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K.P.R. MILL LIMITED

Corporate Office : 1st Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641018. India ✆ : 0422-2207777 Fax : 0422-2207778

25th October, 2016

The Listing Department,
BSE Ltd.
1st Floor, Rotunda Buildings,
Phiiroze Jeejeebhoy Towers,
Mumbai – 400 001.

The Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot: C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sir,

Sub: Investor Presentation- Concall on 26.10.2016

Ref: Disclosure of Material Events

Further to our intimation dated 22nd October 2016, the Investor Presentation for the Concall scheduled at 4 P.M. on 26.10.2016, is attached for your kind information and dissemination.

Thanking you,

Yours faithfully
For K.P.R. Mill Limited

P.Kandaswamy
Company Secretary

Encl: As above

Regd. Office : No. 9, Gokul Buildings, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001. ✆ : 0422-2478090, Fax : 0422-2478050
Email : corporate@kprmill.com Web : www.kprmilllimited.com CIN : L17111TZ2003PLC010518

KPR MILL LIMITED

Result Update Q2 FY2017

Safe Harbor

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Manufacturing Facilities

Tamil Nadu	Sathyamangalam	Spinning
Tamil Nadu	Karumathampatti	Spinning, Compact , P.C, Melange & Color Melange
Tamil Nadu	Neelambur	Spinning & Knitting
Tamil Nadu	Arasur	Spinning, Knitting & Garmenting
Tamil Nadu	Tirupur	Garmenting
Tamil Nadu	Perundurai	Processing
Tamil Nadu	Thekkalur	Garmenting
Tamil Nadu	Tirunelveli, Tenkasi, Theni & Coimbatore	Windmills
	Bijapur, Karnataka	Co-gen cum Sugar

- Yarn : 90,000 MT
- Fabric : 27,000 MT
- Garments : 95 million Garments
- Processing : 9,000 MT
- Windmills: 61.92 MW
- Co-gen & Sugar : 30 MW & 5,000 TCD

An Overview

- One of the largest vertically integrated textile player with presence across the entire value chain - from “fibre to fashion”
- Best quality cotton ‘Shankar 6’ used as the raw material for consistent quality
- Strategic investment in Wind Power Projects & Co-gen plant for captive consumption
- Marquee relationships with about 1,200 regular domestic clients for yarn and fabric and around 50 leading international brands for garments
- Trendsetting welfare policies for employees & various CSR activities
- An exemplary and massive ETP in its Processing Unit to treat 2.5 Million litres a day
- Quality initiatives and consistent technology upgradation secured several International Accreditations
- With 96 million Garments capacity , KPR will become one of the largest Apparel Manufacturers in India.
- Doubling of Processing capacity with advanced technology will help KPR to continue 100% integration.
- Garment Industry is upbeat with proposed Government Incentives

Presence across the textile value chain

Yarn

- Amongst top five manufacturers in India
- Entire yarn capacity upgraded to value added yarn (Compact, Melange, Color Melange & P.C.Yarn)
- 25% captively consumed to manufacture value added Products
- Revenue contributes 46% to total sales

Fabric

- Revenue contributes 14% to total sales
- Around 18% captively consumed to manufacture value added products.
- Major Buyers - Knitted Apparel Export Manufacturers

Knitted Garments

- A largest garment manufacturer
- 100% exports
- Revenue contributes 25% to total sales
- Key export markets - Europe, Australia and USA. Exploring new markets

Domestic Sales – 69% ; Exports – 31%

Key competitive advantages

Strong Fundamentals

- Rich exposure in textile and apparel Industry
- Consistent better performer even during tough times and growth driven entity
- Dividend track record since listing

Largest vertically Integrated Apparel Manufacturer strategically located

- Assuring superior quality products meeting market requirement
- On time delivery – An essential factor for market reputation
- Facilities located within a 50 KM radius of Tirupur, largest apparel manufacturing cluster in Asia
- Proximity to buyers helps to reduce the material handling costs and facilitates immediate feedback
- Utilize the key technical personnel across all plant sites

Strategic Investment in Green Power

- Ability to maintain power cost through investment in Green Power
- 61.92 MW Winder Power & 30 MW Co-Gen
- Green power availability throughout the year

Scale of Economy

- Low power cost through captive green power
- Minimal finance cost through prudential financial planning

