



Investor Presentation

February' 2013

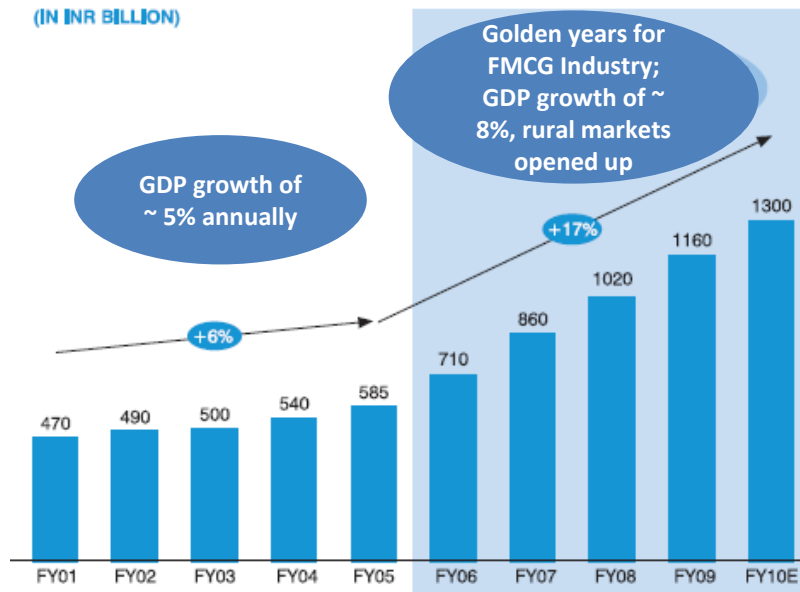


Industry Overview

- The Indian FMCG industry at INR 1300 bn (around USD 30bn) accounts for 2.2% of the GDP
- In the last decade, the sector grew by 11% annually
- The FMCG industry is expected to grow at a base rate of atleast 12% annually to become an INR 4000 bn (around USD 90bn) industry by 2020.

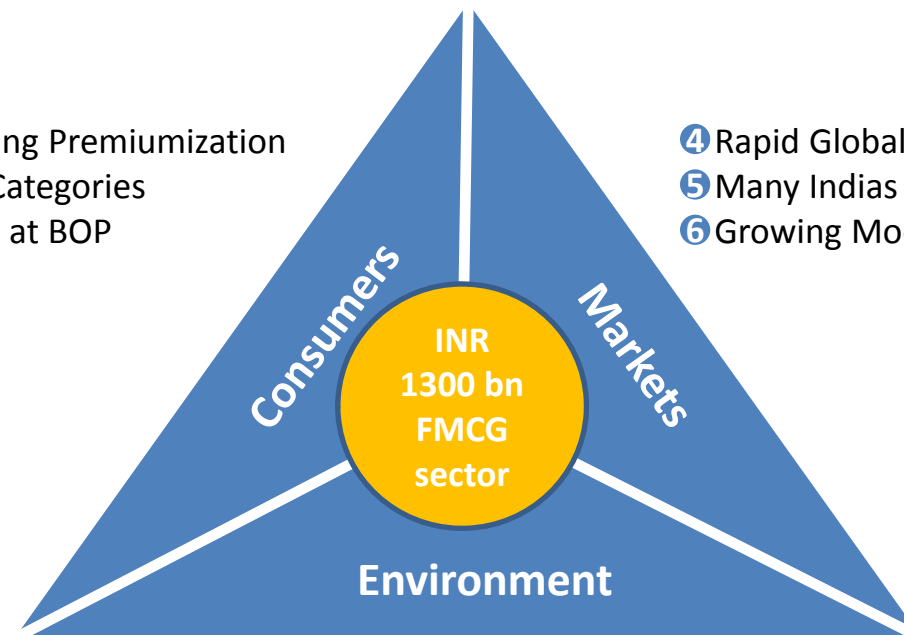
Historical Growth of FMCG Industry

(IN INR BILLION)



