

# WOCKHARDT – FY 2007



Investor Meet – February 21' 2008



# Wockhardt delivers

## Outlook 2007

Global Revenue to Cross US\$ 500mn,  
PAT at 16-18 %

India to Grow at 20%+

Europe to Grow at 50-55 %  
Pinewood Margin to Improve 200 bps

US Sales to grow by 50%  
7 approvals expected and 30 filings

## Achieved in 2007

Global Revenue of US \$ 673 mn, PAT  
at 14.5%

India Growth at 15%

Europe growing at 97%  
Pinewood Margins Improved 300 bps

US growth at 64%  
13 approvals received and 25 filings

# Key Achievements 2007

- ❑ India business on robust growth path
  - ❖ Improved ranking, market share
  - ❖ Securing future through In-licensing of niche, patented products
    - 11 arrangements finalised
  
- ❑ 1st Generic company to file Biotech IND in US
  
- ❑ Largest Indian Pharmaceutical Company in Europe
  - ❖ Annualised Revenue of US \$ 400 mn
  
- ❑ Acquisitions in under/unrepresented geographies
  - ❖ France & US – Enterprise Value of \$ 300 million
  - ❖ Adding \$ 200+ million annualized revenue

# Key Achievements 2007

## ☐ Manufacturing

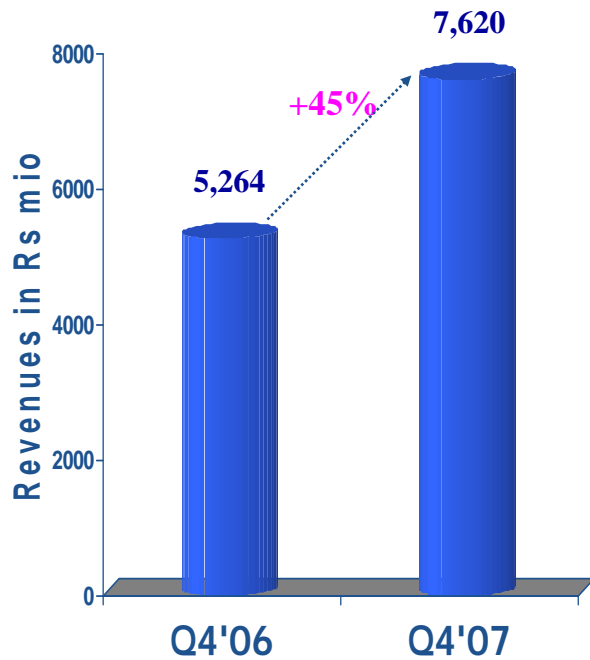
- ❖ All manufacturing sites are now USFDA/MHRA approved
- ❖ Strategically located facilities in India, US & Europe
- ❖ Comprehensive technological capabilities

## ☐ Ramp-up in R & D

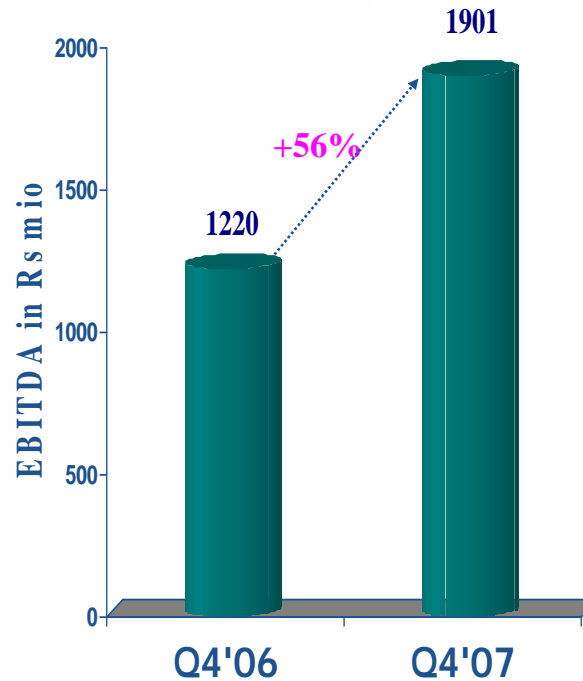
- ❖ 13 ANDAs & 7 DMFs approved
- ❖ 25 ANDAs filings including 2 FTM opportunity
- ❖ 7 Filings in Europe

