

CHAIRMAN'S SPEECH

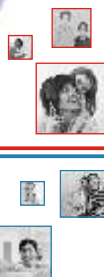
ANNUAL GENERAL MEETING

2nd August, 2017



50

WINNING YEARS. LIFE WINS.



Golden
50
years

WOCKHARDT

**LIFE
WINS**



Dr. Habil Khorakiwala
Founder Chairman & Group CEO

My dear shareowners,
friends and distinguished guests,

Welcome to the Annual General Meeting of Wockhardt Limited.

This is a milestone year for Wockhardt in that it celebrates its Golden Jubilee Year. It has been a 50-year journey of learning and growth for Wockhardt. It is a journey that has seen its share of highs and lows as well as setbacks and comebacks. All along, our odyssey has been characterised

by modesty in prosperity and courage in times of adversity.

'Life Wins' is the corporate credo that drives us and articulates in spirit, our every effort and endeavour since inception 5 decades ago. It is a powerful and enduring emotion that embodies Wockhardt's objectives across businesses and geographies.

The 50-year saga of Wockhardt's evolution into a research-based global pharmaceutical company has seen it cross several important milestones of success, achievement, innovation and value creation.

Milestones of R&D

I have never tired of reiterating the importance of Research & Development as a value creator and market differentiator for Wockhardt. It is this conviction that drives our industry-leading spends on R&D as a percentage of total sales. This financial year, our total R&D spend including capex amounted to ₹ 571 crore at 14% of total sales. This fiscal, we filed 311 patents and won 80 patents. Cumulatively, our total patents filed, add up to 2,904, and total patents won, number 553, as on 31 March, 2017.

Two decades ago, our strategic decision to focus our R&D efforts on New Drug Discovery in the antibiotics space, was a milestone that marked the beginning of a journey down the road less travelled. There was no roadmap, no guiding signs, just our belief that the path, however long and arduous, would lead to the destination. A Buddhist saying goes thus, "If you are facing in the right direction, all you need to do is keep on walking." We were in the right direction and we kept going on.



Today, the destination is in sight.

As you are aware, 5 of our new drugs under development were accorded QIDP status by US FDA and are currently undergoing Phase II & Phase III clinical trials. These new antibiotics are expected to address several serious infections and save millions of lives when approved. This makes Wockhardt the only pharmaceutical company in the world to have 5 new chemical entities with QIDP status from US FDA. Two of them, WCK 2349 and WCK 771 are currently undergoing Phase III clinical trials in India. We will begin our Phase III clinical trial as per the approved protocol in the USA for WCK 4282 during the current year. We will also have an outcome of our Phase II clinical trial of WCK 4873 during the year. Hopefully, we will initiate thereafter our Phase III clinical trial. In FY 2016-17, we received permission from US FDA to begin abridged Phase III clinical trials for WCK 5222 that is being developed as a super drug expected to be a life-saving destination therapy for hospital-acquired infections like pneumonia, ventilator-associated pneumonia, blood stream infections etc. This is a milestone development and we foresee FY 2020-21 as the expected global clinical launch horizon for WCK 5222.

Like management guru Philip Kotler says, "Good companies will meet needs. Great companies will create markets." Your company is proud to be doing both.

Milestones of Performance

Over 50 years, Wockhardt's performance has witnessed steady growth with periods of acceleration and occasional slowdowns. Certain

political and economic factors have resulted in FY 2016-17 being one such occasion. The Brexit poll in UK and resulting currency volatility; demonetisation in India; some of our products in the USA going off patent; and lingering compliance issues with US FDA; have collectively impacted revenues for FY 2016-17.

Our US business declined by 25%, our UK business declined by 24%, and our Emerging Markets business declined by 10%. Our UK business in GBP terms excluding the one-time opportunity grew by 8% over the previous year, while we registered a 6% growth in our India business where we launched 24 new products in the domestic market. We filed 6 ANDAs with US FDA and received 2 approvals with 83 ANDAs pending approval.

In FY 2016-17, our consolidated revenues stood at ` 4,015 crore and we posted a negative Profit After Tax of ` (196) crore.

However, as Sir Winston Churchill said, "Success is not final, failure is not fatal: it is the courage to continue that counts." Continue we will. After all, Wockhardt's journey is nothing but an odyssey of courage.

Milestones of Compliance

We generate significant business revenues from our markets in developed economies like the USA and Europe.

For our manufacturing facilities in India, we have received compliance from UK MHRA and Irish authorities. However, we are facing a lingering compliance issue with US FDA. We've deployed substantial resources for quality control, taken



significant steps towards remediation, and hope to achieve regulatory compliance soon.

