

Dr. Reddy's Laboratories Ltd.

8-2-337, Road No. : 3, Banjara Hills,
Hyderabad - 500 034, Telangana,
India.

CIN:L85195TG1984PLC004507

Tel : + 91 40 4900 2900

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www.drreddys.com

January 29, 2015

The Secretary / Executive Director
BSE Limited
National Stock Exchange of India Ltd.
New York Stock Exchange Inc.

Dear Sir/Madam,

Sub: Outcome of Board Meeting – Unaudited Financial Results for the quarter and nine months ended December 31, 2014

Further to our letter dated January 6, 2015, we would like to inform you that the Board of Directors of the Company at their meeting held on January 29, 2015, have approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2014.

In terms of the above, we are enclosing herewith the following:

1. Unaudited Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2014 as per Indian GAAP.
2. Unaudited Consolidated Financial Results of the Company prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
3. Press Release on Financial Results of the Company for the above period.

Pursuant to the Clause 41 of the Listing Agreement, as amended, the Limited Review Reports of the Statutory Auditors on the unaudited standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2014 are also enclosed.

Please take the above information on record.

With regards,



Sandeep Poddar
Company Secretary

Encl : as above

B S R & Co. LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000
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Review report to the Board of Directors of Dr. Reddy's Laboratories Limited

We have reviewed the accompanying statement of unaudited financial results of Dr. Reddy's Laboratories Limited ("the Company") for the quarter and nine months ended 31 December 2014 except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 and other accounting principles generally accepted in India.

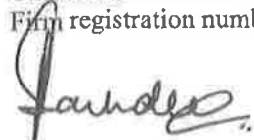
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of the Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared for the quarter and nine months ended 31 December 2014 in accordance with applicable accounting standards issued pursuant to the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022



Supreet Sachdev

Partner

Membership Number: 205385

Place: Hyderabad

Date: 29 January 2015

B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8161)
with effect from October 14, 2013

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011.

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DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	a) Net sales / income from operations (Net of excise duty)	212,136	245,199	254,711	722,619	696,345	949,572
	b) License fees and service income	660	782	2,138	2,998	8,815	15,112
	c) Other operating income	2,294	2,103	1,528	6,605	6,133	8,121
	Total income from operations (net)	215,090	248,084	258,377	732,222	711,293	972,805
2	Expenses						
	a) Cost of materials consumed	63,527	63,110	50,948	185,062	161,963	224,802
	b) Purchase of traded goods	15,149	14,067	12,017	39,485	33,581	46,904
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7,049)	(9,720)	(59)	(15,903)	(10,192)	(17,048)
	d) Employee benefits expense	36,909	37,327	37,259	110,653	106,691	141,991
	e) Selling expenses	26,109	27,575	22,486	84,012	62,138	89,898
	f) Depreciation and amortisation	12,739	12,059	9,816	35,346	28,155	38,050
	g) Provision for decline in the value of long-term investments	-	-	-	-	2,449	2,449
	h) Other expenditure	65,079	56,020	44,191	166,575	145,121	207,635
	Total expenses	212,463	200,438	176,658	605,230	529,906	734,681
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	2,627	47,646	81,719	126,992	181,387	238,124
4	Other income	6,274	5,478	6,319	14,711	10,271	15,146
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	8,901	53,124	88,038	141,703	191,658	253,270
6	Finance costs	1,391	1,602	2,125	4,503	5,933	7,831
7	Profit from ordinary activities before exceptional items (5 - 6)	7,510	51,522	85,913	137,200	185,725	245,439
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	7,510	51,522	85,913	137,200	185,725	245,439
10	Tax expense	351	8,163	23,596	26,407	39,584	52,155
11	Net Profit from ordinary activities after tax (9 - 10)	7,159	43,359	62,317	110,793	146,141	193,284
12	Extra-ordinary items (net of tax)	-	-	-	-	-	-
13	Net profit for the period / year (11 - 12)	7,159	43,359	62,317	110,793	146,141	193,284
14	Paid-up equity share capital (face value Rs. 5/- each)	8,518	8,518	8,505	8,518	8,505	8,505
15	Reserves (excluding revaluation reserve)						924,377
16	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share						
	- Basic	4.20	25.45	36.63	65.06	85.95	113.67
	- Diluted	4.18	25.34	36.47	64.77	85.53	113.13
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results

