



# Piramal Enterprises Limited

Investor Conference Presentation  
November 2015

*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'.*

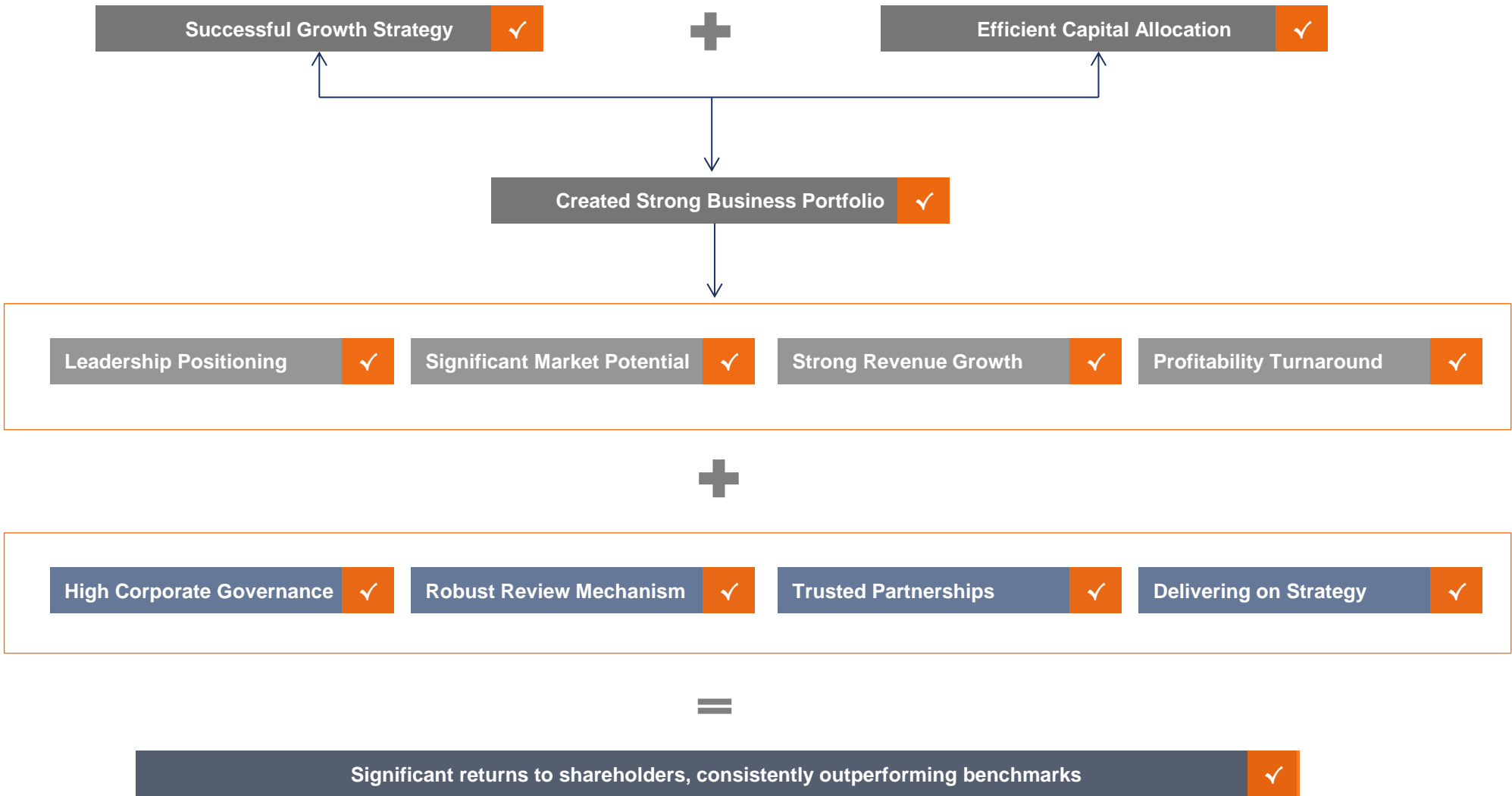
*These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.*

*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.*

# Investment Highlights : Thinking Ahead. Creating Value. Consistently



# Successful growth strategy : Thinking ahead & Acting decisively

Yr.	What we did?	Why we entered and how we turned around?	Outcome
1988	Entered healthcare by acquiring Nicholas Labs	<ul style="list-style-type: none"> <li>Indian pharma promoters were not keen on M&amp;As</li> <li>Grew through a series of acquisitions and alliances</li> <li>Derived synergies by rationalizing mfg. &amp; distribution cost</li> </ul>	<ul style="list-style-type: none"> <li>Transformed from 48th to 4th largest healthcare company in India</li> </ul>
2010	Sold Domestic Formulations business to Abbott	<ul style="list-style-type: none"> <li>India started recognizing drug patents effective 2005</li> <li>Anticipated price control &amp; heightened competitive regime</li> <li>Growth of domestic branded generic business had peaked</li> </ul>	<ul style="list-style-type: none"> <li>Exited at 9x sales and 30x EBITDA</li> <li>Domestic Industry impacted by tighter regulatory environment</li> </ul>
2011	Entered into Financial Services in Real Estate	<ul style="list-style-type: none"> <li>Entry into a stressed sector post 2008 financial crisis</li> <li>Capital constraint created potential for higher yields</li> <li>Our strong in-house capabilities &amp; experience in the sector</li> </ul>	<ul style="list-style-type: none"> <li>Deployed over INR 16,000 Crores in &gt;160 transactions across debt &amp; equity</li> <li>CPPIB chose us for partnership</li> </ul>
2012	Invested in US based Information Management	<ul style="list-style-type: none"> <li>Could foresee shift in focus of industry from volume to value</li> <li>Had sensed early signals of recovering US economy</li> <li>Acquired healthcare focused IM business based out of US</li> </ul>	<ul style="list-style-type: none"> <li>Enabled us to diversify in terms of geography and currency</li> <li>Initiatives in place to drive higher growth in future</li> </ul>
2013	Special Situation Investments in Infrastructure sector	<ul style="list-style-type: none"> <li>Lack of last mile capital to complete projects/fund growth</li> <li>Traditional capital providers under stress</li> <li>Opportunities at attractive valuations with predictable cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Created a scalable special situations lending business</li> <li>APG chose us for partnership</li> </ul>
2013	Invested in Shriram Group's Financial Services businesses	<ul style="list-style-type: none"> <li>Leadership positioning &amp; built on strong foundation</li> <li>Well positioned for high growth, as Indian economy revives</li> <li>Looking for a strategic leader with matching values and potential</li> </ul>	<ul style="list-style-type: none"> <li>Strategic in nature – Mr. Ajay Piramal became Chairman of Shriram Capital</li> <li>Effectively diversifying our FS portfolio</li> </ul>

**Rs.15,000 Crores realized (net of taxes) from Abbott on sale of our Domestic Formulations business**

**+**

**Free cash flow realized from our operations over last few years**

Efficiently allocated capital to consistently generate higher profitability in future, while undertaking controlled risk, with an overall objective to deliver superior shareholder returns

## Key capital allocation measures

**Invested Rs.9,020 Crores (on B/S) & Rs.8,936 Crores (off B/S) in FS**

- Generating significant returns
- Investment in Vodafone - Realized Rs.8,900 Crore i.e. 52% higher than amount invested

**~Rs.3,000 Crores<sup>1</sup> invested in Healthcare**

- Grew @ ~17% YoY over last 5 years
- Discontinued NCE requiring investments for longer time horizon, involving high risk
- Sold diagnostic solution business

**Rs.4,583 Crores<sup>1</sup> invested in Shriram Group**

- Market leader in used truck and small enterprise financing
- Mr. Ajay Piramal became Chairman of Shriram Capital
- Diversifies our FS business portfolio

**~Rs.4,000 Crores invested in Information Management Services\***

- Effectively enhanced our business diversification
- High visibility of revenue and profitability

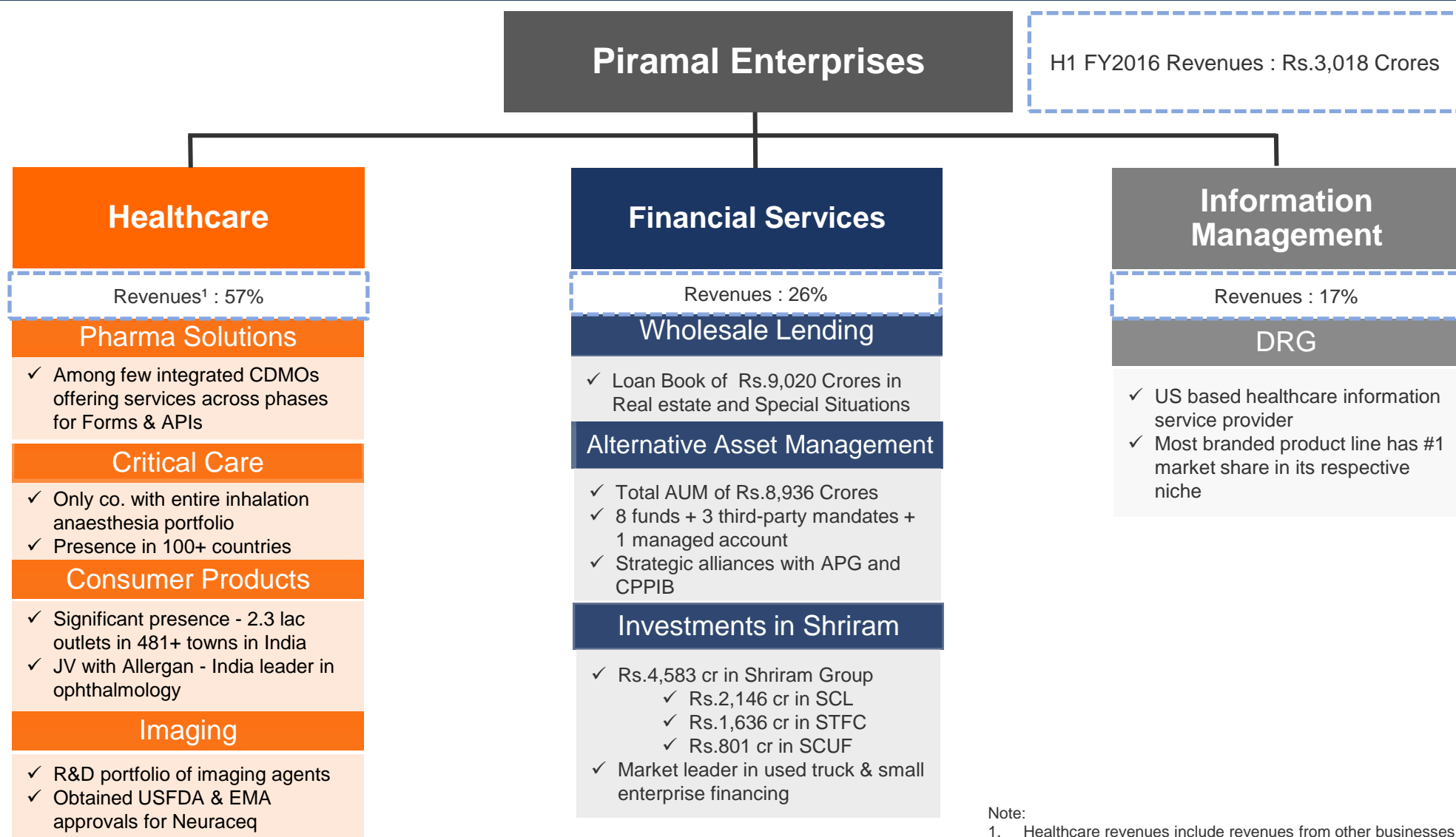
**Rs.4,564 Crores of capital returned to shareholders**

- Capital returned to shareholders through:
- Buyback of ~Rs.2,500 Crores
  - Annual dividends
  - Special dividend

Note:

1. Investments made during the period FY2011-FY2015

# Created a strong business portfolio



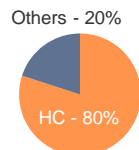
Note:

1. Healthcare revenues include revenues from other businesses contributing 1% of the total revenues for FY2015

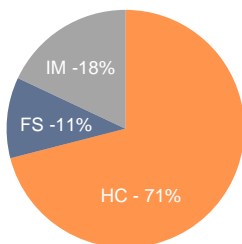
# Well-diversified portfolio with significant growth potential

## Improving diversification of revenues towards high growth business segments

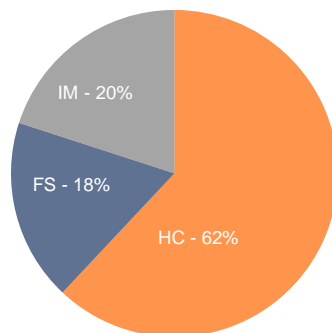
Movement in revenue mix (%)



FY2011<sup>1</sup>  
Rs.2,009 cr



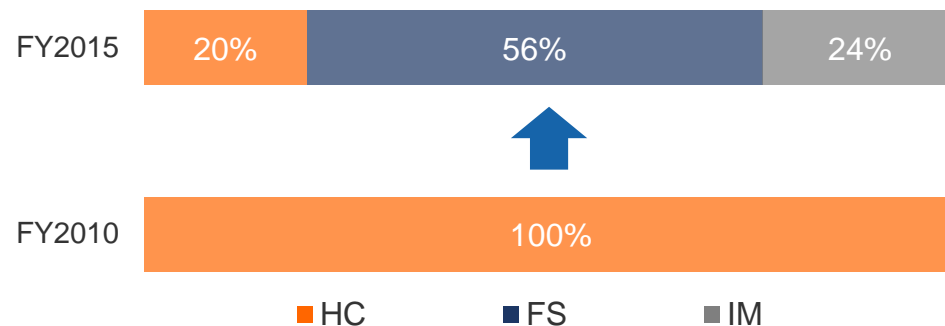
FY2013  
Rs.3,544 cr



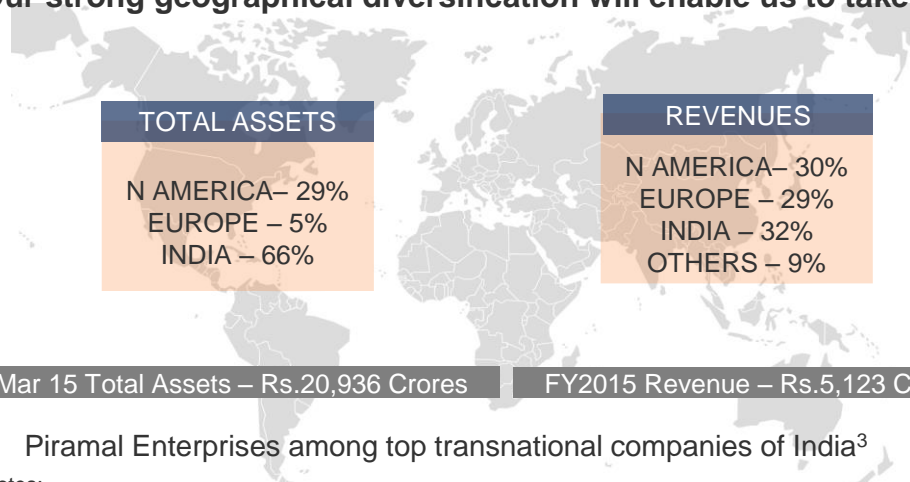
FY2015  
Rs.5,123 cr

## Significant shift in the capital employed<sup>2</sup> to the sectors generating high growth and strong returns, reflects our true future potential

Movement in capital employed mix (%)



## Our strong geographical diversification will enable us to take benefit of economic upside at any region across globe



Piramal Enterprises among top transnational companies of India<sup>3</sup>

Notes:

- Others include treasury income.
- As per books. Excludes unallocated portion of capital employed to various business segments.
- As per ISB 2014 ranking of India's largest transnational corporations, based on the UN's Transnationality Index.

Businesses	Manufacturing / Services offered from		Primary customer / End User based in	
	India	Global	India	Global
Financial Services	✓		✓	
Pharma Solutions	✓	✓		✓
Critical Care	✓	✓		✓
OTC	✓		✓	
DRG		✓		✓
PEL	✓	✓	✓	✓

# Leadership positioning across businesses with significant market opportunity

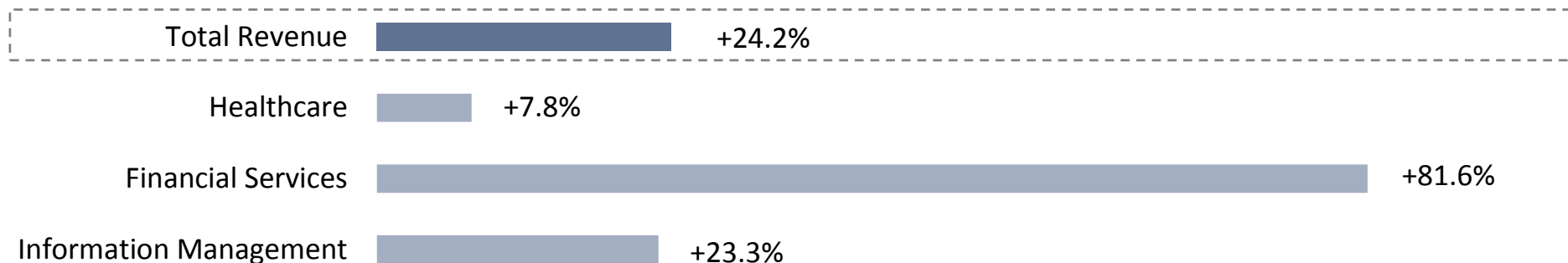
	Current Positioning	Market Potential
<b>Pharma Solutions</b>	<ul style="list-style-type: none"> <li>Among top 10 global pharmaceutical CDMOs</li> <li>Rated best in quality, reliability and regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Current market size of USD 131 bn</li> <li>PEL growing faster than market</li> </ul>
<b>Critical Care</b>	<ul style="list-style-type: none"> <li>Among top 3 players in the inhalation anaesthesia globally</li> </ul>	<ul style="list-style-type: none"> <li>Current market size of USD 1.2 bn</li> <li>PEL's market share grown from 3% (FY2009) to 12% (FY2015)</li> </ul>
<b>Consumer Products</b>	<ul style="list-style-type: none"> <li>Among top 7 OTC players in India</li> </ul>	<ul style="list-style-type: none"> <li>Current market size of ~Rs.15,000 Crores</li> <li>PEL moved from 40th rank in 2007 to 7th position currently</li> </ul>
<b>Imaging</b>	<ul style="list-style-type: none"> <li>Well positioned to be a market leader in molecular imaging</li> </ul>	<ul style="list-style-type: none"> <li>Potential market size of \$1-1.5 bn expected between 2020-2025</li> </ul>
<b>Real Estate Lending &amp; AUM</b>	<ul style="list-style-type: none"> <li>Rated best among real estate debt fund managers in Asia</li> <li>12th largest real estate private equity fund in Asia</li> </ul>	<ul style="list-style-type: none"> <li>Our strong position enabling us to get the best of real estate financing opportunities. Sector under focus by GOI to boost GDP</li> </ul>
<b>Special Situation Investments</b>	<ul style="list-style-type: none"> <li>Among the top providers of structured mezzanine funding in India</li> </ul>	<ul style="list-style-type: none"> <li>GOI target USD 1 tn investment in Infrastructure until 2017</li> <li>Now, also looking for opportunities in sectors beyond infrastructure</li> </ul>
<b>Strategic stakes in Shriram</b>	<ul style="list-style-type: none"> <li>One of the largest financial services conglomerates, with significant presence in SME, used commercial vehicle, retail financing, life and general insurance etc.</li> </ul>	<ul style="list-style-type: none"> <li>Each business has significant scope to grow in their respective market having large untapped potential</li> </ul>
<b>Information Management</b>	<ul style="list-style-type: none"> <li>Gold standard service provider of healthcare analytics &amp; insights</li> <li>Among top 20 market research Organizations in USA</li> </ul>	<ul style="list-style-type: none"> <li>Current addressable market is USD 6 bn</li> <li>Our entry to provider/payer offerings to expand it to USD 16 bn</li> </ul>

Source: UN Conference on Trade and Development, CMO leadership awards 2013 by Nice Insight, AC Nielsen, Global PERE Awards, Private Debt Investor Awards, Asia Debt Provider of the Year & company estimates

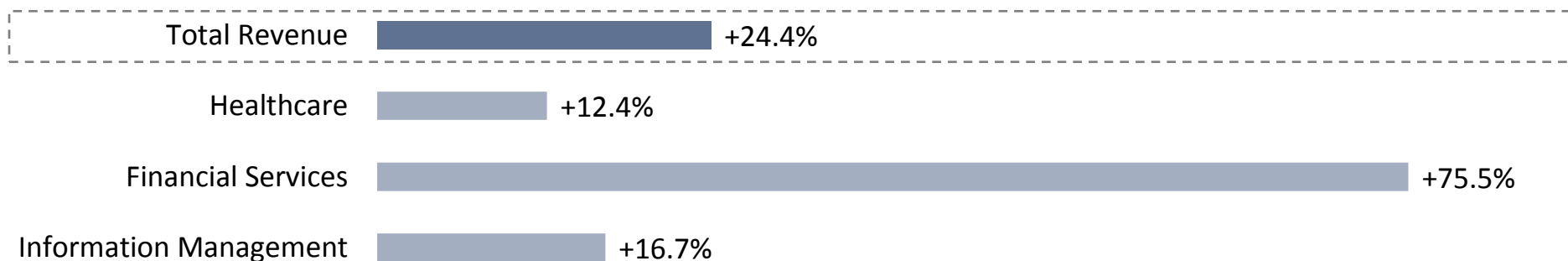
**Among top players across business segments with significant potential to grow in future**

