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June 2, 2014

My dear shareowners,

It gives me great pleasure to share with you the Company's financial performance for the financial year 2013-14. The Board of Directors of your Company has approved the results for this period and confirmed the two interim dividends of 100% declared during the year as final.

The major highlights of our performance during the year are detailed below .

FY 14 Performances:

- ~ Consolidated revenue clocked ₹4830 crore which is a decline of 14% over the FY12-13.
- ~ Wockhardt's EBITDA stood at ₹980 crore which is a decline of 52% over FY12-13.
- ~ Profit After Tax (PAT) stood at ₹841 crore which is a decline of 47% over FY12-13.

FY 14 Financial Highlights:

- ~ Net Debt stood at ₹206 crore in FY13-14 compared to ₹974 crore in FY12-13.
- ~ Net Debt to Equity now stands at 0.05 as against 0.36 as of 31st March 2013.
- ~ Interest and Financing cost has come down by 61% from ₹215 crore in FY13 to ₹83 crore in FY14.
- ~ Free Cash Flow (before capex) generation of over ₹1322 crore during FY13-14. Free Cash Flow (before capex) for Q4FY14 at ₹202 crore.
- ~ R&D expense (including capex) for the year was ₹450 crore at 9.3% of sales higher than last year by ₹75 crore.

Business Highlights:

- ~ Wockhardt's International Business has contributed 79% of the total revenues during FY13-14.
- ~ Wockhardt's US Business contributed 45% to the global revenues in FY13-14, with decline of 26%.
- ~ The Company has filed 17 ANDAs with USFDA during the year.
- ~ Wockhardt's UK Business recorded a growth of 3% in FY13-14. Wockhardt launched 4 new products in the UK market for FY13-14.
- ~ Wockhardt's Irish market recorded a decline of 15% in FY13-14. Wockhardt launched 12 new products in the Irish market during FY13-14.

We have had a challenging year. Our management team is fully apprised of the regulatory challenges we are facing. We hope for remedial situation during the current financial year.

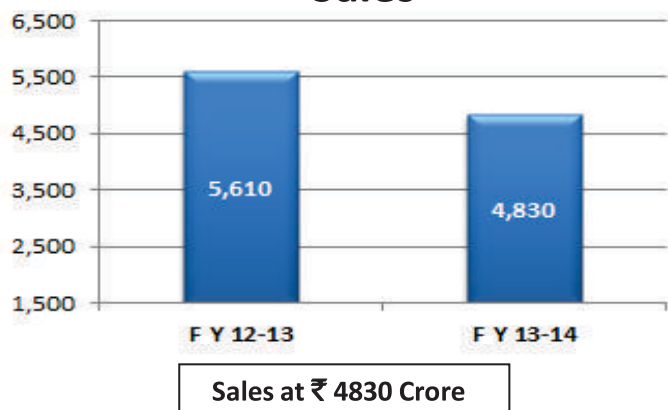
The Company has set its business goals for the FY2014-15 with renewed growth emphasis on non-US markets and I am sure that with your continuous support we will be able to achieve these goals.

Warm regards,

Dr. Habil Khorakiwala
Founder Chairman & Group CEO

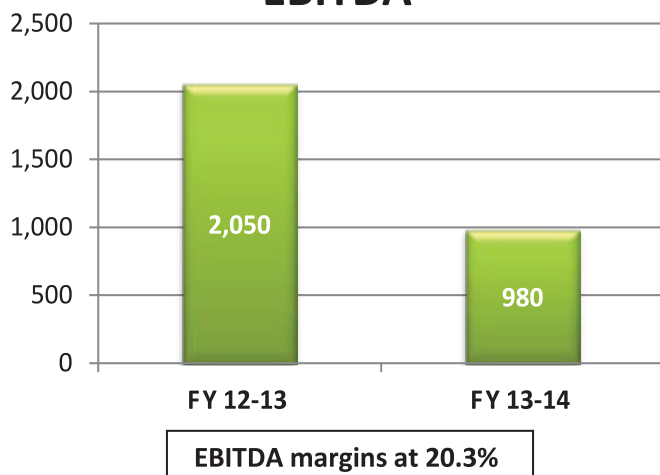
PERFORMANCE HIGHLIGHTS FY13-14 vs FY12-13

Sales



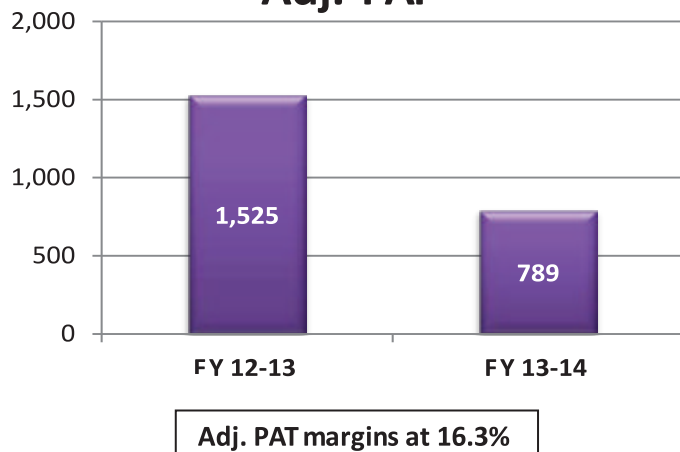
- Consolidated revenues at ₹4830 crore in FY13-14 versus ₹5610 crore in FY12-13, year-on-year decline of 14%.
 - US Business declines by 26% (31% in \$ terms).
 - Europe Business (excluding France) flat for FY 13-14 (France grows by 6%).
 - India & Emerging Markets Business declines by 3%; India Business grows by 2%.

