



reportjunction.com

NOW
EUROPE...

...AHEAD OF TIME

HOW EUROPE... ...AHEAD OF TIME

For Wockhardt, the globe is a field of infinite possibilities. Striding across global markets, we have mastered the art of acquisitions, fructifying into success stories... that make Wockhardt a true Indian global company today.

With the insight to innovate and the foresight to anticipate, we built our strategy based on the future we saw as ours. We never deterred walking the unbeaten path. From Wallis Laboratory in 1993 to Megma Laboratories in 2007, we have come a long way. Today, we ace the European markets becoming the largest Indian pharmaceutical company in Europe. Our European slice of the pie is widening, contributing to more than 54% of our revenues.

It has always been our persistent endeavour to create value from our acquisitions and ensure growth of these companies we have embraced. Megma in France, Esparma in Germany, Pinewood in Ireland, Wallis and CP Pharmaceuticals in UK, have all led us to establish a distinguished presence in these pharma emerging markets of the European continent.

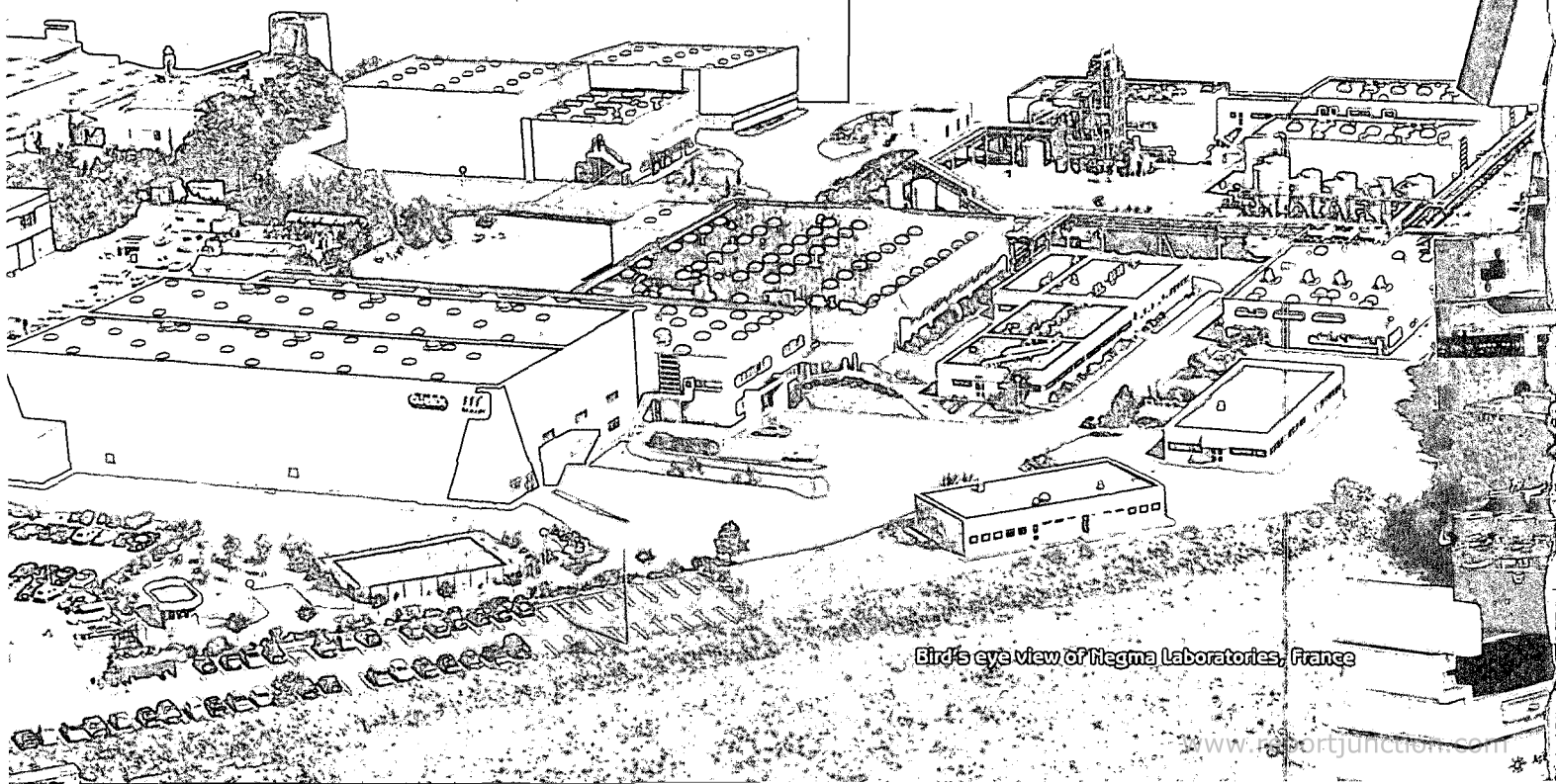
Today, Europe is gaining a key strategic prominence in the global pharmaceutical market. And Wockhardt is now firmly entrenched in Europe to consolidate, integrate, rationalise and optimise to reap the desired benefits. Ahead of time...

