

# Wockhardt Limited

Investor Presentation

By

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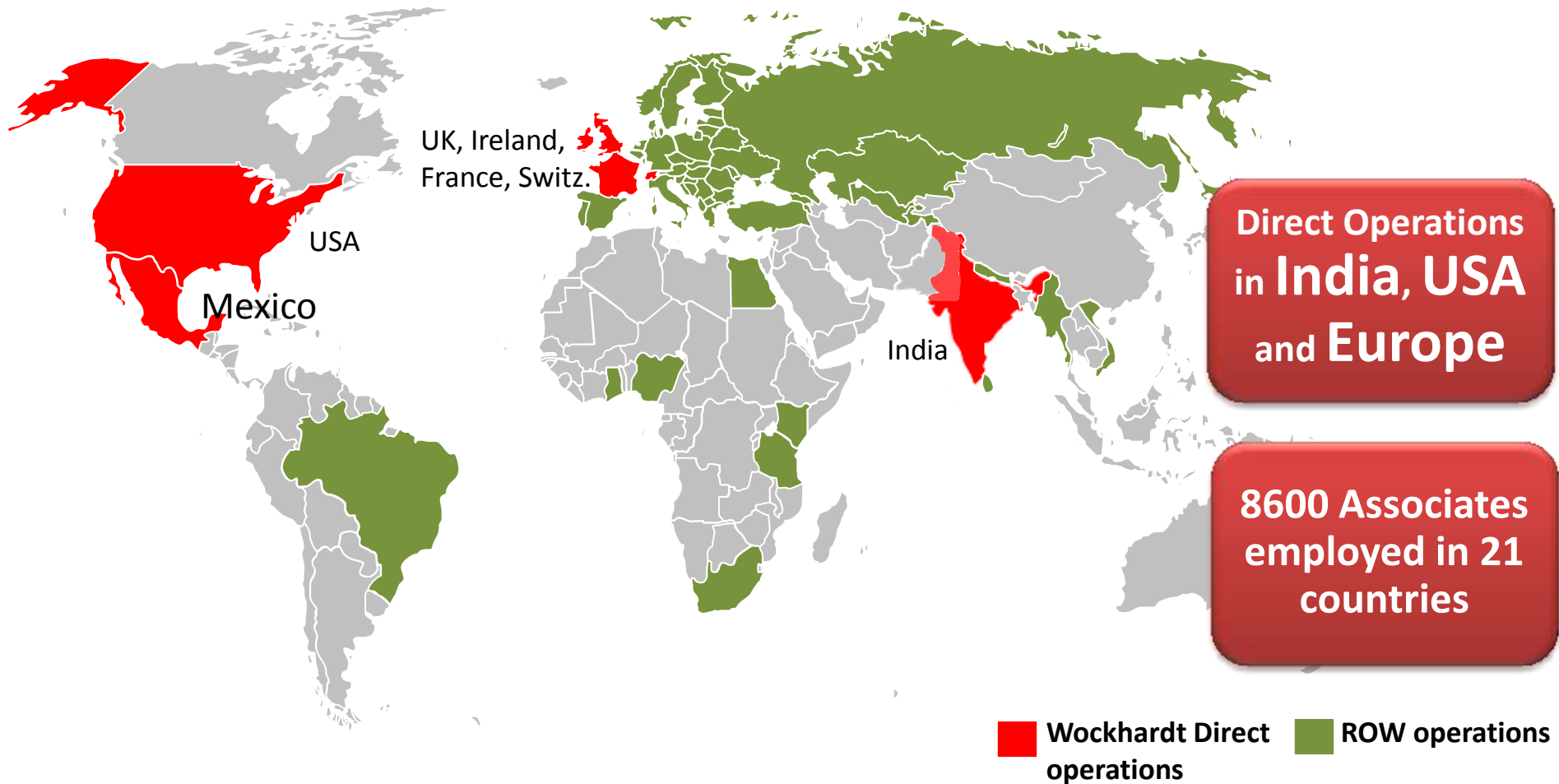
# Safe Harbor Statement

- 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.

