BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

April 18, 2014

General Manager – DCS,
Bombay Stock Exchange Ltd,
I Floor, P.J.Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Butterfly Gandhimathi Appliances Limited –Results presentation for Third quarter and nine months ended on 31.12.2013 (FY 2013-14)

Enclosed please find the Company's Performance/Results presentation for the quarter/ nine months period ended on 31.12.2013, incorporating an overview of the latest transaction concluded with LLM Appliances Limited on 29.03.2014.

We request you to kindly upload the above presentation on BSE website for information of our investors.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

Executive Director-cum-Company Secretary

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q3 & 9MFY14

www.butterflyindia.com

Safe Harbour

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of raw materials, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply products, the success of the companies in which Butterfly Gandhimathi Appliances Ltd has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Butterfly Gandhimathi Appliances Ltd may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company

Contents

1 Company Overview

About Us..

Leading manufacturers of Kitchen and Electrical Appliances

Market Leader in India for LPG Stoves & Table Top Wet Grinders and major supplier of Mixer Grinders & Pressure Cookers

The ‘Butterfly’ brand is a highly respected brand synonymous with quality

Established in 1986 by Shri V. Murugesa Chettiar – currently helmed by 2nd and 3rd generation of promoter family

Headquartered in Tamil Nadu with Pan India presence

Strong R&D focus which has led to several pioneering initiatives and continues to drive in-house development of new products

Strong Balance Sheet with continuously improving Financial Indicators

Mix of industry growth and Company initiatives has led to high double-digit growth in Revenues & profitability in the last 5 years

Quick Facts

#1
IN INDIA
FOR LPG STOVES
& TABLE TOP WET GRINDERS

61%
REVENUE CAGR
FY10-13

IN THE TOP
3
IN INDIA FOR DOMESTIC
KITCHEN APPLIANCES

NOW PRESENT IN ALL
28
STATES IN INDIA

FY13 PAT
33
CRORE

300+
EXCLUSIVE
DISTRIBUTORS ACROSS
INDIA

<0.5
NET DEBT / EQUITY
RATIO

11%
OF FY13
REVENUES FROM NON-
SOUTH STATES

4x
EXPANSION IN PRODUCT
CATEGORIES IN LAST 12
MONTHS

Growth Levers

Initiatives	Impact
Wider Product Offering	○ Fresh growth avenues in existing markets ○ Accelerated growth opportunity in new markets
Geographical Expansion	○ Addressable market increases manifold ○ Wider National footprint
Premium Products	○ Expansion in blended margins ○ Attracts new categories of customers
Capacity Expansion	○ Poised to address growth in demand arising from selling & marketing initiatives and geographic expansion

Key Products

Every product is manufactured on the pillars of Safety, Durability, Efficiency, Aesthetics & Reliability

LPG Stove

Mixer Grinder

Table Top Wet Grinder

Pressure Cooker

Electric Chimneys

Non Stick Cookware

Milestones

1986
- Year of Incorporation
- Imported machinery to set up manufacturing operations
- First to launch Stainless Steel Pressure Cookers in India
- Launched LPG Stoves

1989
- First to Launch Stainless Steel Vacuum Flasks in India
- Launched Mixer Grinders

1992
- Invented Brazing Machine with In-house Technology which replaced the hazardous copper plating process for Pressure Cooker/Utensils – successful indigenous substitution for imported technology

1994
- Listed on BSE

1998
- Awarded patent for 3 conical stone Table Top Wet Grinder

1999
- First in India to be awarded ISO 9000 certification for its LPG Stoves and Mixer Grinders
- Launched proprietary 3 conical stone grinding technology

2000
- Commenced exports to USA, UK, Canada, Mauritius, Australia & Japan

2002
- Awarded ISO 9000 certification for Table Top Wet Grinder

2005
- First in India to receive 'GREEN LABEL' Certification for high thermal efficient LPG Stoves

2011
- Bagged the first TNCSC order of Rs. 285 crore for manufacturing of Table Top Wet Grinder and Mixer Grinders – Highest in the organized sector
- Name changed to Butterfly Gandhimathi Appliances Ltd from Gandhimathi Appliances Ltd

2012
- Preferential Issue to Reliance PE – raised Rs. 100 crore of growth capital
- Net sales crossed Rs. 500 crore – growth of 140% over the previous fiscal
- Established a branch office in the United Kingdom to oversee and promote exports in the region

