

Dr. Reddy's Laboratories Ltd

Q1 FY13 Press Meet

July 19, 2012



Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India;
- The ability to successfully implement our strategy, our research and development efforts, growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Government;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India.

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We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

Key Highlights



Dr Reddy's enters into collaboration with Merck Serono* for co-development, manufacturing and commercialization of biosimilars



Launch of generic versions of atorvastatin, clopidogrel and ibandronate sodium in US



Emerging Markets YoY growth at 44%

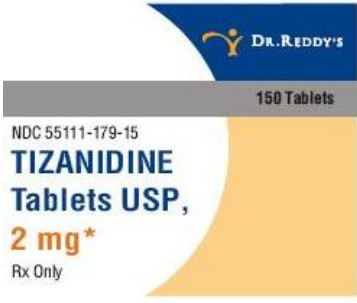
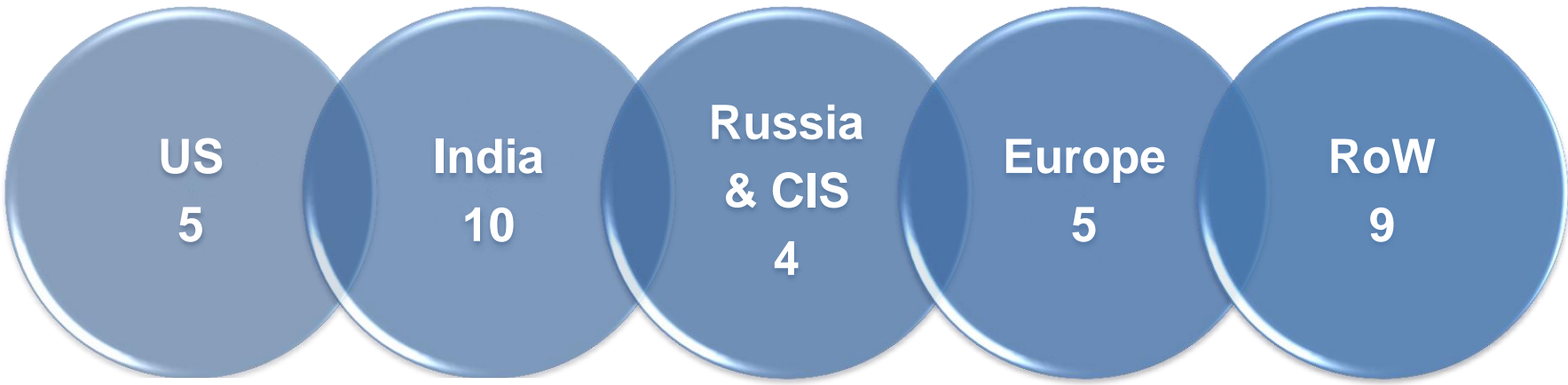


