

June 26, 2018

To,
National Stock Exchange of India Limited
Symbol - SYMPHONY

BSE Limited
Security Code - 517385

Sub.: Clarification sought from the Company

Ref.: NSE Email Dated June 25, 2018

Dear Sir,

This is with reference to your email dated June 25, 2018, seeking our clarifications in relation to an announcement made by the Company on June 22, 2018 with subject line "Symphony signed an agreement to purchase effectively 95% equity stake in Climate Technologies Pty. Limited, Australia."

Kindly note that the Company has provided all the requisite details in **Annexure-A** attached to our Letter dated June 22, 2018 in compliance of the SEBI Listing Regulations. We are once again attaching **Annexure-A** for your ready reference and record.

Please see herein below our point wise reply:

1. Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)

Reply: Kindly refer paragraph 2, 3 and 4 of attached Annexure A. Relevant content of information sought for is reproduced below:

"Headquartered in Adelaide, South Australia, Climate Technologies manufactures and sells evaporative air coolers, ducted gas heaters, and other cooling products in Australia and USA. CT was established by Ted Celi in December, 1976.

With iconic brands such as 'Bonaire' (a history of 64 years) and 'Celair' (46 years), Climate Technologies is one of Australia's most recognized manufacturers and suppliers of cooling and heating appliances. CT commands 30% and 25% market share of the domestic Australian evaporative air coolers and ducted gas heaters market, respectively. CT forayed into the US markets through a relationship with Home Depot, who now considers CT as an innovator in its class.

CT's manufacturing facility is located in Salisbury, South Australia with an assembly operation in Las Vegas, Nevada.

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CIN - L32201GJ1988PLC010331



For the financial year ending 30 June 2018, CT is estimated to report net sales of A\$ 55 million (INR 274 crs) with an EBITDA of A\$ 5.45-6.0 million (INR 27.4 crs – INR 30.1 crs), respectively. CT's revenues, presented in the table below, have consistently grown at a CAGR of ~9% over the last 3 years."

FY ended June 30	FY15	FY16	FY17	FY18F
Revenue (A\$ mn)	43	47	52	55
Revenue (INR crs)	213	237	260	274

2. Percentage of shareholding / control acquired and / or number of shares acquired:

Reply: Kindly refer paragraph 1 of attached Annexure A. Relevant content of information sought for is reproduced below:

"Symphony Limited ("Symphony", or the "Company") (NSE: Symphony; BSE: 517385), the world's largest air cooler manufacturer, today announced that it has signed an agreement to effectively purchase 95% equity stake in Climate Technologies Pty Limited ("Climate Technologies", or "CT"), Australia's leading manufacturer of cooling and heating appliances."

3. Nature of consideration - whether cash consideration or share swap and details of the same:

Reply: Kindly refer paragraph 1 of attached Annexure A. Relevant content of information sought for is reproduced below:

"The Company plans to finance the acquisition through a judicious mix of debt and internal cash accruals."

4. Cost of acquisition or the price at which the shares are acquired:

Reply: Kindly refer paragraph 1 of attached Annexure A. Relevant content of information sought for is reproduced below:

"The acquisition will be executed at a valuation range of A\$ 40-44 million (INR 201 crs – INR 221 crs) depending on the achievement of FY18F EBITDA (June ended). Further, the valuation is subject to change based on customary closing conditions."

5. Indicative time period for completion of the acquisition:

Reply: Kindly refer last paragraph of attached Annexure A. Relevant content of information sought for is reproduced below:

Email: companysecretary@symphonylimited.com




"Acquisition is expected to be completed within a period of 30 business days, subject to fulfilment of customary closing conditions by relevant parties."

6. Brief details of any governmental or regulatory approvals required for the acquisition:

Reply: Kindly refer last paragraph of attached Annexure A. Relevant content of information sought for is reproduced below:

"No government or regulatory approvals are required for the acquisition."

Please let us know if you need further clarification / information in this regard.

Kindly take the same on your record and oblige.

