



Ref: TI/NSE/COMP/14-15/35

August 14, 2014

To,
The Manager (Listing),
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra -Kurla Complex, Bandra (E).
Mumbai 400 051.
Ph No.: 26598235/36
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Sub: Investor Presentation and Press Release

Ref: Scrip Code - TI

Dear Sir/Madam,

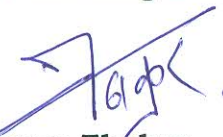
Please find attached herewith a copy of the press release and investor presentation with respect to unaudited financial results of the Company for the quarter ended June 30, 2014.

Kindly acknowledge the receipt and take the same on your record.

Thanking you.

Yours faithfully,

For Tilaknagar Industries Ltd.


Gaurav Thakur
Company Secretary
Encl: a/a



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P.O. Tilaknagar, Tal. Shrirampur, Ahmednagar, Maharashtra – 413 720

Mumbai, August 14: Tilaknagar Industries Ltd. (TI), a leading player in the Indian Made Foreign Liquor (IMFL) industry has announced its consolidated financial results for the quarter ended June 30, 2014.

Q1 FY15 Net Sales at Rs. 1,638 million

Q1 FY15 PAT at Rs. 309 million

Q1 FY15 Volumes at 3 million cases

Note: Figures have been rounded off for the purpose of reporting

Key Highlights:

- ❑ Total volumes in Q1 FY15 at 3 million cases
- ❑ Robust business model with a strategy focused on premiumisation
 - ✓ TI has a unique portfolio of brands and continues to focus its efforts to drive the salience of semi-premium and premium categories by volume and price increase
 - ✓ The Company consistently reviews its strategy to create a balance between categories so as to enhance earnings and as a result has prioritized sales of its premium range
- ❑ Price hike received in the CSD segment for some of TI's brands in June 2014. the Company to witness the benefit in the coming quarters

Operational Highlights:

- ❑ Volume growth in Q1 impacted by
 - ✓ Lack of supply in Tamil Nadu on account of constraints faced on bottling
 - ✓ Strategy to focus on premium products
 - ✓ State bifurcation of Andhra Pradesh & Telangana in Q1
- ❑ TI remained committed to align its business with ongoing market dynamics and therefore continues to create an optimal product mix across the semi premium and premium category

Commenting on these results, Mr. Amit Dahanukar, Chairman & Managing Director, Tilaknagar Industries Ltd, said: *“Q1FY15 has been a challenging quarter for the company principally on account of strenuous external factors which we encountered in some of our key markets.*

TI’s volumes were affected by the supply side constraints that we have been witnessing in the state of Tamil Nadu. This was then superimposed by the impact of state bifurcation of Andhra Pradesh (AP), however we are now trending towards normalization in volumes in AP-Telangana, which continue to be high-growth markets for TI.

While Q1 has been a difficult operating environment led by high ENA costs, at our end we are working to utilize the strengths of our business model to adapt to industry dynamics. Such an environment reinforces our drive towards premiumisation. Thus our efforts to optimize our brand profile mix to best enhance profitability has translated into lower volumes but has enabled us to mitigate the impact of rising raw material and packaging costs to a certain extent.

Going ahead, our strategic thought process is clear; we are confident of our ability to grow business on the back of strong fundamentals despite short term industry challenges that we may face. For the remainder of the year, we will be dedicating our efforts to grow sales of our premium and semi premium brands which will lead to our objective of achieving profitable volume growth

Under the current circumstances, we anticipate tough operating dynamics to shape our performance over the next quarter. However given the nature of our product profile along with TI’s strategic focus, we expect H2 FY15 to witness an improved trend in performance. We are also committed towards strengthening our balance sheet and are confident of achieving this objective in FY15.”