# Revenue growth across all three business segments

## % change - Q2 FY2016 Vs. Q2 FY2015 Revenues



## % change - H1 FY2016 Vs. H1 FY2015 Revenues

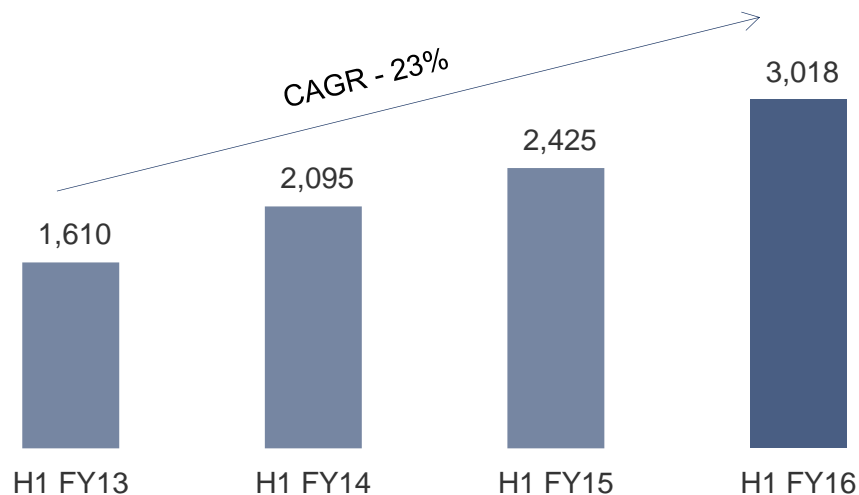


**Strong growth in revenues is driven by improved operating performance across business segments in both periods**

Note: Healthcare revenues does not include revenues from others businesses

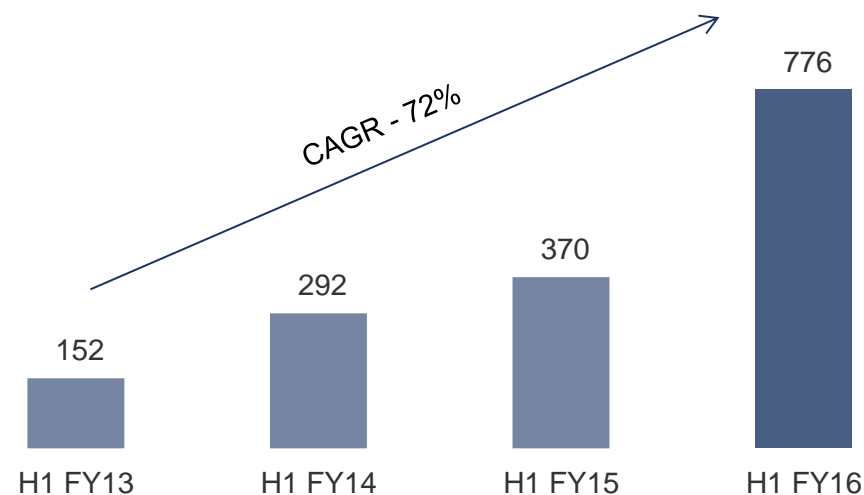
# Consistently delivering strong growth on all key parameters

## Revenues

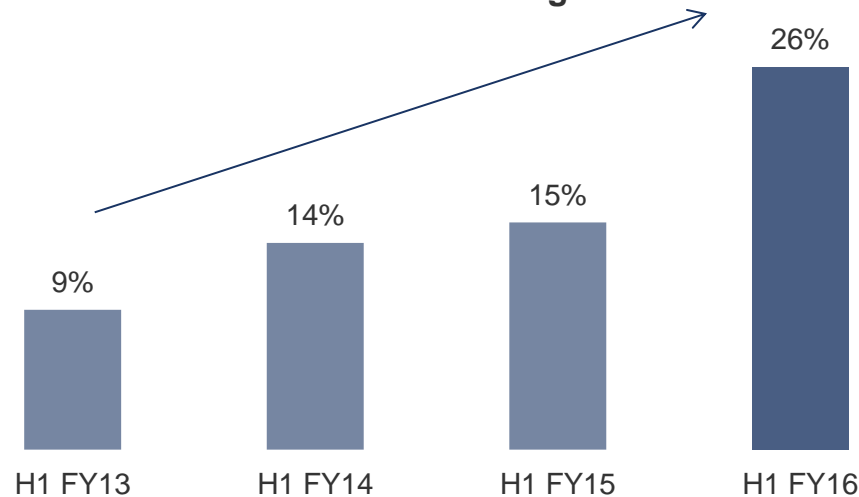


## OPBITDA

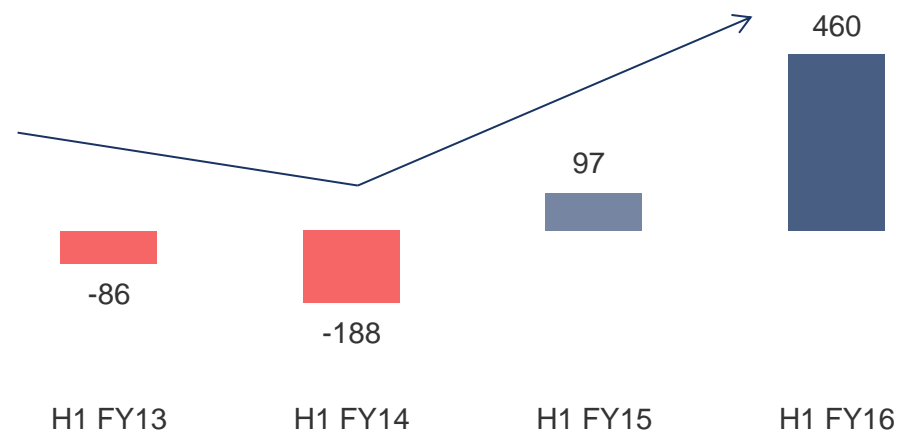
In Rs. Crores



## OPBITDA Margin



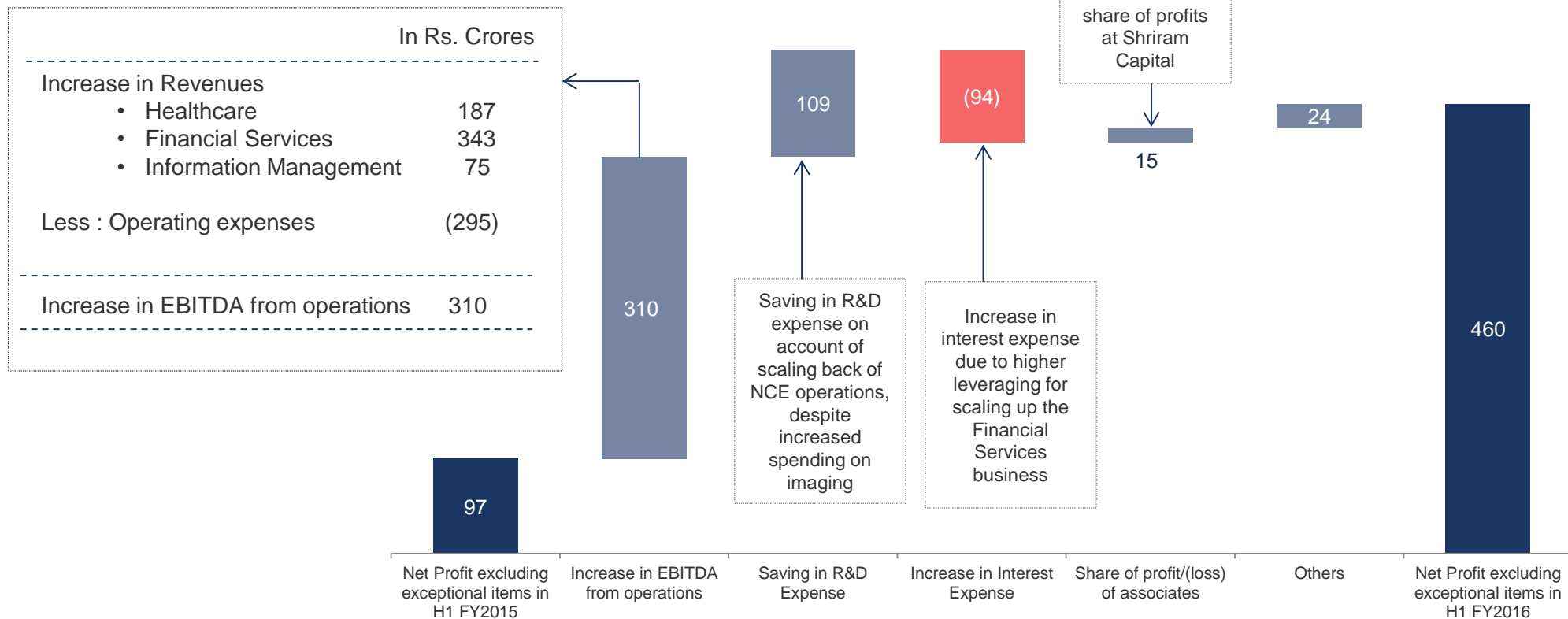
## Net Profit excluding exceptional items



# Strong operating performance driving profitability turnaround

## Net profit before exceptional item for H1 FY2016 Vs. H1 FY2015

(In Rs. Crores)



Note : Above chart excludes exceptional items during both periods. Exceptional item during the H1 FY2015 included an exceptional 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.

**Strong performance across business segments, efficient capital allocations and higher return on our strategic investments in Shriram are delivering robust growth in our profitability**

# High standards of corporate governance



## **AJAY PIRAMAL**

CHAIRMAN

AWARDED "ENTREPRENEUR OF THE YEAR" BY UK TRADE & INVESTMENT COUNCIL

AWARDED "CEO OF THE YEAR" BY WORLD STRATEGY FORUM

AWARDED "GLOBAL LEADER OF TOMORROW" BY WORLD ECONOMIC FORUM

SERVED ON PM TASK FORCE ON KNOWLEDGE BASED INDUSTRIES AND PM COUNCIL FOR TRADE & INDUSTRY



## **AMIT CHANDRA**

MD,  
BAIN CAPITAL ADVISORS (INDIA)



## **PROF. GOVERDHAN MEHTA**

EMINENT SCIENTIST  
FORMER DIRECTOR - IISc  
AWARDED PADMA SHRI



## **DR. RAGHUNATH MASHELKAR**

EMINENT SCIENTIST  
FORMER DG, CSIR  
AWARDED PADMA VIBHUSHAN



## **DEEPAK M SATWALEKAR**

FORMER MD & CEO,  
HDFC STANDARD LIFE



## **KEKI DADISETH**

FORMER CHAIRMAN,  
HINDUSTAN UNILEVER LTD



## **S RAMADORAI**

FORMER VICE-CHAIRMAN,  
TCS



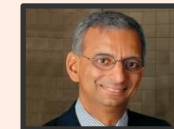
## **GAUTAM BANERJEE**

SENIOR MD & Co-CHAIRMAN,  
ASIA OPERATING COMMITTEE,  
BLACKSTONE, SINGAPORE



## **N VAGHUL**

FORMER CHAIRMAN,  
ICICI BANK



## **SIDDHARTH (BOBBY) MEHTA**

FORMER PRESIDENT & CEO  
TRANSUNION



## **DR. SWATI PIRAMAL**

VICE-CHAIRPERSON  
EMINENT SCIENTIST  
AWARDED PADMA SHRI



## **NANDINI PIRAMAL**

EXECUTIVE DIRECTOR,  
LEADS OTC, HR, ETC.  
MBA, STANFORD



## **VIJAY SHAH**

EXECUTIVE DIRECTOR,  
25+ YEARS WITH GROUP  
TURNAROUND BUSINESSES

CHAIRMAN

INDEPENDENT

EXECUTIVE

# Robust review mechanism

## PEL BOARD OF DIRECTORS

Ajay Piramal  
(Chairman)

4 Executive and 9 Independent

## Board Committees

AUDIT & RISK	NOMINATION & REMUNERATION	STAKEHOLDERS RELATIONSHIP	CORPORATE GOVERNANCE & ETHICS	CORPORATE SOCIAL RESPONSIBILITY
N. Vaghul (Chairman)	N. Vaghul (Chairman)	D. Satwalekar (Chairman)	K. Dadiseth (Chairman)	G. Mehta (Chairman)
3 Independent	1 Executive 3 Independent	1 Executive 1 Independent	1 Executive 2 Independent	1 Executive 2 Independent

## Business Boards / Investment Committees : Viewing our business segments as three virtual companies

### HEALTHCARE

#### Pharma Operations Board

- Executive Directors
- External Expert
- Key Business CEOs
- Management Members

### FINANCIAL SERVICES

#### Investment Committee for Real Estate Lending

- Executive Director
- Independent Director
- External Experts
- Business CEO
- Management Members

#### Investment Committee for RE Asset Management

- Executive Director,
- External Experts
- Business CEO

#### Investment & Advisory Committees for Special Situation transactions

- Executive Directors
- Independent Directors
- External Expert
- Business Heads
- Management Members

### INFORMATION MANAGEMENT

#### Information Management Board

- Independent Director
- External Expert
- Business CEO
- Management Members

## Number of People







4,012

112





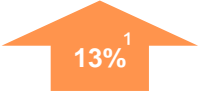
729

In addition, there are 7 Board Sub-Committees for specific objectives

# Huge trust factor : Places us among the most preferred partners in India

Organizations		Nature of Partnership	Key highlights
PIRAMAL ENTERPRISES		Alliance Partner – Real Estate Financing Total AUM - C\$269 Bn	<ul style="list-style-type: none"> <li>Among top 10 global sovereign pension funds</li> <li>Strategic alliance to deploy upto USD 500 mn of debt financing to residential projects in India</li> </ul>
		Alliance Partner – Infrastructure Financing Total AUM - €417 Bn	<ul style="list-style-type: none"> <li>Netherlands largest asset manager</li> <li>Strategic alliance to deploy upto USD 1 bn in infrastructure mezzanine investments in India</li> </ul>
		PEL invested in Shriram Group Total Assets – Rs.84,000+ Cr	<ul style="list-style-type: none"> <li>One of the largest financial services business conglomerate in India</li> <li>PEL holds stakes in holding co. &amp; listed subs. Mr. Piramal is Chairman of SCL (holdco.)</li> </ul>
		Acquirer – Domestic Formulations Business Total Assets - \$41 Bn	<ul style="list-style-type: none"> <li>Among top 50 global pharma companies</li> <li>PEL sold its Pharma DF business to Abbott for \$3.8 Bn, at 9x sales and 30x EBITDA</li> </ul>
		PEL had invested in Vodafone India Market Cap - \$98 Bn	<ul style="list-style-type: none"> <li>Among top 2 mobile operators in the world</li> <li>PEL bought 11% stake in Vodafone India. Monetized by realizing 52% over amount invested</li> </ul>
		JV Partner Market Cap - \$120 Bn	<ul style="list-style-type: none"> <li>Allergan India a 51:49 joint venture between Allergan Inc and PEL — Commenced commercial operations in 1996. India leader in ophthalmology</li> </ul>
		Financial Partner Total Assets – >US\$ 330 Bn	<ul style="list-style-type: none"> <li>One of the world's largest global investors, wholly owned by the Government of Singapore</li> <li>Among top investors in Nicholas laboratories in early 90s</li> </ul>
GROUP	PROVIDENCEEQUITY	Strategic Partner Total Assets – US\$ 40 Bn	<ul style="list-style-type: none"> <li>A leading US based global private equity firm</li> <li>Exited from Decision Resources Group in 2012 for ~US\$ 600 mn</li> </ul>
	WARBURG PINCUS	Stakeholder – Invested in Piramal Realty Total AUM - \$35 Bn	<ul style="list-style-type: none"> <li>A leading US based global private equity firm</li> <li>Invested Rs. 1,800 Crores for a minority stake in Piramal Realty</li> </ul>
	Goldman Sachs	Stakeholder – Invested in Piramal Realty Total AUM - >\$700 Bn	<ul style="list-style-type: none"> <li>Leading global investment banking, securities and investment management firm</li> <li>Committed Rs. 900 Crores for a minority stake in Piramal Realty</li> </ul>

# Healthcare and Information Services : Organic and inorganic initiatives driving consistent growth in earnings

	5 Years Revenue CAGR	Unparalleled presence	Growing Organically	Growing Inorganically (key M&As)
Pharma Solutions	 16%	<ul style="list-style-type: none"> <li>• Presence in both East &amp; West - Facilities in NA, EU &amp; Asia</li> <li>• End-to-end service provider</li> </ul>	<ul style="list-style-type: none"> <li>• Recent debottlenecking and capacity expansions at Discovery Services and for ADC</li> <li>• Commenced capability and capacity expansion at Coldstream</li> </ul>	<ul style="list-style-type: none"> <li>• 2005 – Grangemouth site, UK</li> <li>• 2005 – Torcan site, Canada</li> <li>• 2006 – Morpeth site, UK (from Pfizer)</li> <li>• 2011 – Oxygen Bio-research</li> <li>• 2015 – Coldstream (injectables)</li> </ul>
Critical Care	 18%	<ul style="list-style-type: none"> <li>• Presence in 118 countries</li> <li>• In &gt;6,000 hospital globally</li> <li>• Manufacturing in US &amp; India</li> </ul>	<ul style="list-style-type: none"> <li>• Revenues &gt;doubled in last 5 yrs</li> <li>• Significant increase in market share in US for Sevoflurane</li> <li>• &gt;50% market share in EMs</li> </ul>	<ul style="list-style-type: none"> <li>• 2005 – Inhalation Anaesthesia business of Rhodia, UK</li> <li>• 2009 – Minrad Inc (access to Sevoflurane &amp; Desflurane)</li> <li>• 2009 – RxElite (presence in US)</li> </ul>
Consumer Products	 15%	<ul style="list-style-type: none"> <li>• Presence in +481 towns</li> <li>• Reach to 2.3 lakh outlets in India</li> </ul>	<ul style="list-style-type: none"> <li>• Launched quality brands like QuikKool, StopAllerG, Jungle Magic etc.</li> </ul>	<ul style="list-style-type: none"> <li>• 2010 – i-pill</li> <li>• 2013 – Caladryl</li> <li>• 2014 – S&amp;D partnership for Equal</li> <li>• 2015 – Baby Care brand - Little's</li> </ul>
Imaging		<ul style="list-style-type: none"> <li>• Establishing presence in EU, NA and select Asia-Pacific</li> <li>• R&amp;D hub in Germany</li> </ul>	<ul style="list-style-type: none"> <li>• USFDA and EU approval for FBB</li> <li>• Manufacturing &amp; distribution agreements in EU &amp; US</li> <li>• Licensing Agreements in S Korea, Australia, Canada &amp; Ireland</li> </ul>	<ul style="list-style-type: none"> <li>• 2012 – Acquired Bayer's Imaging R&amp;D portfolio</li> </ul>
Information Management	 13% <sup>1</sup>	<ul style="list-style-type: none"> <li>• Presence in NA, EU &amp; Asia</li> <li>• 14 office locations globally including China and India</li> </ul>	<ul style="list-style-type: none"> <li>• Created consolidated scalable platform</li> <li>• Entered consultancy services</li> <li>• Expanded geographically</li> </ul>	<ul style="list-style-type: none"> <li>• 2012 – DRG</li> <li>• 2012 – Abacus (EU presence)</li> <li>• 2013 – Relay Technology</li> <li>• 2015 – Activate Network, HBI and Health SuperHiway</li> </ul>

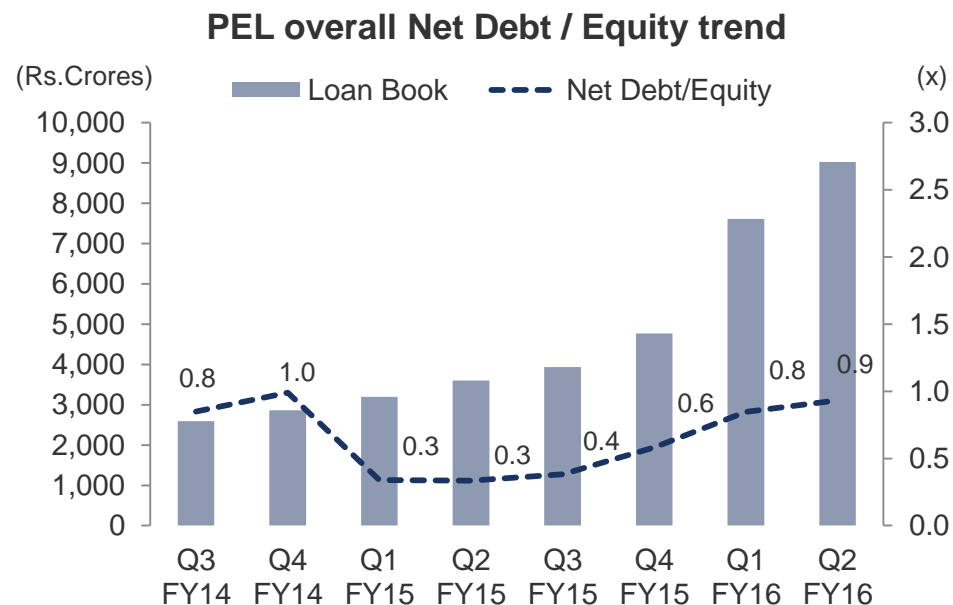
Note:

1. Information Management segment revenue growth for FY2015

# Strong balance sheet gives significant potential to further 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.

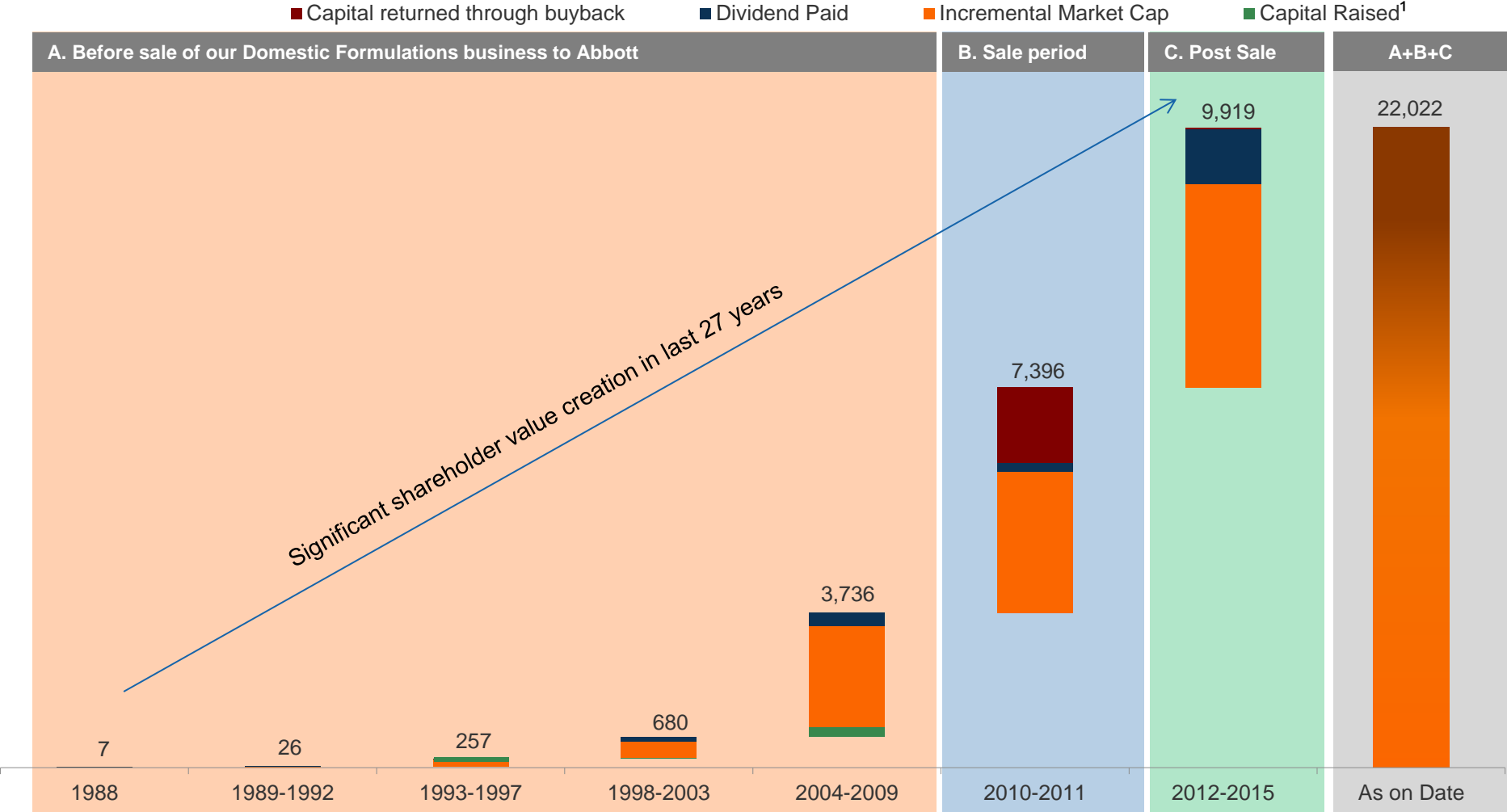
Particulars	Ratios
PEL overall Debt / Equity	0.9x
Average Yield on Loans	17%+
Credit rating	AA (ICRA)
Cost of Capital	9-10%
Gross NPA Performance	Among best-in-class



