Piramal Enterprises Limited
Consolidated Results for the Q3 FY2016 and 9M FY2016

Continuing robust growth momentum

Mumbai, India, February 8, 2016: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announces its consolidated results for the Q3 FY2016 and 9M FY2016.

Highlights

- Strong revenue growth during the quarter and the nine months
  - Up 33% at Rs.1,859 Crores during Q3 FY2016 vs. Rs.1,400 Crores during Q3 FY2015
  - Up 27% at Rs.4876 Crores during 9M FY2016 vs. Rs.3,825 Crores during 9M FY2015
- Operating profit was :
  - 96% higher at Rs.628 Crores during Q3 FY2016 vs. Rs.321 Crores during Q3 FY2015
  - 103% higher at Rs.1,405 Crores during 9M FY2016 vs. Rs.692 Crores during 9M FY2015
- OPBITDA Margin was :
  - Up at 34% in Q3 FY2016 vs. 23% in Q3 FY2015
  - Up at 29% in 9M FY2016 vs. 18% in 9M FY2015
- Net Profit excluding exceptional items :
  - Increased by 50% to Rs.337 Crores for Q3 FY2016 vs. Rs.224 Crores for Q3 FY2015
  - Increased by 149% to Rs. 797 Crores for 9M FY2016 vs. Rs.320 Crores for 9M FY2015
- Loan Book grew by 181% to Rs.11,070 Crores as on 31 Dec 2015 vs. Rs.3,933 Crores as on 31 Dec 2014

Ajay Piramal, Chairman, PEL *"I am very happy to announce that our teams have continued the growth momentum and have delivered an outstanding set of results for Q3 FY2016. Most importantly, in an environment of muted earnings growth across sectors over last few years, our performance has been consistently improving in all three segments over last 5 years.*

We are continuing to execute our long term strategy. I feel more confident about our ability to consistently deliver such results as we go forward.

As an organization, we remain committed towards sustainably creating long term value for our shareholders."

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter III ended			Nine months ended		
	31-Dec-15	31-Dec-14	% Change	31-Dec-15	31-Dec-14	% Change
Total Revenues	1,859	1,400	33%	4,876	3,825	27%
R&D expenses	31	47	(33%)	97	221	(56%)
Other operating expenses	1,199	1,032	16%	3,375	2,912	16%
OPBITDA	628	321	96%	1,405	692	103%
OPBITDA Margin %	34%	23%	-	29%	18%	-
Non-operating other income	31	67	(54%)	203	181	12%
Interest expenses	250	101	149%	635	392	62%
Depreciation	87	80	9%	237	219	8%
Profit before tax & exceptional items	322	207	55%	736	262	181%
Exceptional items – (Expenses)/ Income	(15)	35	-	(27)	2,692	-
Income tax	25	33	(24%)	66	311	(79%)
Profit after tax (before MI & Prior Period Items)	282	209	35%	643	2,642	(76%)
Minority interest	(0)	-	-	(0)	(0)	-
Share of profit/(loss) of Associates	40	40	(1%)	127	112	13%
Net Profit after Tax	322	249	29%	770	2,755	(72%)
EPS (Rs./share)	18.6	14.4	29%	44.6	159.6	(72%)

Note: Net Profit excluding exceptional items :

- *Increased by 50% to Rs.337 Crores for Q3 FY2016 vs. Rs.224 Crores for Q3 FY2015*
- *Increased by 149% to Rs.797 Crores for 9M FY2016 vs. Rs.320 Crores for 9M FY2015*

Consolidated Revenues

Consolidated revenues for Q3 FY2016 were 33% higher at Rs.1,859 Crores and for 9M FY2016 were 27% higher at Rs.4,876 Crores. Company has delivered a strong revenue performance with growth across all three business segments. 63% of our Q3 FY2016 revenues and 9M FY2016 revenues were earned in foreign currency.

Operating Profit

Operating profit for Q3 FY2016 was 96% higher at Rs.628 Crores, primarily driven by strong revenue performance across most of our businesses during the quarter and fall in R&D expenses. OPBITDA margin was higher at 34% in Q3 FY2016 as compared with 23% in Q3 FY2015.

Operating profit for 9M FY2016 was 103% higher at Rs.1,405 Crores. R&D expenses were lower during the period on account of scaling back of our investments in NCE research in FY2015. OPBITDA margin was higher at 29% in 9M FY2016 as compared with 18% in 9M FY2015.