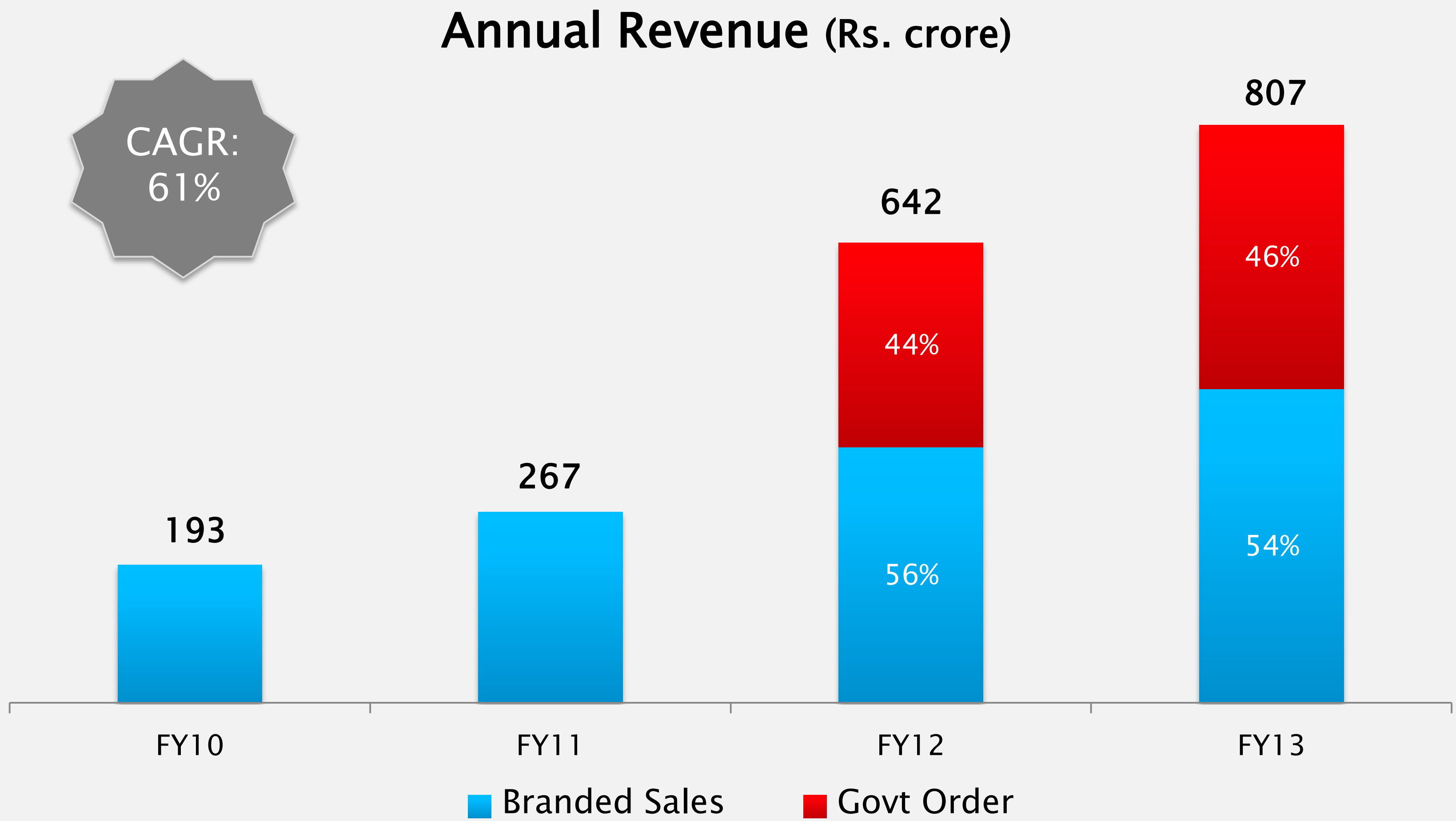
2013
- Launched 50 new SKUs

2014
- Launched 4 new Product Categories
- Added 60 SKUs to product range
- Enhanced Pan-India presence to include all 28 states
- Acquires a division from Associate Company LLM Appliances

Rapid Expansion

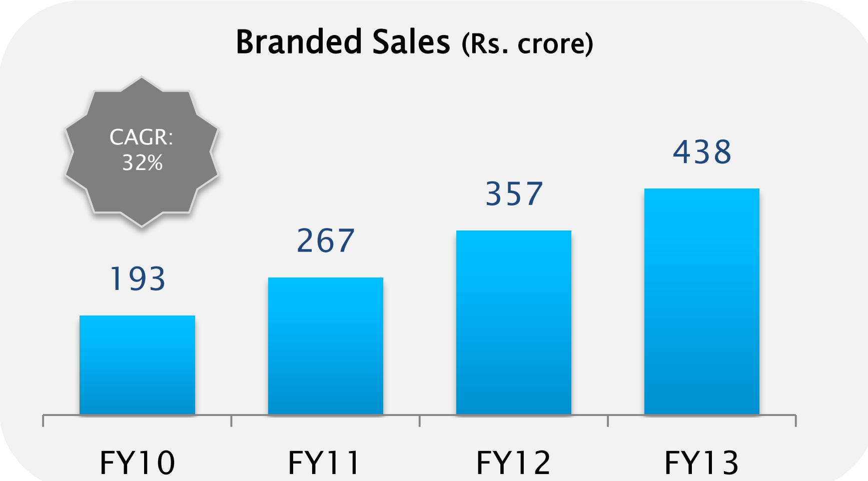
	2007	2009	2011	2013
Market Presence	4 states	6 states	6 states	9 states
Product Categories	3	6	6	6
SKUs	88	180	250	320
Sales Team (Personnel)	50	120	180	240
Marketing & Advertisement Spend p.a. (Rs. Cr)	2.5	8.9	15.6	50.0

