



WOCKHARDT'S TRANSFORMATION

Amongst the Top 3 Indian Pharma Companies

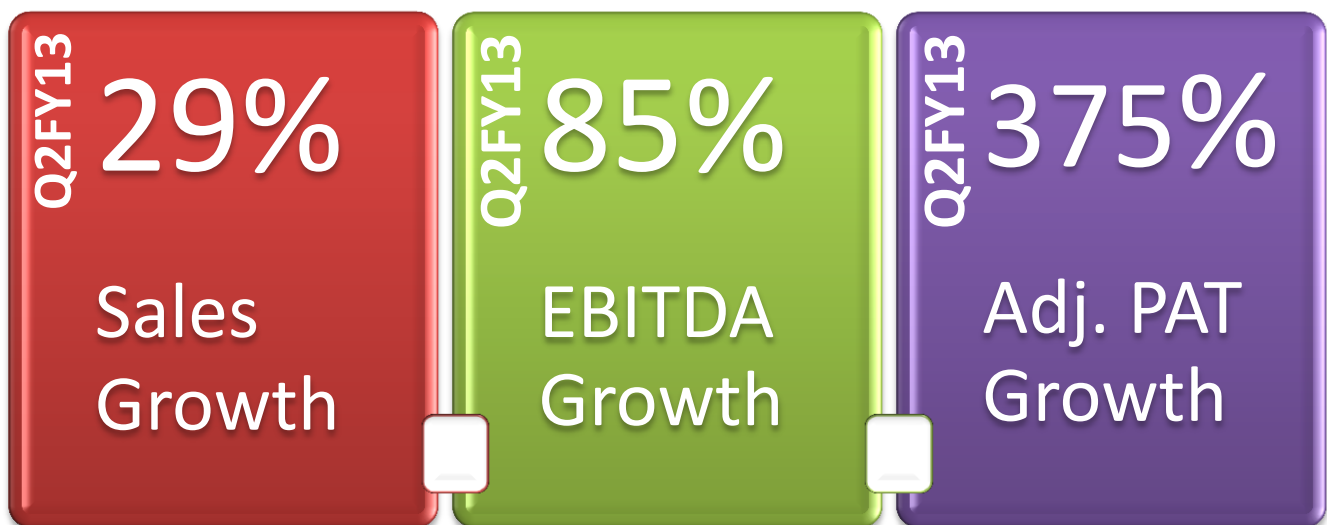
with

375% Growth* in Adjusted Profit After Tax at Rs.447 crores

85% Growth* in EBITDA at Rs. 517 crores

29% Growth in Revenues at Rs. 1347 crores

in 2nd Quarter of 2012-13



** The Growth on Profit After Tax and EBITDA are based on like to like comparison with the previous year as explained in note on the following page.*

Note

During the current quarter, the company completed the sale of Nutrition Business to Danone and realized an amount of Rs.1280 crores for the same. Further, the company has recorded a gain of Rs. 1187 crores against the same.

The management has reassessed the recognition criteria for capitalization of research & development cost based on its most recent experience of regulatory approvals, clinical trials, economic uncertainties, industry experience and business plans. This review indicates the recognition criteria may not be met till the time regulatory approvals are received. Hence, the company has applied the revised criteria to its developments costs. Accordingly, the Company:

- a. has expensed off the carried forward cost of intangible asset and products under development as at June 30, 2012 amounting to Rs. 437 crores, to the profit and loss account under the head “Exceptional Item”
- b. has charged to the Statement of Profit and Loss, product development expenditure incurred during the quarter July to September 2012 amounting to Rs. 48 crore under respective expense heads.

During the quarter, company has tested carrying value of goodwill on consolidation at Wockhardt France (Holding) S.A.S for impairment. The impairment testing indicated that the carrying value of goodwill was higher than its recoverable value and hence, during the quarter, the company has recorded an impairment loss with respect to the entire goodwill amounting to Rs. 621 crores, as exceptional item.

This document makes a like to like comparison for the current and previous periods and hence the previous periods have been adjusted for the following

- a. Nutrition business financials &
- b. Research & Development expenses.

A more detailed working has been given on page 6 of this document. The balance sheet as at September 30th, 2012 is as reported and considers the reduction of Nutrition Business and R&D assets.