Net Profit excluding exceptional items

Net Profit excluding exceptional items for Q3 FY2016 was up by 50% at Rs.337 Crores as compared to Rs.224 Crores in Q3 FY2015. Healthy profitability was mainly on account of improved performance across business segments and lower R&D expenses.

Net Profit excluding exceptional items for 9M FY2016 was up by 149% at Rs.797 Crores as compared to Rs.320 Crores in 9M FY2015.

Interest Expenses

Interest expense for the Q3 FY2016 and 9M FY2016 were higher primarily on account of increase in debt for making investments under Financial Services segment.

Exceptional Gain / Loss

Exceptional loss was Rs.15 Crores during Q3 FY2016. In Q3 FY2015, the exceptional gain of Rs.35 Crores was on account write-back from scaling down the R&D activities in NCE research.

Exceptional loss was Rs.27 Crores in 9M FY2016. Exceptional net gain of Rs.2,692 Crores in 9M FY2015 primarily included gain on sale of 11% stake in Vodafone India for Rs.8,900 Crores (an Investment of Rs.5,864 Crores made in FY2012), partially offset by the amount written down on account of scaling back of our investments in NCE research.

Share of Associates

Income under share of associates for the Q3 FY2016 and 9M FY2016 primarily includes our share in the profits of Shriram Capital for the period.

Business-wise Revenue Performance

(Rs. Crore or as stated)

Net Sales break-up	Quarter III ended			% Sales	Nine months ended		
	Q3 FY2016	Q3 FY2015	% Change		9M FY2016	9M FY2015	% Change
Healthcare	915	784	16.7%	53.4%	2,603	2,285	13.9%
Pharma Solutions	587	487	20.4%	34.8%	1,697	1,448	17.2%
Critical Care	232	213	8.8%	12.9%	631	582	8.4%
Consumer Products*	97	84	15.4%	5.7%	276	255	8.1%
Financial Services	508	219	131.3%	26.8%	1,305	674	93.6%
Information Management	427	377	13.1%	19.5%	949	825	15.0%
Others	9	19	-	0.4%	19	41	-
Total	**1,859**	**1,400**	**32.8%**	**100%**	**4,876**	**3,825**	**27.5%**

* Includes Opthalmology

Healthcare

In Q3 FY2016, revenues were Rs.915 Crores as compared with Rs.784 Crores in Q3 FY2015; a growth of 17% YoY. In 9M FY2016, revenues from healthcare businesses were Rs.2,603 Crores as compared with Rs.2,285 Crores in 9M FY2015, a growth of 14% YoY.

Pharma Solutions

Revenues from Pharma Solutions business grew by 20% YoY to Rs.587 Crores in Q3 FY2016 largely driven by higher sales from API business in India & North America and contribution from our recent acquisition of Coldstream facility. In 9M FY2016, revenues grew by 17% YoY to Rs.1,697 crores vs Rs.1,448 Crores in 9M FY2015. Execution of capex for capacity expansion at Coldstream facility in Kentucky is on track. The investment is also being supported by the Kentucky state with tax incentives.

In October 2015, business head was awarded as 'CEO of the year' at CPhI Pharma Awards and company was also rated as 'API Supplier of the Year' at Global Generics and Biosimilar Award 2015. Grangemouth site was awarded among the Best service provider, at the World ADC awards that was held at San Diego in October 2015.

Critical Care

Revenues from Critical Care business grew by 9% YoY to Rs.232 Crores in Q3 FY2016 primarily on account of increasing access to new markets and growth in our market share across geographies. We significantly increased our market share in UK with expansion in Scotland, Wales and London region. We entered Malaysia during the quarter. During the quarter, we entered a co-promotion agreement with Cumberland, a specialty pharmaceutical company focused on hospital acute care and gastroenterology and officially launched co-promotion of two of Cumberland's branded hospital products, Caldolor® and Vaprisol® in the United States. In 9M FY2016, revenues grew to Rs.631 crores from Rs.582 Crores in 9M FY2015, a growth of 8% YoY.

