



Piramal Enterprises Limited Consolidated Results for the Q4 FY2016 and FY2016

Another year of strong performance

Mumbai, India, May 16, 2016: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announces its consolidated results for the Q4 FY2016 and FY2016.

Highlights

- Strong revenue growth during the quarter and the full year period
 - Up 34% at Rs.1,734 Crores during Q4 FY2016 vs. Rs.1,298 Crores during Q4 FY2015
 - Up 29% at Rs.6,610 Crores during FY2016 vs. Rs.5,123 Crores during FY2015
- Operating profit was :
 - 141% higher at Rs.468 Crores during Q4 FY2016 vs. Rs.194 Crores during Q4 FY2015
 - 111% higher at Rs.1,872 Crores during FY2016 vs. Rs.885 Crores during FY2015
- OPBITDA Margin was :
 - Up at 27% in Q4 FY2016 vs. 15% in Q4 FY2015
 - Up at 28% in FY2016 vs. 17% in FY2015
- Net Profit :
 - Increased by 89% to Rs.180 Crores for Q4 FY2016 vs. Rs.95 Crores for Q4 FY2015
 - Increased by 126% to Rs. 951 Crores for FY2016 vs. Rs.421 Crores* for FY2015
- Loan Book grew by 174% to Rs.13,048 Crores as on 31 Mar 2016 vs. Rs.4,766 Crores as on 31 Mar 2015

(* FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE research.)

Ajay Piramal, Chairman, PEL said “Our company achieved another set of excellent results for FY2016, delivering a robust revenue and profitability performance for the year. The revenues for the year were Rs.6,610 Crores, up 29% from FY2015. The Company has generated net profits of Rs.951 Crores for the year. Our performance is a clear reflection of the strength in our business model and the determined execution of our proven growth strategy.

Since the sale of Domestic Formulations business in 2010, we have been constantly striving towards re-inventing the company. I feel, we have gone a long way in achieving the same over these last few years. Throughout this period, we have generated year-on-year improved performance and made substantial progress in delivering long-term sustainable value.”

Also, commenting on the structure of the company, Chairman added : “PEL is a conglomerate today and hence may seem to be complex and difficult to understand. We are fully aware and alive to this fact. It is our intent to simplify the structure going forward and create focused businesses in the process also unlocking value for our shareholders.”

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter IV ended			Full year ended		
	31-Mar-16	31-Mar-15	% Change	31-Mar-16	31-Mar-15	% Change
Total Revenues	1,734	1,298	34%	6,610	5,123	29%
R&D expenses	40	46	(13%)	137	267	(49%)
Other operating expenses	1,226	1,058	16%	4,601	3,970	16%
OPBITDA	468	194	141%	1,872	885	111%
OPBITDA Margin %	27%	15%	-	28%	17%	-
Non-operating other income	39	73	(47%)	242	254	(5%)
Interest expenses	304	119	155%	939	511	84%
Depreciation	90	71	27%	327	290	13%
Profit before tax & exceptional items	113	77	46%	849	339	150%
Exceptional items – (Expenses)/ Income	72	4	-	46	2,696	(98%)
Income tax	38	34	11%	103	345	(70%)
Profit after tax (before MI & Prior Period Items)	148	48	208%	791	2,690	(71%)
Minority interest	(0)	(0)	-	(0)	(0)	-
Share of profit/(loss) of Associates	33	47	(31%)	159	159	-
Net Profit after Tax	180	95	89%	951	2,850	(67%)
EPS (Rs./share)	10.4	5.5	90%	55.1	165.2	(67%)

Consolidated Revenues

Consolidated revenues were 34% higher at Rs.1,734 Crores for Q4 FY2016 and 29% higher at Rs.6,610 Crores for FY2016. Company has delivered a strong revenue performance with growth across all three business segments. 58% of our Q4 FY2016 revenues and 61% of our FY2016 revenues were earned in foreign currency.

Operating Profit

Operating profit for Q4 FY2016 was 141% higher at Rs.468 Crores, primarily driven by strong revenue performance across most of our businesses during the quarter and fall in R&D expenses. OPBITDA margin was higher at 27% in Q4 FY2016 as compared with 15% in Q4 FY2015.

Operating profit for FY2016 was 111% higher at Rs.1,872 Crores. R&D expenses were lower during the period on account of scaling back of our investments in NCE research in FY2015. OPBITDA margin was higher at 28% in FY2016 as compared with 17% in FY2015.

Net Profit

Net Profit for Q4 FY2016 was up by 89% at Rs.180 Crores as compared to Rs.95 Crores in Q4 FY2015. Healthy profitability was mainly on account of improved performance across business segments and lower R&D expenses. Net Profit for FY2016 was Rs.951 Crores

Interest Expenses

Interest expense for the Q4 FY2016 and FY2016 were higher primarily on account of increase in debt for making investments under Financial Services segment.

Exceptional Gain / Loss

Exceptional net gain was Rs.72 Crores during Q4 FY2016 primarily on account of sale of certain properties. In Q4 FY2015, the exceptional gain was Rs.4 Crores.

