



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

October 25, 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 and half-year ended September 30, 2011

Further to our letter dated October 5, 2011, we would like to inform you that the Board of Directors of the Company at their meeting held on October 25, 2011, have approved the Unaudited Financial Results of the Company for the quarter and half-year ended September 30, 2011.

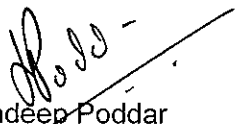
In terms of the above, we are enclosing herewith the following:

1. Unaudited Standalone Financial Results of the Company for the quarter and half-year ended September 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.

Further, the Board of Directors, based on the recommendation of the Nomination, Governance and Compensation Committee, proposed for an amendment in the Dr. Reddy's Employees' Stock Option Scheme, 2002 subject to the shareholders' approval.

Please take the above information on record.

With regards,


Sandeep Poddar
Company Secretary

Encl : as above

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

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Half year ended		Year ended
		30.09.11	30.09.10	30.09.11	30.09.10	31.03.11
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Sales / Income from operations (including Excise Duty)	162,195	128,707	330,703	255,106	525,368
	Less: Excise duty	939	875	1,876	1,652	3,564
	Net sales / income from operations	161,256	127,832	328,827	253,454	521,804
2	License fees and service income	1,766	476	2,573	1,045	3,103
3	Other operating income	1,676	1,380	2,994	2,315	5,534
4	Total operating income (1 + 2 + 3)	164,698	129,688	334,394	256,814	530,441
5	Total expenditure	146,358	108,433	257,478	207,720	436,682
a	(Increase) / decrease in stock	(2,209)	468	(5,355)	(2,905)	(7,899)
b	Material consumed	54,719	41,972	102,523	85,798	181,116
c	Research and development expenses, net	14,527	12,707	26,438	22,151	51,286
d	Personnel costs	19,745	18,910	40,108	34,299	70,113
e	Selling expenses	14,491	10,885	28,419	23,904	47,713
f	Other expenditure	37,745	17,356	51,112	32,618	63,985
g	Depreciation and amortisation	7,340	6,135	14,233	11,855	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)	18,340	21,255	76,916	49,094	93,759
7	Other income	1,305	5,235	2,566	5,328	11,960
8	Profit before interest and exceptional items (6 + 7)	19,645	26,490	79,482	54,422	105,719
9	Interest	1,578	13	3,102	59	538
10	Profit before exceptional items (8 - 9)	18,067	26,477	76,380	54,363	105,181
11	Exceptional items	-	-	-	-	-
12	Profit from ordinary activities before tax (10 - 11)	18,067	26,477	76,380	54,363	105,181
13	Tax expense	4,217	4,457	17,125	7,895	15,850
14	Net Profit from ordinary activities after tax (12 - 13)	13,850	22,020	59,255	46,468	89,331
15	Extra-ordinary items	-	-	-	-	-
16	Net profit for the period / year (14 - 15)	13,850	22,020	59,255	46,468	89,331
17	Paid - up equity share capital (face value Rs.5/- each)	8,476	8,460	8,476	8,460	8,463
18	Paid up debt capital	-	-	168,748	60,615	143,880
19	Reserves (excluding revaluation reserve and debenture redemption reserve)	-	-	-	-	593,352
20	Debt redemption reserve	-	-	4,428	-	185
21	Earnings per share for the period (in Rupees) per Rs.5/- share					
	a) Before Extra-ordinary items					
	- Basic	8.17	13.02	34.98	27.49	52.82
	- Diluted	8.13	12.94	34.79	27.31	52.51
	b) After Extra-ordinary items					
	- Basic	8.17	13.02	34.98	27.49	52.82
	- Diluted	8.13	12.94	34.79	27.31	52.51
	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)
22	a) Debt equity ratio			0.078	0.001	0.085
	b) Debt service coverage ratio			0.816	0.944	0.929
	c) Interest service coverage ratio			22.544	136.176	107.580
23	Public share holding*					
	-Number of shares (Face value Rs.5/- each)	96,165,909	98,466,684	96,165,909	98,466,684	94,124,752
	-Percentage of share holding	56.73	58.19	56.73	58.19	55.61
24	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)	-	4.83	-	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	43,417,812	41,367,812	43,417,812	41,367,812	41,317,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	95.17	100.00	95.17	95.16
	- Percentage of shares (as a % of the total share capital of the company)	25.61	24.45	25.61	24.45	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)



