



February 15, 2016

My Dear Share Owners

It is my pleasure to inform you that our Company's Board of Directors have approved the results for Q3 (October-December) FY 2015-16. I take this opportunity to share with you the Company's financial performance this quarter along with some key business highlights.

#### Financial Highlights for Q3 (October-December) FY 2015-16

- ◆ Consolidated revenue for the quarter is ₹1076 crore. Excluding one-time opportunity, revenue grew by 7%.
- ◆ EBITDA excluding one-time opportunity and before R&D spend was ₹227 crore for the quarter ending Dec 2015.
- ◆ Profit After Tax is ₹61 crore, which projects a PAT margin of 6%.
- ◆ R&D Expenses, including CAPEX is 14% of sales during the quarter ending Dec 2015.

#### Financial Highlights for 9M (April-December) FY 2015-16

- ◆ Consolidated revenue for 9MFY16 is ₹3448 crore. Excluding one-off revenue that grew by 7%.
- ◆ EBITDA excluding one-off and before R&D spend was ₹561 crore.
- ◆ Profit After Tax is ₹283 at 9MFY16, which projects a PAT margin of 8%.
- ◆ R&D Expenses, including CAPEX is 13% of sales during 9M ending Dec 2015.

#### Business Highlights

- ◆ The India Business records a steady growth of 16% in Q3FY16 and 22% in 9MFY16.
- ◆ The Emerging Markets Business grows by 14% for Q3FY16 and grows by 29% in 9MFY16.
- ◆ The International Business contributes 68% of the global revenue, both in Q3FY16 and 9MFY16.
- ◆ The US Business attributes a valuable 26% to the global revenue in Q3FY16 and 21% for 9MFY16.
- ◆ The UK Business, excluding one-time opportunity, improved by 14%. For 9MFY16 it remained flat. The Irish Market improved by 3% on € basis for Q3FY16 and 6% on € basis for 9MFY16.

During the Quarter, US FDA has granted WCK 4282 and WCK 5222, products from their breakthrough New Drug Discovery program in Anti Infectives, Qualified Infectious Disease Product (QIDP) status. This is the fifth product from Wockhardt to receive this coveted status. During last year Wockhardt received approval for WCK 771 and WCK 2349 and early this year approval was received for WCK 4873. WCK 5222 is a new class of antibiotic for gram negative terrain for complicated Urinary Tract Infections and Hospital Acquired Bacterial Pneumonia. Wockhardt is currently the only company globally to receive QIDP status for 5 drugs from US FDA.

Our continuous efforts for meeting regulatory compliance has been awarded with L1-Chikalthana, Aurangabad manufacturing facility receiving an unrestricted GMP certification by UK MHRA, thus resuming supplies to the UK market. US FDA has also recently completed inspections of our manufacturing unit at Ankleshwar, Gujrat and Shendra, Aurangabad and made some observations for which appropriate reply is being submitted. Shendra manufacturing unit is a new facility supplying to UK & Irish market. Presently there are no supplies of products from the said facility to the US market. The company's on-going efforts towards remediation and compliance measures for Chikalthana and Waluj facilities continue to be in place.

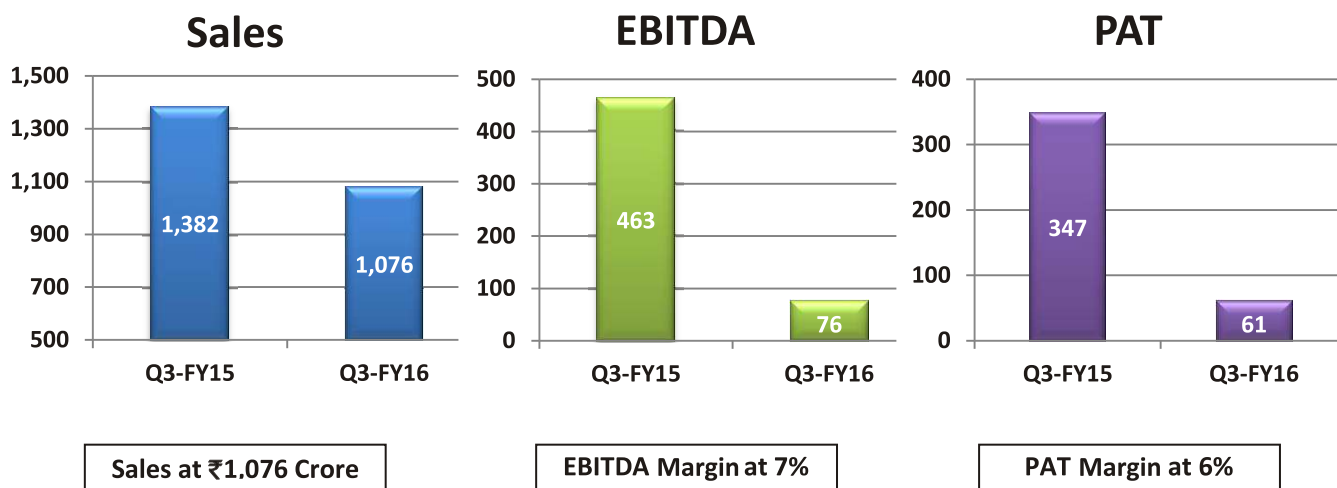
With the immense recognition we have received for our efforts in drug discovery and continued support from all Wockhardians, we look forward to promising days ahead.