DR. REDDY'S LABORATORIES LIMITED
PART II : SELECTED INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014
A PARTICULARS OF SHAREHOLDING

Sl No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
1	Public shareholding*						
	- Number of shares (face value Rs.5/- each)	97,291,936	97,914,376	97,590,957	97,291,936	97,590,957	96,048,821
	- Percentage of shareholding	57.11	57.47	57.37	57.11	57.37	56.47
2	Promoters and promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	43,417,812	43,417,812	43,417,812	43,417,812	43,417,812	43,417,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	25.49	25.49	25.53	25.49	25.53	25.52

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

B INVESTOR COMPLAINTS

Pending at the beginning of the quarter	2
Received during the quarter	2
Disposed off during the quarter	4
Remaining unresolved at the end of the quarter	Nil

Segment Information

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue, results and capital employed:						
	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	64,468	69,899	57,863	204,878	180,153	248,914
	b) Global Generics	168,773	197,282	215,311	582,670	567,252	776,769
	c) Proprietary Products	-	-	(3)	-	3,131	3,131
	Total	233,241	267,181	273,171	787,548	750,536	1,028,814
	Less: Inter segment revenue	18,151	19,097	14,796	55,326	39,245	56,011
	Add : Other unallocable income	-	-	2	-	2	2
	Total income from operations	215,090	248,084	258,377	732,222	711,293	972,805
2	Segment results :						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(3,922)	4,516	(2,901)	2,836	5,709	6,258
	b) Global Generics	6,123	55,031	86,494	149,927	245,620	291,062
	c) Proprietary Products	(6,739)	(7,019)	(5,585)	(21,325)	(12,974)	(19,909)
	Total	(4,538)	52,528	78,008	131,438	238,355	277,411
	Less: (i) Interest	1,391	1,602	2,125	4,503	5,933	7,831
	(ii) Other un-allocable expenditure / (income), net	(13,439)	(596)	(10,030)	(10,265)	46,697	24,141
	Total profit before tax	7,510	51,522	85,913	137,200	185,725	245,439
3	Capital Employed :						
	a) Pharmaceutical Services and Active Ingredients	292,880	286,074	269,242	292,880	269,242	273,267
	b) Global Generics	601,000	632,977	538,387	601,000	538,387	566,508
	c) Proprietary Products	(8,885)	(6,769)	2,069	(8,885)	2,069	590
	d) Unallocated	165,183	127,925	105,128	165,183	105,128	92,517
	Total	1,050,178	1,040,207	914,826	1,050,178	914,826	932,882

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost. Centrally managed assets and liabilities such as Cash and bank balances, loans and advances to subsidiaries, income tax assets and liabilities, investments and borrowings are included in unallocated capital employed.

DR. REDDY'S LABORATORIES LIMITED
Notes:

- 1 The above financial results are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013; guidelines issued by Securities and Exchange Board of India; and other accounting principles generally accepted in India.
- 2 Other expenditure for the quarter ended 31 December 2014 includes impairment loss of Rs. 2,009 lakhs relating to some of the product related intangibles forming part of Company's Global Generics segment.
- 3 The unaudited results have been reviewed by the Audit Committee of the Board on 28 January 2015 and approved by the Board of Directors of the Company at their meeting held on 29 January 2015.
- 4 The results for the quarter and nine months ended 31 December 2014 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.
- 5 The figures for the previous periods have been re-grouped/ re-classified, wherever necessary, to conform to the current period classification.
- 6 Research and development expenditure included in Employee benefits expense and Other expenditure is as under:

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
Employee benefits expense	6,180	6,196	6,021	17,996	17,628	23,497
Other expenditure	21,454	23,884	14,517	62,821	43,093	76,320
Total	27,634	30,080	20,538	80,817	60,721	99,817

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



G V Prasad
Co-Chairman & Chief Executive Officer

Place: Hyderabad
Date: 29 January 2015



B S R & Co. LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
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Review report to the Board of Directors of Dr. Reddy's Laboratories Limited on the consolidated financial results of Dr. Reddy's Laboratories Limited and subsidiaries.

