Wockhardt Limited

Investor Presentation
By
Dr. Murtaza Khorakiwala
Managing Director

November 2012

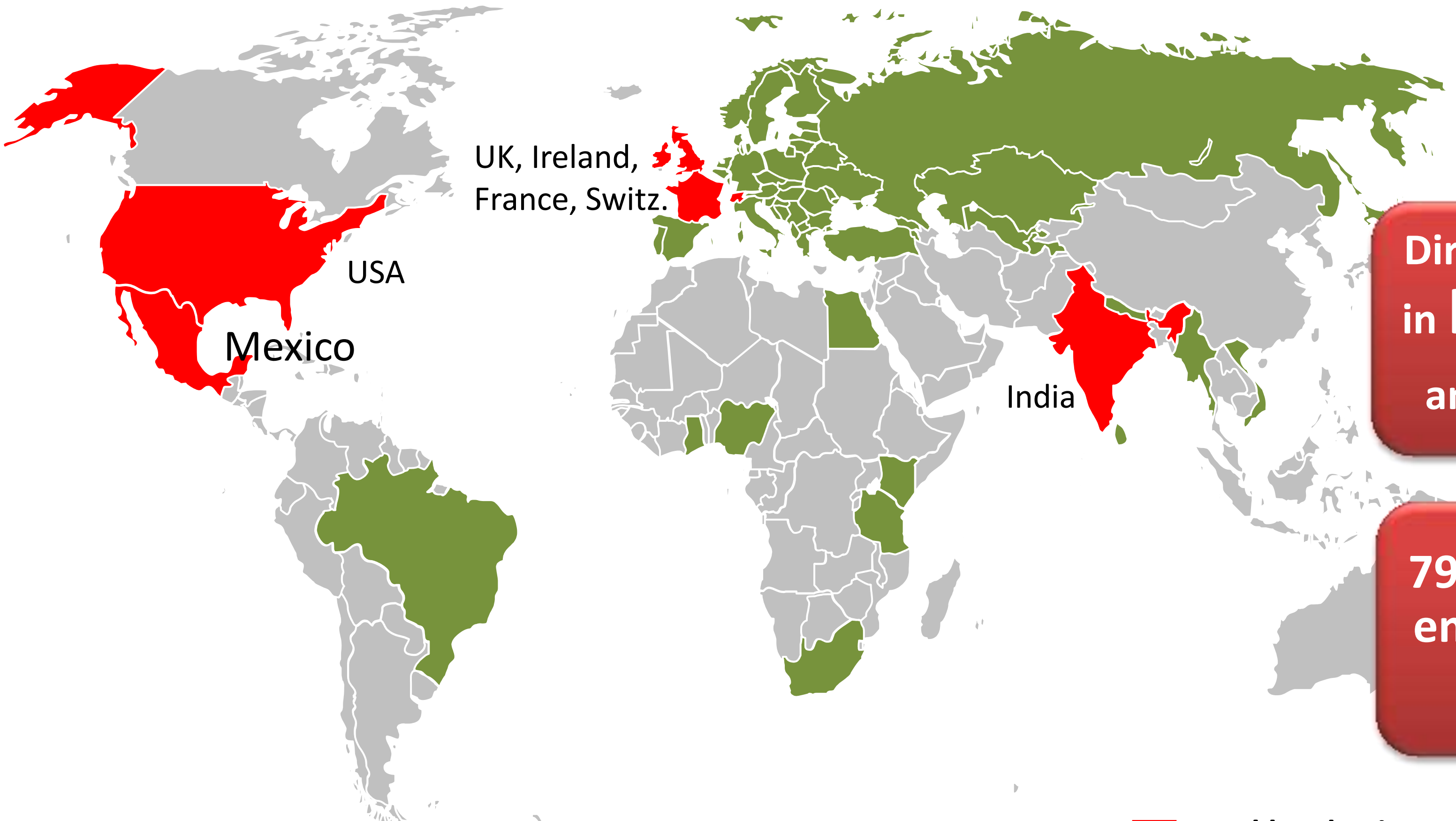
Safe Harbor Statement

- Except for historical information contained herein, statements in this communication, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward looking statements”. These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Wockhardt Limited does not undertake any obligation to update forward looking statements to reflect events or circumstances after the date thereof.

Introduction to Wockhardt

Key business Dynamics

Wockhardt Today

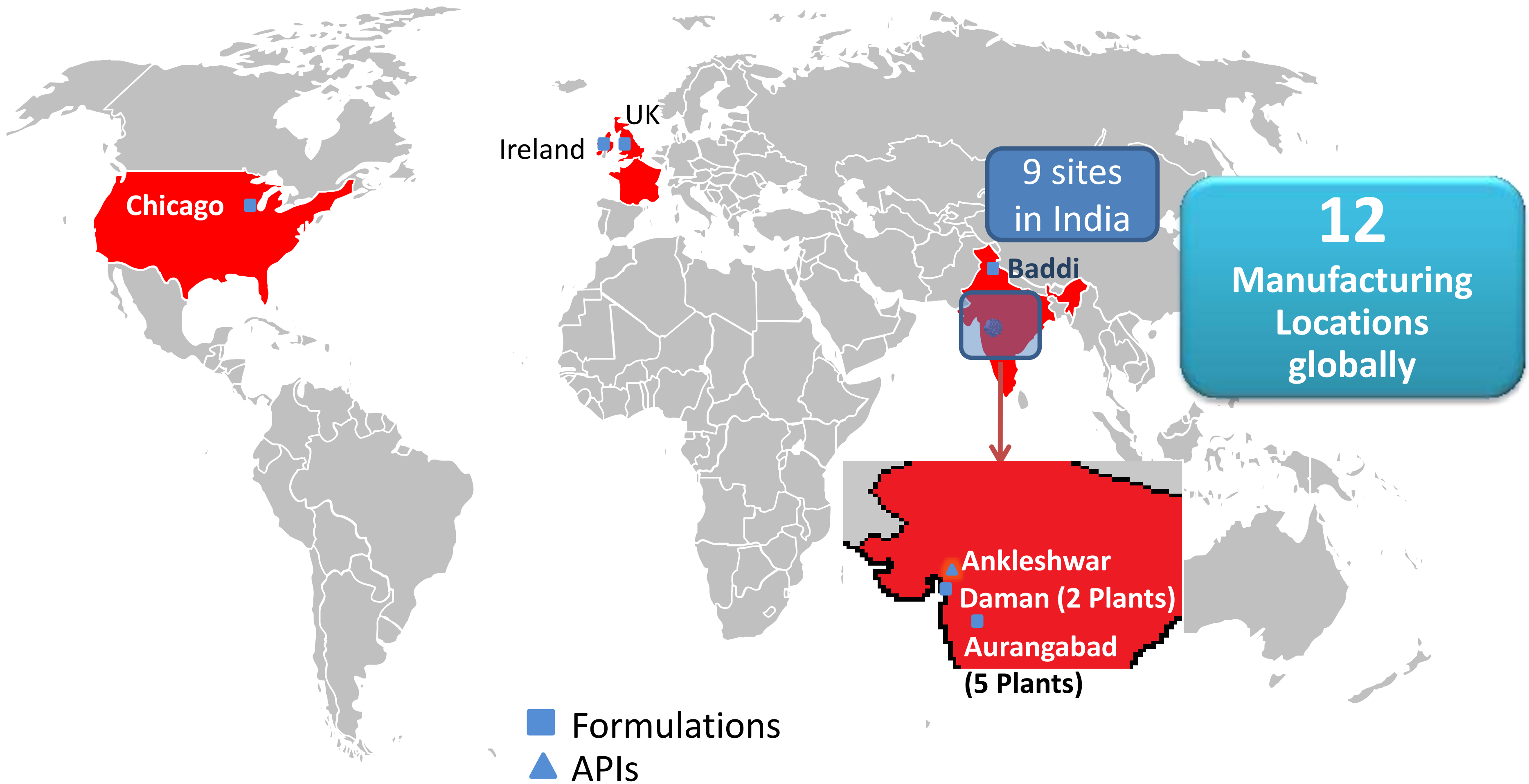


Direct Operations in India, USA and Europe

7900 Associates employed in 21 countries

Wockhardt Direct operations **ROW operations**

Wockhardt Today



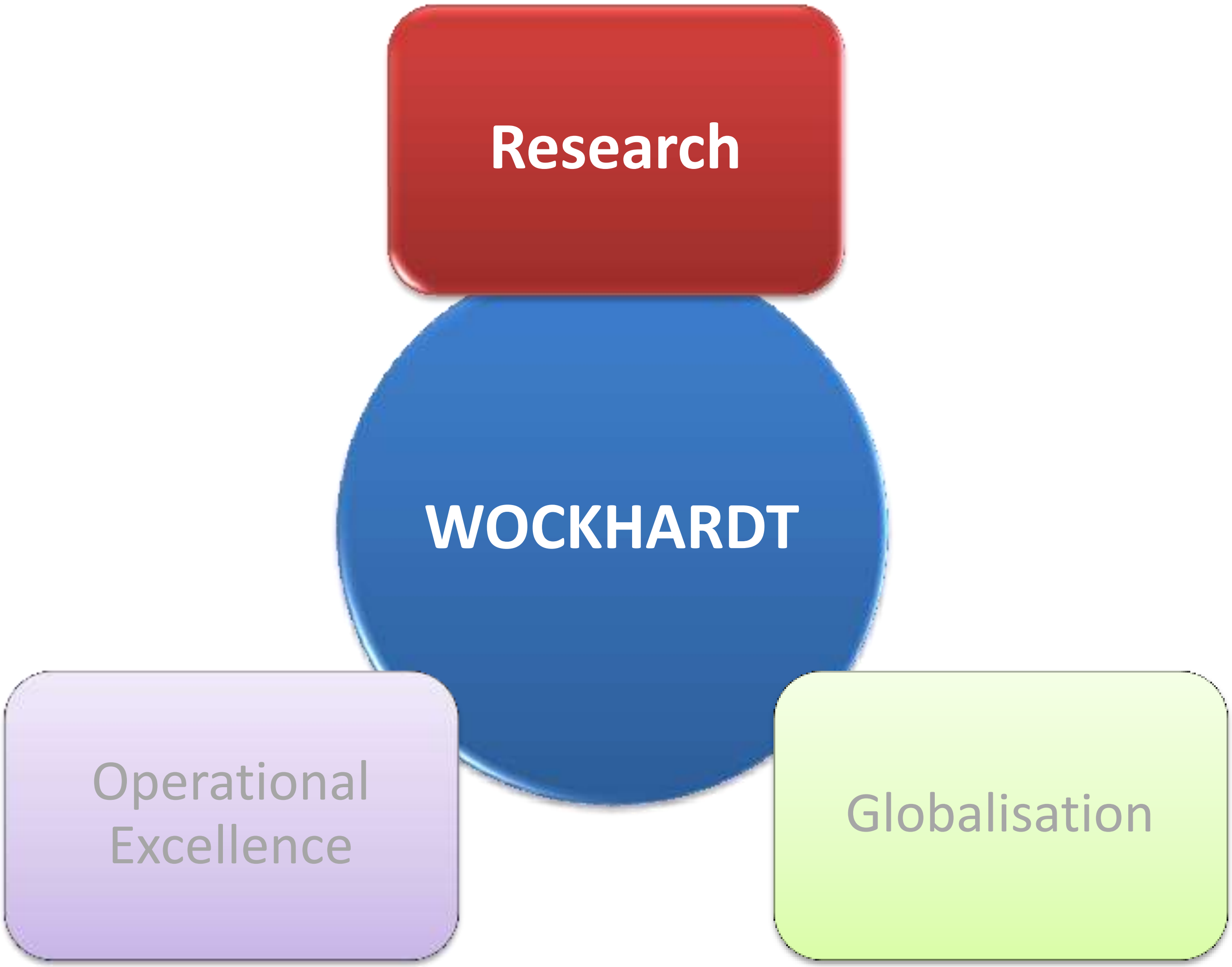
Wockhardt Today

3 R&D Centers worldwide

USA / UK & India

Sustainable Business Model

Sustainable Business Model



Research

WOCKHARDT RESEARCH

Generics

- Blockbuster
- Niche
- Complex Technology

Biosimilars

- Insulins
- MABs

New Chemical Entity

- Anti Infectives

Research – Long Term Planning

Horizon 1

< 4 Years

Generics, Complex Technology & Biosimilars (Emerging Economies)

