



Piramal Enterprises Limited Consolidated Results for the Q2 and H1 FY2017

Another quarter delivering superior growth and profitability performance

Mumbai, India, October 27, 2016: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announces its consolidated results for the Q2 and H1 FY2017.

H1 FY2017 Financial Highlights

- Strong revenue growth during the quarter and the half year
 - Up 31% at Rs.1,966 Crores during Q2 FY2017 vs Rs.1,504 Crores in Q2 FY2016
 - Up 29% at Rs.3,742 Crores during H1 FY2017 vs Rs.2,904 Crores in H1 FY2016
- Operating profit was :
 - 67% higher at Rs.744 Crores during Q2 FY2017 vs Rs.445 Crores in Q2 FY2016
 - 104% higher at Rs.1,382 Crores during H1 FY2017 vs Rs.678 Crores in H1 FY2016
- OPBITDA Margin was :
 - Up at 38% in Q2 FY2017 vs. 30% in Q2 FY2016
 - Up at 37% in H1 FY2017 vs. 23% in H1 FY2016
- Net Profit was :
 - Up 30% at Rs.306 Crores during Q2 FY2017 vs Rs.235 Crores in Q2 FY2016
 - Up 33% at Rs.537 Crores during H1 FY2017 vs Rs.405 Crores in H1 FY2016

H1 FY2017 Operational Highlights

- Critical Care business acquired injectable anaesthesia & pain management products from Janssen Pharmaceutica
- Loan Book grew 113% over last year generating 25%+ ROE with negligible NPAs
- Consumer Products revenue grew by 76% in Q2 FY2017. It acquired and launched multiple products in last few quarters
- Pharma Solutions acquired Ash Stevens, a US based CDMO focused on HPAPIs
- Pharma Solutions also announced next phase of capacity expansion at Coldstream for sterile manufacturing
- 20% of DRG's workforce is now operating from India

Ajay Piramal, Chairman, Piramal Enterprises said, *"We are pleased to share, that in continuation to previous quarters, Piramal Enterprises has recorded strong growth and robust profitability in the first half of FY2017. Our business strategy to grow both organically and inorganically, along with strong execution capabilities, enables us to consistently deliver healthy financial results. We remain committed to creating long term value for our shareholders."*

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter II ended			Half Year ended		
	30-Sept-16	30-Sept-15	% Change	30-Sept-16	30-Sept-15	% Change
Total Revenues	1,966	1,504	31%	3,742	2,904	29%
R&D expenses	26	27	(5%)	50	66	(23%)
Other operating expenses	1,197	1,031	16%	2,310	2,161	7%
OPBITDA	744	445	67%	1,382	678	104%
OPBITDA Margin %	38%	30%	-	37%	23%	-
Non-operating other income	42	52	(19%)	95	165	(42%)
Interest expenses	455	221	106%	851	391	117%
Depreciation	73	57	28%	150	112	34%
Profit before tax & exceptional items	257	219	17%	476	340	40%
Exceptional items – (Expenses)/ Income	-	(9)	-	-	(12)	-
Income tax	3	25	(87%)	49	23	118%
Profit after tax (before MI & Prior Period Items)	254	186	37%	427	306	40%
Minority interest	-	-	-	-	-	-
Share of profit/(loss) of Associates	52	50	5%	110	99	11%
Net Profit after Tax	306	235	30%	537	405	33%
EPS (Rs./share)	17.8	13.6	30%	31.1	23.5	33%

Note: The above financials for Q2 FY2017 and H1 FY2017 are as per new accounting standard (Ind AS). Also, the financials for previous period Q2 FY2016 and H1 FY2016 have been reinstated as per new accounting standards to make them comparable with current period.

Consolidated Revenues

Consolidated revenues were 31% higher at Rs.1,966 Crores for Q2 FY2017 and 29% higher at Rs.3,742 Crores for H1 FY2017. 48% of our Q2 FY2017 revenues and 51% of H1 FY2017 revenues were generated in foreign currency.

Operating Profit

Operating profit was 67% higher at Rs.744 Crores for Q2 FY2017 and 104% higher at Rs.1,382 Crores for H1 FY2017, primarily driven by strong revenue growth. OPBITDA margin was higher at 38% in Q2 FY2017 and 37% in H1 FY2017.