Outlook:

❑ Focus on Semi- premium and Premium range of brands

- ✓ Expand salience of our incumbent premium offerings
- ✓ Aligned to the business environment, TI continuously reviews its product mix and focus on higher realizations to counter industry led factors
- ✓ To create an ideal profile and brand mix to fuel profitability

❑ Increasing breadth of brand portfolio

- ✓ Augment brand equity by sustained investments towards branding and marketing
- ✓ Broaden appeal of brands by penetrating existing markets and extend brands to new geographies
- ✓ TI confident of adding Courrier Napoleon brandy to the Millionaire club in FY2015

❑ **Performance to gain traction**

- ✓ H2 is generally associated with better growth patterns for the industry
- ✓ Given TI's product and brand strength coupled with focus on premium products, the Company foresees an improved trend in performance in H2FY15

❑ **Enhance earnings growth and deleverage B/S**

- ✓ Strategically design an optimal brand-mix to maximize profitability and create sustainable long term growth
- ✓ TI remains committed to its deleveraging its debt profile in FY15 and at the same time drive business growth and profitability

About Tilaknagar Industries Ltd. (TI)

Tilaknagar Industries Ltd. (BSE: 507205 / NSE: TI) is one of the renowned Indian Made Foreign Liquor players (including whisky, brandy, gin, rum and vodka) with presence across India. The Company manufactures, markets and sells more than 40 brands across all price points. TI's subsidiaries are Prag Distillery (P) Ltd, Vahni Distilleries Private Limited, Kesarval Springs Distillers Pvt. Ltd., Punjab Expo Breveries Private Limited. The Company exports its products to Western Africa, the Middle East, the Far East and Caribbean countries.

For further information, please visit www.tilind.com:

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Disclaimer:

Certain statements in this document may be forward-looking statements. These statements entail risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. Tilaknagar Industries Ltd (TI) is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise. The Company may, from time to time, make additional written and oral forward looking statements, including statements contained in its filings with the regulatory bodies and reports to shareholders.



Q1 FY2015 Results Overview

August 14, 2014

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*Note- All financial discussions are on consolidated results
- Figures have been rounded off for the purpose of reporting*



TI's Business Philosophy



Financial & strategic highlights of Q1 FY2015

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↳ **Total volumes** in Q1 FY15 at 3 million cases

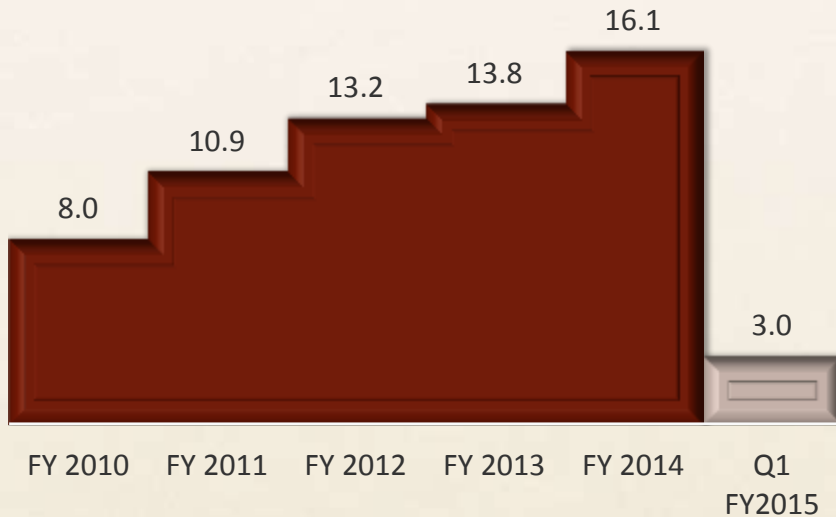
↳ **Robust business model with a strategy focused on premiumisation**

- TI has a unique portfolio of brands and continues to focus its efforts to drive the salience of semi-premium and premium categories by volume and price increase
- The Company consistently reviews its strategy to create a balance between categories so as to enhance earnings and as a result has prioritized sales of its premium range

↳ **Price hike** received in the CSD segment for some of TI's brands in June 2014. the Company to witness the benefit in the coming quarters

Operational Highlights

Total number of cases sold (mn)