Revenue Profile



Butterfly®

Branded Retail Sales

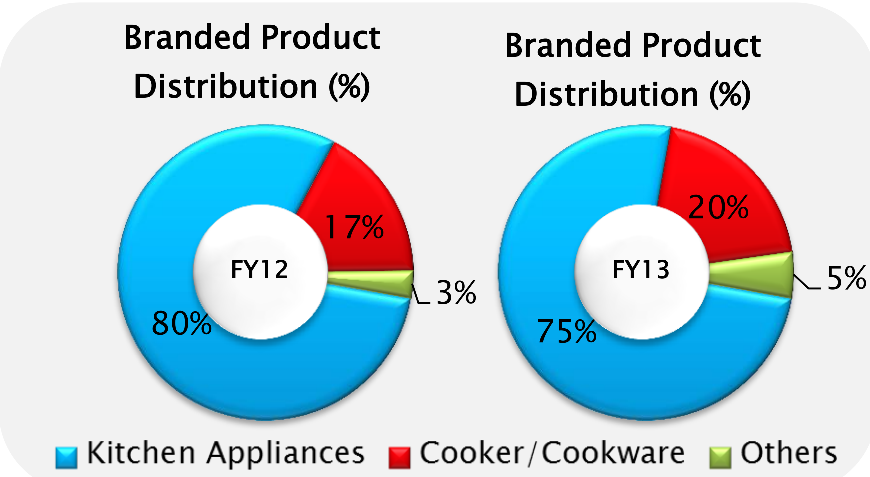


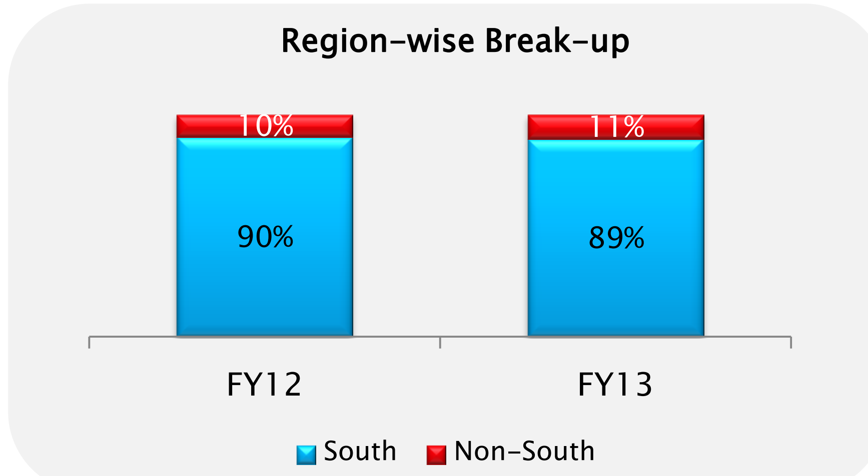
Through Institutions

- Tie ups with Gas dealers of IOCL, BPCL and HPCL
- Customers for new gas connection are provided with co-branded products manufactured by BGMAL
- This provides the Company a ready market for primary sales at the point of Gas connections itself

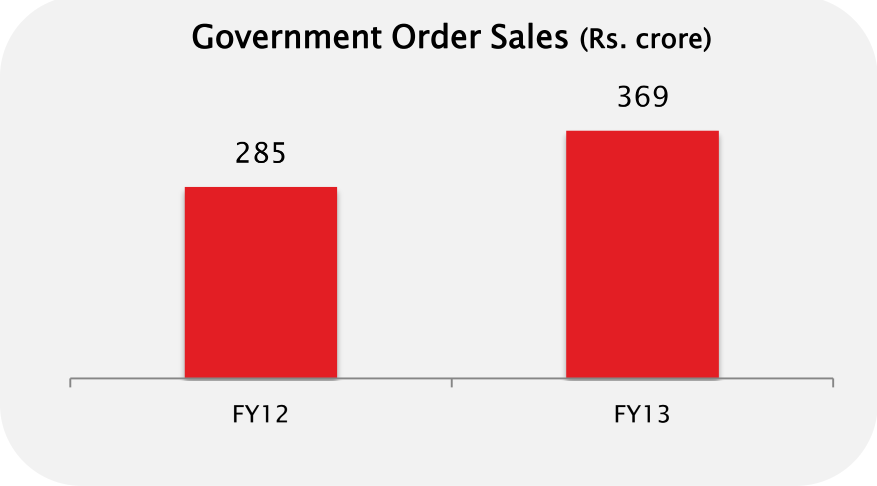
Through Retail Marketing

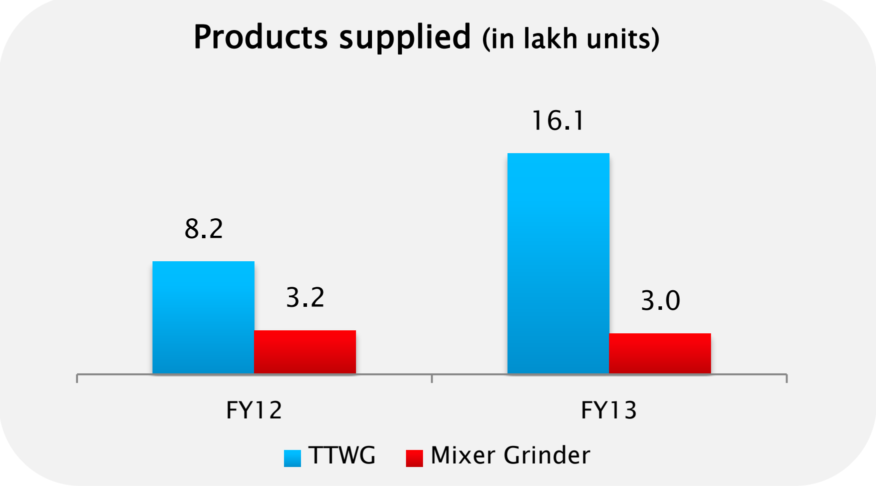
- Network of 300+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- 3 Company retail stores in Chennai, Hyderabad and Bengaluru and one franchisee store at Pondicherry





Government Orders





- Tamil Nadu Civil Supplies Corporation floated a tender for supply of select kitchen appliances to low-income families
- From the organized sector, BGMAL won orders for the highest number of Table Top Wet Grinders & Mixer Grinders

Benefits to BGMAL

- Economies of scale
- Increase in volumes have elevated BGMAL's manufacturing ability and delivery capabilities
- Increased number of users of the Company's products has helped to increase potential market for the Company
- Creates ready customer base for Company which will materialize at the time of product replacement or upgradation