DR. REDDY'S

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011

All amounts in Indian Rupees lakhs, except share data					
Sl. No.	PARTICULARS	Quarter ended		Half year ended	
		30.09.11	30.09.10	30.09.11	30.09.10
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Segment wise revenue, results and capital employed:				
	Segment revenue :				
	a) Pharmaceutical Services and Active Ingredients	63,222	49,242	116,122	93,254
	b) Global Generics	113,035	88,370	239,868	179,274
	c) Proprietary Products	50	72	86	114
	Total	176,307	137,684	356,076	272,642
	Less: Inter segment revenue	12,442	7,212	21,733	14,977
	Add : Other unallocable Income	2,138	4,451	2,617	4,477
	Total income	166,003	134,923	336,960	262,142
2	Segment results :				
	Profit / (loss) before tax and interest from each segment				
	a) Pharmaceutical Services and Active Ingredients	12,414	5,847	15,945	10,694
	b) Global Generics	40,128	20,957	99,718	54,212
	c) Proprietary Products	(4,213)	(2,466)	(7,010)	(4,556)
	Total	48,329	24,338	108,653	60,350
	Less: (i) Interest	1,578	13	3,102	59
	(ii) Other un-allocable expenditure, net	28,684	(2,152)	29,171	5,928
	Total profit before tax	18,067	26,477	76,380	54,363
3	Capital Employed :				
	a) Pharmaceutical Services and Active Ingredients	196,429	151,645	196,429	151,645
	b) Global Generics	325,123	221,506	325,123	221,506
	c) Proprietary Products	(658)	666	(658)	666
	d) Unallocated	139,627	264,377	139,627	264,377
	Total	660,521	638,194	660,521	638,194

Notes:

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

Nature of Complaints	Opening balance	Received	Disposal	Closing Balance
Non receipt of Shares, Dividend and Annual Reports etc.	Nil	5	5	Nil

2 On 24 October 2011, the Company has received an approval from U.S. FDA for olanzapine 20 mg tablets (generic version of Eli Lilly's Zyprexa®20 mg).

3 The unaudited results have been reviewed by the Audit Committee of the Board on 24 October 2011 and approved by the Board of Directors of the Company at their meeting held on 25 October 2011.

4 Statement of assets and liabilities

All amounts in Indian Rupees lakhs					
Sl. No.	PARTICULARS	As at		As at	
		30.09.11	30.09.10	30.09.11	30.09.10
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SHARE HOLDERS' FUNDS				
a	Share capital	8,476	8,460		
b	Share application money pending allotment	-	1		
c	Reserves and surplus	652,045	629,733		
	LOAN FUNDS	169,491	61,167		
	DEFERRED TAX LIABILITY	3,711	9,262		
		833,723	708,623		
	FIXED ASSETS	241,633	220,518		
	(including capital work in progress/advances)				
	INVESTMENTS	263,954	246,527		
	CURRENT ASSETS, LOANS AND ADVANCES				
a	Inventories	119,618	96,985		
b	Sundry debtors	234,385	129,827		
c	Cash and bank balances	20,602	37,272		
d	Loans and advances	133,378	130,119		
	Less: Current liabilities and provisions				
a	Liabilities	165,029	150,390		
b	Provisions	14,818	2,235		
	Net current assets	328,136	241,578		
	MISCELLANEOUS EXPENDITURE (not written off or adjusted)	-	-		
		833,723	708,623		

5 Ratios have been computed as follows:

a) Debt Equity Ratio= Debt / Net Worth

[Debt: Long Term Secured Loans + Long Term Unsecured Loans]

[Net Worth: Equity Share Capital + Reserves & Surplus - Miscellaneous expenditure to the extent not written off]

b) Debt Service Coverage Ratio = Earnings before interest and tax / (Interest expense during the period + Principal repayment for all the loan funds during the period)

c) Interest Service Coverage Ratio = Earnings before interest and tax / Interest expense during the period

[Earnings before interest and tax: Profit from ordinary activities before tax + Interest expense]

6 During the year ended 31 March 2011, the Company had issued unsecured debentures in accordance with the scheme of arrangement approved by the High Court of Andhra Pradesh, India. Accordingly, no security or charge in respect of such debentures has been created. These debentures form part of loan funds as on 30 September 2011.

