



TILAKNAGAR INDUSTRIES LTD.

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

Mumbai, 26 May 2011: Tilaknagar Industries Ltd. (TI), a leading player in the Indian Made Foreign Liquor (IMFL) industry has announced its consolidated financial results for the fourth quarter and full year ended March 31, 2011.

FY2011 HIGHLIGHTS: (All comparisons with FY2010 Figures)

- o Total revenues at Rs. 4,709.5 million, increased by 21.1% y-o-y from Rs. 3,889.8 million
- o EBIDTA at Rs. 1,162.2 million from Rs. 845.7 million, registering an increase of 37.4% y-o-y
- o PAT reported at Rs. 395.7 million, a growth of 13.4% y-o-y from Rs. 349.0 million
 - o Brand Sales (net) for FY2011 at Rs. 6,967.9 million as against Rs. 5,365.5 million, registering an increase of 29.9% y-o-y
- o Board recommends dividend per share of Rs.0.80 on its expanded capital
- o Flagship brand 'Mansion House' sales at 5.44 million cases up 20% y-o-y; Mansion House brandy ranked as No. 1 selling brandy in CSD
- o CSD as a segment registered sales 1.46 million cases for the full year duration, as compared to 0.32 million cases in FY2010

Q4 FY2011 HIGHLIGHTS: (All comparisons with Q4 FY2010 Figures)

Healthy growth rate in Q4 FY2011

- o Brand sales (net) for the quarter at Rs. 1,983.4 million as against Rs. 1,830.9 million, registering an increase of 8.3% y-o-y
- o Mansion House' sales at 1.5 million cases, up 4% y-o-y
- o CSD sales witnessed an excellent growth to 0.43 million cases during the quarter as compared to 0.12 million cases in Q4 FY2010
- o Total revenues at Rs. 1,297.7 million from Rs. 1,372.0 million
- o EBIDTA at Rs. 323.4 million from Rs. 375.6 million

OPERATIONAL PERFORMANCE HIGHLIGHTS:

- o Total number of cases sold: Q4 FY2011 at 3.07 million compared to 2.68 million in Q4 FY2010; FY2011 at 10.9 million compared to 8.0 million in FY2010
- o In Q4 FY2011, TI's brandy and whisky segments contributed 60% and 21% respectively of the total volume sales. While in FY2011 brandy and whisky segments contributed 63% and 20% respectively of the total volume sales

Commenting on these results, Mr. Amit Dahanukar, Chairman & Managing Director, Tilaknagar Industries Ltd, said:

"I am pleased to share with you, an encouraging set of numbers for FY 2011, driven primarily by our strong volumes. Our performance is a testament to our robust model and strong market position in the IMFL space. We witnessed a healthy increase in our volume growth which was led by our concerted strategy to grow our position in various geographies and enhance our portfolio at the same time.

Premiumisation of our products is an area where we foresee greater traction. Moreover, we believe that our investment made towards introducing Family shaped bottles' for our flagship brand – Mansion House, will yield cost reduction benefits in the coming quarters.

Thus we believe that we've taken the right steps to invest in the long-term health of our business to aggregate greater value for our investors and stakeholders.

For the year ahead, we are focused with our actions directed towards further leveraging our position. Although we do foresee cost led headwinds and moderation in revenue growth due to inflationary pressures and higher taxes, we are confident that we will continue to deliver volume growth, ahead of the sector."

OUTLOOK:

- o Key initiatives: To drive growth and enhance strength of operations to continue in line with plans
 - ✓ Prime focus on premiumisation of products
 - ✓ Wide product basket with consistent introduction of new brands across segments
 - Recent launch of premium quality product - 'Crown Prince brandy' in Tamil Nadu, further roll outs in other states across India in FY2012
 - ✓ Gradual expansion on a pan India basis
 - Fortifying foothold in existing markets

- Tapping new geographies in domestic and international markets
- o Volume growth : Expected to continue ahead of sector
 - ✓ Volume growth expected to continue to be strong driven by
 - Portfolio expansion with commitment towards premiumisation
 - Enhanced penetration in focus markets coupled with controlled foray in new regions
 - Robust growth in CSD vertical
 - ✓ Key headwinds to volume growth are
 - Inflationary pressures
 - Higher taxes
 - Political developments in Southern states
- o On Financial performance: Growth outlook maintained, margins may moderate
 - ✓ Revenue performance will be driven by volume growth
 - ✓ Earnings growth will continue, led by key drivers such as:
 - Volume growth
 - Premiumisation of brands
 - Expanded capacities
 - ✓ Key headwinds to earnings growth and margins are
 - Increasing glass prices and packaging costs
 - In a recent mandate, companies registered with CSD require at least 30% of the bottles to be packaged in glass. Prior to this, they had the flexibility to package all bottles in PET
 - o This is expected to impact the Company, as ~14% of TI's volumes are from the CSD vertical
 - Investment in premiumisation of more brands leading to higher branding / marketing expenses
 - Higher excise duty
 - Higher depreciation and interest due to commissioning of grain based distillery

TILAKNAGAR INDUSTRIES LTD (TI): BRIEF OVERVIEW

Tilaknagar Industries Ltd (TI) is a leading player in the Indian Made Foreign Liquor (IMFL) industry in India. TI manufactures, markets and sells the whole gamut of products under the IMFL space namely brandy, whisky, gin, vodka and rum at highly competitive price points. TI has a diversified brand portfolio comprising of more than 40 brands. TI brand array houses two millionaire brands, Mansion House Brandy and Madira Rum which were also recognised as the fastest growing domestic brands in a study by Euromonitor.

The Company has also acquired seven brands from Alcobrew Distilleries to further expand its brand portfolio and the market geography. These brands are also registered with CSD and also sold in the Northern markets.

The Company has 32 manufacturing facilities spread across India which it operates through 1 owned, 3 subsidiaries, 7 lease arrangements and 21 tie-up arrangements. Its primary manufacturing facility is in Shrirampur, Maharashtra with an installed capacity of 100 KLPD including a new 50 KLPD molasses based distillation plant commissioned in October 2009. In addition, the Company commenced commercial production at its new grain based distillery of 100 KLPD, in March 2011.

TI possesses a widespread marketing and distribution network to enhance its strong product portfolio. TI has strived to establish its distinct identity in the liquor industry and to position itself in the premium segments by continuously introducing brands catering to the requirements of the upwardly mobile segment of the community.

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 (P) Ltd and Kesarval Springs Distillers (P) Ltd. 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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