

Investor Update

Quarter ended March 2007



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Investor communication

Wockhardt is committed to keeping its investors constantly updated about our corporate and financial developments. This investor update covers the company's performance for quarter ended 31st March 2007.

We would appreciate your feedback. For any additional questions / information requests, you can reach us at the numbers mentioned below:

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WOCKHARDT – OVERVIEW

Wockhardt Limited is a global research and technology oriented pharma major based out of India that has an active multi-disciplinary R&D programme employing over 450 scientists. It has been one of the frontrunners in Biotechnology research in the country, with comprehensive all round capabilities from "Concept to Market".

Wockhardt's Research and Development efforts are directed towards Biotechnology, Products that are coming off-patent in the European and the US markets (Generics), and New Chemical Entity (NCE) research in the field of sepsis & anti-infectives.

Wockhardt continues to maintain a strong focus on developing its international presence, and currently business outside India constitutes two-third of the total revenues of the company.

Performance Highlights

Quarter ended March 2007

Consolidated Wockhardt Ltd – Q1 , 2007

Compared to Q1 2006 performance,

- Revenue increase by 49% to Rs.5, 228 million
 - ⇒ India business increase by 35%
 - ⇒ International business increase by 57%
- Operating profit increase by 68% to Rs.1, 159 million
- Operating margins expand to 22.2%
 - ⇒ Improvement of 260 basis points
- Profit before Interest and tax increase by 77% to Rs.978 million
- Profits at the net level at Rs.663 million

Business Highlights

- 2 In-licensing agreements signed for the India market
 - ⇒ Launch of Vitix, In-licensed from LSI, UK
- In forefront of IPR creation, 41 new patents filed during the quarter
- US formulation business grows by 44%
- 5 new product approvals received (YTD)
- Europe business shows an impressive growth of 93%
 - ⇒ 10 new products launches
- Pinewood business accretive to Wockhardt's profits

Financial & Operating Review (Consolidated)

Quarter ended March 2007

(Rs. Million)	Wockhardt Ltd. (Q4)		
	Q1'07	Q1'06	Gr %
Particulars			
Revenue from operations	5,228	3,515	48.7
Total expenditure	4,069	2,826	44.0
<i>a) Increase / decrease in stock</i>	<i>(145)</i>	<i>(322)</i>	
<i>b) Consumption of raw material</i>	<i>1,545</i>	<i>1,059</i>	<i>45.9</i>
<i>c) Purchase of finished Goods</i>	<i>650</i>	<i>549</i>	<i>18.4</i>
<i>d) Staff Cost</i>	<i>811</i>	<i>552</i>	<i>46.9</i>
<i>e) R & D expenditure</i>	<i>160</i>	<i>229</i>	<i>(30.1)</i>
<i>e) Other expenditure</i>	<i>1,048</i>	<i>759</i>	<i>38.1</i>
Operating profit	1,159	689	68.2
<i>Operating margin %</i>	<i>22.2</i>	<i>19.6</i>	
Depreciation	181	137	32.1
Profit Before Interest and Tax	978	552	77.1
Interest	129	(77)	
Profit from operations	849	629	35.0
Other Income	22	33	
Exceptional Items	-	604	
Pre-Tax profits	871	58	1401.7
Provision for tax – Current	124	46	169.6
-Fringe benefit tax	9	7	28.6
-Deferred	75	42	78.6
Profits after tax	663	(37)	1,891.9
Paid up Equity share capital	547	547	

Management Discussion

The performance for the first quarter is symbolic of Wockhardt's commitment to continuous growth and value creation through ongoing investments in several areas. The company witnessed an optimistic drive in performance with sales registering an impressive growth of 49%. Growth momentum was witnessed across geographies. Success of the various strategic and focused initiatives of the company was demonstrated in the upsurge of both revenues and profits. Operating profits escalated by 68%. Margins at 22.2%, showed an improvement of 260 basis points.

