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Q3FY2014 & 9MFY2014 Results Presentation

January 30, 2014

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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.

Financial highlights
Q3FY2014 & 9MFY2014

Q3FY2014 & 9MFY2014: Key Highlights

- Operating Revenue for Q3FY2014 grew to ₹ 1,290.1 Cr; a growth of 29.8% over Q3FY2013. For 9MFY2014, Operating Revenue grew to ₹ 3,399.2 Cr; a growth of 30.5% over 9MFY2013

- For Q3FY2014, OPBITDA was ₹ 280.2 Cr & net loss was ₹ 11.1 Cr. For 9MFY2014, OPBITDA was ₹ 586.2 Cr & net loss was ₹ 190.1 Cr.

- Revenue from **Pharmaceutical Businesses** for Q3FY2014 grew to ₹ 766.7 Cr; a growth of 23.5% over Q3FY2013.

  For 9MFY2014, revenue was ₹ 2,112.2 Cr; a growth of 14.4% over 9MFY2013.

- Revenue from **Financial Services** (Incl. Investment Income) for Q3FY2014 grew to ₹ 205.1 Cr; a growth of 90.1% over Q3FY2013.

  For 9MFY2014, revenue was ₹ 561.8 Cr; a growth of 113.2% over 9MFY2013.

  – Total Loan book stands at ~₹ 2,590 Cr as on December 31, 2013.

  – Indiareit manages/advises funds of over ₹ 5,000 Cr for investments in real estate as on December 31, 2013.

- Revenue from **Information Management business – DRG** for Q3FY2014 grew to ₹ 318.4 Cr; a growth of 20.2% over Q3FY2013.

  For 9MFY2014, revenue was ₹ 725.2 Cr; a growth of 46.4% over 9MFY2013.*

*9MFY2013 results were for seven months as DRG was acquired in June 2012.

Business Mix

(In ₹ Crores)

No.	Net Sales break-up	% Sales	Quarter ended			9 months ended		
			31-Dec-13	31-Dec-12	% Growth	31-Dec-13	31-Dec-12	% Growth
1	Pharma Solutions	36.5%	471.3	375.7	25.4%	1283.2	1132.7	13.3%
2	Piramal Critical Care	15.3%	197.1	163.2	20.8%	541.9	465.6	16.4%
3	Financial Services (Incl. Invt Income)	15.9%	205.1	107.9	90.1%	561.8	263.5	113.2%
4	OTC & Ophthalmology	6.4%	82.1	69.0	19.0%	244.7	208.3	17.5%
5	Information Management	24.7%	318.4	264.9	20.2%	725.2	495.2	46.4%
6	Others	1.3%	16.3	13.0	25.3%	42.5	40.4	5.1%
	Total	**100.0%**	**1290.1**	**993.6**	**29.8%**	**3399.2**	**2605.7**	**30.5%**

Note:

1. Income from Financial Services includes income from NBFC operations, IndiaReit and other investment income.
2. DRG acquisition was completed in June 2012, therefore revenue for nine months ending Dec. 31, 2012 would only be for a part of the period.
3. Foreign Currency denominated revenue in 9MFY2014 was ₹ 2,359.7 Cr (69% of total revenue).

Consolidated Profit & Loss

(In ₹ Crores)

Period ended - Consolidated	Quarter Ended			9 months ended		
	31-Dec-13	31-Dec-12	% Growth	31-Dec-13	31-Dec-12	% Growth
Total operating income	1,290.1	993.6	29.8%	3,399.2	2,605.7	30.5%
R&D Exps	62.1	67.6	-8.1%	227.4	206.1	10.3%
Other Operating Expenses	947.7	719.3	31.8%	2,585.6	2,039.4	26.8%
OPBIDTA	280.2	206.7	35.6%	586.2	360.2	62.8%
OPM %	21.7%	20.8%	-	17.2%	13.8%	-
Non-operating other income	15.5	61.5	-74.8%	217.7	145.9	49.2%
Interest (Net)	230.0	140.3	64.0%	779.9	350.1	122.8%
Depreciation	63.6	56.0	13.4%	182.4	153.4	18.9%
Profit before tax (before exceptional)	2.1	71.8	-	(158.3)	2.7	-
Exceptional items Expenses/(Income)	2.7	2.8	-2.8%	(6.8)	4.4	-
Income tax	9.5	5.2	83.9%	35.6	20.6	73.2%
Profit after tax (before M.Int & Prior Period items)	(10.1)	63.8	-	(187.1)	(22.3)	-
Minority interest	0.8	1.5	-	0.3	2.5	-
Share of Associates	(0.3)	(1.2)	-	(2.7)	(2.1)	-
Net Profit after Tax	(11.1)	61.1	-	(190.1)	(26.9)	-
EPS (Rs.)	(0.65)	3.54	-	(11.01)	(1.56)	-

