

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2008

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.08	30.06.07	31.03.2008
		(Unaudited)	(Unaudited)	(Audited)
1	Sales / Income from operations (including Excise Duty)	109,131	74,290	338,649
	Less: Excise duty recovered on sales	1,206	1,560	5,583
	Net sales / income from operations	107,925	72,730	333,066
2	License fees and service income	987	1,429	6,322
3	Other income	2,941	5,985	19,080
4	Total income (1 + 2 + 3)	111,853	80,144	358,468
5	Total expenditure	81,833	58,807	282,840
a	(Increase)/ decrease in stock	158	(3,512)	(9,387)
b	Material consumed	39,586	28,956	137,601
c	Research and development expenses, net	8,469	6,802	32,192
d	Personnel costs	9,469	7,774	36,862
e	Selling expenses	10,723	8,999	37,842
f	Provision for decline in the value of long-term investments	-	-	1,332
g	Other expenditure	13,428	9,788	46,398
6	Profit from ordinary activities before interest, depreciation, amortisation and tax (4 - 5)	30,020	21,337	75,628
7	Interest	167	582	1,019
8	Profit from ordinary activities after interest, but before depreciation, amortisation and tax (6 - 7)	29,853	20,755	74,609
9	Depreciation and amortisation	4,543	3,496	16,199
10	Profit from ordinary activities before tax (8 - 9)	25,310	17,259	58,410
11	Provision for taxation			
	- Current tax	2,367	194	6,205
	- Fringe benefit tax	512	1,080	1,771
12	Deferred tax expense / (benefit)	1,426	1,416	2,912
13	Profit from ordinary activities after tax (10 - 11 - 12)	21,005	14,569	47,522
14	Extra-ordinary Items (Net of tax expense)	-	-	-
15	Net profit (13 - 14)	21,005	14,569	47,522
16	Paid - up equity share capital (face value Rs.5/- each)	8,415	8,402	8,409
17	Reserves (Excluding revaluation reserve)	-	-	472,772
18	Earnings per share for the period (in Rupees) per Rs.5/- share			
	a) Before Extra-ordinary items			
	- Basic	12.49	8.68	28.27
	- Diluted	12.40	8.62	28.09
	b) After Extra-ordinary items			
	- Basic	12.49	8.68	28.27
	- Diluted	12.40	8.62	28.09
		(Not annualised)	(Not annualised)	
19	Public share holding*			
	-Number of shares (Face value Rs.5/- each)	98,851,188	100,606,208	97,722,655
	-Percentage of share holding	58.74	59.87	58.11

*Public Share Holding as defined under Clause 40A of Listing Agreement (excludes shares held by Promoters, Promoter Group and American Depository Receipt Holders)

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2008

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.08	30.06.07	31.03.2008
		(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue, results and capital employed:			
	Segment revenue :			
	a) Pharmaceutical Services and Active Ingredients	51,400	33,713	180,271
	b) Global Generics	64,314	39,713	187,593
	c) Innovative Products	3	178	456
	Total	115,717	73,604	368,320
	Less: Inter segment revenue	5,890	4,601	29,637
	Add : Other unallocable Income	2,026	11,141	19,785
	Total income	111,853	80,144	358,468
2	Segment results :			
	Profit / (loss) before tax and interest from each segment			
	a) Pharmaceutical Services and Active Ingredients	14,228	6,014	34,653
	b) Global Generics	21,664	5,714	30,651
	c) Innovative Products	(1,994)	(2,379)	(8,970)
	Total	33,898	9,349	56,334
	Less: (i) Interest	167	582	1,019
	(ii) Other un-allocable expenditure	8,421	(8,492)	(3,095)
	Total profit before tax	25,310	17,259	58,410
3	Capital Employed:			
	a) Pharmaceutical Services and Active Ingredients	127,609	93,495	119,143
	b) Global Generics	150,801	115,397	129,564
	c) Innovative Products	3,265	2,248	3,991
	f) Others	219,016	238,831	228,482
	Total	500,691	449,971	481,180

Notes:

- 1 Pursuant to clause 41 of the listing agreement, the investor complaints received, disposed off and lying unresolved as on 30 June 2008 are given in the table below:

Nature of Complaints	Opening balance	Additions	Disposal	Closing
Non receipt of shares and dividend	Nil	21	20	1

- 2 In view of the change in organizational structure and management reporting to the Board of Directors and to the Chief Executive Officer, the Company has revised its structure of segments which were reported earlier. This change in segment disclosure is effective from 1 April 2008, and accordingly comparative figures of previous periods also have been reclassified.
- 3 The audited results have been taken on record by the Board of Directors of the Company at its meeting held on 21 July 2008.
- 4 The figures for the previous periods have been re-grouped/re-classified, wherever necessary, to conform with the current period classification.

