



May 26, 2017

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 4th Quarter (January-March) and the Financial Year 2016-17. I take this opportunity to share with you the Company's performance this year along with some key business highlights. The Company's performance during the quarter and year was affected by subdued business in US & UK market, continued impact on account of Brexit and remediation costs.

### Financial Highlights for Q4 (January-March) FY 2016-17

- ◆ Consolidated revenue for the quarter is INR 864 crore.
- ◆ EBITDA excluding one-time opportunity and before R&D spend is INR (87) crore for Q4FY17, compared to INR 145 crore in previous year.
- ◆ R&D spend at INR 90 crore and including capital expenditure is at 17% to sales for Q4FY17.

### Financial Highlights for 12 Months (April-March) FY 2016-17

- ◆ Consolidated revenue for FY16-17 is INR 4,015 crore. Excluding the one-time business opportunity in UK in corresponding period of previous year, revenues de-grew by 3%.
- ◆ EBITDA excluding one-time opportunity and before R&D spend is INR 423 crore for FY16-17, compared to INR 699 crore in previous year.
- ◆ R&D spend at INR 397 crore (10% of sales) and including capital expenditure is at 14% to sales for FY16-17.

### Business Highlights

- ◆ The International Business contributed 62% of the global revenue in Q4FY17 & FY16-17.
- ◆ India Business grew by 6% over FY15-16 and de-grew by 4% in Q4FY17. 24 New Products were launched in India in FY16-17.
- ◆ UK markets grew by 8% in GBP terms in FY16-17 and de-grew by 14% in GBP terms in Q4FY17 excluding one time opportunity. UK made 7 new filings and received 3 new approvals in UK market in FY16-17.
- ◆ The US Business attributes 18% to the global revenue in Q4FY17 & FY16-17. The company filed 4 new ANDA's in Q4FY17 and received 2 new approvals, taking cumulative pending for approval as on date at 83.
- ◆ Emerging Market Business grew by 15% in Q4FY17, however de-grew by 10% in FY16-17.
- ◆ The Irish Business de-grew by 6% in FY16-17 in INR terms and de-grew by 9% in Q4FY17 in INR terms.
- ◆ France remained flat in Q4FY17 and grew by 12% in FY16-17.

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

Warm Regards,

**Dr. Habil Khorakiwala**  
Founder Chairman



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# PERFORMANCE HIGHLIGHTS

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## Consolidated Financials – Q4:

- Consolidated revenues at ₹ **864** crore in **Q4FY17** vs ₹ **1,010** crore in **Q4FY16**.
  - India Business de-grew by **4%** in **Q4FY17**.
  - UK revenues de-grew by **14%** in GBP terms.
  - Emerging market Business grew by **15%** in Q4FY17 compared to Q4FY16.
  - US Business de-grew by **31%** in **Q4FY17**.
- Gross Margins at **50%** in **Q4FY17**.
- EBITDA at ₹ (177) crore (Margin at -20% to sales) compared to ₹ **72** crore (Margin at 7% to Sales) in **Q4FY16**.

## Consolidated Financials – Full Year :

- Consolidated revenues at ₹ **4,015** crore in **FY16-17** versus ₹ **4,453** crore in **FY15-16**.  
Excluding one-offs revenues de-grew by **3%**.
  - India Business grew by **6%** in **FY16-17**.
  - UK revenues in GBP terms grew by **8%** excluding one time opportunity.
  - Emerging market Business de-grew by 10% whereas US Business de-grew by 25% in FY16-17.
- Gross Margins at **59%** in **FY16-17** compared to **64%** in **FY15-16**.
- EBITDA excluding one offs and before R&D spend was ₹ **423** crore (Margin at 11% to sales) lower than ₹ 699 crore (Margin at 17% to sales) in corresponding previous period.
- EBITDA at ₹ **26** crore compared to ₹ **509** crore in **FY15-16**.

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# BUSINESS HIGHLIGHTS

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## International Operations

- At ₹ 536 crore, contributes 62% of global revenues for Q4FY17, de-grows by 20% compared to Q4FY16 mainly on account of subdued business in US market.
- At ₹ 2,488 crore, contributes 62% of global revenues for FY16-17, de-grows by 18% compared to FY15-16 mainly on account of one-time opportunity in UK in corresponding previous period; excluding which it de-grew by 8% mainly on account of subdued business in US market and impact of Brexit in UK.

## India & Emerging Markets Business

- India Business grew by 6% and de-grew by 4% in FY16-17 and Q4FY17 respectively.
- Emerging Markets Business stood at ₹ 114 crore in Q4FY17 compared to ₹ 99 crore in corresponding previous quarter and ₹ 369 crore in FY16-17 compared to ₹ 412 crore in FY15-16.

