



Wockhardt Limited
Regd. Office:
Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai 400 051, India
Phone : 91-22-2653 4444
Fax : 91-22-2653 4242
Website : www.wockhardt.com

July 19, 2005

Dear Shareowners,

I always look forward to the close of every quarter, when I can share with you the performance highlights of your company, Wockhardt Limited. The board has just announced the financial results for the second quarter ending June 30, 2005. We have kept up the pace and growth momentum, and have added new milestones during the quarter.

Second Quarter Consolidated Financial Highlights:

- **Net Profit** rose by **55%** to **Rs. 78 crores** over the corresponding quarter of 2004.
- **Sales**, at **Rs. 377 crores**, showed a **29%** increase.
- **Operating Profit** increased by **39%** at **Rs. 96 crores**.
- **Operating Margins** improved by **180 basis points** to **25.4%**.
- **International Sales** grew by **34%**.

These figures reflect the management's ability to steer your company's fortunes in a challenging globalised market. What is more, this is not a one-time blip. We have been delivering consistently year after year.

Wockhardt - only pharmaceutical company in India recognised as 'Business Superbrand':

Your company became the **only pharmaceutical company in India** to be selected as a **Business Superbrand** by a UK-based organisation tracking reputed consumer and corporate brands across the world in 45 countries including US, France, Germany, Australia and Canada. The Superbrands are selected by a council of independent experts in recognition of emotional and tangible benefits to stakeholders.



International Update:

Our **US Sales** grew by **90%**, driven by a three-fold increase in the formulations business. Also, our market share in *bethanechol chloride* improved to 37% from 17% in the US. In *enalapril*, the market share rose to 16% from 6%. Our **European Union Sales** were up by **21%** and **Rest of the World** by **43%** during the period. Our German subsidiary, esparma GmbH, launched anti-epileptic *lamotrigine* on the first day following its patent expiry in the German market on June 1. Wockhardt UK commenced manufacture of anti-diabetic *exenatide* for Amylin / Ely Lilly. Our **Biotech SBU** received **three more registrations** for biopharmaceuticals in the overseas markets, taking the total registrations received so far to 20. The **Biotech portfolio** grew by **61%** during the quarter.

India Highlights:

Formulation Sales in India posted a **27%** increase. The Diabetology portfolio registered a 65% growth. Infant Nutrition formula Dexolac entered the ORG Top 100 list. Wockhardt fortified its basket of Pain Management products by launching Aceroc (*aceclofenac*) range of products. Sajjan Kumar Bhardwaj, a professional with over 30 years of experience in leading Indian companies and multinationals, has joined Wockhardt as Vice-President, Sales and Marketing.

More Milestones added to Wockhardt's Growth Chart:

Wockhardt commissions new formulations plant in North India:

Wockhardt's **tenth manufacturing plant** was launched in April in **Himachal Pradesh**. Spread over 10 acres in Barotiwala, our new formulations plant has the capacity to produce two billion tablets and capsules a year, and is designed to meet the requirements of Indian and international regulatory agencies.

Market capitalisation crosses the \$1 billion mark:

Your company's core objective of enhancing shareholder value has also achieved a significant milestone with Wockhardt's **market capitalisation crossing the \$1 billion mark** on the back of our sustained robust financial performance.



At the inauguration of Wockhardt's new plant in Himachal Pradesh.

All this has been possible due to your unwavering support and good wishes. And for these, the 4,000-strong team of employees and the Board thank you.

My best wishes to you and your family.

Warm regards,

Habil Khorakiwala
Chairman

Wockhardt



Getting selected as 'Business Superbrand' is like being chosen as the best out of best.

Instituted globally in 45 countries by a UK based company since last twelve years, 'Business Superbrand' chronicles case studies of exceptional corporates.

The ONLY pharmaceutical company in India to win this international recognition

QUARTER HIGHLIGHTS

- ▲ Net Profit up 55%
- ▲ Sales grow 29%
- ▲ Operating Margins grow by 180 basis points
- ▲ International Business grows by 34%

WOCKHARDT LIMITED - CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND MAT ENDED 30TH JUNE, 2005

(Rs. in Million)

| MAT Ended 30/6/2004 | % To Sales | MAT Ended 30/6/2005 | % To Sales | % Growth | Particulars | Quarter Ended 30/6/2005 | % Growth | Quarter Ended 30/6/2004 |
|---------------------|------------|---------------------|------------|----------|-------------------------------|-------------------------|-------------|-------------------------|
| 11466 | 100.0 | 13547 | 100.0 | 18.1 | Sales | 3771 | 28.8 | 2928 |
| 8991 | 78.4 | 10448 | 77.1 | 16.2 | Operating Expenditure | 2812 | 25.8 | 2236 |
| 2475 | 21.6 | 3099 | 22.9 | 25.2 | EBITDA | 959 | 38.6 | 692 |
| 1 | - | 57 | 0.4 | - | Interest | 46 | 21.1 | 38 |
| 341 | 3.0 | 402 | 3.0 | 17.9 | Depreciation | 107 | 21.6 | 88 |
| 2133 | 18.6 | 2640 | 19.5 | 23.8 | Profit from Operations | 806 | 42.4 | 566 |
| 64 | - | 113 | - | - | Extra Ordinary Item | - | - | - |
| 8 | - | 276 | - | - | Other Income | 33 | - | 3 |
| 265 | 2.3 | 422 | 3.1 | 59.2 | Provision for Taxation | 64 | (5.9) | 68 |
| 1940 | 16.9 | 2381 | 17.6 | 22.7 | Profit After Tax | 775 | 54.7 | 501 |
| 545 | - | 546 | - | - | Paid-up Equity Capital | 546 | - | 545 |
| 17.81 | - | 21.81 | - | 22.5 | Earning Per Share(Rs.) | 7.10 | 54.3 | 4.60 |

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

Please do visit our corporate website www.wockhardt.com