EBITDA



- EBITDA at ₹980 crore in FY13-14 versus ₹2050 crore in FY12-13, declines 52%.
- EBITDA margins at 20.3% in FY13-14 versus 36.5% in FY12-13.

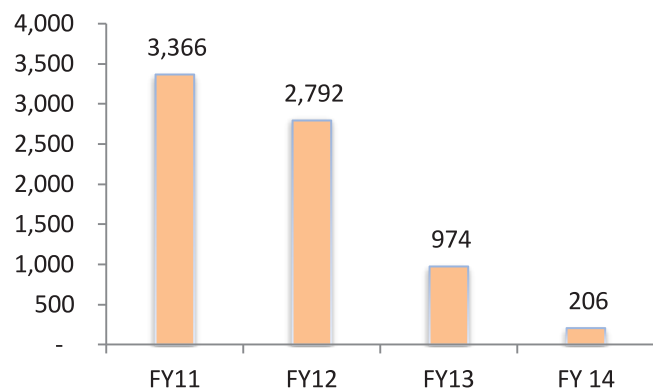
Adj. PAT



- Adjusted Profit After Tax at ₹789 crore in FY13-14.

Debt and Leverage

Net Debt ₹Cr



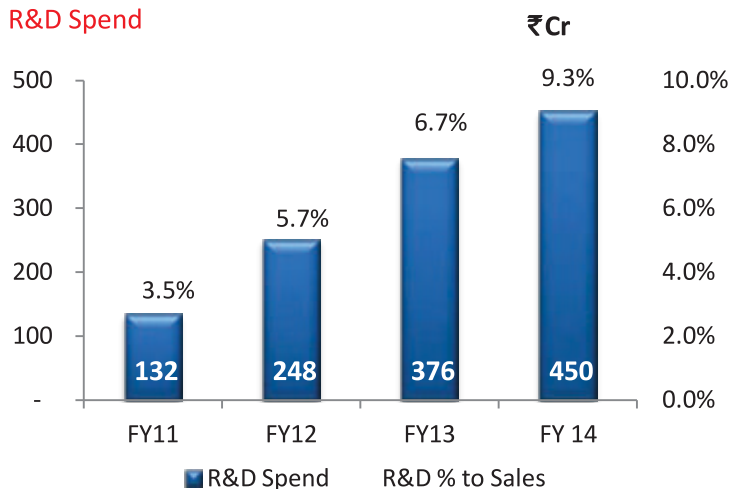
- The Net Debt to Equity ratio has now come down to 0.05.
- During the year the Company has repaid loans of ₹456 crore.

Cash Position

Particulars	₹Cr	
	FY13	FY14
Total Debt	2070	1906
Cash Balance	1096	1700
Net Debt	974	206
Net Debt/Equity	0.36	0.05

- Cash position has increased to ₹1700 crore in FY14 as compared to ₹1096 crore in FY13.

R&D Spend



- 271 patent applications filed during the year. 50 patents granted during the year. 1742 patent applications pending for approval.
- Significant increase in R&D spend in last 2 years.
- 17 ANDAs filed in FY14, pending ANDAs 62.
- 4 new products launched & 12 new filings in FY14 in UK.
- 26 products launched in India.
- 12 products launched in Ireland.

Financials

Consolidated P&L

₹ Crore

Particulars	Q4-FY14	Q4-FY13	Growth %	FY14	Growth %
Revenues from Operations	1,038	1,486	-30.1%	4,830	-13.9%
Material Consumption	386	396	-2.5%	1,796	5.0%
Gross Margins	652	1,090	-40.2%	3,034	-22.2%
Gross Margin %	62.8%	73.4%		62.8%	-9.6%
Staff Cost	167	140	19.3%	664	13.5%
R&D Expenses	101	130	-22.3%	403	13.8%
Other Expenditure	262	274	-4.4%	987	8.3%
Total Expenditure	916	940	-2.6%	3,850	8.1%
EBITDA	122	546	-77.7%	980	-52.2%
EBITDA Margin	11.8%	36.7%		20.3%	
Interest & Financing Cost					
a. Interest	16	60	-73.3%	83	-61.4%
b. (Income)/Expense due to Exchange Rate Fluctuation	-12	26		-46	
Depreciation	34	33	3.0%	140	14.8%
Other Income	8	11		38	
Profit/(Loss) Before Tax before exceptional items	92	438	-78.7%	841	-51.6%
Exceptional Item Profit/(Loss)	-9	-10		50	
Profit/(Loss) before Tax	83	428	-80.3%	891	-51.5%
Provision for Taxation	-5	103		2	
Deferred Taxation	12	-10		46	
Profit/(Loss) After Tax	76	335	-77.0%	843	-46.6%
Add: Share of Profit/(Loss) from Associates	0	0		0	
Less: Minority Interest	1	0		2	
Net Profit/(Loss)	75	335	-77.3%	841	-46.7%
Net Profit Margin %	7.2%	22.6%		17.4%	
Adjustments:					
Divestment (Profit)/Loss					
CDR Recompose					
French Litigation Award				-170	
Inventory writeoff & Product Recall Costs				114	
R&D Write off					
Goodwill write off (Negma - France)					
Others Exceptional items	9	10		6	
Tax impact of above	-2			-2	
Deferred Tax impact of above					
Adjusted PAT	82	345	-76.3%	789	-48.3%
Adjusted PAT Margin %	7.9%	23.2%		16.3%	

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 Email : investorrelations@wockhardt.com

Visit us at: www.wockhardt.com