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

Satish Reddy
Managing Director & Chief Operating Officer

Place: Hyderabad
Date: 25 October 2011



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

Unaudited Consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and half year ended 30 September 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		Half year ended		Year ended
		30.09.11 (Unaudited)	30.09.10 (Unaudited)	30.09.11 (Unaudited)	30.09.10 (Unaudited)	31.03.11 (Audited)
1	Net Income from Sales and Services	226,779	187,037	424,611	355,350	746,928
2	Cost of Sales and Services					
	a) (Increase) / decrease in stock in trade and work in progress	(6,575)	(2,070)	(11,778)	(7,290)	(17,763)
	b) Consumption of raw materials	76,660	59,137	140,159	114,709	241,871
	c) Other expenditure	34,649	30,109	68,628	58,932	120,192
3	Gross Profit (1 - 2)	122,045	99,861	227,602	188,999	402,628
4	Selling, General and Administrative expenses	72,158	57,087	139,724	111,905	236,907
5	Research and Development expenses	14,594	12,698	26,562	22,627	50,596
6	Other (income) / expense, net	(2,152)	(2,190)	(4,022)	(4,054)	(11,151)
7	Operating profit (3) - (4 + 5 + 6)	37,445	32,266	65,338	58,521	126,276
8	Finance (expense) / income, net	(495)	(349)	(960)	(2,123)	(1,877)
9	Share of profit / (loss) of equity accounted affiliate, net of income taxes	133	30	173	77	32
10	Profit / (loss) before tax (7 + 8 + 9)	37,083	31,947	64,551	56,475	124,431
11	Tax Expense / (benefit)	6,303	3,265	7,497	6,838	14,031
12	Net Profit after tax (10 - 11)	30,780	28,682	57,054	49,637	110,400
13	Non-Controlling Interest	-	-	-	-	-
14	Extra-ordinary items (net of tax expense)	-	-	-	-	-
15	Net Profit for the period / year (12 + 13 + 14)	30,780	28,682	57,054	49,637	110,400
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,476	8,460	8,476	8,460	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	18.16	16.95	33.68	29.36	65.28
	Diluted	18.10	16.88	33.54	29.21	64.95
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
19	Public shareholding *					
	Number of shares	96,165,909	98,466,684	96,165,909	98,466,684	94,124,752
	Percentage of shareholding	56.73	58.19	56.73	58.19	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)	-	4.83	-	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	43,417,812	41,367,812	43,417,812	41,367,812	41,317,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	95.17	100.00	95.17	95.16
	- Percentage of shares (as a % of the total share capital of the Company)	25.61	24.45	25.61	24.45	24.41
21	Details of expenditure					
	Items exceeding 10% of total expenditure					
	Employee cost	40,196	35,274	80,958	67,629	141,091
	Depreciation and amortization	12,685	10,479	25,023	20,239	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)

MS 9



DR. REDDY'S

Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	Quarter ended		Half year ended		Year ended
		30.09.11	30.09.10	30.09.11	30.09.10	31.03.11
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:					
	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	71,767	53,382	129,375	106,141	227,935
	b) Global Generics	161,357	136,670	305,597	255,841	533,494
	c) Proprietary Products	2,638	1,308	4,606	2,535	5,323
	d) Others	3,458	2,889	6,767	5,810	11,727
	Total	239,220	194,249	446,345	370,327	778,479
	Less: Inter-segment revenue	12,441	7,212	21,734	14,977	31,551
	Net Revenue from operations	226,779	187,037	424,611	355,350	746,928
2	Segment results :					
	Gross Profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	16,901	10,355	27,344	20,372	51,045
	b) Global Generics	101,998	87,810	194,639	165,164	344,992
	c) Proprietary Products	2,150	896	3,766	1,692	3,827
	d) Others	996	800	1,853	1,771	2,764
	Total	122,045	99,861	227,602	188,999	402,628
	Less: Other un-allocable expenditure, net of other income	84,962	67,914	163,051	132,524	278,197
	Total profit before tax	37,083	31,947	64,551	56,475	124,431

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

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 September 2011 are given in the table below:

Nature of Complaints	Opening Balance	Received	Disposal	Closing Balance
Non receipt of Shares, Dividend & Annual Report etc.	Nil	5	5	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 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, 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, Dr. Reddy's Laboratories, LLC, Ukraine and Dr. Reddy's Laboratories Canada, Inc.

