



Investor Presentation

September' 2013





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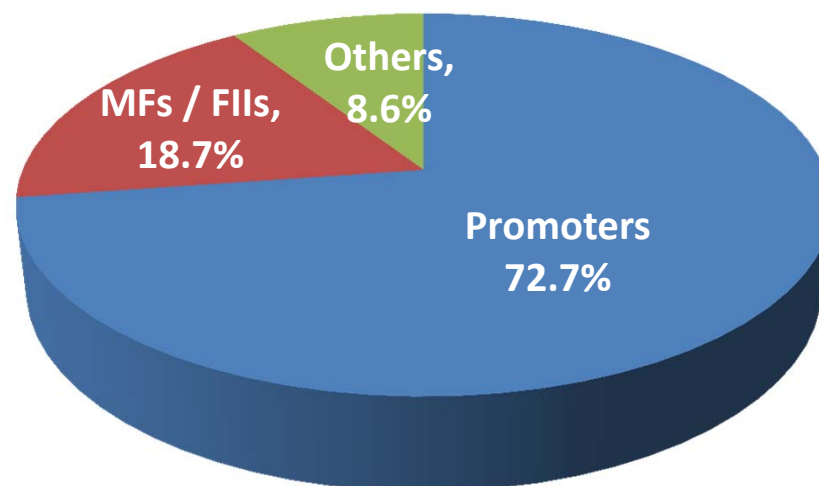


Company Overview

- Emami Limited, the flagship company of the Emami Group, is a leading FMCG player in India
- The Company is promoted by Mr. R.S. Agarwal and Mr. R.S. Goenka
- Emami has been in the health, beauty and personal care since the last 35 years and has sustained its prominent position in Ayurvedic products
- Aided by state-of-the-art R&D, it has developed power brands like '*Navratna*', '*BoroPlus*' and '*Fair and Handsome*'
- About 80% of the Company's production comes from tax exempt zones
- Gross revenue of over Rs 17 bn (\$2800mn) in FY 2013 with a CAGR of 24% over last 5 years

Making people Healthy and Beautiful, naturally

Shareholding Pattern



- Listed on the NSE, BSE and Kolkata stock exchanges
- Market capitalisation of over Rs. 100 bn (USD 1.7bn)
- Return to investors of over 300% following the QIP in July 2009

Board of Directors

S.N.	Promoter Directors	S.N.	Independent Directors
1	Sri R. S. Agarwal	8	Sri K. N. Memani , <i>ex-Country Head of E&Y, India</i>
2	Sri R. S. Goenka	9	Sri Y. P. Trivedi , <i>eminent tax expert & advocate, Rajya Sabha member</i>
3	Sri S. K. Goenka	10	Sri P. K. Khaitan , <i>Advocate & Sr. Partner of M/s. Khaitan & Co.</i>
4	Sri Mohan Goenka	11	Sri Amit Kiran Deb , <i>ex-Chief Secretary, Govt. of West Bengal</i>
5	Sri A. V. Agarwal	12	Sri S. B. Ganguly , <i>Industrialist</i>
6	Sri H. V. Agarwal	13	Vaidya Suresh Chaturvedi , <i>Ayurvedacharya, Padmashree</i>
7	Smt. Priti Sureka	14	Sri Sajjan Bhajanka , <i>Industrialist</i>





Strategy

- Aggressive promotion through celebrities
- Expand distribution – reach rural
- Differentiated 'Value For Money' products
- Product innovation to enter new categories
- Brand extensions
- Entry in new geographies – drive exports
- Leveraging existing distribution network



Drive
Revenue

- Stabilization of new launches and brands
- Continuous Cost control initiatives
- Fiscal efficiency for manufacturing facilities in tax exempt zones



Grow Net
profit

The Four Power Brands, new categories & extensions and the Zandu Healthcare segment to drive revenue growth



