



# DELIVERING ON **TRUST**

# DELIVERING ON TRUST

Wockhardt draws its strength from the formidable foundation of trust it has built over the years. Reflected in our reputation of being a dependable partner, is our focus on understanding our customers and their needs. Being responsive to all of these is fundamental to our business practices.

Much as we are close to our customers, we are also well versed with the global trends in medicine. This enables us to bring high quality, global products through our R&D endeavours and also through our strategic in-licensing collaborations. Leveraging our multi-technology manufacturing capabilities and cGMP, we deliver world-class products and contract manufacturing services.

On the healthcare front, our zeal towards saving lives of patients suffering from dreaded diseases has enabled us deliver care that is just not the best, but legendary.

At Wockhardt, delivering on trust is not just business - it is our attitude.

## WOCKHARDT VISION

TO BE THE MOST  
ADMIRABLE HEALTHCARE  
GROUP FROM INDIA

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## HIGHLIGHTS OF 2008

### NET SALES

**Rs. 36 bn**  
**US\$ 738 mn**



### EBIDTA (Operating Profit)

**Rs. 8.4 bn**  
**US\$ 173 mn**



### WOCKHARDT US BUSINESS GROWS 140%

23 ANDAs approved during 2008 - amongst the Top-5 in the world

Over 60 products sold in the US market

### WOCKHARDT EUROPE BUSINESS GROWS 30%

Generic & Hospital business key drivers for Wockhardt UK, recording double the industry growth

Contract Manufacturing relationship with 16 companies from US and Europe

Pinecroft is the No.1 branded generic company in Ireland, continually outperforming competition in the Irish market. Market share increases to 28% from 23%

Market share of Neblix of Negma doubles in two years

### INDIA BRANDED BUSINESS GROWS 20% COMPARED TO INDUSTRY GROWTH OF 16% (ORG-IMS 2008)

Market share improves from 1.90 % to 2.08 %

Rank Improves by 2 levels

Glarthue (recombinant insulin analogue - glargine), World's first after the innovator, launched in India for diabetic patients

11 In-licensed products launched in India

11 brands of Wockhardt feature amongst the Top-300 brands of the industry



# LETTER FROM THE CHAIRMAN

## MY DEAR SHAREOWNERS

**Trustworthiness is the soil that produces strong roots. From it stem confidence, sturdiness, zeal and ultimately, success.**

**-Anonymous**

At Wockhardt, we have firmed our roots on the right soil. And over 40 glorious years of our existence says it all. Having grown brick-by-brick, from a 40-people team to an organisation of 7,000 professionals, we have left behind us a legacy of developing path-breaking and technologically advanced medicines. Through every single day of this journey, we have delivered on the trust our stakeholders have placed in us. And I must say that we have truly enjoyed this privilege.

During the fiscal 2008, Wockhardt displayed one of its best operational performances, historically. I'm pleased to report a 23.2% surge in EBITDA to reach Rs. 8.4 billion (US\$ 173 million) from consolidated revenues of Rs. 36 billion (US\$ 738 million).

Our international business contributing 73% of the total grew by over 40%. Most promising, was the phenomenal growth shown by our US business including Morton Grove Pharmaceuticals. Today with a growth of 140% in the US, Wockhardt demonstrates a clear ability and resolve to develop high technology products and penetrate the intensely competitive US market. Our efficient R&D and Business teams have succeeded in building a demonstrably competent enterprise. Placing quality above quantity, Wockhardt USA abides by the strategy of delivering niche technology driven products. It is a matter of immense pride for all of us to know that Wockhardt is amongst the Top-5 companies globally, to have received 23 Abbreviated New Drug Application (ANDA) approvals from the United States Food and Drug Administration in 2008 (source: Generics Bulletin 2009). This laudable accomplishment highlights the continued, well-directed and strategic efforts of our dedicated and talented teams.

On the other hand, Europe continues to constitute nearly 51% of our overall business. Well-known big pharma companies from the United States and Europe have trusted Wockhardt with their contract manufacturing and new product requirements. The UK and Irish operations have produced excellent results and shown double-digit growth.

## ON THE HOME FRONT...

As true pioneers in the field of biotechnology in India, we are at the forefront in bringing innovative medicines to the market. Our R&D effort has resulted in the launch of Glaritus, a recombinant insulin analogue - glargine. In fact, Wockhardt is the 1<sup>st</sup> company in the world, after the innovator, to launch this long-acting recombinant insulin analogue in India with a world market potential of US\$ 2 billion and more. Over the years, we have focussed on building a strong and comprehensive diabetes management portfolio with a range of oral anti-diabetic products, insulins and a blood sugar monitoring device - Sugarchek.

