

Wockhardt's Q2 (July - September) FY 2011

Consolidated Sales ₹ 940.1 crore
Operating Profit (EBIDTA) ₹ 219.8 crore

Wockhardt's India, UK & US businesses post double-digit growth

Mumbai, November 12, 2010

Pharmaceutical and Biotechnology major Wockhardt Limited today announced its results for the second quarter ended 30th September 2010. Consolidated sales revenues stood at ₹ 940.1 crore and operating profit (EBIDTA) was ₹ 219.8 crore. Due to exceptional items, the net loss was ₹ 96.7 crore.

India Business:

Wockhardt's India branded business grew by 19% in July-September 2010 over the corresponding period of 2009. As of September 2010, Wockhardt ranks at 15th position with a market share of 2.10% (ORG-IMS).

Europe Business:

Wockhardt's UK business grew by 11% compared to the industry growth of only 6% during this period. Growth drivers were pharmacy products and exports. Pinewood Healthcare continues to stabilise its position in the Irish market. During the said period, Pinewood's exports were up 10%. Negma Laboratories' beta blocking brand, Nebilox grew by 10% during the same period.

USA Business:

Wockhardt USA clocks a robust 74% growth on the back of newly launched products and other power brands. It also received 3 ANDA approvals in the said quarter.

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 14 world-class manufacturing plants dotting various countries and continents that are compliant to international regulatory standards such as the US FDA, UK 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 and France with a multi-ethnic workforce from 14 different nationalities.

WOCKHARDT LIMITED

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**UNAUDITED CONSOLIDATED FINANCIAL RESULTS
 FOR THE QUARTER ENDED 30TH SEPTEMBER, 2010**

(Rs. in Million)

PARTICULARS	QUARTER ENDED 30/09/2010	% TO SALES	QUARTER ENDED 30/09/2009	% TO SALES	GROWTH %	SIX MONTHS ENDED 30/09/2010	% TO SALES	SIX MONTHS ENDED 30/09/2009	% TO SALES	GROWTH %	FIFTEEN MONTHS ENDED 31/03/2010	% TO SALES
Income from Operations	9,401	100.0	9,227	100.0	1.9	18,617	100.0	18,768	100.0	(0.8)	45,014	100.0
Total Expenditure	7,203	76.6	7,408	80.3	(2.8)	14,616	78.5	15,272	81.4	(4.3)	36,783	81.7
a) (Increase)/Decrease in stock	370	3.9	(12)	(0.1)	(3183.3)	406	2.2	324	1.7	25.3	316	0.7
b) Consumption of raw material	2,342	24.9	3,035	32.9	(22.8)	4,753	25.5	5,512	29.4	(13.8)	11,841	26.3
c) Purchase of Finished Goods	1,911	12.7	1,236	13.4	(3.6)	2,821	15.2	2,785	14.8	1.3	7,561	16.8
Material Consumption	3,903	41.5	4,259	46.2	(8.4)	7,980	42.9	8,621	45.9	(7.4)	19,718	43.8
d) Staff Cost	1,267	13.5	1,296	14.0	(2.2)	2,580	13.9	2,755	14.7	(6.4)	6,944	15.4
e) R & D expenditure	122	1.3	149	1.6	(18.1)	279	1.5	288	1.5	(3.1)	668	1.5
f) Other expenditure	1,911	20.3	1,704	18.5	12.1	3,777	20.3	3,608	19.2	4.7	9,453	21.0
Other Expenditure	3,300	35.1	3,149	34.1	4.8	6,636	35.6	6,651	35.4	(0.2)	17,065	37.9
Gross Profit before Interest, Depreciation & Taxation	2,198	23.4	1,819	19.7	20.8	4,001	21.5	3,496	18.6	14.4	8,231	18.3
Interest/ Financing Cost												
(a) Interest	565	6.0	480	5.2	17.7	1,209	6.5	1,259	6.7	(4.0)	3,425	7.6
(b) (Income)/Expense due to Exchange Rate Fluctuation	211	-	35	-	-	6	-	(229)	-	-	259	-
(c) Premium on FCCB	-	-	89	-	-	-	-	177	-	-	268	-
Gross Profit after Interest but before Depreciation & Taxation	1,422	15.1	1,215	13.2	-	2,786	15.0	2,289	12.2	-	4,279	9.5
Depreciation	299	3.2	294	3.2	1.7	594	3.2	596	3.2	(0.3)	1,481	3.3
Profit after Interest & depreciation	1,123	11.9	921	10.0	21.9	2,192	11.8	1,693	9.0	29.5	2,798	6.2
Other Income	35	-	40	-	-	71	-	124	-	-	295	-
Exceptional Item Profit/(Loss)	(2,020)	-	(1,376)	-	-	(4,176)	-	(4,022)	-	-	(12,949)	-
Profit/(Loss) before Tax	(862)	(9.2)	(415)	(4.5)	(107.7)	(1,913)	(10.3)	(2,205)	(11.7)	13.2	(9,856)	(21.9)
Provision for Taxation	73	-	162	-	-	102	-	231	-	-	278	-
Fringe Benefit Tax	0	-	3	-	-	0	-	3	-	-	9	-
Deferred Taxation	40	-	(1)	-	-	100	-	33	-	-	(120)	-
Profit/(Loss) After Tax	(975)	(10.4)	(579)	(6.3)	(68.4)	(2,115)	(11.4)	(2,472)	(13.2)	14.4	(10,023)	-
Add: Share of Profit/(Loss) from Associates	8	-	37	-	-	(16)	-	31	-	-	16	-
Net Profit/(Loss)	(967)	(10.3)	(542)	(5.9)	(78.4)	(2,131)	(11.4)	(2,441)	(13.0)	12.7	(10,007)	(22.2)
Paid-up Equity Share Capital (Rs 5/-each)	547	-	547	-	-	547	-	547	-	-	547	-
Reserves excluding Revaluation Reserve (as per last audited Balance-Sheet)	-	-	-	-	-	-	-	-	-	-	(516)	-
Earning Per Share												
Basic Earning Per Share (Rs)	(8.84)	-	(4.95)	-	-	(19.47)	-	(22.31)	-	-	(91.44)	-
Diluted Earning Per Share (Rs)	(8.84)	-	(4.95)	-	-	(19.47)	-	(22.31)	-	-	(91.44)	-