Yours Truly,

For, Symphony Limited



Mayur Barvadiya
Company Secretary



Encl.: as above

Symphony Signs Agreement to Acquire Climate Technologies

Acquisition will help Symphony to significantly enhance its global footprint and provides access to manufacturing & distribution facilities in Australia and USA

[Ahmedabad, June 22, 2018] – Symphony Limited (“Symphony”, or the “Company”) (NSE: Symphony; BSE: 517385), the world’s largest air cooler manufacturer, today announced that it has signed an agreement to effectively purchase 95% equity stake in Climate Technologies Pty Limited (“Climate Technologies”, or “CT”), Australia’s leading manufacturer of cooling and heating appliances. The acquisition will be executed at a valuation range of A\$ 40-44 million (INR 201 crs – INR 221 crs) depending on the achievement of FY18F EBITDA (June ended). Further, the valuation is subject to change based on customary closing conditions. The Company plans to finance the acquisition through a judicious mix of debt and internal cash accruals.

Headquartered in Adelaide, South Australia, Climate Technologies manufactures and sells evaporative air coolers, ducted gas heaters, and other cooling products in Australia and USA. CT was established by Ted Celi in December, 1976 and he & his family effectively own 90% equity stake while 10% stake is owned by Tim O’ Leary, current CEO of the Company. With iconic brands such as ‘Bonaire’ (a history of 64 years) and ‘Celair’ (46 years), Climate Technologies is one of Australia’s most recognized manufacturers and suppliers of cooling and heating appliances. CT commands 30% and 25% market share of the domestic Australian evaporative air coolers and ducted gas heaters market, respectively. CT forayed into the US markets through a relationship with Home Depot, who now considers CT as an innovator in its class.

CT’s manufacturing facility is located in Salisbury, South Australia with an assembly operation in Las Vegas, Nevada.

For the financial year ending 30 June 2018, CT is estimated to report net sales of A\$ 55 million (INR 274 crs) with an EBITDA of A\$ 5.45-6.0 million (INR 27.4 crs – INR 30.1 crs), respectively. CT’s revenues, presented in the table below, have consistently grown at a CAGR of ~9% over the last 3 years.

FY ended June 30	FY15	FY16	FY17	FY18F
Revenue (A\$ mn)	43	47	52	55
Revenue (INR crs)	213	237	260	274

Acquisition will substantially add to Symphony’s international footprint and provides an excellent opportunity of de-risking business its business as a result of exactly opposite winter and summer seasons in India and Australia and through complementarity between Symphony’s cooling and CT’s heating products.

Mr. Achal Bakeri, Symphony Limited’s CMD and major shareholder said, “This is an exciting opportunity for Symphony as Climate Technologies is a very strong strategic fit. This acquisition will provide Symphony access to new geographies such as Australia and a strong position in the US which is the largest air cooler market in the world. We are uniquely placed to assist Climate Technologies in its next phase of growth, by providing immediate access to an international distribution network across 60 countries to offer its complimentary suite of products. The opportunity exists for Symphony to provide supply chain expertise and infrastructure to grow the business and realize significant synergies”.




Mr. Bakeri also said, "CT's senior management team, led by Tim O' Leary, is committed to driving the next phase of growth and will continue to own effectively 5% stake in CT. We have been impressed by his and the broader CT team's energy during this transaction. Tim has a comprehensive understanding of the Australian and US markets and was responsible for driving the business turnaround, post re-joining as CT's CEO in 2015 (Tim was earlier employed by CT between 1999 - 2008)."

Upon closing, the acquisition is expected to be immediately accretive to Symphony's earnings and return on capital, with potential for significant synergies.

Acquisition is expected to be completed within a period of 30 business days, subject to fulfilment of customary closing conditions by relevant parties. No government or regulatory approvals are required for the acquisition. The acquisition does not fall within related party transaction and none of Symphony's promoter, promoter group, group companies have any interest in Climate Technologies Pty Limited.

Lazard acted as the sole financial adviser to Symphony.

For media enquiries please contact:

Symphony Limited

Bhadresh Mehta (CFO)

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