



Piramal Enterprises Limited **Consolidated Results for the Q2 FY2016 and H1 FY2016**

Consistently delivering superior growth and profitability performance

Mumbai, India, November 2, 2015: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announces its consolidated results for the Q2 FY2016 and H1 FY2016.

Highlights

- Strong revenue growth during the quarter and the half year
 - Up 24% at Rs.1,544 Crores during Q2 FY2016 vs Rs.1,243 Crores during Q2 FY2015
 - Up 24% at Rs.3,018 Crores during H1 FY2016 vs Rs.2,425 Crores during H1 FY2015
- Operating profit was :
 - 122% higher at Rs.476 Crores during Q2 FY2016 vs Rs.215 Crores during Q2 FY2015
 - 110% higher at Rs.776 Crores during H1 FY2016 vs Rs.370 Crores during H1 FY2015
- OPBITDA Margin was :
 - Up at 31% in Q2 FY2016 vs. 17% in Q2 FY2015
 - Up at 26% in H1 FY2016 vs. 15% in H1 FY2015
- Net Profit excluding exceptional items :
 - Increased to Rs. 255 Crores for Q2 FY2016 vs. Rs. 41 Crores for Q2 FY2015
 - Increased to Rs. 460 Crores for H1 FY2016 vs. Rs. 97 Crores for H1 FY2015
- Loan Book grew by 150% to Rs.9,020 Crores as on 30 Sept 2015 vs Rs.3,602 Crores as on 30 Sept 2014

Ajay Piramal, Chairman, PEL *“Continuing the momentum of delivering strong growth and profitability performance since last many quarters, today, we once again announce a robust financial performance for the first half of FY2016. More importantly, we are making good progress against our clearly defined strategic roadmap across all our businesses. Our efficient capital allocations and healthy growth rates are enabling us to again deliver a significantly improved bottom-line performance.*

While the Healthcare and Information Management businesses are growing consistently, with their recent acquisitions getting well-integrated into these businesses, the Financial Services business continue to show outstanding growth performance, over last number of quarters.

Looking at the progress we are making on our strategic priorities across businesses, today I feel more confident than earlier towards continuing to deliver such robust performances in future periods. As an organization, we remain committed to consistently create long term value for our shareholders.”

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter II ended			Half Year ended		
	30-Sept-15	30-Sept-14	% Change	30-Sept-15	30-Sept-14	% Change
Total Revenues	1,544	1,243	24%	3,018	2,425	24%
R&D expenses	27	71	(62%)	66	174	(62%)
Other operating expenses	1,041	957	9%	2,176	1,881	16%
OPBITDA	476	215	122%	776	370	110%
OPBITDA Margin %	31%	17%	-	26%	15%	-
Non-operating other income	51	13	285%	172	114	51%
Interest expenses	215	143	50%	385	291	32%
Depreciation	77	72	7%	150	139	8%
Profit before tax & exceptional items	235	13	1770%	414	55	658%
Exceptional items – (Expenses)/ Income	(9)	(374)	-	(12)	2,657	-
Income tax	23	67	-	41	278	-
Profit after tax (before MI & Prior Period Items)	202	(429)	-	361	2,433	(85%)
Minority interest	(0)	-	-	(0)	(0)	-
Share of profit/(loss) of Associates	44	38	14%	87	72	21%
Net Profit after Tax	246	(391)	-	449	2,506	-
EPS (Rs./share)	14.3	(22.6)	-	26.0	145.2	-

Note: Net Profit excluding exceptional items :

- Increased to Rs. 255 Crores for Q2 FY2016 vs. Rs. 41 Crores for Q2 FY2015
- Increased to Rs. 460 Crores for H1 FY2016 vs. Rs. 97 Crores for H1 FY2015

Consolidated Revenues

Consolidated revenues for Q2 FY2016 were 24% higher at Rs.1,544 Crores and for H1 FY2016 were 24% higher at Rs.3,018 Crores. Company has delivered a strong revenue performance with growth across all three business segments. 62% of our Q2 FY2016 revenues and 63% of H1 FY2016 revenues were earned in foreign currency.

