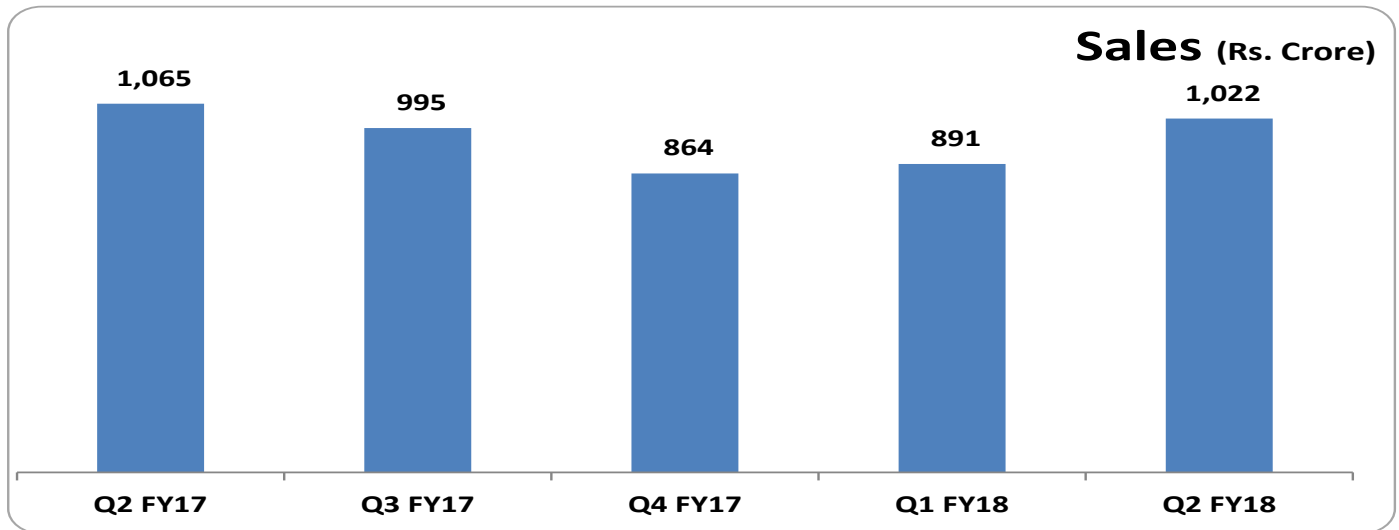


| | |
|----------------------------------|--|
| Sales | <ul style="list-style-type: none">• Q2FY18 : Rs.1,022 crore vs Rs 1,065 crore in PY• H1FY18 : Rs. 1,913 crore vs Rs 2,156 crore in PY |
| EBITDA before R&D | <ul style="list-style-type: none">• Q2FY18 : Rs. 84 crore vs Rs 199 crore in PY• H1FY18 : Rs 77 crore vs Rs 392 crore in PY |
| EBITDA | <ul style="list-style-type: none">• Q2FY18 : Rs. 7 crore vs Rs 100 crore in PY• H1FY18 : Rs. (72) crore vs Rs 185 crore in PY |
| PAT | <ul style="list-style-type: none">• Q2FY18 : Rs (3) crore vs Rs 17 crore in PY• H1FY18 : Rs (413) crore vs Rs 33 crore in PY |
| KEY INDICATORS | <ul style="list-style-type: none">• Capital Expenditure of Rs.63 crore during Q2FY18 & Rs. 114 crore in H1FY18 |

