Piramal Enterprises Consolidated Results for the Third Quarter and Nine Months ended 31 December 2014

Revenue growth across businesses driving strong profitability

In both the quarter and nine-month periods, the company delivered a robust financial performance with significant increase in operating profit and net profit, primarily driven by growth in revenues across all business segments

Mumbai, India, Feb 9, 2015: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the Third Quarter (Q3) and Nine Months (9M) ended 31 December 2014.

Financial Highlights

- Revenue growth across all business segments during both the quarter & nine-month periods
  - Up 9% at ₹ 1,399 Crores during Q3 FY2015
  - Up 13% at ₹ 3,826 Crores during 9M FY2015
- Operating profit :
  - 16% higher at ₹ 320 Crores during Q3 FY2015
  - 22% higher at ₹ 693 Crores during 9M FY2015
- Net profit :
  - Increased to ₹ 249 Crores for Q3 FY2015 vs. loss of ₹ 11 Crores for Q3 FY2014
  - Increased to ₹ 2,755 Crores for 9M FY2015 vs. loss of ₹ 190 Crores for 9M FY2014

Operational Highlights

- Entered Sterile Injectable market by acquiring Coldstream Laboratories in Jan 2015, a US based CDMO with specific expertise in high potency & cytotoxic compounds (including ADC)
- Loan Book grew 52% over last year to ₹ 3,933 Crore
- Fund Management AUM grew 58% over last year to ₹ 7,286 Crore
- Sevoflurane launched in Australia, Saudi Arabia and Germany
  - Continue to gain its market share in US, Europe and Japan
- Pharma Solution's Morpeth Site successfully completed the FDA audit with Zero 483's.

Ajay Piramal, Chairman, PEL *"Our diversification across businesses & geographies and our successful organic & inorganic growth strategy, has enabled us to continue to deliver strong financial performance, despite volatile global economic environment. We remain committed to our approach of efficiently allocating capital while undertaking controlled risk, to consistently generate higher profitability and deliver superior shareholder returns"*

Consolidated Financial Performance

(₹ Crore or as stated)

Particulars	Q3 FY15 ended			9M FY15 ended		
	31-Dec-14	31-Dec-13	% Change	31-Dec-14	31-Dec-13	% Change
Total operating income	**1,399**	**1,286**	**9%**	**3,826**	**3,381**	**13%**
R&D expenses	47	62	-25%	221	227	-3%
Other operating expenses	1,032	948	9%	2,912	2,586	13%
OPBITDA	**320**	**276**	**16%**	**693**	**568**	**22%**
OPBITDA Margin %	**23%**	**21%**		**18%**	**17%**	
Non-operating other income	67	20	245%	180	236	-24%
Interest expenses	101	230	-56%	392	780	-50%
Depreciation	80	64	26%	219	182	20%
Profit before tax & exceptional items	**207**	**2**	**-**	**262**	**-158**	**-**
Exceptional items - expenses/(Income)	-35	-3	-	-2,692	7	-
Income tax	33	9	244%	311	36	774%
Profit after tax (before MI & prior period items)	209	-10	-	2,642	-187	-
Minority interest	-	1	-	-	0	-
Share of Associates	40	0	-	112	-3	-
Net Profit after Tax	**249**	**-11**	**-**	**2,755**	**-190**	**-**
EPS (₹ /share)	**14.4**	**-0.7**	**-**	**159.6**	**-11**	**-**

Consolidated Revenues

Revenues for Q3 FY2015 were 8.8% higher at ₹ 1,399 Crores and revenues for 9M FY2015 were 12.7% higher at ₹ 3,826 Crores. Company delivered a strong revenue performance with growth across all segments in both the quarter and nine-month periods. 69% of our 9M FY2015 revenues were generated in foreign currency.

Operating Profit

Operating profit for Q3 FY2015 was 16% higher at ₹ 320 Crores primarily driven by strong revenue performance across businesses during the quarter and fall in R&D expenses. R&D expenses were lower during the quarter on account of scaling back of investments in NCE research in Q2 FY2015.

Operating profit for 9M FY2015 was 22% higher at ₹ 693 Crores.

Net Profit

Net Profit for Q3 FY2015 was higher at ₹ 249 Crores as against a net loss of ₹ 11 Crores for Q3 FY2014. The increase in net profit was mainly on account of improved operating performance, lower interest cost due to reduction in long term debt, exceptional gain and higher share of income from associates, partly offset by marginal increase in depreciation and higher tax expense.

Net Profit for 9M FY2015 was at ₹ 2,755 Crores as against a net loss of ₹ 190 Crores for 9M FY2014.

Interest Expenses

Interest expense for the quarter was lower primarily on account of reduction in debt using cash proceeds from sale of our stake in Vodafone India.

