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August 20, 2013

My dear Shareowners,

It is always a pleasure to write and apprise you of your Company's financial progress.

Your Company's Board of Directors approved the first quarter results for April-June FY2013-14 and here are some of the key highlights.

Financial highlights for Q1 (April-June) FY13-14:

- ~ Consolidated revenues grew by 1% to ₹1358 crore over the corresponding quarter of FY13.
- ~ Wockhardt's EBITDA stands at ₹ 421 crore which is a decline of 5% over the corresponding quarter of FY13. EBITDA Margins now stands at 31% in Q1 FY 14 as compared with 32.9% in the corresponding quarter of FY13.
- ~ Profit After Tax for Q1 FY14 was ₹ 324 crore, which represents a PAT Margin of 24%.

Business highlights for Q1 (April-June) FY13-14:

- ~ Wockhardt's International Business contributed 82% of the total revenues during Q1 FY14.
- ~ Wockhardt's US Business recorded a growth of 11% (7% on \$ basis) in Q1 FY14 and contributed 53% of global revenues for the Company.
- ~ The UK Business recorded a growth of 1% (1% on £ basis) in Q1 FY14. The Irish Market recorded a decline of 31% (35% on € basis) during the quarter.

As you are aware, there were certain observations raised by the US FDA, and your Company has already initiated several corrective measures to address the same. Wockhardt has also appointed a US based consultant with extensive experience and expertise in Current Good Manufacturing Practice (cGMP) and we are committed to achieving full compliance of our Waluj facility at the earliest in accordance with the US FDA standards.

The global pharmaceutical industry is going through a dynamic phase and Wockhardt is fully geared to take on these opportunities. I thank you for your unwavering support and good wishes.

I also look forward to meeting you at the Annual General Meeting on Monday 2nd September 2013 in Mumbai.

Warm regards,

Dr. Habil Khorakiwala
Founder Chairman & Group CEO

Business Review

US Operations

USA business for Wockhardt contributed 53% of the Global Revenues in Q1FY14 compared to 49% in the Q1FY13. Revenues from the US Business were at ₹722 crore in Q1FY14 versus ₹653 crore in Q1FY13, representing a growth of 11% in INR terms and a growth of 7% in USD terms.

USA Business continued its growth trajectory during the quarter. Though the recent import restrictions on the Waluj facility by USFDA has raised concerns over the near term prospects, the company is determined to resolve the issue at the earliest and has initiated several preventive and corrective measures.

Research continues to be at the core for Wockhardt and has resulted in further filing of 4 ANDAs during the quarter, taking the total ANDAs pending for approval to 50.

Europe Operations

Europe Operation contributed 24% of the Global Revenues. Revenues from EU Operations (excluding France) were at ₹298 crore in Q1FY14 versus ₹312 crore in Q1FY13, representing a decline of 5% in INR terms. Revenues from French Operations were at ₹28 crore in Q1FY14 versus ₹51 crore in Q1FY13, representing a decline of 46% in INR terms.

UK Operations (including Pinewood's UK business) revenues were at ₹238 crore in Q1FY14 versus ₹234 crore in Q1FY13 representing a growth of 1% in INR terms and GBP terms. The slower growth was more on account of Pinewood's UK portfolio showing negative growth. During the quarter Wockhardt launched 3 products in UK.

Irish Business revenues were at ₹39 crore in Q1FY14 versus ₹56 crore in Q1FY13 representing a decline of 31% in INR terms and 35% in Euro terms. The shift from branded generics to generic-generic has posed more challenges in the near term.

