



Mumbai, 13 August 2012: Tilaknagar Industries Ltd. (TI), a leading player in the Indian Made Foreign Liquor (IMFL) industry announced its consolidated financial results for the quarter ended June 30, 2012.

Q1 FY13 Total Revenues up 43.5% at Rs.1,534.1 million

Q1 FY13 PAT up 355% at Rs. 109.3 million

Q1 FY13 Volumes at 2.9 million cases

Key Highlights:

- ❑ Healthy expansion in volumes, ahead of sector growth, in Q1FY13 led by a balanced strategy for growth
 - ✓ Growth achieved driven by expansion across product lines and geographies
 - ✓ Increasing trajectory of sales in East augmented volume increase
 - ✓ South India continued to remain a dominant driver for growth
 - Robust growth in states across the region
 - New tie-ups in Tamil Nadu aided normalization of sales in the region to a certain extent, further visibility to be seen in Q2 / H2 FY13
 - ✓ Consistent focus on premiumisation
 - ✓ Whisky and Rum registered robust growth, while Brandy as a segment witnessed subdued performance due to limited sales in Tamil Nadu, which is one of the key markets for brandy sales for TI
 - ✓ In Q1 FY13, sales volumes delivered in CSD remained flat aligned to the muted growth in the CSD sector. However the segment serves as a unique platform for growth for TI
 - ✓ Enhanced sales of brands in the regular segment in Maharashtra to increase penetration, establish strong distribution and marketing network and accrue the benefits of the Mega Project

- ❑ Improved Operating profit increase reflects
 - ✓ Volume performance coupled with Company's prudent cost management system
 - ✓ Given the increase in grain prices, the Company sought it economical to source ENA from the market, while optimizing operational costs at its plant
- ❑ By virtue of the 'Eligibility Certificate' accorded to the Company with regards to the 'Mega Project' status, by the Government of Maharashtra , TI has recognized Rs 109.8 million as VAT refund for its sales in FY12 in Maharashtra
- ❑ Price hike received in Kerala w.e.f 01 August 2012 which is a key market for TI , to benefit realizations in the coming quarters

Commenting on these results, Mr. Amit Dahanukar, Chairman & Managing Director, Tilaknagar Industries Ltd, said: *"We are pleased with our overall performance this quarter as we continued to operate our business through prudent strategies and careful execution, which underscores a solid foundation that provides reliable top-line and bottom-line growth.*

Our varied product line and brands along with our premiumisation focus, drive our volumes and sales performance. Further, to optimize the benefits of the Mega Project status accorded to TI, the Company has expanded its efforts and dedicated resources to leverage this platform for growth in Maharashtra. Thus we believe our dynamic business model enables us to adapt and make strategic adjustments, all while maintaining our business priorities of creating sustainable long term profitability.

On the other hand we remain committed to strengthen our brand portfolio with the intent of extending TI to a wider audience with varied preferences. We are also encouraged by the progress we are making with our new tie ups in Tamil Nadu along with brand extensions and expect to witness further normalization in sales from this region in the coming quarters. We have already received a price hike in Kerala w.e.f 1st August 2012 and are also awaiting a long anticipated price hike in AP for which the tender has already been submitted. We will continue monitoring business conditions closely and will balance near-term financial performance with longer-term growth opportunities.

Overall, as we look ahead to FY2013 and beyond, I am confident that our system has only just begun to achieve its potential and unlock the benefits of the investments made in the recent times."

OUTLOOK:

❑ Continue to create and unlock value

- ✓ Wide range of portfolio with brand extensions and presence in various price and product categories creates growth and value creation opportunities
- ✓ TI is strategically positioned across geographies to capture an increasing share of a growing marketplace
- ✓ Dedicated efforts to premiumize and innovate brand portfolio to tap the emerging consumer trends
- ✓ On track progress of sales from new tie ups in Tamil Nadu, to further normalize aiding overall volume enhancement
- ✓ Price increase received in Kerala in the month of August, to further encourage realizations in the coming quarters
- ✓ Tender for price hike in Andhra Pradesh has been submitted; this much awaited hike to further benefit realizations
- ✓ Launch of Seven Islands Scotch in H2 FY12 to strengthen TI's brand presence and capture the opportunities in the luxury market in India

❑ Committed to leverage the Mega Project Status

- ✓ The Company's Mega Project status and eligibility, encourages TI to enhance penetration in Maharashtra
- ✓ TI to pursue expansion in the region in a systematic approach
 - Launch of brands across price categories, with higher focus on regular and economy range in the initial stages, to aid wider coverage
 - Consequent VAT refunds under IPS to consistently aid the Company's cashflow position

❑ Focus on delivering sustainable growth

- ✓ TI has and will continue to strengthen its model and adapt to the business environment to align its growth drivers with industry opportunities

– ENDS –

TILAKNAGAR INDUSTRIES LTD (TI): BRIEF OVERVIEW

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 5 subsidiaries for TI's allied activities. The Company exports its products to Western Africa, the Middle East, the Far East and Caribbean countries.

TI's expansive brand portfolio comprises of over 40 brands catering different price points along with an bouquet of semi premium and premium products. TI has engineered the creation of two millionaire brands, 'Mansion House' brandy and 'Madira' Rum which according to Euromonitor, was recognized as the fastest growing domestic brands.

Besides popular In-house brands, TI has a dominant presence in the Canteen Stores Departments (CSD). The Company was awarded the "CSD – Best Business Partner for Excellent Performance for 2011-12."

TI, currently, has its manufacturing facilities spread across India which it operates through 1 owned, 4 subsidiaries and 5 Allied subsidiaries, 10 lease arrangements and 10 tie-up arrangements. Its primary manufacturing facility is in Srirampur, Maharashtra with an installed capacity of 200 KLPD, including 100 KLPD of grain based distillery and 100 KLPD of molasses based distillation. The Company recently acquired 'Punjab Expo Breveries Private Limited' (Punjab Expo), in October 2011, with a bottling capacity of 50,000 units.

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