



May 28, 2014

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Scrip Code: 500008

Dear Sirs,

Sub: Media release

Please find enclosed herewith a copy of the media release being given out by the Company.

Thank you,

Yours faithfully,

For Amara Raja Batteries Limited

M R Rajaram
Company Secretary

Encl.: as above

Amara Raja Batteries Limited

CIN: L31402AP1985PLC005305

Registered office: Renigunta – Cuddapah Road, Karakambadi, Tirupati – 517520, Andhra Pradesh

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Press Release
For immediate dissemination



- **Amara Raja clocks HIGHEST EVER revenue and Profit in a financial year 2013-14**
 - 16% revenue growth and 28% growth in net profits
 - EPS improved from Rs.16.78 to Rs.21.51
- **Amara Raja recommends Rs. 3.23 per share (323%) as dividend.**

Hyderabad - May 28, 2014: Amara Raja Batteries Limited, India's leading Industrial and Automotive Battery major (**BSE Code: 500008 & NSE Code: AMARAJABAT**) today announced annual revenue of Rs. 34.37 billion (excluding other income) with a growth of 16% in Financial Year (FY) 2013-14 as compared to Rs.29.59 billion in FY 2012-13. The Profit After Tax stood at Rs.3.67 billion, recording a growth of 28% as against Rs. 2.87 billion of the previous year. The Earnings Per Share (EPS) for the year grew by 28% from Rs.16.78 to Rs.21.51.

For the fourth quarter of FY 2013-14, the Company recorded net sales of Rs. 8.85 billion (Rs. 8.01 billion for the previous year) and net profit after tax of Rs. 800 million (Rs.596 million for the previous year).

The Board of the Company, which met in Hyderabad today, approved the audited financial statements for the financial year ended March 31, 2014 and recommended a dividend of Rs.3.23 per share (face value of Re. 1/- each) in line with the declared policy of distributing upto 15% of profits, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Particulars	Rs. Million			
	Fourth Quarter ended		Full Year ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Net Sales (excluding other income)	8,851	8,011	34,367	29,589
Profit Before Tax (PBT)	1,204	922	5,367	4,218
Profit After Tax (PAT)	800	596	3,674	2,867

Automotive Battery Business

The Company's Automotive Battery business reported strong double digit revenue growth supported by good volume increase in 4 wheeler and 2 wheeler batteries, over the previous financial year, despite capacity constraints during the year. The year witnessed a flat business in automotive OEM segment, notwithstanding the negative growth in automobile production due to various macro-economic conditions.

The volume growth in both four-wheeler and two-wheeler aftermarket segments was due to strong preference for Company's products, supported by complete product offering, strengthening of brand and channel, and leveraging customer relationship. The continuing consumer preference for Amaron® and PowerZone™ enabled gains in market share both in aftermarket and OEM. The Company initiated bulk supplies to two-wheeler OEMs and quickly consolidated the position.

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The Supply of Amaron® and PowerZone™ branded tubular inverter batteries and Home UPS under private label program enabled to fill the gap in product offering to the channel in the Home UPS segment. Leveraging of brand and channel helped gain in volumes and market share. A separate task force has been created to focus on this business vertical.

During the year, the capacity in four-wheeler batteries was enhanced from 5.60 million units to 6.0 million units, and capacity for two-wheeler batteries from 4.80 million units to 8.4 million units per annum.

Industrial Battery Business:

The Company's **Industrial Battery business** registered double digit revenue growth over the previous financial year, despite capacity constraint, challenging & competitive market conditions. The growth in demand from telecom sector is primarily driven by data growth and the drive for energy optimization by Tower Companies. With the completion of spectrum auction the uncertainty prevailing in the sector is finally replaced by optimism. The Data growth in the networks coupled with increasing ARPU's promises a healthy trend.

The growth rate of UPS demand was moderated by country's adverse macro-economic conditions.

Amidst these challenges, the industrial battery business improved the overall performance by virtue of its "preferred supplier status" with all major customers, efficient after sales service, customer relationship management and consistent product performance of both PowerStack® and Quanta® batteries.

During the year the Company has successfully extended the range of Quanta series UPS batteries by introducing new 120 AH and 150 AH batteries. The Company's QRS (Quick Recharge Series – QRS) range of batteries that was successfully introduced in 2012 for telecom application which offers reliable performance enabling customers to optimize power cost, became a preferred product for Telecom applications.

The Greenfield capacity expansion project in medium VRLA product line was commissioned in Jan 2014 and the brownfield capacity expansion project in large VRLA product line came on stream during February of 2014.

Commenting on the full year performance, **Mr. Jayadev Galla, Vice Chairman and Managing Director, Amara Raja Batteries** said, "We are pleased to report yet another highest ever sales and profit for the Company for the financial year 2013-14 regardless of supply constraints and slowdown in the automobile industry. Both our Industrial and Automotive battery units have reported double digit revenue growth and gained market shares. We remain cautiously optimistic of the Company's performance in the coming year, against the back drop of continuing uncertainty in macro-economic



condition, escalating costs and probable supply constraints. However, our ability to anticipate and perform with distinct approach will help us to sustain the growth momentum."

Commenting on the full year performance, **Mr. S.V. Raghavendra, Chief Financial Officer**, said, "The Company continues to enjoy debt free status and has free cash available to the tune of over Rs.2.50 billion at the end of the financial year. The year under review saw the Company's market capitalization touching Rs. 68 billion with considerable improvement in PE ratio reflecting growing investor confidence. The capacity enhancement project for Industrial batteries business and the two wheeler battery business have been completed and production commenced during the year and the capacity enhancement project in respect of four wheeler battery business is progressing as per schedule. All project costs are well within the approved costs. Continuing debt free status and sound credit rating of the Company will help us to leverage, as and when required, at minimal cost"

About Amara Raja Batteries Limited

Amara Raja Batteries Limited, a company with 26% equity each from Galla Family and Johnson Controls Inc, USA, is the technology leader and is one of the largest manufacturers of lead acid batteries for both industrial and automotive applications in the Indian storage battery industry.

In India, Amara Raja is the preferred supplier to major telecom service providers, Telecom equipment manufacturers, UPS sector (OEM & Replacement), Indian Railways and to Power, Oil & Gas among other industry segments. Amara Raja is a leading manufacturer of automotive batteries under the brands - Amaron® and Powerzone™ which are distributed through a large pan - India sales & service retail network.

The Company supplies automotive batteries under OE relationships to Ashok Leyland, Ford India, Honda, Hyundai, Mahindra & Mahindra, Maruti Suzuki, and Tata Motors. The Company's Industrial and Automotive batteries are exported to Asia Pacific, Africa and Middle East.

Johnson Controls is a global leader in Power Solutions, Automotive Seating Systems and Building Efficiency. Johnson Controls provides batteries for automobiles and hybrid electric vehicles, along with system engineering and service expertise. The Company provides innovative automotive interiors that help driving more comfortable, safe and enjoyable. For buildings it offers products and services that optimize energy use and improve comfort and security. Johnson Controls (NYSE: JCI), founded in 1885, is head quartered in Milwaukee, Wisconsin. Its net sales for the year ended September 30, 2013 is US\$ 42.70 billion.

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Safe Harbor

Some of the statements in this news release that are not historical facts are forward looking statements. These forward looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward looking statements. These risks include, but are not limited to, the level of the market demand for our products, the highly competitive market for the types of the products that we offer, market condition that would cause our customers to reduce their spending for our products, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and otherwise not specifically mentioned herein but those that are common to industry.