- 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 On 24 October 2011, the Company has received an approval from U.S. FDA for olanzapine 20 mg tablets (generic version of Eli Lilly's Zyprexa®20 mg).
- 5 The unaudited results have been reviewed by the Audit Committee of the board on 24 October 2011 and approved by the Board of Directors of the Company at their meeting held on 25 October 2011. The above financial results have been prepared from the condensed consolidated 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 and half year ended 30 September 2011, 30 September 2010 and for the year ended 31 March 2011.



DR. REDDY'S

7 STATEMENT OF ASSETS AND LIABILITIES (Consolidated)

All amounts in Indian Rupees lakhs

PARTICULARS	As at	As at
	30.09.11	30.09.10
	(Unaudited)	(Unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	75,961	61,966
Other investments	18,277	405
Trade receivables	205,680	133,758
Inventories	185,920	147,283
Other current assets	83,147	78,985
Total current assets	568,985	422,396
Non-current assets		
Property, plant and equipment	314,504	254,118
Goodwill	21,997	21,739
Other intangible assets	129,150	113,369
Investment in equity accounted investees	3,301	3,180
Other non-current assets	40,092	18,893
Total non-current assets	509,044	411,299
Total assets	1,078,029	833,696
LIABILITIES AND EQUITY		
Current liabilities		
Loans and short-term borrowings	260,093	121,214
Other current liabilities	240,517	196,792
Provisions	14,725	12,089
Total current liabilities	515,335	330,095
Non-current liabilities		
Loans	52,938	23,719
Other non-current liabilities	28,504	27,016
Provisions	442	410
Total non-current liabilities	81,884	51,145
Total liabilities	597,219	381,240
Equity		
Equity capital	8,476	8,460
Reserves and surplus	472,334	443,996
Total equity	480,810	452,456
Total liabilities and equity	1,078,029	833,696

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		Half year ended		Year ended
	30.09.11	30.09.10	30.09.11	30.09.10	31.03.11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total operating income	164,698	129,688	334,394	256,814	530,441
Profit before tax and exceptional items	18,067	26,477	76,380	54,363	105,181
Profit after tax before exceptional items	13,850	22,020	59,255	46,468	89,331
Profit after tax and exceptional items	13,850	22,020	59,255	46,468	89,331

Note:

The unaudited standalone financial results for the quarter ended 30 September 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: 25 October 2011

MS

Press Release



Dr. Reddy's Q2 FY12 Financial Results

Q2 FY12 Revenues at ₹22.7 billion (\$462 million), YoY growth of 21%

Q2 FY12 Adjusted* EBITDA at ₹5.1 billion (\$104 million), YoY growth of 20%

Q2 FY12 Adjusted PAT at ₹3.1 billion (\$63 million), YoY growth of 8%**

Hyderabad, India, October 25, 2011: Dr. Reddy's Laboratories Ltd. (NYSE: RDY) today announced its unaudited consolidated financial results for the quarter ended September 30, 2011 under International Financial Reporting Standards (IFRS).

Key Highlights

- Consolidated revenues are at ₹22.7 billion (\$462 million) in Q2 FY12 versus ₹18.7 billion (\$381 million) in Q2 FY11, year-on-year growth of 21%. Consolidated revenues for H1 FY12 is at ₹42.5 billion (\$866 million).
 - Revenues from Global Generics for Q2 FY12 are at ₹16.1 billion (\$329 million). Year-on-year growth of 18% mainly driven by North America and Russia.
 - Revenues from PSAI are at ₹5.9 billion (\$121 million) in Q2 FY12, growth of 28% over previous year.
- Adjusted* EBITDA of ₹5.1 billion (\$104 million) in Q2 FY12, is at 23% of revenues recording year-on-year growth of 20%. Consolidated adjusted EBITDA for H1 FY12 is at ₹9.4 billion (\$193 million).
- Adjusted** Profit after Tax for Q2 FY12 is at ₹3.1 billion (\$63 million), is at 14% of revenues with year-on-year growth of 8%. Consolidated adjusted PAT for H1 FY12 is at ₹5.6 billion (\$115 million).
- During the quarter, the company launched 28 new generic products, filed 17 new product registrations and filed 11 DMFs globally.
- Dr. Reddy's today announced the final approval of its olanzapine 20 mg tablets, the generic version of Eli Lilly's Zyprexa® from the USFDA.

