



Q3 FY2013 Results Presentation

11th February 2013

Disclaimer



Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "on-course", "should", "potential", "pipeline", "guidance", "will pursue" "trend line" and similar expressions or variations of such expressions may constitute "forward-looking statements".

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

These risks and uncertainties include, but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

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

Financial highlights Q3 FY2013

Q3 FY2013: Key Highlights



- Operating Revenue Growth of 61% over Q3 FY12 to Rs. 994 Cr; revenue for YTD FY13 grew by 57% compared to YTD Dec FY12 to Rs. 2,606 Cr
- Operating Margin of ~21% achieved for the quarter & ~14% for YTD Dec FY13
- Revenue from healthcare businesses grew by 16% compared to Q3 FY12; growth was 27% for YTD FY13 compared to same period last year
- Information Management business – DRG, delivers quarterly revenue of Rs. 263 Cr
 - Strengthened its market access offering in Europe through acquisition of Abacus International
 - Continued to achieve a high customer retention rate of 96%; retained all 2011 top 20 customers in 2012
- Financial Services continues QoQ growth in revenues to Rs. 102.7 Cr in FY13 (256% growth over Q3 FY12)
 - PHL Finance started lending to education sector; plans to enter new verticals in the near future
 - INDIAREIT term sheeted exits of Rs. 440 Cr & new investments worth Rs. 250 Cr

Q3 FY2013: Business Mix



Rs. Crores

No.	Net Sales break-up	% Sales	Quarter III ended			Nine Months ended		
			31-Dec-12	31-Dec-11	% Gr	31-Dec-12	31-Dec-11	% Gr
1	Pharma Solutions	37.6%	373.6	367.3	1.7%	1,123.2	962.5	16.7%
	From Assets in India	23.5%	233.7	224.0	4.3%	664.2	583.8	13.8%
	From Assets Outside India	14.1%	140.0	143.3	-2.3%	458.9	378.8	21.2%
2	Piramal Critical Care	16.4%	163.2	98.0	66.5%	465.6	280.7	65.9%
3	OTC & Ophthalmology	6.9%	69.0	57.1	20.9%	208.3	169.8	22.7%
4	DRG	26.5%	263.0	-	-	495.2	-	-
5	Financial Services	10.3%	102.7	28.8	256.4%	248.8	39.5	530.2%
6	Investment Income	0.8%	7.6	50.2	-84.9%	20.2	167.5	-87.9%
7	Others	1.5%	14.4	16.3	-11.1%	44.4	44.2	0.5%
Total		100.0%	993.6	617.6	60.9%	2,605.7	1,664.3	56.6%

Notes:

1. Financial Services revenue includes revenue from PHL Finance and IndiaReit Fund

Q3 FY2013: Consolidated Profit & Loss



Rs. Crores

Period ended - Consolidated	Q3 Ended			9 Months Ended		
	31-Dec-12	31-Dec-11	% Gr	31-Dec-12	31-Dec-11	% Gr
Total operating income	993.6	617.6	60.9%	2,605.7	1,664.3	56.6%
NCE R&D Exps	55.2	94.6	-41.6%	142.9	94.6	51.1%
Other Operating Expenses	731.7	514.3	42.3%	2,102.6	1,455.3	44.5%
OPBIDTA	206.7	8.7	-	360.2	114.4	-
OPM %	20.8%	1.4%	-	13.8%	6.9%	-
Non-operating other income	61.5	28.0	-	145.9	207.0	-
EBIDTA	268.2	36.7	630.9%	506.1	321.3	57.5%
Interest	140.3	22.2	532.3%	350.1	52.8	562.8%
Depreciation	56.0	40.1	39.8%	153.4	95.6	60.4%
Profit before tax	71.8	(25.6)	-	2.7	172.9	-
Exceptional items	2.8	(2.5)	-	4.4	3.6	-
Income tax	5.2	(37.8)	-	20.6	16.7	-
Profit after tax	63.8	9.7	-	(22.3)	152.6	-
EPS (Rs.)	3.5	0.5	-	(1.6)	9.0	-

Notes:

1. Non-operating other income is mainly FX gain arising out of restatement of receivables from sales of Healthcare solutions business

Q3 FY2013: Consolidated Balance Sheet



Rs. Crores

Period ended- Consolidated	As at	As at
	31-Dec-12	30-Sep-12
Equity capital	34.5	34.5
Reserves & Surplus	11,220.5	11,261.5
Networth	11,255.0	11,296.0
Minority interest	11.2	9.5
Deferred tax liability	44.4	58.4
Loan funds	7,358.7	6,331.9
Total	18,669.2	17,695.9
Net fixed assets	6,140.7	5,892.2
Investments	6,976.0	6,855.1
Net current assets	5,552.5	4,948.7
Inventories	547.3	519.8
Sundry debtors	637.9	558.9
Other current assets	5,863.2	5,162.9
Current liabilities	1,495.9	1,292.9
Total	18,669.2	17,695.9

Notes:

1. The increase in loan funds is mainly to support expansion of PHL Finance activity

Key Business Highlights

Pharma Solutions

Indian assets

- Healthy early phase API order book; highest ever for Indian early phase API capacities
- Significant interest in API capabilities across indian facilities from the global pharma companies

Overseas assets

- Robust business development pipeline for UK assets, especially for newer technologies such as ADCs
- Signed a new supply agreement at Morpeth facility; supplies commencing in 2015

Awards & recognition

- Pithampur facility awarded with “Platinum award – Pharma sector, Medium business” by IMEA in partnership with Frost & sullivan

Critical Care & OTC

Critical Care

- Strong sales performance, Q3 FY13 sales 66.5% higher compared to Q3 FY12; YTD sales 65.9% higher compared to previous year
- Positive margin improvement impact of higher sales levels
- Approvals received in EU5 and other key countries; Sevoflurane launched in major European markets
- Gained >50% market share of sevoflurane in the key markets like Indonesia and Turkey

OTC

- In-line with the plan to continue with new launches added Anti Ageing cream - Lacto Reneu to the portfolio; received favourable response
- Saridon & Lacto Calamine listed amongst the super brand category by Super Brand Council of India
- Lacto Face wash is awarded the "Star 2012" for excellence in packaging by Indian Institute of Packaging

Financial Services

INDIAREIT

- Exits worth Rs. 440 crores term sheeted across three earlier funds and a third party mandate
- Investments worth Rs. 250 crores term sheeted, one of which will be in a slum redevelopment project

PHL Finance

- Consolidated loan book as of 31st December 2012 stood at Rs. 1,349 crores – lending to realty and education sectors
- Evaluating entry into (lending to) newer sectors

Information Management (DRG)



- Continued to achieve a high customer retention rate (over 96% in 2012). Retained all 2011 top 20 customers
- Won major new 2013 contract for two years from one of the top global pharmaceutical company after displacing competitor
- Completed the acquisition of Abacus in the UK in early December 2012

Thank you