Operating Profit

Operating profit for Q2 FY2016 was 122% higher at Rs.476 Crores, primarily driven by strong revenue performance across most of our businesses during the quarter and fall in R&D expenses. R&D expenses were lower during the quarter on account of scaling back of our investments in NCE research in FY2015. OPBITDA margin was higher at 31% in Q2 FY2016 as compared with 17% in Q2 FY2015.

Operating profit for H1 FY2016 was 110% higher at Rs.776 Crores. OPBITDA margin was higher at 26% in H1 FY2016 as compared with 15% in H1 FY2015.

Net Profit excluding exceptional items

Net Profit excluding exceptional items for Q2 FY2016 was at Rs.255 Crores as compared to Rs.41 Crores in Q2 FY2015. Healthy profitability was mainly on account of improved performance across business segments and lower R&D expenses.

Net Profit excluding exceptional items for H1 FY2016 was at Rs.460 Crores as compared to Rs.97 Crores in H1 FY2015.

Interest Expenses

Interest expense for the Q2 FY2016 and H1 FY2016 was higher primarily on account of increase in debt for making investments under Financial Services segment.

Exceptional Gain / Loss

Exceptional loss was Rs.9 Crores during Q2 FY2016. In Q2 FY2015, the exceptional loss was Rs.374 Crores on account scaling back of investments in NCE research.

Exceptional loss was Rs.12 Crores in H1 FY2016. Exceptional net gain of Rs.2,657 Crores in H1 FY2015 primarily included gain on sale of 11% stake in Vodafone India for Rs.8,900 Crores (an Investment of Rs.5,864 Crores made in FY2012), partially offset by the amount written down on account of scaling back of our investments in NCE research.

Share of Associates

Income under share of associates for the Q2 FY2016 and H1 FY2016 primarily includes our share in the profits of Shriram Capital for the period.

Business-wise Revenue Performance

(Rs. Crore or as stated)

Net Sales break-up	Quarter II ended			% Sales	Half Year ended		
	Q2 FY2016	Q2 FY2015	% Change		H1 FY2016	H1 FY2015	% Change
Healthcare	837	777	7.8%	55.9%	1,688	1,501	12.4%
Pharma Solutions	543	515	5.4%		1,110	961	15.5%
Critical Care	208	176	18.6%		399	369	8.1%
Consumer Products*	86	85	0.2%		178	171	4.4%
Financial Services	429	236	81.6%	26.4%	798	455	75.5%
Information Management	275	223	23.2%	17.3%	523	448	16.7%
Others	3	8	-	0.3%	10	22	-
Total	1,544	1,243	24.2%	100%	3,018	2,425	24.4%

* Includes Ophthalmology

Healthcare

In Q2 FY2016, revenues were Rs.837 Crores as compared with Rs.777 Crores in Q2 FY2015; a growth of 8% YoY. In H1 FY2016, revenues from healthcare businesses were Rs.1,688 Crores as compared with Rs.1,501 Crores in H1 FY2015, a growth of 12% YoY.

Pharma Solutions

Revenues from Pharma Solutions business grew by 5% YoY to Rs.543 Crores in Q2 FY2016. Growth rate for the Q2 FY2016 was moderate due to the lumpy nature of this business. In H1 FY2016, revenues grew by 16% YoY to Rs.1,110 crores vs Rs.961 Crores in H1 FY2015. We successfully integrated Coldstream facility and commenced investing in its capability & capacity expansion to take benefit from rapidly growing outsourcing business in Sterile injectables. Formulation development business witnessed good traction. Pithampur successfully cleared 3rd USFDA audit in less than a year.

In October 2015, business head was awarded as 'CEO of the year' at CPhI Pharma Awards and company was also rated as 'API Supplier of the Year' at Global Generics and Biosimilar Award 2015.

