



November 24, 2016

My Dear Share Owners,

It is my pleasure to share with you that our Company's Board of Directors have approved the financial results for 2nd Quarter (July-September) of the Financial Year 2016-17. I take this opportunity to share with you the Company's performance during this period along with some key business highlights.

Financial Highlights for Q2 (July-September) FY 2016-17

- ◆ Consolidated revenue for the quarter is ₹ 1,065 crore. Excluding the one-time business in UK in corresponding period of previous year, revenues grew by 1%.
- ◆ EBITDA excluding one-time opportunity and before R&D spend is ₹ 199 crore for Q2FY17, compared to ₹ 162 crore in previous year.
- ◆ Profit After Tax is ₹ 17 crore.
- ◆ Continued focus in R&D with spend at ₹ 99 crore (9% of sales) and including capital expenditure is at 12% to sales for Q2FY17.

Financial Highlights for H1 (April-September) FY 2016-17

- ◆ Consolidated revenue for H1FY17 is ₹ 2,156 crore. Excluding the one-time business in UK in the corresponding period of previous year, revenues grew by 5%.
- ◆ EBITDA excluding one-time opportunity and before R&D spend is ₹ 392 crore for H1FY17, compared to ₹ 339 crore in previous year.
- ◆ Profit After Tax is ₹ 33 crore.
- ◆ Continued focus in R&D with spend at ₹ 207 crore (10% of sales) and including capital expenditure is at 13% to sales for H1FY17.

Business Highlights

- ◆ The International Business contributed 59% & 61% of the global revenue in Q2FY17 & H1FY17 respectively.
- ◆ India Business grew quarter on quarter by 5%, 15% over Q2FY16 & 12% in H1FY17 over H1FY16. 10 New Products were launched in India in Q2FY17 & 21 New Products in H1FY17.
- ◆ UK Business (excluding one-time opportunity in the corresponding previous period) grew by 8% in Q2FY17 & 17% in H1FY17 in INR terms. UK made 4 new fillings and received 3 new approvals in UK market in H1FY17.
- ◆ The US Business contributed 17% to the global revenue in Q2FY17 & H1FY17.
- ◆ Emerging Market Business grew by 6% quarter on quarter, however, de-grew by 26% in Q2FY17 & 21% in H1FY17.
- ◆ The Irish Business grew by 3% in INR terms in Q2FY17 whereas de-grew by 8% in H1FY17 in INR terms.

The Company's Board of Directors have declared an Interim Dividend of ₹ 10/- per Equity Share of ₹ 5/- each i.e. 200% for the Financial Year 2016-17.

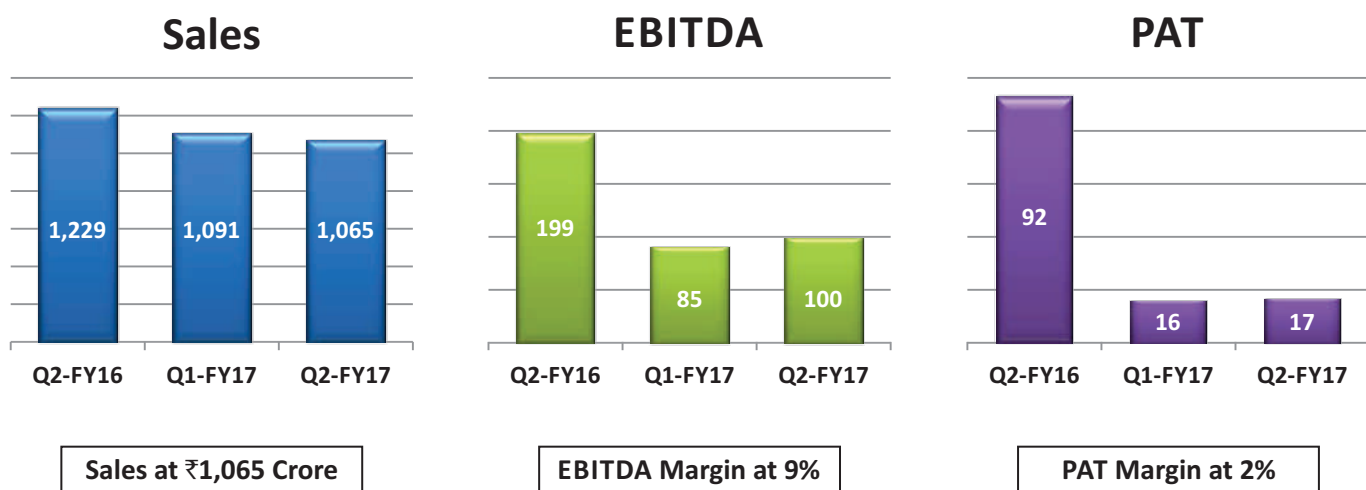
We wish to thank each one of you for your continued support and confidence in Wockhardtd. We continue to stay focused and build a strong business at Wockhardtd as we solicit your unstinted support.