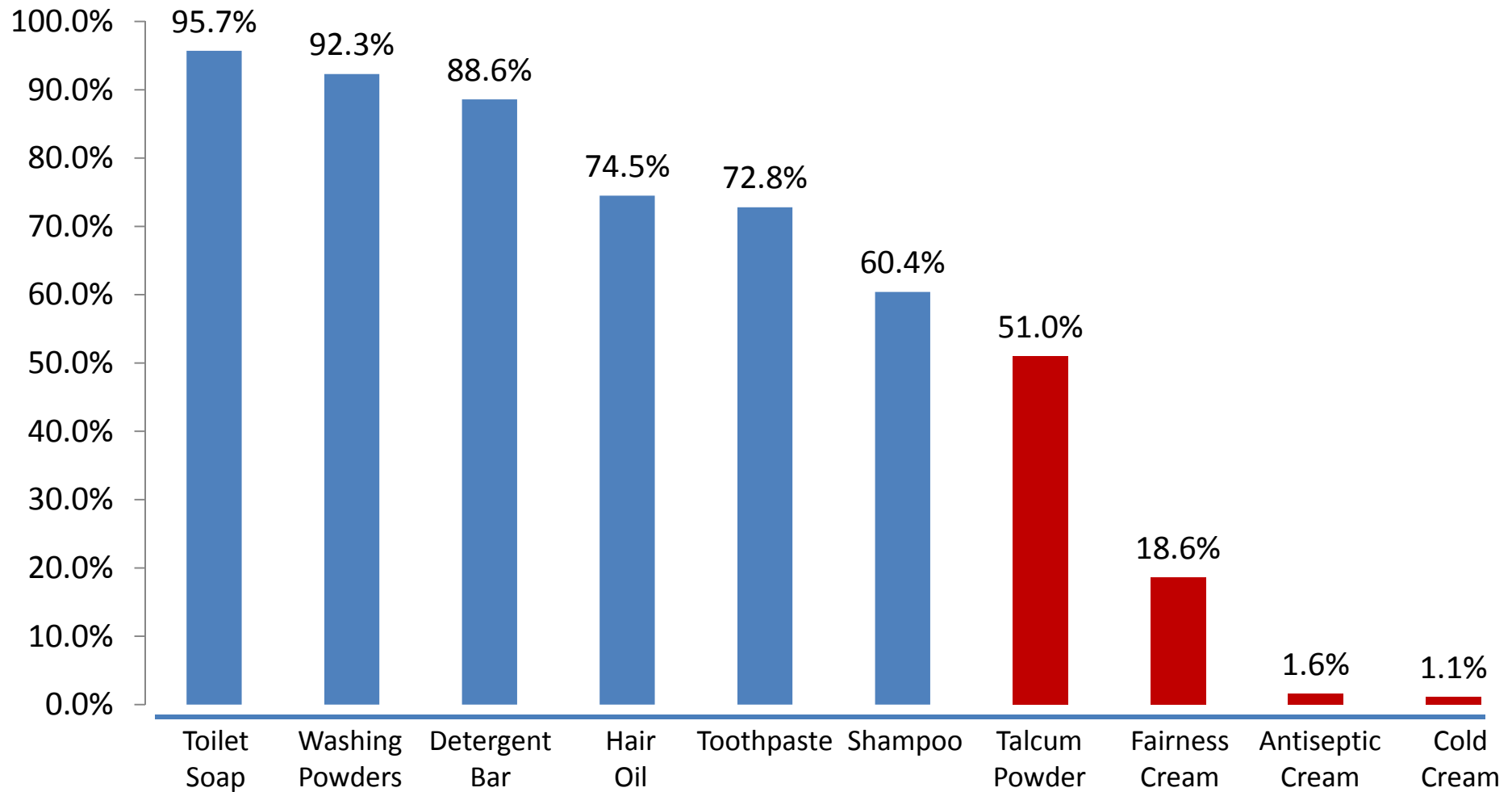
Snapshot of Power Brands

Power Brand	Segment	Market Size (INR in Millions)	Market Size (USD in Millions)	Emami's Market Share in %	
				2010	2013
Navratna Oil	Cooling oil	8,100	133	49	55
Boroplus Cream	Antiseptic Cr.	3,600	59	74	74
Zandu & Mentho Plus Balm	Balm	7,000	115	57	58
Fair & Handsome	Men's fairness cream	3,300	54	60	58
Boroplus Powder	Prickly heat powder	2,750	45	10	13
Navratna Cool Talc	Cool Talc	4,300	70	13	18
Fast Relief	Pain reliever	10,000	164	9	4
Sona Chandi & Zandu	Chyawanprash	3,450	57	10	10

