

**DR. REDDY'S LABORATORIES LIMITED**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007**

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Nine Months ended		Year ended
		31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.03.2007
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Sales / income from operations (including excise duty)	77,556	117,041	238,628	275,365	382,804
	less: Excise duty recovered on sales	1,186	1,702	4,449	6,288	7,794
	<b>Net sales / income from operations</b>	<b>76,370</b>	<b>115,339</b>	<b>234,179</b>	<b>269,077</b>	<b>375,010</b>
2	License fees and service income	2,148	3,373	5,755	16,860	21,918
3	Other income	3,550	2,499	14,720	7,388	11,503
<b>4</b>	<b>Total income (1 + 2 + 3)</b>	<b>82,068</b>	<b>121,211</b>	<b>254,654</b>	<b>293,325</b>	<b>408,431</b>
<b>5</b>	<b>Total expenditure</b>	<b>71,704</b>	<b>61,654</b>	<b>204,295</b>	<b>179,199</b>	<b>253,699</b>
a	(Increase)/ decrease in stock	(604)	(2,856)	(9,805)	(6,957)	(2,323)
b	Material consumed	33,396	26,931	100,997	84,056	114,482
c	Excise duty	963	340	1,837	656	1,172
d	Research and development expenses	7,854	7,000	23,700	16,888	24,571
e	Personnel costs	9,381	7,140	26,347	20,395	27,977
f	Selling expenses	7,413	8,454	19,621	23,708	32,415
g	Provision for decline in the value of long-term investments	-	1,950	-	1,950	4,721
h	Other expenditure	13,301	12,695	41,598	38,503	50,684
<b>6</b>	<b>Profit from ordinary activities before interest, depreciation, amortisation and tax (4 - 5)</b>	<b>10,364</b>	<b>59,557</b>	<b>50,359</b>	<b>114,126</b>	<b>154,732</b>
7	Interest	207	1,288	970	4,341	4,797
<b>8</b>	<b>Profit from ordinary activities after interest, but before depreciation, amortisation and tax (6 - 7)</b>	<b>10,157</b>	<b>58,269</b>	<b>49,389</b>	<b>109,785</b>	<b>149,935</b>
9	Depreciation and amortisation	4,071	3,382	11,435	9,845	13,350
<b>10</b>	<b>Profit from ordinary activities before tax (8 - 9)</b>	<b>6,086</b>	<b>54,887</b>	<b>37,954</b>	<b>99,940</b>	<b>136,585</b>
11	Provision for taxation					
	- Current tax	1,482	4,466	2,242	7,151	17,300
	- Fringe benefit tax	(17)	195	1,469	502	699
12	Deferred tax expense / (benefit)	392	(123)	2,947	1,491	900
<b>13</b>	<b>Profit from ordinary activities after tax (10 - 11 - 12)</b>	<b>4,229</b>	<b>50,349</b>	<b>31,296</b>	<b>90,796</b>	<b>117,686</b>
14	Extra-ordinary Items ( Net of tax expense)	-	-	-	-	-
<b>15</b>	<b>Net profit (13 - 14)</b>	<b>4,229</b>	<b>50,349</b>	<b>31,296</b>	<b>90,796</b>	<b>117,686</b>
16	Paid - up equity share capital (face value Rs.5/- each)	8,407	8,391	8,407	8,391	8,396
17	Reserves (Excluding revaluation reserve)	-	-	-	-	428,940
18	Earnings per share for the period (in Rupees) per Rs.5/- share					
	a) Before Extra-ordinary items					
	- Basic	2.52	31.55	18.62	58.38	74.23
	- Diluted	2.50	31.33	18.50	57.99	73.74
	b) After Extra-ordinary items					
	- Basic	2.52	31.55	18.62	58.38	74.23
	- Diluted	2.50	31.33	18.50	57.99	73.74
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
19	Public share holding*					
	-Number of shares (Face value Rs.5/- each)	97,795,380	97,903,051	97,795,380	97,903,051	97,752,080
	-Percentage of share holding	58.17	58.33	58.17	58.33	58.22

