

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

February 3, 2012

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

Further to our letter dated January 10, 2012, we would like to inform you that the Board of Directors of the Company at their meeting held on February 3, 2012, have approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2011.

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, 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.

Pursuant to the Clause 41 of the Listing Agreement, as amended, the Limited Review Report of the Statutory Auditors on the unaudited standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2011 is also enclosed.

Further, the Board of Directors has fixed Friday, February 24, 2012 as record date for the purpose of ascertaining the debenture holders' entitlement to receive the 1st year's interest, at the rate of 9.25% per annum, on Non-convertible Debentures (NCDs) of the Company due for payment on March 24, 2012. The said interest on NCDs will be credited/paid on March 24, 2012.

We would also like to inform you that the Board of Directors, based on the recommendation of the Nomination, Governance and Compensation Committee, has approved the re-appointment of Mr. Satish Reddy as Whole-time Director designated as Managing Director and Chief Operating Officer for a period of 5 years, subject to the shareholders' approval.

Please take the above information on record.

With regards,


Sandeep Poddar
Company Secretary

Encl : as above



DR. REDDY'S

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DR. REDDY'S LABORATORIES LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2011

Sl. No.	PARTICULARS	All amounts in Indian Rupees lakhs, except share data					
		Quarter ended			Nine Months ended		Year ended
		31.12.11 (Unaudited)	30.09.11 (Unaudited)	31.12.10 (Unaudited)	31.12.11 (Unaudited)	31.12.10 (Unaudited)	31.03.11 (Audited)
1	Sales / Income from operations (including Excise Duty)	157,653	162,195	137,327	488,356	392,433	525,368
	Less: Excise duty	973	939	848	2,849	2,500	3,564
	Net sales / income from operations	156,680	161,256	136,479	485,507	389,933	521,804
2	License fees and service income	2,159	1,766	1,013	4,732	2,058	3,103
3	Other operating income	1,930	1,676	1,484	4,902	3,784	5,534
4	Total operating income (1 + 2 + 3)	160,769	164,698	138,976	495,141	395,775	530,441
5	Total expenditure	147,540	146,358	111,052	404,996	318,757	436,682
a	(Increase) / decrease in stock	(5,582)	(2,209)	(5,052)	(10,937)	(7,957)	(7,899)
b	Material consumed	51,942	54,719	48,772	154,465	134,570	181,116
c	Research and development expenses, net	14,947	14,527	12,982	41,385	35,133	51,286
d	Personnel costs	20,666	19,745	16,916	60,774	51,215	70,113
e	Selling expenses	19,585	14,491	12,638	48,004	36,542	47,713
f	Other expenditure	38,494	37,745	18,407	89,584	51,010	63,985
g	Depreciation and amortisation	7,488	7,340	6,389	21,721	18,244	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)	13,229	18,340	27,924	90,145	77,018	93,759
7	Other income	2,417	1,305	3,721	4,983	9,049	11,960
8	Profit before interest and exceptional items (6 + 7)	15,646	19,645	31,645	95,128	86,067	105,719
9	Interest	1,693	1,578	54	4,795	113	538
10	Profit before exceptional items (8 - 9)	13,953	18,067	31,591	90,333	85,954	105,181
11	Exceptional items	-	-	-	-	-	-
12	Profit from ordinary activities before tax (10 - 11)	13,953	18,067	31,591	90,333	85,954	105,181
13	Tax expense	3,150	4,217	5,314	20,275	13,209	15,850
14	Net Profit from ordinary activities after tax (12 - 13)	10,803	13,850	26,277	70,058	72,745	89,331
15	Extra-ordinary items	-	-	-	-	-	-
16	Net profit for the period / year (14 - 15)	10,803	13,850	26,277	70,058	72,745	89,331
17	Paid - up equity share capital (face value Rs.5/- each)	8,476	8,476	8,461	8,476	8,461	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	6.37	8.17	15.53	41.35	43.02	52.82
	- Diluted	6.34	8.13	15.45	41.13	42.76	52.51
	b) After Extra-ordinary items						
	- Basic	6.37	8.17	15.53	41.35	43.02	52.82
	- Diluted	6.34	8.13	15.45	41.13	42.76	52.51
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
20	Public share holding*						
	-Number of shares (Face value Rs.5/- each)	96,543,537	96,165,909	92,947,595	96,543,537	92,947,595	94,124,752
	-Percentage of share holding	56.94	56.73	54.92	56.94	54.92	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	-	4.84	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	43,417,812	41,317,812	43,417,812	41,317,812	41,317,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	95.16	100.00	95.16	95.16
	- Percentage of shares (as a % of the total share capital of the company)	25.61	25.61	24.42	25.61	24.42	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 LABORATORIES LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2011