Exceptional net gain was Rs.46 Crores in FY2016. Exceptional net gain of Rs.2,696 Crores in FY2015 primarily included gain on sale of 11% stake in Vodafone India 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 Q4 FY2016 and 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 IV ended			% Sales	Full year ended		
	Q4 FY2016	Q4 FY2015	% Change		FY2016	FY2015	% Change
Healthcare	955	836	14.3%	53.8%	3,558	3,121	14.0%
Pharma Solutions	593	560	6.0%	34.6%	2,290	2,008	14.1%
Critical Care	245	175	40.2%	13.2%	876	757	15.7%
Consumer Products*	117	102	15.1%	5.9%	393	357	10.1%
Financial Services	559	264	111.8%	28.2%	1,864	937	98.9%
Information Management	207	194	6.5%	17.5%	1,156	1020	13.4%
Others	13	3	-	0.5%	31	45	-
Total	1,734	1,298	33.6%	100%	6,610	5,123	29.0%

* Includes Ophthalmology

Healthcare

In Q4 FY2016, revenues were Rs.955 Crores as compared with Rs.836 Crores in Q4 FY2015; a growth of 14% YoY. In FY2016, revenues from healthcare businesses were Rs.3,558 Crores as compared with Rs.3,121 Crores in FY2015, a growth of 14% YoY.

Pharma Solutions

Revenues from Pharma Solutions business grew by 6% YoY to Rs.593 Crores in Q4 FY2016. Growth rate for the quarter was moderate due to the lumpy nature of this business. In FY2016, revenues grew by 14% YoY to Rs.2,290, driven by good traction in both API and Formulations business and contribution from our Coldstream acquisition. During the year, we carried out debottlenecking / expanded the capacity at few of our locations.

Critical Care

Revenues from Critical Care business grew by 40% YoY to Rs.245 Crores in Q4 FY2016 primarily on account of healthy progress on our strategic priorities and lower growth in Q4 FY2015. In FY2016, revenues grew by 16% to Rs.876 crores from Rs.757 Crores in FY2015 on account of access to new geographies, growth of market share in existing geographies and positive impact of INR depreciation. Post our entry last year, we significantly increased our market share in UK in FY16. Also, we became the largest player in Isoflurane and increased sales volume of Sevoflurane in the United States. We entered a co-promotion agreement with Cumberland, a specialty pharmaceutical company focused on hospital acute care and gastroenterology and officially launched two of its branded hospital products, Caldolor® and Vaprisol® in the United States. We are progressing well on cost reduction initiatives to improve profitability and gain market share.

Consumer Products

Revenues from Consumer Products business grew by 15% YoY to Rs.117 Crores in Q4 FY2016 driven by various organic and inorganic initiatives undertaken by the business. We acquired baby-care brand "Little's" in November 2015 that includes the entire product range across six categories for babies in the age group of 0-4yrs. With this acquisition, PEL now caters to the entire spectrum in the kids segment (0 to

16 years of age). We also acquired 5 brands from Organon India and MSD BV in December 2015. The acquisition includes leading brands like Naturoxal, Lactobacil and Farizym in Gastro Intestinal segment. We will expand this in the gastro-intestinal segment. Currently, we are undergoing post acquisition transition and are planning to launch new formats and target a wider reach. In May 2016, we entered an agreement to acquire four brands from Pfizer Ltd, namely Ferradol, Neko, Sloan's & Waterbury's Compound. The agreement also, includes trademark rights for few products in Bangladesh & Sri Lanka. These brands operates in Rs.7,000 Crores market and hold a rich legacy and have a high consumer pull. They are available in India for the past 30+ years. We have successfully completed our geographical expansion plans and now reaching to 3.5 lacs outlets in 1,500 towns with 20,000+ population.

Financial Services

Income from Financial Services was 112% higher at Rs.559 Crores for Q4 FY2016 and 99% higher at Rs.1,864 Crores for FY2016. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 174% to Rs.13,048 Crores as on 31 Mar 2016 vs Rs.4,766 Crores as on 31 Mar 2015. Our entry into Construction Finance enabled us to significantly scale up our loan book. It now constitutes 42% of the Real Estate loan book. Asset quality continued to remain robust with a GNPA ratio of just 0.91%.

Gross Assets under Management grew to Rs.8,717 Crores during the quarter. We exited almost 100% of corpus in all 3 vintage funds. During the year, we launched 'Piramal India Resurgent Fund' with a corpus of Rs.6,000 Crores focusing on acquiring stressed loans.

Information Management

Revenues from Information Management business grew by 6% YoY, to Rs.207 Crores in Q4 FY2016 primarily driven by the provider and payer business units. In FY2016, revenues grew by 13% YoY to Rs.1,156 Crores. HBI acquisition enables us to accelerate our entry into provider market. During the year, we acquired Adaptive Software that marked our entry into the payer market. The existing customers' retention rate is 96% and we continued to add new customers. DRG India office is on target with 160+ positions on boarded.

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 \$ 980 million in FY2016, with 61% 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 \$ 3 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.

For Investors:

Hitesh Dhaddha / Bhavna Sinyal
Investor Relations,
Piramal Enterprises Limited
Contact: +91 22 3046 6444 / +91 22 3046 6570
investor.relations@piramal.com

For media enquiries, please contact:

PIRAMAL ENTERPRISES

Akansha Pradhan / Riddhi Goradia / Paroma Bhattacharya

Corporate Communications,

Piramal Group

Contact: +91 22 3351 4082 / 4083

akansha.pradhan@piramal.com / riddhi.goradia@piramal.com / paroma.bhattacharya@piramal.com

PUBLIC RELATIONS CONSULTANT:

Sumati Chaudhary/ Kritika Bhardwaj

Sumati.chaudhary@mslgroup.com / kritika.bhardwaj@mslgroup.com

Tel: 022 3368 0368/ 022 3368 0354

M: +91 9820918609/ 9833394436