Milestones of Healthcare

Wockhardt Hospitals, a part of the Wockhardt Group, has now become synonymous with world-class healthcare. A chain of 8 super-speciality hospitals, Wockhardt Hospitals in India is the preferred choice of visiting patients from Europe, USA, Africa, the Middle East and South Asia.

It is my pleasure to inform you that the New Age Wockhardt Hospital, South Mumbai, and Wockhardt Super Speciality Hospital, Mira Road, have begun offering quaternary healthcare services by establishing a comprehensive programme of multi-organ transplants.

The New Age Wockhardt Hospital in South Mumbai has also become the first multi-speciality hospital in South Mumbai to be accredited with the prestigious Joint Commission International (JCI). The hospital has achieved this accreditation within 3 years of operation, a milestone achievement matched by no other hospital in India.

I am also happy to announce that Wockhardt Hospitals won the 'Dream Companies to Work For in Healthcare' award at an event jointly organised by Times Ascent and the World HRD Congress.

Milestones of CSR

At Wockhardt, we have always undertaken our Corporate Social Responsibility with a great degree of seriousness. The social initiatives

spearheaded by Wockhardt Foundation, in collaboration with Wockhardt Hospitals and several other corporate partners, have touched and impacted the lives of millions of underprivileged people across the country.

In FY 2016-17, of the 21 on-going programmes conducted by Wockhardt Foundation, our initiative to adopt a village under the Adarsh Gram Yojana was scaled up to include 20 more villages besides Abdimandi near Aurangabad. In 9 of these villages, we initiated the 'Satat Jal' exercise with community participation to ensure water security. The heartening results have encouraged us to replicate the exercise in many more villages.

I am proud to announce that Wockhardt Foundation was honoured with the 'Best CSR in Pharma 2016' award at the 9th Annual Pharmaceutical Leadership Summit.

Our enthusiastic and professional approach towards CSR; the experience of reaching out to touch lives; and the results of our efforts; are simply but beautifully captured in the words of American philosopher William James, "Act as if what you do makes a difference. It does." This year, we were happy to make a difference in the lives of almost 3 million underprivileged people countrywide.

I am very happy to share with you that we have established Wockhardt Global School, a state-of-the-art school in Aurangabad; wherein we will be imparting world class, quality education on International Baccalaureate (IB) pattern in addition to CBSE curriculum.

Our Vision is to create a student community of lifelong learners that demonstrate skills, knowledge, and values required for global citizenship to make the world better.



The 'Most Beautiful School' in India is in Aurangabad and that is our own Wockhardt Global School. According to World Architecture Festival 2017, Berlin, there are 9 other 'Most Beautiful Schools' in the world. "The Wockhardt Global School melds the greenery outside with the building's interior."

It's really a proud moment for all of us to note that Wockhardt Global School is here to nurture and empower children to be beautiful and responsible citizens of the world and have the capacity to think independently. To quote Martin Luther King Jr., "The function of education is to teach one to think intensively and to think critically. Intelligence plus character – that is the goal of true education". This is what the Wockhardt Global School endeavours to accomplish; thereby nurturing young minds and developing leaders for tomorrow.

Milestones of Excellence

I would like to acknowledge and appreciate the tremendous contribution of Team Wockhardt worldwide, a multi-ethnic global workforce with a global work ethic befitting the global organisation that Wockhardt is. Team Wockhardt's commitment to excellence is reflected in the numerous awards and accolades received individually as well collectively across functions, roles and categories recognised by industry peers.

It is with great pride that I announce that Wockhardt Limited won the European Quality Award at the Achievement Forum of the prestigious International Socrates Awards Ceremony, European Business Assembly 2017.

This year, including the aforementioned awards, Wockhardt won a total of 79 awards for excellence.

In summation, I will say that we are on the right path and in the right direction. We have the conviction and courage to keep going. We are on the cusp of a transformational phase with a once-in-a-lifetime opportunity not far away. But as leadership author Jim Collins says, "A great company will have many once-in-a-lifetime opportunities."

That is what you can expect from Wockhardt.

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 & Group CEO

Golden
50
years



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

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



Wockhardt Bio AG
Grafenauweg 6
6300 Zug
Switzerland
Tel: +41 41 727 5220
Fax: +41 41 727 5221
www.wockhardtbio.com



A S O C I A L I N I T I A T I V E

Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Maharashtra, India
Tel: +91 22 2653 4444
www.wockhardtfoundation.org