



August 22, 2016

My Dear Share Owners,

It is my pleasure to share with you that our Company's Board of Directors have approved the financial results for 1st Quarter (April-June) 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.

Financial Highlights for Q1 (April-June) FY 2016-17

- ◆ Consolidated revenue for the quarter is ₹ 1091 crore. Excluding the one-time business opportunity in UK in corresponding period of previous year, revenues grew by 8%.
- ◆ EBITDA excluding one-time opportunity and before R&D spend is ₹ 193 crore for Q1FY17, compared to ₹ 176 crore in previous year.
- ◆ Profit After Tax is ₹ 16 crore.
- ◆ Continued focus in R&D with spend at ₹ 108 crore (10% of sales) and including capital expenditure is at 14% to sales for Q1FY17.

Business Highlights

- ◆ The International Business contributes 62% of the global revenue in Q1FY17.
- ◆ The India Business grew by 10% in Q1FY17 on account of continued new product launches and focused strategies on various therapies. Launched 11 new products in Q1FY17.
- ◆ The UK Business (excluding the one-time opportunity), displayed strong performance and grew by 26% in Q1FY17.
- ◆ The US Business attributes 18% to the global revenue in Q1FY17 and de-grew by 16%. Cumulatively 84 ANDA's are pending for approval in Q1FY17.
- ◆ Emerging Market Business de-grew by 16% in Q1FY17.
- ◆ The Irish Business de-grew by 18% in INR terms in Q1FY17.

The Company's three units namely L-1 Chikalhana Facility, H-14/2 Waluj Facility and B-15/2 Waluj Facility in Maharashtra have received Establishment Inspection Report (EIR) with observations. On 5th August, 2016 US Food and Drugs Administration (US FDA) posted Import Alert 66-40 on its website on the Company's manufacturing facility for Active Pharmaceutical Ingredients (API) located in Ankleshwar, Gujarat. The Company has initiated required steps to address the concerns raised by US FDA and is putting in all efforts to resolve the matter.

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



BUSINESS REVIEW

India & Emerging Markets

India and Emerging Markets contributed 45% of the global revenues in Q1FY17 and stood at ₹491 crore in Q1FY17 vs ₹470 crore in Q1FY16, representing a growth of 4% in Q1FY17 compared to Q1FY16.

- India Business grew by 10% in Q1FY17 compared to Q1FY16.
- Emerging Markets business de-grew by 16% during the quarter compared to previous corresponding quarter.
- 11 New products launched in Domestic Market during Q1FY17.

Europe Operations

Europe Operation (including France) contributed 37% of the Global Revenues in Q1FY17. Revenues from EU Operations (excluding France) were at ₹390 crore in Q1FY17, representing a de-growth of 9% in INR terms in Q1FY17 compared to Q1FY16. Revenues from French Operations were at ₹19 crore in Q1FY17, versus ₹15 crore in Q1FY16, representing a growth of 27% in INR terms in Q1FY17.

UK Operations (including Pinewood's UK business) revenues were at ₹298 crore in Q1FY17, vs ₹368 crore in Q1FY16, representing a de-growth of 19% in Q1FY17 compared to Q1FY16. The de-growth was mainly on account of one-time opportunity in the corresponding previous period excluding which UK Operation grew by 26% in Q1FY17. UK made 3 new filings and received 1 new approval in Q1FY17.

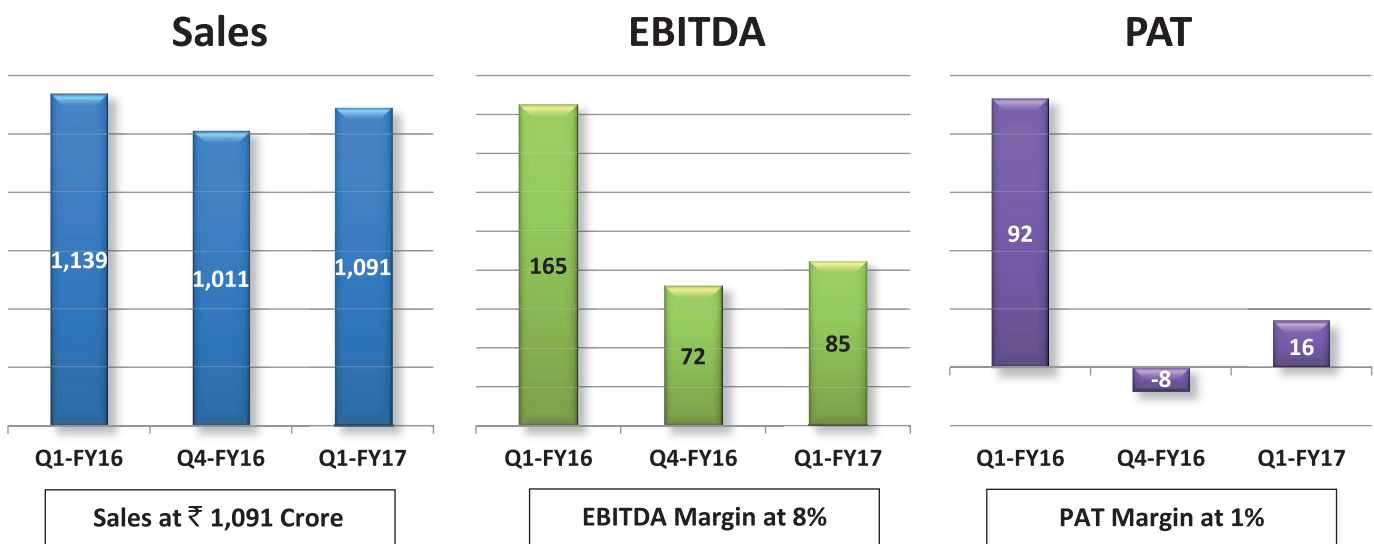
Irish Business revenues were at ₹32 crore in Q1FY17 vs ₹39 crore in Q1FY16 representing a de-growth of 18% in Q1FY17 in INR terms.