Horizon 2

4 to 6 Years

Biosimilars

(Developed Economies)

Horizon 3

> 6 Years

NCE

Complex Products Focused Research

3 R&D Centers Worldwide

491
Products sold in USA & Europe manufactured in India, USA, UK & Ireland

169
Global Patents granted globally. 1667 patents filed

578
Scientists developing innovative and technologically advanced medicines

30
US ANDAs pending approval

Won Patent Awards 4 Years in a row

Recent Product Launches

US

6 – FY12

Pantoprazole
Donepezil
Venlafaxine
Fluticasone
Levofloxacin
Clarithromycin

8 – H1FY13

LEC
Valacyclovir
Lansoprazole OTC
Fexofenadine OTC
Clopidogrel
Lansoprazole DR
Bupropion SR
Ziprasidone

UK

7 – FY12

Alendronic Acid
Mycophenolate Mofetil
Remifentanil Powder Inj
Oxycodone
Adenosine Soln Inj
Donepezil
Clarithromycin

6 –H1FY13

Atorvastatin
Losartan
Ropinarole
Mirtizapine
Simvastatin
Premi IR

Others

FY12

13 – Ireland
24 – India

Total – 50 in FY12

H1-FY13

25 - Ireland
12 - India

Total – 51 in H1FY13

Product Approvals H1-FY13

US

8 – Till Date

Lansoprazole DR
Clopidogrel
Alfuzosin
Entacapone
Felodipine
Bupropion SR
Ropinirole XL
Ziprasidone

UK

6 – Till Date

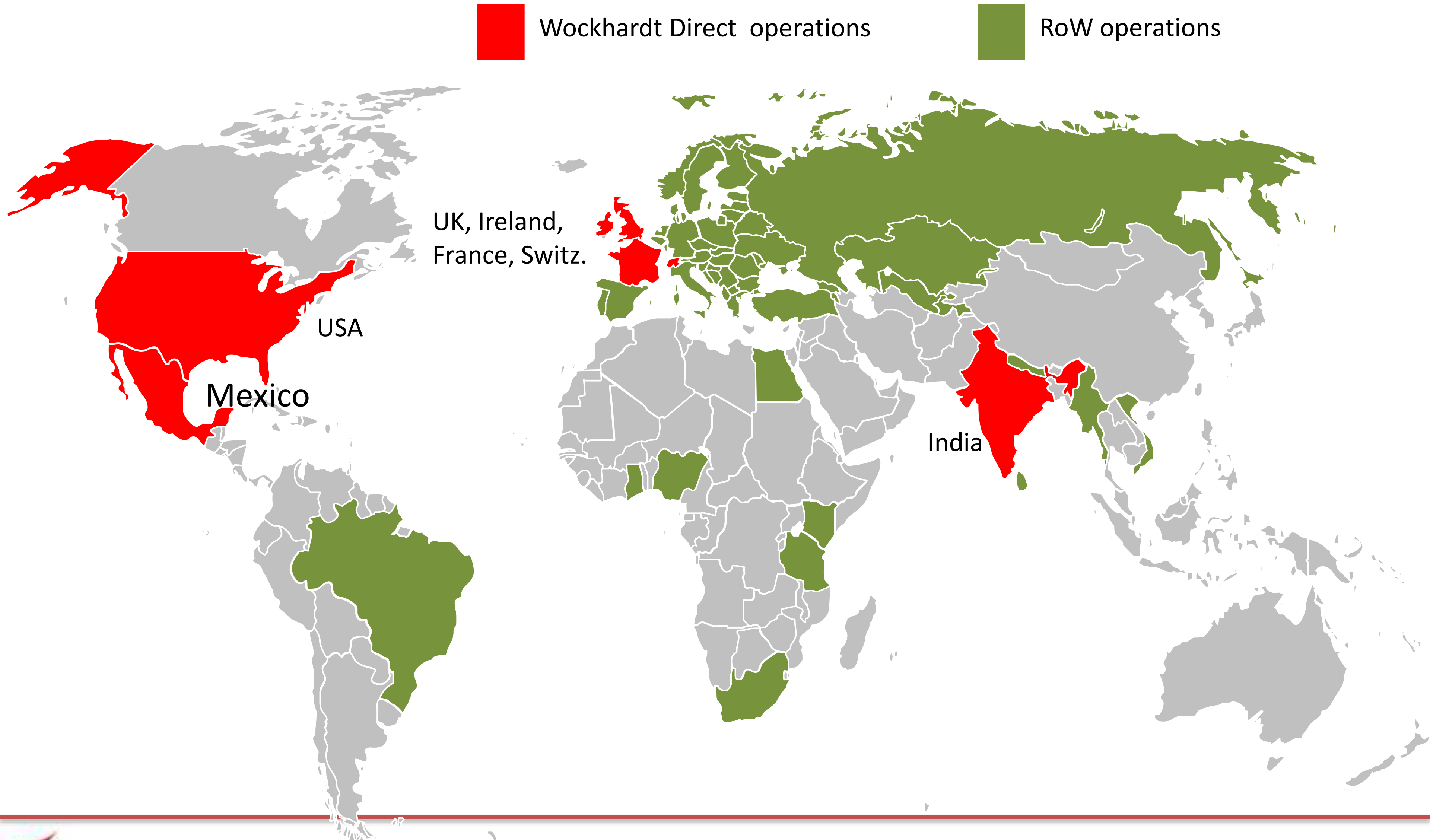
Atorvastatin
Levetiracetam
Levomepromazine
Brominidine
Cocodamol
Simvastatin

Increased Focus on R&D

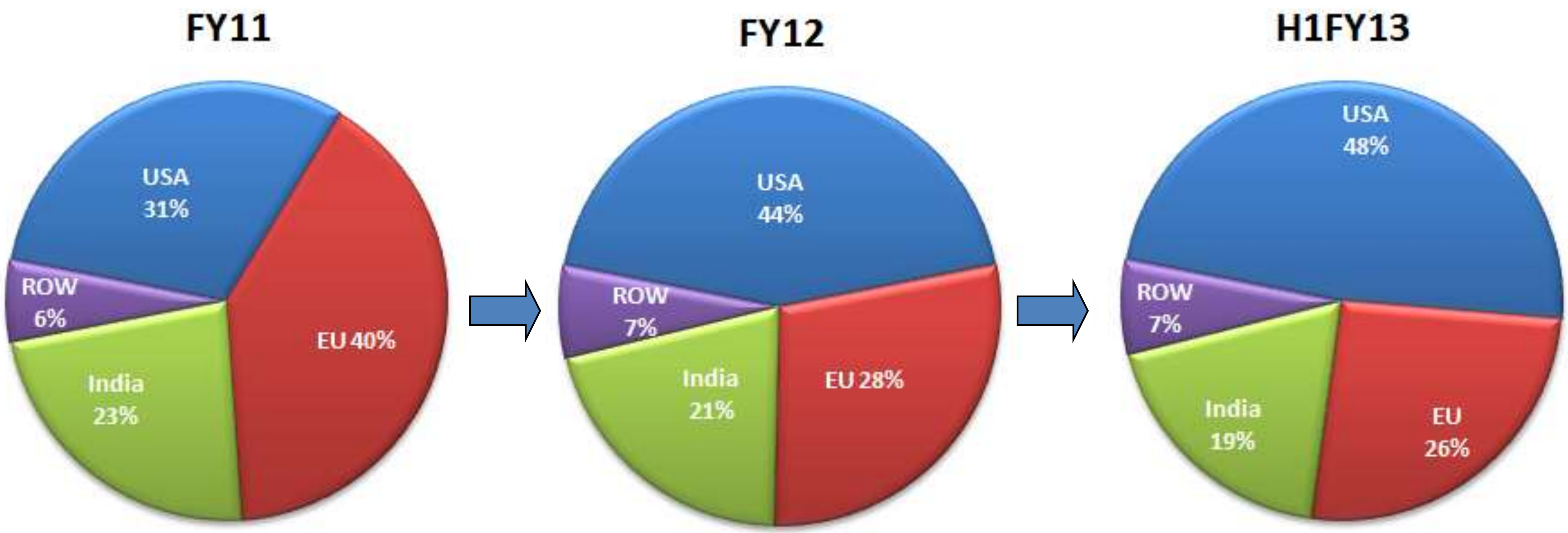
TTM : Trailing Twelve Months

Sustainable Business Model

Global Operations



Geographical Split



Increased presence in High Growth, High Profit geography.

