



**Piramal Healthcare**  
knowledge action care

Analyst Presentation  
FY2009 – Q1 Results

24 July 2008

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# Financial highlights

## Q1 FY2009

# Profit & Loss Account – Consolidated Q1-FY2009

Rs. million

Period ended - Consolidated	Q1 Ended			Previous Year
	30-Jun-08	30-Jun-07	% Growth	31-Mar-08
Total operating income	7,083.2	6,080.7	16.5	28,728.4
OPBIDTA	1,195.3	840.4	42.2	5,416.9
OPM %	16.9%	13.8%	-	18.9%
Non-operating other income	1.1	20.2	-	60.7
EBIDTA	1,196.4	860.6	39.0	5,477.6
Interest (Net)	120.3	111.4	8.0	463.1
Depreciation	269.6	248.9	8.3	947.3
Operating Profit before tax	805.4	480.1	67.8	4,006.5
Profit before tax (before exceptional )	806.5	500.3	61.2	4,067.2
Exceptional items	40.6	3.4	-	339.3
Income tax	86.6	63.1	37.2	376.6
Profit after tax	680.9	434.1	56.9	3,337.8
Minority interest	(1.6)	(0.3)	-	13.5
Preference dividend (Rs.)	-	5.6	-	15.7
EPS (Rs.)	3.3	2.1	58.9	15.9
EPS before exceptional items (Rs)	3.4	2.1	66.5	17.4

Operating Margin for Q1FY09 excluding the effect of the unrealized mark-to-market forex loss of Rs. 208.2 million is 19.8%

# Profit & Loss Account – Consolidated Q1-FY2009

No.	Particulars	Q1 Ended		Previous year
		30-Jun-08	30-Jun-07	31-Mar-08
1	Net Operating Income	100	100	100
2	Total Expenditure	83.1	86.2	81.1
	Material cost	35.5	36.0	38.0
	Staff cost	17.2	18.6	16.4
	Marketing & selling expenses	11.1	10.5	10.8
	Research and Development	3.1	5.9	2.8
	Other expenditure (Net)	16.3	15.2	13.1
3	OPBIDTA	16.9	13.8	18.9
4	Interest (Net)	1.7	1.8	1.6
5	Depreciation	3.8	4.1	3.3
6	Operating Profit before Tax & Exceptional Items	11.4	7.9	13.9
7	Profit before Tax and after Exceptional Items	10.8	8.2	13.0
8	PAT	9.6	7.1	11.6

Note: \*\*Marketing & selling expenses are excluding Staff cost. All manpower costs are grouped under the head "Staff Cost". Marketing and selling expenses include Promotion costs

# Balance Sheet – Consolidated Q1-FY2009

Rs. million

Period ended- Consolidated	Period Ended		Year Ended
	30-Jun-08	30-Jun-07	31-Mar-08
Equity capital	418.0	418.0	418.0
Reserves & Surplus	11,124.6	10,523.6	10,507.9
Networth	11,542.6	10,941.6	10,925.9
Preference shares	-	383.7	-
Minority interest	50.1	12.1	48.6
Deferred tax liability (Net)	919.4	936.0	896.7
Loan funds	10,240.7	6,727.4	7,163.3
<b>Total</b>	<b>22,752.8</b>	<b>19,000.8</b>	<b>19,034.5</b>
Net fixed assets	15,289.3	12,670.5	12,585.4
Investments	652.4	287.3	652.5
Net current assets	6,811.1	6,043.0	5,796.6
Inventories	4,250.7	4,350.5	4,032.0
Sundry debtors	3,762.9	3,589.1	4,457.2
Other current assets	4,499.2	2,486.3	3,205.1
Current liabilities	5,701.7	4,382.9	5,897.7
<b>Total</b>	<b>22,752.8</b>	<b>19,000.8</b>	<b>19,034.5</b>

# Balance Sheet – Consolidated Q1-FY2009

## Ratios

Rs. million

No.	Period ended- Consolidated	Period Ended		Year Ended
		30-Jun-08	30-Jun-07	31-Mar-08
1	Debt/equity ratio:	0.89	0.65	0.66
	Networth	11,542.6	10,941.6	10,925.9
	Total debt	10,240.7	7,111.1	7,163.3
2	Book value (Rs./share)	55.2	52.3	52.3
3	Net Sales/Net fixed assets ratio	1.9	1.9	2.3
4	Current assets ratios:			
i.	Net current assets	86	88	72
ii	Inventories	54	63	50
iii	Receivables	47	52	55
5	ROCE %	19.2	14.0	27.8
6	RONW %	24.9	15.7	33.2

Note: Current asset ratios are Days of Gross Sales which includes other operating income also.