Consumer Products

Revenues from Consumer Products business grew by 15% YoY to Rs.97 Crores in Q3 FY2016 driven by various organic and inorganic initiatives undertaken by PEL. During the quarter, we had two major acquisitions that added 8 categories to the division. We acquired baby-care brand "Little's" in November 2015 that includes the entire product range across six categories for babies in the age group of 0-4yrs. Little's is a 30 years old brand with a high consumer recall. The brand operates in the Rs.1,000 Crores non-food baby-care category, which is growing at 13%. With our India-wide strong network we can increase its distribution reach to 1,50,000 outlets. We acquired 5 brands from Organon India and MSD BV in December 2015. The acquisition includes leading brands like Naturolax, Lactobacil and Farizym in Gastro Intestinal segment. We will expand in this gastro-intestinal segment where we already have presence through Polycrol. These brands hold a rich legacy in India and have a high consumer pull. We are planning to launch new formats and target a wider reach.

Financial Services

Income from Financial Services was 131% higher at Rs.508 Crores for Q3 FY2016 and 94% higher at Rs.1,305 Crores for 9M FY2016. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 181% to Rs.11,070 Crores as on 31 Dec 2015 vs Rs.3,933 Crores as on 31 Dec 2014. Construction financing continued to grow at a rapid pace. It now constitutes 38% of the Real Estate loan book. Asset quality continued to remain robust with a GNPA ratio of just 1%. Company has provided for more than the required provision.

Gross Assets under Management grew to Rs.8,638 Crores during the quarter. Here, we have invested in 57 projects across 6 cities with 23 leading developers. We exited more than 92% of corpus in real estate vintage funds and expecting to reach 100% in next few months. Also, during the quarter we announced to launch 'Piramal India Resurgent Fund' with a corpus of Rs.6,000 Crores focusing on acquiring stressed loans.

Information Management

Revenues from Information Management business grew by 13% YoY, to Rs.427 Crores in Q3 FY2016, primarily driven by growth in data and analytics products and the acquisition of HBI. HBI acquisition that enables us to accelerate our entry into providers market, is performing as expected. The existing customers' retention rate during CY2015 is 96.7% and we continued to add new customers. DRG India office is on target with 120+ positions on boarded.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.

Our company shall also be uploading a results presentation on our website. For downloading a copy of the presentation and further information on our financials, please visit our website: www.piramal.com

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About the Piramal Group

The Piramal Group, led by Ajay Piramal, is one of India's foremost business conglomerates with a global footprint. With operations in 30 countries and brand presence in over 100 countries, the Group's turnover exceeded $1 billion in FY2015. The Group's diversified portfolio includes presence in industries like healthcare, financial services, healthcare information management, glass packaging and real estate.

Driven by the core values of knowledge, action and care, the Group steadfastly pursues inclusive growth, while adhering to ethical and value driven practices. Piramal Foundation, the philanthropic arm, has initiatives running across healthcare, water, education and women empowerment in 19 states of India.

About Piramal Enterprises Limited

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Healthcare, Healthcare Information Management and Financial Services. PEL's consolidated revenues were over $ 830 million in FY2015, with approx. 70% of revenues from outside India.

In healthcare, PEL is one of the leading players globally in CRAMS (custom research and manufacturing services) as well as in the critical care segment of inhalation and injectable anaesthetics. It also has a strong presence in the OTC segment in India. The Molecular Imaging Division was formed in 2012 with presence in Europe and USA.

PEL's healthcare information management business, Decision Resources Group, is amongst the top 20 US market research organizations which provide information services to the healthcare industry.

In financial services, PEL, through its Piramal Fund Management Division, provides comprehensive financing solutions to real estate companies. The Structured Investment Group ("SIG") provides long term patient mezzanine growth capital to capital intensive businesses which are integral part of India's growth story. The total funds under management under these businesses are over $ 2.7 billion. The company also has strategic alliances with top global pension funds like CPPIB Credit Investment Inc. and APG Asset Management. PEL also has long term equity investments worth over $ 700 million in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the Bombay Stock Exchange and the National Stock Exchange in India.

For Investors:

Hitesh Dhaddha / Bhavna Sinyal
Investor Relations,
Piramal Enterprises Limited
Contact: +91 22 3046 6444 / +91 22 3046 6570
investor.relations@piramal.com

For media enquiries, please contact:

PIRAMAL ENTERPRISES
Akansha Pradhan / Riddhi Goradia / Paroma Bhattacharya
Corporate Communications,
Piramal Group
Contact: +91 22 3351 4082 / 4083
akansha.pradhan@piramal.com / riddhi.goradia@piramal.com / paroma.bhattacharya@piramal.com

PUBLIC RELATIONS CONSULTANT:
Sunayan Shahani
sunayan.shahani@mslgroup.com
Tel: +91-22- 3368 0324
M: +91 9833172756