



Sales

- Q4FY14 at Rs. 1038 crore, decline of 30% over Q4FY13.
- FY13-14 at Rs. 4830 crore, decline of 14% over FY12-13

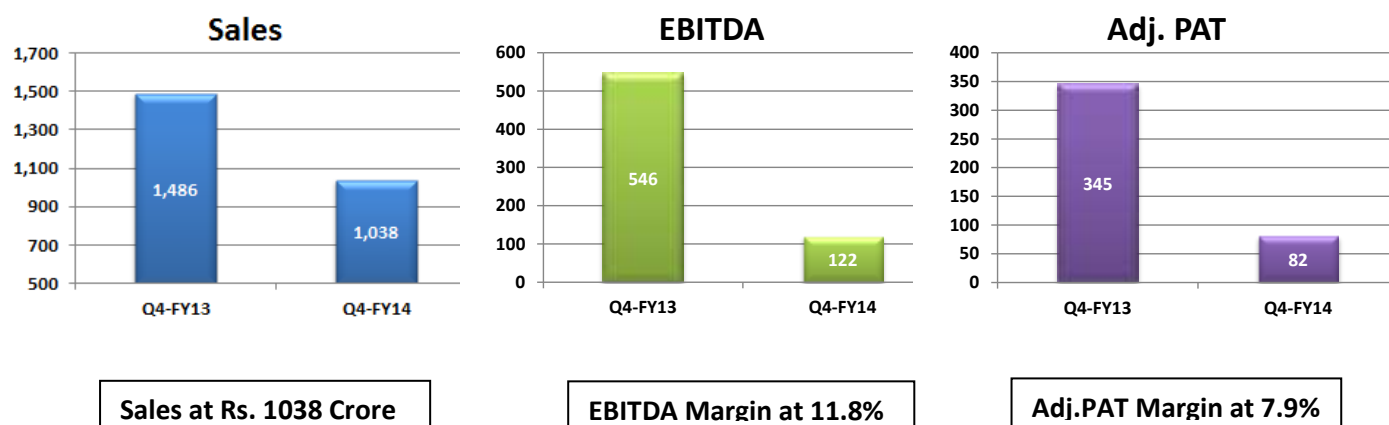
EBITDA

- Q4FY14 at Rs. 122 crore, decline of 78% over Q4FY13.
- FY13-14 at Rs. 980 crore, decline of 52% over FY12-13.
- Margins at 11.8% for Q4FY14 compared to 36.7% in Q4FY13 and at 20.3% for FY13-14 compared to 36.5% in FY12-13.

Adj. PAT

- Q4FY14 at Rs. 82 crore, decline of 76% over Q4FY13.
- FY13-14 at Rs. 789 crore, decline of 48% over FY12-13.
- Margins at 7.9% for Q4FY14 compared to 23.2% in Q4FY13 and at 16.3% for FY13-14 compared to 27.2% in FY12-13.

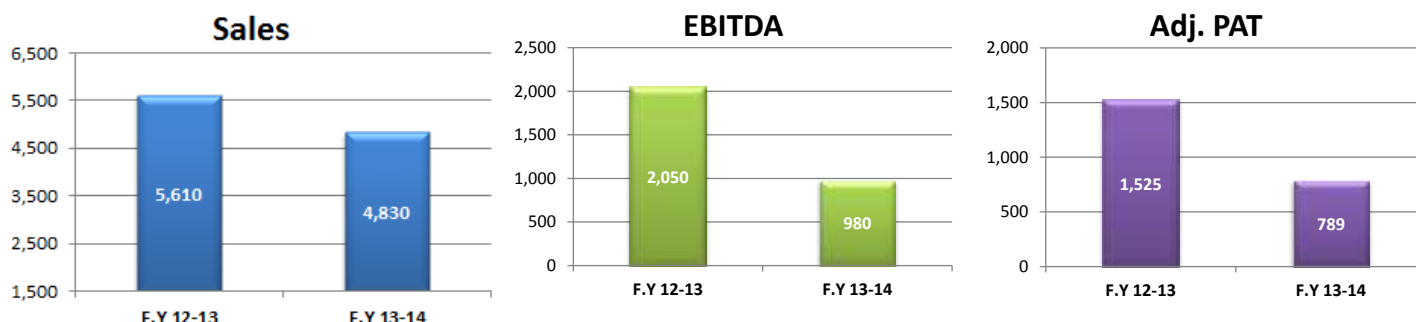
PERFORMANCE HIGHLIGHTS Q4FY14 vs. Q4FY13



- Consolidated revenues at Rs.1038 crore in **Q4FY14** versus Rs.1486 cores in **Q4FY13**, year-on-year decline of **30%**.
 - USA Business declines by **56%** (**60%** in \$ terms)
 - Europe Business (excluding France) declines by **3%** (France grows by **106%**)
 - India & Emerging Markets Business declines by **0.5%**, India Business **flat** during Q4FY14.
- Gross Margins at **62.8%** in **Q4FY14** versus **73.4%** in **Q4FY13**
- EBITDA at Rs. **122** crore in **Q4FY14** versus Rs. **546** crore in **Q4FY13** declines **78%**.
- EBITDA margins at **11.8%** in **Q4FY14** versus **36.7%** in **Q4FY13**.
- R&D Expenses at **10.7%** of Sales in **Q4FY14**.
- Adjusted Profit After Tax * at Rs. **82** crore in **Q4FY14**.

