URGENT

PRESS RELEASE

Wockhardt Limited
| Wockhardt Towers |
| Bandra Kurla Complex | Bandra (E) |
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Wockhardt's 2008 Annual Results

Consolidated sales grew by 35.4% to Rs. 3,593 crores Operating Profits (EBIDTA) grew by 26.5% to Rs. 808 crores

- **Mark-to-Market losses at Rs 581 crores**
- **Overseas acquisitions grew significantly and got accretive**
- **Secured 23 ANDA approvals from the US FDA in 2008**

Mumbai, April 24, 2009

Pharmaceutical and biotechnology major Wockhardt Limited today announced its results for the year ended 31st December 2008. Wockhardt's year of consolidation and rationalisation has borne fruit with all its acquisition getting fully accretive. Sales revenues grew by 35.4% to Rs. 3,593 crores and operating profit (EBIDTA) was up by 26.5% to Rs. 808 crores. Wockhardt's international business, contributing 73% of the total, grew 40.3%. However, MTM losses of Rs 581 crores was due to steep devaluation of the rupee resulting in the company posting a net loss of Rs 139 crores for the financial year 2008.

Some of the banks, based on the early termination clause in the agreement had terminated certain forex contracts and claimed an amount of Rs. 4895.24 million. The Board is of the view the forex transactions were unilaterally cancelled by the banks and the mark to market losses had arisen on account of counter positions advised by the banks. The Company has obtained a legal opinion that these contracts can be disputed, and accordingly no provision for the same has been made.

"We have had an exceptional year in all ways, both in terms of sales revenues and operating profits. Our acquisitions have started paying-off and have posted double-digit growth in their markets. With 73% of our turnover coming from our international operations, in the normal course of the business, it was prudent to hedge our foreign exchange exposure. But due to the meltdown in the global markets and the consequent currency volatility, we had to make provisions for MTM losses, which had a marked impact on our bottomline," said Wockhardt Chairman, Habil Khorakiwala.

"Wockhardt has applied to its lending banks for Corporate Debt Restructuring (CDR) and the same has been admitted. The passage of this in the coming few months will ensure enough liquidity for operations and mitigate most of our current issues, which in turn will facilitate our planned growth and benefit all our stakeholders," he further elaborated.

For the fourth quarter of 2008, sales peaked at 24.9% to Rs. 952 crores and operating margin (EBIDTA) at 20.6% to Rs. 196 crores. Net loss was Rs. 358 crores.

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US Business:

Wockhardt's US business, including Morton Grove Pharmaceuticals, grew by 140%. Currently, it markets 65 products in the US and all its manufacturing plants in India are US FDA compliant. Wockhardt was one of the top 5 companies in the world to have received the highest number of 23 Abbreviated New Drug Approvals (ANDAs) by the US FDA for 2008 (source – Generics Bulletin 2009)

Europe Business:

Revenues from Europe grew by 30%. Wockhardt UK is the key driver with generics and hospital business showing phenomenal thrust. Pinewood market share improved to 29%. Negma in France and esparma in Germany are showing a healthy resurgence. Restructuring in manufacturing and a strong focus on contract manufacturing has helped in overall consolidation.

India Business:

Wockhardt is the first company in the world, after the innovator company, to launch Glaritus, a long-acting insulin analogue. As a part of the overall strategy to get in-licensed products into India, Wockhardt has already launched 13 new products that are showing tremendous promise for the future. As per ORG IMS, India branded business grew at 20% in 2008 as compared to the industry growth of 10%, showing an improved market share to 2.08% vis-à-vis 1.9% in 2007. It also gained two places in the ranking order to the 16^{th} position from 18^{th} in 2007. Overall 11 brands featured in the list of 'Top 300' brands of the industry in 2008.

Wockhardt's Q1-2009 Results:

The company also announced a 10.7% increase in consolidated sales revenues to stand at Rs. 869 crores for the first quarter ended March 31, 2009 over the corresponding quarter of 2008. Operating profit (EBIDTA) grew by 22.1% to Rs. 171 crores. Net loss stood at Rs. 20 crores. MTM losses stood at 32 crores.

"We are taking significant management initiatives towards containing these MTM losses during the current financial year," stated Wockhardt Chairman, Habil Khorakiwala.