BUILDING STRENGTH

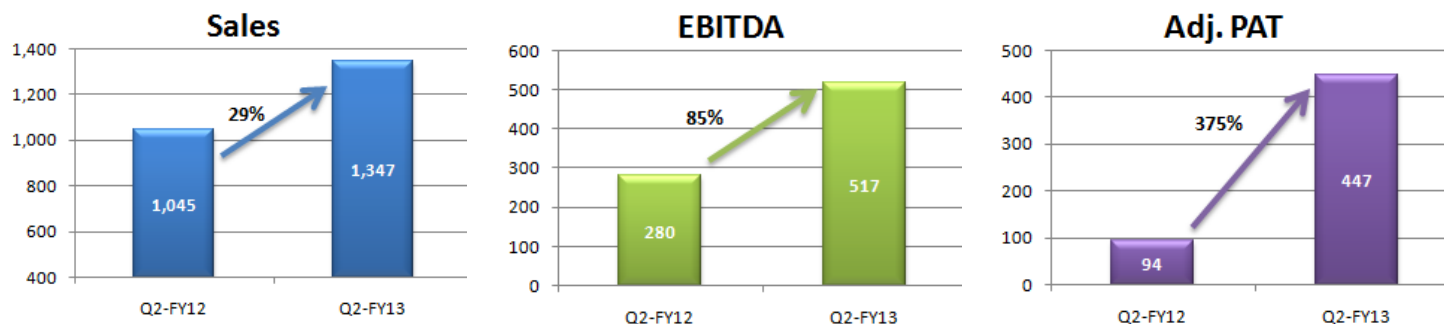
(STRONG PERFORMANCE, STRONG BALANCE SHEET, STRONG CASH FLOWS)

Sales	<ul style="list-style-type: none">• Q2FY13 at Rs. 1347 crores with growth of 29% over same period in the previous year
EBITDA	<ul style="list-style-type: none">• Q2FY13 at Rs. 517 crores with growth of 85% over same period in the previous year• Margins at 38.4% for Q2FY13 compared to 26.8% in Q2FY12
Adj. PAT	<ul style="list-style-type: none">• Q2FY13 at Rs. 447 crores with growth of 375% over same period in the previous year• Margins at 33.2% for Q2FY13 compared to 8.4% in Q2FY12
Balance Sheet	<ul style="list-style-type: none">• Net Debt to Equity now at 0.5 : 1• ROCE* at 31% & RONW* at 58%• Free Cashflow from Operation - H1FY13 at Rs. 520 cr.• EPS* - H1FY13 at Rs. 71

INVESTOR COMMUNICATION – NOV 2012

* Based on Adjusted PAT & Adjusted EBIT

PERFORMANCE HIGHLIGHTS Q2FY13 vs. Q2FY12



Sales at Rs.1347 crores.

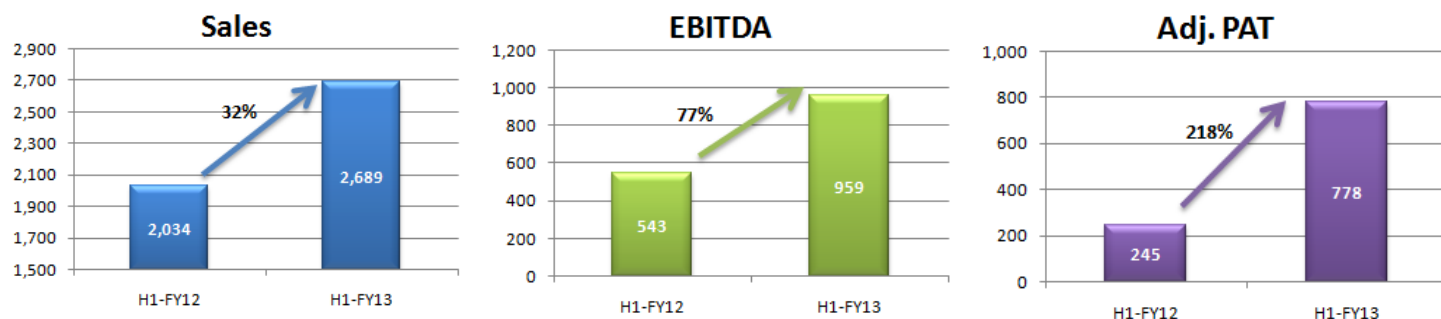
EBITDA Margins at 38.4%.

