



Analyst Presentation

22nd 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 |
| Total | 28,643.0 | 27,361.5 |
| 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 |
| Total | 28,643.0 | 27,361.5 |

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

For further details contact:

Sagar Gokani sagar.gokani@piramal.com

Prasad Mhatre prasad.mhatre@piramal.com