

Dr. Reddy's Laboratories Ltd

Q4 & FY12 Press Meet

May 11, 2012



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;
- 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 and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India.

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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.

Key Highlights



Crossed \$2 bn in revenues

Fastest Indian pharma company



Operating RoCE → 23.5%



Launch of ziprasidone under 180 days exclusivity in the US



Limited competition portfolio in US crosses \$200 mn

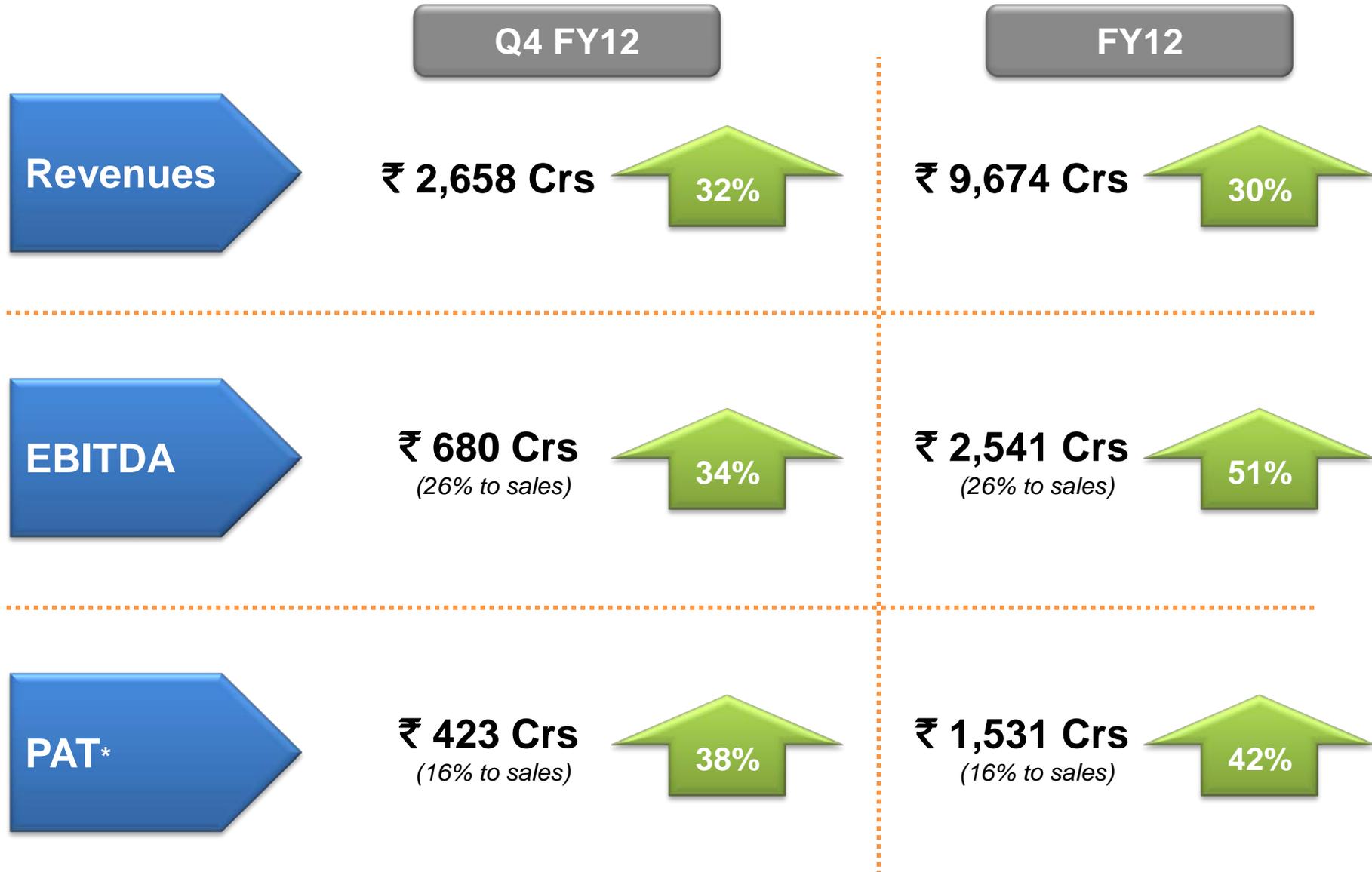
> 10% of company sales, YoY gr of 69%



OTC portfolio (US & Russia/CIS) crosses \$200 mn

> 10% of company sales, YoY gr of 75%

Key Financial Highlights



* PAT adjusted for interest on bonus debentures and impairment, net of tax

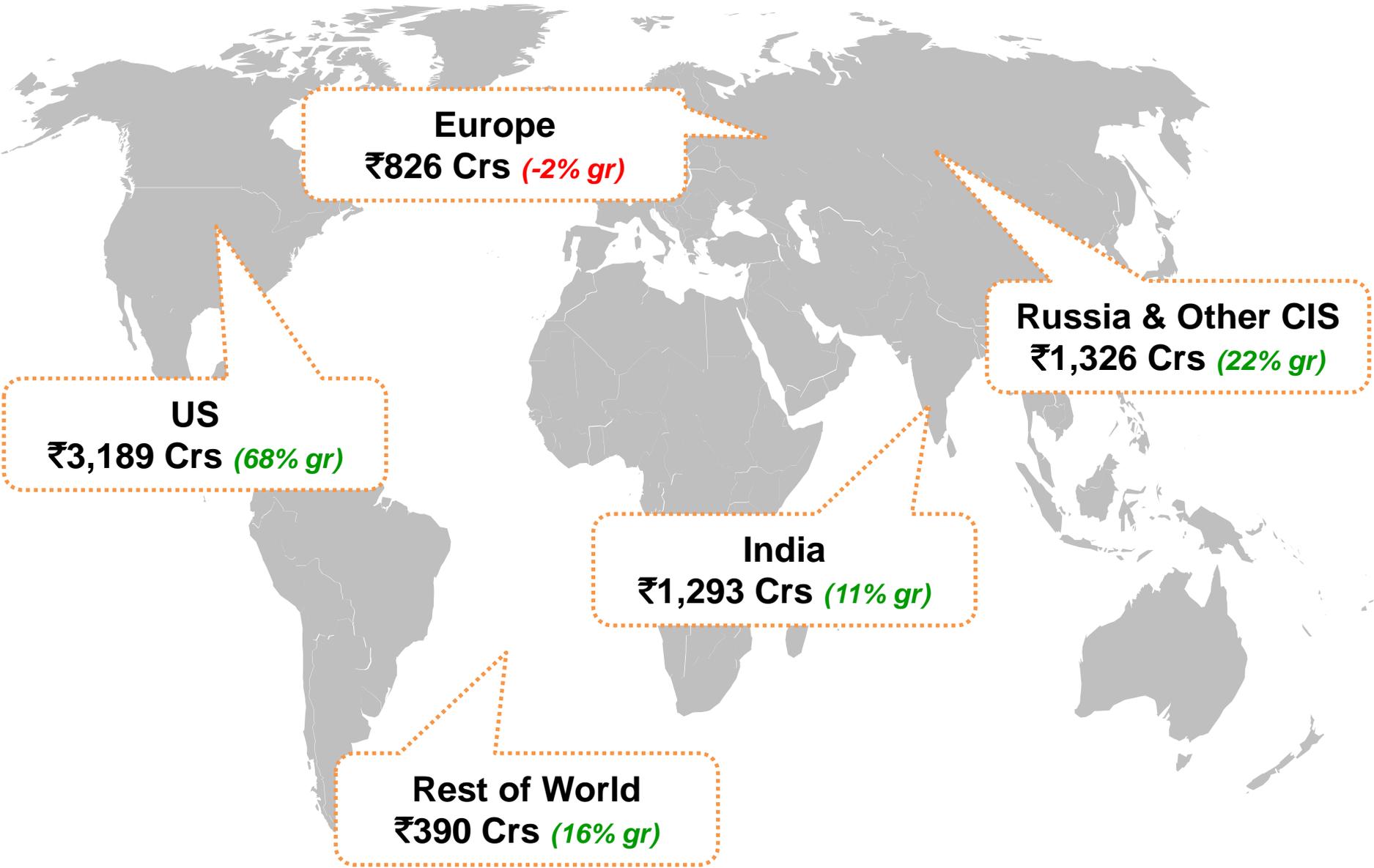
