



State of Louisiana  
Office of the Governor  
**GOVERNOR BOBBY JINDAL**

**FOR IMMEDIATE RELEASE**  
December 7, 2009  
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## **Governor Jindal Announces Expansion Plan of Leading Pharmaceutical Manufacturer in Shreveport**

*- Project will retain over 160 jobs, create 73 direct jobs, and add \$16.5 million in capital investment -*

**SHREVEPORT** – Today, Governor Bobby Jindal joined Dr. Reddy’s Senior Vice President and Head of North American Generics Amit Patel, Louisiana Economic Development (LED) Secretary Stephen Moret and Shreveport Mayor Cedric B. Glover to announce that Dr. Reddy’s will expand its Shreveport operations. The expansion will create 73 new jobs averaging nearly \$37,000 per year, plus benefits, as well as retain 161 jobs, and add \$16.5 million in capital investment. In addition, LED estimates the expansion will generate 184 indirect jobs, as well as \$7.3 million in new state tax revenues and \$5.0 million in new local tax revenues over the next ten years.

Governor Jindal said, “This expansion is a great example of the kind of projects we are attracting that help expand and sustain the strength of our economy while creating good job opportunities for our people. Indeed, Dr. Reddy’s decision to expand in Shreveport will help strengthen Northwest Louisiana’s growing healthcare, biotech and pharmaceutical industries, each of which has the potential to create many more good jobs. We’re aggressively pursuing additional economic development projects in these and other high growth areas, which will enable us to keep more highly educated workers here in Louisiana and transfer research from our universities into jobs for our people.”

“Our plans to expand the scope and scale of our Shreveport facility are driven by the combination of several factors – the strategic fit of the products and capabilities of the site with our corporate growth objectives, the work ethic of the people of North Louisiana, as well as the incentives put forth at both the state and local levels, amongst other considerations,” said Mr. Patel. “We look forward to a strong and growing partnership between Dr. Reddy’s and the State of Louisiana.”

According to Dr. Reddy’s, the company’s 300,000-square-foot Shreveport facility is the largest producer of Silver Sulfadiazine Cream and the second-largest producer of prescription Ibuprofen for the North American market. This phase of expansion will allow Dr. Reddy’s to support multiple new products at the site, and it will lead to the creation of new jobs in operations and support functions such as procurement, supply chain, and development.

“We’re excited about Dr. Reddy’s expansion here in Shreveport, and I am very proud to have this opportunity to celebrate another success story for our local economy,” said Glover. “With 73 new jobs, Dr. Reddy’s is just one example of how Shreveport is pulling through the recession in a position of strength. This expansion represents a sign of progress and a show of faith in Shreveport and Northwest Louisiana, and I have been proud to work with NLEP, LED, and the Governor to make it a reality.”

“This is a big win for Shreveport and Northwest Louisiana,” said Secretary Moret. “We believe that Shreveport has the potential to continue creating more good jobs in healthcare, biotech, and pharmaceutical manufacturing over the next few years, and we’re going to do all that we can to help realize the economic potential of these opportunities.”

Louisiana competed with other locations in the U.S. and internationally to win this project. In making their decision to expand in Shreveport, Dr. Reddy’s cited the significant productivity of the facility’s workers, the competitive incentive package put together by state and local governments, and the Louisiana FastStart program, which provides customized training solutions, that is quickly becoming one of the best in the country.

To secure the project, LED committed an incentive package that included a performance-based grant of \$2.1 million from the Rapid Response Fund to offset capital expenditures associated with the expansion. The company also plans to take advantage of the state’s Quality Jobs Program and Industrial Tax Exemption Program, as well as customized workforce training from Louisiana FastStart™. The incentive package is detailed in a memorandum of understanding that has been executed by LED and Dr. Reddy’s. This agreement must be formalized in a cooperative endeavor agreement (CEA) executed by both parties. Execution of the CEA is expected to occur in the next three to four weeks.

The North Louisiana Economic Partnership (NLEP) and the City of Shreveport also developed a local incentive package that includes waivers for all city permit fees and a 2.75 percent rebate of local sales taxes as part of the state’s Quality Jobs program.

Governor Jindal highlighted a number of economic statistics that show Louisiana, and in particular, the Shreveport-Bossier area, are outperforming the South and the nation. For instance, the Governor noted that according to the Miliken Institute the Shreveport-Bossier area was recently ranked 8<sup>th</sup> for high-tech gross domestic product (GDP) growth.

Today, Dr. Reddy’s is one of the fastest growing pharmaceutical companies in the world; for example, from 2000 to 2009, its annual revenues increased from roughly \$183 million to nearly \$1.5 billion.

“Shreveport has been a center of pharmaceutical development and manufacturing for over a half century,” said Dennis Lower, Vice President of Planning & Development, Biomedical Research Foundation of NW Louisiana. “To have one of the premier India-based pharmaceutical companies elect to grow its North American business in Shreveport sends a strong message to other US pharmaceutical companies that Shreveport offers an excellent life science value proposition.”

Dr. Reddy’s Laboratories (NYSE: RDY) is an emerging global pharmaceutical company headquartered in Hyderabad, India. As a fully integrated pharmaceutical company, it provides affordable and innovative medicines through three core businesses, including Global Generics, Pharmaceutical Services and Active Ingredients, and Proprietary Products. It conducts business globally, with a focus on India, United States, Europe and Russia.

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