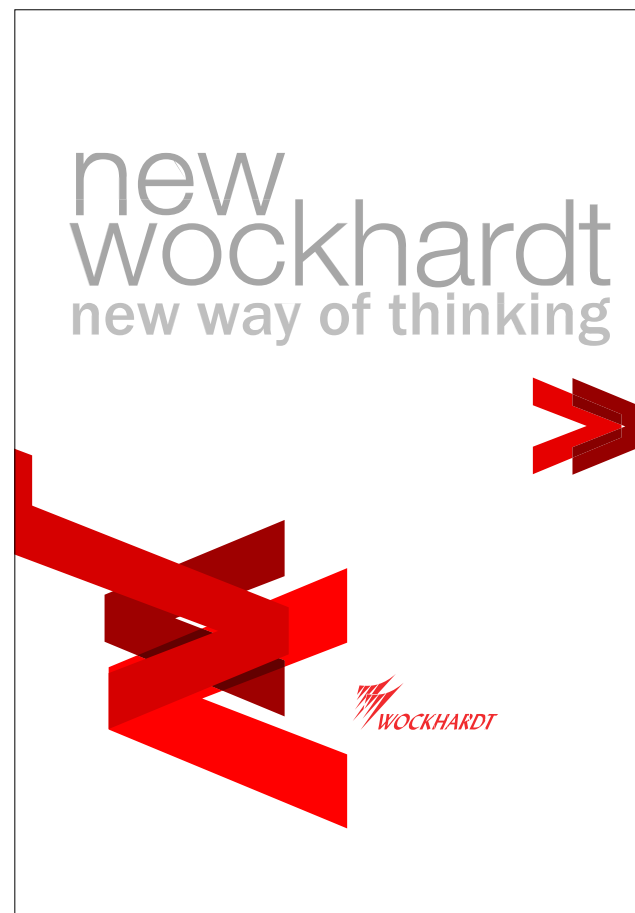


CHAIRMAN'S SPEECH

TWELFTH ANNUAL GENERAL MEETING

12 September, 2011



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Dr Habil Khorakiwala
Chairman

My dear Shareowners, Ladies and Gentlemen,

Good afternoon to all of you and welcome to the 12th Annual General Meeting of your company - Wockhardt.

At the last AGM when I addressed you all, I narrated about our new journey for growth and spoke of our determination to succeed.

You would have observed that we have shown a sterling performance last year and clearly demonstrated our will to succeed.

Today I will share with you, my insights of this pulsating industry of ours and how Wockhardt is poised to take the good performance forward in the coming years.



New Landscape

The next 25 years will see radical shifts in the landscape of pharmaceuticals and healthcare. Fundamental changes are taking place in medical science and the way we go about managing diseases.

In the past half-century we've found the answers to many diseases affecting large populations such as infections, diabetes, high blood pressure, heart ailments, stress and others. Indeed these have been well managed with the help of some of the well-established medicines and newer drugs; resulting into improved quality of life and longer lifespan to our people.

However, there are dreaded diseases such as cancer, as well as other age related diseases such as Alzheimer's and Parkinson's where we have not yet got a satisfactory medical answer. In this lies an opportunity to find solutions. And as our knowledge of these diseases is growing exponentially with the help of science and technology one is attempting to find newer ways of targeting these diseases. This creates a new landscape.

Science is moving on all fronts: Physical science, genomic science and information technology. All these movements are presenting a wide range of newer opportunities for people to connect 24/7 through a myriad of smaller communications devices.

We have access to unprecedented amounts of information. We are able to know much more about our own bodies and this changes how we think about our healthcare needs. It changes the

way companies involved in providing healthcare solutions work. It's an exciting time. It will be interesting to see how in the next 25 years time, new players will rise to make their mark in the pharmaceutical and healthcare fields through excellence in research and innovation. I want Wockhardt to be one of them.

New Wockhardt New way of thinking

Innovation is key to our future success at Wockhardt. We will continue to invest in technology that gives us a competitive advantage. We develop sophisticated solutions to complex problems and improve the quality of life of millions of people everyday. For a business to be sustainable and growing, it should innovate across all areas of activity. It has to be a journey of transformation. And this is the new way of thinking at Wockhardt and it shows in the robust performance during the past financial year.

During the year we achieved several important financial and operational milestones. Our total consolidated sales exceeded Rs 37.5 billion (US\$ 841 million). Operating profits (EBIDTA) reached Rs 9.1 billion (US\$ 204 million), that is, 24.2 per cent of sales and we have further improved our Operating profit margin to 29.5 % in the last quarter. This reflects the smart working and dedication of more than 6,000 Wockhardt Associates globally and I recognise their determination and perseverance in achieving these milestones.



