



Wockhardt Limited  
Regd. Office:  
Wockhardt Towers  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051, India  
Phone : 91-22-2653 4444  
Fax : 91-22-2652 3905  
Website : www.wockhardt.com

February 12, 2014

My dear shareowners,

It is my pleasure to share with you the Company's financial performance for Q3 (Oct-Dec) FY14. The Board of Directors of your Company has approved the results for this period and I wish to share some of its highlights with you.

### Financial Highlights for Q3 (October – December) FY14

- ~ Consolidated revenue was ₹1,237 crore, a decline of 14% over Q3FY13.
- ~ EBITDA was ₹241 crore, a decline of 56% over Q3FY13.
- ~ Profit After Tax was ₹304 crore, representing a 24.6% PAT margin.
- ~ R&D expenses (including capex) are 9.2% of Sales, a growth of 25% over Q3FY13.

### Financial Highlights for Nine Months (April – Dec) FY14

- ~ Consolidated revenue was ₹3,792 crore.
- ~ EBITDA was ₹858 crore with EBITDA margins at 22.6%.
- ~ Profit After Tax was ₹766 crore, representing a 20.2% PAT margin.
- ~ R&D expenses (including capex) is 9% of sales.

### Business Highlights

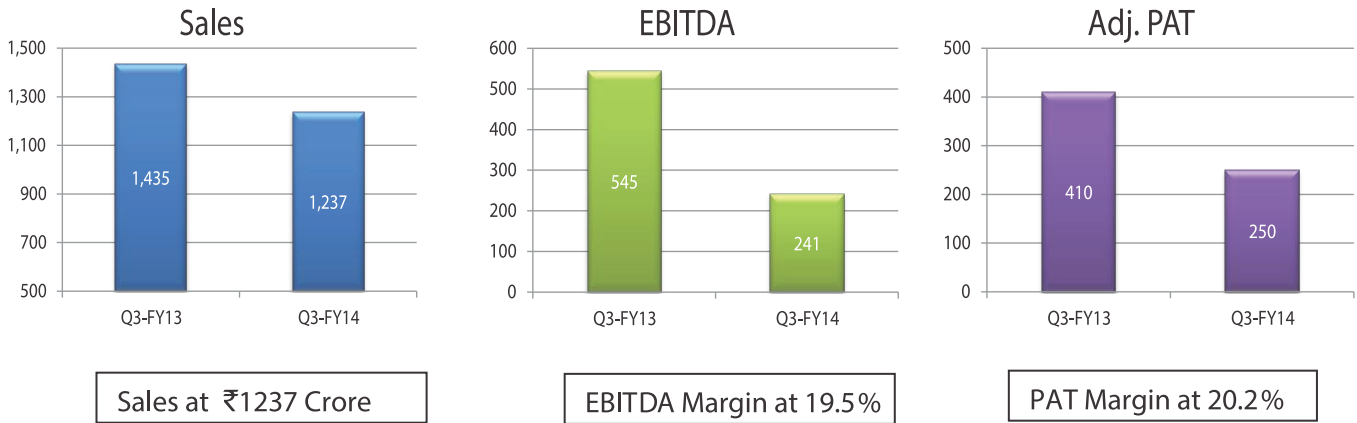
- ~ Wockhardt's international business contributed 79% of the total revenues during Q3FY14.
- ~ Wockhardt's US Business contributed 44% of the global revenues in Q3FY14.
- ~ Wockhardt's UK Business recorded a growth of 10% in Q3FY14, while the Irish Market recorded a growth of 25% during the same period.

You will also be happy to note that the Board has declared an interim dividend of 100% i.e. ₹5 per equity share of ₹5 each. Having said this let me assure you that your Company will continue to make all efforts in achieving its goals and targets. We solicit your unstinted support for years to come.

Warm regards,

**Dr. Habil Khorakiwala**  
Founder Chairman & Group CEO

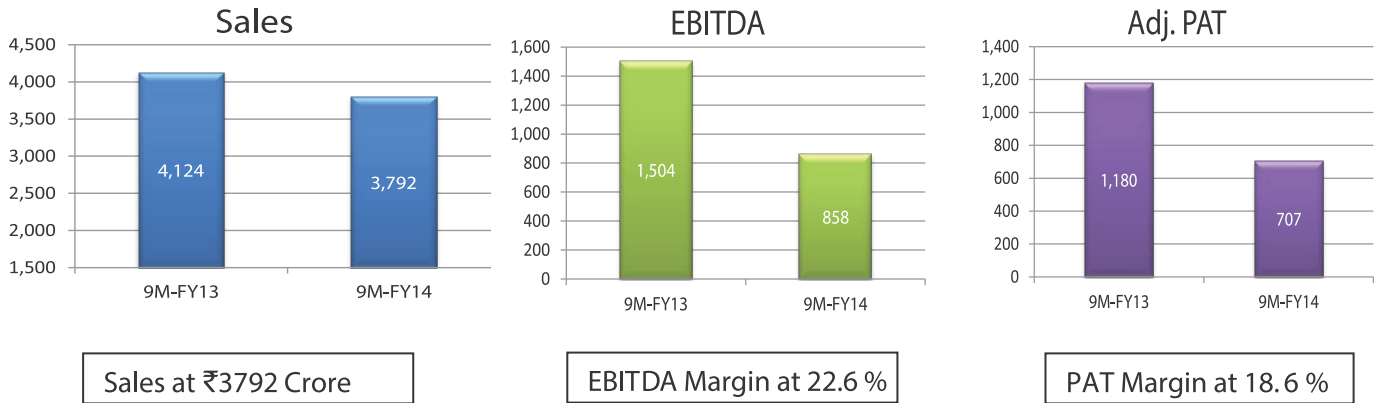
# PERFORMANCE HIGHLIGHTS Q3FY14 vs. Q3FY13