# Financial Highlights – Q4'07

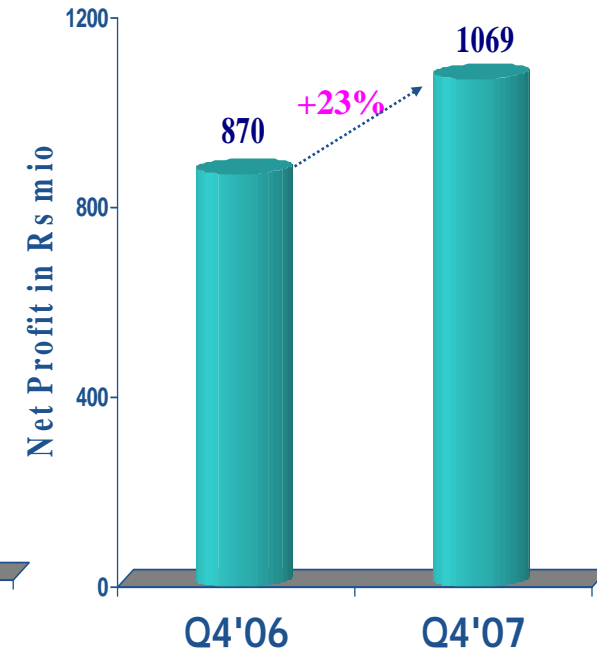
## Revenues



## EBITDA



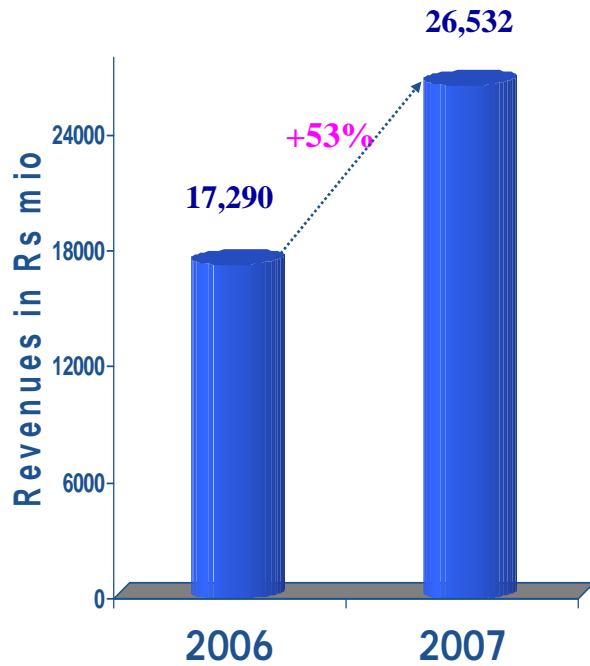
## Net Profit



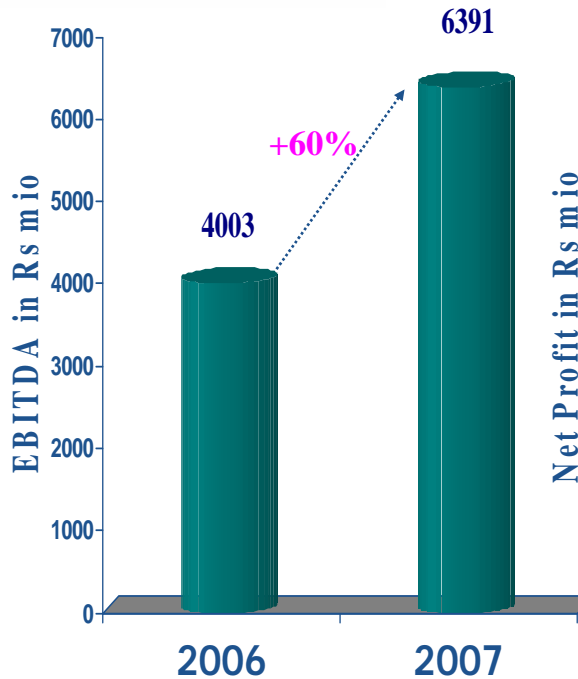
Operating margin at 24.9% up 170 basis points

