

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2008

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Half year ended		Year ended
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Sales / Income from operations (including Excise Duty)	93,691	86,782	202,822	161,072	338,649
	Less: Excise duty recovered on sales	1,448	1,702	2,654	3,262	5,583
	Net sales / income from operations	92,243	85,080	200,168	157,810	333,066
2	License fees and service income	591	2,179	1,578	3,608	6,322
3	Other operating income	1,113	729	1,957	1,217	3,970
4	Total income (1 + 2 + 3)	93,947	87,988	203,703	162,635	343,358
5	Total expenditure	83,801	77,653	170,178	139,956	299,039
a	(Increase)/ decrease in stock	(5,362)	(5,689)	(5,204)	(9,201)	(9,387)
b	Material consumed	39,660	39,479	79,247	68,435	137,601
c	Research and development expenses, net	8,831	9,044	17,300	15,846	32,192
d	Personnel costs	10,448	9,192	19,917	16,966	36,862
e	Selling expenses	9,943	9,039	20,666	18,038	37,842
f	Other expenditure	14,412	12,719	27,840	22,507	46,398
g	Depreciation and amortization	4,750	3,869	9,293	7,365	16,199
h	Provision for decline in the value of long-term investments	1,119	-	1,119	-	1,332
6	Profit from operations before other income and interest (4 - 5)	10,146	10,335	33,525	22,679	44,319
7	Other Income	1,571	4,456	3,668	9,953	15,110
8	Profit before interest (6 + 7)	11,717	14,791	37,193	32,632	59,429
9	Interest	404	182	571	764	1,019
10	Profit from ordinary activities before tax (8 - 9)	11,313	14,609	36,622	31,868	58,410
11	Provision for Income tax	2,212	2,109	6,517	4,799	10,888
12	Net Profit from ordinary activities after tax (10 - 11)	9,101	12,500	30,105	27,069	47,522
13	Extra-ordinary Items (Net of tax expense)	-	-	-	-	-
14	Net profit (12 - 13)	9,101	12,500	30,105	27,069	47,522
15	Paid - up equity share capital (face value Rs.5/- each)	8,420	8,405	8,420	8,405	8,409
16	Reserves (Excluding revaluation reserve)	-	-	-	-	472,772
17	Earnings per share for the period (in Rupees) per Rs.5/- share					
	a) Before Extra-ordinary items					
	- Basic	5.40	7.44	17.89	16.11	28.27
	- Diluted	5.37	7.38	17.77	16.00	28.09
	b) After Extra-ordinary items					
	- Basic	5.40	7.44	17.89	16.11	28.27
	- Diluted	5.37	7.38	17.77	16.00	28.09
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
18	Public share holding*					
	-Number of shares (Face value Rs.5/- each)	96,776,725	100,128,193	96,776,725	100,128,193	97,722,655
	-Percentage of share holding	57.47	59.57	57.47	59.57	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)

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UNAUDITED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2008

All amounts in Indian Rupees lakhs, except share data

Sl. No	PARTICULARS	Quarter ended		Half year ended		Year ended
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue, results and capital employed:					
	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	44,817	49,497	96,217	83,210	180,271
	b) Global Generics	55,851	46,001	120,165	85,714	187,593
	c) Innovative Products	2	114	5	292	456
	Total	100,670	95,612	216,387	169,216	368,320
	Less: Inter segment revenue	6,658	7,586	12,548	12,187	29,637
	Add : Other unallocable Income	1,506	4,418	3,532	15,559	19,785
	Total income	95,518	92,444	207,371	172,588	358,468
2	Segment results :					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	9,716	9,650	23,944	15,664	34,653
	b) Global Generics	14,458	7,585	36,122	13,299	30,651
	c) Innovative Products	(3,317)	(2,630)	(5,311)	(5,009)	(8,970)
	Total	20,857	14,605	54,755	23,954	56,334
	Less: (i) Interest	404	182	571	764	1,019
	(ii) Other un-allocable expenditure	9,140	(186)	17,562	(8,678)	(3,095)
	Total profit before tax	11,313	14,609	36,622	31,868	58,410
3	Capital Employed:					
	a) Pharmaceutical Services and Active Ingredients	149,056	123,306	149,056	123,306	119,143
	b) Global Generics	165,407	141,876	165,407	141,876	129,564
	c) Innovative Products	10,262	5,558	10,262	5,558	4,360
	d) Others	186,102	192,730	186,102	192,730	228,113
	Total	510,827	463,470	510,827	463,470	481,180

