

This is a joint press release by Dr. Reddy's Laboratories Ltd. ("Dr. Reddy's") and OctoPlus N.V. ("OctoPlus" or the "Company") pursuant to the provisions of Section 5, paragraph 1, and Section 7, paragraph 4 of the Dutch Public Takeover Decree (*Besluit openbare biedingen Wft*) in connection with the intended public offer by Dr. Reddy's, or a wholly owned subsidiary of Dr. Reddy's, for all the issued and outstanding ordinary shares in the capital of OctoPlus. This press release is an announcement that a conditional agreement has been reached between OctoPlus and Dr. Reddy's in connection with a potential public offer and does not constitute, or form part of, an offer or any solicitation of an offer, to acquire or subscribe or sell any securities in OctoPlus. Any offer will be made by means of the publication of an offer memorandum only. This announcement is not for release, publication, dissemination, or distribution, in whole or in part, in or into Australia, Canada and Japan.

Dr. Reddy's Laboratories intends to make a recommended public offer for OctoPlus N.V.

Later this morning at 10.00 CET the company will hold a conference call for media and analysts in which CEO Jan Egberts will give an introduction on the intended offer and will answer questions. The dial-in number is +31 (0) 45 6316902 – Conference ID 4571659

Transaction highlights

- Dr. Reddy's and OctoPlus have reached conditional agreement on a recommended all cash offer by Dr Reddy's for all issued and outstanding ordinary shares in the capital of OctoPlus at an offer price per share of € 0.52 (cum dividend)
- The offer price represents a premium of 30% over the closing price of OctoPlus of 19 October 2012
- The Executive and Supervisory Boards of OctoPlus fully support and unanimously recommend the offer
- Members of the Executive Board have agreed to stay on in the employment of OctoPlus during the transition period extending to 6 (six) months immediately following the Settlement Date

- Onroerend Goed Beheer- en Beleggingsmaatschappij A. Van Herk B.V., LSP III Omni Investments Coöperatief U.A., Signet Healthcare Partners, L.L.C., SR One, Limited and certain individual members of the Executive and Supervisory Boards of OctoPlus, together representing just over 50% of OctoPlus' issued and outstanding shares, have irrevocably committed to tender their shares under the intended offer
- The transaction will be financed with funds readily available at Dr. Reddy's
- OctoPlus' identity and head office will be maintained
- Dr. Reddy's and OctoPlus agreed to enter into a business collaboration agreement for investigational formulation research

Strategic rationale

- Extend the expertise and scientific capabilities of Dr. Reddy's in drug formulation and injectables
- Further develop OctoPlus as a complex injectables research centre within the organization of Dr. Reddy's
- Leverage existing skills and drive value in the complex generics space, in addition to the fee for service business

Hyderabad/Leiden, 22 October 2012 – Dr. Reddy's (NYSE: RDY) and OctoPlus (Euronext Amsterdam: OCTO) jointly announce that they have reached conditional agreement in connection with an intended public offer by Dr. Reddy's, or a wholly owned subsidiary of Dr. Reddy's, for all issued and outstanding ordinary shares in the capital of OctoPlus at an offer price of € 0.52 (cum dividend) in cash (the "Offer Price") for each OctoPlus share (the "Offer").

The Offer Price represents a premium of 30% over OctoPlus' most recent closing price and a premium of respectively 36%, 28% and 14% over OctoPlus' average closing price for the past three, six and twelve months. Dr. Reddy's offer price is also a significant premium over analyst estimates of OctoPlus valuation, excluding Locteron over the past 2 years. After the emergence of All Oral Hepatitis C treatments, the value of Locteron has eroded significantly.

The Offer values 100% of the issued and outstanding ordinary shares of OctoPlus at € 27.4 million.

The Executive Board and the Supervisory Board of OctoPlus fully support and unanimously recommend the Offer to OctoPlus' shareholders.