PERFORMANCE HIGHLIGHTS

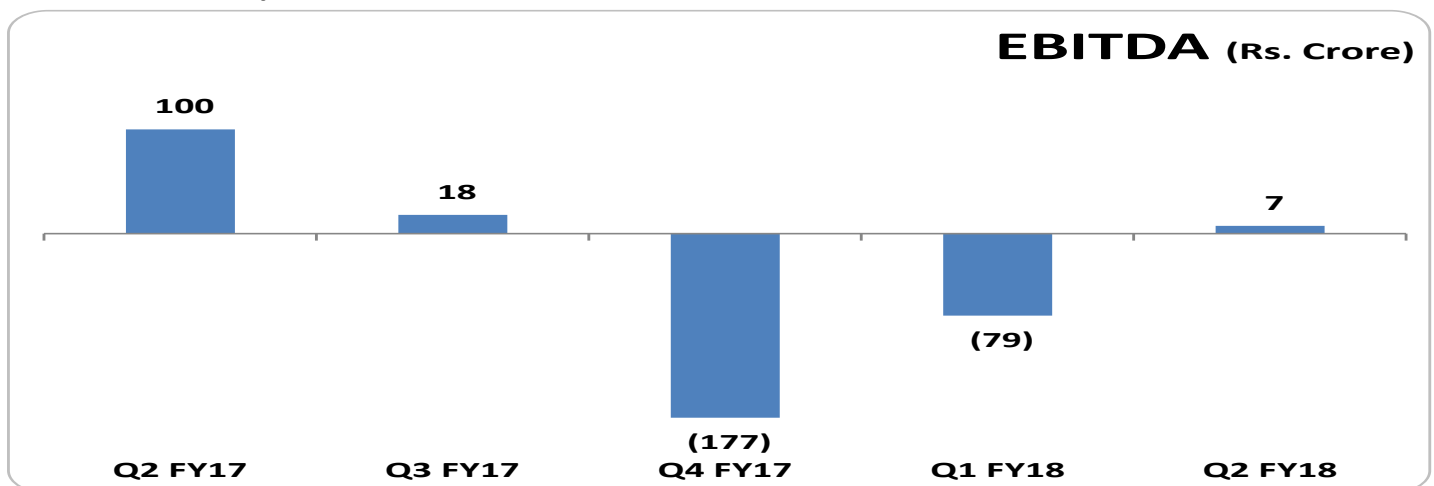
Sales Performance over the period:



After subdued performances in past few quarters mostly owing to Brexit in UK, genericisation of some of the products in US, demonetisation and introduction of GST in India, Sales grew by 15% Q-o-Q in Q2FY18 to Rs. 1,022 crore.

Growth in Sales is mainly on account of improved India Branded Business coupled with an upward trend in Emerging market business and US business growth of 4% over Q1FY18.

EBITDA over the period:



While on-going expenses on remedial measures continued to impact the profitability, the Company's strategic focus on cost containments and rationalisation has started giving its intended positive impact thereby significantly reducing losses quarter on quarter. However, the focus in strategic R&D initiatives of the Company continues in-spite of the fact that they are expensed off.

Gross Contribution (GC) remained at 54% over past 2 quarters in spite of pricing pressure in US due to genericisation of some of the products.

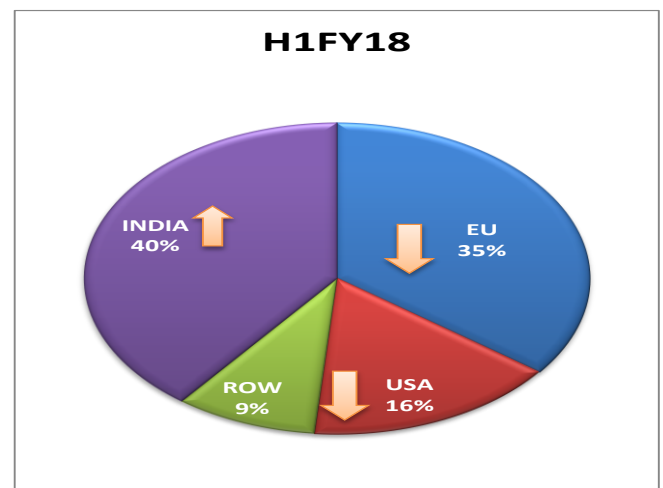
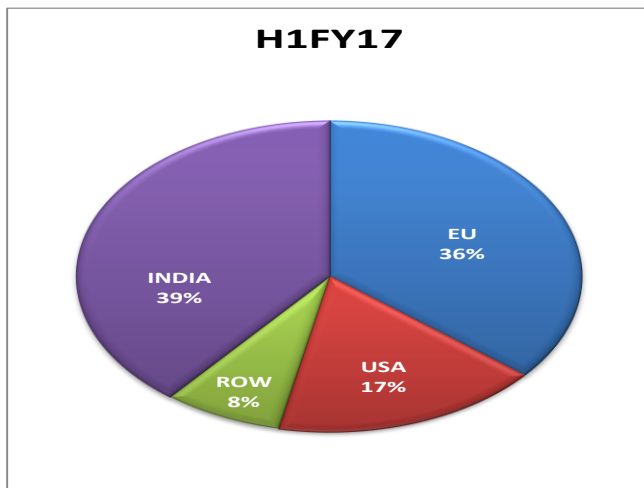
Consolidated Financials – Q2FY18:

