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October 29, 2007

Dear Shareowners,

I must admit that it is heartening to note how your confidence in Wockhardt has grown stronger and stronger each passing year. And as we stand here at the threshold of an ebbing 2007, I see ourselves successfully nearing the goal of 'Wockhardt becoming a \$ 1 Billion Company.'

Wockhardt is committed to consistently increasing shareholder value. For the third quarter ended 30th September 2007, our robust performance is attributed to a blend of organic & inorganic growth. And we expect this trend to continue. We are fully focussed to create value from our recent acquisitions from Negma in France and Pinewood in Ireland.

#### Our main performance highlights for Q3 - 2007

- ◆ Net profits up by 46.4% at Rs. 108 crores, crosses the 100 crore mark for second consecutive quarter
- ◆ Revenues increased by 68.5% to Rs. 738 crores with international operations contributing to 70% of revenues, growing rapidly by 122%
- ◆ EBITDA up by 86.3% to Rs. 181 crores
- ◆ Operating margins increased by 24.5% showing an improvement of 230 basis points
- ◆ 20 new products launched worldwide
- ◆ 54 patents filed / 153 filed for YTD

#### A huge Interim dividend declared

The board of directors have declared an interim dividend of 175%, i.e. Rs. 8.75 per equity share. As mentioned earlier, proof of increasing shareholder value.

#### Consolidation, integration and value-creation - key words for our growth and success

Wockhardt has consistently demonstrated value-creation in all its acquisitions. To fast track the same, Wockhardt has recently appointed an external consultant to integrate its various European acquisitions and drive a pan-European strategy. I am proud to say that all our European companies are profit accretive.

#### Wockhardt acquires Morton Grove in the US

In a space of one year, this is our third acquisition and a total of six international acquisitions overall, till date. Briefly, let me put this acquisition in perspective. Wockhardt has acquired Morton Grove Pharmaceuticals Inc., a leading US based liquid generic and speciality dermatology company with sales revenues of US\$ 52 million.

Morton Grove is strategic to Wockhardt. It provides entry into the US generic market with a portfolio of 31 products, 13 of which occupy the No. 1 market position. All others are in the Top 3. This represents a clear demonstrable strength in sales and marketing. Wockhardt now has a strong position in the liquid market in USA and UK. With this acquisition, we complete the full range of dosage forms right from tablets, capsules and liquids to injectibles. Overall, the product range will swell to around 54 products for the US market, of which Wockhardt USA Inc. is currently marketing 23 products.

Lastly, on behalf of every Wockhardian here in India and overseas, we are happy to have you with us on this wonderful journey. I would also like to take this opportunity to wish you and your families a very Happy Diwali. May this festival of lights usher in the brightness of love, joy and peace in our homes and the world around us. God bless you.

Warm regards,

Habil Khorakiwala  
Chairman



# Wockhardt

## Breaking News

### Acquires Morton Grove in the US

- ~ A leading liquid generic and speciality dermatology company
- ~ Sales of \$52 million with 31 products in the market
- ~ 13 products in No. 1 position. Others in Top 3

- ◆ Net Sales up by 68.5%
- ◆ EBITDA up by 86.3%
- ◆ Interim dividend of 175% declared

#### QUARTER HIGHLIGHTS

- ▲ Net Profits up by 46.4%
- ▲ Operating Margins at 24.5%, improves by 230 basis points
- ▲ 20 new products launched worldwide

#### WOCKHARDT LIMITED - CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND MAT ENDED 30TH SEPTEMBER 2007

(Rs. in Million)

MAT Ended 30/09/2006	MAT Ended 30/09/2007	% Growth	Particulars	Quarter Ended 30/09/2007	% To Sales	% Growth	Quarter Ended 30/09/2006	% To Sales
15685	24176	54.1	<b>Sales</b>	7381	100.0	68.5	4380	100.0
12052	18466	53.2	Operating Expenditure	5572	75.5	63.5	3409	77.8
3633	5710	57.2	<b>EBITDA</b>	1809	24.5	86.3	971	22.2
(140)	597	(526.4)	Interest	268	3.6	(5460.0)	(5)	(0.1)
507	761	50.1	Depreciation	196	2.7	39.0	141	3.2
604	-	-	Extra Ordinary Item	-	-	-	-	-
2662	4352	63.5	<b>Profit from Operations</b>	1345	18.2	61.1	835	19.1
139	151	-	Other Income	26	-	-	61	-
530	862	62.6	Provision for Taxation	288	3.9	84.6	156	3.6
2271	3641	60.3	<b>Profit After Tax</b>	1083	14.7	46.4	740	16.9

Financial year of Wockhardt Limited is Jan - Dec

MAT = Moving Annual Total

In case you need further clarification, please write to our Investor Service Cell, Wockhardt Limited, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or E-mail : rgandhi@wockhardt.com

Please do visit our corporate website [www.wockhardt.com](http://www.wockhardt.com)