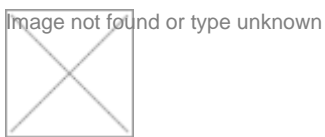


Wockhardt

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Resolute Preparedness

Despite its biotech revenues falling short of expectation, Wockhardt hopes to get close to the Rs 100-crore projection at least this year.

Wockhardt's biotechnology business, carved out into a separate strategic business unit in 2005, crossed the Rs 45 crore (\$10 million) mark in sales for year ending December 2005 registering a growth of 54 percent. And for year 2005-06, its biotech sales touched Rs 49.75 crore, belying its projection of Rs 100 crore. The Mumbai-based drug maker hopes to get close to the Rs 100-crore projection at least this year, with Wockhardt top-management expecting to clock \$20 million (about Rs 92 crore) as revenues in the biotech segment for 2006. According to Habil Khorakiwala, Wockhardt chairman, the biotech performance for the year at \$10 million, was "below the expectation".

The company's biotech products – Wosulin and Wepox are doing well in the market. Wepox became the No.1 prescribed brand during the year while Wosulin was the highest prescribed amongst the new prescriptions with a market share of over 40 percent.

During 2005, Wockhardt launched in India a new generation Hepatitis A vaccine under the brand name Biovac-A in collaboration with Zhejiang Pukang Biotechnology Company Ltd of China. The vaccine has been priced at Rs 1,100 per

dose. Wockhardt is looking at capturing 20-25 per cent of this Hepatitis A vaccine market in India over a period of 12 months. Besides marketing in India, Wockhardt is reported to be marketing Biovac A, in Bangladesh, Pakistan and Vietnam for Zhejiang Pukang, the innovator company. In addition to launching Biovac A, Wockhardt launched India's first automatic insulin delivery device (Wosulin pen and cartridge) in early 2005.

Close on the heels of introducing Biovac A vaccines, Wockhardt is contemplating on a strategy of licensing with global vaccine companies for introducing other vaccines into India. It is working on a host of new vaccines for infectious diseases, which are expected to be launched in 2008.

Wockhardt's biopharmaceutical business in the global markets commenced during 2005. The focused approach through creation of separate SBU has had an all-round impact on all aspects of biopharmaceutical business. These markets offer huge opportunities for Wockhardt as several high-value biotech medicines are due to come off patent in the next few years, offering opportunities to launch cost-effective versions with the potential of reaching more needy patients across the world. It has also commenced filing for registration of its insulin cartridges in unregulated markets. Wockhardt also became the first Indian company to be registered for doing business with Gulf Cooperation Council (GCC) countries. Wockhardt's biotech products have received 30 overseas registrations spread over 18 countries.

Meanwhile Wockhardt UK has launched natural insulins in Canada after its approval by Health Canada authorities. Wockhardt has launched Wosulin in three countries. It is received the first overseas approval for Wosulin cartridges.

Wockhardt invested Rs 104 crore, amounting to 7.4 percent of the turnover, in R&D during the year. Its new drug discovery program has yielded several promising new molecules.