



**WOCKHARDT**

HEALTHCARE IS IN OUR GENES



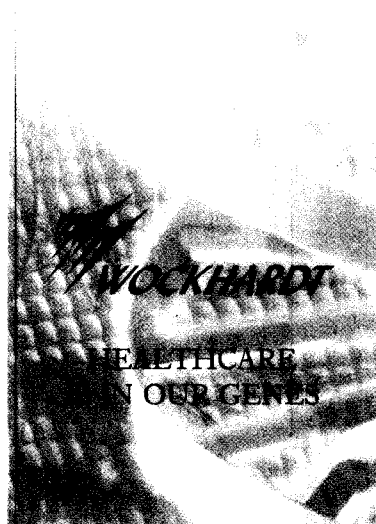
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## Wockhardt's Vision

**“ To be the most admired  
pharmaceutical company in India. ”**

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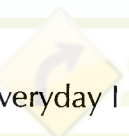


I am in the present - the now.

Whole and balanced  
I will not believe in limitations  
I will aim for excellence.

I open myself to wisdom.

Move on to hold destiny  
The welfare of thousands  
For I am born to contribute.

Report  Everyday I am what I choose.

Think thoughts that will create  
what I choose  
In the well-being of others  
lies my greatness.

I strongly believe  
I am the chosen one  
For healthcare is in my genes.

*Wockhardt*



## Dear Shareowners,

**O**verwhelming; when you think that something so microscopic, so minute as the genes in a DNA helix could rule the universe. Our dominant gene determines our colour, our behaviour, our progeny and above all what authentically gives life a meaning, in our case - Healthcare.

Since inception, Wockhardt is pursuing healthcare with a passion reflected in its initiative and innovation in research, manufacturing, marketing and in its service to mankind.

A vision thoroughly complemented by some of the finest doctors in India venturing out to make a difference to society. In our humble attempt to recognise the contribution of Indian medical icons to healthcare, Wockhardt, in partnership with Harvard Medical International, the international arm of Harvard Medical School, Boston, USA, has established the Wockhardt Medical Excellence Awards.

Working with quiet, calm determination and relying principally on inspired standards to drive the future, we at Wockhardt have one of the most advanced programmes in the country in biotechnology; where every step is a revelation, a revolution in itself. In 2002, we have

aggressively expanded our capacity to deliver life-saving drugs and sharpened our strategic focus and skills to occupy the pole position in the field of biotechnology.

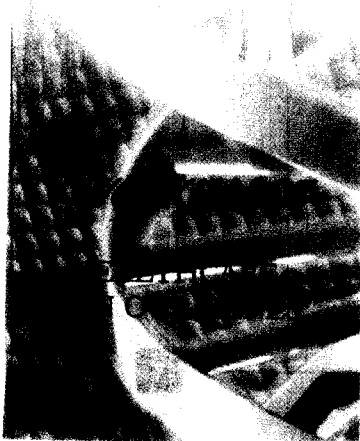
As front-runners in establishing concept-to-market capability for recombinant biotechnology, Wockhardt has seen the patronage of its biotechnology products Biovac-B (Hepatitis-B) vaccine and Wepox (erythropoietin) in the domestic market.

With the coming of our recombinant Human Insulin in 2003, Wockhardt is building up global manufacturing capacity.

Some more records are on the way with additional biotechnology products in Wockhardt's research pipeline such as Interferon alpha-2B, G-CSF, monoclonal antibodies, quadrivalent (r-Hepatitis-B + DTP) vaccines, to name a few.



**Wockhardt Medical Excellence Awards**  
organised by Harvard Medical International, US.



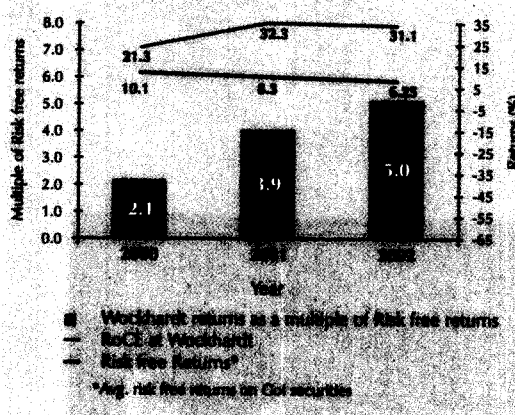
Wockhardt is well on its way to global recognition with exports growing by 41%. International business today accounts for 38% of our total sales. Our formulations exports, led by generic pharmaceuticals in US and UK, show a growth of 90% and now constitute 43% of total exports. Having made our mark in major markets, especially in the US and UK, the world's biggest pharmaceutical markets, we believe the company is in full throttle to take the mantle of healthcare forward and beyond.