We have reviewed the accompanying statement of unaudited consolidated financial results of Dr. Reddy's Laboratories Limited ("the Company"), its subsidiaries and a joint venture (collectively referred to as the "Group") for the quarter and nine months ended 31 December 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review, which have been prepared in accordance with the recognition and measurement principles laid down in International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standard Board ('IAS 34').

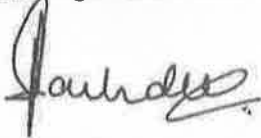
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2014, prepared in accordance with applicable International Financial Reporting Standards as issued by International Accounting Standards Board (IFRS), has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022



Supreet Sachdev

Partner

Membership No.: 205385

Place: Hyderabad

Date: 29 January 2015

Dr. Reddy's Laboratories Ltd.

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Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 2014 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Net Income from Sales and Services	384,310	358,781	353,376	1,094,845	973,613	1,321,703
2	Cost of Sales and Services						
	a) (Increase) / decrease in stock-in-trade and work-in-progress	(12,698)	(12,382)	(3,360)	(32,010)	(25,315)	(33,094)
	b) Consumption of raw materials	80,638	75,626	64,748	223,139	203,297	273,402
	c) Purchase of traded goods	28,226	21,258	15,412	67,972	55,907	76,797
	d) Other expenditure	64,622	64,419	62,665	193,923	180,932	246,583
3	Gross Profit (1 - 2)	223,522	209,860	213,911	641,821	558,792	758,015
4	Selling, General and Administrative expenses	111,504	106,733	99,453	325,026	284,757	387,830
5	Research and Development expenses	43,161	41,131	29,791	123,045	84,175	124,023
6	Other (income) / expense, net	(3,410)	(2,656)	(1,773)	(7,914)	(11,896)	(14,159)
7	Operating profit (3) - (4 + 5 + 6)	72,267	64,652	86,440	201,664	201,756	260,321
8	Finance (expense) / income, net	10,129	4,211	147	19,149	2,361	3,995
9	Share of profit of equity accounted affiliate, net of income taxes	466	511	465	1,511	1,257	1,741
10	Profit before tax (7+8+9)	82,862	69,374	87,052	222,324	205,374	266,057
11	Tax expense	25,409	11,964	25,210	52,422	38,414	50,937
12	Net Profit after tax (10-11)	57,453	57,410	61,842	169,902	166,960	215,120
13	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit for the period / year (12 - 13)	57,453	57,410	61,842	169,902	166,960	215,120
15	Net profit attributable to:						
	- Equity holders of the Company	57,453	57,410	61,853	169,902	166,985	215,145
	- Non-controlling interest	-	-	(11)	-	(25)	(25)
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,518	8,518	8,505	8,518	8,505	8,505
17	Securities premium, retained earnings, share based payment reserve and other components of equity						899,541
18	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share						
	- Basic	33.72	33.70	36.36	99.77	98.21	126.52
	- Diluted	33.61	33.60	36.25	99.42	97.85	126.04
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
19	Public shareholding *						
	- Number of shares	97,291,936	97,914,376	97,590,957	97,291,936	97,590,957	96,048,821
	- Percentage of shareholding	57.11	57.47	57.37	57.11	57.37	56.47
20	Promoters and promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	43,417,812	43,417,812	43,417,812	43,417,812	43,417,812	43,417,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	25.49	25.49	25.53	25.49	25.53	25.52
21	Details of items exceeding 10% of total expenditure						
	- Employee cost	71,977	73,113	65,463	216,733	181,212	249,364

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



VH

Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:						
	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	79,946	83,017	65,418	236,417	212,575	295,750
	b) Global Generics	316,922	288,680	293,958	895,628	778,461	1,051,636
	c) Proprietary Products	3,862	2,978	4,777	9,899	12,222	17,783
	d) Others	2,402	3,204	4,019	8,899	9,600	12,545
	Total	403,132	377,879	368,172	1,150,843	1,012,858	1,377,714
	Less: Inter-segment revenue	18,822	19,098	14,796	55,998	39,245	56,011
	Net Revenue from operations	384,310	358,781	353,376	1,094,845	973,613	1,321,703
2	Segment results :						
	Gross Profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	10,503	17,127	7,951	39,964	34,858	48,476
	b) Global Generics	208,814	189,273	200,514	590,896	510,929	691,490
	c) Proprietary Products	3,220	2,653	4,315	8,316	11,187	16,062
	d) Others	985	807	1,131	2,645	1,818	1,987
	Total	223,522	209,860	213,911	641,821	558,792	758,015
	Less: Other un-allocable expenditure, net of other income	140,660	140,486	126,859	419,497	353,418	491,958
	Total profit before tax	82,862	69,374	87,052	222,324	205,374	266,057