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended			Nine Months ended		Year ended
		31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue, results and capital employed:						
	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	63,092	63,222	55,621	179,214	148,875	205,467
	b) Global Generics	111,603	113,035	91,214	351,471	270,488	356,227
	c) Proprietary Products	44	50	88	130	202	252
	Total	174,739	176,307	146,923	530,815	419,565	561,946
	Less: Inter segment revenue	13,936	12,442	8,701	35,670	23,678	31,551
	Add : Other unallocable Income	2,383	2,138	4,475	4,979	8,937	12,006
	Total income	163,186	166,003	142,697	500,124	404,824	542,401
2	Segment results :						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	17,172	12,414	9,742	33,117	20,436	30,997
	b) Global Generics	33,579	40,128	26,234	133,297	80,446	96,210
	c) Proprietary Products	(5,301)	(4,213)	(3,262)	(12,311)	(7,818)	(11,693)
	Total	45,450	48,329	32,714	154,103	93,064	115,514
	Less: (i) Interest	1,693	1,578	54	4,795	113	538
	(ii) Other un-allocable expenditure, net	29,804	28,684	1,069	58,975	6,997	9,795
	Total profit before tax	13,953	18,067	31,591	90,333	85,954	105,181
3	Capital Employed :						
	a) Pharmaceutical Services and Active Ingredients	200,208	196,429	161,404	200,208	161,404	177,497
	b) Global Generics	285,365	325,123	252,209	285,365	252,209	265,407
	c) Proprietary Products	(3,386)	(658)	71	(3,386)	71	303
	d) Unallocated	190,191	139,627	250,716	190,191	250,716	158,793
	Total	672,378	660,521	664,400	672,378	664,400	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 31 December 2011 are given in the table below:

Nature of Complaints	Opening balance	Received	Disposal	Closing Balance
Non receipt of Shares / Debenture Certificates and Dividend	Nil	3	2	1*

*Since resolved

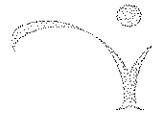
- 2 The unaudited results have been reviewed by the Audit Committee of the Board on 2 February 2012 and approved by the Board of Directors of the Company at their meeting held on 3 February 2012.
- 3 The results for the quarter and nine months ended 31 December 2011 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

