.TI.
TILAKNAGAR INDUSTRIES LTD.
L15420PN1933PLC133303

**Ref: TI/NSE/COMP/14-15/17** **May 26, 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
Fax No.:26598120/237/238

**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 audited financial results for the quarter and year ended March 31, 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**

**Corporate Office :** Industrial Assurance Building, 3rd Floor, Churchgate, Mumbai - 400 020.
**Tel.:** +91 22 22831716/18 **Fax :** +91 22 22046904 **E-mail :** tiliquor@tilind.com
**Regd. Office & Works :** P. O. Tilaknagar, Tal.Shrirampur, Dist. Ahmednagar, Maharashtra - 413 720.
**Tel.:** (02422) 265 123 / 265 032 **Fax :** (02422) 265 135 **E-mail** : regoff@tilind.com **Website :** www.tilind.com




# Q4 & FY2014 Results Overview

**May 26, 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



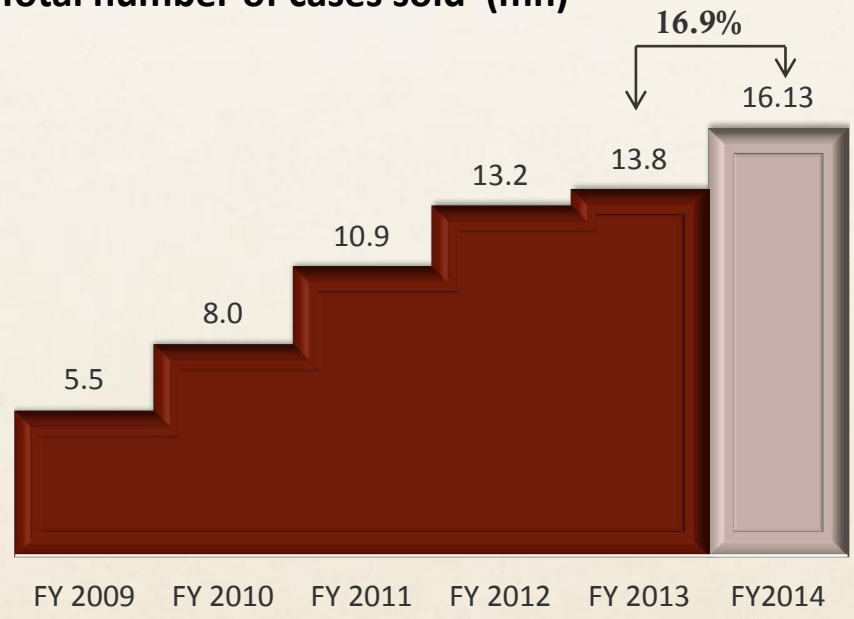
# Financial & strategic highlights of Q4 & FY2014

