



DR. REDDY'S

Dr. Reddy's Laboratories Ltd.

8-2-337, Road No.3, Banjara Hills
Hyderabad 500 034, A.P., India.

Tel : +91 40 4900 2900

Fax : +91 40 4900 2999

www.drreddys.com

July 20, 2011

The Secretary / Executive Director
Bombay Stock Exchange Ltd.
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 ended June 30, 2011

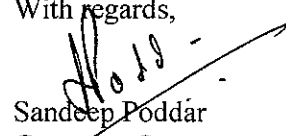
Further to our letter dated July 1, 2011, we would like to inform you that the Board of Directors of the Company at their meeting held on July 20, 2011, have approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2011.

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

1. Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2011 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.

Please take the above information on record.

With regards,


Sandeep Poddar
Company Secretary

Encl : as above



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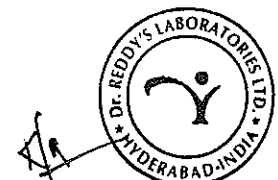
DR. REDDY'S LABORATORIES LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2011

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.11 (Unaudited)	30.06.10 (Unaudited)	31.03.11 (Audited)
1	Sales / Income from operations (including Excise Duty)	168,508	126,399	525,368
	Less: Excise duty	937	777	3,564
	Net sales / income from operations	167,571	125,622	521,804
2	License fees and service income	807	569	3,103
3	Other operating income	1,318	935	5,534
4	Total operating income (1 + 2 + 3)	169,696	127,126	530,441
5	Total expenditure	115,413	101,286	436,682
a	(Increase) / decrease in stock	(3,146)	(3,373)	(7,899)
b	Material consumed	47,804	43,826	181,116
c	Research and development expenses, net	11,911	9,443	51,286
d	Personnel costs	20,363	15,389	70,113
e	Selling expenses	13,928	13,019	47,713
f	Other expenditure	17,660	17,262	63,985
g	Depreciation and amortisation	6,893	5,720	24,794
h	Provision for decline in the value of long-term investments	-	-	5,574
6	Profit from operations before other income, interest and exceptional items (4 - 5)	54,283	25,840	93,759
7	Other income	5,554	2,092	11,960
8	Profit before interest and exceptional items (6 + 7)	59,837	27,932	105,719
9	Interest	1,524	46	538
10	Profit before exceptional items (8 - 9)	58,313	27,886	105,181
11	Exceptional items	-	-	-
12	Profit from ordinary activities before tax (10 - 11)	58,313	27,886	105,181
13	Tax expense	12,908	3,438	15,850
14	Net Profit from ordinary activities after tax (12 - 13)	45,405	24,448	89,331
15	Extra-ordinary items	-	-	-
16	Net profit for the period / year (14 - 15)	45,405	24,448	89,331
17	Paid - up equity share capital (face value Rs 5/- each)	8,474	8,457	8,463
18	Reserves (excluding revaluation reserve)	-	-	593,537
19	Earnings per share for the period (in Rupees) per Rs 5/- share			
	a) Before Extra-ordinary items			
	- Basic	26.82	14.48	52.82
	- Diluted	26.65	14.37	52.51
	b) After Extra-ordinary items			
	- Basic	26.82	14.48	52.82
	- Diluted	26.65	14.37	52.51
	(Not annualised)	(Not annualised)		
20	Public share holding*			
	-Number of shares (Face value Rs 5/- each)	93,828,201	98,897,537	94,124,752
	-Percentage of share holding	55.36	58.47	55.61
21	Promoters and promoter group Shareholding			
a	Pledged/Encumbered			
	- Number of shares	2,100,000	2,100,000	2,100,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	4.84	4.83	4.84
	- Percentage of shares (as a % of the total share capital of the company)	1.24	1.24	1.24
b	Non-encumbered			
	- Number of shares	41,317,812	41,417,812	41,317,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	95.16	95.17	95.16
	- Percentage of shares (as a % of the total share capital of the company)	24.38	24.49	24.41

*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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DR. REDDY'S