Place: Hyderabad
Date: 3 February 2012

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

Satish Reddy
Managing Director & Chief Operating Officer

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DR. REDDY'S

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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 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			Nine Months ended		Year ended
		31.12.11 (Unaudited)	30.09.11 (Unaudited)	31.12.10 (Unaudited)	31.12.11 (Unaudited)	31.12.10 (Unaudited)	31.03.11 (Audited)
1	Net Income from Sales and Services	2,76,919	2,26,779	1,89,851	7,01,529	5,45,201	7,46,928
2	Cost of Sales and Services						
	a) (Increase) / decrease in stock in trade and work in progress	(3,612)	(6,575)	(3,525)	(15,390)	(10,815)	(17,763)
	b) Consumption of raw materials	78,632	76,660	60,149	2,18,791	1,74,858	2,41,871
	c) Other expenditure	36,151	34,649	29,082	1,04,779	88,014	1,20,192
3	Gross Profit (1 - 2)	1,65,748	1,22,045	1,04,145	3,93,349	2,93,144	4,02,628
4	Selling, General and Administrative expenses	76,784	72,158	63,728	2,16,508	1,75,633	2,36,907
5	Research and Development expenses	15,140	14,594	13,058	41,701	35,685	50,596
6	Other (income) / expense, net	(1,648)	(2,152)	(1,979)	(5,670)	(6,033)	(11,151)
7	Operating profit (3) - (4 + 5 + 6)	75,472	37,445	29,338	1,40,810	87,859	1,26,276
8	Finance (expense) / income, net	1,737	(495)	(498)	777	(2,621)	(1,877)
9	Share of profit / (loss) of equity accounted affiliate, net of income taxes	255	133	(7)	428	70	32
10	Profit / (loss) before tax (7 + 8 + 9)	77,464	37,083	28,833	1,42,015	85,308	1,24,431
11	Tax Expense / (benefit)	26,168	6,303	1,519	33,665	8,357	14,031
12	Net Profit after tax (10 - 11)	51,296	30,780	27,314	1,08,350	76,951	1,10,400
13	Non-Controlling Interest	-	-	-	-	-	-
14	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
15	Net Profit for the period / year (12 + 13 + 14)	51,296	30,780	27,314	1,08,350	76,951	1,10,400
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,476	8,476	8,461	8,476	8,461	8,463
17	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity	-	-	-	-	-	4,51,485
18	Earnings per share for the period / year (in Rupees) per Rs. 5/- share						
	Basic	30.26	18.16	16.14	63.95	45.51	65.28
	Diluted	30.16	18.10	16.07	63.68	45.29	64.95
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
19	Public shareholding *						
	Number of shares	9,65,43,537	9,61,65,909	9,29,47,595	9,65,43,537	9,29,47,595	9,41,24,752
	Percentage of shareholding	56.94	56.73	54.92	56.94	54.92	55.61
20	Promoters and promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	21,00,000	-	21,00,000	21,00,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	4.84	-	4.84	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	4,34,17,812	4,34,17,812	4,13,17,812	4,34,17,812	4,13,17,812	4,13,17,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	95.16	100.00	95.16	95.16
	- Percentage of shares (as a % of the total share capital of the Company)	25.61	25.61	24.42	25.61	24.42	24.41
21	Details of expenditure						
	Items exceeding 10% of total expenditure						
	Employee cost	43,483	40,196	34,347	1,24,440	1,01,976	1,41,091
	Depreciation and amortization	13,058	12,685	10,658	38,081	30,897	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)



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Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	Quarter ended			Nine Months ended		Year ended
		31.12.11 (Unaudited)	30.09.11 (Unaudited)	31.12.10 (Unaudited)	31.12.11 (Unaudited)	31.12.10 (Unaudited)	31.03.11 (Audited)
1	Segment wise revenue and results:						
	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	69,577	71,767	58,494	1,98,952	1,64,635	2,27,935
	b) Global Generics	2,12,866	1,61,357	1,35,881	5,18,462	3,91,722	5,33,494
	c) Proprietary Products	3,238	2,638	1,618	7,844	4,153	5,323
	d) Others	5,174	3,458	2,559	11,941	8,369	11,727
	Total	2,90,855	2,39,220	1,98,552	7,37,199	5,68,879	7,78,479
	Less: Inter-segment revenue	13,936	12,441	8,701	35,670	23,678	31,551
	Net Revenue from operations	2,76,919	2,26,779	1,89,851	7,01,529	5,45,201	7,46,928
	2	Segment results :					
Gross Profit from each segment							
a) Pharmaceutical Services and Active Ingredients		19,284	16,901	14,178	46,628	34,550	51,045
b) Global Generics		1,40,965	1,01,998	88,522	3,35,604	2,53,686	3,44,992
c) Proprietary Products		2,704	2,150	1,306	6,470	2,998	3,827
d) Others		2,795	996	139	4,647	1,910	2,764
Total		1,65,748	1,22,045	1,04,145	3,93,349	2,93,144	4,02,628
Less: Other un-allocable expenditure, net of other income		88,284	84,962	75,312	2,51,334	2,07,836	2,78,197
Total profit before tax		77,464	37,083	28,833	1,42,015	85,308	1,24,431