# Financial Summary Q1-FY09

## ■ Sales:

- Total Operating Income : Rs. 7.1 billion, ↑ 16.5%
- Pharma Solutions Sales : Rs. 2.3 billion; ↑14.2%

## ■ Profit Margins:

- GC : 64.5%, (Q1FY08 64.0%)
- OPM : 16.9%, (Q1FY08 13.8%)
- PAT : 9.6%, (Q1FY08 7.1%)

## ■ Debt Position:

- Debt/Equity : 0.89 from 0.65 for Q1FY08

## ■ Working capital:

- NCA Level : Decreased to 86 days from 88 days for Q1FY08

# Operational Highlights

## Q1 FY2009

# Business mix – Consolidated Q1-FY2009

Rs. million

No.	Net Sales break-up	% sales	Quarter I ended			Year Ended
			30-Jun-08	30-Jun-07	% Growth	31-Mar-08
1	Healthcare Solutions	49.4%	3,499.8	2,907.4	20.4%	12,913.5
2	Pharma Solutions	32.1%	2,271.1	1,989.1	14.2%	10,111.7
	From Assets in India	8.3%	588.8	274.0	114.9%	2,258.6
	From Assets outside India	23.7%	1,682.2	1,715.1	-1.9%	7,853.1
3	Pathlabs	5.7%	404.9	251.9	60.8%	1,194.0
4	Others	12.8%	907.3	932.3	-2.7%	4,509.3
<b>TOTAL</b>		<b>100.0%</b>	<b>7,083.2</b>	<b>6,080.7</b>	<b>16.5%</b>	<b>28,728.4</b>

Note: 1. Others include MMBB (Inhalation Anaesthetics, Vitmain A and APIs), Diagnostic Devices and Other Operating Income

2. Pharma Solution excludes MMBB

# Branded Formulations – Consolidated Q1-FY2009

## TA-wise sales break-up:

Rs. million

No.	Therapeutic area PHL Consolidated	PHL Consolidated				Market growth	Year Ended
		Quarter I Ended					
		Saliency %	30-Jun-08 Rs. million	30-Jun-07 Rs. million	Growth %	MAT May 08 %	31-Mar-08 Rs. million
1	Respiratory	12.5%	437.5	266.4	64.2	11.2%	2,241.4
2	Anti-Infective	14.0%	490.7	375.7	30.6	16.0%	1,844.1
3	CVS	14.9%	523.1	431.3	21.3	21.9%	1,683.6
4	CNS	12.8%	446.5	422.4	5.7	14.8%	1,501.0
5	Nutritionals	7.0%	244.7	297.3	-17.7	9.9%	1,143.9
6	Biotek	2.0%	70.6	51.4	37.4	-	224.2
7	Anti-Diabetic	7.0%	245.6	215.3	14.1	25.4%	842.1
8	Gastro-intestinal	5.0%	173.3	155.2	11.7	12.7%	557.4
9	Dermatology	4.0%	139.3	112.5	23.8	11.4%	484.1
10	NSAIDs	6.2%	217.1	190.5	14.0	7.1%	625.4
11	OTC	5.2%	182.3	162.1	12.5	-	685.0
12	Others	5.4%	188.6	103.5	82.3	-	632.7
13	Ophthalmology	4.0%	140.5	123.9	13.4	12.4%	448.5
<b>Domestic Formulations</b>		<b>100%</b>	<b>3,499.8</b>	<b>2,907.4</b>	<b>20.4</b>	<b>14.1%</b>	<b>12,913.5</b>

## Formulations portfolio details:

- Top-10 Brands : 23.2% of Q1FY09 sales
- Lifestyle products : 36.7% of Q1FY09 Sales
- New products : 7.4% of Q1FY09 Sales; 16 New products launched during the quarter

# FY2009 Guidance Review

# Q1FY2009: guidance and performance

## ■ Guidance:

- Continuing business growth 16%
- Pharma Solutions sales from Indian assets: Rs. 4 billion
- OPBDITA Margin to be 20.5%
- EPS (w/o exceptional items) to be Rs. 21.0
- Capex: Rs. 1.5 billion

## ■ Performance: Q1FY09

- Continuing business grew 16.5%
- Pharma Solutions sales from Indian assets: Rs. 588.8 million
- OPBDITA Margin was 16.9%
- EPS (not annualized) was Rs. 3.4
- Capex was Rs. 470.0 million, Acquisition related spent was Rs. 2.5 billion

Thank you

For further details contact:

Vijay Sathye [vijay.sathye@piramal.com](mailto:vijay.sathye@piramal.com)

Sagar Gokani [sagar.gokani@piramal.com](mailto:sagar.gokani@piramal.com)

Prasad Mhatre [prasad.mhatre@piramal.com](mailto:prasad.mhatre@piramal.com)