Note:

1. Interest Expense on account of funding activity done for the financial services businesses.
2. The results include dividend of ₹ 16 Cr received on investment in STFC (₹ 1,636 Cr).
3. Non – operating other income mainly consists of gain on foreign exchange.
4. Exceptional Income includes a license fee refund.

Consolidated Balance Sheet

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(In ₹ Crores)

Period ended - Consolidated	31-Dec-13	31-Mar-13
Shareholders' Funds		
(A) Share Capital	35	35
(B) Reserves & Surplus	10,709	10,689
Minority Interest	5	12
Loan Funds	9,497	7,688
Deferred Tax Liability	10	9
T O T A L	**20,256**	**18,432**
Fixed Assets	6,766	6,081
Investments	9,568	7,877
Deferred Tax Asset	71	55
Current Assets, Loans And Advances		
Inventories	680	542
Sundry Debtors	747	598
Cash And Bank Balances	379	288
Other Current Assets	2,221	3,558
Loans And Advances	1,423	1,256
Less : Current Liabilities And Provisions		
Current Liabilities	1,508	1,397
Provisions	90	424
T O T A L	**20,256**	**18,432**

Note: During the nine month period, investments were made in equity of Shriram Transport Finance & for expansion of our lending operations amongst others.

Break Up Loan Funds	In ₹ Terms	In $ Terms	Total
As on 31-Dec-13	5,907	3,590	9,497
As on 31-Mar-13	4,973	2,715	7,688

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

Key Business Highlights of Q3FY2014

Pharmaceuticals

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Pharma Solutions

- Business on a growth trajectory with a ~25% growth in Q3FY2014 over Q3FY2013 & a ~13% growth in 9MFY2014 over 9MFY2013.
- Robust stream of enquiries for ADCs at the Grangemouth site.
- Digwal site successfully completed 'OHSAS 18001 & ISO 14001' 5th Periodical Surveillance audit. Mahad site received 'ISO 22000:2005 certification' & 'ISO 9001 recertification'.

Critical Care

- Revenue growth of ~21% YoY in Q3FY2014.
- Continues to gain share of Sevoflurane market in the US; has >30% share currently.
- Registrations & launches for Sevoflurane in progress in several new markets, incl. Europe.
- Won tenders for various inhalation anesthesia products in India & China amongst other emerging markets.

Pharmaceuticals

OTC

- Continues to grow at a rate faster compared to the market despite stringent regulatory environment.
- Exceptional growth shown by Jungle magic led by both, Mosquito Banditz & perfumes.
- Acquired Caladryl from Valeant Pharma in November 2013 to strengthen presence in topical anti-pruritics segment.

Drug Discovery

- Received positive CHMP opinion from the European regulatory agency for Florbetaben.
- USFDA approval for Florbetaben expected in Q1FY2015.

Financial Services

Lending Operations

- Consolidated loan book of ₹ 2,590 Cr as of December 31, 2013.
- Active churn in the portfolio with prepayments on account of improved sales in projects and refinancing by other lenders.

INDIAREIT

- Funds under management rose to over ₹ 5,000 Cr by December 31, 2013. Closed Fund Scheme V at ₹ 1000 Cr, having fully exercised the green shoe option available.
- Continues to invest in new projects - ₹ 150 Cr invested during this quarter.

Information Management

DRG

- Continued to achieve a high overall customer retention rate (97% in Q3FY2014). Continue to retain all top 20 customers.

Thank you

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