Global Launches → FY12



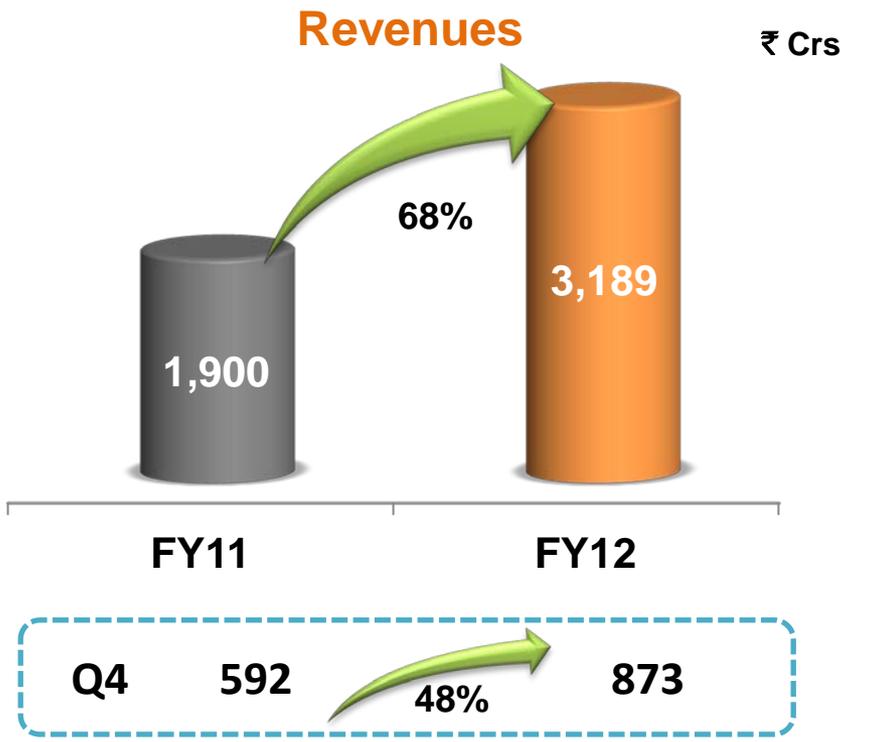
Use
Fast Forward hCG
Velocit^{*}
One step pregnancy test



Global Generics → ₹7,024 Crs (32% YoY gr)



Global Generics : US



- ❑ Growth driven by :
 - New products** - olanzapine, ziprasidone, fondaparinux & antibiotics portfolio
 - Share Increase in existing products** lansoprazole, omeprazole Mg OTC & products from Shreveport

❑ OTC portfolio crosses \$100 mn
(YoY gr of 120%)

