



Press Release

Piramal Healthcare completes sale of its domestic formulation business and its shareholding in Piramal Diagnostic Services Pvt. Ltd.; **PHL to rewards shareholders with buyback of upto 20% of outstanding share capital at ₹ 600 per share**

Mumbai, 22 October 2010: Piramal Healthcare Limited (NSE: PIRHEALTH, BSE: 500302) today announced that subsequent to completion of the sale of its domestic formulations business and its shareholding in Piramal Diagnostic Services Pvt. Ltd., the Board of Directors in a meeting held today has considered and approved, subject to the approval of the members of the Company, and such other approvals/consents, as may be necessary, the buyback of the Company's equity shares.

The Board of Directors, after considering various alternatives, including Dividend and/or Buy-back of shares, has approved a Buy-back proposal as it is a more tax efficient method of maximizing value to shareholders. The buyback will be done for a maximum of 41.8 million shares (representing 20% of the total number of shares) at a price of ₹ 600 per equity share. The buyback price represents a premium of 19% over the average share price for the last three months. The buy back will entail a cash outflow upto ₹ 25.1 billion and will be completed by February 2011. This will be done on a proportionate basis through the "Tender Offer" route as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 (the "Buy-back Regulations") in accordance with the provisions of the Companies Act, 1956 and the Buy-back Regulations.

Earlier in May 2010, PHL announced sale of its domestic formulation business to Abbott for a total cash consideration of US \$ 3.8 billion including US \$ 1.6 billion in four annual installments of US \$ 400 million every year starting from 2011. The transaction valued PHL's domestic formulation business at c. 9x FY10 sales. On 8th September 2010, PHL announced the closure of this deal and receipt of US \$ 2.2 billion as upfront consideration. In June, 2010 PHL announced sale of its shareholding in its subsidiary - Piramal Diagnostic Services Private Limited (PDSL) to Super Religare Laboratories for a consideration of ₹ 6 billion. This deal was closed on 23rd August 2010.

Net Profit for the quarter ended 30 September 2010 was higher at ₹ 125.4 billion as compared to ₹ 1.1 billion in Q2FY2010. This includes a net exceptional income of ₹. 162.2 billion primarily towards sale of the businesses mentioned earlier. The results of Q2FY11 have been impacted by sale of domestic formulations business and shareholding in PDSL. Total Operating Income on consolidated basis for Q2FY10 was lower by 24.8% to ₹ 7.5 billion over Q2 FY2010. Operating Loss was ₹ 254 million as compared to Operating profit of ₹ 1.8 billion in Q2FY2010.

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. 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 sold its domestic formulation business to Abbott for a consideration of US \$ 3.8 billion.

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