Source: AC Nielsen



Low penetration ... Big opportunity

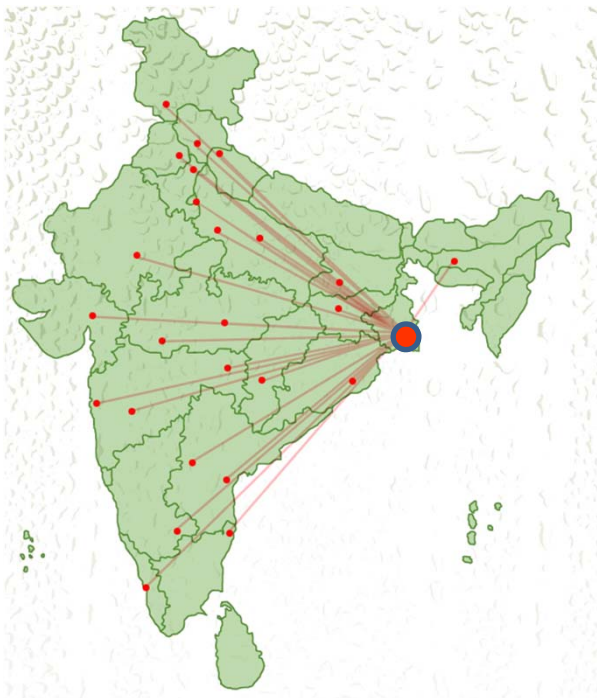


Low penetration of major segments indicates long term growth story

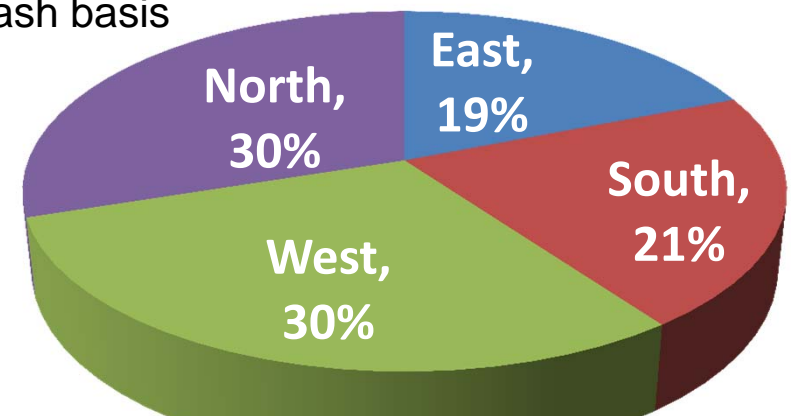
Source: IRS Data



Domestic Reach



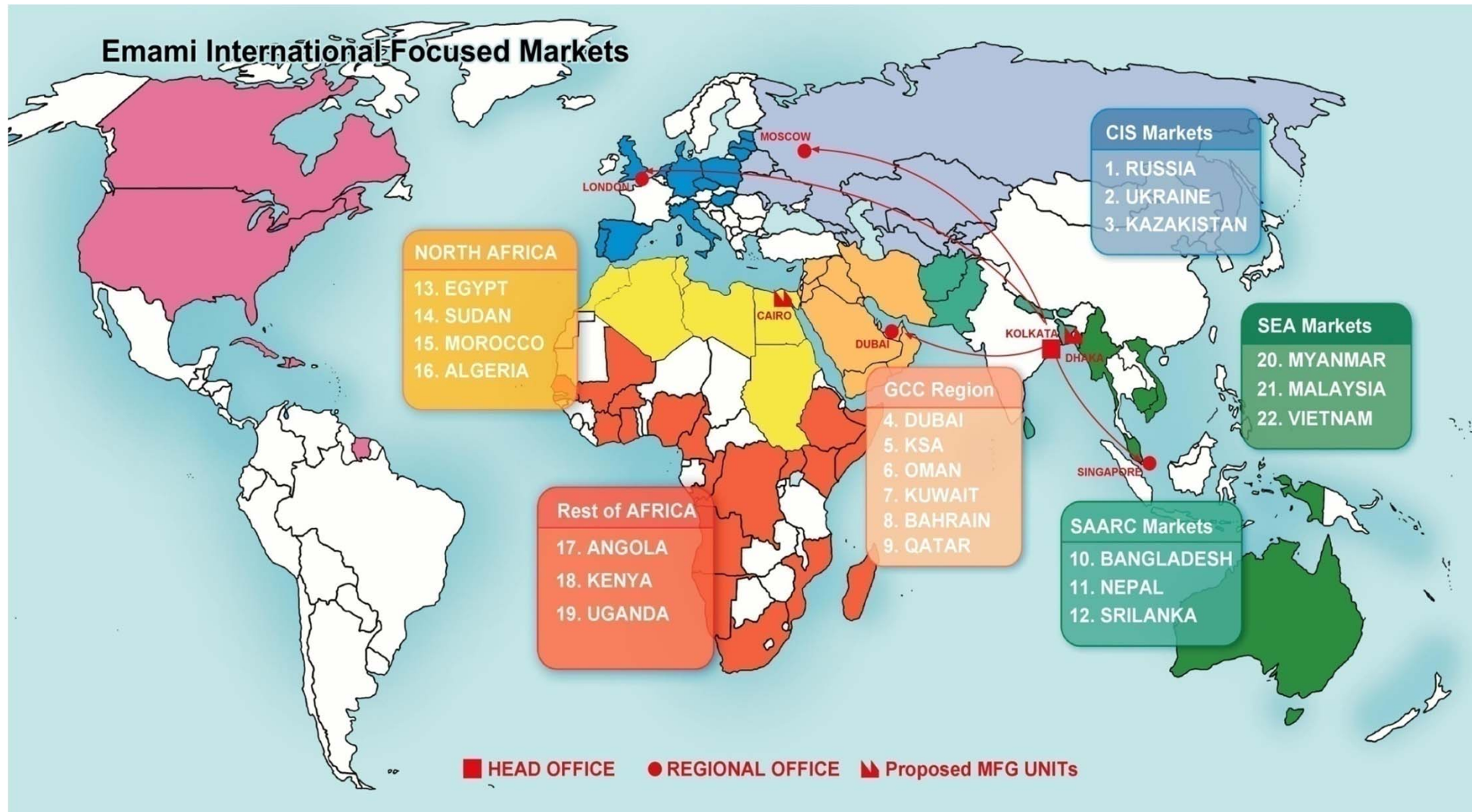
- Strong foothold in rural India
- Nation-wide domestic distribution network
 - 3000+ distributors,
 - 600,000+ retail outlets,
 - Brand reach 4mn outlets
- Team of 2500 front line sales force
- Domestic Sales on cash basis



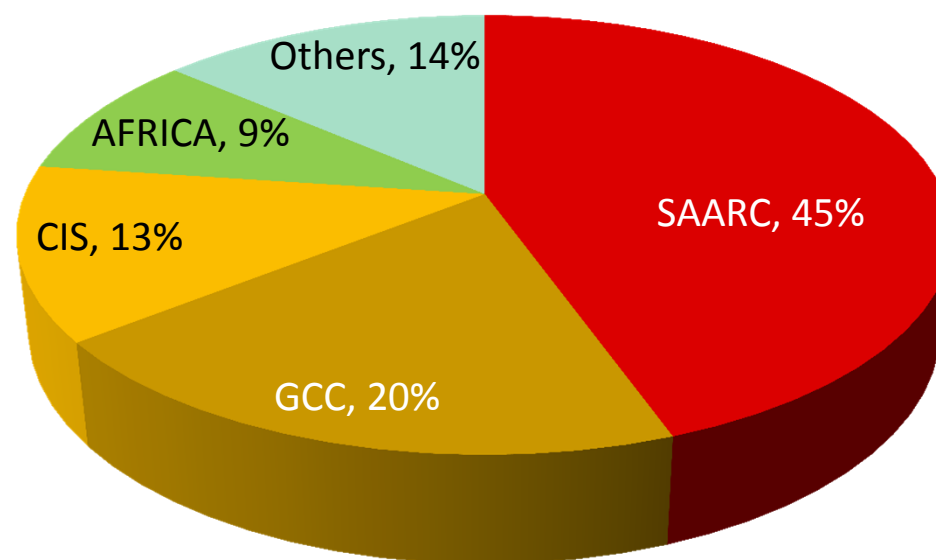
Geographical breakup of Sales

Initiated Project *Swadesh* to reach all 10000 population towns

Global Reach



- International business contributes around 11% of the total revenue
- Growing at a CAGR of 16% over last 4 years



Internationally, products available in 75 countries – strong growth coming from SAARC and Middle East

Research Capabilities

- Focus: Product innovation, product differentiation, cost control and maintaining excellent product quality
- Team comprises qualified Ayurvedacharyas and specialized Ayurveda scientists; advisory panel comprising top Ayurvedic experts
- A modern fully equipped laboratory with cGMP practices
- State-of-the-art Himani Ayurvedic Science Foundation in Kolkata
- Set up a 30,000 sq. ft. State-of-the-art ultra modern R&D centre in Kolkata
- Also set up a Market intelligence and innovation centre in Kolkata





Celebrity Endorsements



Brand ambassadors

Celebrated and acclaimed personalities from entertainment and sport have endorsed Emami products over the years.



New Launches

- The new launches like Navratna Cool Talc, Boroplus Body Lotion, Navratna Extra Thanda Oil, Malai Kesar Cold Cream and Vasocare Petroleum Jelly are performing very well
- Continue to launch 2-3 innovative products / brand extensions every year
- Ayurvedic healthcare, Hair care and Skin care will be the focus area

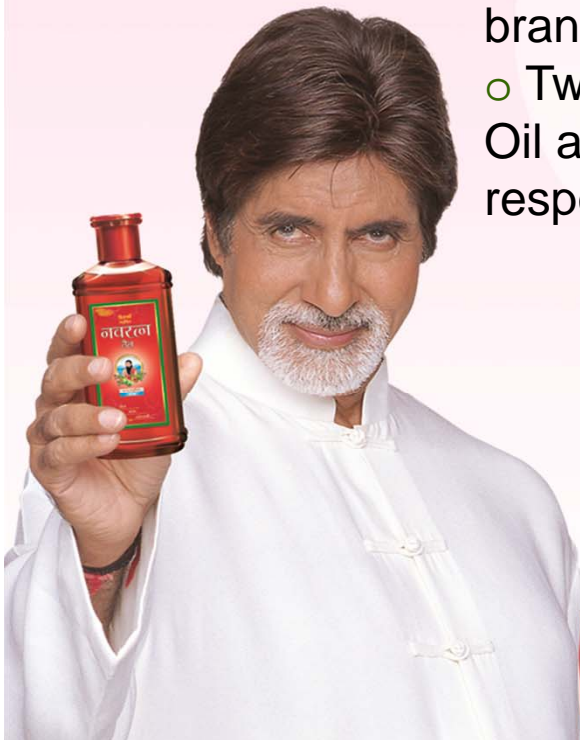


Strong pipeline of new products



Navratna Oil

- Market size of Rs. 8100 mn (\$133mn)
- Market leader with increased market share of 55%
- Growing at CAGR of 22% in last 3 years
- Commissioned some of the most visible brand ambassadors (Amitabh Bachchan, Shahrukh Khan, and Mahesh Babu, Chiranjeevi and Upendra for South)
- Navratna Brand has been ranked 3rd among India's most trusted brands in hair oil category by Brand Equity Survey, 2011
- Two major line extensions of Navratna, Navratna Extra Thanda Oil and Navratna Cool Talc are receiving encouraging market response.



