Piramal Enterprises Consolidated Results for the Fourth Quarter and Full Year ended 31 March 2015

Operating profit 174% higher; Net Profit increased to Rs.2,850 crores for the year

Mumbai, India, May 7, 2015: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the Fourth Quarter (Q4) and Full Year (FY) ended 31 March 2015.

Financial Highlights

- Revenue growth across all business segments during the year :
  - Up 16% at Rs.1,298 Crores during Q4 FY2015
  - Up 14% at Rs.5,123 Crores during FY2015
- Operating profit :
  - 174% higher at Rs.194 Crores during Q4 FY2015
  - 39% higher at Rs.885 Crores during FY2015
- Net profit :
  - Increased to Rs.95 Crores for Q4 FY2015 vs. loss of Rs.311 Crores for Q4 FY2014
  - Increased to Rs.2,850 Crores for FY2015 vs. loss of Rs.501 Crores for FY2014
- FY2015 dividend of Rs.20 per share - Total outgo will be Rs.415 crore

Operational Highlights

- Loan Book grew by 67% to Rs.4,766 crore
- Funds under Management were Rs.8,441 Crore as on 31 March 2015
- Monetised our structured investments worth Rs.500 crore in Green Infra
- Carried out value accretive M&As to boost growth in Healthcare & Information Management
- Pharma Solutions' Pithampur site cleared US FDA audit successfully
- Critical Care business's market share reached 51% in Japan, for the month of March 2015

Ajay Piramal, Chairman, PEL *"I am pleased to announce a set of commendable results for FY2015, delivered by our management team and employees. The company had reached an inflection point in its profitability. Value-accretive growth across business segments has enabled us to deliver a robust and sustainable growth in profits for the year. This combined with our strategy of efficient capital allocation has positioned us well to sustainably create long term value for our shareholders."*

Consolidated Financial Performance

(Rs. Crore or as stated)

Particulars	Quarter ended			Full Year ended		
	31-Mar-15	31-Mar-14	% Change	31-Mar-15	31-Mar-14	% Change
Total operating income	1,298	1,121	16%	5,123	4,503	14%
R&D expenses	46	68	-33%	267	296	-10%
Other operating expenses	1,058	982	8%	3,970	3,568	11%
OPBITDA	194	71	174%	885	639	39%
OPBITDA Margin %	15%	6%		17%	14%	
Non-operating other income	73	(14)		254	221	15%
Interest expenses	119	270	-56%	511	1,050	-51%
Depreciation	71	65	10%	290	247	17%
Profit before tax & exceptional items	77	-278		339	(436)	
Exceptional items - expenses/(Income)	(4)	5		(2,696)	(1)	
Income tax	34	27		345	63	
Profit after tax (before MI & prior period items)	48	(310)		2,690	-498	
Minority interest	(0)	0		(0)	1	
Share of Associates	47	(0)		159	(3)	
Net Profit after Tax	95	(311)		2,850	-501	
EPS (Rs./share)	5.5	(18.0)		165.2	-29.1	

Consolidated Revenues

Revenues for FY2015 were 14% higher at Rs.5,123 Crores and for Q4 FY2015 were 16% higher at Rs.1,298 Crores. Company has delivered a strong revenue performance with growth across business segments during the year. 68% of our FY2015 revenues were generated in foreign currency.

Operating profit for Q4 FY2015 was 174% higher at Rs.194 Crores, primarily driven by strong revenue performance across most of the businesses during the quarter and fall in R&D expenses. R&D expenses were lower during the quarter on account of scaling back of our investments in NCE research in Q2 FY2015. Operating profit for FY2015 was 39% higher at Rs.885 Crores. OPBITDA margin went up from 14% in FY2014 to 17% in FY2015.

Net Profit for Q4 FY2015 was at Rs.95 Crores as against a net loss of Rs.311 Crores for Q4 FY2014. The increase in net profit was mainly on account of improved performance across business segments, lower interest cost due to reduction in long term debt and higher share of income from associates, partly offset by marginal increase in depreciation. Net Profit for FY2015 was higher at Rs.2,850 Crores as against a net loss of Rs.501 Crores for FY2014.

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 for FY2015 also includes gain on sale of 11% stake in Vodafone India for Rs.8,900 Cr (an Investment of Rs.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.

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

The Board has recommended a dividend of Rs.20 per share. The total outgo will be Rs.415 crore (including dividend distribution tax).