PAT Margins at 33%.

- Consolidated revenues at Rs.1347 crores in Q2FY13 versus Rs.1045 cores in Q2FY12, year-on-year growth of 29%.
 - USA Business grows by 47% (22% in \$ terms)
 - Europe Business (Other than France) grows by 24% (France declines by 36%)
 - India & Emerging Markets Business grows by 19%
- Gross Margins at 70% in Q2FY13 versus 62% in Q2FY12
- EBITDA at Rs. 517 crores in Q2FY13 versus Rs.280 crores in Q2FY12, year-on-year growth of 85%.
- EBITDA margins at 38.4% in Q2FY13 versus 26.8% in Q2FY12.
- R&D Expenses at 6.3% to Sales in Q2FY13 and growth of 74% over Q2FY12
- Adjusted Profit After Tax* at Rs. 447 crores in Q2FY13 versus Rs. 94 crores in Q2FY12, year-on-year growth of 375%.

**Details of Adjusted Profit After Tax is as given in the Financial Highlights on Page 6.*

PERFORMANCE HIGHLIGHTS H1FY13 vs. H1FY12



Sales at Rs.2689 crores.

EBITDA Margins at 35.7%.

PAT Margins at 29%.

- Consolidated revenues at Rs.2689 crores in H1FY13 versus Rs.2034 cores in H1FY12, year-on-year growth of 32%.
 - USA Business grows by 61% (33% in \$ terms)
 - Europe Business (Other than France) grows by 22% (France declines by 30%)
 - India & Emerging Markets Business grows by 15%
- Gross Margins at 67% in H1FY13 versus 64% in H1FY12
- EBITDA at Rs. 959 crores in H1FY13 versus Rs.543 crores in H1FY12, year-on-year growth of 77%.
- EBITDA margins at 35.7% in H1FY13 versus 26.7% in H1FY12.
- R&D Expenses at 5.6% of Sales in H1FY13 and growth of 34% over H1FY12.
- Net Interest cost stands at around 4.5% on an annualized basis.
- Free Cash Flow from Operations for H1FY13 at Rs.520 crores
- Adjusted Profit After Tax* at Rs. 778 crores in H1FY13 versus Rs. 245 crores in H1FY12, year-on-year growth of 218%.

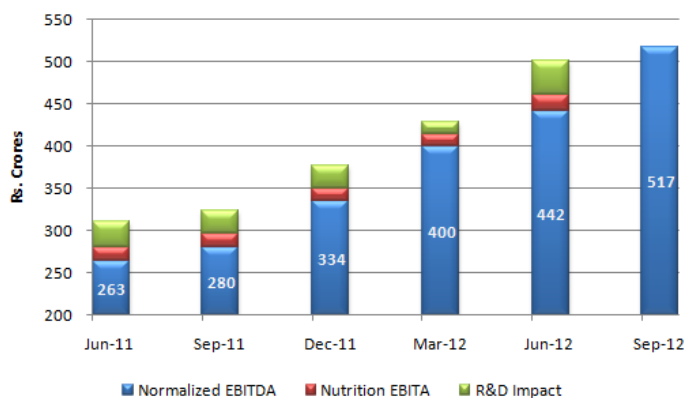
**Details of Adjusted Profit After Tax is as given in the Financial Highlights on Page 6.*

Normalizing Previous Periods

Following is a reconciliation of the reported EBITDA & PAT of the previous periods with the normalized EBITDA & PAT.