** Details of Adjusted Profit After Tax is as given in the Financial Highlights on Page 5.*

PERFORMANCE HIGHLIGHTS FY13-14 vs. FY12-13



Sales at Rs. 4830 Crore

EBITDA Margin at 20.3%

Adj. PAT Margin at 16.3%

- Consolidated revenues at Rs.**4830** crore in **FY13-14** versus Rs.**5610** cores in **FY12-13**, year-on-year decline of 14%.
 - USA Business declines by **26%** (**31%** in \$ terms)
 - Europe Business (excluding France) flat for FY 13-14 (France grows by **6%**)
 - India & Emerging Markets Business declines by **3%**; India Business grows by **2%**.
- Gross Margins at **62.8%** in **FY13-14** versus **69.5%** in **FY12-13**
- EBITDA at Rs. **980** crore in **FY13-14** versus Rs. **2050** crore in **FY12-13**, declines **52%**.
- EBITDA margins at **20.3%** in **FY13-14** versus **36.5%** in **FY12-13**.
- R&D Expenses at **9.3%** of Sales in **FY13-14** and growth of **20%** over **FY12-13**.
- Adjusted Profit After Tax at Rs. **789** crore in **FY13-14**.

**Details of Adjusted Profit After Tax is as given in the Financial Highlights on Page 5.*

Business Highlights

- **International operations**

- at Rs.807 crore, contributes **78%** of global revenues **for Q4FY14**, declines by **36%**
- at Rs.3832 crore, contributes **79%** of global revenues **for FY13-14**, declines by **17.2%**

- **US Business**

- At Rs. **367** crore **for the quarter** and at Rs. **2150** crore **for FY13-14**
- contributes **35%** of global revenues **for Q4FY14** with decline of **56% (60% on \$ basis)**
- contributes **45%** of global revenues **for FY13-14** with decline of **26% (31% on \$ basis)**

- **Europe Business**

- At Rs. **303** crore (excluding France) **for Q4FY14** and at Rs. **1235** crore **for FY13-14**
- Declines by **3%** (excluding France) **for Q4FY14**. France grows by 106%.
- Excluding France Flat **for FY13-14**. France grows by **6%**.
- Decline in **UK** markets at **6%** (decline by 16% **£** basis) for **Q4FY14**. Growth of **3%** (Decline of 4% on **£** basis) in **FY13-14**.
- 3rd largest generic company and 1st in the hospital segment in UK.
- Launched 4 products during FY14 in UK
- Irish market decline by **12%** (25% on **€** basis) **for Q4FY14**. Declines by **15%** (**25%** on **€** basis) in **FY13-14**.
- **4** new products launched during **Q4FY14** and **12** launches during **FY14** in the Irish market.

- **India & Emerging Markets Business**

- **India Business** (excluding nutrition business) **flat for Q4FY14** and growth by **2%** in **FY13-14**
- **Emerging Markets (Including India)** Business declines by **0.5%** for **Q4FY14** and declined by **3%** in **FY13-14**

Financials

Consolidated P&L

Rs. Crore

Particulars	Q4-FY14	Q4-FY13	Growth %	FY14	Growth %
Revenues from Operations	1,038	1,486	-30.1%	4,830	-13.9%
Material Consumption	386	396	-2.5%	1,796	5.0%
Gross Margins	652	1,090	-40.2%	3,034	-22.2%
Gross Margin %	62.8%	73.4%		62.8%	-9.6%
Staff Cost	167	140	19.3%	664	13.5%
R&D Expenses	101	130	-22.3%	403	13.8%
Other Expenditure	262	274	-4.4%	987	8.3%
Total Expenditure	916	940	-2.6%	3,850	8.1%
EBITDA	122	546	-77.7%	980	-52.2%
EBITDA Margin	11.8%	36.7%		20.3%	
Interest & Financing Cost					
a. Interest	16	60	-73.3%	83	-61.4%
b. (Income)/Expense due to Exchange Rate Fluctuation	-12	26		-46	
Depreciation	34	33	3.0%	140	14.8%
Other Income	8	11		38	
Profit/(Loss) Before Tax before exceptional items	92	438	-78.7%	841	-51.6%
Exceptional Item Profit/(Loss)	-9	-10		50	
Profit/(Loss) before Tax	83	428	-80.3%	891	-51.5%
Provision for Taxation	-5	103		2	
Deferred Taxation	12	-10		46	
Profit/(Loss) After Tax	76	335	-77.0%	843	-46.6%
Add: Share of Profit/(Loss) from Associates	0	0		0	
Less: Minority Interest	1	0		2	
Net Profit/(Loss)	75	335	-77.3%	841	-46.7%
Net Profit Margin %	7.2%	22.6%		17.4%	
Adjustments:					
Divestment (Profit)/Loss					
CDR Recompose					
French Litigation Award				-170	
Inventory writeoff & Product Recall Costs				114	
R&D Write off					
Goodwill write off (Negma - France)					
Others Exceptional items	9	10		6	
Tax impact of above	-2			-2	
Deferred Tax impact of above					
Adjusted PAT	82	345	-76.3%	789	-48.3%
Adjusted PAT Margin %	7.9%	23.2%		16.3%	