Europe business contributing to half of Wockhardt's revenues has almost doubled during the quarter. Business in all the 3 key markets of Europe: UK, Germany and Ireland registered a healthy growth. Performance of existing businesses, new product launches, acquisitions, and successful alliances have contributed to the growth. Wockhardt has been strengthening its presence in Europe through strategic acquisitions. Till date, Company has done 4 acquisitions in Europe: Wallis, UK (1998), CP Pharmaceuticals, UK (2003), Esparma, Germany (2004) and Pinewood, Ireland (2006). With Pinewood acquisition in October last year, Wockhardt gained market leadership in the Irish generic market. Integration process for Pinewood has been initiated. The objective of the integration exercise is to leverage Wockhardt's global capabilities in supply chain, I.T. and finance for Pinewood. These efforts have already started yielding results as Pinewood has been accretive to company profits during the quarter. The integration process will continue in the coming quarters with a perspective of value-creation for the entire organization thereby benefiting from the potential synergies and brand equity of Pinewood.

In India business, focused approach has been adopted by the company for strengthening its presence in existing businesses and for establishing base in new and niche therapies. New divisions have been created for the nutrition (NutriUno) and dermatology business (SkinUno). The recently acquired nutrition business has been revitalized during the quarter. Wockhardt now has the complete product basket for nutrition segment. viz. weaning food, protein supplements, infant food and nutraceuticals. These focused efforts have been successful with the company registering healthy growth in power brands and maintaining its leadership position in various therapies. Wockhardt has adopted in-licensing strategy to enrich the existing product portfolio, aiming to introduce new products that have proved their effectiveness in other parts of the world. It is an initiative to bring new advances in medicine to India and enable the Company to cater the unfulfilled needs of the Indian patients. Till date, we have entered into 4 in-licensing arrangements, with companies in UK, US and Italy. These in-licensing arrangements have strengthened company's dermatology portfolio and include patented products.

Research and development has always been a crucial aspect for Wockhardt. Company's efforts and commitment on research front are paying off. About 40 patents have been filed during the quarter. Company received 5 approvals within a record time span of 5 weeks. The drive is expected to continue with 30 ANDAs pending approval.

In 2004, when Wockhardt established its ground presence in US it had only 4 products in its portfolio. In last two years the Company has come a long way. The product portfolio has increased more than four times to 18 products. About one third of the products are injectables. Today, Wockhardt is independently marketing products in US. It has been successful in having day one product launch and has received approval for an extended release product, which will be going off patent early next year. With the upswing in the development activities and company's valuable experience, US business is expected to maintain the growth momentum in the coming quarters.

Business Wise Performance

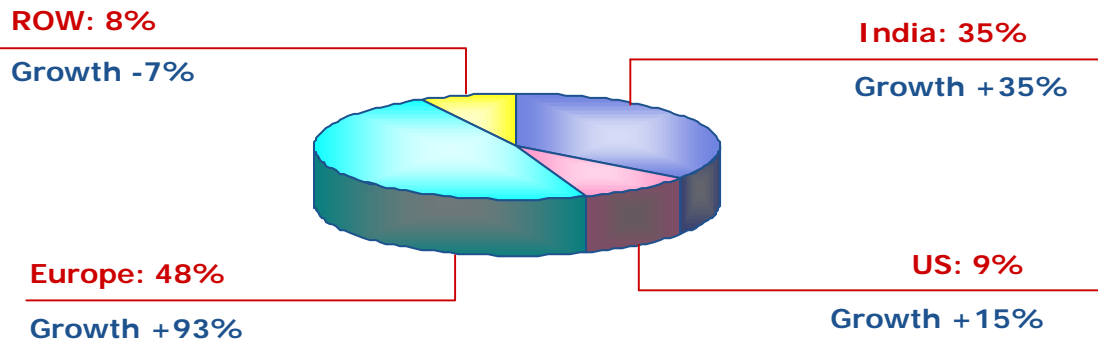
Quarter ended March 2007

Consolidated Q1'07

(Rs. Million)

Business	Formulations			Bulk			Total		
	Q1'07	Q1'06	Gr%	Q1'07	Q1,06	Gr%	Q1'07	Q1'06	Gr%
India	1,732	1,325	31%	99	28	252%	1,831	1,353	35%
Europe	2,455	1,265	94%	44	30	46%	2,499	1,296	93%
US	394	273	44%	99	156	-37%	493	429	15%
ROW	196	228	-14%	210	209	0%	406	437	-7%
Total	4,777	3,092	55%	451	423	7%	5,228	3,515	49%

Geographical Split



EUROPE

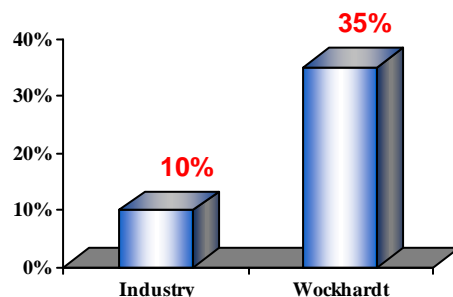
The quarter gone by has been a significant one for the European business. It is Wockhardt’s largest business that constitutes almost half of its revenue. The quarter witnessed a sturdy growth of 93 %. The growth is driven by a healthy performance across the existing geographies, new product launches and our newly acquired business of Pinewood.

