Piramal
knowledge action care

Piramal Enterprises Limited

Q3 FY2016 Results Presentation
8 February 2016

Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as 'will', 'aim', 'will likely result', 'would', 'believe', 'may', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'likely', 'project', 'on-course', 'should', 'potential', 'pipeline', 'guidance', 'will pursue' 'trend line' and similar expressions or variations of such expressions may constitute 'forward-looking statements'.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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

Key Financial Highlights

33% growth in revenues during Q3 FY2016	**96%** growth in operating profit during Q3 FY2016	**50%** growth in net profit (excluding exceptional items) during Q3 FY2016
Rs.1,859 Crores	**Rs.628 Crores**	**Rs.337 Crores**
27% growth in revenues during 9M FY2016	**103%** growth in operating profit during 9M FY2016	**149%** growth in net profit (excluding exceptional items) during 9M FY2016
Rs.4,876 Crores	**Rs.1,405 Crores**	**Rs.797 Crores**

Key Business Highlights for the quarter

Financial Services

- 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 is now 38% of our Real Estate loan book

Healthcare

- **Pharma Solutions**
  - Grangemouth site awarded the runner up position for the Best Service Provider (World ADC awards)

- **Critical Care**
  - Significantly improved market share in UK
  - Launched co-promotion of two of Cumberland's branded hospital products in the United States.

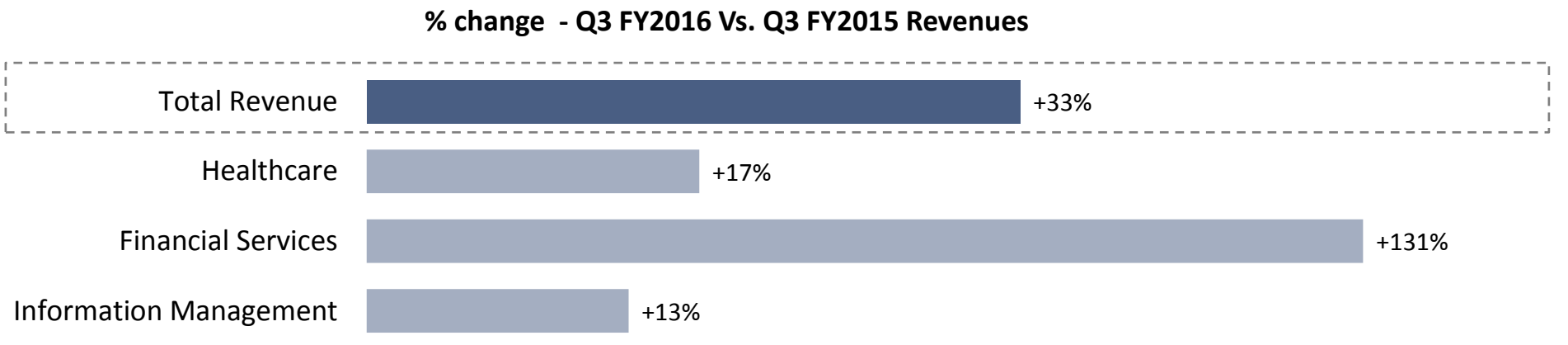
- **Consumer Products**
  - Acquired "Little's" - a baby care brand portfolio
  - Acquired 5 brands from Organon India & MSD. Include leading brands like Naturolax, Lactobacil & Farizym

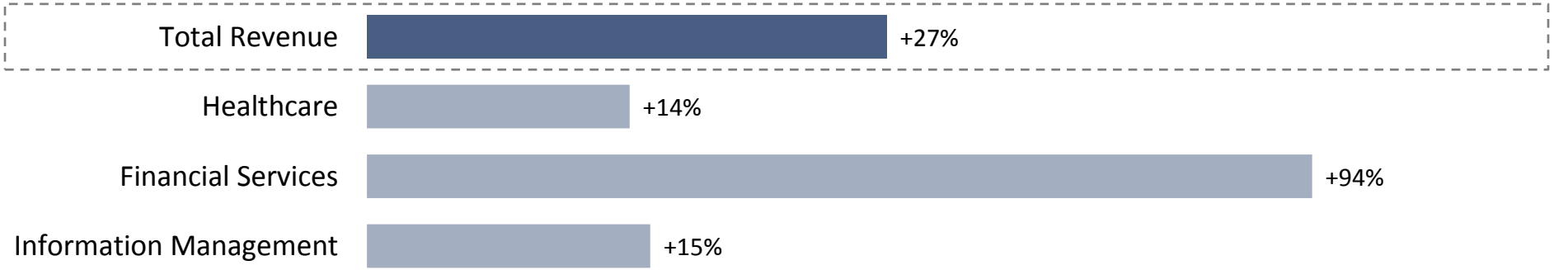
Information Management

- Opened two offices in India (Hyderabad and Gurgaon) - On target with 120+ positions on boarded

Progressing well on our strategic priorities across businesses

Revenue growth across business segments





Strong growth in revenues is driven by improved operating performance across business segments in both periods

Note: Healthcare revenues does not include revenues from others businesses

Consolidated Financial Performance

(In Rs.Crores or as stated)

Particulars	Q3 FY2016	Q3 FY2015	9M FY2016	9M FY2015
Revenues	1,859	1,400	4,876	3,825
OPBITDA	628	321	1,405	692
OPBITDA Margin (%)	34%	23%	29%	18%
PBT (Before Exceptional Items[1])	322	207	736	262
PAT[2] (Excluding Exceptional Items[1])	337	224	797	320

Notes:

