



Q1 FY2012 Results & Strategy Update

Date : 02nd August 2011

Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “on-course”, “should”, “potential”, “pipeline”, “guidance”, “will pursue” “trend line” and similar expressions or variations of such expressions may constitute "forward-looking statements".

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Piramal Healthcare Limited’s ability to successfully implement its strategy, the Company’s growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Healthcare Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Financial highlights Q1 FY2012

Business Mix – Consolidated Q1 FY2012

Continuing Businesses

Rs. Crores

No.	Net Sales break-up	% Sales	Quarter I ended		
			30-Jun-11	30-Jun-10	% Gr
1	Pharma Solutions	56.7%	290.2	207.5	39.9%
	From Assets in India	33.7%	172.4	98.7	74.7%
	From Assets Outside India	23.0%	117.8	108.8	8.3%
2	Piramal Critical Care	17.8%	91.1	108.2	-15.8%
3	OTC & Ophthalmology	10.9%	55.7	37.7	47.8%
4	Financial Services Income	13.9%	71.0	24.0	195.7%
5	Others	0.8%	4.0	2.4	66.4%
Total		100.0%	512.0	379.7	34.8%

Profit & Loss Account – Consolidated Continuing Businesses - Q1 FY2012

Rs. Crores

Particlulars	Q1 Ended		
	30-Jun-11	30-Jun-10	% Gr
Total operating income	512.0	379.7	34.8%
OPBIDTA	154.5	39.9	287.1%
OPM %	30.2%	10.5%	-
Interest	10.7	32.9	-67.5%
Depreciation	27.0	22.4	20.2%
Profit before tax	116.9	-15.4	-
Income tax	26.9	2.6	-
Profit after tax	89.2	-18.2	-
EPS (Rs.)	5.3	-0.9	-

Balance Sheet – Consolidated

Q1 FY2012

Rs. Crores

Period ended- Consolidated	As at	As at
	30-Jun-11	31-Mar-11
Equity Capital	33.4	33.6
Reserves & Surplus	11,866.9	11,822.6
Networth	11,900.3	11,856.2
Minority Interest	6.5	5.8
Deferred tax liability (Net)	49.9	48.4
Other Non Current Liabilities	960.8	927.5
Total	12,917.5	12,837.9
Net Fixed assets	1,605.6	1,602.0
Non Current Assets	6,305.1	6,201.2
Net Current Assets	5,006.8	5,034.7
Inventories	425.3	382.6
Sundry debtors	313.7	383.8
Other current assets	5,390.5	5,301.9
Current liabilities	1,122.6	1,033.6
Total	12,917.5	12,837.9

Note: Other current assets include amount of Rs. 1,788 crores and Non Current assets include amount of Rs. 5,365 crores receivable from Abbott towards sale of Healthcare Solutions business

Balance Sheet – Ratios – Q1 FY2012

Rs. Crores

No.	Period ended- Consolidated	As at	As at
		30-Jun-11	31-Mar-11
1	Debt/equity ratio	0.08	0.06
	Networth	11,900.3	11,856.2
	Total debt	926.9	725.9
2	Book value (Rs./share)	707.5	704.9
3	Cash value (Rs./share)	587.9	596.7
4	Net Sales/Net fixed assets ratio	1.1	1.6
5	Current assets ratios		
i	Inventory days	86.8	54.0
ii	Receivable days	64.0	54.2
6	ROCE %	4.0%	5.7%
7	RONW %	3.0%	2.8%

Piramal Healthcare – 2nd Wave of Growth

Piramal Healthcare: 2nd Wave of growth



- ❑ Build on our heritage of delivering long term sustainable value for our shareholders

- ❑ PHL is facing a unique set of opportunities that can be capitalized on

- ❑ Guiding principles for doing business:
 - Delivering consistently good returns to our investors
 - Conservative in diluting equity
 - Building growth on quality of talent
 - Follow high standards of Corporate Governance

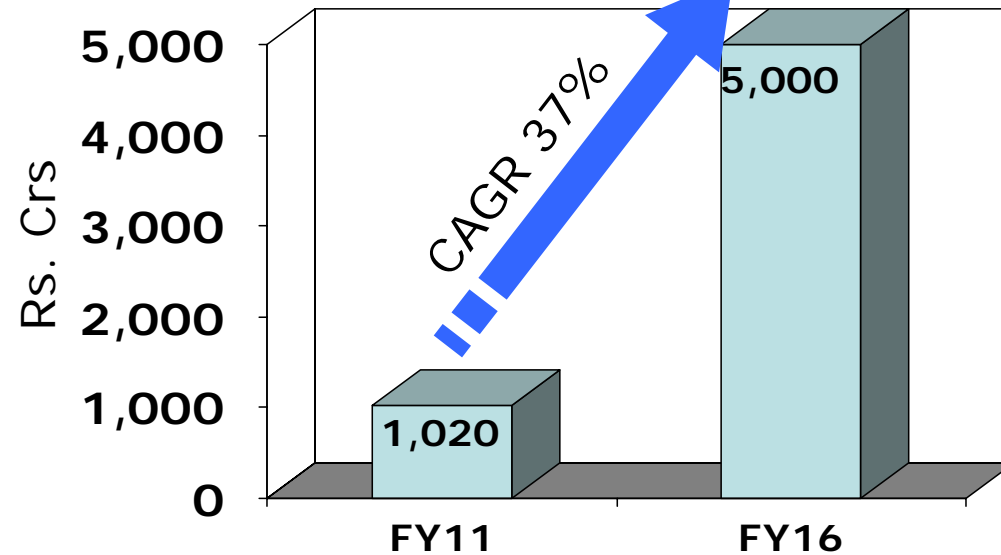
- ❑ In an uncertain market environment, optimally utilize cash that we have on balance sheet