- Volume growth in Q1 impacted by
 - Lack of supply in Tamil Nadu on account of constraints faced on bottling
 - Strategy to focus on premium products
 - State bifurcation of Andhra Pradesh & Telangana in Q1
- TI remained committed to align its business with ongoing market dynamics and therefore continues to create an optimal product mix across the semi premium and premium category

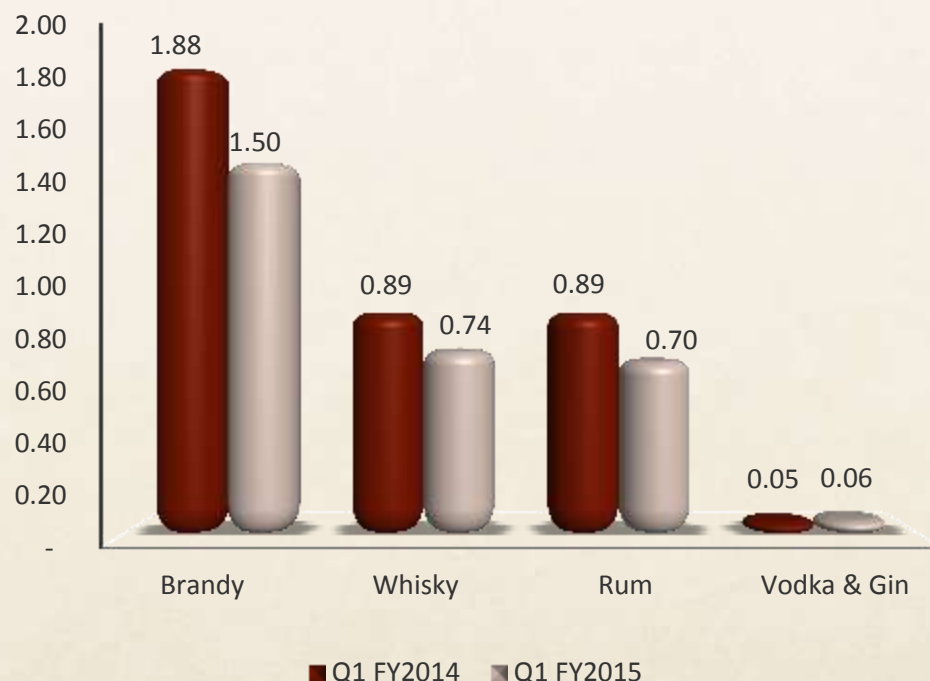
Total number of cases sold



Operational Highlights

- ↳ While Brandy as a segment remains the Company's forte, the segment witnessed stress on account of
 - Bottling constraints in Tamil Nadu and its cascading effect translated into meagre sales in the region
 - Bifurcation of the state of Andhra Pradesh
- ↳ In the Whisky segment, the Company focused efforts to enhance sales in the semi premium and premium category, driving higher values
 - TI's premium brands Senate Royale and Mansion House Whisky gained traction during the quarter
- ↳ In the Rum category, the Company curtailed the sales of its brand Madiraa Rum and invested resources towards its premium brand White House Rum to pave way for higher realizations
- ↳ Vodka and Gin as a category continues to show healthy increase in volumes for TI
 - TI confident of capitalizing opportunities via its own brands and through IFB Agro's brands
 - The Company extended its premium brand Classic Vodka to Kerala

Segment wise cases sold (mn cases)



Financial Performance

Particulars (Rs. in million)	Q1 FY2015	Q1 FY2014	Shift
Net Sales	1,637.7	1,670.3	(2)%
Other Operating Income*	501.9	131.1	283%
Total Revenues	2,139.6	1,801.4	19%
Expenditure	1,463.3	1,400.4	5%
EBITDA	676.3	401.0	69%
PBT	393.4	204.7	92%
PAT	308.9	172.7	79%
Basic EPS (Rs.)	2.49	1.42	76%

↪ Net Sales in the quarter remained subdued on account of

- Constrained volume performance attributable to restricted sales in Tamil Nadu due to bottler issues coupled with the AP-Telangana bifurcation