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at Cost.

Segmental Capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:
1 Investor Complaints

Pending at the beginning of the quarter	2
Received during the quarter	2
Disposed off during the quarter	4
Remaining unresolved at the end of the quarter	Nil

- Selling, General and Administrative expenses include impairment of certain product related and customer related intangibles amounting to Rs. 2,598 lakhs and Rs. 2,492 lakhs recorded during the quarter ended 31 December 2014 in the Company's Global Generics and Pharmaceutical Services and Active Ingredients segments, respectively. During the quarter ended 31 December 2013, the Company recorded reversal of impairment of certain product related intangibles amounting to Rs 4,974 lakhs in the Company's Global Generics Segment.
- On 17 December 2014, the Company completed the acquisition of Habitrol® franchise (an over-the-counter nicotine replacement therapy transdermal patch) from Novartis Consumer Health Inc. and began marketing the product in the U.S. market. The total consideration paid was U.S.\$ 80 million.
- On 18 January 2015, Aurigene Discovery Technologies Limited ("Aurigene"), a wholly owned subsidiary of the Company, entered into a collaboration, license and option agreement with Curis Inc., ("Curis") to discover, develop and commercialize Small Molecule Antagonists for Immuno-Oncology and Precision Oncology Targets. As a partial consideration for the collaboration, Curis has issued to Aurigene approximately 17.1 million shares of its common stock, i.e. 19.9% of its outstanding common stock immediately prior to the transaction. In addition, Aurigene is also entitled to certain development, commercial milestones and sales based royalties.
- The unaudited results have been reviewed by the Audit Committee of the Board on 28 January 2015 and approved by the Board of Directors of the Company at their meeting held on 29 January 2015. The above financial results have been prepared from the consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).
- The Securities and Exchange Board of India (SEBI) issued a circular dated 5 April 2010 permitting listed entities having subsidiaries to voluntarily submit the Consolidated Financial Statements as per IFRS. Consequent to this, the Company has voluntarily prepared and published unaudited Consolidated Financial Statements as per IFRS.
- The results for the quarter and nine months ended 31 December 2014 have been subjected to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.
- Unaudited financial results of Dr. Reddy's Laboratories Limited (Standalone Information) prepared as per IGAAP**

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total income from operations	215,090	248,084	258,377	732,222	711,293	972,805
Profit from ordinary activities before tax	7,510	51,522	85,913	137,200	185,725	245,439
Profit from ordinary activities after tax	7,159	43,359	62,317	110,793	146,141	193,284

Note:

The unaudited standalone financial results for the quarter and nine months ended 31 December 2014 are available on the Stock Exchange's website : www.bseindia.com and www.nseindia.com and also on the Company's website: www.drreddys.com.

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



G V Prasad
Co-Chairman & Chief Executive Officer

Place: Hyderabad
Date: 29 January 2015



Press Release

Dr. Reddy's Q3 and 9 Months FY15 Financial Results

Q3 FY15 Revenues at ₹38.4 billion <i>(YoY growth of 9%)</i>	9M FY15 Revenues at ₹109.5 billion <i>(YoY growth of 12%)</i>
Q3 FY15 EBITDA at ₹10.5 billion <i>(27% of revenues)</i>	9M FY15 EBITDA at ₹28.1 billion <i>(26% of revenues)</i>

Hyderabad, India, January 29, 2015: Dr. Reddy's Laboratories Ltd. (NYSE: RDY) today announced its unaudited consolidated financial results for the quarter and nine months ended December 31, 2014 under International Financial Reporting Standards (IFRS).