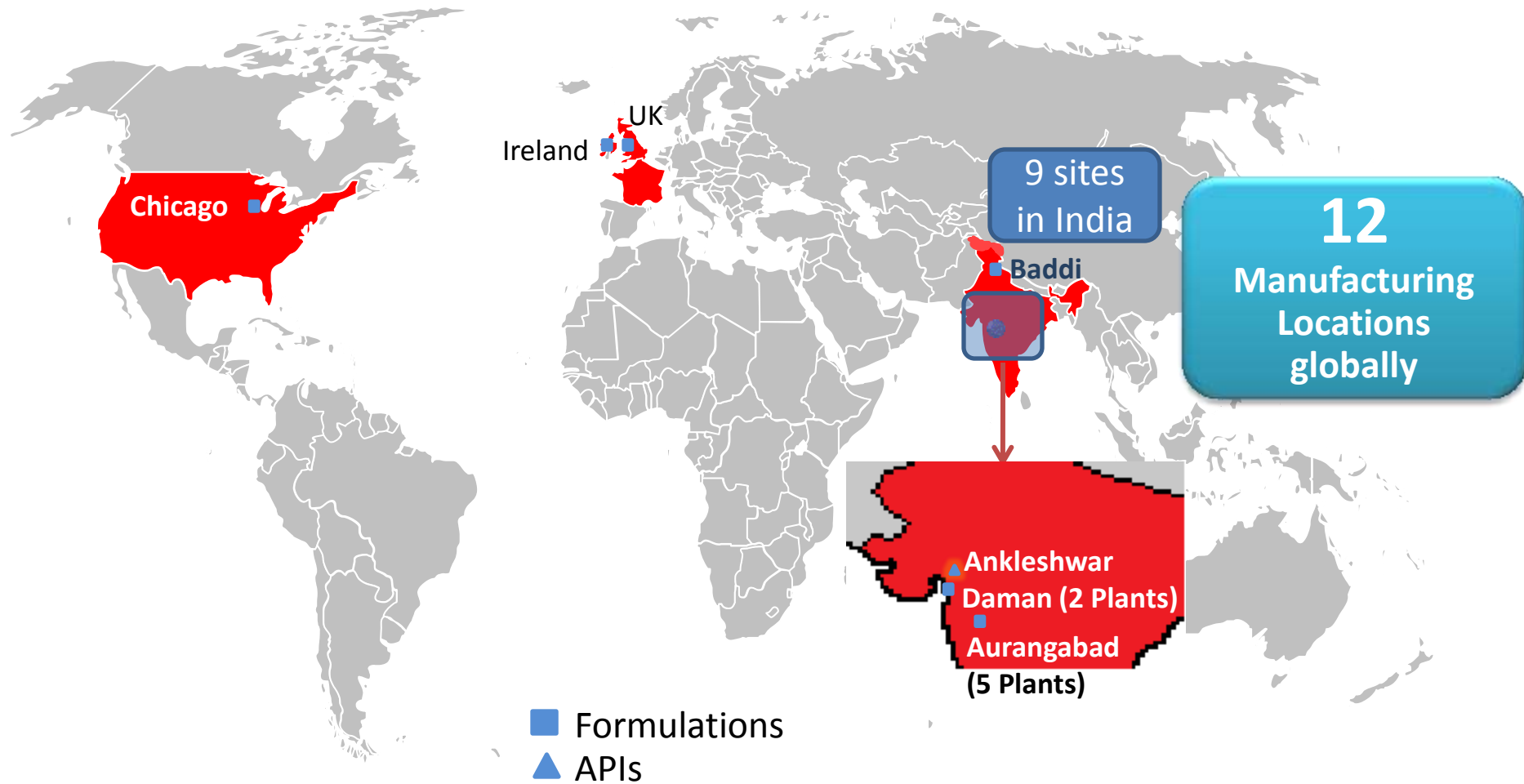
# Introduction to Wockhardt

## Key Business Dynamics

# Wockhardt Today



# Wockhardt Today



# Wockhardt Today



**3** R&D Centers  
worldwide

**USA / UK &  
India**

# Recent Events

# Recent Events

## 1. US FDA Actions

- Pursuant to Import Alert issued in May - 2013 FDA issued a Warning Letter in July for the Waluj Facility.
- This facility has one oral solid unit and two injectable units.
- Observations include -
  - Need to increase laboratory controls
  - Enhancement of training programs
  - Enhancement in quality systems
  - Enhancement in Facility Maintenance
- US FDA continues to allow import of ENALAPRIL into USA from the same plant .

