDA margin post R&D: > 35 %
Proprietary Products: Aspiring to build $500 million business by FY22 through lower-risk innovation model

- Design robust patient-centric solutions
- Helping patients manage their disease
- Address unmet patient needs
- Ensuring that our medicines are available when needed

Dermatology Specialty Division
- Medical Dermatology Focus
- 7 Products Launched since 2008
- Supported by 60 Sales Reps in 6 Regions

Neurology Specialty Division
- Launched commercially in 2016
- Supported by 45 Sales Reps in 6 Regions

FDA Approval for Two NDAs ➔ Launched April and May 2016
ZEMBRACE™ SymTouch™ (Sumatriptan injection) 3 mg/ 0.5 mL
Sernivo™ (betamethasone dipropionate) Spray, 0.05%
OPTIMISTIC FUTURE
To Summarize: Top Line Growth with Healthy Profitability

1. Core business performance remains Strong

2. Growth levers are proven, vigorously executed and continue to deliver

3. Making Strategic investments for long term sustainable growth

4. Continue to explore Selective business Integration to augment Growth

Well-positioned for sustained profitable growth given our strong base business & proven capability in complex generics with strategic investments in R&D for Proprietary Products and Biologics.
Thank you for being here
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The company assumes no obligation to update any information contained herein.

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