

CORPORATE STATEMENT 2010-2011



Radico
RADICO KHATRI LTD.

When a moment of
achievement
deserves a little
something extra,
Radico's Sparkling
Premium Spirits
provide
just the right taste.



INNOVATING CONSTANTLY

Radico Khaitan has traversed a long path since its entry into the IMFL segment in 1998, and has been able to make its mark in the IMFL industry through constant innovation. All of our brands in the IMFL segment have attained significant success and have elevated Radico to a new level of premium stature and credible international acclaim.

We believe that the ability to identify the pulse of the market is where good business acumen counts. Radico's constant innovation and market leading position have resulted in an increasing level of customer satisfaction with every new brand that it has released. Our business remains focused, has strategic direction and hence excels in every division. The combination of our premiumization strategy, constant innovation and customer satisfaction has resulted in a success story for our brands. This is the fourth consecutive year that Radico has won international honors in the form of exclusive awards at the Monde Selection (International Institute of Quality Selections).

Magic Moments was born from our vision that the younger generation in India would migrate to Vodka in times to come. This was followed by the introduction of the Flavour range under the Remix version of Magic Moments. This brand has become a runaway success among consumers. In particular, Magic Moments has been successful in introducing the 'Flavour of Vodka' to the larger Indian market. The bottle design and the product have created many an enthusiasts who flaunts the brand as their own. As a result, the brand won a relay of Monde Selection awards for four consecutive years. Morpheus XO Blended Premium brandy launched in 2009 is already an established innovation and has redefined the premium brandy space of the IMFL Industry.

We remain dedicated to making Radico even more of a premium brand player. This focus resulted in the advent of After Dark whisky. After Dark has already registered itself as a premium whisky by attaining a notable international recognition by winning silver in Monde Selection 2011.

Thus Radico's products are designed to stand apart through the experience they offer, be it Whisky, Vodka, Brandy, Gin or Wine. Radico offers refined quality levels that raise the standard for the industry. Radico continues to produce exciting brands that blends passion and perfection giving a rich experience of taste.

Radico's promise is to create endearing value for its customers. At Radico we celebrate events and celebrate time, but our most important celebrations are of achievements.



Dr. Lalit Khaitan - Chairman & Managing Director
Abhishek Khaitan - Managing Director

Dear Shareholders,

Since March 2010, much of the global economy has gone from being in the initial stages of recovery to strong growth. This has particularly been true in India, where GDP growth, consumption and investment (both by domestic and foreign institutions) have seen a significant rebound since last year.

Your Company's prior investments and strategic foresight have enabled us to capitalize on this positive macro environment. We are pleased to announce yet another year with strong performance, our best in the last five years. Your Company achieved top line growth of 16% and Net Profit growth of over 75%, compared to prior year. This was a direct result of our focus on portfolio premiumization, solid management execution, strategic marketing and financial de-leveraging. We generated positive cash from operations despite higher working capital requirements due to rapid growth.

We continue to consolidate our position as one of the leading players in the IMFL industry. Our brands received several awards at the Monde Selection (International Institute for Quality Selections) this year. We received the Grand Gold Award 2011 for Magic Moments Remix Lemon Grass and Ginger flavoured vodka; Gold Awards for three brands in the Magic Moments remix range; a Gold Award for Morpheus premium brandy; a Silver Award for the recently launched After Dark premium whisky and a Bronze for Magic Moments Remix Green Apple flavoured vodka. This is the fourth consecutive year that our brands have received these exclusive awards, reflecting our ongoing commitment to quality and focus on customer satisfaction. We sincerely thank our customers, without whose continued support, it would not have been possible to receive these awards.

Chairman's Speech

During the year we also announced the pan-India launch of After Dark, a premium whisky unique in its price segment. The brand has received very good feedback from consumers for its quality, taste and unique packaging. Morpheus premium brandy, launched in mid-2009, has already attained a leadership position and is growing rapidly. Magic Moments continues to dominate the fast growing vodka market in India and will cross 2 million cases in the coming year. Growth in 8PM, our largest brand, was rejuvenated with new packaging and a more refined blend, resulting in volumes of over 4 million cases in the past year.

We are well positioned for further profitable growth in the coming year. We expect our mainline brands to continue to benefit from strong economic growth and resulting demand. A roll-out of After Dark premium whisky across more states is expected to result in significantly higher contribution. Our focus on premiumization will also help mitigate the impact of hardening raw material prices, and further enhance margins.

Celebrate the true spirit of achievement!

Dr. Lalit Khaitan

Chairman & Managing Director



THE
DOLBY
DIGITAL
SOUND
SYSTEM

After Dark- Come Meet your Dark Side

After Dark was conceived to satiate the need for a superior quality of whisky in the premium category. The bottle design, the product taste, all a perfect mix for that delightful experience which everyone seeks after darkness falls. After Dark is light, elegant and just like mystiques of the night engulfs one into the spirit of passion, thrills, fun, adventure and spark. It is a blend of 10 year old matured spirits imported from different continents. The finest spirit has been blended to perfection for that premium taste. After Dark, the brand here plays the role of getting people together, adding energy and spontaneity to the evening, giving people a world where the party never stops. It is meant to be the social sanction for indulgence which everybody was waiting for!





8 PM- Live Life in Your Own Style

8 PM is the first brand in the liquor industry to make it to the LIMCA book of records for selling one million cases in the first year of its launch. The fine taste gives a true royal experience of 'Thaath' to its customers. Our flagship brand 8PM has been launched as New 8PM with a superior brand experience. Made of quality grains, new 8PM extended itself to bring lavishness and enjoyment. All this has led the brand to explore different dimensions of its core promise- 'thaath'. A favorite amongst the Economy segment, the superior taste and matured malt spirits brings enjoyment with every toast raised. So, at 8 PM start your day Once More and Elevate your Life with each Toast.

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