# Creating and delivering significant value for our shareholders over years,

## Shareholder value creation in less than 3 decades

(In Rs. Crores)



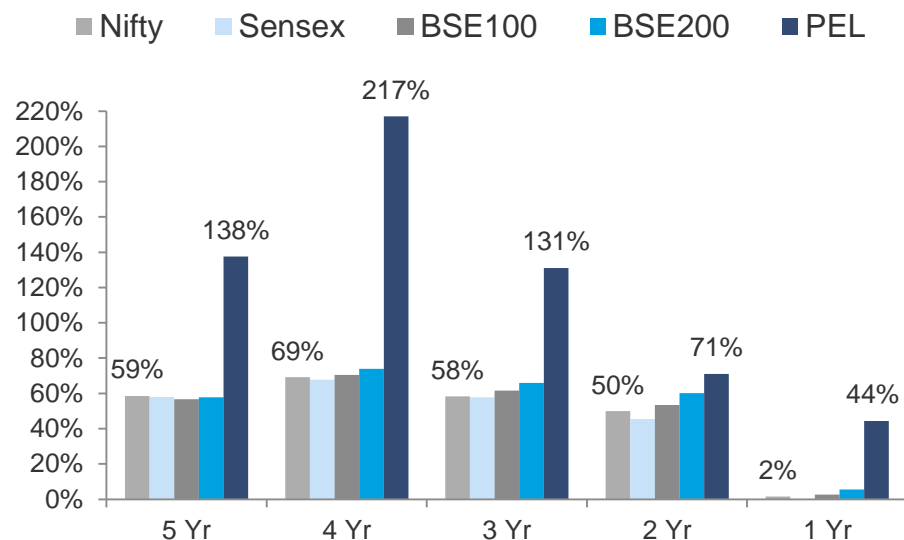
1. Company raised merely INR 477 crores during the entire period (includes initial capital invested in the company in 1988)

All numbers till 1992 represents book value

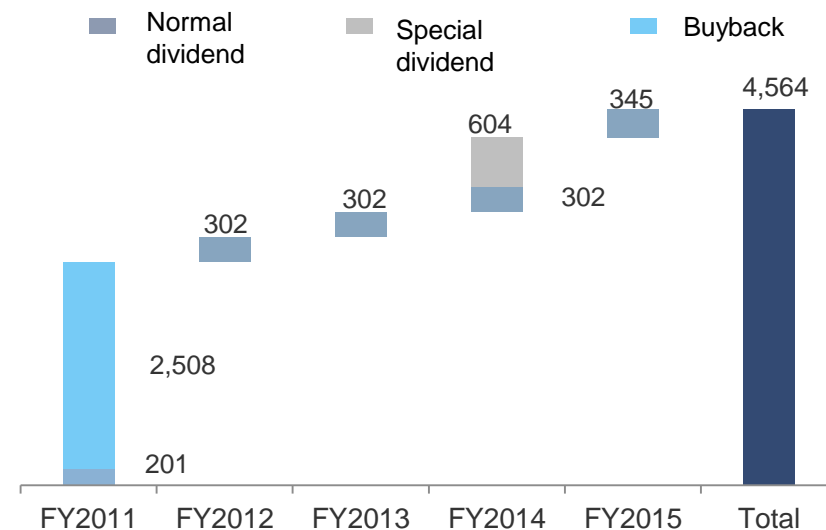
Analysis carried out based on market information till 31 Aug 2015

# Shareholder return performance significantly outperforming the benchmark

Consistently delivered strong shareholder returns – significantly higher than benchmarked indices <sup>1</sup>



**Rs.4,564 crore <sup>2,3</sup> (i.e. ~30% of current market cap.) returned to shareholders since sale of Domestic Formulations business in 2010**  
(In Rs. Crores)



## Shareholders earning significant annualized returns on their investments in PEL

Particulars	UOM	CY11	CY12	CY13	CY14	CY15
PEL Share price as on 31 Oct	Per share	361	-	-	-	935
Dividend paid	Per share	-	18	18	53	20
Net cash flow	Per share	361	18	18	53	955
<b>Annualized Return (IRR)</b>	<b>%</b>	<b>32%</b>				

Particulars	UOM	CY11	CY12	CY13	CY14	CY15
Nifty as on 31 Oct	Per share	5,327	-	-	-	8,066
<b>Annualized Return (IRR)</b>	<b>%</b>	<b>11%</b>				

Notes:

1. Total shareholder return numbers are as on 31 August 2015 (Source : Bloomberg)
2. Of the buy back of 41.8 mn shares shown in FY11, buyback of 0.7 mn shares happened in FY12

3. Capital returned to shareholder through dividends doesn't include amount paid under Dividend Distribution Tax



# Operations

## Healthcare



- Pharma Solutions
- Critical Care
- Consumer Products
- Imaging

## Financial Services



- Wholesale Lending
- Alternative Asset Management
- Strategic Investments in Shriram Group

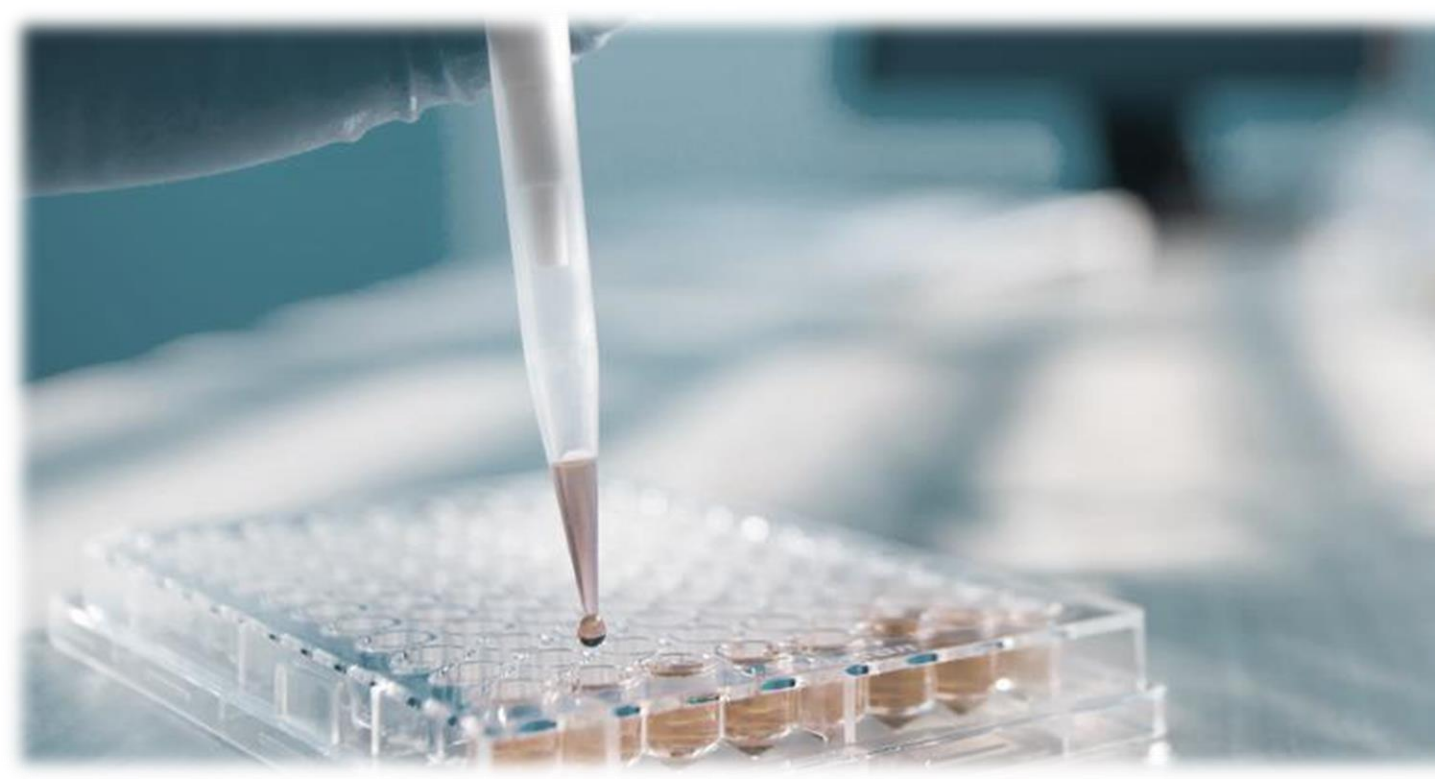
## Information Management



- Decision Resources Group

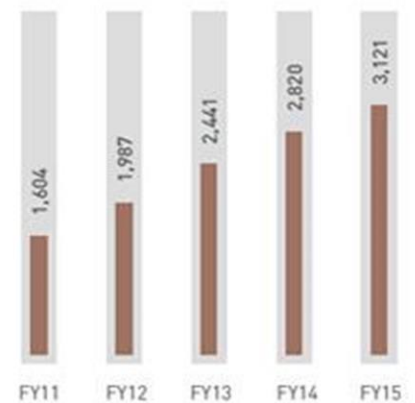


# Healthcare



## Healthcare Revenue Trend

**Strong Revenue Performance**  
(in INR crores)



# Pharma Solutions : A global leader growing organically and inorganically

## Robust business model

- End-to-end service provider – Among few CDMOs offering services in both early & late phase
- Assets located in both East & West - Facilities in NA, EU & Asia
- High focus on compliance - Most of the sites approved by USFDA, clearing regular audits
- Serving 5 of top 7 global pharma firms for past 2 decades
- Offers differentiated services such as ADC

## Well recognized as global leader

- Business head awarded as 'CEO of the year' at CPhI Pharma Awards
- Company also rated as 'API Supplier of the Year' at Global Generics and Bio-similar Award 2015
- Rated among best CMOs in terms of reliability, regulatory and quality, 2nd year in a row - Jan 2015

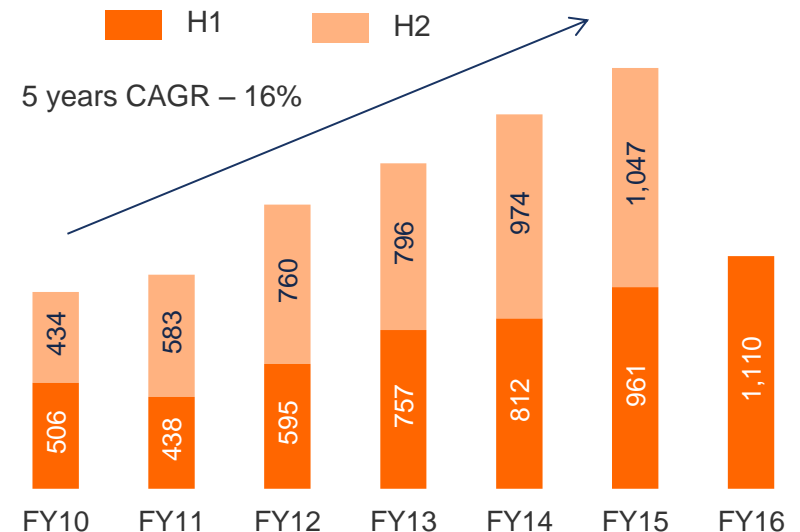
## Growing organically and inorganically

- Commenced operations at the newly expanded capacity under Discovery Services business.
- Completed the capacity expansion at Grangemouth for ADC
- Coldstream Site already has its order book running full and commenced investing in capability & capacity expansion

## Coldstream Laboratories, Kentucky



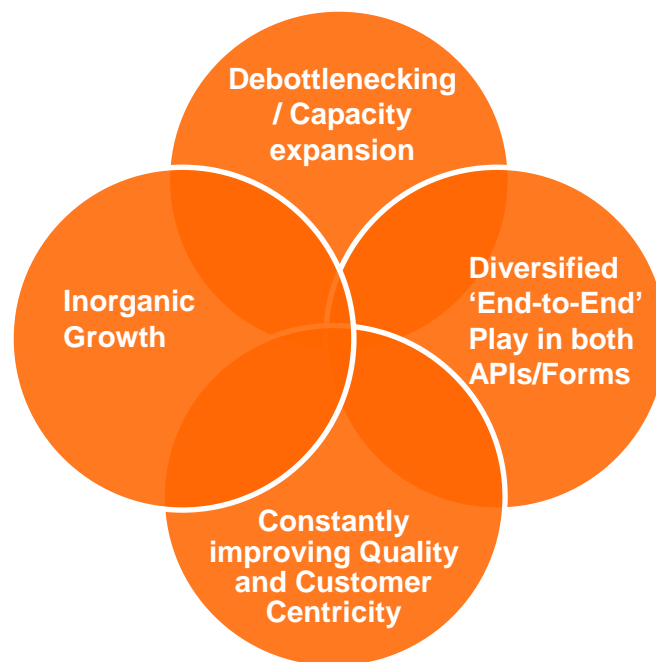
## Strong revenue performance (In Rs. Crores)



# Pharma Solutions' growth pillars : Series of initiatives undertaken to deliver strong performance in coming years

- Commenced investing in capability & capacity expansion of Coldstream to take benefit from rapidly growing outsourcing business in Sterile injectables
- Set to grow rapidly in ADCs based on focused investments at Grangemouth & Coldstream (also specialized in ADC fill/finish)
- Commenced operations at newly expanded capacity under Discovery Services business

- Successfully integrated Coldstream, a U.S. based CDMO acquired in 2015
- Continue to look at attractive M&A opportunities/adding niche capabilities for future growth



- Good traction at formulation development business
- Highest ever formulations' order book expected this fiscal

- Globally well-recognized for quality, reliability and compliance – rated among best
- Customer surveys initiated to improve customer experience and service delivery
- Multiple recognitions at reputed forums creating significant visibility for the business

**Series of initiatives undertaken to deliver strong performance in coming years**

# Critical Care : Unparalleled global presence and increasing market share

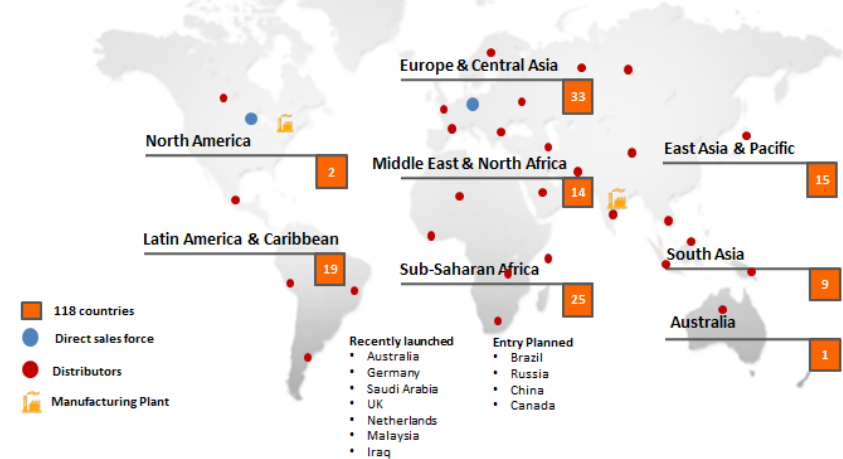
## Among top 3 players in global Inhalation anaesthesia market

- Only company in the world with entire Inhalation Anaesthesia portfolio
- Presence in 100+ countries
- Serving over 6,000 hospitals world over through direct sales force (US & EU) and marketing partners
- Manufacturing facilities in the US and India - Maintaining our cost leadership

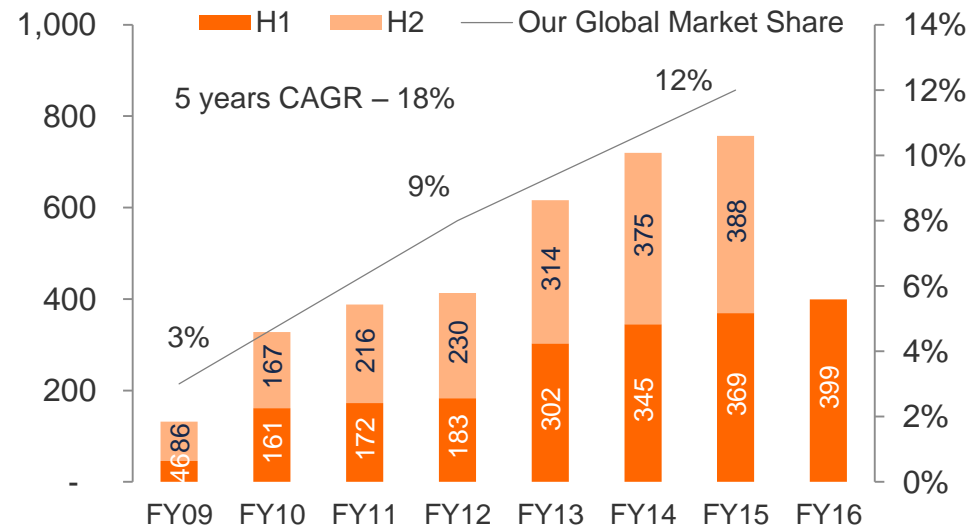
## Adding new markets and increasing market share

- Organically grown market share from 3% in FY09 to 12% currently
- Increased market share across geographies
  - US :
    - Market share grew from 20% in 2011 to 30% currently
    - Became No.1 player in Isoflurane and increasing sales volume of Sevoflurane
  - UK - Post entry last year, our market share increased to 15%
  - Emerging markets - Over 50% market share
- Other recently entered new markets – Australia, Germany, Saudi Arabia, Netherlands, Malaysia and Iraq

## Unparalleled global footprint



## PEL's increasing revenues and global market share (In Rs. Crores)

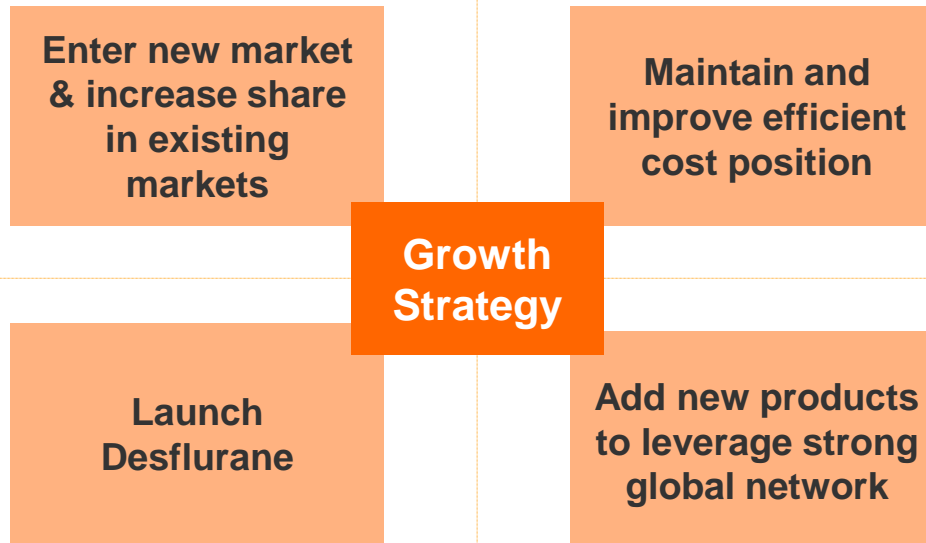


Note: All market data is based on primary & secondary research carried out internally

# Critical Care's growth drivers : Efforts delivering results. Further efforts are on...

- Market share in US grew from 28% in 2014 to 30% now
- Currently have presence in 100+ countries
- New market entry - Malaysia & Iraq during 1<sup>st</sup> half
- Significant market penetration in Saudi Arabia, UK and Vietnam, where we entered few quarters back
- Won the wales tender in UK

- Progressing well on the initiatives to reduce costs and improve EBITDA margins
- Investments in Bethlehem site are yielding results
- Execution of capacity and yield improvement project is on track.



- Continuing to make progress towards the commercialization of Desflurane

- Actively looking at both organic and inorganic opportunities to add other critical care products to our product portfolio.

