

CHAIRMAN'S SPEECH

FOURTEENTH ANNUAL
GENERAL MEETING
2nd September 2013

JOY OF PERFORMING
TEAM WOCKHARDT



WOCKHARDT
Enhancing Quality of Life



Dr. Habil Khorakiwala
Founder Chairman
& Group CEO

My dear shareowners, friends and distinguished guests,

I welcome you to the 14th Annual General Meeting of your Company, Wockhardt.

I would like to begin by addressing the questions that I am sure are uppermost in your mind with respect to the challenges your Company has been facing in the light of recent events.

We have manufacturing facilities located in India, the US, and in the UK and Ireland. They all adhere to stringent current Good Manufacturing Practice protocols and have also been regularly inspected for over 10 years and have always been found to be fully compliant. The unfortunate observations against one manufacturing facility, have been a complete surprise.

Evidently, it is a case of oversight and deviation from set processes at an operative and supervisory level at the facility in question. Admittedly it is an inexcusable lapse, but we have taken swift and definitive action, both corrective and pre-emptive. These measures will ensure that the operative people in the organisation do not deviate from following the systems and processes laid down.

First, we have appointed a new, highly experienced, senior professional as our Head of Quality reporting directly to the Managing Director.

Secondly, we are working with several international consultants and advisors to establish processes enabling a robust system of compliance that will meet all regulatory norms and requirements.

Thirdly, we are leveraging technology to lay down a system of checks and balances to ensure that operative personnel strictly follow and maintain established processes and protocols mandated. We are deploying enterprise-wide software that will streamline the entire quality and compliance system across all our manufacturing facilities.

Last but not the least; we are initiating, both internally and externally, a comprehensive

compliance training program for all personnel responsible for manufacturing and quality control.

Your Company has always adhered to a corporate philosophy and culture based on transparency, ethics, social responsibility, excellence and a passion for growth. We are going all out to resolve this issue at the earliest.

While these unfortunate events are a setback in the short term, I believe that a long-term perspective will reveal the exciting time that your Company can look forward to in the future.

Historic Performance

My dear stakeholders, let not these recent events overshadow the fact that your Company has posted its best ever performance in FY2012-13.

We have achieved a record growth in sales and profits and are today amongst the top three pharmaceutical companies in India.

We have crossed USD 1 billion in sales in FY2012-13.

We've posted an exponential 365% growth in Profit after Tax; our Operating Profit has registered a growth of 52%, and our Revenues have grown by 29%. An industry-beating Operating Profit Margin of 37.3% only adds to the heartening figures.

Global Growth

Your Company has emerged as a truly global player with international business accounting for a lion's share of 83% of total revenues. The US business contributed 52%, EU business contributed 24%, and other global markets contributed 7%, with the domestic business posting 17%.

Wockhardt's US business grew 52% over FY2011-12, a growth driven by a series of niche products including 2 First-to-File products launched during the year. We also filed 20 new product applications with the USFDA and received 12 product approvals, taking our total product approvals to 130.

I am happy to say that 18 products at No. 1 position and 17 products at No. 2 position amply reflect our performance in the US market.

Wockhardt's EU Business at 24% of total revenues continues to maintain its position as a significant player. We are the largest Indian and 3rd largest generic pharmaceutical company in UK, where we launched 13 new products during the year. I am glad to say that we are also the largest branded generic pharmaceutical company in Ireland, where we launched 25 new products.

Social Impact

Let me now take you from revenue and profits to another important area of business, that of Corporate Social Responsibility. The words of Gautam Buddha aptly describe the thinking behind our CSR activities, "Thousands of candles can be lit from a single candle, and the life of the candle will not be shortened. Happiness never decreases by being shared."

At Wockhardt, CSR is a planned, all-year round activity carried out with business-like discipline and professionalism.

We have been focusing on developing healthy communities with several programmes initiated through Wockhardt Foundation and Wockhardt Hospitals. They include mobile

health vans to visit remote villages; free health screenings and medicines; free cataract surgeries; providing pure drinking water; toy libraries for children etc. The Foundation has screened and treated over 3 million people across urban slums and remote rural villages.

Of course, it's never enough. But as the Dalai Lama says, "Be kind whenever possible. It is always possible."

R&D to drive future growth

Going ahead, I reiterate that we are entering an exciting phase of growth. Global industry reports predict and herald a world of opportunity for research-based pharmaceutical companies like Wockhardt.

As you are aware, Research & Development is core to our business strategy and growth. There are 607 dedicated research scientists and associates across our three state-of-the-art R&D Centres in India, US and UK. They focus on Generics, New Drug Delivery Systems, New Chemical Entities, and Recombinant Biopharmaceuticals.



Till date, our cumulative patent filings number 1,733, with 206 patents granted worldwide. Not surprisingly, your Company has won the Government of India-Pharmexcil Patent Award for the fourth consecutive year.

We have and will continue to file niche and exceptional products; we have aggressive plans for biosimilars; and have some exciting New Chemical Entities in the pipeline.

The global pharmaceutical market is projected to touch USD 1200 billion by 2016. Several blockbuster drugs going off-patent, a growing market for biosimilars, and the tremendous potential of NCEs, signal abundant opportunities for Wockhardt.

With a presence across markets worldwide and a strong focus on R&D, your Company is firmly poised to exploit these opportunities.

Team Wockhardt's Joy of Performing

I quote Mahatma Gandhi who said, "Happiness is when what you think, what you say, and what you do, are in harmony."

And I speak for all 8600 members of Team Wockhardt worldwide when I say that Wockhardt's joy of performing continues to endure and will set the course for a sustainable future. And I will continue to share this joy with all of you.

In conclusion, your Company continues to be in good financial health and we are determined to follow the growth path that we have charted out for ourselves with all the necessary plans in place to achieve these goals.

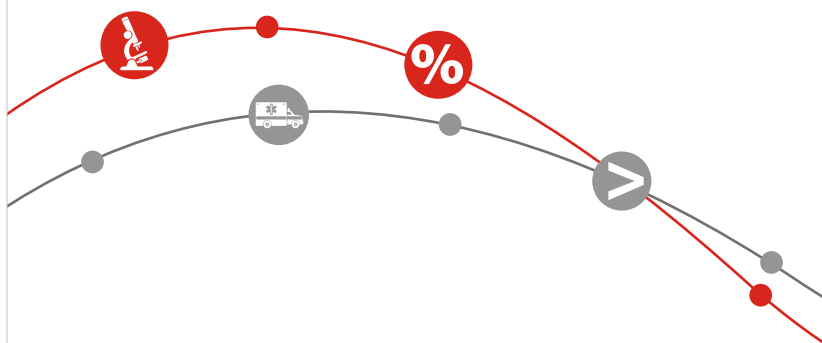
My Board of Directors and I would like to place on record our sincere thanks to all Wockhardt associates, shareowners, the medical and financial communities, and our vendor associates for their support, co-operation and good wishes.

God bless us for the future.

A handwritten signature in blue ink, appearing to read 'Dr. Habil Khorakiwala', with a stylized flourish at the end.

Dr. Habil Khorakiwala

Founder Chairman & Group CEO



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