Mr. GV Prasad, CEO Dr. Reddy's comments; *"We are happy to have an R&D base in the Leiden area and the acquisition gives us the ability to strengthen our technological capabilities in the areas of drug delivery."*

Mr. Jan Egberts, CEO of OctoPlus comments; *"We are proud of the confidence Dr. Reddy's has shown in our organisation. It reflects the success of the major operational and organizational improvements we have implemented over the past few years."*

The intended public offer price reflects the value of OctoPlus after the recent value erosion of Locteron. Over the last few months the value of Locteron has significantly eroded, due to the ongoing emergence of All Oral Hepatitis C treatments, which ultimately resulted in the recently initiated bankruptcy liquidation filing of Biolex. Over the last few months, we have reviewed a number of alternative strategies for our company. We have concluded that the intended offer by Dr. Reddy's best serves the interest of our key stakeholders, including our employees and shareholders.

OctoPlus' development and manufacturing platform perfectly fits with Dr. Reddy's marketing abilities. Dr. Reddy's is keen to further expand into the fast growing Fee for Service business. To that extend they will retain OctoPlus as a specialist stand alone entity to develop specialty generics for Dr. Reddy's. OctoPlus will become Dr. Reddy's centre of excellence for complex injectables with retention of our highly skilled and dedicated professionals in our Leiden facility.

The intended public offer is a recognition of our hard work over the past years, transforming OctoPlus into a company with a strong position in development and manufacturing of difficult to formulate injectables. We are proud of our recent progress including the generation of three specialty generics products over the past twelve months and our 40% revenue growth in our Fee for Service business compared to last year. The intended offer will give OctoPlus the opportunity to grow its successful platform faster and stronger than would have been possible on a stand alone basis."

Strategic rationale

Dr. Reddy's has been following the activities of OctoPlus over a longer period with great interest and got convinced the Company has acquired competence in drug formulation and difficult to formulate injectables. In the opinion of Dr. Reddy's, OctoPlus' expertise in injectable specialty generics like Liposomes and Microspheres is interesting and its ability to improve the formulations of both existing and new drugs is believed to be complementary to Dr Reddy's existing capabilities.

Dr. Reddy's believes all stakeholders will benefit from the Offer as it enables Dr. Reddy's to extend its expertise in drug formulation and injectables and OctoPlus to further develop as a complex injectables research centre. In addition, it is the intention to leverage existing skills and drive value in the complex generics space besides the Fee for Service business. Both parties aim to position OctoPlus as a stand-alone centre for drug formulation and injectables within the organisation of Dr. Reddy's.

Recommendation and support

OctoPlus' Executive Board and the Supervisory Board (together the "Boards") fully support and unanimously recommend the Offer to the OctoPlus shareholders. After careful consideration, the Boards believe this transaction is in the best interests of the Company and its stakeholders including its clients, shareholders, partners and employees and recommend the shareholders of OctoPlus to tender their shares under the Offer. ABN AMRO Bank N.V. has, as independent advisor, issued a fairness opinion to the Boards, stating that the Offer Price is fair to the shareholders of OctoPlus from a financial point of view.

Irrevocable undertakings

Onroerend Goed Beheer- en Beleggingsmaatschappij A. Van Herk B.V., LSP III Omni Investments Coöperatief U.A., Signet Healthcare Partners, L.L.C. and SR One, Limited have signed irrevocable undertakings to support and accept the Offer, subject to customary conditions. The combined shareholding of these parties represent 49.4% of the issued and outstanding ordinary shares in OctoPlus.

The individual members of the Boards holding together 1.1% of the issued and outstanding shares in OctoPlus have also agreed to an irrevocable undertaking to tender their shares under the Offer.

Dr. Reddy's, with the help of the Company, will continue to seek additional support for the Offer from the Company's shareholders.

Employees

Dr. Reddy's recognises that OctoPlus' employees will play a pivotal role in the future of the Company and they will be treated accordingly. It is anticipated that the global number of employees of the Company and its subsidiaries will not materially change as a result of the Offer.

Governance

After completion of the Offer, the Supervisory Board will be reduced from 5 to 3 members, of whom one will be independent and Dr. Reddy's will nominate two. The three current members of the Executive Board (*Raad van Bestuur*) have agreed to stay on for an interim period after closing of the transaction.