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2011

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.11 (Unaudited)	30.06.10 (Unaudited)	31.03.11 (Audited)
1	Segment wise revenue, results and capital employed:			
	Segment revenue :			
	a) Pharmaceutical Services and Active Ingredients	52,900	44,012	205,467
	b) Global Generics	126,833	90,904	356,227
	c) Proprietary Products	36	43	252
	Total	179,769	134,959	561,946
	Less: Inter segment revenue	9,293	7,765	31,551
	Add : Other unallocable income	4,774	2,024	12,006
	Total income	175,250	129,218	542,401
2	Segment results :			
	Profit / (loss) before tax and interest from each segment			
	a) Pharmaceutical Services and Active Ingredients	3,531	4,847	30,997
	b) Global Generics	59,589	33,255	96,210
	c) Proprietary Products	(2,797)	(2,090)	(11,693)
	Total	60,323	36,012	115,514
	Less: (i) Interest	1,524	46	538
	(ii) Other un-allocable expenditure, net	486	8,080	9,795
	Total profit before tax	58,313	27,886	105,181
3	Capital Employed :			
	a) Pharmaceutical Services and Active Ingredients	181,954	147,358	177,497
	b) Global Generics	311,882	197,565	265,407
	c) Proprietary Products	866	819	303
	d) Unallocated	154,027	266,463	158,793
	Total	648,729	612,205	602,000

Notes:

- 1 Pursuant to clause 41 of the Listing Agreement, the investor complaints received, disposed off and lying unresolved for the quarter ended 30 June 2011 are given in the table below:

Nature of Complaints	Opening balance	Received	Disposal	Closing Balance
Non receipt of shares	1	Nil	1	Nil

- 2 The un-audited results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 20 July 2011.
- 3 On 20 June 2011, the Company announced a scheme whereby employees, based on an eligibility criteria, could opt and apply for voluntary retirement (i.e., a termination benefit). As per the scheme, employees whose applications are accepted by the Company will be paid the termination benefit in accordance with the methodology prescribed in the scheme. The termination benefit is however restricted to a maximum of Rs. 8 lakhs per employee. As at 30 June 2011, the Company has estimated and provided a sum of Rs. 1,358 lakhs towards the liability.

Place: Hyderabad
Date: 20 July 2011

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

Satish Reddy
Managing Director & Chief Operating Officer

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Unaudited Consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the Quarter ended 30 June 2011 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB)

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.11 (Unaudited)	30.06.10 (Unaudited)	31.03.11 (Audited)
1	Net Income from Sales and Services	197,832	168,313	746,928
2	Cost of Sales and Services			
	a) (Increase) / decrease in stock	(5,203)	(5,220)	(17,763)
	b) Consumption of raw materials	63,499	55,572	241,871
	c) Other expenditure	33,979	28,823	120,192
3	Gross Profit (1 - 2)	105,557	89,138	402,628
4	Selling, General and Administrative expenses	67,566	54,818	236,907
5	Research and Development expenses	11,968	9,929	50,596
6	Other (income) / expense, net	(1,870)	(1,864)	(11,151)
7	Operating profit (3) - (4 + 5 + 6)	27,893	26,255	126,276
8	Finance (expense) / income, net	(465)	(1,774)	(1,877)
9	Share of profit / (loss) of equity accounted affiliate, net of income taxes	40	47	32
10	Profit / (loss) before tax (7 + 8 + 9)	27,468	24,528	124,431
11	Tax Expense / (benefit)	1,194	3,573	14,031
12	Net Profit after tax (10 - 11)	26,274	20,955	110,400
13	Non-Controlling Interest	-	-	-
14	Extra-ordinary items (net of tax expense)	-	-	-
15	Net Profit for the period / year (12 + 13 + 14)	26,274	20,955	110,400
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,474	8,457	8,463
17	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity			451,485
18	Earnings per share for the period / year (in Rupees) per Rs. 5/- share			
	Basic	15.52	12.41	65.28
	Diluted	15.45	12.34	64.95
		(Not annualised)	(Not annualised)	
19	Public shareholding *			
	Number of shares	93,828,201	98,897,537	94,124,752
	Percentage of shareholding	55.36	58.47	55.61
20	Promoters and promoter group shareholding			
	a) Pledged / Encumbered			
	- Number of shares	2,100,000	2,100,000	2,100,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	4.84	4.83	4.84
	- Percentage of shares (as a % of the total share capital of the Company)	1.24	1.24	1.24
	b) Non-encumbered			
	- Number of shares	41,317,812	41,417,812	41,317,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	95.16	95.17	95.16
	- Percentage of shares (as a % of the total share capital of the Company)	24.38	24.49	24.41
21	Details of expenditure			
	Items exceeding 10% of total expenditure			
	Employee cost	40,762	32,355	141,091
	Depreciation and amortization	12,338	9,760	41,477