- 1 Accelerating Premiumization
- 2 Evolving Categories
- 3 Goldmine at BOP

- 4 Rapid Globalisation
- 5 Many Indias
- 6 Growing Modern Trade



- 7 Eco-consciousness
- 8 Game-changing Technologies
- 9 Enabling Policies

Key Trends shaping the FMCG markets in India

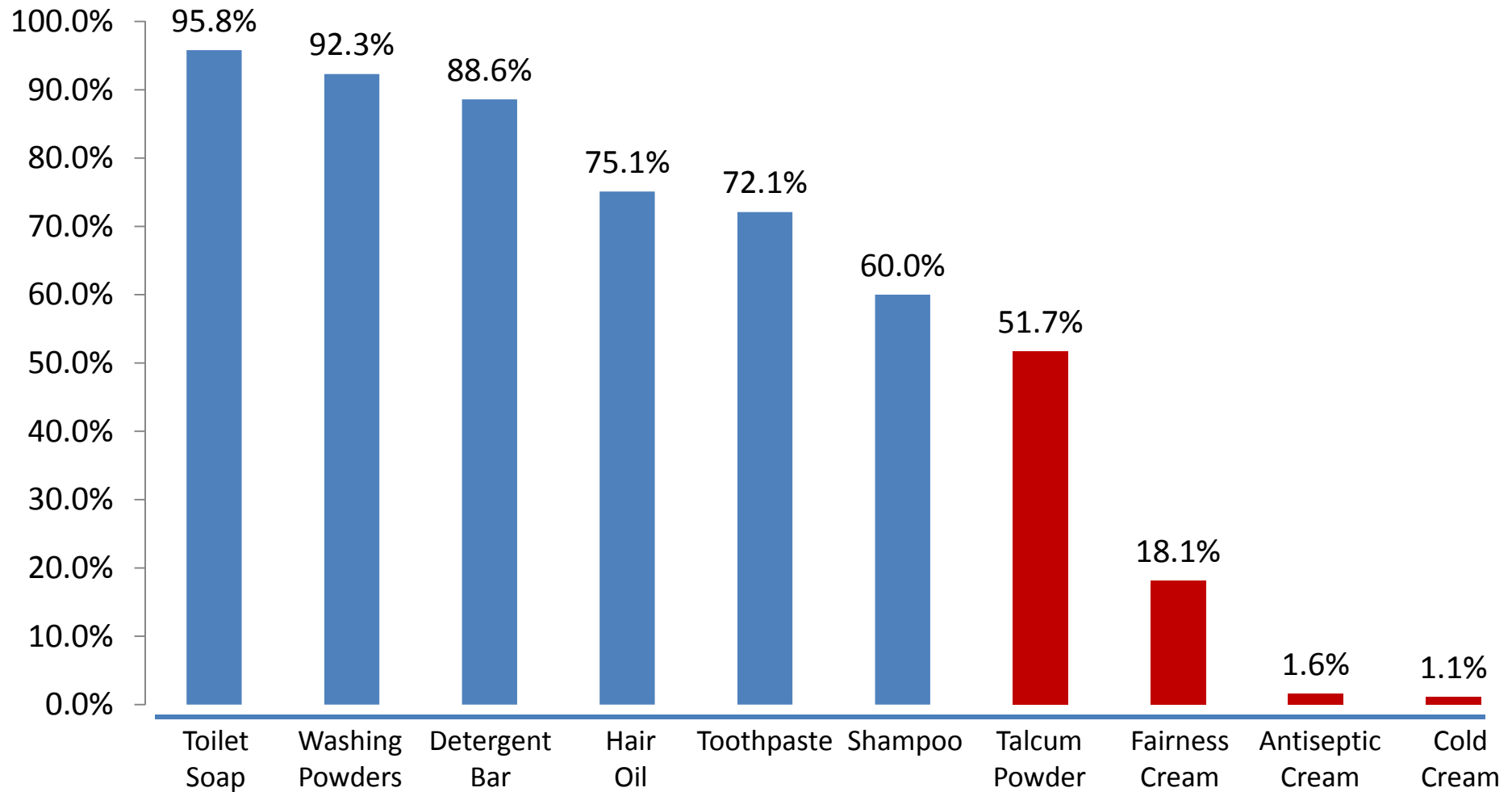
Source: Industry Reports

Key Drivers of the FMCG industry in India

GROWTH DRIVER	PAST GROWTH (2001-10)	FUTURE GROWTH (2011-20)	CONTRIBUTION TO FMCG TRANSFORMATION
GDP Growth	~ 7%	8-9%	↑
Population Growth	1.5%	1.2%	↔
Per Capita Income Growth	<ul style="list-style-type: none"> ~14% annual growth (disposable income) Women's participation 34% in 2010 	<ul style="list-style-type: none"> > 15% annual growth (disposable income) Women's participation closer to level in developed nations (70%) 	↑
Lifestyle Changes	<ul style="list-style-type: none"> 2.3% urbanization ~ 60% people in 15-59 age group in 2010 	<ul style="list-style-type: none"> 2.5% urbanization Similar age profile More up trading in urban and rural areas 	↑
Government Policy	<ul style="list-style-type: none"> NREGA Farmer loan - waiver 	<ul style="list-style-type: none"> GST FDI Right to Education Food Security 	↑



Low penetration ... Big opportunity



Low penetration of major segments indicates long term growth story

Source: IRS Data

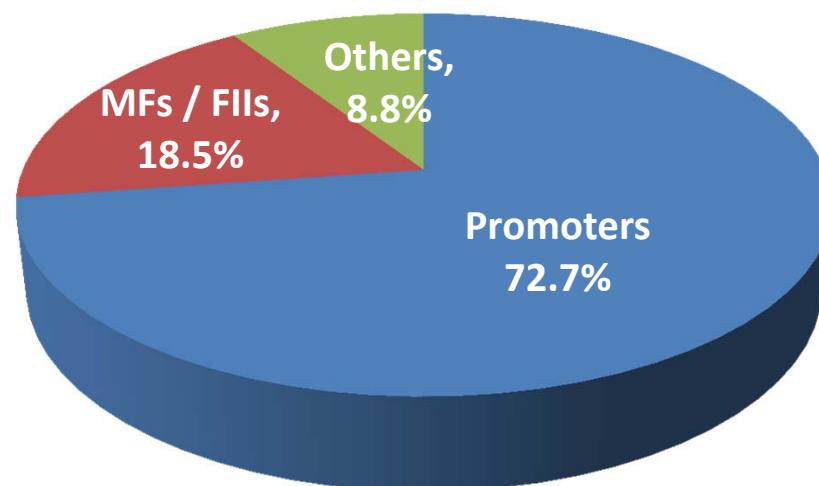


Company Overview

- 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 14.5 bn (\$266mn) in FY 2012 with a CAGR of 23% 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. 90 bn (USD 1.65bn)
- Return to investors of over 300% following the QIP in July 2009

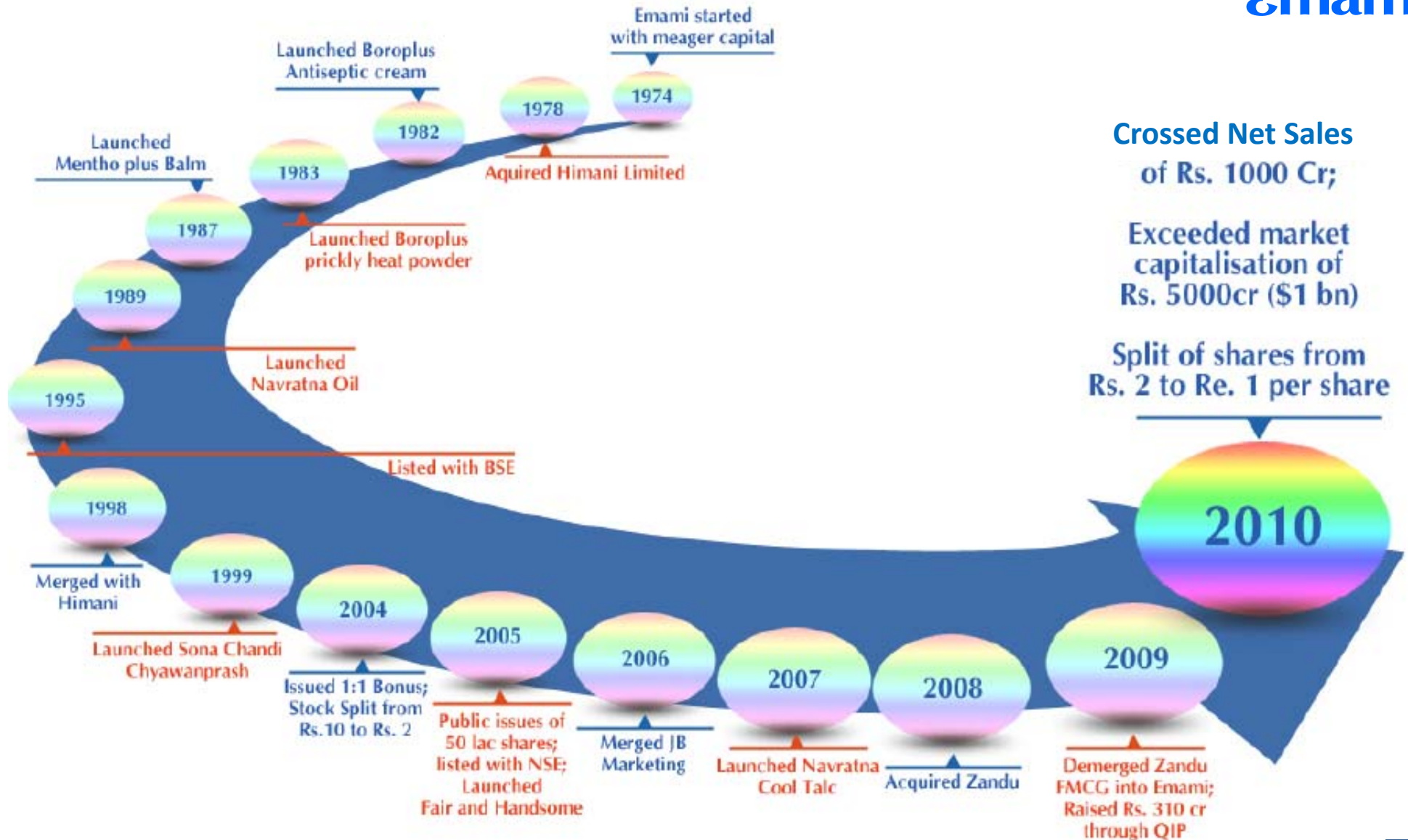
Board of Directors

S.N.	Promoter Directors	S.N.	Independent Directors
1	Sri R. S. Agarwal	8	Sri Viren J. Shah , <i>Industrialist, ex-Governor of West Bengal</i>
2	Sri R. S. Goenka	9	Sri K. N. Memani , <i>ex-Country Head of E&Y, India</i>
3	Sri S. K. Goenka	10	Sri Y. P. Trivedi , <i>eminent tax expert & advocate, Rajya Sabha member</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>