❑ 16 new launches during the year

❑ 26 Rx products among Top 3 ranks

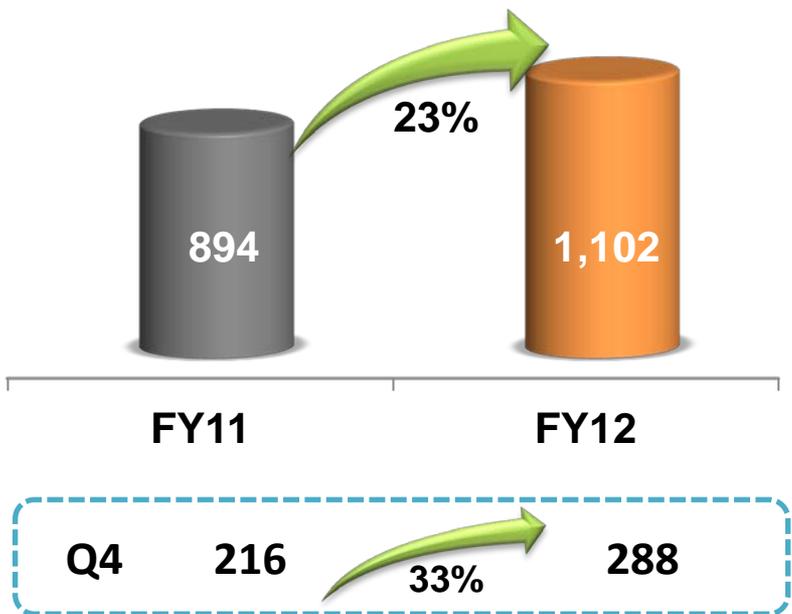
❑ 17 ANDA filings during the year

Pipeline		
Pending ANDAs	→	80
Para IVs	→	41
FTFs	→	7

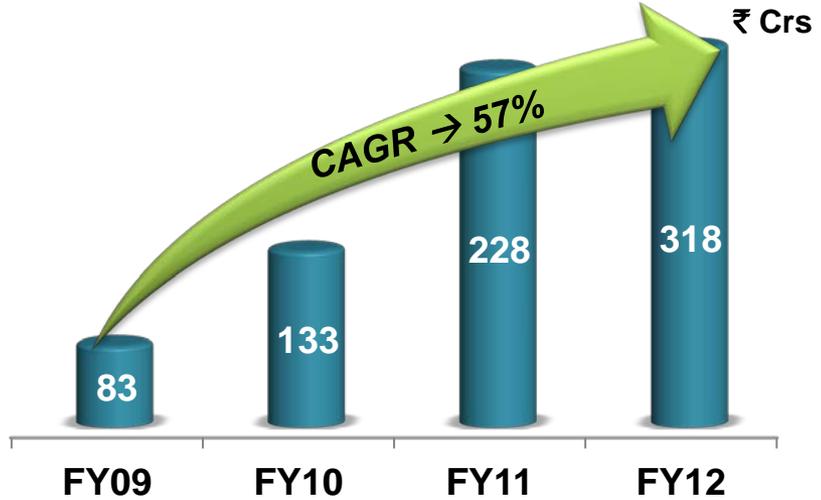
Global Generics : Russia

Revenues

₹ Crs



Robust OTC Revenue Growth



- ❑ Growth driven by volume increase across key brands – Nise , Omez Ketorol, Senade & Cetrine
- ❑ OTC → 29% of sales (YoY gr of 39%)
- ❑ 5 new launches during the year
- ❑ Top 6 Rx products among Top 2 ranks

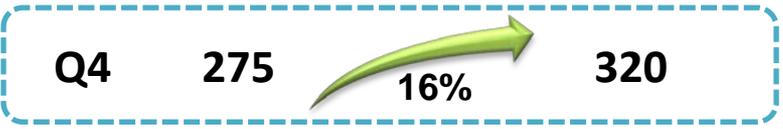
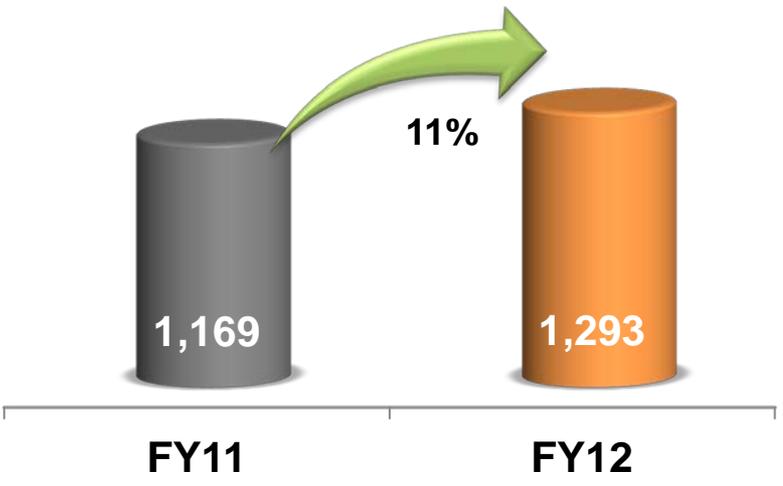
Market Data (Pharmexpert Apr – Feb 12)

