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June 3, 2013

My dear Shareowners,

Congratulations. Your Company, Wockhardt has crossed an important milestone of achieving sales of \$1 billion for FY2013. With this achievement, the Board of Directors of your Company has recommended a dividend of 100% on equity shares i. e. ₹5 per share.

The strong growth that we have achieved in this financial year is the result of a robust global strategy, a continued focus on R&D and the commitment and confidence of Team Wockhardt. The Joy of Performing is now deeply embedded in the DNA of every Wockhardt associate.

It is my joy to list out the key highlights of this performance.

#### FY13 financial highlights:

- Consolidated revenue logged ₹5,610 crore, a growth of 29% over FY12.
- Wockhardt's EBITDA stood at ₹2,091 crores, a growth of 52% over FY12.
- Profit After Tax (PAT) stood at ₹1,594 crores, a growth of 365% over FY12.

#### Q4 FY13 financial highlights:

- Consolidated revenues logged ₹1,486, a growth of 26% over the corresponding period of FY12.
- Wockhardt's EBITDA stood at ₹546 crores, which is a growth of 32% over corresponding period of FY12.
- The Profit After Tax (PAT) stood at ₹335 crores, compared to a loss of ₹192 crores in the corresponding period of FY12.



#### Business Highlights

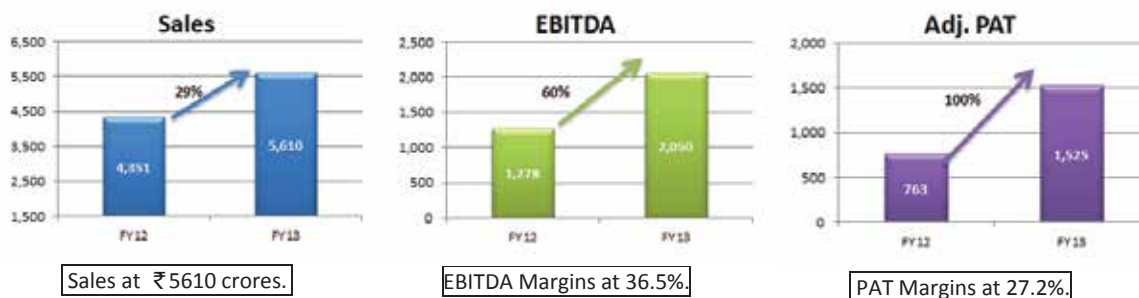
- Wockhardt's International Business contributed 83% of the Total Revenues during FY13.
- Wockhardt's US business recorded a growth of 52% in FY13, in comparison to FY12. This growth was mainly driven by the launch of a range of niche products in the US market, including two FTF products during the year. Wockhardt now has 18 products that are at no. 1 position and 17 products that are at no. 2 position in the US market.
- The UK business recorded a growth of 24% in FY13, in an otherwise stagnant market. The Irish market recorded a growth of 13% during the same period.

We have ended FY13 on a winning note and I assure you that this will continue in the next financial year. I also wish to take this opportunity to express my sincere appreciation for your valuable support all through these years.

Warm regards,

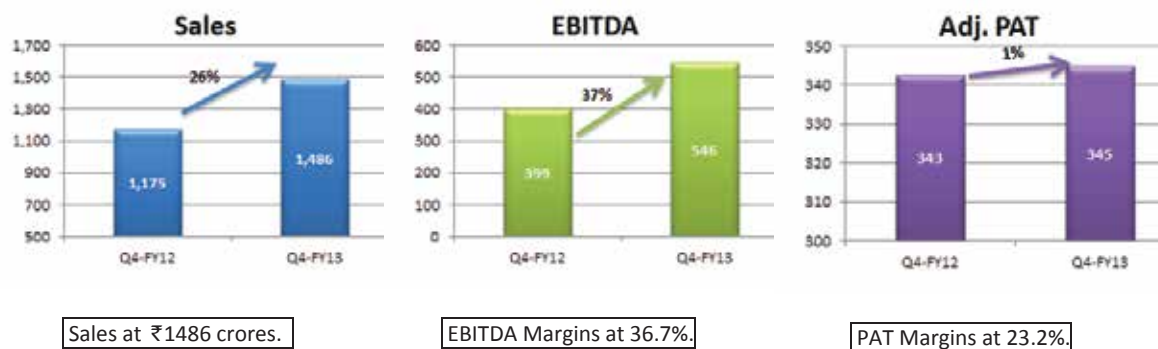
**Dr. Habil Khorakiwala**  
Founder Chairman & Group CEO