US Operations

USA business for Wockhardt contributed 18% of the Global Revenues in Q1FY17. Revenues from the US Business were at ₹191 crore in Q1FY17 versus ₹227 crore in Q1FY16, representing a de-growth of 16% in INR and decline of 19% in USD terms.

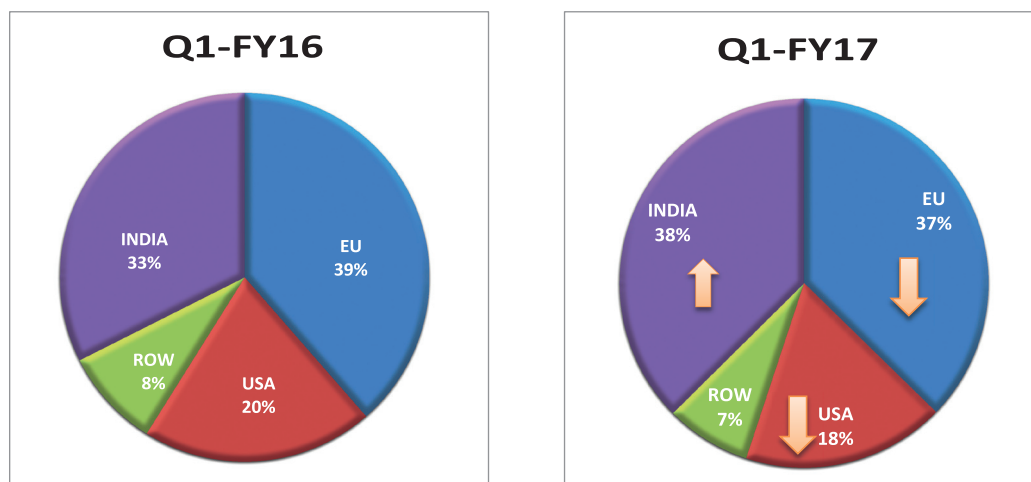
The company's ANDA's pending for approval as on date stood at 84.

PERFORMANCE HIGHLIGHTS Q1FY17 vs. Q1FY16



- Consolidated revenues at ₹ **1,091** crore in **Q1FY17** vs ₹ **1,139** crore in **Q1FY16**. Excluding one-offs revenues **grew** by **8%** compared to Q1FY16.
 - India Business grew by **10%** in **Q1FY17**.
 - UK revenues de-grew by **19%** (excluding one-time opportunity **grew** by **26%**).
 - Emerging Market Business de grew by **16%** during **Q1FY17**.
 - US Business de-grew by **16%** in **Q1FY17**.
- Gross Margins at **62%** in **Q1FY17** compared to **64%** in **Q1FY16**.
- EBITDA excluding one-time opportunity and before R&D spend was ₹ **193** crore (Margin at 18% to sales) compared to ₹ **176** crore (Margin at 17% to sales) in corresponding previous period.
- Profit After Tax at ₹ **16** crore in **Q1FY17**.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q1-FY17	Q4-FY16	Q1-FY16
Revenues from Operations	1,091	1,011	1,139
<i>Revenues from Operations excl "one offs"</i>	1,091	1,011	1,007
Material Consumption	416	398	407
Gross Margins	675	613	732
Gross Margin %	61.9%	60.6%	64.3%
Staff Cost	213	187	195
R&D Expenses	108	73	142
Other Expenditure	269	281	230
Total Expenditure	1,006	939	974
EBITDA	85	72	165
EBITDA Margin	7.8%	7.1%	14.5%
EBITDA excl "one offs" & before R&D	193	145	176
EBITDA Margin excl "one offs" & before R&D	17.7%	14.3%	17.5%
Interest Expenses (Net)	34	29	16
(Income)/Expense due to Exchange Rate Fluctuation	10	6	-15
Depreciation	36	38	34
Other Income / (Loss)	2	4	-2
Profit/(Loss) Before Tax before exceptional items	7	3	128
Exceptional Item Profit/(Loss)	-	-	-
Profit/(Loss) before Tax	7	3	128
Tax Expense (Including Deferred Tax)	(10)	16	31
Profit/(Loss) After Tax	17	-13	97
Add: Share of Profit/(Loss) from Associates	0	0	1
Less: Minority Interest	1	-5	6
Net Profit/(Loss)	16	-8	92
Net Profit Margin %	1.5%	-0.8%	8.1%

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

Visit us at: www.wockhardt.com