**Note: Adjustments include: benefit from a part reversal of provision booked in Q1 for Voluntary Retirement Scheme (VRS) floated by the company.*

***Note: Adjustments include: a) interest on bonus debentures and b) benefit from a part reversal of provision booked in Q1 on account of Voluntary Retirement Scheme (VRS) floated by the company.*



Press Release



All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = ₹49.05

Dr. Reddy's Laboratories Limited and Subsidiaries

Unaudited Consolidated Income Statement

Particulars	Q2 FY12			Q2 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Revenue	462	22,679	100	381	18,704	100	21
Cost of revenues	214	10,473	46	178	8,718	47	20
Gross profit	249	12,206	54	204	9,986	53	22
Operating Expenses							
Selling, general & administrative expenses	147	7,216	32	116	5,709	31	26
Research and development expenses	30	1,459	6	26	1,270	7	15
Other operating (income) / expense	(4)	(215)	(1)	(4)	(218)	(1)	(2)
Results from operating activities	76	3,745	17	66	3,225	17	16
Net finance (income) / expense	1	50	0	1	35	0	42
Share of (profit) / loss of equity accounted investees	(0)	(13)	(0)	(0)	(3)	(0)	-
Profit / (loss) before income tax	76	3,709	16	65	3,194	17	16
Income tax (benefit) / expense	13	631	3	7	327	2	93
Profit / (loss) for the period	63	3,078	14	58	2,867	15	7

Diluted EPS	0.4	18.1		0.3	16.9		
--------------------	------------	-------------	--	------------	-------------	--	--

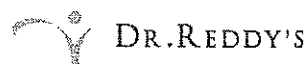
Profit Reconciliation:

Adjusted EBITDA Reconciliation	Q2 FY12		Q2 FY11	
	(\$)	(₹)	(\$)	(₹)
PBT	76	3,709	65	3,194
Interest	5	225	0	6
Depreciation	18	879	15	731
Amortization	8	389	6	317
Reported EBITDA	106	5,203	87	4,248
Adjustments:				
Part reversal of provision booked in Q1 for Voluntary Retirement Scheme	(2)	(94)		
Adjusted EBITDA	104	5,109	87	4,248

Adjusted PAT Reconciliation	Q2 FY12		Q2 FY11	
	(\$)	(₹)	(\$)	(₹)
Reported PAT	63	3,078	58	2,867
Adjustments:				
Interest on Bonus Debentures	2	118		
Part reversal of provision booked in Q1 for Voluntary Retirement Scheme	(2)	(94)		
Tax normalizing adjustment	(0)	(4)		
Adjusted PAT	63	3,099	58	2,867



Press Release



Segmental Analysis

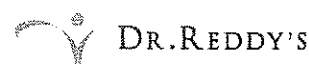
Global Generics

Revenues from Global Generics segment are at ₹16.1 billion (\$329 million) in Q2 FY12 registering growth of 18% over previous year.