↪ Higher realizations due to efforts to focus more on premium and semi premium profile of brands versus the regular segment, has helped mitigate higher expenditures to a certain extent in Q1

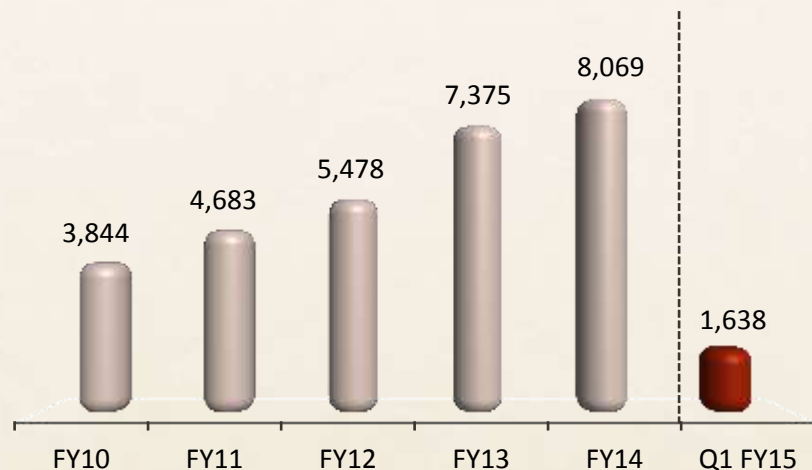
↪ Net income reflects the impact of pressure on account of

- Moderated revenues
- Higher ENA costs
- Financial costs
- Increased depreciation costs aligned to
 - Statutory change in the Companies Act
 - Acquisition of IFB Agro's brands

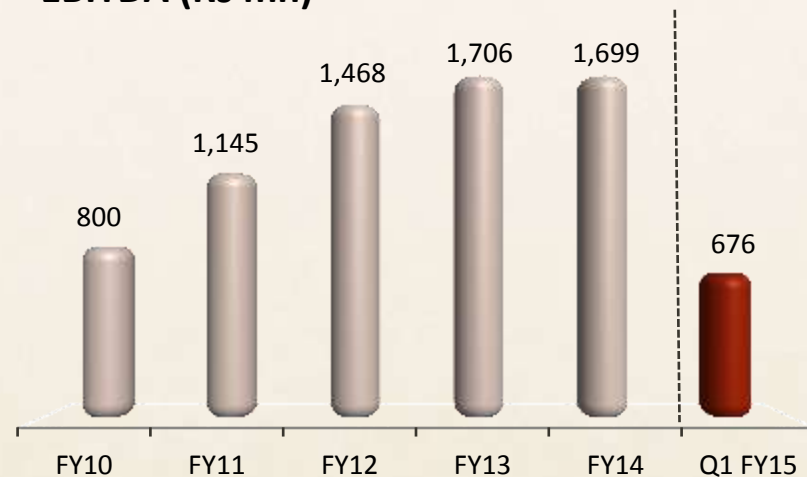
* Other Operating income includes VAT refunds of Rs 490.5 million in Q1 FY15 and Rs 123.7 million in Q1 FY14

Financial Synopsis

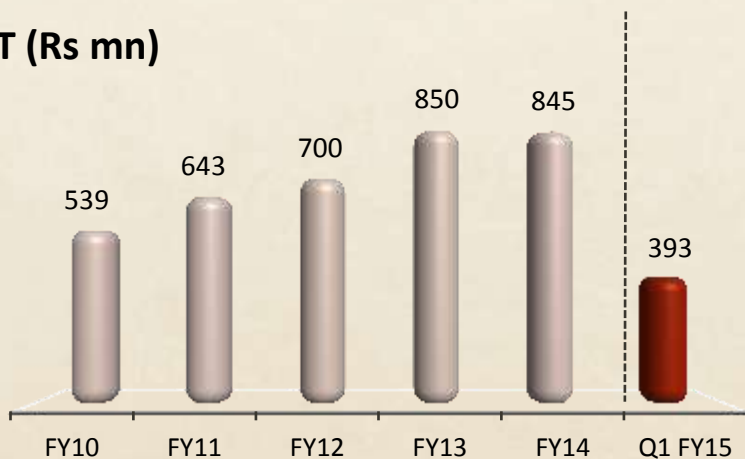
Net Sales (Rs mn)



