



emami* limited

Date: 5th May, 2016

The Secretary
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata – 700 001

Dear Sirs,

Sub: Press release

Enclosed please find the Press Release issued in relation to audited Financial Results of the Company for the Fourth Quarter and year ended 31st March 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)

Year: 2015-16

Turnover: ₹ 2,624 cr

Cash Profit: ₹614 cr

One of the fastest home-grown FMCG Company in India with a 16% CAGR in topline for past 5 years

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

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

Covers more than 40 lac retail outlets across India through 2,900 distributors

Forbes Asia, ranked Mr. R.S. Agarwal and Mr. R.S. Goenka – the two founders of Emami Group as 75th amongst 100 Richest Indians

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

Listed among the SUPER 50 by Forbes India in 2015

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

EMAMI'S Q4FY16 REVENUE GROWS BY 21.2% & EBIDTA BY 29.9%

HIGHLIGHTS (CONSOLIDATED)

- ❖ **21.2% growth in Net Sales at ₹ 671 cr** during the fourth quarter. Growth in FY16 is 18.3% with sales at ₹ 2,624 cr.
- ❖ **EBIDTA at ₹ 182 cr** grew by 29.9% during the fourth quarter and by 26.6% in FY16 at ₹ 684 crores
- ❖ **Cash Profit* at ₹166 cr** grew by **10.8%** during the quarter and by 18.1% in FY16 at ₹ 614 cr.
- ❖ **Dividend at 700%**, i.e., ₹ 7/- per share announced by the Board, a dividend payout of 53.2% including dividend tax.
- ❖ State of the art **new manufacturing unit** being established at Guwahati at an outlay of ₹ **300 crore**

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

Kolkata, May 5th, 2016: Emami Limited announced its Audited Financial Results for the fourth quarter & full year ended March 31, 2016 at their Board of Directors' Meeting held on 5th May, 2016.

Turnover of the company at ₹ 671 crores grew by 21.2% in the fourth quarter and by 18.3% in FY16 at ₹2,624 crores. EBIDTA at ₹ 182 crores grew by 29.9% in the fourth quarter and by 26.6% in FY16 at ₹ 684 crores. PAT however was impacted by ₹73 crore and by ₹ 210 crore for Q4 & FY16 respectively mainly because of amortisation of Kesh King intangibles. Cash Profits, however at ₹ 166 cr grew by 10.8% during the quarter and by 18.1% in FY16 with cash profits at ₹ 614 cr.

Extended winters were positive for winter brands like BoroPlus, however, this led to an adverse impact on the sales of summer products Q4FY16. Overall the domestic business delivered a strong topline growth of 23%.

New launches such as Fair and Handsome Instant Fairness Facewash, Emami 7 Oils in One Damage Control Hair Oil and Zandu Honey performed well. The company continued to spend aggressively on advertisement and brand building during the quarter to strengthen its marketing efforts.

Despite the high increase in A&P spends at 19.0% of sales, the Company's EBIDTA margins at 27.2% rose by 190 bps in the fourth quarter and by 170 bps at 26.1% in FY16, mainly on account of gross margin expansion.

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The company recently **launched Navratna i-Cool Talc** with “*Intelligent Sweat Sense technology*” releasing instant cooling on application and also when one sweats. The company also **re-launched its HE range of aerosol Deodorants** with an improved packaging and a new fragrance **HE Respect**. **HE Deo** also forayed into **No Gas category** with two variants – **Body Perfume & ICY Collection**.

The power brands continued to maintain leadership in key categories in FY16. Navratna Cool Oils, Zandu & Mentho Plus Balms, Boroplus Antiseptic Cream and Fair and Handsome maintained their leadership positions with FY16 volume market shares at 60.5%, 55.2%, 76.9%, and 64.6% respectively.

INTERNATIONAL BUSINESS

International business grew by 17% during the quarter and by 15% in FY16 despite economic challenges in overseas markets like Russia. SAARC & SEA and MENAP regions led by robust growth in Bangladesh and GCC performed well. Most of our Power Brands led by Navratna and Fair and Handsome have performed well and increased their market shares in the overseas markets.

Mr Mohan Goenka, Director, Emami Limited said :

“In the backdrop of a challenging macro-economic environment, we are happy to announce the domestic business growth of 23% in the fourth quarter and 20% in FY16. The prolonged winter this quarter has helped our winter brands to register a positive growth. Going forward, we will continue to strengthen our core portfolio and focus on top line growth. To augment the same, we are in the process of launching some innovative brand extensions, which we expect to do well in the coming months. We are also strengthening our distribution network to expand our presence further to the deepest corners of the country. Our international business continues to do well.”

Mr Harsha V Agarwal, Director, Emami Limited said :

“This quarter, we have secured good growth by focusing on young target audience, where we see a huge potential and we want to keep investing in newer categories like face wash, deodorant etc apart from our core brands.

Recently, we have introduced unique summer innovations through differentiated brand extensions like Navratna i-cool Talc and HE Deo’s ICY Collection. We strongly believe that both our new products have strong value propositions, especially during the hot & humid summers, to win over consumers.

The Ayurvedic & Natural segment is also growing rapidly with increase in consumer awareness of the benefits that they offer. This is an encouraging trend for the industry and we plan to keep investing and focussing in the healthcare category with our brand Zandu to take advantage of this growth.

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We are augmenting our manufacturing capacity as well by investing around Rs. 300 cr in our new plant in Guwahati, Assam, which is expected to become operational by FY 2017."

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. The brand has been able to consolidate its position and increase market share by 370 bps 35.4% of the Ayurvedic Hair & Scalp care market segment in FY16.

MARKETING:

Launched new ad campaign for Kesh King featuring Bollywood actress **Huma Qureshi** and directed by **Imtiaz Ali** on the basis of consumer insights focusing strongly on the product and its benefits.

Brand **Navratna** became the proud recipient of the prestigious **'FLAME AWARDS ASIA – SILVER TROPHY 2016'** in the category of 'Promotion & Activation (Sales Promotion)' for its **"Navratna Kumbh Mela Campaign in Nasik"**.

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.

With over 300 diverse products, Emami's portfolio includes trusted power brands like Zandu, BoroPlus, Navratna, Fair & Handsome, Mentho Plus, Fast Relief and Sona Chandi Chyawanprash. In 2015, Emami Ltd 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. During the same year, the Company also acquired the business of 'Kesh King' and forayed into the Ayurvedic hair & scalp care segment. Emami products are available in over 4 million retail outlets across India through its network of 2900 distributors and its global footprint spans over 60 countries including GCC, Europe, Africa, CIS countries & the SAARC.

Emami has maintained a CAGR turnover of 16% 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, Sourav Ganguly, Mary Kom, Saina Nehwal, Sushil Kumar, 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.emamitd.in for further information.

For further information, please contact :

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