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February 21, 2008

Dear Shareowners,

The year 2008 has arrived. And let me take this opportunity of wishing you all a wonderful and profitable leap year. Wockhardt too, is poised to take a giant leap forward this year.

In 2007 Wockhardt moved into another trajectory of globalisation and growth. Not only did our annual revenues grow by 53% to Rs. 2,653 crore, even net profit grew by 60% to Rs. 386 crore. The value creation in the new acquisitions of Pinewood and Negma in Europe, contributed to the growth in profits. As mentioned earlier and I reiterate, we are fundamentally focussed on consolidating, integrating, rationalising and optimising our global resources to create value for the company and all our stakeholders.

Let me now share with you the highlights of 2007 and also give you a perspective of our strategic roadmap of making Wockhardt a US\$ 1 Billion Company by 2009.

#### **Our robust financial highlights for Q4 - 2007**

- ◆ Net profit climbs to Rs. 107 crores, crosses the 100 crore mark for the third consecutive quarter
- ◆ Sales peaked at 45% to Rs. 762 crores
- ◆ Operating margin at 24.9% improved by 170 basis points

#### **An unmatched annual dividend declared**

The total dividend for the financial year ended December 31, 2007 is Rs. 11.25 per equity share i.e. 225%. Initially, an interim dividend of Rs. 8.75 per equity share i.e. 175% was paid in November 2007. The Board has now recommended an additional dividend of Rs. 2.50 per equity share, i.e. 50%, as the final one.

#### **India business in overdrive**

Once again, our India business growth of 15% outperformed the industry growth of 13%. We have successfully In-licensed niche, patented products for the Indian market and are adding new therapeutic focus in Dermatology, Oncology and Osteo-arthritis.

Dexolac becomes the second brand after Spasmo-Proxyvon to enter the elite 'Top 100' brands in India. Overall, Wockhardt now has eight brands occupying the 'Top 300' brands of the industry.

#### **European formulation business grows by 97% in 2007**

Europe continues to be Wockhardt's single largest market accounting for 54% of consolidated sales. UK, Ireland, Germany and France recorded double-digit growth, almost twice the industry growth in these markets. The year 2008 will also see the filing of Insulin in the EU markets.

While statistics show the pharma emerging markets now shifting to the European Union, Wockhardt's foresight sees us enjoying a pan-European presence covering the key markets of Germany, France and UK.

#### **Wockhardt USA**

In 2007, Wockhardt received US FDA approvals for 13 ANDA's, taking the tally to 25 products for the US market. With the acquisition of Morton Grove, 31 products got added to the US portfolio, giving us an opportunity to expand our market base. Going forward we will definitely integrate Morton Grove into Wockhardt US operations and scale new heights in the coming year.

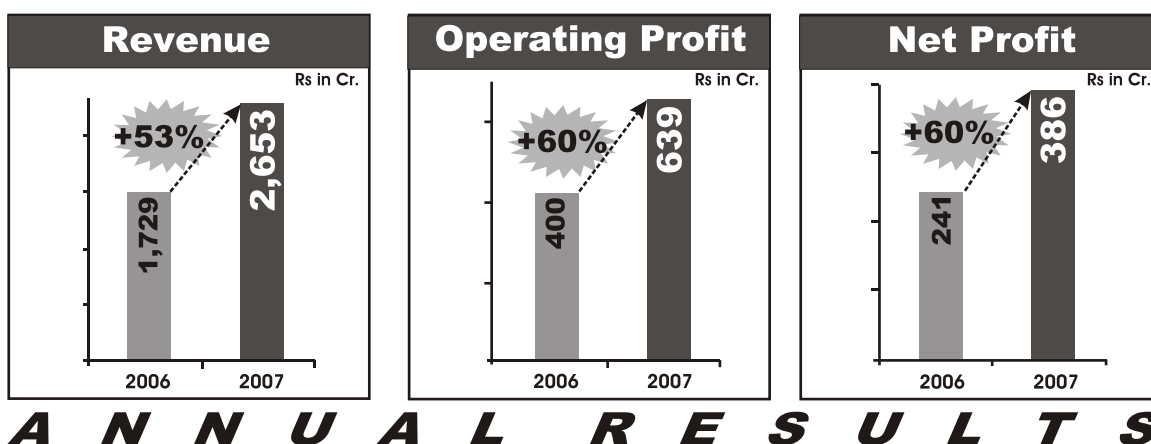
There's a saying, the world loves a winner and I say this very proudly... Wockhardt is a winner! And the results evidently say so. Despite our acquisitions, the rupee appreciating and the global economic slowdown, Wockhardt's financial acumen is enough proof of a company with a strong business model, ethics and professionalism. And all this without your continued support would have been next to impossible.

Thank you and looking forward to meeting you at the forthcoming AGM.

Warm regards,

Habil Khorakiwala  
Chairman

# Wockhardt... A robust performance



## Quarter Highlights – 2007

- ▲ Net profit crosses the Rs.100 crore mark for 3 consecutive quarters.
- ▲ Operating profit at Rs.190 crore.
- ▲ Operating margins up 170 basis points.
- ▲ Sales revenue grows at 45%.

## WOCKHARDT LIMITED - CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST DECEMBER 2007

(Rs. in Crore)

Quarter Ended 31/12/2006	Quarter Ended 31/12/2007	% Growth	Particulars	Year Ended 31/12/2007	% To Sales	% Growth	Year Ended 31/12/2006	% To Sales
526.4	762.0	44.8	Sales	2653.2	100.0	53.5	1729.0	100.0
404.4	571.9	41.4	Operating Expenditure	2014.1	75.9	51.6	1328.7	76.8
122.0	190.1	55.8	EBITDA (Operating Profit)	639.1	24.1	59.7	400.3	23.2
11.5	49.2	327.8	Interest	97.4	3.7	3646.2	2.6	0.2
21.2	23.6	11.3	Depreciation	78.5	3.0	26.4	62.1	3.6
89.3	117.3	31.4	Profit from Operations	463.2	17.5	38.0	335.6	19.4
-	-	-	Extra Ordinary Item	-	-	-	60.4	-
7.7	3.7	-	Other Income	11.0	-	-	19.0	-
10.0	15.5	55.0	Provision for Taxation	91.7	3.5	-	52.9	3.1
87.0	105.5	21.3	Profit After Tax	382.5	14.4	58.5	241.3	14.0
-	1.4	-	Share of Profit/(Loss) from Associates	3.3	-	-	-	-
87.0	106.9	22.9	Net Profit	385.8	14.5	59.9	241.3	14.0
547	547	-	Paid-up Equity Capital	547	-	-	547	-
7.96	9.77	22.7	Earning Per Share (Rs.)	35.25	-	59.9	22.05	-

Financial year of Wockhardt Limited is Jan - Dec

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 corporate website [www.wockhardt.com](http://www.wockhardt.com)