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Dear Shareowners,

It is always a pleasure to share about your company's performance and growth. We have just announced the **consolidated audited financial results** for the **quarter and year ended December 31, 2003**. Indeed, this has been a year that has propelled Wockhardt into new orbits.

#### ◆ Fourth Quarter 2003 Performance

Wockhardt Limited recorded a **300%** improvement in **Net Profit at Rs. 50 crores** over the fourth quarter of 2002. **Operating Margins** more than doubled to **19.9%**. **Sales** grew **53%** to **Rs. 297 crores**.

#### ◆ Year 2003 Highlights

The year 2003 saw us crossing **two key milestones**. Wockhardt became Asia's first and the world's fourth manufacturer of recombinant insulin. We acquired CP Pharmaceuticals of UK in one of the industry's largest overseas acquisitions, making Wockhardt the No.1 Indian pharmaceutical company in UK.

Wockhardt's **Consolidated Annual Sales** amounted to **Rs. 980 crores** in 2003, showing a **21%** growth over 2002. **Net Profit** for the year improved by **36%** to **Rs. 143 crores**. **Operating Profit** rose **28%** to **Rs. 179 crores** and **Operating Margins** expanded by **100 basis points**.

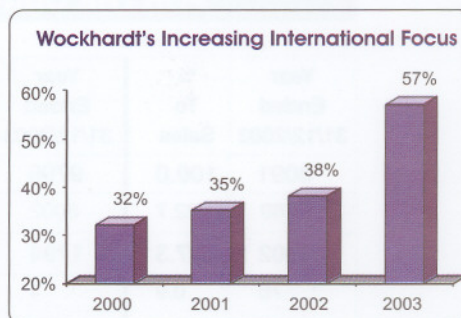
Continuing its thrust on research, Wockhardt invested **Rs. 60 crores** on **R&D** during the year, amounting to **8%** of turnover.

#### ◆ Enhancing Shareowner Value ... 75% Dividend, 1 : 2 Bonus Shares and Share Split

I am happy to announce that the board of directors has proposed an issue of bonus shares on the basis of **one new share for every two existing shares** and an enhanced **75% dividend**. It also recommended **splitting the face value of shares from Rs. 10 to Rs. 5**, subject to shareowner approval. This bonus and share split will boost liquidity and marketability of shares. The bonus issue reflects our robust performance in 2003 and our confidence to perform in the emerging global pharmaceutical market.

#### ◆ International Business ... propelling Wockhardt onto bigger horizons

Wockhardt's International Business surged ahead with the acquisition of CP Pharmaceuticals in July. **International Business** now accounts for **57%** of our consolidated revenues.



Our International Business grew by **64%** in 2003, driven by a **213% spurt in formulation sales in the US**. The two leading markets – US and the European Union – contributed as much as **85%** to international business. In the active pharmaceutical ingredients business, which makes up **15%** of our international business, Wockhardt emerged as the world's second largest player in Vitamin B12.

#### ◆ Domestic Business ... Power Brands lead the way

**India** contributes **43%** to Wockhardt's total revenues. **Wosulin**, our recombinant insulin, has been well received in the market. **Power Brands** contributed to **75% of domestic sales**. **Spasmo-Proxyvon** emerged as the first Wockhardt brand to cross the Rs. 50-crore sales milestone and joined the ranks of the Top 50 brands as per ORG. **Wepox** became the largest erythropoietin brand in volume terms and **Winofit** emerged as India's largest prescribed anti-oxidant. Wockhardt became the first domestic company to get exclusive marketing rights (**EMR**) for a novel anti-infective product - nadifloxacin (Nadoxin Cream).

I greatly appreciate your confidence in Wockhardt's management and I thank you for your continued support and good wishes. It is always our endeavour to look after the interest of you as our shareowner.

Warm regards,

**Habil Khorakiwala**  
Chairman





# Wockhardt's US business\* surges by 200% ...

- ◆ Establishes stronger foothold in US
- ◆ Becomes largest Indian pharmaceutical company in UK
- ◆ International Business now constitutes 57% to total sales
- ◆ Overall Annual Sales Rs. 980 crores, up by 21%
- ◆ Launches Asia's first recombinant insulin - Wosulin
- ◆ First Indian company to receive Exclusive Marketing Rights (EMR) for novel anti-infective

\* Formulation Sales in US

## ANNUAL HIGHLIGHTS

- ▲ Net Profit up by 36%
- ▲ International Business grows by 64%
- ▲ 85% of International Business from US and European Union

## QUARTER HIGHLIGHTS

- ▲ Net Profit up by 299 %
- ▲ Sales up by 53 %
- ▲ Operating Margin doubles

### WOCKHARDT LIMITED - CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST DECEMBER, 2003

(Rs. in Million)

Year Ended 31/12/2002	% To Sales	Year Ended 31/12/2003	% To Sales	% Growth	Particulars	Quarter Ended 31/12/2002	Quarter Ended 31/12/2003	% Growth
8091	100.0	9796	100.0	21.1	<b>Sales</b>	1941	2969	53.0
6689	82.7	8002	81.7	19.6	Operating Expenditure	1751	2377	35.8
1402	17.3	1794	18.3	28.0	<b>EBITDA</b>	190	592	211.6
76	0.9	4	-	(94.7)	Interest	17	(29)	(270.6)
182	2.2	268	2.7	473	Depreciation	52	84	61.5
15	-	74	-	-	Other Income & Extra Ordinary Item	2	67	-
1159	14.3	1596	16.3	37.7	Profit Before Tax	123	604	391.1
108	1.4	171	1.7	-	Provision for Taxation	(3)	101	-
1051	13.0	1425	14.5	35.6	<b>Profit After Tax</b>	126	503	299.2
363	-	363	-	-	Paid-up Equity Capital	363	363	-
3467	-	4626	-	-	Net Worth	-	-	-
28.75	-	39.31	-	36.7	<b>Earning Per Share (Rs.)</b>	6.28	13.86	120.7

Financial year of Wockhardt Limited is Jan - Dec

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](mailto:rgandhi@wockhardt.com)

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