		Rs. crore							
Particulars		H1FY13	Q2FY13	Q1FY13	FY12	Q4FY12	Q3FY12	Q2FY12	Q1FY12
A	Sales Reported	2,773	1,347	1,426	4,614	1,241	1,209	1,111	1,053
	Less : Nutrition Business Sale	84		84	264	65	68	66	65
	Normalized Sales	2,689	1,347	1,341	4,350	1,176	1,142	1,045	988
	Growth (over corresponding prev year)	32.2%	29.0%	35.7%					
B	EBITDA Reported	1,019	517	502	1,440	429	376	323	311
	EBITDA Margins on Reported Sales	36.8%	38.4%	35.2%	31.2%	34.6%	31.1%	29.1%	29.5%
	Less :								
	1. Nutrition Business EBITDA	(19)		(19)	(63)	(14)	(16)	(16)	(17)
	2. Impact of Product Dev. Exps.	(41)		(41)	(99)	(15)	(26)	(27)	(31)
	EBITDA Normalized	959	517	442	1,278	400	334	280	263
Growth (over corresponding prev year)	76%	85%	68%						
EBITDA Margins on Normalised Sales	35.7%	38.4%	32.9%	29.4%	34.0%	29.3%	26.8%	26.6%	
C	PAT Reported	831	453	378	343	(192)	213	128	194
	PAT Margins on Reported Sales	30.0%	33.6%	26.5%	7.4%	-15.5%	17.6%	11.5%	18.4%
	Less :								
	1. Nutrition Business PAT	(15)	(3)	(12)	(42)	(9)	(11)	(11)	(12)
	2. Impact of Product Dev. Exps.	-	41	(41)	(99)	(15)	(26)	(27)	(31)
	PAT Normalized to above	816	491	325	201	(216)	176	90	151
	Add :								
	1. Impact of Exceptional Items	(38)	(44)	6	604	602	(1)	3	0
PAT Normalized (Adj. to Excp'nal Items)	778	447	331	805	385	175	94	151	
Growth (over corresponding prev year)	218%	375%	119%						
PAT Margins on Normalised Sales	28.1%	33.2%	23.2%	17.5%	31.1%	14.5%	8.4%	14.4%	

Breakup of Reported EBITDA



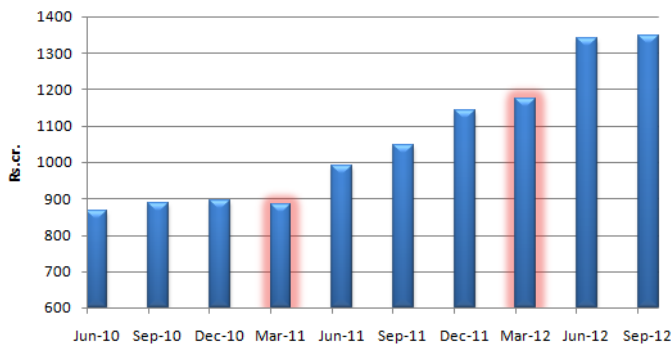
R&D Impact

		Rs. crore							
Particulars		H1FY13	Q2FY13	Q1FY13	FY12	Q4FY12	Q3FY12	Q2FY12	Q1FY12
a.	Product Dev. Expenses Capitalized	91	48	43	153	48	33	29	43
b.	Less : Product Dev. Exps. w/off	(2)	(1)	(1)	(54)	(33)	(7)	(2)	(12)
c.	Net Impact on EBITDA	88	47	41	99	15	26	27	31
d.	Other Revenue R&D Expenses	52	30	23	75	27	13	16	19
e.	Other Capital R&D Expenses	8	7	2	20	9	5	4	3
f.	Total R&D Expenses (a + d + e)	151	84	67	248	84	51	49	64
	R&D Exp. as % to Sales (Normalized)	5.6%	6.3%	5.0%	5.7%	7.2%	4.5%	4.6%	6.5%

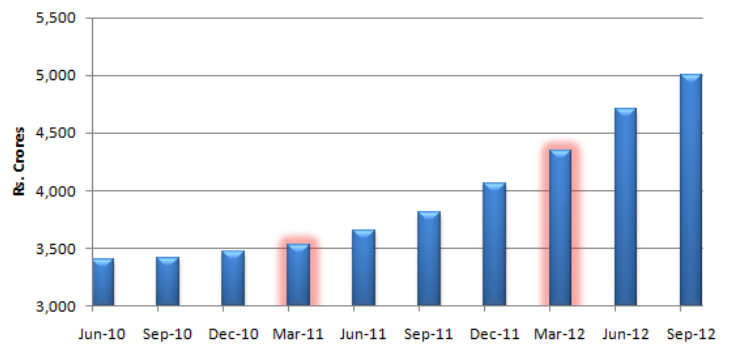
Continued Quarter on Quarter Sustainable Performance

6th Consecutive Quarter of Sales (excluding Nutrition Business) Growth & 10th Consecutive Quarter of TTM Sales (excluding Nutrition Business) Growth

