

News Release

Indiareit announces exits worth INR440 crore from three earlier funds and a third party mandate

- Delivers on promise to focus on exits and prioritize investor returns
- Adds to the INR 905 crore that the fund house has already returned from previous exits from our 2006-7 vintage fund vehicles

Mumbai, 4th December 2012: Indiareit Fund Advisors, the real estate private equity arm of Piramal Enterprises, today announces exits worth INR 440 crore from three of its earlier funds and one from a third party mandate. These exits have been executed under the leadership of Mr Khushru Jijina, who was re-inducted to oversee Indiareit as Managing Partner three months ago. This is a strong validation of Indiareit's commitment to work immediately on prioritizing investor returns across all of its advised / managed funds and adds to the INR 905 crore that the fund house has already returned from previous exits in earlier vintage funds and third party mandates.

Mr. Khushru Jijina, Managing Partner, Indiareit said "The Piramal Group strongly believes that we are custodians of our investors and in our fiduciary capacity, we felt it appropriate that we give due attention and importance to a renewed focus on exits from our 2006-7 vintage fund vehicles. We have initiated discussions with our development counterparts in order to prioritize such exits with a view towards final realizations keeping in mind the various fund tenures."

The first is a phased stake sale of an SEZ within a successful township project located at Hinjewadi, Pune, being developed by Paranjape Schemes. The entire SEZ has a total development potential of 2.9 million sq ft of which 1.48 million sq ft (Phase I) is currently built and leased to marquee tenants like Accenture, Cisco, L&T, Persistent, KPIT and Crisil. Indiareit had invested INR 242 crore for a 30% shareholding in the project back in 2007. The residential portion has witnessed strong absorption levels and construction is well underway, with more than 400 units already having been handed over to the end users.

The second, is an investment in Mumbai with the Ariisto Group in a residential project at Santacruz as well as a mixed use project at Goregaon. Ariisto Sapphire, a 83 unit premium luxury development has been completed and handed over and well received by the micro market. The Retail portion of the Goregaon project has been constructed and is in the process of being leased out even as the residential portion is currently under construction. Indiareit had invested INR 150 crore across both these projects back in 2008 and has already realized INR 117 crore with another approximately INR 190 crore expected to come in within the next quarter.

Additionally as advisors to the offshore manager, Indiareit has been advising on the proposed exit in Forest Trails, a 3mn sq ft residential township located at Bhugaon in Pune

also being developed by Paranjape Scheme, for which a term sheet has been executed by the Offshore Fund. The first phase of 160 villas has been completed and handed over and the second phase, comprising apartment units has been launched to healthy pre-sales. The Offshore Fund had invested INR 109 crore for a 50% stake in the project in January 2011, with the exit amount translating into an IRR of 20% over the two year tenure.

Mr. Shrikant Paranjape, Chairman, Paranjape Schemes (Construction) Ltd. said "Paranjape's association with both the Fund as well as the Group at large goes back a long way - we have done several deals together and greatly value the opinion and expertise of the team directly overseeing our assets. We hope to continue the same relationship going forward and, as in the past, and look forward to a mutually beneficial association"

Finally, Indiareit has also advised on the exit from an investment held by Trafalgar / F&C REIT, one of the offshore managed accounts. The investment in question is located off the L&T Bypass road in Coimbatore and is classified as a plotted residential development.

Mr. David Cohen, Chairman, F&C REIT India said, "F&C REIT has been truly impressed with the way Indiareit has handled our projects since the commencement of our professional relationship. The team has consistently exercised diligence, creativity, and a high level of emotional and intellectual intelligence. We look forward to continuing to work with them to harvest optimally our existing portfolio and to exploring further business opportunities with the Piramal Group."

About Piramal Enterprises Ltd:

Piramal Enterprises is one of India's largest diversified companies, with a presence in pharmaceutical, financial services and information management sectors. Piramal Enterprises had consolidated revenues of \$ 500 million in FY2012. In the pharmaceutical space, PEL is one of leading custom manufacturing player globally, has presence in the global critical care segment with a portfolio of inhalation and injectible anesthetics and its OTC business is ranked no. 7 in India. PEL is also engaged in drug discovery & research and has strong pipeline of development products. In the financial services space, PEL has a real estate focused PE fund – Indiareit and a NBFC that is focused on lending to real estate and education sector. Recently, PEL has also entered the global information management industry through acquisition of a US based company - Decision Resources Group.

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