Key competitive advantages Contd…

Rejoiced Workforce

- Feel at home accommodation and amenities including Higher Education, Vocational training, yoga, meditation, library, sports, swimming pool, etc.
- The trendsetting welfare factors crowned by Five Star Certification &Higher Education facilities at KPR distinguishes it from Peer Group with higher efficiency level and lower attrition rate facilitating enhanced Productivity at optimized Operating cost

Strong client base

- Over 1200 Customers for yarn & fabric
- Around 50 Top International Brands
- A few more large customers from existing / new markets on pipe line

Growth Initiatives

- Converted conventional yarn capacity to value added yarn, carrying premium prices
- Expanded garment capacity to 95 million garments per annum – Making KPR a largest garment manufacturer in India. Garment Industry is upbeat with proposed Government Incentives
- Consequent on garment capacity accretion, to meet additional captive processing needs, doubling the processing capacity with Rotary Printing

KPR is well Poised to capture the opportunity

INDUSTRY GROWTH DRIVERS

- Most cost competitive Textile manufacture base
- Largest Cotton base – Number one in World
- Most efficient Spinning sector in the World
- Second biggest exporter of textile & apparel
- Growing Domestic & Global demand
- Challenges of growth in neighboring competing countries driving the Indian textile Industry
- India has an edge over other major competitors in Asia in respect of cost of production
- Recent negotiations for India - EU FTA
- Garment Industry is upbeat with proposed Government Incentives

COMPANY SPECIFIC GROWTH DRIVERS

- Consistent Modernization & Capacity Expansion – enhanced realization
- Value Added Yarn - Compact, Melange, PC & Colour Melange Yarn – Volume Driven Growth
- A largest garment manufacturer with 95 mn capacity
- Comfortable cash position enabling reduction of high cost debt
- Doubling of processing capacity with Advanced Technology
- Self sufficiency in power generation
- Increased focus on exports
  - Enhanced garment production
  - Penetrate into newer markets for garments & yarn
  - Impressive response from existing clients, new buyers and new market

Evolution

- 1984 – Maiden business at Coimbatore, India
- 1989 – Knitted garment export at Tirupur.
- 1995 – First spinning unit at Sathyamangalam with 6,000 spindles. Increased to 30,240 spindles by 1999

1984-1999

- 2001 – Spinning mill at Karumathampatti with 30,240 spindles; Knitting facility & Wind mill for captive use
- 2003 – Spinning unit at Neelambur with 50,784 spindles; Knitting facility & Wind mill
- 2005 – At Arasur 1,00,800 spindles; Knitting facility, Garment Unit and Wind Mills

2000-2005

- 2006 – Private Equity participation by leading US Corporate 'Brandot Investments' & Two others - $ 25 Mn
- 2007 – IPO at a premium. Shares Listed at Bombay & National Stock Exchanges, India
- 2008 – Fabric Processing Unit at SIPCOT, Perundurai 9,000 MT per annum with trendsetter Effluent Treatment Plant

2006-2009

Evolution Contd…

2010-11

- 2010 – Exclusive value added **Compact** Spinning unit of 1,03,680 spindles at Karumathampatti & Wind Mills
- 2011 – Modernization & expansion of 21,216 spindles at Sathyamangalam

2012-13

- 2012 – Another Value added product **Melange** yarn. 16,128 spindles at Karumathampatti.
- 2013 - Co-gen cum Sugar Plant at Karnataka - 30 MW & 5000 TCD capacity

2014-15

- 2014 - Expanded Garment capacity at Arasur by 10 Mn pcs,
- 2015 - New green field Garment capacity at Thekkalur with 12 Mn Pcs

2015-17

- 2015-16 – Established New green field garment facility of 36 Mn garments.
- 2016-17 Doubling the Processing capacity with Advanced Technology – In Progress

Key Highlights of Q2 & H1FY 17

- Highest Quarterly Sales and Profit
- Revenue Q2 up 24.0% YoY to₹ 755 Crore;
- H1 up 15.0% YoY to ₹ 1,422 Crore
- PBDIT Q2 up 28.6% YoY to ₹ 162 Crore;
  H1 up 18.0% to YoY to ₹ 301 Crore
- PBT Q2 up 47.9% YoY to ₹ 108 Crore;
  H1 up 29.5% YoY to ₹ 189 Crore
- PAT Q2 up 55.8% YoY to ₹ 81 Crore;
  H1 up 39.8% to ₹ 144 Crore
- Cash Profit Q2 up 30.8% YoY to ₹ 119 Crore;
  H1 up 22.3% YoY to ₹ 219 Crore
- 36 Mn new garment capacity is in ramping up
- New Processing facility is Progressing as per plan
- Garment Industry upbeat with proposed Government Incentives
- During the Quarter, liquidated 37,000 MT of Sugar stock