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 31 December 2011 are given in the table below:

Nature of Complaints	Opening Balance	Received	Disposal	Closing Balance
Non receipt of Shares/ Debenture Certificates and Dividend	Nil	3	2	1*

*Since resolved

- 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, Lacock 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, 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 During the three months ended 31 December 2011, the Company received an approval and was awarded a 180-day period of marketing exclusivity from the U.S. FDA for olanzapine 20 mg tablets (generic version of Eli Lilly's Zyprexa®20 mg) for sale in the United States. The Company had entered into an agreement with Teva Pharmaceuticals Inc. ("Teva") under which the company would supply olanzapine 20mg tablets to Teva. In consideration for such supply, Teva would pay a revenue share to the Company computed based on its ultimate net sale proceeds. Based on the statement of net sale proceeds received from Teva, the Company has recorded the revenue share in its financial statements for the quarter ended December 31, 2011.
- 5 The unaudited results have been reviewed by the Audit Committee of the board on 2 February 2012 and approved by the Board of Directors of the Company at their meeting held on 3 February 2012. 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 nine months ended 31 December 2011, 31 December 2010, for the quarter ended 30 September 2011 and for the year ended 31 March 2011.



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DR. REDDY'S

7 The results for the quarter and nine months ended 31 December 2011 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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			Nine Months ended		Year ended
	31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total operating income	1,60,769	1,64,698	1,38,976	4,95,141	3,95,775	5,30,441
Profit before tax and exceptional items	13,953	18,067	31,591	90,333	85,954	1,05,181
Profit after tax before exceptional items	10,803	13,850	26,277	70,058	72,745	89,331
Profit after tax and exceptional items	10,803	13,850	26,277	70,058	72,745	89,331

Note:

The unaudited standalone financial results for the quarter ended 31 December 2011 are available on the Stock Exchange's website : www.bseindia.com and www.nscindia.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: 3 February 2012

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Dr. Reddy's Q3 FY12 Financial Results

Highest ever quarterly sales and profit

Hyderabad, India, February 3rd, 2012: Dr. Reddy's Laboratories Ltd. (NYSE: RDY) today announced its unaudited consolidated financial results for the quarter ended December 31, 2011 under International Financial Reporting Standards (IFRS).

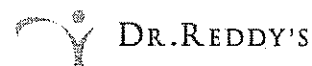
Key Highlights

- **Launch of olanzapine 20 mg (generic version of Eli Lilly's Zyprexa® 20 mg) in the US, another key milestone in consistently delivering limited competition opportunities**
- **Revenues for Q3 FY12 at ₹27.7 billion (\$522 million), YoY growth of 46%**
 - *Revenues for nine months FY12 at ₹70.2 billion (\$1.3 billion), YoY growth of 29%*
- **EBITDA for Q3 FY12 at ₹9.2 billion (\$174 million), 33% to sales, YoY growth of 127%**
 - *EBITDA for nine months FY12 at ₹18.6 billion (\$351 million), 27% to sales, YoY growth of 59%*
- **Adjusted* PAT for Q3 FY12 at ₹5.2 billion (\$98 million), YoY growth of 91%**
 - *Adjusted* PAT for nine months FY12 at ₹11.1 billion (\$209 million), YoY growth of 44%*
- **Q3 FY12 → 33 new generic launches, 16 new generic filings and 7 DMF filings**

