Wockhardt Limited
Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai 400 051,
India
Tel.: +91-22-2653 4444
Fax: +91-22-2653 4242
Website: www.wockhardt.com

URGENT

PRESS RELEASE

WOCKHARDT

Wockhardt's Q3 Results 2008

Sales grow by 25.1% to Rs. 924 crore
Operating Profit up by 16.5%

Mumbai, October 21, 2008

Pharmaceutical and biotechnology major Wockhardt Limited today announced a 25.1% increase in consolidated sales revenues to stand at Rs. 923.5 crore for the third quarter ended September 30, 2008 over the corresponding quarter of 2007. Operating profit grew by 16.5% to Rs. 210.8 crore. Net profit stood at Rs. 62.2 crore.

"Our US and European businesses have shown tremendous growth potential in the world's two most mature markets and currently our international operations contributes three quarters to our overall business growing at 31%," said Wockhardt Chairman Habil Khorakiwala. "This exemplifies our ability to create significant value from not only our acquisitions but also in our organic growth, which is growing at 16%," he added.

USA Business:

Wockhardt's US subsidiary, Wockhardt USA Inc. grew by 123% and the overall US operations including Morton Grove Pharmaceuticals grew by 222% in Q3-2008. This phenomenal growth is now contributing to 20% of consolidated sales. Wockhardt has 11 approvals from the US FDA for its sterile products including Cephalosporins and is currently marketing 63 products in the US market. Recently, the Morton Grove Pharmaceutical production plant in Chicago underwent an inspection and was found fully compliant by the US FDA authorities.

India Business:

Wockhardt's India business grew by 11% in Q3-2008. As per ORG-IMS, Wockhardt's cumulative rank (Jan-Aug) improved from the 19th position in 2007 to the 15th position in 2008 and the cumulative market share (Jan-Aug) improved from 1.83% in 2007 to 2.13% in 2008. Wockhardt's in-licensing strategy of getting niche global products to India is seen as a key growth driver with a number of products like Sammy, B-Lift, Novaphane and Mobiwok already launched. Overall 10 brands feature in the list of 'Top 300' brands of the industry with Dexolac and Spasmo-Proxyvon still maintaining its position in the 'Top 100'.

Europe Business:

Wockhardt's European business grew by 11% in Q3 of 2008 and continues to be Wockhardt's single largest market accounting for 52% of consolidated sales. In Europe, Wockhardt UK is a key growth driver growing by 20% against the industry growth of 6%.

Wockhardt Limited is a global pharmaceutical and biotechnology major with an innovative research and development programme. Wockhardt has global footprints including UK, France, Germany, Ireland and USA. Wockhardt employs a multi-cultural and multi-ethnic workforce of 7500 people worldwide belonging to 14 different nationalities.

WOCKHARDT LIMITED

UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30TH SEPTEMBER, 2008

(RS IN MILLION)