Above numbers based on Revenues excluding Nutrition Business revenues

Sustainable Business Model

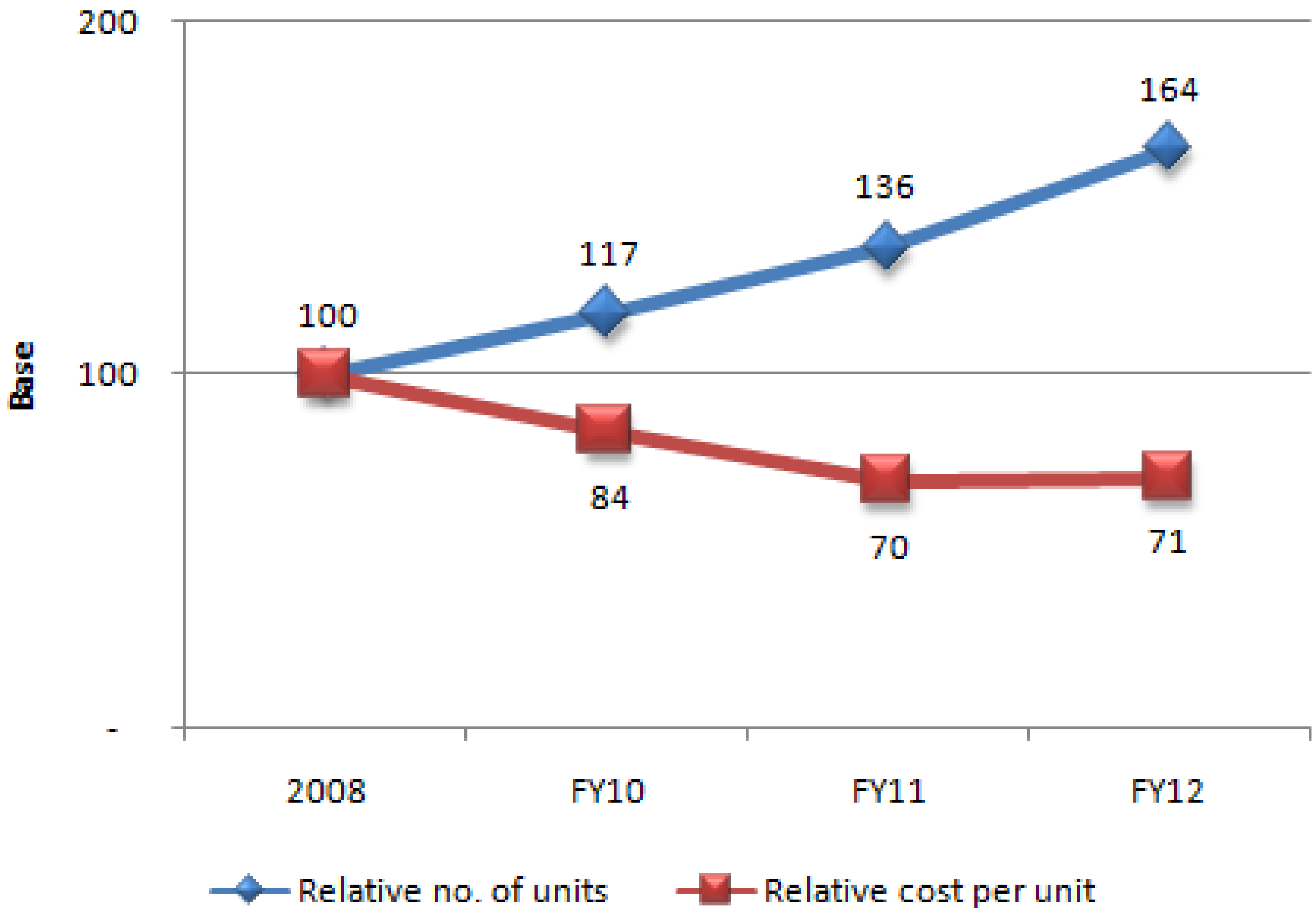
Fit & Trim Operations

Gross Margins at 64% in FY12 vs. 63% in FY08. H1FY13 at 67%

EBITDA Margins at 31% in FY12 vs. 18% in FY10. H1FY13 at 36%

Operating Expenses at 32% in FY12 vs. 40% in FY08. H1FY13 at 31%

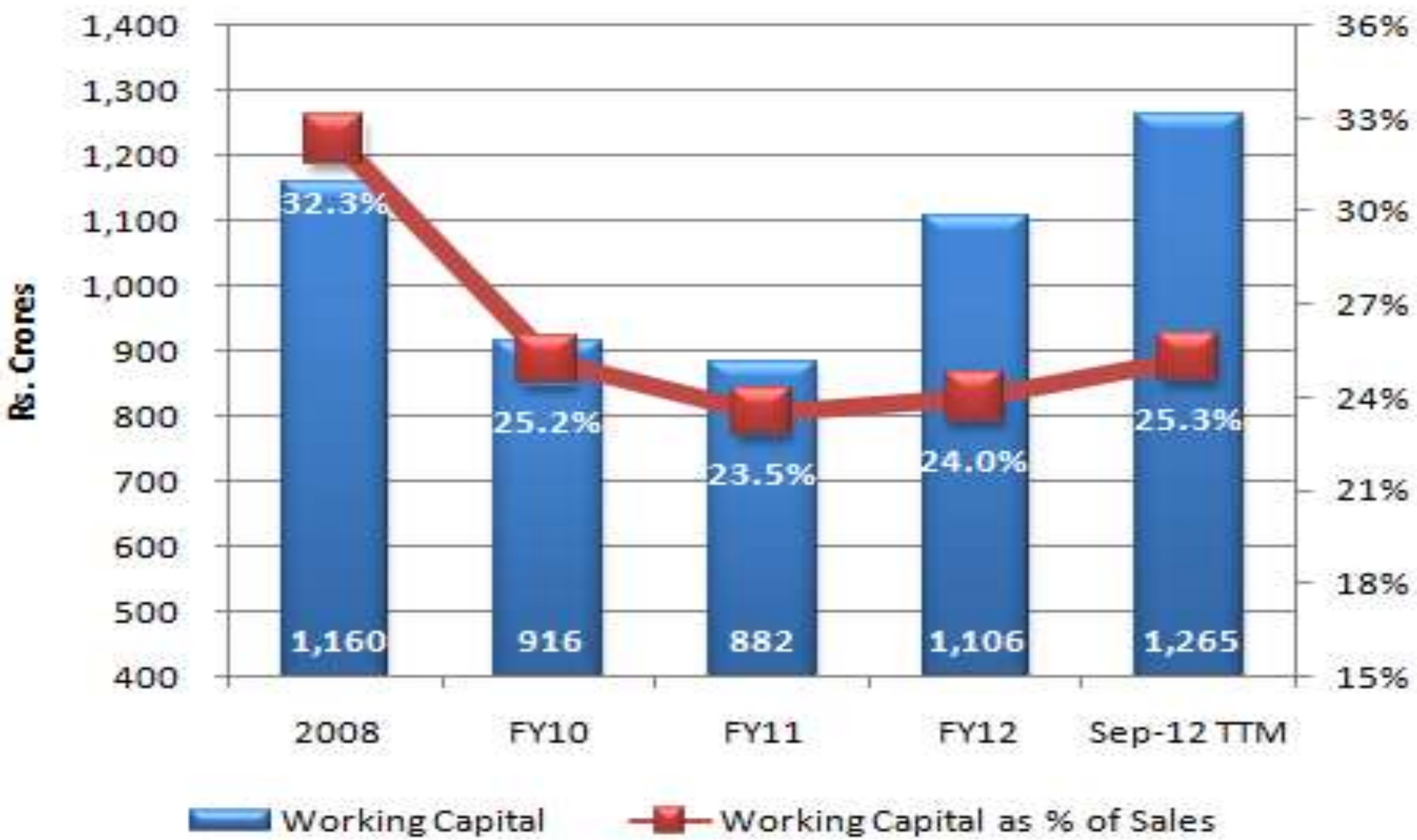
Manufacturing Cost (-29%)



People Productivity (+27%)

TTM : Trailing Twelve Months

Working Capital (Improved by 26%)



** Working Capital measured as on the last Working Day of the respective Year*

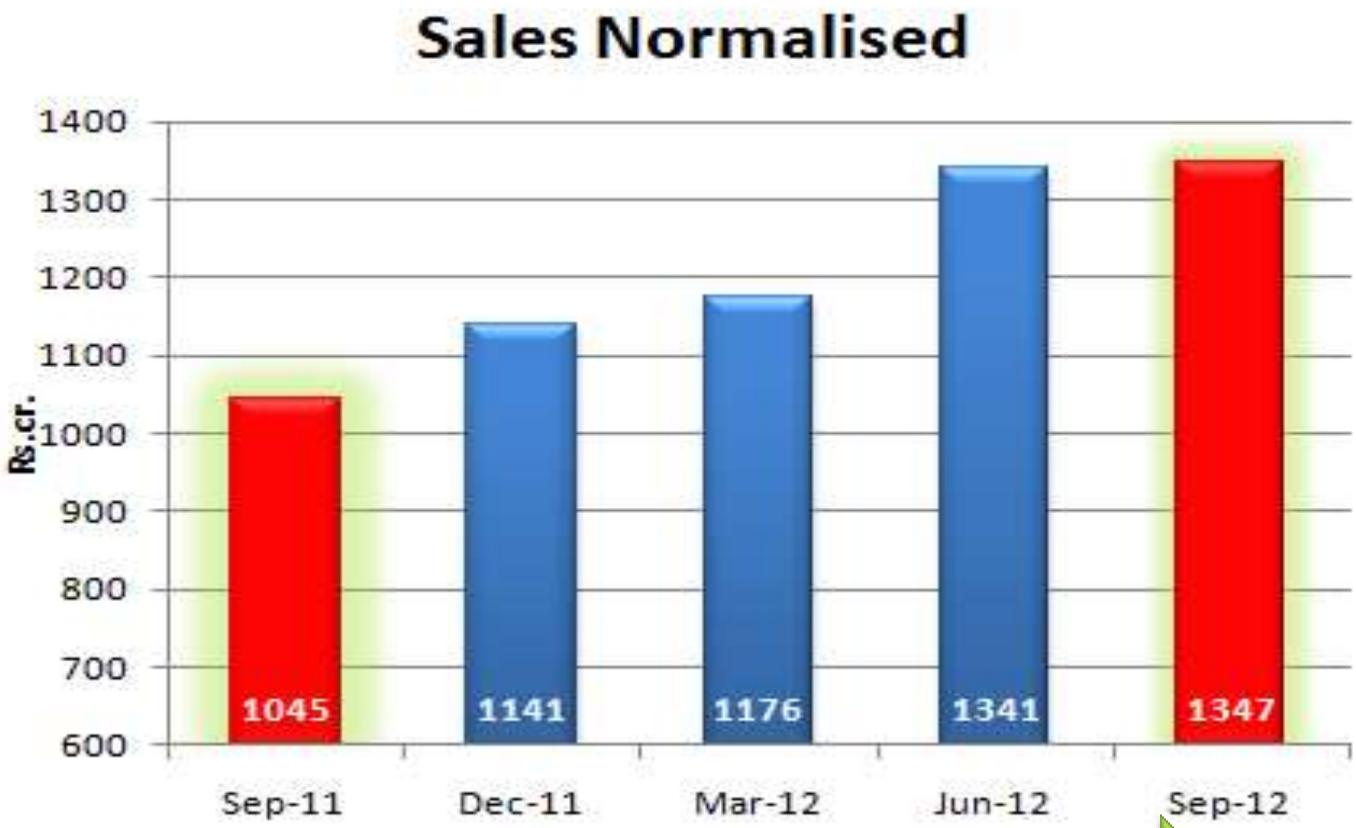
TTM : Trailing Twelve Months

Q2 Results

Q2 Results - Note

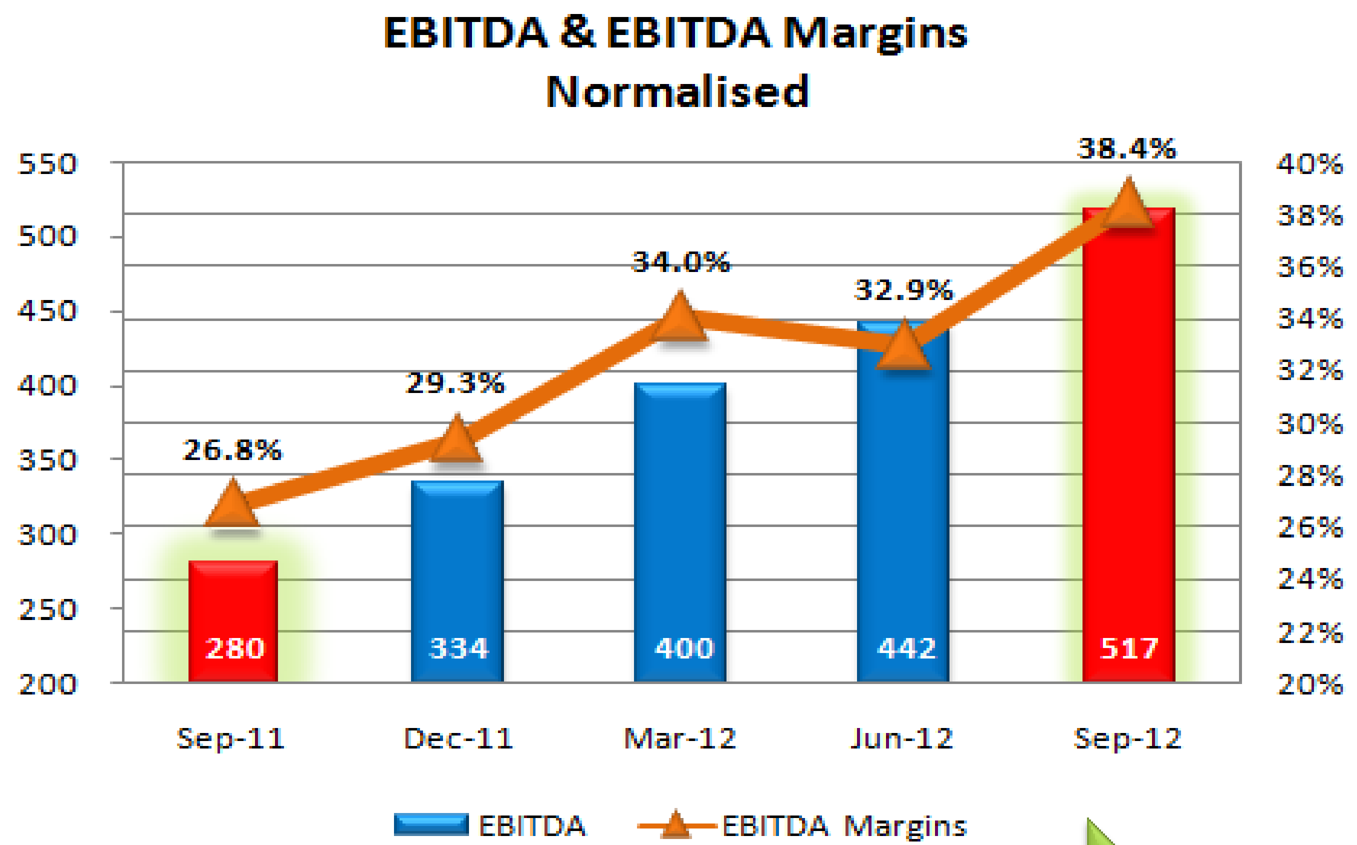
- The quarterly results for Q2 FY13 include the following
  1. Profit on sale of Nutrition Business of Rs.1187 crores has been accounted under “Exceptional Items”
  2. The carried forward costs of certain Intangible Assets and Research and Development costs as at 30th June 2012 of Rs. 437 crores have been expensed off to P&L under “Exceptional Items”. Also an amount of Rs. 48 crores towards Product Development expenses incurred during the quarter ended September 30th 2012 has been accounted under the respective expense heads in the P&L.
  3. Goodwill impairment of French subsidiary of Rs. 621 crores has been accounted under “Exceptional Items”
- The results discussed in the following slides have been normalized for the following for all the previous comparative periods
  1. Nutrition Business Revenues and Profits and
  2. Research & Development Costs
- The balance sheet as at September 30th, 2012 is as reported and considers the reduction of Nutrition Business and R&D assets.