**Note: Adjustments on account of interest on bonus debentures (net of tax)*



Press Release



All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = ₹53.01

Dr. Reddy's Laboratories Limited and Subsidiaries

Unaudited Consolidated Income Statement

Particulars	Q3 FY12			Q3 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Revenue	522	27,692	100	358	18,985	100	46
Cost of revenues	210	11,117	40	162	8,571	45	30
Gross profit	313	16,575	60	196	10,414	55	59
Operating Expenses							
Selling, general & administrative expenses	145	7,679	28	120	6,374	34	20
Research and development expenses	29	1,514	5	25	1,306	7	16
Other operating (income) / expense	(3)	(165)	(1)	(4)	(199)	(1)	(17)
Results from operating activities	142	7,547	27	55	2,933	15	157
Net finance (income) / expense	(3)	(174)	(1)	1	48	0	-
Share of (profit) / loss of equity accounted investees	(0)	(26)	(0)	0	1	0	-
Profit / (loss) before income tax	146	7,747	28	54	2,884	15	169
Income tax (benefit) / expense	49	2,616	9	3	152	1	-
Profit / (loss) for the period	97	5,131	19	52	2,732	14	88
Diluted EPS	0.6	30.2		0.3	16.1		88

Profit Computation

(in millions)

EBITDA Computation	Q3 FY12		Q3 FY11	
	(\$)	(₹)	(\$)	(₹)
PBT (reported)	146	7,747	54	2,884
Interest	3	155	2	98
Depreciation	17	899	14	758
Amortization	8	408	6	307
EBITDA	174	9,208	76	4,048

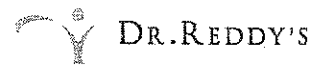
(in millions)

Adjusted PAT Computation	Q3 FY12		Q3 FY11	
	(\$)	(₹)	(\$)	(₹)
PAT (reported)	97	5,131	52	2,732
Adjustments:				
Interest on Bonus Debentures (net of tax)	1	78		
Adjusted PAT	98	5,209	52	2,732

R.B.



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Key Balance Sheet Items

(in millions)

Particulars	As on 31st Dec 11		As on 30th Sep 11	
	(\$)	(₹)	(\$)	(₹)
Cash and cash equivalents	313	16,587	143	7,596
Trade receivables	498	26,373	388	20,568
Inventories	369	19,586	351	18,592
Property, plant and equipment	612	32,433	593	31,450
Goodwill and Other Intangible assets	287	15,182	285	15,115
Loans and borrowings (current & non-current)	727	38,502	591	31,303
Trade payables	173	9,189	169	8,940
Equity	980	51,927	907	48,081

Q3 FY12 Revenue Mix by Segment

(in millions)

	Q3 FY12			Q3 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Global Generics	402	21,287	77	256	13,589	72	57
North America		11,114			4,765		133
Europe		2,426			2,124		14
India		3,333			3,000		11
Russia & Other CIS		3,317			2,880		15
RoW		1,097			820		34
PSAI	105	5,563	20	94	4,979	26	12
North America		1,170			770		52
Europe		1,651			1,830		(10)
India		862			622		39
RoW		1,880			1,757		7
Others	15	842	3	8	417	2	102
Total	522	27,692	100	358	18,985	100	46

Q3 FY12 Revenue Mix by Geography

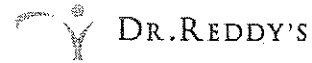
(in millions)

	Q3 FY12			Q3 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
North America	242	12,826	46	110	5,823	31	120
Europe	82	4,325	16	77	4,078	21	6
India	79	4,194	15	68	3,625	19	16
Russia & Other CIS	63	3,317	12	54	2,880	15	15
Others	56	3,030	11	49	2,579	14	17
Total	522	27,692	100	358	18,985	100	46

R.B.



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Segmental Analysis

Global Generics: North America

Revenues from North America were at ₹11.1 billion in Q3 FY12 versus ₹4.8 billion in Q3 FY11. Growth was led by the high value launch of olanzapine 20 mg, new products launched in the last twelve months and strong volume growth across key products.

- 2 new products launched during the quarter – olanzapine 20 mg and olanzapine ODT.
- Strong volume growth contributed by key products such as lansoprazole, tacrolimus, omeprazole Mg OTC and Shreveport products and last twelve months new launches of fondaparinux and antibiotics portfolio.
- 26 prescription products feature among the Top 3 in market share (*Source: IMS Volumes November 2011*).
- During the quarter, 3 ANDAs were filed. The cumulative ANDA filings as of 31st December, 2011 are 187. A total of 79 ANDAs are pending for approval with the USFDA of which 40 are Para IVs and 10 are FTFs.