During the quarter, UK business recorded a healthy growth with 3 new products being launched. German business is back on growth track after having gone through a decline due to the regulatory changes experienced in Germany. It recorded a double-digit growth over Q1 2006. The newly acquired business of Pinewood launched 4 new products during the quarter. Pinewood business has maintained the growth momentum, and has shown improvement in the margins. 1st phase of the integration is successfully underway.

In the coming quarters, growth momentum is expected to continue in the European business.

INDIA BUSINESS

India business continues with its trend of outperforming the industry growth rate by recording an impressive growth of 35% as compared to the Industry growing at 10%.



Growth is driven by consistent and focused marketing efforts in niche specialties and strengthening of the other therapeutic areas. We have now revitalized the acquired business of Dumex and have

a complete nutrition portfolio in place. Specific focused division Nutri-Uno has been created to market these products.

Nutrition business is one of the strengths of the company. The company had also acquired the technical know-how for sugar-free nutrition products based on which new products Farex infant formula and Farex follow-up formula have been launched. Other products have also been re-launched with a greater stride and have shown results with the business now being profitable after achieving break-even within 6 months ending December last year.

As a continuation of our focussed approach in niche therapy segments, we have launched a new division 'SkinUno' to market our in-licensed and own products in the dermatology segment.

India business continues to move ahead with the in licensing strategy that is identified as a key growth driver for the business. The company signed two in-licensing agreements in the quarter. With Advanced Biotechnologies Inc. of USA the company has entered into an agreement to market Kelocote, a patent-protected product to treat scars. This has given the company an entry into the anti-scar market, which is a high potential market.

Another agreement was signed with Milan-based Syrio Pharma. to market their B-Lift range of dermatology products, which made us the first pharmaceutical company to enter in the anti-ageing arena in India, which is estimated at Rs 200 crore.

Wockhardt has also launched one in-licensed product Vitix that is a therapeutic option for Vitiligo. This is a patented product and was in-licensed from LSI, UK.

Going ahead, the company sees the India business to continue a healthy growth momentum with new in-licensing arrangements for patented drugs and technology platforms and dedicated approach on certain additional niche specialties identified by the Company.

US

The US business recorded a growth of 15% driven by the upsurge in formulations revenues of 44%.

The company has received 5 new ANDA approvals. We have received approval for 3 more strengths –250mg, 500mg and 2gm - of Ceftriaxone during the quarter with which the company now has a full range of the potent antibiotic injection. Other approvals received include Ketorolac injection, Furosemide injection, Dextropropoxyphene Napsylate (DPN)+ Acetaaminophene (APAP) and Lisinopril . The total market size for all the products put together is over USD 720 million, and would be launched in the coming quarters.

Wockhardt has steadily built a healthy relationships with Hospitals, group Purchasing Organizations (GPOs), Wholesalers, doctor clinics and managed care companies, which makes the company well positioned to market the entire product portfolio. These products would drive the growth of the business going forward.

Wockhardt is steadily gaining momentum in the US market with 18 products now marketed under Wockhardt banner.

SUMMARY

Global pharmaceutical industry is going through a dynamic phase that calls for continuous review of one's strategy and responsiveness to global requirement to remain competitive and grow. The pharmaceutical industries of various regions are becoming seamless and only corporate entities with cutting edge technology and low cost advantages will be able to survive.

This one World industry throws open, numerous new opportunities for a corporate like Wockhardt. Our global acquisitions, expansion into overseas markets and increasing efforts in biotech research and marketing, have marked the beginning of a new revolution in the organization. Wockhardt is fully geared up to take on the opportunities presented in the global place with strong focus on R&D, high quality & low cost manufacturing capabilities and front-end presence in over 90 countries.