Warm Regards,

Dr. Habil Khorakiwala  
Founder Chairman

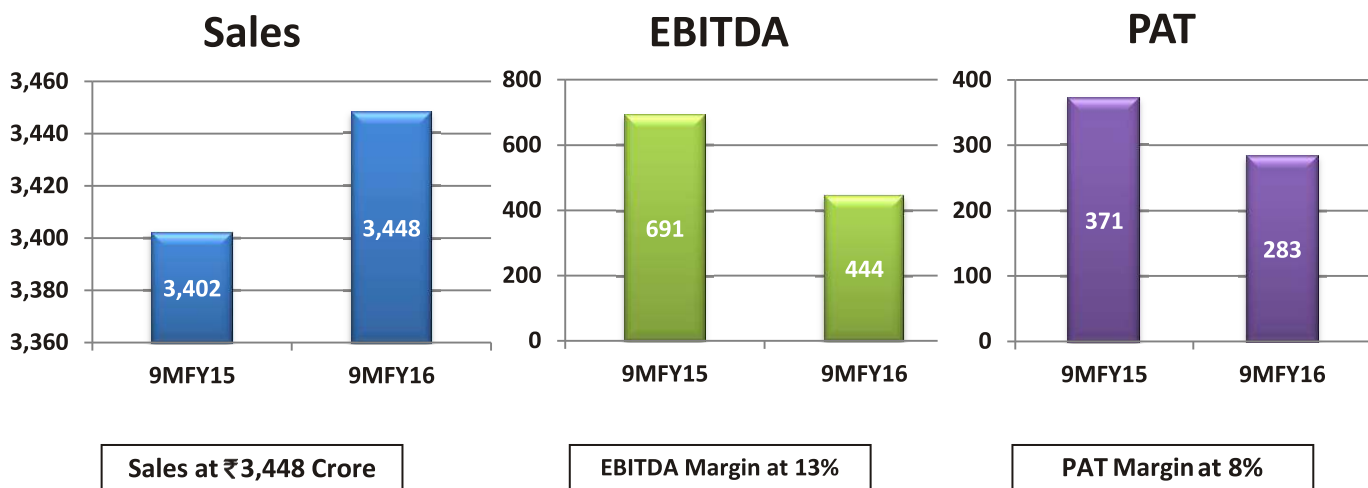


# PERFORMANCE HIGHLIGHTS Q3FY16 vs. Q3FY15



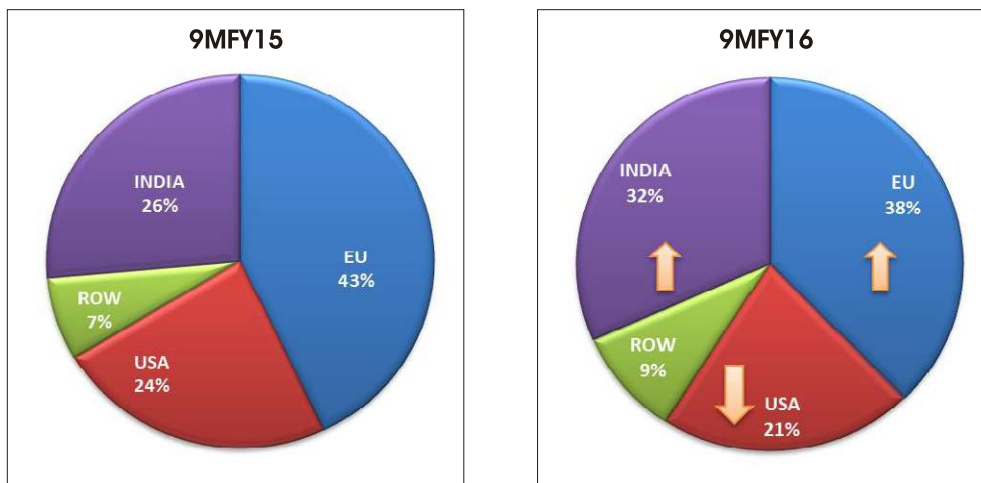
- Consolidated revenues at ₹**1,076** crore in **Q3FY16** versus ₹**1,382** crore in **Q3FY15**, year-on-year. Excluding one-time opportunity in business in UK revenues **grew** by **7%**.
  - India & Emerging Markets Business grows by **15%**, India Business **grows** by **16%**
  - USA Business de grows marginally by **1%** in ₹ & declines by **8%** USD terms.
  - Europe Business (excluding France) de grows by **50%** (France declines by **58%**)
- Gross Margins at **65%** in **Q3FY16** compared to **72%** in **Q3FY15**.
- EBITDA excluding one-time opportunities and before R&D spend was ₹**227** crore (Margin at 21% to sales) compared to ₹**205** crore (Margin at 20% to sales) in corresponding previous period.
- R&D Expenses at **14%** of Sales in **Q3FY16**.
- Profit After Tax at ₹**61** crore in **Q3FY16**.

# PERFORMANCE HIGHLIGHTS 9MFY16 vs. 9MFY15



- Consolidated revenues at ₹**3,448** crore in **9MFY16** versus ₹**3,402** crore in **9MFY15**. Excluding one-offs revenues **grew** by **7%**.
  - India & Emerging Markets Business grew by **23%**.
  - USA Business declines by **8%** (**13%** in \$ terms)
  - Europe Business (excluding France) de grew by **6%** for **9MFY16** (France degrows by **63%**)
- Steady Gross Margins at **65%** in **9MFY16** compared to **67%** in **9MFY15**.
- EBITDA excluding one offs and before R&D spend was ₹**561** crore (Margin at 18% to sales) compared to ₹**575** crore (Margin at 20% to sales) in corresponding previous period.
