Piramal Enterprises Consolidated Results for the First Quarter ended 30 June 2015

Continues to deliver strong growth in revenues and profitability

Mumbai, India, August 6, 2015: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the First Quarter (Q1) ended 30 June 2015.

Highlights for the quarter

- Strong revenue growth during the quarter :
  - Up 25% at Rs.1,474 Crores during Q1 FY2016
  - Growth across all three business segments during the quarter
- Operating profits were 93% higher at Rs.300 Crores during Q1 FY2016
- Net Profit (excluding exceptional item) increased to Rs.205 Crores in Q1 FY2016 from Rs.55 Crores during Q1 FY2015
- Pharma Solutions revenues grew 27% during the quarter, primarily driven by growth in its Formulation business
- Total Loan Book increased to Rs.7,611 Crores as on 30 Jun 2015 as compared with Rs.3,193 Crores as on 30 Jun 2014. Total Gross Assets under Management grew to Rs.8,676 crores.
  - Real Estate lending saw highest ever disbursements during the quarter
  - Carried out two Special Situation investments worth Rs.1,175 Crores
- Information Management business continue to expand geographically – Post establishing presence in China, moving ahead towards establishing presence in India as well

Ajay Piramal, Chairman, PEL *"Post we crossed the inflection point in our profitability during the last fiscal year, we have continued our momentum of delivering significant bottom-line performance during the quarter. Our approach of constantly thinking ahead and efficiently allocating capital is delivering good results. Our Financial Services segment, where we have been allocating a large portion of our capital over the last few years, is consistently delivering robust performance. Apart from significantly scaling up of our Real Estate Financial Services platform, we entered into two large Special Situation transactions. Our Pharma Solutions business witnessed industry leading growth on back of its end-to-end play, value accretive acquisition and capacity expansions. All our businesses continue to focus on executing their well-defined growth strategy. As an organisation, we remain committed to consistently create long term value for our shareholders."*

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter ended		
	30-Jun-15	30-Jun-14	% Change
Total Revenues	1,474	1,182	25%
R&D Expenses	38	103	(63%)
Other Operating Expenses	1,135	924	23%
OPBIDTA	300	156	93%
OPBIDTA Margin %	20%	13%	
Non-operating other income	121	101	20%
Interest expenses	170	148	15%
Depreciation	73	66	9%
Profit before tax & exceptional items	179	42	326%
Exceptional items (Expenses)/Income	(3)	3,031	
Income tax	17	211	
Profit after tax (before MI & Prior Period items)	159	2,862	
Minority interest	-	-	
Share of profit/(loss) of associates	43	34	28%
Net Profit after Tax	203	2,896	
EPS (Rs./share)	11.7	167.8	

Consolidated Revenues

Consolidated revenues for Q1 FY2016 were 25% higher at Rs.1,474 Crores. Company has delivered a strong revenue performance with growth across all three business segments during the quarter. 63% of our Q1 FY2016 revenues were generated in foreign currency.

Operating Profit

Operating profit for Q1 FY2016 was 93% higher at Rs.300 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 FY2015. OPBITDA margin was higher at 20% in Q1 FY2016 as compared with 13% in Q1 FY2015.

Net Profit

Net Profit for Q1 FY2016 was at Rs.203 Crores. Healthy profitability was mainly on account of improved performance across business segments, lower R&D expenses and higher share of income from associates, partly offset by increase in interest expense and marginal increase in depreciation.

Interest Expenses

Interest expense for the quarter was higher primarily on account of increase in debt for making investments under Financial Services segment.

Exceptional Gain / Loss

Exceptional loss of Rs.2.6 Crores in Q1 FY2016 was on account of loss on sale of clinical research business in April 2015. Exceptional gain in Q1 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).

Share of Associates

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

Business-wise Revenue Performance

(Rs. Crores or as stated)

Net Sales break-up	% Sales	Quarter IV ended		
		31-Mar-15	31-Mar-14	% Change
Healthcare	58%	850	724	17%
Pharma Solutions		567	446	27%
Piramal Critical Care		191	193	(1)%
OTC & Ophthalmology		93	85	9%
Financial Services	25%	369	218	69%
Information Management	17%	248	225	10%
Others	-	6	14	-
Total	**100%**	**1,474**	**1,182**	**25%**

Healthcare

In Q1 FY2016, Healthcare segment delivered revenues of Rs.850 Crores, as compared with Rs.724 Crores in Q1 FY2015; a growth of 17% YoY.

Pharma Solutions

Revenues from Pharma Solutions business grew by 27% YoY, to Rs.567 Crores in Q1 FY2016, primarily driven by growth in its Formulation business. We have seen significant traction at our Coldstream site, post our acquisition. The facility has its order book already running full and detailed assessment for capacity expansion is underway. We also commenced operations at the newly expanded capacity under our Discovery Services business and completed the capacity expansion at Grangemouth.

Critical Care

Revenues from Critical Care business were at Rs.191 Crores in Q1 FY2016, broadly in line with corresponding quarter of the previous year. We continue to work towards entering new markets and increasing our share in existing markets. We have maintained our cost leadership and initiatives are underway towards further optimization.

Consumer Products

Revenues from Consumer Products business grew 9% during the quarter to Rs.93 Crores on account of growth across our balanced portfolio. Saridon, i-pill & Lacto continue to maintain their leadership positioning. QuikKool became a respected brand in mouth ulcer category and Caladryl has doubled its distribution in just less than a year. We are continuously striving to improve our presence in existing market and expand geographically.

Financial Services

Income from Financial Services was 69% higher at Rs.369 Crores for Q1 FY2016. The growth in income was primarily driven by increase in size of Loan Book and Assets under Management. Loan Book grew by 138% over last year to Rs.7,611 Crores. We made highest-ever disbursements during the quarter. We also saw significant growth in construction financing to real estate developers.

Gross Assets under Management grew to Rs.8,676 Crores during the quarter. We exited more than 91% of corpus in real estate vintage funds and expecting to reach 100% in next few months.

During the quarter, we agreed towards a Special Situation mezzanine investment of Rs.900 Crores to GMR. In July 2015, Company entered to into another mezzanine investment worth Rs.275 Crores to ReGen Infrastructure.

Information Management

Revenues from Information Management business grew by 10% YoY, to Rs.248 Crores in Q1 FY2016, driven by growth in our data and analytics products. Our business has high revenue visibility with 95.3% retention rate for CY2015 till date. The business continues to expand geographically. Post establishing its presence in China, the business is moving ahead towards establishing its presence in India as well.

We carried out the following two value-accretive M&As during Q1 FY2016:

- **Health SuperHiway** – In April 2015, we agreed to acquire majority stake in Health SuperHiway in next 12 months. It provide strong competencies in data integration, analytics & solutions development to Indian healthcare providers.

- **Healthcare Business Insights (HBI)** – In May 2015, we acquired HBI, a trusted provider of best practice research, training and services to more than 1,400 hospitals across the U.S, to enter into Providers & Payers market for significantly expanding our target market size.

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 nineteen 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. Its Structured Investments Division invests in various sectors including infrastructure. The total funds under management under these businesses are 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 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.

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