

INFORMATION UPDATE

Eveready Industries India Ltd. (Eveready) today declared its financial results for the quarter ended June 30, 2015. Summary of the standalone results are as follows:

| Item | Q1 2015-16 (Rs.crores) | Q1 2014-15 (Rs.crores) | Gain % | FY 14-15 (Rs.crores) |
|------------------|---------------------------|---------------------------|--------|----------------------|
| Operating Income | 348.16 | 323.58 | 8 | 1278.92 |
| Operating EBDITA | 37.31 | 33.18 | 12 | 123.68 |
| PBT | 22.54 | 13.98 | 61 | 62.00 |
| Net Profit | 15.89 | 10.60 | 50 | 49.03 |

Key comments on operating performance and outlook are as follows –

Turnover

Turnover break-up of key categories was as follows –

| Products | Q1 Turnover (Rs.crores) | Change % |
|-------------------|-------------------------|----------|
| Batteries | 193.39 | 3 |
| Flashlights | 70.97 | (10) |
| Lighting products | 67.51 | 71 |

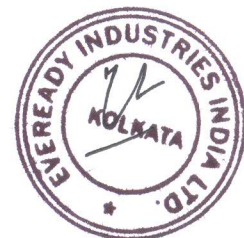
- Turnover of batteries showed small growth and flashlights de-grew during the quarter. This is in keeping with the overall muted FMCG market trend. Traditionally, both these categories show seasonal peaking in line with monsoon. The delayed arrival of monsoon in June impacted volumes. This trend is seen to be reversing with monsoon normalizing in the month of July.
- Despite the above, the total company turnover rose by 8 % led by growth of 71% in lighting products - contributed significantly by turnover of Rs.22.34 crores in LED bulbs (Q1 14-15 – Rs. 0.50 crores).

Profitability

- Operating EBIDTA was as follows –

| | 2015-16 Q1 | 2014-15 Q1 |
|--------------------------|------------|------------|
| EBIDTA (Rs.crores) | 37.31 | 33.18 |
| As % of operating income | 10.7 | 10.3 |

Operating EBIDTA improved during the current quarter, primarily due to improved margins, despite costs increasing on account of the following:



○ Higher expenses

| Item | Incr. (Rs.crores) | Comment |
|------------|-------------------|----------------------------------------------------|
| A & P | 4.8 | 5.1% of net sales in curr. Q1 vs. 3.9% in Q1 14-15 |
| Staff cost | 3.6 | 8.9% of net sales in curr. Q1 vs. 8.4% in Q1 14-15 |

○ Impact on input costs on account of exchange rate and zinc

| Item | Incr. (Rs.crores) | Comment |
|----------|-------------------|-------------------------------------------------------|
| Exchange | 4.8 | Avg. \$/Rs at 63.70 in curr. Q1 vs. 60.06 in Q1 14-15 |
| Zinc | 0.6 | \$2241/MT in curr. Q1 vs. \$2122/MT in Q1 14-15 |

- Apart from increased contribution from EBIDTA, profit before taxes improved by 61 % on account of—
Reduction in depreciation – Rs.2.1 crores
Savings in finance costs – Rs.1.0 crore
- Profit after taxes improved by 50 %, despite the effective rate of tax increasing to 28.5% during the current Q1 as against 21% in Q1 14-15.

Operational Outlook

- Outlook on batteries and flashlights remain stable. As mentioned already, early signal of muted growth in Q1 seem to be somewhat relieved in July – though firmer indications of trend will be available in the later half of Q2.
- LED bulbs will continue to be a major driver of turnover growth for the company. Current trend of growth is seen to be sustainable in the near term.
- At the current softer price levels of zinc and exchange remaining range-bound, margins should show improvement.
- The Company stands by its plans to improve operating margins and reduce debts substantially in the current year.

Other matters

- The Board of Directors has recommended an interim dividend of 20 % at its meeting held on July 24, 2015.
- The Board has in the said meeting also approved raising of capital not exceeding Rs.150 crores in the form of QIP, the proceeds to be utilized for capital expenditure, long term working capital and reduction of high-cost debt.
- The Board has also approved the limit of FII/FPI shareholding in the Company to go up to 49% of the paid up capital.

July 24, 2015