*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

Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.11	30.06.10	31.03.11
		(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:			
	Segment revenue :			
	a) Pharmaceutical Services and Active Ingredients	57,608	52,759	227,935
	b) Global Generics	144,240	119,171	533,494
	c) Proprietary Products	1,968	1,227	5,323
	d) Others	3,309	2,921	11,727
	Total	207,125	176,078	778,479
	Less: Inter-segment revenue	9,293	7,765	31,551
	Net Revenue from operations	197,832	168,313	746,928
2	Segment results :			
	Gross Profit from each segment			
	a) Pharmaceutical Services and Active Ingredients	10,443	10,017	51,045
	b) Global Generics	92,641	77,354	344,992
	c) Proprietary Products	1,616	796	3,827
	d) Others	857	971	2,764
	Total	105,557	89,138	402,628
	Less: Other un-allocable expenditure, net of other income	78,089	64,610	278,197
	Total profit before tax	27,468	24,528	124,431

Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics and vice-versa.

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 Pursuant to Clause 41 of the Listing Agreement, the investor complaints received, disposed off and lying unresolved for the quarter ended 30 June 2011 are given in the table below:

Nature of Complaints	Opening Balance	Received	Disposal	Closing Balance
Non receipt of Shares	1	Nil	1	Nil

- 2 The Company has consolidated the financial statements of the following companies:

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, Dr Reddy's Bio-Sciences Limited, Trigenesis Therapeutics Inc., Industrias Químicas Falcon de Mexico SA de CV, Lacoock Holdings Limited, Reddy Holding GmbH, betapharm Arzneimittel GmbH, beta Healthcare Solutions GmbH, beta institut für sozialmedizinische Forschung und Entwicklung GmbH, Dr. Reddy's Laboratories (Australia) Pty Ltd, Reddy Pharma Iberia, S.A., Reddy Pharma Italia S.p.A, Dr. Reddy's Laboratories SA, Eurobridge Consulting B.V, OOO DRS LLC, Dr. Reddy's New Zealand Limited, Aurigene Discovery Technologies (Malaysia) Sdn Bhd, Dr. Reddy's Laboratories Louisiana LLC, Chirotech Technology Limited, Dr. Reddy's Laboratories ILAC TICARET Limited, SIRKETI, Dr. Reddy's s.r.l, Dr. Reddy's Pharma SEZ Limited, Dr. Reddy's Laboratories International SA, Idea2Enterprises (India) Private Limited, Dr. Reddy's Laboratories Romania-SRL, I-Ven Pharma Capital Limited, Dr. Reddy's Venezuela, C.A., Dr. Reddy's Laboratories Tennessee LLC, Dr Reddy's Laboratories New York Inc and Dr. Reddy's Laboratories, LLC, Ukraine.

- 3 Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted under the equity method of accounting in accordance with IAS-31 "Interests in Joint Ventures".

- 4 APR LLC (a Special Purpose entity) has been consolidated in accordance with SIC-12 "Consolidation-Special Purpose Entities".

- 5 The unaudited results have been reviewed by the Audit Committee of the board on 20 July 2011 and approved by the Board of Directors of the Company at their meeting held on 20 July 2011. The above financial results have been prepared from the Consolidated condensed interim 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).

- 6 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 for the quarter ended 30 June 2011, 30 June 2010 and for the year ended 31 March 2011.

- 7 On 20 June 2011, the Company announced a scheme whereby employees, based on an eligibility criteria, could opt and apply for voluntary retirement (i.e., a termination benefit). As per the scheme, employees whose applications are accepted by the Company will be paid the termination benefit in accordance with the methodology prescribed in the scheme. The termination benefit is however restricted to a maximum of Rs. 8 lakhs per employee. As at 30 June 2011, the Company has estimated and provided a sum of Rs. 1,358 lakhs towards the liability.

8 UNAUDITED FINANCIAL RESULTS OF DR. REDDY'S LABORATORIES LIMITED (STANDALONE INFORMATION) PREPARED AS PER IGAAP

All amounts in Indian Rupees lakhs

PARTICULARS	Quarter ended		Year ended
	30.06.11	30.06.10	31.03.11
	(Unaudited)	(Unaudited)	(Audited)
Total operating income	169,696	127,126	530,441
Profit before tax and exceptional items	58,313	27,886	105,181
Profit after tax before exceptional items	45,405	24,448	89,331
Profit after tax and exceptional items	45,405	24,448	89,331

Note:

The unaudited standalone financial results for the quarter ended 30 June 2011 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.