The Journey



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

- Benchmark A&P spends to industry
- Stabilization of new launches and brands
- Continuous Cost control initiatives
- Fiscal efficiency for manufacturing facilities in tax exempt zones



Grow Net
profit

**Foray into new categories and International business
to drive revenue growth**



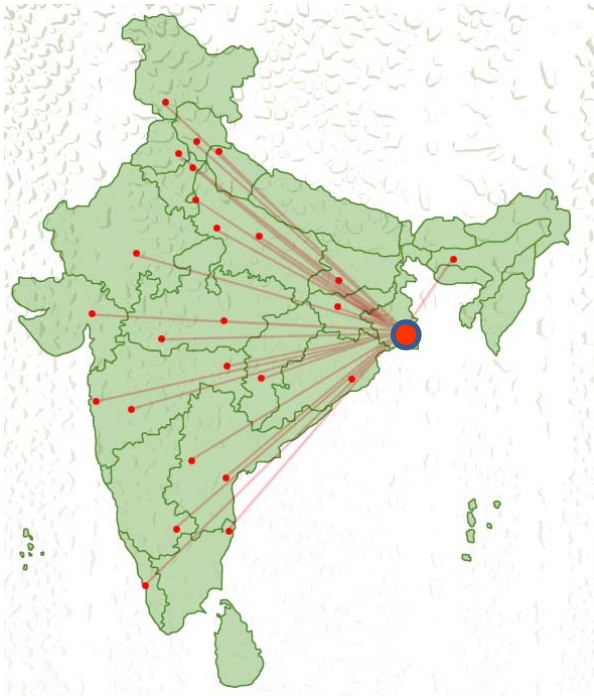
Snapshot of Power Brands

Power Brand	Segment	Market Size (INR in Millions)	Market Size (USD in Millions)	Emami's Market Share in %	
				2005	2012
Navratna Oil	Cooling oil	8,100	151	47	55
Boroplus Cream	Antiseptic Cr.	3,600	67	65	73
Zandu & Mentho Plus Balm	Balm	6,800	127	13*	58
Fair & Handsome	Men's fairness cream	3,300	62	--	57
Boroplus Powder	Prickly heat powder	2,750	51	16	13
Navratna Cool Talc	Cool Talc	4,300	80	--	18
Fast Relief	Pain reliever	9,900	185	7	5
Sona Chandi & Zandu	Chyawanprash	3,450	64	10	10

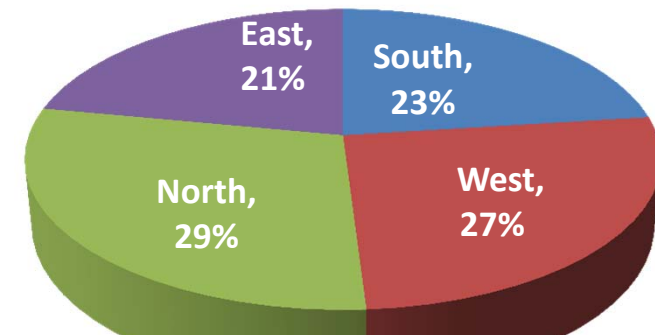
Source: AC Nielsen

* Only Menthoplus

Domestic Reach



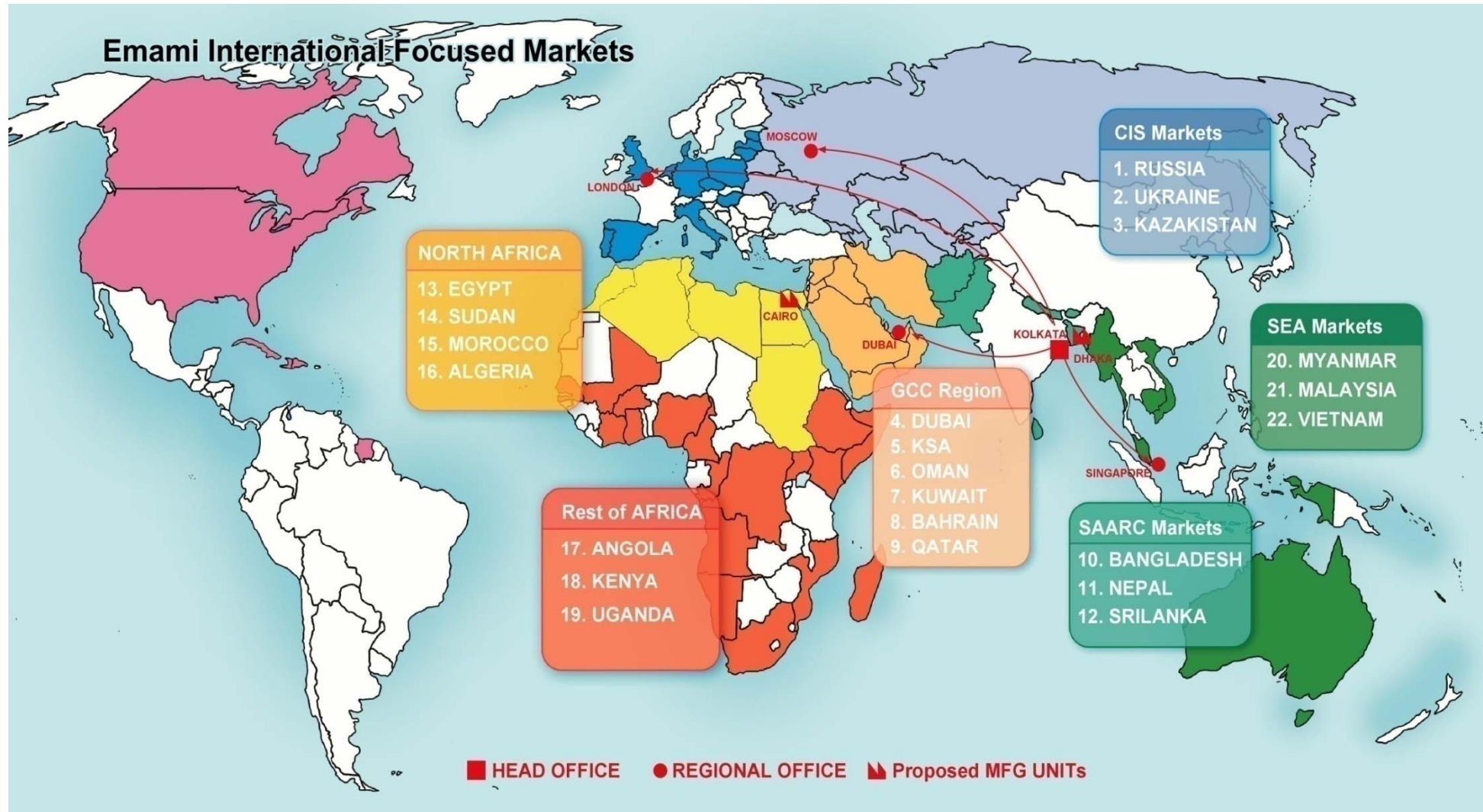
- Strong foothold in rural India
- Nation-wide domestic distribution network
 - 3000+ distributors,
 - 600,000+ retail outlets,
 - Brand reach 4mn outlets
- Team of 2500 front line sales force
- Domestic Sales on cash basis