Quarterly Sales Excluding Nutrition

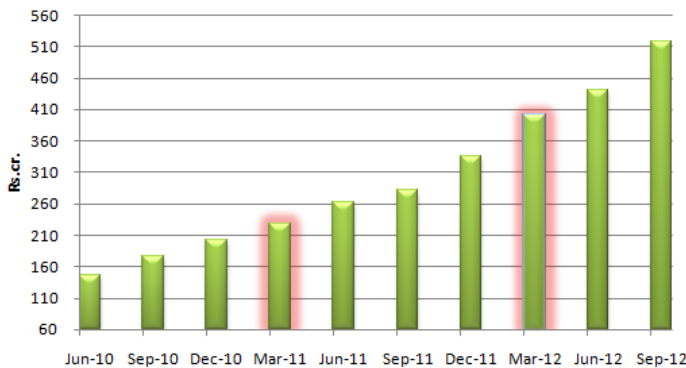


TTM Sales Excluding Nutrition

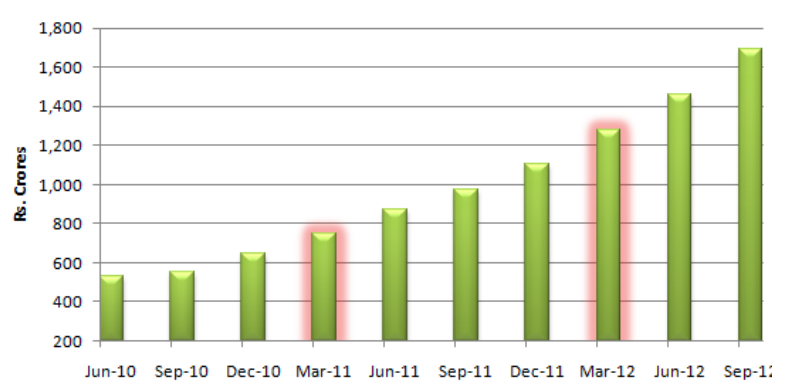


11th Consecutive Quarter of sequential growth in EBITDA (Normalized)

Quarterly EBITDA Normalized



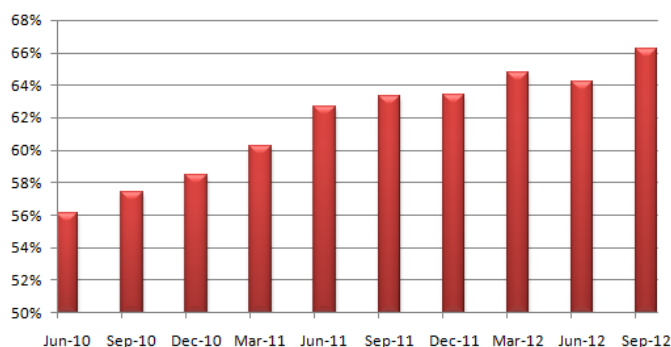
TTM EBITDA Normalized



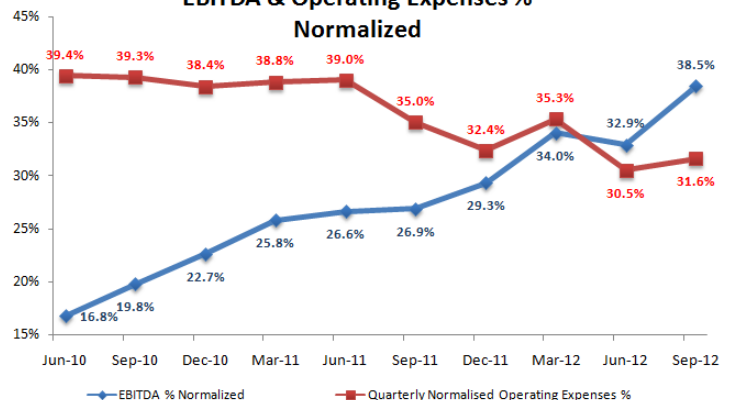
Gross Margins consistently above 60% from Mar-11 on a TTM basis