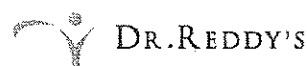
By order of the Board
For Dr. Reddy's Laboratories Limited

Satish Reddy
Managing Director & Chief Operating Officer

Place: Hyderabad
Date: 20 July 2011

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Press Release



Dr. Reddy's Q1 FY12 Financial Results

Q1 FY12 Revenues at Rs. 19.7 billion (\$444 million), YoY growth of 18%

Q1 FY12 Adjusted* EBITDA at Rs.4.3 billion (\$97 million), YoY growth of 27%

Q1 FY12 Adjusted PAT at Rs. 2.5 billion (\$56 million), YoY growth of 20%**

Hyderabad, India, July 20, 2011: Dr. Reddy's Laboratories Ltd. (NYSE: RDY) today announced its unaudited consolidated financial results for the quarter ended June 30, 2011 under International Financial Reporting Standards (IFRS).

Key Highlights

- o Consolidated revenues are at Rs. 19.7 billion (\$444 million) in Q1 FY12 versus Rs. 16.8 billion (\$377 million) in Q1 FY11, year-on-year growth of 18%.
 - Revenues from Global Generics for Q1 FY12 are at Rs. 14.4 billion (\$323 million). Year-on-year growth of 21% mainly driven by North America generics and Russia.
 - Revenues from PSAI are at Rs. 4.8 billion (\$108 million) in Q1 FY12, growth of 7% over previous year.
- o Adjusted* EBITDA of Rs. 4.3 billion (\$97 million) in Q1 FY12, is at 22% of revenues recording year-on-year growth of 27%.
- o Adjusted**Profit after Tax for Q1 FY12 is at Rs. 2.5 billion (\$56 million), is at 13% of revenues with year-on-year growth of 20%.
- o During the quarter, the company launched 39 new generic products, filed 31 new product registrations and filed 9 DMFs globally.

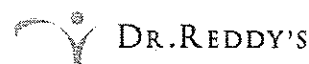
***Note: Adjustments to Q1 FY12 includes a one-time charge of Rs. 136 million (\$3 million) on account of a Voluntary Retirement Scheme (VRS) floated by the company**

****Note: Adjustments to Q1 FY12 includes: a) interest on bonus debentures of Rs. 117 million (\$3 million) ; b) a one-time charge of Rs. 136 million (\$3 million) on account of VRS ; c) tax normalized to annual tax rate**

R.B.
March



Press Release



All figures in millions, except EPS

All dollar figures based on convenience translation rate of 1USD = Rs 44.59

Dr. Reddy's Laboratories Limited and Subsidiaries

Unaudited Consolidated Income Statement

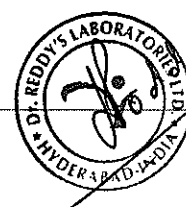
Particulars	Q1 FY12			Q1 FY11			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenue	444	19,783	100	377	16,831	100	18
Cost of revenues	207	9,228	47	178	7,917	47	17
Gross profit	237	10,555	53	200	8,914	53	18
Operating Expenses							
Selling, general & administrative expenses	151	6,756	34	123	5,482	33	23
Research and development expenses	27	1,197	6	22	993	6	21
Other operating (income) / expense	(4)	(186)	(1)	(4)	(186)	(1)	0
Results from operating activities	63	2,789	14	59	2,625	16	6
Net finance (income) / expense	1	46	0	4	177	1	(74)
Share of (profit) / loss of equity accounted investees	(0)	(4)	(0)	(0)	(5)	(0)	(20)
Profit / (loss) before income tax	62	2,747	14	55	2,453	15	12
Income tax (benefit) / expense	3	120	1	8	357	2	(67)
Profit / (loss) for the period	59	2,627	13	47	2,096	12	25

Diluted EPS	0.35	15.5		0.28	12.3		
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Profit Reconciliation:

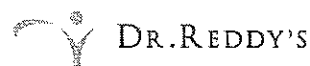
Adjusted EBITDA Reconciliation	Q1 FY12		Q1 FY11	
	(\$)	(Rs.)	(\$)	(Rs.)
PBT	62	2,747	55	2,453
Interest	5	221	(0)	(9)
Depreciation	19	828	15	685
Amortization	9	405	6	288
EBITDA	94	4,201	77	3,417
Adjustments:				
One-time charge of Voluntary Retirement Scheme	3	136		
Adjusted EBITDA	97	4,337	77	3,417

