

**WOCKHARDT LIMITED**

**AUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE PERIOD ENDED 31ST MARCH, 2010**



(Rs. In Million)

PARTICULARS	QUARTER ENDED 31/03/2010	% TO SALES	QUARTER ENDED 31/03/2009	% TO SALES	GROWTH %	15 MONTHS ENDED 31/03/2010	% TO SALES	12 MONTHS & YEAR ENDED 31/12/2008	% TO SALES	GROWTH %
Income from Operations	8,720	100.0	8,623	100.0	1.1	45,014	100.0	35,898	100.0	25.4
Total Expenditure	7,140	81.9	6,817	79.1	4.7	36,784	81.7	28,044	78.1	31.2
a) (Increase)/Decrease in stock	(199)	(2.3)	310	3.6	(164.1)	316	0.7	(297)	(0.8)	(206.3)
b) Consumption of raw material	2,303	26.4	1,572	18.2	46.5	11,841	26.3	7,912	22.0	49.7
c) Purchase of Finished Goods	1,635	18.8	1,587	18.4	3.0	7,561	16.8	5,947	16.6	27.1
Material Consumption	3,739	42.9	3,469	40.2	7.8	19,718	43.8	13,562	37.8	45.4
d) Staff Cost	1,294	14.8	1,481	17.2	(12.6)	6,944	15.4	6,074	16.9	14.3
e) R & D expenditure	116	1.3	146	1.7	(20.8)	668	1.5	513	1.4	30.1
f) Other expenditure	1,991	22.8	1,721	20.0	15.7	9,453	21.0	7,895	22.0	19.7
Other Expenditure	3,401	39.0	3,348	38.8	1.6	17,066	37.9	14,482	40.3	17.8
Gross Profit before Interest, Depreciation & Taxation	1,580	18.1	1,806	20.9	(12.5)	8,231	18.3	7,854	21.9	4.8
Interest/ Financing Cost										
(a) Interest	705	8.1	894	10.4	(21.2)	3,425	7.6	2,590	7.2	32.2
(b) (Income)/Expense due to Exchange Rate Fluctuation	160		313			259		(105)		
(c) Premium on FCCB	0		145			268		1,295		
Gross Profit after Interest but before Depreciation & Taxation	715	8.2	454	5.3	57.5	4,278	9.5	4,074	11.3	5.0
Depreciation	264	3.0	311	3.6	(15.0)	1,481	3.3	1,130	3.1	31.1
Profit after Interest & depreciation	451	5.2	143	1.7	215.1	2,797	6.2	2,944	8.2	(5.0)
Other Income	50	-	103	-	-	295	-	356	-	-
Exceptional Item Profit/(Loss) *	(6,333)		(201)			(12,949)		(5,810)		
Profit/(Loss) before Tax	(5,832)	(66.9)	45	0.5	-	(9,857)	(21.9)	(2,510)	(7.0)	-
Provision for Taxation	(5)		52			278		237		
Fringe Benefit Tax	0		6			9		39		
Deferred Taxation	(238)		85			(120)		(1,192)		
Profit/ (Loss) After Tax	(5,589)	(64.1)	(98)		-	(10,024)	(22.3)	(1,594)		-
Add: Share of Profit/ (Loss) from Associates	(63)		(4)			16		205		
Net Profit/(Loss)	(5,652)	(64.8)	(102)	(1.2)	(5440.8)	(10,008)	(22.2)	(1,389)	(3.9)	(620.5)
Paid-up Equity Share Capital (Rs 5/-each)	547		547		-	547		547		-
Reserves excluding Revaluation Reserve (as per last audited Balance-Sheet)	-		-		-	-		9,630		-
<b>Earning Per Share</b>										
Basic Earning Per Share (Rs)	(51.64)		(0.93)			(91.45)		(12.69)		
Diluted Earning Per Share (Rs)	(51.64)		(0.93)			(91.45)		(12.69)		

\* Derivative Losses for the quarter is Rs.3,315 Mio & Goodwill Impairment is Rs.2,662 Mio

Note : Current year's figures are for 15 months as against 12 months of previous year, hence not comparable.

