

CHAIRMAN'S SPEECH

SIXTEENTH ANNUAL GENERAL MEETING

12th September, 2015

WE WIN.
LIFE WINS.



WOCKHARDT | **LIFE WINS**



Dr. Habil Khorakiwala
Founder Chairman



My dear shareowners,
friends and distinguished guests,

I welcome you to the 16th Annual General Meeting of Wockhardt Limited.

It is indeed fortunate that we are in a business that directly touches lives. As a research-based global pharmaceutical company, our every endeavour is aimed at making a difference in



people's lives. It has been a satisfying journey where we have emerged victorious on several fronts. For Wockhardt, winning is all about life. Be it winning patents for new products, winning awards for excellence, winning accolades for social initiatives, or winning the loyalty and support of all stakeholders, when we win, life wins. Life Wins is a corporate philosophy that we have assimilated into our work culture and are driven by it. It inspires us to do the right thing in the right manner for the right reasons. Life Wins is a value system that characterises our business and reflects our objectives. Life Wins is a strong conviction that motivates us to excel and surpass ourselves.

Financial Year 2014-15: The Highlights

Let me briefly review the year gone by. In FY 2014-15, we posted consolidated revenues of ₹ 4481 crore and a Profit After Tax of ₹ 405 crore. Our Net Debt increased to ₹ 437 crore as compared to ₹ 206 crore in FY 2013-14. Currently, Net Debt to Equity Ratio is 0.12 as compared to 0.05 as on March 31, 2014. Our US business declined by 49% and our Irish market declined by 10%.



But there are several positives too. Our UK business grew by 46% and the India business grew by 24%. We filed 14 ANDAs with US FDA and launched 42 new products in India. And the most positive development has been for our New Drug Discovery Programme. In FY 2014-15, we received the coveted Qualified Infectious Disease Product (QIDP) status by US FDA for two of our new anti-infective drugs under development, followed by QIDP status for one more new drug under development in May 2015. QIDP status allows for fast track review, paves the way for an early launch, and also grants a 5 year extension to the drug patents in USA. It is a matter of great pride that your Company is not only the first Indian pharmaceutical company to receive QIDP status for a drug under development, but also the first pharmaceutical company in the world to receive QIDP status for three breakthrough drugs under development. It is indeed a momentous development that validates our constant focus on Research & Development and gives us ample reason to be highly optimistic about the future.

Compliance: Strategy & Results

The regulatory challenges that we have been



facing were addressed on a war footing. I am happy to inform you that we have made tremendous progress towards achieving regulatory compliance. Our strong focus on and heavy investment in people, processes and technology to streamline manufacturing and quality control has paid off. We expanded our quality team by almost 40% and brought in senior leadership in manufacturing and quality. We increased our levels of automation and put in over 82,000 hours of training. The results are gratifying. GMP certification by UK MHRA for our Chikalthana and Kadaiya facilities has been restored and we have commenced supplies to the UK. US FDA visited our Chikalthana & Waluj facilities. Efforts are underway to overcome all regulatory challenges and we are confident that we will achieve full compliance soon.

Research & Development: Driving The Future

Your Company has always believed that R&D is crucial to the future of the organisation. That is why, year after year, we increase our expenditure on R&D by investing substantially on talent and technology. In terms of R&D spends as a percentage of total sales, we not only lead the



industry but also set new benchmarks. At ₹ 515 crore, our investment in R&D of 11.5% of total sales in FY 2014-15, is almost 14% higher than our expenditure on R&D of ₹ 450 crore at 9.3% of total sales in FY 2013-14. After all, like Neil Armstrong said, "Research is creating new knowledge." At Wockhardt, around 850 scientists and technicians across three state-of-the-art R&D facilities in India, UK and USA, are engaged in ground-breaking research that contributes richly to Wockhardt's Intellectual Property (IP) base. In FY 2014-15, 267 patents were filed and 82 patents were won, taking cumulative patents filed to 2268 and patents won to 341. Of course, as I mentioned earlier, our New Drug Discovery Programme receiving breakthrough discovery status by US FDA for three new drugs under development in the antibiotics space, is a tremendous achievement. Research & Development will continue to be our focus that will drive sustainable growth and create enduring value.

CSR: A Novel Initiative

When it comes to corporate social responsibility, I paraphrase Bill Gates who said, "Effective social



service requires a lot of time and creativity - the same kind of focus and skills that building a business requires." At Wockhardt, Corporate Social Responsibility has always been about leveraging our strengths, knowledge and resources to improve and enhance the quality of life of the underprivileged. It goes beyond statutory compliance and is a deep commitment towards the communities around us. We have always used a novel approach to find solutions that are simple, effective and practical. Like our Mobile 1000 vans that visit remote areas providing basic health services, Toy Libraries, Skill Development Institute, Shuddhu water purification tablets, Bio-Toilets etc. This financial year, our CSR activities have managed to touch over 21 million lives. This year, we also initiated a unique social project by adopting a village named Abdimandi near Aurangabad. Modeled along the Adarsh Gram Yojana, the objective is to develop it into an ideal community that has everything and lacks nothing. We aim to achieve a community with 100% health, sanitation, literacy, education, employment and infrastructure like roads, power, water etc. We hope to develop a self-sustaining model community that would set the benchmark for others to follow.



Team Wockhardt: Performance Par Excellence

I take this opportunity to congratulate and reiterate my appreciation of Team Wockhardt worldwide. Over 10,000 Wockhardians spanning 6 continents and 21 nationalities represent the global organisation that is Wockhardt. In an amazing demonstration of their passion for excellence, Team Wockhardt has accounted for the laudable achievement of winning 54 awards, both individually and on an organisational level. Amongst these is the commendable achievement of being featured in the 'Great Place to Work' Survey, 2015. Great Place to Work[®] is a US based global organisation that has been conducting research to identify the 'Best Companies to Work for' in more than 50 countries for the past 25 years. I am pleased to inform you that your Company has been Ranked No. 1 in the healthcare industry, Ranked No. 3 for unique initiatives and is placed amongst the Top 100 overall, in this prestigious survey.

I will conclude by echoing Mahatma Gandhi's words, "The future depends on what you do today." We have the right people and processes in place. We are determined to be positive and are

committed to our vision. And we have a lot to look forward to.

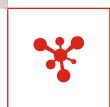
Finally, I and the Board of Directors would like to place on record our sincere thanks to all Wockhardt shareowners, associates, the medical and financial communities, and our vendor associates for their support, cooperation and good wishes.

God bless us all.



Dr. Habil Khorakiwala

Founder Chairman





GLOBAL HEADQUARTERS

Wockhardt Limited

Wockhardt Towers

Bandra Kurla Complex

Bandra (East), Mumbai - 400 051

Maharashtra, India

Tel: +91 22 2653 4444

Fax: +91 22 2652 3905

REGISTERED OFFICE

Wockhardt Limited

D-4, MIDC, Chikalthana

Maharashtra - 431 006, India

Tel: +91 240 6632222

Fax: +91 240 2489219



Wockhardt Bio AG

Grafenauweg 6

6300 Zug

Switzerland

Tel: +41 41 727 5220

Fax: +41 41 727 5221

www.wockhardtbio.com



Wockhardt Towers

Bandra Kurla Complex

Bandra (East), Mumbai - 400 051

Maharashtra, India

Tel: +91 22 2653 4444

Fax: +91 22 26522727

www.wockhardtfoundation.org