- Consolidated revenues at ₹1237 crore in Q3FY14 versus ₹1435 crore in Q3FY13, year-on-year decline of 14%.
  - USA Business declines by 30% (37% in \$ terms)
  - Europe Business (excluding France) grows by 6% (France grows by 46.4%)
  - India & Emerging Markets Business grows by 1%, India Business grows by 6%.
- Gross Margins at 62.9% in Q3FY14 versus 70.7% in Q3FY13
- EBITDA at ₹241 crore in Q3FY14 versus ₹545 crore in Q3FY13 declines 55.8%.
- EBITDA margins at 19.5% in Q3FY14 versus 38% in Q3FY13.
- R&D Expenses at 9.2% of Sales in Q3FY14 and growth of 25% over Q3FY13.
- Adjusted Profit After Tax\* at ₹250 crore in Q3FY14.

\* Details of Adjusted Profit After Tax is as given in the Financial Highlights on Page 4.

# PERFORMANCE HIGHLIGHTS 9MFY14 vs. 9MFY13



- Consolidated revenues at ₹3792 crore in 9MFY14 versus ₹4124 crore in 9MFY13, year-on-year decline of 8%.
  - o USA Business declines by 14% (20% in \$ terms)
  - o Europe Business (excluding France) grows by 1% (France declines by 15%)
  - o India & Emerging Markets Business declines by 3.8%; India Business grows by 2%.
- Gross Margins at 63% in 9MFY14 versus 68% in 9MFY13
- EBITDA at ₹858 crore in 9MFY14 versus ₹1504 crore in 9MFY13, declines 43%.
- EBITDA margins at 22.6 % in 9MFY14 versus 36.5% in 9MFY13.
- R&D Expenses at 9% of Sales in 9MFY14 and growth of 41% over 9MFY13.
- Adjusted Profit After Tax\* at ₹707 crore in 9MFY14.

\*Details of Adjusted Profit After Tax is as given in the Financial Highlights on Page 4.

# Financials

## Consolidated P&L

₹ Crore

Particulars	Q3-FY14	Q3-FY13	Growth %	9M-FY14	Growth %
<b>Revenues from Operations</b>	<b>1,237</b>	<b>1,435</b>	<b>-13.8%</b>	<b>3,792</b>	<b>-8.1%</b>
Material Consumption	459	420	9.3%	1,410	7.3%
<b>Gross Margins</b>	<b>778</b>	<b>1,015</b>	<b>-23.3%</b>	<b>2,382</b>	<b>-15.2%</b>
<b>Gross Margin %</b>	<b>62.9%</b>	<b>70.7%</b>		<b>62.8%</b>	<b>-7.8%</b>
Staff Cost	176	157	12.1%	497	11.7%
R&D Expenses	98	83	18.1%	302	34.8%
Other Expenditure	263	230	14.3%	725	13.8%
<b>Total Expenditure</b>	<b>996</b>	<b>890</b>	<b>11.9%</b>	<b>2,934</b>	<b>12.0%</b>
<b>EBITDA</b>	<b>241</b>	<b>545</b>	<b>-55.8%</b>	<b>858</b>	<b>-43.0%</b>
<b>EBITDA Margin</b>	<b>19.5%</b>	<b>38.0%</b>		<b>22.6%</b>	
Interest & Financing Cost					
a. Interest	31	47	-34.0%	67	-56.8%
b. (Income)/Expense due to Exchange Rate Fluctuation	-80	20		-34	
Depreciation	34	30	13.3%	106	19.1%
Other Income	7	14		30	
<b>Profit/(Loss) Before Tax before exceptional items</b>	<b>263</b>	<b>462</b>	<b>-42.8%</b>	<b>749</b>	<b>-42.3%</b>
Exceptional Item Profit/(Loss)	54	21		59	
<b>Profit/(Loss) before Tax</b>	<b>317</b>	<b>483</b>	<b>-34.1%</b>	<b>808</b>	<b>-42.7%</b>
Provision for Taxation	-17	16		7	
Deferred Taxation	29	39		34	
<b>Profit/(Loss) After Tax</b>	<b>305</b>	<b>428</b>	<b>-28.4%</b>	<b>767</b>	<b>-38.4%</b>
Add: Share of Profit/(Loss) from Associates	0	0		0	
Less: Minority Interest	1	0		1	
<b>Net Profit/(Loss)</b>	<b>304</b>	<b>428</b>	<b>-28.7%</b>	<b>766</b>	<b>-38.4%</b>
<b>Net Profit Margin %</b>	<b>24.6%</b>	<b>29.8%</b>		<b>20.2%</b>	

<b>Adjustments:</b>					
Divestment (Profit )/Loss		-8			
CDR Recompose					
French Litigation Award	-170			-170	
Inventory writeoff & Product Recall Costs	114			114	
R&D Write off					
Goodwill write off (Negma - France)					
Others Exceptional items	2	-13		-3	
Tax impact of above	1	3		1	
Deferred Tax impact of above					
<b>Adjusted PAT</b>	<b>250</b>	<b>410</b>	<b>-39.0%</b>	<b>707</b>	<b>-40.1%</b>
<b>Adjusted PAT Margin %</b>	<b>20.2%</b>	<b>28.6%</b>		<b>18.6%</b>	

In case you need further clarification, please write to our Investor Service Cell, Wockhardt Limited, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or Email : investorrelations@wockhardt.com

Visit us at: [www.wockhardt.com](http://www.wockhardt.com)