PARTICULARS	Quarter Ended 30/09/2008	% To Sales	Quarter Ended 30/09/2007	% To Sales	Growth%	Nine Months Ended 30/09/2008	% To Sales	Nine Months Ended 30/09/2007	% To Sales	Growth%	Year Ended 31/12/2007	% To Sales
Income from operations	**9,235**	**100.0**	7,381	100.0	**25.1**	**26,442**	**100.0**	18,912	100.0	**39.8**	26,532	100.0
Total Expenditure	**7,127**	**77.2**	5,572	75.5	**27.9**	**20,289**	**76.7**	14,422	76.3	**40.7**	20,141	75.9
a) (Increase)/Decrease in stock	**432**	**4.7**	(49)	(0.7)	**(981.6)**	**-778**	**(2.9)**	(721)	(3.8)	**7.9**	-1,431	(5.4)
b) Consumption of raw material	**1,966**	**21.3**	2,004	27.2	**(1.9)**	**5,769**	**21.8**	5,057	26.7	**14.1**	7,374	27.8
c) Purchase of Finished Goods	**1,209**	**13.1**	1,079	14.6	**12.0**	**4,387**	**16.6**	3,054	16.1	**43.6**	3,985	15.0
Material Consumption	**3,607**	**39.1**	3,034	41.1	**18.9**	**9,378**	**35.5**	7,390	39.1	**26.9**	9,928	37.4
d) Staff Cost	**1,620**	**17.5**	1,111	15.1	**45.8**	**4,779**	**18.1**	2,985	15.8	**60.1**	4,433	16.7
e) R & D Expenditure	**139**	**1.5**	117	1.6	**18.8**	**500**	**1.9**	417	2.2	**19.9**	505	1.9
f) Other expenditure	**1,761**	**19.1**	1,310	17.7	**34.4**	**5,632**	**21.3**	3,630	19.2	**55.2**	5,275	19.9
Other Expenditure	**3,520**	**38.1**	2,538	34.4	**38.7**	**10,911**	**41.3**	7,032	37.2	**55.2**	10,213	38.5
Gross Profit before Interest, Depreciation & Taxation	**2,108**	**22.8**	1,809	24.5	**16.5**	**6,153**	**23.3**	4,490	23.7	**37.0**	6,391	24.1
Financing Cost (Net)	**486**	**5.3**	361	4.9	**34.6**	**1,367**	**5.2**	814	4.3	**67.9**	1356	5.1
Income/(Expense) due to Exchange Rate Fluctuation on Foreign Currency Borrowings	**553**	**6.0**	(93)	(1.3)	**(694.6)**	**1,117**	**4.2**	(332)	(1.8)	**(436.4)**	(382)	(1.4)
Gross Profit after Interest but before Depreciation & Taxation	**1,069**	**11.6**	1,541	20.9	**(30.6)**	**3,669**	**13.9**	4,008	21.2	**(8.5)**	5,417	20.4
Depreciation	**269**	**2.9**	196	2.7	**37.2**	**762**	**2.9**	549	2.9	**38.8**	785	3.0
Profit after Interest & depreciation	**800**	**8.7**	1,345	18.2	**(40.5)**	**2,907**	**11.0**	3,459	18.3	**(16.0)**	4,632	17.5
Other Income	**24**	**-**	26	-	**-**	**91**	**-**	73	-	**-**	110	-
Profit before Tax	**824**	**8.9**	1,371	18.6	**(39.9)**	**2,998**	**11.3**	3,532	18.7	**(15.1)**	4,742	17.9
Provision for Taxation	**133**	**1.4**	196	2.7	**(32.1)**	**442**	**1.7**	497	2.6	**(11.1)**	527	2.0
Fringe Benefit Tax	**12**	**0.1**	8	0.1	**50.0**	**30**	**0.1**	26	0.1	**15.4**	36	0.1
Deferred Taxation	**97**	**1.1**	84	1.1	**15.5**	**241**	**0.9**	239	1.3	**0.8**	354	1.3
Profit After Tax	**582**	**6.3**	1,083	14.7	**(46.3)**	**2,285**	**8.6**	2,770	14.6	**(17.5)**	3,825	14.4
Add: Share of Profit/ (Loss) from Associates	**29**	**0.3**	0			**68**	**0.3**	0			33	0.1
Net Profit	**611**	**6.6**	1,083	14.7	**(43.6)**	**2,353**	**8.9**	2,770	14.6	**(15.1)**	3,858	14.5
Extra Ordinary Income/ (Expense) (Net of Tax) **[Refer Note 2]**	**11**	**0.1**	0			**(164)**	**(0.6)**	0			0	0.0
Net Profit After Extra-Ordinary Item	**622**	**6.7**	1,083	14.7	**(42.6)**	**2,189**	**8.3**	2,770	14.6	**(21.0)**	3,858	14.5
Paid-up Equity Share Capital (Rs.5/-each)	**547**		547		-	**547**		547		-	547	
Reserves excluding Revaluation Reserve (as per last audited Balance-Sheet)	**-**		-		-	**-**		-		-	12,188	
Basic & Diluted Earning Per Share before Extra-Ordinary Item (Rs)	**5.58**		9.89		**(43.6)**	**21.50**		25.31		**(15.1)**	35.25	
Basic & Diluted Earning Per Share after Extra-Ordinary Item (Rs)	**5.58**		9.89		**(43.6)**	**21.50**		25.31		**(15.1)**	35.25	
Public Shareholding												
- Number of Shares	**2,80,87,803**		2,80,72,003			**2,80,87,803**		2,80,72,003			2,80,75,803	
- Percentage to Paid-up Capital	**25.66%**		25.65%			**25.66%**		25.65%			25.66%	

Notes:-

1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 21, 2008.

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. 279 million during the quarter ended March 2008, which have reduced by Rs. 104 million during the June Quarter and further reduced by Rs. 11 million during the current quarter. The Company has entered into Hedging Instruments, which are long term in nature to reduce interest cost for the loans, which the Company has taken in past and is outstanding as of September 30, 2008. As per the Risk Mangement Policy, the Company is hedging the interest for 50% of the long term loans. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The same has been treated as an Extra-Ordinary Item.

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 to raise equity funds, if required, to repay the bonds. The current liability for premium is Rs. 81.4 million for the quarter and cumulative liability of Rs.1,165.8 million as of the quarter ended September 30, 2008.

4) As on July 1, 2008 the Company had no investors complaints pending. During the quarter the Company has received 4 complaint which have been suitably resolved. Accordingly, no complaints are pending as on September 30, 2008

5) The Company is exclusively into Pharmaceutical business Segment.

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