# Financial Highlights – FY2007

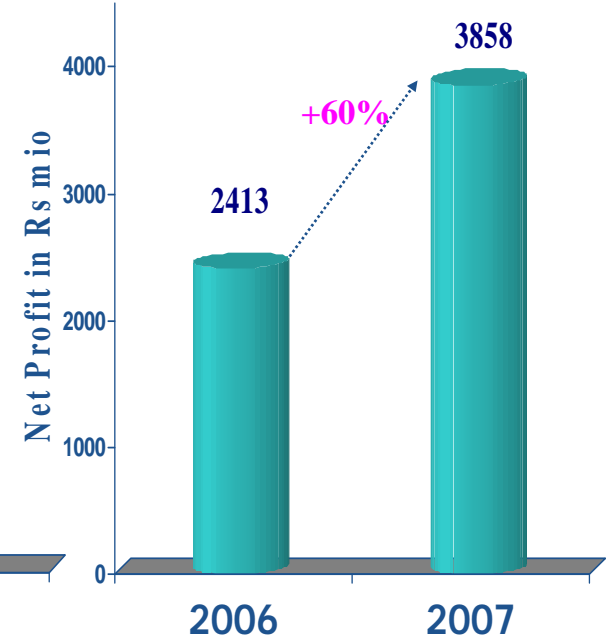
## Revenues



## EBITDA



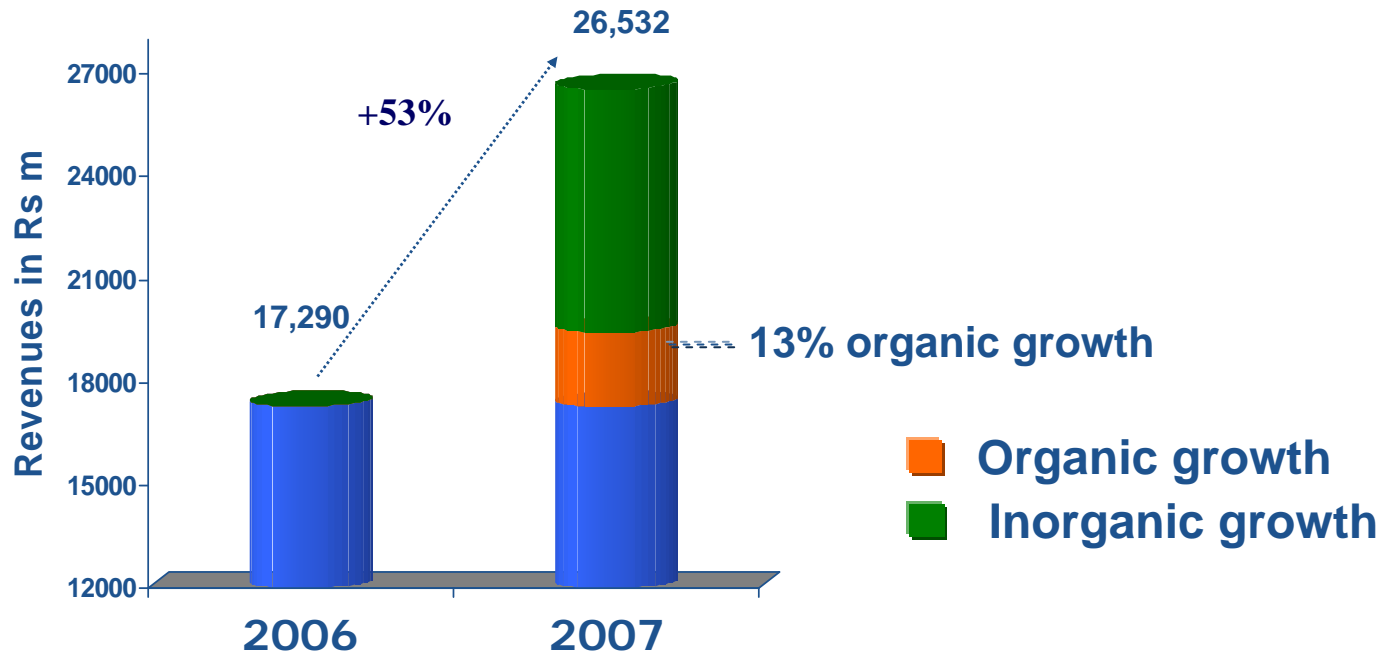
## Net Profit



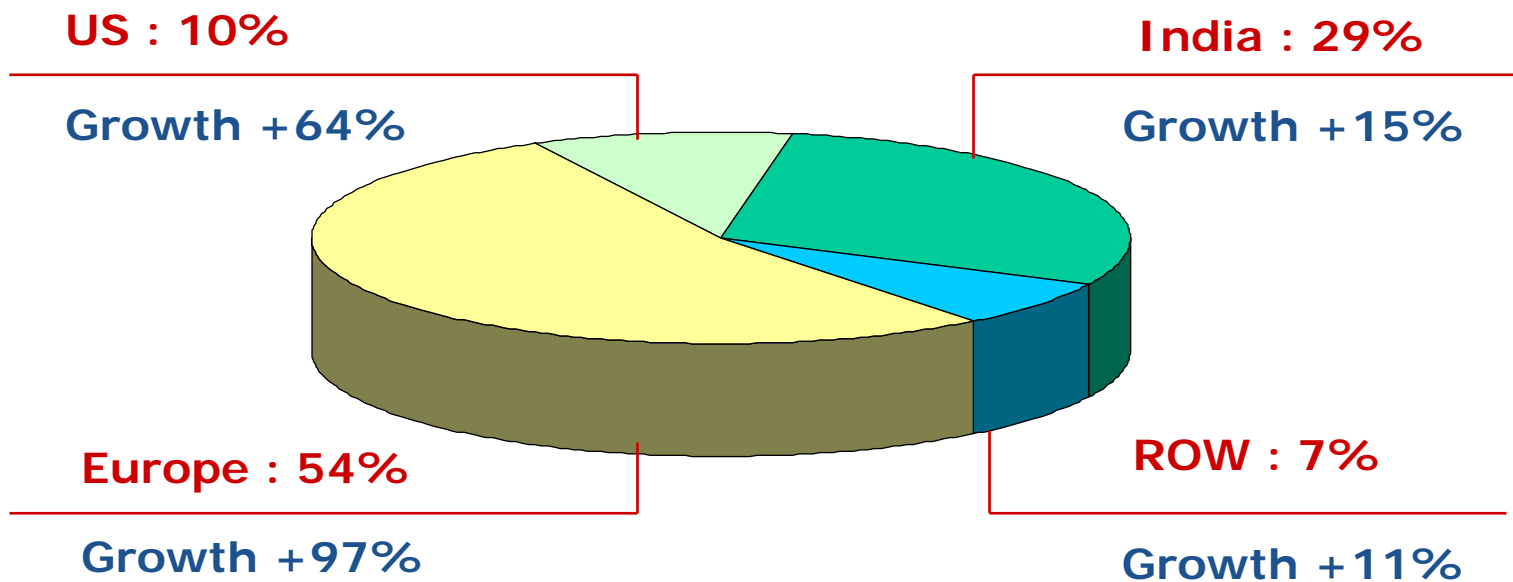
Operating margin at 24.1% up 90 basis points

# Robust Organic growth

Growing through a blend of organic & inorganic growth



# Geographical Split of Revenues



# Business Highlights

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□ Biopharmaceuticals

□ India

□ US

□ Europe

# Business Highlights

## ☐ Biopharmaceuticals

☐ India

☐ US

☐ Europe

# BioPharmaceuticals

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- ❑ Global Biotechnology Market - \$ 75 bn
- ❑ Off Patent Opportunity over next 10 years - \$ 30 bn
- ❑ Wockhardt Portfolio - \$ 20 bn

# Wockhardt BioSimilar Strategy

- ❑ Strong and Robust Portfolio
- ❑ **Deep dive** into Insulin Opportunity
- ❑ **Early mover Advantage** in Regulated Markets
- ❑ Concept to market capabilities
  - ❖ Research and Development, Manufacturing, Regulatory, IP, S&M
  - ❖ Strategic Marketing Alliances