**USFDA has recommended help of third party GMP Consultancy Firm**



# Recent Events

## 2. US FDA – Measures by Wockhardt

- Appointed US based M/s. Lachman GMP Consultant INC USA , to conduct a detailed review of our site and oversee implementation of Action Plan to meet FDA Requirements .
- Wockhardt has initiated several preventive and corrective measures including strengthening and restructuring of quality organisation with direct reporting to MD.
  - ✓ Enhancing & harmonising the quality systems for all markets
  - ✓ Enhancing the training programmes to ensure continuous quality training to all operators/work-force.
  - ✓ Strengthening of compliance cell with senior level leadership to provide an oversight of quality operations.
  - ✓ Improving the laboratory controls

**Wockhardt is working with USFDA to resolve the issues at the earliest.**

# Recent Events

## 3. UK MHRA Actions

- Pertains to our same WALUJ FACILITY under USFDA alert.
- On July 10, 2013 UK MHRA initiated a PRECAUTIONARY RECALL of 16 product lines to UK Market.
- These products have been tested on importation in UK and certified by a Qualified Professional before releasing to the Market.
- MHRA categorically mentioned there is no risk to “PATIENT SAFETY”
- No “Critical” observation by UK MHRA & some “Major” observations.

**Wockhardt is working with UK MHRA to resolve the issues at the earliest.**

## 4. Inspection Status update – Chikalthana / Shendra

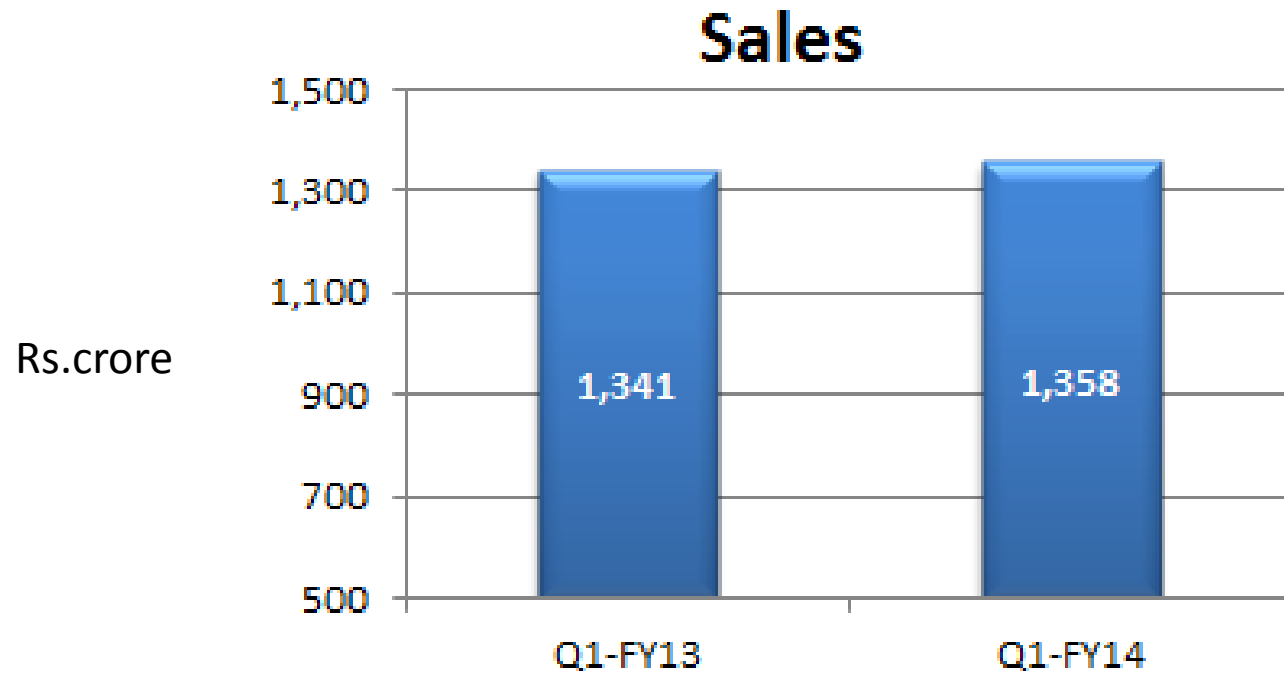
- USFDA and UK MHRA has conducted inspections at Chikalthana, Shendra and Cephalosporin plants during the month of July 13 .
- Status Update plant wise is as under :
  - ❑ Shendra Plant – Inspection completed by UK MHRA and there are no “Critical” or “Major” observations. USFDA inspection is expected in the next few months.
  - ❑ Cephalosporin Plant – Inspection completed by USFDA satisfactorily.
  - ❑ Chikalthana plant - Both USFDA & UKMHRA have raised certain observations.
  - ❑ All observations are being responded at this stage.
- Services of the consultants appointed for Waluj are also being extended to Chikalthana.

