

CHAIRMAN'S SPEECH

ANNUAL GENERAL MEETING

4th August , 2018



BUILDING THE FUTURE. LIFE WINS.



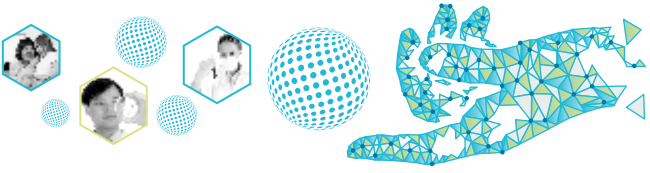
Dr. Habil Khorakiwala
Founder Chairman

My dear shareowners,
friends and distinguished guests,

Welcome to the Annual General Meeting of
Wockhardt Limited.

And welcome to the future.

The future is not something we enter. The future is something that we create. And as you know, your Company embarked on its journey of building the future 50 years ago. We have come a long way since, and it only promises to get better and more fulfilling on the road ahead.



Founded on a clear vision, rooted in innovation and driven by a passion for excellence, our every endeavour, past and present, has always focused on building the future.

But let me address the present before I speak of the future.

Building the Future through Performance

In FY 2017-18, there were several factors that impacted our business. Subdued business sentiments for part of the year and reclassification of taxes post GST implementation in India affected total sales. Cost of ongoing remedial measures and volatility in various currencies like GBP, Euro and USD also impacted our balance sheet.

In FY 2017-18, we posted consolidated revenues of ₹3,937 crore and a negative Profit After Tax of ₹(608) crore. Our Net Debt increased to ₹2,441 crore as compared to ₹1,981 crore in FY 2016-17. Currently, Net Debt to Equity Ratio is 0.86 as compared to 0.59 as on March 31, 2017. Our US business declined by 9% and our UK market declined by 1%. Our Emerging Markets business grew by 18% and our India business de-grew by 1%.

But I would like to point out that while our profitability took a hit due to reasons mentioned before, our performance and productivity hasn't. We launched 12 new products in India. We filed 1 Abbreviated New Drug Application (ANDA) with US FDA and have received 3 new approvals in FY 2017-18, with 70 ANDAs pending approval. We filed 133 patents this fiscal, and won 75 patents, taking cumulative patents filed to 3,037 and patents won to 628.

Also note that while our strategic global R&D initiatives have been reported as expenses in the current year, they are an investment for the future. In FY 2017-18, our total R&D spend including capex accounted for ₹443 crore at 11% of total sales.

Building the Future through R&D

For Wockhardt, Research and Development has long been the defining cornerstone of its vision of building the future. It has always been our deep-rooted conviction that building comprehensive, world-class R&D capabilities was intrinsic to creating lasting value. And it is reflected in our industry-leading investments on R&D as a percentage of total sales, year after year. Today, our 3 R&D facilities in India, UK and USA are involved in cutting-edge research with end-to-end capabilities matched by few in the world.

Also, our visionary decision to focus our New Drug Discovery Programme on antibiotics over 2 decades ago has been satisfyingly vindicated. Given the global concern over rising Antimicrobial Resistance (AMR) in the future, our breakthrough discoveries in developing novel antibiotics, is a significant step in securing the future against AMR.

As you are aware, we have developed 5 New Chemical Entities (NCEs) that have been accorded Qualified Infectious Disease Product (QIDP) status by US FDA. These new antibiotics under development are targeted towards high-mortality infections. They include Hospital-Acquired Bacterial Pneumonia, Ventilator-Associated Bacterial Pneumonia, Bloodstream Infections, Urinary Tract and Respiratory Tract Infections etc.



Wockhardt's antibacterial NCEs have been attracting the attention of the international scientific community and the pharmaceutical industry since 1999. Over the years, Wockhardt's NCEs have been prominently figured through a large number of posters (126), exhibited at prestigious international conferences such as ICAAC (Interscience Conference on Antimicrobial Agents and Chemotherapy); ECCMID (European Congress of Clinical Microbiology and Infectious Diseases); and ID Week, organised by the Infectious Disease Society of America.

All these conferences attract around 10,000 to 15,000 international participants representing Key Opinion Leaders (KOLs), members of academia, leading clinicians, industry scientists, and business development executives, as well as important officials of regulatory agencies such as US FDA and EMEA.

Further, 12 well attended oral presentations have been made at all these conferences highlighting the clinically appealing features of Wockhardt's NCEs. Majority of these oral talks were made by key opinion leaders like Dr. David Livermore, Dr. Robert Bonomo and Dr. Johan Mouton. In addition, 28 full length articles (scientific papers) have appeared in 11 international high-impact journals published from the US and Europe.

As a result of such intensive and high-quality scientific exposition, Wockhardt's NCEs figure prominently in a recent World Health Organisation (WHO) report on the global clinical pipeline of antibacterial drugs, as also annual reports of US-based The Pew Charitable Trusts.

Finally, the US FDA granting QIDP status for all the clinical stage NCEs of Wockhardt is an

endorsement of their potential to address unmet needs in the management of life-threatening infections encountered in hospital as well as community settings. As you know, all 5 antibiotics are effective against Superbugs and have now entered Phase III clinical trials and are expected to be on the world market soon.

To sum up, our R&D efforts, especially in the area of new drug discovery, have brought us to an exciting phase that validates our vision and focus. Steve Jobs said, "If you are working on something exciting that you really care about, you don't have to be pushed. The vision pulls you."

