



February 7, 2017

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 3rd Quarter (October-December) of the Financial Year 2016-17. I take this opportunity to share with you the Company's performance this year along with some key business highlights. The Company's performance during the quarter was affected by subdued business in US market, demonetisation in India and continued remediation costs.

#### Financial Highlights for Q3 (October-December) FY 2016-17

- ◆ Consolidated revenue for the quarter is INR 995 crore.
- ◆ EBITDA excluding one-time opportunity and before R&D spend is INR 118 crore for Q3FY17, compared to INR 225 crore in previous year.
- ◆ R&D spend at INR 100 crore (10% of sales) and including capital expenditure is at 13% to sales for Q3FY17.

#### Financial Highlights for 9 Months (April-December) FY 2016-17

- ◆ Consolidated revenue for 9MFY17 is INR 3,151 crore. Excluding the one-time business opportunity in UK in corresponding period of previous year, revenues grew by 1%.
- ◆ EBITDA excluding one-time opportunity and before R&D spend is INR 510 crore for 9MFY17, compared to INR 555 crore in previous year.
- ◆ R&D spend at INR 307 crore (10% of sales) and including capital expenditure is at 13% to sales for 9MFY17.

#### Business Highlights

- ◆ The International Business contributed 64% & 62% of the global revenue in Q3FY17 & 9MFY17 respectively.
- ◆ India Business grew by 5% over Q3FY16 & 10% over 9MFY16. 3 New Products were launched in India in Q3FY17 & 24 New Products in 9MFY17.
- ◆ UK markets grew by 2% in GBP terms in Q3FY17 compared to Q3FY16 and 16% in GBP terms in 9MFY17 over 9MFY16 excluding one time opportunity. UK made 4 new fillings and received 3 new approvals in UK market in 9MFY17.
- ◆ The US Business attributes 20% to the global revenue in Q3FY17 & 18% in 9MFY17. The company filed 2 new ANDAs in Q3FY17 taking the cumulative ANDA's pending for approval at 81.
- ◆ Emerging Market Business grew by 9% quarter on quarter, however de-grew by 12% in Q3FY17 & 18% in 9MFY17.
- ◆ The Irish Business remain flat in INR terms in Q3FY17 whereas de-grew by 4% in 9MFY17 in INR terms.

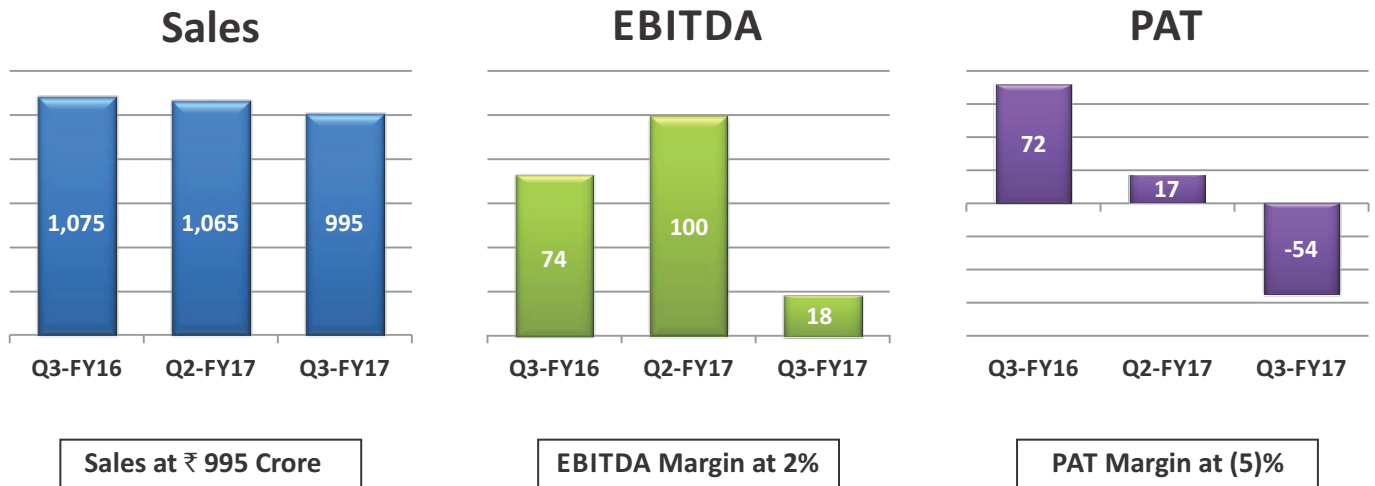
We wish to thank each one of you for your continued support and confidence in Wockhardtd. We continue to stay focused and build a strong business at Wockhardtd as we solicit your unstinted support.

