

WOCKHARDT'S TRANSFORMATION

Amongst the Top 3 Best Indian Pharma Companies

with

254% Growth in Profit After Tax at Rs.453 crores

68% Growth in EBITDA at Rs. 517 crores

29% Growth in Revenues at Rs. 1347 crores

in 2nd Quarter of 2012-13



	Q2-FY13		Q2-FY12	H1-FY13		H1-FY12	FY12
	Jul - Oct 2012		Jul - Oct 2011	Apr - Oct 2012		Apr - Oct 2011	
	Rsc	Gwth Y-O-Y	Rsc	Rsc	Gwth Y-O-Y	Rsc	
Sales	1,347	29%	1,045	2,689	32%	2,034	4,351
EBITDA	517	68%	307	1,000	66%	601	1,278
EBITDA Margins %	38.4%		29.4%	37.2%		29.5%	29%
PAT	453	254%	128	831	159%	321	201
PAT Margins	33.6%		12.2%	30.9%		15.8%	5%
Adjusted PAT	447	375%	94	778	218%	245	805
Adj. PAT Margins %	33.2%		9.0%	28.9%		12.0%	19%
EPS (Adj. PAT)	40.9	375%	8.6	71.1	218%	22.4	73.6

Q2FY13

Wockhardt Limited, the Pharmaceutical and Biotechnology major, continues to be amongst the Top 3 in profitability in the Indian Pharmaceutical industry. It has reported a Profit After Tax in Q2FY13 of Rs.453 crores, which is more than 250% growth over the corresponding quarter of Financial Year 2011-12. The PAT margin at 33% was the highest in the industry.

Wockhardt's EBITDA for Q2FY13 stands at Rs. 517 crores, with EBITDA Margin at 38.4% for the quarter, one of the highest in the industry and has improved from 29.4% in the corresponding quarter of the previous year.

The R&D expenses for the quarter were at 6.3% to sales and represented a growth of 74% over the corresponding quarter of Financial Year 2011-12.

Consolidated revenues grew by 29% to Rs.1,347 Crores over the corresponding quarter of Financial Year 2011-12.

H1FY13

The Profit After Tax for 1st Half of Financial Year 2012-13 stood at Rs. 831 crores and represented a growth of 159% over same period in the previous year.

PRESS RELEASE



The EBITDA was at Rs.1000 crores for the 1st Half of Financial Year 2012-13, representing a growth of 66% over same period in the previous year. EBITDA margins were at 37.2% for the 1st Half of Financial Year 2012-13.

Consolidated revenues grew by 32% to Rs. 2,689 crores over the corresponding half-year of Financial Year 2011-12.

Other Financials

The Earnings Per Share was at Rs. 75.9 for the 1st Half of Financial Year 2012-13.

Key Events

During the quarter, the company completed the sale of its Nutrition Business to Danone and realised Rs.1280 crores. The company also impaired the entire goodwill pertaining to its French subsidiary of Rs. 621 crores and wrote off the carried forward cost of certain intangibles and research & development costs of Rs. 437 crores.

The Profit After Tax, after adjusting for the Nutrition Business profits and the write off of the research & development expenses, was at Rs. 447 crores for the quarter and was up by 375% on a like to like basis over the corresponding quarter in the previous year.

Building Strength

With the realization from the sale of Nutrition Business and higher profit margins, the Net Debt to Equity now stands at only 0.5. The Return on Capital Employed and Return on Networth now stands at a healthy 31% and 58% respectively.

Business Highlights

Wockhardt's Business outside India now contributes 80% of the Total Revenues.

Wockhardt's US business recorded a growth of 47% (22% on \$ basis) compared to the corresponding quarter of Financial Year 2011-12. During the quarter the company received 7 product approvals of which 4 were advanced technology products.

The UK business recorded a growth of 26% (7% on £ basis) compared to the corresponding quarter of Financial Year 2011-12 in an otherwise stagnant market. The Irish market recorded a

growth of 33% (24% on € basis) compared to the corresponding quarter of Financial Year 2011-12.