Our India branded business grew briskly by 20% in 2008 as compared to the industry growth of 10% (ORG IMS 2008). Overall, Wockhardt increased its market share to 2.08% vis-à-vis 1.9% in 2007 and in the process also improved its industry ranking by 2 notches. Moreover, 11 Wockhardt brands featured in the list of 'Top 300' brands in the industry.

## THE GLOBAL FINANCIAL MAZE

With our international business contributing 73% to the total consolidated revenues, hedging foreign exchange risk is an obvious and a prudent treasury operation at Wockhardt. However, challenging times such as these come uninvited. The prevalent financial downturn and fluctuating exchange rates have resulted in significant losses on our forex exposure. As with the marketplace, we too have been affected by the global financial meltdown and the ensuing credit squeeze. On the back of

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superior operational performance, we have decided to strengthen our gearing ratios and are in the midst of a corporate debt restructuring exercise. We are taking significant management initiatives towards containing such losses henceforth and are confident that as a result of this, we shall be stronger than ever... for the future.

#### **WOCKHARDIANS... OUR FORTE**

Managing in such turbulent times would have been very difficult, if not for Wockhardt's priceless asset - its people. As strategies bestow direction, a proficient team gives form to goals. With a unified vision and a firm commitment, Wockhardians across the globe have been integral to the company's success. They have provided inspiring leadership to achieve fantastic operational performances.

#### **EYES ON THE FUTURE**

Going forward, we will continue to reinvent Wockhardt and with it develop newer footprints for growth, to be even more competitive. At this juncture, I'm reminded of a popular maxim, 'Circumstances are the best teachers.' As a deft organisation, Wockhardt will be more focussed in managing its cash flows and working capital efficiently and will initiate better inventory and cost management practices.

I am also elated to tell you that Wockhardt's Board of Directors have taken the decision to appoint and induct on the Board, Huzaifa Khorakiwala as Executive Director and Dr. Murtaza Khorakiwala as Managing Director of Wockhardt Limited. This decision was taken to develop a long-term succession plan in the best interest of the

company and all its stakeholders. This will also give me an opportunity to mentor and develop the next generation leaders whilst I am fully involved in providing leadership, strategic vision and direction to the company's business operations. I will continue to remain as Chairman of Wockhardt with all executive powers to lead the company in its future course of direction. Please join me in congratulating them on this momentous occasion.

Lastly, but definitely not the least, I'd like to extend my thanks to all our investors, customers, bankers, partners, associates as well as Wockhardians for their continued unstinted support and in participating in our future growth and prosperity.



**Habil Khorakiwala**  
Chairman



# CUSTOMERS

## THE VERY REASON OF OUR BEING...

Over the years, Wockhardt has forged lasting bonds with its care deliverers comprising of the medical community, the hospital administrators, as well as distributors and pharmacists.

As a perceptive company, we have grown to comprehend and deliver valuable intangibles our customers desire.

We provide contemporary products that are clinically proven for efficacy as well as safety. By discerning the unmet medical needs of the customers, we have developed a highly pertinent basket of products across multiple therapeutic areas for acute and chronic conditions, including life-style diseases.

At Wockhardt, we continually deliver on trust our customers repose on us.



## SPEARHEADING INNOVATION FOR A COMPREHENSIVE SOLUTION IN DIABETES MANAGEMENT

With increasing concern for diabetes globally, and India becoming the diabetes capital of the world, Wockhardt realised the damaging impact and other complications this disease has on the vital organs of the body leading to increased morbidity. At the heart of its foray in providing healthcare solutions, was Wockhardt's unwavering belief of providing patients a comprehensive treatment, which is better, more effective and economical.

Wosulin was India's first world-class recombinant insulin. This technological breakthrough gave Indian patients the much-needed contemporary product at affordable prices. The launch of Wosulin triggered a price reduction of nearly 38% across brands, a huge saving for any diabetic patient in India. Wosulin is steadily becoming the insulin of choice backed by its innovative disposable pen delivery device that is painless and convenient.

With laudable biotechnology research, Wockhardt is the first company in the world after the innovator, to have developed and launched a long-acting (24-hour action) insulin analogue - glargine, under the brand name Glartus, in India.

Besides Wosulin (insulin) and Glartus (glargine), Wockhardt also introduced cutting-edge oral hypoglycaemic agents, diabetic nutritional products, a



blood sugar monitoring system - Sugarchek and medical services backed by patient education... all this to facilitate a physician's need for a comprehensive solution in managing his patient's diabetes.