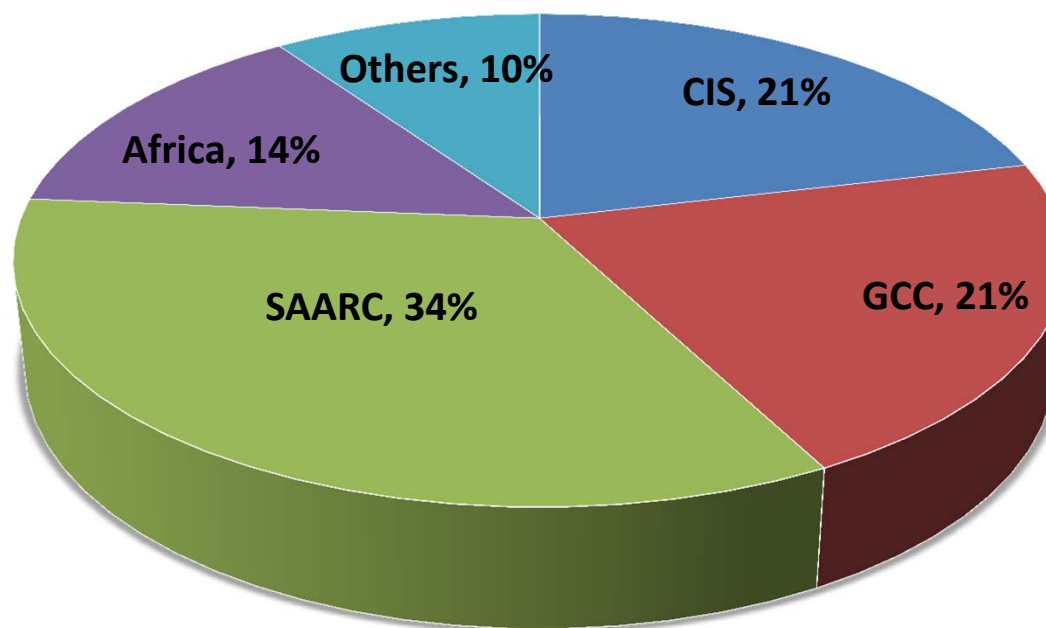
Geographical breakup of Sales

Initiated Project *Swadesh* to reach all 10000 population towns by 2013

Global Reach



- International business contributes around 13% of the total revenue
- Growing at a CAGR of 26% over last 3 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
- Launched Boroplus Sun Protection Lotion and Vasocare Lotion in FY12
- Continue to launch 2-3 innovative products / brand extensions every year
- Ayurvedic healthcare, Hair care and Skin care will be the focus area

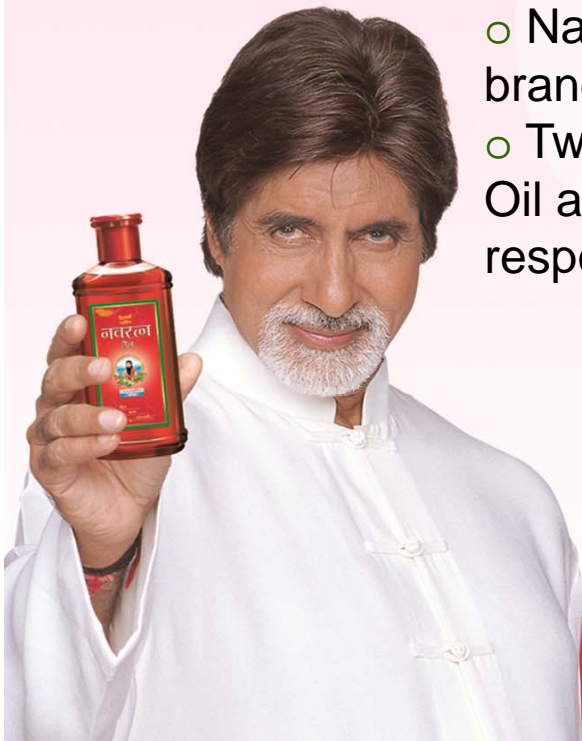


Strong pipeline of new products



Navratna Oil

- Market size of Rs. 8100 mn (\$151mn)
- Market leader with 55% market share
- Grew by 27% in FY12
- Growing at CAGR of 23% 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 (\$67mn)
- Leader in the antiseptic cream market with a 73% share
- Largest selling antiseptic cream not only in India but also in Ukraine, Russia and Nepal
 - Sales grew by 10% in FY12
 - Growing at CAGR of 12% 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

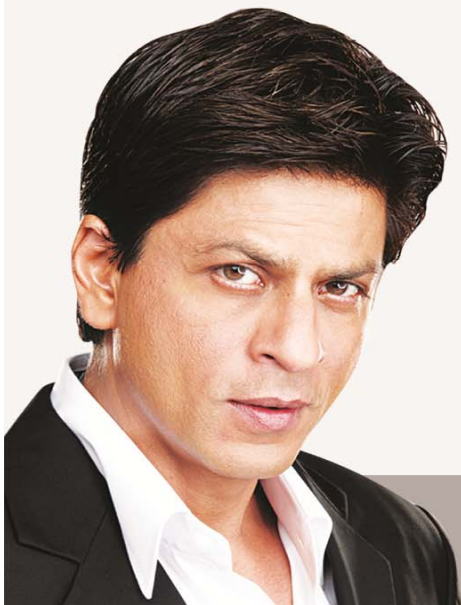


An ayurvedic antiseptic and protective cream ideal for harsh winter conditions and minor skin problems (chapped, cracked and dry skin)



Fair & Handsome Fairness Cream

- Launched in October 2005; first fairness cream for men in India
- Market size at Rs. 3330 mn (\$62mn) with a market share of 57%
- Fair and Handsome ranked 25th among India's most trusted brands in Personal care category by Brand Equity Survey, 2012
- Sales grew by 35% in FY12
- Growing at CAGR of 23% 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. 6800 mn (\$127mn)
- 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
- Sales grew by 23% in FY12
- Market share of 56%
- CAGR of 23% over last 3 years

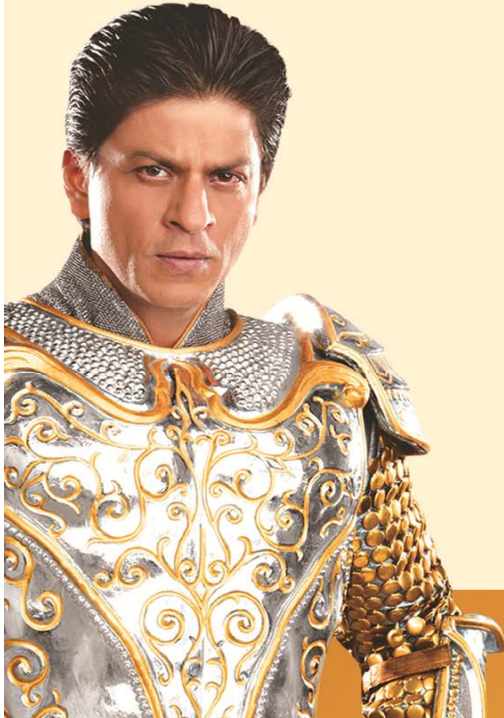


Relief from headaches, body aches and cold



Zandu & Sona Chandi Chyawanprash

- Market size of Rs. 3450 mn (\$63mn)
- 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 (\$80mn)
- A new launch in the talcum powder category; with cooling properties
- Introduced attractive 'twisted pack'
- Market share at 18%