CONTENTS

- 01 Wockhardt Vision
- 02 The Year of Landmark Achievements
- 04 Letter from the Chairman
- 06 Europe
- 10 India
- 12 USA
- 14 Research
- 16 Manufacturing
- 18 Board of Directors
- 19 Management Team
- 20 Directors' Report
- 23 Auditors' Report on Consolidated Financial Statements
- 24 Consolidated Balance Sheet
- 25 Consolidated Profit & Loss Account
- 28 Notes to Consolidated Financial Statements
- 43 Auditors' Report
- 46 Balance Sheet
- 47 Profit & Loss Account
- 50 Notes to Financial Statements
- 72 Annexure to Directors' Report
- 78 Report on Corporate Governance

People* who appear in this brochure are among the 6,000 Wockhardians worldwide.

*These refer to people appearing from the cover page to page 17



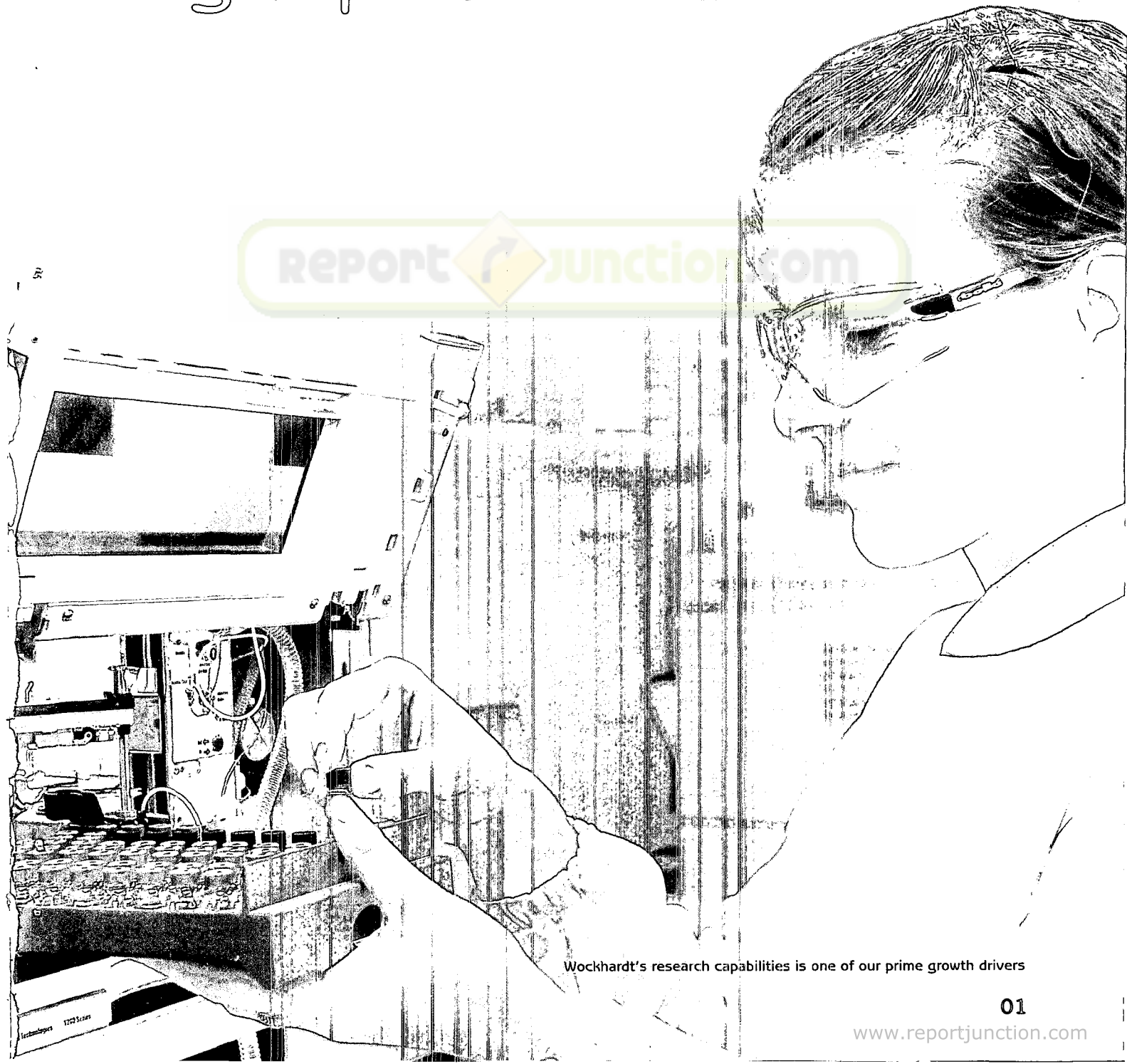
Bird's eye view of Megma Laboratories, France