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

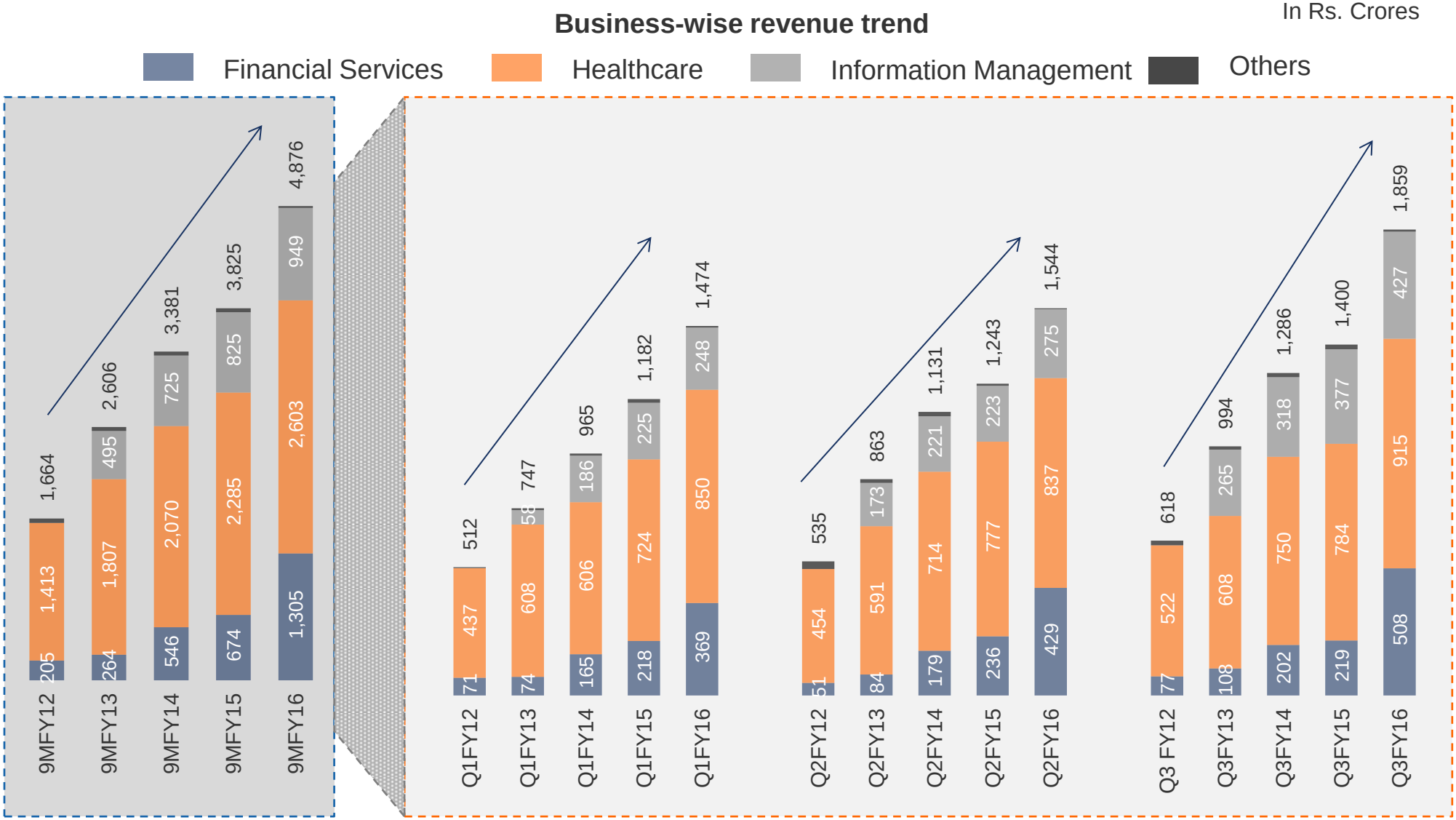
Delivered robust financial performance with growth in operating profit and net profit, primarily on back of strong operating performance


Growth and profitability are must
What is even more important ?
Delivering it
consistently

Consistently demonstrating strong revenue growth across all business segments

In Rs. Crores

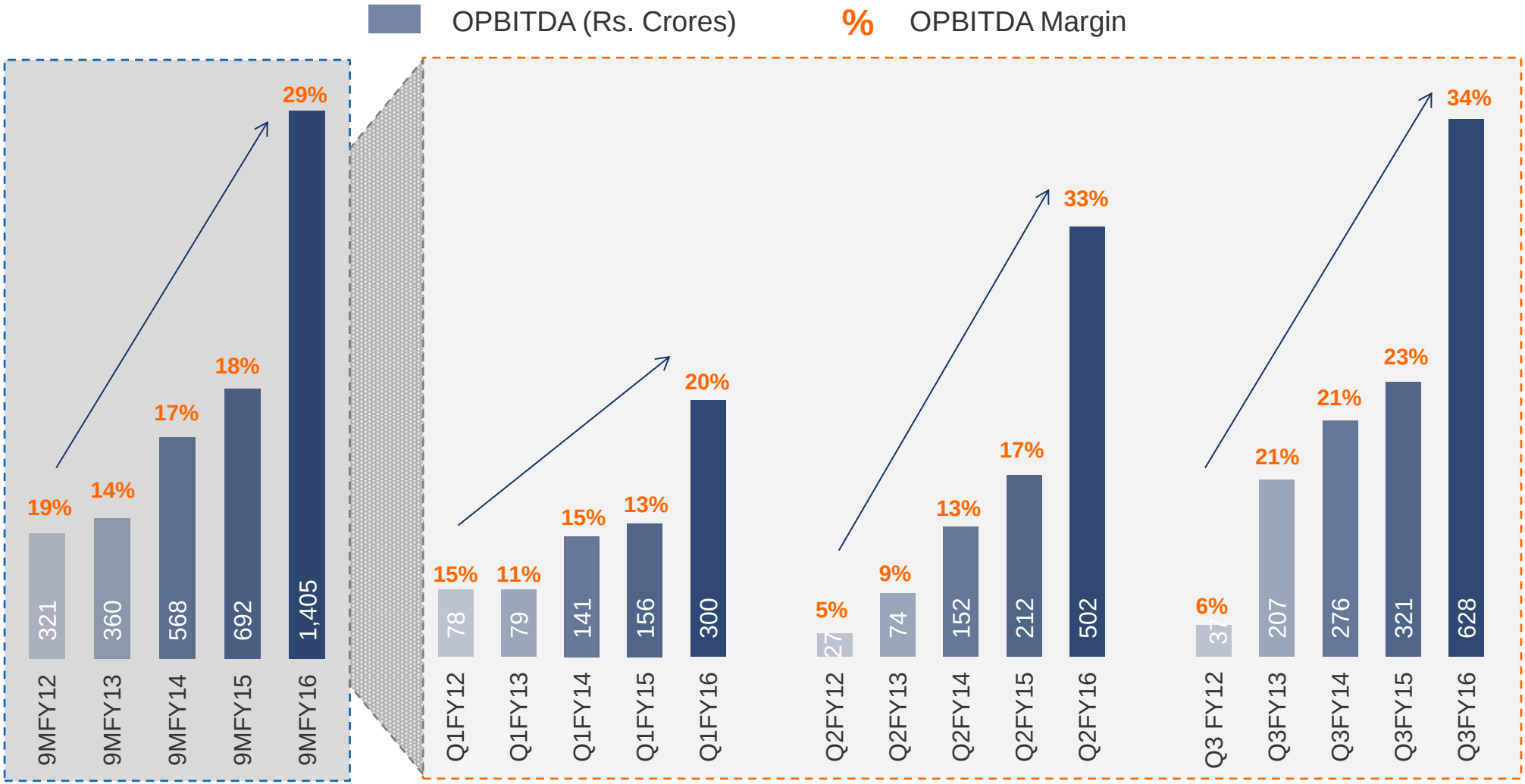
Business-wise revenue trend



Note: All historical numbers used in our analysis are the numbers as reported in those respective periods.