# Insulin Global Market Opportunity

□ Insulin + Insulin Analogues > \$ 10 bn

❖ Insulin > \$ 4 Bn

❖ Insulin Analogues > \$ 6 Bn

# Wockhardt Market Entry

Product	Market	Market Size ( \$ mn)	Patent Position	Wockhardt Entry
Insulin	US	1000	Off	2010
	EU	2000	Off	2010
	Japan	750	Off	TBD
	ROW	750	Off	2007 - 2009
Insulin Analogues				
Glargine	US / EU	2000	2014	2014
Lispro	US / EU	1200	2014	2014

# Wockhardt Insulin Advantage

**Early Mover**

# Wockhardt Insulin Advantage

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## 3 Major Products in Portfolio

- ❖ Insulin
- ❖ Glargine (Long Lasting Insulin)
- ❖ Lispro (Fast Acting Insulin)

# Wockhardt Insulin Advantage

## Complete Range of Drug Delivery Systems

- ❖ Vials
- ❖ Cartridges
- ❖ Disposable Pens
- ❖ Re usable Pens

Wockhardt Patent

# Wockhardt Insulin Advantage

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## Manufacturing Infrastructure

### API and Formulation

- ❖ International Quality Standards
- ❖ Approved in 6 ROW countries
- ❖ US and EU Approvable

# Achievements in 2007 (Insulin)

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## Regulatory Position – United States

❖ **IND Approved**

❖ **Dossier Filing in H1 2009**

# Achievements in 2007 (Insulin)

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## Regulatory Position – Europe

❖ **IND Filing Feb 2008**

❖ **Dossier Filing in H1 2009**

# Achievements in 2007 (Insulin)

## Regulatory Approvals

### ❖ Rest of the World

- 2006 – 51 Approvals
- 2007 - 73 Approvals

# Achievements in 2007 (Insulin)

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**Manufacturing Facility Expanded**