## 5. Update on Spasmoproxyvon

- Government of India has suspended the manufacture and sale of Dextroproxyphene and formulation containing the same.
- Wockhardt received the communication of the same on 10<sup>th</sup> June 13 and immediately stopped manufacturing and selling the same.
- The Company has challenged the suspension and the matter is subjudice.

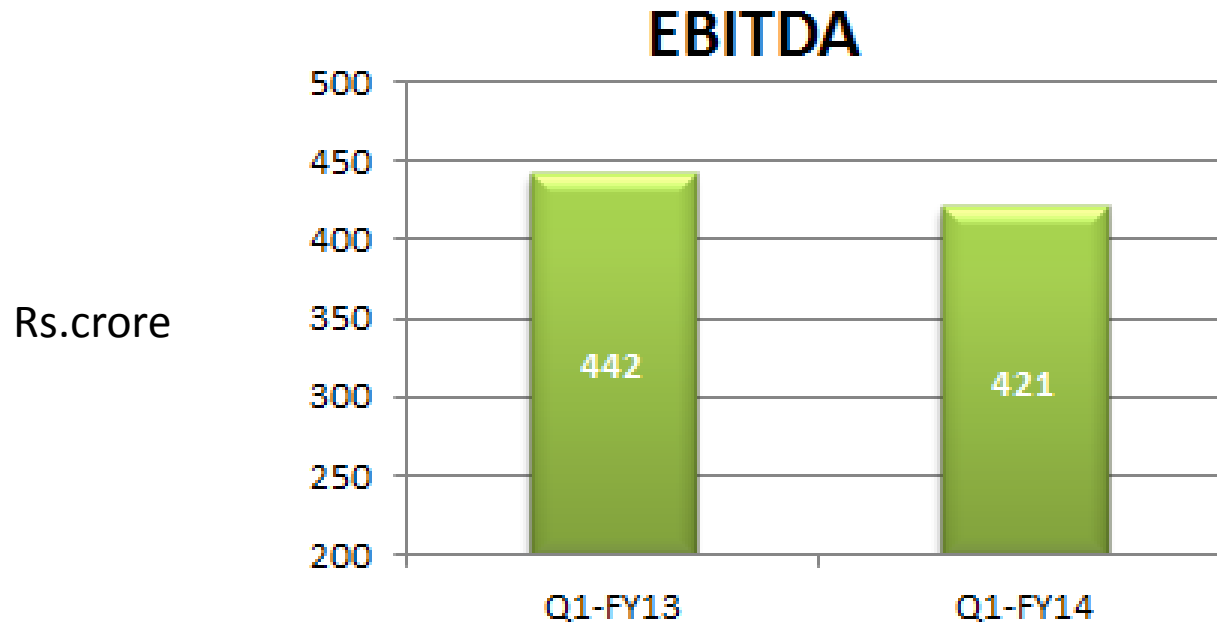
# Q1FY14 Results

# Sales – Growth of 1% over Q1FY13



Growth of 1% in Q1FY14 over Q1FY13

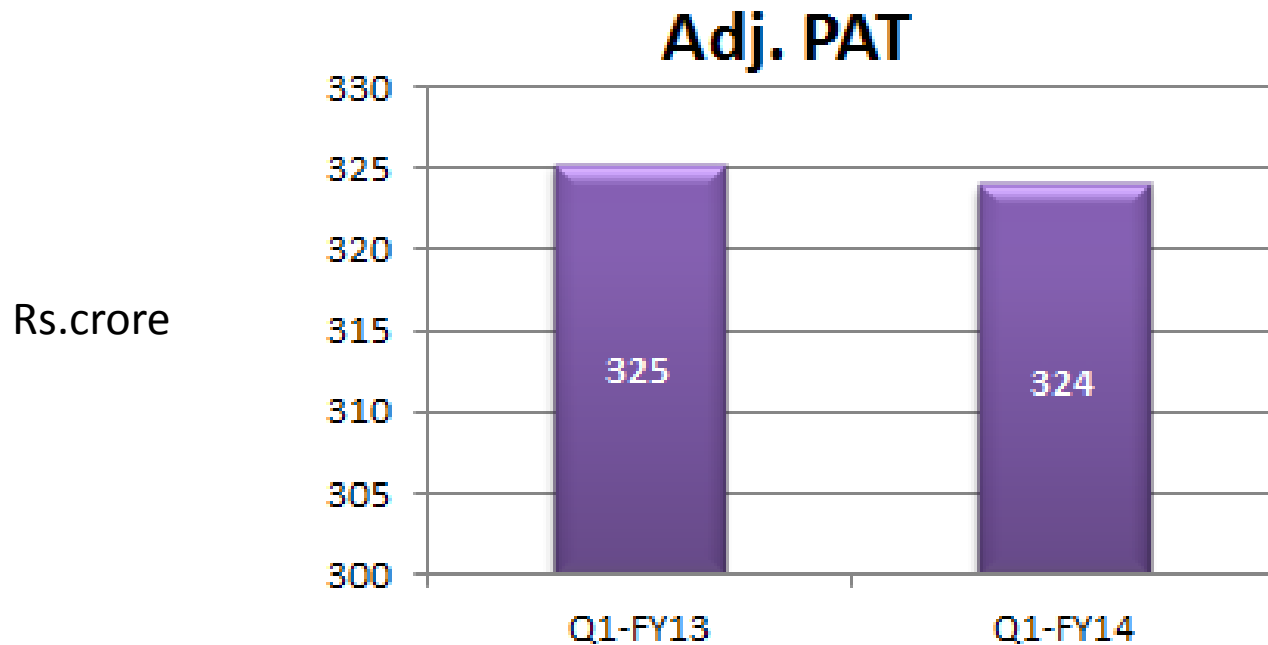
# EBITDA – Declines by 5% over Q1FY13



Declines by 5% in Q1FY14 over Q1FY13

*Q1FY13 EBITDA adjusted for Rs.41 crores of R&D expenses for a like to like comparison*