HIGHLIGHTS

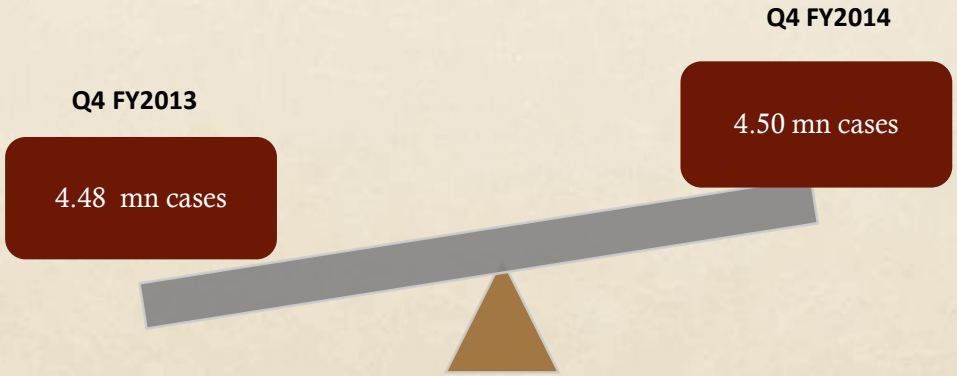
- **Total volumes** in FY14 with 17% increase to 16.13 million cases
  - Volume performance led by positive growth of TI's own brands across categories
- **White House rum now a Millionaire brand-** The brand has successfully become TI's leading rum brand and witnessed an exceptional growth trajectory.
- **TI acquired IFB Agro's IMFL business -** This included IFB Agro's popular brands- 'Volga' vodka and 'Blue Lagoon' gin. The acquisition is a strategic fit to TI's plan to fortify its presence in Eastern India and offer a diversified portfolio of liquor, particularly white spirit products.
- The Company would like to reiterate that the **trade mark for Mansion House & Savoy Club** has been used by TI since 1983 & is registered in the name of TI, under the Trade Marks Act and under the provisions of Copyrights Act. TI over the years has developed and invested resources in its flagship brand Mansion House to make it one of the leading brands in the country. UTO has ceded the right in the concerned trade mark in favour of TI vide agreement entered in 1987. Further the Bombay High Court in its order dated 22nd December, 2011 has dismissed the application filed by UTO seeking to restrain TI from using the brands Mansion House & Savoy Club in India.
- **Appointed Mr. Vijay K Rekhi as Chairman of the Board of Advisors and Mr. Ratneshwar Prasad as a Member of the Board of Advisors**, with the objective of extending strategic and operational advice for further accelerating growth impetus for the Company
- TI has recommended **dividend** of Rs. 0.80/ share for FY13-14 for its shareholders

# Operational Highlights

**Total number of cases sold (mn)**




- Volume growth maintains upward trajectory
- Growth increase driven by sustained focus on increasing penetration in new and existing markets and consistent brand development efforts
- The Company has always strategized to grow in a balanced manner with a combination of volumes and profitability
  - During the quarter the company has prioritized sales of its organic brands
  - Volume growth during the quarter moderated as the Company took cautious efforts to focus on growth of its own brands in the semi premium and premium category



# Operational Highlights

- TI's Brandy segment remained at the forefront of growth. TI's Courrier Napolean brand continued its trajectory upwards and aims to become a Millionaire brand soon
- In the Whisky segment, the Company focused efforts to enhance sales in the semi premium and premium category, driving higher values
- In Rum, White House rum progressed to become a Millionaire brand. Here again TI was focused on its semi premium range of brands
- Vodka and gin as a category continues to show healthy increase in volumes for TI

**Segment wise cases sold (mn cases)**






# Financial Performance

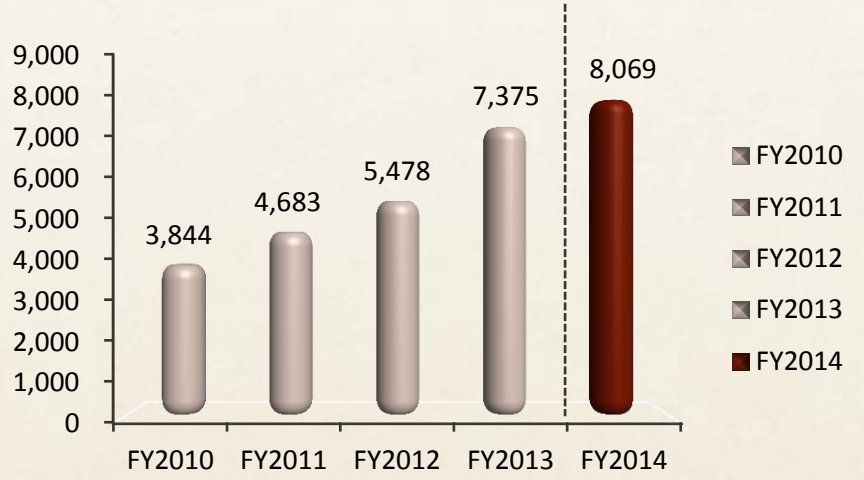
| Particulars (Rs. in million) | Q4 FY2014 | Q4 FY2013 | Shift (%) | FY2014 | FY2013 | Shift (%) |
|---|---|---|---|---|---|---|
| Net Sales | 2,180.2 | 2,387.4 | (8.7)% | 8,068.7 | 7,375.0 | 9.4% |
| Other Operating Income | 15.2 | 18.7 | (18.6)% | 173.0* | 149.2 * | 15.9% |
| Total Revenues | 2,195.4 | 2,406.1 | (8.8)% | 8,241.7 | 7,524.2 | 9.5% |
| Expenditure | 1,825.7 | 1,998.8 | (8.7)% | 6,543.2 | 5,818.2 | 12.5% |
| EBITDA | 369.7 | 407.3 | (9.2)% | 1,698.5 | 1,706.0 | (0.4)% |
| PBT | 144.2 | 211.2 | (31.7)% | 845.4 | 850.4 | (0.6)% |
| PAT | 75.2 | 170.1 | (55.8)% | 582.5 | 606.0 | (3.9)% |
| Basic EPS (Rs.) | 0.61 | 1.39 | (56.1)% | 4.75 | 5.02 | (5.4)% |