Strong R&D Capabilities

- R&D focused Company with a demonstrated track record in innovation
- 1^{st} to introduce Stainless Steel Pressure Cookers in India
- 1^{st} to manufacture Stainless Steel LPG Stoves in India
- 1^{st} to introduce Stainless Steel Vacuum Flasks in India which deliver enhanced Heat Retention up to 72 hours compared to 8 hours with conventional products
- Invented 3 conical stone grinding technology – awarded patent in 1998
- Enhanced Fuel efficiency in LPG Stoves from 50% to over 68% at present
- In-house design of moulds, tools and dies has resulted in improved manufacturing efficiency
- 360º R&D efforts focused on product efficiency, longevity and design

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BGMAL-LLMAL Transaction Overview

Transaction Summary

Butterfly Gandhimathi Appliances acquired the Domestic Kitchen and Domestic Electrical Appliances division from its Associate Company – LLM Appliances Ltd. (LLMAL) on March 29, 2014

LLMAL is engaged in the procurement / manufacturing and marketing of Domestic Kitchen and Domestic Electrical appliances under the trade name and trademark “Butterfly”

Through the acquisition, BGMAL secures the perpetual rights to the “Butterfly” brand

The acquisition immediately adds several product categories to BGMAL’s existing product portfolio

BGMAL acquired the business on a slump sale basis for a consideration of Rs.47.75 crore

The acquisition cost on capitalization, will lead to a higher rate of depreciation, which will lead to tax and cash flow benefits

BGMAL secures the right to offer the entire range of product categories in the Domestic Kitchen and Domestic Electrical Appliances division globally

Products Added

Key Product categories acquired from the LLMAL transaction

Induction Cooktops

Electric Rice Cookers

Electric Kettle

Sandwich Maker

Other Products including the following

Fans	Yogurt Makers
Air-coolers	Water Heaters
Microwave Ovens	SS Cookware
Toasters	Kitchen Sinks

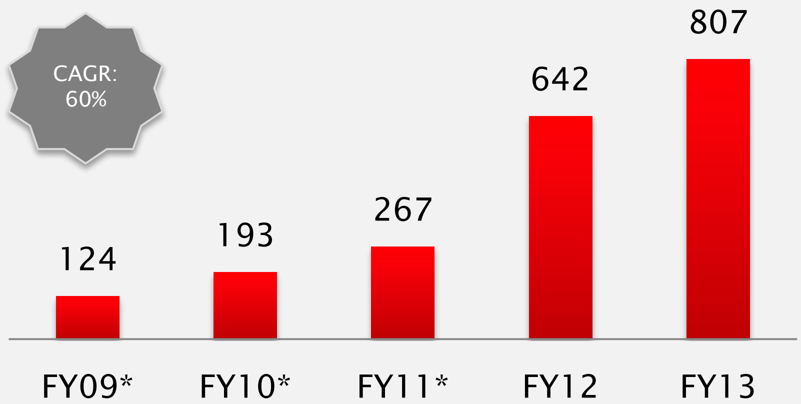
Synergies / Advantages

- Rights to "Butterfly" brand in perpetuity
- Addition of several popular and high potential product categories – the entire range of electrical and kitchen appliances is now addressable by BGMAL
- Operating styles and organization culture are highly similar – expect rapid integration of acquisition
- Strengthens market position – wider offering to customers and better negotiating power with suppliers as well as distributors
- Will cross-sell product ranges across each companies sales and distribution network resulting in greater leverage of the combined network for a larger product base
- The acquired division is expected to benefit through increased volumes and faster turnaround time for inventory resulting in lower working capital intensity

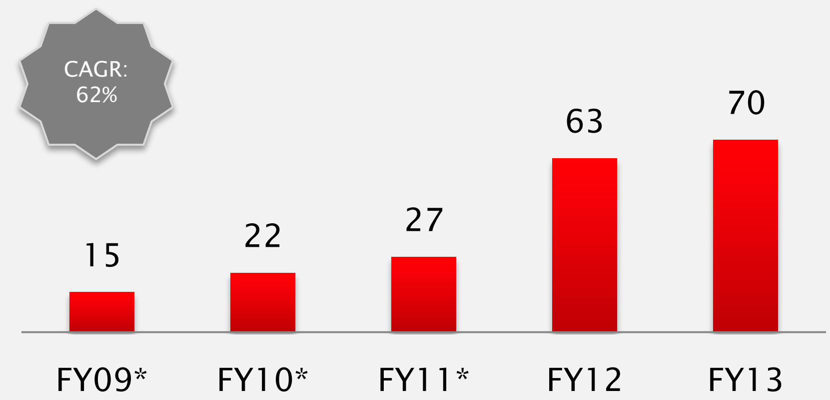
3 Financial Overview

Performance Track Record – Annualized

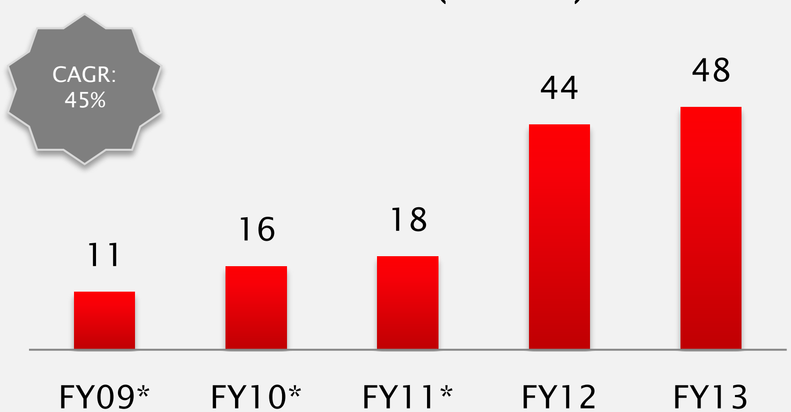
Total Revenue (Rs crore)