Wockhardt Limited has organized a conference call and webcast for investors and analysts on Thursday, November 15, 2012 from 11am - 12noon IST. The details of the webcast and conference call are as follows:

Timing	:	11:00 am – 12.00 noon IST on Thursday, November 15, 2012
¹Webcast link	:	http://datashare2.choruscall.com/?meeting=5376061
²Conference dial-in Primary number	:	+91 22 6629 0301 / +91 22 3065 0122
Hong Kong Local Access Number	:	800 964 448
Singapore Local Access Number	:	800 101 2045
UK Local Access Number	:	0 808 101 1573
USA Local Access Number	:	1 866 746 2133
Replay Facility	:	Available until November 22, 2012 on + 91 22 3065 1212 Play Back ID – 12741 Replay will be available 2 hours after the call ends

¹For viewing the presentation while it is being discussed by the management

²For audio and the question and answer session

About Wockhardt:

Wockhardt is a high-technology intensive global pharmaceutical and biotechnology company with multi-disciplinary and innovative R&D programmes. It has 3 research centres globally and manufacturing facilities across India, USA, UK and Ireland. Wockhardt has a significant presence in USA, Europe and India, with 80% of its global revenues coming from international businesses. With a large pool of Patents and Intellectual Property knowhow, Wockhardt is home to 578 scientists, of whom 80 are doctorates. In all, Wockhardt has 169 Patents granted worldwide. In biotechnology research, it has built a competent 'Concept to Market' capability in all facets of development and manufacture of recombinant biopharmaceuticals. Wockhardt boasts of a multi-ethnic workforce of more than 7900 people from 21 different nationalities.

WOCKHARDT LIMITED

Wockhardt Towers, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051, India



UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2012

(Rs. In Crores)

PARTICULARS	QUARTER ENDED	% TO SALES	QUARTER ENDED	% TO SALES	GROWTH %	QUARTER ENDED	% TO SALES	GROWTH %	SIX MONTHS ENDED	% TO SALES	SIX MONTHS ENDED	% TO SALES	GROWTH %	YEAR ENDED	% TO SALES
	30/09/2012		30/06/2012			30/09/2011			30/09/2012		30/09/2011			31/03/2012	
	Unaudited		Unaudited			Unaudited			Unaudited		Unaudited			Audited	
Income from Operations	1,347	100.0	1,342	100.0	0.4	1,045	100.0	28.9	2,689	100.0	2,034	100.0	32.2	4,351	100.0
Total Expenditure	830	61.6	859	64.0	(3.4)	738	70.6	12.5	1,689	62.8	1,433	70.5	17.9	2,974	68.4
a) (Increase)/Decrease in stock	(74)	(5.5)	(36)	(2.7)	105.6	(72)	(6.9)	2.8	(110)	(4.1)	(82)	(4.0)	34.1	(97)	(2.2)
b) Consumption of raw material	304	22.6	361	26.9	(15.8)	304	29.1	0.0	665	24.7	500	24.6	33.0	1,057	24.3
c) Purchase of Finished Goods	173	12.8	166	12.4	4.2	166	15.9	4.2	339	12.6	319	15.7	6.3	575	13.2
Material Consumption	403	29.9	491	36.6	(17.9)	398	38.1	1.3	894	33.2	737	36.2	21.3	1,535	35.3
d) Staff Cost	151	11.2	137	10.2	10.2	111	10.6	36.0	288	10.7	238	11.7	21.0	543	12.5
e) R & D expenditure	77	5.7	23	1.7	234.8	16	1.5	381.3	100	3.7	35	1.7	185.7	75	1.7
f) Other expenditure	199	14.8	208	15.5	(4.3)	213	20.4	(6.6)	407	15.1	423	20.8	(3.8)	821	18.9
Other Expenditure	427	31.7	368	27.4	16.0	340	32.5	25.6	795	29.6	696	34.2	14.2	1,439	33.1
Gross Profit before Interest, Depreciation & Taxation	517	38.4	483	36.0	7.0	307	29.4	68.4	1,000	37.2	601	29.5	66.4	1,377	31.6
Interest/ Financing Cost															
(a) Interest	43	3.2	46	3.4	(6.5)	40	3.8	7.5	89	3.3	98	4.8	(9.2)	214	4.9
(b) (Income)/Expense due to Exchange Rate Fluctuation	(37)		19			43			(18)		47			21	
Depreciation	31	2.3	28	2.1	10.7	26	2.5	19.2	59	2.2	62	3.0	(4.8)	116	2.7
Other Income	17	-	9	-	-	3	-	-	26	-	8	-	-	23	-
Profit/(Loss) Before Tax before exceptional items	497	36.9	399	29.7	24.6	201	19.2	147.3	896	33.3	402	19.8	122.9	1,049	
Exceptional Item Profit/(Loss)	39		(7)			(68)			32		(68)			(528)	
Profit/(Loss) before Tax	536	39.8	392	29.2	36.7	133	12.7	303.0	928	34.5	334	16.4	177.8	521	12.0
Provision for Taxation Expense/(Credit)	194		59			19			253		41			49	
Deferred Taxation (Asset)/ Liability	(108)		(34)			2			(142)		(2)			173	
Profit/(Loss) After Tax	450	33.4	367	27.3	22.6	112	10.7	301.8	817	30.4	295	14.5	176.9	299	
Add: Share of Profit/(Loss) from Associates	0		(1)			5			(1)		4			1	
Net Profit/(Loss) from continuing operations	450	33.4	366	27.3	23.0	117	11.2	284.6	816	30.3	299	14.7	172.9	300	6.9
Profit from Discontinuing operations before tax	5		17			14			22		29			56	
Tax on Discontinuing operations	2		5			3			7		7			13	
Profit from Discontinuing operations after tax	3		12			11			15		22			43	
Net Profit/(Loss) for the period	453	33.6	378	28.2	19.8	128	12.2	253.9	831	30.9	321	15.8	158.9	343	7.9
Adjusted PAT (PAT adjusted for exceptional items, net of tax)	449	33.3	344	25.6	30.5	131	12.5	242.7	793	29.5	325	16.0	144.0	947	21.8
Paid-up Equity Share Capital (Rs 5/-each)	55		55			55			55		55			55	
Reserves excluding Revaluation Reserve (as per last audited Balance-Sheet)	-		-			-			-		-			637	
Earnings Per Share															
Basic Earnings Per Share (Rs)	41.39		34.54			11.66			75.93		29.38			31.31	
Diluted Earnings Per Share (Rs)	40.71		34.08			11.66			74.79		29.38			31.15	