* Other Operating income includes VAT refunds on account of Mega Project status of Rs 123.7 million in FY14 and Rs 109.8 million in FY13

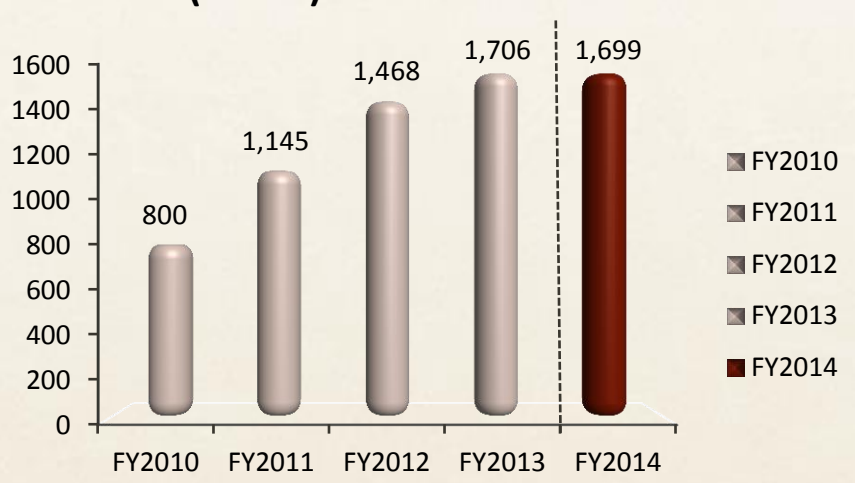
- Increase in total revenues during the year driven by
  - Healthy volume increase
  - Efforts to reach a wider consumer base
  - Sustained brand development and marketing efforts
- Revenues during the quarter witnessed the impact of
  - Lower sales of premium brands in Tamil Nadu due to lower supply on account of constraints faced by the bottler
  - Moderated volume growth during the quarter which was a result of the company's effort to focus on premiumisation
- Operating income reflects the impact of pressure on account of
  - Higher ENA costs
  - Increased sales and distribution costs
  - Hedging costs on forex loans

# Financial Synopsis

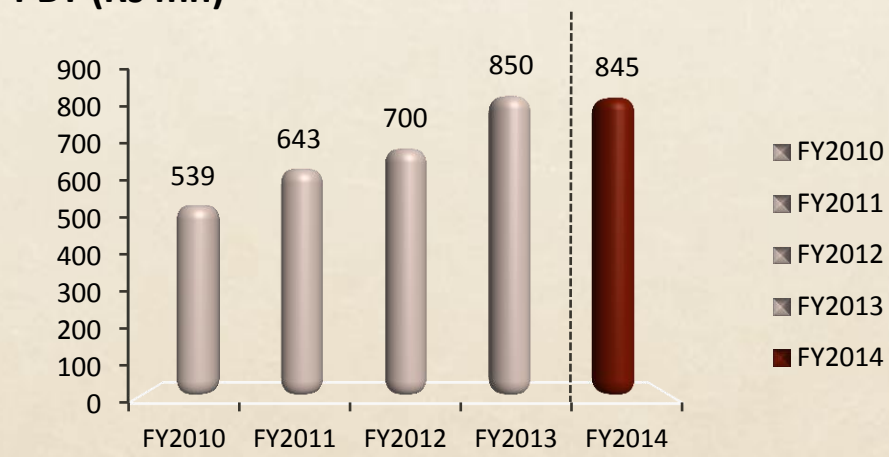
## Net Sales (Rs mn)



