

PRESS RELEASE

7TM Pharma enters into drug discovery collaboration with Dr. Reddy's on selected drug targets

Hørsholm – 10 March, 2008:

7TM Pharma and Dr. Reddy's Laboratories (NYSE: RDY) announced today the signing of a drug discovery collaboration on selected drug targets in the area of metabolic disorders.

Under the terms of the agreement, 7TM Pharma and Dr. Reddy's will collaborate to identify clinical candidates for pre-selected targets. Both the parties will jointly develop these candidates from the pre-clinical stage up to Phase IIa (proof-of-concept). On successful completion of a Phase IIa study, the companies may either license-out the candidate for further development and commercialization to a larger pharmaceutical company or continue the further co-development and commercialization jointly. The financial terms of the agreement have not been disclosed.

Mette Kirstine Agger, CEO of 7TM Pharma commented: "It is exciting to be working with Dr. Reddy's, as they have developed strong R&D capabilities and combining this with 7TM's expertise in the GPCR area and SD3 (7TM's technology platform) we are looking forward to a fruitful collaboration."

Dr. Rajinder Kumar, President of Research, Development and Commercialization, Dr. Reddy's, commented: "7TM has established a track record as one of the leading Drug Discovery companies focusing on GPCRs, and we are excited at the prospects of combining 7TM's capabilities with Dr. Reddy's to discover and develop innovative products."

7TM Pharma

7TM Pharma contact person:

Mette Kirstine Agger, CEO, 7TM Pharma
Tel: +45 39 25 77 77
Email: agger@7tm.com

Dr. Reddy's contact persons:

Investors and Financial Analysts:
Nikhil Shah at nikhilshah@drreddys.com or on +91-40-66511532

Media:

Mythili Mamidanna at mythilim@drreddys.com or on +91-40-66511620



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About 7TM Pharma

7TM Pharma is a biotech company focusing on discovery and development of new drugs targeting 7TM receptors. 7TM Pharma's primary therapeutic area is metabolic diseases, including obesity, Type 2 diabetes and cardiovascular diseases.

The basis for 7TM Pharma's drug discovery is a thorough and comprehensive knowledge about 7TM receptors including their structure, function and pharmacology which the company uses in the design of new potential drugs. In recent years, the company has established a broad pipeline of research and development programs based on in-house drug discovery and development, and entered into several research partnerships, including with Ortho-McNeil Inc. (a subsidiary of Johnson & Johnson).

Since its inception in 2000, 7TM Pharma has raised DKK 610 million (EUR 82 million). Investors include Index Ventures, Novo A/S, Alta Partners, LD Pensions, Johnson & Johnson Development Corporation, Dansk Innovationsinvestering, Sofinnova Capital, Healthcare Private Equity Limited Partnership, Lombard Odier Darier Hentsch & Cie, SR One, Global Life Science Ventures, Baker/Tisch Investments, Credit Agricole Private Equity, GIMV and BioMedinvest AG. For more information on 7TM Pharma, please visit www.7tm.com.

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)

About 7TM Receptors (GPCRs)

7TM receptors (GPCRs) contain a generic protein structure of 7 bundled transmembrane (7TM) helices that is extensively used for a variety of stimuli e.g. photons, monoamines, fatty acids, peptide hormones, and glycoproteins. Approximately 40% of today's prescription drugs target 7TM receptors, but utilize only 5% of the known 7TM receptor targets. 7TM Pharma is tightly integrating its structure based drug discovery approach, Site-Directed Drug Discovery®, with traditional medicinal chemistry and expert knowledge on peptides and has thereby created a drug discovery platform that accelerates the generation of new drugs targeting 7TM receptors.