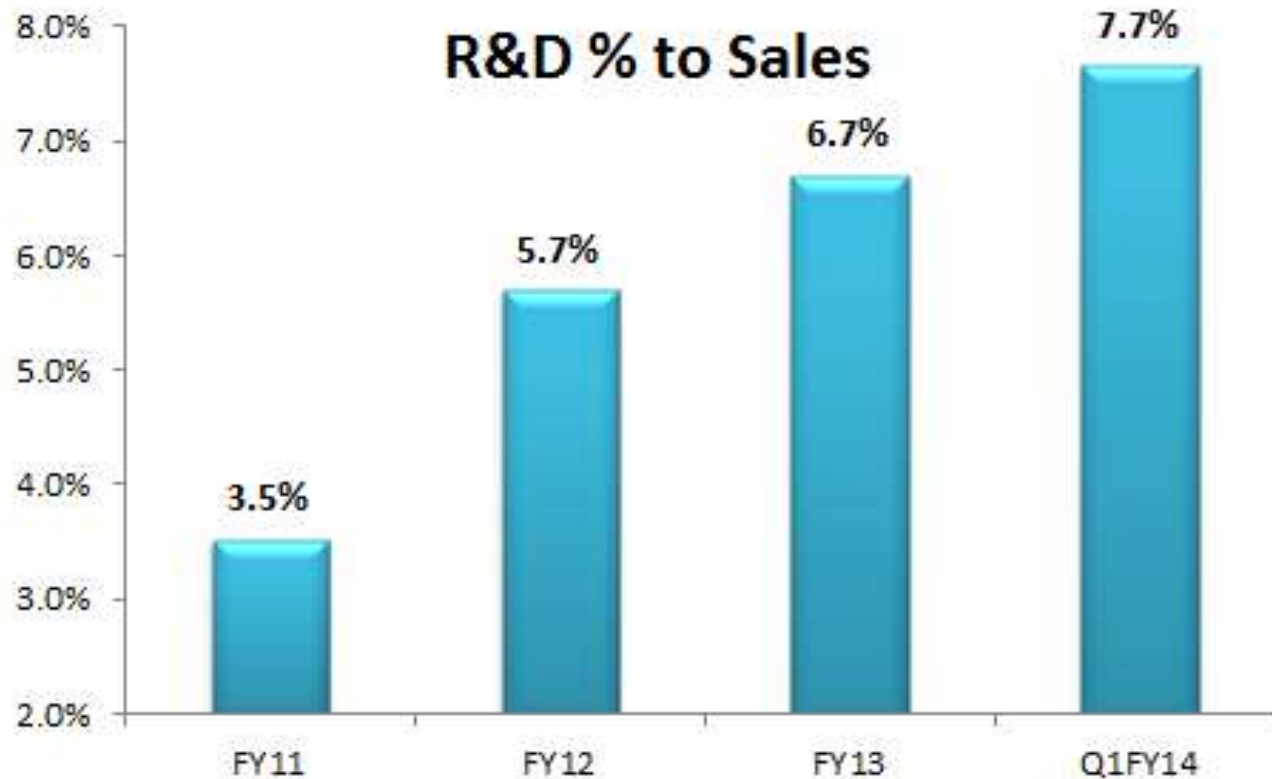
# Adj. PAT remains flat



*Q1FY13 PAT adjusted for Rs.41 crores of R&D expenses for a like to like comparison*