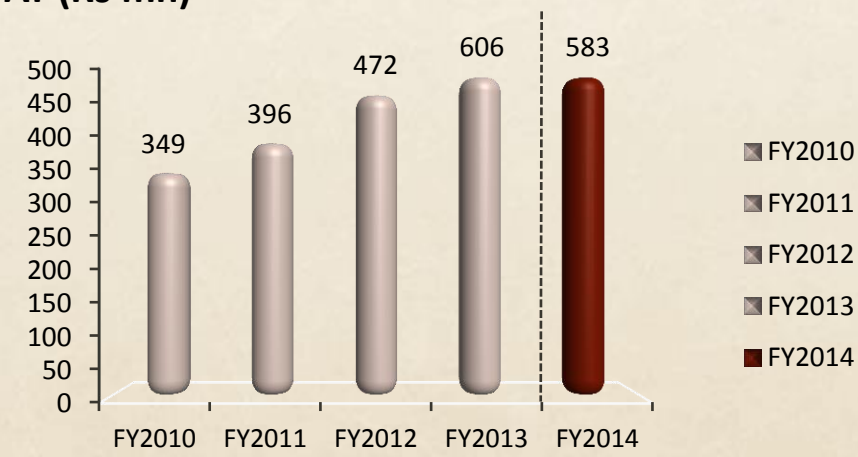

## EBITDA (Rs mn)




## PBT (Rs mn)

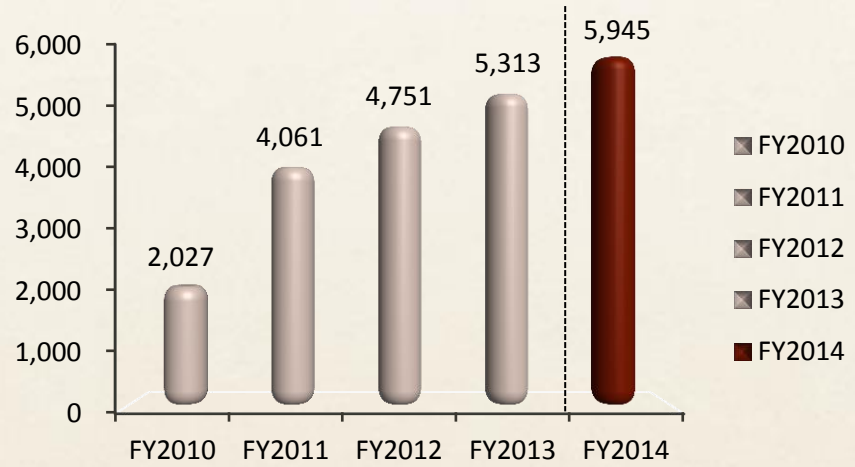



## PAT (Rs mn)

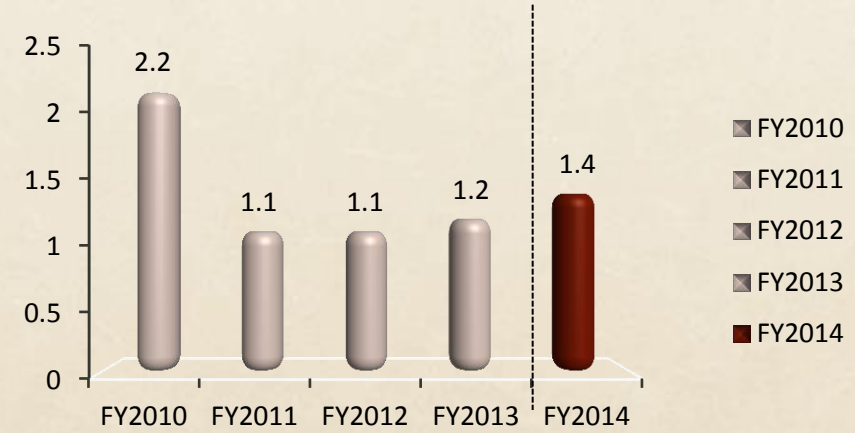


# Balance Sheet Perspective

**Networth (Rs mn)**




**Debt to Equity**




- The company is keen on strengthening its balance sheet in the current year which will include improving its networth as well as containing its debt profile.

# Management's Views

***Commenting on these results, Mr. Amit Dahanukar, Chairman & Managing Director, Tilaknagar Industries Ltd, said:*** *"Our growth strategy is well underway. A strong, balanced portfolio of brands combined with a well disseminated distribution reach served as growth levers and for the year we reported volume increase of 17% to stand at 16 million cases. Total revenues in the year increased 10% primarily driven by positive volume momentum along with our concerted emphasis on premiumisation and geographic expansion. Profitability during the year as well as the last quarter was influenced by higher raw material costs i.e. ENA and also associated costs related to branding and marketing. Thus even though fiscal 2014 was marked by a challenging operating environment, TI's fundamental strengths that have driven our performance over time remain relevant and critical to our success. We have framed our approach to fortify our business with sustained focus on branding, distribution and marketing.