



August 27, 2018

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 1st Quarter (April-June) of the Financial Year 2018-19. I take this opportunity to share with you the Company's performance this quarter along with some key business highlights.

The business performance of the Company during the quarter ended 30th June, 2018 showed marked improvement with Sales growth of 13% as compared with the similar quarter of the previous year driven by growth in US, India Business and growing Emerging Markets.

The increase in business coupled with Company's ongoing focus on cost containment and rationalisation continues to deliver its intended positive impact on the profitability resulting in an improvement of EBITDA from a loss of ₹(79) crore in Q1FY18 to ₹29 crore during the current quarter. Costs of on-going remedial measures, however, continued to impact profitability.

The focus in strategic R&D initiatives of the Company in the global arena continued to remain one of the key priorities. Such strategic R&D expenses though meant for the future are expensed off.

Financial Highlights for Q1 (April - June) FY 2018-19

- ◆ Consolidated revenue for the quarter is ₹1,008 crore.
- ◆ EBITDA before R&D spend is ₹90 crore for Q1FY19, compared to ₹ (7) crore in previous year.
- ◆ R&D spend at ₹61 crore (6% of sales) and including capital expenditure is at 8% to sales for Q1FY19.

Business Highlights

- ◆ The International Business contributed 61% of the global revenue in Q1FY19.
- ◆ India Business grew by 30% over Q1FY18 and stood at ₹395 crore in Q1FY19 vs ₹303 crore in Q1FY18. Four new products launched in India during Q1FY19.
- ◆ Emerging Markets Business grew by 36% in Q1FY19 compared to Q1FY18 and stood at ₹119 crore in Q1FY19 compared to ₹88 crore in Q1FY18.
- ◆ UK revenues were at ₹238 crore in Q1FY19 vs ₹257 crore in Q1FY18, representing a de- growth of 7% in Q1FY19 in INR terms. The Company launched 1 new product during the quarter, received 1 new approval and successfully filed 1 new product.
- ◆ US Business grew by 20% in Q1FY19 over Q1FY18 in INR terms mainly on account of New Products launches and increased market share of some of the products of the Company. US Business contributed 18% of the Global Revenue.
- ◆ Irish Business revenues were at ₹44 crore in Q1FY19 vs ₹35 crore in Q1FY18; grew by 25% in Q1FY19 in INR terms. 3 new products were launched during the quarter.
- ◆ Revenues from French Operations remained flat at ₹16 crore in Q1FY19.

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

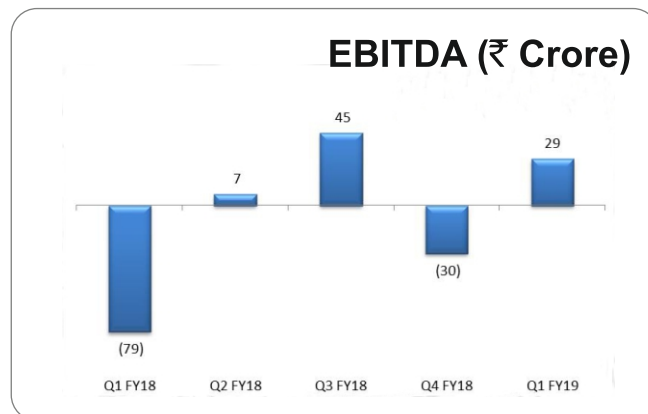


PERFORMANCE HIGHLIGHTS

Sales Performance over the period:



EBITDA over the period:



Consolidated Financials – Q1FY19:

- Consolidated revenues at ₹**1,008** crore in **Q1FY19** vs ₹**891** crore in **Q1FY18**: a growth of ~13%.
 - India Business grew by **30%** in Q1FY19 compared to Q1FY18.
 - US Business grew by **20%** in Q1FY19 compared to Q1FY18 in INR terms and grew by 14% in USD terms mainly on account of New Products launched from Third Party manufacturing sites and increased market share of some of the products.
 - Emerging market Business grew by **36%** in Q1FY19 compared to Q1FY18.
 - UK Business during the quarter de-grew by 7% in INR terms (de-grew by 15% in GBP terms) over Q1FY18. The Company launched 1 new product during the quarter, received 1 new approval and successfully filed 1 new product.
 - Irish Business grew 25% in INR terms (13% in Euro) in Q1FY19 vs Q1FY18. 3 new products were launched during the quarter.
- Gross Margins at **58%** in **Q1FY19**, up by **4%** from **Q1FY18**.
- EBITDA at ₹**29** crore as compared to a loss of ₹**(79)** crore in **Q1FY18**.

BUSINESS HIGHLIGHTS

International Operations

- At ₹613 crore, contributes 61% of global revenues .

India & Emerging Markets Business

- India and Emerging Markets contributed 51% of the global revenues in Q1FY19 .
- 4 new products launched in India during Q1FY19 .
- India Business grew by 30% in Q1FY19 over Q1FY18 and stood at ₹395 crore in Q1FY19 vs ₹303 crore in Q1FY18 .
- Emerging Markets Business grew by 36% in Q1FY19 compared to Q1FY18 and stood at ₹119 crore in Q1FY19 compared to ₹88 crore in Q1FY18 .