Committed to creating long-term value for our shareowners, Wockhardt believes investing in research and development is mandatory.

Wockhardt, with its continuous management development programmes, helps every employee discover his/her true potential, direction and destiny; opening up vistas to personal fulfillment.



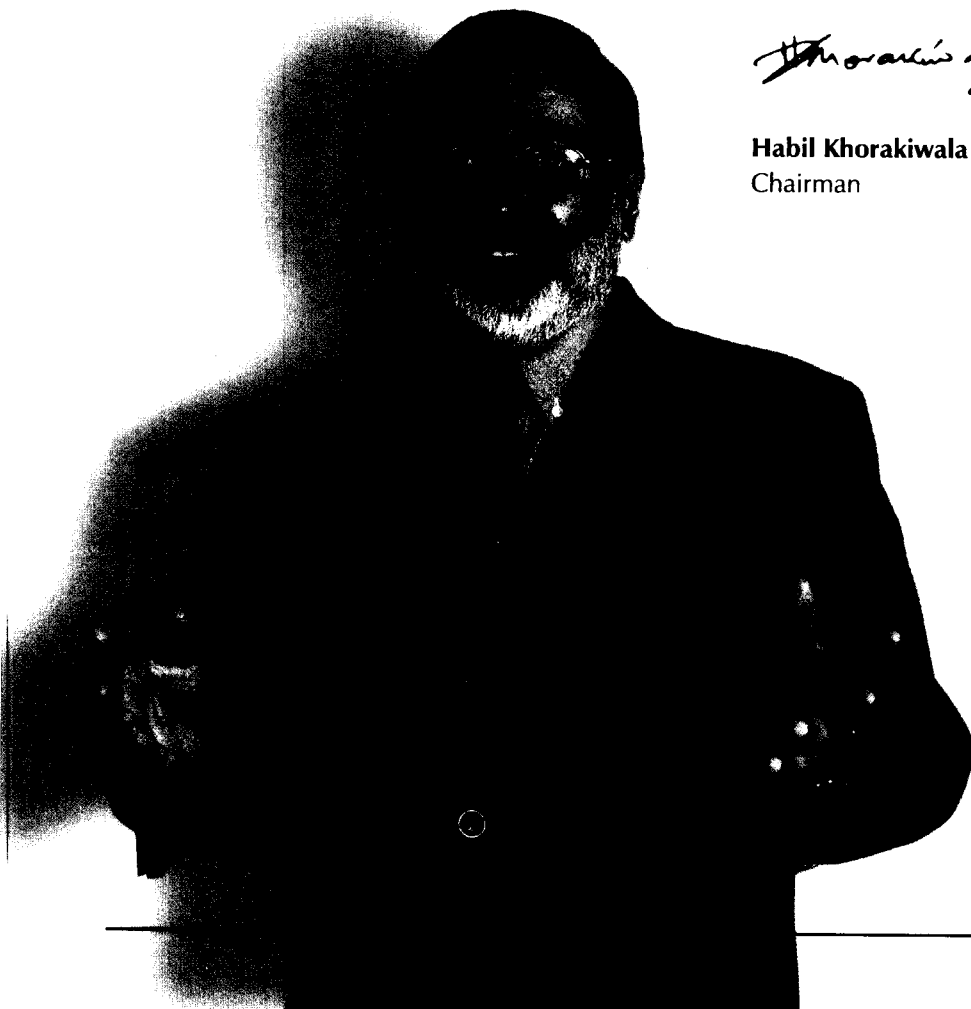
### Return on Investment



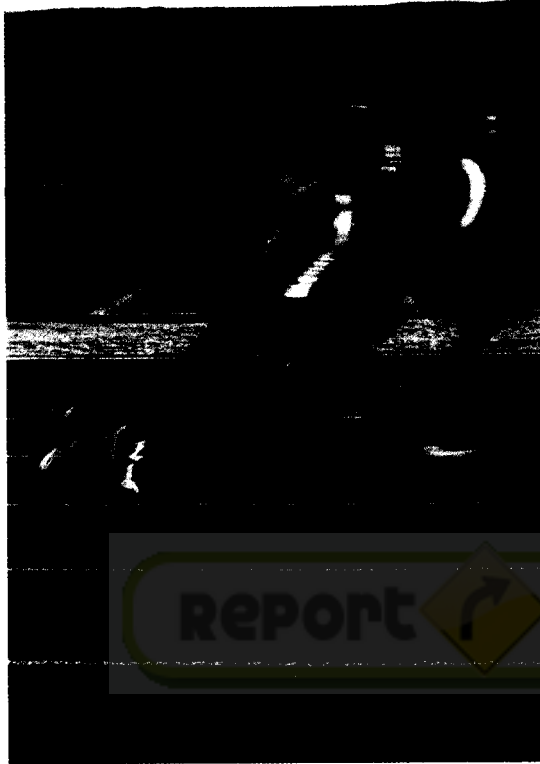
Beyond just creating a business mission, vision or strategy, we have created a personal mission statement to think the unthinkable, reach the pinnacle and focus on what we want to excel in, what we want to be remembered for, and what gives our life a meaning - 'Healthcare'.

Excellence is thus a natural outcome with healthcare in our genes.

**Habil Khorakiwala**  
Chairman



## BENCHMARKING WITH THE LEADERS



Cipla Mar, 2002	Dr. Reddy's Lab Mar, 2002	Ranbaxy Dec, 2002
14005	16308	30112
32%	64%	47%
23%	38%	21%
17%	28%	21%
26.4%	31.3%	33.3%
23.7%	30.7%	29.8%
39.2	60.1	33.6
631	863	674
16	14	20
2.7	2.0	4.1
70%	150%	150%
18%	13%	39%
75%	65%	73%
25%	35%	27%
65%	41%	30%
35%	59%	70%
468	988	1888
3.3%	6.0%	5.6%
No	Yes	Yes
Yes	No	Yes
Yes	Yes	Yes
Anti-Fungals, Anti-Histamine, Anti-AIDS	Diabetes, Cancer, Anti-infectives, Pain Management	Anti-infectives, Respiratory, Urology, Cardiovascular, Oncology

- 1) Source of Information for all companies is their Annual Report as well as other company published documents, presentations and website.
- 2) Total Operational Income is arrived at by considering only the following items : Sales, Export Incentives, Royalty, Technical Know-how & Licensing, R&D Income, Processing Income, Commission & Discounts, and Income from Clinical and Other services.