Sales – Growth of 29% over Q2FY12



Growth of 29% over Q2FY12
Growth of 32% in H1FY13 over H1FY12

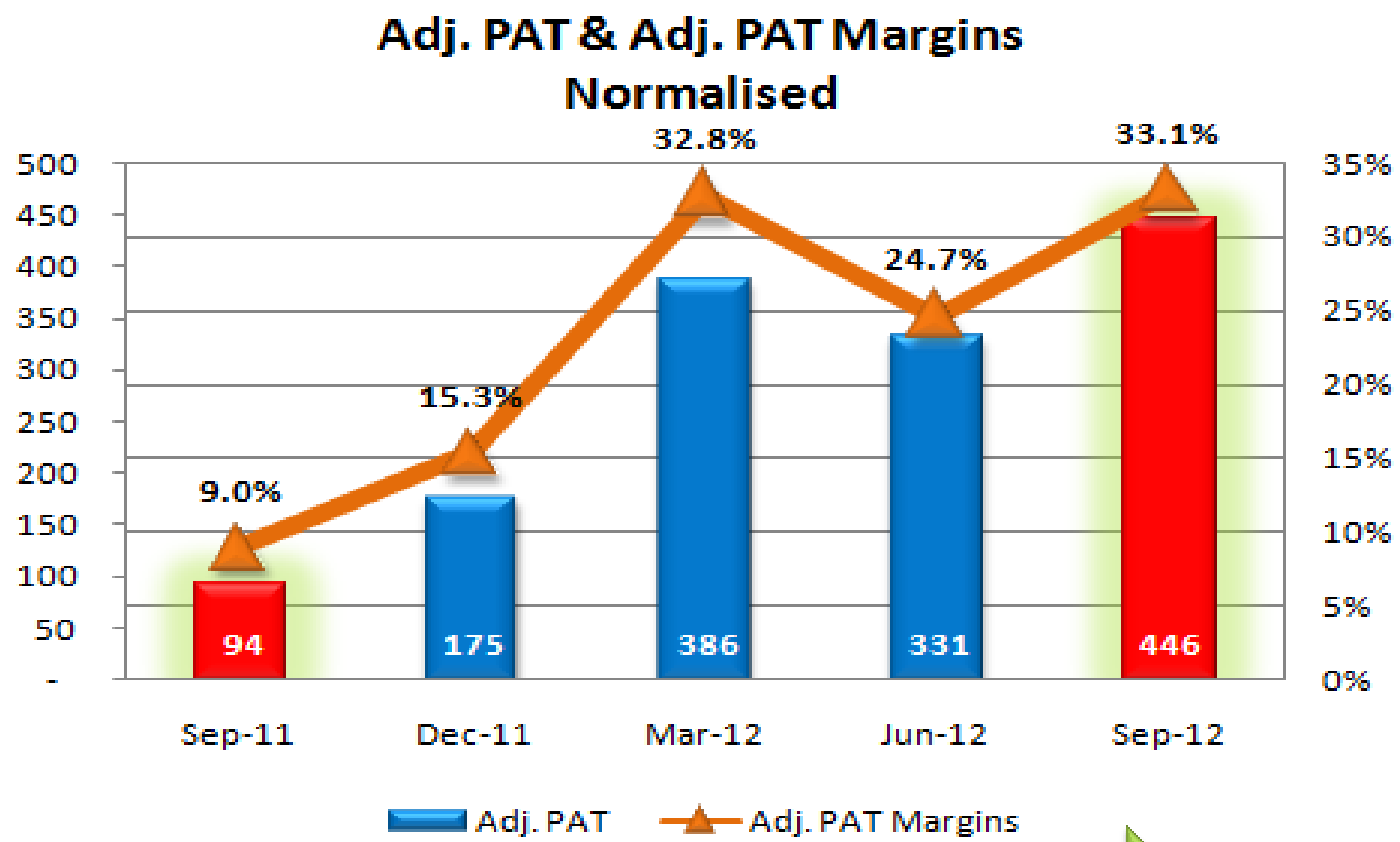
EBITDA – Growth of 85% over Q2FY12



Growth of 85% over Q2FY12
Growth of 77% in H1FY13 over H1FY12

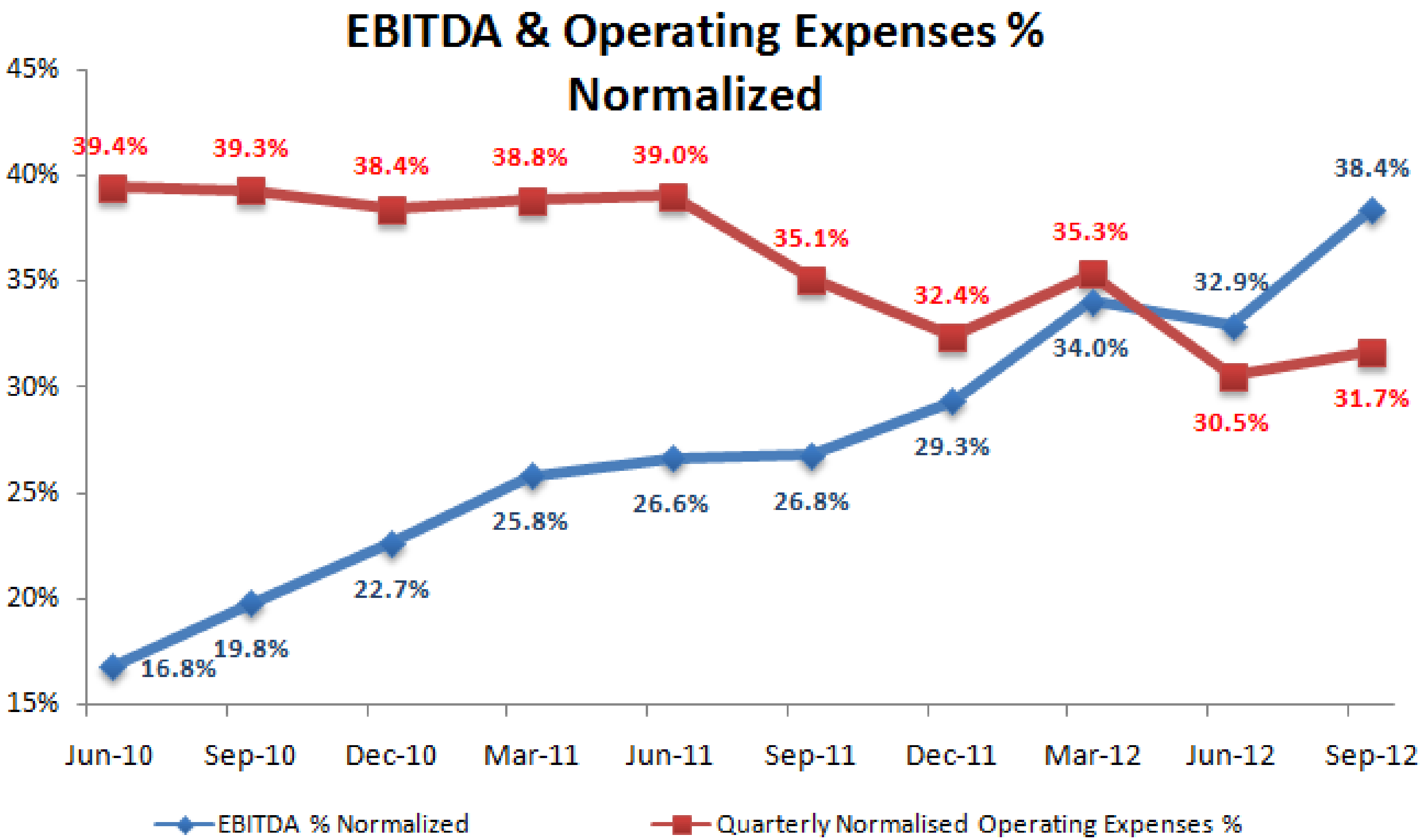
11th Consecutive Quarter of Sequential Growth

Adj. PAT – Growth of 375% over Q2FY12



Growth of 376% over Q2FY12
Growth of 217% in H1FY13 over H1FY12

Quarter on Quarter Improvement



Strong Balance Sheet

Rs. in crores

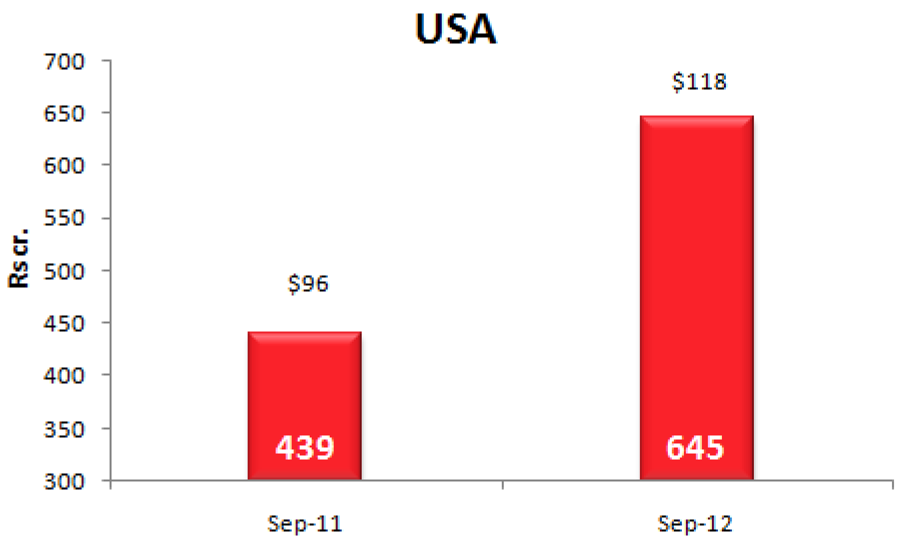
EQUITY & LIABILITIES	Sep-12	Mar-12	ASSETS	Sep-12	Mar-12
Shareholders Funds	**2,294**	**1,471**	**Non Current Assets**		
			a. Fixed assets	1,716	2,140
Non Current Liabilities			b. Goodwill on consolidation	713	1,333
a. Long-term borrowing	2,458	2,706	c. Non-current investments	50	91
b. Deferred tax liabilities (net)	-	101	d. Deferred tax assets (net)	44	-
c. Other long-term liabilities	-	-	e. Long-term loans and advances	181	208
d. Long-term provisions	93	85	f. Other non-current assets	-	-
	2,551	**2,892**		**2,704**	**3,772**
Current Liabilities			**Current Assets**		
a. Short-term borrowing	157	261	a. Inventories	1,022	889
b. Trade payables	620	541	b. Trade receivables	863	759
c. Other current liabilities	894	978	c. Cash and bank balances	1,938	700
d. Short-term provisions	210	111	d. Short-term loans and advances	199	134
	1,881	**1,891**		**4,022**	**2,482**
Total - Equity & Liabilities	**6,726**	**6,254**	**Total - Assets**	**6,726**	**6,254**

