emami limited

January 28, 2016

To,
The Secretary
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai: 400051

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai: 400001

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata: 700001

Dear Sir,

Sub: Press release

Enclosed please find the Press Release issued in relation to Unaudited Financial Results of the company for the third quarter ended on 31st December, 2015 which were approved and taken on record by the Board of Directors in its meeting held on 28th January, 2016.

This is for your information and record.

Thanking you,

Yours faithfully,

For Emami Limited,

A.K. Joshi
Company Secretary & VP- Legal
(Encl.: As above)

emami limited

Year: 2014-15

Turnover: ₹ 2,217 cr
Net Profit: ₹ 486 cr

One of the fastest homegrown FMCG Company in India with a 17% CAGR in topline for past 5 years

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Power Brands- Boroplus Antiseptic cream, Navratna Oil, Zandu Balm, Fair and Handsome are market leaders in India in their respective categories

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Brand Ambassadors- Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan Madhuri Dixit, Kareena Kapoor, Yami Gautam, Kangana Ranaut, Sonakshi Sinha, Shruti Haasan, Juhi Chawla, Sachin Tendulakar, Pt Birju Maharaj, Surya, Jr. NTR, among others

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Listed among the Fortune 500 India's largest corporations by profitability

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Rated (by CARE & CRISIL) A1+ (highest rating) for short-term borrowings, signifying highest safety; and AA+ for long-term borrowings

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EMAMI'S Q3FY16 REVENUE GROWS BY 13.9% EBIDTA GROWS BY 18.0%

HIGHLIGHTS (CONSOLIDATED)

- **13.9% growth in Net Sales at ₹ 789 cr** during the third quarter. Growth in 9MFY16 is 17.4% with sales at ₹ 1,953 cr.
- **EBIDTA at ₹ 250 cr grew by 18.0%** during the quarter. EBIDTA at ₹ 502 cr. grew by 25.5% in 9MFY16.
- **Cash Profit* at ₹ 206 cr grew by 6.3%** during the quarter. It grew by 21.0% in 9MFY16 with cash profits at ₹ 449 cr.
- However, PAT at ₹ 134 cr and ₹ 283 cr was lesser compared to corresponding periods of previous year because of amortization of Kesh King intangibles by ₹ 62 cr and ₹ 137 cr for the third quarter and nine months respectively.

**Cash Profit = PAT+ Depreciation & Amortization.*

Kolkata, January 28, 2016: The Board of Directors of Emami Limited met on Thursday, January 28, 2016 to consider unaudited financial results of the company for the third quarter and nine months ended on December 31, 2015.

Turnover of the company at ₹ 789 crores grew by 13.9% in the third quarter and by 17.4% in 9MFY16 at ₹ 1,953 crores. EBIDTA at ₹ 250 crores grew by 18.0% in the third quarter and by 25.5% in 9MFY16 at ₹ 502 crores. Cash Profits at ₹ 206 crores grew by 6.3% in the third quarter and by 21.0% in 9MFY16 at ₹ 449 crores. However, PAT at ₹ 134 cr and ₹ 283 cr was lesser compared to corresponding periods of previous year because of amortization of Kesh King intangibles by ₹ 62 cr and ₹ 137 cr for the third quarter and nine months respectively.

Sales were impacted due to delayed winters as Emami's winter portfolio contributes nearly 40% of the domestic sales during the quarter. Further, lower rural wage growth, muted increase in Minimum Support Prices and an overall sluggish consumer sentiment kept rural consumption demand in check.

Making a foray into the food segment, the company recently launched **Zandu Pure Honey** during the quarter with a claim of '100% guaranteed Pure honey' with no added sugar. Sourced from the best and the most indigenous beekeepers, Zandu Pure Honey has been scientifically tested for "no added sugar" in an independent laboratory in Germany.

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The power brands continued to maintain leadership in key categories in 9MFY16. Cooling Oils, Balms, Boroplus Antiseptic cream and Fair and Handsome maintained their leadership positions with 9MFY16 volume market shares at 60.5%, 56.2%, 77.7% and 62.6% respectively.

The Company's EBIDTA during the quarter rose by 18.0% and by 25.5% in 9MFY16 mainly on account of gross margin expansion.

