



## Analyst Presentation

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22<sup>nd</sup> July 2009

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

# Profit & Loss Account – Consolidated Q1FY2010



Rs. million

Period ended - Consolidated	Q1 Ended			Year Ended
	30-Jun-09	30-Jun-08	% Growth	31-Mar-09
Total operating income	8,215.4	7,083.2	16.0%	32,811.0
OPBIDTA	1,601.8	1,195.3	34.0%	5,813.5
OPM %	19.5%	16.9%		17.7%
Non-operating other income	0.4	1.1		73.8
EBIDTA	1,602.2	1,196.4	33.9%	5,887.3
Interest (Net)	254.0	120.3	111.1%	838.0
Depreciation	384.9	269.6	42.8%	1,195.7
Operating Profit before tax	962.9	805.4	19.6%	3,779.8
Profit before tax (before exceptional )	963.3	806.5	19.4%	3,853.6
Exceptional items	0.0	40.6		446.1
Income tax	112.6	86.6	30.0%	219.4
Profit after tax (after M.Int & Prior Period items)	851.0	680.9	25.0%	3,162.5
Minority interest	-0.3	-1.6		25.6
Preference dividend (Rs.)	0.0	0.0		0.0
EPS (Rs.)	4.1	3.3	24.8%	15.1
EPS before exceptional items	4.1	3.4	18.7%	17.3

# Profit & Loss Account – Consolidated Q1FY2010



## Ratios

No.	Particulars	30-Jun-09	30-Jun-08	Year Ended
				31-Mar-09
1	Net Operating Income	100	100	100
	Absolute value	1	1	1
2	Total Expenditure	80.5	83.1	82.3
	Material cost	37.9	35.5	37.6
	Staff cost	16.6	17.2	15.3
	Marketing & Selling expenses	13.2	11.1	12.8
	Process Development and Research	2.1	3.1	2.6
	Other Expenses	10.7	16.3	14.0
3	OPBIDT	19.5	16.9	17.7
4	Interest (Net)	3.1	1.7	2.6
5	Depreciation	4.7	3.8	3.6
6	Operating Profit before Tax & Exceptional Items	11.7	11.4	11.5
7	Profit before Tax and after Exceptional Items	11.7	10.8	10.4
8	PAT	10.4	9.6	9.6

Note: Material cost includes cost of all material. Staff cost includes cost of all staff including factory and marketing staff. Marketing & selling expenses include promotional expenses, but exclude marketing/selling staff cost.

# Balance Sheet – Consolidated Q1 FY2010



Rs. million

Period ended- Consolidated	As on	As on
	30-Jun-09	31-Mar-09
Equity capital	418.0	418.0
Reserves & Surplus	13,575.9	12,752.7
Networth	13,993.9	13,170.7
Minority interest	74.2	74.5
Deferred tax liability (Net)	739.7	725.5
Loan funds	13,835.2	13,390.8
<b>Total</b>	<b>28,643.0</b>	<b>27,361.5</b>
Net fixed assets	20,324.3	20,390.9
Investments	278.3	278.3
Net current assets	8,040.4	6,692.3
Inventories	5,033.7	4,833.6
Sundry debtors	4,723.7	4,866.3
Other current assets	5,296.9	5,207.7
Current liabilities	7,013.9	8,215.3
<b>Total</b>	<b>28,643.0</b>	<b>27,361.5</b>

# Balance Sheet – Consolidated Q1 FY2010

## Ratios

No.	Period ended- Consolidated	As on	As on
		30-Jun-09	31-Mar-09
1	Debt/equity ratio:	1.0	1.0
	Networth	13,993.9	13,170.7
	Total debt	13,835.2	13,390.8
2	Book value (Rs./share)	67.0	63.0
3	Net Sales/Net fixed assets ratio	1.6	1.6
4	Current assets ratios:		
i.	Net current assets	88	73
ii	Inventories	55	53
iii	Receivables	52	53
5	ROCE %	18.0%	19.0%
6	RONW %	24.3%	24.0%