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

# Consumer Products : Portfolio containing top brands with India-wide distribution network

## Brands in leadership position

- Most of the brands ranked among the top 2 in their respective representative markets
- Our 6 brands rated in top 100 brands of OTC in India
- Saridon continues to maintain no. 1 rank in headache category. Lacto and i-pill maintains their leadership positioning
- Allergan India, continues to remain India leader in ophthalmology with 21% market share

## Unparalleled presence

- Presence in 2.3 lacs outlets in 481+ towns of India (with a population of >1 lacs)
- Commenced exports of few brands to nearby countries that has reach of Indian media
- Increasing digital presence with an exclusive launch of Untox™ with Snapdeal

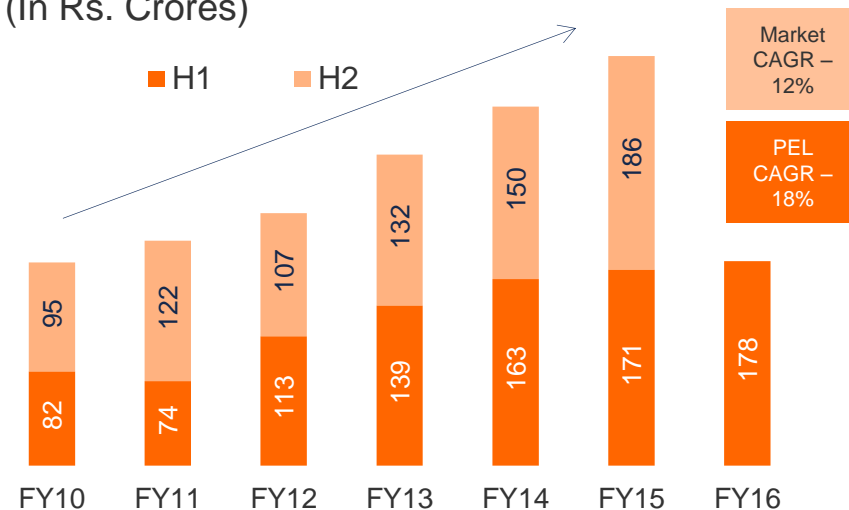
## Growing faster than market over years

- Growth faster than market - 40<sup>th</sup> rank in 2007 to 7<sup>th</sup> rank in 2013
- Recently acquired the Baby Care Brand – Little's
- Commercialized our exclusive S&D partnership for Equal, world's largest aspartame based sweetener brand

## Our balanced consumer product portfolio containing strong brands



## Strong revenue<sup>1</sup> performance (In Rs. Crores)



Note:

1. Revenues includes revenues from our JV with Allergan

# Consumer Product's initiatives : Simultaneously focused towards improving growth and profitability margin

## Geographical Expansion

- Expanding to towns with more than 20,000 population
  - Expanded in AP and Karnataka. Next phase will include West Bengal & Far East
- Exports to nearby geographies has started contributing to the business

## New Product Development

- New product field force launched. Will be ramped up in phases

## Sales Force Automation

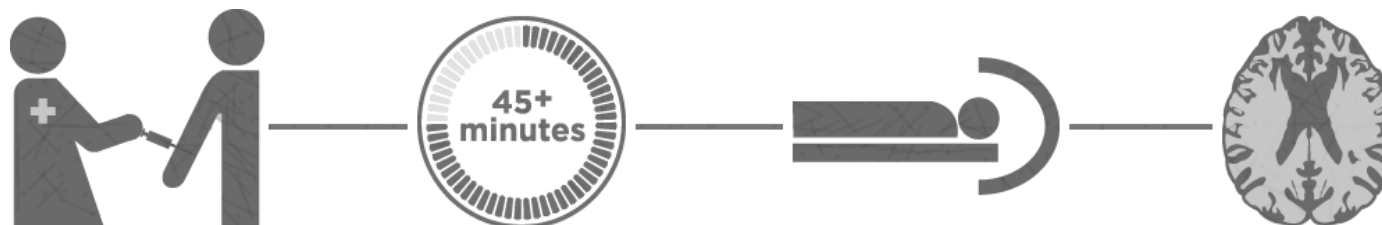
- Mobile reporting for field force rolled out.
- Will enable higher sales productivity and optimization of Span of Control

## Inorganic Initiatives

- Continue to aggressively look at acquiring quality brands at attractive valuations

**Business continues to pursue projects to optimise its operating costs and improve profitability margins**

# Imaging : Well positioned to be a market leader



## Entry into Business

- Acquired molecular imaging research and development portfolio of Bayer in 2012
- Commercial Operations in US & UK and R&D hub in Germany

## Lead Compound - Florbetaben

- Reliably detects Beta-Amyloid plaques in the brain, which is the pathological hallmark of Alzheimer's disease
  - Approved by US FDA in March 2014, European Commission in February 2014 and MFDS (South Korea) in December 2014
- Registered first sales during Q2 FY2015
  - Currently selling in European key markets and the US
  - Manufacturing & distribution agreements executed in EU and US
  - Licensing agreements signed with partners in South Korea, Australia, Canada & Ireland
- The teams are focused on driving sales by educating dementia experts and supplying Pharma trials as well as creating health economic evidence for payors in registry trials.

## Our Unique Positioning

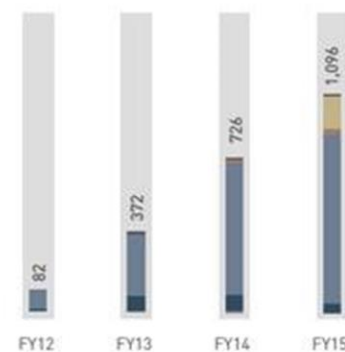
- |   |  |
|---|--|
| • <b>Promising Field</b> - Future of diagnostic imaging   | • AD is a growing world-wide clinical challenge: >20mn patients today, costs to grow from \$200 bn in 2013 to \$1.2 tn by 2050 |
| • <b>Attractive Pipeline</b> in Neurology, Oncology & Cardiovascular Imaging                              | • <b>High Market Potential</b> - Molecular Imaging potential market size of \$1-1.5bn between 2020-2025                        |
| • <b>High Quality R&amp;D Team</b> - Core members of Bayer's team joined Piramal Imaging leadership team. | • <b>Well Positioned to be a market leader</b> - in Europe, NA and selected Asia-Pacific markets                               |



# Financial Services

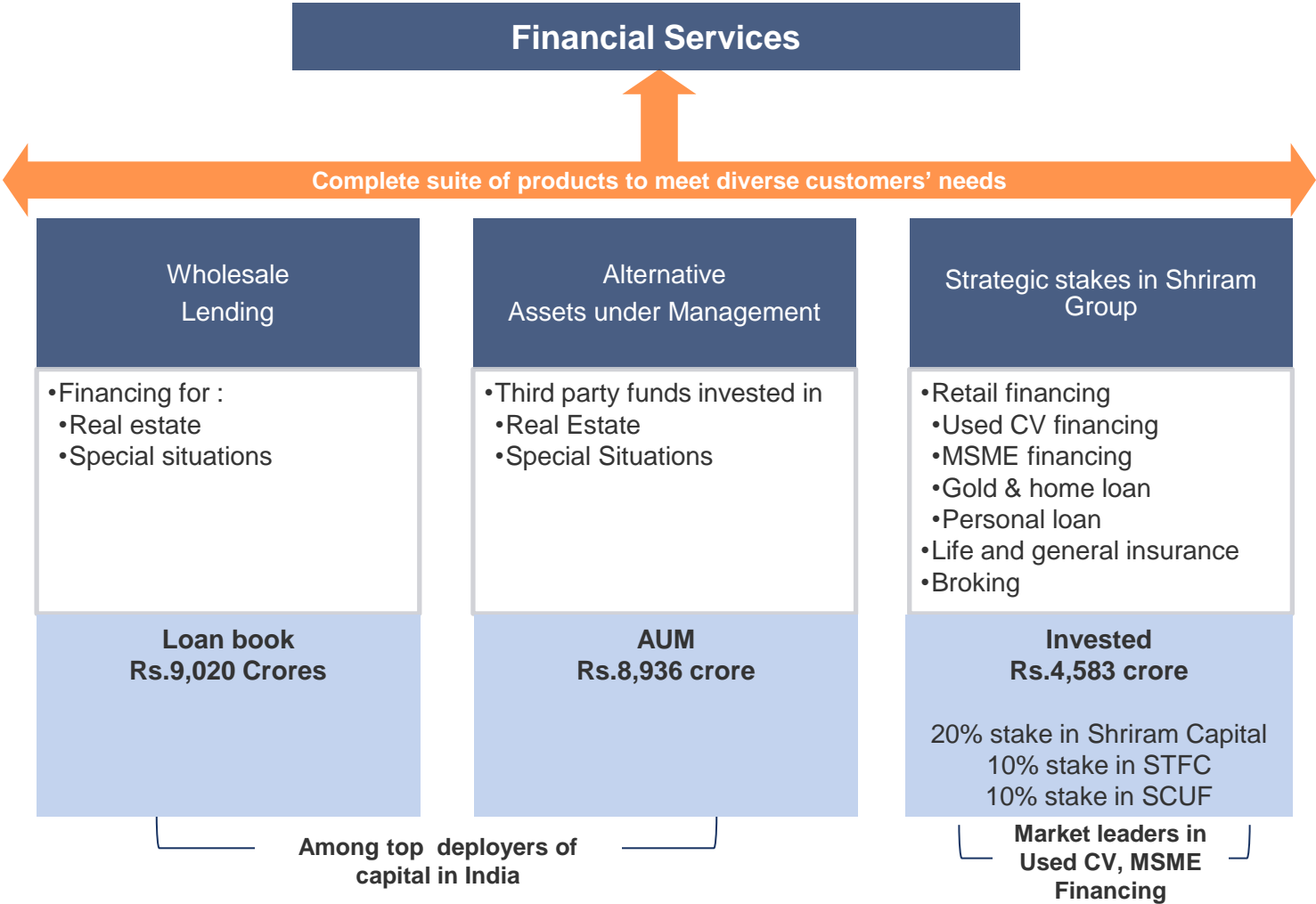
## Financial Services Income Trend

Rapidly Growing Income from  
Financial Services Business  
[in INR crores]



- Fee Income
- Interest Income
- Dividend Income - Shriram
- Associate Income - Shriram
- Investment Income

# Financial Services : Diversified exposure across segments



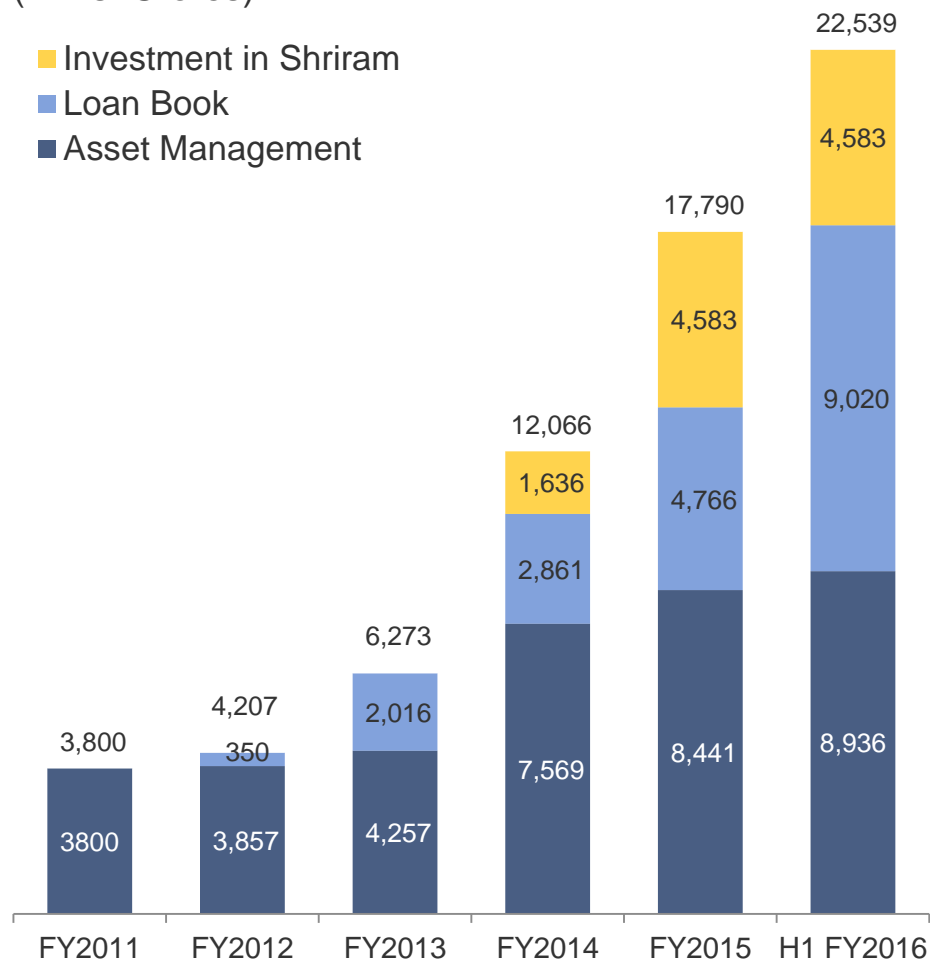
**Strong portfolio with a total investments, loans and assets under management of Rs.22,539 Crores**

# Financial Services : Built a robust and scalable financial services platform

## Built a solid financial services portfolio<sup>1</sup>

(in Rs. Crores)

- Investment in Shriram
- Loan Book
- Asset Management



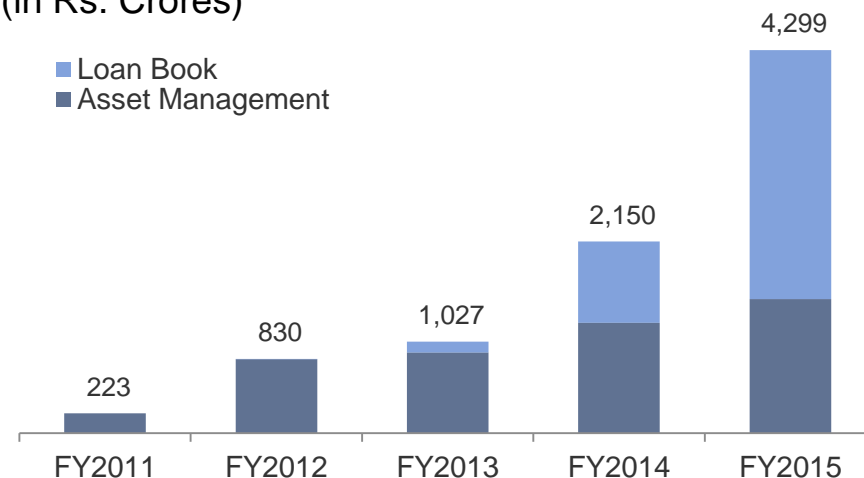
Notes:

1. Excludes our investment in Vodafone India, which was exited during FY2015
2. Exits from Asset Management business have been included on calendar year basis

## Strong trend of cumulative exits / repayments<sup>1, 2</sup>

(in Rs. Crores)

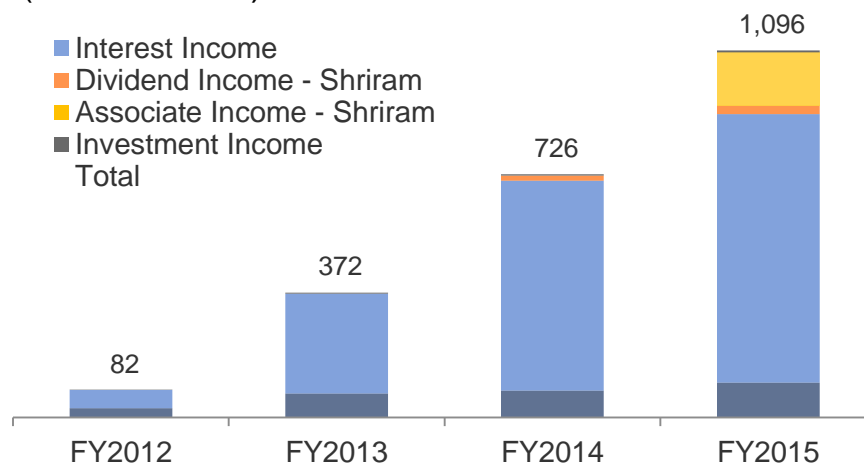
- Loan Book
- Asset Management



## Rapidly growing income from FS business

(in Rs. Crores)

- Interest Income
- Dividend Income - Shriram
- Associate Income - Shriram
- Investment Income
- Total



# Wholesale Lending : Growing exponentially

**Total Loan Book of Rs.9,020 Crores as on 30 Sept 2015 vs. Rs.3,602 Crores, as on 30 Sept 2014**

- Increase in Loan Book by Rs.4,254 Crores in last 6 months - Book almost doubled over March end size
- Robust asset quality with negligible NPAs

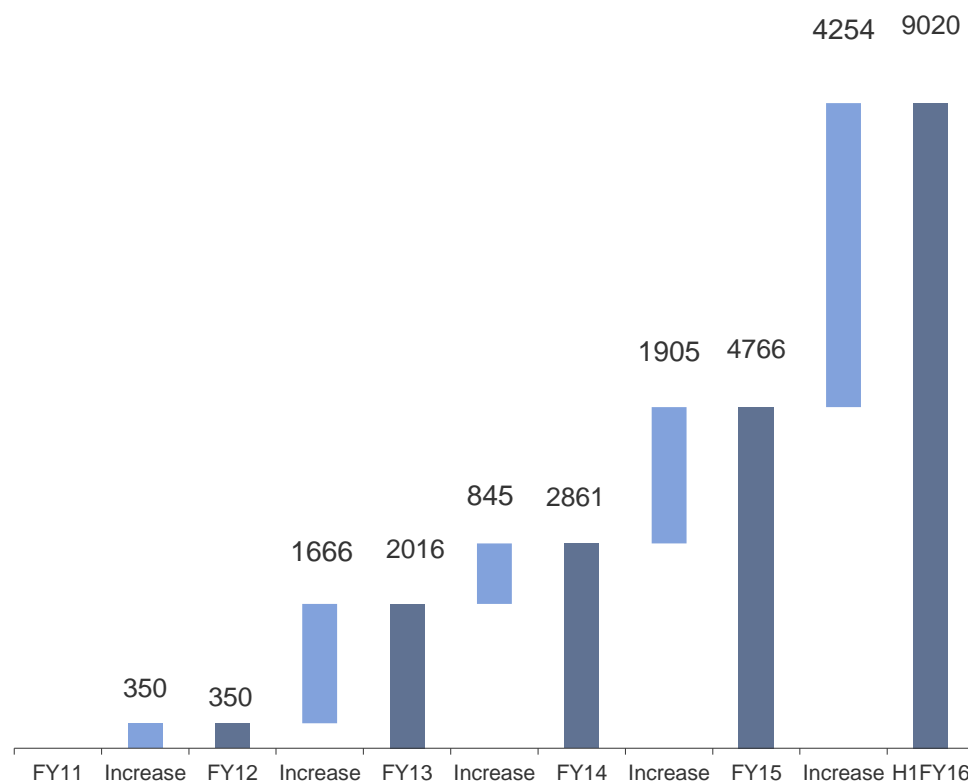
## Real Estate :

- 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 – 27% of real estate loan book
- Strategic alliance with CPPIB for structured financing for residential real estate projects

## Special Situation :

- Healthy security and cash cover of 1.5x - 2x
- Minimum construction/execution risk
- Strategic alliance with APG for mezzanine investments in infrastructure

**Trend showing significant scaling up of loan book<sup>1</sup>**  
(In Rs. Crores)



Note:

1. Excludes our investment in Vodafone India, which was exited during FY2015

# Alternative Asset Management : Special situations also started earning fee income now

**Total gross Assets under Management grew to Rs.8,936 Crores**

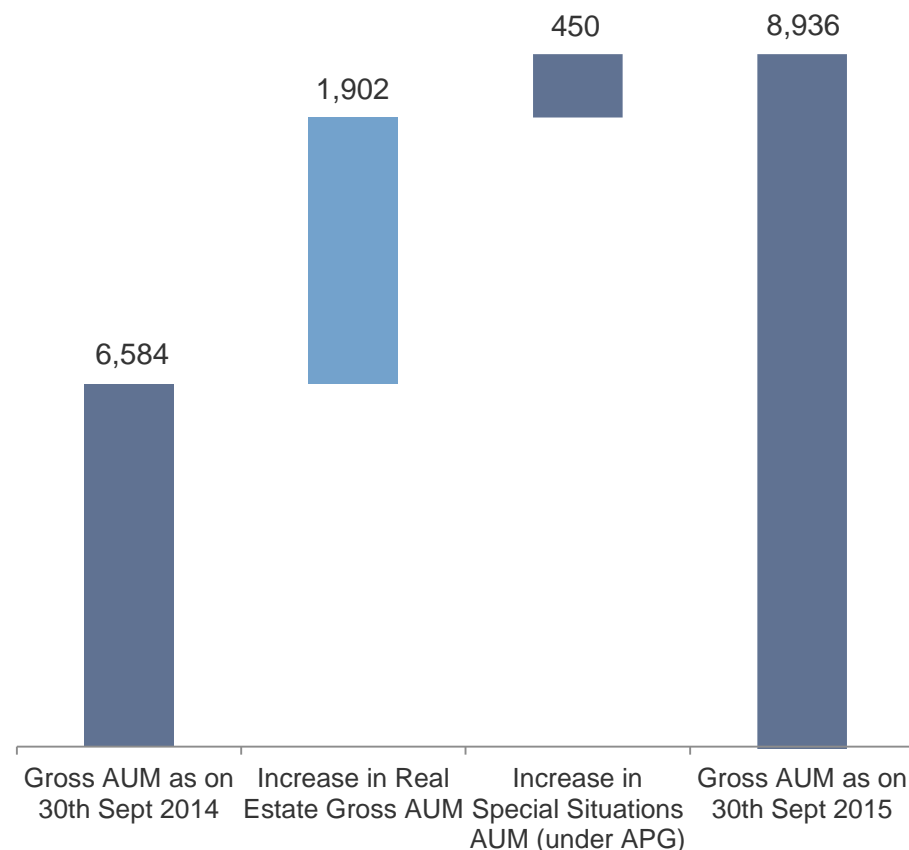
## Real Estate :

- Real Estate gross funds under management of Rs.8,486 Crores as on Sept 30, 2015
- Invested in 57 projects across 6 cities with 23 leading developers
- Exited more than 91% of corpus in vintage funds
  - Expecting to reach 100% in next few months
- Recognized as the '**Best Overall Investment Manager (India)**' by Euromoney in its 11<sup>th</sup> Annual Real Estate Survey 2015
- Strong sponsor commitment of 7.5%

## Special Situations :

- Rs.450 Crores funded by APG Asset Management, under our alliance with them
  - PEL will earn Management Fees and Carry Interest on this portion

**Growing Alternative Asset Management business (Rs. Crores)**



# Financial Services : Robust transaction selection process and review mechanism

## Composition of investment committees under Financial Services segment

Investment Committee for Real Estate Lending	Investment Committee for RE Asset Management	Investment & Advisory Committees for Special Situation transactions
<ul style="list-style-type: none"> <li>Executive Director</li> <li>Independent Director</li> <li>External Experts</li> <li>Business CEO</li> <li>Management Members</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director</li> <li>External Experts</li> <li>Business CEO</li> </ul>	<ul style="list-style-type: none"> <li>Executive Directors</li> <li>Independent Directors</li> <li>External Expert</li> <li>Business Heads</li> <li>Management Members</li> </ul>

## Rigorous investment selection process



## Investment committees also includes Independent Directors and External Experts

<b>Niraj Bhukhanwala</b>	<ul style="list-style-type: none"> <li>Worked with Mckinsey &amp; Company and Intel; MBA from INSEAD, France</li> </ul>
<b>Ashish Dalal</b>	<ul style="list-style-type: none"> <li>Has been partner with PWC; Practicing in Mergers, Acquisitions, &amp; Valuations</li> </ul>
<b>Shitin Desai</b>	<ul style="list-style-type: none"> <li>Ex. Vice Chairman of DSP Merrill Lynch; Member of SEBI and RBI Committees</li> </ul>
<b>Harish Engineer</b>	<ul style="list-style-type: none"> <li>Former ED &amp; Head–Wholesale Banking, HDFC Bank; Worked for 26 years in Bank of America</li> </ul>
<b>Rajesh Khanna</b>	<ul style="list-style-type: none"> <li>Founder &amp; CEO of Arka Capital Advisors; Former Managing Director of Warburg Pincus</li> </ul>
<b>Suhail Nathani</b>	<ul style="list-style-type: none"> <li>Among panel of lawyers for SEBI, CCI and WTO Panel for the Government of India</li> </ul>
<b>Deepak M. Satwalekar</b>	<ul style="list-style-type: none"> <li>Former MD &amp; CEO, HDFC Standard Life; Has been consultant to the World Bank and ADB</li> </ul>
<b>Bharat D. Shah</b>	<ul style="list-style-type: none"> <li>Chairman, HDFC Securities ; Advisor HDFC Bank</li> </ul>
<b>R A Shah</b>	<ul style="list-style-type: none"> <li>Solicitor and senior partner at M/s Crawford Bayley &amp; Co</li> </ul>
<b>Tara Subramaniam</b>	<ul style="list-style-type: none"> <li>Director - Sun Group; Past experience in HDFC Limited.</li> </ul>
<b>N. Vaghul</b>	<ul style="list-style-type: none"> <li>Former Chairman, ICICI Bank</li> </ul>