Strong Balance Sheet

Return On Capital Employed (EBIT / Capital Employed)	31% *
Return on Net-Worth (PAT / Networth)	58% *
Net Debt to Equity (Net Debt / Equity)	0.5
Net Operating Working Capital to Sales	25%*
EBITDA to Net Debt	1.5*
Interest Coverage Ratio (EBIT / Interest)	8.1*

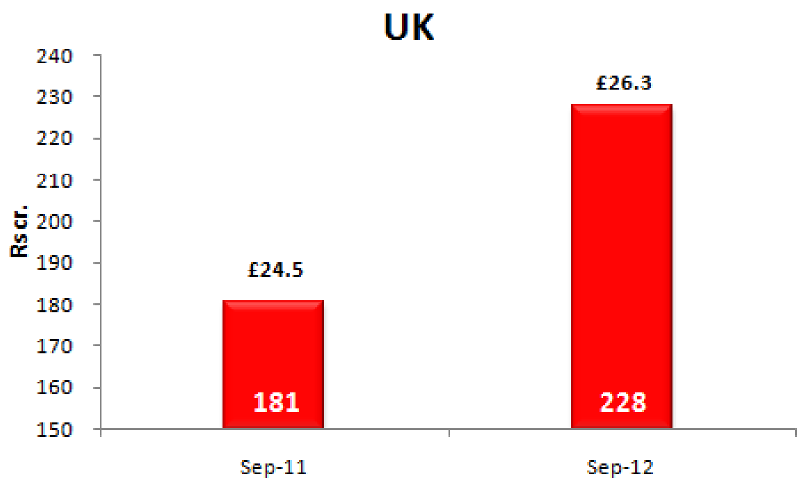
**Based on Trailing Twelve months Sales, Adjusted EBITDA, Adjusted EBIT and Adjusted PAT*

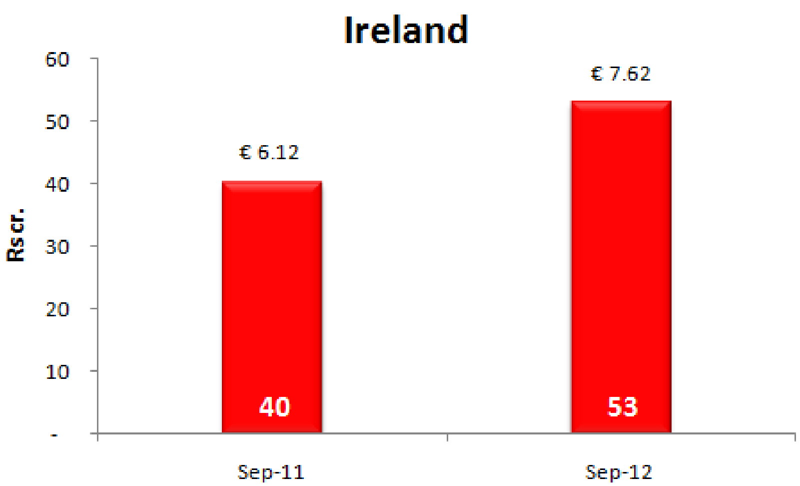
US Business: Profitable Growth



- Growth of 47% (22% on $terms) over Q2FY12.
- Growth in H1FY13 of 61% (33% in $ terms) over H2FY12
- 4 New Products launched in Q2FY13. A total of 8 new product launches in H1FY13.
- Growth across segments in the US market
- LEC – all strengths launched post exclusivity
- Entacapone – another sole AG launched in US on October 1st.

EU Operations: Strong UK Operations





UK Operations

UK operation grows by 26% (7% in £ terms) in Q2FY13 against a depressed market growth

Growth of 29% (9% in £ terms) in H1FY13

3 new product launches in Q2 FY13, 6 in H1FY13

No. 3 Generic company in UK

No. 2 in the hospital segment

Ireland Operations

Ireland growth at 32% (24% in € terms) over Q2FY12.

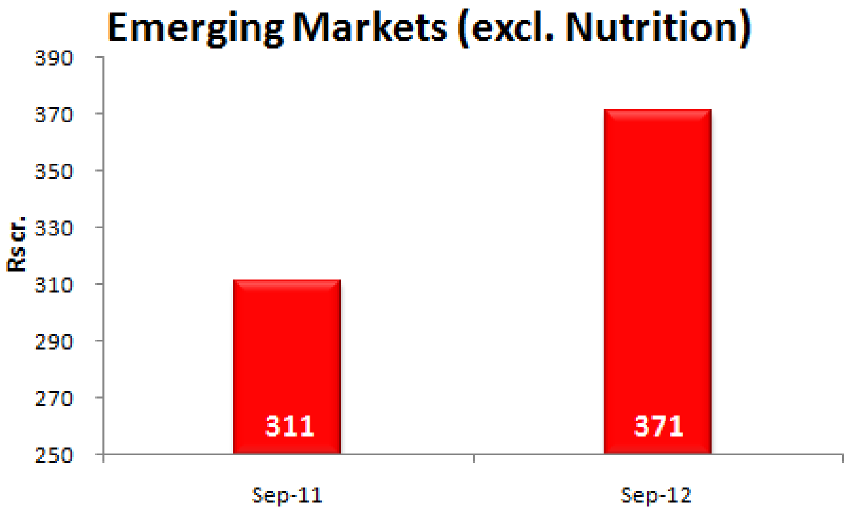
Growth of 24% (16% in € terms) in H1FY13

Launched 6 products in Q2FY13 and 25 in H1FY13

Largest generic player with 30% Market Share

Emerging Markets

- Emerging Markets growth at 19% for Q2FY13 and at 14% for H1FY13.
- Indian Business grew at 3% over Q2FY12.
- Restructuring of the India field force should start showing results in the following quarters.
- ROW operations grew by 92% over Q2FY12

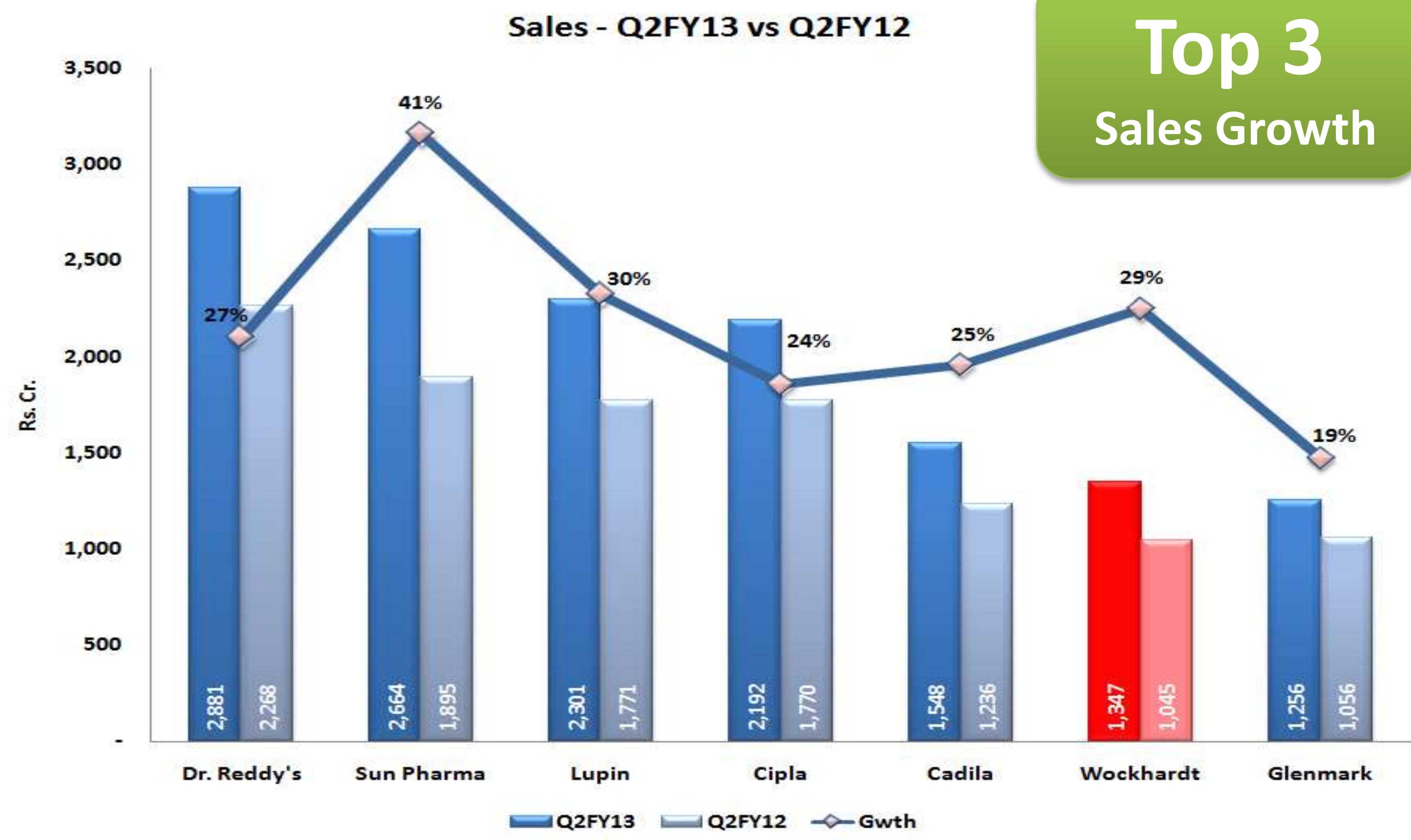


Awards

PHARMEXCIL AWARD for highest no. of Patents filed for the 4^{th} year in a row	**WOCKHARDT**
DIANA AWARD Healthcare Distribution Management Association (HDMA) USA	**WOCKHARDT USA Inc.**
FROST & SULLIVAN **India Healthcare Excellence Awards** Lifetime Achievement Award	**CHAIRMAN** **DR. HABIL KHORAKIWALA**
INVESTORS IN PEOPLE AWARD	**WOCKHARDT UK**
ICICI INDIA INCLUSIVE AWARD under the Corporate Category for Best Social Work in Primary Health	**WOCKHARDT FOUNDATION**
CLO AWARDS INDIA **Tata Institute of Social Sciences** for the Best Mobile Learning Program	**WOCKHARDT**
BEST CORPORATE WEBSITE Association of Business Communicators of India	**WOCKHARDT**
MOST PROMISING BUSINESSWOMAN IN INDIAN BUSINESS	**ZAHABIYA KHORAKIWALA** **MANAGING DIRECTOR** **WOCKHARDT HOSPITALS**
INDUCTION in the ARCH C. KLUMPH SOCIETY as its MEMBERS **-** a recognition of unflinching support for major social projects	**CHAIRMAN-DR. HABIL KHORAKIWALA & MRS. NAFISA KHORAKIWALA**

