

Hyderabad, India, September 18, 2008

Dr. Reddy's formally announces its US Specialty Business, Promius Pharma, LLC.

- **Announcement marks a milestone in building a sustainable and profitable branded business in the US**
- **Commercial launch of Promius Pharma is planned for Q3 FY09**

September 18, 2008, Hyderabad:

Dr. Reddy's Laboratories (NYSE: RDY) today formally announced its US Specialty Business with the launch of Promius Pharma, a wholly-owned subsidiary of Dr. Reddy's Laboratories located in Bridgewater, NJ.

Promius Pharma, which will initially focus on the branded dermatology market, is based on a platform of strategic licensing initiatives and internal product development activities undertaken over the last several years. Promius Pharma's product portfolio currently comprises of three in-licensed and co-developed dermatological products that are scheduled to launch within calendar years 2008-09, and a pipeline of topical products being developed at the Integrated Product Development Facility in Hyderabad, India. Promius Pharma's current portfolio contains innovative topical products for the treatment of psoriasis, atopic dermatitis and seborrheic dermatitis.

Commenting on the strategic event, GV Prasad, Vice Chairman and CEO of Dr. Reddy's, said "We are pleased to announce Promius Pharma, our US Specialty Business, a meaningful milestone in our overall strategy of building a sustainable and profitable branded business. We are committed to establishing a leading position in the US dermatology market by providing innovative solutions to patients and physicians that leverage Promius Pharma's current portfolio and future additions."

Promius Pharma has assembled a management team with significant experience within the US dermatology market to accelerate Promius into a leading position within the dermatology marketplace. Jeffrey Wasserstein, Executive Vice President of Dr. Reddy's North America and Promius Pharma, stated, "We are looking to develop a best-in-class company. In order to accomplish this goal, we are bringing together the most talented people from a cross-section of dermatology companies. We have hired a nationally deployed sales force, are currently manufacturing commercial product and are putting the final touches to our launch plans."

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

Established in 1984, Dr. Reddy's Laboratories (NYSE: RDY) is an emerging global pharmaceutical company with proven research capabilities. The Company is vertically integrated with a presence across the pharmaceutical value chain. It produces finished dosage forms, active pharmaceutical ingredients and biotechnology products and markets them globally, with focus on India, US, Europe and Russia. The Company conducts research in the areas of diabetes, cardiovascular, anti-infectives, inflammation and cancer. For more details visit (www.drreddys.com)

About Promius Pharma

Promius Pharma, located in Bridgewater, NJ, is a branded specialty company and a wholly-owned subsidiary of Dr. Reddy's Laboratories, Inc. Promius Pharma, with its focus on the branded dermatology market, has a portfolio of in-licensed dermatological products and an internal pipeline of topical products under various stages of development. Promius Pharma aims to be a leading-edge company that develops and markets innovative solutions for challenging dermatological conditions with an eye to the future to redefine therapeutic options for physicians and patients. (www.promiuspharma.com)

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