Consistently delivering growth in operating profits

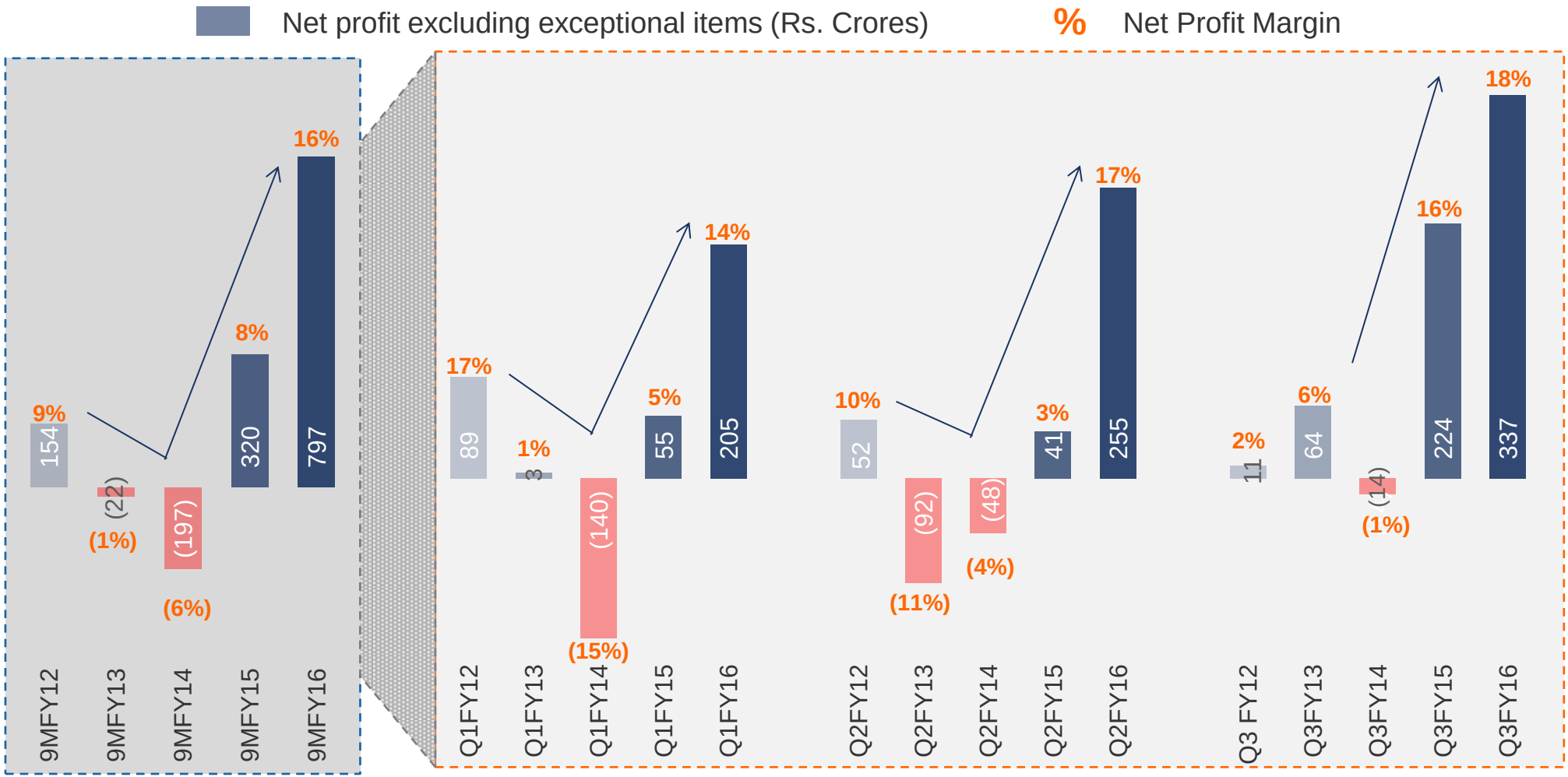
Operating profit and margin trend



Note: All historical numbers used in our analysis are the numbers as reported in those respective periods.

Consistently delivering growth in net profits

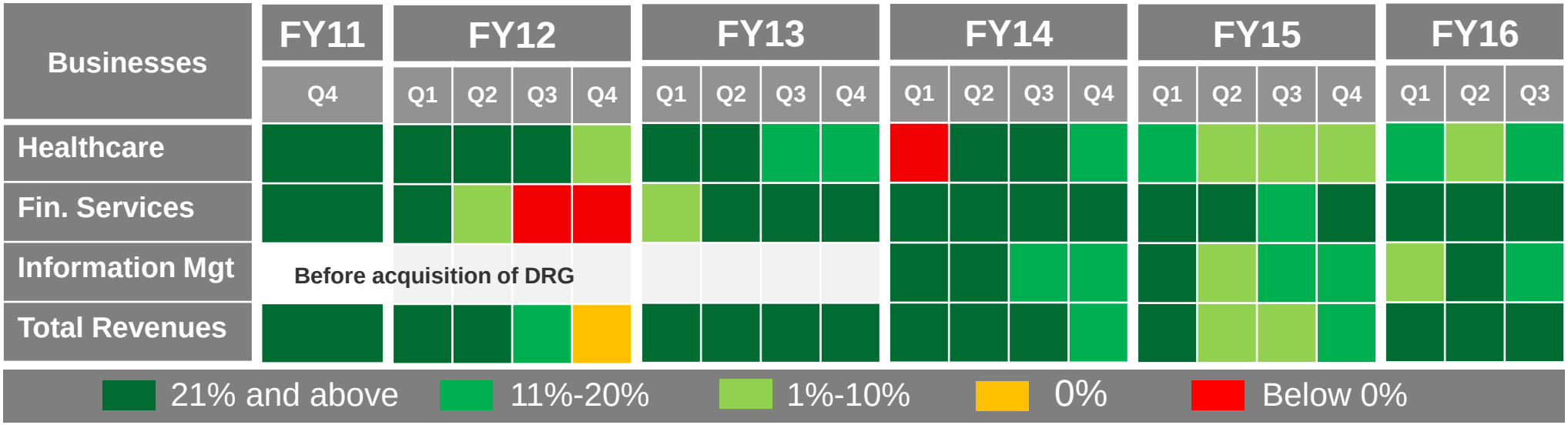
Net profit and margin trend



Note:
All historical numbers used in our analysis are the numbers as reported in those respective periods.
Net profit excluding exceptional item has been calculated by adjusting back the pre-tax exceptional item to the reported net profit number for various periods except for FY2015, where the post-tax exceptional gain from Vodafone transaction has been adjusted back to the reported net profit for the quarter.