Business Review

US Operations

USA business for Wockhardt contributed 35% of the Global Revenues in Q4FY14 compared to 56% in the Q4FY13. Revenues from the US Business were at Rs. 367 crore in Q4FY14 versus Rs. 830 crore in Q4FY13, representing a decline of 56% in INR terms and 60% in USD terms.

The business contributed 45% of the Global Revenues in FY13-14 compared to 52% in FY12-13 with revenues at Rs.2150 crore in FY13-14 compared to Rs. 2899 crore in FY12-13 representing a decline of 26% in INR terms and 31% in USD terms.

Wockhardt continued focus on R&D has resulted in filing of 10 ANDA's during the quarter taking the total ANDA's pending for approval to 62.

Europe Operations

Europe Operation (including France) contributed 34% of the Global Revenues in Q4FY14 and 23% in FY13-14. Revenues from EU Operations (excluding France) were at Rs.303 crore in Q4FY14 and at Rs.1235 crore in FY13-14, representing a decline of 3% in INR terms in Q4FY14 and flat in FY13-14. Revenues from French Operations were at Rs.49 crore in Q4FY14 and at Rs.145 crore in FY13-14, versus Rs.24 crore in Q4FY13 and Rs.137 crore in FY12-13, representing a growth of 106% in INR terms in Q4FY14 and a growth of 6% in FY13-14.

UK Operations (including Pinewood's UK business) revenues were at Rs.226 crore in Q4FY14 and at Rs.964 crore in FY13-14, versus Rs.240 crore in Q4FY13 and Rs.940 crore in FY12-13, representing a de growth of 5.6% in INR terms in Q4FY14 and growth of 3% in FY13-14. 4 New Products were launched in UK Market during FY13-14.

Irish Business revenues were at Rs.43 crore in Q4FY14 and at Rs.176 crore in FY13-14, versus Rs.49 crore in Q4FY13 and Rs.207 crore in FY12-13, representing a decline of 12% in INR terms in Q4FY14 and a decline of 15% in FY13-14. During the quarter, the company launched 4 products and 12 launches for FY14 in the Irish Market.

India & Emerging Markets

India and Emerging Markets contributed 31% of the global revenues in Q4FY14. Revenues from India and Emerging Markets were at Rs.319 crore in Q4FY14 and at Rs.1300 crore in FY13-14,

versus Rs.321 crore in Q4FY13 and Rs.1341 crore in FY12-13, representing a decline of 0.5% in Q4FY14 and decline of 3% in FY13-14.

- India Business flat during Q4FY14 and grew by 1.9% for FY13-14
- Emerging Markets business declined by 1.7% during the quarter and by 16.4% in FY13-14.
- 7 New products launched in Domestic Market during Q4FY14 and 26 new products launched in Domestic Market during FY13-14.

Financial Highlights

Key Balance Sheet Items

Particulars	Mar-14	Mar-13
a. Fixed assets	2,152	1,754
b. Goodwill on consolidation	850	726
c. Other Assets	264	233
d. Cash, Bank balances, Liquid Investment	1,700	1,096
e. Net Current Assets	1,071	1,412
Total Assets	6,037	5,221
a. Shareholders funds	3,718	2,704
b. Loans	1,906	2,070
c. Other liabilities	413	446
Total Liabilities	6,037	5,221

- ✓ Net Debt to Equity now at 0.05 as against 0.36 as of 31st Mar 2013.
- ✓ Free Cash Flow (before Capex) generation of over Rs.1322 crore during FY13-14. Free Cash Flow (before Capex) for Q4FY14 at Rs.202 crores.
- ✓ Capital Expenditure of Rs.359 during FY13-14 and at Rs.52 crores for Q4FY14.
- ✓ R&D expenses at 10.7% of Sales in Q4FY14 and at 9.3% of Sales in FY13-14

Status Update on Recent Events

The status on the Import alerts on the Chikalthana and Waluj facility remains unchanged. The Companies effort to put the remediation measures in place continues.

About Wockhardt

Wockhardt is a highly technology intensive global pharmaceutical and biotechnology company. It's multi-disciplinary and innovative R&D programmes globally are strongly focused on creating Intellectual Properties. 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 79% of its global revenues coming from international businesses. With a large pool of Patents and Intellectual Property knowhow, Wockhardt is home to 607 scientists, of whom 80 are doctorates. In all, Wockhardt has 259 Patents granted worldwide. In biotechnology research, it has built 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 8600 people from 21 different nationalities.

Disclaimer

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