\*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 AND NINE MONTHS ENDED DECEMBER 31, 2007**

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Nine Months ended		Year ended
		31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.03.2007
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment wise revenue, results and capital employed:</b>					
	<b>Segment revenue :</b>					
	a) Active Pharmaceutical Ingredients and Intermediates	38,133	30,588	107,758	87,827	133,004
	b) Formulations	34,217	30,245	101,228	97,105	127,685
	c) Generics	8,171	54,580	26,874	93,087	117,633
	d) Custom Pharmaceutical Services	7,568	7,652	22,441	26,743	41,485
	e) Drug Discovery	103	296	394	923	1,382
	<b>Total</b>	<b>88,192</b>	<b>123,361</b>	<b>258,695</b>	<b>305,685</b>	<b>421,189</b>
	Less: Inter segment revenue	9,759	5,296	23,235	17,133	23,855
	Add : Other unallocable Income	3,635	3,146	19,194	4,773	11,097
	<b>Total income</b>	<b>82,068</b>	<b>121,211</b>	<b>254,654</b>	<b>293,325</b>	<b>408,431</b>
<b>2</b>	<b>Segment results :</b>					
	Profit / (loss) before tax and interest from each segment					
	a) Active Pharmaceutical Ingredients and Intermediates	6,460	7,515	19,276	16,297	31,383
	b) Formulations	7,773	8,794	28,742	33,448	42,315
	c) Generics	(6,815)	43,945	(14,643)	66,008	77,191
	d) Custom Pharmaceutical Services	275	3,439	3,122	5,677	9,764
	e) Drug Discovery	(1,702)	(1,980)	(6,553)	(6,086)	(8,143)
	<b>Total</b>	<b>5,991</b>	<b>61,713</b>	<b>29,944</b>	<b>115,344</b>	<b>152,510</b>
	Less: (i) Interest	207	1,288	970	4,341	4,797
	(ii) Other un-allocable expenditure	(302)	5,538	(8,980)	11,063	11,128
	<b>Total profit before tax</b>	<b>6,086</b>	<b>54,887</b>	<b>37,954</b>	<b>99,940</b>	<b>136,585</b>
<b>3</b>	<b>Capital Employed:</b>					
	a) Active Pharmaceutical Ingredients and Intermediates	83,380	77,501	83,380	77,501	74,931
	b) Formulations	79,371	67,427	79,371	67,427	68,795
	c) Generics	50,928	82,335	50,928	82,335	62,220
	d) Custom Pharmaceutical Services	23,435	13,626	23,435	13,626	15,572
	e) Drug Discovery	4,165	6,647	4,165	6,647	1,131
	f) Others	227,588	170,303	227,588	170,303	214,687
	<b>Total</b>	<b>468,867</b>	<b>417,839</b>	<b>468,867</b>	<b>417,839</b>	<b>437,336</b>

**Notes:**

- 1 Pursuant to clause 41 of the listing agreement, the investor complaints received, disposed off and lying unresolved as on 31 December 2007 are given in the table below:

Nature of Complaints	Opening balance	Additions	Disposal	Closing balance
Non receipt of Shares. annual reports & dividend	0	6	6	0

- 2 The figures for the previous period have been re-grouped/re-classified, wherever necessary, to conform with the current period classification.
- 3 The above results have been taken on record by the Board of Directors of the Company at its meeting held on 25 January 2008.