Adjusted PAT Reconciliation	Q1 FY12		Q1 FY11	
	(\$)	(Rs.)	(\$)	(Rs.)
PAT	59	2,627	47	2,096
Adjustments:				
Interest on Bonus Debentures	3	117		
One-time charge of Voluntary Retirement Scheme	3	136		
Tax normalized to annual tax rate	(8)	(360)		
Adjusted PAT	56	2,519	47	2,096



Handwritten signature and date: March 1

Press Release



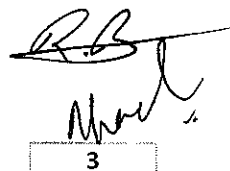
Segmental Analysis

Global Generics

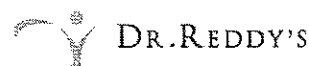
Revenues from Global Generics segment are at Rs. 14.4 billion (\$323 million) in Q1 FY12 registering growth of 21% over previous year.

- o Revenues from North America at Rs. 5.8 billion (\$129 million) in Q1 FY12 versus Rs. 3.9 billion (\$87 million) in Q1 FY11. Growth in USD terms of 51% led by new product launches in the last twelve months and market share improvement in key products - tacrolimus, lansoprazole, omeprazole Rx, omeprazole Mg OTC and fexofenadine OTC.
 - 9 new products launched during the quarter. This includes 4 SKUs from our Bristol penicillin facility. Other new prescription launches includes letrozole, levofloxacin, venlafaxine-XR, donepezil and topotecan injection.
 - Benefit of initial uptake of OTC launch of fexofenadine in Q1 FY12.
 - 22 products of our prescription portfolio feature among the Top 3 ranks in market shares.
(Source: IMS Sales Volumes May 2011)
 - During the quarter 3 ANDAs were filed. The cumulative ANDA filings as of 30th June, 2011 are 180. A total of 76 ANDAs are pending for approval with the USFDA of which 36 are Para IVs and 11 are FTFs.
- o Revenues in Russia & Other CIS markets at Rs. 3.0 billion (\$68 million) in Q1 FY12 versus Rs. 2.6 billion (\$57 million) in Q1 FY11, year-on-year growth of 18%.
 - Revenues in Russia at Rs. 2.5 billion (\$56 million) in Q1 FY12 versus Rs. 2.1 billion (\$46 million) in Q1 FY11, year-on-year growth in USD terms of 23%, largely driven by volume growth in key brands.
 - Significant growth in OTC portfolio representing 30% of sales versus 25% in previous year.
 - Dr. Reddy's year-on-year secondary prescription sales growth at 17% versus industry's growth of 7%. (Source: Pharmexpert MAT May 2011). Dr. Reddy's is ranked 13th in market share.
 - Revenues in Other CIS markets grew by 9% to Rs. 533 million (\$12 million) in Q1 FY12 versus Rs. 489 million (\$11 million) in Q1 FY11.
- o Revenues in India increased by 6% to Rs. 2.9 billion (\$66 million) in Q1 FY12 versus Rs. 2.8 billion (\$62 million) in Q1 FY11.
 - 12 new products launched during the quarter
 - Strong year-on-year growth of 69% in biosimilars portfolio, now representing 7% of overall sales.
- o Revenues from Europe at Rs. 1.9 billion (\$43 million) in Q1 FY12 declined marginally by 1% over previous year.
 - Revenues from Germany decreased by 9% to Rs. 1.2 billion (\$ 27 million) in Q1 FY12.
 - Commencement of AOK tender supplies in June 2011.
 - Revenues from Rest of Europe grew by 15% to Rs. 710 million (\$11 million) in Q1 FY12




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Press Release



Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from PSAI are at Rs. 4.8 billion (\$108 million) in Q1 FY 12 versus Rs. 4.5 billion (\$101 million) in Q1 FY11, year-on-year increase of 7%.

- o Growth in Active Ingredients business led by new product launches partially offset by decline in Pharmaceutical Services business.
- o During the quarter, 9 DMFs were filed globally, with 1 in US, 1 in Europe, 1 in Canada and 6 in rest of the markets. The cumulative DMF filings as of 30th June 2011 are 495.