Rank	→	13
Dr. Reddy's (yoy gr)	→	21%
Industry (yoy gr)	→	17%

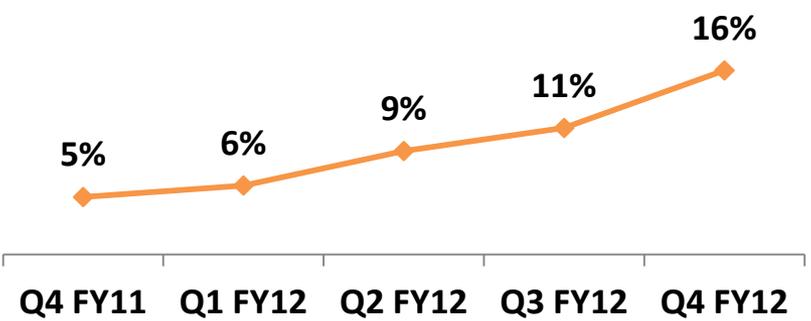
Global Generics : India

Revenues

₹ Crs

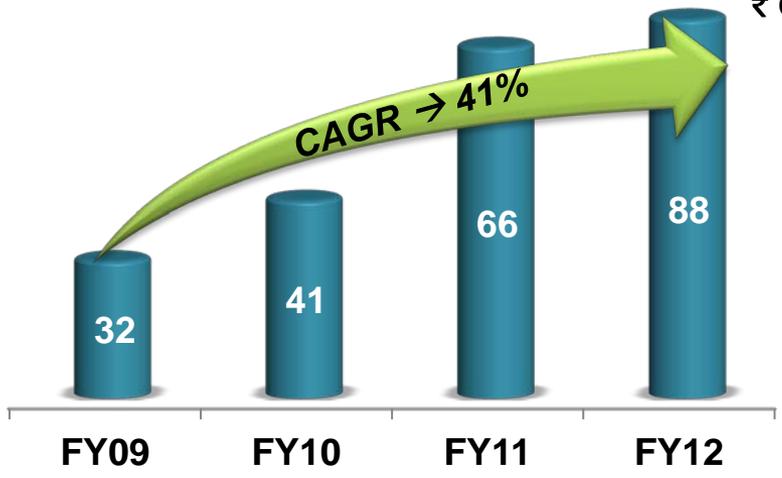


Growth improvement → last 5 quarters



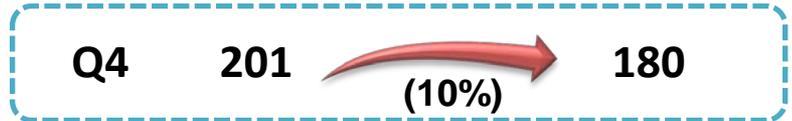
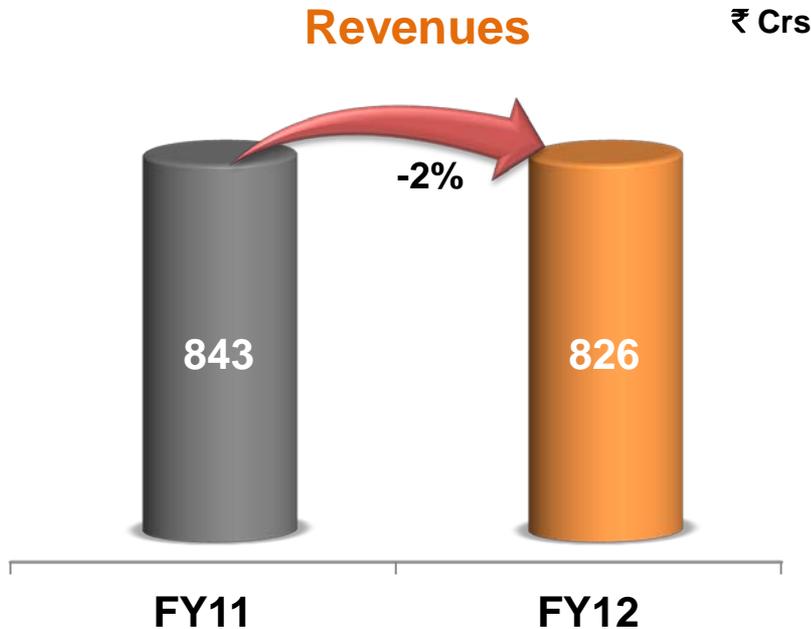
Steady growth in biosimilars