Warm Regards,

Dr. Habil Khorakiwala  
Founder Chairman

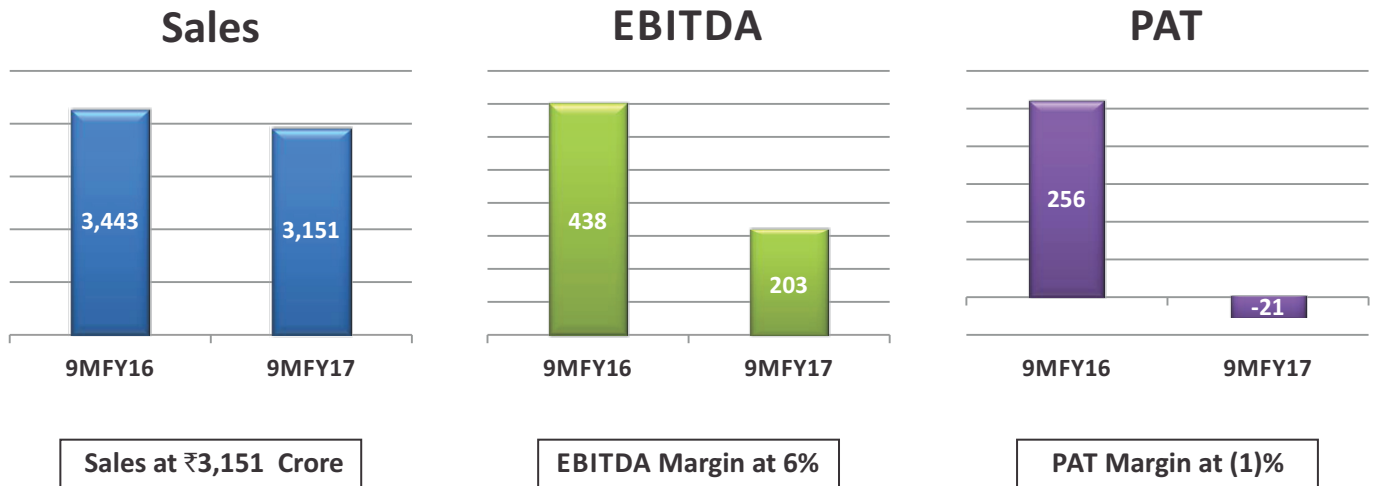


# PERFORMANCE HIGHLIGHTS Q3FY17 vs. Q3FY16



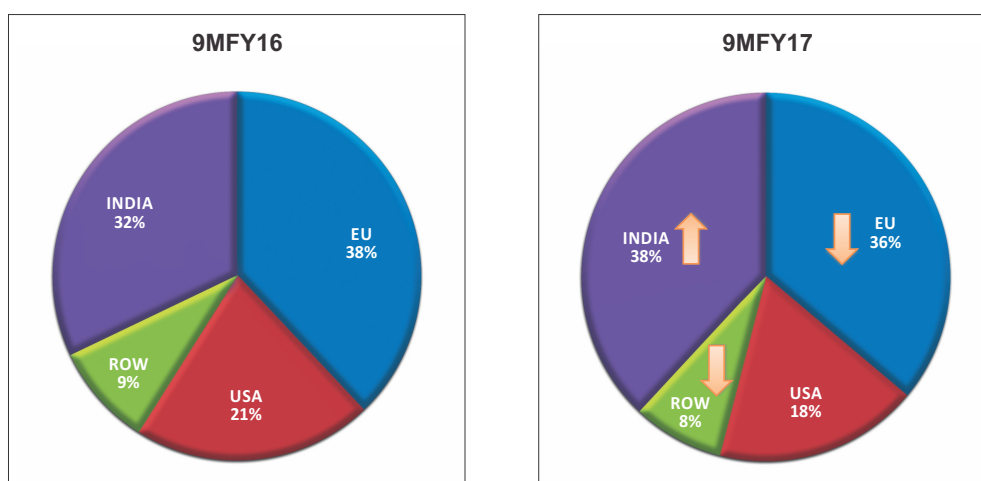
- Consolidated revenues at ₹ 995 crore in Q3FY17 vs ₹ 1,075 crore in Q3FY16.
  - o India Business grew by 5% in Q3FY17.
  - o UK revenues grew by 2% in GBP terms.
  - o Emerging market Business continued to grow by 9% quarter on quarter. However de grew by 12% in Q3FY17 compared to Q3FY16.
  - o US Business de grew by 29% in Q3FY17.
- Gross Margins at 59% in Q3FY17 compared to 64% in Q3FY16.
- EBITDA at ₹ 18 crore (Margin at 2% to sales) compared to ₹ 74 crore (Margin at 7% to sales) in Q3FY16.