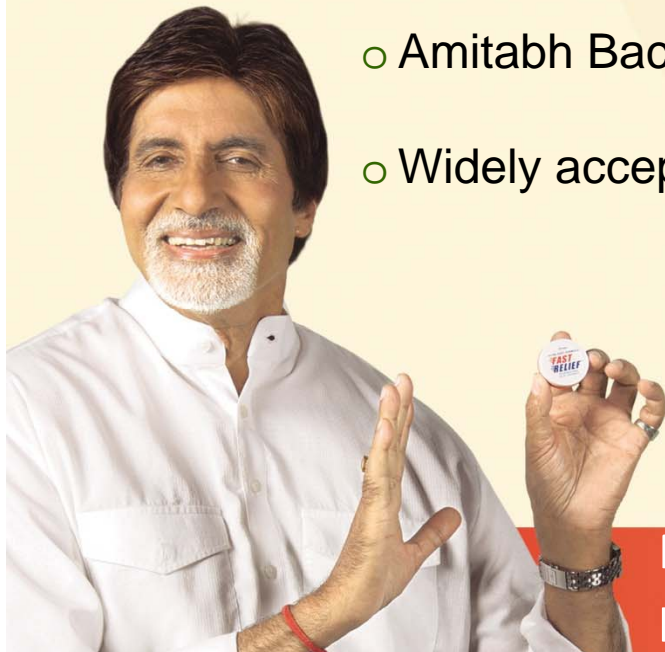
Brings the much-required cool and icy sensation in the scorching summers





Fast Relief

- Market size of Rs. 9900 mn (\$185mn)
- Market share of 5%
- 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