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Public Shareholding										
- Number of Shares	<b>28,202,555</b>		28,122,803			<b>28,202,555</b>		28,102,803		
- Percentage to Paid-up Capital	<b>25.77%</b>		25.70%			<b>25.77%</b>		25.68%		
Promoters and promoter group shareholding										
a) Pledged/ Encumbered										
- Number of shares	<b>4,300,000</b>		63,178,000			<b>4,300,000</b>		69,280,667		
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	<b>5.34%</b>		78.40%			<b>5.34%</b>		85.97%		
-Percentage of shares (as a % of the total share capital of the Company)	<b>3.93%</b>		57.73%			<b>3.93%</b>		63.31%		
b) Non-encumbered										
- Number of shares	<b>76,285,382</b>		17,407,382			<b>76,285,382</b>		11,304,715		
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	<b>94.66%</b>		21.60%			<b>94.66%</b>		14.03%		
-Percentage of shares (as a % of the total share capital of the Company)	<b>69.70%</b>		15.91%			<b>69.70%</b>		10.33%		

**Notes To Consolidated Financials:-**

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 20, 2010.
- 2) The outstanding liabilities of the Company are being restructured under the aegis of Corporate Debt Restructuring (CDR) Scheme. As required under the Scheme the Master Restructuring Agreement (MRA) and other necessary documents have been executed and effective. The CDR scheme comprehensively covers the FCCB liabilities, Wockhardt EU Operations (Swiss) AG's loan and crystallized derivatives / hedging liabilities.
- 3) The Company has accounted Mark-to-Market (MTM)/ realised loss of Rs.3,315 million and Impairment of Goodwill of Rs.2,662 million for the quarter ended March 31, 2010 as an Exceptional Item. As negotiations are in progress in respect of derivative/hedging instruments outstanding as on March 31, 2010, relative amounts held as premiums in current assets are unconfirmed.
- 4) Zero coupon Foreign Currency Convertible Bonds (FCCBs) along with premium were due for repayment in October 2009. CDR scheme comprehensively covers FCCB liability and pursuant to it, one of the FCCB holders have been issued preference shares of Rs.2,086 million. Additionally, certain FCCB holders are in negotiation with the Company.
- 5) Winding up petitions are filed by certain lenders / banks in Bombay High Court and the Company has filed affidavit in reply. ICICI Bank, as empowered by CDR and Employee Union have filed intervention application against the winding up. The matter is sub judice and outcome of which cannot be currently ascertained.
- 6) Certain derivative/hedging contracts have been unilaterally cancelled by the banks. The Company has treated the demand of Rs.9,607 million as a contingent liability and has not acknowledged as debt, since the liability cannot be currently ascertained even on a best effort basis till the final outcome of the matter. The Company is of the view that these are contingent liabilities as these arise from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Company and therefore, has not acknowledged these claims against Company as debts.
- 7) As a part of CDR Scheme, during the quarter, Company has issued 424,163,605 Optionally Convertible Cumulative Redeemable Preference Shares of Rs.2,121 million and 912,994,875 Non Convertible Cumulative Redeemable Preference Shares of Rs.4,565 million to various banks, FCCB holder and promoters which are redeemable at premium in the year 2018 and 2019. The Optionally Convertible Cumulative Redeemable Preference Shares will be converted into equity shares commencing October 25, 2015 (Series - 1) and July 04, 2016 (Series - 2) as per SEBI formula on the date of conversion.
- 8) Pursuant to adverse market developments, the Company tested it's carrying value of goodwill at Wockhardt France (Holdings) S.A.S. cash generating unit (CGU) for impairment. The impairment testing indicated that the carrying value of goodwill was higher than it's recoverable value and accordingly, the Company has recorded an impairment loss with respect to goodwill amounting to Rs.2,662 million as at March 31, 2010. Against the patent challenge to one of our products, Wockhardt France (Holdings) S.A.S., has appealed and the outcome of the hearing is awaited. The management is ready with contingency and restructuring plans combined with immediate and long term strategy.
- 9) Wockhardt EU Operations (Swiss) AG has a bank loan of \$250 million, a part of which was due for repayment in the quarter. Presently, the Company is renegotiating the terms & conditions and the management is confident about successful conclusion of such negotiations.
- 10) As on January 1, 2010 the Company had no investors complaints pending. During the quarter the Company has not received any complaints. Accordingly, no complaints are pending as on March 31, 2010.
- 11) The Company is exclusively into Pharmaceutical business Segment.
- 12) The Board of Directors had approved a change in accounting year of the Company to commence from 1st April every year and to end of 31st March of the following year. Consequently, as a transitional arrangement, the current year annual accounts and reports of the Company are for a period of 15 months commencing from January 1, 2009 and ending on March 31, 2010. The figures in respect of the previous year, however, relate to 12 months ended December 31, 2008 and hence are not comparable.
- 13) Previous period figures have been recast/ re-classified to conform to the current period's presentation.
- 14) Standalone Financials of the Company are available on the websites of National Stock Exchange and Bombay Stock Exchange.