An ayurvedic 'therapeutic cooling oil' providing physical and mental stress relief, protection and nourishment



Boroplus Antiseptic Cream

- Market size of Rs. 3600 mn (\$59mn)
- Leader in the antiseptic cream market with a 74% share
- Largest selling antiseptic cream not only in India but also in Ukraine, Russia and Nepal
 - Growing at CAGR of 16% in last 3 years
 - Boroplus Brand ranked 16th among India's most trusted brands in Personal care category by Brand Equity Survey, 2012
 - Launched brand extension – Body Lotion and Healthy and Fair winter cream

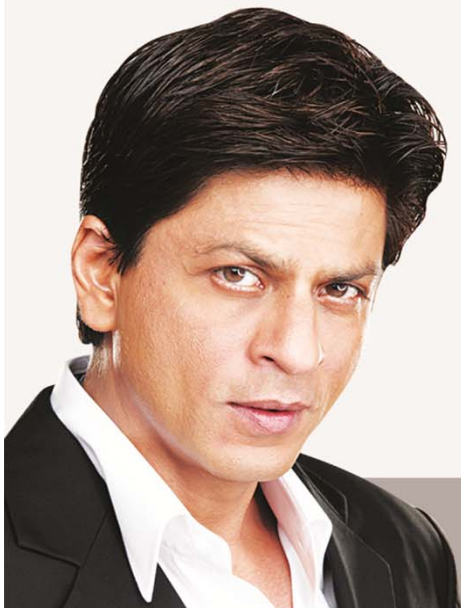


An ayurvedic antiseptic and protective cream ideal for harsh winter conditions and minor skin problems (chapped, cracked and dry skin)



Fair & Handsome Fairness Cream

- Launched in October 2005; first fairness cream for men in India
- Market size at Rs. 3300 mn (\$54mn) with a market share of 56%
- Fair and Handsome ranked 25th among India's most trusted brands in Personal care category by Brand Equity Survey, 2012
- Growing at CAGR of 17% in last 3 years



Five power formula contains double-strength peptide complex (patented in US) for tougher male skin



Zandu & Menthoplus Balm

- Market size of Rs. 7000 mn (\$115mn)
- Zandu, a dominant player in pain management category
- Zandu ranked 3rd among India's most trusted brands in OTC Personal care category by Brand Equity Survey, 2012
- Market share of 58%
- CAGR of 20% over last 3 years

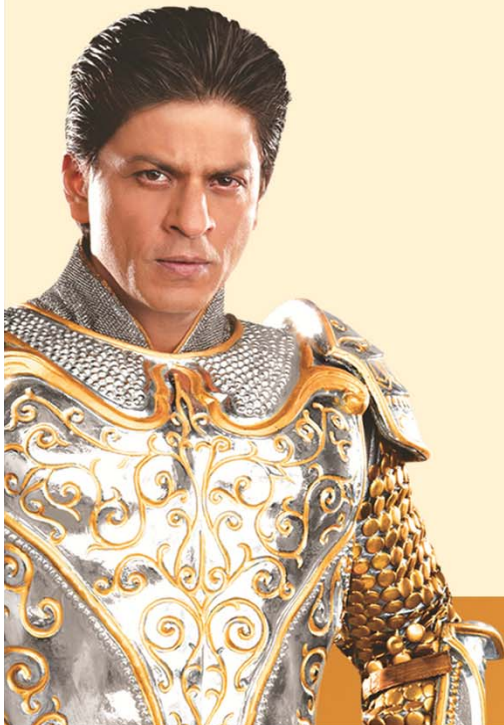


Relief from headaches, body aches and cold



Zandu & Sona Chandi Chyawanprash

- Market size of Rs. 3450 mn (\$57mn)
- Market share of 10%
- Sona Chandi endorsed by Shah Rukh Khan.



Immunity builder - *Surakshit tan aur tez dimag*





Navratna Cool Talc

- Market size of Rs. 4300 mn (\$70mn)
- A new launch in the talcum powder category; with cooling properties
- Introduced attractive 'twisted pack'
- Market share at 18%



Brings the much-required cool and icy sensation in the scorching summers





Fast Relief

- Market size of Rs. 10000 mn (\$164mn)
- Market share of 4%
- Brand revamped with enhanced formulation in new packaging as Himani Fast Relief ultra fast formula
- Launched Fast Relief Max – in cream based non sticky format
- Amitabh Bachchan is the Brand Ambassador
- Widely accepted in the states of Delhi, UP and Punjab