Consolidated P&L

₹ Crore	Q2 FY17	Q2 FY16	YoY %	H1 FY17	H1 FY16	YoY %
Revenue	**755**	**609**	**24.0%**	**1422**	**1236**	**15.0%**
Other Income	**7**	**5**		**14**	**11**	
Raw Material	457	374		854	751	
Employee Expenses	75	55		138	106	
Other Expenses	68	59		143	135	
EBITDA	**162**	**126**	**28.6%**	**301**	**255**	**18.0%**
EBITDA Margin	*21.5%*	*20.7%*		*21.2%*	*20.6%*	
Interest & Finance Charges	16	14		37	33	
Depreciation	38	39		75	76	
PBT	108	73		189	146	
Tax	27	21		45	43	
PAT	**81**	**52**	**55.8%**	**144**	**103**	**39.8%**
PAT Margin	*10.7%*	*8.5%*		*10.1%*	*8.3%*	

Self sufficiency in Power with 92 MW Green Power portfolio

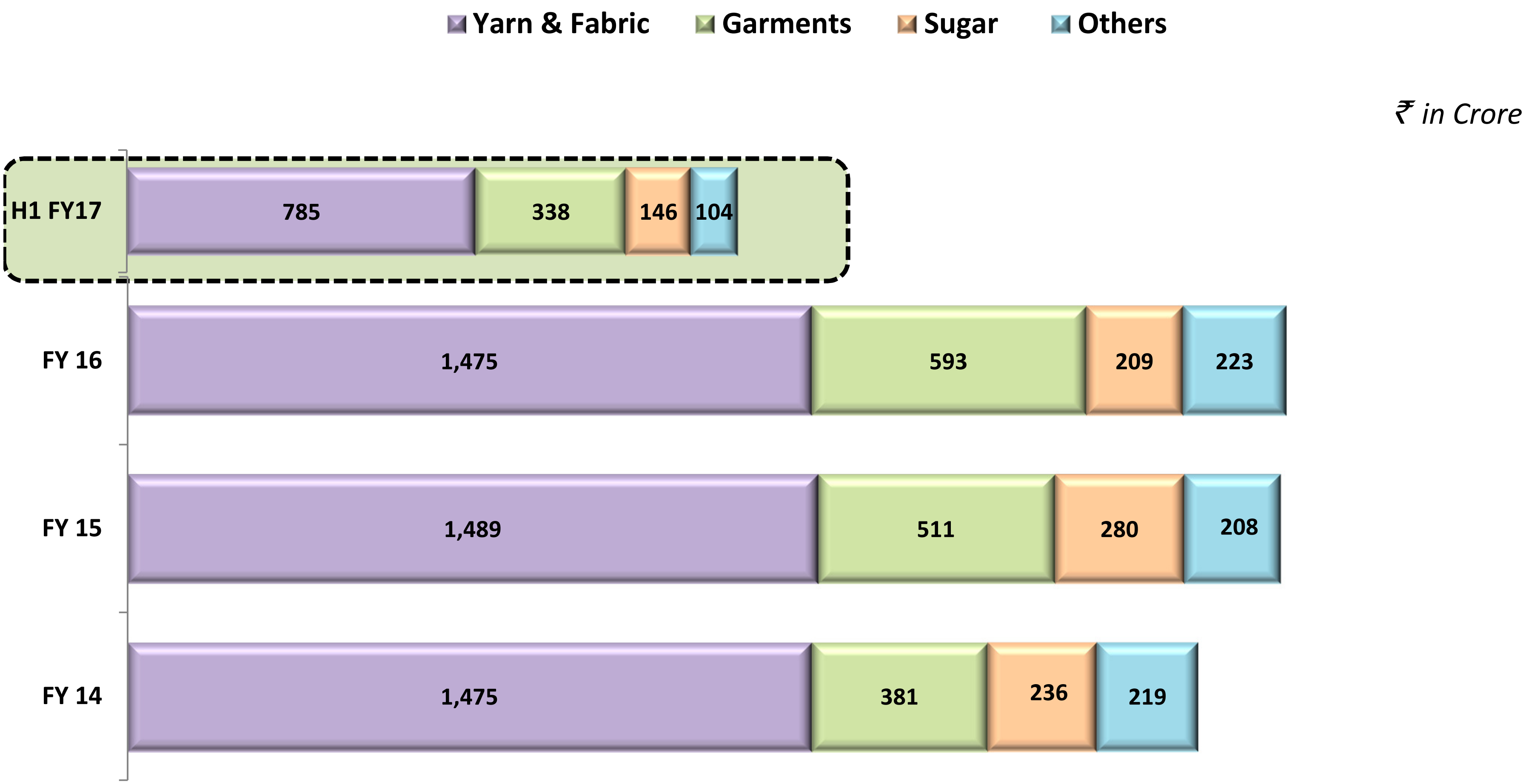
Strategic Investment in Wind Power Project 61.92 MW