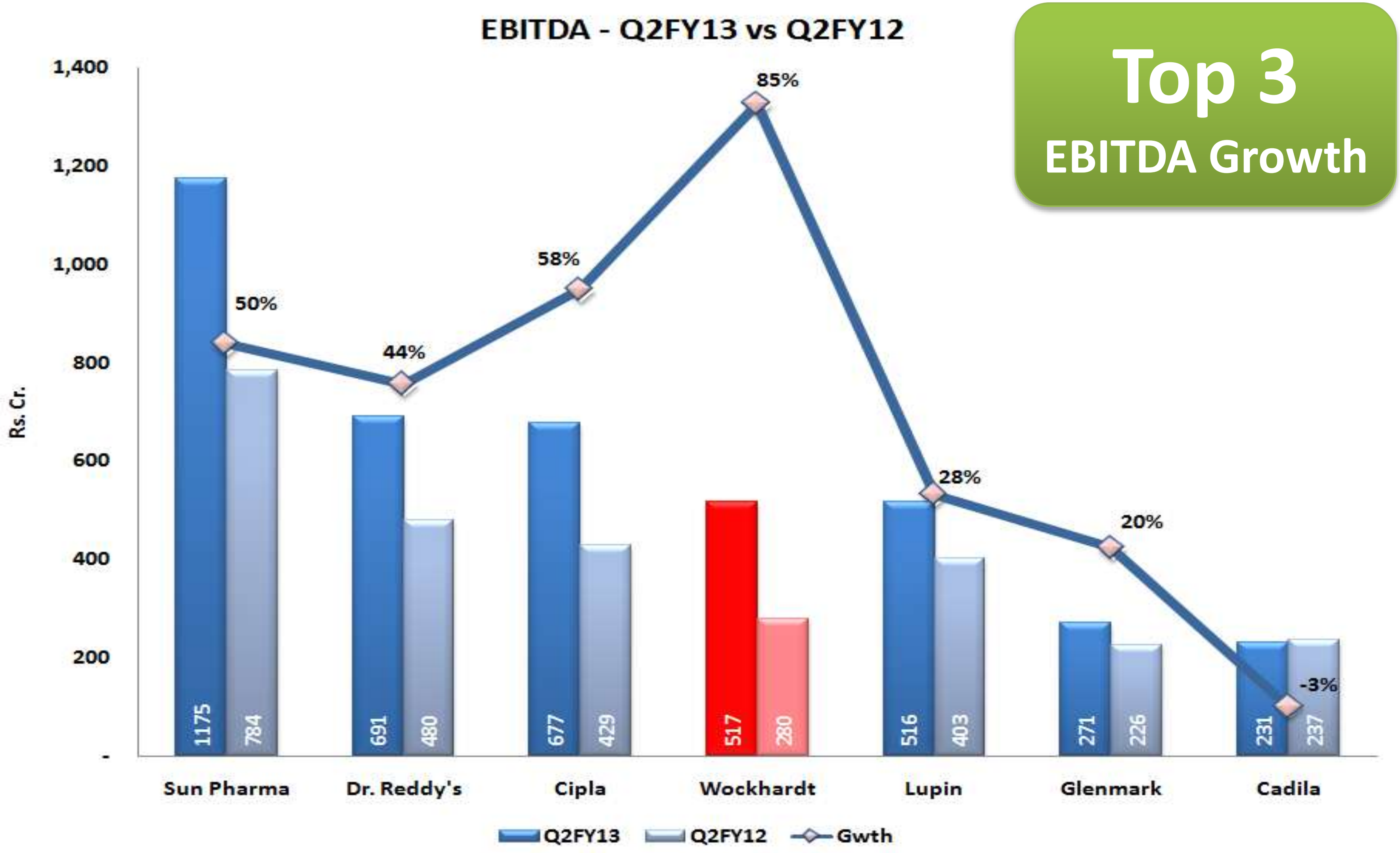
Peer Positioning

Peer Positioning – Q2FY13



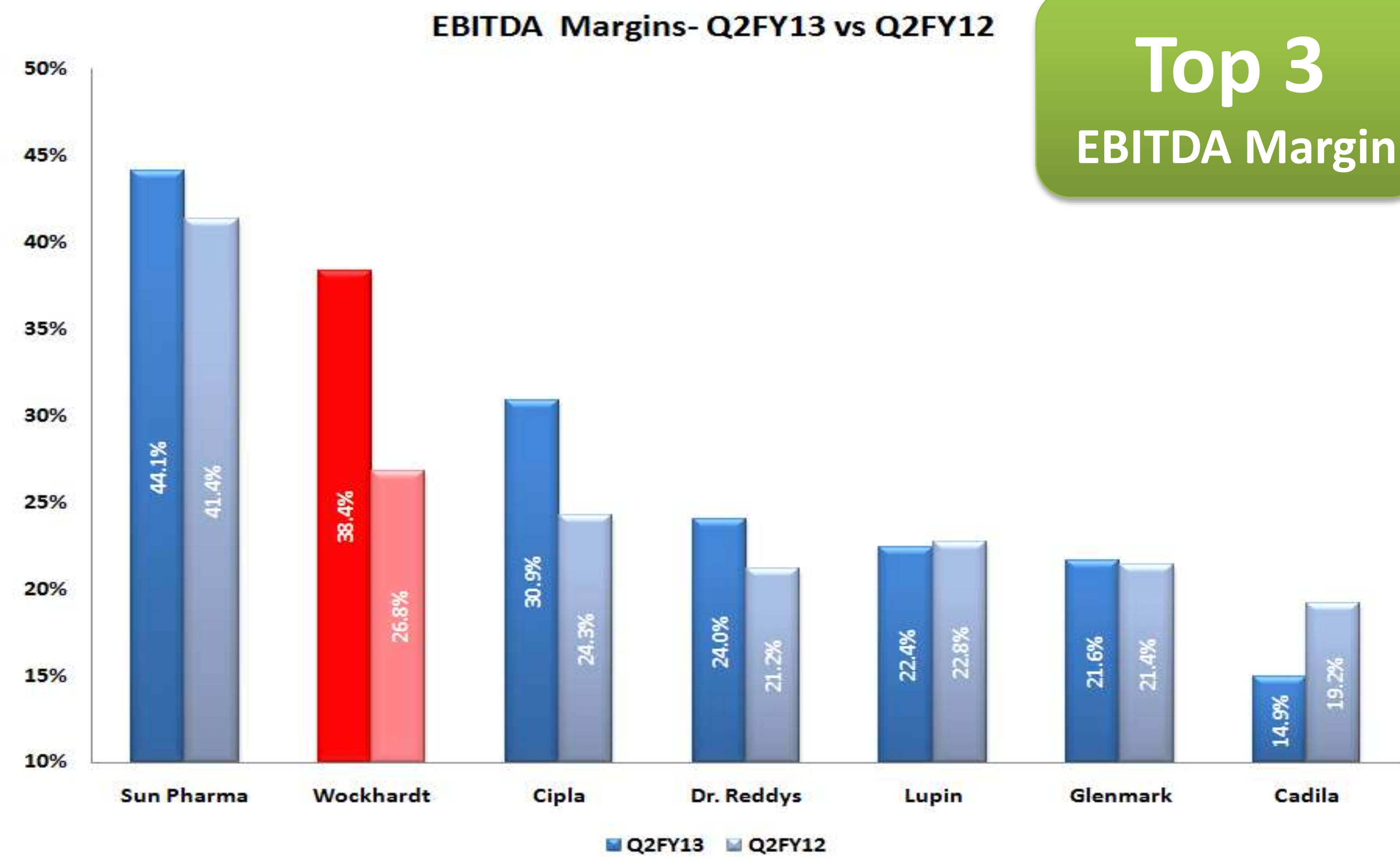
Top 3
Sales Growth

Peer Positioning – Q2FY13



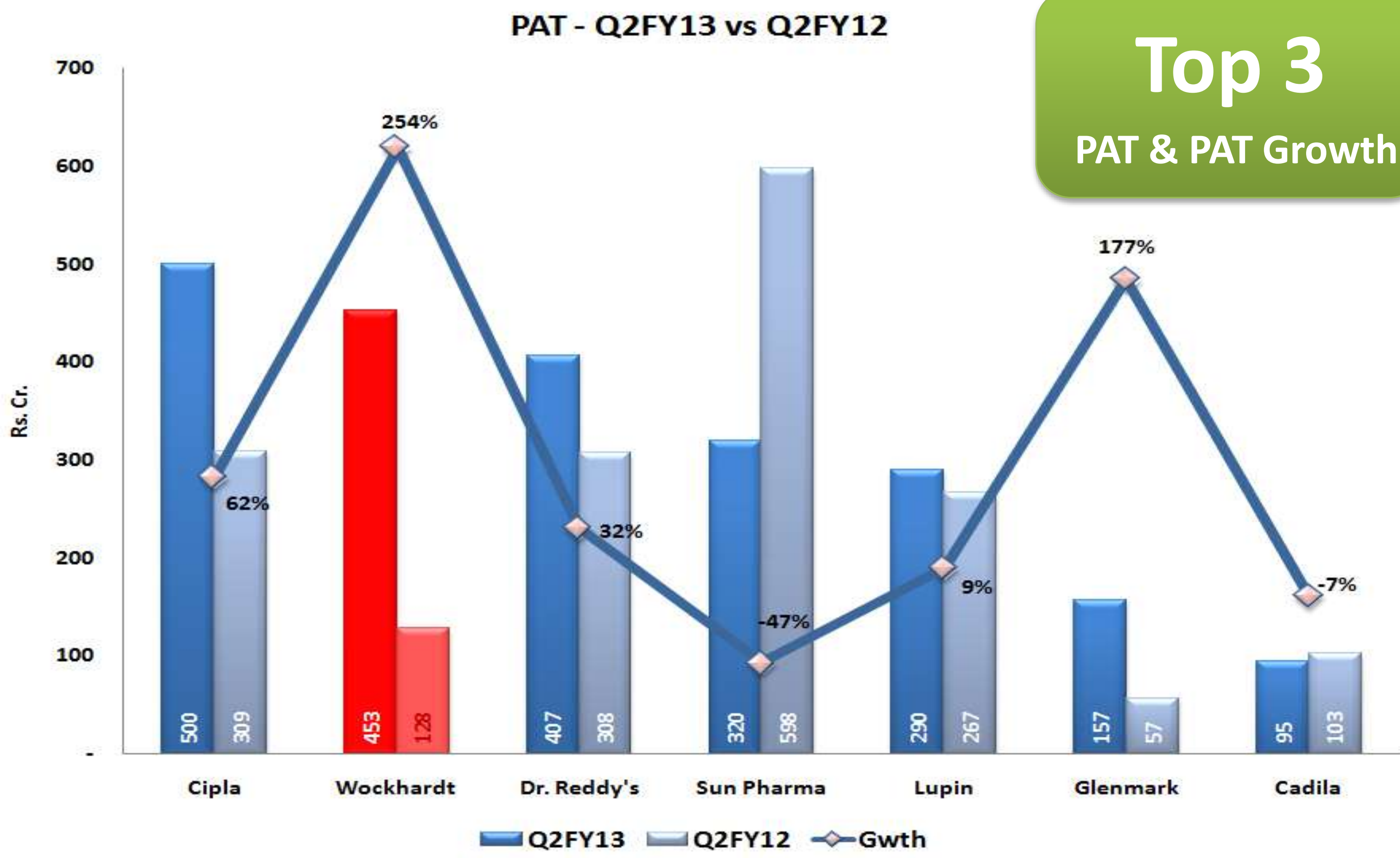
Top 3
EBITDA Growth

Peer Positioning – Q2FY13



Top 3
EBITDA Margin

Peer Positioning – Q2FY13

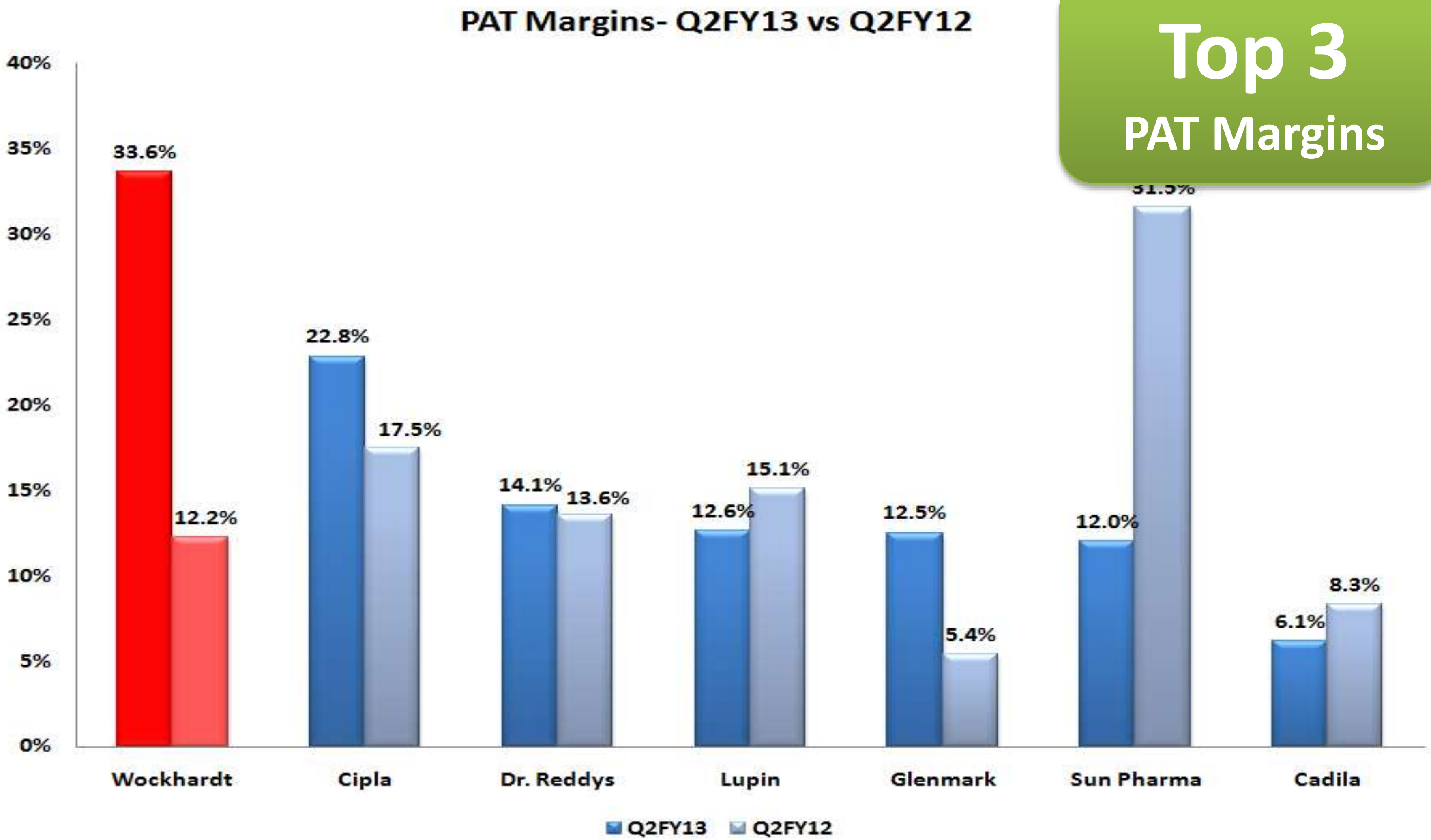


Top 3

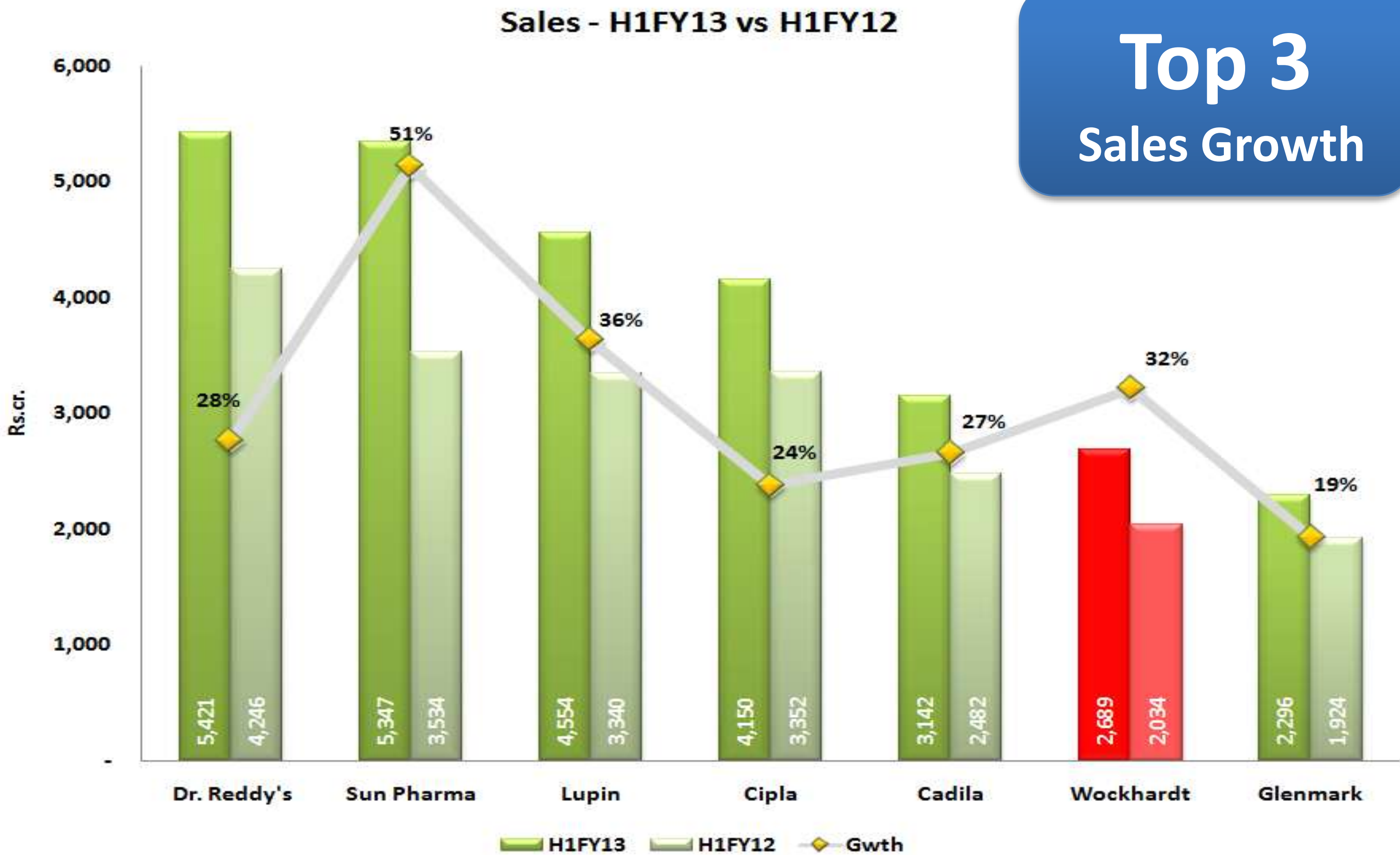
PAT & PAT Growth

Peer Positioning – Q2FY13

Top 3
PAT Margins



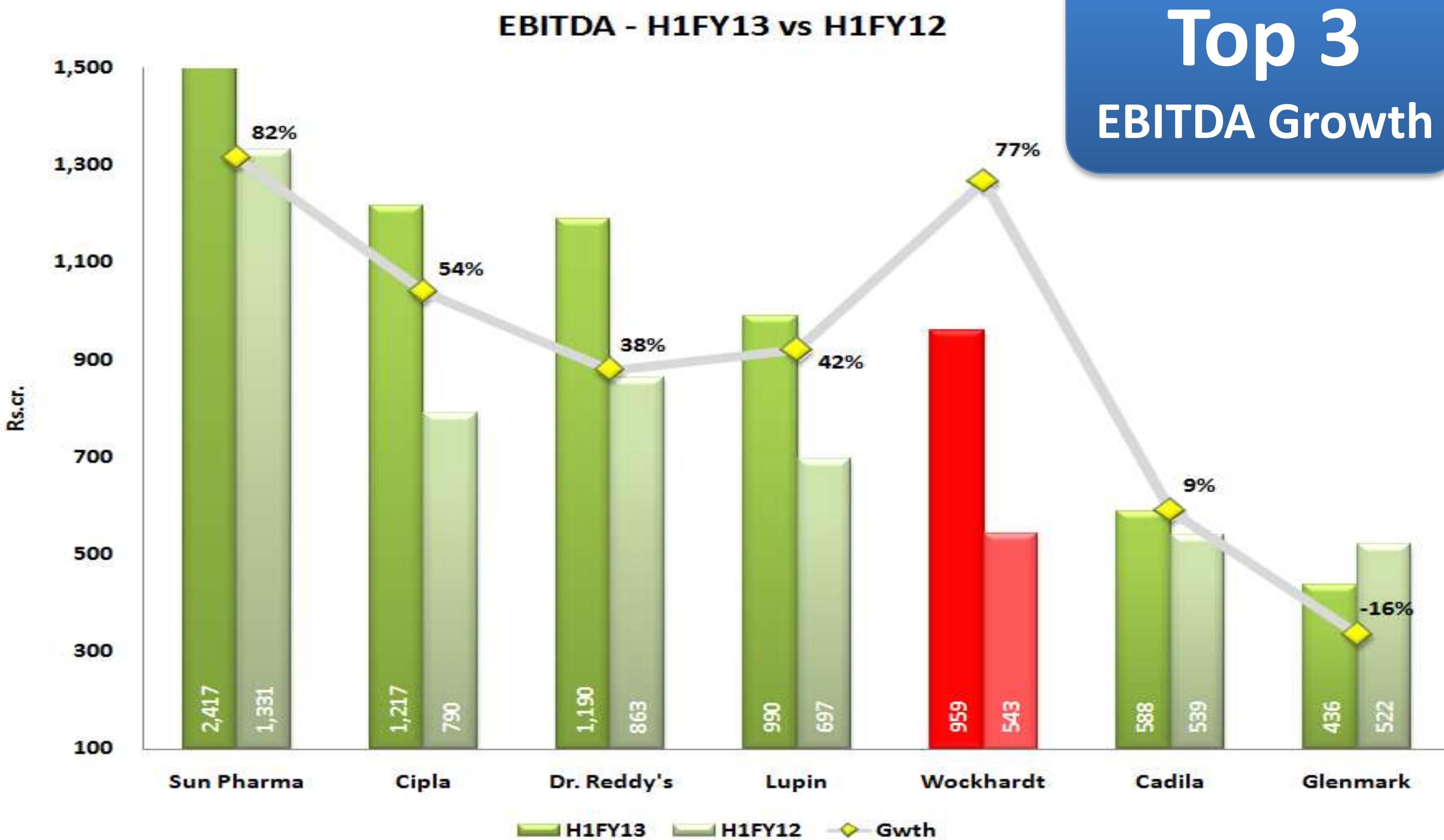
Peer Positioning – H1FY13



Top 3

Sales Growth

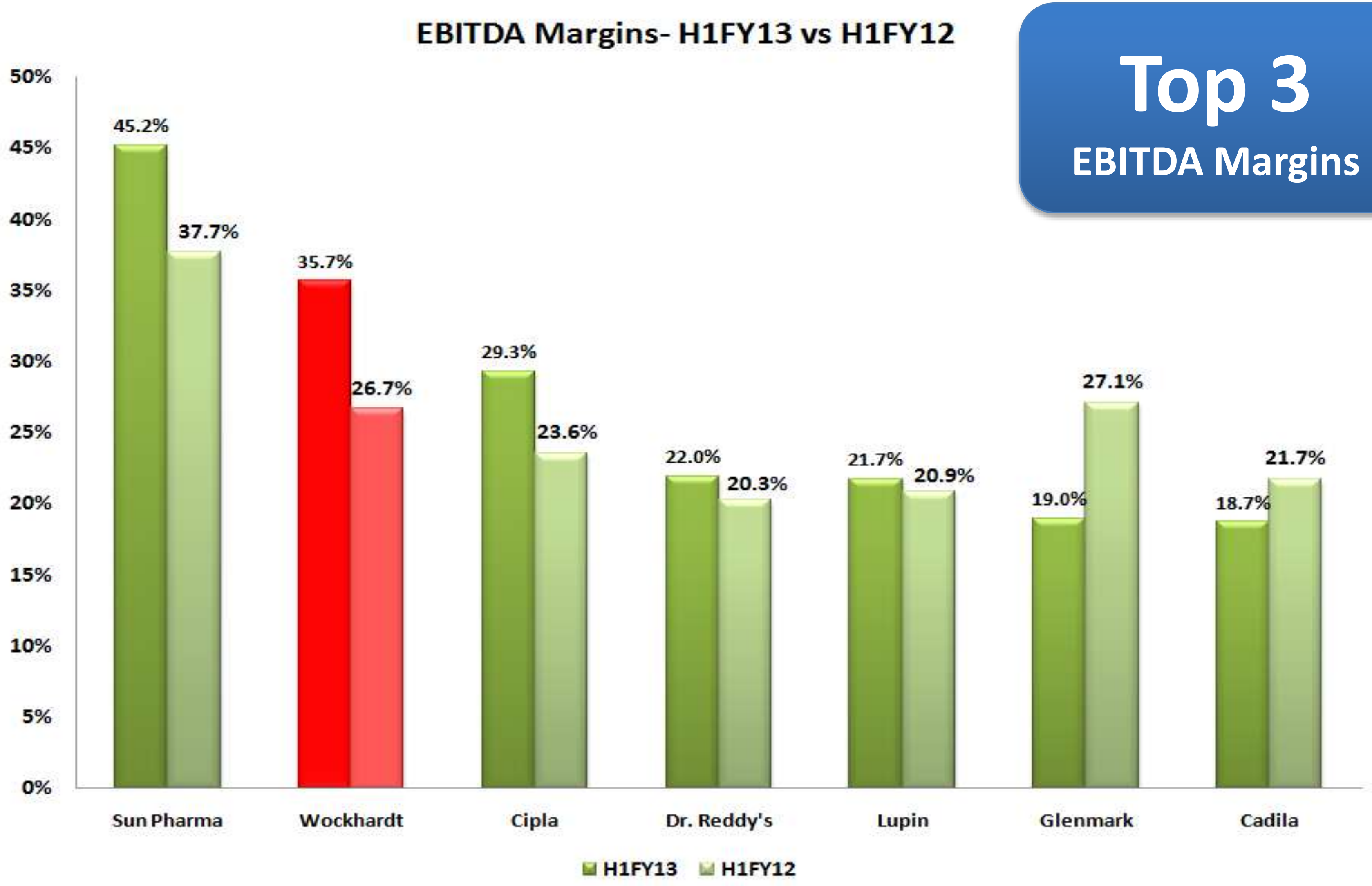
Peer Positioning – H1FY13



Top 3

EBITDA Growth

Peer Positioning – H1FY13



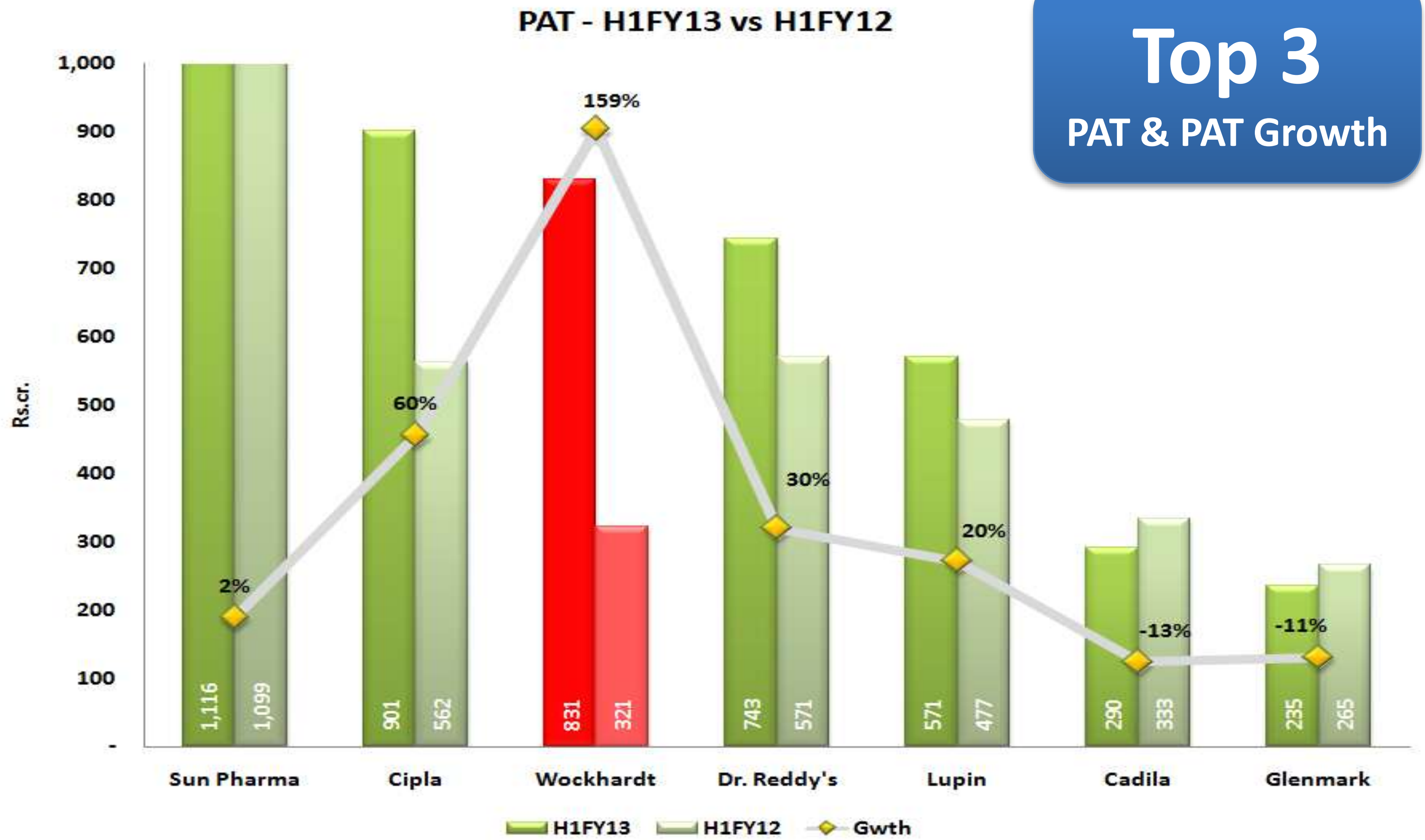