Operational Excellence continues on a quarter on quarter basis

TTM Gross Margin % Normalized



EBITDA & Operating Expenses % Normalized



* TTM = Trailing Twelve Months

Business Highlights

- **International operations**

- at Rs.1081 crores, contributes **80%** of global revenues **for the quarter** with growth of **37%**
- at Rs.2180 crores, contributes **81%** of global revenues **for 1st half** with growth of **41%**

- **US Business**

- At Rs.645 crores **for the quarter** and Rs.1298 crores **for 1st half**.
- contributes **48%** of global revenues **for the quarter and 1st half** with growth of **47% (22% on \$ basis) and 61% (33% on \$ basis)** respectively
- **7** product **approvals** received and **4** products were **launched during the quarter**. Cumulative approvals of **8** products and **8** product launches **during 1st half of FY13**.
- Exclusivity for LEC expired in Sep-2012. All 5 strengths launched thereafter.
- Entacapone launched on October 1st as a sole Authorised Generic.

- **Europe Business**

- At Rs.297 crores (excluding France) **for the quarter** and Rs.609 crores (excluding France) **for 1st half**.
- Grows by **24%** (excluding France) **for the quarter and 1st half**. France declined by 36%.
- Growth in **UK** markets at **26%** (**7%** on **£** basis) **for the quarter and 29%** (**9%** on **£** basis) **for 1st half**.
- **3rd** largest generic company and **2nd** largest in the hospital segment in UK.
- **2** new products were launched during the quarter in the UK market. Cumulatively **6** products launched in UK in FY13.
- Growth in Irish market at **32%** (**24%** on **€** basis) **for the quarter and 24%** (**16%** on **€** basis) **for 1st half**. Pinewood continues to be the largest generic company in the country with Market Share of 30%.

- **India & Emerging Markets Business**

- India Business (excluding nutrition business) grows by **4%** **for the quarter and 1st half**. The field force for the India Branded Business was restructured during the quarter. The company expects to get the benefit for the same in the following quarters.
- **Emerging Markets** Business grows by **92%** **for the quarter and 58%** **for 1st half**.

AWARDS

<p>PHARMEXCIL AWARD for highest no. of Patents filed For the 4th year in a row</p>	<p>WOCKHARDT</p>
<p>DIANA AWARD Healthcare Distribution Management Association (HDMA) USA</p>	<p>WOCKHARDT USA Inc.</p>
<p>FROST & SULLIVAN India Healthcare Excellence Awards Lifetime Achievement Award</p>	<p>CHAIRMAN – DR. HABIL KHORAKIWALA</p>
<p>INVESTORS IN PEOPLE AWARD</p>	<p>WOCKHARDT UK</p>
<p>ICICI INDIA INCLUSIVE AWARD under the Corporate Category for Best Social Work in Primary Health</p>	<p>WOCKHARDT FOUNDATION</p>
<p>CLO AWARDS INDIA Tata Institute of Social Sciences for the Best Mobile Learning Program</p>	<p>WOCKHARDT</p>
<p>BEST CORPORATE WEBSITE Association of Business Communicators of India</p>	<p>WOCKHARDT</p>
<p>MOST PROMISING BUSINESSWOMAN IN INDIAN BUSINESS</p>	<p>ZAHABIYA KHORAKIWALA MANAGING DIRECTOR WOCKHARDT HOSPITALS</p>
<p>INDUCTION in the ARCH C. KLUMPH SOCIETY as its MEMBERS - a recognition of unflinching support for major social projects</p>	<p>CHAIRMAN-DR. HABIL KHORAKIWALA & MRS. NAFISA KHORAKIWALA</p>