- 3) Return on Net Worth (RoNW) is based on year-end Net Worth. Preference Capital is excluded for this purpose.
- 4) Return on Capital Employed (RoCE) is based on year-end Capital Employed.

PARAMETERS	Wockhardt Dec, 2002	Aventis Pharma Dec, 2002	Pfizer Nov, 2002	Glaxo (GSK) Dec, 2002
<b>Total Operational Income</b> (Rs. in million) <sup>(2)</sup>	7416	6157	6433	11738
Growth over previous year	14%	13%	6%	5%
<b>Operating Profit Margin</b>	19%	16%	17%	17%
Net Profit Margin	15%	10%	12%	11%
<b>Return on Net Worth</b> <sup>(3)</sup>	29.5%	33.9%	24.7%	22.3%
<b>Return on Capital Employed</b> <sup>(4)</sup>	31.1%	35.6%	34.3%	33.8%
Earnings Per Share (Rs.)	30.0	26.5	26.4	17.2
Current Market Price (Rs.) <sup>(5)</sup>	364	267	307	320
Price Earnings Ratio	12	10	12	19
Market Capitalisation / Sales	1.8	1.0	1.4	2.0
Dividend Rate	65%	160%	75%	70%
Dividend Payout Ratio <sup>(6)</sup>	23%	60%	32%	46%
<b>Income Break-up</b>				
• Pharmaceuticals	75%	95%*	86%*	88%
• APIs <sup>(10)</sup> & Others	25%	5%*	14%*	12%
<b>Income Break-up</b>				
• India	69%	75%	95%*	94%
• International	31%	25%	5%*	6%
<b>Total R&amp;D Expenses</b> (Rs. in million) <sup>(8)</sup>	462	29.9*	132.1*	39
<b>R&amp;D Expenses</b> (% to Total Operational Income)	6.2%	0.5%*	3.6%*	0.3%
<b>R&amp;D Areas</b>				
• Recombinant Biotechnology	Yes	No (India)	No (India)	No (India)
• Novel Technologies	Yes	No (India)	No (India)	No (India)
• New Drug Discovery	Yes	No (India)	No (India)	No (India)
<b>Areas of New Drug Discovery Programme</b>	Sepsis & Anti-infectives			
<b>Pharmaceuticals &amp; API manufacturing approved by US FDA</b>	Both	None	None	None

5) Current Market Price is as of 29th April, 2003.