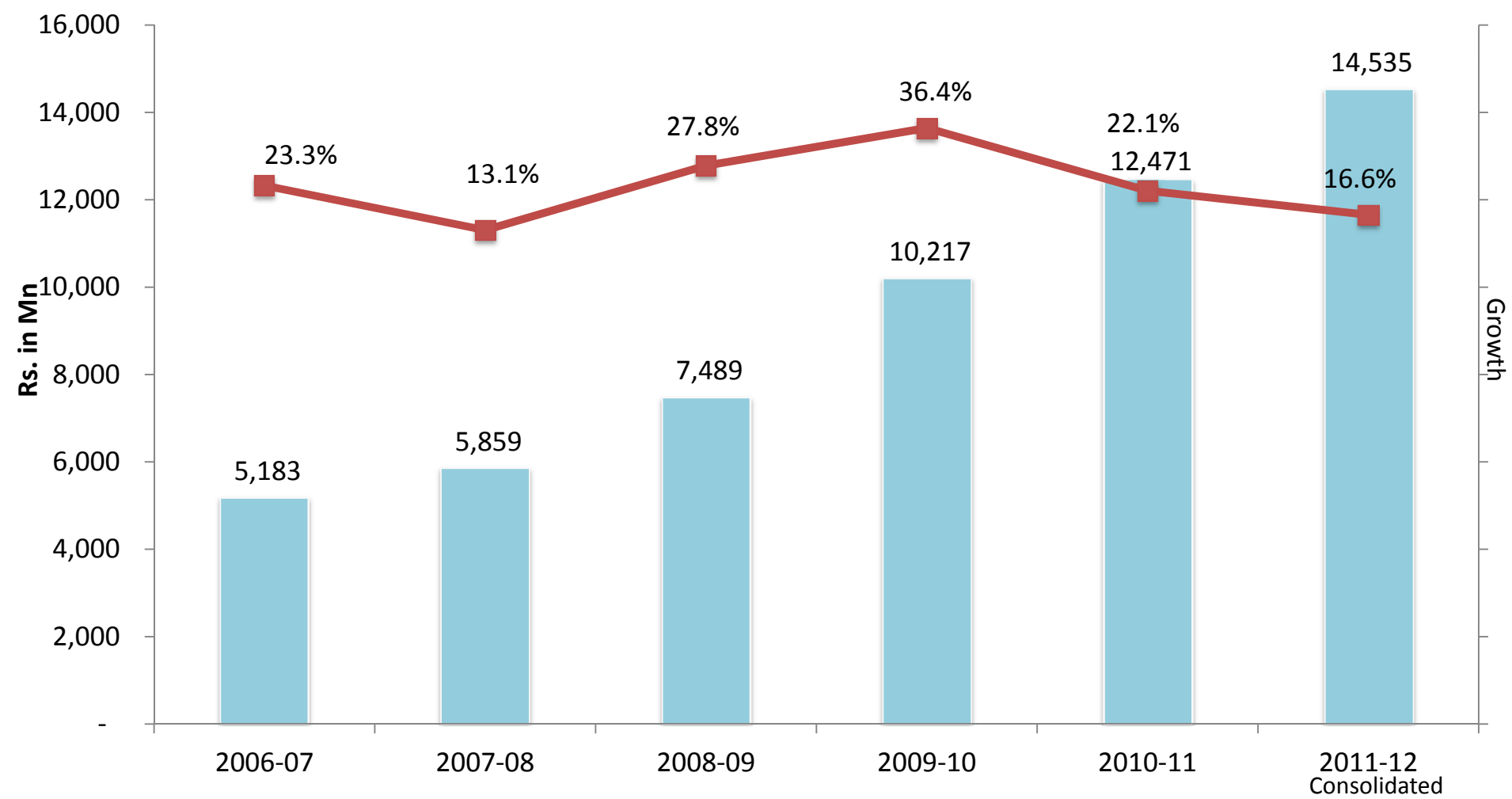
Operations

- 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





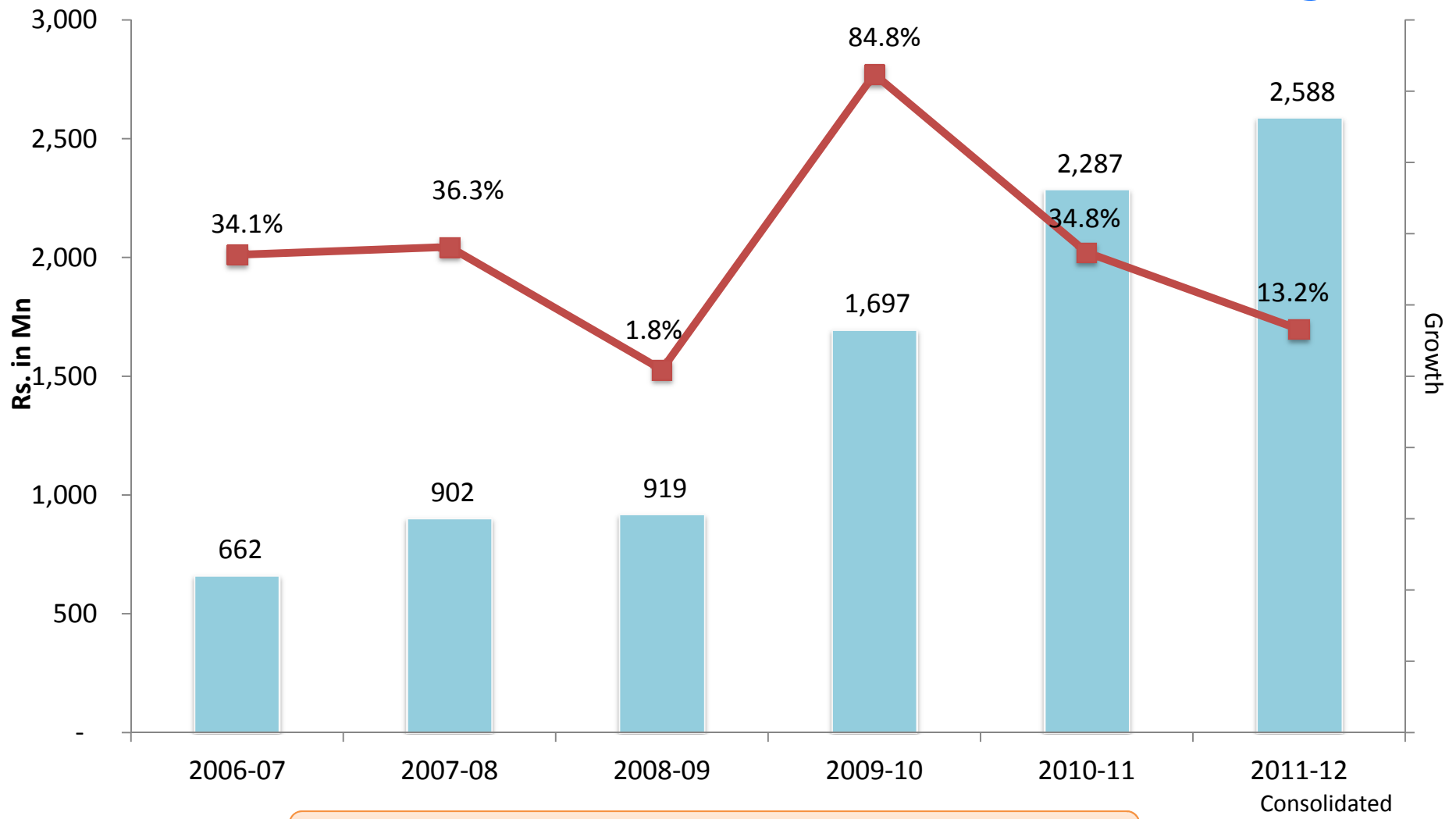
Net Sales



Growing at CAGR of 23% over last 5 years



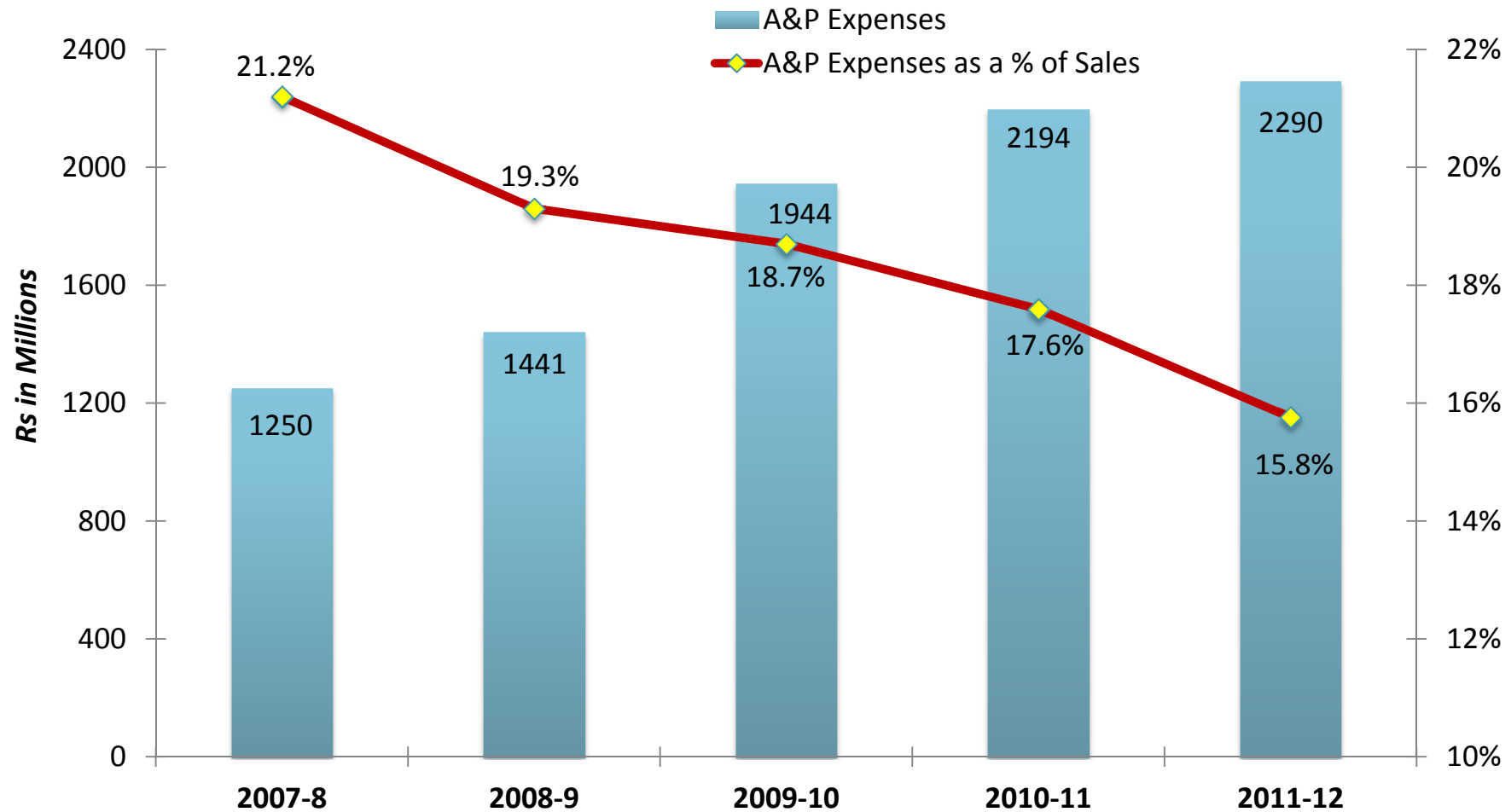
PAT



Growing at CAGR of 31% over last 5 years



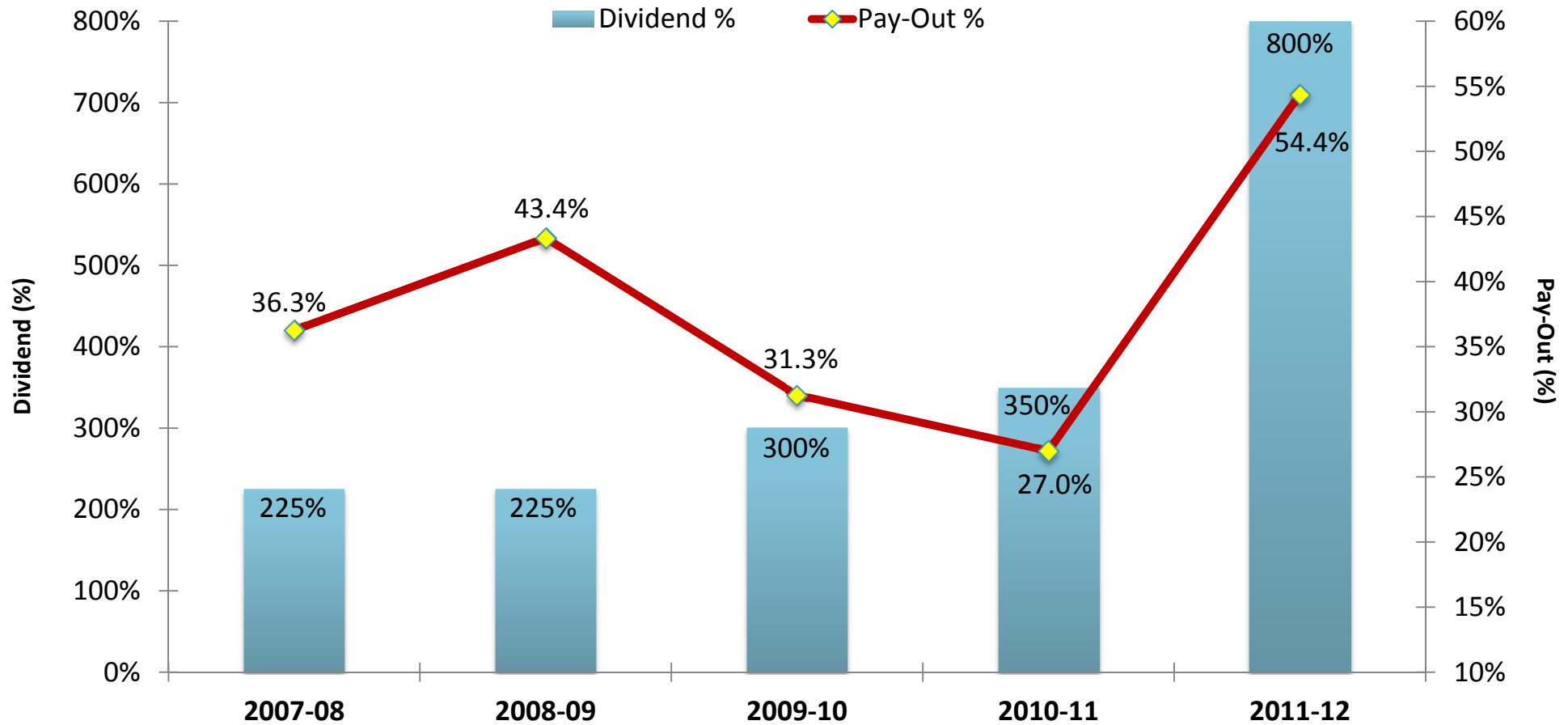
A&P Expenses



Higher A&P spends well reflecting in revenue growth



Dividend



Stock Split from Rs. 2/- per share to Rs. 1/- per share in FY11

Summarised Balance Sheet

<i>Rs. In Mn</i>							
S.N.	EQUITY & LIABILITIES	As at 31st March		S.N.	ASSETS	As at 31st March	
		2012	2011			2012	2011
1	Shareholders Fund			1	Non-Current Assets		
	a. Share Capital	151	151		Net Fixed Assets	4,803	4,909
	b. Reserves and Surplus	6,915	6,747		Godwill On Consolidation	42	8
2	Minority Interest	1	1		Non-Current Investments	68	66
3	Non-Current Liabilities				Long-Term Loans and Advances	279	533
	Long-Term Borrowings	527	697		Other Non-Current Aseet	0	2