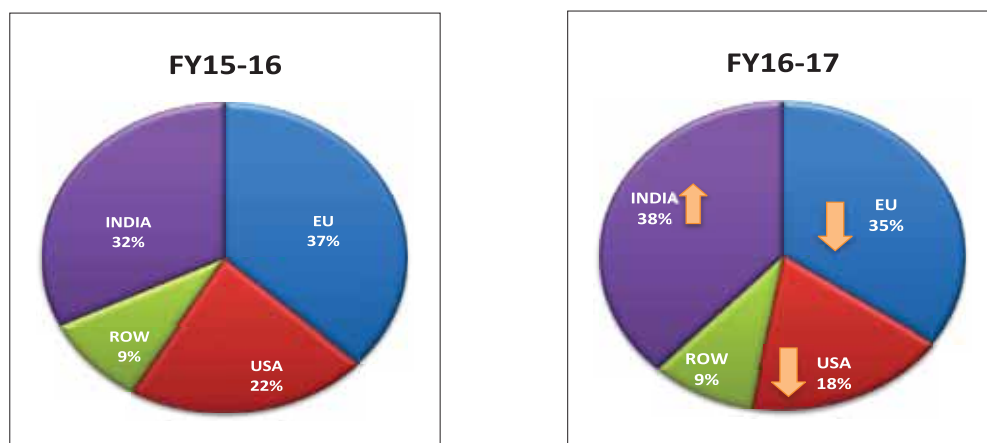
## Europe Business

- At ₹ 251 crore (excluding France) for Q4FY17 against ₹ 326 crore in Q4FY16 and at ₹ 1,327 crore for FY16-17 against ₹ 1,583 crore in FY15-16 (excluding one time opportunity in FY15-16 ₹ 1,272 crore representing a growth of 4%).
- UK markets de-grew by 14% in GBP terms in Q4FY17 compared to Q4FY16 and grew by 8% in FY16-17 (GBP terms) over FY15-16 (excluding one time opportunity).
- France remained flat in Q4FY17 and grew by 12% in FY16-17.
- Irish market de-grew by 9% in INR terms in Q4FY17 and de-grew by 6% in INR terms in FY16-17.

## US Business

- At ₹156 crore for the quarter and at ₹ 726 crore for FY16-17.
- Contributes 18% of global revenues in Q4FY17 & FY16-17. De-grows by 31% for Q4FY17 and de-grew by 25% for FY16-17 mainly due to subdued business in US.

# SHARE OF GLOBAL REVENUES



## FINANCIALS

### Consolidated P&L

₹ Crore

Particulars	Q4-FY17	Q3-FY17	Q4-FY16	FY16-17	FY15-16
<b>Revenues from Operations</b>	<b>864</b>	<b>995</b>	<b>1010</b>	<b>4015</b>	<b>4453</b>
<b>Revenues from Operations excl "one offs"</b>	<b>864</b>	<b>995</b>	<b>1010</b>	<b>4015</b>	<b>4142</b>
Material Consumption	436	410	397	1650	1602
<b>Gross Margins</b>	<b>428</b>	<b>585</b>	<b>613</b>	<b>2365</b>	<b>2851</b>
<b>Gross Margin %</b>	<b>50%</b>	<b>59%</b>	<b>61%</b>	<b>59%</b>	<b>64%</b>
Staff Cost	195	211	187	826	799
R&D Expenses	90	100	73	397	498
Other Expenditure	320	256	281	1116	1045
<b>Total Expenditure</b>	<b>1041</b>	<b>977</b>	<b>938</b>	<b>3989</b>	<b>3944</b>
<b>EBITDA</b>	<b>(177)</b>	<b>18</b>	<b>72</b>	<b>26</b>	<b>509</b>
<b>EBITDA Margin</b>	<b>-20%</b>	<b>2%</b>	<b>7%</b>	<b>1%</b>	<b>11%</b>
<b>EBITDA excl "one offs" &amp; before R&amp;D</b>	<b>(87)</b>	<b>118</b>	<b>145</b>	<b>423</b>	<b>699</b>
<b>EBITDA Margin excl "one offs" &amp; before R&amp;D</b>	<b>-10%</b>	<b>12%</b>	<b>14%</b>	<b>11%</b>	<b>17%</b>
Interest Expenses (Net)	44	44	29	162	84
(Income)/Expense due to Exchange Rate Fluctuation	(13)	17	6	13	15
Depreciation	37	38	37	149	142
Other Income / (Loss)	41	5	4	51	21
<b>Profit/(Loss) Before Tax before exceptional items</b>	<b>(204)</b>	<b>(76)</b>	<b>4</b>	<b>(247)</b>	<b>289</b>
Exceptional Item Profit/(Loss)	0	0	0	0	0
<b>Profit/(Loss) before Tax</b>	<b>(204)</b>	<b>(76)</b>	<b>4</b>	<b>(247)</b>	<b>289</b>
Tax Expense (Including Deferred Tax)	3	(15)	17	(21)	37
<b>Profit After Tax (PAT)</b>	<b>(207)</b>	<b>(61)</b>	<b>(13)</b>	<b>(226)</b>	<b>252</b>
Add: Share of Profit/(Loss) from Associates	0	0	0	0	1
Less: Non-Controlling Interest	(32)	(7)	(8)	(30)	2
<b>PAT after Non-Controlling Interest</b>	<b>(175)</b>	<b>(54)</b>	<b>(5)</b>	<b>(196)</b>	<b>251</b>
<b>PAT after Non-Controlling Interest Margin %</b>	<b>-20%</b>	<b>-5%</b>	<b>-1%</b>	<b>-5%</b>	<b>6%</b>

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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