



February 13, 2018

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 3rd Quarter (October-December) of the Financial Year 2017-18. I take this opportunity to share with you the Company's performance this year along with some key business highlights.

The business performance showed marked improvement during the quarter with significant increase in EBITDA to 2.5 times to ₹45 crore compared to ₹18 crore in Q3 FY 17. Company's focus on cost containment and rationalisation continues delivering its intended positive impact on profitability inspite of on-going remedial measures. However, the focus in strategic R&D initiatives of the Company continues in-spite of the fact that they are expensed off.

Financial Highlights for Q3 (October - December) FY 2017-18

- ◆ Consolidated revenue for the quarter is ₹1,005 crore.
- ◆ EBITDA before R&D spend is ₹106 crore for Q3FY18, compared to ₹118 crore in previous year.
- ◆ R&D spend at ₹61 crore (6% of sales) and including capital expenditure is at 10% to sales for Q3FY18.

Financial Highlights for 9 Months (April-December) FY 2017-18

- ◆ Consolidated revenue for FY17-18 is ₹2,919 crore.
- ◆ EBITDA before R&D spend is ₹185 crore for 9MFY18, compared to ₹510 crore in previous year.
- ◆ R&D spend at ₹210 crore (7% of sales) and including capital expenditure is at 11% to sales for 9MFY18.

Business Highlights

- ◆ The International Business contributed 61% of the global revenue in 9MFY18.
- ◆ India Business grew by 10% in Q3FY18 over Q3FY17 and stood at ₹392 crore in Q3FY18 vs ₹355 crore in Q3FY17. In 9MFY18 it stood at ₹1,147 crore vs ₹1,199 crore in 9MFY17. Three (3) new products launched in India during Q3FY18 and 11 new products in 9MFY18.
- ◆ Emerging Markets Business grew by 26% Q-o-Q, grew by 18% in Q3FY18 compared to Q3FY17 stood at ₹109 crore in Q3FY18 compared to ₹92 crore in Q3FY17. In 9MFY18 it stood at ₹282 crore vs ₹256 crore in 9MFY17 representing a growth of 10% in 9MFY18.
- ◆ UK revenues were at ₹264 crore in Q3FY18 vs ₹260 crore in Q3FY17, representing a growth of 2% in Q3FY18 in ₹ terms (and grew by 6% in GBP terms in Q3FY18). UK operations stood at ₹775 crore in 9MFY18 versus ₹831 crore in 9MFY17; de-grew by 7% mainly due to Brexit (however, grew by 2% in GBP terms in 9MFY18).
- ◆ US business for Wockhardt contributed 17% of the Global Revenues in Q3FY18 compared to 20% in the Q3FY17. Revenues from the US Business were at ₹175 crore in Q3FY18 versus ₹197 crore in Q3FY17. In 9MFY18 it stood at ₹485 crore versus ₹570 crore in 9MFY17. The company received 1 new approval taking the cumulative ANDA's pending for approval at 76.
- ◆ Irish Business revenues were at ₹42 crore in Q3FY18 vs ₹36 crore in Q3FY17; grew by 17% in Q3FY18 in ₹ terms (grew by 16% in Euro terms). In 9MFY18 business grew by 8% in ₹ terms (Revenues at ₹115 crore in 9MFY18 versus ₹107 crore in 9MFY17).
- ◆ French Operations were at ₹13 crore in Q3FY18 and ₹43 crore in 9MFY18 versus ₹15 crore in Q3FY17 and ₹51 crore in 9MFY17.