- R&D Expenses at **13%** of Sales in **9MFY16** and growth of **31%** over **9MFY15**.
- Profit After Tax at ₹**283** crore in **9MFY16**.

# SHARE OF GLOBAL REVENUES



## FINANCIALS

### Consolidated P&L

₹ Crore

Particulars	Q3-FY16	Q3-FY15	Growth %	9MFY16	Growth %
Revenues from Operations	1,076	1,382	-22.1%	3,448	1.4%
Revenues from Operations excl "one offs"	1,076	1,002	7.4%	3,137	6.7%
Material Consumption	381	388	-1.8%	1,198	8.1%
Gross Margins	695	994	-30.1%	2,250	-1.9%
<b>Gross Margin %</b>	<b>64.6%</b>	<b>71.9%</b>		<b>65.3%</b>	<b>-3.2%</b>
Staff Cost	204	188	8.5%	607	12.2%
R&D Expenses	151	119	26.9%	425	25.0%
Other Expenditure	264	224	17.9%	774	7.2%
Total Expenditure	1,000	919	8.8%	3,004	10.8%
EBITDA	76	463	-83.6%	444	-35.7%
<b>EBITDA Margin</b>	<b>7.1%</b>	<b>33.5%</b>		<b>12.9%</b>	
EBITDA excl "one offs" & before R&D	227	205	10.5%	561	-2.5%
<b>EBITDA Margin excl "one offs" &amp; before R&amp;D</b>	<b>21.1%</b>	<b>20.5%</b>		<b>17.9%</b>	
Interest Expenses (Net)	15	9	60.0%	35	5.6%
(Income)/Expense due to Exchange Rate Fluctuation	8	34		9	
Depreciation	36	38	-5.3%	105	-5.4%
Other Income	39	26		49	
Profit/(Loss) Before Tax before exceptional items	56	408	-86.0%	344	-33.2%
Tax Expense (Including Deferred Tax)	3	57		55	
Profit/(Loss) After Tax	53	351	-84.9%	289	-23.9%
Add: Share of Profit/(Loss) from Associates	0	0		1	
Less: Minority Interest	-8	4		7	
Net Profit/(Loss)	61	347	-82.4%	283	-23.7%
<b>Net Profit Margin %</b>	<b>5.7%</b>	<b>25.1%</b>		<b>8.2%</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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