*

*We also continued to seek growth opportunities that enhance our company's value, which are a strategic fit to our business and which will help us enhance our pace of expansion. Our recent strategic acquisition of IFB Agro's brands supports this vision. It will enable us to increase our presence in East which is a highly attractive market for TI with immense untapped potential.*

*Our commitment reaches well beyond the current fiscal year and we continue to invest in the future - in promising segments and markets. Backed by a strong foundation of expertise and infrastructure, we are confident of pursuing the potential in the alco-bev space.*

*We look forward to building on our momentum as we expand our presence by increasing penetration in existing and new markets, leveraging our robust infrastructure and brand equity and deliver long-term profitable growth and enhanced value for our shareholder."*

# TI's Business segments - Brandy

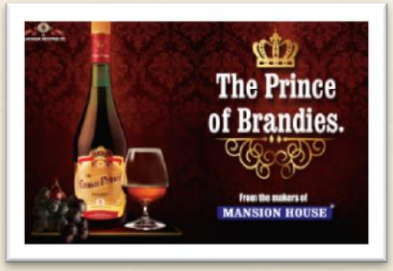
***Key brands***









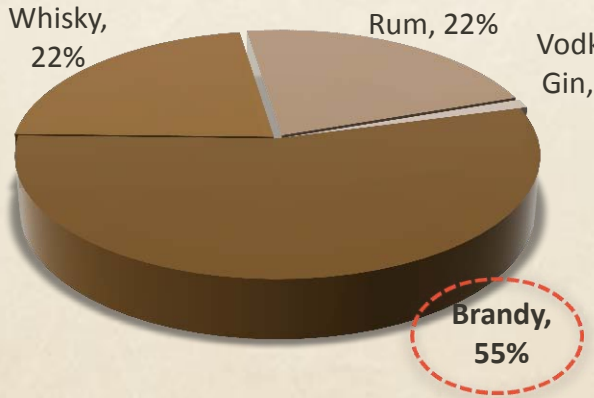







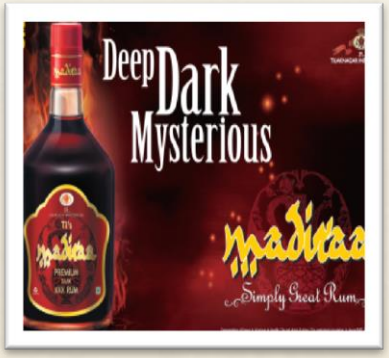



- TI an established player in the Brandy space in India with dominance in the premium space
- Portfolio encompasses of TI's iconic brands such as Mansion House and Courrier Napoleon
- The Company has at present 3 Millionaire brands in this segment- Mansion House Brandy, Brigadier No. 1 brandy and Vorion No. 1 brandy
- The Courrier Napoleon series is well on track to becoming a Millionaire brand in the immediate future



