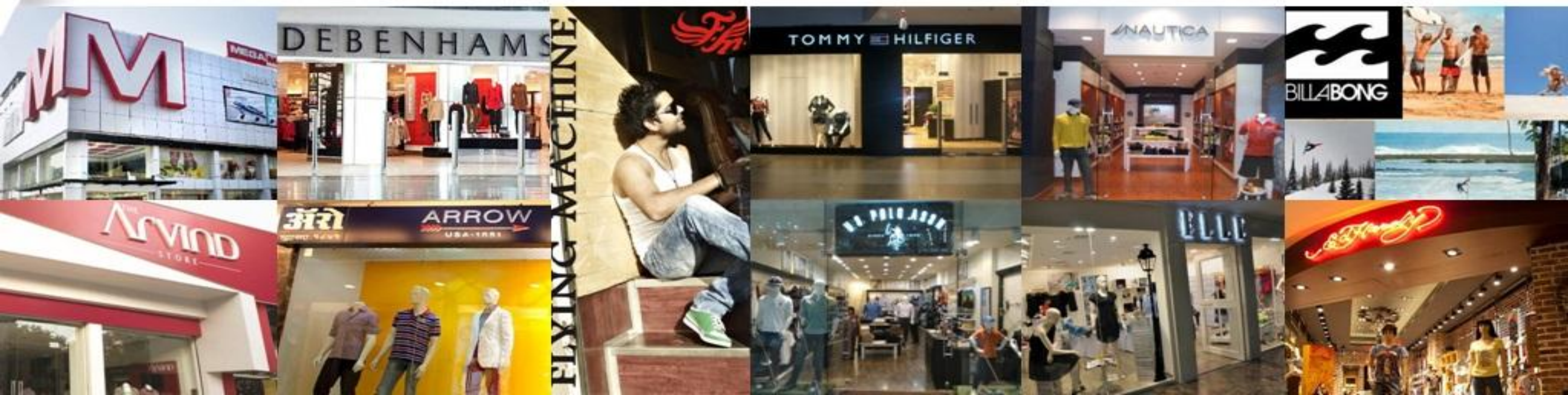
Arvind Limited
Analysis of Quarter 3 2013-14 Results

30th January 2014, Ahmedabad

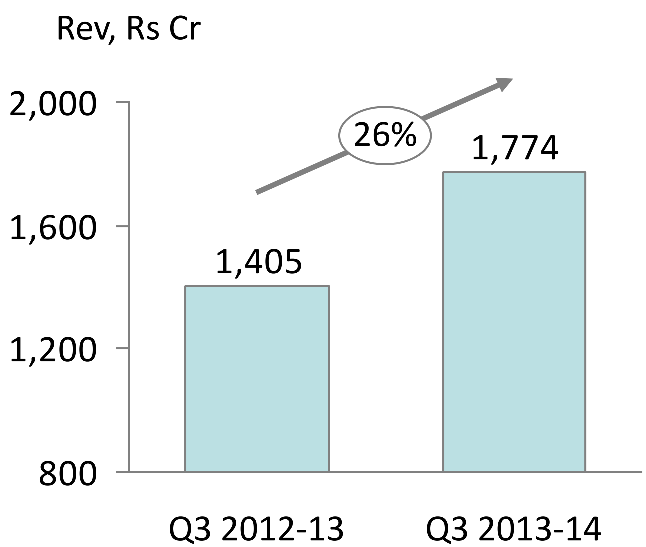


Agenda

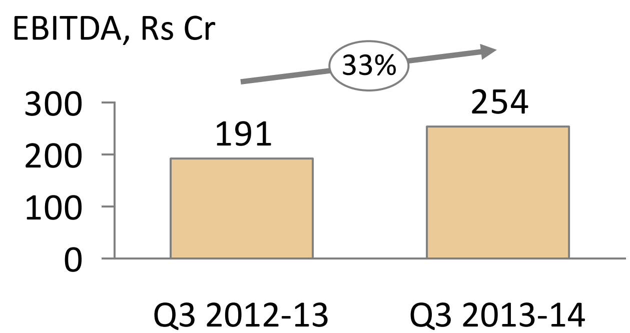
- Performance Review Q3 FY2013-14
- Business Analysis
- Outlook

