



Wockhardt Limited  
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October 30, 2006

Dear Shareowners,

Another quarter is behind us. The third quarter, ended September 30, 2006, is noteworthy for the substantial investments, which your company has made for its future.

### Investing in the future

Wockhardt made two major acquisitions during the quarter. The first is Pinewood, the largest generic pharmaceutical company in Ireland. The \$150 million acquisition, the largest in Wockhardt's history, has not only expanded Wockhardt's footprint in Europe, but has opened up new opportunities through an enlarged customer base in Ireland and the UK. The UK contributes half of Pinewood's sales. The acquisition is a strategic fit for Wockhardt as Pinewood's liquids and creams business complements Wockhardt UK's strengths in injectables and solid dosages.

Europe now contributes to 50% of your company's sales.

The second acquisition was Dumex in India, our biggest market after Europe. Dumex India has strengthened Wockhardt's nutrition portfolio with Protinex and Farex, two heritage brands with a history spanning over 50 years. Wockhardt has become the formidable leader in nutrition business and I am happy to inform you that our nutrition business will now go global.

The Board has just announced the consolidated results for the third quarter ended September 30, 2006.

Here are the main performance highlights for the third quarter:

- ~ Revenue increased by 22% to Rs. 4, 377 million
  - ◆ Indian business increased by 38%
  - ◆ International business increased by 11%
- ~ Profits at the net level at Rs. 740 million, up by 14%

### Indian business grows at more than twice industry growth rate

Some of you have been asking me if our Indian business will get marginalised in our global growth strategy. Far from it, as is proved by our Dumex acquisition. You will be happy to learn that our Indian business posted a robust growth of 38% in the quarter, more than twice the industry growth rate of 17%. Your company has been outperforming the industry consecutively for the last two years. This superior growth has been achieved due to focus on value added niche specialities and new product launches. The Indian diabetology portfolio grew by 25% while the nephrology portfolio grew by 43%.

### International business on a strong growth track

In other significant developments, the US formulation business is on a strong growth track with 20% growth in the quarter ending September 2006. The year also saw two new facilities getting USFDA approval making total of 6 Wockhardt facilities approved. Wockhardt received six ANDA approvals this year, and currently markets 14 products in the US. The company's administration and infrastructure is well in place now with the successful implementation of SAP in the quarter.

Wockhardt has continued to perform strongly in Europe, which is the company's largest overseas business, registering a growth of 13% for the quarter in its formulation business.

On behalf of 4,000-plus Wockhardians, including 800 working outside India, let me thank you for your unwavering support and good wishes.

Warm regards,

Habil Khorakiwala  
Chairman

# Advantage Wockhardt



- ◆ \$ 150 million acquisition of Pinewood (Ireland) gives Wockhardt a larger footprint in Europe spread over UK, Ireland and Germany. Europe will now contribute 50% of sales.
- ◆ Acquisition of Dumex India and its brands Protinex & Farex fortifies Wockhardt's nutrition business. Nutritional business will now go global.
- ◆ Nine month Sales grow by 15% at Rs. 1,201 crores.

## QUARTER HIGHLIGHTS

- ▲ Global sales up 22 %
- ▲ India sales grow 38 %
- ▲ US sales grows 20 %

## WOCKHARDT LIMITED - CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND MAT ENDED SEPTEMBER 30, 2006

(Rs. in Million)

Quarter Ended 30/09/2005	Quarter Ended 30/09/2006	% Growth	Particulars	MAT Ended 30/09/2006	% To Sales	% Growth	MAT Ended 30/09/2005	% To Sales
<b>3595</b>	<b>4377</b>	<b>21.8</b>	<b>Sales</b>	<b>15673</b>	<b>100.0</b>	<b>12.5</b>	<b>13933</b>	<b>100.0</b>
2719	3406	25.3	Operating Expenditure	12040	76.8	11.9	10756	77.2
<b>876</b>	<b>971</b>	<b>10.8</b>	<b>EBITDA</b>	<b>3633</b>	<b>23.2</b>	<b>14.4</b>	<b>3177</b>	<b>22.8</b>
41	(5)	(112.2)	Interest	(139)	(0.9)	(614.4)	27	0.2
118	141	19.5	Depreciation	507	3.2	19.0	426	3.1
29	61	-	Other Income	139	-	-	305	-
746	896	20.1	Profit Before Tax & Exceptional Items	3404	21.7	12.4	3029	21.7
95	156	64.2	Provision for Taxation	530	3.4	19.9	442	3.2
<b>651</b>	<b>740</b>	<b>13.7</b>	<b>Profit After Tax Before Exceptional Items</b>	<b>2874</b>	<b>18.3</b>	<b>11.1</b>	<b>2587</b>	<b>18.6</b>
-	-	-	Exceptional Items	604	3.9	-	113	0.8
651	740	13.7	Net Profit	2270	14.5	(8.2)	2474	17.8
546	547	-	Paid-up Equity Capital	547	-	-	546	-
<b>5.96</b>	<b>6.76</b>	<b>13.4</b>	<b>Earning Per Share(Rs.)</b>	<b>26.27</b>	<b>-</b>	<b>10.9</b>	<b>23.69</b>	<b>-</b>

Financial year of Wockhardt Limited is Jan - Dec

MAT = Moving Annual Total

In case you need further clarification, please write to our Investor Service Cell, Wockhardt Limited, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or E-mail : rgandhi@wockhardt.com

Please do visit our new corporate website [www.wockhardt.com](http://www.wockhardt.com)