
Wockhardt's Q3 Results 2009

Consolidated Sales grew to Rs. 923 crore Operating Profit (EBIDTA) at Rs. 182 crore

Mumbai, October 31, 2009

Pharmaceutical and biotechnology major Wockhardt Limited today announced a 2.2% growth in consolidated sales revenues to stand at Rs. 923 crore for the third quarter ended September 30, 2009 over the corresponding quarter of 2008. Operating profit (EBIDTA) was Rs. 182 crore. Due to exceptional items, the net loss is Rs. 54 crore.

India Business:

As per ORG-IMS for Q3-2009, Wockhardt India Branded Business grew by 9%; thereby improving its ranking to the 14th position. There were 5 new products launched during this period. Overall 9 brands featured in the list of 'Top 300' brands of the industry with 2 brands in the 'Top 100'. Wockhardt's Power Brands are showing good consistent growth.

Europe Business:

Wockhardt UK grew by 17% compared to the industry growth of only 4.5% in Q3-2009. Hospital products in UK grew by 13%, Pharmacy products grew by 16% and exports surged by 73%. 3 new products in Psychotropic, Anti depressant and Iron Supplement were launched. Wockhardt UK's Contract Manufacturing Organisation (CMO) signed an agreement with scope of work that includes cartridge development and manufacturing. Pinewood Healthcare in Ireland maintains steady sales and Negma Laboratories in France has signed a co-promotion agreement for a diabetic drug and has also executed a CMO agreement in France. Negma's Neblox is growing at 15% showing an improvement in market share.

USA Business:

The US business contributes 20% to Wockhardt's overall revenues. There were 13 ANDA approvals received till end of September 2009. In the US generic pharmaceutical market, Wockhardt has been consistently growing market shares for all its products. In many instances, Wockhardt, by virtue of being amongst the first-to-file, gains advantages of being an early entrant. Wockhardt currently markets 66 products in the US.

About Wockhardt

Wockhardt is a technology-driven global pharmaceutical and biotechnology major with an innovative multi-disciplinary research and development programme. It has 5 research centres and 14 world-class manufacturing plants dotting various countries and continents that are compliant to international regulatory standards such as the US FDA, MHRA and other global regulatory bodies. It has end-to-end integrated capabilities for its products, starting with manufacture of the oral and sterile API's, the dosage forms and marketing through its wholly owned subsidiary in the US. Wockhardt has a global footprint including the US, UK, Ireland and France with a multi-ethnic workforce from 14 different nationalities.

WOCKHARDT LIMITED

UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30TH SEPTEMBER, 2009



(Rs. In Million)