Consolidated revenues grew in 19 out of 20 quarters

Matrix showing YoY revenue growth over last 20 quarters



** Investment income from treasury operations for various periods has been clubbed under Financial Services to make numbers more comparable*

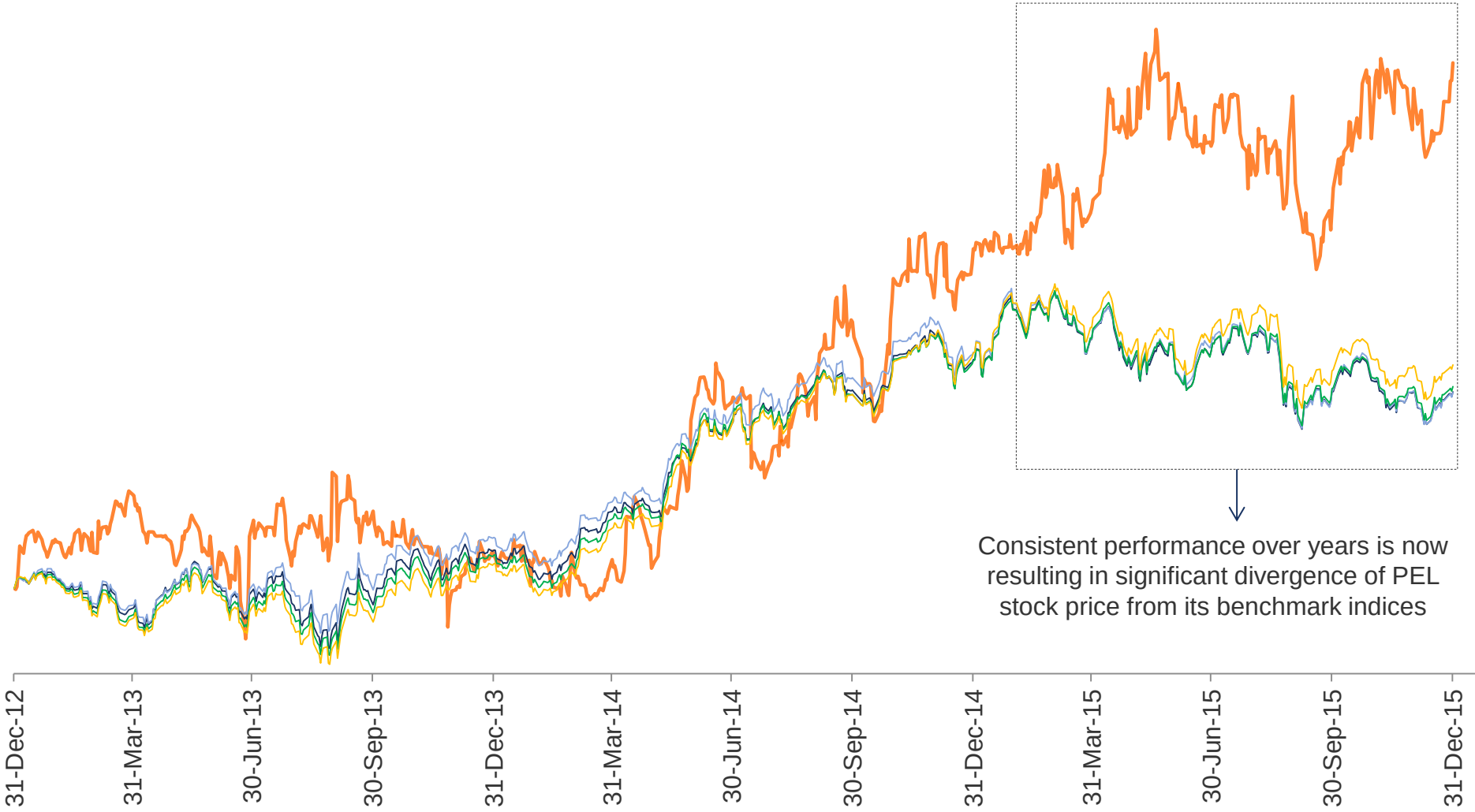
Consolidated revenues grown in 19 out of last 20 quarters

- No de-growth on any single occasion in any of the three business segments in last 10 quarters
- In FY16, overall growth has been higher than 20% in all three quarters
- Financial Services grew at over 20% growth rate in 13 out of last 15 quarters
- Healthcare grew in 19 out of last 20 quarters (above 10% growth rate in 14 quarters)
- Information Management grew in all 11 quarters since our acquisition despite economic volatility in west


Delivering strong performance consistently
To sustainably create long term value for our shareholders

Improving relative price performance vs. peer indices

Relative stock price performance of PEL versus Indices



Piramal
knowledge action care



Healthcare

Pharma Solutions : Healthy growth during the quarter

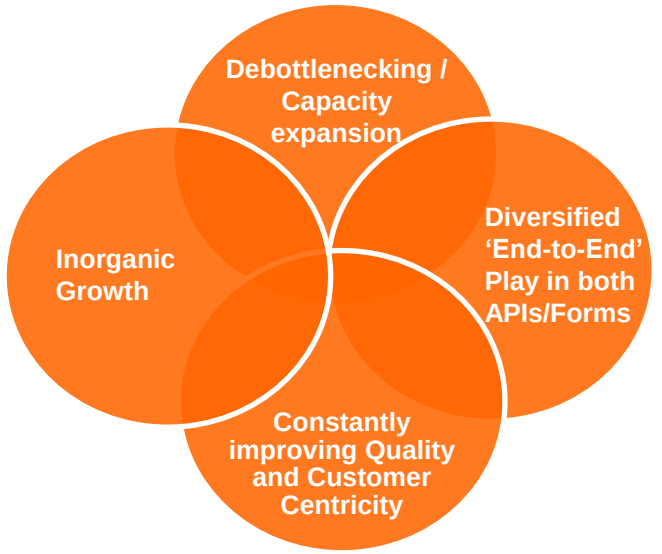
Maintaining unique positioning

- Grangemouth site awarded among the **Best Service Provider,** at the World ADC awards – Oct 2015
- Company also rated as **'API Supplier of the Year'** at Global Generics and Biosimilar Award 2015 - Oct 2015
- Rated among **best CMOs in terms of reliability, regulatory and quality** 2nd year in a row - Jan 2015
- Business head awarded as **'CEO of the year'** at CPhI Pharma Awards – Oct 2015
- Global Quality head voted as one of the **'50 most Influential People in Quality'** by the World Quality Congress