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

Place: Hyderabad  
Date: 25 January 2008

Satish Reddy  
Managing Director & Chief Operating Officer

**DR. REDDY'S LABORATORIES LIMITED**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007**

**DR. REDDY'S LABORATORIES LIMITED**  
**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007**

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Nine Months ended		Year ended
		31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.03.2007
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Sales / Income from operations (inc Less: Excise duty and other similar <b>Net sales / income from operation</b>	121,101 1,186 <b>119,915</b>	153,974 6,137 <b>147,837</b>	366,670 4,449 <b>362,221</b>	494,986 19,077 <b>475,909</b>	651,257 7,794 <b>643,463</b>
2	License fees and service income	2,908	1,620	4,996	4,820	9,097
3	Other income	3,775	2,691	14,746	7,046	11,616
<b>4</b>	<b>Total Income (1+2+3 )</b>	<b>126,598</b>	<b>152,148</b>	<b>381,963</b>	<b>487,775</b>	<b>664,176</b>
<b>5</b>	<b>Total Expenditure</b>	<b>105,079</b>	<b>120,377</b>	<b>304,354</b>	<b>377,627</b>	<b>487,013</b>
a	(Increase) / decrease in stock	(5,698)	9,184	(13,871)	(10,043)	44,441
b	Material consumed	54,528	58,202	144,794	230,268	229,876
c	Excise duty and other similar duties	963	339	1,837	655	1,172
d	Research and development expenses	8,578	6,961	24,555	16,570	24,461
e	Personnel costs	17,672	16,233	53,554	47,415	64,329
f	Selling expenses	10,943	11,398	27,202	37,529	47,923
g	Other expenditure	18,093	18,060	66,283	55,233	74,811
<b>6</b>	<b>Profit from ordinary activities before interest, depreciation, amortisation and tax (4 - 5)</b>	<b>21,519</b>	<b>31,771</b>	<b>77,609</b>	<b>110,148</b>	<b>177,163</b>
7	Interest	2,095	5,233	6,855	13,854	15,262
<b>8</b>	<b>Profit from ordinary activities after interest but before depreciation, amortisation and tax (6 - 7)</b>	<b>19,424</b>	<b>26,538</b>	<b>70,754</b>	<b>96,294</b>	<b>161,901</b>
9	Depreciation and amortisation	9,310	9,264	28,998	26,016	37,911
<b>10</b>	<b>Profit from ordinary activities before interest (8 - 9)</b>	<b>10,114</b>	<b>17,274</b>	<b>41,756</b>	<b>70,278</b>	<b>123,990</b>
11	Provision for taxation - Current tax - Fringe benefit tax	1,851 (15)	(1,211) 196	2,467 1,476	12,592 507	24,353 705
12	Deferred tax expense/(benefit)	2,052	7,730	1,846	4,518	2,378
<b>13</b>	<b>Net profit from ordinary activities</b>	<b>6,226</b>	<b>10,559</b>	<b>35,967</b>	<b>52,661</b>	<b>96,554</b>
14	Extra-ordinary items (Net of tax expense)	-	-	-	-	-
<b>15</b>	<b>Net profit before minority interest</b>	<b>6,226</b>	<b>10,559</b>	<b>35,967</b>	<b>52,661</b>	<b>96,554</b>
16	Minority interest	29	4	70	44	35
<b>17</b>	<b>Net Profit attributable to the shareholders</b>	<b>6,255</b>	<b>10,563</b>	<b>36,037</b>	<b>52,705</b>	<b>96,589</b>
18	Paid - up equity share capital (Face value)	8,407	8,391	8,407	8,391	8,396
19	Reserves (Excluding revaluation reserves)	-	-	-	-	391,330
20	Earnings per share for the period (in Rupees) per Rs.5/- share					
a)	Before Extra-ordinary items					
-	- Basic	3.72	6.62	21.44	33.89	60.92
-	- Diluted	3.70	6.57	21.30	33.66	60.52
b)	After Extra-ordinary items					
-	- Basic	3.72	6.62	21.44	33.89	60.92
-	- Diluted	3.70	6.57	21.30	33.66	60.52
		<b>(Not Annualised)</b>	<b>Not Annualised)</b>	<b>Not Annualised)</b>	<b>(Not Annualised)</b>	

**DR. REDDY'S LABORATORIES LIMITED**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007**

Notes:

- 1 The Company has consolidated the financials of the following companies and a partnership firm.
- 2 Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted for under the proportionate
- 3 The figures for the previous period have been re-grouped/re-classified, wherever necessary, to conform with the current period
- 4 The above results have been taken on record by the Board of Directors of the Company at its meeting held on 25 January 2008.

Place: Hyderabad  
Date: 25 January 2008

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

Satish Reddy  
Managing Director & Chief Operating Officer