Public Shareholding									
- Number of Shares	28,653,193	28,648,693		28,421,193			28,653,193	28,421,193	28,601,193
- Percentage to Paid-up Capital	26.18%	26.18%		25.97%			26.18%	25.97%	26.14%
Promoters and promoter group shareholding									
a) Pledged/ Encumbered									
- Number of shares	70,158,917	70,158,917		70,158,917			70,158,917	70,158,917	70,158,917
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	87.06%	87.06%		87.06%			87.06%	87.06%	87.06%
-Percentage of shares (as a % of the total share capital of the Company)	64.11%	64.11%		64.11%			64.11%	64.11%	64.11%
b) Non-encumbered									
- Number of shares	10,426,465	10,426,465		10,426,465			10,426,465	10,426,465	10,426,465
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	12.94%	12.94%		12.94%			12.94%	12.94%	12.94%
-Percentage of shares (as a % of the total share capital of the Company)	9.53%	9.53%		9.53%			9.53%	9.53%	9.53%
Investors Complaints	3 MONTHS ENDED 30/09/2012								
Pending at the beginning of the Quarter	0								
Received during the quarter	0								
Disposed of during the quarter	0								
Remaining unresolved at the end of the quarter	0								

Notes To Consolidated Financials:-

- 1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 14, 2012.
- 2) The divestment of Nutrition business on a slump sale basis to Danone was completed on July 26, 2012. The Company along with its wholly owned subsidiary has received the entire consideration of Rs. 1,280 crore towards this divestment. The Company has transferred assets of Rs. 111.76 crore and liabilities of Rs. 19.15 crore on divestment. The profit on account of the aforesaid transaction amounting Rs. 1,186.96 crore has been shown as 'Exceptional Item'. Turnover, Total Expenditure and Profit before tax on discontinuing operations has been disclosed below:

Particulars	Rs in crore					
	QUARETER ENDED 30/9/2012 *	QUARETER ENDED 30/6/2012	QUARETER ENDED 30/9/2011	HALF YEAR ENDED 30/9/2012*	HALF YEAR ENDED 30/9/2011	YEAR ENDED 31/3/2012
Turnover	27	84	65	111	130	263
Total Expenditure	22	67	51	89	101	207
Profit before tax	5	17	14	22	29	56

* Turnover, Total Expenditure and profit before tax upto July 25, 2012.

