

Dr. Reddy's announces the completion of two acquisitions

Hyderabad, India, May 1, 2008: Dr. Reddy's Laboratories (NYSE: RDY) announced that it has completed two acquisitions: The Dow Chemical Company's Dowpharma Small Molecules Business associated with its Mirfield and Cambridge, UK sites and BASF's pharmaceutical contract manufacturing business and related facility in Shreveport, Louisiana, USA. Further financial terms and conditions of the transaction are not being disclosed.

The acquisition of The Dow Chemical Company's Dowpharma Small Molecules Business associated with the 2 UK sites includes the relevant business, customer contracts, associated products, process technology, intellectual property, and trademarks as well as the transfer of the Mirfield and Cambridge facilities. Employees directly related to the business located at the Cambridge and Mirfield sites will become part of Dr Reddy's. Dr. Reddy's will also have a non-exclusive license to Dow's *Pfēnex* Expression Technology™ for biocatalysis development.

The acquisition of BASF's pharmaceutical contract manufacturing business and related facility includes the relevant business, customer contracts, related ANDAs and NDAs, trademarks, as well as the manufacturing facility and assets at Shreveport, Louisiana. It also includes a tolling and supply agreement. Employees directly related to the business located at Shreveport site will become part of Dr Reddy's.

Disclaimer

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

About Dr. Reddy's

Dr. Reddy's Laboratories was established in 1984 in Hyderabad, India, and is a global pharmaceutical company with proven research capabilities. Dr. Reddy's conducts research in the areas of diabetes, obesity, cardiovascular diseases, anti-infectives and inflammation. The Indian based company produces finished dosage forms, active pharmaceutical ingredients and biotechnology products which are marketed globally, with focus on India, US, Europe and Russia. (www.drreddys.com)

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