US Business:

In the first quarter of 2009, Wockhardt's US business grew by 70% and it received 7 ANDA approvals from the US FDA with a market potential of US $2 billion.

Europe Business:

Wockhardt's European business remains steady with Wockhardt UK showing a 6% growth, double than the industry growth. It has also won large tender business from other countries with a total business potential of £4.5 million. Besides, esparma recorded a 15% growth against the industry growth of 7%.

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India Business:

As per ORG IMS, Wockhardt's growth recorded for March 2009 (MAT) has been 15% against the industry growth of 10% and it improved its rank to the 15th position from 17th in March 2008.

About Wockhardt

Wockhardt is a technology-driven global pharmaceutical and biotechnology major with an innovative multi-disciplinary research and development programme. It has 5 research centres and 15 world-class manufacturing plants dotting various countries and continents that are compliant to international regulatory standards such as the US FDA, MHRA and other global regulatory bodies. It has end-to-end integrated capabilities for its products, starting with manufacture of the oral and sterile API's, the dosage forms and marketing through its wholly owned subsidiary in the US. Wockhardt has a global footprint including the US, UK, Ireland, France and Germany with a multi-ethnic workforce from 14 different nationalities.

WOCKHARDT LIMITED

AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31ST DECEMBER, 2008

(Rs. In Million)

PARTICULARS	QUARTER ENDED 31/12/2008	% TO SALES	QUARTER ENDED 31/12/2007	% TO SALES	GROWTH %	YEAR ENDED 31/12/2008	% TO SALES	YEAR ENDED 31/12/2007	% TO SALES	GROWTH %
Net Income from operations	9,519		7,620			35,926		26,532		
Total Expenditure	7,555	77.3	5,719	75.9	32.1	27,844	77.5	20,141	79.7	38.2
a) (Increase)/Decrease in stock	*245*		*(708)*			*242*		*(1,492)*		
b) Consumption of raw material	*2,279*		*2,314*			*7,273*		*7,434*		
c) Purchase of Finished Goods	*1,460*		*931*			*5,847*		*3,985*		
Material Consumption	*3,984*	*40.8*	*2,537*	*33.7*	*57.0*	*13,362*	*37.2*	*9,927*	*39.3*	*34.6*
d) Staff Cost	*1,295*		*1,449*			*6,074*		*4,434*		
e) R & D expenditure	*13*		*88*			*513*		*505*		
f) Other expenditure	*2,263*		*1,645*			*7,895*		*5,275*		
Other Expenditure	*3,571*	*36.5*	*3,182*	*42.2*	*12.2*	*14,482*	*40.3*	*10,214*	*40.4*	*41.8*
Gross Profit before Interest, Depreciation & Taxation	1,964	20.6	1,901	24.9	3.3	8,082	22.5	6,391	24.1	26.5
Interest/ Financing Cost										
(a) Interest	907		500		81.4	2,704		1,638		65.1
(b) Income/(Expense) due to Exchange Rate Fluctuation on Foreign Currency Borrowings	812		(29)			(9)		314		
(c) Premium on FCCB	1,295		-			1,295		-		
Gross Profit/(Loss) after Interest but before Depreciation & Taxation	574	6.0	1,372	18.0	(58.2)	4,074	11.3	5,067	19.1	(19.6)
Depreciation	368	3.9	236	3.1	55.9	1,130	3.1	785	3.0	43.9
Profit/(Loss) after Interest & depreciation	206	2.2	1,136	14.9		2,944	8.2	4,282	16.1	
Other Income	131	-	74	-	-	356	-	460	-	-
Exceptional Item Profit/(Loss)	(5,545)		0			(5,810)		0		
Profit/(Loss) before Tax	(5,208)	(54.7)	1,210	15.9		(2,510)	(7.0)	4,742	17.9	
Provision for Taxation	(171)		30			237		527		
Fringe Benefit Tax	9		10			39		36		
Deferred Taxation	(1,331)		115			(1,192)		354		
Profit/(Loss) After Tax	(3,715)		1,055			(1,594)		3,825		
Add: Share of Profit/ (Loss) from Associates	137		33			205		33		
Net Profit/(Loss)	(3,578)	(37.6)	1,088	14.3		(1,389)	(3.9)	3,858	14.5	