Wockhardt - US Business crosses US\$ 225 million

The US remains the world's largest pharmaceuticals market currently valued at more than US\$300 billion. Over the next few years, patents on several blockbusters will expire; sales of more than US\$ 140 billion are expected to face generic competition in major developed markets. The US carves out almost two-thirds of this value. A huge opportunity for off-patent medicines.

Wockhardt's investment in research and development and ANDA filings will give us a unique advantage in the US market. Growth in the US has been driven by the development and launch of patented extended released products like Metoprolol, Venlafaxine, Divalproex and many others to follow.

In the US, for the first time Wockhardt's sales revenues for the year exceeded US \$225 million showing a phenomenal growth of 73%. Contribution of the US business to our overall sales has leapt from 20 per cent to 29 per cent during the financial year.

Wockhardt - India Sales Force expands to 3,000

Emerging markets are receiving an increasing focus in our Industry. Nearly 70% of the new growth is coming out of Emerging Markets and it is estimated that within next 25 years, Emerging

Market share will increase from existing 18% to over 50%. We are building a future for our company in India immediately and in nearer terms in Emerging Markets. We have increased our coverage to customers significantly during the year including semi urban and rural markets. We have introduced 43 new products. We are energising our Indian operations to achieve in years to come a faster growth by covering newer therapeutic segments and a combination of specialists and extensive coverage of General Physicians.

Wockhardt - Europe Business consolidates, with UK Business crossing £100 million mark

In Europe we have bucked the trend. We have retained our market share and improved profitability despite a tough environment.

Wockhardt UK achieved a significant milestone as sales exceeded £100million for the first time. The launch of eight new products further consolidates our position as the largest Indian generics company in the UK.

Pinewood in Ireland showed exemplary growth compared to a negative industry growth in the face of an economic downturn and mandatory price reduction by the government. However, our profitability doubled. In France, the Negma business has been restructured.



Wockhardt's R&D focussed on sustainable value creation

New ways of thinking will prepare us for the next phase of our growth journey. We are setting new and challenging targets for ourselves - at the personal, team and corporate level.

We use science and technology to develop medicines that improve the quality of life of millions of people. Wockhardt chooses to work with and develop high-technology solutions such as offering patented extended release products and recombinant biotechnology products. It is here that we create the greatest value. Over 50 products in the US and Europe are expected to be approved in the next 18 months and many more products are under development and await filing in the coming year.

You will be delighted to know that the Government of India conferred on Wockhardt, the Pharmexcil Award for the maximum number of patents filings and grants for the 2nd consecutive year. Last year alone, we filed an additional 150 global patent applications. We are determined to create a very valuable pool of our intellectual capital and protecting them through global patents.

Operational Excellence across value chain

One of the key factors in the company's overall improved financial performance this year has been due to its ability to reduce overall costs,

create manufacturing efficiencies through improved automation and better management of inventories. Indeed, 'Team Wockhardt' has developed a new way of thinking for its operational efficiencies resulting into higher margins, better quality and increased availability of products.

IT enabled solutions are greatly applied in Wockhardt and our IT team was awarded the TOP 100 CISO Award 2011 in recognition for using information security technology in innovative ways to deliver business value. It also bagged the Best SAP Application Lifecycle Management Excellence Award 2011 for healthcare in the Indian subcontinent.

As the world becomes increasingly networked the understanding that one company will have capabilities throughout the value chain, is becoming challenging. Companies have to think differently and develop new approaches, new strategies for growth. That includes the ability to build and manage collaborations. This demands a different set of management skills. These are the skills, which Wockhardt is developing to fuel growth.

Wockhardt's CSR endeavour - touches lives of 800,000 people

While we are ambitious, we understand that the role of business is to make profit while remaining connected with the community and society. We are doing precisely the same. We are actively involved in Corporate Social Responsibility

activities through Wockhardt Foundation. We have touched lives of nearly 800,000 people through our various CSR programmes. We are also striving to do more by bringing mobile medical clinics to over 25 million people in inaccessible rural villages with the support of society and public participation in the next 5 years.

The concept of 'New Wockhardt : new way of thinking' is inspired by two related thoughts. Wockhardt is a business in transition. It has achieved international scale and now positioned to begin a new and exciting phase of its growth journey. During the past year there has been focus within Wockhardt of looking for new ways of working and new ways to touch people's lives. This journey of growth will continue this year and in years to come.

Each and every stakeholders of our company; Wockhardt Associates, shareowners, medical community, financial and other business associates have participated in this journey for growth. On behalf of my board and myself I would like to profusely thank all our stakeholders for their involvement and support.



Dr. Habil Khorakiwala
Chairman

12 September, 2011