# PERFORMANCE HIGHLIGHTS 9MFY17 vs. 9MFY16



- Consolidated revenues at ₹ **3,151** crore in **9MFY17** versus ₹ **3,443** crore in **9MFY16**. Excluding one-offs revenues **grew** by **1%**.
  - o India Business grew by **10%** in **9MFY17**.
  - o UK revenues in GBP terms grew by **16%** excluding one time opportunity
  - o Emerging market Business de grew by **18%** whereas US Business de grew by 23% in 9MFY17.
- Gross Margins at **61%** in **9MFY17** compared to 65% in 9MFY16.
- EBITDA excluding one offs and before R&D spend was ₹ **510** crore (Margin at 16% to sales) which is marginally lower than ₹ **555** crore (Margin at 18% to sales) in corresponding previous period.
- EBITDA at ₹ **203** crore (Margin at 6% to sales) compared to ₹ **438** crore (Margin at 13% to sales) in **9MFY16**.

# SHARE OF GLOBAL REVENUES



## FINANCIALS

### Consolidated P&L

₹ Crore

| Particulars   | Q3-FY17    | Q2-FY17    | Q3-FY16    | 9MFY17     | 9MFY16     |
|---|------------|------------|------------|------------|------------|
| Revenues from Operations                                  | 995        | 1,065      | 1,075      | 3,151      | 3,443      |
| Revenues from Operations excl "one offs"                  | 995        | 1,065      | 1,075      | 3,151      | 3,132      |
| Material Consumption                                      | 410        | 388        | 384        | 1,214      | 1,205      |
| Gross Margins   | 585        | 677        | 691        | 1,937      | 2,238      |
| <b>Gross Margin %</b>                                     | <b>59%</b> | <b>64%</b> | <b>64%</b> | <b>61%</b> | <b>65%</b> |
| Staff Cost  | 211        | 207        | 205        | 631        | 611        |
| R&D Expenses  | 100        | 99         | 151        | 307        | 425        |
| Other Expenditure   | 256        | 271        | 261        | 796        | 764        |
| Total Expenditure   | 977        | 965        | 1,001      | 2,948      | 3,005      |
| EBITDA  | 18         | 100        | 74         | 203        | 438        |
| <b>EBITDA Margin</b>                                      | <b>2%</b>  | <b>9%</b>  | <b>7%</b>  | <b>6%</b>  | <b>13%</b> |
| EBITDA excl "one offs" & before R&D                       | 118        | 199        | 225        | 510        | 555        |
| <b>EBITDA Margin excl "one offs" &amp; before R&amp;D</b> | <b>12%</b> | <b>19%</b> | <b>21%</b> | <b>16%</b> | <b>18%</b> |
| Interest Expenses (Net)                                   | 44         | 39         | 22         | 117        | 55         |
| (Income)/Expense due to Exchange Rate Fluctuation         | 17         | (1)        | 8          | 26         | 9          |
| Depreciation  | 38         | 38         | 36         | 112        | 105        |
| Other Income / (Loss)                                     | 5          | 2          | 39         | 9          | 17         |
| Profit/(Loss) Before Tax before exceptional items         | (76)       | 26         | 47         | (43)       | 286        |
| Exceptional Item Profit/(Loss)                            | 0          | 0          | 0          | 0          | 0          |
| Profit/(Loss) before Tax                                  | (76)       | 26         | 47         | (43)       | 286        |
| Tax Expense (Including Deferred Tax)                      | (15)       | 1          | (22)       | (24)       | 22         |
| Provision for Taxation                                    | 2          | 8          | (5)        | 13         | 32         |
| Deferred Taxation   | (17)       | (7)        | (17)       | (37)       | (10)       |
| Profit After Tax (PAT)                                    | (61)       | 25         | 69         | (19)       | 264        |
| Add: Share of Profit/(Loss) from Associates               | 0          | 0          | 0          | 0          | 1          |
| Less: Non-Controlling Interest                            | (7)        | 8          | (3)        | 2          | 9          |
| PAT after Non-Controlling Interest                        | (54)       | 17         | 72         | (21)       | 256        |
| <b>PAT after Non-Controlling Interest Margin %</b>        | <b>-5%</b> | <b>2%</b>  | <b>7%</b>  | <b>-1%</b> | <b>7%</b>  |

For further clarification, write to: Investor Service Cell, Wockhardt Limited, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or Email:investorrelations@wockhardt.com

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