



Wockhardt Limited  
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February 26, 2007

Dear Shareowners,

Another eventful year is behind us!

I am happy to share with you the major initiatives that we undertook in 2006, which will accelerate your company's growth this year.

### Fast tracking growth through acquisitions

As you are aware, Wockhardt acquired Pinewood, the largest generic pharmaceutical company in Ireland in October 2006. Half of Pinewood's sales come from UK, where we have a significant presence. With product portfolios that complement each other, Pinewood and Wockhardt UK have embarked on an exercise to tap synergies and leverage the enlarged customer base.

In June, Wockhardt had acquired Dumex India with its established brands Protinex and Farex. The acquisition doubled our nutrition business. Under Wockhardt management, this business is poised for a turnaround this year.

Here are the main performance highlights for the quarter:

- ◆ A 44% growth in consolidated sales, at Rs. 526 crores
- ◆ Operating profit climbed 44% to Rs.122 crores
- ◆ A 20% increase in net profit at Rs. 87 crores

You will be happy to learn that the board has recommended a dividend of 100%.

### India business grows 28%

India business grew 28% compared to the industry growth of 18%. A focused approach in niche therapy segments led to leadership position in nephrology, with the portfolio registering a 41% growth during the year. Wockhardt signed in-licensing agreements with LSI of UK for marketing Vitix, and with Crawford Healthcare of UK for Viticolor. Both are patented products being introduced in India for the first time for the management of vitiligo or leukoderma, a chronic skin condition that causes loss of pigment, resulting in irregular pale patches of skin.



### European sales record 32% growth

Europe continued to be Wockhardt's single largest market, accounting for 41% of consolidated sales. Europe sales rose 32% during the year. Wockhardt UK launched 11 new products and quadrupled its cartridge manufacturing capacity.

### US business grows 11%

The US business grew 11% in 2006. Wockhardt received eight ANDA approvals (including 3 sterile products) during the year. Wockhardt USA Inc now markets 15 products, including Ondansetron launched on the first day after patent expiry. Three new facilities in India at Waluj (injectable and tablet) and Chikalthana (cephalosporin) were approved by the US FDA during the year. With 26 new product filings during the year, Wockhardt USA is expected to scale new heights in the coming year.

As the year rolls by, your company will take greater strides in the global pharmaceutical space. I thank you for your unwavering support and good wishes.

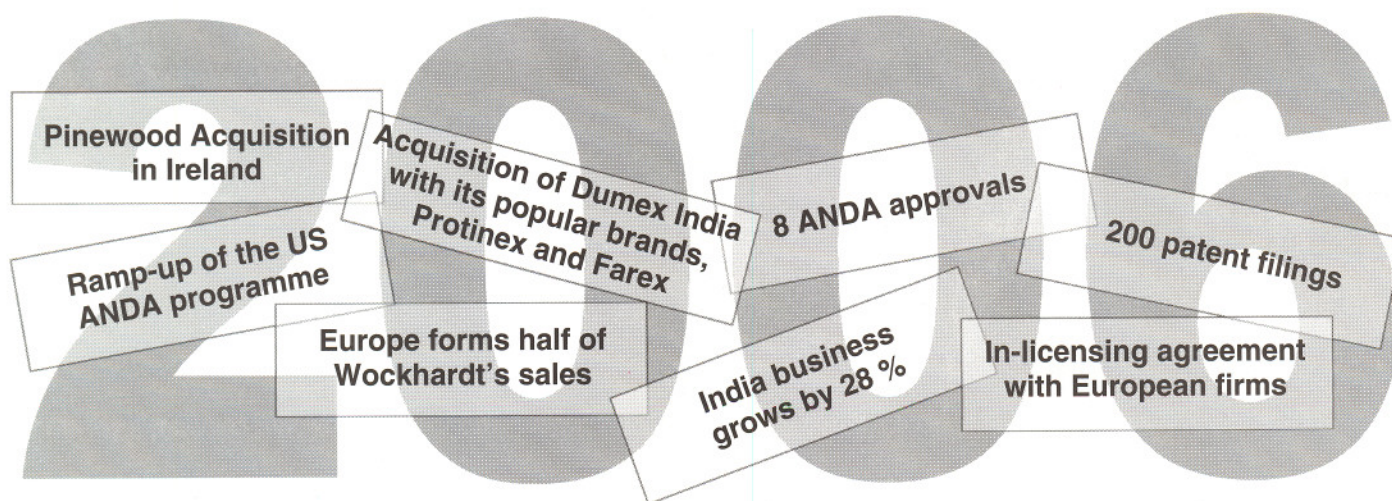
Looking forward to meeting you in person at the forthcoming Annual General Meeting.

Warm regards,

Habil Khorakiwala  
Chairman



# Wockhardt's eventful year...



## Quarter Highlights – 2006

- ▲ Sales grow by 44 %
- ▲ India business up 22 %
- ▲ Europe business up 99 %
- ▲ Net profit up 20 %

## WOCKHARDT LIMITED - CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST DECEMBER, 2006

(Rs. in Million)

Year Ended 31/12/2005	% To Sales	Year Ended 31/12/2006	% To Sales	% Growth	Particulars	Quarter Ended 31/12/2006	% Growth	Quarter Ended 31/12/2005
14130	100.0	17290	100.0	22.4	<b>Sales</b>	5264	43.7	3662
10844	76.7	13287	76.8	22.5	Operating Expenditure	4043	43.8	2812
3286	23.2	4003	23.2	21.8	<b>EBITDA</b>	1221	43.6	850
95	0.7	26	0.2	(72.6)	Interest	115	325.5	(51)
426	3.0	621	3.6	45.8	Depreciation	212	116.3	98
2765	19.6	3356	19.4	21.4	<b>Profit from Operations</b>	894	11.3	803
-	-	604	-	-	Extra Ordinary Item	-	-	-
180	-	190	-	-	Other Income	78	-	27
374	2.6	529	3.1	41.4	Provision for Taxation	101	-	101
2571	18.2	2413	14.0	(6.1)	<b>Profit After Tax</b>	871	19.5	729
545	-	547	-	-	Paid-up Equity Capital	547	-	545
23.55	-	27.57	-	17.1	<b>Earning Per Share (Rs.)</b>	7.96	19.1	6.68

Financial year of Wockhardt Limited is Jan - Dec

In case you need 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](http://www.wockhardt.com)