- Consolidated revenues at Rs. **1,022** crore in **Q2FY18** vs Rs. **1,065** crore in **Q2FY17**. However revenues grew by **15%** compared to Q1FY18:
 - India Business grew by **5%** in Q2FY18 compared to Q2FY17, grew by **49%** in Q2FY18 over Q1FY18 mainly due to normalisation of GST impact in Q2FY18.
 - Emerging market Business grew by **2%** in Q2FY18 compared to Q2FY17.
 - UK revenues remained flat in GBP terms in Q2FY18, de grew by **7%** in INR terms in Q2FY18 over Q2FY17.
 - US Business grew by 4% in Q2FY18 compared to Q1FY18, mainly on account of New Products approval by US FDA.
- Gross Margins at **54%** in **Q2FY18**.
- EBITDA at Rs. **7** crore compared to Rs. **100** crore in **Q2FY17**.

Consolidated Financials – Half Year:

- Consolidated revenues at Rs. **1,913** crore in **H1FY18** vs Rs. **2,156** crore in **H1FY17**.
 - India Business de grew by 11% in H1FY18 compared to H1FY17.
 - Emerging market Business grew by **6%** in H1FY18 compared to H1FY17.
 - UK revenues de grew by 11% in INR terms in H1FY18 compared to H1FY17 (remained flat in GBP terms).
 - US Business de grew by 17% in H1FY18 compared to H1FY17.
- Gross Margins at **54%** in H1FY18.
- EBITDA at Rs. (72) crore compared to Rs. 185 crore in H1FY17.

Share of Global Revenues:-



Business Highlights

• International operations

- at Rs.570 crore, contributes **56%** of global revenues **for Q2FY18**, de grows by 10% compared to **Q2FY17** mainly on account of genericisation of some of the products of the Company in USA and Brexit in UK.
- at Rs.1,158 crore, contributes **61%** of global revenues **for H1FY18**, de grows by 12% compared to **H1FY17**.

• India & Emerging Markets Business

- India and Emerging Markets contributed 53% of the global revenues in Q2FY18 and 49% in H1FY18.
- 4 new products launched in India during Q2FY18 and 8 new products in H1FY18.
- India Business grew by 49% Q-o-Q, grew by 5% in Q2FY18 over Q2FY17 and stood at Rs.452 crore in Q2FY18 vs Rs.432 crore in Q2FY17. In H1FY18 it stood at Rs.755 crore vs Rs. 844 crore in H1FY17.
- **Emerging Markets Business** grew by 2% in Q2FY18 compared to Q2FY17 stood at Rs. 86 crore in Q2FY18 compared to Rs. 84 crore in Q2FY17. In H1FY18 it stood at Rs. 174 crore vs Rs 164 crore in H1FY17 representing a growth of 6% in H1FY18

• Europe Business

- Europe Operation (including France) contributed 32% of the Global Revenues in Q2FY18 and 35% in H1FY18. Revenues from EU Operations (excluding France) were at Rs.312 crore in Q2FY18 and at Rs.644 crore in H1FY18. Revenues from French Operations were at Rs.14 crore in Q2FY18 and Rs. 30 crore in H1FY18 versus Rs.17 crore in Q2FY17 and Rs. 36 crore in H1FY17.

- **UK Operations (including Pinewood's UK business)**

- UK revenues were at Rs.254 crore in Q2FY18 vs Rs.273 crore in Q2FY17, representing a de growth of 7% in Q2FY18 in INR terms (however, remained flat in GBP terms in Q2FY18). UK operations stood at Rs.511 crore in H1FY18 versus Rs.571 crore in H1FY17; de grew by 11% mainly due to Brexit (however, remained flat in GBP terms in H1FY18). UK received 1 new approval in H1FY18.
- **Irish Business** revenues were at Rs.38 crore in Q2FY18 vs Rs.39 crore in Q2FY17; de grew by 3% in Q2FY18 in INR terms (remained flat in Euro terms). In H1FY18 business grew by 11% in Euro terms (Revenues at Rs.73 crore in H1FY18 versus Rs.71 crore in H1FY17).

- **US Business**

- US business for Wockhardt contributed 15% of the Global Revenues in Q2FY18 compared to 17% in the Q2FY17. Revenues from the US Business were at Rs. 158 crore in Q2FY18 versus Rs.182 crore in Q2FY17. In H1FY18 it stood at Rs 310 crore versus Rs.373 crore in H1FY17
- The company made 1 new filling in Q2FY18 and received 1 new approval taking the cumulative ANDA's pending for approval at 78. 1 tentative ANDA approval received in US.