Warm Regards,

Dr. Habil Khorakiwala
Founder Chairman

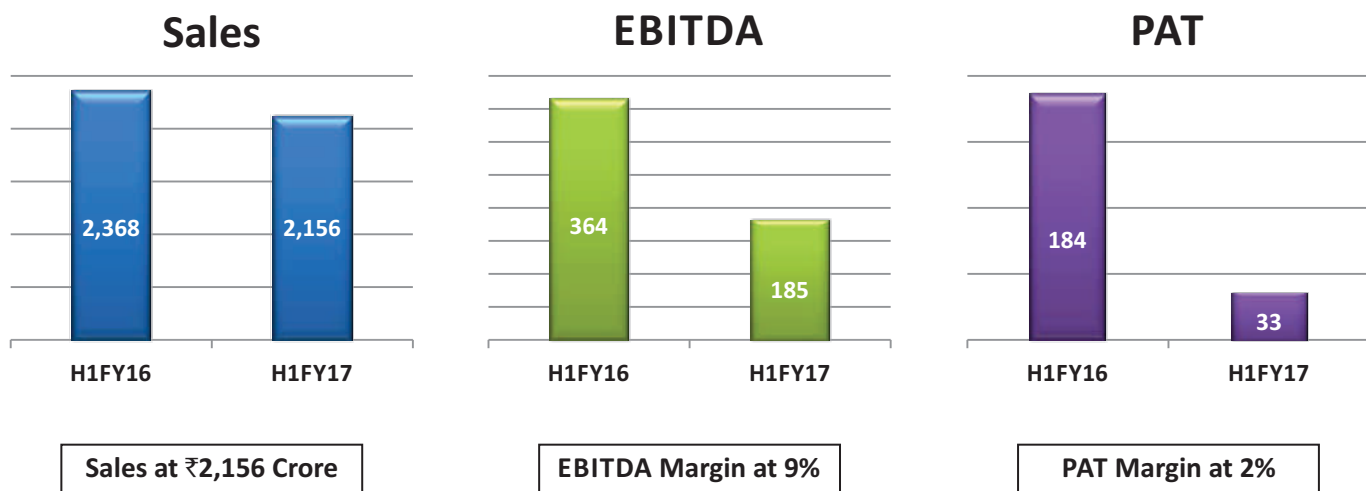


PERFORMANCE HIGHLIGHTS Q2FY17 vs. Q2FY16



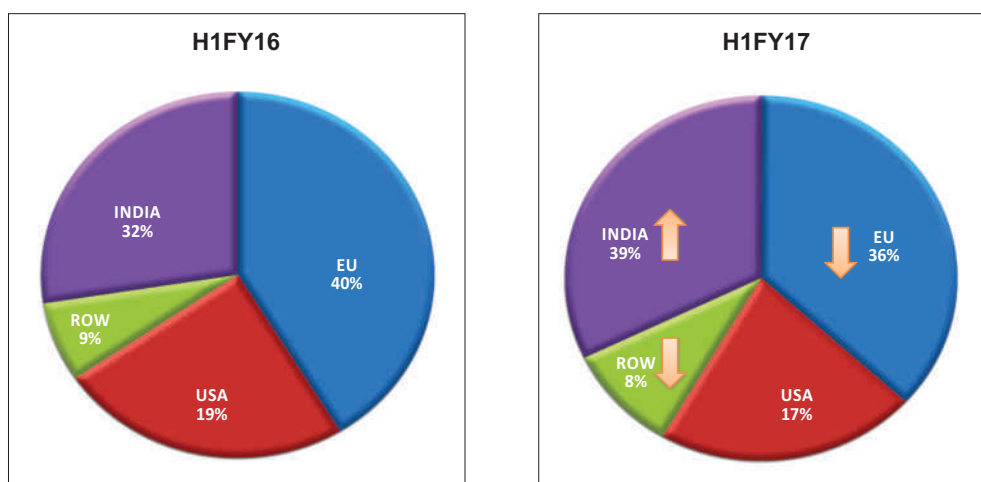
- Consolidated revenues at ₹ **1,065** crore in **Q2FY17** vs ₹ **1,229** crore in **Q2FY16**. Excluding one-offs, revenues **grew** by **1%** compared to Q2FY16.
 - India Business grew by **15%** in **Q2FY17**.
 - UK revenues de grew by **37%** (excluding one-time opportunity **grew** by **8%**).
 - Emerging market Business de grew by **26%** whereas US Business de grew by **22%** in **Q2FY17**.
- Gross Margins at **64%** in **Q2FY17** compared to **66%** in **Q2FY16**.
- EBITDA excluding one-time opportunities and before R&D spend was ₹ **199** crore (Margin at 19% to sales) compared to ₹ **162** crore (Margin at 15% to sales) in corresponding previous period.
- EBITDA at ₹ **100** crore (Margin at 9% to sales) compared to ₹ **199** crore (Margin at 16% to sales) in **Q2FY17**.
- PAT grew marginally to ₹ **17** crore in **Q2FY17**.

