

Q2FY2014 & H1FY2014 Results Presentation

October 23, 2013



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.



Financial highlights Q2FY2014 & H1FY2014

Q2FY2014 & H1FY2014: Key Highlights



- Operating Revenue for Q2FY2014 grew to ₹ 1,138.9 Cr; a growth of 31.9% over Q2FY2013.
 For H1FY2014, Operating Revenue was ₹ 2,109.1 Cr (H1FY2013 was ₹ 1,610.3 Cr)
- For Q2FY2014, OPBITDA was ₹ 159.9 Cr & PAT was a net loss of ₹ 32.2 Cr. For H1FY2014, OPBITDA was ₹ 306.0 Cr & PAT was a net loss of ₹ 178.9 Cr.
- Revenue from Pharmaceutical Businesses for Q2FY2014 grew to ₹ 734.4 Cr; a growth of 21.2% over Q2FY2013.

For H1FY2014, revenue was ₹ 1,347.6 Cr (H1FY2013 was ₹ 1,221.3 Cr)

Revenue from Financial Services (Incl. Investment Income) for Q2FY2014 grew to ₹ 183.5
 Cr; a growth of 117.7% over Q2FY2013.

For H1FY2014, revenue was ₹ 354.6 Cr (H1FY2013 was ₹ 158.7 Cr)

- Total Loan book of the NBFC stands at ~₹ 2,650 Cr as on September 30, 2013.
- Indiareit manages/advises funds of ~₹ 5,000 Cr for investments in real estate as on September 30, 2013.
- Revenue from Information Management business DRG for Q2FY2014 grew to ₹ 221.0
 Cr; a growth of 28.0% over Q2FY2013.

For H1FY2014, revenue was ₹ 406.9 Cr (H1FY2013 was ₹ 230.3 Cr)*

*H1FY2013 results were for four months as DRG was acquired in June 2012.

Q2FY2014 & H1FY2014 : Business Mix



No	Net Sales break-up	% Sales	Quarter ended			Half Year ended		
140			30-Sep-13	30-Sep-12	% Growth	30-Sep-13	30-Sep-12	% Growth
1	Pharma Solutions	38.8%	442.1	367.9	20.2%	811.9	757.0	7.2%
2	Critical Care	17.1%	194.8	155.5	25.3%	344.8	302.4	14.0%
3	Financial Services	16.1%	183.5	84.3	117.7%	354.6	158.7	123.4%
4	OTC & Ophthalmology	6.8%	77.1	67.7	13.9%	162.6	139.4	16.7%
5	DRG	19.4%	221.0	172.6	28.0%	406.9	230.3	76.7%
6	Others	1.8%	20.4	15.1	35.0%	28.3	22.5	25.9%
	Total	100.0%	1,138.9	863.0	32.0%	2,109.1	1,610.3	31.0%

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 half year ending Sep. 30, 2012 would only be for a part of the period.
- 3. Foreign Currency denominated revenue in H1FY2014 was ₹ 1,361 Cr (65% of total revenue).

Q2FY2014 & H1FY2014 : Consolidated Profit & Loss



(In ₹ Crores)

Period ended - Consolidated	Quarter Ended			Half Year Ended		
Period ended - Consolidated	30-Sep-13	30-Sep-12	% Growth	30-Sep-13	30-Sep-12	% Growth
Total operating income	1,138.9	863.5	31.9%	2,109.1	1,610.3	31.0%
R&D Exps	94.2	83.2	13.3%	165.2	138.5	19.3%
Other Operating Expenses	884.8	706.6	25.2%	1,637.9	1,320.2	24.1%
OPBIDTA	159.9	73.7	116.9%	306.0	151.7	101.8%
OPM %	14.0%	8.5%	64.5%	14.5%	9.4%	54.1%
Non-operating other income	88.2	28.3	212.0%	202.2	86.3	134.4%
Interest (Net)	217.3	122.2	77.8%	549.8	209.8	162.1%
Depreciation	61.7	56.3	9.7%	118.8	97.3	22.1%
Profit before tax (before exceptional)	-30.9	-76.6	-	-160.5	-69.2	-
Exceptional items Expenses/(Income)	-15.8	0.3	-	-9.6	1.6	-
Income tax	15.7	14.6	7.4%	26.1	15.4	69.6%
Profit after tax (before M.Int & Prior Period items)	-30.8	-91.5	-	-177.0	-86.1	-
Minority interest	0.1	-0.4	-	-0.5	0.9	-
Share of Associates	-1.4	-0.9	-	-2.4	-0.9	-
Net Profit after Tax	-32.2	-92.0	-	-178.9	-87.9	-
EPS (Rs.)	-1.9	-5.3	-	-10.4	-5.1	_