PARTICULARS	QUARTER ENDED 31/12/2008	% TO SALES	QUARTER ENDED 31/12/2007	% TO SALES	GROWTH %	YEAR ENDED 31/12/2008	% TO SALES	YEAR ENDED 31/12/2007	% TO SALES	GROWTH %
Paid-up Equity Share Capital (Rs 5/-each)	**547**		547		-	**547**		547		-
Reserves excluding Revaluation Reserve (as per last audited Balance-Sheet)	**-**		-		-	**9,630**		12,188		-
Earning Per Share										
Basic Earning Per Share (Rs)	**(32.69)**		9.94			**(12.69)**		35.25		
Diluted Earning Per Share (Rs)	**(32.69)**		9.94			**(12.69)**		35.25		
Public Shareholding										
- Number of Shares	**28,102,803**		28,075,803			**28,102,803**		28,075,803		
- Percentage to Paid-up Capital	**25.68%**		25.66%			**25.68%**		25.66%		
Promoters and promoter group shareholding										
a) Pledged/ Encumbered										
- Number of shares	**69,280,667**					**69,280,667**				
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**85.97%**					**85.97%**				
-Percentage of shares (as a % of the total share capital of the Company)	**63.31%**					**63.31%**				
b) Non-emcumbered										
- Number of shares	**11,304,715**					**11,304,715**				
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**14.03%**					**14.03%**				
-Percentage of shares (as a % of the total share capital of the Company)	**10.33%**					**10.33%**				

Notes to Financial Results for year ended December 31, 2008:-

1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on April 24, 2009

2) Pursuant to the announcement on 'Accounting for Derivatives" issued by the Institute of Chartered Accountants of India in March 2008, the Company has accounted Mark-to-Market (MTM) losses aggregating Rs. 4,587 million for the year ended December 31, 2008. The same has been treated as Exceptional Item. The Company has entered into Hedging Instruments, which are long term in nature to reduce interest cost/ Currency risk for the loans, which the Company has taken in past and is outstanding as of December 31, 2008. As per the Risk Mangement Policy, the Company is hedging the interest/ currency risk for the long term loans. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The Exceptional Item also includes derivative losses of Rs. 1,223 million

3) In the month of October 2004, the Company had issued 110,000 Zero Coupon foreign currency convertible bonds of USD 1,000 each. The Bonds are considered as monetary liability.The Bonds are redeemable on maturity date at 129.578 percent of its principal amount, only if there is no conversion of bonds on or before September 25,2009. The Company is evaluating various options for restructuring the debts of the Company. The FCCB including the premium payable will be part of the restructuring exercise. The Company is proposing to negotiate with the FCCB holders towards discount and/or extension of the due date of payment. During the year the Company has provided for FCCB premium of Rs.1,295 Million for the period October 2004 to December 2008

4) As per note 6 to the Auditors Report for the year ended December 31, 2008, the Company had, on certain derivative contracts with banks, stopped payment of margins called by the banks during the year. Subsequent to the balance sheet date the banks, based on the Early Termination clause in the agreement, terminated these contracts and claimed an amount of Rs 48,952 lakhs, being the loss incurred on termination of such contracts. The Company contends that the forex transactions were unilaterally cancelled by the banks and the mark to market losses had arisen on account of counter positions advised by the banks. The Company has obtained a legal opinion that these contracts can bedisputed. No provision has been made in the accounts for these demands which have been disclosed under contingent liabilities. The Company has not determined the quantum of mark to market losses as of the balance sheet date on the above contracts. Pending final settlement of the matter, we are unable to quantify the extent of provision that may be required to be made in this regard.

   The Board is of the view the forex transactions were unilaterally cancelled by the banks and the mark to market losses had arisen on account of counter positions advised by the banks. The Company has obtained a legal opinion that these contracts can be disputed, and accordingly no provision for the same has been made. As the contracts are disputed it is not possible to ascertain the quantum of liability and accordingly the impact of the same on the profit or loss of the Company

5) As on October 1, 2008 the Company had no investors complaints pending. During the quarter the Company has received not received any complaints. Accordingly, no complaints are pending as on December 31, 2008

6) The Company is exclusively into Pharmaceutical business Segment.

7) Previous period figures have been recast/ re-classified to conform to the current period's presentation.

8) Standalone Financials of the Company are available on the websites of National Stock Exchange and Bombay Stock Exchange