WOCKHARDT VISION

To be the most
admired healthcare
group from India

Report Junction.com

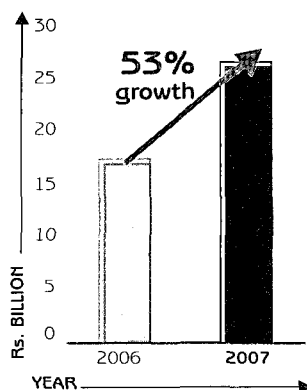


Wockhardt's research capabilities is one of our prime growth drivers

NET SALES

Rs. 26.5 bn

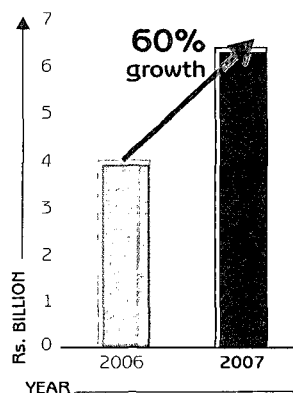
\$ 673 mn



OPERATING PROFIT

Rs. 6.4 bn

\$ 162 mn



Revenue from EU business doubles

- Megma Laboratories, France, with its patented portfolio, taps into the 2nd largest market in Europe
- Pinewood, Ireland records double digit growth in its very first year of operations, post-acquisition
- Wockhardt UK records all round growth in Generics, Hospital and Export business segments

India Business consolidates with 15% growth

- 8 brands feature in the Top-300 club
- Launches 5 in-licensed patented products of European and American companies in niche markets
- Wosulin (recombinant insulin) brings back bounce in sales

US operations gain critical mass

- Acquires Morton Grove Pharmaceuticals Inc., USA, amongst leaders in liquid dosage forms
- Receives 13 ANDA (Abbreviated New Drug Application) approvals taking the tally to 25
- Files 7 DMFs (Drug Master Files)

Pinewood integrates with Corporate Wockhardt under the SAP platform

WOCKHARDT LIMITED

Registered Office: Wockhardt Towers, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

**Notice**

Notice is hereby given that the Ninth Annual General Meeting of the members of **WOCKHARDT LIMITED** will be held at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 on Monday, April 28, 2008 at 3.15 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December, 2007, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shekhar Datta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. B. L. Maheshwari, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office:
Wockhardt Towers,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