	Deferred Tax Liabilities (Net)	145	137	2	Current Assets		
	Other Long Term Liabilities	76	77		Current Investments	736	-
	Long-Term Provisions	39	38		Inventories	1,122	1,234
4	Current Liabilities				Trade Receivables	1,005	1,087
	Short-Term Borrowings	555	1,121		Cash and Cash Equivalentts	2,759	2,105
	Trade Payables	1,094	695		Short-Term Loans and Advances	952	1,037
	Other Current Liabilities	688	622		Other Current Assets	5	-
	Short-Term Provisions	1,582	695				
	TOTAL	11,773	10,981		TOTAL	11,772	10,981



Key Highlights.....2012

- Working Capital :
 - Inventory holding days reduced from 36 to 28 days
 - Debtors reduced from 32 to 25 days
 - Payment period increased from 20 to 27 days

- Net Cash of over Rs. 1900mn

- Current Ratio at 1.68 indicates high level of liquidity

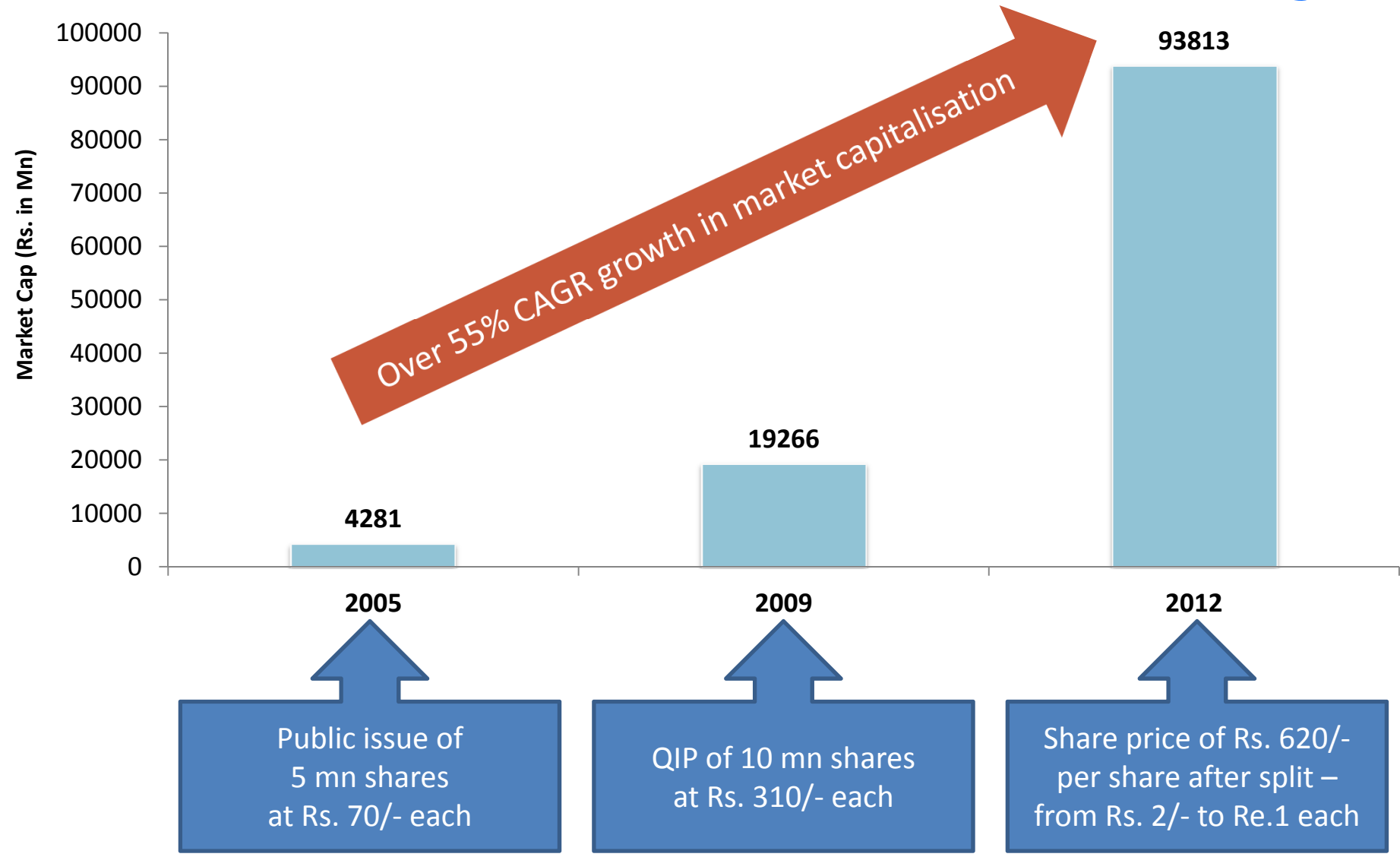
- RONW improved from 33.2% to 36.7%

- ROCE improved from 28.1% to 31.8

- Rated (by CARE)
 - PR1+ for short term borrowing indicating highest safety
 - AA+ for long term borrowing indicating very high degree of safety