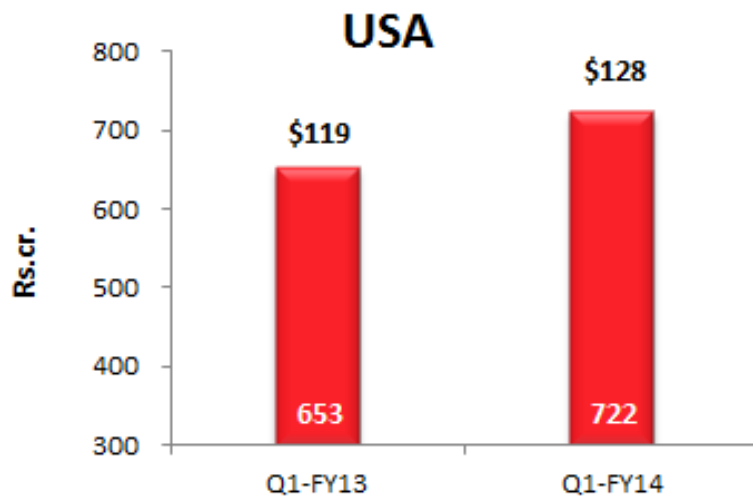
# Research – Increases to 7.7% of Sales



# US Business: Growth trajectory continues

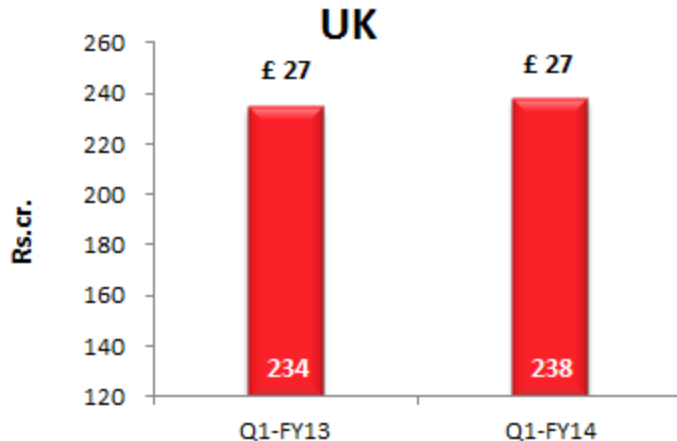


- **Growth of 11% (7% on \$ terms) over Q1FY13.**
- **4 ANDAs filed during the quarter**
- **50 ANDAs pending approval.**



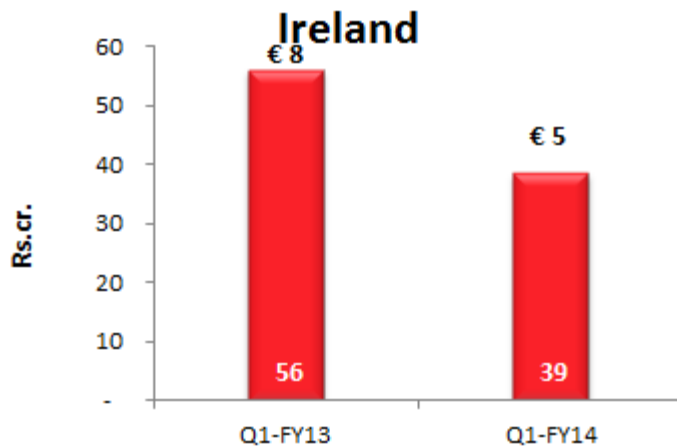
# EU Operations: Maintaining Balance

## UK Operations



- UK operation grows by 1% (1% in £ terms) in Q1FY14
- Slower growth more on account of Pinewood's UK portfolio showing a negative growth.
- No. 3 Generic company in UK
- No. 2 in the hospital segment

## Ireland Operations

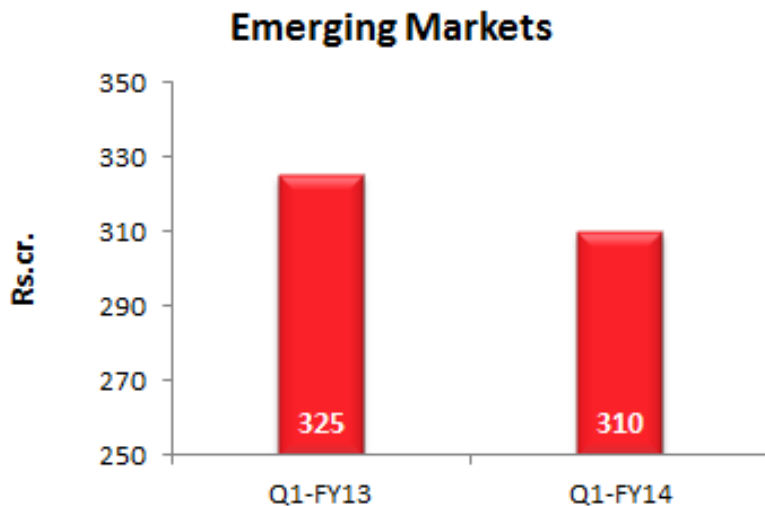


- Ireland declines by 31% (35% in € terms) over Q1FY13.
- Largest generic player with 27% Market Share
- The shift from branded generics to generic-generic has posed more challenges in the near term

# Emerging Markets – declines by 5%



- Emerging Markets declines by 5% for Q1FY14.
- Indian Business grew at 3% over Q1FY13.
- The growth was impacted due to uncertainty in trade due to NLEM issues, strike by retailers in Maharashtra and suspension of sale of Dextropropoxyphene
- ROW operations declined by 28% over Q1FY13.
- Lower sales booking in Russia due to orders being pushed to Q2.





For investor updates and communication please visit  
[www.wockhardt.com](http://www.wockhardt.com)

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