Exceptional Gain/ Loss

Exceptional Gain during Q3 FY2015 was on account of partial reversal of the amount written down in Q2 on account of scaling back of investments in NCE Research.

Exceptional gain for 9M FY2015 also includes gain on sale of 11% stake in Vodafone India for ₹ 8,900 Cr (an Investment of ₹ 5,864 Cr made in FY2012) partly offset by the amount written down on account of scaling back of investments in NCE research in Q2 FY2015.

Share of Associates

Income under share of associates for the quarter primarily includes our share in the profits of Shriram Capital for this period.

Business-wise Revenue Performance

(₹ Crore or as stated)

Net Sales break-up	% Sales	Quarter III ended			% Sales	Nine Months ended		
		31-Dec-14	31-Dec-13	% Change		FY 2015	FY 2014	% Change
Healthcare	**57%**	**794**	**750**	**5.8%**	**60%**	**2,303**	**2,070**	**11.3%**
Pharma Solutions		487	471	3.4%		1,448	1,283	12.8%
Piramal Critical Care		213	197	8.1%		582	542	7.4%
OTC & Ophthalmology		94	82	14.2%		273	245	11.5%
Financial Services	**16%**	**225**	**202**	**11.4%**	**18%**	**679**	**546**	**24.3%**
Information Management	**27%**	**377**	**318**	**18.5%**	**22%**	**825**	**725**	**13.8%**
Others	-	3	16	-	-	19	40	-
Total	**100%**	**1,399**	**1,286**	**8.8%**	**100%**	**3,826**	**3,381**	**13.2%**

Healthcare Business

For Q3 FY2015, revenues from healthcare businesses were ₹ 794 Crores as compared with ₹ 750 Crores for Q3 FY2014; a growth of 5.8% over the corresponding previous period. Q3 FY2015 Revenues from the Pharma Solutions business grew 3.4% over Q3 FY2014. Revenue from the Critical Care business grew 8.1% during the quarter, primarily on account of continued gain in our market share in US, Europe and new launch in Japan. Revenue from the OTC and Ophthalmology business in Q3FY2015 grew by 14.2% over Q3 FY2014, mainly on account of improved marketing

strategy for existing brands and effective launch of new brands (including Quikkool, a pain relieving mouth ulcer gel).

For 9M FY2015, revenues from healthcare businesses were at ₹ 2,303 Crores as compared with ₹ 2,070 Crores for 9M FY2014, a growth of 11.3% during the period.

Our Pharma Solutions business had announced an acquisition of Coldstream Laboratories, a US based Contract Development and Manufacturing Organisation (CDMO) in January 2015 for a consideration of USD 30.65 million. Coldstream is a CDMO focused on the development and manufacturing of sterile injectable products. Coldstream is a specialty pharmaceutical contract manufacturer with an emphasis on clinical trial to commercial-scale manufacturing of sterile liquid and injectables. Coldstream has developed differentiated expertise to formulate and manufacture high potency and cytotoxic compounds including Antibody Drug Conjugates (ADCs).

Financial Services Business

Income from financial services was 11.4% higher at ₹ 225 Crores for the quarter ending December 31, 2014 as compared with ₹ 202 Crores for the corresponding previous quarter. The growth in income was primarily driven by growth in size of loan book and Assets under Management. Loan Book grew 52% over last year to ₹ 3,933 Crore. Fund Management AUM grew 58% over last year to ₹ 7,286 Crore. Income from financial services was 24.3% higher at ₹ 679 Crores for nine months ended December 31, 2014 as compared with ₹ 546 Crores for the corresponding period of the previous year.

Information Management Business

Revenues from information management business were 18.5% higher at ₹ 377 Crores for Q3 FY2015 as compared with ₹ 318 Crores for Q3 FY2014, driven by growth across entire range of products & services. Revenues from information management business were at ₹ 825 Crores for 9M FY2015 as against ₹ 725 Crores for 9M FY2014, a growth of 13.8% during the period.

For further information on the financials, please visit our website: www.piramal.com

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About the Piramal Group

The Piramal Group, led by Ajay G. Piramal is one of India's foremost business conglomerates. Driven by the core values of Knowledge, Action & Care, the Group has interests across industries such as healthcare, drug discovery & research, diagnostics, glass, real estate, information management and financial services. The Group steadfastly pursues inclusive growth while adhering to ethical and value driven practices. The Group's turnover exceeded $ 1 billion in FY2014.

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 $ 750 million in FY2014, 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. Its Structured Investments Division invests in various sectors including infrastructure. The total funds under management under these businesses is around $ 2 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 around $1 billion in Shriram Group, a leading financial conglomerate in India.

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

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