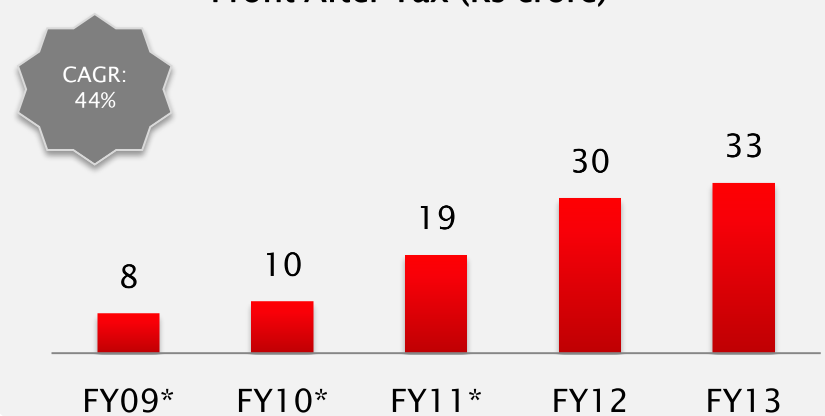
EBITDA (Rs crore)



Profit Before Tax (Rs crore)

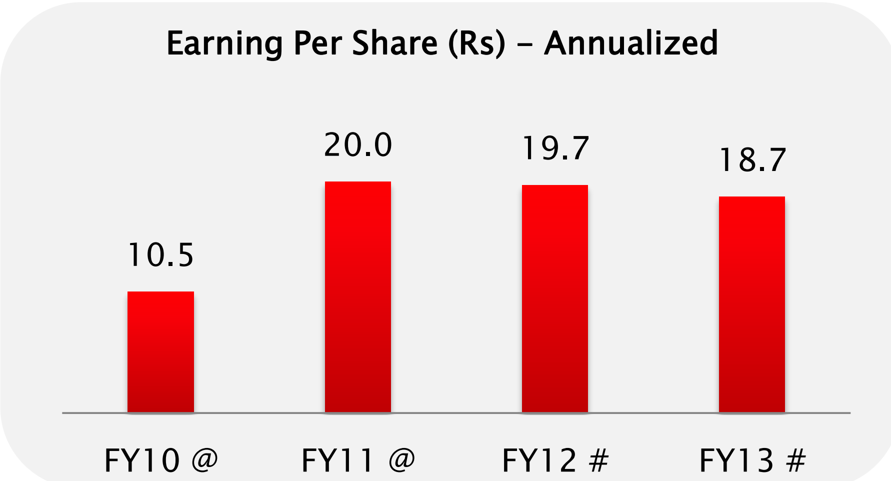


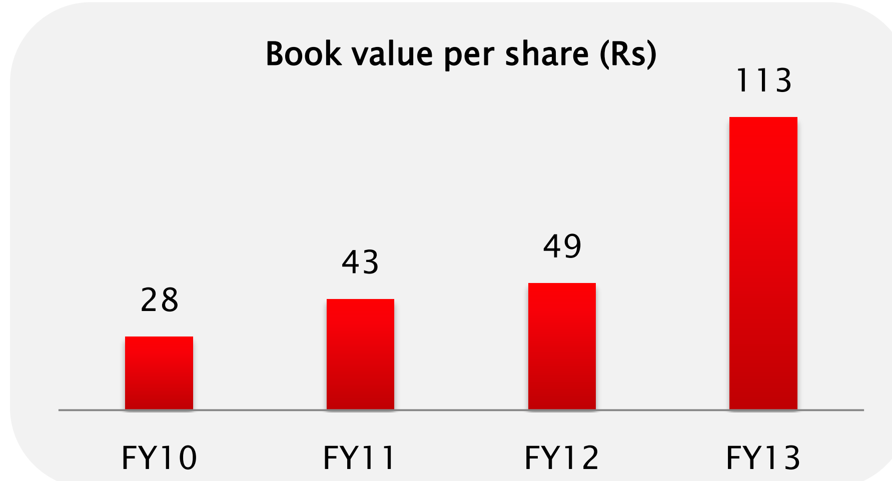
Profit After Tax (Rs crore)

