



Press Release

**Piramal Healthcare reports Q1FY2011 results;
Consolidated Revenues for the quarter up by 2.5% to ₹ 8.4 billion,
Operating Profit was lower by 13.9% at ₹ 1.4 billion, Net Profit was lower by
5.1% to ₹ 807 million**

Mumbai, 10 August 2010: Piramal Healthcare Limited (NSE: PIRHEALTH, BSE: 500302) today reported first quarter (Q1) results for FY2011.

Total Operating Income on consolidated basis for the quarter ended 30 June 2010 was up by 2.5% to ₹ 8.4 billion over Q1 FY2010. Operating Profit was ₹ 1.4 billion as compared to ₹ 1.6 billion, as a result Operating Profit Margin for the quarter was lower at 16.4% compared to 19.5% during the same period in the last year. Net Profit was lower by 5.1% to ₹ 807.4 million in Q1 FY2011. Earnings Per Share (EPS) for the quarter was marginally lower at ₹ 3.9 as compared to ₹ 4.1 in Q1 FY2010.

In May 2010 Piramal Healthcare entered into a definitive agreement to sell its Healthcare Solutions (domestic formulation) business to Abbott for a consideration of US \$ 3.72 billion. During the quarter, Healthcare Solutions division grew by 4.9% as compared to industry growth of 19.6% (Source: ORG IMS JUN MAT 2010) with revenues of ₹ 4.6 billion.

Pharma Solutions (Custom Manufacturing) business recorded sales of ₹ 1.7 billion during Q1FY2011 as compared to ₹ 2.1 billion in Q1FY2010. The revenues from Indian facilities were at ₹ 660.0 million as compared to ₹ 807.4 million in Q1 FY2010.

We continue to build our Critical Care business. Revenues from this business have grown by 48.5% to ₹ 1.1 billion during the quarter against ₹ 728.8 million in Q1FY2010. Minrad has registered a strong growth of 105.2% with sales of US \$ 19.7 million for the quarter against US \$ 9.6 million in Q1FY2010.

In July 2010, the Company has entered into a definitive agreement with Super Religare Laboratories to sell Piramal Diagnostic Private Limited for a consideration of ₹ 6 billion. For the quarter, this business recorded sales of ₹ 536 million, registering a growth of 10.6%.

Commenting on the results, Mr. Ajay Piramal, Chairman, Piramal Healthcare Limited said, "The performance of the healthcare solutions business for the quarter was impacted due to uncertainty related to the sale of healthcare solutions business and the transition cost associated with the deal. The performance is now improving and will soon return to its earlier growth trajectory.

Going forward, we expect to see better performance in the remaining set of businesses as well. Second half of the financial year will be much better than the first half due to commencement of revenues from new contracts from our Indian facilities in the Pharma Solutions business and continued momentum in the Critical Care business."

About the Piramal Group

The Piramal Group, led by Ajay G. Piramal is one of India's foremost business conglomerates. Driven by the core values of Knowledge Action Care, the Piramal Group has interests in a myriad of industries that encompass healthcare, drug discovery & research, diagnostics, glass, real estate and financial services. The Piramal Group steadfastly pursues inclusive growth while adhering to ethical and value driven practices. The Group's turnover exceeded US \$ 1 billion in FY2010.

About Piramal Healthcare Ltd.

Piramal Healthcare is one of India's largest healthcare companies, with a growth track record of above 29% CAGR since 1988. Piramal Healthcare had consolidated revenues of US\$ 785 million in FY2010. The Company was ranked 4th in the Indian market with a diverse product portfolio spanning 14 therapeutic areas in FY2010. With assets across North America, Europe and Asia, Piramal Healthcare is also one of the largest custom manufacturing companies across the world. It has significant presence in the global critical space with sales of anesthesia products to over 100 countries. Recently, Piramal Healthcare has signed a definitive agreement with Abbott for Abbott to acquire Piramal Healthcare's domestic formulation business.

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