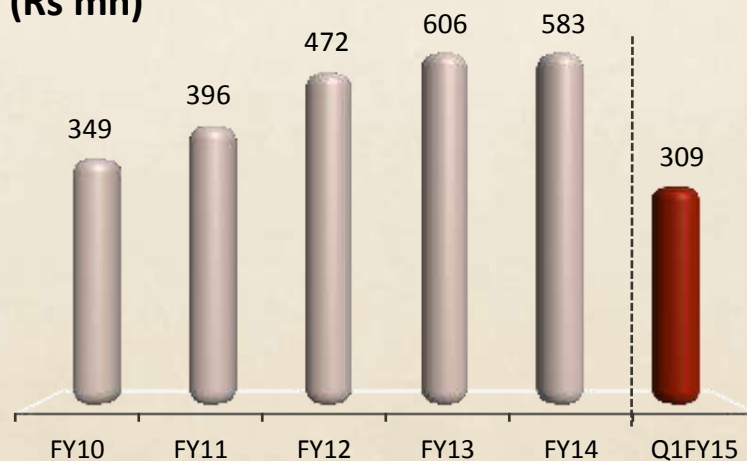
EBITDA (Rs mn)



PBT (Rs mn)



PAT (Rs mn)



Management's Views

Commenting on these results, Mr. Amit Dahanukar, Chairman & Managing Director, Tilaknagar Industries Ltd, said: “Q1FY15 has been a challenging quarter for the company principally on account of strenuous external factors which we encountered in some of our key markets.

TI's volumes were affected by the supply side constraints that we have been witnessing in the state of Tamil Nadu. This was then superimposed by the impact of state bifurcation of Andhra Pradesh (AP), however we are now trending towards normalization in volumes in AP- Telangana, which continue to be high-growth markets for TI.

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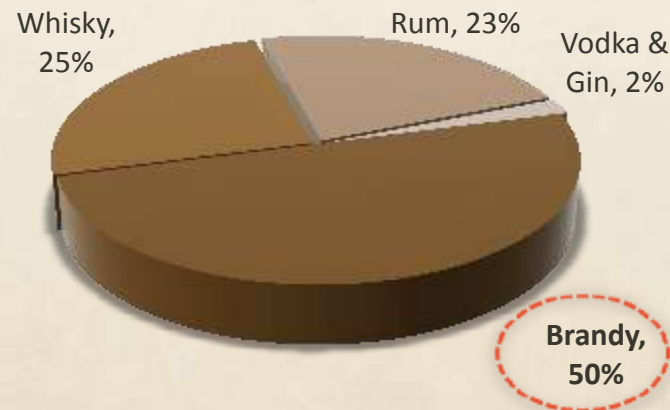
Under the current circumstances, we anticipate tough operating dynamics to shape our performance over the next quarter. However given the nature of our product profile along with TI's strategic focus, we expect H2 FY15 to witness an improved trend in performance. We are also committed towards strengthening our balance sheet and are confident of achieving this objective in FY15.”

TI's Business segments - Brandy

Key brands



- TI holds a dominant position in the premium Brandy space
- Its Millionaire brand Mansion House Brandy continues to exhibit positive trajectory
- Courier Napoleon series of Red, Blue and Green is progressing well to join the Millionaire club