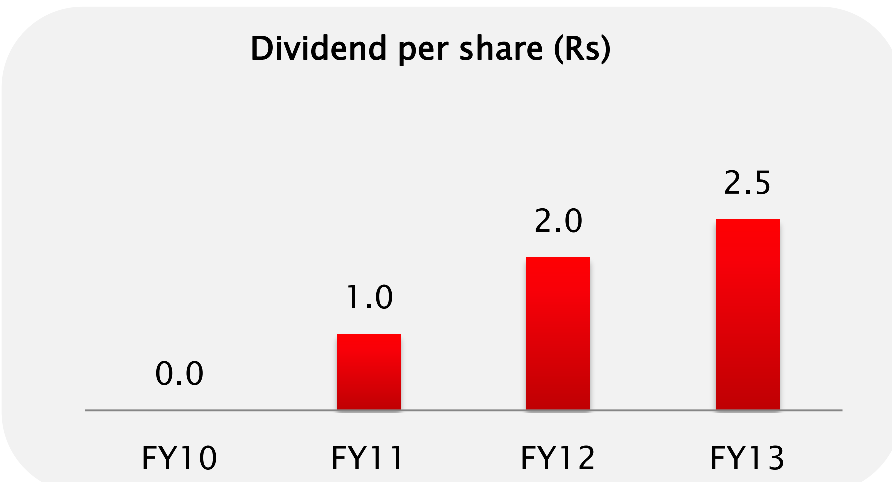


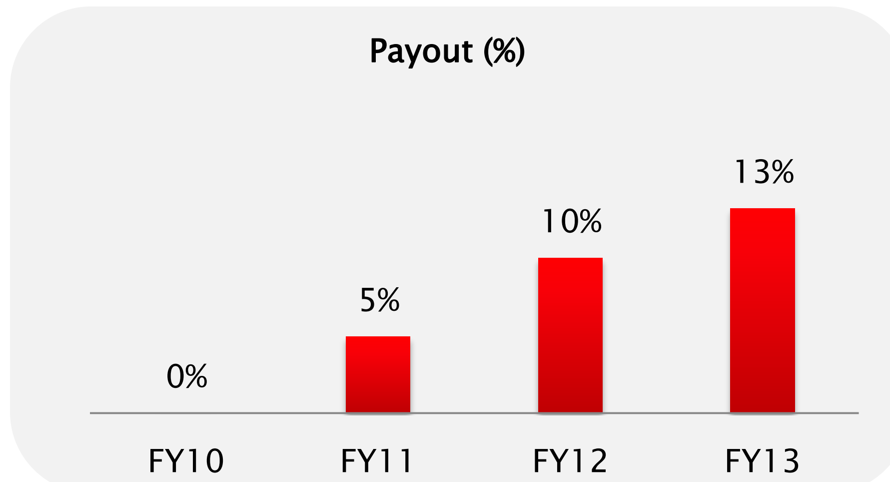
NOTE : FY09 was for period of 18 months ended 31.12.2008 , FY10 was extended to 18 months ended on 30.06.2010 and FY11 was for period of 9 months ended on 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.

Key Financials







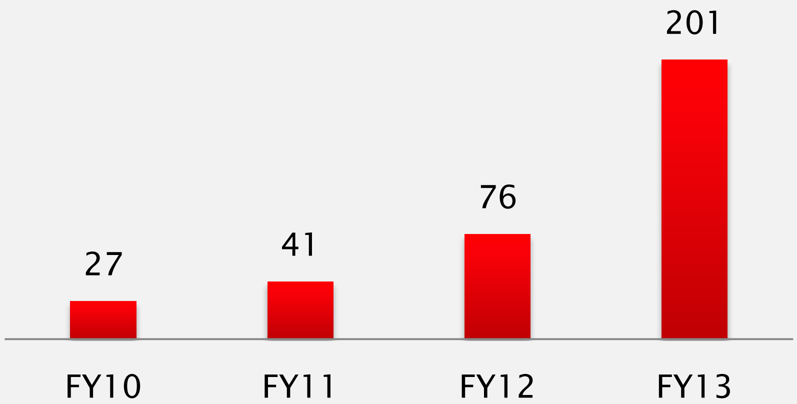


@ FY10 was extended to 18 months ending 30.06.2010 and FY11 was for period of 9 months ending 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.

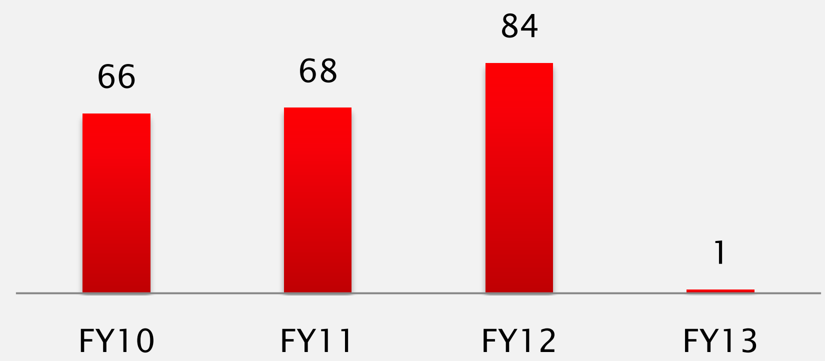
EPS for FY12 and FY13 have reduced due to expansion of the Equity Base

Key Financials

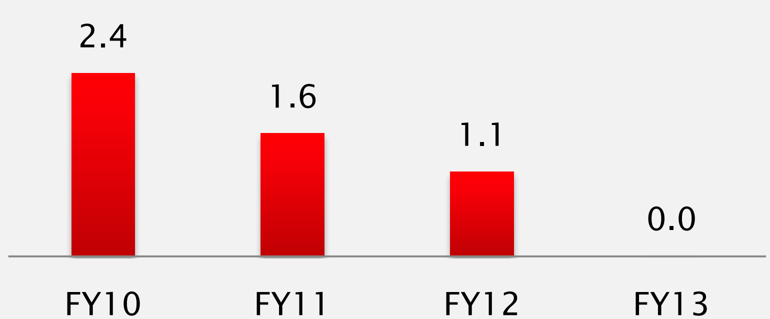
Net Worth (Rs crore)



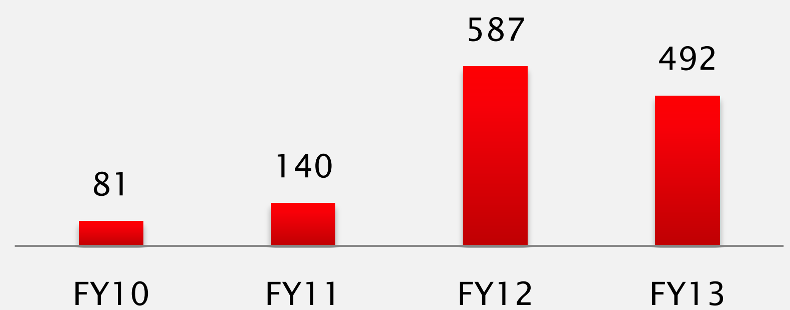
Net Debt (Rs crore)