Note:

- 1. Interest Expense on account of funding activity done to finance growth in NBFC loan book, acquisition of DRG and stake in Shriram Transport Finance Company Ltd. (STFC).
- 2. The results include dividend of ₹ 9 Cr received on investment in STFC (₹ 1,634 Cr).
- 3. Non operating other income mainly consists of gain on foreign exchange.
- 4. Exceptional Income includes a license fee refund.

H1FY2014: Consolidated Balance Sheet

Piramal knowledge action care

(In ₹ Crores)

Period ended - Consolidated	30-Sep-13	31-Mar-13
Shareholders' Funds		
(A) Share Capital	35	35
(B) Reserves & Surplus	10,734	10,689
Minority Interest	5	12
Loan Funds	9,277	7,688
Deferred Tax Liability	9	9
TOTAL	20,060	18,432
Fixed Assets	6,809	6,081
Investments	9,668	7,877
Deferred Tax Asset	69	55
Current Assets, Loans And Advances		
Inventories	687	542
Sundry Debtors	728	598
Cash And Bank Balances	292	288
Other Current Assets	2,172	3,558
Loans And Advances	1,326	1,256
Less: Current Liabilities And Provisions		
Current Liabilities	1,596	1,397
Provisions	95	424
TOTAL	20,060	18,432

Note: Increase in loan funds due to debt taken to fund expansion of NBFC operations, dividend payment & capital expenditure.

Break Up Loan Funds	In ₹ Terms	In \$ Terms	Total	
As on 30-Sep-13	5,797	3,480	9,277	
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 Q2FY2014 & H1FY2014

Pharmaceutical Businesses



Pharma Solutions

- During the first half, Pithampur & Grangemouth facilities successfully completed the USFDA audit.
- Ennore site successfully completed surveillance audits under OSHAS 18001 & ISO 14001
- Digwal site has been awarded the 'Five Star Safety' Award by the British Safety Council & is now eligible to apply for the 'Sword of Honour' Award that recognizes the 'best of the best' in the fields of Health and Safety Management.
- LDPOC division of Piramal Enterprises received the prestigious 'Emerging Medical Equipment Company of the Year' award at the 5th Annual India Healthcare Excellence Awards 2013
- Supplies from new contracts commenced from India facilities.

Critical Care

- Continued to gain market share in the US for Sevoflurane.
- Won tenders in Europe & Africa.
- Higher Isoflurane sales on account of improved realization from its vet business.

Pharmaceutical Businesses



OTC

- Continues to grow at a faster rate despite impact on healthcare market growth rates over the last two months.
- New products are getting better tractions for placements with higher focus. Banditz, a recently launched product from kids well-being category, has been doing better than expectations.

Drug Discovery

- Discussions with the EMA and USFDA are continuing as expected with respect to our NDA for Florbetaben, which was accepted for review in March 2013.
- US FDA IND approval received for P7435, Phase I trial commenced.

Financial Services Businesses



NBFC

- Consolidated loan book of ₹ 2,650 Cr as of September30, 2013.
- Active churn in the portfolio & effective Post Disbursement Monitoring
- Gross NPA Nil

INDIAREIT

- Manages/advises funds for investments in real estate of about Rs. 5,000 Cr.
- Closed the Mumbai Redevelopment Fund with a total size of ₹ 500 Cr, after exercising the Green Shoe option.
- Under Fifth Domestic Scheme, raised ₹ 690 Cr against a target of ₹ 750 Cr.

Information Management Businesses



DRG

- Continued to achieve a high overall customer retention rate (over 96% in Q1FY2014).
 Continue to retain all top 20 customers.
- Backlog for calendar year 2014 up more than 50% over this time last year.
- Global sales initiatives showing traction



Thank you

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