By Order of the Board

R. B. GANDHI
Company Secretary

Place: Mumbai
Date : February 20, 2008.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. Members are requested to notify immediately any change in their address to the Depository Participant with whom they maintain the demat account for shares held in electronic mode and to the Company's Registrar and Transfer Agents for shares held in physical mode.
4. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Members shall not be able to claim any unpaid dividend from the said fund or the Company thereafter. The unpaid interim dividend for the Financial year ended December 31, 2000 have been transferred to the Investors Education and Protection Fund. **The Final Dividend for the Financial Year 2000 is due for transfer to the Investor Education Protection Fund in July, 2008.** Members who have not encashed the dividend warrants are requested to contact the Registrar and Transfer Agents, Intime Spectrum Registry Ltd., Mumbai.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting, so that the information required by the Members can be made available at the meeting.
6. It is suggested for the convenience of the members that they should inform the Share Transfer Agents of the company about their Bank Account Number, Name and Address of the bank, to enable printing of these particulars on the Dividend warrants, to minimize loss due to warrant falling into improper hands through fraud.
7. It is observed that some members have still not surrendered their old share certificates of equity shares of face value Rs.10/- each for exchange with the new shares certificates of Equity shares of face value Rs. 5/- each, such members are requested to surrender their old share certificates of Rs. 10/- each to the Company or its registrar for doing the needful.



WOCKHARDT LIMITED

Registered Office: Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (in Block Letters)	Member's Folio No./ DP ID/Client ID. No.
Name of Proxy (in Block Letters) (To be filled in if the proxy attends instead of the Member)	

No. of Shares held

I hereby record my presence at the Ninth Annual General Meeting at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai-400 021 on Monday, April 28, 2008 at 3.15 p.m.

Member's/Proxy's Signature

Note: The copy of the Annual Report may please be brought to the meeting hall.

TEAR HERE

WOCKHARDT LIMITED

Registered Office: Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

PROXY FORM

I/We
 of
 being a member/members of the above named Company, hereby appoint.....
 of
 or failing him
 of

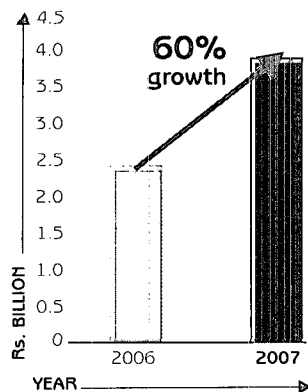
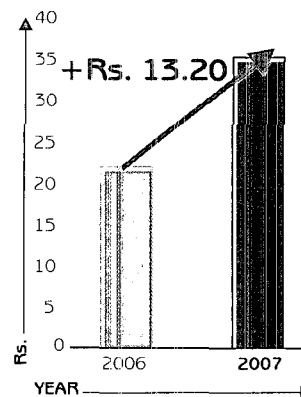
as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held on Monday, April 28, 2008 at 3.15 p.m.

Signed.....

Date :

Affix
Revenue
Stamp

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

**NET PROFIT****Rs. 3.9 bn****\$ 98 mn****EARNINGS PER SHARE****Rs. 35.25****\$ 0.89**

Strategic business plans developed for value-creation from all Wockhardt - EU companies

Early mover advantage of biotech products in regulated markets

- First generic company to file Biotech IND in the USA, with Europe to follow soon

Development of Insulin analogue pipeline

- Glargine, Long Acting Insulin, cleared for marketing in India by DCGI (Drugs Controller General of India)
- Lispro, Fast Acting Insulin, in Phase III Clinical Trials

Robust R&D and Clinical Research

- Filed 25 ANDAs in US and 7 MAs (Marketing Authorisations) in Europe. Also filed 204 patents
- New Drug Discovery Program firmly moves forward. WCK-771 completes Phase II Trials. WCK-2349 enters Phase I Trials. Three lead molecules in pre-clinical trial stage