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

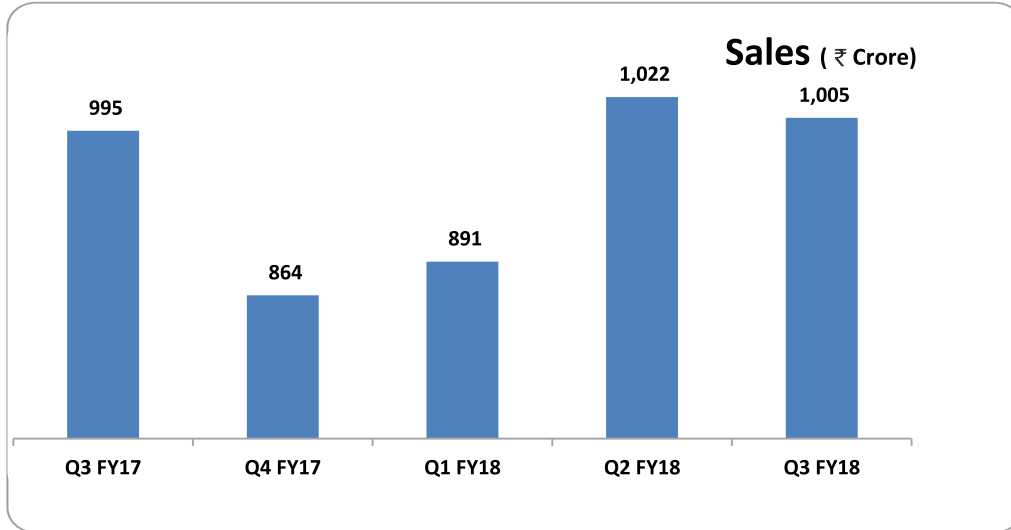
Warm Regards,

Dr. Habil Khorakiwala
Founder Chairman



PERFORMANCE HIGHLIGHTS

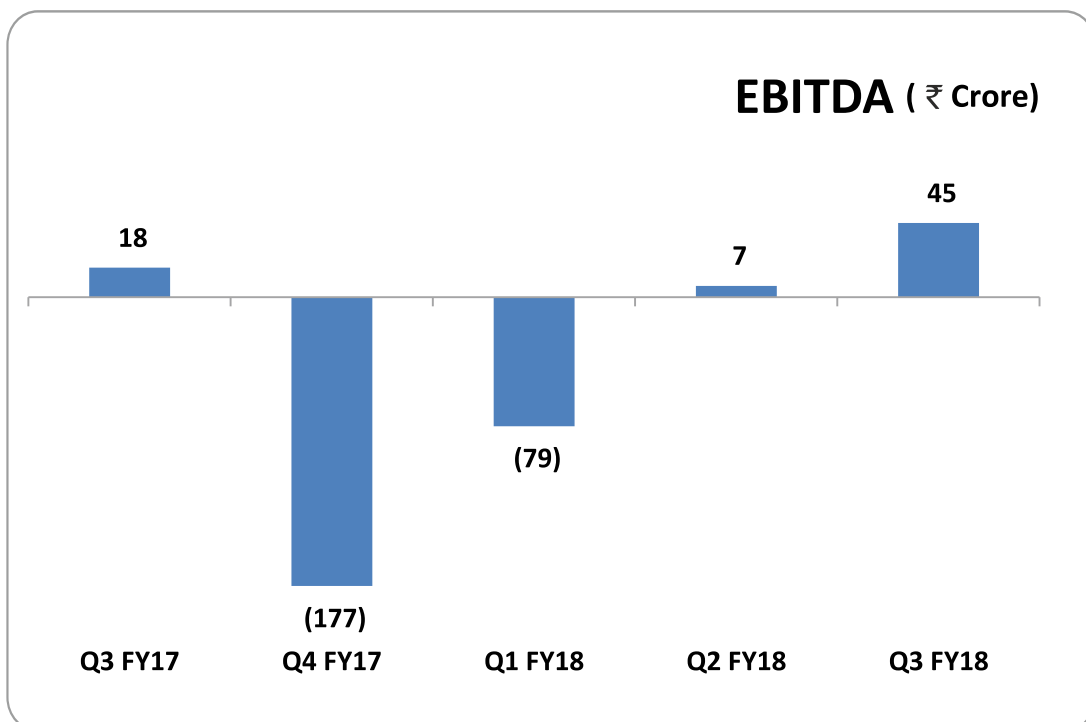
Sales Performance over the period:



After subdued performances in past few quarters mostly owing to genericisation of some of the products in US and introduction of GST in India, Sales grew by 1% to ₹1,005 crore over Q3FY17, which stood at ₹995 crore.

Growth in Sales is mainly on account of improved India Branded Business coupled with an upward trend in Emerging market business over Q3FY17.

EBITDA over the period:



BUSINESS HIGHLIGHTS

International operations

- At ₹613 crore, contributes 61% of global revenues for Q3FY18, de grows by 4% compared to Q3FY17 mainly on account of genericisation of some of the products of the Company in USA.
- At ₹1,772 crore, contributes 61% of global revenues for 9 months ended FY18, de grows by 9% compared to same period of FY17.

India & Emerging Markets Business

- India and Emerging Markets contributed 50% of the global revenues in Q3FY18 and 49% in 9 months ended FY18.
- 3 new products launched in India during Q3FY18 and 11 new products during 9MFY18.
- India Business grew by 10% in Q3FY18 over Q3FY17 and stood at ₹392 crore in Q3FY18 vs ₹355 crore in Q3FY17. India Business stood at ₹1,147 crore for 9MFY18 vs ₹1,199 crore in for 9MFY17.
- **Emerging Markets Business** grew by 26% in Q3FY18 compared to Q2FY18 and stood at ₹109 crore in Q3FY18 compared to ₹86 crore in Q2FY18. During 9 months ended FY18 it stood at ₹282 crore vs ₹256 crore in same period of FY17 representing a growth of 10% in 9 months ended FY18.

Europe Business

- Europe Operation (including France) contributed 33% of the Global Revenues in Q3FY18 and 34% during 9 months ended FY18. Revenues from EU Operations (excluding France) were at ₹317 crore in Q3FY18 and at ₹962 crore during 9 months ended FY18. Revenues from French Operations were at ₹13 crore in Q3FY18 and ₹43 crore in 9MFY18 versus ₹15 crore in Q3FY17 and ₹51 crore during 9MFY17.