# TI's Business segments -Rum

***Key brands***





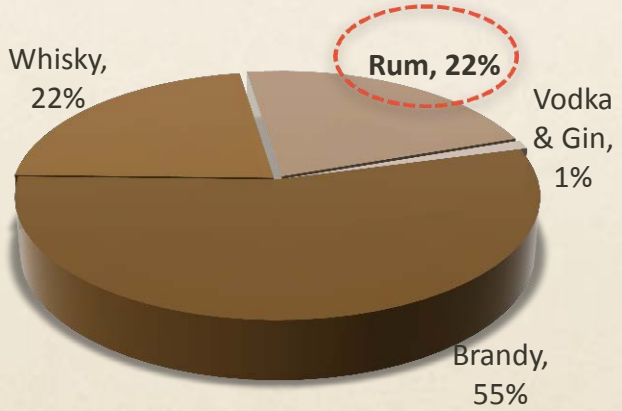





Rum is an attractive segment for TI and the company continues to progress well in order to tap the opportunities in this space.

TI' White house rum has been accorded with the Millionaire brand status in FY14

Madiraa Rum is the best selling brand in the Rum category for TI and also hold the "Millionaire' brand accolade



# TI's Business segments - Whisky

***Key brands***





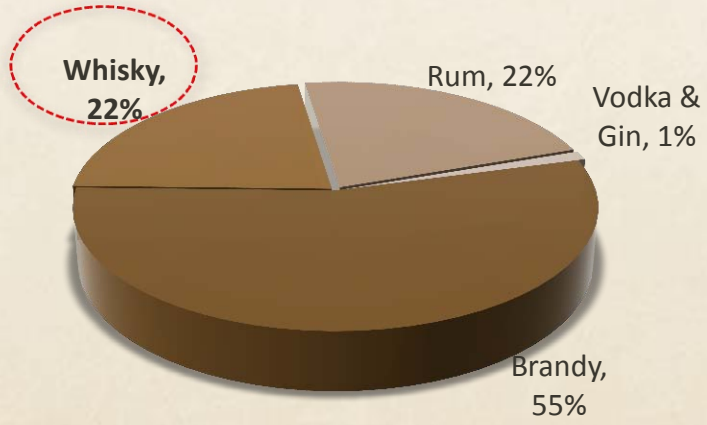





The company is maintaining a steady pace of expansion in this segment in order to generate sales and value which is sustainable in the long run

The Whisky portfolio is dominated by leading brands such as Mansion House whisky, BLACPOWER Grain Whisky and Senate Royal Whisky

In the state of Odisha, TI's Senate Royale is currently the leading brand in the semi premium segment



# TI's Business segments – Vodka and Gin

***Key brands***











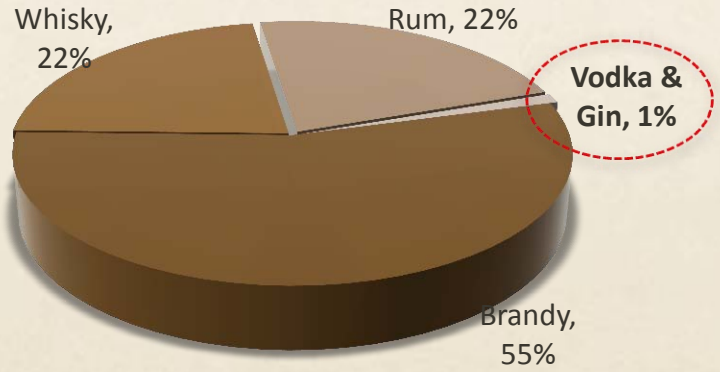





TI's is gaining positive traction in the Vodka and Gin segment

TI keen on exploring this segment and the opportunities it offers.

