"Best ever" Financial year for Welspun India

- ✓ **FY15: Revenue up 21%; Operational EBITDA up 38%**
- ✓ **Q4FY15: Revenue up 15%; Operational EBITDA up 56%**
- ✓ **Dividend policy: 25% of PAT; Rs. 10.5/sh total dividend for FY15**

Mumbai, April 29, 2015: Welspun India Ltd., (WIL), part of the US$ 3 billion Welspun Group today announced Q4 FY15 and full year FY15 results, showing strong growth in revenue, operating EBITDA and profit after tax in comparison to the corresponding period last year.

The Company declared a final dividend of Rs. 7.50 per share, taking the total dividend for the year to Rs. 10.50 per share. The Company has also announced a Dividend Policy, under which dividend payout ratio will be 25% of PAT, effective FY16.

Consolidated Financial Summary - Q4 & FY15 ***(Rs. Million)***

FY15	FY14	Change %	Particulars	Q4 FY15	Q3 FY15	QoQ Change %	Q4 FY14	YoY Change %
53,025	43,730	21%	Revenue	13,658	13,459	1%	11,850	15%
12,742	9,211	38%	Operational EBITDA	3,446	3,400	1%	2,204	56%
24.0%	*21.1%*		*Op. EBITDA Margin*	*25.2%*	*25.3%*		*18.6%*	
13,691	10,253	34%	EBITDA	3,735	3,547	5%	2,493	50%
25.8%	*23.4%*		*Reported EBITDA Margin*	*27.3%*	*26.4%*		*21.0%*	
2,829	2,352	20%	Finance Cost	569	816	-30%	633	-10%
3,329	1,903	75%	Depreciation	1,009	918	10%	509	98%
7,533	5,997	26%	Profit Before Tax	2,157	1,813	19%	1,350	60%
5,398	4,195	29%	PAT post min. & asso.	1,614	1,436	12%	1,035	56%
10.2%	*9.6%*		*PAT Margin*	*11.8%*	*10.7%*		*8.7%*	
9,017	6,237	45%	Cash Profit	2,781	2,278	22%	1,491	87%

Notes: a) Prior period figures are restated, wherever necessary
b) Cash Profit = PBDT – Current tax
c) FY14 and Q4FY14 numbers adjusted for one-time Impact of change of Depreciation method for comparison purpose

Consolidated Financial Highlights – Q4 FY15

- Revenue at Rs. 13,658 million vs. Rs. 11,850 million in Q4 FY14; 15% growth YoY driven by strong volume growth, particularly in sheets.
- Operational EBITDA up by 56% at Rs. 3,446 million vs. Rs. 2,204 million in Q4FY14. Operational EBITDA margin was higher at 25.2% (vs. 18.6% in Q4 FY14), mainly on account of higher vertical integration and better product mix.
- Reported EBITDA up by 50% at Rs. 3,735 million vs. Rs. 2,493 million in Q4FY14.
- Depreciation was higher YoY at Rs. 1,009 million (vs. Rs. 509 million in Q4FY14), mainly on account of the capitalisation of the vertical integration projects and the revised depreciation policy introduced last year.
- Finance cost stood at Rs. 569 million, 10% lower YoY. The company has started availing benefits under the Gujarat textile policy, which has led to a reduction in interest expense. Q4FY15 interest is net of benefit for Q3FY15 (~Rs. 117 million) as well.

- Profit after Tax (after minorities and associates) stood at Rs. 1,614 million compared to the Q4 FY14 level of Rs. 1,035 million, growth of 56% YoY.
- Net worth stands at Rs. 14,318 million at the end of FY15.
- At the end of the year, Gross debt stands at Rs. 30,851 million vs. Rs.30,293 million at end-FY14 and gross long term debt stands at Rs. 20,817 million (vs. Rs. 18,944 million at end-FY14).
- Net debt stands at Rs. 26,094 million (vs. Rs. 26,635 million at end-FY14) implying a net debt/equity of 1.82x (vs. 2.40x at end-FY14).
- The Company generated positive free cash flows for the year after meeting capex requirements.
- Net debt/ Operational EBITDA stands at 2.05x vs 2.89x.

Project Status

The capex cycle being undertaken by the Company, is on schedule. Balance investment of Rs. 13 bn is expected over the next 12-18 months for modernisation, automation and capacity enhancement for towels and sheets as well as routine maintenance at Anjar and Vapi, Gujarat.

Outlook

In the United States, growth has been firming up, helped by improving labour and housing market conditions. In the Euro area, economic conditions have seen some pick-up in recent months, supported by lower crude prices and the depreciation in the euro as well as increased bank lending. In India, the macroeconomic environment is expected to improve in 2015-16, with fiscal policy gearing to an investment-led growth strategy and monetary policy using available room for accommodation.

The outlook for Indian cotton textiles, especially home textiles, continues to be positive. Certain structural changes in favour of India have prompted customers to increase their textile and clothing sourcing from the country. This has helped Indian players gain market share in the global textile arena.

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “FY15 was a landmark year for us. The continued efforts to consolidate our leadership position and improve profitability have started delivering results, which is evident in our operating and financial performance. Our focus on innovation as well as strategic partnership with our clients has helped us increase our market share. One of our key focus areas in the coming year will be the domestic market through our brands Spaces and Welhome.”

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.