India business YoY growth at 19%

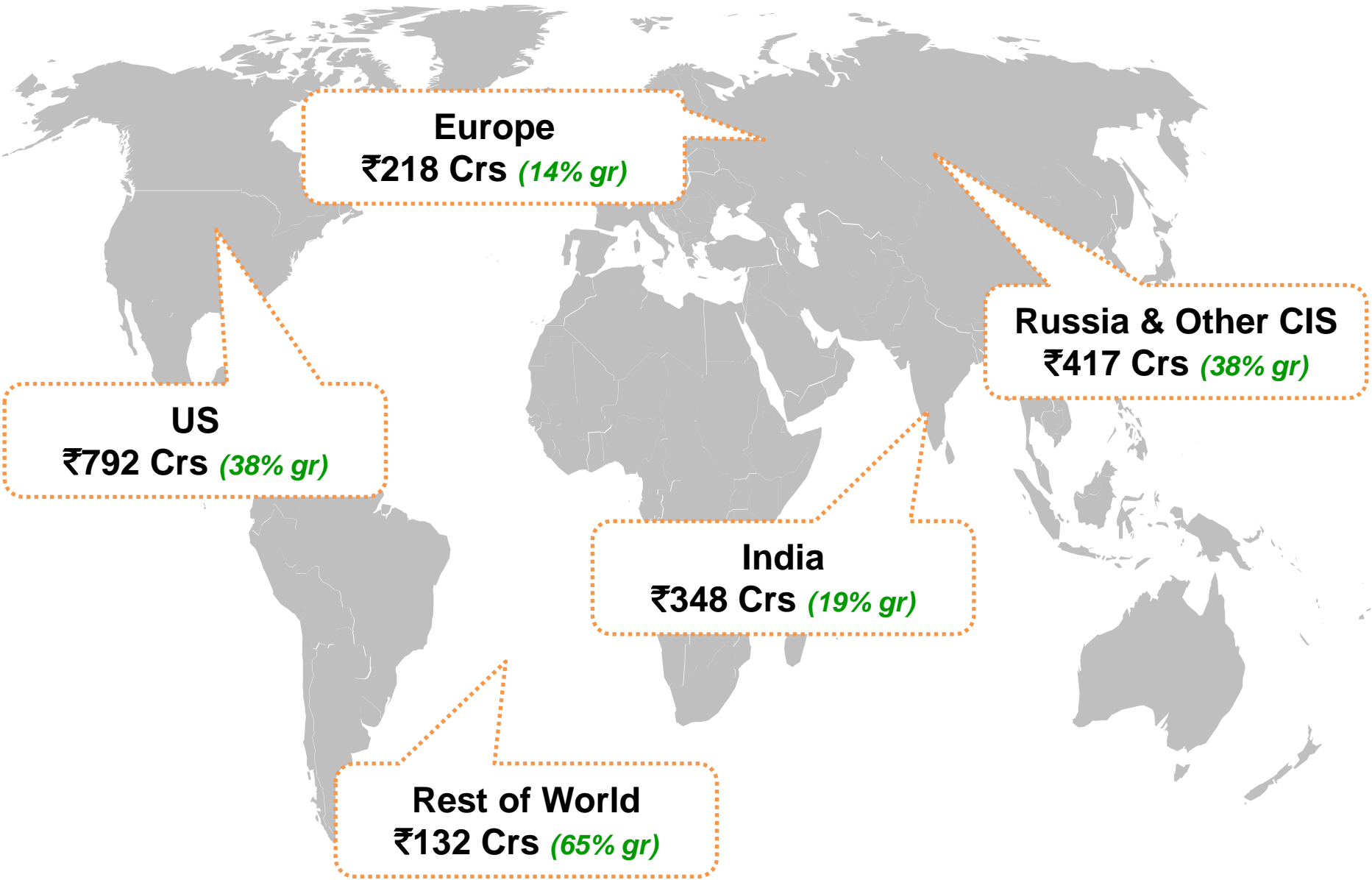
Key Financial Highlights

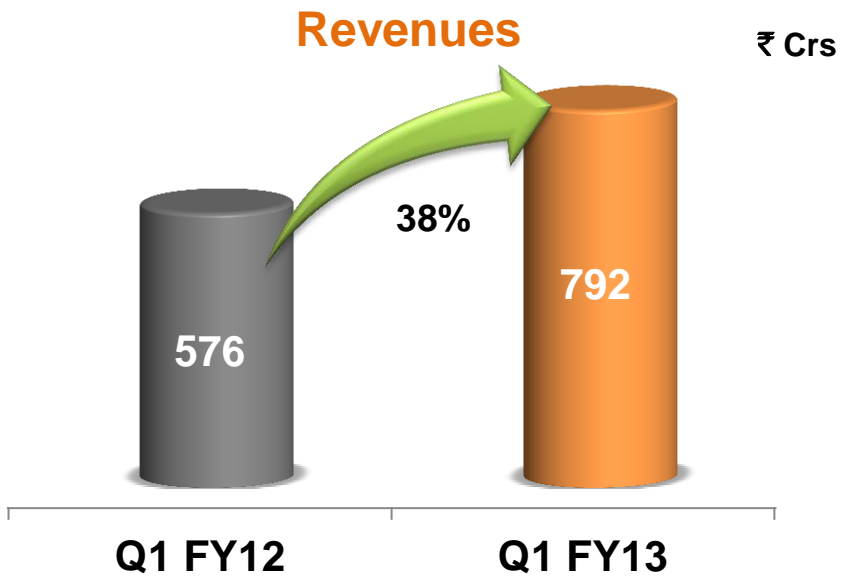
	Q1 FY13		Q1 FY12
Revenues	₹ 2,541 Crs	28%	₹ 1,978 Crs
EBITDA	₹ 506 Crs <i>(20% to sales)</i>	21%	₹ 420 Crs <i>(21% to sales)</i>
PAT	₹ 336 Crs <i>(13% to sales)</i>	28%	₹ 263 Crs <i>(13% to sales)</i>

Global Launches → Q1 FY13



Global Generics → ₹1,907 Crs (32% YoY gr)