Financials

Consolidated P&L

Rs. Crore

| Particulars | Q2-FY18 | Q1-FY18 | Q2-FY17 | H1FY18 | H1FY17 |
|--|-------------|--------------|------------|--------------|-------------|
| Revenues from Operations | 1022 | 891 | 1065 | 1913 | 2156 |
| Material Consumption | 471 | 409 | 388 | 880 | 804 |
| Gross Margins | 551 | 482 | 677 | 1033 | 1352 |
| <i>Gross Margin %</i> | <i>54%</i> | <i>54%</i> | <i>64%</i> | <i>54%</i> | <i>63%</i> |
| Staff Cost | 226 | 208 | 207 | 434 | 420 |
| R&D Expenses | 77 | 72 | 99 | 149 | 207 |
| Other Expenditure | 241 | 281 | 271 | 522 | 540 |
| Total Expenditure | 1015 | 970 | 965 | 1985 | 1971 |
| EBITDA | 7 | (79) | 100 | (72) | 185 |
| <i>EBITDA Margin</i> | <i>1%</i> | <i>-9%</i> | <i>9%</i> | <i>-4%</i> | <i>9%</i> |
| EBITDA before R&D | 84 | (7) | 199 | 77 | 392 |
| <i>EBITDA Margin before R&D</i> | <i>8%</i> | <i>-1%</i> | <i>19%</i> | <i>4%</i> | <i>18%</i> |
| Interest Expenses (Net) | 60 | 53 | 40 | 113 | 74 |
| (Income)/Expense due to Exchange Rate Fluctuation | (14) | (19) | (1) | (33) | 9 |
| Depreciation | 36 | 37 | 38 | 73 | 74 |
| Other Income / (Loss) | 47 | 29 | 3 | 76 | 5 |
| Profit/(Loss) Before Tax before exceptional items | (28) | (121) | 26 | (149) | 33 |
| Exceptional Item Profit/(Loss) | - | (358) | - | (358) | - |
| Profit/(Loss) before Tax | (28) | (479) | 26 | (507) | 33 |
| Tax Expense (Including Deferred Tax) | (20) | (16) | 1 | (36) | (9) |
| Profit After Tax (PAT) | (8) | (463) | 25 | (471) | 42 |
| Less: Non-Controlling Interest | (5) | (53) | 8 | (58) | 9 |
| PAT after Non-Controlling Interest | (3) | (410) | 17 | (413) | 33 |
| <i>PAT after Non-Controlling Interest Margin %</i> | <i>0%</i> | <i>-46%</i> | <i>2%</i> | <i>-22%</i> | <i>2%</i> |

Financial Highlights

| Particulars | Rs Crore | |
|---|--------------|--------------|
| | Sep-17 | Mar-17 |
| a. Fixed assets (including Intangibles) | 3,355 | 3,280 |
| b. Goodwill on consolidation | 806 | 737 |
| c. Other Assets | 715 | 644 |
| d. Cash, Bank balances, Liquid Investment | 1,588 | 2,167 |
| e. Net Current Assets | 1,411 | 1,569 |
| Total Assets | 7,875 | 8,397 |
| a. Shareholders funds | 3,006 | 3,337 |
| b. Non-Controlling Interest | 338 | 382 |
| c. Loans | 4,010 | 4,147 |
| d. Other liabilities | 521 | 531 |
| Total Liabilities | 7,875 | 8,397 |

- ✓ Net Debt to Equity now at 0.81 as on 30th Sep 2017.
- ✓ Capital Expenditure of Rs 114 crore during H1FY18.

About Wockhardt

Wockhardt is a Global Pharmaceutical and Biotech company employing over 10,000 people and 27 nationalities with presence in USA, UK, Ireland, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. Wockhardt has a significant presence in USA, Europe and India, with 61% of its global revenues coming from international businesses. Wockhardt is home to 600 plus scientists, of whom 70 plus are doctorates. Wockhardt is the only company in the world where USFDA has given QIDP Status (Qualified Infectious Diseases Programme) for 5 of our Anti-bacterial discovery programmes – 2 of them are Gram Negative and 3 Gram Positive. Wockhardt's entire Anti-infective portfolio particularly addresses the specific bacterial organism where resistances are high and breakthrough antibiotics are needed

Disclaimer

Except for historical information contained herein, statements in this communication, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue" and similar expressions or variations of such expressions may constitute "forward looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Wockhardt Limited does not undertake any obligation to update forward looking statements to reflect events or circumstances after the date thereof.

Contact Information

Investorrelation@wockhardt.com