Existing Businesses – Long Term Vision

Pharma Solutions

Pharma Solutions: To be one of the Top-3 global CMO players

Pharma Solutions: Sales



Organic Growth CAGR: 19%

Total Investment: Rs.
2,700 crs

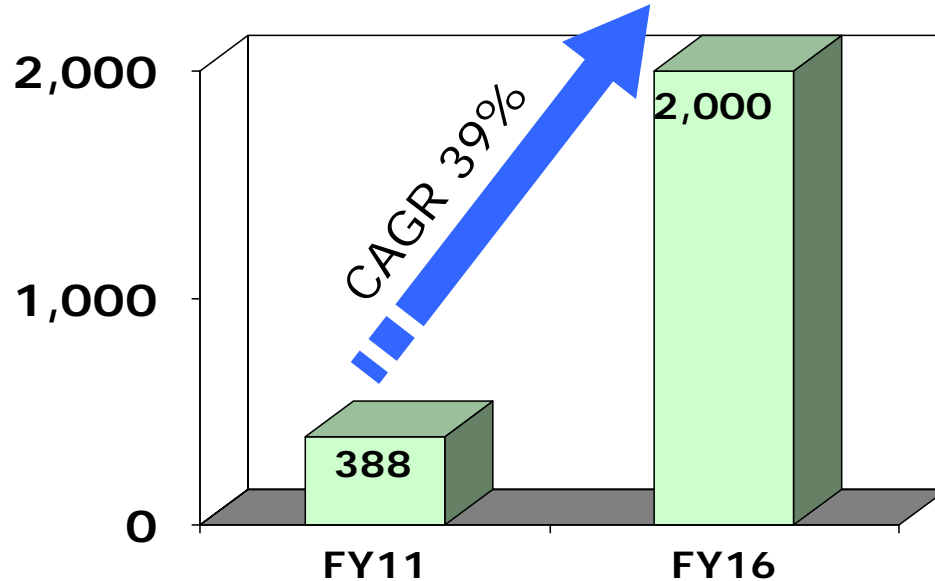
Growth Drivers:

- Acquisition of technologies/capabilities that we do not have in PHL like sterile injectables, biocatalysis, solubilisation etc.
- Acquisition of facilities from pharmaceutical companies
- Entry into new related business segments
- Increasing focus on niche API Generics business

Critical Care

Critical Care: To be one of the Top-2 anesthetics companies globally

Critical Care Sales



Organic Growth CAGR: 21%

Total Investment: Rs. 1,500 crs

Growth Drivers:

- ❑ Entry into European markets for Sevoflurane, Market Opportunity: \$ 200 mn
- ❑ Entry into new product - Desflurane for global markets, Market Opportunity: \$ 225 mn
- ❑ Entering into newer anesthetic/critical care products like Propofol; market opportunity: \$ 500+ mn
- ❑ Acquisition of companies that give us access to new products or helps us expand our geographical reach

OTC

OTC – Strong Track Record

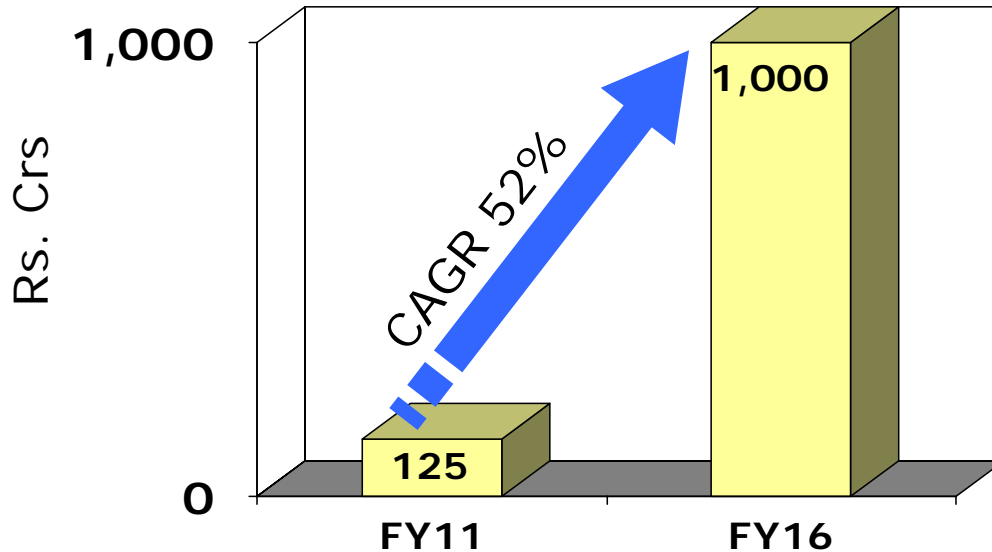
- Moved from no. 40 in 2008 to top-10 in 2011
- Sales have grown by 29% CAGR in last 3 years
- Field force expansion to improve distribution to 4 lakh chemists and cover all 485 1 lakh+ towns in India