- One of the largest Captive power generators in Textile Industry
- Invested in eco-friendly Wind Mills at Tirunelveli, Tenkasi, Theni & Coimbatore Districts in Tamil Nadu, India
- Total Wind Power Capacity 61.92 MW
- 60% of Textile power requirement met through wind power

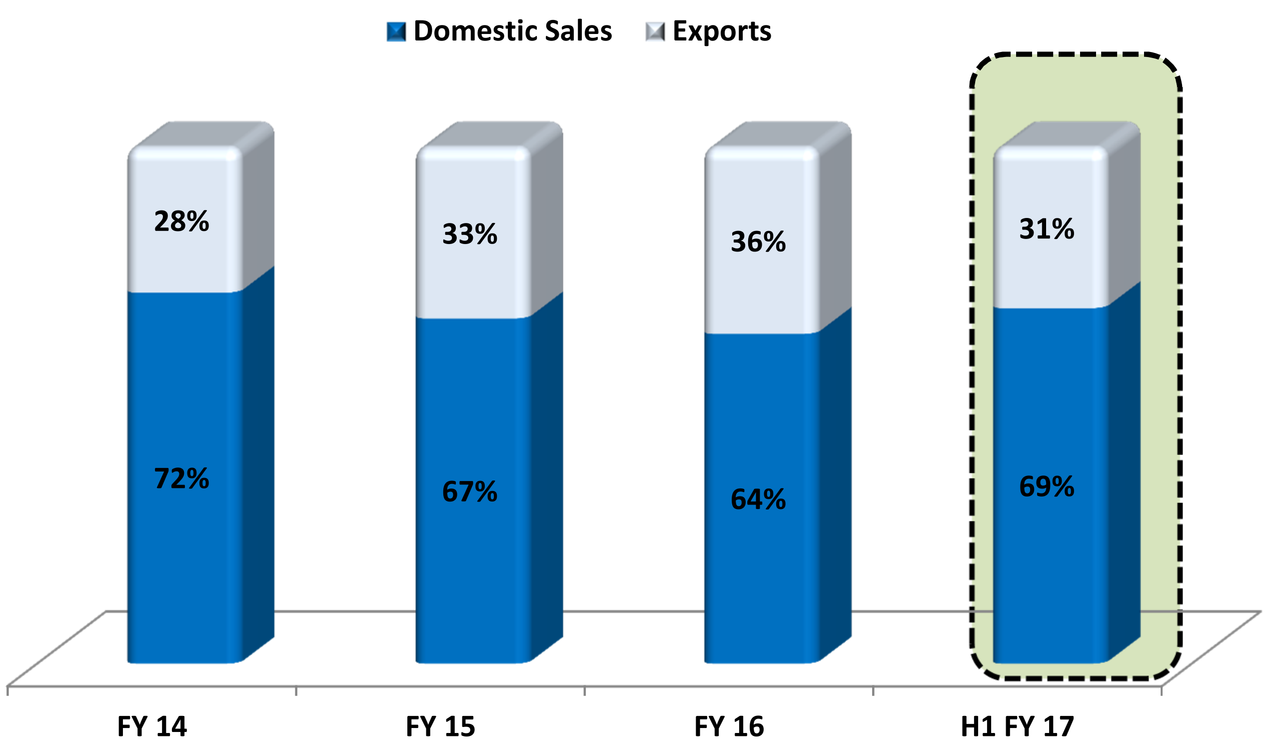
Investments in Co-Gen Power Project 30 MW