Key Highlights (Q3 FY15)

- o Consolidated revenues at ₹38.4 billion, year-on-year growth of 9%.
 - Revenues from the Global Generics (GG) segment at ₹31.7 billion, YoY growth of 8%.
 - Revenues from the Pharmaceutical Services and Active Ingredients (PSAI) segment at ₹6.1 billion. YoY growth of 21%.
- o Gross Profit Margin at 58.2% in Q3FY15 versus 60.5% as in Q3 FY 14.
- o Research & Development (R&D) expenses at ₹4.3 billion, 11.2% to revenues versus 8.4% to revenues as in Q3 FY14.
- o Selling, general & administrative (SG&A) expenses at ₹11.2 billion, 29.0% to revenues.
- o EBITDA at ₹10.5 billion, 27% to revenues.
- o Profit after tax at ₹5.7 billion, 15% to revenues.
- o During the quarter the company launched 13 new generic products, filed 18 new product registrations and 14 DMFs globally.

During the quarter, the Company completed the acquisition of Habitrol® franchise (an over-the-counter nicotine replacement therapy transdermal patch) from Novartis Consumer Health Inc. and began marketing the product in the U.S. Total consideration paid was U.S.\$ 80 million.



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Press Release

All amounts in millions, except EPS

All US dollar amounts based on convenience translation rate of 1 USD = ₹63.04

Dr. Reddy's Laboratories Limited and Subsidiaries

Unaudited Consolidated Income Statement

Particulars	Q3 FY15			Q3 FY14			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	610	38,431	100	561	35,338	100	9
Cost of revenues	255	16,079	41.8	221	13,946	39.5	15
Gross profit	355	22,352	58.2	339	21,391	60.5	4
Operating Expenses							
Selling, general & administrative expenses	177	11,151	29.0	158	9,945	28.1	12
Research and development expenses	68	4,316	11.2	47	2,979	8.4	45
Other (income)/expense, net	(5)	(341)	(0.9)	(3)	(177)	(0.5)	93
Results from operating activities	115	7,226	18.8	137	8,644	24.5	(16)
Finance (expense)/income, net	16	1,013	2.6	0	15	0	
Share of profit of equity accounted investees, net of tax	1	47	0.1	1	46	0.1	0
Profit before tax	131	8,286	21.6	138	8,705	24.6	(5)
Tax expense	40	2,541	6.6	40	2,521	7.1	1
Profit for the period	91	5,745	15	98	6,184	17.5	(7)
Diluted Earnings Per Share (EPS)	0.53	33.61		0.57	36.25		(7)

EBITDA Computation

Particulars	Q3 FY15		Q3 FY14	
	(\$)	(Rs.)	(\$)	(Rs.)
Profit before tax	131	8,286	138	8,705
Interest (income) / expense net*	(5)	(347)	1	48
Depreciation	23	1,462	19	1,208
Amortization	9	579	9	586
Impairment / (reversal of impairment) adjustment	8	534	(8)	(497)
EBITDA	167	10,515	159	10,049
EBITDA (% to sales)		27.3		28.4

* includes profit of sales of investments



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All US dollar amounts based on convenience translation rate of 1 USD = ₹63.04

Segmental Analysis

Global Generics

Revenues are at ₹31.7 billion, year-on-year growth of 8%, primarily driven by Branded Markets.

- o Revenues from **North America** at ₹16.8 billion, year-on-year growth of 4%. Sequential growth in constant currency at 17%, primarily on account of:
 - Sustained performance of FY14 'limited competition' launches namely decitabine, azacitidine, and divalproex sodium ER.
 - Progress on market share expansion of key molecules namely ziprasidone, amlodipine-atorvastatin and sumatriptan auto injector.
 - 6 new products launched during the quarter.
 - 2 ANDA filings during the quarter. Cumulatively, 68 ANDAs are pending for approval with the USFDA of which 43 are Para IVs, and we believe 13 to have 'First To File' status.
- o Revenues from **Emerging Markets** at ₹8.6 billion, year-on-year growth of 16%.
 - Revenues from Russia at ₹4.0 billion, year-on-year decline of 9% primarily on account of the Rouble depreciation. In constant currency, the growth is ~27% on the back of healthy sales.
 - Emerging Markets, Ex-Russia at ₹4.6 billion recorded year-on-year growth of 51% primarily driven by strong performance in Venezuela on the back of continued volume upsides.
- o Revenues from **India** for at ₹4.3 billion, year-on-year growth of 11%.
 - Growth is driven by continued focus on new product launches and prescription growth.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from PSAI at ₹6.1 billion, year-on-year growth of 21%.
- During the quarter 14 DMFs were filed globally, filed 9 in the ROW and 5 in Europe. The cumulative number of DMF filings as of December 31, 2014 is 720.