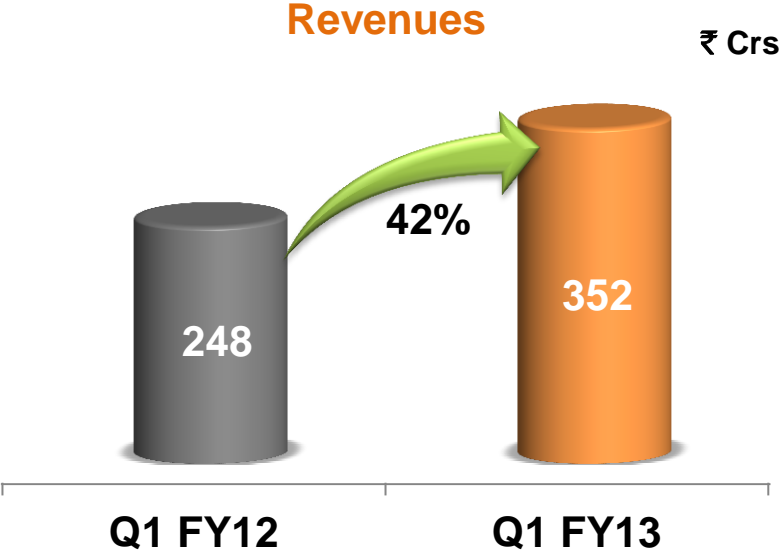
- ❑ 29 Rx products among Top 3 ranks
- ❑ 4 ANDA filings during the quarter

Pipeline

Pending ANDAs	→	73
Para IVs	→	36
FTFs	→	6

- ❑ Growth driven by :
 - New products** – lansoprazole OTC (DR), ropinirole (ER), clopidogrel (75 / 300 mg)
 - Share Increase in existing products**
lansoprazole, ziprasidone, fondaparinux, Shreveport and Bristol products
- ❑ OTC portfolio contributed 21% of total sales
- ❑ Atorvastatin and ibandronate sodium launched in July 2012
- ❑ Further launches and volume scale up in key products during the balance three quarters

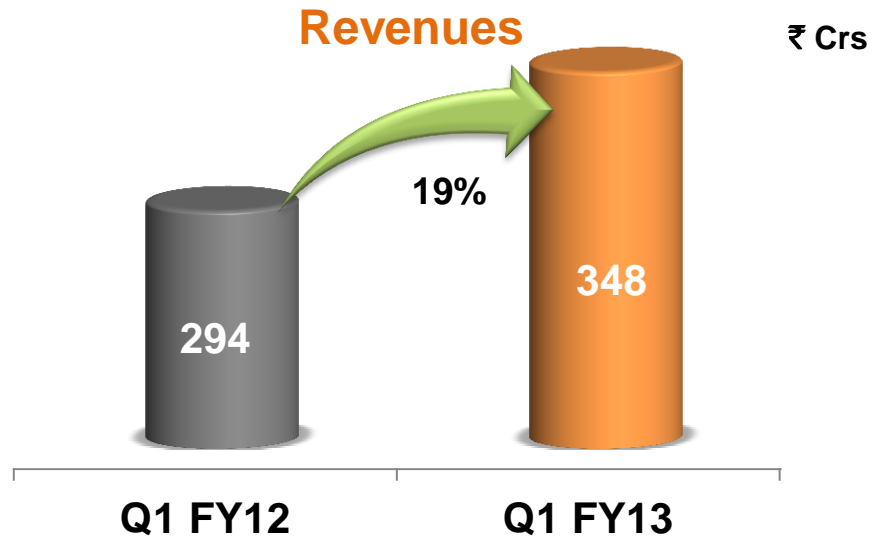
Global Generics : Russia



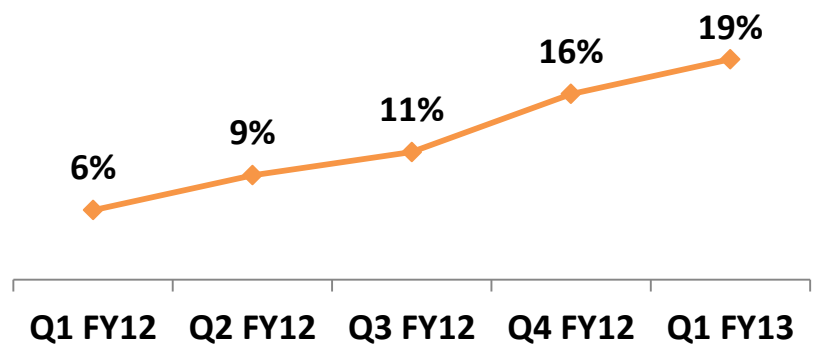
- ❑ **Highest ever quarterly sales**
- ❑ Growth driven by volume increase across key brands – Nise , Omez Ketorol, Ciprolet, Senade & Cetrine
- ❑ Continued focus on OTC franchise → now at 35% of overall sales
- ❑ 4 new launches during the quarter
- ❑ Top 6 Rx products among Top 2 ranks

Market Data (in Dollars Pharmexpert May 12)