INTERNATIONAL BUSINESS

International business grew by 11.3% during the quarter and by 14.3% in 9MFY16 despite geo-political and economic challenges in some overseas markets like Russia and Nepal. SAARC & SEA region performed well led by robust growth in Bangladesh. Most of our Power Brands led by Navratna and Fair and Handsome have performed very well and increased their market shares in the overseas markets.

Mr Mohan Goenka, Director, Emami Limited said :

"We are happy to announce the domestic business growth of 14.3% in the third quarter and of 18.4% in 9MFY16 in the current deflationary environment that is witnessing lower rural wage growth and an overall sluggish consumer sentiment. Despite the above, we have continued to strengthen our market share in key categories during this quarter."

Mr Harsha V Agarwal, Director, Emami Limited said :

"Emami's performance in core categories across geographies, despite an overall subdued economic environment & untimely rainfall, has remained satisfactory. This has been made possible by virtue of our continued focus on innovations, competitive marketing investments and strong on-ground execution. Our new brand extensions - Fair and Handsome Complete Winter Solution and BoroPlus Cocoa Soft Moisturising Lotion launched during this quarter are expected to add filip to our existing brand portfolio. Our new product from the Zandu stable - Zandu Pure Honey with no added sugar, targeted at health conscious consumers has also received encouraging response in the market and we expect it to do well in the coming months. The integration of Kesh King has been completed successfully and the brand is performing well. We will continue to focus on innovation and launch new products and/or brand extensions to drive growth."

ACQUISITION :

Hair & scalp care business under the 'Kesh King' and allied brands was acquired for Rs 1,684 (Including duties & taxes) crores in June 2015. It was funded by mix of internal accruals and debt. Brand has been able to consolidate its position and

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increase market share by 280 bps to 36.9% of the Ayurvedic Hair & Scalp care market segment. (Apr-Dec'15).

MARKETING:

- The BoroPlus range introduced a new variant - **BoroPlus Cocoa Soft Moisturising Lotion and** roped in Bollywood star **Parineeti Chopra** to promote this new variant.
- **Sania Mirza** was roped in to endorse hair oil and shampoo variants of Kesh King products while **Juhi Chawla** continues to endorse the brand nationally with **Shruti Haasan** in the South
- The company launched **Zandu Pure Honey** with a claim of '100% guaranteed Pure honey' with no added sugar.
- The Fair & Handsome range launched **Fair and Handsome Complete Winter Solution**, the first ever winter cream in India for men

About Emami Ltd

Emami: (NSE: Emami Ltd, BSE: 531162) Emami Ltd, founded in 1974, is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products. Every second, over 110 pieces of Emami products are sold somewhere in India or world.

With over 250 diverse products, Emami's portfolio includes trusted power brands like Zandu, Boroplus, Navratna, Fair & Handsome, Mentho Plus, Fast Relief and Sona Chandi Chyawanprash. The company has recently forayed into feminine hygiene space by acquiring 'SHE Comfort' sanitary napkin brand. The Company also acquired controlling stake (66.67%) in Fravin Pty Ltd., an Australia based Company with major strengths in R&D and manufacturing of natural and organic personal care products. In June 2015 Emami Ltd acquired the business of 'Kesh King' and forayed into the Ayurvedic hair & scalp care segment. The products from Emami are available in over 4 million retail outlets across India through its network of 2800 distributors. Emami's global footprint spans over 60 countries including GCC, Europe, Africa, CIS countries & the SAARC.

Emami has maintained a CAGR turnover of 17% over the last 5 years through its consistent business performance. Emami focuses on aggressive marketing powered by celebrity endorsements like Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan, Kareena Kapoor Khan, Kangana Ranaut, Yami Gautam, Juhi Chawla, Shruti Haasan, Bipasha Basu, Sonakshi Sinha, Mahendra Singh Dhoni, Mary Kom, Saina Nehwal, Sushil Kumar, Gautam Gambhir, Sania Mirza among others.

With a market cap of around Rs.23,000 cr, Emami Ltd is the flagship Company of the diversified Emami Group.

Please visit www.emamltd.in and www.zanduayurveda.com for further information.

For further information, please contact :

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