# Business Highlights

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Biopharmaceuticals

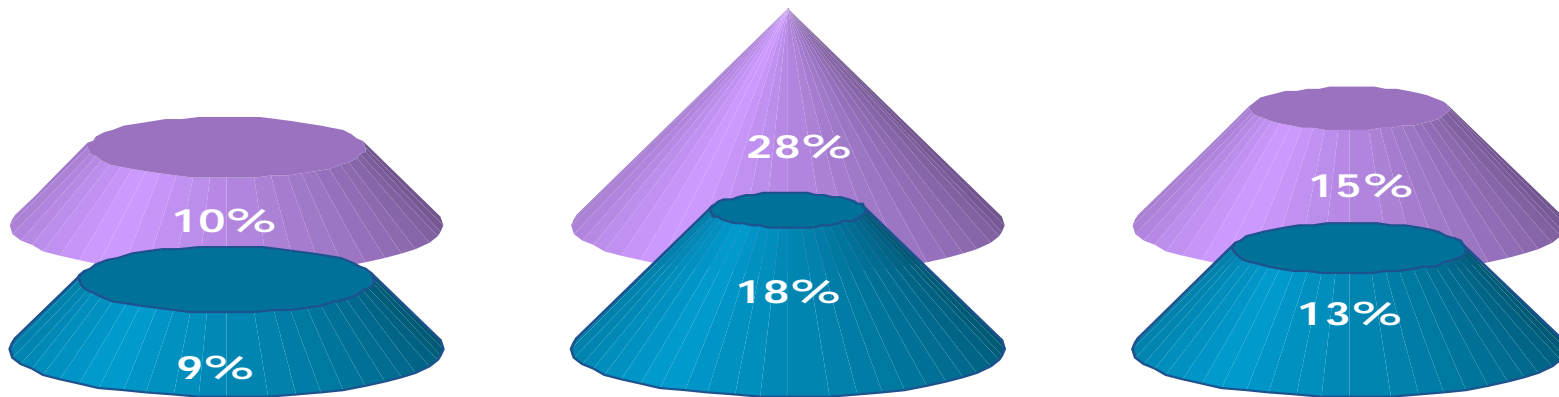
**India**

US

Europe

# Outperforming Industry

India business has been consistently outperforming the Industry



2005

2006

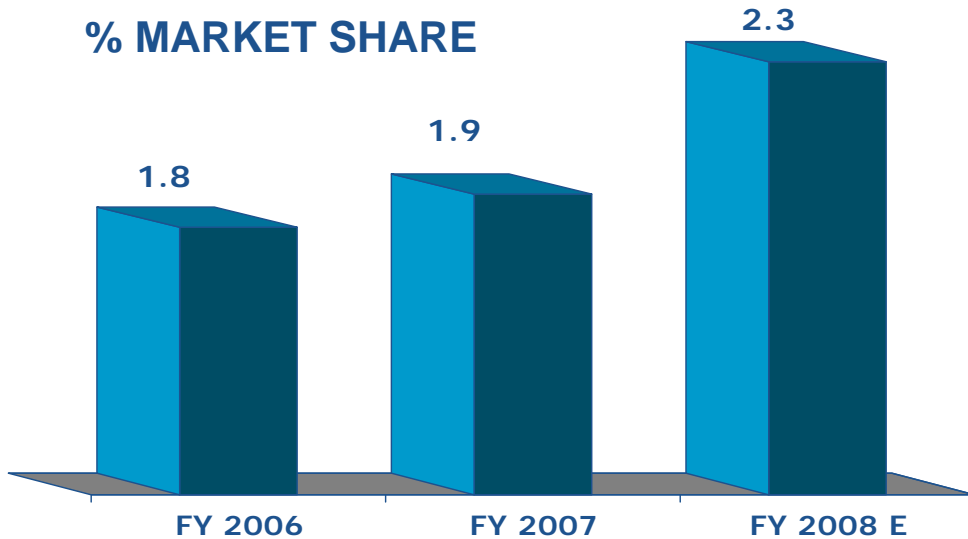
2007

■ Industry ■ Wockhardt

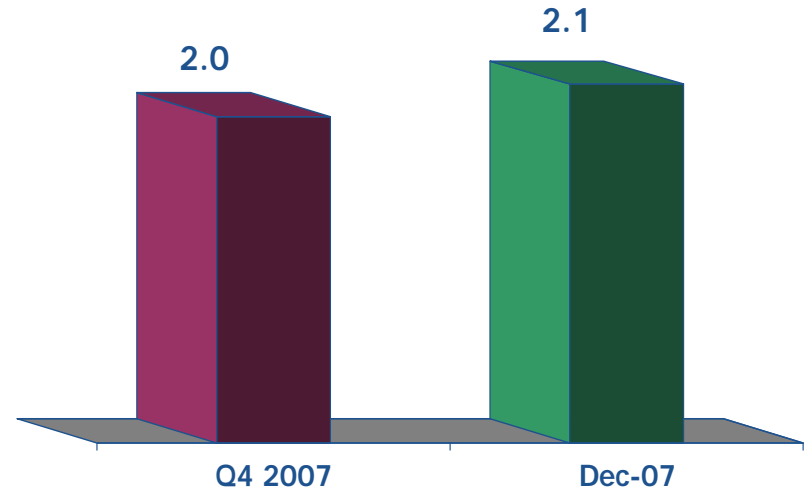
# Gaining market share

India business is gaining ground reflected in increasing market share

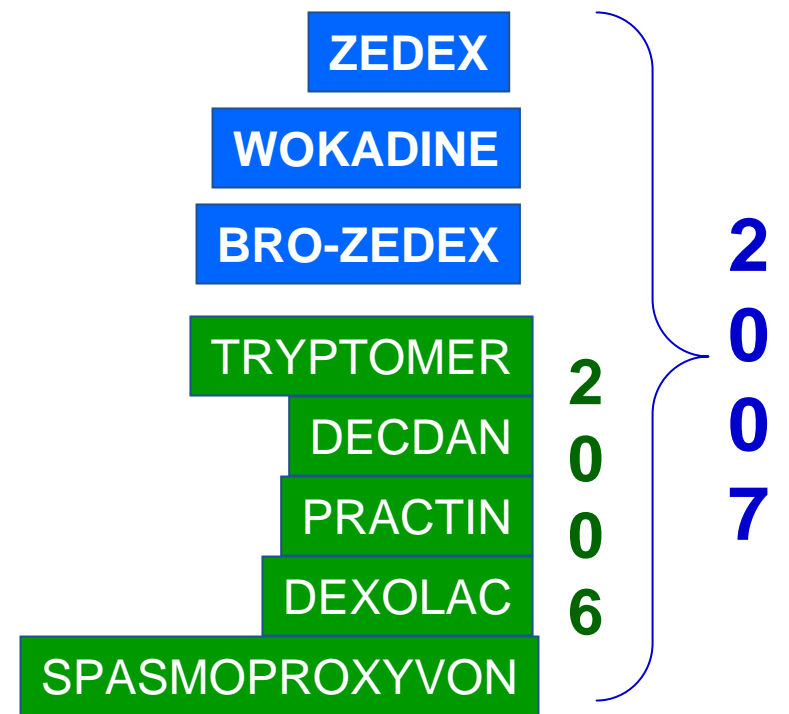
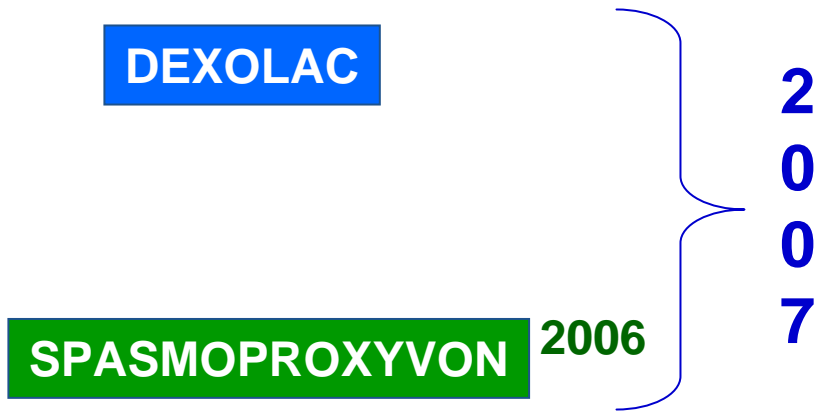
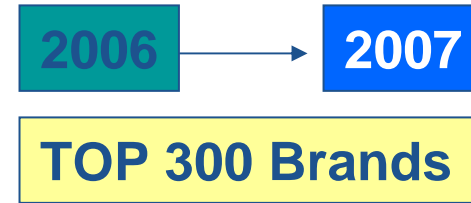
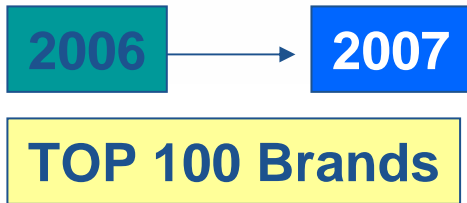
% MARKET SHARE