Public Shareholding							
- Number of Shares	28,275,055	28,193,643		28,275,055	28,193,643		28,202,555
- Percentage to Paid-up Capital	25.84%	25.76%		25.84%	25.76%		25.77%
Promoters and promoter group shareholding							
a) Pledged/ Encumbered							
- Number of shares	67,708,917	57,800,000		67,708,917	57,800,000		4,300,000
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	84.02%	71.73%		84.02%	71.73%		5.34%
-Percentage of shares (as a % of the total share capital of the Company)	61.87%	52.82%		61.87%	52.82%		3.93%
b) Non-encumbered							
- Number of shares	12,876,465	22,785,382		12,876,465	22,785,382		76,285,382
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	15.98%	28.27%		15.98%	28.27%		94.66%
-Percentage of shares (as a % of the total share capital of the Company)	11.77%	20.82%		11.77%	20.82%		69.70%

Notes To Consolidated Financials:-

- 1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 12, 2010 and have been subjected to Limited Review by the Auditors.
- 2) The outstanding liabilities of the Company are being restructured under the aegis of Corporate Debt Restructuring (CDR) Scheme. As required under the Scheme the Master Restructuring Agreement (MRA) and other necessary documents have been executed and effective. The CDR scheme comprehensively covers the FCCB liabilities and crystallized derivatives/ hedging liabilities. In respect of unilaterally terminated contracts pertaining to crystallised derivatives/hedging liabilities which are disputed, the amount payable is presently not ascertainable and hence not provided.
- 3) Exceptional items for the quarter ended September 30, 2010 includes settlement of loan/disputed derivative liabilities Rs. 1,970 million.

4) **Statement of Assets and Liabilities**

Particulars	(Rs. in Million)	
	As at 30/9/2010 (Unaudited)	As at 30/9/2009 (Unaudited)
SHAREHOLDERS' FUNDS:		
(a) Capital	7,618	547
(b) Reserves & Surplus	1,120	8,738
		8,524
		9,071
LOAN FUNDS		43,027
TOTAL	48,901	52,098
FIXED ASSETS	32,693	37,015
INVESTMENTS	933	958
DEFERRED TAX ASSET (NET)	371	350
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Inventories	7,316	7,364
(b) Sundry Debtors	6,153	7,343
(c) Cash and bank Balances	3,690	4,758
(d) Other current assets		
(e) Loans and Advances	3,550	8,891
	20,709	28,356
Less : Current Liabilities and Provisions		
(a) Liabilities	9,527	9,017
(b) Provisions	384	7,136
	9,911	16,153
	10,798	12,203
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)	0	0
PROFIT AND LOSS ACCOUNT	2,187	0
FOREIGN CURRENCY TRANSLATION RESERVE	1,919	1,572
TOTAL	48,901	52,098

- 5) As per CDR Scheme, during the quarter, Company has issued 559,416 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs. 2.80 Million and 64,993,525 Non Convertible Cumulative Redeemable Preference Shares (NCRPS) of Rs. 324.97 Million to various banks. The holders of OCCRPS, have the option to convert the said shares into equity shares from July 4, 2016 as per SEBI pricing formula prevalent on the date on which the holders are entitled for conversion. The NCRPS are redeemable in the year 2018.
- 6) As on July 1, 2010 the Company had no investors complaints pending. During the quarter, the Company has not received any complaints. Accordingly, no complaints are pending as on September 30, 2010.
- 7) The Company is exclusively into Pharmaceutical business Segment.
- 8) Previous period figures have been recast/ re-classified to conform to the current period's presentation.