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WELSPUN INDIA LTD.

BUSINESS UPDATE

Operational EBITDA margin at historic high

- ✓ **Revenue up 21% YoY**
- ✓ **EBITDA up 37% and PAT up 17% YoY showing strong profitability growth**
- ✓ **Operational EBITDA at 21.9%; at an all-time high**

Mumbai, July 30, 2014: Welspun India Ltd., (WIL), part of the $ 3 billion Welspun Group today announced Q1 FY15 results, showing strong growth in revenue and profitability in comparison to the corresponding period last year.

Consolidated Financial Summary - Q1 FY15 ***(Rs. Million)***

Particulars	Q1 FY 15	Q4 FY14*	QoQ Change %	Q1 FY14	YoY Change %
Revenue	11,467	11,850	-3%	9,446	21%
Operational EBITDA	2,506	2,204	14%	2,013	24%
Reported EBITDA	3,049	2,493	22%	2,229	37%
Finance Cost	713	633	13%	558	28%
Depreciation	686	509	35%	415	65%
Profit before tax	1,650	1,350	22%	1,256	31%
Profit after tax (PAT) after minorities and associates	1,050	1,035	1%	899	17%
Cash PAT	1,651	1,491	11%	1,397	18%
Operational EBITDA Margin	*21.9%*	*18.6%*		*21.3%*	
Reported EBITDA Margin	*26.6%*	*21.0%*		*23.6%*	
PAT Margin	*9.2%*	*8.7%*		*9.5%*	

Note: Cash PAT = PBT + Depreciation – Current tax (including MAT credit, if any)
** Adjusted for one-off depreciation of Rs. 329 million*

Consolidated Financial Highlights – Q1 FY15

- Revenue at Rs. 11,467 million vs. Rs. 9,446 million in Q1FY14 - 21% growth YoY with strong volume growth, especially in towels and rugs.
- Operational EBITDA up by 24% at Rs. 2,506 million vs. Rs. 2,013 million in Q1FY14. Operational EBITDA margin improved to 21.9% in Q1FY15 as compared to 21.3% in Q1FY14 and 18.6% in Q4FY14.
- Depreciation for the quarter stood at Rs. 686 million in Q1FY15 as compared to Rs. 415 million in Q1FY14.
- Finance cost at Rs. 713 million is higher y-o-y (Rs. 558 million in Q1FY14) on account of a) higher debt taken for the backward integration capex as well as working capital and b) higher working capital interest cost due to discontinuation of interest subvention.

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- Profit after Tax (after minorities and associates) grew 17% y-o-y to Rs. 1,050 million in Q1FY15 vs. Rs. 899 million in Q1FY14.
- Net worth at the end of Q1FY15 stands at Rs. 12,197 million vs. Rs. 11,097 million at the end of FY14.
- At the end of the quarter, Gross debt stands at Rs. 30,069 million (vs. Rs.30,293 mn at end-FY14) and gross long term debt stands at Rs. 18,960 million (vs. Rs. 18,944 million at end-FY14).
- As on 30th June 2014, net debt stands at Rs. 27,260 million (vs. Rs. 26,635 million at end-FY14) implying a net debt/equity of 2.23x (vs. 2.40x at end-FY14).
- Net debt/ Operational EBITDA (annualised) stands at 2.72x.

Project Status

- The modernisation, expansion and vertical integration project, which is currently underway, is on schedule.

Outlook

- The outlook for Indian textiles, especially cotton textiles, appears to be promising in the coming years.
- The US economy is on the growth path and consumer demand is expected to improve further.
- The European market is also showing signs of revival and Indian textile exports to Europe are growing, despite a disadvantage in terms of import duty compared to other exporters like Pakistan, Bangladesh and Turkey.
- The Far-East markets (such as Japan and Korea) hold strong potential for growth.
- The domestic market is also growing at a rapid pace and is expected to be a significant growth driver in the next few years.

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun India Ltd., said, "We continue to tread steadily on the growth path while also improving our profitability. We have several levers for growth such as new markets, new products and new channels, which will help us maintain our leadership position in the home textile category. Our ongoing capex will also help in maintaining our quality and scale leadership."

About Welspun India (www.welspunindia.com)

Welspun India Ltd, part of US$ 3 billion Welspun Group is among the top three home textile manufacturers in the world and the largest home textile company in Asia. With a distribution network in more than 50 countries and manufacturing facilities in India, it is the largest exporter of home textile products from India. Supplier to 14 of Top 30 global retailers, the company has marquee clients like Wal-Mart, JC Penney, Target and Macy's to name a few.
