

EVEREADY 

INDUSTRIES INDIA LTD.

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November 9, 2016

BSE Limited
P.J. Towers,
Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange
of India Ltd
Exchange Plaza, C-1,
Block – G,
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

The Calcutta Stock Exchange
Limited
7, Lyons Range
Kolkata - 700001

Dear Sirs,

We are enclosing herewith an Information Update released today by the Company.

The above is for your information and records.

Thanking you,

Very truly yours,
EVEREADY INDUSTRIES INDIA LTD.



(T. PUNWANI)
VICE PRESIDENT – LEGAL
& COMPANY SECRETARY

Enclo : As Above.

INFORMATION UPDATE

Eveready Industries India Ltd. (Eveready) today declared its financial results for the quarter ended September 30, 2016. Major highlights of the standalone results are the following.

Item	Q2 2016-17 (Rs.crores)	Q2 2015-16 (Rs.crores)	Gain %	YTD 16-17 (Rs.crores)	YTD 15-16 (Rs.crores)	Gain %	FY 15-16 (Rs.crores)
Operating Income	366.63	367.75	-	720.98	715.91	1	1323.30
Operating EBDITA	42.60	32.61	31	80.21	70.18	14	121.79
PBT	35.08	23.42	50	65.22	50.44	29	85.65
Net Profit	25.62	18.21	41	47.98	38.48	25	69.08

Operational Highlights

- Operating results at every level was better in the current quarter in comparison to the same quarter of the previous year. EBDITA, PBT and PAT were higher by 31%, 50% and 41% respectively.
- Operating EBDITA margin improved by 275 basis points - 11.62% in the current quarter as compared to 8.87%. This was primarily led by better margins in batteries due to higher manufacturing efficiencies & favorable product mix, overall cost conservation and improved margins in the lighting category on account of lower margin CFLs being replaced by higher margin LED lamps in the trade channels.
- Manpower costs were higher (by 111 basis points) primarily due to new employees taken on for the new vertical of Appliance. But this was more than offset by lower A & P expenses (lower by 167 basis points) and other savings.
- Turnover for the quarter, however, did not register growth as there was no pick up in demand, particularly in the rural segment.
- Turnover in batteries was flat as part of the market continued to be disturbed by dumped imports from China.
- In a good development, the de-growing trend in flashlights seen in the previous year was fully arrested during the quarter – though turnover remained flat.
- The lighting segment, however, registered a small growth during the quarter. Though there was a healthy growth in the LED products, the category recorded de-growth of nearly 55% in the segment of CFL lamps, in keeping with current market trends. LED products registered a turnover of Rs 50.57 Crores as against Rs 26.33 Crores in the corresponding quarter in the previous year, a growth of 92%



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Developments & Outlook

Hardening zinc prices have been impacting margins of D size batteries – and accordingly price increases have been taken recently in this segment to mitigate the adverse impact. Marketing initiatives are afoot to mitigate the impact of dumped imports from China in the market.

Ongoing marketing efforts to spur demand in the flashlights segment are in close focus, and hopefully benefits may be seen in later quarters.

After gaining reasonable success in LED lamps, the Company is now addressing a growth path in the segment of LED Luminaires. Work is afoot in this area and the Company should be able to chart growth through this category.

Growth should also come from the newly launched product segment of Appliances, once Distribution for the same is fully established on ground.

Outlook on batteries remain stable – with healthy growth expected in the 'AA' and 'AAA' segment as per current trends. Having arrested de-growth in flashlights segment, outlook for this segment also appears stable. Lighting business is likely to continue on growth led by LED products – despite de-growth in CFL lamps. The new category of Appliances should also contribute to growth in the coming quarters.

Background

Eveready is the country's market leader of batteries and flashlights - selling more than 1.2 billion batteries and nearly 25 million flashlights. Apart from these, Eveready offers a basket of other products - LED, CFL & GLS lamps & other lighting products, Appliances and packet tea. Eveready has an extensive distribution network of 4000 distributors reaching all the way down to 5000 population towns.

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