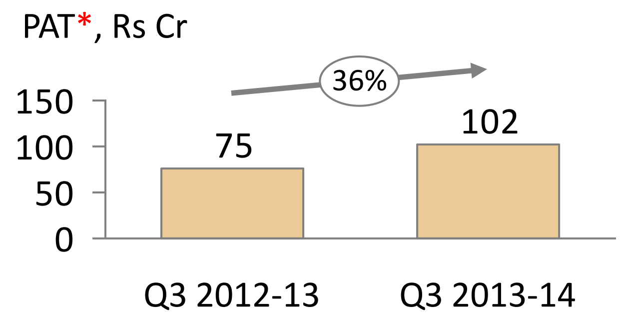
Financial Highlights: Q3 2013-14

Strong revenue growth



Strong profitability improvement





* PAT before exceptional items

Buoyed by all round volume growth leading to 26% revenue growth,

EBIDTA and PAT reported strong improvement

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Financial Performance: Q3 2013-14

	Q3 Rs Crs		
	2013-14	2012-13	Change
Revenue from Operations	1,774	1,405	26%
RawMaterials	821	660	
Project Expenses	17	0	
Employees' Emoluments	174	147	
Others	518	469	
(Increase) / Decrease in Stock	-11	-54	
Foreign Exchange Loss /(Gain)	1	-7	
EBIDTA	254	191	33%
Margin	14.3%	13.6%	
Other Income	10	14	
Interest & Finance Cost	83	80	
Cash Accruals	181	124	45%
Depreciation	58	48	
Profit Before Taxes	123	76	
Profit After Tax	102	75	36%
Less : Exceptional Item	1	0	
Net Profit	102	75	35%

Key highlights

Strong volume growth across business driving the overall revenue growth:

- Brands & Retail: 16% (15% excluding new brands)
- Wovens: 15%
- Denim: 14%

EBIDTA Margin

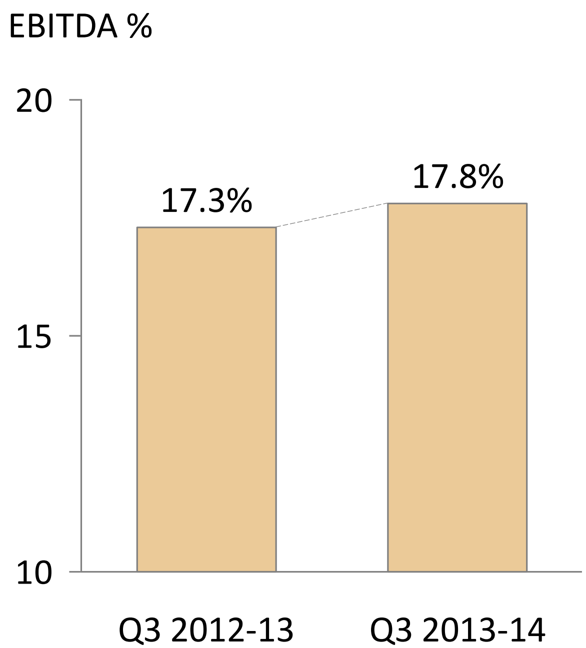
- 0.7% overall improvement
- Sharp 2.4% increase in margins of Brands & Retail