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Income Statement Highlights:

- o Gross profit margin at 58.2% registered ~230 basis points decline vs Q3 FY14 primarily on account of unfavourable currency impact. Gross profit margin for GG and PSAI business segments are at 65.9% and 17.2% respectively.
- o SG&A expenses, excluding impairment adjustments, marginally grew by 2%. This increase is largely due to annual increments, additional manpower deployment in the past 12 months and other sales and marketing spend for events specific to this quarter offset by the favourable impact of Emerging Market currency depreciation.
- o R&D expenses at ₹4.3 billion, year-on-year growth of 45%. 11.2% of revenues in Q3 FY15 as compared to 8.4% of revenues in Q3 FY14. The increase is in line with our planned scale-up in development activities.
- o Consequent to the decline in the recoverable amounts of certain product / customer contracts related intangible assets, an impairment charge of ₹534 million was recorded during the quarter.
- o Net Finance income at ₹1,013 million compared to ₹15 million in Q3 FY14. The increase is on account of :
 - Incremental forex benefit of ₹604 million
 - Incremental profit on sales of investments of ₹174 million
 - Net increase in interest income of ₹221 million
- o EBITDA at ₹10.5 billion, year-on-year growth of 5%; 27% of revenues.
- o Profit after Tax at ₹5.7 billion, year-on-year decline of 7%; 15% of revenues.
- o Diluted earnings per share in Q3 FY 15 at ₹33.61
- o Capital expenditure for Q3 FY15 is ₹2.65 billion.

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Appendix 1: Key Balance Sheet Items

Particulars	As on 31 st Dec 14		As on 30 th Sep 14	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and Other current investments	456	28,736	456	28,737
Trade receivables	638	40,224	598	37,722
Inventories	461	29,038	446	28,123
Property, plant and equipment	760	47,887	739	46,559
Goodwill and Other Intangible assets	283	17,820	216	13,648
Loans and borrowings (current & non-current)	629	39,656	616	38,854
Trade payables	196	12,333	204	12,843
Equity	1,667	105,107	1,570	99,004

Appendix 2: Revenue Mix by Segment

Particulars	Q3 FY15			Q3 FY14			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	503	31,692	82	466	29,396	83	8
North America		16,819	53		16,223	55	4
Europe		1,947	6		1,862	6	5
India		4,328	14		3,913	13	11
Russia & Other CIS		4,766	15		5,296	18	(10)
Rest of World		3,832	12		2,102	7	82
PSAI	97	6,112	16	80	5,062	14	21
North America		1,360	22		780	15	74
Europe		2,055	34		1,948	38	5
India		948	16		945	19	0
Rest of World		1,749	29		1,388	27	26
Proprietary Products & Others	10	626	2	14	880	2	(29)
Total	610	38,431	100	561	35,338	100	9

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Press Release

Disclaimer

This press release includes forward-looking statements, as defined in the U.S. Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations and projections about future events. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such factors include, but are not limited to, changes in local and global economic conditions, our ability to successfully implement our strategy, the market acceptance of and demand for our products, our growth and expansion, technological change and our exposure to market risks. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future.

About Dr. Reddy's

Dr. Reddy's Laboratories Ltd. (NYSE: RDY) is an integrated global pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services and Active Ingredients, Global Generics and Proprietary Products – Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Major therapeutic focus is on gastro-intestinal, cardiovascular, diabetology, oncology, pain management and anti-infective. Major markets include India, USA, Russia-CIS and Europe apart from other select geographies within Emerging Markets.

For more information, log on to: www.drreddys.com

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Note: All discussions in this release are based on unaudited consolidated IFRS financials.

