



Wockhardt Limited
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July 26, 2004

Dear Shareowners,

Every quarter brings in new opportunities for growth in creating value for our shareowners.

I take this opportunity to share with you some of the highlights of your company's performance in the second quarter of the year that will accelerate our global growth.

Wockhardt's board of directors met in Wrexham, UK to take on board the company's financial results for the second quarter of 2004. This is perhaps the first board meeting of any Indian pharmaceutical company in the UK.

The board gave its approval for two significant proposals aimed at furthering Wockhardt's globalisation plans. It agreed in principle to **list Wockhardt securities in USA and convert the GDR into ADR**. The board also gave an in-principle approval **for acquisitions in Europe to the tune of US\$100 million**.

In its **financial results for the second quarter ended June 30, 2004**, Wockhardt Limited posted a **Consolidated Net Profit of Rs. 50 crores** for the second quarter, recording a **43%** increase over the corresponding period in 2003. **Consolidated Revenue** for the quarter posted a **37%** growth at **Rs. 289 crores**. **Profit After Tax**, as a percentage of sales, improved to **17.3%** during the quarter from 16.6% in the second quarter of 2003. **Operating Margins** improved by **350 basis points** to **24%**.

Wockhardt's Consolidated Income stood at Rs. 578 crores for the six months ended June 30, 2004, posting a 55% growth. Profit After Tax grew by 119% to Rs. 95 crores for the first half and Operating Margins improved by 620 basis points to 22%. Operating Profit at Rs. 127 crores recorded a 115% growth in the first half.

International Business spearheads Wockhardt's expansion plans :

International business grew by **87%** during the second quarter. The European Union and US together accounted for as much as 80% of Wockhardt's international business.

● European Union emerges as Wockhardt's largest market

In May, Wockhardt **acquired the sales and marketing organisation of German pharmaceutical company esparma, GmbH**. The acquisition signalled our entry into the German market and the strengthening of our presence in the European Union. esparma has a sizeable portfolio of 135 marketing authorisations and also has nine international patents and 94 trademarks. Also, its strong presence in urology, neurology and diabetology, is in line with Wockhardt's therapeutic strengths.

Our European business is poised to grow on the back of a series of steps to integrate operations of Wockhardt UK and esparma Germany with Wockhardt's global supply chain. Our operations in the UK witnessed the **launch of Wockhardt UK Limited**. The integration of our UK businesses will help create a brand equity for Wockhardt in the UK market. Wockhardt has also promoted Mr. Sirjiwan Singh as Managing Director of its UK operations.

● US FDA approvals of our manufacturing plans

The second quarter also saw the **Centre for Drug Evaluation & Research, an arm of the US Food & Drug Administration (US FDA), approve Wockhardt's sterile injectable facility as well as facilities for sterile bulk drugs** (active pharmaceutical ingredient) **and formulations** located in India. The approvals have come in a record time of five months after the very first inspection. The speedy approvals from US FDA of our plants at Aurangabad, Waluj and Ankleshwar, in the first attempt, is a tribute to Wockhardt's meticulous commitment to world-class quality and adherence to good manufacturing practices. This has become part of our work culture in our pursuit of globalisation.

All this has been possible by the intellectual capital and efforts of Wockhardians across the globe working towards one common goal. I am grateful for your unstinting support and good wishes in our endeavour.

Warm regards,

Habil Khorakiwala
Chairman

Wockhardt's increasing presence in US and European markets...



- ◆ Establishes US subsidiary - Wockhardt USA Inc.
- ◆ Acquires esparma of Germany, the third European acquisition
- ◆ Consolidates Wallis Laboratory and CP Pharmaceuticals into Wockhardt UK Limited
- ◆ 80% of International Business comes from US and Europe

QUARTER HIGHLIGHTS

- ▲ Net Profit up by 43%
- ▲ Sales grow by 37%
- ▲ Operating Margins grow by 350 basis points
- ▲ International Business grows by 87%

WOCKHARDT LIMITED - CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND MAT ENDED 30TH JUNE, 2004

(Rs. in Million)

MAT Ended 30/6/2003	% To Sales	MAT Ended 30/6/2004	% To Sales	% Growth	Particulars	Quarter Ended 30/6/2004	% Growth	Quarter Ended 30/6/2003
7659	100	11466	100	49.7	Sales	2892	37.1	2110
6437	84.0	8991	78.4	39.7	Operating Expenditure	2201	31.0	1680
1222	16.0	2475	21.6	102.5	EBITDA	691	60.7	430
70	0.9	1	-	(98.6)	Interest	38	100.0	19
201	2.6	341	3.0	69.7	Depreciation	88	79.6	49
18	-	72	-	-	Other Income & Extra Ordinary Item	4	-	6
969	12.6	2205	19.2	127.7	Profit Before Tax	569	54.6	368
72	0.9	265	2.3	268.1	Provision for Taxation	68	277.8	18
897	11.7	1940	16.9	116.3	Profit After Tax	501	43.1	350
363	-	545	-	-	Paid-up Equity Capital	545	-	363
8.24	-	17.81	-	116.1	Earning Per Share (Rs.)	4.60	43.0	3.22

Financial year of Wockhardt Limited is Jan - Dec

MAT = Moving Annual Total

In case you need any further clarification, please 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