



## **Piramal Enterprises Consolidated Results for the First Quarter ended 30 June 2016**

***Continue to deliver strong growth in revenues and profitability***

**Mumbai, India, August 1, 2016:** Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the First Quarter (Q1) ended 30 June 2016.

### **Financial Highlights for the quarter**

- **Revenue** : 27% higher at Rs.1,776 Crores during the quarter
- **Operating profit** : 174% higher at Rs.638 Crores during the quarter
- **Net Profit** : 36% higher at Rs.231 Crores during the quarter

### **Operating Highlights for the quarter**

- Loan Book increased by 112 % to Rs.16,112 Crores as on 30 Jun 2016 as compared with Rs.7,611 Crores as on 30 Jun 2015.
- Pharma Solutions business's Mahad site cleared its first ever USFDA audit without any observation
- Critical Care business renewed major GPO (Group Purchase Organisation) contract in US for Isoflurane with >30% price increase.
- Consumer Products business completed integration of Little's & MSD brands acquired in FY2016
- At DRG, 210+ positions on boarded in Bengaluru and Gurugram offices

**Ajay Piramal, Chairman, PEL** *"We have been consistently delivering improved top-line and bottom-line performances since last many quarters. The company again reported a robust revenue and profitability growth for Q1 FY2017. Our revenues were 27% higher at Rs.1,776 Crores during the quarter and net profit were 36% higher at Rs.231 Crores during the quarter"*

*All our businesses are moving ahead towards delivering on their long term strategic plans. We look forward to grow all our businesses both organically and through acquisitions, with a clear objective of consistently creating long term value for all our stakeholders"*

## Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter I ended		
	30-Jun-16	30-Jun-15	% Change
Total Revenues	1,776	1,401	27%
R&D Expenses	24	38	(37%)
Other Operating Expenses	1,114	1,130	(1%)
OPBITDA	638	233	174%
OPBITDA Margin %	36%	17%	-
Non-operating other income	53	113	(53%)
Interest expenses	395	171	132%
Depreciation	77	55	41%
Profit before tax & exceptional items	219	120	82%
Exceptional items (Expenses)/Income	-	(3)	-
Income tax	46	(2)	-
Profit after tax (before MI & Prior Period items)	173	120	44%
Minority interest	-	-	-
Share of profit/(loss) of associates	58	50	17%
Net Profit after Tax	231	169	36%
EPS (Rs./share)	13.4	9.9	36%

**Note: The above financials for Q1 FY2017 are as per new accounting standard (Ind AS). Also, the financials for previous period Q1 FY2016 have been re-instated as per new accounting standards to make them comparable with current period.**

### Consolidated Revenues

Consolidated revenues for Q1 FY2017 were 27% higher at Rs.1,776 Crores as compared with Rs.1,401 Crores in Q1 FY2016. 55% of our Q1 FY2017 revenues were generated in foreign currency.

### Operating Profit

Operating profit for Q1 FY2017 was 174% higher at Rs.638 Crores, primarily driven by strong revenue growth and fall in R&D expenses, partly offset by higher employee benefit expenses. OPBITDA margin was higher at 36% in Q1 FY2017 as compared with 17% in Q1 FY2016.

### Net Profit

Net Profit for Q1 FY2017 was 36% higher at Rs. 231 Crores. Strong profitability was mainly on account of improved top-line performance, lower R&D expenses and higher share of income from associates, partly offset by increase in interest expense and depreciation.

## Interest Expenses

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

## Share of profit / loss of Associates

Income under share of associates for the quarter primarily includes our share in the profits of Shriram Capital for the period. Our share of profit under JV with Allergan has also now been included under share of profit / loss of Associate, as per the new accounting standards.

## Business-wise Revenue Performance

(Rs. Crores or as stated)

Net Sales break-up	% Sales	Quarter I ended		
		30-Jun-16	30-Jun-15	% Change
<b>Healthcare</b>	48%	851	827	3%
Pharma Solutions		575	574	0%
Critical Care		195	191	2%
Consumer Products*		80	61	31%
<b>Financial Services</b>	36%	635	320	98%
<b>Information Management</b>	15%	269	248	9%
Others	1%	21	6	-
<b>Total</b>	<b>100%</b>	<b>1,776</b>	<b>1,401</b>	<b>27%</b>

\*Note: Revenue does not include revenues from our JV with Allergan as it is now accounted as an associate income as per the Ind AS.

## Financial Services

Income from Financial Services was 98% higher at Rs.635 Crores for Q1 FY2017. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 112% over last year to Rs.16,112 Crores. Construction finance now accounts for 46% of the total real estate loan book. Gross NPA was 0.6% as on 30 Jun 2016. We entered transactions in commercial space during the quarter.

Gross Assets under Management were Rs.8,715 Crores during the quarter. As on 30 Jun 2016, we invested in 62 projects across 7 cities with 25 leading developers.

## **Healthcare**

In Q1 FY2017, Healthcare segment delivered revenues of Rs.851 Crores, as compared with Rs.827 Crores in Q1 FY2016.

Revenues from Pharma Solutions business were at Rs.575 Crores, broadly in line with corresponding quarter of the previous year due to lumpy nature of business. Mahad plant cleared its first ever USFDA audit without any observation. Our Digwal team was awarded for Sustainability and Safety Excellence from Frost & Sullivan's at its 'Green Manufacturing Excellence Awards – 2016'.

Revenues from Critical Care business were at Rs.195 Crores in Q1 FY2017, broadly in line with corresponding quarter of the previous year. We continue to strengthen our presence and expand our market share in UK by winning more tenders in its various geographies. The business also won first Public Tender in Spain. We renewed major GPO (Group Purchase Organization) contract in US for Isoflurane with >30% price increase. We continue to explore inorganic opportunities to expand product portfolio. We have maintained our cost leadership and initiatives are underway towards further optimization.

Revenues from Consumer Products business grew 31% during Q1 FY2017 to Rs.80 Crores. Key drivers include successful integration for Little's & MSD brands acquired in FY2016 and expansion of their coverage, increased distribution of current brands and sound acceptance of new launches in the market. The business agreed to acquire 4 brands from Pfizer Ltd during the quarter. We also launched a new extension in i-range portfolio - i-pill daily, a Regular Contraceptive Pill and extensions of Polycrol and Tetmosol.

## **Information Management**

Revenues from Information Management business grew by 9% YoY, to Rs.269 Crores in Q1 FY2017. India headcount now represents ~20% of DRG's global workforce, with 210+ positions on-boarded in Bengaluru and Gurugram offices. New dynamic, web-based delivery platform for all DRG research reports was launched on schedule in July 2016. This platform will transform how customers access and consume DRG content.

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](http://www.piramal.com)

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## **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 is around \$1.3 billion in FY2016. 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 around \$ 1 billion 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.

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 \$ 3.3 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.

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