

RADICO KHAITAN LIMITED

New Delhi, 27th July, 2010

Highlights: Quarter ended June 30, 2010

1. Net Sales of **Q1 of FY 2010-11 at Rs.326.07 crore**, against sales of **Rs.274.38 crore** over corresponding quarter in the previous year, thereby showing a **growth of 18.84%**. (Net Sales includes Sale from Tie-up units net of Royalty income).
2. The company achieved a Net Profit of **Rs.16.05 crore** compared to **Rs. 10.70 crore** in the corresponding quarter of FY 09-10 thereby showing a growth of **50%**.

| | 2010-11 | 2009-10 | Growth Rate |
|--|----------------------|----------------------|--------------------|
| | Q-1 | Q-1 | % age |
| Volume Growth –All India | 42.41 lac c/s | 38.37 lac c/s | 10.6% |
| Main Line Brands | 32.16 lac c/s | 28.43 lac c/s | 13.1% |
| Net Sales –Including CBUs | 326.07 crs | 274.38 crs | 18.84% |
| EBITDA | 34.06 crs | 30.39 crs | 12.07% |
| Profit before tax and exceptional items | 21.55 crs | 8.81 crs | 144.52% |
| Profit After Tax | 16.05 crs | 10.70 crs | 50.0% |

3. Volume growth in this quarter .

(Qty. in Lac Cases)

| | 2010-11 | 2009-10 | Growth Rate |
|-------------------------|----------------|----------------|--------------------|
| | Q-1 | Q-1 | % age |
| Magic Moments | 5.14 | 3.38 | 32.6% |
| 8 PM Whisky | 11.62 | 11.01 | 5.6% |
| Whytehall Whisky | 1.78 | 1.64 | 9.0% |
| Contessa Rum | 5.86 | 5.57 | 5.2% |
| Morpheus Brandy | 0.50 | - | - |
| Old Admiral Brandy | 7.26 | 6.33 | 14.7% |
| Main Line Brands | 32.16 | 28.43 | 13.1% |
| Other Brands | 10.25 | 9.94 | 3.1% |
| Total | 42.41 | 38.37 | 10.6% |

Sales of our prestigious brand 'Magic Moments' Vodka grew by **32.6%** besides increase in sale growth of 13.1% in all our mainline brands.

Industry in Andhra had degrown by 27% during the quarter due to de-stocking by the retailers on account of new tenders. Had this de-growth in Andhra volumes not been there, our growth in total Volumes would have been 18% with main line brand growth of 25%.

4. Company's interest cost for the quarter fell sharply from **Rs.15.36 crores** to **Rs.6.23 Crores (-59.47%)** on YOY basis on retiring the major part of debt after raising equity capital of **Rs.341.79 Crores** through QIP in March 2010.

5. Since the Molasses prices had softened during the quarter, we had to absorb a cost of **Rs.400 lacs** for depleting high cost inventory carried at the beginning of the quarter. The full impact of reduced prices of molasses ENA shall be felt in the coming Qtrs.
6. Company launched two whiskies i.e. '**After Dark**' & '**Eagles Dare**' in the largest & fastest growing brown spirits premium segment in June 2010, in select markets after two years of hard work on brand research and development. Given our track record of the past, we believe that these brand launches should be a success in coming months. This is another stepping stone towards our Premiumization of the brand portfolio.
7. Company spent a sum of **Rs.26.22 crores** on advertisement and business promotions which constituted 8.04% of our net sales against **Rs.18.19 crores** incurred in corresponding quarter last year (equivalent to 6.63%) of net sales.