US Business

- US Business for Wockhardt contributed 18% of the Global Revenues in Q1FY19 compared to 17% in the Q1FY18. Revenues from the US Business were at ₹182 crore in Q1FY19 versus ₹152 crore in Q1FY18 registering a growth of 20% over similar period of previous year.
- Total pending ANDAs as on 30th June, 2018 is 70 .

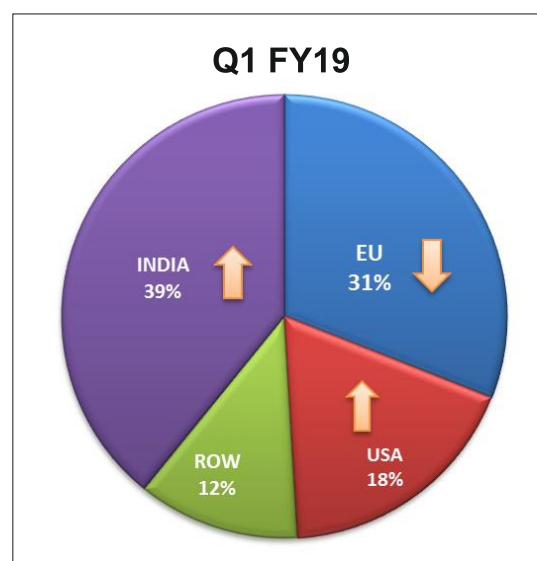
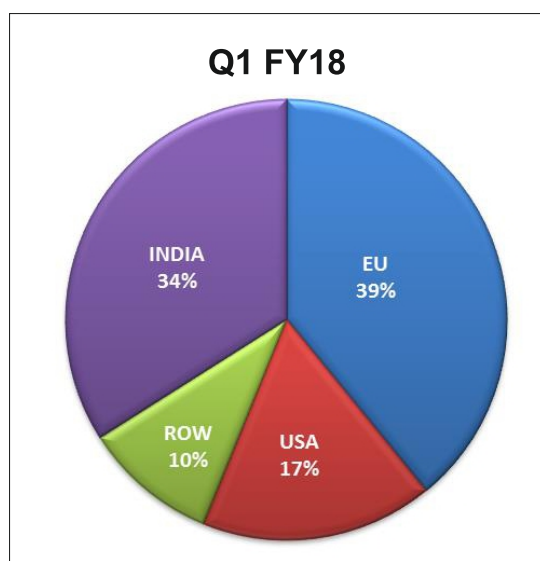
Europe Business

- Europe Operations (including France) contributed 31% of the Global Revenues in Q1FY19. Revenues from EU Operations (including France) were at ₹312 crore in Q1FY19. Revenues from French Operations remained flat at ₹16 crore in Q1FY19.

UK Business

- UK revenues were at ₹238 crore in Q1FY19 vs ₹257 crore in Q1FY18, representing a de-growth of 7% in Q1FY19 in INR terms (de-grew by 15% in GBP) .
- UK Business witnessed one new filing, one approval and one new product was launched during Q1FY19.
- Irish Business revenues were at ₹44 crore in Q1FY19 vs ₹35 crore in Q1FY18, grew by 25% in Q1FY19 in INR terms (grew by 13% in Euro terms).

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q1-FY19	Q4-FY18	Q1-FY18
Revenues from Operations	1008	1018	891
Material Consumption	424	462	409
Gross Margins	584	556	482
<i>Gross Margin %</i>	<i>58%</i>	<i>55%</i>	<i>54%</i>
Staff Cost	218	195	208
R&D Expenses	61	77	72
Other Expenditure	276	314	281
Total Expenditure	979	1048	970
EBITDA	29	(30)	(79)
<i>EBITDA Margin</i>	<i>3%</i>	<i>-3%</i>	<i>-9%</i>
EBITDA before R&D	90	47	(7)
<i>EBITDA Margin before R&D</i>	<i>9%</i>	<i>5%</i>	<i>-1%</i>
Interest Expenses (Net)	70	61	49
(Income)/Expense due to Exchange Rate Fluctuation	24	(24)	(19)
Depreciation	39	39	37
Other Income / (Loss)	4	(12)	26
Profit/(Loss) Before Tax before exceptional items	(100)	(118)	(121)
Exceptional Item Profit/(Loss)	-	-	(358)
Profit/(Loss) before Tax	(100)	(118)	(479)
Tax Expense (Including Deferred Tax)	(5)	35	(16)
Profit After Tax (PAT)	(95)	(153)	(463)
Less: Non-Controlling Interest	(9)	2	(53)
PAT after Non-Controlling Interest	(86)	(155)	(410)
<i>PAT after Non-Controlling Interest Margin %</i>	<i>-9%</i>	<i>-15%</i>	<i>-46%</i>

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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