% MARKET SHARE



# Top Brands



# Multi-Therapy Customer focus

## Multi Therapy Strategy

### Existing segments

- Diabetology
- Nutraceuticals
- Nephrology
- Pain management
- Cough and Cold

### Emerging therapies

- Dermatology
- Derma-cosmoceuticals
- Oncology
- Osteo-arthritis

### Highlights

- Oral Diabetology : 50%+
- Infant Food : 20%+
- Wosulin back in market
- Power brands grow 22%

### Initiatives

- In-licensing arrangements
- SkinUno – 50-member team
- DermaUno – 25-member team
- OncologyUno – 20-member team

# In-Licensing gaining momentum

- ❑ Aggressive in-licensing of niche, patented products for Indian markets
  - ❖ Meeting unmet needs of Indian patients
  - ❖ Strengthening existing and new business segments like Dermatology, Cosmeceuticals, Oncology, Medical Nutrition and Osteo-arthritis
  
- ❑ 11 arrangements finalised with European and US companies
  - ❖ 5 products launched in 2007

In-licensed Product	Company	Launch
Vitix	LSI	2007
Viticolor	Crawford	2007
Pedistine	Gnosis	2007
Kelocote	ABT	2007
Biocorneum	ABT	2007
B-Lift Range	Syrio	2008
Zindaclin	Crawford	2008
Novophane	Crawford	2008
Mobiwok	Indena	2008
Sammy	Gnosis	2008



# Business Highlights

Biopharmaceuticals

India

**US**

Europe

# US - A Water-shed Year

- ❑ Diversified portfolio
  - ❖ Branded and Generic
  - ❖ All major dosage forms
- ❑ Strategic Acquisition of Morton Grove
- ❑ Significant increase in ANDA filings and approvals
- ❑ Critical Mass attained
  - ❖ Annualised revenue of \$100 mn
  - ❖ Total basket of 56 products in market
  - ❖ Product sales to all major US customers

# Morton Grove – A Strategic Fit

- ❑ Leading liquid generic and specialty dermatology company
  - ❖ Annualized Revenues of US\$ 52 mn
  - ❖ Broad portfolio of 31 generic including 2 branded generic products
    - 13 of the 31 generic products occupy the top market position
    - Other Products are in the top 3
  - ❖ Limited competition in Liquids
- ❑ Comprehensive Manufacturing capability
  - ❖ Capabilities in solutions, lotions, suspensions, narcotic liquids and nasal spray products

# Morton Grove – A Strategic Fit

- ❑ Strong product pipeline
  - ❖ 16 products in development
  - ❖ 6 ANDAs under review
  
- ❑ Expertise in Nasal Spray platform
  - ❖ First ANDA approval expected in mid-2008
  - ❖ Market size of US\$ 700mn
  
- ❑ 20% growth expected in 2008

# US business

- ❑ Approval of 13 ANDAs & 7 DMFs in 2007
- ❑ Prescription volume more than double
- ❑ Combined portfolio of 56 products
  - ❖ 25 products from Wockhardt filings
    - Unique mix of niche products, injections and block-busters
    - 5 products in top-3 position by market share
    - Early movers advantage of day-1 launches for 3 products
- ❑ Improved markets share
  - ❖ Cefuroxime Axetil – Moved to #2 from # 3 position
  - ❖ Enalapril – Moved to #1 from #2 position
  - ❖ Terbinafine – Moved to # 3

# US business outlook

## ❑ Unique approvals to drive growth

- ❖ 39 ANDAs awaiting approval with a combined market size of \$ 37bn
  - 40% portfolio are sterile products such as injections and ophthalmics
  - 4 products with NDDS
  - Several products with para-IV certification
    - First-to-file exclusivities for two products with combined market size of US \$1bn
- ❖ ANDA pipeline of nearly 100 products focusing on:
  - Less competitive, difficult to replicate products
  - Mix of niche, sterile, NDDS, liquids and block-buster products, with over \$ 30 bn in brand value

# US business outlook

- ❑ Azithromycin Tablets - 1st Indian Company approval
  - ❖ Limited Competition – 4 players
  - ❖ Market size of US\$ 350 mn with 95% genericisation
- ❑ Phenytoin Capsules
  - ❖ Only approval for 30 mg capsules, 4th Approval for 100 mg capsules
  - ❖ Market size of US\$ 190 mn
- ❑ Rantidine 150 mg OTC – 2nd Company to get an approval
  - ❖ Strategic Alliances with Perrigo, Market Size of US\$195 mn
- ❑ Hydrocodone
  - ❖ Market size of US\$ 450mn, Desi products withdrawal from 1st March'08
    - Competition to reduce from 300 to 8

# Business Highlights

Biopharmaceuticals

India

US

Europe

# Leading European Pharma Player

Largest Indian Pharmaceutical Company in Europe

**ANNUALIZED SALES**  
\$ 400+ mn

50%+ of Wockhardt's revenues

**Pan Europe presence**  
Major markets

Ground presence in UK, Germany, France, Ireland  
Accounting for 60% of EU pharma market