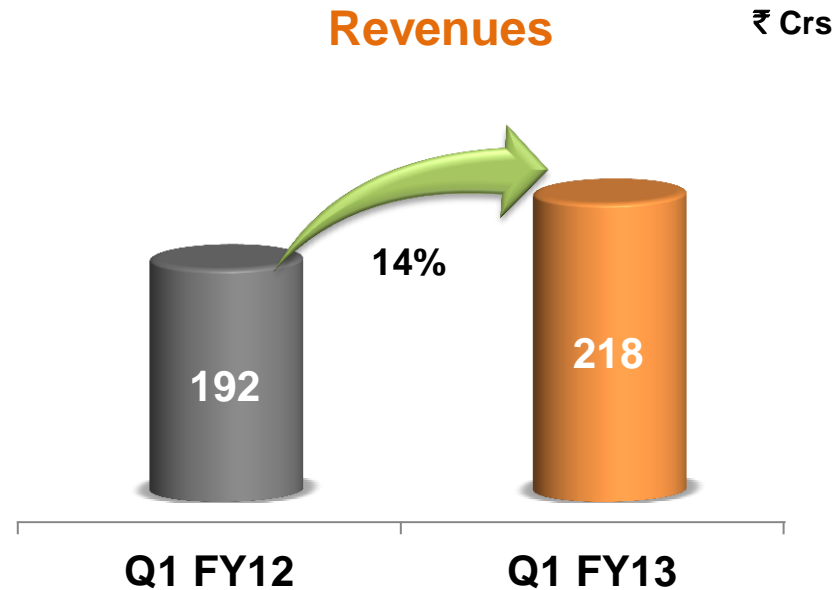
Rank	→	12
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Quarterly YoY growth rate of revenues



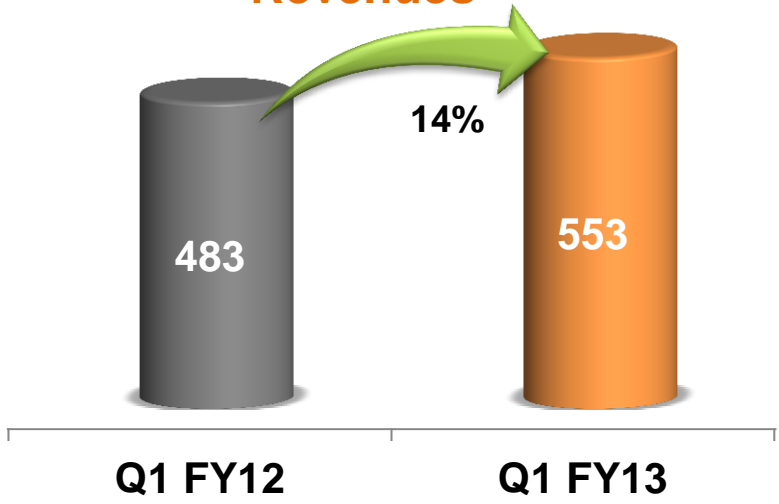
- Healthy revival in growth and near-term target to consistently match / marginally exceed the market growth rate
- Growth primarily driven by scale up in volumes across key brands
- 10 new launches during the quarter
- Recent biologics launches Cresp and Peg-Grafeel → grew by 36%



- ❑ **Germany** → Growth primarily coming from increase in the market share of the tender products
- ❑ 5 new launches during the quarter
- ❑ 4 new dossier filings during the quarter

₹ Crs

Revenues



- ❑ Expect a continued growth momentum in the near term driven driven by launch supplies to generic customers
- ❑ 7 DMF filings during the quarter including 1 each in US & Europe

Pipeline - DMFs

US	→	188
Europe	→	153
RoW	→	209
Cumulative	→	550

Recognitions: Q1 FY13



**Best Managed
Boards of India
Award
Corporate
Excellence
Awards (Stars
Group)**



**Second Runner's
Up (Large Size
Category)- Best
Learning
Organization in
Asia
L&OD Roundtable**



**Best CFO of India
Award
Corporate
Excellence
Awards (Stars
Group)**

Q&A Session

July 19, 2012



P&L → Q1 FY13

₹ Crs

Particulars	Q1 FY13	Q1 FY12	Gr%
Revenue	2,541	1,978	28%
Gross Profit	1,354	1,056	28%
<i>% to sales</i>	53%	53%	
SG&A	828	676	23%
<i>% to sales</i>	33%	34%	
R&D	156	120	31%
<i>% to sales</i>	6%	6%	
EBITDA	506	420	21%
<i>% to sales</i>	20%	21%	
PAT	336	263	28%
<i>% to sales</i>	13%	13%	

Key Balance Sheet Items

Particulars	₹ Crs	
	Jun 12	Mar 12
Cash & Cash Equivalents	2,135	1,815
Trade & Other receivables	2,498	2,534
Inventories	2,058	1,935
Property, plant & equipment	3,455	3,325
Loans & borrowings (current & non current)	3,543	3,221
Trade accounts payable	875	950

Net Debt – Equity ratio has remained at the same level of 0.24 in Jun '12 as in March '12



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

THANK YOU