

Wockhardt's Q3 (October - December) FY 2011 Results

Wockhardt bounces back with Profits

Consolidated Sales ₹ 950.80 crore

Net Profit ₹ 141.7 crore

Operating Profit grows at 82.0% (EBIDTA ₹ 243.7 crore)

Mumbai, February 2, 2011

Pharmaceutical and Biotechnology major Wockhardt Limited today announced its results for the third quarter ended 31st December 2010. Consolidated Sales revenues stood at ₹ 950.80 crore, showing a 7% growth over the corresponding quarter of 2009. Net Profits stood at ₹ 141.7 crore and operating profit (EBIDTA) was ₹ 243.7 crore, a growth of 82.0%.

“Our operations remain strong and have consistently shown growth in EBIDTA and EBIDTA margins during the current year”, said Wockhardt Chairman Dr. Habil Khorakiwala. He further added that EBIDTA has grown by 82.0% and EBIDTA margin is at 25.6%. In this quarter we have shown a net profit of ₹ 141.7 crore.

India Business:

Wockhardt's India branded business grew by 18% in October-December 2010 over the corresponding period of 2009 (IMS). During the said period two new products were launched and overall 8 brands featured amongst the TOP-300 brands of the industry. The generics business grew by 20%, exports (RoW) grew by 30% and Wockhardt's Power Brands grew by 15%.

Europe Business:

Wockhardt UK has crossed sales of £ 100 million in the calendar year of 2010. It is the No.1 Indian generic company with sales revenues growing by 10.2% compared to the industry growth of only 4% during this period. Growth drivers were pharmacy products and exports. Pinewood Healthcare continues to be the No.1 generic company in Ireland, showing exemplary growth of 5% compared to an industry growth of -2% in the face of an economic downturn and mandatory price reduction by the government. During the quarter, Pinewood launched one new product. Brand Nebilox of Negma Laboratories continues its growth path.

USA Business:

Wockhardt USA clocks a robust 87% growth in the world's most competitive market. 8 new products were introduced in the last 12 months. Currently we have a total of 123 products in the market.

About Wockhardt

Wockhardt is a high technology global pharmaceuticals and biotechnology major with innovative multi-disciplinary research and development programmes. It has 5 research centres and 21 world-class manufacturing plants in India, USA, UK, France and Ireland. Wockhardt has a multi-ethnic workforce of over 6500 from 14 different nationalities.

WOCKHARDT LIMITED

Wockhardt Towers, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051, India



**UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST DECEMBER, 2010**

(Rs. in Million)