Business-wise Revenue Performance

(Rs. Crore or as stated)

Net Sales break-up	Quarter IV ended			% Sales	Full Year ended		
	31-Mar-15	31-Mar-14	% Change		FY 2015	FY 2014	% Change
Healthcare	836	761	10%	61%	3,121	2,820	11%
Pharma Solutions	560	503	11%		2,008	1,786	12%
Piramal Critical Care	175	178	-2%		757	720	5%
OTC & Ophthalmology	102	80	28%		357	313	14%
Financial Services	264	182	45%	18%	937	726	29%
Information Management	194	174	12%	20%	1020	899	13%
Others	3	4	-	1%	45	58	-
Total	**1,298**	**1,121**	**16%**	**100%**	**5,123**	**4,503**	**14%**

Healthcare Business

In Q4 FY2015, revenues were Rs.836 Crores as compared with Rs.761 Crores in Q4 FY2014; a growth of 10% YoY. In FY2015, revenues from healthcare businesses were Rs.3,121 Crores as compared with Rs.2,820 Crores in FY2014, a growth of 11% YoY.

Pharma Solutions

Revenues from Pharma Solution business grew by 11% YoY, from Rs.503 Crores in Q4 FY2014 to Rs.560 Crores in Q4 FY2015, on account of significant offtake in the API business. In FY2015, business delivered a record revenue performance, crossing Rs.2,000 Crores mark for the first time, primarily on account of higher offtake from ongoing contracts & good traction in the development business. During the year, our business cleared US FDA audit successfully at Pithampur, Morpeth and Canada sites. Also, we were re-rated among best global CDMOs in the areas of quality, regulatory & reliability. During Jan 2015, we acquired Coldstream, a US based CDMO, focused on development and manufacturing of injectables. It will expand our offerings, reach to new customers and bring significant synergies with existing operations.

Critical Care

Revenues from Critical Care business grew by 5% YoY, from Rs.720 Crores in FY2014 to Rs.757 Crores in FY2015, primarily driven by continued gain in our share in existing markets and entry into new markets. During Q4 FY2015, revenues were marginally lower at Rs.175 Crores. Despite high global currency volatility during the year, our Critical Care business gained share in existing markets

and also entered into new markets. Our focus on manufacturing and operational excellence enabled us to maintain our cost leadership through productivity improvements and volume growth.

OTC & Opthalmology

Revenues from OTC & Opthalmology business grew by 14% during the year to Rs.357 Crores, primarily on account of improved marketing strategy for existing brands and effective launch of new brands. In Q4 FY2015, revenues grew significantly by 28% to Rs.102 Crores, driven by strong performance from established as well as new brands. Our business has grown faster than market over last few years. Our new brands have gained significant traction. During the year, we also successfully commercialized the agreement with Merisant to distribute our artificial sweetener.

Imaging

NeuraCeq (INN: Florbetaben), the lead compound, got approvals from US FDA in March 2014, European Commission in February 2014 and and Korean MFDS in December 2014. We have already started our commercial sales in USA, Germany, France, Austria, Spain, Netherlands & Italy and executed manufacturing and distribution agreements with different partners in EU and USA. Licensing deals have also been signed for Australia, Canada & Ireland during the year.

Financial services

Income from financial services was 45% higher at Rs.264 Crores for Q4 FY2015 as compared with Rs.182 Crores for the corresponding period of the previous year. Income from financial services was 29% higher at Rs.937 Crores for FY2015. The growth in income was primarily driven by increase in size of loan book and Assets under Management. Loan Book grew by 67% over last year to Rs.4,766 Crore. Fund Management AUM grew to Rs.8,441 Crore during the year. During FY2015, we partnered with APG Asset Management for co-investing in high yield mezzanine investments in infrastructure. We also made investments under our alliance with CPPIB for co-investing in residential real estate projects. Alliances and co-investments with such large known partners signifies huge credibility in our business mechanism. Our real estate financial services business has also delivered a strong exit track record. During the year, we had monetized our investment in Vodafone India by realizing Rs.8,900 Crore, a return of 19% p.a. We also exited from our special situation investments of Rs.500 Crore in Green Infra, realizing returns in high teens.

During the year, our partnership with Shriram went to the next level through further acquisition of strategic stakes in Shriram Group. We acquired 20% stake in Shriram Capital in April 2014 and 9.99% stake in Shriram City Union in June 2014. Mr. Ajay Piramal was appointed as the Chairman of Shriram Capital in Nov 2014.

Information Management

Revenues from information management business were at Rs.1,020 Crores for FY2015 as against Rs.899 Crores for FY2014, a growth of 13% during the period. Revenues during Q4 FY2015 were 12% higher at Rs.194 Crores, driven by growth across entire range of products & services. Our business continues to have high revenue visibility with 96% retention rate for CY2014, simultaneously adding new customers. We carried out the following two value-accretive M&As during FY2015:

- **Activate Networks** – Acquisition of Activate Networks will expand our underlying analytical capabilities and support our clients with sales force targeting.
- **Health SuperHiway** – We agreed to acquire majority stake in Health SuperHiway in next 12 months. It provides strong competencies in data integration, analytics & solutions development to Indian healthcare providers.

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 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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