Provides instant relief from backache, muscle pain and other joint pains



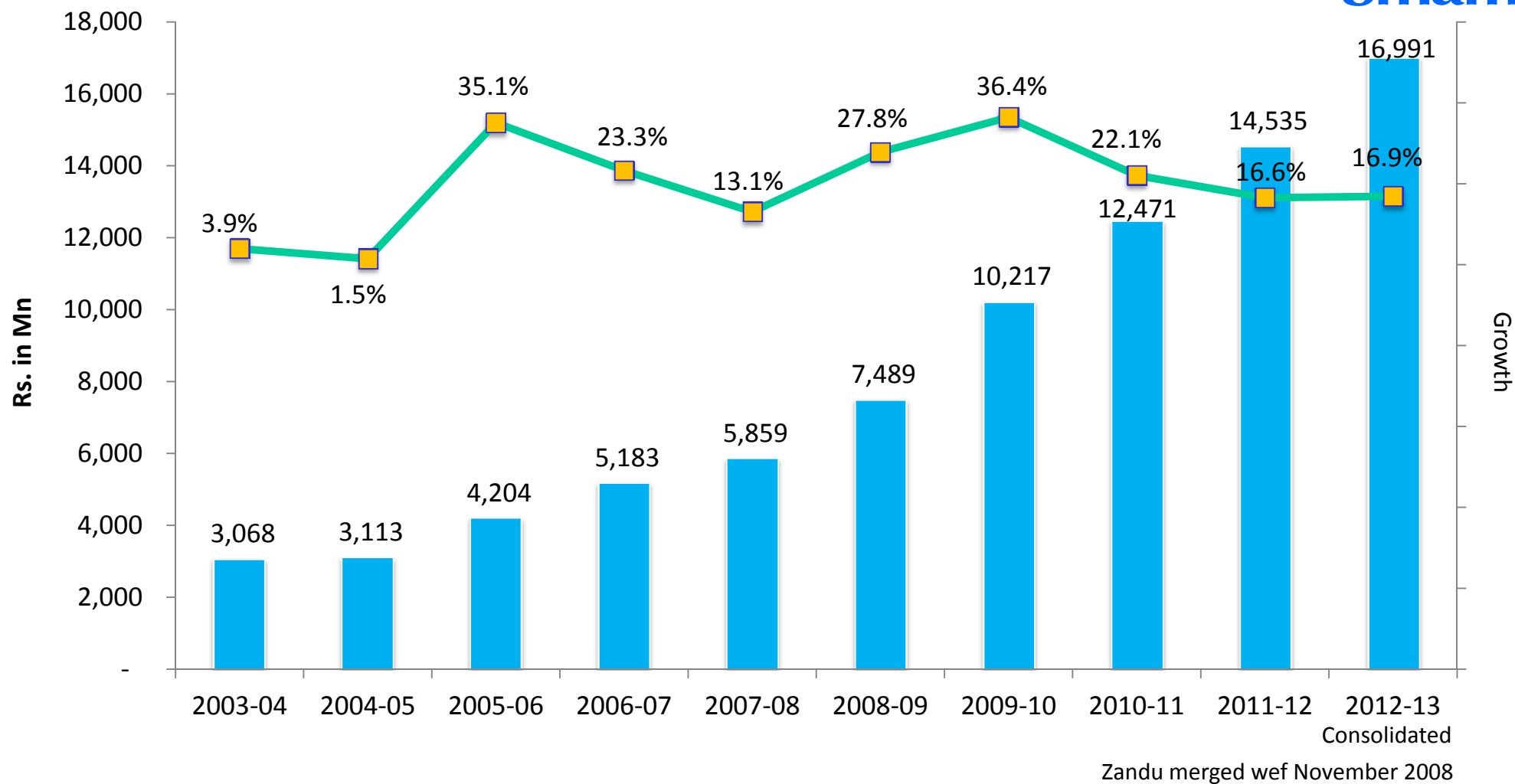
Operations

- 7 manufacturing facilities; 2 in Guwahati and 1 in Pantnagar, Uttaranchal enjoying fiscal benefits
- Set up first overseas manufacturing facility at Bangladesh in 2012
- Most of the facilities are cGMP and ISO 9000 compliant
- Units follow highest standards of safety and environment protection