- Invested in 30 MW Co-Gen Power Project
- With Co-gen Power, KPR attained self sufficiency in meeting its substantial power requirement throughout the year

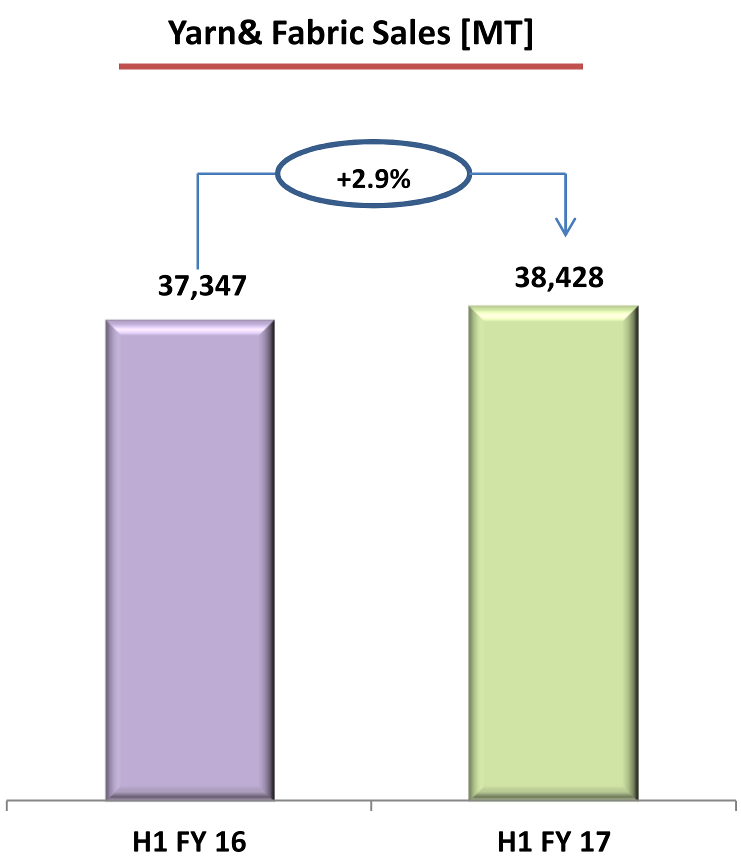
Segment Wise Revenue contribution



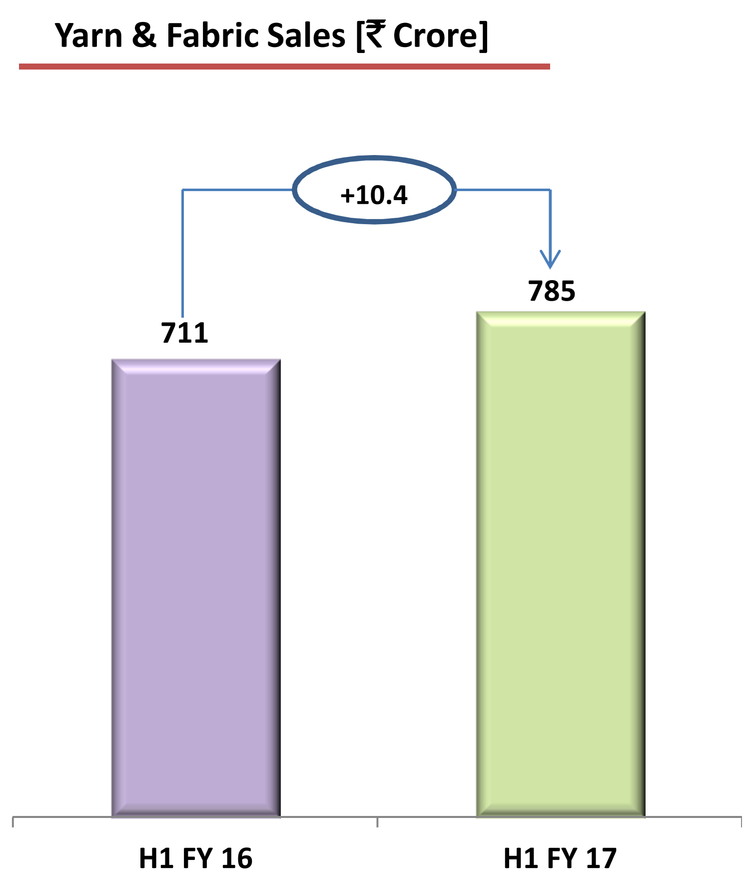
Geographical Split