Financing of the Offer

The Offer values 100% of the issued and outstanding OctoPlus shares at € 27.4 million. Dr. Reddy's will finance the Offer from readily available funds and the financing of the Offer will not be subject to the consent of any third party and shall have no financing condition. This announcement constitutes a certain funds announcement as required by Section 7, paragraph 4 of the Dutch Public Takeover Decree (*Besluit openbare biedingen Wft*).

Pre-offer and offer conditions

The commencement of the Offer is subject to the satisfaction or waiver of the following pre-offer conditions customary for a transaction of this kind: (i) the Offeror having completed confirmatory due diligence into certain aspects of the Company, (ii) no material adverse effect having occurred, (iii) no material breach of the merger protocol by the Company or the Boards (iv) the AFM having approved the offer memorandum, (v) the Boards not having revoked or amended their recommendation, (vi) no Competing Offer (as defined below) having been announced, (vii) the Company not having issued, or granted rights to subscribe for, securities in the Company to other persons, (viii) the AFM not having notified that investment firms will not be allowed to cooperate with the settlement of the Offer, (ix) the Company having received resignation letters from the Company's Supervisory Board members stepping down as of settlement of the Offer, (x) the Company having received a positive, unconditional advice from its works council in respect of the Offer, (xi) trading of the shares in the Company on Euronext Amsterdam not having been suspended or ended, (xii) no offer condition having become permanently incapable of satisfaction, (xiii) no order, stay judgment or decree having been issued which prohibits, restricts or materially delays the transactions and (xiv) the parties not having terminated the merger protocol.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following offer conditions: (i) a minimum acceptance of 92.5% of the OctoPlus issued and outstanding share capital, (ii) the general meeting of OctoPlus having adopted certain resolutions, (iii) no material adverse effect having occurred, (iv) no material breach of the merger protocol by either the Company or the Boards (v) the Boards not having revoked their recommendation, (vi) no Competing Offer (as defined below) having been announced, (vii) the Company not having issued, or granted rights to subscribe for, securities in the Company to other persons, (viii) the AFM not having notified that investment firms will not be allowed to cooperate with the settlement of the Offer, (ix) trading of the shares in the Company on Euronext Amsterdam not having been suspended or ended, and (x) no order, stay judgment or decree having been issued which prohibits, restricts or materially delays the transactions.

Dr. Reddy's will have the right to waive certain of the pre-offer and offer conditions, including the minimum acceptance threshold and no material adverse effect having occurred.

Competing offer

Dr. Reddy's and OctoPlus may terminate the merger protocol in the event a *bona fide* third-party offeror makes an offer which, in the reasonable opinion of the Boards, is a more beneficial offer than the Offer and (i) exceeds the Offer Price by at least 10%, and (ii) is determined by the Boards to be substantially more beneficial to the Company, specifically taking into account the identity and track record of such party, the consideration to be received by shareholders, the likelihood of completion, the other terms and conditions of the offer, and the interests of all stakeholders in the Company (a "Competing Offer").

In the event of a Competing Offer, Dr. Reddy's will be given the opportunity to match such offer, in which case the Boards shall continue to support the Offer. OctoPlus has entered into customary undertakings not to solicit third party offers.

In the event that the merger protocol terminates because of a Competing Offer or a material breach by OctoPlus, Dr. Reddy's will be entitled to a termination fee equal to € 0.5 million.

In addition, in the event that the merger protocol terminates because of a material breach by Dr. Reddy's, OctoPlus will be entitled to a termination fee of € 0.5 million.

Indicative timetable and regulatory announcements

Dr. Reddy's and OctoPlus will use their best efforts to procure the fulfilment of the commencement and offer conditions as soon as reasonably practicable. The employee consultation procedures with OctoPlus' works council will commence immediately.

Dr. Reddy's intends to launch the Offer as soon as practically possible and in accordance with the applicable statutory timetable. It is currently expected that the offer memorandum will be submitted to the AFM for approval within five weeks from the date of this announcement and that the Offer, if made, will commence during the first half of December.

Extraordinary general meetings by OctoPlus

As a consequence of the impairment loss in 2012 in relation to Biolex' voluntary petition for liquidation under Chapter 7 (see OctoPlus' press release dated 9 July 2012), OctoPlus' equity has decreased and following continuing losses over the last months, it has now become clear that OctoPlus' current equity is below the level of half of its issued and paid-up share capital. Therefore, in accordance with section 2:108a of the Dutch Civil Code, OctoPlus will in due course convene an Extraordinary General Meeting to discuss any appropriate measures it has taken in this respect.