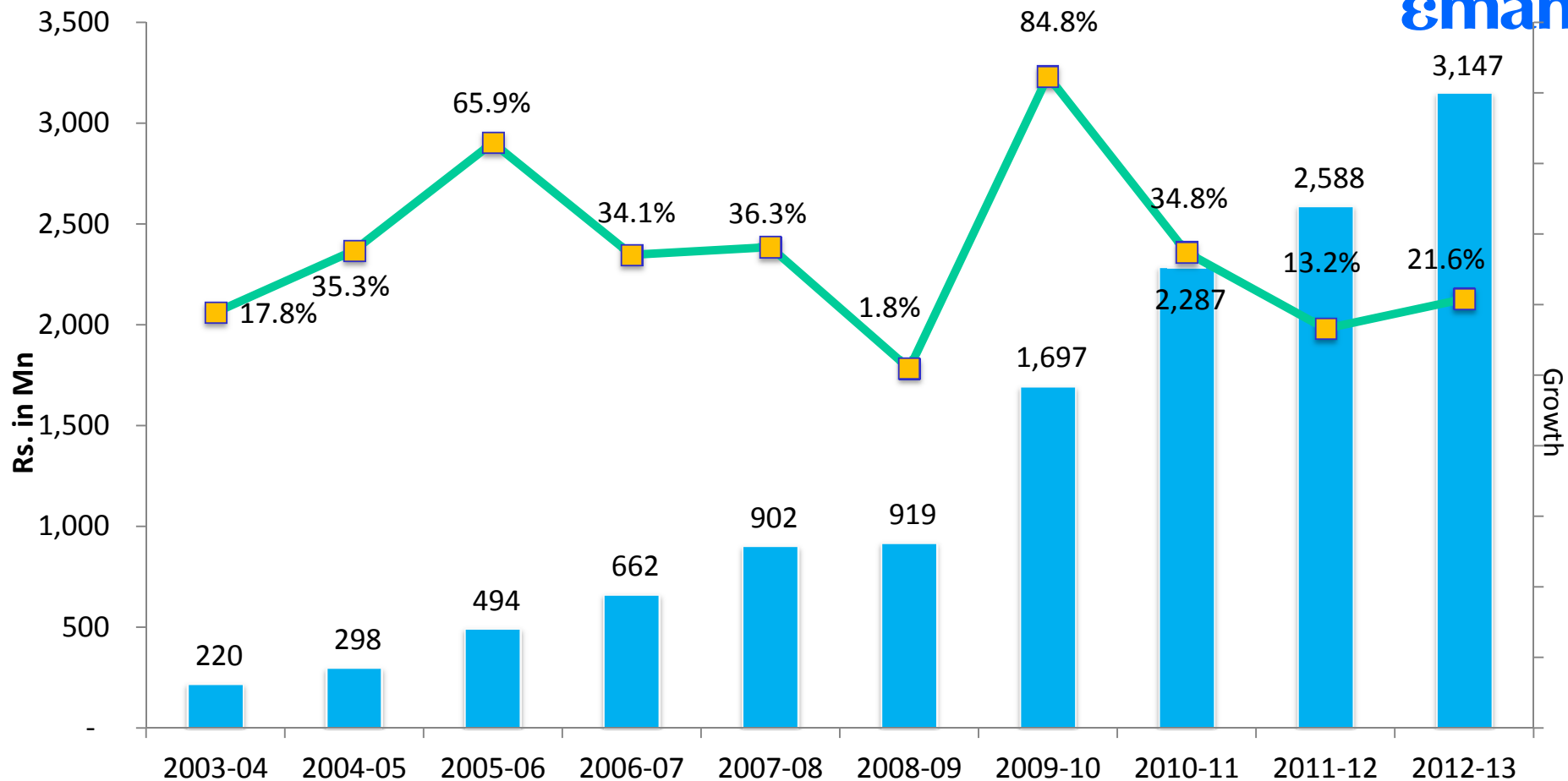
Net Sales



Growing at CAGR of 24% over last 5 years



PAT



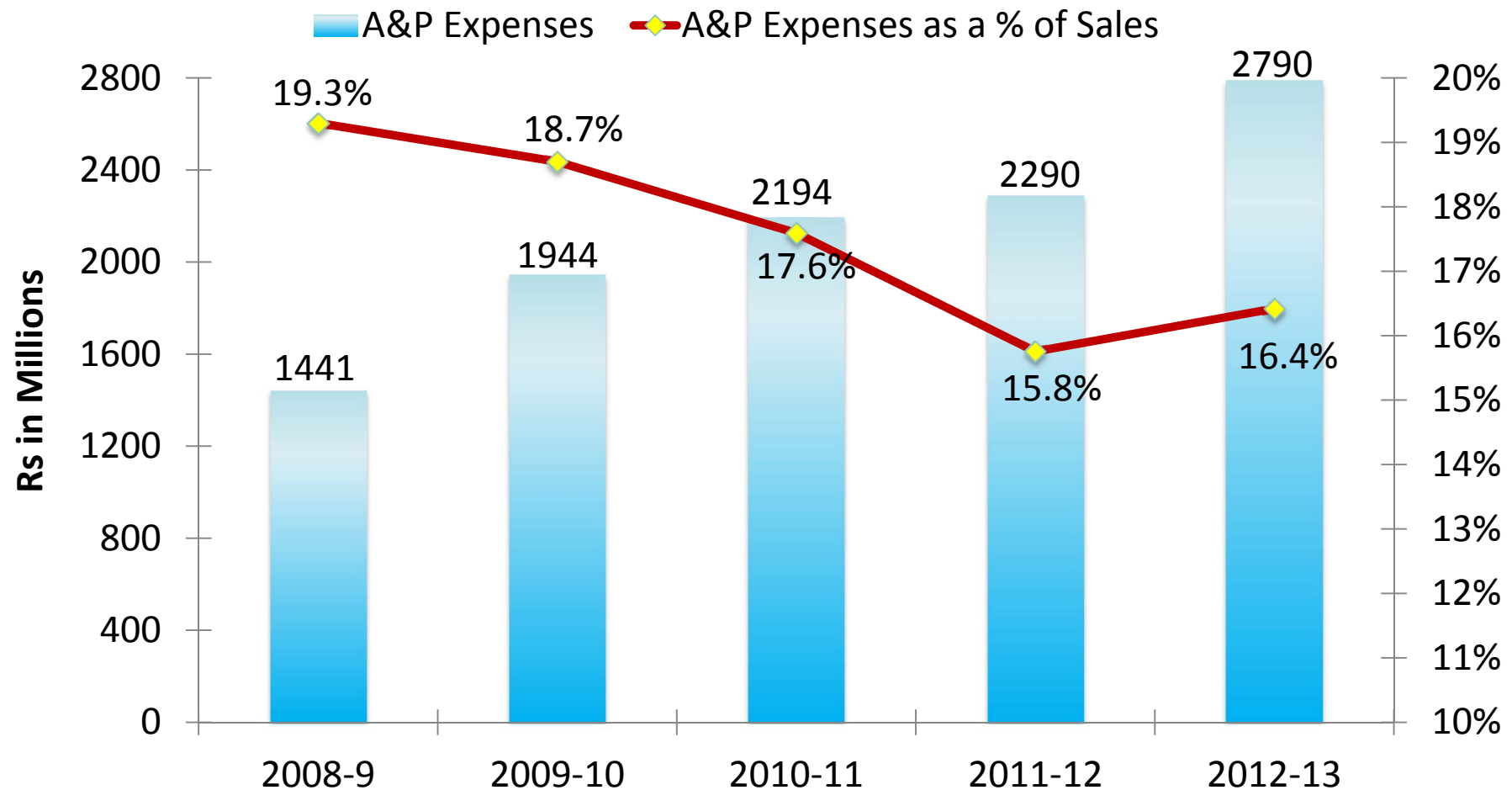
Consolidated

2008-9 – Zandu acquired – Interest burden for the same

Growing at CAGR of 28% over last 5 years



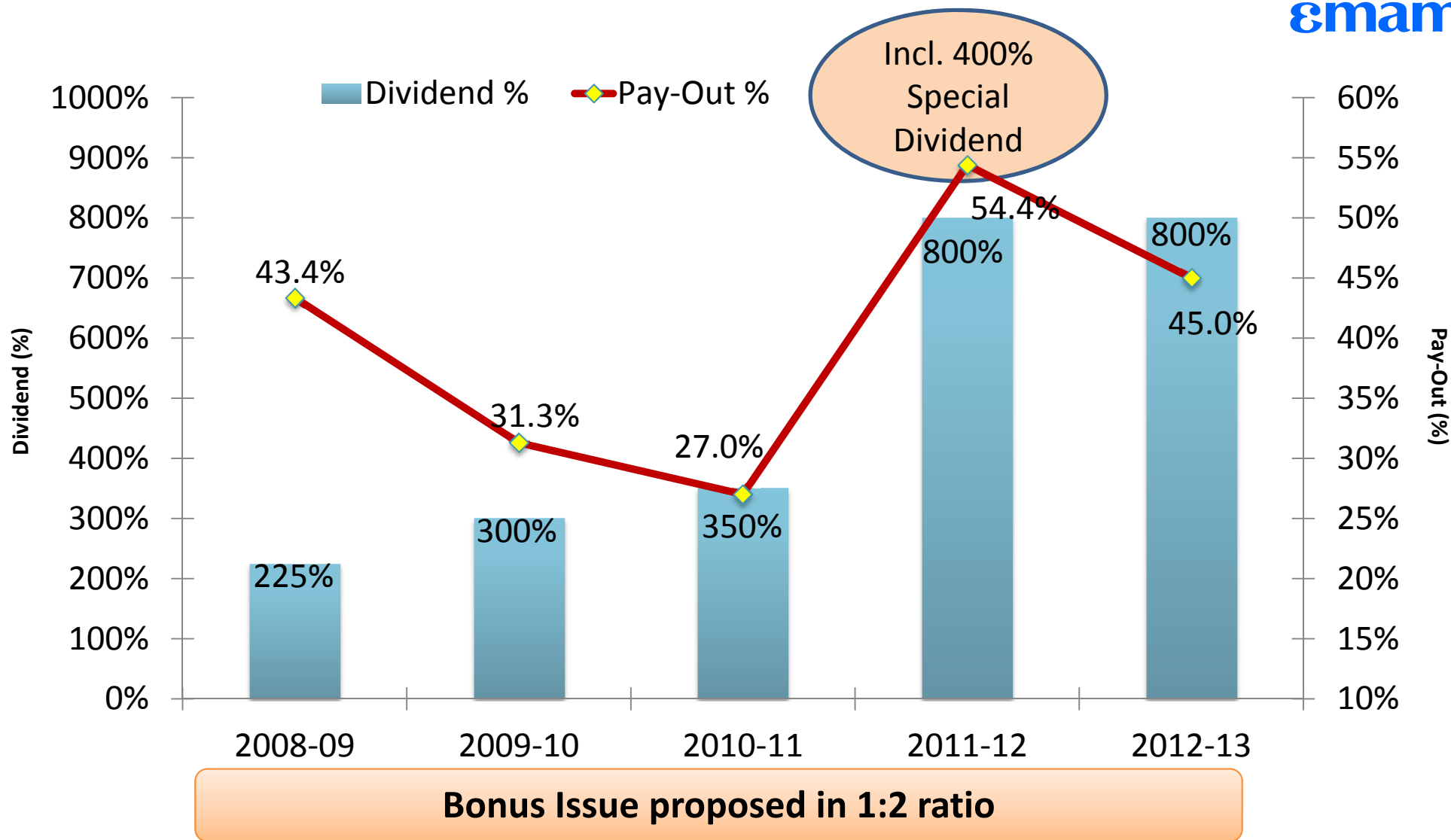
A&P Expenses



Over Rs. 1000 cr invested in A&P in last 5 years



Dividend



Summarised Balance Sheet

Rs. In Mn

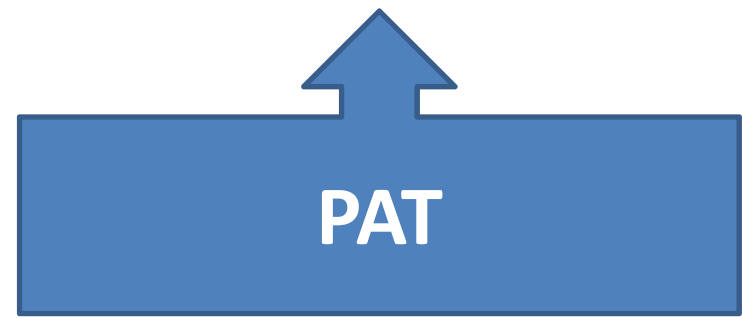
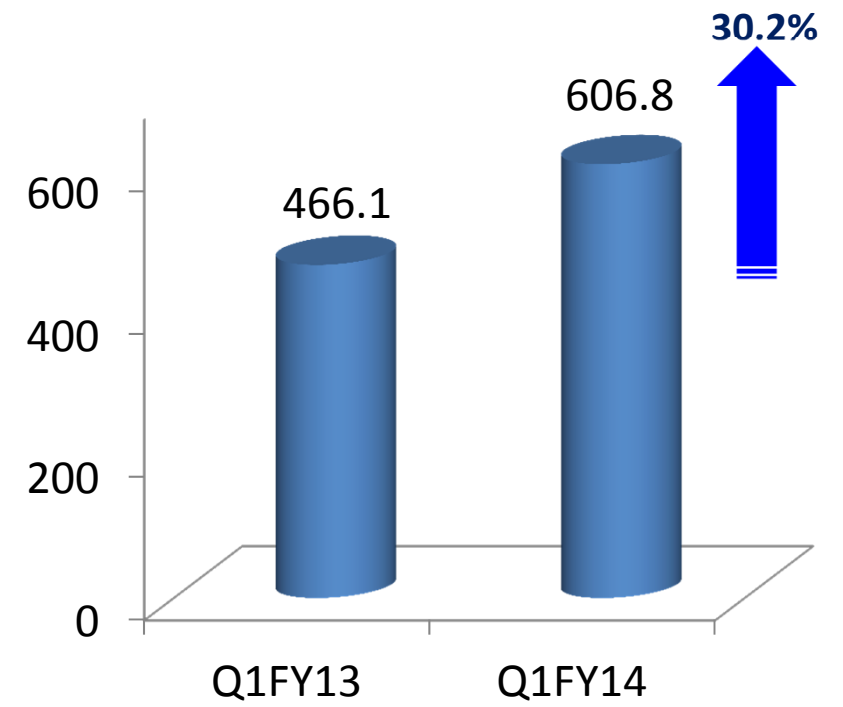
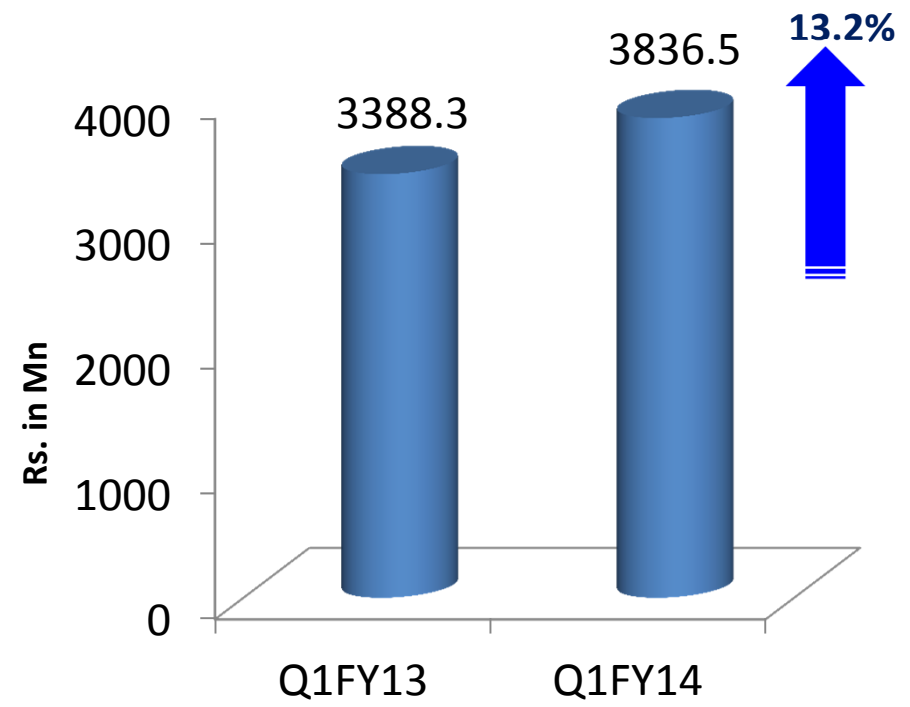
S.N.	LIABILITIES	As at 31.03.2013	As at 31.03.2012	S.N.	ASSETS	As at 31.03.2013	As at 31.03.2012
1	Shareholders Fund	7,775	7,066	1	Non-Current Assets	4,852	5,193
	a. Share Capital	151	151		Net Fixed Assets	4,397	4,803
	b. Reserves and Surplus	7,623	6,915		Godwill On Consolidation	46	42
2	Minority Interest	1	1		Non-Current Investments	68	68
3	Non-Current Liabilities	581	787		Long-Term Loans and Advances	341	279
	Long-Term Borrowings	282	527		Other Non-Current Aseet	0	1
	Deferred Tax Liabilities (Net)	137	145	2	Current Assets	7,310	6,580
	Other Long Term Liabilities	88	76		Current Investments	1,563	736
	Long-Term Provisions	74	39		Inventories	1,140	1,122
4	Current Liabilities	3,806	3,919		Trade Receivables	1,122	1,005
	Short-Term Borrowings	576	556		Cash and Cash Equivalents	2,817	2,759
	Trade Payables	1,020	1,045		Short-Term Loans and Advances	667	952
	Other Current Liabilities	563	736		Other Current Assets	-	6
	Short-Term Provisions	1,647	1,582				
	TOTAL	12,162	11,773		TOTAL	12,162	11,773