# Real Estate Financing : Robust asset quality is no.1 priority for us

## Diligence before transaction

- Developer selection – >70% portfolio with grade ‘A’ developers
- Location and project selection - Mostly in Tier-1 cities in select projects having intrinsic end-user demand
- Ability to mine primary data from existing portfolio to make more informed decisions about product, price and sales mix

## Post-transaction monitoring

- Local teams based out of 6 cities to constantly access the performance of the project
- Significant time spent for post-disbursement monitoring by both investment and asset management teams to detect and react to early warning signals
- Established a dedicated asset management team of financial and techno-commercial people across cities to further enhance focus on asset quality

## Care during transaction

- Unique structuring of each transaction to address specific risks with ability to enforce security in event of default
- Strong financial, legal and business diligence.
- Independent legal and risk teams critically looking at transaction
- Independent Directors & External Experts in investment committees
- Large reputed partners like CPPIB re-assuring the investment thesis

## Healthy Security, Balanced Portfolio

- Healthy security and cash cover of 1.5x-2x based on conservative underwriting assumptions
- Piramal group has a history of strong project development capabilities - can take over, complete, sell project, if required
- De-risking portfolio by changing mix towards construction finance & senior debt vis a vis equity / mezzanine structures

**All accruals realized till last quarter. Superior asset quality with negligible NPAs**

# Partnership with Shriram – Strategic in nature



**US\$ 16 bn** Assets under management in financial services

**US\$ 4.8 bn** Market capitalization of listed entities<sup>1</sup>

**3,000+** Number of branches

**76,000+** Manpower strength

**10.5 mn** Customers

**#1** Industry rank in used CV and MSME financing

## Mr. R. Thyagarajan, Founder of Shriram Group on Piramal's investment deal

*Ajay Piramal is a good entrepreneur and we are organization builders. The equity investment by Piramal in Shriram creates a platform where both these skills get combined. So the entrepreneurial skills of Piramal Group will certainly help in introducing new ideas into the way we are doing business at Shriram Group.....and now with Piramal on board, we can look forward to better entrepreneurial thoughts that can enable the business to do things differently and at a different pace.*

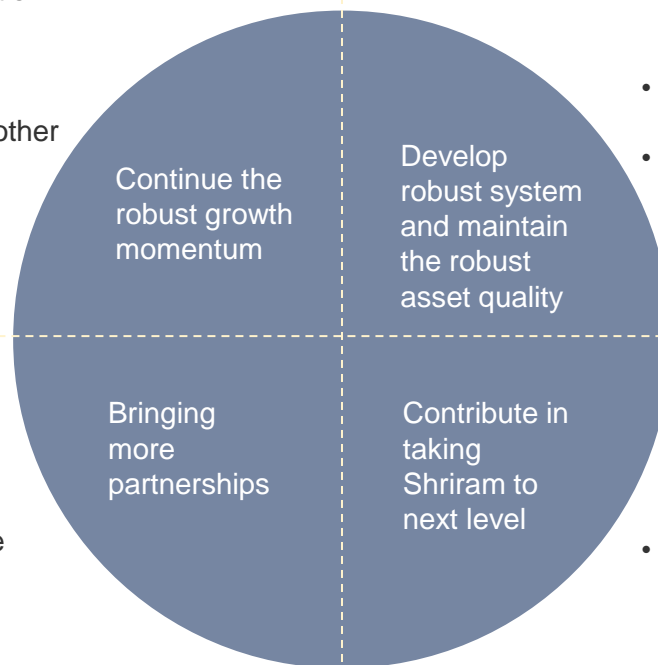
Note:

1. Includes Shriram Transport Finance and Shriram City Union Finance

Source: Livemint, 17 April, 2014

# Financial Services Strategy : On track to create one of the largest well-diversified Financial Services businesses of India

- Loan book grew by 89% during last 6 months. AUM reached to Rs.8,936 Crores
- Potential of this business to grow in future through reaching optimum leverage level
- Real Estate financing entered into construction finance
- Special Situations decided to execute transactions in sectors other than infra
- Special Situations continuously evaluating other models of transactions to grow faster



- Growth to not happen at the cost of quality - Series of measures taken for ensuring robust asset quality
- Robust ALM framework in place
- Automatisation of systems and processes in progress along with proprietary book risk and rating system
- Developing and strengthening teams to handle the potential scale of this business
- Consistently monitor and react to early warning signals to ensure remedial measures

- Partners like CPPIB and APG reflects the robustness of our business model
- Multiple partners in Real Estate AUM business
- Partnerships to generate more fee income and improve ROEs
- Will explore down selling opportunities to improve future ROEs

- Mr. Piramal became chairman of Shriram Capital in Nov 2014
  - Focused on developing long term strategy for the group
  - Hired external consultant to assist in developing strategy

Inorganic opportunities could also become the key drivers of growth in future



# Information Management



# Information Management : Provider of healthcare data, analytics and insights



- Proprietary research and data solutions enables customers to make informed investment and cost containment decisions
- Indispensable, web and mobile enabled workflow tools supporting value based communication and decision making
- Most branded product line has #1 market share in its respective niche

Serves major Developed and Emerging Markets	>75% subscription based revenue
CY2014 Revenue - \$164 Mn	Capabilities across customer's product life cycle
Headquartered in Burlington, US	14 office locations globally
800+ employees globally	95.5% customer retention during CY2015 till date

Over 90% of the Company's revenue is derived from proprietary developed content



# Information Management : Business with high revenue visibility growing through both organic and inorganic initiatives

## Key differentiators :

- Among gold standard service providers of healthcare analytics and insights
- Most branded products has #1 market share in its respective niche

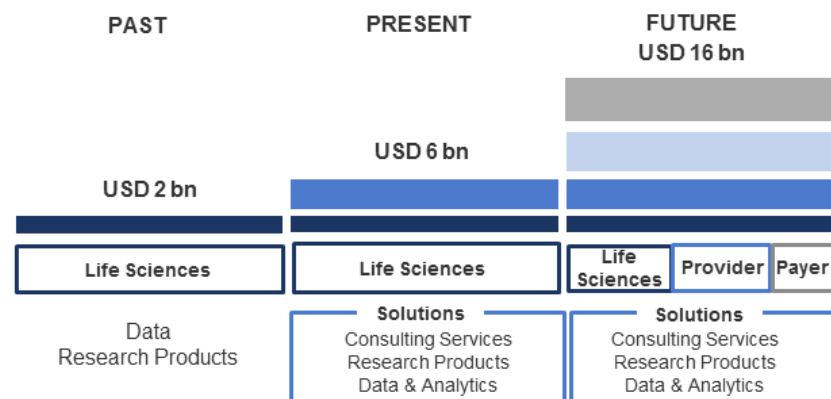
## Diverse customer base with high revenue visibility

- Serves nearly all top 50 pharma companies. A large number of these companies are clients for over 10 years
- Over 90% of the Company's revenue is derived from proprietary developed content
- Continued high revenue visibility – 95.5% retention rate during CY2015 till date, while continuing to add new customers
- US-based business with >75% of revenues are subscription based

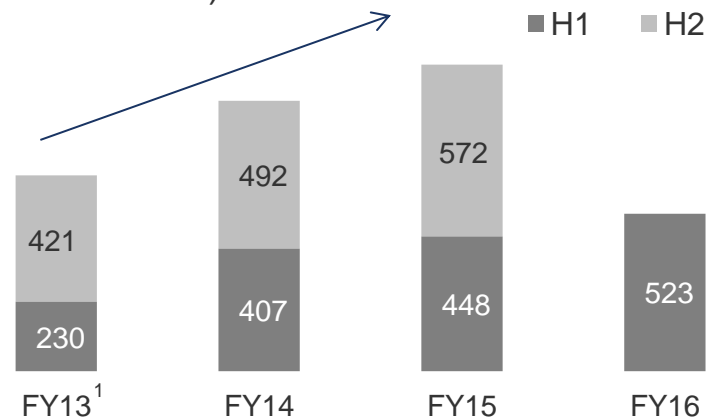
## Growing through internal initiatives and M&As

- Expanding into New End Markets, Products and Geographies
- Carried out few value accretive M&As to boost future growth
- DRG India office on target with 100+ positions on boarded – to improve margins further

## Expanding into New Markets and Products



## Strong revenue performance (In Rs. Crores)



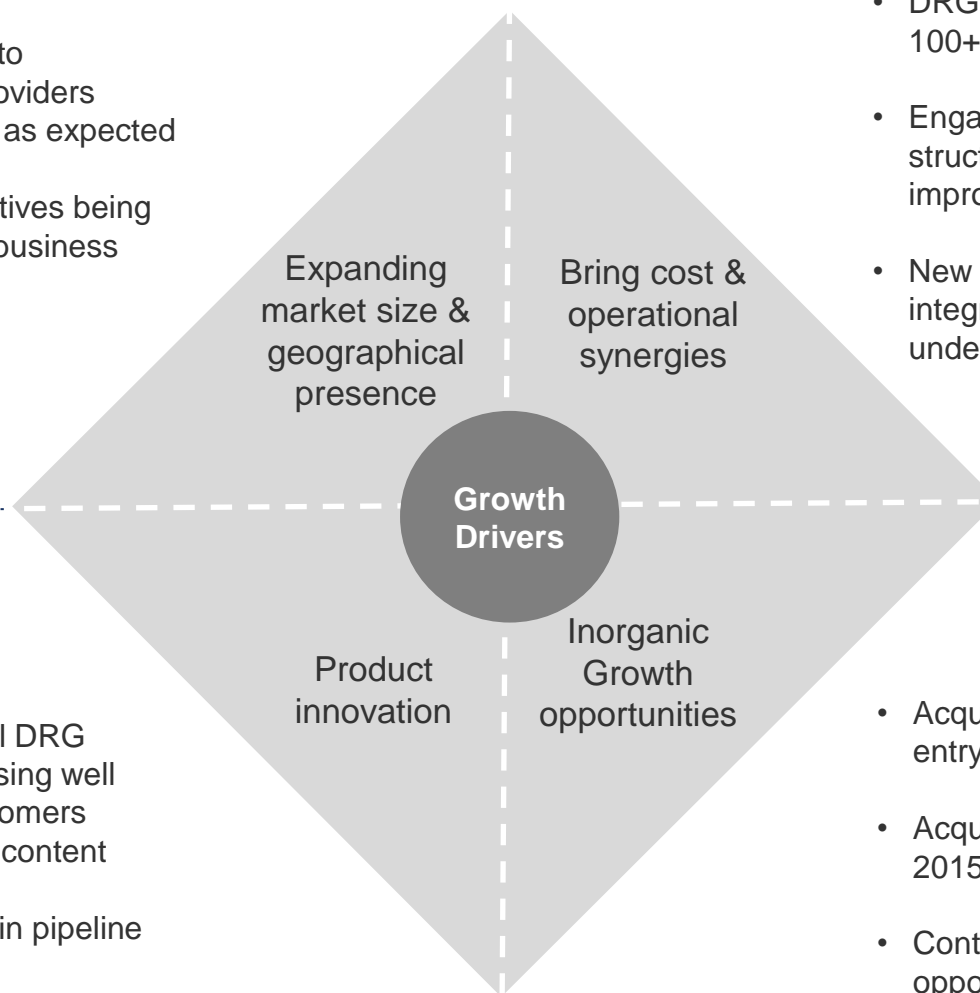
Note:

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

# Information Management's growth initiatives : Targeting multiple ways to enhance growth and profitability margins

- HBI acquisition enables us to accelerate our entry into providers market - HBI is performing as expected
- Organic and inorganic initiatives being carried out to bring payors business into pipeline

- DRG India office on target with 100+ positions on boarded
- Engaged Big 4 to review cost structure and identify margin improvement opportunities
- New team progressing well on integrating products and services under one brand



- New delivery platform for all DRG research reports is progressing well and will transform how customers access and consume DRG content
- Multiple new product ideas in pipeline

- Acquired HBI in May 2015 to accelerate entry into the Provider market
- Acquired Activate Networks in February 2015 - business integration completed
- Continue to look at attractive inorganic opportunities to enhance capabilities / expand geographically

# Summary : Thinking Ahead. Creating value. Consistently

- Created robust business portfolio through successful growth strategy and efficient capital allocation
- Leadership positioning across businesses with significant market potential to grow in future
- Strong operating performance across businesses driving profitability turnaround
  - Financial Services growing exponentially with significant balance sheet potential for future growth
  - Healthcare and Information Management businesses growing both organically and inorganically
- High standard of corporate governance and robust review mechanism differentiates us from others
- Our robust business model, high adherence to ethical standards and trust factor, placing us among most preferred partners in India
- On track towards implementing well-defined strategy across businesses



**Consistently creating long term value for our shareholders**



# Appendix

# Pharma Solutions: Our unique positioning

## Business structure – Key highlights

- Well positioned to address customers' needs across drug lifecycle  
— Among few CDMOs offering services in both early & late phase
- Assets located in both East & West - Facilities in NA, EU & Asia
- Offer differentiated services such as ADC

## Tier 1 positioning

- Among top 10 CDMOs in the world
- World's leader in manufacturing of ADCs

## Growing organically & inorganically

- Commenced operations at the newly expanded capacity under Discovery Services business.
- Completed the capacity expansion at Grangemouth for ADC
- Coldstream already has its order book running full  
— Commenced investments in capability and capacity expansion

## Quality

- Rated among best global CDMO in quality, reliability & regulatory  
— 2 years in a row
- Most of the sites approved by FDA. Regularly clears FDA audits  
— Pithampur cleared 3rd USFDA audit in less than a year

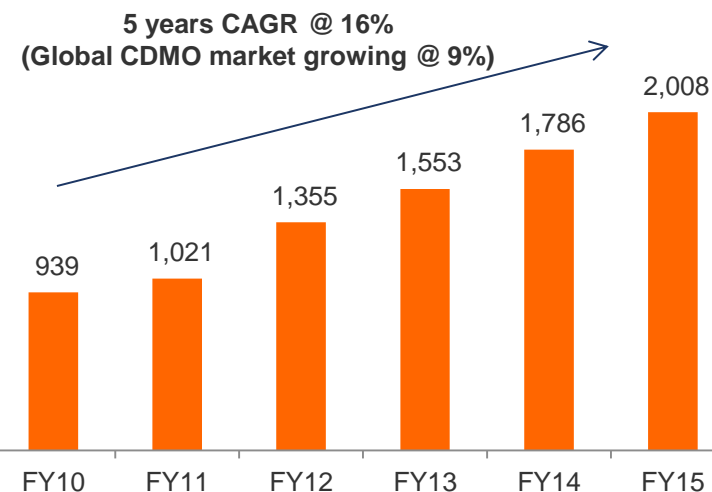
## Customers as partners

- Serving 5 of top 7 global pharma firms for past 2 decades
- Long term partnerships with several of the leading mid-size, small, virtual pharma firms in the West and in Japan

## Coldstream Laboratories, Kentucky



## Strong revenue performance (in Rs. crores)

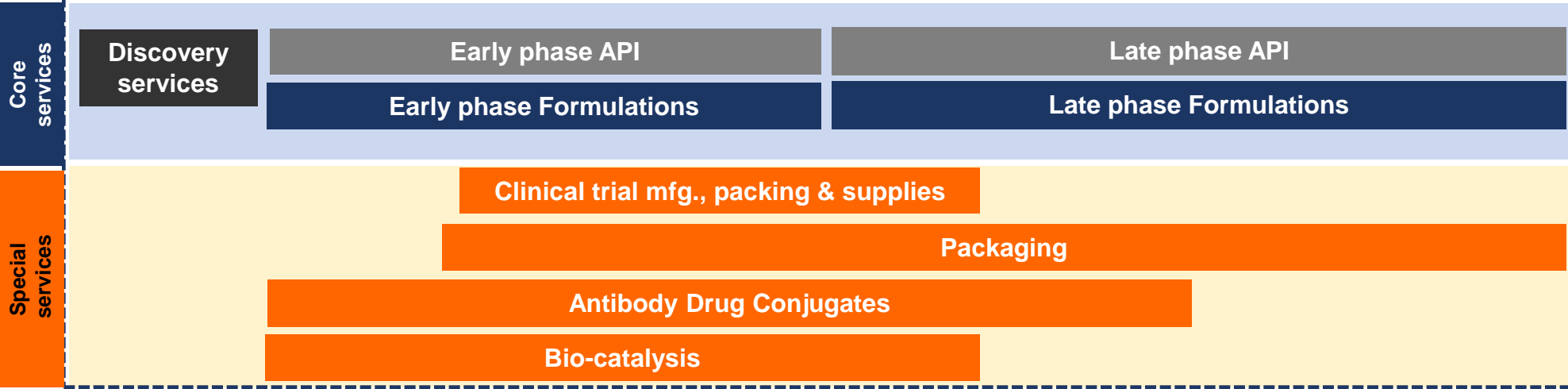


Source: UN Conference on Trade and Development, CMO leadership awards 2013 by Nice Insight World ADC awards, San Diego in October 2014

# Pharma Solutions: End-to-end service provider



<b>Medicinal &amp; Synthetic chemistry services –</b> India - Ahmedabad	<b>API</b> Canada - Aurora UK – Morpeth India – Ennore	<b>Formulations</b> UK – Morpeth India – Ahmedabad, Mumbai US – Kentucky	<b>API</b> Canada - Aurora (niche APIs only) UK - Morpeth India - Digwal, Ennore	<b>Formulations</b> UK - Morpeth India – Pithampur US - Kentucky



# Pharma Solutions : Entry into Sterile Injectable Space

- Coldstream Laboratories, a U.S. based CDMO acquired in January 2015 for ~USD 30 Millions
- Focused on development & manufacturing of sterile injectables
  - Offers clinical trial to commercial-scale manufacturing of sterile liquid and injectables
  - Capabilities include handling of high potency & cytotoxic compounds including ADCs
- Sterile injectable is one of the fastest growing segments within formulations manufacturing
- Significant synergies with existing business expected by uniting the strengths, competencies, expertise and portfolios
- Will expand our offerings, reach & access to new customers

## Acquisition playing out well

- Significant traction at Coldstream site, post our acquisition.
  - Site already has its order book running full
  - Commenced investing in capability & capacity expansion