Exceptional Item

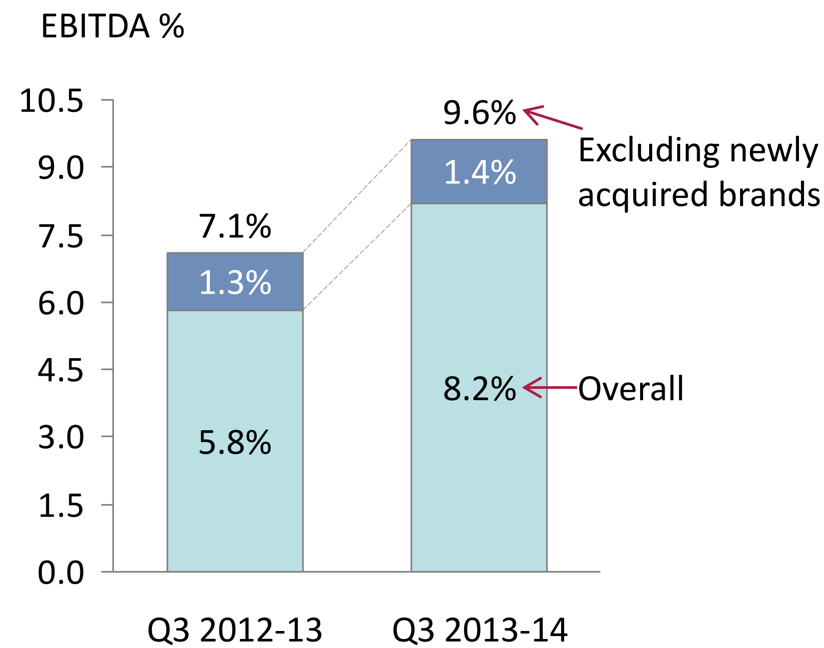
- Retrenchment cost of Rs 0.63 Cr

Margin expansion seen in both key business segments

Textiles EBITDA %



Brands & Retail EBITDA %



EBIDTA margin for MegaMart was 6.7% and for Brands and other retail formats was 9%

Consolidated Balance Sheet, as on Dec 31st 2013

Rs Cr	As at	
	Dec 31st 2013	Sept 30th 2013
Equity and Liabilities		
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2248	2110
Share application Money pending allotment	1	0
Non Current Liabilities	1302	1243
Shortterm Borrowings	1607	1635
Current Liabilities	1502	1355
Minority Interest	24	19
Total	**6943**	**6620**
Assets		
Fixed Assets	2932	2910
Non -Current Investment	41	67
Long Term Loans and Advances	549	487
Other Non Current Assets	4	10
Current Assets	3417	3147
Total	**6943**	**6620**

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Key Financial Ratios

	2010-11	2011-12	2012-13	Q3 13-14	9M 13-14
EPS*	6.50	9.48	9.63	3.97	10.7
Debt / Equity	1.31	1.00	1.11	1.23	1.23
Debt / EBIDTA	3.7	2.8	3.2	2.9	3.1
ROCE	10.5%	13.1%	11.9%	14.7%	13.5%
ROE	8.4%	12.0%	11.1%	16.3%	14.7%
Revenue Growth	25%	20%	7%	26%	28%

* EPS before exceptional items

Financial Performance – Standalone

Financial Performance Q3

	Q3 Rs in Crs		
	2013-14	2012-13	Change
Revenue from Operations	1,208	971	24%
RawMaterials	553	447	
Project Expenses	2		
Employees' Emoluments	128	111	
Others	338	299	
(Increase) / Decrease in Stock	-19	-42	
Foreign Exchange Loss /(Gain)			
EBIDTA	206	156	31%
Margin	17.0%	16.1%	
Other Income	15	18	
Interest & Finance Cost	71	70	
Cash Accruals	150	104	44%
Depreciation	40	38	
Profit Before Taxes	110	66	
Profit After Tax	94	66	44%
Less : Exceptional Item	1	0	
Net Profit	94	66	43%