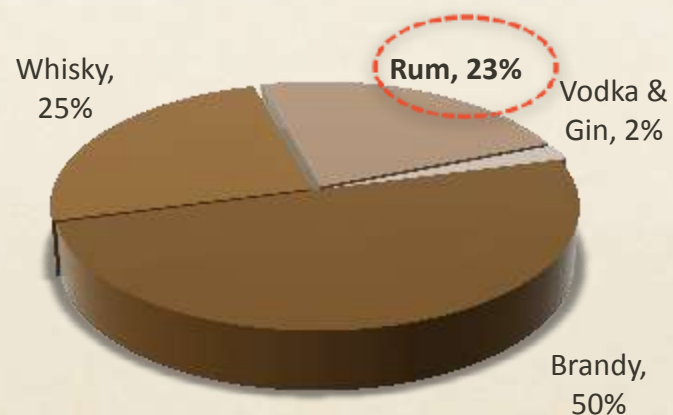


TI's Business segments -Rum

Key brands



- Rum continues to be an attractive segment and TI plans to capitalize this segment better
- The Company plans to extend its footprints with its Millionaire Brand White House rum



TI's Business segments - Whisky

Key brands



- TI is expanding this segment with a keen eye on its premium brands
- TI's Senate Royale Whisky and Mansion house Whisky lead the pack in the segment

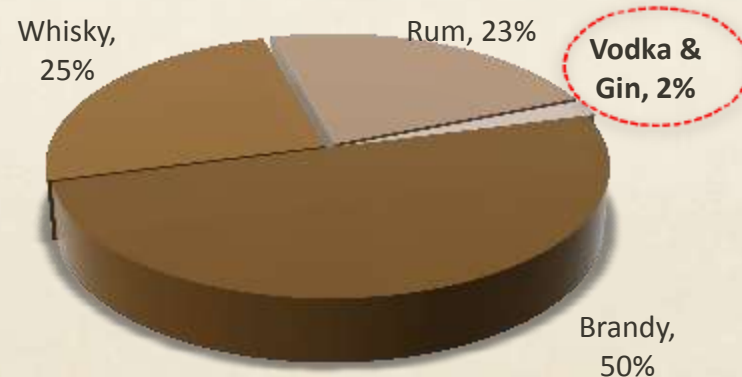


TI's Business segments – Vodka and Gin

Key brands



- The Vodka and Gin segment presents a unique expansion and growth opportunity for TI
- With its existing portfolio and addition of IFB Agro's brands 'Volga' vodka and 'Blue Lagoon', TI well placed to extend its mark in this space



Outlook

Focus on Semi- premium and Premium range of brands

- ↳ Expand salience of our incumbent premium offerings
- ↳ Aligned to the business environment, TI continuously reviews its product mix and focus on higher realizations to counter industry led factors
- ↳ To create an ideal profile and brand mix to fuel profitability

Increasing breadth of brand portfolio

- ↳ Augment brand equity by sustained investments towards branding and marketing
- ↳ Broaden appeal of brands by penetrating existing markets and extend brands to new geographies
- ↳ TI confident of adding Courier Napoleon brandy to the Millionaire club in FY2015

Performance to gain traction

- ↳ H2 is generally associated with better growth patterns for the industry
- ↳ Given TI's product and brand strength coupled with focus on premium products, the Company foresees an improved trend in performance in H2FY15

Enhance earnings growth and deleverage B/S

- ↳ Strategically design an optimal brand-mix to maximize profitability and create sustainable long term growth
- ↳ TI remains committed to its deleveraging its debt profile in FY15 and at the same time drive business growth and profitability

Company Overview

5 millionaire brands namely, Mansion House brandy, Madiraa Rum, White House Rum Brigadier No. 1 brandy and Vorion No. 1 Indian Brandy

Dominance in Karnataka, Andhra Pradesh, Kerala and Puducherry

Focus on Premiumisation

Leading player in Indian Made Foreign Liquor

Brand bouquet of more than 40 brands at attractive price points and for varied customer

Diversified Brand Portfolio

Robust Operating Model

5 in-house manufacturing facilities (inclusive of 4 subsidiaries) 12 lease arrangements and 14 tie-up units



Efficient Distribution Sales Force

Sales through State Corporation across Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Odisha

Distributor channels located in Maharashtra, Goa, Silvassa, West Bengal
One of the largest player in CSD

Strengthening the foothold in East

East being tapped with immense potential to grow

For further information

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Disclaimer:

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