Net Debt – Equity Ratio

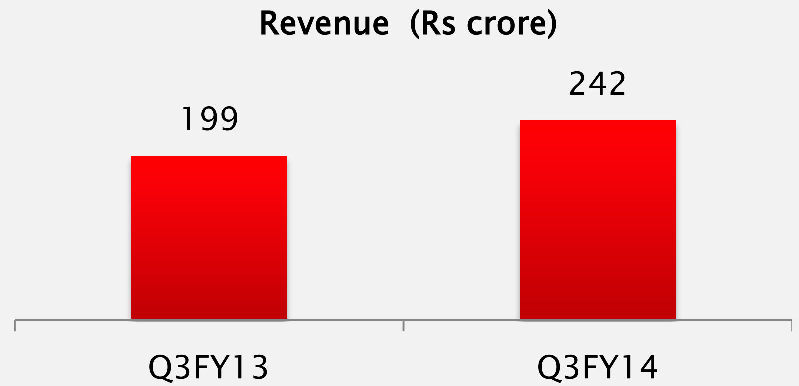


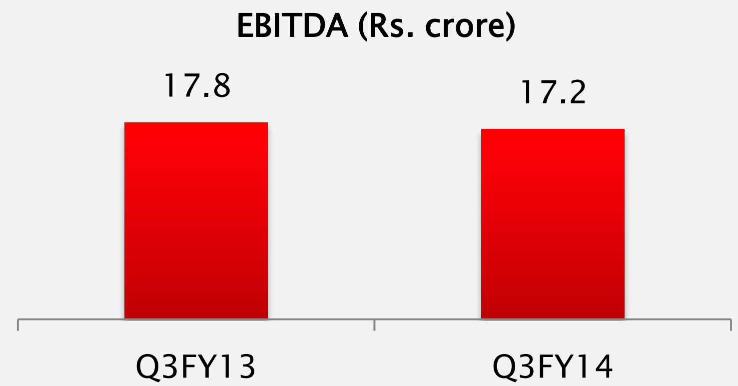
Market Cap (Rs crore)