LETTER FROM THE CHAIRMAN

My dear Shareowners,

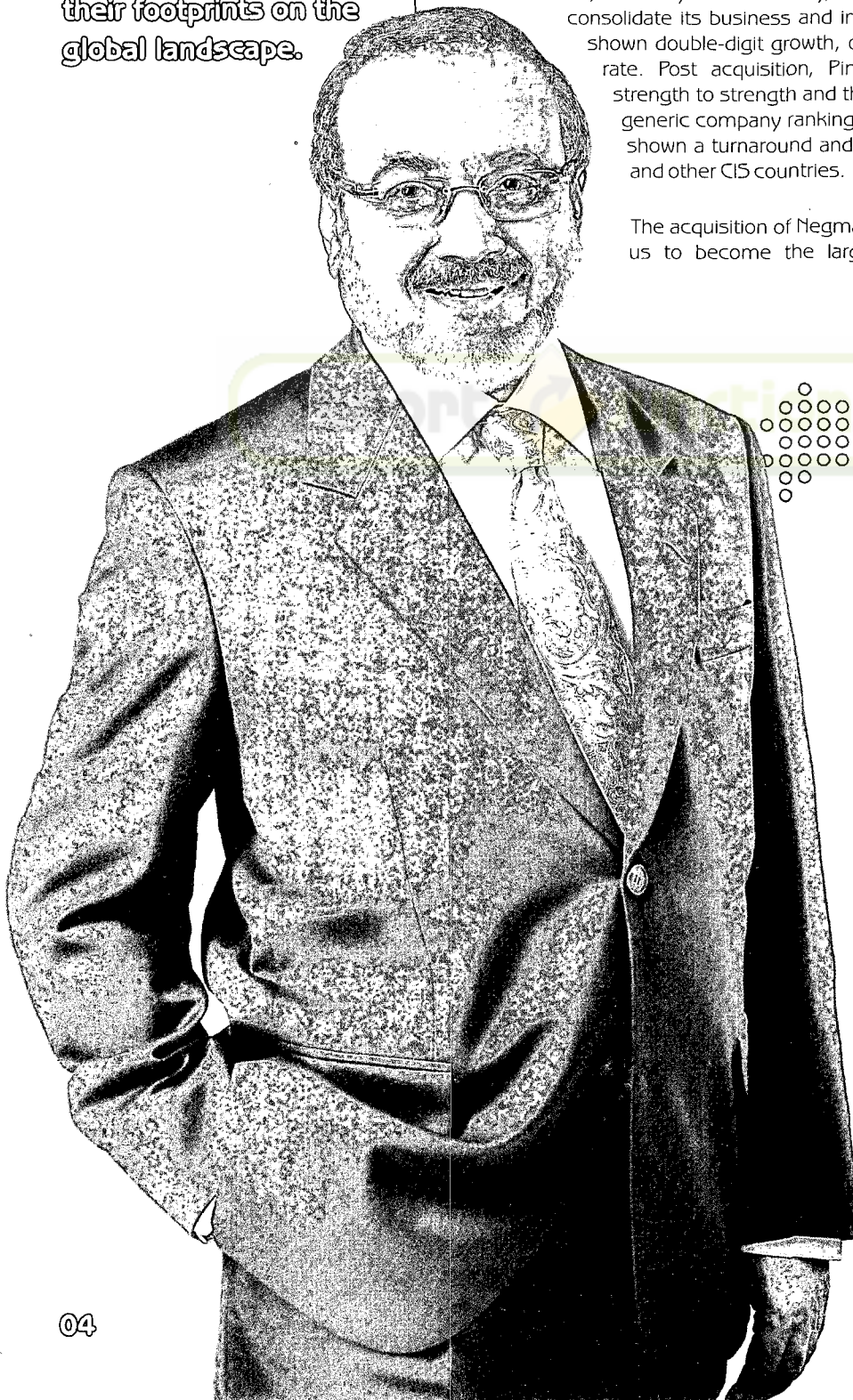
They say success is a journey not a destination. And I feel privileged to tell you that 6,000 Wockhardians are journeying tirelessly together, spreading their footprints on the global landscape.

The last 18 months have been transformational for all of us. We have arrived as a truly global organisation. The acquisitions in France (Negma Laboratories), in USA (Morton Grove Pharmaceuticals) and in Ireland (Pinewood) have given us a strong business footprint in Europe and USA. In fact, our global business has grown by 53% in the last year. Our geographical base, combined with our management depth has established a firm foundation for rapid growth in the next year.