Yarn & Fabric



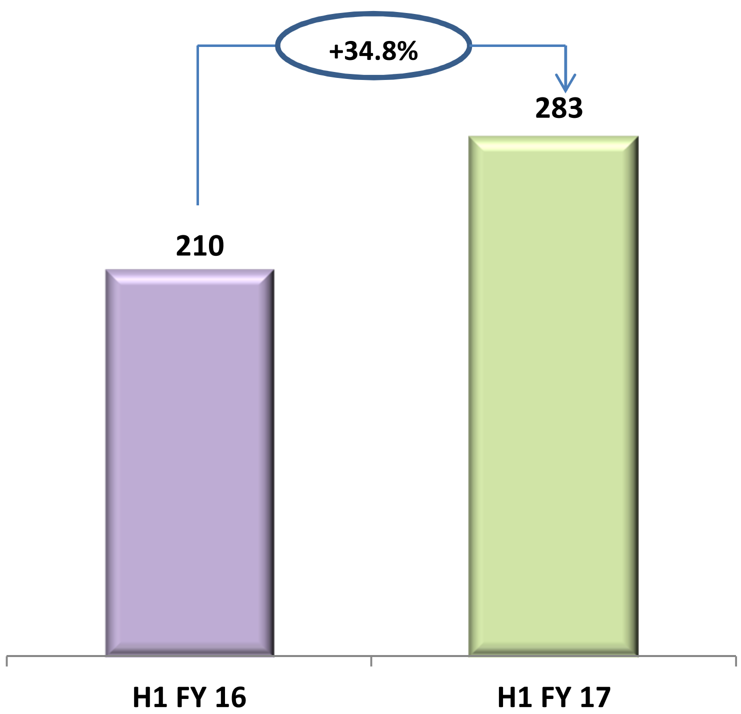
Yarn& Fabric Sales [MT]
+2.9%
37,347
38,428
H1 FY 16
H1 FY 17



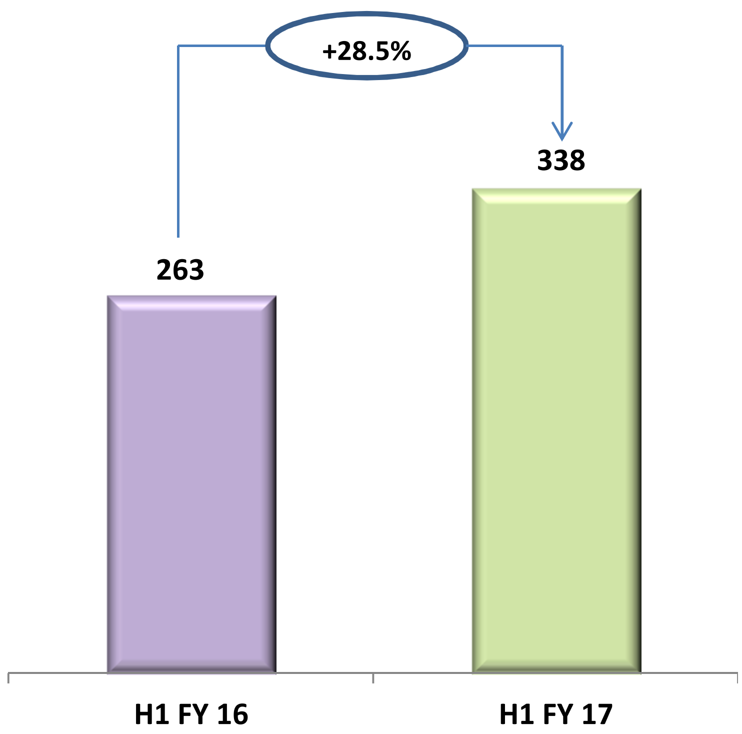
Yarn & Fabric Sales [₹ Crore]
+10.4
711
785
H1 FY 16
H1 FY 17

Garments

Garment Sales [No. of Garments in Lacs]