Key Highlights.....2013

- Working Capital (holding period)
 - Inventory : reduced from 28 to 25 days
 - Debtors : reduced from 25 to 24 days
 - Payables : reduced from 26 to 22 days
- Net Cash of over Rs. 3000 m
- Current Ratio at 3.1 indicates very high level of liquidity
- Healthy RONW of 34.2%
- ROCE improved from 29.5% to 30.0%
- Rated (by CARE)
 - PR1+ for short term borrowing indicating highest safety
 - AA+ for long term borrowing indicating very high degree of safety



Q1FY14 Update





Ratings, Awards & Recognitions

▪ Corporate

- Emami among Asia's 'Best Under A Billion' 2010 list of companies compiled by the Forbes magazine
- Ranked 136th among BT-500 Most Valuable Companies of India in private Sector (Business Today)
- Rated (by CARE) A1+ (highest rating) for Short Term borrowings signifying highest safety. Upgraded to AA+ for Long Term borrowings.

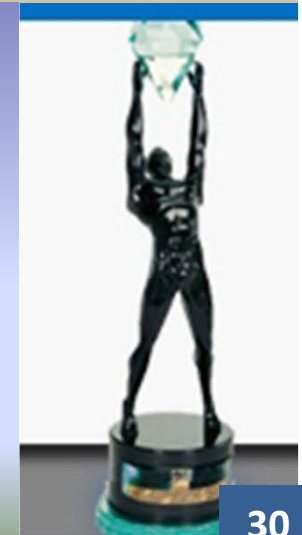


▪ Brands

- Zandu Balm ranked 47th and Boroplus ranked 74th among the Top 100 Brands in the Brand Equity Survey, 2012 across all categories
- Zandu Balm ranked 3rd in the Personal Care (OTC) category, Boroplus ranked 16th, Emami ranked 25th and Fair & Handsome ranked 26th in the Personal care category

▪ Operations

- Abhoypur unit also accredited with ISO 14001:2004 and ISO 18001:2007 accreditation signifying compliance with Environment management system and Occupational health and safety management system
- Abhoypur unit received prestigious **Indian Merchant Chamber Ramakrishna Bajaj National Quality Awards 2012** for performance excellence in *Manufacturing* category
- Amingaon & BT Road units won **GOLD Award** at CCQC, Kolkata
- Pantnagar unit received Best Model Award for Kaizen by NCQC, Hyderabad
- BT Road unit stood first in CII Works Skill competition – Refrigeration category
- Internal Audit Division awarded ISO 9001:2008 accreditation
- The Enterprise Risk Management system is also **ISO 31000 : 2009** certified





- Received **WORLDSTAR 2013 International Award** for excellence in packaging in
 - Himani Navratna Cool Talc in Twisted Pack
 - Bi-Colour Injection dibbi of Menthoplus Balm 1.1ml Pack



**WORLDSTAR
WINNER 2013**

Individual Recognition

Mr. Naresh Bhansali, CEO-Finance, Strategy and Business Development, has been awarded the 'Best CFO Award- 2012 in Best Transformation Agent (mid size companies) category by Business Today & Yes Bank

Mr. Bhansali also won the **ICAI Awards 2012** in category **CA CFO -FMCG** from the Institute of Chartered Accountants of India





Key Investment Highlights

- One of the fastest growing FMCG company
- Niche category player + innovator – in Therapeutic and Ayurvedic segment - strong entry barriers for the competition
- Key brands are strong market leaders in their respective categories
- With the acquisition of Zandu, we have one the strongest Ayurvedic Brand in our portfolio
- Bigger basket of power brands and entry in new segments
- Over 80% of the business comes from Wellness categories.
- Focus on each Brand with patience and continuous investment.
- Superior gross margins in the industry – EBITDA margin before A & P at 37%
- Production from tax free zones

Thank You



Himani
Navratna
OIL



Himani
BORO PLUS
HEALTHY SKIN



ZANDU
BALM[®]



Himani
FAST RELIEF
HYPOALLERGENIC PAIN RELIEF OINTMENT



emami
FAIR AND HANDSOME
FAIRNESS CREAM FOR MEN