Operating performance for the quarter

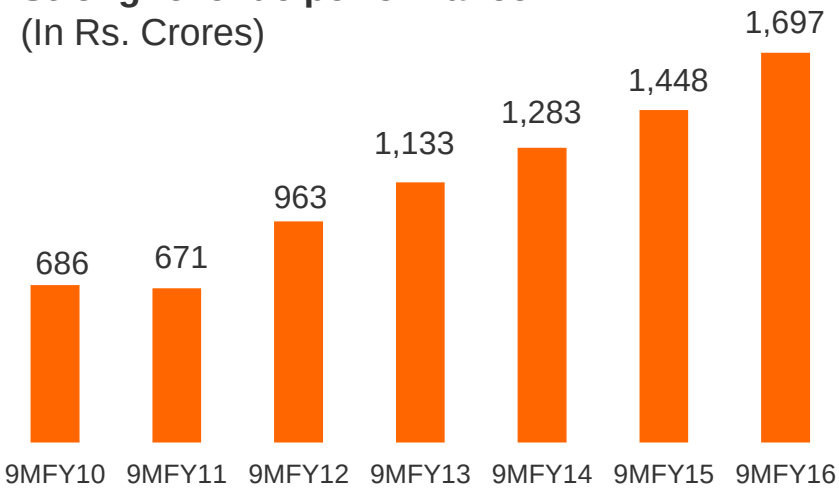
- Revenues up by 20% at Rs.587 Crores largely driven by higher sales from API business in India & North America and contribution from our recent acquisition of Coldstream facility.
- Execution of capex for capacity expansion at Coldstream on track. The investment also being supported by the Kentucky state with tax incentives.

Pharma Solutions' growth pillars



Strong revenue performance

(In Rs. Crores)



Critical Care : Enhancing product portfolio

Maintaining strong market positioning

- Continue to be among top 3 players in Inhalation Anaesthesia business globally
- Organically grown our market share from 3% in FY09 to 12% in FY15
  - — Our market share in US grew from 20% in 2011 to 30% currently
- Presence in 100+ countries
- Only company in the world with entire portfolio of Inhalation Anaesthesia

Operating performance for the quarter

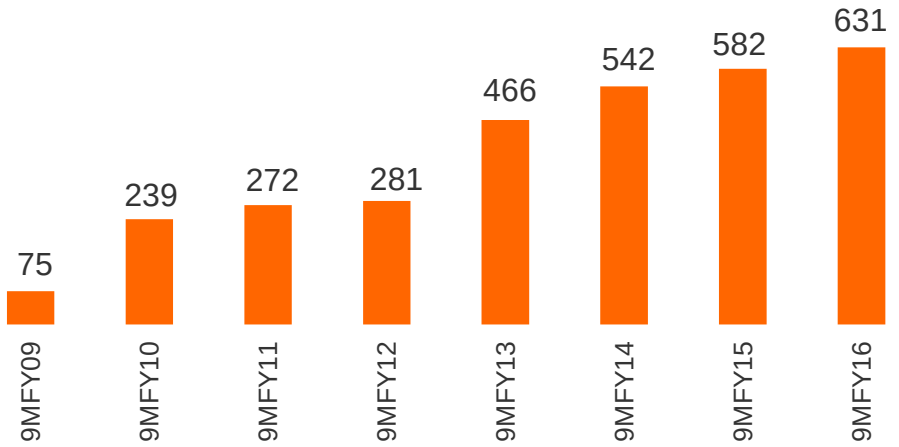
- Revenues grew 9% primarily on account of increased access to new markets and growing market share across geographies.
- Significantly improved market share in UK with expansion in Scotland, Wales and London region.
- Entered Malaysia during the quarter.
- Entered a co-promotion agreement and launched two of Cumberland's branded hospital products.

Critical Care's growth drivers



PEL's increasing revenues and global market share

(In Rs. Crores)



Note: All market data is based on primary & secondary research carried out internally

Consumer Products : Organic and inorganic initiatives driving growth

Strong product portfolio with unique positioning

- Saridon continues to maintain no. 1 rank in headache category.
- Lacto and i-pill continues to sustain its demand in its category by adapting a Focused Geographical Approach strategy
- Direct total distribution reach to 3.5 lakh outlets

Operating performance for the quarter

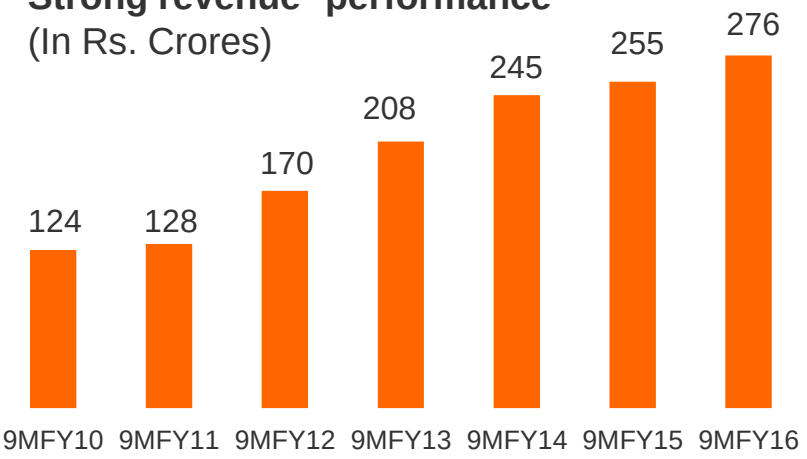
- Revenues grew by 15% yoy at Rs.97 crores driven by various organic and inorganic initiatives undertaken by PEL.
- 2 major acquisitions that added 8 categories to the division
  - Baby Care Brand - Little's
  - 5 brands from Organon India & MSD
- Sales force automation program was successfully rolled out PAN India across all channels. This has enabled efficient productivity at every retailer level under direct coverage.
- Geographical expansion program to get fully operational by end of FY2016 with a coverage to all 20,000 population towns and 2.6 lac chemist outlets.