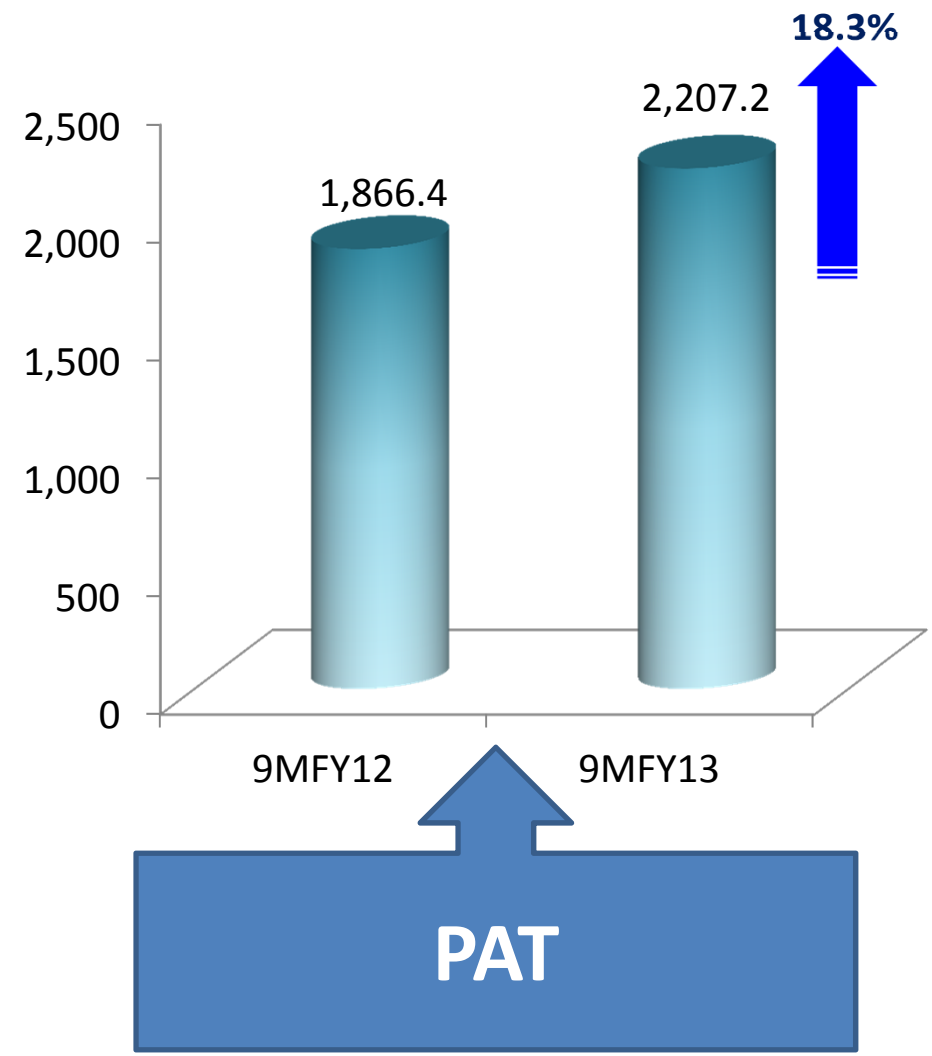
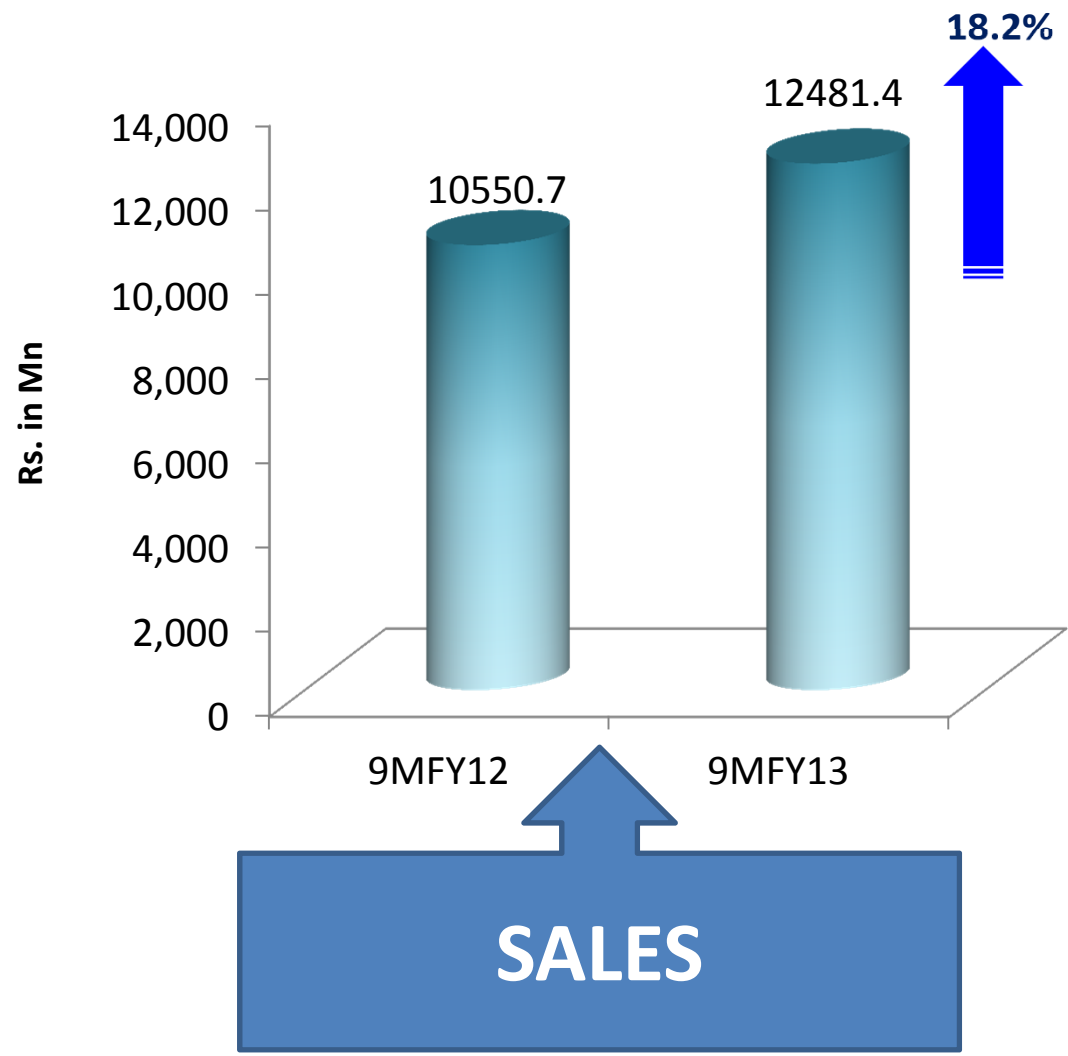


Market Capitalization





9MFY13 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) PR1+ (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
- Internal Audit Division awarded ISO 9001:2008 accreditation



- 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



▪ 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 36%
- Production from tax free zones

Thank You



Himani
Navratna
OIL



ZANDU
BALM[®]



Himani
FAST RELIEF
AYURVEDIC PAIN RELIEF OINTMENT



emami
FAIR AND HANDSOME
FAIRNESS CREAM FOR MEN