## PERFORMANCE HIGHLIGHTS FY13 vs. FY12 \*\*



- Consolidated revenues at ₹5610 crores in FY13 versus ₹4351 cores in FY12, year-on-year growth of 29%.
  - o USA Business grows by 52% (30% in \$ terms)
  - o Europe Business (Other than France) grows by 22% (France declines by 40%)
  - o India & Emerging Markets Business grows by 12%
- Gross Margins at 69.5% in FY13 versus 64.7% in FY12
- EBITDA at ₹2050 crores in FY13 versus ₹1278 crores in FY12, year-on-year growth of 60%.
- EBITDA margins at 36.5% in FY13 versus 29.4% in FY12.
- R&D Expenses at 6.7% to Sales in FY13 and growth of 52% over FY12
- Net Interest cost stands at around 4.6% on an annualized basis (excluding the one-time CDR exit cost).
- Free Cash Flow from Operations for FY13 over ₹1400 crores (before capex and loan repayment)
- Adjusted Profit After Tax\* at ₹1525 crores in FY13 versus ₹763 crores in FY12, year-on-year growth of 100%.

## PERFORMANCE HIGHLIGHTS Q4FY13 vs. Q4FY12 \*\*



- Consolidated revenues at ₹1486 crores in Q4FY13 versus ₹1175 cores in Q4FY12, year-on-year growth of 26%.
  - o USA Business grows by 45% (28% in \$ terms)
  - o Europe Business (Other than France) grows by 29% (France declines by 55%)
  - o India & Emerging Markets Business grows by 3%
- Gross Margins at 73.4% in Q4FY13 versus 69.4% in Q4FY12
- EBITDA at ₹546 crores in Q4FY13 versus ₹399 crores in Q4FY12, year-on-year growth of 35%.
- EBITDA margins at 36.7% in Q4FY13 versus 34.0% in Q4FY12.
- R&D Expenses at 9.1% of Sales in Q4FY13 and growth of 60% over Q4FY12.
- Adjusted Profit After Tax\* at ₹345 crores in Q4FY13 and growth of 1% over Q4FY12.

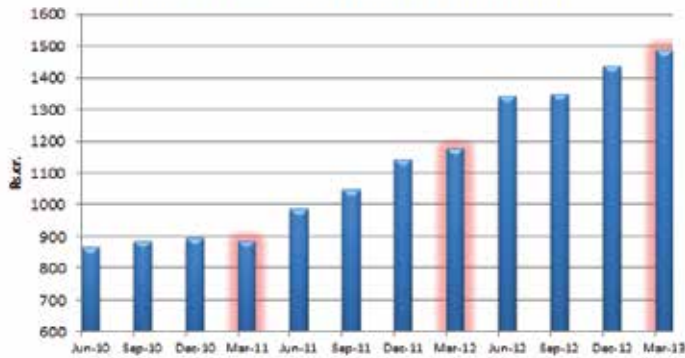
\* Details of Adjusted Profit After Tax is as given in the Financial Highlights on Page 4.

\*\* The Previous Year Financials above have been normalized by removing the Nutrition Business Profitability and expensing R&D expenses to make a like to like comparison with the current year financials.