EUROPE - OUR STRATEGIC FOCUS

The IMS Prognosis 2007 studies show that the pharma emerging markets are France, Germany and UK. Today, Wockhardt UK not only continues to consolidate its business and improve profitability; but it has also shown double-digit growth, outperforming the industry growth rate. Post acquisition, Pinewood continues to grow from strength to strength and the numbers amply justify it's No. 1 generic company ranking in Ireland. Esparma, Germany has shown a turnaround and has become a gateway to Russia and other CIS countries.

The acquisition of Negma Laboratories in France catapulted us to become the largest Indian Pharma Company in





Europe. I am proud and honoured to say that this was a competency acquisition. Our learning and understanding of marketing brands, with patent coverage in West European markets, are a precursor to us applying the same for our soon-to-be launched biotech products.

From our leadership to people profile, Wockhardt is a diverse global company, representing 14 nationalities worldwide. Our work ethos to continuously excel and stretch ourselves to the limits is unrelenting. The European leadership team with assistance from Bain & Co. has developed a roadmap for building a strong presence in the EU over the next three years.

GAINING PRESENCE IN THE USA

In October 2007, Wockhardt, once again made a strategic and value acquisition. Morton Grove Pharmaceuticals Inc. based in Illinois, Chicago, is a leading liquid generic and speciality dermatology company in the US. It provided us the right entry vehicle into the US generic market with a portfolio of 31 products. Currently, with an overall product portfolio of 56 products, we have gained critical mass in the US market. This represents a clear demonstrable strength in sales and marketing. It also makes us a unique

With 14 US FDA / MHRA approved manufacturing facilities dotting key markets around the globe, these plants have the requisite capacities and capabilities to manufacture all dosage forms. From biotechnology start-ups to leading pharmaceutical companies, Wockhardt is ideally placed to meet their technological and manufacturing needs. Our team has worked out a game plan in this space. I expect contract manufacturing to become a significant value creator in the future.

VISION 2012

We were also privileged to have the advice and guidance of the world's No.1 Strategic Management Guru, Prof. C K Prahalad to fulfil our Vision 2012. Acting as a catalyst at our World Strategy Forum, he was instrumental in pushing the management team to think out-of-the-box, identify key growth drivers and chalk-out strategic plans to optimise value and rationalise resources for potential markets and businesses.

Prof. C K Prahalad also advocated a finer aspect of management that good entrepreneurs do not benchmark against the best practices; they create the next practices. This, I believe, rightly dovetails with our intentions of value creation for all our stakeholders.

AT THE CORE IS RESEARCH & DEVELOPMENT

Wockhardt has considered demerging its Research & Development business into a separate entity. The new company will house the new drug discovery programme and the innovative new technologies being developed by the R&D team. The Wockhardt R&D set up will continue to retain its other research components, namely biotechnology, as well as research in chiral chemistry and pharmaceutical research.

The R&D business has great potential and needs to be a focused entity for carrying out unrelenting research activities for the future. At Wockhardt, we recognise this fundamental need and are re-structuring our R&D business to unlock true value for all our stakeholders.

FICCI ADDS A NEW DIMENSION

As President of FICCI for 2007, it was a year of personal enrichment for me. I explored and delved into the broader macro economic perspectives and social issues facing the nation. I interacted with key ministries, international statesmen and was the voice of the Indian industry at various forums. Most of all, I have become more aware than ever of how environmentally fragile our world has become. I am gratified to note that Wockhardt, as a company, is playing a part in protecting our planet's well being.

Lastly, I want to leave behind a profound thought. 'The toughest thing about success is that you've got to keep on being a success.' Thankfully, at Wockhardt, success is a habit and will always be a journey ahead!

Habil Khorakiwala
Chairman

pharma generic company, that is into every aspect of dosage manufacturing.