PARTICULARS	QUARTER ENDED 31/12/2010	% TO SALES	QUARTER ENDED 31/12/2009	% TO SALES	GROWTH %	NINE MONTHS ENDED 31/12/2010	% TO SALES	NINE MONTHS ENDED 31/12/2009	% TO SALES	GROWTH %	FIFTEEN MONTHS ENDED 31/03/2010	% TO SALES
Income from Operations	9,508	100.0	8,893	100.0	6.9	28,125	100.0	27,661	100.0	1.7	45,014	100.0
Total Expenditure	7,071	74.4	7,554	84.9	(6.4)	21,688	77.1	22,826	82.5	(5.0)	36,783	81.7
a) (Increase)/Decrease in stock	146	1.5	(119)	(1.3)	(222.7)	552	2.0	205	0.7	169.3	316	0.7
b) Consumption of raw material	1,833	19.3	2,453	27.6	(25.3)	6,586	23.4	7,965	28.8	(17.3)	11,841	26.3
c) Purchase of Finished Goods	1,785	18.8	1,554	17.5	14.9	4,607	16.4	4,339	15.7	6.2	7,561	16.8
Material Consumption	3,764	39.6	3,888	43.7	(3.2)	11,745	41.8	12,509	45.2	(6.1)	19,718	43.8
d) Staff Cost	1,229	12.9	1,414	15.9	(13.1)	3,809	13.5	4,169	15.1	(8.6)	6,944	15.4
e) R & D expenditure	84	0.9	118	1.3	(28.8)	363	1.3	406	1.5	(10.6)	668	1.5
f) Other expenditure	1,994	21.0	2,134	24.0	(6.6)	5,771	20.5	5,742	20.8	0.5	9,453	21.0
Other Expenditure	3,307	34.8	3,666	41.2	(9.8)	9,943	35.4	10,317	37.3	(3.6)	17,065	37.9
Gross Profit before Interest, Depreciation & Taxation	2,437	25.6	1,339	15.1	82.0	6,437	22.9	4,835	17.5	33.1	8,231	18.3
Interest/ Financing Cost												
(a) Interest	561	5.9	510	5.7	10.0	1,770	6.3	1,769	6.4	0.1	3,425	7.6
(b) (Income)/Expense due to Exchange Rate Fluctuation	223		4			228		(225)			259	
(c) Premium on FCCB	-		5			-		182			268	
Gross Profit after Interest but before Depreciation & Taxation	1,653	17.4	820	9.2	-	4,439	15.8	3,109	11.2	-	4,279	9.5
Depreciation	301	3.2	310	3.5	(2.9)	895	3.2	906	3.3	(1.2)	1,481	3.3
Profit after Interest & depreciation	1,352	14.2	510	5.7	165.1	3,544	12.6	2,203	8.0	60.9	2,798	6.2
Other Income	65	-	18	-	-	136	-	142	-	-	295	-
Exceptional Item Profit/(Loss)	165		(2,393)			(4,011)		(6,415)			(12,949)	
Profit/(Loss) before Tax	1,582	16.6	(1,865)	(21.0)	184.8	(331)	(1.2)	(4,070)	(14.7)	91.9	(9,856)	(21.9)
Provision for Taxation	120		0			221		231			278	
Fringe Benefit Tax	0		0			0		3			9	
Deferred Taxation	53		-			153		33			(120)	
Profit/(Loss) After Tax	1,409	14.8	(1,865)	(21.0)	175.5	(705)	(2.5)	(4,337)	(15.7)	83.7	(10,023)	
Add: Share of Profit/(Loss) from Associates	8		53			(8)		84			16	
Net Profit/(Loss)	1,417	14.9	(1,812)	(20.4)	178.2	(713)	(2.5)	(4,253)	(15.4)	83.2	(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)	12.95		(16.56)			(6.52)		(38.86)			(91.44)	
Diluted Earning Per Share (Rs)	12.95		(16.56)			(6.52)		(38.86)			(91.44)	

Public Shareholding							
- Number of Shares	28,279,021	28,193,643		28,279,021	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	70,158,917	57,800,000		70,158,917	57,800,000		4,300,000
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	87.06%	71.73%		87.06%	71.73%		5.34%
-Percentage of shares (as a % of the total share capital of the Company)	64.11%	52.82%		64.11%	52.82%		3.93%
b) Non-encumbered							
- Number of shares	10,426,465	22,785,382		10,426,465	22,785,382		76,285,382
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	12.94%	28.27%		12.94%	28.27%		94.66%
-Percentage of shares (as a % of the total share capital of the Company)	9.53%	20.82%		9.53%	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 February 2, 2011 and have been subjected to Limited Review by the Auditors.
- 2) The outstanding liabilities of the Company are restructured under the aegis of Corporate Debt Restructuring (CDR) Scheme. 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 December 31, 2010 includes amount received on release of Escrow towards divestment of Animal Health Business, receipt of claim of insurance, reversal of excess provision made on account of settlement of loan/disputed derivative liabilities and towards loss of assets.
- 4) During the quarter, Company has issued 11,297,638 Non Convertible Cumulative Redeemable Preference Shares (NCRPS) of Rs. 56.49 million to various banks. The NCRPS are redeemable in the year 2018.
- 5) As on October 1, 2010 the Company had no investors complaints pending. During the quarter, the Company received one complaint which was satisfactorily resolved. Accordingly, no complaints are pending as on December 31, 2010.
- 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.