- 3) Hitherto, the Company has recognised product development cost as an intangible asset as and when incurred. The management has reassessed the recognition criteria for capitalization of development cost based on its most recent experience of regulatory approvals, clinical trials, economic uncertainties, industry experience and business plans. This review indicates that the recognition criteria may not be met till the time regulatory approvals are received. Hence, the Company has revised its recognition criteria for developments costs and auditors have relied on the management judgment being technical in nature. Accordingly, the Company:
- a) has expensed off the carried forward cost of products under development as at June 30, 2012, amounting to Rs. 436.88 crore, to the statement of Profit & Loss under the head 'Exceptional Item'.
- b) has charged to the Statement of Profit & Loss, product development expenditure incurred during the quarter July to September 2012 amounting to Rs. 47.73 crore, under respective expense heads.
- 4) During the quarter the Company has tested certain assets for impairment and charged the following to the Statement of Profit and Loss as an 'Exceptional Item':
- (a) An amount of Rs. 621.20 crore towards impairment of the residual goodwill on consolidation of Wockhardt France (Holding) S.A.S. since the carrying value was higher than its recoverable value.
- (b) An amount of Rs. 39.70 crore towards impairment of certain intangible assets, since the carrying value was higher than its recoverable value.
- (c) An amount of Rs. 38.91 crore towards impairment of investment in associate company viz. Swiss Biosciences AG, since realisable value was lower than its carrying value.
- 5) Exceptional Item, inter-alia also includes a provision for recompense of Rs. 12 crore for the quarter.
- 6) In accordance with the orders passed by Hon'ble High Court of Bombay, the Company has repaid the entire amount along with interest to the FCCB holders in August 2012 and has complied with the orders of Hon'ble High Court of Bombay. Accordingly, the winding-up petition filed by the Trustees to the FCCB before the Hon'ble Bombay High Court has been withdrawn.
- 7) The Company is exclusively into Pharmaceutical business Segment.
- 8) Key Financials on Standalone basis:

Particulars	Rs in Crore					
	QUARETER ENDED 30/9/2012	QUARETER ENDED 30/6/2012	QUARETER ENDED 30/9/2011	HALF YEAR ENDED 30/9/2012	HALF YEAR ENDED 30/9/2011	YEAR ENDED 31/3/2012
Net Sales/Income from operations (including discontinuing operations)	632	607	638	1,239	1,189	2,560
Profit/ (Loss) Before Tax	393	84	60	477	150	384
Profit/ (Loss) After Tax	345	75	54	420	136	184

- 9) Previous period figures have been recast/ re-classified to confirm to the current period's presentation.

WOCKHARDT LIMITED
UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Rs. in Crores

Consolidated Statement of Assets and Liabilities	As at 30/09/2012	As at 31/03/2012
Particulars		
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	816	816
(b) Reserves and surplus	1,478	655
(c) Money received against share warrants	0	0
Sub-total - Shareholders' funds	2,294	1,471
2. Share application money pending allotment	0	0
3. Non-current liabilities		
(a) Long-term borrowings	2,458	2,706
(b) Deferred tax liabilities (net)	0	101
(c) Other long-term liabilities	0	0
(d) Long-term provisions	93	85
Sub-total - Non-current liabilities	2,551	2,892
4. Current liabilities		
(a) Short-term borrowings	157	261
(b) Trade payables	620	541
(c) Other current liabilities	894	978
(d) Short-term provisions	210	111
Sub-total - Current liabilities	1,881	1,891
TOTAL - EQUITY AND LIABILITIES	6,726	6,254
B ASSETS		
1. Non-current assets		
(a) Fixed assets	1,716	2,140
(b) Goodwill on consolidation	713	1,333
(c) Non-current investments	50	91
(d) Deferred tax assets (net)	44	0
(e) Long-term loans and advances	181	208
(f) Other non-current assets	0	0
Sub-total - Non-current assets	2,704	3,772
2. Current assets		
(a) Current investments		0
(b) Inventories	1,022	889
(c) Trade receivables	863	759
(d) Cash and bank balances	1,938	700
(e) Short-term loans and advances	199	134
(f) Other current assets	0	0
Sub-total - Current assets	4,022	2,482
Total - ASSETS	6,726	6,254