- Lacto Calamine won coveted 2010 REBRAND 100 Winner
- Successful Rx to OTC transformation for Polycrol, Tetmosol and Supractiv



OTC: To be in the Top-3 players in OTC market in India

OTC Sales



Organic Growth CAGR: 32%

Total Investment: Rs.
2,500 crs

Growth Drivers:

- ❑ Grow 2 power brands to reach Rs. 100 crore each by expanding consumer base and launching new brand extensions
- ❑ Establish newly launched brands by increasing geographical presence
- ❑ Launch innovative product from internal pipeline
- ❑ Acquire established brands/companies in self care segment

Life Sciences*

* The de-merger of PLSL's NCE Research unit into PHL is subject to regulatory approvals

R&D: To launch a molecule globally

16 products under development in various stages

- ❑ Our lead molecule for P276 is currently undergoing Phase I/II clinical trials for multiple indication of cancer: Head & Neck, Mantle Cell Lymphoma, Malignant Melanoma, Pancreatic and Triple Negative Breast Cancer;
 - Potential Market size: \$ 10 billion;
 - Earliest expected launch: FY2014

- ❑ Another late stage product BST-Car Gel for cartilage repair is in pivotal studies, final clinical study report to be completed by August 2011,
 - Market Size for Europe: \$ 200 mn;
 - Earliest expected launch: end FY2012

- ❑ Explore outlicensing opportunity for P1736, a Diabetes molecule which is currently in Phase II after the completion of this trial

Total Investment Required till 2014: Rs. 600 crs

R&D: High quality talent to drive innovation



Senior Management team expanded by bringing in:

- Dr. Allan Hatfield: Ex-Global Clinical Program Head for Gleevec at Novartis; prior to that Ex-Head of Oncology, Eli Lilly
- Dr. Robert Armstrong: Ex-Vice President for Global External Research and Development at Eli Lilly
- Dr. Shashank Rohatgi: Ex-Executive Director of Daichi Sankyo India Development

Strong Scientific Advisory Board:

Name	Brief Profile
Sir Ravinder Maini	Internationally renowned Clinical and Academic Rheumatologist
Dr. R. A. Mashelkar	Director of CSIR, globally renowned scientist
Dr. William Jenkins	Ex-Head of Clinical Development & Regulatory Affairs at Novartis, Fellow of the Royal College of Physicians, UK
Prof. Govardhan Mehta	Fellow of Royal Society, President of International Council for Sciences, faculty at IIS
Prof. Bob Chaudhari	Ex-Senior Research Manager at Novartis, Principal inventor for 15 granted patents

New Businesses – Long Term Vision

Piramal Capital – Long Term Vision

PHL Capital – Vision to be specialized financial services company



IndiaReit: Build on strong Brand Equity

- ❑ IndiaReit to launch New Development Funds and Yield Funds with Corpus (cumulative) of ~Rs. 13,000 crores by 2016
- ❑ PHL's commitment to these new funds to be ~Rs. 1,000 crores
- ❑ IndiaReit to look for special mandates like the investment management mandate that it has from Trinity Capital PLC under which it manages US \$ 200 mn of assets
- ❑ Investment in IndiaReit to generate ROE of 18-20% from 2014 onwards

- ❑ To be led by Mr. A. K. Purwar, ex-Chairman of State Bank of India
- ❑ To have strong systems and process aimed at building a book of quality asset with Gross NPAs less than 2% and Net NPAs less than 1%
- ❑ To have loan book of Rs. 6,000 crores by FY2016
- ❑ PHL's commitment to be Rs. 1,000 crores
- ❑ Investment in this NBFC to generate ROE of 15-16% by FY2016

Special Investments

Special Investments

- PHL to invest surplus funds in investments that give:
 - minority equity stake in
 - global companies in India
 - high growth sectors
 - short to medium term
 - Minimal risk
 - ROE: 17-20% p.a.

PHL – Long Term Vision

PHL – In Summary



- ❑ By FY2016, PHL aims to be amongst top-3 CMO companies globally; amongst top-2 anesthetic companies globally and amongst top-3 OTC companies in India
- ❑ PHL aims to have two new molecules in the market by FY2016
- ❑ PHL aims to build a specialized financial services business by FY2016
- ❑ PHL to enter into new sunrise sector

PHL to have revenues of Rs. 10,000 crores with EBITDA margins of 18-20% by 2016

Thank you