APG and Piramal Enterprises Limited Announce Strategic Investment Alliance

Targeted Investment of US$ 1 billion in Infrastructure Companies in India

- *One of the largest institutional platforms focused on mezzanine investments in the infrastructure sector in India*
- *One of the largest private sector commitments to the infrastructure sector in India*
- *The single largest commitment of APG to the infrastructure sector in India to date*

July 30, 2014, Mumbai: Piramal Enterprises Limited (PEL), one of India's largest diversified companies, and APG Asset Management, the Dutch pension fund asset manager, today announced a strategic alliance for investing in rupee denominated mezzanine instruments issued by infrastructure companies in India with a target investment of US$ 1 billion over the next 3 years. PEL and APG have each initially committed US$375 million for investments under this strategic alliance.

This is one of the largest private sector commitments to the infrastructure sector in India and one of the single largest commitments to date by a foreign investor to the infrastructure sector in India.

Ajay Piramal, Chairman of PEL said, "We are extremely pleased to be partnering with an institution like APG who is a like-minded, focused and committed global investor. This is an opportune time to be creating an aligned pool of capital to target what we believe to be very compelling funding opportunities in the infrastructure sector in India. The alliance is consistent with PEL's long-term plan and vision of playing a contributing role towards investments that promote growth. This is the single largest investment of APG in the unlisted space in India till date and underlines the confidence reposed by institutional investors in Piramal Group's capabilities."

Dick Sluimers, CEO of APG said, "APG puts a great deal of effort and time into selecting the right partners and forming long-term relationships. In PEL, we found an aligned partner with the requisite expertise and industry knowledge to add value through active ownership, which is why we have teamed up with PEL for this strategic alliance in India. The strategy of the alliance to focus on mezzanine investments in infrastructure projects in India ticks the right boxes for our pension fund clients in terms of risk-return profile and high cash flow visibility."

This strategic pool of capital will focus on operational and near completion projects with limited execution risks and high visibility of cash flows coming from a portfolio of projects. The access to this source of capital will enable infrastructure players in India to retain their equity interest in the assets, while raising long term capital to help them complete their on-going infrastructure projects and enhance shareholder value.

Jayesh Desai, co-Head of Structured Investment Group (SIG), PEL said "Indian infrastructure players have moved up in maturity scale as the portfolio of operational projects has increased and hence, is lending high visibility to future cash flows. Over USD 150 billion of equity and mezzanine funding is required to meet government target investment of USD 1 trillion until 2017, and this is the gap which our strategic alliance seeks to bridge. Mezzanine investments for infrastructure sector in India offers a

compelling investment proposition as it addresses the void in the capital stack, which currently exists in the market place. This is due to the constraints of commercial banks in India to provide only senior secured lending at asset level where there is limited headroom, especially in cases where there has been delay in project execution".

Hans-Martin Aerts, Head of Infrastructure Asia, APG said, "We are very pleased to partner with PEL in this venture. The current market circumstances where there is a mismatch between demand and supply of capital creates a window of opportunity to make mezzanine investments in Indian infrastructure. We believe that the infrastructure sector in India is at an inflection point. Given the strong push of the new government on sector revival through conducive policy measures, the funding from this strategic alliance will help infrastructure companies to recycle capital and contribute significantly to the further development of India's infrastructure sector."

PEL has demonstrated strong sourcing and risk underwriting capabilities, and has developed a strong track record in providing mezzanine funding to corporates in various sectors including infrastructure.

Macquarie Capital acted as the sole financial advisor for the transaction.

About Piramal Enterprises:
Piramal Enterprises Limited (PEL) is one of India's largest diversified companies, with a presence in pharmaceuticals, healthcare information management and financial services. PEL's consolidated revenues were ~$ 750 million in FY2014. In the pharmaceutical space, PEL is one of leading custom manufacturing player globally, has presence in the global critical care segment with a portfolio of inhalation and injectable anaesthetics and its OTC business is ranked no. 7 in India. PEL is also engaged in drug discovery & research and has strong pipeline of development products. PEL's information management business, Decision Resources Group, is a leading provider of information based services to the healthcare industry. In the financial services space, PEL, through Piramal Fund Management, provides comprehensive financing solutions to real estate companies. Its Structured Investments Group invests in various sectors, including infrastructure. PEL has also made long term equity investments in the Shriram Group, a leading financial conglomerate. www.piramal.com

About APG Asset Management N.V.
APG Asset Management N.V. is a Dutch pension fund asset manager in the Netherlands. For its pension fund clients and their 4.5 million active and retired participants from the public and private sectors representing over 30% of all collective pension schemes in the Netherlands, APG Asset Management N.V. manages pension assets of €375 billion as at the end of June 2014.
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