- o Revenues from North America at ₹6.3 billion in Q2 FY12 versus ₹4.4 billion in Q2 FY11. Growth in USD terms of 45% was led by new product launches in the last twelve months and market share improvement in key products.
 - 5 new products launched during the quarter, including limited competition products such as fondaparinux and fexofenadine pseudoephedrine D24 OTC.
 - 24 products of our prescription portfolio feature among the Top 3 rank in market share (Source: IMS Sales Volumes July 2011).
 - During the quarter, 4 ANDAs were filed. The cumulative ANDA filings as of 30th September, 2011 are 177. A total of 76 ANDAs are pending for approval with the USFDA of which 40 are Para IVs and 11 are FTFs.
- o Revenues in Russia & Other CIS markets at ₹3.4 billion in Q2 FY12 versus ₹2.8 billion in Q2 FY11, year-on-year growth of 23%.
 - Revenues in Russia at ₹2.9 billion in Q2 FY12 versus ₹2.3 billion in Q2 FY11, year-on-year growth in USD terms of 30%, largely driven by volume growth in key brands.
 - OTC portfolio growth of 33% over previous year; OTC sales at 25% of overall Russia sales.
 - Dr. Reddy's year-on-year secondary prescription sales growth at 20% versus industry's growth of 10%. (Source: Pharmexpert August 2011). Dr. Reddy's is ranked 12th in market share.
 - Revenues in Other CIS markets remained flat at ₹477 million in Q2 FY12.
- o Revenues in India increased by 9% to ₹3.5 billion in Q2 FY12 versus ₹3.2 billion in Q2 FY11.
 - 3 new products launched during the quarter.
 - Biosimilar portfolio growth of 22% over previous year ; represents 6% to sales.
- o Revenues from Europe at ₹2.1 billion in Q2 FY12, declined by 10% over previous year.
 - Revenues from Germany declined by 27% to ₹1.2 billion in Q2 FY12 due to continuing impact of tenders.
 - Revenues from Rest of Europe grew by 26% to ₹933 million in Q2 FY12 driven by new launches in UK and growth in out-licensing business.



Press Release



Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from PSAI are at ₹5.9 billion in Q2 FY 12 versus ₹4.6 billion in Q2 FY11, year-on-year increase of 28%.

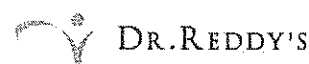
- o Growth in Active Ingredients business led by new product launches in Europe.
- o Pharmaceutical Services business grew on account of improved customer order book status.
- o During the quarter, 11 DMFs were filed globally, with 2 in US, 2 in Europe, 1 in Canada and 6 in rest of the markets. The cumulative DMF filings as of 30th September 2011 are 506.

Income Statement Highlights:

- o Gross profit at ₹12.2 billion (\$249 million) in Q2 FY12, margin of 54% to revenues, marginal increase over previous year.
- o Selling, General & Administration (SG&A) expenses including amortization at ₹7.2 billion (\$147 million) increased by 26% over Q2 FY11. This increase is on account of a) higher freight costs both on account of increase in sales volumes as well as rate increases, b) inflation and year-on-year increments linked increase in manpower costs across businesses, c) incremental costs at Bristol and Shreveport manufacturing facilities in the US and d) the increase in the OTC-related selling and marketing costs in Russia and other CIS markets as compared to previous year.
- o R&D expenses at ₹1.5 billion (\$30 million) in Q2 FY12, increase of 15% over Q2 FY11.
- o Net Finance costs are at ₹50 million (\$1 million) in Q2 FY 12 versus ₹35 million (\$0.7 million) in Q2 FY11
The change is on account of :
 - Net forex gain of ₹151 million (\$3 million) versus net forex loss of ₹49 million (\$1 million) in Q2 FY11.
 - Net interest expense of ₹225 million (\$5 million) in Q2 FY12 versus ₹5 million (\$0.1 million) in Q2 FY11.
 - Profit on sale of investments of ₹25 million (\$0.5 million) in Q2 FY12 versus ₹19 million (\$0.4 million) in Q2 FY11.
- o Adjusted EBITDA of ₹5.1 billion (\$104 million) in Q2 FY12, is at 23% of revenues with year-on-year growth of 20%.
- o Adjusted Profit after Tax for Q2 FY12 is at ₹3.1 billion (\$63 million), is at 14% of revenues with year-on-year growth of 8%.
- o Adjusted EPS for Q2 FY 12 is at ₹18.2 (\$0.4) versus ₹16.9 (\$0.3) in Q2 FY11.
- o Capital expenditure for H1 FY12 is at ₹3.6 billion (\$73 million).