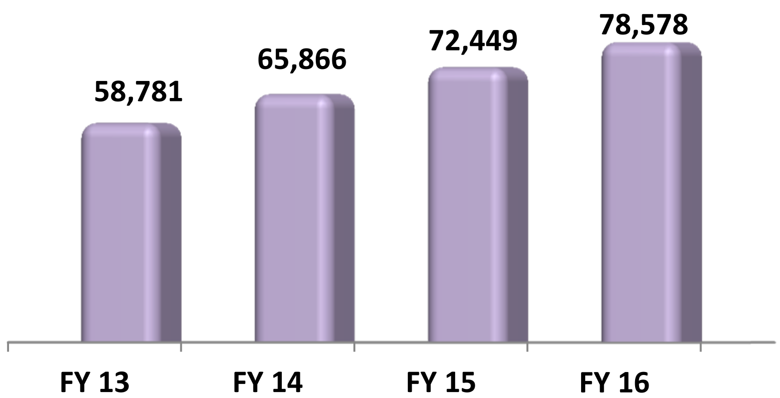


Garment Sales [₹ Crore]

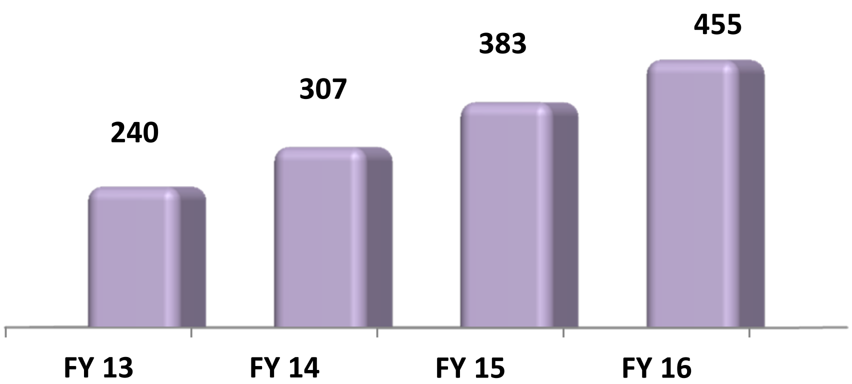


Historical Performance

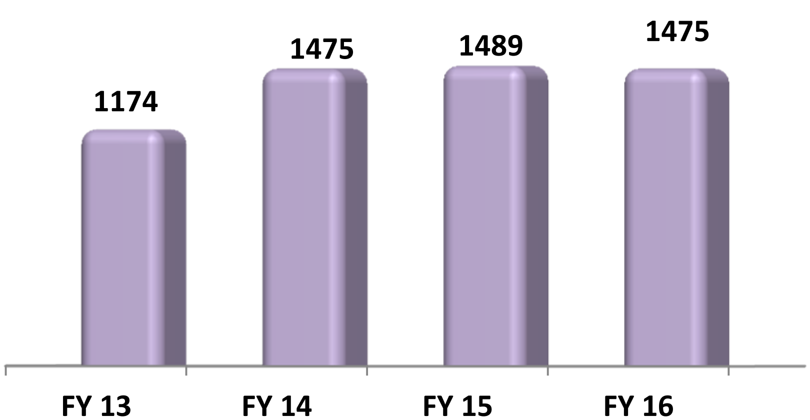
Yarn & Fabric Sales [MT]



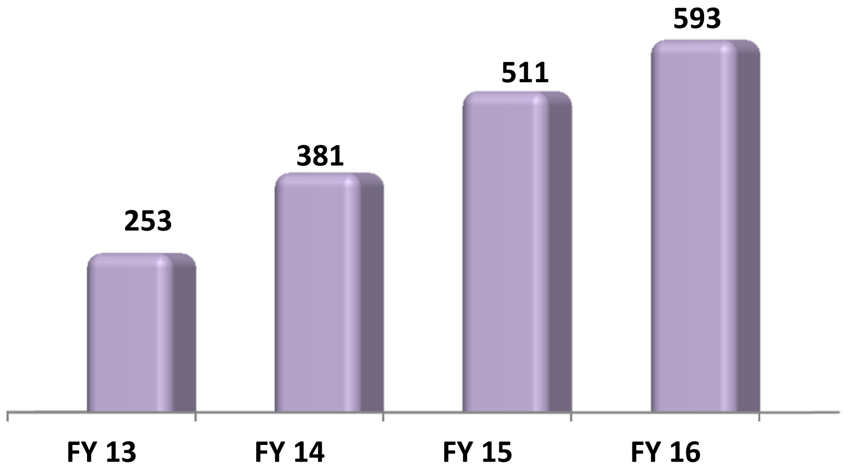
Garment Sales [No. of Garments in Lacs]