By order of the Board
For Dr. Reddy's Laboratories Limited

Place: Hyderabad
Date: 21 July 2008

Satish Reddy
Managing Director & Chief Operating Officer

DR. REDDY'S LABORATORIES LIMITED
CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2008

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.2008	30.06.2007	31.03.2008
		(Unaudited)	(Unaudited)	(Audited)
1	Sales / Income from operations (including Excise duty and other similar duties and taxes) Less: Excise duty and other similar duties and taxes Net sales / income from operations	149,332 1,206 148,126	120,369 1,560 118,809	497,000 5,583 491,417
2	License fees and service income	1,742	1,087	7,751
3	Other income	4,893	5,353	20,377
4	Total Income (1+2+3)	154,761	125,249	519,545
5	Total Expenditure	128,259	93,961	415,279
a	(Increase) / decrease in stock	(9,058)	(2,202)	(23,088)
b	Material consumed	62,593	39,276	204,422
c	Research and development expenses, net	10,255	7,080	34,471
d	Personnel costs	23,997	17,262	73,106
e	Selling expenses	14,805	11,743	52,957
f	Other expenditure	25,667	20,802	73,411
6	Profit from ordinary activities before interest, depreciation, amortisation and tax (4 - 5)	26,502	31,288	104,266
7	Interest	2,255	3,390	9,583
8	Profit from ordinary activities after interest but before depreciation, amortisation and tax (6 - 7)	24,247	27,898	94,683
9	Depreciation and amortisation	11,800	9,356	40,186
10	Profit from ordinary activities before tax and minority interest (8-9)	12,447	18,542	54,497
11	Provision for taxation - Current tax - Fringe benefit tax	3,774 512	1,221 1,088	10,577 1,778
12	Deferred tax expense/(benefit)	(1,036)	(2,462)	(1,585)
13	Net profit from ordinary activities before minority interest (10 - 11 - 12)	9,197	18,695	43,727
14	Extra-ordinary items (Net of tax expense)	-	-	-
15	Net profit before minority interest (13 - 14)	9,197	18,695	43,727
16	Minority interest	-	28	86
17	Net Profit attributable to the shareholders of the parent	9,197	18,723	43,813
18	Paid - up equity share capital (Face value Rs.5/- each)	8,415	8,402	8,409
19	Reserves (excluding Revaluation Reserve)	-	-	441,280
20	Earnings per share for the period (in Rupees) per Rs.5/- share			
a)	Before Extra-ordinary items			
-	Basic	5.47	11.15	26.07
-	Diluted	5.43	11.07	25.90
b)	After Extra-ordinary items			
-	Basic	5.47	11.15	26.07
-	Diluted	5.43	11.07	25.90
		(Not Annualised)	(Not Annualised)	

Notes:

- The Company has consolidated the financial statements of the following companies and a partnership firm. OOO JV Reddy Biomed Limited, Reddy Pharmaceuticals Hong Kong Limited, Dr. Reddy's Laboratories Inc., Reddy Cheminor S.A., Reddy Antilles N.V., Dr. Reddy's Farmaceutica Do Brazil Ltda., Dr. Reddy's Laboratories (EU) Limited, Dr. Reddy's Laboratories (UK) Limited, Aurigene Discovery Technologies Limited, Aurigene Discovery Technologies Inc., Cheminor Investments Limited, DRL Investments Limited, Reddy Netherlands B.V., Reddy US Therapeutics Inc., Dr Reddy's Laboratories (Proprietary) Limited, OOO Dr Reddy's Laboratories Limited, Promius Pharma LLC (formerly Reddy Pharmaceutical Inc.), Dr Reddy's Bio-Sciences Limited, Trigenesis Therapeutics Inc., Industrias Quimicas Falcon De Mexico SA de CV, Lacock Holdings Limited, Reddy Holding GmbH, Betapharm Arzneimittel GmbH, Beta Healthcare Solutions GmbH, beta institut fur sozialmedizinische Forschung und Entwicklung GmbH, Dr. Reddy's Laboratories (Australia) Pty Ltd, Reddy Pharma Iberia SA, Reddy Pharma Italia SpA, Dr.Reddy's Laboratories SA, Eurobridge Consulting B.V, OOO DRS LLC, Affordable Healthcare Limited, Aurigene Discovery Technologies (Malaysia) Sdn Bhd, Dr. Reddy's Laboratories Louisiana LLC, Chirotech Technology Limited, Dr.Reddy's laboratories ILAC TICARET Limited SIRKETI, Jet Gen
- Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted for under the proportionate consolidation method in accordance with AS 27 - "Financial Reporting of Interests in Joint Ventures" issued by The Institute of Chartered Accountants of India (ICAI).
- The audited results have been taken on record by the Board of Directors of the Company at its meeting held on 21 July 2008.
- The figures for the previous period have been re-grouped/re-classified, wherever necessary, to conform with the current period classification.

Place: Hyderabad
Date: 21 July 2008

By order of the Board
For Dr. Reddy's Laboratories Limited

Satish Reddy
Managing Director & Chief Operating Officer