



Wockhardt Limited
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July 29, 2003

Dear Shareowners,

This is an exciting time to address you once again. We have just declared our second quarter financial results for the period ending 30 June, 2003. And we also recently achieved a major milestone in our continued path of progress.

Your company recorded a **Net Profit of Rs. 35 crores** for the second quarter of 2003, up **13%** compared to the corresponding period in 2002.

Profit After Tax, as a percentage of sales, improved to **17.2%** during the quarter compared to 15.9% in the second quarter of 2002.

Income from Operations amounted to **Rs. 203 crores**, posting a **5%** growth.

Wockhardt maintained **margins at 20.5%**, despite increased expenditure on research and development.

Our focus and efforts in the international markets have continued to reap good results. Wockhardt posted a robust **36%** growth in **exports** during the quarter by leveraging the India advantage that we enjoy. Exports stood at **Rs. 68 crores** for the quarter. Exports of formulations grew by 38% and active pharmaceutical ingredients (APIs) by 34%. Wockhardt also made **eight new filings** in US and Europe during 2003.

Domestic growth was led by **Power Brands**, which improved their market shares and posted a **16%** growth during the quarter. Pain management product Spasmo-Proxyvon entered the list of India's top 50 pharmaceutical brands during the quarter and Winofit became the largest anti-oxidant brand in the country.

On the research front, our new chemical entity (NCE), **WCK-1152**, indicated for respiratory tract infections, is undergoing **pre-clinical trials**.

Your company has always been in the forefront of recognising and creating value. In July, Wockhardt made a significant strategic move – **we acquired UK-based firm CP Pharmaceuticals**.

I am happy to announce that with the acquisition of CP Pharmaceuticals, **Wockhardt is now the largest Indian pharmaceutical company in the United Kingdom and one of the top 10 generic players in that country**.

CP is a fully integrated pharmaceutical firm with four key business areas - hospital brands, generics, contract manufacturing and exports. It has long-standing established relationships with the UK hospital market and National Health Service purchasing authorities, and with major distribution groups.

Wockhardt recognised a lot of hidden value in CP Pharmaceuticals. CP has 225 UK marketing authorisations and 258 foreign marketing authorisations, many of which are not fully exploited. It also provided Wockhardt with an opportunity to expand business into Europe, and gave easy access to the Middle-East and African countries with UK registrations. Wockhardt will also be able to optimise CP's manufacturing alliances; besides leveraging our R&D and cost-effective manufacturing capabilities.

With a combined business of over 50 million sterling pounds in the UK, Wockhardt now has a critical size to penetrate the larger market of the European Union. Our international business now accounts for 53% of the sales turnover.

Today, as a **Rs. 1,100 crore** - strong company with a **global vision** and **strong fundamentals** of research, innovation and customer focus, we are moving ahead confidently into the new patent regime.

I thank you for your continued support and good wishes. Wishing you and your family all the very best from Wockhardt.

Yours cordially,

Habil Khorakiwala
Chairman

Wockhardt becomes No. 1 Indian Pharma company in UK

- ~ India's largest overseas pharma acquisition
- ~ Access to over 225 products with UK marketing authorisations
- ~ International business contributes 53%

"Wockhardt joins the list of Top 10 generic pharmaceutical companies in the United Kingdom with the acquisition of CP Pharmaceuticals in Wrexham, UK.

Wockhardt's UK business now exceeds 50 million sterling pounds per year and will provide a sound platform for strengthening its position in UK and, in the near future, in Europe."



Habil Khorakiwala
Chairman

QUARTER HIGHLIGHTS

- ▲ International business up 36%
- ▲ Power Brands grow 16%
- ▲ R&D investment up 21%

WOCKHARDT LIMITED - UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2003

(Rs. in Million)

Quarter Ended 30/06/2002	% To Sales	Particulars	Quarter Ended 30/06/2003	% To Sales	% Growth	Six Months Ended 30/06/2002	Six Months Ended 30/06/2003	% Growth
1937	100.0	Sales	2026	100.0	4.6	3590	3536	(1.5)
1460	75.4	Operating Expenditure	1514	74.7	3.7	2702	2770	2.5
80	4.1	R & D Expenditure	97	4.8	21.3	178	203	14.0
397	20.5	EBITDA	415	20.5	4.5	710	563	(20.7)
18	0.9	Interest	18	0.9	-	38	29	(23.7)
32	1.7	Depreciation	38	1.9	18.8	65	79	21.5
5	-	Other Income	8	-	-	6	10	-
352	18.2	Profit Before Tax	367	18.1	4.3	613	465	(24.1)
44	2.3	Provision for Taxation	18	0.9	(59.1)	67	31	(53.7)
308	15.9	Profit After Tax	349	17.2	13.3	546	434	(20.5)
2112	100.0	Consolidated Sales	2205	100.0	4.4	3958	3901	(1.4)
328	15.5	Consolidated PAT	350	15.9	6.7	586	432	(26.3)
363	-	Paid-up Equity Capital	363	-	-	363	363	-

Financial year of Wockhardt Limited is Jan - Dec

In case you need any further clarification, please do not hesitate to write to our Investor Service Cell, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or E-mail at rgandhi@wockhardt.com

Please do visit our corporate website www.wockhardt.com