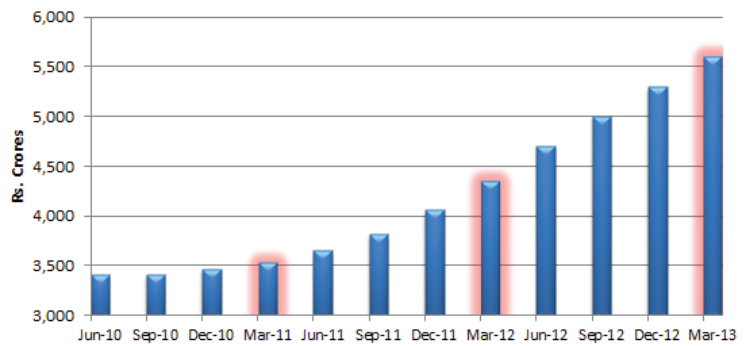
# Continued Quarter on Quarter Sustainable Performance\*\*

8<sup>th</sup> Consecutive Quarter of Sales (excluding Nutrition Business) Growth & 12<sup>th</sup> Consecutive Quarter of TTM\* Sales (excluding Nutrition Business) Growth

**Quarterly Sales Excluding Nutrition**

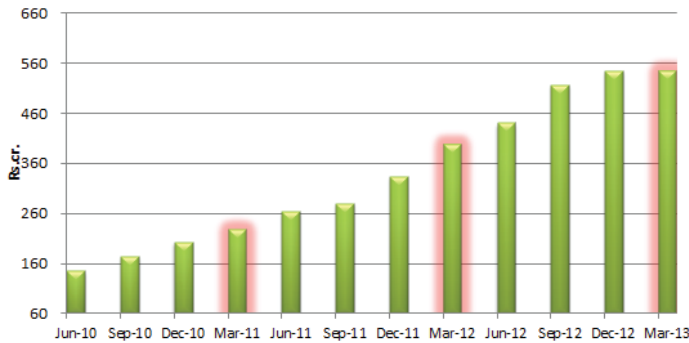


**TTM Sales Excluding Nutrition**

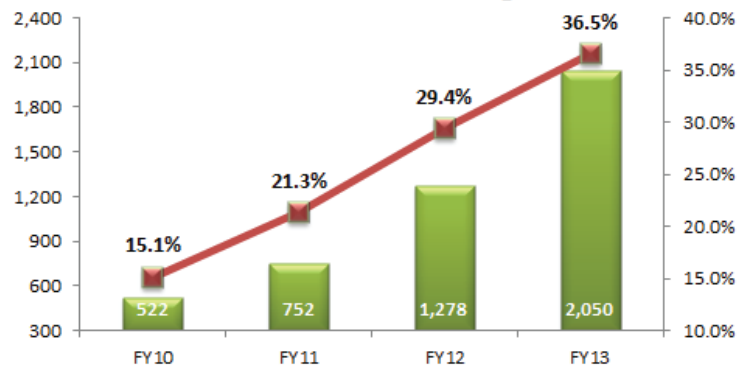


13<sup>th</sup> Consecutive Quarter of sequential growth in EBITDA (Normalized)