PARTICULARS	QUARTER ENDED 30/9/2009	% TO SALES	QUARTER ENDED 30/9/2008	% TO SALES	GROWTH %	NINE MONTHS ENDED 30/9/2009	% TO SALES	NINE MONTHS ENDED 30/9/2008	% TO SALES	GROWTH %	YEAR ENDED 31/12/2008	% TO SALES
Income from Operations	9,227	100.0	9,025	100.0	2.2	27,401	100.0	26,125	100.0	4.9	35,898	100.0
Total Expenditure	7,408	80.3	7,084	78.5	4.6	22,088	80.6	20,256	77.5	9.0	28,044	78.1
a) (Increase)/Decrease in stock	(12)	(0.1)	432	4.8	(102.8)	634	2.3	(778)	(3.0)	(181.5)	(297)	(0.8)
b) Consumption of raw material	3,035	32.9	1,956	21.7	55.2	7,084	25.9	5,769	22.1	22.8	7,912	22.0
c) Purchase of Finished Goods	1,236	13.4	1,176	13.0	5.1	4,372	16.0	4,354	16.7	0.4	5,947	16.6
Material Consumption	4,259	46.2	3,564	39.5	19.5	12,090	44.1	9,345	35.8	29.4	13,562	37.8
d) Staff Cost	1,296	14.0	1,620	18.0	(20.0)	4,236	15.5	4,779	18.3	(11.4)	6,074	16.9
e) R & D expenditure	149	1.6	139	1.5	7.2	434	1.6	500	1.9	(13.2)	513	1.4
f) Other expenditure	1,704	18.5	1,761	19.5	(3.2)	5,328	19.4	5,632	21.6	(5.4)	7,895	22.0
Other Expenditure	3,149	34.1	3,520	39.0	(10.5)	9,998	36.5	10,911	41.8	(8.4)	14,482	40.3
Gross Profit before Interest, Depreciation & Taxation	1,819	19.7	1,941	21.5	(6.3)	5,313	19.4	5,869	22.5	(9.5)	7,854	21.9
Interest/ Financing Cost												
(a) Interest	480	5.2	691	7.7	(30.5)	2,211	8.1	1,797	6.9	23.0	2,590	7.2
(b) (Income)/Expense due to Exchange Rate Fluctuation	35		286			95		584			(105)	
(c) Premium on FCCB	89		-			264		-			1,295	
Gross Profit after Interest but before Depreciation & Taxation	1,215	13.2	964	10.7	26.0	2,743	10.0	3,488	13.4	(21.4)	4,074	11.3
Depreciation	294	3.2	269	3.0	9.3	907	3.3	762	2.9	19.0	1,130	3.1
Profit after Interest & depreciation	921	10.0	695	7.7	32.5	1,836	6.7	2,726	10.4	(32.6)	2,944	8.2
Other Income	40	-	82	-	-	227	-	225	-	-	356	-
Exceptional Item Profit/(Loss)	(1,376)		58			(4,223)		(117)			(5,810)	
Profit/(Loss) before Tax	(415)	(4.5)	835	9.3	(149.7)	(2,160)	(7.9)	2,834	10.8	(176.2)	(2,510)	(7.0)
Provision for Taxation	162		133			283		442			237	
Fringe Benefit Tax	3		12			9		30			39	
Deferred Taxation	(1)		97			118		241			(1,192)	
Profit/ (Loss) After Tax	(579)	(6.3)	593		(197.6)	(2,570)	(9.4)	2,121		(221.2)	(1,594)	
Add: Share of Profit/ (Loss) from Associates	37		29			27		68			205	
Net Profit/(Loss)	(542)	(5.9)	622	6.9	(187.1)	(2,543)	(9.3)	2,189	8.4	(216.2)	(1,389)	(3.9)
Paid-up Equity Share Capital (Rs 5/-each)	547		547		-	547		547		-	547	
Reserves excluding Revaluation Reserve (as per last audited Balance-Sheet)	-		-		-	-		-		-	9,630	
Earning Per Share												
Basic Earning Per Share (Rs)	(4.95)		5.68			(23.24)		20.00			(12.69)	
Diluted Earning Per Share (Rs)	(4.95)		5.68			(23.24)		20.00			(12.69)	

Public Shareholding							
- Number of Shares	28,193,643	28,087,803		28,193,643	28,087,803		28,102,803
- Percentage to Paid-up Capital	25.76%	25.66%		25.76%	25.66%		25.68%
Promoters and promoter group shareholding							
a) Pledged/ Encumbered							
- Number of shares	57,800,000			57,800,000			69,280,667
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	71.73%			71.73%			85.97%
-Percentage of shares (as a % of the total share capital of the Company)	52.82%			52.82%			63.31%
b) Non-encumbered							
- Number of shares	22,785,382			22,785,382			11,304,715
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	28.27%			28.27%			14.03%
-Percentage of shares (as a % of the total share capital of the Company)	20.82%			20.82%			10.33%

Notes To Consolidated Financials:-

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 31, 2009
- 2) The outstanding liabilities of the Company are being restructured under the aegis of Corporate Debt Restructuring (CDR) Scheme. As required under the Scheme, the Master Restructuring Agreement (MRA) has been executed and signed by majority of the lenders and other necessary documents are in the process of being executed. The CDR scheme comprehensively covers the crystallised derivative/ hedging liabilities. In respect of unilaterally terminated contracts which are disputed, the amount payable is presently not ascertainable and hence not provided.
- 3) The Company has accounted Mark-to-Market (MTM)/ realised loss of Rs. 2,844 million for the quarter ended September 30, 2009 as an Exceptional Item. As negotiations are in progress in respect of hedging instruments outstanding as on September 30, 2009, relative amounts held as margins and premiums in current assets are unconfirmed.
- 4) In the month of October 2004, the Company had issued 110,000 Zero Coupon foreign currency convertible bonds of USD 1,000 each. The Bonds are considered as monetary liability. The Bonds were redeemable on October 25, 2009 at 129.578 percent of its principal amount.
- 5) The sale of Animal Healthcare Business of the Company was completed during the quarter ended September 30, 2009. The profit of Rs. 1,535 million on sale of the said business has been treated as Exceptional Item.
- 6) As on July 1, 2009 the Company had no investors complaints pending. During the quarter the Company has not received any complaints. Accordingly, no complaints are pending as on September 30, 2009.
- 7) The Company is exclusively into Pharmaceutical business Segment.
- 8) The Company's accounting period end has been extended from December to March as approved by the shareholders. The next accounting period will therefore be of fifteen months.
- 9) Previous period figures have been recast/ re-classified to conform to the current period's presentation.