Financials

Consolidated P&L

Rs. Crore

Particulars	Q2-FY13	Q2-FY12	Growth %	H1-FY13	Growth %	FY12
Revenues from Operations	1,347	1,045	28.9%	2,689	32.2%	4,351
Material Consumption	403	398	1.3%	894	21.3%	1,535
Gross Margins	944	647	45.9%	1,795	38.4%	2,816
Gross Margin %	70.1%	61.9%		66.8%	4.7%	64.7%
Staff Cost	151	111	36.0%	288	21.0%	543
R&D Expenses	77	45	71.1%	143	34.9%	228
Other Expenditure	199	211	-5.7%	405	-1.2%	767
Total Expenditure	830	765	8.5%	1,730	16.0%	3,073
EBITDA	517	280	84.6%	959	76.6%	1,278
EBITDA Margin	38.4%	26.8%		35.7%	33.6%	29.4%
Interest & Financing Cost						
a. Interest	43	40	7.5%	89	-9.2%	214
b. (Income)/Expense due to Exchange Rate Fluctuation	-37	43		-18		21
Depreciation	31	26	19.2%	59	-4.8%	116
Other Income	17	3		26		23
Profit/(Loss) Before Tax before exceptional items	497	174	185.9%	855	148.5%	950
Exceptional Item Profit/(Loss)	80	-68		73		-528
Profit/(Loss) before Tax	577	106	444.5%	928	236.2%	422
Provision for Taxation	194	19		253		49
Deferred Taxation	-108	2		-142		173
Profit/(Loss) After Tax	491	85	477.8%	817	244.7%	200
Add: Share of Profit/(Loss) from Associates	0	5		-1		1
Net Profit/(Loss)	491	90	445.8%	816	238.6%	201
Net Profit Margin %	36.5%	8.6%		30.3%		4.6%
Adjustments:						
Divestment (Profit)/Loss	-1,187			-1,187		
France Restructuring (Profit) / Loss		-17				-100
Settlement / Derivatives		86				134
CDR Recompense	12			19		160
Goodwill write off (Negma - France)	621			621		333
R&D Write off	419			419		
Others Exceptional items	56			56		
Tax impact of above	35	-12		34		-70
Deferred Tax impact of above		-53				147
Adjusted PAT	447	94	375.5%	778	217.5%	805
Adjusted PAT Margin %	33.2%	9.0%		28.9%		18.5%

The Net Profit for Q2FY13 is higher by Rs.41 crores compared to reported profit. The same represents the Product Development expenses of Q1FY13 which has been charged off under exceptional items in the reported financials of Q2FY13, however, has been restated in Q1FY13 in this document.

		Rs. Crore			
EQUITY & LIABILITIES	Sep-12	Mar-12	ASSETS	Sep-12	Mar-12
Shareholders Funds	🚩 2,294	1,471	Non Current Assets		
			a. Fixed assets	1,716	2,140
Non Current Liabilities			b. Goodwill on consolidation	🚩 713	1,333
a. Long-term borrowing	🚩 2,458	2,706	c. Non-current investments	50	91
b. Deferred tax liabilities (net)	-	101	d. Deferred tax assets (net)	44	-
c. Other long-term liabilities	-	-	e. Long-term loans and advances	181	208
d. Long-term provisions	93	85	f. Other non-current assets	-	-
	2,551	2,892		2,704	3,772
Current Liabilities			Current Assets		
a. Short-term borrowing	🚩 157	261	a. Inventories	1,022	889
b. Trade payables	🚩 620	541	b. Trade receivables	863	759
c. Other current liabilities	894	978	c. Cash and bank balances	🚩 1,938	700
d. Short-term provisions	210	111	d. Short-term loans and advances	199	134
	1,881	1,891		4,022	2,482
Total - Equity & Liabilities	6,726	6,254	Total - Assets	6,726	6,254

🚩 Indicates improvement in position

Balance Sheet Highlights

- Balance Sheet has further strengthened compared to Mar-2012.
 - ✓ Cash balance on hand of Rs.1938 crores.
 - ✓ Net Debt reduces significantly to Rs.1149 crores.
 - ✓ Current Net Debt to Equity ratio stands at 0.5.
 - ✓ Reduction of intangibles.
 - ✓ Net Operating Working Capital (Inventory + Debtors – Trade Payables) remains at 25% to Sales.

Key Ratios

Return On Capital Employed (EBIT / Capital Employed)	31% *
Return on Net-Worth (PAT / Networth)	58% *
Net Debt to Equity (Net Debt / Equity)	0.5
Net Operating Working Capital to Sales	25%*
EBITDA to Net Debt	1.5*
Interest Coverage Ratio (EBIT / Interest)	8.1*

*Based on Trailing Twelve months Sales, Adjusted EBITDA, Adjusted EBIT and Adjusted PAT

Business Review

US Operations

USA continues to be the largest overseas business for Wockhardt and contributed 48% of the Global Revenues compared to 42% in the same period previous year. Revenues from the US Business were at Rs.645 crores in Q2-FY13 versus Rs.439 crores in Q2-FY12, representing a growth of 47% in INR terms and a growth of 22% in USD terms. Revenues for H1FY13 stood at Rs.1298 crores compared to Rs.805 crores in H1FY12, representing a growth of 61% in INR terms and a growth of 33% in USD terms.