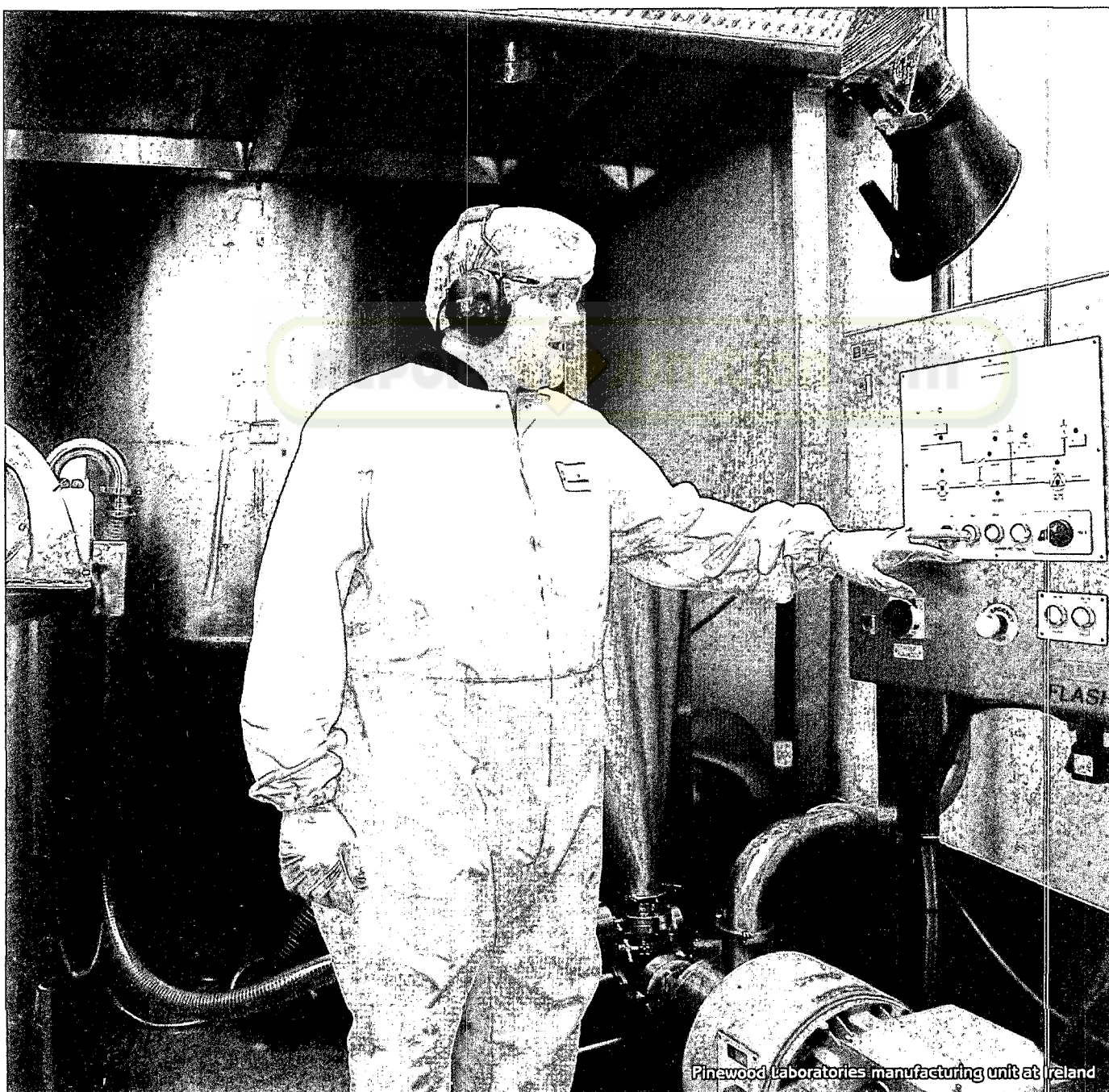
TOWARDS CONTRACT MANUFACTURING SUPPORT FOR GLOBAL COMPANIES

The European pharma markets are undergoing tectonic shifts. Several leading global pharma companies have already expressed their intent to exit manufacturing in the near future. Given the circumstance, we are well positioned to seize the opportunity presented by the immense potential of the European contract manufacturing market.



EUROPE

Integration and Value Creation
Towards Leadership in EU Market



Pinewood Laboratories manufacturing unit at Ireland