Global Generics: Russia & Other CIS

Revenues in Russia & Other CIS markets were at ₹3.3 billion in Q3 FY12 versus ₹2.9 billion in Q3 FY11.

- Revenues in Russia were at ₹2.8 billion in Q3 FY12.
 - The company's secondary sales growth at 23% continued to outperform industry's growth of 19%. (*Source: Pharmexpert Prescription Sales November 2011*).
 - Top 5 products feature among Top 2 ranks in market share.
 - OTC portfolio grew by 24% over previous year.
- Revenues in Other CIS markets were at ₹557 million in Q3 FY12; year-on-year growth driven largely by Ukraine and Kazakhstan.

Global Generics: India

Revenues in India were at ₹3.3 billion in Q3 FY12 versus ₹3.0 billion in Q3 FY11, driven by volume increase in key products and new product launches in the last twelve months.

- 6 new products launched during the quarter.
- Biosimilars portfolio grew by 25% over previous year.

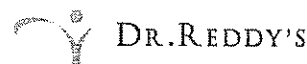
Global Generics: Europe

Revenues from Europe were at ₹2.4 billion in Q3 FY12 versus ₹2.1 billion in Q3 FY11.

- Revenues from Germany were at ₹1.5 billion in Q3 FY12. Growth in new product launches outside the scope of tender was offset by price erosion in products within tenders.
- Revenues from Rest of Europe were at ₹881million.



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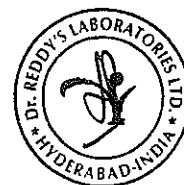
Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from PSAI were at ₹5.6 billion in Q3 FY12 versus ₹5.0 billion in Q3 FY11. Growth was largely driven by Pharmaceutical Services segment and benefit of rupee depreciation.

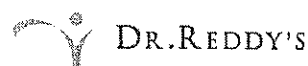
- During the quarter, 7 DMFs were filed globally including 2 in US, 2 in Europe and 3 in rest of the markets. The cumulative DMF filings as of 31st December 2011 are 513 globally.

Income Statement Highlights:

- Gross profit margin 60% to revenues in Q3 FY12, increased largely on account of a favorable mix of high margin olanzapine revenues and benefit of rupee depreciation.
- Selling, General & Administration (SG&A) expenses including amortization at ₹7.7 billion (\$145 million) increased by 20% over Q3 FY11. This increase is on account of higher manpower and freight costs and the effect of rupee depreciation against multiple currencies.
- Net Finance income at ₹174 million (\$3 million) in Q3 FY12 versus net Finance cost of ₹49 million (\$1 million) in Q3 FY11. The change is on account of :
 - Net forex gain of ₹285 million (\$5 million) in Q3 FY12 versus net forex loss of ₹45 million (\$1 million) in Q3 FY11.
 - Net interest expense of ₹155 million (\$3 million) in Q3 FY12 versus ₹98 million (\$2 million) in Q3 FY11.
 - Profit on sale of investments of ₹44 million (\$1 million) in Q3 FY12 versus ₹4 million in Q3 FY11.
- EBITDA of ₹9.2 billion (\$174 million) in Q3 FY12, represents 33% of revenues and recorded a year-on-year growth of 127%. EBITDA of ₹18.6 billion (\$351 million) for nine months ended December 2011, represents 27% of revenues and recorded a year-on-year growth of 59%.
- Profit after Tax adjusted for interest on bonus debentures (net of tax), was at ₹5.2 billion (\$98 million) in Q3 FY12, 19% of revenues and year-on-year growth of 91%. Adjusted PAT for nine months ended December 2011 was ₹11.1 billion (\$209 million) and recorded year-on-year growth of 44%.
- Adjusted EPS for Q3 FY12 was ₹30.6 (\$0.6) versus ₹16.1 (\$0.3) in Q3 FY11. Adjusted EPS for nine months ended December 2011 was ₹65.1 (\$1.2).
- Capital expenditure for nine months ended December 2011, was ₹5.0 billion (\$94 million).