**Products**  
130+

Product portfolio of patented and generic products

**Presence across**  
Value Chain

Comprehensive R&D, Manufacturing and Front End capabilities

**Negma**  
4<sup>th</sup> largest integrated  
company in France

**Pinewood**  
No. 1 Generic  
company in Ireland

**Wockhardt UK**  
2nd largest in  
hospitals (UK)

# Strategic acquisition of Negma in May'07

- ❑ Reinforce European Presence
  - ❖ France – Second Largest European Pharmaceutical Market
  - ❖ Wockhardt becomes # No. 1 Indian pharmaceutical Co. in Europe
- ❑ Right entry vehicle for French market
  - ❖ Negma – Fourth largest Independent Pharmaceutical Group
  - ❖ Fully Integrated Research based pharmaceutical company
    - Capabilities in Life cycle management
  - ❖ Strong Sales and Marketing Team
  - ❖ Skill-sets to be leveraged Wockhardt globally

# Value creation in Ireland

## Pinewood at time of acquisition

Sales revenues of € 54 mio

EBITDA of € 9.2 mio

EBITDA margin : 17.1%

Disintegrated IT systems

## Pinewood TODAY

Sales growth 15% to € 62 mio

EBITDA growth of 32%

Improvement by 300 bps

SAP implemented

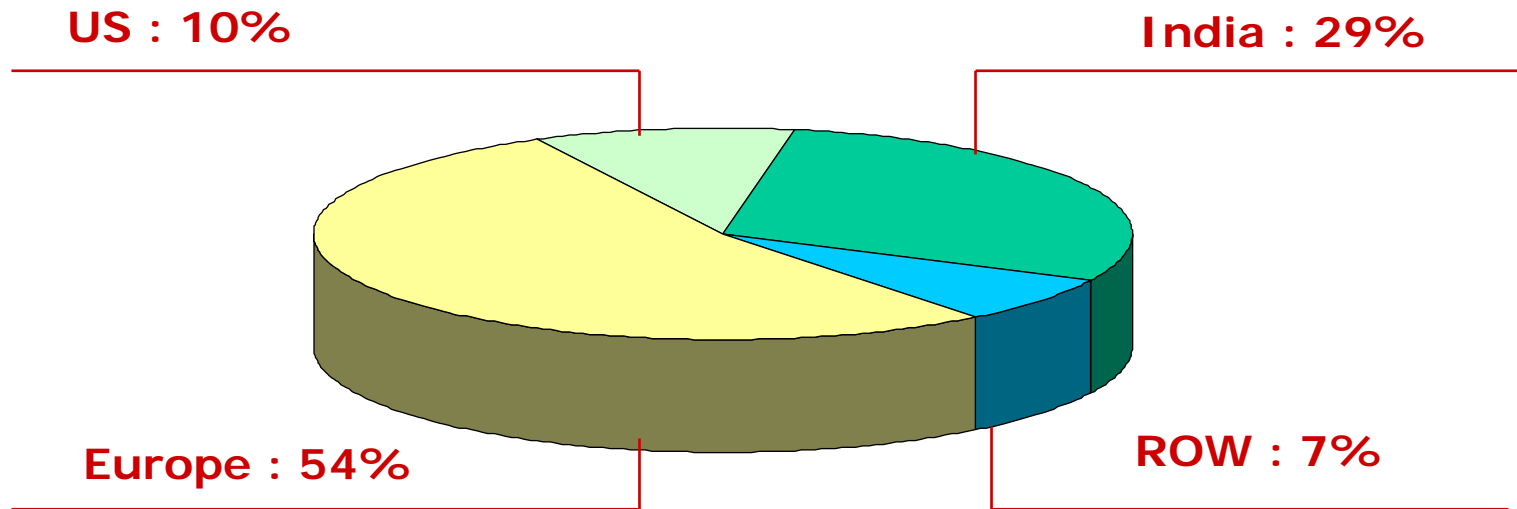
Pinewood has successfully transformed and substantially integrated into Corporate Wockhardt

# Europe – UK & Germany

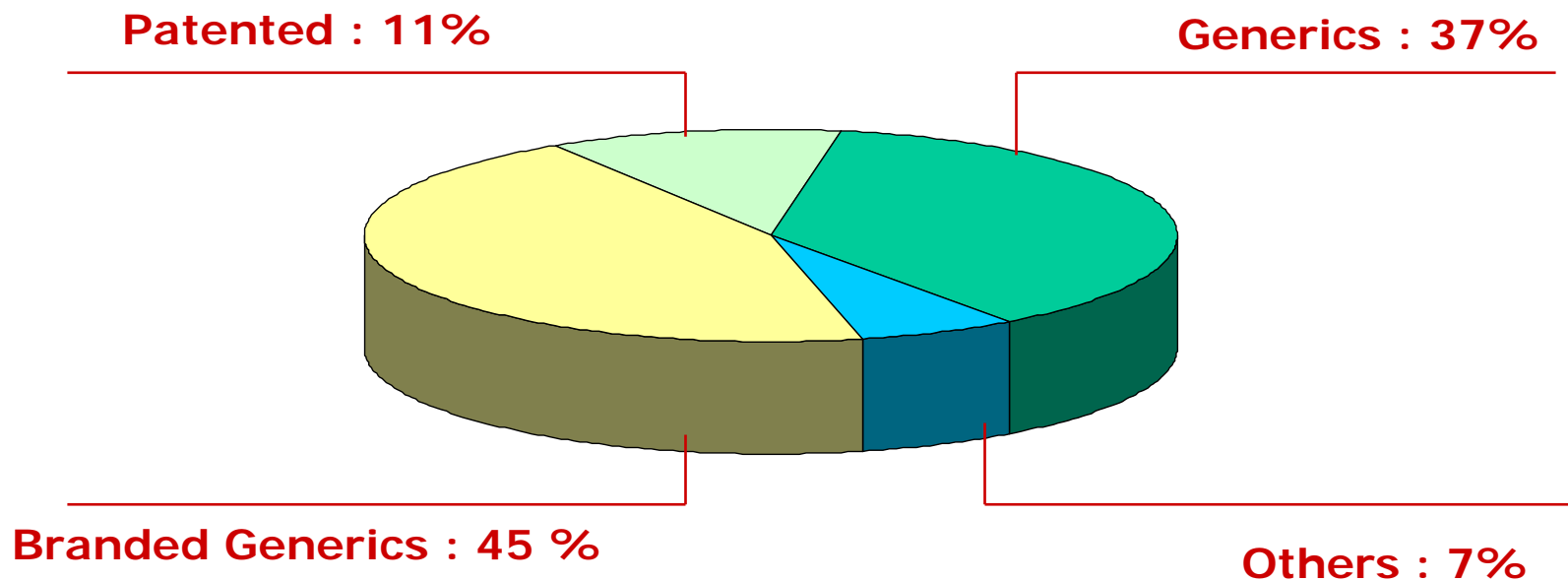
- ❑ UK Business outperforms industry, grows 14%
  - ❖ Growth driven by Generics (+33%) & hospital (+20%)
- ❑ Optimization of manufacturing within the group
  - ❖ Solid dose manufacturing transferred to India
  - ❖ Liquid product transfer to Pinewood
  - ❖ Part closure of oral facility, full benefits to accrue in 2008
- ❑ Strong comeback in the German business despite of pricing reforms
  - ❖ Business grew by 16% as compared to generic industry decline of 10 %