In addition and possibly in combination with above mentioned EGM, OctoPlus will convene an informative Extraordinary General Meeting at least 6 business days before closing of the offer acceptance period in accordance with Section 18 Paragraph 1 of the Dutch Public Takeover Decree (*Besluit openbare biedingen Wft*) to discuss the Offer and decide on certain proposals regarding the governance of the Company post-completion of the Offer. Any resolutions adopted will be conditional on the completion of the Offer.

Business collaboration agreement

At the date of signing the merger protocol, OctoPlus and Dr. Reddy's agreed on the key-terms for entering into a business collaboration agreement for investigational formulation research. Dr. Reddy's will provide OctoPlus with fee for service and milestone payments as consideration for services to be

rendered by OctoPlus for a maximum amount of € 2 million during the next six months. These payments are subject to certain development milestones, which, if not met, will result in the conversion of the payments into a loan. In case OctoPlus is not able to repay the loan, Dr. Reddy's might opt for conversion of the loan into newly issued ordinary shares in the Company at the then prevailing share price level. In the coming period, Dr. Reddy's and OctoPlus will work out the key-terms into a final business collaboration agreement.

Advisors

Kempen& Co is acting as financial advisor and Linklaters LLP as legal advisor to Dr. Reddy's in connection with the Offer.

Loyens & Loeff N.V. is acting as legal counsel to OctoPlus and ABN AMRO Bank N.V. has provided the fairness opinion to OctoPlus.

Company profile 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. Over the last fiscal year the company generated revenues of over \$ 2.0 billion. Through its three businesses - 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. Major markets include India, USA, Russia and CIS, Germany, UK, Venezuela, S. Africa, Romania, and New Zealand. For more information: www.drreddys.com

Company profile OctoPlus

OctoPlus is a specialty pharmaceutical company focused on the development and manufacture of improved injectable pharmaceuticals based on proprietary drug delivery technologies that exhibit fewer side effects, improved patient convenience and a better efficacy/safety balance than existing therapies.

OctoPlus also focuses on the development of long-acting, controlled release versions of known protein therapeutics, peptides and small molecules, including specialty generics. OctoPlus is a leading European provider of advanced drug formulation and clinical scale manufacturing services to the pharmaceutical and biotechnology industries, with a focus on difficult-to formulate active pharmaceutical ingredients.

OctoPlus is listed on Euronext Amsterdam by NYSE Euronext under the symbol OCTO. More information about OctoPlus can be found on: www.octoplus.nl

Further information

Dr. Reddy's

For further information about Dr. Reddy's, please contact the Investors and Financial Analysts of Dr. Reddy's:

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OctoPlus

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Restrictions

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Dr. Reddy's or OctoPlus in any jurisdiction. The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Dr. Reddy's and OctoPlus disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Dr. Reddy's, nor OctoPlus, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any OctoPlus shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Australia, Canada and Japan.

Notice to US holders of OctoPlus Shares

The Offer will be made for the securities of a Dutch company and is subject to Dutch disclosure requirements, which are different from those of the United States. Some of the financial information

included in this announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Dutch Public Takeover Decree. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a US holder of OctoPlus shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of OctoPlus shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the offer.

It may be difficult for US holders of OctoPlus shares to enforce their rights and claims arising out of the US federal securities laws, since OctoPlus is located in a country other than the United States, and some or all of its officers and directors may be residents of a country other than the United States. US holders of OctoPlus shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

In accordance with normal Dutch practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Dr. Reddy's or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, OctoPlus shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the Netherlands, will be reported to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and disclosed in the offer memorandum or by press release.

Forward Looking Statements

This press release may include “forward-looking statements” and language indicating trends, such as “anticipated” and “expected.” Although Dr. Reddy's and OctoPlus believe that the assumptions upon which the irrelative financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither Dr. Reddy's nor OctoPlus, nor any of their advisors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.