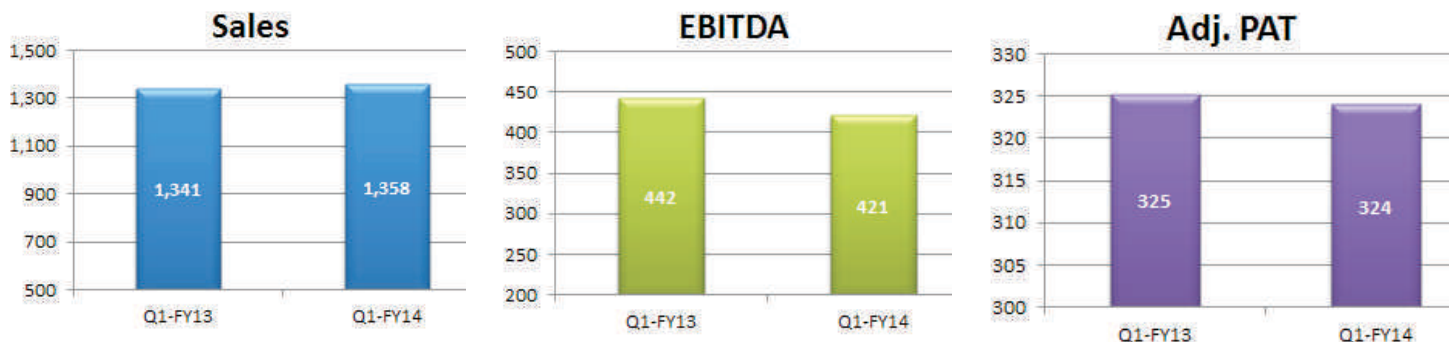
India & Emerging Markets

India and Emerging Markets contributed 23% of the global revenues. Revenues from India and Emerging Markets were at ₹310 crore in Q1FY14 versus ₹325 crore in Q1FY13 representing a decline of 5%.

Branded Formulation business grew by 3% during the quarter. The growth was impacted due to uncertainty in trade due to NLEM issues, strike by retailers in Maharashtra and ban of Dextropropoxyphene.

Emerging Markets business declined by 28% during the quarter due to orders from Russia getting pushed to Q2.

PERFORMANCE HIGHLIGHTS Q1FY14 vs. Q1FY13



Sales at ₹1358 crore.

EBITDA Margins at 31.0%.

PAT Margins at 23.9%.

- Consolidated revenues at ₹1358 crore in Q1FY14 versus ₹1341 cores in Q1FY13, year-on-year growth of 1%.
 - USA Business grows by 11% (7% in \$ terms)
 - Europe Business (Other than France) declines by 5% (France declines by 46%)
 - India & Emerging Markets Business declines by 5%
- Gross Margins at 66.1% in Q1FY14 versus 63.4% in Q1FY13
- EBITDA* at ₹421 crore in Q1FY14 versus ₹442 crore in Q1FY13, declines 5%.
- EBITDA margins at 31.0% in Q1FY14 versus 32.9% in Q1FY13.
- R&D Expenses at 7.7% of Sales in Q1FY14 and growth of 57% over Q1FY13.
- Adjusted Profit After Tax* at ₹324 crore in Q1FY14.

**EBITDA & PAT Adjusted for ₹41 crore of R&D expenses in the previous year(Q1FY13) for a like to like comparison.*

Financials

Consolidated P&L

₹ Crore

Particulars	Q1-FY14	Q1-FY13	Growth %	FY13
Revenues from Operations	1,358	1,342	1.2%	5,610
Material Consumption	460	491	-6.3%	1,710
Gross Margins	898	851	5.5%	3,900
Gross Margin %	66.1%	63.4%		69.5%
Staff Cost	155	137	13.1%	585
R&D Expenses	98	64	53.1%	354
Other Expenditure	224	208	7.7%	911
Total Expenditure	937	900	4.1%	3,560
EBITDA	421	442	-4.8%	2,050
EBITDA Margin	31.0%	32.9%		36.5%
Interest & Financing Cost				
a. Interest	17	53	-67.9%	215
b. (Income)/Expense due to Exchange Rate Fluctuation	21	19		28
Depreciation	32	28	14.3%	122
Other Income	6	9		51
Profit/(Loss) Before Tax before exceptional items	357	351	2.0%	1,736
Exceptional Item Profit/(Loss)	5	0		103
Profit/(Loss) before Tax	362	351	3.4%	1,839
Provision for Taxation	37	59		372
Deferred Taxation	1	-34		-113
Profit/(Loss) After Tax	324	326	-0.3%	1,580
Add: Share of Profit/(Loss) from Associates	0	-1		-1
Net Profit/(Loss)	324	325	0.0%	1,579
Net Profit Margin %	23.9%	24.2%		28.1%

**EBITDA & PAT Adjusted for ₹ 41 crore of R&D expenses in the previous year(Q1FY13) for a like to like comparison.*

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