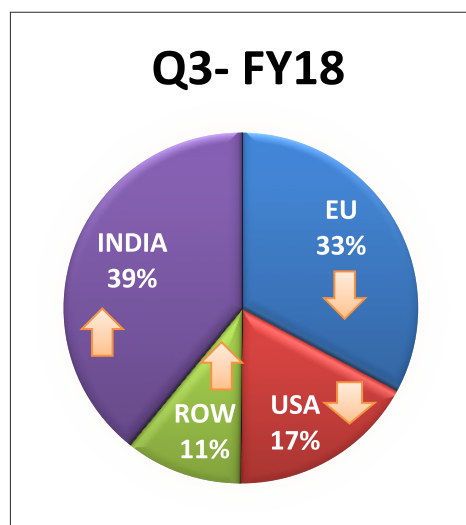
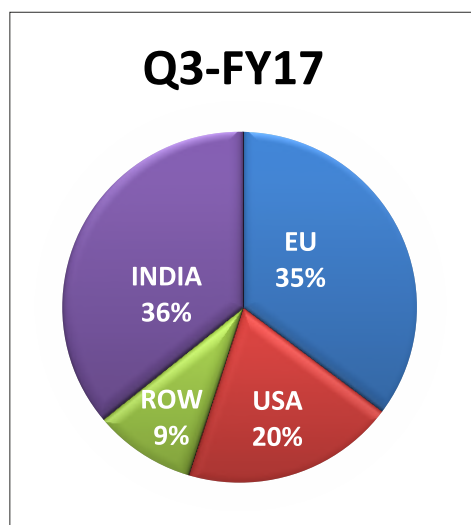
UK Operations (including Pinewood's UK business)

- UK revenues were at ₹264 crore in Q3FY18 vs ₹260 crore in Q3FY17, representing a growth of 2% in Q3FY18 in ₹ terms (and grew by 6% in GBP terms in Q3FY18 over Q3FY17). UK operations stood at ₹775 crore YTD Dec '17 versus ₹831 crore in YTD Dec FY '16; de grew by 7% mainly due to Brexit .
- 1 product was launched in Q3FY18 in UK.
- **Irish Business** revenues were at ₹42 crore in Q3FY18 vs ₹36 crore in Q3FY17, grew by 17% in Q3FY18 in ₹ terms (grew by 16% in Euro terms). During 9MFY18 Irish business grew by 8% in ₹ terms (Revenues at ₹115 crore in 9MFY18 versus ₹107 crore in 9MFY17).

US Business

- US business for Wockhardt contributed 17% of the Global Revenues in Q3FY18 compared to 20% in the Q3FY17. Revenues from the US Business were at ₹175 crore in Q3FY18 versus ₹197 crore in Q3FY17. During 9MFY18 it stood at ₹485 crore versus ₹570 crore during 9MFY 17.
- The company received 1 new approval of ANDA during the quarter.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q3-FY18	Q2-FY18	Q3-FY17	9M FY18	9M FY17
Revenues from Operations	1005	1022	995	2919	3151
Material Consumption	446	471	410	1325	1214
Gross Margins	559	551	585	1594	1937
<i>Gross Margin %</i>	<i>56%</i>	<i>54%</i>	<i>59%</i>	<i>55%</i>	<i>61%</i>
Staff Cost	204	226	211	638	631
R&D Expenses	61	77	100	210	307
Other Expenditure	248	241	256	771	796
Total Expenditure	960	1015	977	2944	2948
EBITDA	45	7	18	(25)	203
<i>EBITDA Margin</i>	<i>5%</i>	<i>1%</i>	<i>2%</i>	<i>-1%</i>	<i>6%</i>
EBITDA before R&D	106	84	118	185	510
<i>EBITDA Margin before R&D</i>	<i>11%</i>	<i>8%</i>	<i>12%</i>	<i>6%</i>	<i>16%</i>
Interest Expenses (Net)	56	60	44	169	117
(Income)/Expense due to Exchange Rate Fluctuation	(1)	(14)	17	(33)	26
Depreciation	38	36	38	111	112
Other Income / (Loss)	31	47	5	107	9
Profit/(Loss) Before Tax before exceptional items	(16)	(28)	(76)	(165)	(43)
Exceptional Item Profit/(Loss)	-	0	-	(358)	-
Profit/(Loss) before Tax	(16)	(28)	(76)	(523)	(43)
Tax Expense (Including Deferred Tax)	27	(20)	(15)	(9)	(24)
Profit After Tax (PAT)	(43)	(8)	(61)	(514)	(19)
Add: Share of Profit/(Loss) from Associates	0	0	0	0	0
Less: Non-Controlling Interest	(2)	(5)	(7)	(60)	2
PAT after Non-Controlling Interest	(41)	(3)	(54)	(454)	(21)
<i>PAT after Non-Controlling Interest Margin %</i>	<i>-4%</i>	<i>0%</i>	<i>-5%</i>	<i>-16%</i>	<i>-1%</i>

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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