Press Release



Appendix 1: Key Balance Sheet Items

(in millions)

Particulars	As on 30th Sep 11		As on 30th Jun 11	
	(\$)	(₹)	(\$)	(₹)
Cash and cash equivalents	155	7,596	111	5,468
Trade receivables	419	20,568	349	17,136
Inventories	379	18,592	355	17,401
Property, plant and equipment	641	31,450	622	30,524
Goodwill and Other Intangible assets	308	15,115	304	14,921
Loans and borrowings (current & non-current)	638	31,303	488	23,940
Trade payables	182	8,940	172	8,433
Equity	980	48,081	997	48,902

Appendix 2: Q2 FY12 Revenue Mix by Segment

(in millions)

	Q2 FY12			Q2 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Global Generics	329	16,136	71	279	13,667	73	18
North America		6,287	39		4,416	32	42
Europe		2,117	13		2,366	17	(10)
India		3,459	21		3,160	23	9
Russia & Other CIS		3,380	21		2,751	20	23
RoW		893	6		974	7	(8)
PSAI	121	5,933	26	94	4,617	25	28
North America		1,068	18		814	18	31
Europe		2,303	39		1,551	34	48
India		752	13		653	14	15
RoW		1,810	31		1,599	35	13
Others	12	610	3	9	420	2	45
Total	462	22,678	100	381	18,704	100	21

Appendix 3: Q2 FY12 Revenue Mix by Geography

(in millions)

	Q2 FY12			Q2 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
North America	159	7,777	34	111	5,464	29	42
Europe	92	4,536	20	84	4,102	22	11
India	86	4,210	19	78	3,813	20	10
Russia & Other CIS	69	3,380	15	56	2,751	15	23
Others	57	2,775	12	52	2,573	14	8
Total	462	22,678	100	381	18,704	100	21

[Signature]



Press Release



Appendix 4: H1 FY12 Consolidated Income Statement

All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = ₹49.05

Particulars	H1 FY12			H1 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Revenue	866	42,462	100	724	35,535	100	19
Cost of revenues	402	19,701	46	339	16,635	47	18
Gross profit	464	22,761	54	385	18,900	53	20
Operating Expenses							
Selling, general & administrative expenses	285	13,972	33	228	11,191	31	25
Research and development expenses	54	2,656	6	46	2,263	6	17
Other operating (income) / expense	(8)	(401)	(1)	(8)	(404)	(1)	(1)
Results from operating activities	133	6,533	15	119	5,850	16	12
Net finance (income) / expense	2	96	0	4	212	1	(55)
Share of (profit) / loss of equity accounted investees	(0)	(17)	(0)	(0)	(8)	(0)	113
Profit / (loss) before income tax	132	6,455	15	115	5,647	16	14
Income tax (benefit) / expense	15	751	2	14	684	2	10
Profit / (loss) for the period	116	5,704	13	101	4,963	14	15
Diluted EPS	0.7	33.6		0.6	29.2		

Appendix 5: H1 FY12 Profit Reconciliation

(in millions)

Adjusted EBITDA Reconciliation	H1 FY12		H1 FY11	
	(\$)	(₹)	(\$)	(₹)
PBT	132	6,455	115	5,647
Interest	9	446	(0)	(3)
Depreciation	35	1,708	29	1,416
Amortization	16	794	12	605
Reported EBITDA	192	9,404	156	7,665
Adjustments:				
One-time charge of Voluntary Retirement Scheme	1	42		
Adjusted EBITDA	193	9,445	156	7,665

Adjusted PAT Reconciliation	H1 FY12		H1 FY11	
	(\$)	(₹)	(\$)	(₹)
Reported PAT	116	5,704	101	4,963
Adjustments:				
Interest on Bonus Debentures	5	236		
One-time charge of Voluntary Retirement Scheme	1	42		
Tax normalizing adjustment	(7)	(364)		
Adjusted PAT	115	5,618	101	4,963



Press Release



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 business segments - 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. Focus markets include India, USA, Russia and CIS, Germany, UK, Venezuela, S. Africa, Romania, Australia 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.

Contact Information

Investors and Financial Analysts:

Kedar Upadhye at kedaru@drreddys.com or on +91-40-66834297

Raghavender R at raghavenderr@drreddys.com or on +91-40-49002135

Milan Kalawadia (North America) at mkalawadia@drreddys.com or on +1-9082034931

Media:

Rajan S at rajans@drreddys.com or on +91-40- 49002445

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