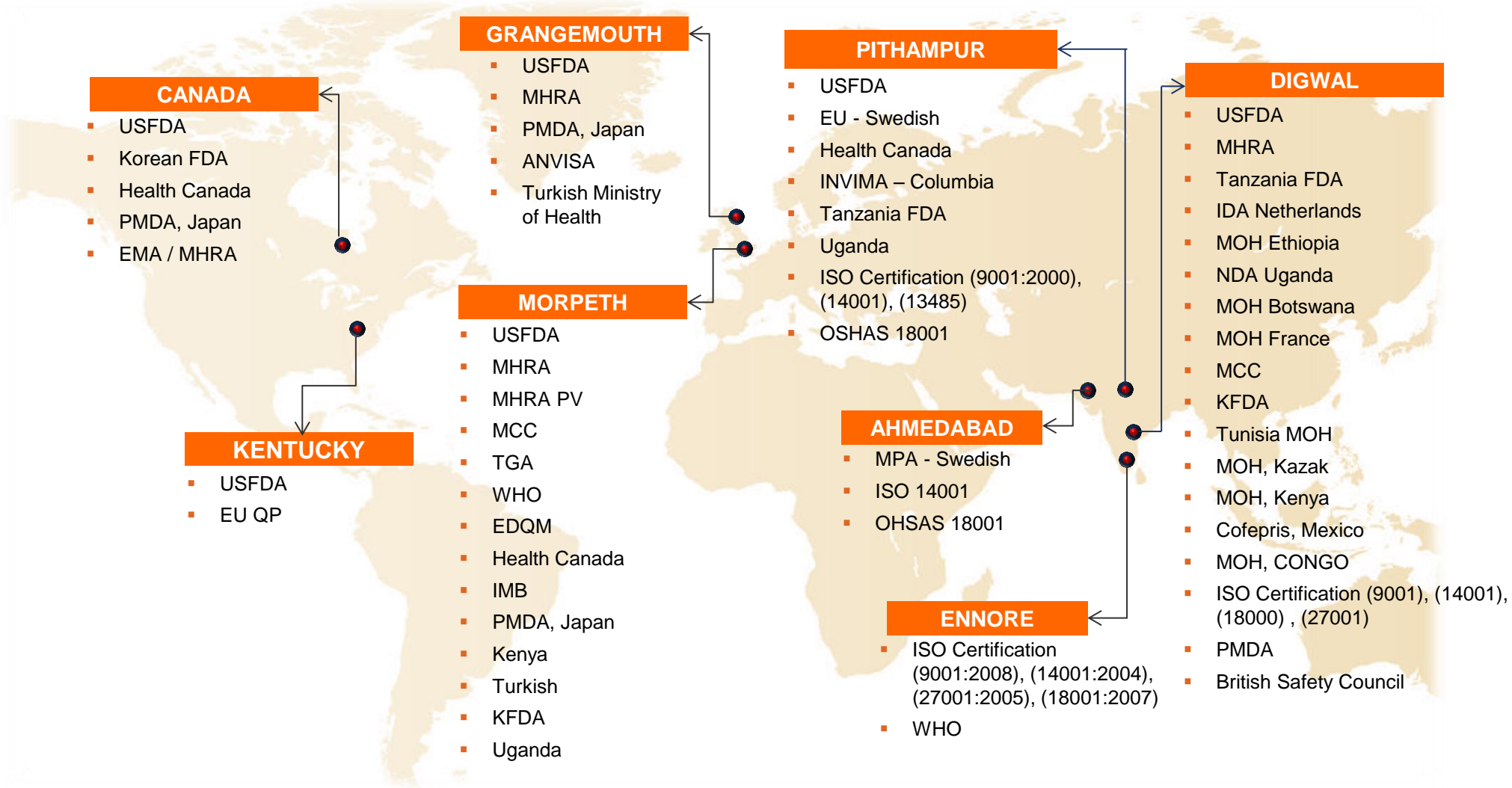


**View of Coldstream Laboratories facility**

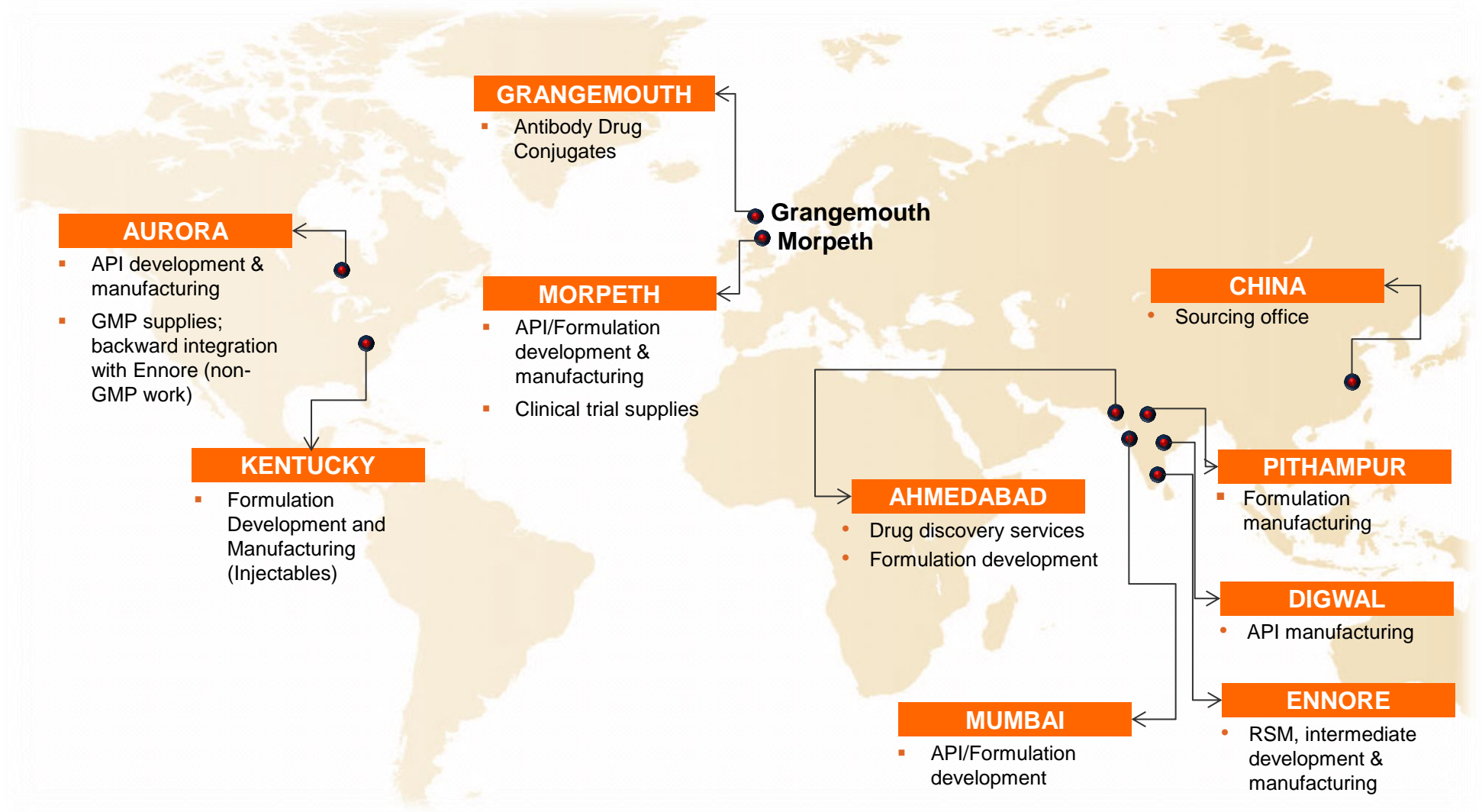


**Coldstream Laboratories specializes in development & manufacture of cytotoxic & potent compounds**

# Pharma Solutions - Quality Management Systems - Site Approvals



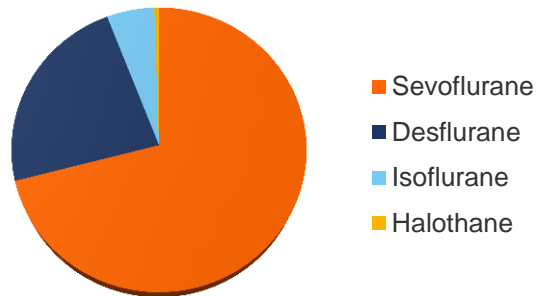
# Pharma Solutions: Strong global footprint



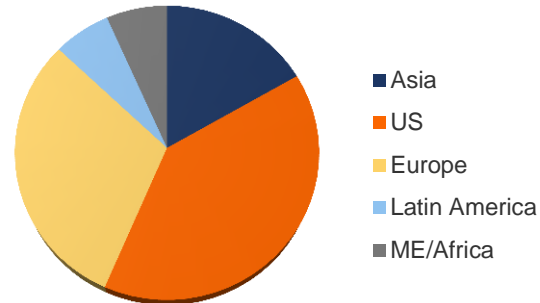
# Critical Care : Significant positioning in global inhalation anaesthetic market

2014 global inhalation anaesthesia market – ~USD 1.2 billion

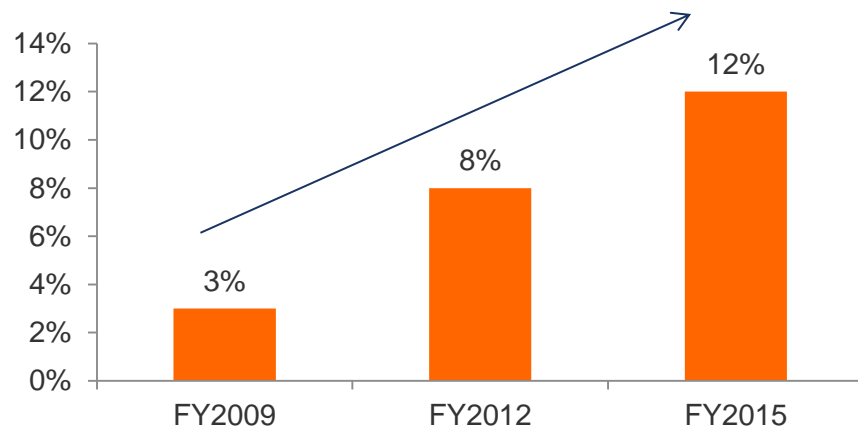
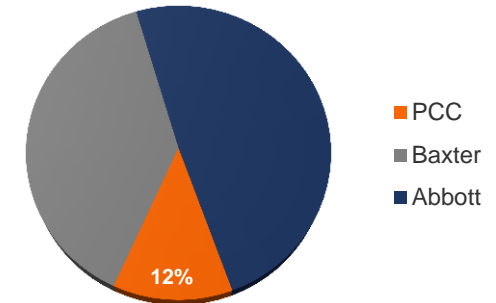
Product-wise



Geography-wise



Player-wise



## Key business highlights<sup>1</sup>

- 6 million surgeries globally
- 1 in 5 surgeries in USA and India
- Over 50% market share in Emerging Markets
- Market Share reached 51% in Japan in March 2015
- Maintaining our cost leadership

**PEL rapidly gaining share in the global inhalation anaesthetic market**

Source : Internal estimates, secondary market research

Notes:

1. Through direct and partner presence

# Critical Care : Complete Inhalation Anaesthetic Portfolio

## Only company with entire portfolio of Inhalation Anaesthesia

	AbbVie <sup>1</sup>	Baxter <sup>1</sup>	Piramal
Desflurane		✓	✓
Sevoflurane	✓	✓	✓
Isoflurane	✓	✓	✓
Halothane			✓

## PEL's Performance

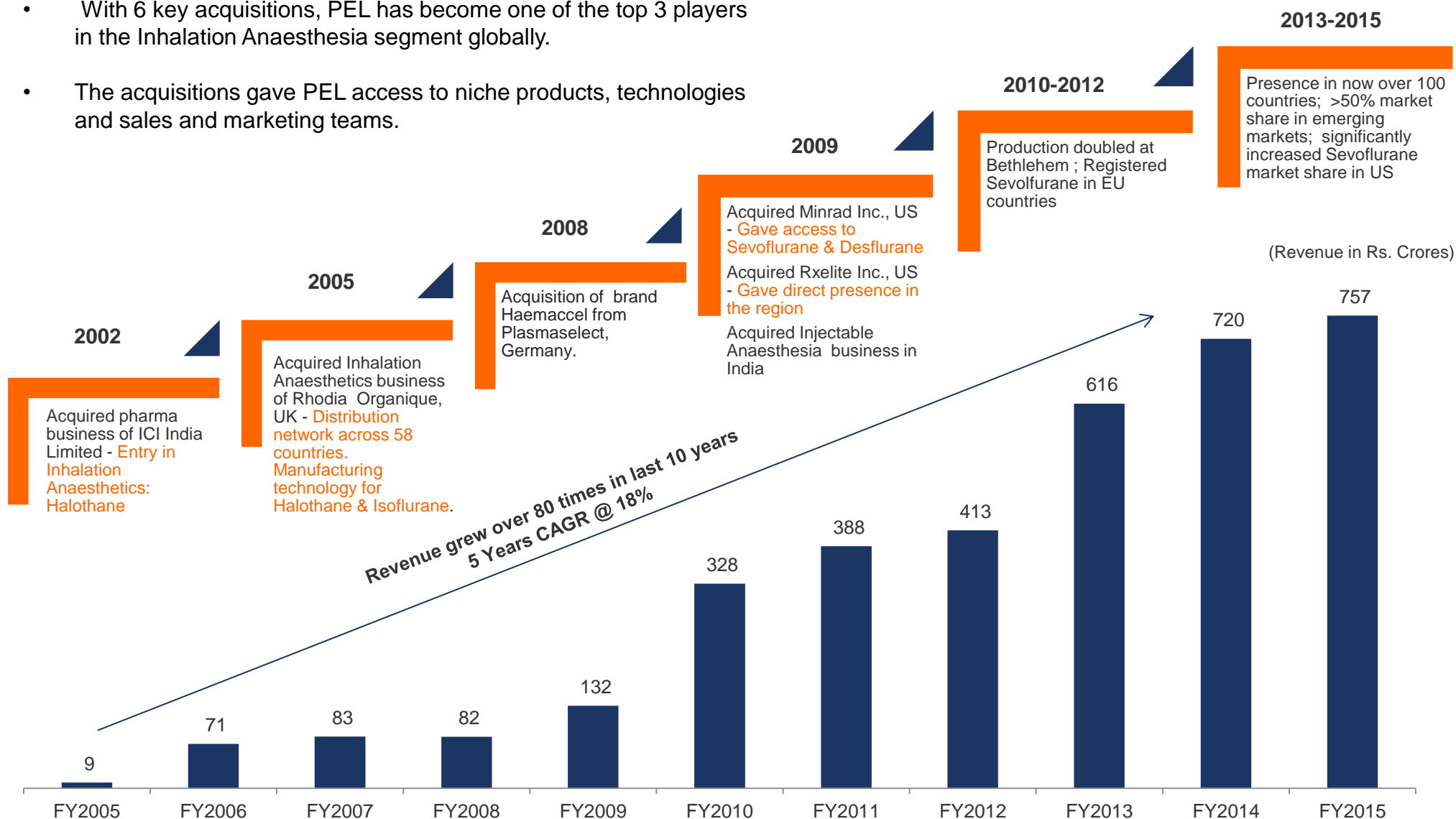
	2006	2014	2017
Desflurane			✓
Sevoflurane		✓	✓
Isoflurane	✓	✓	✓
Halothane	✓	✓	✓

Note:

1. Only Inhalation Anaesthesia products of AbbVie and Baxter have been compared

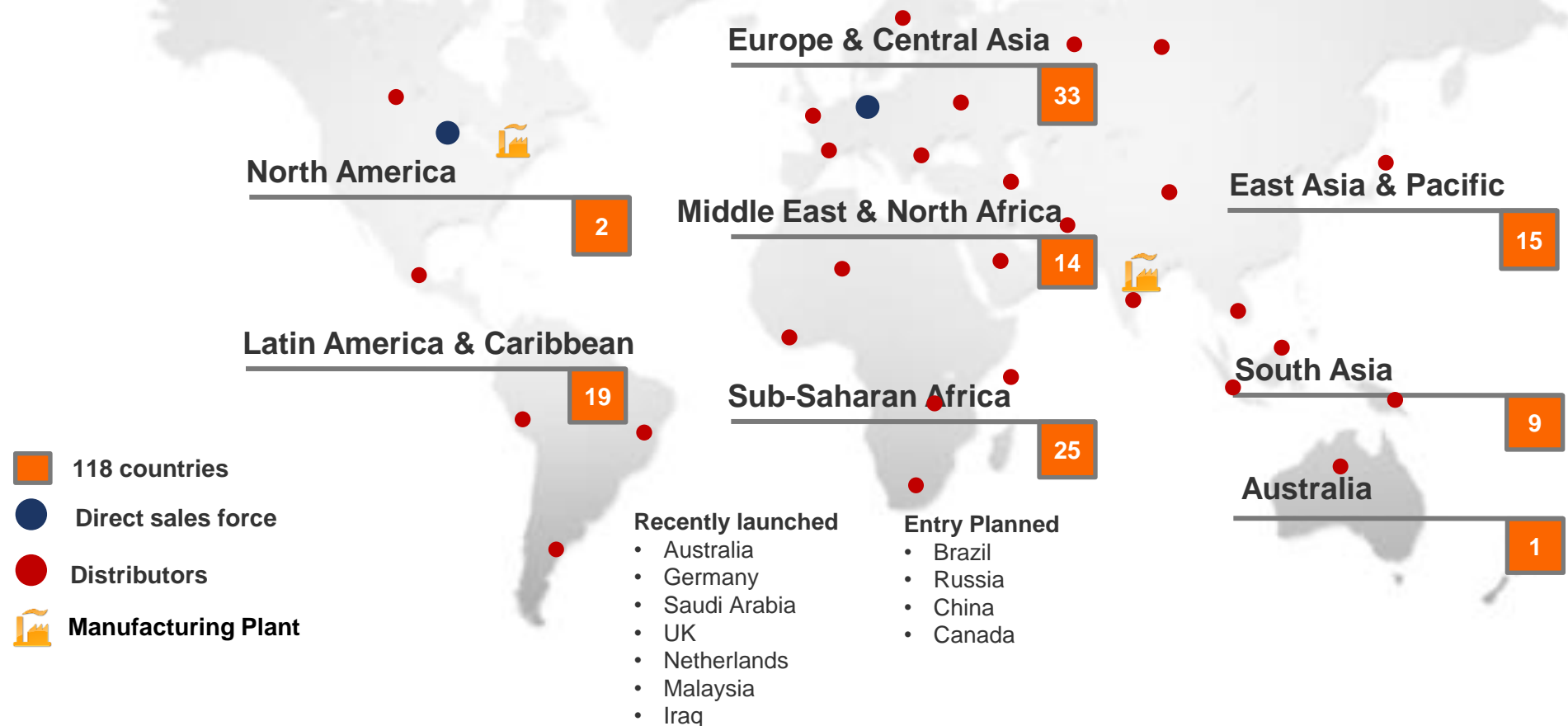
# Critical Care: Successful growth strategy

- With 6 key acquisitions, PEL has become one of the top 3 players in the Inhalation Anaesthesia segment globally.
- The acquisitions gave PEL access to niche products, technologies and sales and marketing teams.



# Critical Care: Unparalleled global footprint

- Presence in more than 100 countries
- A global workforce with ~75% staff located outside India
- Manufacturing facilities in the US and India to meet market requirements
- Serving over 6,000 hospitals world over through direct sales force (US & EU) and marketing partners



# Consumer Products: Brands in leadership position



Value Offtake

Saridon

Rs.131 Crore

Lacto

Rs.46 Crore

i-pill

Rs.50 Crore

- **Saridon** – Largest brand in oral analgesic segment by value and volume share
  - Recognized as “Super Brand” in the list of top 100 brands
- **i-pill** – Second largest brand in emergency contraceptive segment.
- **Caladryl** – Largest brand in the anti-itch drug segment has doubled its distribution in <1 year

- **Polycrol** – Largest anti-acid brand in Eastern India
- **Lacto** – No. 1 brand among the calamine skin lotions
- **Tetmosol** – Largest brand in medicated soap categories for scabies
- **Jungle Magic** - Among the leading perfumery brands for kids
- **Quikkool** - a respected brand in Mouth Ulcer category in <1 year

- Acquired **Little's** - an offering for babies in the 0-4 age group
- Allergan India, a 51:49 joint venture between Allergan USA and PEL, continues to remain India leader in ophthalmology
- Focused on launching innovative products to enhance well-being among children e.g.: Mosquito Banditz & Tattoz

**PEL has strong brand portfolio: Most brands are among the top two in their respective representative market**

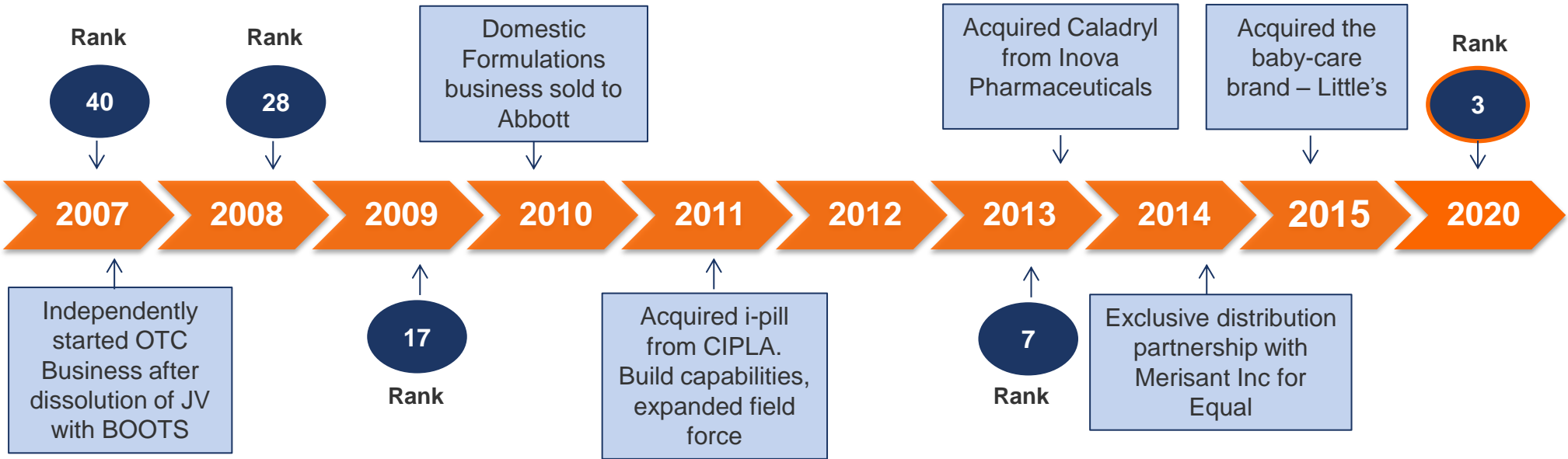
Source : Independent syndicated research providers

# Consumer Products : Acquired baby-care brand - Little's : To leverage on our strong distribution network

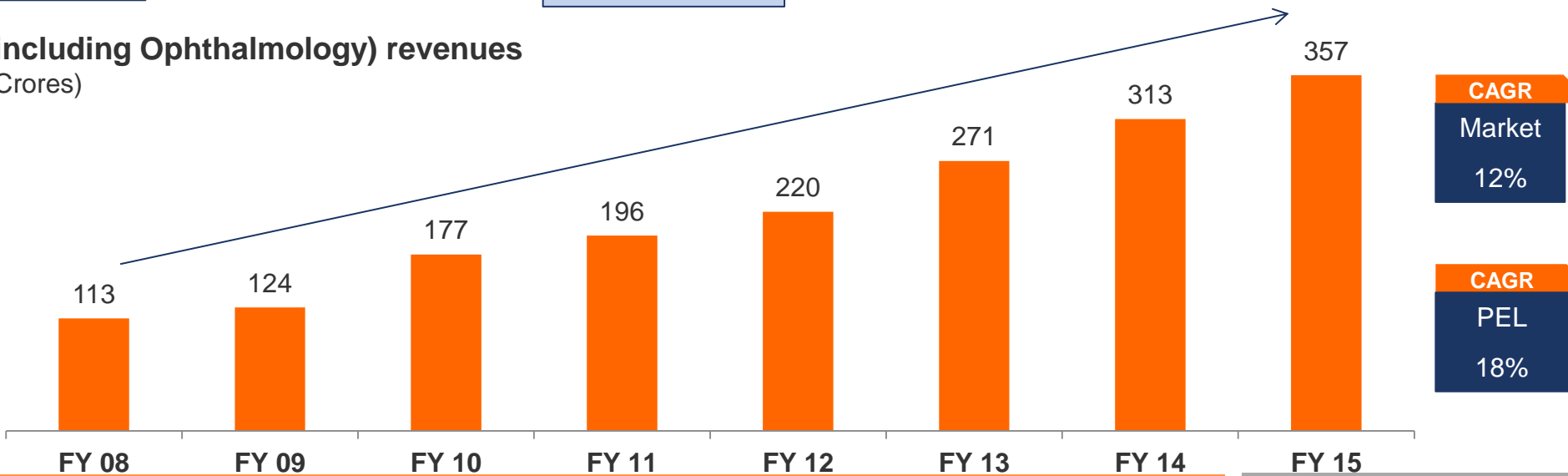
- Acquired the baby-care brand “Little’s” in Nov 2015,
  - includes the entire product range across six categories.
- Little’s is present across a wide range of products including - baby feeding bottles, baby skin-care, baby grooming accessories, baby apparels and baby toys for babies in the age group of 0-4 years.
- The brand is currently available across 25,000 outlets in India and has been growing at a CAGR of 30% over the past few years.
- According to an independent research firm - KEN research, the brand operates in the INR 1,000 Crores non-food baby-care category, which is growing at 13%.
- The brand will leverage on our India-wide strong distribution network.