Net Profit

Net Profit was 30% higher at Rs.306 Crores for Q2 FY2017 and 33% higher at Rs.537 Crores for H1 FY2017. Strong profitability was mainly on account of improved top-line, partly offset by increase in interest expense and depreciation.

Interest Expenses

Interest expense for the Q2 FY2017 and H1 FY2017 was higher primarily on account of increase in debt for making investments under Financial Services segment.

Share of Associates

Income under share of associates 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. Crore or as stated)

Net Sales break-up	Quarter II ended			% Sales	Half Year ended		
	Q2 FY2017	Q2 FY2016	% Change		H1 FY2017	H1 FY2016	% Change
Healthcare	874	817	7.0%	46%	1,725	1,644	4.9%
Pharma Solutions	556	552	0.7%	-	1,131	1,127	0.4%
Critical Care	218	208	4.8%	-	413	399	3.6%
Consumer Products	99	57	75.9%	-	180	118	52.5%
Financial Services	815	410	98.9%	39%	1,450	731	98.3%
Information Management	262	275	(4.5%)	14%	532	523	1.7%
Others	15	2	-	1%	36	7	-
Total	1,966	1,504	30.8%	100%	3,742	2,904	28.9%

Healthcare

Healthcare segment delivered revenues of Rs.874 in Q2 FY2017 and Rs.1,725 Crores in H1 FY2017.

Revenues from Pharma Solutions business were at Rs.556 Crores in Q2 FY2017 and Rs.1,131 Crores in H1 FY2017, broadly in line with corresponding period of the previous year. Currency fluctuation impacted the revenues during the aforesaid period. During the quarter, we acquired Ash Stevens, a US based CDMO focused on HPAPIs, including high potency anti-cancer agents. Also, we announced the next phase of expansion at Coldstream facility.

Revenues from Critical Care business grew to Rs.218 Crores in Q2 FY2017 and to Rs.413 Crores in H1 FY2017. Growth was primarily led by improved performance in regulated markets. Emerging markets faced economic challenges during the period. We added new customers for Sevoflurane in the US and increased price for Isoflurane in the US. In Oct 2016, we acquired a portfolio of five injectable anaesthesia & pain management products from Janssen Pharmaceutica.

Revenues from Consumer Products business grew by 76% at Rs.99 Crores in Q2 FY2017 and by 52% at Rs.180 Crores in H1 FY2017. Strong growth was driven by both organic and inorganic initiatives

undertaken over the past few quarters. All the key brands have registered gain in their share by outperforming the market and acquired brands too performed remarkably surpassing their internal benchmarks.

Financial Services

Income from Financial Services was 99% higher at Rs.815 Crores for Q2 FY2017 and 98% higher at Rs1,450 Crores for H1 FY2017. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 113% to Rs.19,170 Crores as on 30 Sept 2016 vs Rs.9,020 Crores as on 30 Sept 2015. Construction finance now accounts for 52% of the total real estate loan book. Gross NPA was reduced to 0.4% as on 30 Sept 2016 primarily on account of recovery in one of the old NPA account. During the quarter, we integrated Structured Finance Group in to Piramal Fund Management with a view to create a unified standalone wholesale alternatives business and boost growth in future.

Gross Assets under Management were at Rs.7,315 Crores. During the quarter, we completely exited two of the vintage funds.

Information Management

Revenues from Information Management business were marginally lower at Rs.262 Crores in Q2 FY2017 and grew by 2% to Rs.532 Crores in H1 FY2017. India headcount now represents ~20% of DRG's global workforce, with 240+ positions on-boarded in Bengaluru and Gurugram offices. During the quarter, we invested in Context Matters, a leading provider of health economics data for pharmaceutical industry market access intelligence that will enhance market access offerings of DRG.

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 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 US\$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 Finance Group (SFG) 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 US\$3.3 billion. The Company also has strategic alliances with top global funds like CPPIB Credit Investment Inc., APG Asset Management and Bain Capital. PEL also has long term equity investments worth over US\$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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