Critical Care

Revenues from Critical Care business grew by 19% YoY to Rs.208 Crores in Q2 FY2016 primarily on account of increasing access to new markets, growth in our market share across geographies and positive impact of INR depreciation. We became No.1 player in Isoflurane and increased sales volume of Sevoflurane in the US market. Post our entry last year, our market share in UK increased to 15%. We entered the markets of Malaysia and Iraq during the quarter. In H1 FY2016, revenues grew to Rs.399 crores from Rs.369 Crores in H1 FY2015.

Consumer Products

Revenues from Consumer Products business were broadly in line at Rs.86 Crores in Q2 FY2016 and Rs.178 Crores in H1 FY2016. High growth in most of our top brands was largely offset by temporarily lower growth in i-pill and Saridon.

Saridon continues to maintain no. 1 rank in headache category. Lacto and i-pill maintains their leadership positioning. We commenced exports of few brands to nearby countries that have a reach of Indian media. We increased digital presence with an exclusive launch of Untox™ with Snapdeal during the quarter. We are expanding to towns with more than 20,000 population. Initially, we have expanded in Andhra Pradesh and Karnataka.

Financial Services

Income from Financial Services was 82% higher at Rs.429 Crores for Q2 FY2016 and 75% higher at Rs.798 Crores for H1 FY2016. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 150% to Rs.9,020 Crores as on 30 Sept 2015 vs Rs.3,602 Crores as on 30 Sept 2014. We saw significant growth in construction financing to real estate developers.

Gross Assets under Management grew to Rs.8,936 Crores during the quarter. Here, we have invested in 57 projects across 6 cities with 23 leading developers. We exited more than 91% of corpus in real estate vintage funds and expecting to reach 100% in next few months. Also, during the quarter, we were recognized as the 'Best Overall Investment Manager (India)' by Euromoney in its 11th Annual Real Estate Survey 2015.

Information Management

Revenues from Information Management business grew by 23% YoY, to Rs.275 Crores in Q2 FY2016, primarily driven by growth in data and analytics products and the acquisition of HBI. HBI is achieving expected performance for CY 2015. The existing customers' retention rate during CY2015 till date is 95.5% and we continued to add new customers.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.

Our company shall also be uploading a results presentation on our website. For downloading a copy of the presentation and further information on our financials, please visit our website: www.piramal.com

About the Piramal Group

The Piramal Group, led by Ajay Piramal, is one of India's foremost business conglomerates with a global footprint. With operations in 30 countries and brand presence in over 100 countries, the Group's turnover exceeded \$1 billion in FY2015. The Group's diversified portfolio includes presence in industries like healthcare, financial services, healthcare information management, glass packaging and real estate.

Driven by the core values of knowledge, action and care, the Group steadfastly pursues inclusive growth, while adhering to ethical and value driven practices. Piramal Foundation, the philanthropic arm, has initiatives running across healthcare, water, education and women empowerment in 19 states of India.

About Piramal Enterprises Limited

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Healthcare, Healthcare Information Management and Financial Services. PEL's consolidated revenues were over \$ 830 million in FY2015, with approx. 70% of revenues from outside India.

In healthcare, PEL is one of the leading players globally in CRAMS (custom research and manufacturing services) as well as in the critical care segment of inhalation and injectable anaesthetics. It also has a strong presence in the OTC segment in India. The Molecular Imaging Division was formed in 2012 with presence in Europe and USA.

PEL's healthcare information management business, Decision Resources Group, is amongst the top 20 US market research organizations which provide information services to the healthcare industry.

In financial services, PEL, through its Piramal Fund Management Division, provides comprehensive financing solutions to real estate companies. The Structured Investment Group ("SIG") provides long term patient mezzanine growth capital to capital intensive businesses which are integral part of India's growth story. The total funds under management under these businesses are over \$ 2.5 billion. The company also has strategic alliances with top global pension funds like CPPIB Credit Investment Inc. and APG Asset Management. PEL also has long term equity investments worth over \$ 700 million in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the Bombay Stock Exchange and the National Stock Exchange in India.

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