# Consumer Products: Growing faster than market



**OTC (including Ophthalmology) revenues**  
(in Rs. Crores)



# Consumer Products: What differentiates us?

*A portfolio of strong #1 or #2 brands in their respective categories that make PEL a significant player for retailers*

## Portfolio of Strong Brands

**2.3 lacs outlets**  
served directly

- Growth via both inorganic and organic route
  - Acquired and grown i-pill & caladryl
  - Acquired Baby-Care brand – Little's
  - Introduced QuikKool in adult mouth care
  - Commercialized our exclusive S&D partnership for Equal, world's largest aspartame based sweetener brand



- PEL has a direct total distribution reach of 2.3 lakh outlets
- Around 1.4 lakhs chemist stores are directly covered by PEL sales force
- +481 towns with population over 1 Lac
- Field force of 800+ people, one of the strongest in the industry

**+481 towns**  
with population over 1 Lac

**1.4 lacs chemist stores**  
served directly

- PEL has tie ups with the best third party manufacturers
- Third party manufacturing help in maintaining low costs

# Healthcare : What is differentiating us from other industry players?

## 1 Unparalleled Presence

- Critical Care-Presence in over 100 countries
- CDMO facilities in both East and West – among few fully integrated CDMOs globally
- OTC presence in 481+ towns in India

## 2 Focused Capital Allocation

- Sold / discontinued businesses like India NCE Research, Diagnostic Solutions etc.:
  - Required investments for a longer time horizon, involving higher risk, or
  - Non-strategic / non-core in nature

## 3 Performance Track Record

- Critical Care grew @ 18% in last 5 years
- Pharma solutions and OTC growing faster than their respective markets

## 4 'End to End' Coverage

- Only player with complete inhalation Anaesthetics portfolio
- Provide contract manufacturing services across drug lifecycle
- Widest OTC products basket catering to routine disruptions

## 5 Significant Market Potential

- Presence in :
  - \$1.2 billion three-player market in Inhalation Anaesthesia
  - Growing \$131 billion CDMO market
  - Fast growing Indian OTC market of \$2.5 billion

## 6 Trusted Partners

- CDMO serves 5 of top 7 global pharma companies
- Critical Care serving over 6,000 hospitals all over the world
- OTC has direct distribution reach of 2.3 lakh+ outlets

## 7 Strong Visible Growth

- CDMO growing organically & inorganically
- Critical care continue to increase market share, improve cost leadership and service
- Consumer Products - Launching new brands and improving product availability
- Imaging well positioned to be market leader

# Real estate Financial Services : What we do and how we do it well?

## What we do

## Why are we well positioned



Use own capital +  
3rd party perpetual  
capital...



...Which is deployed  
and managed by  
'one team'...



...In most attractive  
opportunities in real  
estate...



...To provide healthy  
returns to capital  
providers

### Structural Advantages

- **Deep expertise** across real estate development & financing
- **'One team' approach** - Offering financing solutions across private equity, structured debt, senior lending & construction finance
- **Product offerings through-the-market-cycle**

### Established track record

- Loan Book – 77 investments made till FY15
- AUM - 8 funds/JVs , 3 third-party mandates & 1 managed a/c
  - Invested in 57 projects in 6 cities with 23 leading developers
  - Exited 26 investments till FY15 returning Rs.1,736 crore

### Capital

- Marquee relationships with onshore UHNIs and overseas LPs
- Harvest deals using own capital
- Strong sponsor commitment of 7.5% under Alternative Asset Management

### Robust Internal Systems

- **Locally based teams** across 5 cities
- **Self-development arm** realize value from distressed investments
- Quick **turnaround time**

**Returns : 15% to 25% over investment period of 3 to 5 years**  
**Healthy exit track record**

# Special Situation Investments : What we do and how we do it well?

## Market conditions giving rise to special situation opportunities

Traditional capital providers in stress

Lack of equity capital to fund growth

Promoter's desire to retain control

Valuation mismatches

Cash flow mismatches in the short/medium term

Regulatory requirements

## Why are we well positioned ?

- Domestic investor with unblemished corporate reputation giving privileged access to opportunities
- Track record in special situations investing
- Access to perpetual capital
- Management depth with mix of operating and investing experience
- Robust risk management and monitoring processes
- Effective oversight of Board & Investment Committees

## Milestone transactions

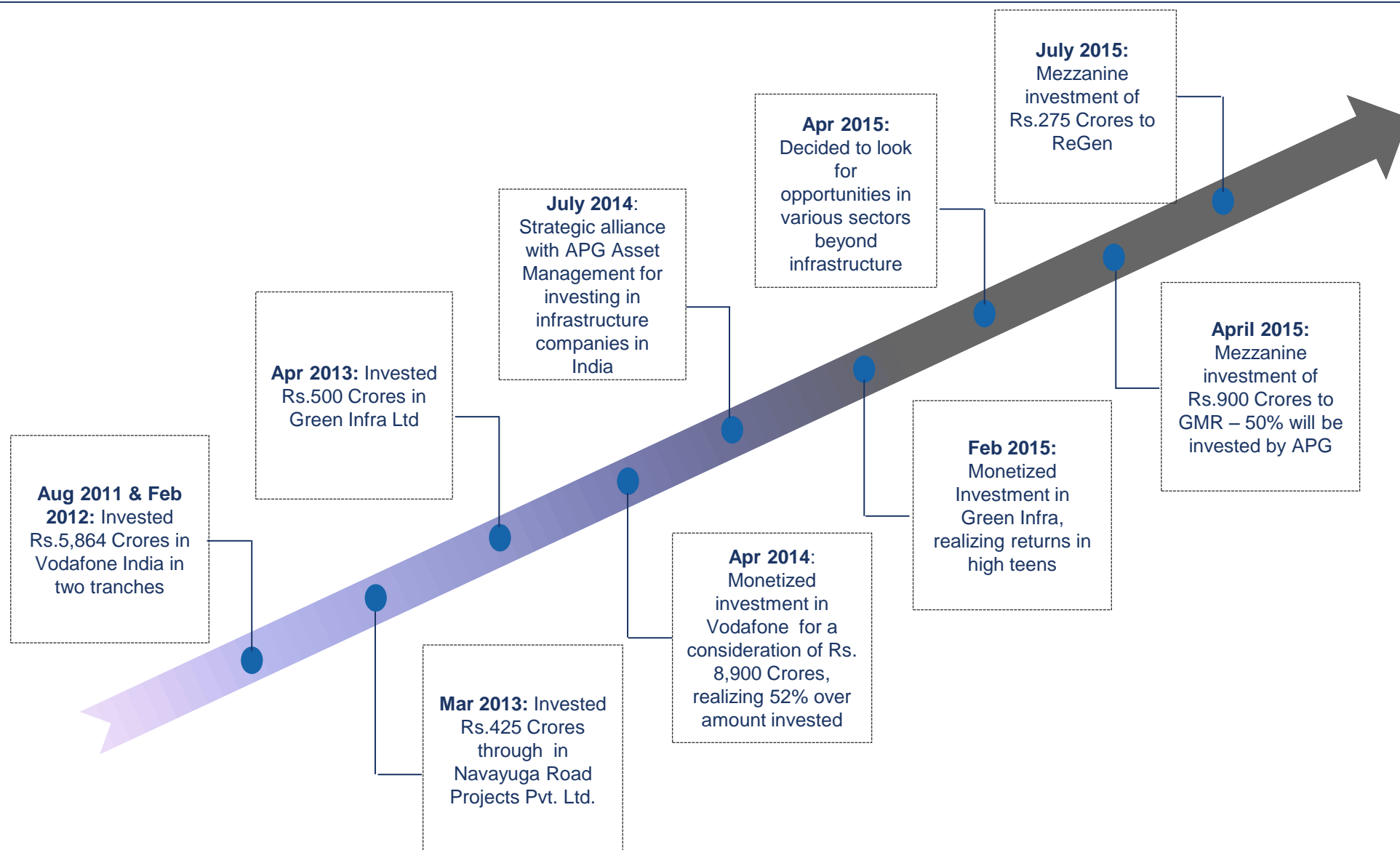
- Acquired ~11% stake Vodafone India in Aug 11 for Rs.5,864 crore. - Monetized Rs.8,900 crore in Apr 14
  - Absolute return of 52% (i.e. @19% p.a.)
- Rs.925 crore invested in two transactions
  - Monetized one investment with return in high teens
- Mezzanine funding of Rs.900 Crore to GMR
  - Of this, Rs.450 Crores has been funded by PEL and the balance Rs.450 Crores by APG Asset Management
- Mezzanine funding of Rs.275 Crores to ReGen
  - Initial disbursement was of Rs.175 Crores

## Risk mitigation

- Encashable security with low exit risk
- Security cover of 1.5x - 2x
- Minimum construction/execution risk

**Successfully monetized investments in Vodafone India and Green Infra with returns in high teens**

# Special Situation Investments : Our journey till date



# Information Management : Comprehensive capability suite across customer's product lifecycle

## Answer our client's most pressing questions

LIFE SCIENCES	Market Assessment	<ul style="list-style-type: none"> <li>• Which therapeutic markets have the highest potential?</li> <li>• What should healthcare organizations do as healthcare shifts to a value focus?</li> </ul>
	Market Access	<ul style="list-style-type: none"> <li>• What is the best evidence to support my access and reimbursement argument?</li> <li>• How will the key payers in the future, make decisions about my product?</li> </ul>
	Commercial Optimization	<ul style="list-style-type: none"> <li>• What levers can I pull to improve my brands volume?</li> <li>• How is my product being perceived in market relative to competition?</li> </ul>
	Digital Innovation	<ul style="list-style-type: none"> <li>• Where should digital spend be targeted?</li> <li>• How can I segment and target segments uniquely?</li> </ul>
PAYER / PROVIDER	Market Assessment	<ul style="list-style-type: none"> <li>• What are my competitors doing?</li> <li>• How is the market unfolding? Who is winning and losing?</li> </ul>
	Performance Improvement	<ul style="list-style-type: none"> <li>• Where can I improve my hospitals performance? In revenue cycle management? In IT? In Supply Chain?</li> <li>• How do I benchmark relative to hospital peers?</li> </ul>

# Information Management : Significant market opportunity

Industry Trends
Increasing cost to bring drug and devices to market
Greater regulatory scrutiny and litigation
Convergence of drugs, devices and diagnostics
Switch to specialty drugs / biologics
Shift from volume to value

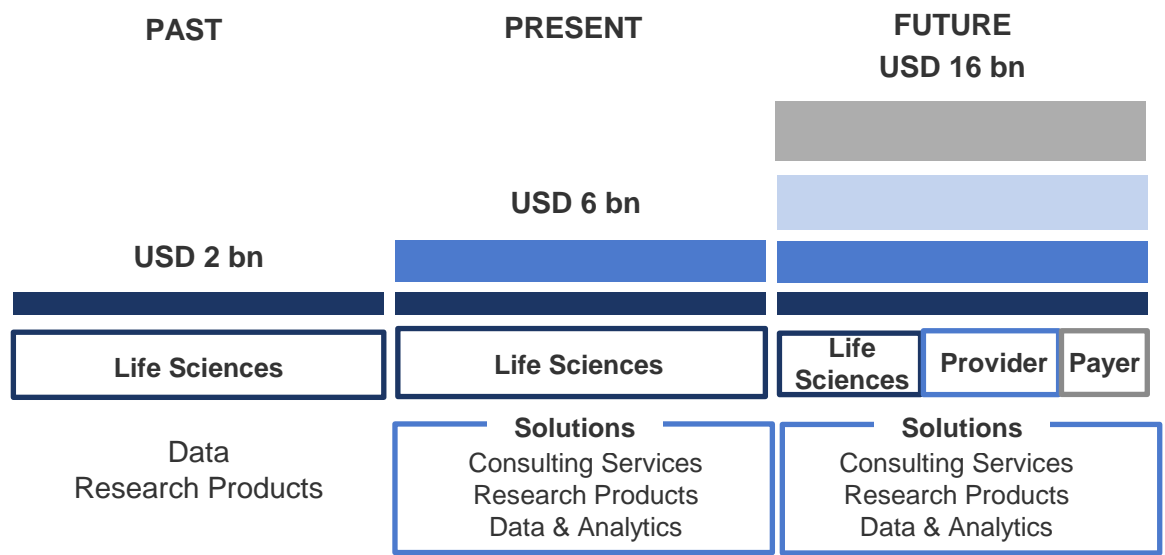


- Increasing demand for high quality information and analytical decision support tools
- Industry players need third-party insight from experts to navigate through heightened complexity

## Target Market Projected Growth

- Broad Healthcare trends are driving a growing need for data and analytics**
  - US national health expenditures increased from \$1.4 tn in 2000 to \$2.6 tn in 2010, (expected to grow at the rate of 6% to \$4.6 tn in 2020)
  - New legislation increasing adoption of data and analytics
- Expanded addressable market to \$6 billion growing at c. 8-11% CAGR**
  - DRG core business acquired by PEL served \$2 billion market.
- Expansion into Provider/Payer offerings will expands total available market to \$16 billion**
  - Acquisition of HBI marks our entry into provider market

### Expanding into New End Markets, Products and Geographies



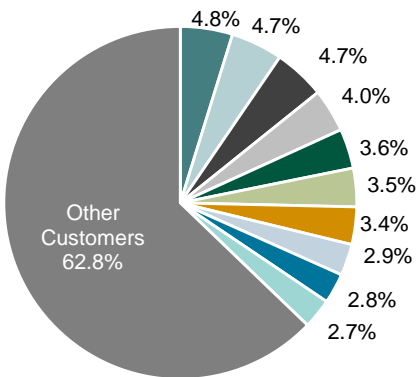
Source: Based on proprietary market research and internal DRG estimation

# Information Management : Diversified customer base with high long term revenue visibility

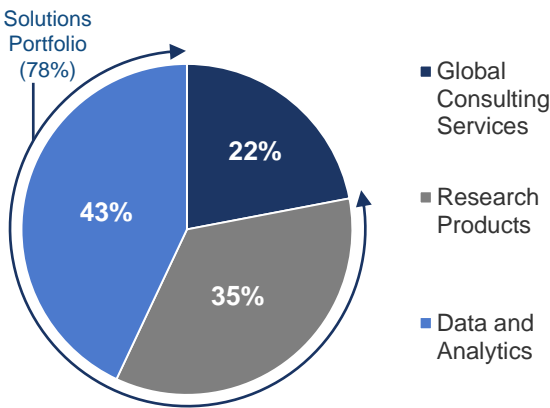


- DRG serves nearly all of the top 50 life sciences companies
- DRG's top 10 clients utilize multiple portfolio offerings leading to deeply entrenched relationships
- 95.5% client retention by value during CY2015 till date
  - 100% among top 50 customers

Top 20 relationships comprise ~57% of revenue



Over 75% of Revenue is subscription based



>10 year relationships with all of the Company's top ten customers

Customer	# of Years
Astellas Pharma	>10 yrs
AstraZeneca	>10 yrs
Bayer	>10 yrs
Boehringer Ingelheim	>10 yrs
Bristol-Myers Squibb	>10 yrs
Johnson & Johnson	>10 yrs
Merck & Co	>10 yrs
Novartis	>10 yrs
Pfizer	>10 yrs
Roche	>10 yrs

With 100% retention among top 50 customers contributing ~ 80% of revenues, the business has high revenue visibility

# Information Management : M&A – Crucial for Growth

DRG's value accretive acquisition till date and its corresponding impact on revenues

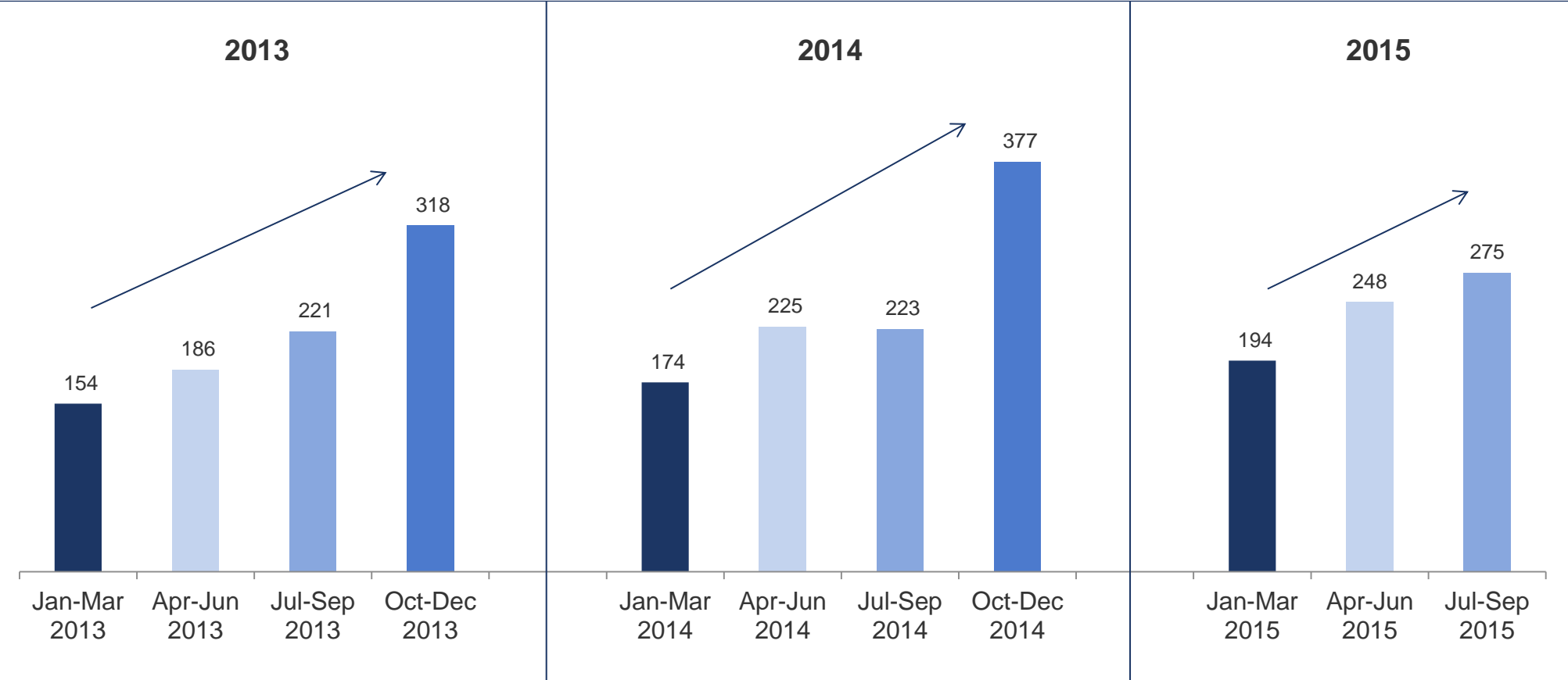


- **Abacus International**
  - ✓ Gave significant global expansion to our market access capabilities.
- **Relay Technology Management**
  - ✓ Data analytics company focused on life-sciences
  - ✓ Enabled to supply clients with premier analytics.
- **Activate Networks**
  - ✓ Business integration completed
  - ✓ Provider of network and relationship analysis
  - ✓ Expanding our underlying analytics capabilities
  - ✓ Support clients with sales force targeting.
- **HealthHiway**
  - ✓ Strength in providing data integration, analytics & solutions to Indian healthcare providers
- **Healthcare Business Insights (NBI)**
  - ✓ Trusted provider of best practice research, training & services to >1,400 hospitals across US
  - ✓ Mark the Company's entry into provider space.
  - ✓ Performing as expected

# Information Management : Key initiatives post our acquisition : turnaround in process

Key initiatives	Rationale and outcome
Assembled industry leading management team	<ul style="list-style-type: none"> <li>Upgraded management with team having deep expertise &amp; track-record</li> <li>New team has proven ability to drive growth &amp; execute on strategic initiatives</li> </ul>
Created a consolidated scalable platform	<ul style="list-style-type: none"> <li>From 2003-2013, DRG operated as a holdco. of small, acquired companies.</li> <li>Transformed into one integrated organization, with scalable platforms</li> <li>Deriving revenue and cost synergies</li> </ul>
Created a global consultancy service platform	<ul style="list-style-type: none"> <li>Provide solutions tailored to client's needs</li> <li>Support clients in their shift towards value-based healthcare and changing re-imbursement landscape</li> </ul>
Entered new growing markets	<ul style="list-style-type: none"> <li>China - Leverage existing capabilities to drive growth in key jurisdictions                             <ul style="list-style-type: none"> <li>Started addressing clients' demand for China data</li> </ul> </li> <li>India - Infrastructure in place at new Bangalore office. 100+ positions on boarded</li> <li>Europe - Abacus acquisition provides strong presence in UK &amp; EU</li> </ul>

## Quarterly revenue performance (In Rs. Crores)



# Information Management : DRG's Peer Companies

DRG Peers	2014 Multiples		
	EV/Sales (x)	EV/EBITDA (x)	EV (USD mn)
Advisory Board	3.2	18.9	1,857
Corporate Executive Board	3.3	12.7	3,019
IHS Inc	4.3	13.8	9,591
IMS Health	4.6	13.9	12,234
Gartner, Inc.	3.5	18.5	7,158

Source : Bloomberg, Factset, Company Filings

Company	Description
Advisory Board	<i>Provides best practices research and analysis, business intelligence and software tools, and management and advisory services to the health care and education industries.</i>
Corporate Executive Board	<i>Provides member-based data analysis, research and advisory services to senior executives and professionals in the areas of human resources, finance, innovation, strategy, legal, risk, compliance, marketing, communications, sales, services and information technology markets.</i>
IHS Inc	<i>Source of information and insight in areas such as energy, supply chain, defense, environment, industry forecasts and commodities.</i>
IMS Health	<i>Products used by healthcare companies to develop commercialization plans and portfolio strategies and to measure the effectiveness of pharma marketing and sales.</i>
Gartner, Inc	<i>Provides independent and objective research and analysis on the information technology (IT), computer hardware, software, communications, and related technology industries.</i>

# Key recognitions



Recognized as the **Best Overall Investment Manager (India)** on Euromoney's 11<sup>th</sup> Annual Real Estate Survey 2015



Real Estate Debt  
Manager of the Year  
Asia-Pacific

Our Real Estate FS business won '**Real Estate Debt Fund Manager of the Year – Asia**' for 2014 on the back of our proprietary loan business as well as our \$500m JV with CPPIB



2014 GLOBAL  
PERE AWARDS

FIRM OF THE YEAR -  
INDIA

Real Estate Fund Management business rated 12th in top Asia Real Estate Fund Managers by PERE Guide in January 2015



Pharma Solutions awarded 'CMO Leadership Awards 2014' in terms of reliability, regulatory and quality in January 2015 – 2nd year in a row