6) Dividend Payout Ratio is the Gross Dividend Payout (including Dividend Tax) as a percentage of Net Profit of the company.

7) The RoCE ratio for Aventis is an estimate.

8) The R&D Expenses for Ranbaxy include only the revenue expenditure as the details of Capital Expenditure are not available.

9) \* denotes figures pertaining to the previous period.

10) API = Active Pharmaceutical Ingredient

## RECORD OF ACHIEVEMENTS

### Financial Year 2002

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#### MARKETING

Five-fold increase  
in sales of  
anti-diabetic  
portfolio in  
India

#### INTELLECTUAL PROPERTY

- Files 29 new patents,  
Total 81

- Launches five  
NDDS products

#### RESEARCH

- R&D Investment  
of Rs. 460 million  
(6.2% of sales)

#### SALES

Sales growth  
of 14%, with  
41% exports  
growth

- Launches Nadoxin



## CREATING VALUE

RoCE at 31.1%  
and RoNW at 29.5%

## RECOGNITION

- Methycobal becomes  
No.1 New Product  
in India
- Winofit becomes  
largest anti-oxidant

## INTERNATIONAL ALLIANCE

First to launch  
generic Nizatidine  
in the UK with  
IVAX, UK

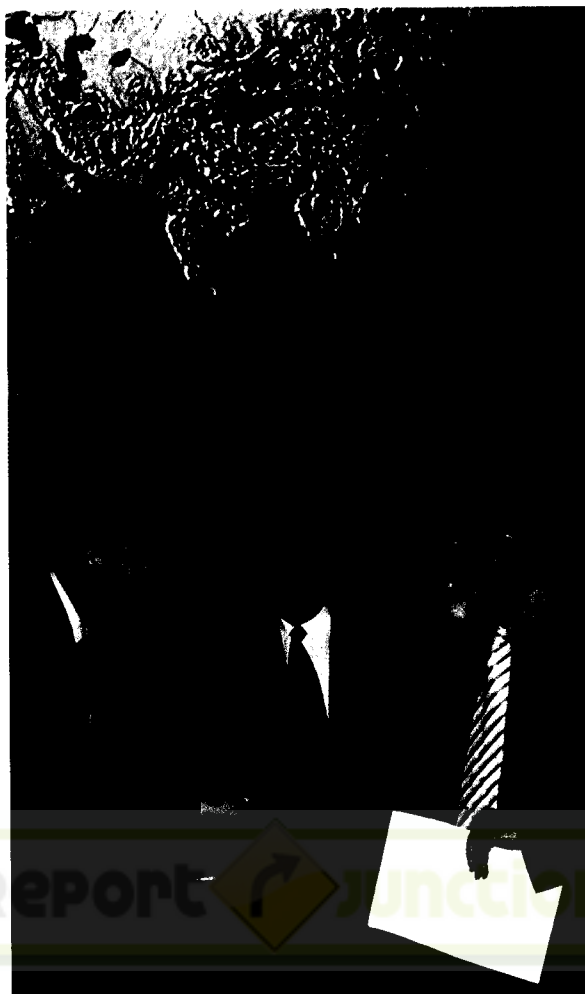
## INTERNATIONAL ARENA

Revitalises US  
generics business

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## CREATING A WORLD OF POSSIBILITIES



With healthcare in our genes, we aim to make a significant difference and achieve what we have set out to accomplish.

With our initiative, innovation and ingenuity, Wockhardt takes immense pride in making life worthwhile for every human being.

A strong belief in the power of knowledge is the secret behind our breakthroughs. Patient-centric, research and technology driven priorities have placed Wockhardt amongst India's leading pharmaceutical companies, and made us an emerging global force in biotechnology and generic pharmaceuticals, significantly contributing to the new economy of the 21<sup>st</sup> century.

*Celebrating success - Methycobal, licensed from Eisai, Japan, became the No. 1 new product in 2002.*

### FUELLING THE FUTURE

Our intellectual force of 350 scientists, including 100 doctorates at the forefront, translates ideas into health benefits.