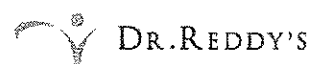
Income Statement Highlights:

- o Gross profit at Rs. 10.6 billion (\$237 million) in Q1 FY12, margin of 53% to revenues, at a level same as that of previous year.
- o Selling, General & Administration (SG&A) expenses including amortization at Rs. 6.8 billion (\$151 million) increased by 23% over Q1 FY11. This increase is on account of: a) Annual increments in manpower costs across businesses b) Higher OTC related selling & marketing costs in Russia and c) In the US, the general overhead costs of the recently acquired Bristol penicillin facility.
- o Included in the financials is a one-time charge of Rs. 136 million (\$3 million) on account of a Voluntary Retirement Scheme (VRS) floated by the company.
- o R&D expenses at Rs. 1.2 billion (\$27 million) in Q1 FY12, increase of 21% over Q1 FY11.
- o Net Finance costs are at Rs. 46 million (\$1 million) in Q1 FY 12 versus Rs. 177 million (\$4 million) in Q1 FY11. The change is on account of :
 - Net forex gain of Rs. 158 million (\$4 million) versus net forex loss of Rs. 225 million (\$5 million) in Q1 FY11.
 - Net interest expense of Rs. 221 million (\$5 million) in Q1 FY12 versus net interest income of Rs. 9 million (\$0.2 million) in Q1 FY11.
 - Profit on sale of investments of Rs. 17 million (\$0.4 million) in Q1 FY12 versus Rs. 39 million (\$0.9 million) in Q1 FY11.
- o Adjusted EBITDA of Rs. 4.3 billion (\$97 million) in Q1 FY12, is at 22% of revenues with year-on-year growth of 27%.
- o Adjusted Profit after Tax for Q1 FY 12 is at Rs. 2.5 billion (\$56 million), is at 13% of revenues with year-on-year growth of 20%.
- o Adjusted EPS for Q1 FY 12 is at Rs. 14.8 (\$0.33) versus Rs. 12.3 (\$0.28) in Q1 FY11.
- o Capital expenditure for Q1 FY12 is at Rs. 1.8 billion (\$41 million).



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Appendix 1: Key Balance Sheet Items

(in millions)

Particulars	As on 30th June 11		As on 31st March 11	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents	123	5,468	128	5,729
Trade receivables	384	17,136	395	17,615
Inventories	390	17,401	360	16,059
Property, plant and equipment	685	30,524	665	29,642
Goodwill and Other Intangible assets	335	14,921	342	15,246
Loans and borrowings (current & non-current)	537	23,940	529	23,572
Trade payables	189	8,433	190	8,480
Equity	1,100	49,046	1,031	45,990

Appendix 2: Q1 FY12 Revenue Mix by Segment

(in millions)

	Q1 FY12			Q1 FY11			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	323	14,424	73	267	11,917	71	21
North America	129	5,756	40	87	3,897	33	48
Europe	43	1,917	13	43	1,937	16	(1)
India	66	2,936	20	62	2,778	23	6
Russia & Other CIS	68	3,018	21	57	2,552	21	18
RoW	18	797	6	17	754	6	6
PSAI	109	4,832	24	101	4,499	27	7
North America	19	842	17	19	837	19	1
Europe	38	1,693	35	35	1,555	35	9
India	15	662	14	14	633	14	4
RoW	37	1,635	34	33	1,474	33	11
Proprietary Products and Others	12	528	3	9	415	2	74
Total	444	19,783	100	377	16,831	100	18

Appendix 3: Q1 FY12 Revenue Mix by Geography

(in millions)

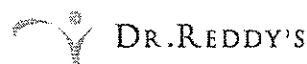
	Q1 FY12			Q1 FY11			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
North America	157	6,991	35	113	5,024	30	39
Europe	84	3,744	19	81	3,617	21	4
India	81	3,597	18	77	3,411	20	5
Russia & Other CIS	68	3,018	15	57	2,552	15	18
Others	55	2,433	12	50	2,228	13	9
Total	444	19,783	100	377	16,831	100	18



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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, differentiated formulations and NCEs. Therapeutic focus is on gastro-intestinal, cardiovascular, diabetology, oncology, pain management, anti-infective and pediatrics. Major markets include India, USA, Russia and CIS, Germany, UK, Venezuela, S. Africa, Romania, and New Zealand.

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

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.

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

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