## TECHNOLOGICALLY INNOVATIVE INJECTABLE DEVICES

We believe innovation is the key in helping the medical profession. Keeping in mind our customers' concern for painless therapy in chronic disorders such as, cancer, kidney failure and diabetes, where injections are to be administered in precise doses, Wockhardt has introduced technologically innovative 'Drug Delivery Systems' like reusable and disposable pen delivery devices for products such as, Wosulin (recombinant insulin), Glartus (insulin analogue) as well as Wepox (erythropoietin) injectables.



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## CUSTOMER FOCUSSED IN-LICENSED PRODUCTS IN NICHE THERAPIES FOR INDIA

| In-Licensed brands for Indian patients | In-Licensing Company | Country | Indication                             |
|--|----------------------|---------|--|
| B-Lift Active, Rich, Eye Contour, HIM  | Sinclair             | Italy   | Anti-wrinkle                           |
| Norophane                              | ACM Crawford         | France  | Nutritional Supplement for hair & nail |
| Mobihex Capsules, Injection, PLUS      | Indena               | Italy   | Muscle relaxant                        |
| Sammy                                  | G-Nosle              | Italy   | Osteo-arthritis                        |
| Normagut                               | G-Nosle              | Italy   | Pro-biotic                             |
| Daphathis                              | ACM Crawford         | France  | Depigmentation                         |

## EQUIPPING CARE DELIVERERS IN THE US

In the United States, Wockhardt provides technology driven, high-quality bio-equivalent generic products post patent expiry, as approved by the United States Food and Drug Administration (US FDA). These generic products not only provide effective treatment but also cost far less than the innovator products prior to patent expiry. In 2008, Wockhardt was amongst the Top 5 companies in the world with 23 ANDA (Abbreviated New Drug Application) approvals from the US FDA. Currently, Wockhardt USA and Morton Grove Pharmaceuticals market over 60 product families in the US and having sales of over US\$ 120 million.

## CUSTOMER CONCERN DRIVES WOCKHARDT UK

Wockhardt UK's therapeutic portfolio for hospitals and the medical community is significant in areas like Diabetes, Cancer, Infections, Pain and Blood coagulation, besides others. Very interestingly in the UK, diabetic patients depend solely on animal insulin injections and Wockhardt UK is the only company to meet the medical requirements of these patients through Hypurine Procins and Hypurine Bovine Insulins. No wonder, Britain's House of Commons applauded Wockhardt's commitment in meeting their customers need and saving their lives. With revolutionary products like Nicopatch and Nicopass, Wockhardt UK has helped people quit smoking and made the world a healthier place to live-in.

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### **PINEWOOD HEALTHCARE, IRELAND DELIVERS SUPERIOR VALUE TO ITS CUSTOMERS**

Much in line with its credo of delivering superior value to its customers, Pinewood Healthcare is the purveyor of a wide range of branded generic Ethical and OTC products for the medical community in Europe and the world markets. It is also the No.1 branded generic company in Ireland and continues to outperform competition in the Irish market. The company's comprehensive basket of products includes dosage forms such as, Oral Liquids & Suspensions, Non-Beta Lactam Powders, Creams and Ointments.

### **MAKING ITS WAY INTO CUSTOMERS' HEARTS... NEGMA IN FRANCE**

Wockhardt's French subsidiary, Negma Laboratories is at the forefront in therapeutic segments such as Osteoarthritis & Rheumatology, Phlebologic and Arterial Hypertension. With its brand, ART50 as its crowning glory, Negma has bolstered its reputation as a partner of choice

within the French pharmaceutical market and has received approval from the French Health Agency for the long-term symptomatic treatment of osteoarthritis. Based on its experience and expertise, Negma is an active ally of physicians, not only in research, but also in their everyday medical practices.

### **HONOURING THE MEDICAL COMMUNITY IN INDIA**

Wockhardt has instituted a platform that recognises India's medical icons through the prestigious Wockhardt Medical Excellence Awards in association with Harvard Medical International, USA. The Company also conducts pertinent conferences and Continuous Medical Education (CME) as a part of knowledge transfer to benefit the Indian medical community.

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# CONTRACT MANUFACTURING ORGANISATION (CMO)

## ADDING VALUE TO OUR CLIENT'S GROWTH

Wockhard's 15 world-class manufacturing plants are compliant with global regulatory bodies like the United States Food and Drug Administration (US FDA), the United Kingdom Medicines & Healthcare Products Regulatory Agency (UK MHRA) and the European Medicines Agency (EMA). It also adheres to continuous Good Manufacturing Practice (cGMP) norms, placing Wockhard amongst the leading global contract manufacturers. Well-known big pharma companies as well as, prime mega retailers, in both, grocery and pharmacy sectors, and some of UK's largest pharmaceutical wholesalers; are Wockhard's esteemed customers. It is this trust of our customers that keeps us focussed and aligned.

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