₹ Crs

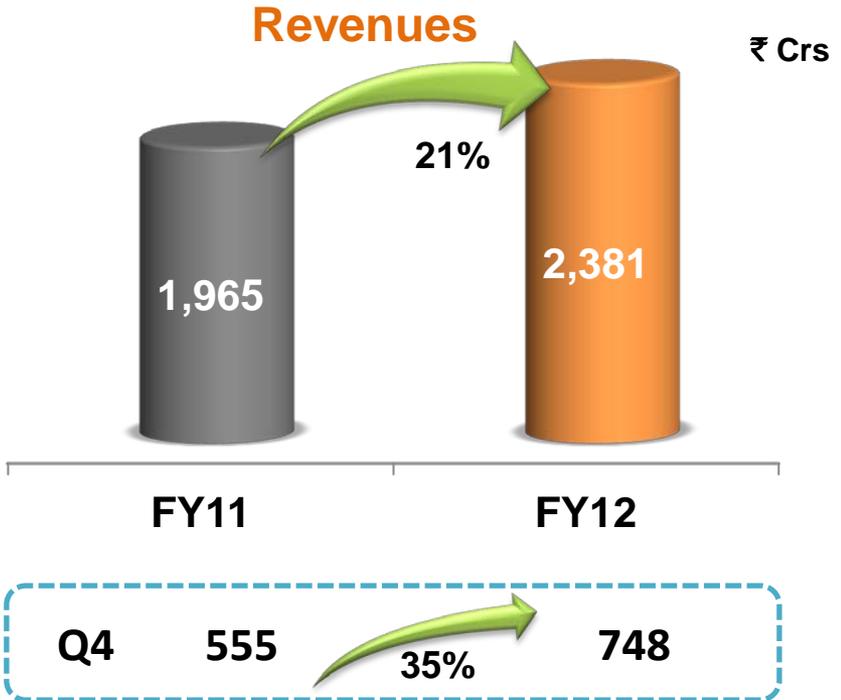


- ❑ Growth driven by new product launches & volume increase across key brands – Stamlo, Razo D, Omez D, Atocor & Reditux
- ❑ 23 new launches during FY12
- ❑ Biosimilars → 7% of sales (YoY gr of 33%)

Global Generics : Europe



- ❑ Decline led by :
 - Germany** → 7% decline largely due to continued tenderization of market partially offset by new launches outside the scope of tenders
 - Rest of Europe** → 8% growth driven by new launches & out-licensing revenues
- ❑ 28 new launches during the year
- ❑ 6 new dossier filings during the year



Pipeline - DMFs		
US	→	187
Europe	→	152
RoW	→	204
Cumulative	→	543

- ❑ Strong growth driven by :
 - Active Ingredients** → new launches to generic customers on the back of many patent expiries
 - Services segment** → new customer orders & recovery of sector
- ❑ 68 DMF filings during the year including 14 each in US & Europe
- ❑ Expect a continued growth momentum in the near term driven driven by launch supplies to generic customers

Awards/ Achievements for FY12



Government of India
Padma Bhushan
conferred upon Dr. Anji Reddy



Outlook Business
in association
with Aon Hewitt
India's best
employer in the
pharmaceutical
industry



**Institute of
Chartered
Accountants of
India (ICAI)**
Excellence in
Financial Reporting



**World HRD
Congress**
Award for Talent
Management



**CII, National
Innovation
Council**
Thomson
Reuters
Innovation
Award 2011



**Americares
India
Foundation**
Best CSR by
a Pharma
Company

Q&A Session

May 11, 2012



P&L → FY12

₹ Crs

Particulars	FY12	FY11	Gr%
Revenue	9,674	7,469	30%
Gross Profit	5,331	4,026	32%
<i>% to sales</i>	55%	54%	
SG&A	2,887	2,369	22%
<i>% to sales</i>	30%	32%	
R&D	591	506	17%
<i>% to sales</i>	6%	7%	
EBITDA	2,541	1,679	51%
<i>% to sales</i>	26%	22%	
PAT	1,426	1,104	29%
<i>% to sales</i>	15%	15%	

P&L → Q4 FY12

₹ Crs

Particulars	Q4 FY12	Q4 FY11	Gr%
Revenue	2,658	2,017	32%
Gross Profit	1,397	1,095	28%
<i>% to sales</i>	53%	54%	
SG&A	722	613	18%
<i>% to sales</i>	27%	30%	
R&D	174	149	17%
<i>% to sales</i>	7%	7%	
EBITDA	680	508	34%
<i>% to sales</i>	26%	25%	
PAT	343	334	2%
<i>% to sales</i>	13%	17%	

Key Balance Sheet Items

₹ Crs

Particulars	Mar 12	Mar 11
Cash & Cash Equivalents	1,815	583
Trade & Other receivables	2,534	1,762
Inventories	1,935	1,606
Property, plant & equipment	3,325	2,964
Loans & borrowings (current & non current)	3,221	2,350
Trade accounts payable	950	848

Net Debt – Equity ratio at 0.24 in Mar 12 from 0.38 as of Mar 11



L I F E . R E S E A R C H . H O P E

THANK YOU