PERFORMANCE HIGHLIGHTS H1FY17 vs. H1FY16



- Consolidated revenues at ₹ **2,156** crore in H1FY17 versus ₹ **2,368** crore in **H1FY16**. Excluding one-offs revenues **grew** by **5%**.
 - India Business grew by **12%** in **H1FY17**.
 - UK revenues de grew by **29%** (excluding one-time opportunity **grew** by **17%**).
 - Emerging market Business de grew by **21%** whereas US Business de grew by 19% in H1FY17.
- Gross Margins at **63%** in **H1FY17** compared to **65%** in **H1FY16**.
- EBITDA excluding one offs and before R&D spend was ₹ **392** crore (Margin at 18% to sales) compared to ₹ **339** crore (Margin at 16% to sales) in corresponding previous period.
- EBITDA at ₹ **185** crore (Margin at 9% to sales) compared to ₹ **364** crore (Margin at 15% to sales) in **H1FY16**.
- PAT at ₹ **33** crore in **H1FY17**.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q2-FY17	Q1-FY17	Q2-FY16	H1FY17	H1FY16
Revenues from Operations	1,065	1,091	1,229	2,156	2,368
Revenues from Operations excl "one offs"	1,065	1,091	1,050	2,156	2,057
Material Consumption	388	416	415	804	822
Gross Margins	677	675	814	1,352	1,546
Gross Margin %	63.6%	61.9%	66.2%	62.7%	65.3%
Staff Cost	207	213	210	420	406
R&D Expenses	99	108	140	207	283
Other Expenditure	271	269	265	540	493
Total Expenditure	965	1,006	1,030	1,971	2,004
EBITDA	100	85	199	185	364
EBITDA Margin	9.4%	7.8%	16.2%	8.6%	15.4%
EBITDA excl "one offs" & before R&D	199	193	162	392	339
EBITDA Margin excl "one offs" & before R&D	18.7%	17.7%	15.4%	18.2%	16.5%
Interest Expenses (Net)	39	34	19	73	34
(Income)/Expense due to Exchange Rate Fluctuation	-1	10	16	9	1
Depreciation	38	36	35	74	69
Other Income / (Loss)	2	2	-19	4	-22
Profit/(Loss) Before Tax before exceptional items	26	7	110	33	238
Exceptional Item Profit/(Loss)	-	-	-	-	-
Profit/(Loss) before Tax	26	7	110	33	238
Tax Expense (Including Deferred Tax)	1	(10)	12	(9)	43
Provision for Taxation	8	3	8	11	36
Deferred Taxation	-7	-13	4	-20	7
Profit After Tax (PAT)	25	17	98	42	195
Add: Share of Profit/(Loss) from Associates	0	0	0	0	1
Less: Non-Controlling Interest	8	1	6	9	12
PAT after Non-Controlling Interest	17	16	92	33	184
PAT after Non-Controlling Interest Margin %	1.6%	1.5%	7.5%	1.5%	7.8%

For further clarification, write to: Investor Service Cell, Wockhardt Limited, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or Email:investorrelations@wockhardt.com

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