Consumer Product's initiatives : Organic and Inorganic



Strong revenue[1] performance

(In Rs. Crores)



Note:
1. Revenues includes revenues from our JV with Allergan

Consumer Products : Acquired two brand portfolios to leverage on our strong distribution network

Acquired baby-care brand "Little's" in Nov 2015

- The portfolio includes the entire product range across six categories.
- Little's is a 30 yrs old brand with a high consumer recall.
- Brand operates in the INR 1,000 Crores non-food baby-care category, which is growing at 13%.
- Will leverage on our India-wide strong network.
  - — Potential increase in distribution reach to 1,50,000 outlets



Acquired 5 brands from Organon India and MSD BV in Dec 2015. The acquisition includes leading brands in Gastro-Intestinal (GI) segment.

- The acquisition includes the key brands like Naturolax, Lactobacil and Farizym.
- PEL to expand in the GI segment where it already has presence through Polycrol. The brands hold a rich legacy in India and have a high consumer pull.
- To launch new formats and target a wider reach.







Piramal
knowledge action care

Financial Services



Wholesale Lending : Growing exponentially, robust asset quality

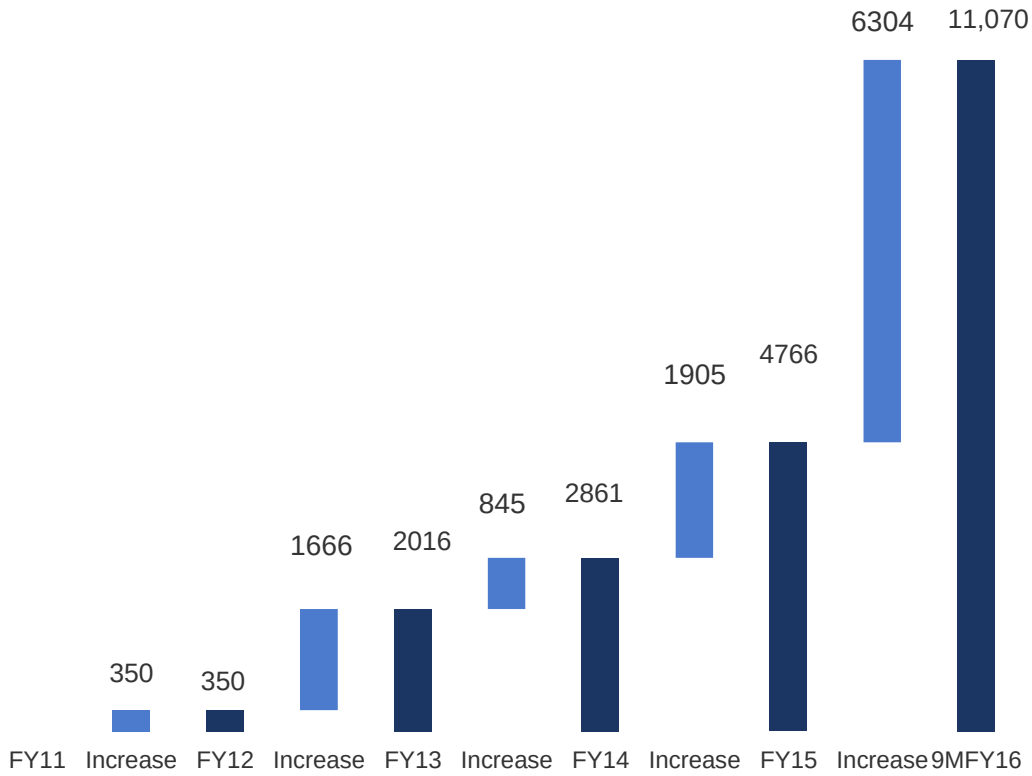
Total Loan Book of Rs.11,070 Crores as on 31 Dec 2015 vs. Rs.3,933 Crores, as on 31 Dec 2015

- Increase in Loan Book by Rs.6,304 Crores in last 9 months - Book more than doubled over March end size, an increase of 132%
- Robust asset quality with negligible NPAs
  - Gross NPAs at 1%
  - Provided for more than required

Real Estate Lending:

- Among leaders in residential real estate developer financing in India – Getting best quality deals from top developers
- >70% portfolio with grade 'A' developers - Significant investment of time to build these relationships
- Strong growth in Construction Financing – 38% of real estate loan book

Trend showing significant scaling up of loan book[1]
(In Rs. Crores)



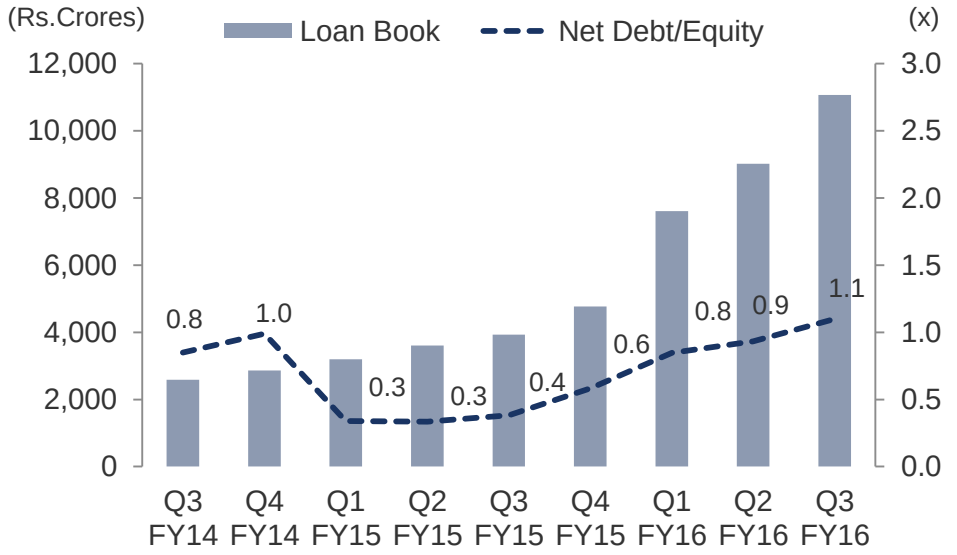
Note:
1. Excludes our investment in Vodafone India, which was exited during FY2015 and includes special situation investments

Strong balance sheet gives huge potential to significantly grow our Financial Services segment

- Maintaining strong balance sheet during challenging market.
  - — AA credit rating (ICRA)
  - — Balance sheet headroom a key competitive advantage
- Large deleveraging post monetizing Vodafone investments had created room to expand our Financial Services business.
  - — Investments under Financial Services have grown well over last few years
  - — Still significant potential to grow the business by increasing leverage
- ROE expected to further improve with increase in the scale of business, optimum leverage levels, more trusted partnerships (to generate higher fee income) and down-selling opportunities.