Top 3

EBITDA Margins

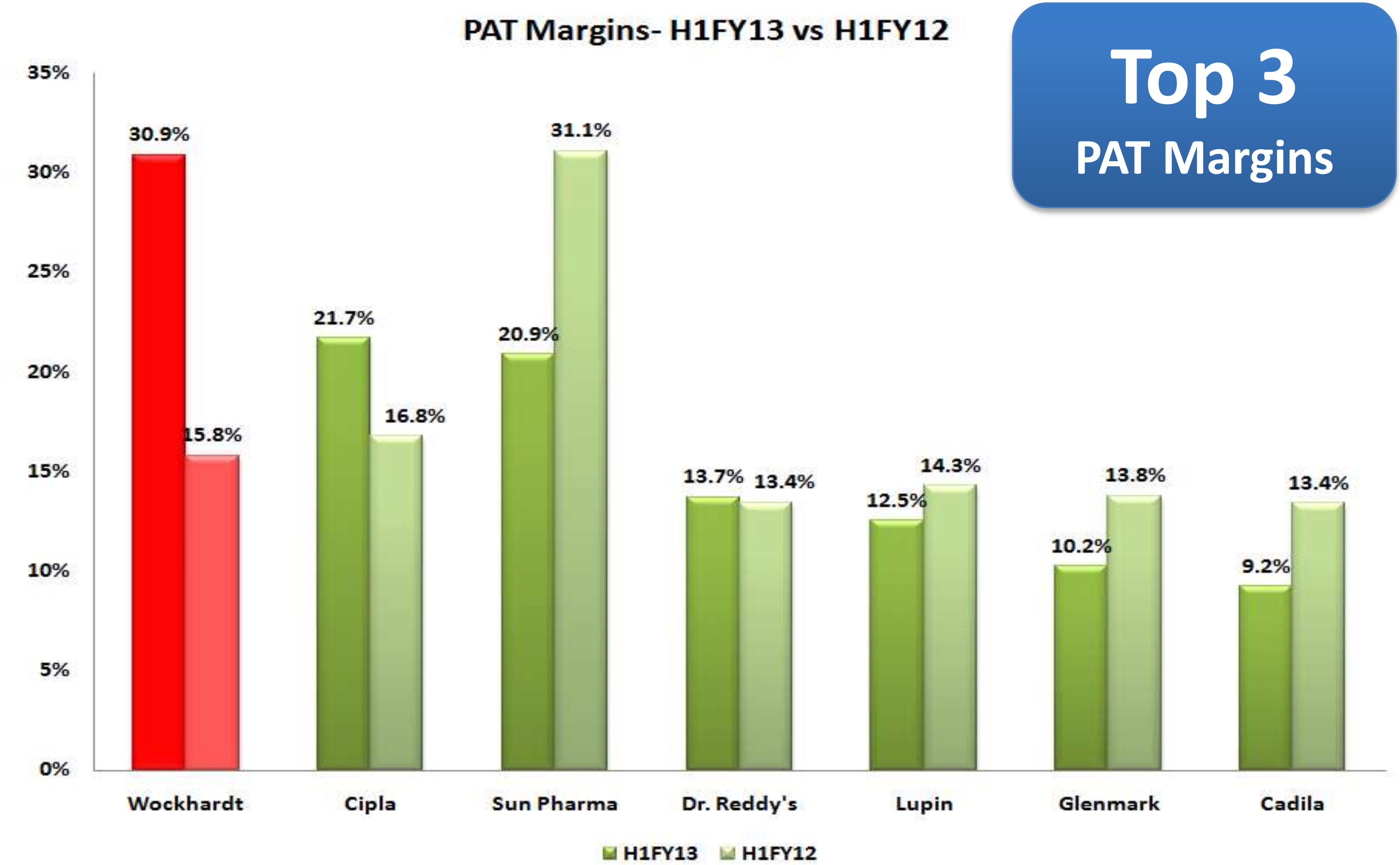
Peer Positioning – H1FY13

Top 3

PAT & PAT Growth



Peer Positioning – H1FY13



Top 3

PAT Margins

Peer Positioning – H1FY13

Working Capital Comparison as at 30.09.2012 **Rs. Crores**

Particulars	Dr Reddys	Glenmark	Lupin	Sun Pharma	Cadila Healthcare	Cipla	Wockhardt
Inventory	2,189	833	1,889	2,453	1,117	1,858	1,022
Debtors	2,625	1,401	2,014	2,163	1,002	1,685	863
Trade Payables	1,041	894	1,635	861	638	674	620
Net Working Capital	**3,772**	**1,340**	**2,268**	**3,755**	**1,480**	**2,869**	**1,265**
Revenues (TTM)	**10,849**	**4,394**	**8,299**	**9,791**	**5,923**	**7,775**	**5,006**
NOWC / Revenues	34.8%	30.5%	27.3%	38.3%	25.0%	36.9%	25.3%

One of the Best Managed Working Capital in the Industry

Particulars	Dr Reddys	Glenmark	Lupin	Sun Pharma	Cadila Healthcare	Cipla	Wockhardt
ROCE *	22%	15%	24%	28%	20%	23%	31%
RONW *	25%	17%	21%	20%	22%	17%	58%

**Based on Trailing Twelve months Financials*

Consistent Profitable Growth

Delivering Consistent Profits

Research

- R&D at the Strategic Core
- Robust Product Pipeline

Globalization

- Direct Operations in USA, UK , Ireland & India
- Strategic Alliances in Emerging Economies

Operational Excellence

- Strong Management & Research Capabilities
- Focus on High Value Product Launches
- Fitter & Trimmer Organisation

For investor updates and communication please visit
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