Our vision defines this pull towards drug discovery of antibiotics against Superbugs.

Building the Future through Compliance

As you know, we have 14 manufacturing facilities - 11 in India and one each in the US, UK and Ireland - and about two-thirds of our revenues come from overseas operations. Hence, you can understand that regulatory compliance and approvals are critical to our vision of building the future through our products and services in the markets we operate.

We are constantly investing significant resources to ensure regulatory compliance and are making steady progress. UK MHRA has confirmed compliance with the principles and guidelines of GMP for our manufacturing facilities at L-1, Chikalhana, Aurangabad and Kadaiya, Daman, while HPRA (Health Products Regulatory Authority) Ireland has granted Certificate of GMP compliances to our Shendra, Aurangabad facility. Issues with US FDA are being addressed and are



progressing satisfactorily.

Since 2017, we have been implementing M-CAP, a compliance improvement programme that looks at common Good Manufacturing Practices (cGMP) holistically. It is expected to yield positive results in line with our objectives and address compliance holistically across all manufacturing facilities globally. We now have on board a professional with decades of global experience to head our Quality division worldwide and drive our holistic approach to quality and compliance globally.

Building the Future through Leadership

Building leadership is an essential part of our vision of building the future. We have been inducting global talent from some of the most respected companies across the world. Our global talent acquisition spans the functional roles of Quality, Research, Regulatory, Manufacturing, Sales, Marketing etc. with a focus on development and retention of this valuable human capital. We invest significant resources to develop and maintain a leadership cadre with the bandwidth to ably lead the organisation into the future.

Building the Future through De-Risking

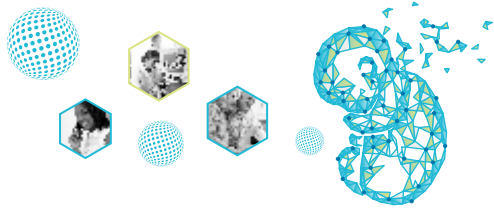
De-risking the business is a strategic component of our vision of building the future. By outsourcing some key functions like third party manufacturing and some components of the drug discovery and development process, we gain significant cost and time efficiencies. This also gives us the opportunity to focus more on our core competencies and thus enhance productivity.

For instance, we outsourced the sterilising of WCK 5107, Cefepime, and filing of WCK 5222 to four external manufacturers and two contract testing laboratories. Project SURGE was initiated to outsource manufacturing of products to supply for the US market. The product scope was defined with 15 products identified based on their business potential. In FY 2017-18, 3 new approvals for ANDAs and 5 site transfer approvals were received in the US market by transferring technology to contract manufacturing organisations and obtaining approval from US FDA. The rest are at various stages of technology transfer, filing with US FDA and awaiting approvals for already filed products.

Building the Future through Excellence

Team Wockhardt - around 9,000 people across 27 nationalities spanning 6 continents worldwide - is one of the building blocks of Wockhardt's vision of building the future. Year after year, Team Wockhardt has been consistently recognised and acknowledged, and their journey of excellence continues in FY 2017-18. It has won more than 60 awards and accolades at various fora for exceptional contribution by various leaders and functional heads.

Noteworthy amongst them is the 'Family Business Legacy' award. It was received by Dr. Murtaza Khorakiwala who was conferred the award by the President of India, Shri Pranab Mukherjee in the presence of the Prime Minister of India, Shri Narendra Modi. I must also mention the coveted Accreditation by Joint Commission International (JCI), USA, for Wockhardt Hospital, South Mumbai, for its patient care, patient safety



and focus on continuous quality improvement. And last but not the least, an Honorary Doctorate in Social Services from the International University of America, London, conferred upon Dr. Huzaifa Khorakiwala.

Building the future through CSR

For Wockhardt, Corporate Social Responsibility is another manifestation of its vision of building the future. I find resonance with Nelson Mandela's words who said, "Our human compassion binds us the one to the other - not in pity or patronisingly, but as human beings who have learnt how to turn our common suffering into hope for the future."

Wockhardt Foundation, along with Wockhardt Hospitals and several other corporate partners, initiates and executes several social programmes designed to improve the quality of life of the less privileged and inspire hope across communities served.

They include mobile medical services catering to remote rural areas, toy libraries, potable water, sanitation, e-learning, skill development etc., all designed to help them build a better future. Our adoption of 20 villages near Aurangabad under the Adarsh Gram Yojana is the perfect example of helping create an ideal community that is self-sufficient and self-reliant.

I am pleased to inform you that in FY 2017-18, many million lives were benefited through the various initiatives and efforts of Wockhardt Foundation.

I will conclude with two questions that answer themselves and define our vision, attitude and approach to building the future.

If not us, who?

If not now, when?

Finally, I and the Board of Directors, sincerely thank all Wockhardt shareowners, associates, the medical and financial communities, and our vendor associates, for their support, cooperation and good wishes.

God bless us all.



Dr. Habil Khorakiwala
Founder Chairman



GLOBAL HEADQUARTERS

Wockhardt Limited
Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Maharashtra, India
Tel: +91 22 2653 4444
Fax: +91 22 2652 3905

REGISTERED OFFICE

Wockhardt Limited
D-4, MIDC, Chikalthana
Maharashtra - 431 006, India
Tel: +91 240 669 4444
Fax: +91 240 2489219

www.wockhardt.com