Particulars	Ratios
PEL overall Debt / Equity	1.1x
Average Yield on Loans	~17%
Credit rating	AA (ICRA)
Cost of Capital	9-10%
Gross NPA Performance	1%

PEL overall Net Debt / Equity trend



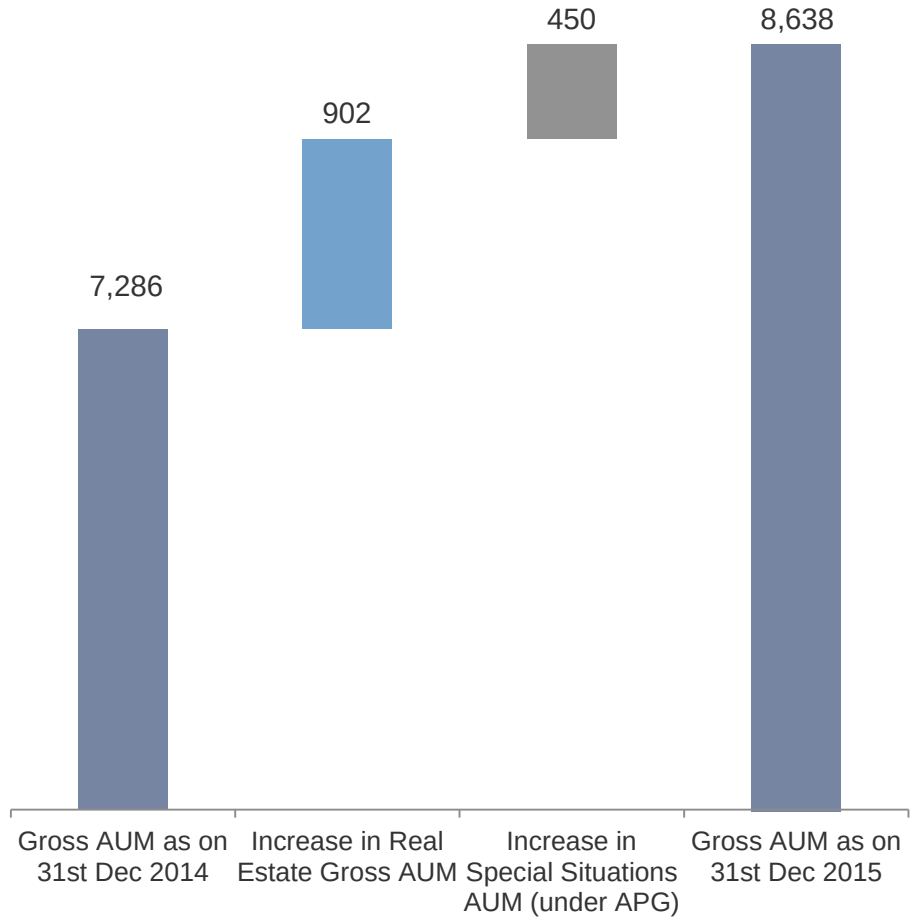
Alternative Asset Management : Exiting vintage funds

Total gross Assets under Management grew to Rs.8,638 Crores

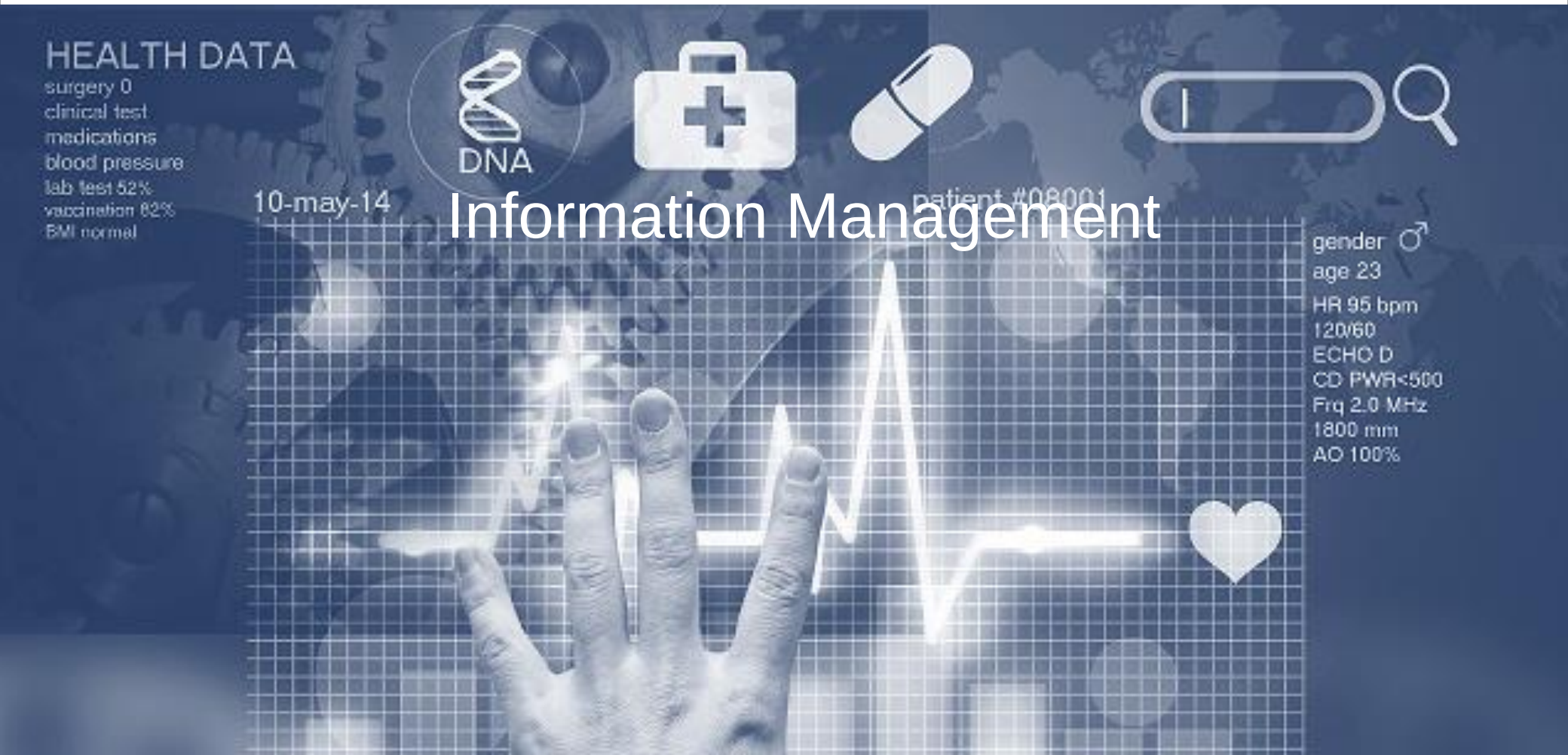
Real Estate :