# Wockhardt – Balanced Business

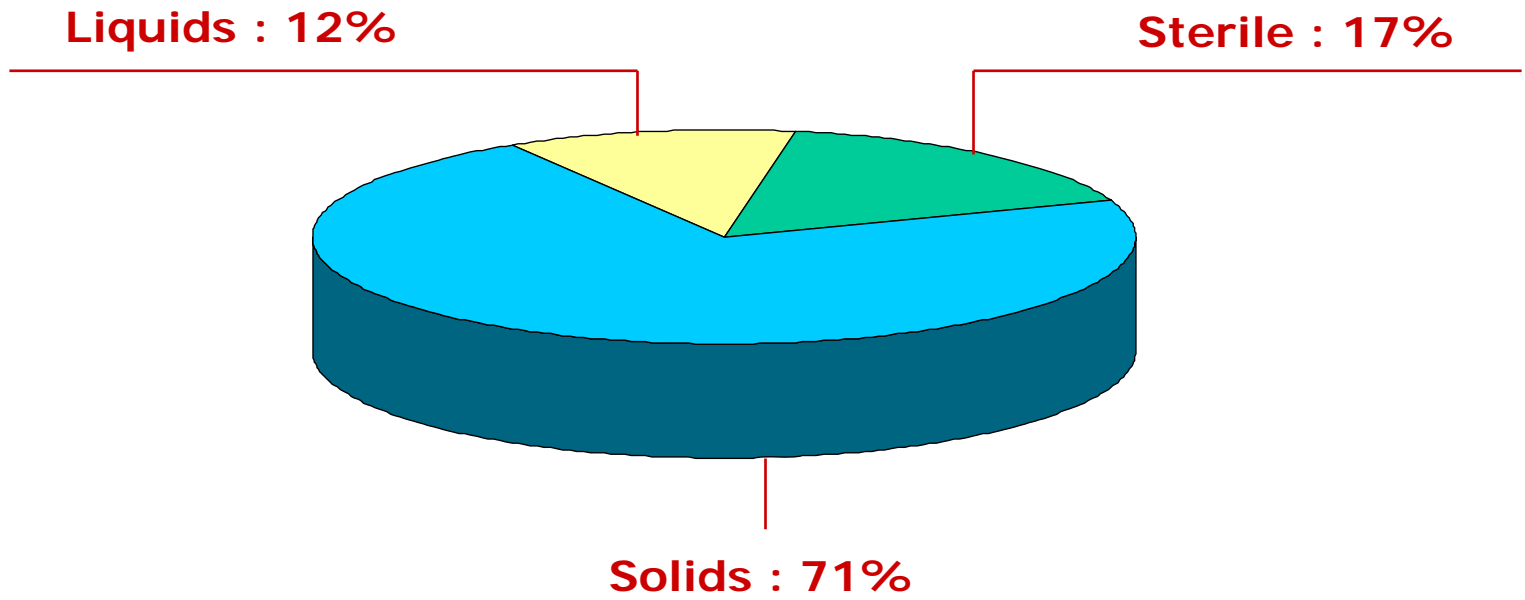
# Wockhardt – Balanced Geographies



# Wockhardt – Balanced Portfolio



# Wockhardt – Balanced Dosage forms



# Outlook 2008

# Wockhardt Outlook - 2008

- ❑ Integration of Pinewood, Negma & Morton Grove
- ❑ Turnaround of US operations
- ❑ Strategic in-licensing to drive growth in India
- ❑ Build up B2B business in Europe in un-represented markets
- ❑ Leverage contract manufacturing opportunities in Europe
- ❑ Biopharmaceuticals – Filing in US/EU for insulin
- ❑ R&D demerger – Drug discovery + innovative patented technology
- ❑ Growth target of 32-35% in revenues

# JOURNEY CONTINUES..

## WOCKHARDT MISSION 2009



# WOCKHARDT READY TO TAKE-OFF