**Quarterly EBITDA Normalized**



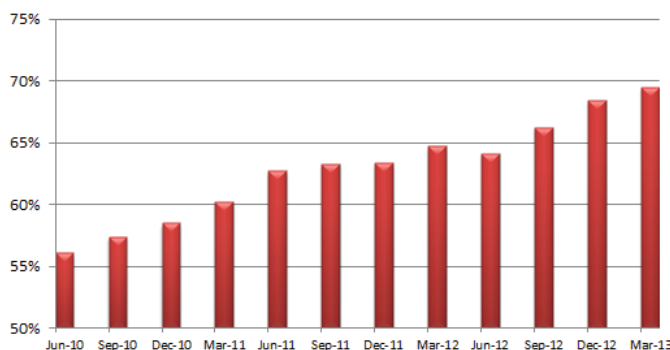
**EBITDA & EBITDA Margins**



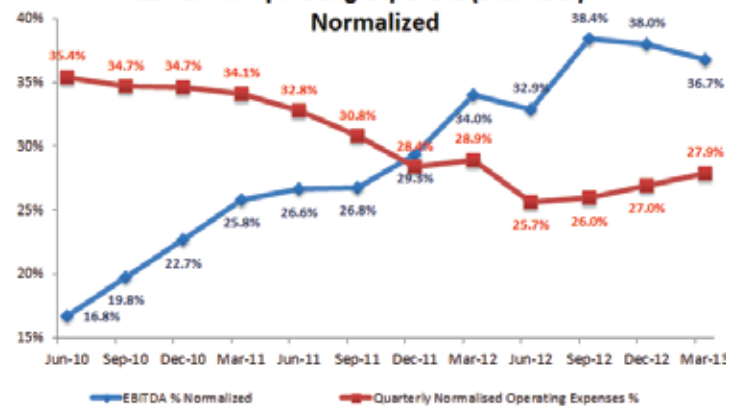
Gross Margins consistently above 60% from Mar-11

Operational Excellence continues on a quarter on quarter basis

**TTM Gross Margin % Normalized**



**EBITDA & Operating Expenses (excl R&D) % Normalized**



\* TTM = Trailing Twelve Months

\*\* The Previous Year Financials above have been normalized by removing the Nutrition Business Profitability and expensing R&D expenses to make a like to like comparison with the current year financials.

# Financials\*\*

## Consolidated P&L

**₹ Crore**

Particulars	Q4-FY13	Q4-FY12	Growth %	FY13	FY12	Growth %
<b>Revenues from Operations</b>	1,486	1,175	26.5%	5,610	4,351	28.9%
Material Consumption	396	360	10.0%	1,710	1,534	11.5%
<b>Gross Margins</b>	1,090	815	33.7%	3,900	2,817	38.4%
<b>Gross Margin %</b>	73.4%	69.4%		69.5%	64.7%	7.4%
Staff Cost	140	169	-17.2%	585	543	7.7%
R&D Expenses	130	75	73.3%	354	228	55.3%
Other Expenditure	274	172	59.3%	911	768	18.6%
<b>Total Expenditure</b>	940	776	21.1%	3,560	3,073	15.8%
<b>EBITDA</b>	546	399	36.8%	2,050	1,278	60.4%
<b>EBITDA Margin</b>	36.7%	34.0%		36.5%	29.4%	
Interest & Financing Cost						
a. Interest	60	102	-41.2%	215	269	-20.1%
b. (Income)/Expense due to Exchange Rate Fluctuation	26	-54		28	21	
Depreciation	33	27	22.2%	122	115	6.1%
Other Income	11	7		51	23	
<b>Profit/(Loss) Before Tax before exceptional items</b>	438	331	32.6%	1,736	896	93.8%
Exceptional Item Profit/(Loss)	-10	-396		103	-474	
<b>Profit/(Loss) before Tax</b>	428	-65		1,839	422	335.8%
Provision for Taxation	103	-47		372	48	
Deferred Taxation	-10	195		-113	173	
<b>Profit/(Loss) After Tax</b>	335	-213		1,580	201	686.1%
Add: Share of Profit/(Loss) from Associates	0	-3		-1	1	
<b>Net Profit/(Loss)</b>	335	-216		1,579	202	681.7%
<b>Net Profit Margin %</b>	22.5%	-18.4%		28.1%	4.6%	
<b>Adjustments:</b>						
Divestment (Profit )/Loss				-1,195		
France Restructuring (Profit) / Loss		-85			-100	
Settlement / Derivatives		42			135	
CDR Recompense		106			106	
Goodwill write off (Negma - France)		333		621	333	
R&D Write off				419		
Others Exceptional items	10			49		
Tax impact of above		-47		52	-60	
Deferred Tax impact of above		210			147	
<b>Adjusted PAT</b>	345	343	0.7%	1,525	763	99.9%
<b>Adjusted PAT Margin %</b>	23.2%	29.2%		27.2%	17.5%	

**\*\* The Previous Year Financials above have been normalized by removing the Nutrition Business Profitability and expensing R&D expenses to make a like to like comparison with the current year financials.**

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)