- Real Estate gross funds under management of Rs.8,188 Crores as on Dec 31, 2015
- Invested in 57 projects across 6 cities with 23 leading developers
- Exited more than 92% of corpus in vintage funds
  - — Expecting to reach 100% in next few months
- Gradually moving towards preferred / pure equity structures - selectively with Tier 1 developers
- Announced to start Piramal India Resurgent Fund with a corpus of Rs.6,000 Crores focusing on acquiring stressed loans

Growing Alternative Asset Management business
(Rs. Crores)



Piramal
knowledge action care



Information Management

Information Management

Key business differentiators

- Among gold standard service providers of healthcare analytics and insights
- Serves nearly all top 50 pharma companies. A large number of these companies are clients for over 10 years
- DRG India office on target with 120+ positions on boarded

Operating performance

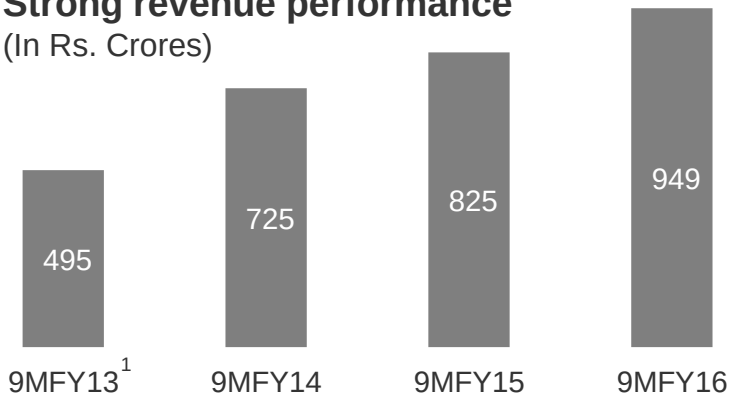
- Revenue grew 13% in Q3 FY2016 primarily driven by growth in data and analytics products and the acquisition of HBI.
- **Continued high revenue visibility –** 96.7% retention rate during CY2015, while continuing to add new customers.
- HBI acquisition enables us to accelerate our entry into providers market - HBI is performing as expected.
- New delivery platform for all DRG research reports is progressing well and will transform how customers access and consume DRG content.

Information Management's growth initiatives



Strong revenue performance

(In Rs. Crores)



Note:
1. DRG acquisition was completed in June 2012, therefore revenue for H1 FY2013 would only be for a part of the period.


Why we remain confident
of
continuing to
consistently deliver
improved performance
in future

Key initiatives that will enable us to consistently deliver robust performance in future

Pharma Solutions	Capacity expansions at multiple locations is on track, to boost future growth
Critical Care	Targeted to launch Desflurane in 2017. Adding new geographies. Will add products to leverage global distribution
Consumer Products	Growing through acquisitions; Expanding to more towns in India; Product pipeline in place
Imaging	Looking for partner to co-invest with us. Entering S&D and in-licensing agreements across geographies
Real Estate Financing	Continuing growth momentum. Construction financing being the key growth driver.
Special Situations	Confident of doing quality deals in next few quarters in non-infra sectors as well
Investments in Shriram	Working with Shriram Group to create a long term strategy for the group
Information Management	Getting into payors and providers market. India offices to boost profitability even further
Overall	**Operating all three business segments as three virtual companies. Potential to unlock value in future**

Piramal
knowledge action care

Financials



Diversified Revenue Mix

(In Rs. Crores or as stated)

Net Sales break-up	Quarter III ended			% Sales	Nine months ended		
	31-Dec-15	31-Dec-14	% Change		31-Dec-15	31-Dec-14	% 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[1]	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 [2]	**1,859**	**1,400**	**32.8%**	**100%**	**4,876**	**3,825**	**27.5%**

Note:

1. Including Ophthalmology
2. Foreign Currency denominated revenue in 3Q FY2016 was Rs.1,173 Crores (63% of total revenue) and in 9M FY2016 was Rs.3,062 Crores (63% of the total revenue)

Consolidated P&L

(In 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%
OPBIDTA	628	321	96%	1,405	692	103%
OPBIDTA 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[1]	(15)	35	-	(27)	2,692	-
Income tax[2]	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[3]	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%)

Notes:

1. Exceptional gain for 9M FY2015 majorly included gain on sale of 11% stake in Vodafone India for Rs.8,900 Crores (Investment of Rs.5,864 Crores made in FY2012) partly offset by the amount written down on account of scaling back of our investments in NCE research
2. Tax expense for 9M FY15 include Rs.258 Crores on gain from sale of stake in Vodafone India.
3. Income under share of associates primarily includes our share of profits at Shriram Capital.

Consolidated Balance Sheet

(In Rs. Crores or as stated)

Particulars	Dec 31 2015	Mar 31 2015
Shareholders' Funds		
(A) Share Capital	35	35
(B) Reserves & Surplus	12,589	11,701
Minority Interest	29	29
Loan Funds	14,011	7,306
Deferred Tax Liability	3	3
T O T A L	**26,667**	**19,074**
Fixed Assets	8,175	7,342
Investments	13,337	7,768
Deferred Tax Asset	12	29
Current Assets, Loans and Advances		
Inventories	780	675
Sundry Debtors	902	832
Cash and Bank Balances	465	460
Other Current Assets	568	354
Loans and Advances	4,226	3,475
Less : Current Liabilities and Provisions		
Current Liabilities	1,475	1,229
Provisions	325	633
T O T A L	**26,667**	**19,074**

Break Up Loan Funds (In Rs. Crores)	INR Debt	FX Debt	Total
As on 31-Dec-15	11,319	2,692	14,011
As on 31-Mar-15	3,937	3,369	7,306

Note: Foreign currency loans have been used mainly to acquire assets outside India & will be repaid from net cash generated from non-India assets.



For Investors :

Hitesh Dhaddha
Email : hitesh.dhaddha@piramal.com
Phone : +91 22 3046 6444

Bhavna Sinyal
Email : bhavna.sinyal@piramal.com
Phone : +91 22 3046 6570