- 8 new products were launched during H1FY13 of which 4 products were advanced technology products. The benefits of these products will be visible in the coming quarters.

Europe Operations

Europe Operation contributed 25% of the Global Revenues. Revenues from EU Operations (excluding France) were at Rs.297 crores in Q2-FY13 versus Rs.240 crores in Q2-FY12, representing a growth of 24% in INR terms. Revenues (excluding France) stood at Rs. 609 crores in H1FY13 versus Rs. 498 crores in H1FY12, representing a growth of 22% in INR terms. Revenues from French Operations were at Rs. 35 crores in Q2-FY13 versus Rs. 54 crores in Q2-FY12, representing a degrowth of 36% in INR terms. The revenues stood at Rs. 86 crores in H1FY13 versus Rs. 122 crores in H1FY12 for the French Operations, representing a degrowth of 34% in INR terms.

UK Operations (including Pinewood's UK business) revenues were at Rs.228 crores in Q2-FY13 versus Rs.181 crores in Q2-FY12 representing a growth of 26% in INR terms and growth of 7% in GBP terms. The same were at Rs.462 crores in H1FY13 versus Rs.359 crores in H1FY12 representing a growth of 29% in INR terms and a growth of 9% in GBP terms.

Irish Business revenues were at Rs.53 crores in Q2-FY13 versus Rs.40 crores in Q2-FY12 representing a growth of 32% in INR terms and a growth of 24% in Euro terms. The same were at Rs.109 crores in H1FY13 versus Rs.88 crores in H1FY12, representing a growth of 24% in INR terms and a growth of 16% in Euro terms. Pinewood continued to show strong performance during the quarter despite a degrowing Irish market. Irish market saw changes brought in by the Department of Health w.r.t allowing generic substitution and reference pricing. Pinewood is well geared to take the challenge of the changing market scenarios.

India (excluding Nutrition Business) & Emerging Markets

India (excluding Nutrition Business) and Emerging Markets contributed 28% of the global revenues. Revenues from India (excluding Nutrition Business) and Emerging Markets were at Rs.371 crores in Q2-FY13 versus Rs.311 crores in Q2-FY12 representing a growth of 19%.

- Branded Formulation business grew by 3% during the quarter. The field force for the India Branded Business was restructured during the quarter. The company expects to get the benefit for the same in the following quarters.
- Emerging Markets business grew by 92% during the quarter. The segment continues to grow steadily with exports to the region from India and Europe growing significantly during the quarter.

Financial Highlights

During the quarter, the company made significant progress in restructuring its financial liabilities.

- FCCB liabilities were fully repaid.
- An application for exit from CDR was made to the CDR lenders.
- Free Cash Flow from Operations – at Rs.520 crores in H1FY13
- Reduction in Indian Debt to Rs.935 crores.
- Net Interest cost stands at around 4.5% on an annualized basis.
- Net Debt to Equity now stands at 0.50 : 1

About Wockhardt

Wockhardt is a high-technology intensive global pharmaceutical and biotechnology company with multi-disciplinary and innovative R&D programmes. It has 3 research centres globally and manufacturing facilities across India, USA, UK and Ireland. Wockhardt has a significant presence in USA, Europe and India, with 80% of its global revenues coming from international businesses. With a large pool of Patents and Intellectual Property knowhow, Wockhardt is home to 578 scientists, of whom 80 are doctorates. In all, Wockhardt has 169 Patents granted worldwide. In biotechnology research, it has built a competent 'Concept to Market' capability in all facets of development and manufacture of recombinant biopharmaceuticals. Wockhardt boasts of a multi-ethnic workforce of more than 7900 people from 21 different nationalities.

Disclaimer

Except for historical information contained herein, statements in this communication, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward looking statements”. These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Wockhardt Limited does not undertake any obligation to update forward looking statements to reflect events or circumstances after the date thereof.

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Please click on the following link for earlier investor communications

<http://www.wockhardt.com/Files/Investor-Communication.pdf>