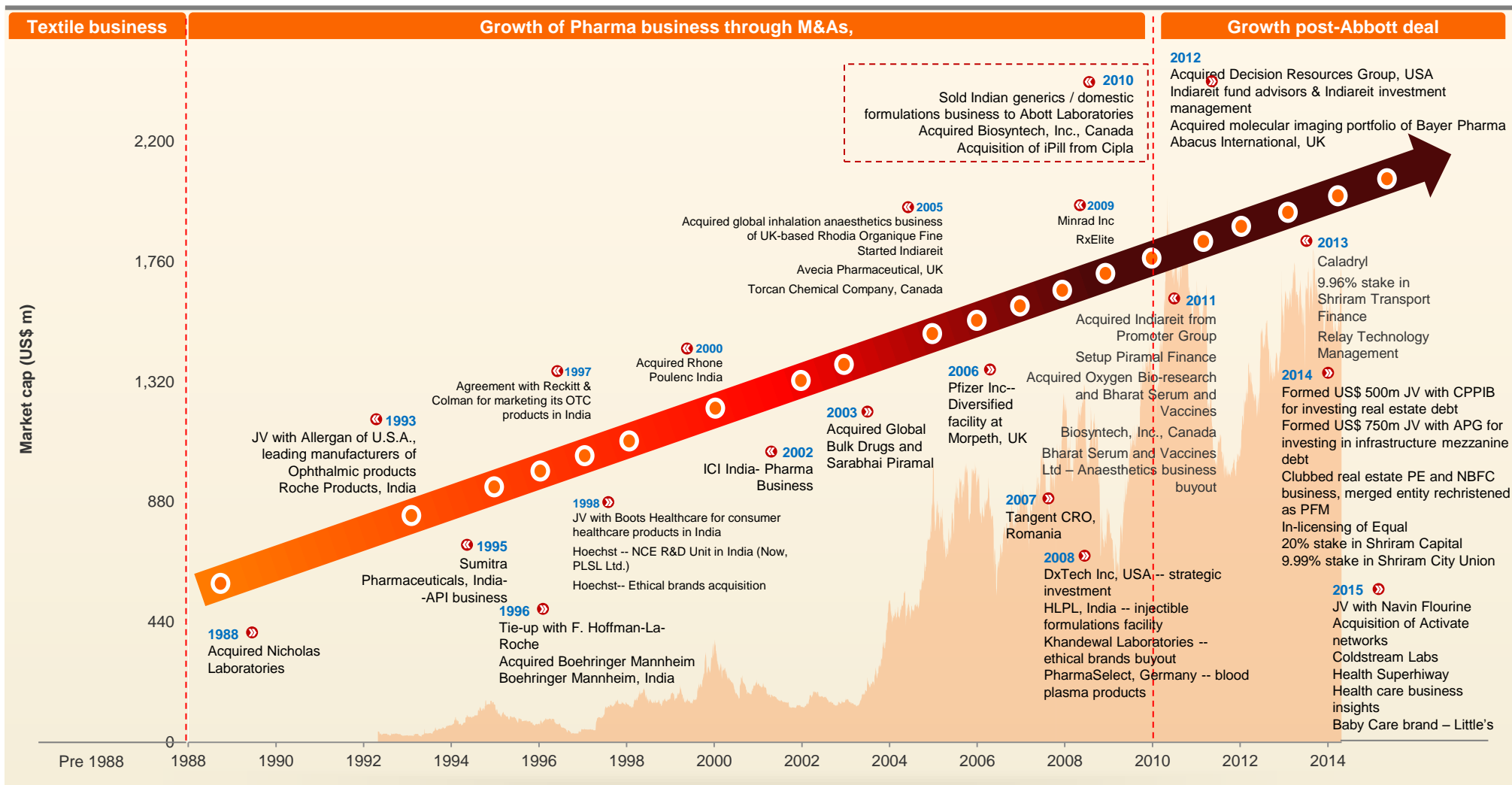


Grangemouth site rated as best CMO for ADC at prestigious World ADC awards, San Diego in October 2014

- ✓ Piramal Pharma Solutions was rated as '**API Supplier of the Year**' at Global Generics and Biosimilar Award 2015 – October 2015
- ✓ Digwal site was awarded **Sword of Honour from the British Safety Council, UK** for excellence in health and safety - September 2014
- ✓ Saridon was rated **largest oral analgesics** brand by value market share by AC Nielsen survey - December 2014
- ✓ Both Saridon & Lacto Calamine were once again awarded with the '**Superbrands**' status for the 5th & 2nd times, respectively - October 2014
- ✓ Bethlehem plant was ranked **No. 3 on the list of Greater Lehigh Valley Business** - Top 30 Fastest Growing Companies, 2014 - October 2014. The ranking was based on revenue growth over the last three years.
- ✓ Mr. Ajay Piramal was recognized in the **Forbes Asia's 'Heroes of Philanthropy List'** - June 2014

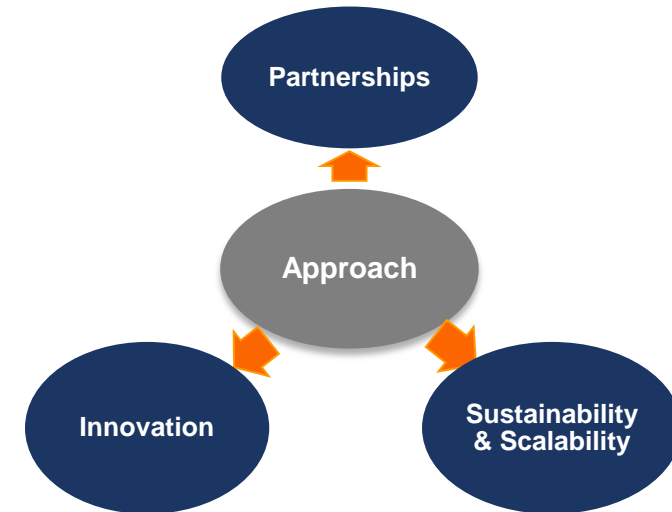
# History of value accretive M&As creating value

Around 40 acquisitions over last 3 decades



# Piramal Foundation – Our CSR Initiatives

Healthcare	Education	Water	Women Empowerment
<b>43 million+ Beneficiaries</b> <b>11 States</b> 29 Million Calls - HIHL 130 Mobile Health Vans 41 Telemedicine Centers	<b>376,000+ Children</b> <b>3 States</b> 1279 Schools 265 Alumni Fellows	<b>200,000+ Beneficiaries</b> <b>12 States</b> 8.99 billion liters water dispensed 418 Touch Points	<b>400+ Beneficiaries</b> <b>1 State</b> 60% Women



## Partnerships – Key for Scaling up projects

### Healthcare:

- 7 State Governments
- USAID, World Diabetes Foundation
- National Aids Control Organization

### Education Leadership:

- 1 State Government & 2 Municipal Corporations
- UNICEF, USAID, Michael & Susan Dell Foundation
- Harvard Graduate School of Education, NYU

### Drinking Water:

- State Bodies such as, Delhi Jal Board, DTC, DIMTS, Himachal Government, Jaipur Municipal Corporation
- World Bank's Consultative Group to Assist the Poor, Michael & Susan Dell Foundation

## Innovation – Design - Proof of Concept

### Healthcare:

- 'Doc-in-box' to take primary healthcare diagnostics to remote locations

### Education Leadership:

- Education leadership to drive change
- Fellowship to build a cadre of Nation Builders

### Drinking Water:

- Remote sensing tools in water filtration plants
- Modular solution (Water ATMs) – Solar power, Stand alone unit permitting 24\*7 access
- Introduced real-time monitoring and accountability towards water quality, Cashless transactions, Price transparency, Pay-per-use methodology

## High Impact Sustainable and Scalable Solutions

### Demonstrated viability of approach:

- Non emergency Healthcare services delivered remotely through appropriate use of technology
- School Principals' Leadership Training evolving to District Level Leadership Training
- Safe & affordable water delivery's viability established through entrepreneur driven franchisee model

### Financial sustainability:

- Developed revenue models to offset development costs (Healthcare catering to CSR projects)
- Built a self-sustainable social enterprise which meets a key social need at an affordable price point (Water)



HARVARD



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**USAID**  
FROM THE AMERICAN PEOPLE



NEW YORK UNIVERSITY



WORLD **DIABETES** FOUNDATION



Naandi



MacArthur  
Foundation



Delhi Transport Corporation



Delhi Jal Board  
MAYAPUR NAGAR WATER SERVICES



# Diversified Revenue Mix

(In Rs. Crores or as stated)

Net Sales break-up	Quarter II ended			% Sales	Half year ended		
	30-Sept-15	30-Sept-14	% Change		30-Sept-15	30-Sept-14	% Change
Healthcare	837	777	7.8%	55.9%	1,688	1,501	12.4%
Pharma Solutions	543	515	5.4%		1,110	961	15.5%
Critical Care	208	176	18.6%		399	369	8.1%
Consumer Products <sup>1</sup>	86	85	0.2%		178	171	4.4%
Financial Services	429	236	81.6%	26.4%	798	455	75.5%
Information Management	275	223	23.2%	17.3%	523	448	16.7%
Others	3	8	-	0.3%	10	22	-
<b>Total <sup>2</sup></b>	<b>1,544</b>	<b>1,243</b>	<b>24.2%</b>	<b>100%</b>	<b>3,018</b>	<b>2,425</b>	<b>24.4%</b>

Note:

1. Including Ophthalmology
2. Foreign Currency denominated revenue in Q2 FY2016 was Rs.953 Crores (62% of total revenue) and in H1 FY2016 was Rs.1,888 Crores (63% of the total revenue)

# FY2015 Revenue Mix

(In Rs. Crores or as stated)

Net Sales break-up	Quarter IV ended			% Sales	Full year ended		
	31-Mar-15	31-Mar-14	% Change		12 Months FY2015	12 Months FY2014	% Change
Healthcare	836	761	10%	61%	3,121	2,820	11%
Pharma Solutions	560	503	11%		2,008	1,786	12%
Critical Care	175	178	-2%		757	720	5%
Consumer Products <sup>1</sup>	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	-
<b>Total <sup>2</sup></b>	<b>1,298</b>	<b>1,121</b>	<b>16%</b>	<b>100%</b>	<b>5,123</b>	<b>4,503</b>	<b>14%</b>

Note:

1. Including Ophthalmology
2. Foreign Currency denominated revenue in FY2015 was Rs.3,496 Cr (68% of total revenue).

# Consolidated P&L

(In Rs. Crores or as stated)

Particulars	Quarter II ended			Half year ended		
	30-Sept-15	30-Sept-14	% Change	30-Sept-15	30-Sept-14	% Change
Total Revenues	1,544	1,243	24%	3,018	2,425	24%
R&D Expenses	27	71	(62%)	66	174	(62%)
Other Operating Expenses	1,041	957	9%	2,176	1,881	16%
OPBIDTA	476	215	122%	776	370	110%
OPBIDTA Margin %	31%	17%	-	26%	15%	-
Non-operating other income	51	13	285%	172	114	51%
Interest expenses	215	143	50%	385	291	32%
Depreciation	77	72	7%	150	139	8%
Profit before tax & exceptional items	235	13	1770%	414	55	658%
Exceptional items (Expenses)/Income <sup>1</sup>	(9)	(374)	-	(12)	2,657	-
Income tax <sup>2</sup>	23	67	-	41	278	-
Profit after tax (before MI & Prior Period items)	202	(429)	-	361	2,433	(85%)
Minority interest	(0)	-	-	(0)	(0)	-
Share of profit/(loss) of associates <sup>3</sup>	44	38	14%	87	72	21%
Net Profit after Tax	246	(391)	-	449	2,506	-
EPS (Rs./share)	14.3	(22.6)	-	26.0	145.2	-

## Notes:

1. Exceptional gain for H1 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 H1 FY15 include Rs.248 Crores of taxes paid on gain from sale of stake in Vodafone India.
3. Income under share of associates primarily includes our share of profits at Shriram Capital.

# FY2015 Consolidated P&L

(In Rs. Crores or as stated)

Particulars	Quarter ended			Year ended		
	31-Mar-15	31-Mar-14	% Change	31-Mar-15	31-Mar-14	% Change
Total Revenues	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%
OPBIDTA	194	71	174%	885	639	39%
OPBIDTA Margin %	15%	6%		17%	14%	
Non-operating other income <sup>1</sup>	73	(14)		254	221	15%
Interest expenses <sup>2</sup>	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) <sup>3</sup>	(4)	5		(2,696)	(1)	
Income tax <sup>4</sup>	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 profit/(loss) of associates <sup>5</sup>	47	(0)		159	(3)	
Net Profit after Tax	95	(311)		2,850	(501)	
EPS (Rs./share)	5.5	(18.0)		165.2	(29.1)	

## Notes:

1. Non-operating other income primarily consists income from our treasury investments.
2. Interest expense for the quarter and full year periods were lower due to reduction in debt using cash proceeds from sale of stake in Vodafone India.
3. Exceptional gain for FY2015 majorly includes gain on sale of 11% stake in Vodafone India for Rs.8,900 Cr (Investment of Rs.5,864 Cr made in FY2012) partly offset by amount written down on account of scaling back of investments in NCE research.
4. Tax expense for the year includes Rs.267 crore of taxes paid on gain from sale of stake in Vodafone India
5. Income under share of associates primarily includes our share of profits at Shriram Capital.

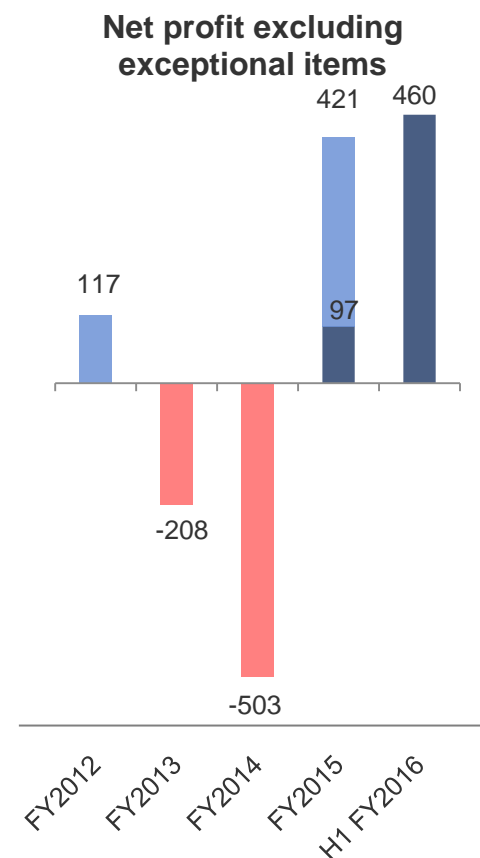
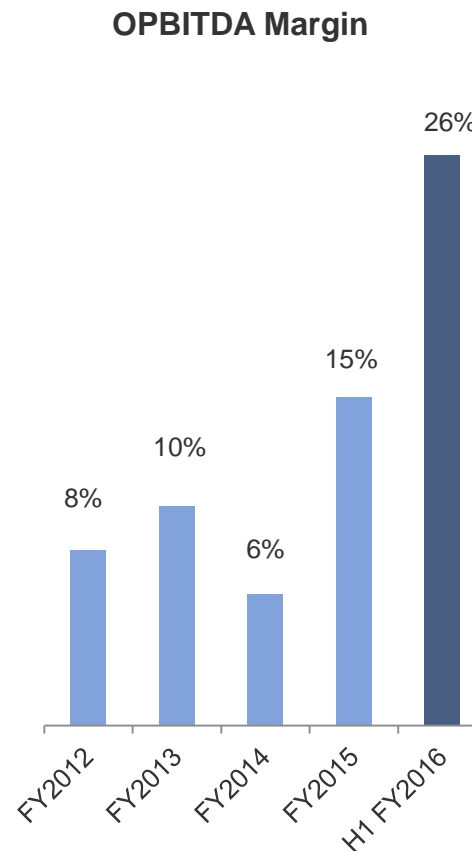
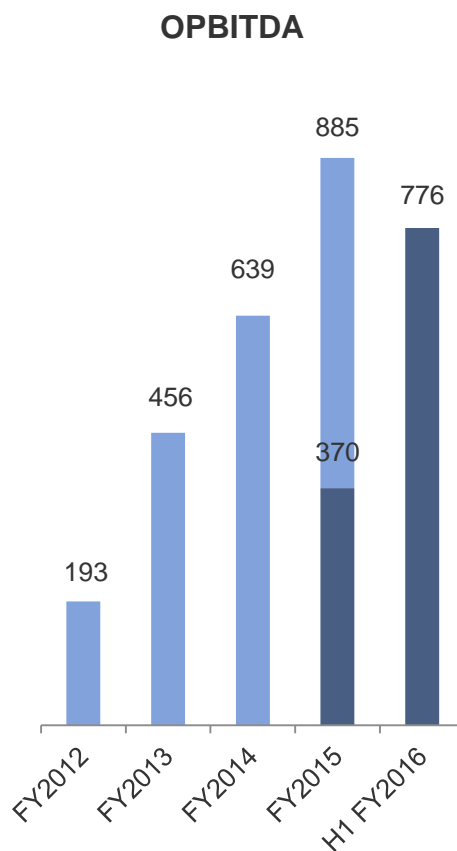
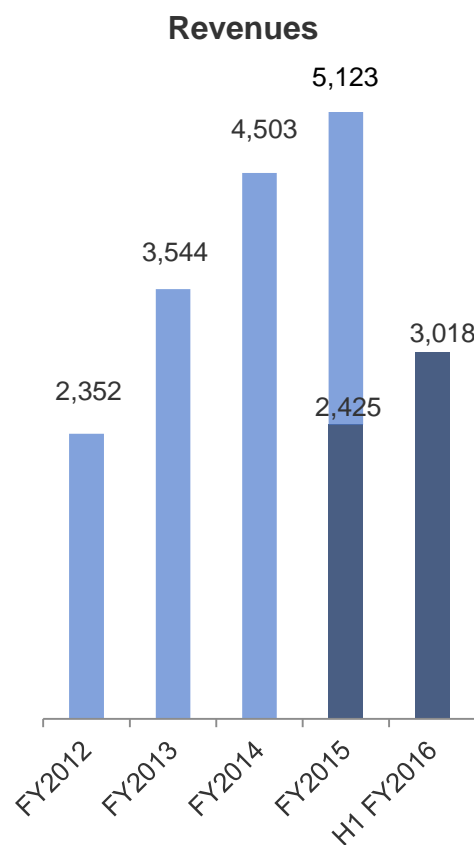
# Consolidated Balance Sheet

(In Rs. Crores or as stated)

Particulars		Sept 30 2015	Mar 31 2015
<b>Shareholders' Funds</b>			
(A) Share Capital		35	35
(B) Reserves & Surplus		12,243	11,701
<b>Minority Interest</b>		29	29
<b>Loan Funds</b>		11,752	7,306
<b>Deferred Tax Liability</b>		3	3
<b>T O T A L</b>		<b>24,062</b>	<b>19,074</b>
<b>Fixed Assets</b>		7,931	7,342
<b>Investments</b>		11,217	7,768
<b>Deferred Tax Asset</b>		13	29
<b>Current Assets, Loans and Advances</b>			
Inventories		796	675
Sundry Debtors		714	832
Cash and Bank Balances		303	460
Other Current Assets		507	354
Loans and Advances		4,309	3,475
Less : Current Liabilities and Provisions			
Current Liabilities		1,430	1,229
Provisions		299	633
<b>T O T A L</b>		<b>24,062</b>	<b>19,074</b>
<b>Break Up Loan Funds (In Rs. Crores)</b>	<b>INR Debt</b>	<b>FX Debt</b>	<b>Total</b>
As on 30-Sept-15	8,716	3,036	11,752
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.

# Impressive track record of revenue and EBITDA growth driving turnaround in profitability



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 H1 FY2015, where the post-tax exceptional gain from Vodafone transaction has been adjusted back to the reported net profit for the quarter.

■ Full year Financials

■ H1 Financials

(In Rs. Crores or as stated)

## 24%

Revenue CAGR for last 27 years

## 26%

PBITDA CAGR for last 27 years

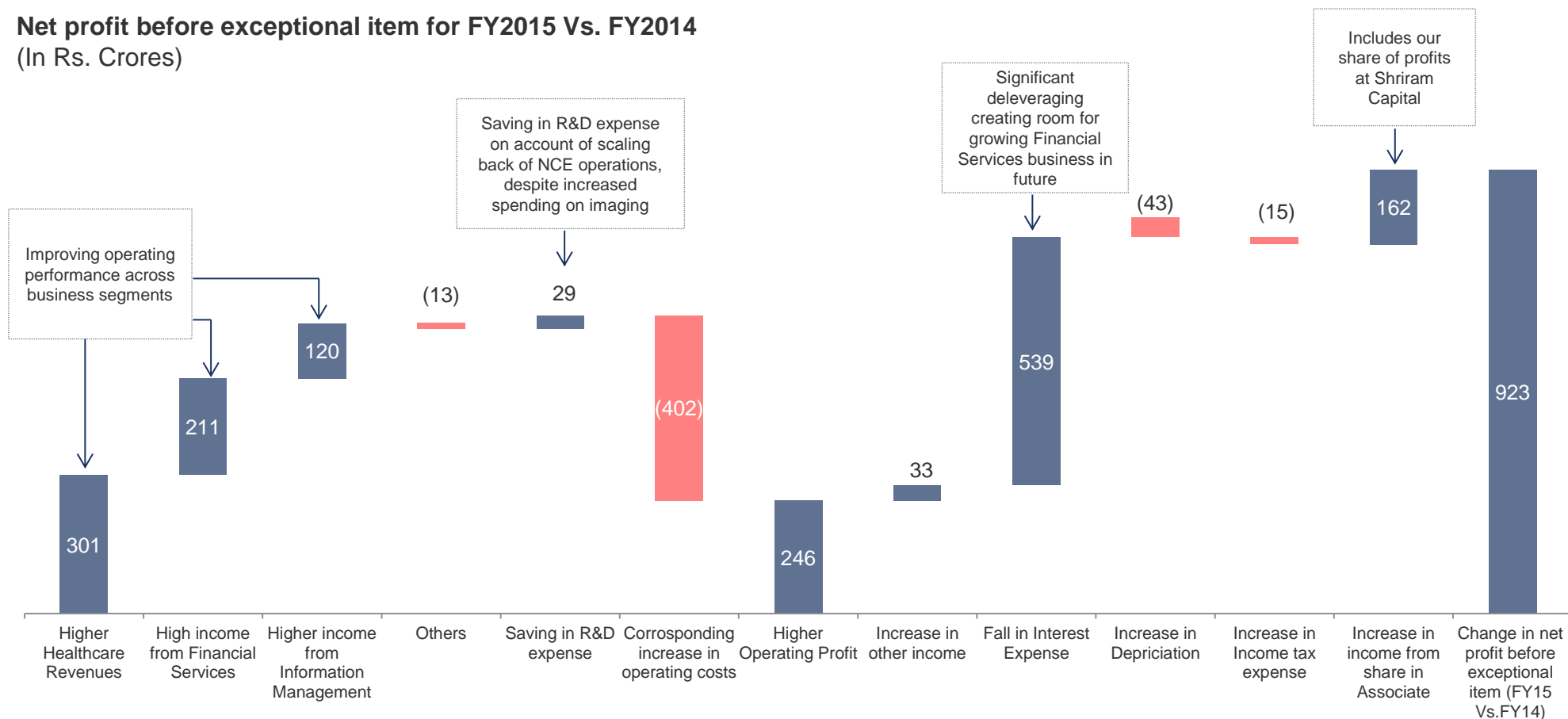
## Rs. 2,850 Crores

Net Profit for FY2015

# Growth in profits - Sustainable in nature

## Net profit before exceptional item for FY2015 Vs. FY2014

(In Rs. Crores)



Note : Above chart excludes exceptional items during both periods. Exceptional item during the FY2015 included an exceptional gain on sale of 11% stake in Vodafone India for Rs.8,900 cr (Investment of Rs.5,864 cr made in FY2012) partly offset by the amount written down on account of scaling back of our investments in NCE research. Further, above chart also does not include a change in minority interest by Rs.1 crore between both the periods.

**Significant improvement in sustainable factors including strong performance across businesses, de-leveraging and associate income from our strategic investment in Shriram, has delivered a robust growth in our profitability during FY2015**



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