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October 20, 2004

Dear Shareowners,

We have just completed the third quarter of the year. And I am happy to report that your company Wockhardt Limited has made further progress in its drive towards global consolidation and growth. The third quarter has seen three major events that will define Wockhardt's growth in the global arena in the years to come.

#### □ The President lauds Wockhardt research and inaugurates Biotech Park

A significant milestone in Wockhardt's history was the **commissioning of the Wockhardt Biotech Park**, India's largest biotechnology complex. This was **inaugurated by His Excellency Dr. APJ Abdul Kalam, the President of India**, on September 23rd, 2004. After a tour of the Park, the President interacted with Wockhardt scientists. He was very impressed by Wockhardt's pioneering work in biotechnology research, and said, **"I am happy to know that Wockhardt has specialised in this area through research and has developed and produced many drugs of importance. You are doing a fantastic job especially in Insulin, where the prices have been brought down by 40% and the availability has increased. The route which is the DNA recombinant route is a good one. So friends, I would like to congratulate all of you. Have a dream. You must make this nation a great nation."**

The Wockhardt Biotech Park is a new generation facility, spread over 3 lakh sq. feet in Aurangabad, housing six dedicated world-class plants. The Park is built to US FDA / EMEA norms and has global scale capacities to cater to 10%-15% of world demand.

#### □ Wockhardt USA Inc. stars commercial operations

Another key event was the **start of commercial operations at Wockhardt USA**. During the quarter, Wockhardt USA Inc. began selling two products, enalapril and bethanechol chloride, directly to the US market. Wockhardt now has three products under its own label in the US.



The President tours the Wockhardt Biotech Park during the inaugural function.

#### □ Innovation makes its mark ... again at Wockhardt

Wockhardt's research programme continues to produce success stories. Recently, our scientists achieved a **biotechnology research breakthrough** by developing **Glargine**, an advance on insulin. Wockhardt is the first company to do so after the innovator.

#### Growth engine for the European market

The third quarter also saw the completion of the **integration of Wockhardt's UK operations** and the **sale of the Luton manufacturing facility**. This will improve the efficiency and profitability of Wockhardt's UK operations. Also, the **successful integration of the German business of esparma GmbH** has opened up the development of European business through the mutual recognition route for esparma products in UK and CP products in Germany.

#### Wockhardt's performance on growth track

In its consolidated, unaudited financial results for the quarter ended September 30, 2004, Wockhardt Limited reported :-

- ◆ **Gross Profit of Rs. 80 crores**, posting a **32%** growth over the corresponding quarter of 2003.
- ◆ **Sales at Rs. 317.5 crores** posted an **11.3%** growth. ◆ **Operating Margins** rose to **25%**, up from **21%**.
- ◆ Despite a 97% increase in tax provision and a substantial rise in interest burden, the **Net Profit** grew by **13%** to **Rs. 55.8 crores**.