Besides its own brands , the company has recently strengthened its portfolio of the popular brands 'Volga' vodka and 'Blue Lagoon' from IFB Agro's portfolio



# Outlook

**Committed to generate profitable volume growth**

- TI's own brands to maintain positive growth momentum during the year; TI expects organic growth to be ahead of sector trend
- Pursuing new growth opportunities, with the aim to deliver profitable volume increase and create incremental value
- Embracing growth opportunities by leveraging strong brand profile and distribution network
- In FY15, TI committed to expand growth and generate higher returns for its own brand and will review its strategy with regards to MBDL

**Take brands to the next phase of growth**

- Investment in brands for long term growth
- Strategically prioritize brand portfolio
- Generate synergies from IFB Agro's IMFL portfolio
- Pragmatic expansion and create new routes to customers
- TI confident of adding Courrier Napoleon brandy to the Millionaire club in FY2015

**Drive earnings growth and deleverage B/S**

- TI has a clear strategy, plans for the future and a team that's committed to success
- In FY15, TI committed to enhance profitability of the business and at the same time seek measures to augment networth and contain its debt profile

# 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,Tamil Nadu and Puducherry

**Leading player in Indian Made Foreign Liquor**

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

**Focus on Premiumisation**

**Diversified Brand Portfolio**




**Robust Operating Model**

**Efficient Distribution Sales Force**

**Strengthening the foothold in East**

5 in-house manufacturing facilities (inclusive of 4 subsidiaries) and 4 subsidiaries for TI's allied activities, 9 lease arrangements and 14 tie-up units

East being tapped with immense potential to grow

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

# For further information

**Contact Details:**


Ajit Sirsat
Tilaknagar Industries Ltd
Tel: +91 22 22831718
Fax: + 91 22 22046904
E-mail: asirsat@tilind.com

Urvashi Butani
CDR, India
Tel.: +91 22 66451219
Fax: +91 22 66451213
E-mail: urvashi@cdr-india.com


**CIN- L15420PN1933PLC133303**
**Investor Relations email- investor@tilind.com**
**Company Website- www.tilind.com**

**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.*

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

**Mumbai, May 26:** Tilaknagar Industries Ltd. (TI), a leading player in the Indian Made Foreign Liquor (IMFL) industry has announced its consolidated financial results for the quarter and year ended March 31, 2014.

***FY14 Total Revenues at Rs. 8,242 million***

***FY14 PAT at Rs. 583 million***

***FY14 Volumes at 16.1 million cases***

***TI has recommended dividend of Rs. 0.80/share for FY13-14 for its shareholders***

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

***Key Highlights:***

- Total volumes in FY14 with 17% increase to 16.13 million cases
- Volume performance led by positive growth of TI's own brands across categories
- White House rum now a Millionaire brand- The brand has successfully become TI's leading rum brand and witnessed an exceptional growth trajectory.
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***Outlook:***

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  - ✓ Pursuing new growth opportunities, with the aim to deliver profitable volume increase and create incremental value
  - ✓ Embracing growth opportunities by leveraging strong brand profile and distribution network
  - ✓ In FY15, TI committed to expand growth and generate higher returns for its own brand and will review its strategy with regards to MBDL
- ***Take brands to the next phase of growth***
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  - ✓ Strategically prioritize brand portfolio
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  - ✓ TI confident of adding Courrier Napoleon brandy to the Millionaire club in FY2015

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  - ✓ TI has a clear strategy, plans for the future and a team that's committed to success
  - ✓ In FY15, TI committed to enhance profitability of the business and at the same time seek measures to augment networth and contain its debt profile

**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, with additional 4 subsidiaries for TI's allied activities. 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:**


Ajit Sirsat
Tilaknagar Industries Ltd
Tel: +91 22 22831718
Fax: + 91 22 22046904
E-mail: asirsat@tilind.com

Urvashi Butani
CDR,India
Tel.: +91 22 66451219
Fax: + 91 22 66451213
E-mail: urvashi@cdr-india.com


**CIN**- L15420PN1933PLC133303

**Investor Relations email**- investor@tilind.com

**Company Website**- www.tilind.com

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