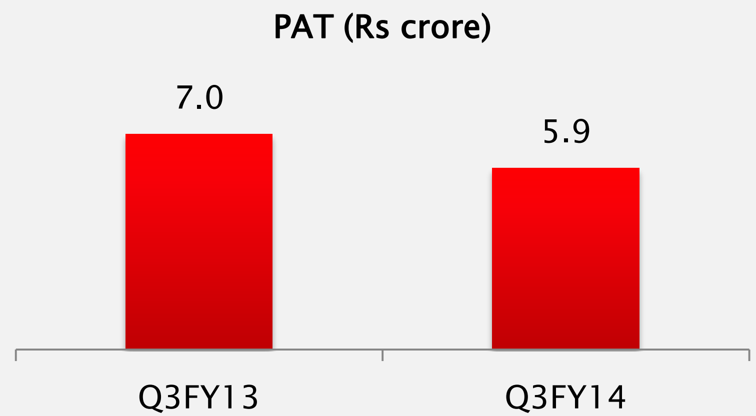


3 Q3 & 9M FY14 Performance

Q3 FY14 – Performance highlights

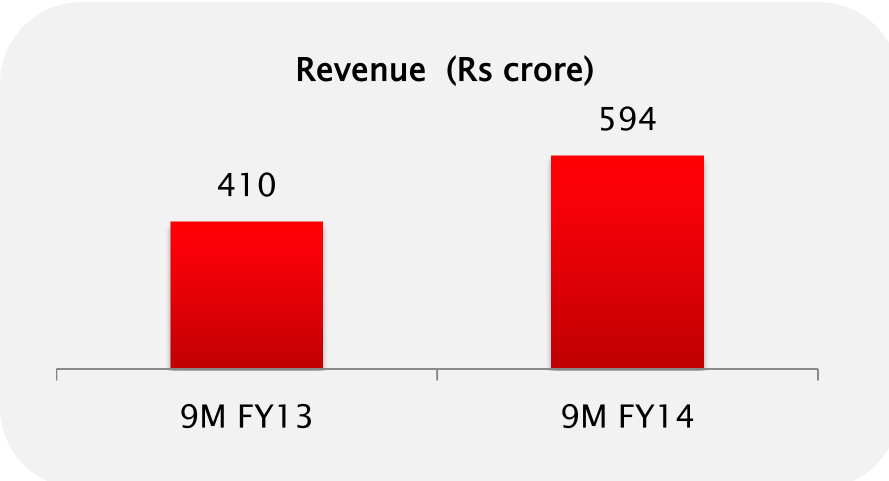


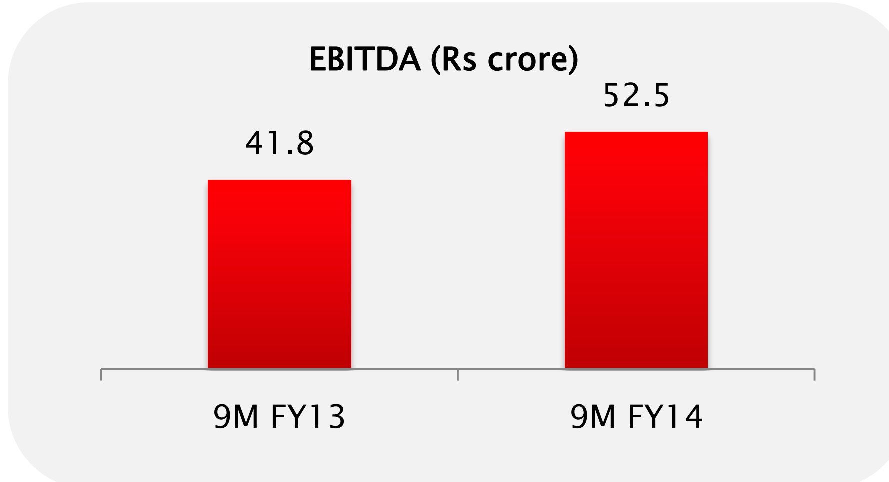


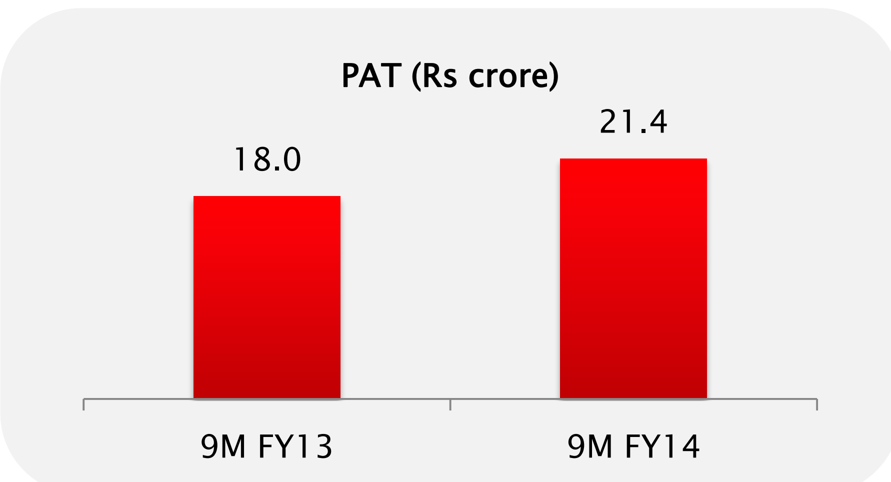


- Within total revenues, Branded Sales grew by 25.3% on a Y-o-Y basis from Rs. 112.7 crore in Q3FY13 to Rs. 141.2 crore in Q3FY14
- The company has undertaken significant expenditure to enhance its presence in new markets. The benefits from these initiatives will follow in subsequent quarters
- Despite a substantial increase in expenditure, PAT has remained resilient on a Q-o-Q basis

9M FY14 – Performance Highlights







- Within total revenues, Branded Sales grew by 27% on a Y-o-Y basis from Rs. 315 crore. In 9MFY13 to Rs. 400 crore in 9MFY14
- Inspite of substantial increase in expenditure towards new market development and unavoidable forex loss, PAT growth remains healthy at 18.6% on Y-o-Y basis

Key Highlights

Branded Gross Sales

(Rs crore)

Product	Q3FY14	Q2FY14	Q3FY13	Growth	9MFY14	9MFY13	Growth
Branded Market							
Appliances	90.9	112.8	77.6	17.2%	278.7	241.5	15.4%
Cooker/ cookware	25.8	27.1	27.4	-5.9%	67.1	62.0	8.2%
Others	14.7	15.8	2.7	-	33.6	6.4	-
Total-Branded	**131.4**	**155.7**	**107.7**	**22.0%**	**379.5**	**309.8**	**22.5%**
Others (Components)	9.8	-	5.0	-	20.3	5.0	-
Grand Total	**141.2**	**155.7**	**112.7**	**25.3%**	**399.8**	**314.8**	**27.0%**

- Sales of branded products grew by 27% in 9MFY14 over 9MFY13 in line with the Company's projected growth of branded sales by around 20 to 25% in FY14
- In Q3FY14, the Company introduced additional SKUs bringing the total number of SKUs introduced in FY14 (YTD) to 60
- BGMAL continues to make steady progress in enhancing its presence in new markets in North and East India

4 Outlook

Industry Growth Drivers

- Sustained GDP Growth
- Increasing number of nuclear families
- Rise in rural incomes
- Increase in disposable income
- Changing Demographics
- Continued growth in new gas connections
- Rationalized tax structure
- Shift in Consumption patterns
- Continued Urbanization
- Rise in per capita spend
- Preference for branded goods
- Improvement in Consumer Financing

Attractive Growth Prospects

Improved Distribution & Sustained Presence

- Currently concentrated in South India which represents over 85% of Branded sales (YTD FY14)
- Have already extended distribution set-up to western India, increasing maturity is driving sales momentum
- Scaling up distribution network in Central, North & East India
- Pan-India presence and penetration being augmented

New Product Pipeline

- Revenues currently dominated by 6 key products
- Added four more product categories viz., Electric Chimney, Juicer, Juicer Mixer Grinder and Hand Blender
- Enhancing product options for mass market as well as premium category
- Addition of 60 SKUs in FY14; total SKUs at 350+ as on December 2013

Capacity Expansion

- The Company commenced manufacturing capacity expansion costing Rs. 45 crore
- Enhanced capacity addition for Pressure Cookers, LPG Stoves and Mixer Grinders
- Capacity expansion will meet projected medium term growth

Enhanced Marketing & Brand Awareness Activities

- Have launched strong advertisement and brand awareness campaign
- Across multiple media such as newspaper, magazines, television and web
- Investments in advertising & marketing increased to Rs. 50 crore in FY13 from Rs. 15 crore in FY11
- Advertising and marketing effort to optimize distribution network and enhanced market reach

Thank you