# Business Mix – Consolidated Q1 FY2010



Rs. million

No.	Net Sales break-up	% Sales	Q1 FY 2010 ended			Year ended
			30-Jun-09	30-Jun-08	% Growth	31-Mar-09
1	Healthcare Solutions	53.5%	4,397.0	3,499.8	25.6%	16,048.9
2	Pharma Solutions	23.1%	1,898.1	2,271.1	-16.4%	10,606.5
	From Assets in India	7.3%	601.5	588.8	2.1%	3,925.1
	From Assets Outside India	15.8%	1,296.7	1,682.2	-22.9%	6,681.3
3	Global Critical Care	8.9%	728.8	161.0	-	1,315.9
4	Pathlabs	5.9%	484.6	404.9	19.7%	1,689.6
5	Others	8.6%	706.9	746.4	-5.3%	3,150.1
Total		100.0%	8,215.4	7,083.2	16.0%	32,811.0

Note: 1. Pharma Solutions excludes MMBB

2. Others include MMBB (Vitamin A, and APIs), Diagnostic Devices and Other Operating Income.

# TA-Wise Break-up – Q1 FY2010



Rs. million

No.	Therapeutic area PHL Consolidated	PHL Consolidated				Market growth	Year Ended
		Quarter I Ended					
		Saliency	30-Jun-09	30-Jun-08	Growth	MAT May 09	31-Mar-09
		%	Rs. million	Rs. million	%	%	Rs. million
1	Respiratory	13.5%	595.1	437.5	36.0%	10.0%	2,833.2
2	Anti-Infective	16.8%	737.1	490.7	50.2%	8.1%	2,557.8
3	CVS	14.1%	621.7	523.1	18.8%	13.7%	2,055.9
4	CNS	11.4%	500.3	446.5	12.1%	11.5%	1,684.8
5	Nutritionals	6.6%	291.9	244.7	19.3%	9.0%	1,081.7
6	Biotek	1.6%	69.6	70.6	-1.4%		275.8
7	Anti-Diabetic	6.9%	305.2	245.6	24.2%	15.4%	1,021.2
8	Gastro-intestinal	5.1%	225.6	173.3	30.2%	10.2%	768.1
9	Dermatology	3.9%	173.1	139.3	24.3%	12.9%	587.9
10	NSAIDs	5.3%	232.2	217.1	6.9%	9.5%	736.3
11	OTC	5.9%	261.6	182.3	43.5%		759.0
12	Others	5.5%	240.7	188.6	27.7%		1,206.7
13	Ophthalmology	3.3%	143.0	140.5	1.8%	4.7%	480.3
Healthcare Solutions		100.0%	4,397.0	3,499.8	25.6%	10.1%	16,048.9

- Formulations portfolio details (on a consolidated basis):

- Top-10 Brands : 26.6% of Q1 FY10 Sales
- Lifestyle products : 34.0% of Q1 FY10 Sales
- New products (launched during last 24 months) : 8.1% of Q1 FY10 Sales
- New products launched during the quarter : 9



# FY2010: Guidance and Performance



## ■ Guidance:

- Continuing business growth 16 – 17 %
- Healthcare Solutions growth 14 – 16 %
- Pharma Solutions to be around Rs. 10.0 billion
- GCC to contribute Rs. 4.5 billion
- EBITDA Margin to be 21 – 22 %
- EPS to be Rs. 23.5 – 24.0
- Capex: Rs. 1.8 billion

## ■ Performance: Q1 FY2010

- Continuing business grew by 16.0 %
- Healthcare Solutions Sales grew by 25.6 %
- Pharma Solutions sales was Rs. 1.9 billion
- GCC contributed Rs. 729.0 million
- EBITDA Margin was 19.5 %
- EPS was Rs. 4.1
- Capex was Rs. 320 million

Thank you

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