

RADICO KHAITAN LIMITED

NET PROFIT AFTER TAX OF RS 9.59 CRORE FOR THE FOURTH QUARTER

TWELVE MONTHS ENDED – NET PROFIT AFTER TAX OF RS 41.54 CRORE
WITH GROWTH OF 536%

Performance Highlights for the Fourth Quarter ended 31st March 2010

Highlights: Quarter ended March 31, 2010

1. Net Sales of **Q4 of FY 09-10 at Rs.297.72 crore**, against sales of **Rs.238.17 crore** over corresponding quarter in the previous year, thereby showing a **growth of 25%**. (Net Sales includes Sale from Tie-up units net of Royalty income).
2. EBITDA of **Rs.31.81 crore grew by 490% compared to Rs.5.39 crore** over corresponding quarter in the previous year.
3. The company achieved a Net Profit of **Rs.9.59 crore in Q4 of FY 09-10** compared to **Rs. 0.43 crore** in the corresponding quarter of FY 08-09.
4. Operating margins of **Q4 of FY 09-10 is 10.68% against 2.26 %** over corresponding quarter in the previous year.

Highlights: Twelve months ended April - March 31, 2010

1. Net Sales of **Twelve months of FY 2010 at Rs. 1147.08 crore**, against sales of **Rs.932.66 crore** over corresponding twelve months in the previous year, thereby showing a **growth of 23.00%**. (Net Sales includes Sale from Tie-up units net of Royalty income).
2. EBITDA of **Rs.130.10 crore grew by 67.53% compared to Rs.77.65 crore** over corresponding twelve months in the previous year.
3. The company achieved a Net Profit of **Rs.41.54 crore in Twelve months ended of FY 2010** compared to **Rs.6.53 crore** in the corresponding twelve months of FY 2009, thereby showing a growth of **536%**.
4. Operating margins of **Twelve months of FY 2010 at 11.34% against 8.33%** over corresponding twelve months in the previous year.

Net sales for this year are up mainly because of increase in sales of branded IMFL products by over 26%, which consist of more than 73% of total sales of the company. Improvement in operating margins have been possible due to increased sales of premium products. Morpheus brandy (Super Premium) ,which was launched during the Financial Year in all the southern states, is doing extremely well and has achieved volume of 80K cases during the period.

Sale Volume break-up for the full financial year 2009-10 is as under:-

(Qty. in Lac Cases)

	2008-09	2009-10	Growth Rate
			% age
	12 Months	12 Months	12 Months 2009-10
Magic Moments	10.20	14.19	39.1%
8 PM Whisky	33.90	35.68	5.3%
Whytehall Whisky	3.80	5.84	53.6%
Contessa Rum	25.00	22.51	(-) 9.9%
Morpheus Brandy		0.80	
Old Admiral Brandy	20.00	27.27	36.4%
Main Line Brands	92.90	106.29	14.4%
Other Brands	35.80	39.91	11.5%
Total	128.70	146.20	13.6%

The summary of financial performance is as under:

	Q - 4	Q - 4	Twelve Months	Twelve Months	Growth %	Growth %
	FY 2009-10	FY 2008-09	FY 2010	FY 2009	Q-4	Twelve Months
	Rs. / Crs.	Rs. / Crs.	Rs./Crs.	Rs./Crs.	FY - 2010	FY 2010
Net Sales*	297.72	238.17	1147.08	932.66	25.00%	23.00%
EBITDA	31.81	5.39	130.10	77.65	490.21%	67.53%
PAT	9.59	0.43	41.54	6.53	-	536%
Operating Margin	10.68%	2.26%	11.34%	8.33%	Improved by 842 BPS	Improved by 301 BPS
IMFL Volumes mn. c/s	3.77	3.53	14.62	12.87	6.8%	13.6%

* Net Sales includes Sale from Tie-up units net of Royalty income.

Highlights of operating performance of the company **for the year ended 31st March 2010**

- Premium brands i.e. Magic Moment and Morpheus constitute 22% of the total branded portfolio sale against 17% in the last year.
- Both profitability and EBITDA margins has improved.
- Growth of IMFL volume has been across the country particularly in the states of Tamilnadu, UP, Rajasthan, West Bengal, Bihar, Andhra Pradesh and Jharkhand.
- Net Sale value Growth of our branded Products in the year 2009-10 was 26% against volume growth 13.60%. The company had realised weighted average price increase of 3% in this year and balance of the revenue growth was attributed towards premiumisation and better product mix.

Key Financial Data

1. Free Sale Molasses

The average landed cost of Molasses in the FY 2009-10 was Rs.498 per qtl. against Rs.502 per qtl. in the last year.

Now the molasses prices have shown declining trend since last two months.

2. Salary & wages

The company was able to maintain its salary and wages and other benefits costs at the same level of last year after rationalization of the manpower. Currently salary and wages costs constitute 4.71% of Net Sales of Radico against 5.92% in the previous year.

3. Advertisement and Sales Promotion

The advertisement and sales promotion cost of the company accounted 6.95% of the total net sale against 5.98% in the last year.

4. Interest and Financial Charges

The company paid interest of Rs.61.72 Cr. in the Financial Year 2009-10. The entire money raised from QIP in March 2010 was used to de-leverage the Balance Sheet.

5. Debt profile

Net Debt Profile of Radico as of 31.03.10 stands at:

a) Term Loans	: Rs. 108.09 Cr
b) Working Capital Line of Credit	: Rs. 162.68 Cr
c) FCCBs	: Rs. 153.07 Cr
Total	: Rs. 423.84 Cr

Gearing Ratio as at 31.03.2010	: 0.71
At the end of 31.03.2009, it was	: 3.00
Debt as a multiple of EBIDTA on 31.03.2010	: 3.26
Debt as a multiple of EBIDTA on 31.03.2009	: 9.02

6. Price Increase on IMFL

The weighted price increase in IMFL volume was 3.00% which enabled us to improve our operating margins.

7. Exports

The export sales for 2009-10 were USD 17.00 million constituting 6.60% of the total business of the company.

8. Provision of Tax

The company current tax ratio stands at 16.82% of the PBT after MAT credit, Tax holiday at our Uttaranchal Plant, & also the Co-gen & Bio gas plant tax benefits.

9. Capex

During 2009-10, the company has incurred capex Rs.27.50 Crs. at its various manufacturing facilities for Malt Spirit Maturation Plant, Bottle Printing Machines, Pet Plant and Molasses Tanks .

10. Dividend

In view of the good operating performance, the management has decided to pay the equity dividend of 30% against 15% paid in the last year.

About Radico Khaitan Ltd.

Radico Khaitan Ltd., one of the largest liquor companies in the country, is best known for its brands 8 PM whisky, Magic Moments Vodka, Contessa Rum and Old Admiral Brandy. 8 PM whisky has the unique distinction of having touched sales of one million cases in the first year of its launch .Magic Moments is the fastest growing Vodka in the country , Contessa Rum is one of the largest selling Rum brand among Defense forces. Old Admiral Brandy another winner from the portfolio of Radico is also a part of the millionaire club.