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Consolidated Income Statement: Nine months ending December 2011

All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = ₹53.01

Particulars	9 Months FY12			9 Months FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Revenue	1,323	70,153	100	1,028	54,520	100	29
Cost of revenues	581	30,818	44	475	25,206	46	22
Gross profit	742	39,335	56	553	29,314	54	34
Operating Expenses							
Selling, general & administrative expenses	409	21,651	31	331	17,562	32	23
Research and development expenses	79	4,170	6	67	3,569	7	17
Other operating (income) / expense	(11)	(567)	(1)	(11)	(602)	(1)	(6)
Results from operating activities	266	14,081	20	166	8,786	16	60
Net finance (income) / expense	(1)	(78)	(0)	5	262	0	-
Share of (profit) / loss of equity accounted investees	(1)	(43)	(0)	(0)	(7)	(0)	514
Profit / (loss) before income tax	268	14,202	20	161	8,531	16	66
Income tax (benefit) / expense	63	3,366	5	16	836	2	303
Profit / (loss) for the period	204	10,836	15	145	7,695	14	41

Diluted EPS	1.2	63.7		0.9	45.3		41
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Profit Computation

(in millions)

EBITDA Computation	9 Months FY12		9 Months FY11	
	(\$)	(₹)	(\$)	(₹)
PBT (reported)	268	14,202	161	8,531
Interest	11	601	2	95
Depreciation	49	2,606	41	2,174
Amortization	23	1,202	17	912
EBITDA	351	18,611	221	11,712

(in millions)

Adjusted PAT Computation	9 Months FY12		9 Months FY11	
	(\$)	(₹)	(\$)	(₹)
PAT (reported)	204	10,836	145	7,695
Adjustments:				
Interest on Bonus Debentures (net of tax)	5	235		
Adjusted PAT	209	11,071	145	7,695



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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 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.

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



B S R & Co.

(Registered)
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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") and the subsidiary companies as listed in Notes 2 and 4 of the accompanying statement for the quarter and nine months ended 31 December 2011 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 statements 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 provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

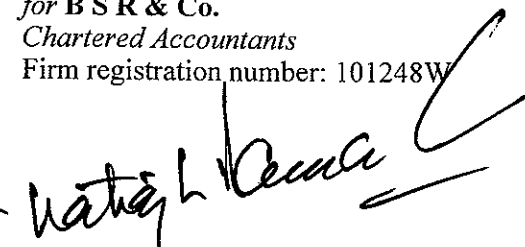
We did not review the financial results of certain subsidiaries which have been reviewed by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached consolidated financial results include revenue of Rs 15,450 lakhs and Rs 39,360 lakhs in respect of the aforementioned subsidiary for the quarter and nine months period then ended, respectively.

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 2011 in accordance with applicable International accounting standards 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.

Chartered Accountants

Firm registration number: 101248W



Natrajh Ramakrishna

Partner

Membership No.: 32815

Hyderabad

3 February 2012

BSR & Co.

(Registered)
Chartered Accountants

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Fax : +91 40 3046 5299

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 2011 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.

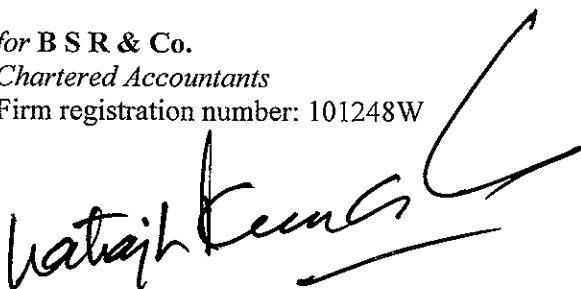
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to 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 financial results prepared for the quarter and nine months ended 31 December 2011 in accordance with applicable accounting standards 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 BSR & Co.

Chartered Accountants

Firm registration number: 101248W



Natrajh Ramakrishna

Partner

Membership No.: 32815

Hyderabad

3 February 2012