During the first nine months of 2004, Wockhardt recorded :-

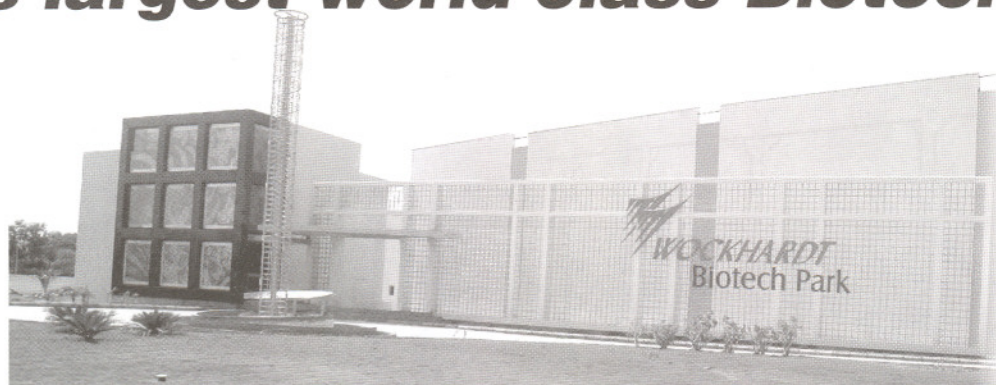
- ◆ **Sales of Rs. 895.1 crores**, posting a **36%** increase. ◆ **Operating Profit** jumped **73%** to **Rs. 207 crores**.
- ◆ **Operating Margins** improved by **495 basis points** to **23.1%**.
- ◆ **Net Profit of Rs. 150 crores** represented a **63%** increase. During the first nine months of 2004, your company achieved a Net Profit that is even higher than what it had achieved during the 12 months ended December 2003.
- ◆ **Domestic Business** grew by **13.9%**, reflecting the positive impact of restructuring of the domestic operations.
- ◆ **Revenue from the biotechnology portfolio** grew by **80%**.
- ◆ **Sales of Wosulin**, Wockhardt's recombinant insulin, have crossed the **Rs. 1 crore per month mark**.

As always, we at Wockhardt, appreciate the confidence and support you have invested in your company. On behalf of 4000 Wockhardians across the globe, I wish you and your family a Happy Deepawali and a new year ahead.

Warm regards,

Habil Khorakiwala  
Chairman

# Wockhardt commissions India's largest world-class Biotech Park



- ◆ President of India Dr. APJ Abdul Kalam recognises Wockhardt's pioneering effort in biotechnology, and inaugurates Wockhardt Biotech Park.
- ◆ Global scale capacities to cater to 10% - 15% of world demand. Built to US FDA and EMEA norms.
- ◆ Achieves research breakthrough in developing Glargine, an advance on insulin.
- ◆ Wockhardt USA Inc. starts commercial operations.

## QUARTER HIGHLIGHTS

- ▲ Gross Profit up by 32% at Rs. 800 million
- ▲ Sales grow by 11% at Rs. 3175 million
- ▲ Operating Margins rise to 25% from 21%

## WOCKHARDT LIMITED - CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND MAT ENDED 30TH SEPTEMBER, 2004

(Rs. in Million)

MAT Ended 30/9/2003	% To Sales	MAT Ended 30/9/2004	% To Sales	% Growth	Particulars	Quarter Ended 30/9/2004	% Growth	Quarter Ended 30/9/2003
8443	100	11789	100	39.6	<b>Sales</b>	<b>3175</b>	<b>11.3</b>	<b>2852</b>
7055	83.6	9122	77.4	29.3	Operating Expenditure	2375	5.8	2244
1388	16.4	2667	22.6	92.1	<b>EBITDA</b>	<b>800</b>	<b>31.6</b>	<b>608</b>
47	0.6	75	0.6	59.6	Interest	71	(2466.70)	(3)
237	2.8	351	3	48.1	Depreciation	94	14.6	82
11	0.1	70	-	536.4	Other Income & Extra Ordinary Item	-	-	1
1115	13.2	2311	19.6	107.3	Profit Before Tax	635	19.8	530
68	0.8	305	2.6	348.5	Provision for Taxation	77	97.4	39
1049	12.4	2006	17	91.2	<b>Profit After Tax</b>	<b>558</b>	<b>13.6</b>	<b>491</b>
363	-	545	-	-	Paid-up Equity Capital	545	-	363
9.64	-	18.41	-	91.00	<b>Earning Per Share(Rs.)</b>	<b>5.12</b>	<b>13.4</b>	<b>4.51</b>

Financial year of Wockhardt Limited is Jan - Dec

MAT = Moving Annual Total

In case you need any further clarification, please write to our Investor Service Cell, Wockhardt Limited, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or E-mail [rgandhi@wockhardt.com](mailto:rgandhi@wockhardt.com)

Please do visit our corporate website [www.wockhardt.com](http://www.wockhardt.com)