Notes:

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

Nature of Complaints	Opening balance	Additions	Disposal	Closing
Non receipt of shares, dividend & Annual Report	1	11	12	Nil

- 2 The company has purchased the equity holding of Citigroup Venture Capital International Mauritius Limited and ICICI Venture Funds Management Company Limited in Perlecan Pharma Private Limited. The Board of directors of the Company at their meeting held on 21 July 2008 had approved this purchase aggregating to USD 18 Million. Consequent to this Investment Perlecan Pharma Private Limited has become the subsidiary of the Company.
- 3 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.
- 4 The unaudited results have been taken on record by the Board of Directors of the Company at its meeting held on 23 October 2008.
- 5 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: 23 October 2008

Satish Reddy
Managing Director & Chief Operating Officer

DR. REDDY'S LABORATORIES LIMITED
CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2008

Sl. No.	PARTICULARS	All amounts in Indian Rupees lakhs, except share data				
		Quarter ended		Half year ended		Year ended
		30.09.2008 (Unaudited)	30.09.2007 (Unaudited)	30.09.2008 (Unaudited)	30.09.2007 (Unaudited)	31.03.2008 (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	159,042 1,448 157,594	127,272 1,702 125,570	308,374 2,654 305,720	248,106 3,262 244,844	497,000 5,583 491,417
2	License fees and service income	3,019	1,467	4,760	2,088	7,751
3	Other operating income	1,418	1,850	2,595	1,778	5,375
4	Total income (1 + 2 + 3)	162,031	128,887	313,075	248,710	504,543
5	Total expenditure	149,946	118,184	287,768	221,500	455,465
a	(Increase) / decrease in stock	(12,368)	(5,971)	(21,426)	(8,173)	(23,088)
b	Material consumed	71,105	51,864	133,698	91,140	204,422
c	Research and development expenses, net	9,855	8,897	20,110	15,977	34,471
d	Personnel costs	24,372	18,620	48,369	35,882	73,106
e	Selling expenses	14,622	13,705	29,427	25,448	52,957
f	Other expenditure	30,084	20,736	53,514	41,538	73,411
g	Depreciation and amortisation	12,276	10,333	24,076	19,688	40,186
6	Profit from operations before other income and interest (4 - 5)	12,085	10,703	25,307	27,210	49,078
7	Other income	926	3,768	2,406	9,192	15,002
8	Profit before interest (6 + 7)	13,011	14,471	27,713	36,402	64,080
9	Interest	2,632	1,370	4,888	4,760	9,583
10	Profit from ordinary activities before tax and minority interest (8-9)	10,379	13,101	22,825	31,642	54,497
11	Provision for Income tax	1,715	2,055	4,965	1,902	10,770
12	Net profit from ordinary activities before minority interest (10 - 11)	8,664	11,046	17,860	29,740	43,727
13	Extra-ordinary items (Net of tax expense)	-	-	-	-	-
14	Net profit before minority interest (12 - 13)	8,664	11,046	17,860	29,740	43,727
15	Minority interest	-	13	-	41	86
16	Net Profit attributable to the shareholders of the parent (14+15)	8,664	11,059	17,860	29,781	43,813
17	Paid - up equity share capital (Face value Rs.5/- each)	8,420	8,405	8,420	8,405	8,409
18	Reserves (excluding Revaluation Reserve)	-	-	-	-	441,280
19	Earnings per share for the period (in Rupees) per Rs.5/- share					
	a) Before Extra-ordinary items					
	- Basic	5.15	6.58	10.61	17.73	26.07
	- Diluted	5.11	6.53	10.54	17.60	25.90
	b) After Extra-ordinary items					
	- Basic	5.15	6.58	10.61	17.73	26.07
	- Diluted	5.11	6.53	10.54	17.60	25.90
		(Not Annualised)	(Not Annualised)	(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
- 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)/Company (Accounting Standards) Rules, 2006.
- The company has purchased the equity holding of Citigroup Venture Capital International Mauritius Limited and ICICI Venture Funds Management Company Limited in Perlecan Pharma Private Limited. The Board of directors of the Company at their meeting held on 21 July 2008 had approved this purchase aggregating to USD 18 Million. Consequent to this Investment Perlecan Pharma Private Limited has become the subsidiary of the Company.
- The unaudited results have been taken on record by the Board of Directors of the Company at its meeting held on 23 October 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: 23 October 2008

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

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Managing Director & Chief Operating Officer