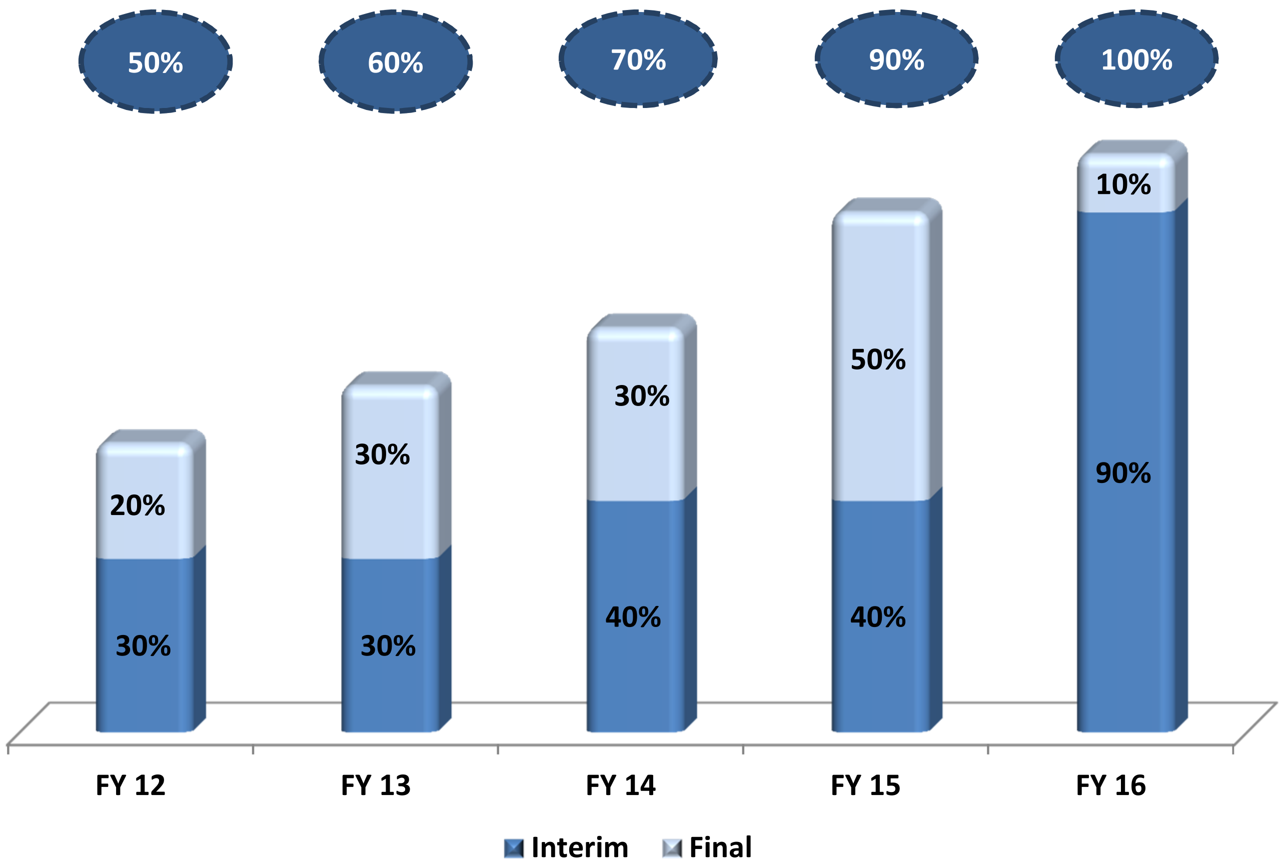
Yarn & Fabric Sales [₹ Crore]



Garment Sales [₹ Crore]



Dividend Track Record



Book Value & EPS

Particulars	FY 13	FY 14	FY 15	FY 16	H1 FY 17
Book Value Per Share (₹)	187.42	216.16	250.83	290.37	328.61
Earning Per Share (₹)	27.01	37.27	45.73	55.57	38.23
Dividend Per Share %	60%	70%	90%	100%	
Dividend Per Share (₹)	6.00	7.00	9.00	10.00	

Note : Market price of share is up by around 455% over IPO Price

For further information, please contact:

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