

TTK PRESTIGE LIMITED

GIST OF INFORMATION TO BE SHARED WITH ANALYSTS - Q3 FINANCIAL YEAR 2013-14

GENERAL BACKDROP FOR Q3 OF FY2013-14

A. GENERAL ECONOMY

- *WORST CONSUMER SENTIMENT EVER SEEN IN A FESTIVE QUARTER ACROSS THE COUNTRY
- *SHARP INFLATION IN ARTICLES OF DAILY CONSUMPTION AFFECTED DISPOSABLE INCOME OF MIDDLE CLASS
- *CONTRARY TO EXPECTATION GOOD MONSOON DID NOT IMPROVE RURAL DEMAND
- *CLEAR VISIBILITY OF RURAL DEMAND DECLINE FOLLOWING THE URBAN RESISTANCE IN PREVIOUS QUARTERS
- *KEY SOUTHERN MARKETS AFFECTED BY DEFICIENT MONSOON OR FLOODS OR LOCAL DISTURBANCES
- *THE BUYONCY SEEN IN NON-SOUTH MARKETS LAST YEAR WAS NOT VISIBLE THIS YEAR

B. SPECIFIC TO COMPANY

- *PREVIOUS YEAR Q3 SAW UNPRECEDENTED DEMAND FOR INDUCTION COOKTOPS AND BUNDLED PRODUCTS FOLLOWING ANNOUNCEMENT OF SUBSIDISED GAS CYLINDER CAP OF 6.
- *EVEN SOUTHERN MARKETS IN LAST Q3 HAD A TEMPORARY RALLY
- *CHANGE IN GOVERNMENT POLICY ON SUBSIDISED CYLINDER CAP FROM 6 TO 9 HAS ARRESTED THE DEMAND FOR INDUCTION COOKTOPS AND RELATED BUNDLED PRODUCTS
- *THUS WE HAVE AN UNCOMPARABLE BASE FOR JUDGING THE PERFORMANCE OF CURRENT Q3

KEY PERFORMANCE HIGH LIGHTS OF QUARTER ENDED 31ST DEC 2013 (AS COMPARED TO Q3 OF PREVIOUS YEAR)

- *SALES FOR Q3 DECLINED BY 15% FROM RS.445 CRORES TO RS.378 CRORES
- *EBIDTA (BEFORE EXCEPTIONAL ITEMS)DROPPED BY 24% FROM Rs.63.99 Cr to Rs.48.66 Cr
- *EBIDTA MARGIN STOOD AT 12.87% AS COMPARTED TO 14.39% IN THE PY Q3
- *NET PROFIT AFTER TAX STOOD AT RS.29.49 Cr DOWN BY 33% FROM RS. 44.10CRORES
- *EPS STOOD AT Rs.25.33(PY Q3 Rs. 38.88) ON EXPANDED CAPITAL

KEY PERFORMANCE HIGH LIGHTS OF 9 MTHS ENDED 30TH DEC 2013 (AS COMPARED TO 9 MTHS OF PREVIOUS YEAR)

- *SALES FOR 9 MTHS DECLINED BY 4.71% FROM Rs.1096.43 Cr to Rs.1044.83 Cr..
- *EBIDTA (BEFORE EXCEPTIONAL ITEMS)DECREASED BY 15.66% FROM Rs. 164.54 Cr. CRORES to Rs.138.78 Cr.
- *EBIDTA MARGIN STOOD AT 13.28% AS COMPARED TO 15.01% IN THE PREVIOUS YEAR
- *NET PROFIT AFTER TAX DECREASED BY ABOUT 18% FROM Rs.105 Cr TO Rs.86 Cr
- *EPS DROPPED FROM Rs.92.64 to Rs. 73.51 , PARTLY DUE TO REDUCTION IN PROFIT AND PARTLY DUE TO INCREASE IN SHARE CAPITAL

KEY BUSINESS FACTS FOR Q3 OF 2013-14

*INDUCTION COOKTOPS AND BUNDLED PRODUCTS DECLINED BY 55% FROM Rs.148 cr to Rs.66 Cr DIRECTLY DUE TO CHANGE IN GOVERNMENT POLICY WHILE OTHER DOMESTIC CATEGORIES GREW BY ABOUT 7.1% FROM RS. 278 CR TO 298 CR.

* VALUE ADDED ITEMS SAW REASONABLE TRACTION AS COMPARED TO MASS PRODUCTS

*CONSIDERING THAT FY 12-13 WAS AN ABNORMAL YEAR, THERE IS GROWTH OF 10% AS COMPARED TO Q3 OF 2011-12 A COMPARABLE QUARTER WITH NORMAL BASE. ON THE SAME BASE THE GROWTH IN "NON INDUCTION PRODUCTS" WAS 26%.

*OUR BRAND SALIENCE CONTINUES TO BE HIGH EVEN IN THIS DEPRESSED MARKET

*EBIDTA MARGIN WAS IMPACTED ON ACCOUNT OF DROP IN TOPLINE RESULTING IN UNDERABSORPTION OF INCREMENTAL OVERHEADS . IMPACT OF RUPEE DEPRECIATION WAS PASSED ON TO MARKET

*INDEGNISATION OF PRODUCTION/ASSEMBLY OF SOME PRODUCTS HAS YIELDED BENEFITS

*EXPORTS DROPPED BY 30.6% FROM RS.16.54CR TIO RS.11.48CR.

*NET ADDITION TO PRESTIGE SMART KITCHEN NETWORK WAS 17 TAKING THE TOTAL TO 509

*NET BORROWING STOOD AT AROUND 27 Cr.

SALES BREAK UP (RS CRORES)

	Q3 2013-14	Q3 2012-13	GROWTH		9 MONTHS 2013-14	9 MONTHS 2012-13	GROWTH
COOKERS	133	158	-16%	COOKERS	390	412	-5%
COOKWARE	71	75	-5%	COOKWARE	175	190	-8%
APPLIANCES	162	199	-19%	APPLIANCES	452	458	-1%
OTHERS	12	13	-8%	OTHERS	28	36	-22%
TOTAL	378	445	-15%	TOTAL	1045	1096	-5%

PROPORTION TO SALES	Q3	Q3	9 MONTHS	
	2013-14	2012-13	2013-14	2012-13
COOKERS	35.2%	35.5%	37.3%	37.6%
COOKWARE	18.8%	16.9%	16.7%	17.3%
APPLIANCES	42.9%	44.7%	43.3%	41.8%
OTHERS	3.2%	2.9%	2.7%	3.3%
TOTAL	100.0%	100.0%	100.0%	100.0%

GOING FORWARD

*CONSUMER SENTIMENT CONTINUES TO BE DEPRESSED

* EFFORTS ARE BEING MADE TO GET MODERATE GROWTH IN Q4 BUT THE OUTCOME IS STILL UNPREDICTABLE