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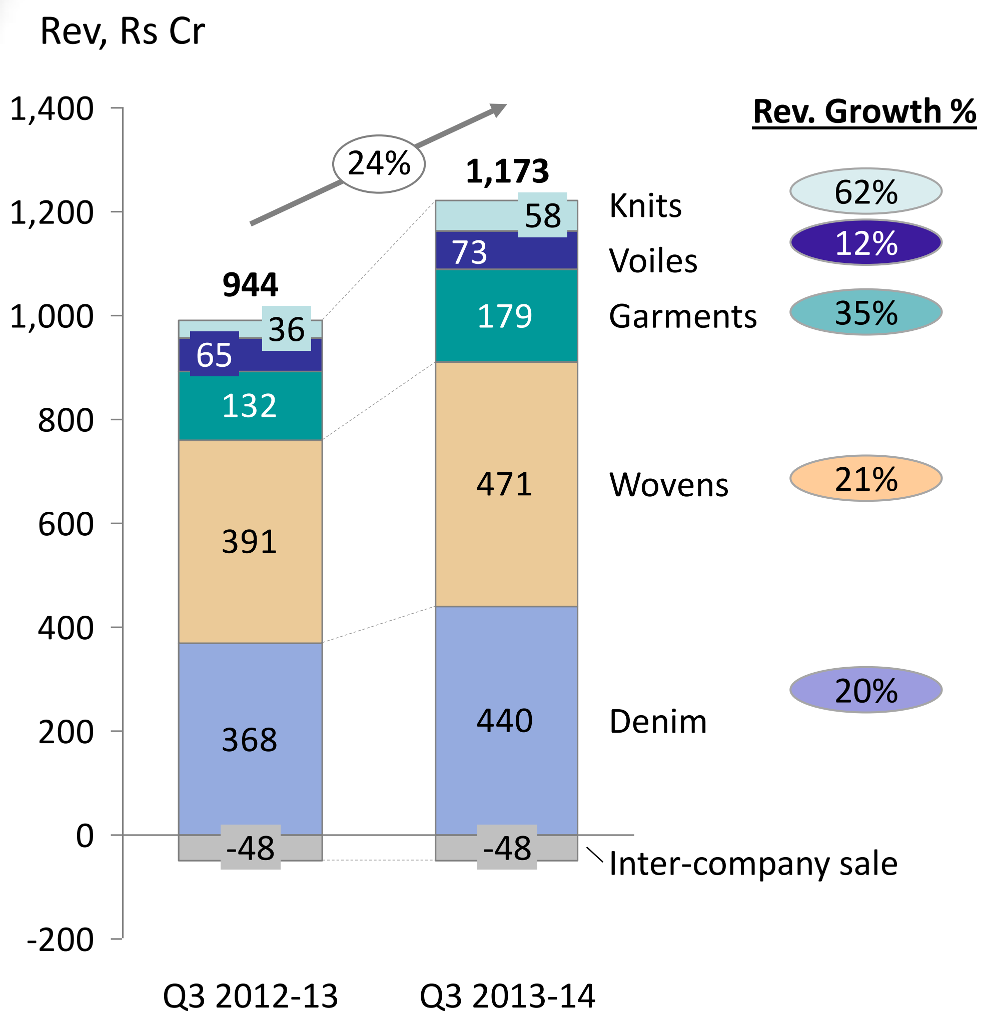
- Performance Review Q3 FY2013-14
- Business Analysis

  All numbers in this section are consolidated unless specified otherwise

- Outlook

Textiles Business: Revenue Mix in Q3 2013-14

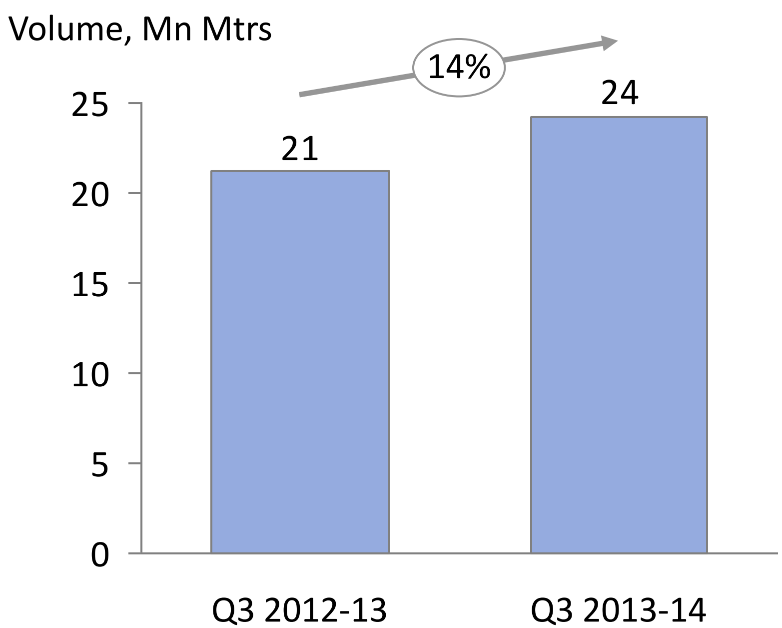


Volume & Price growth

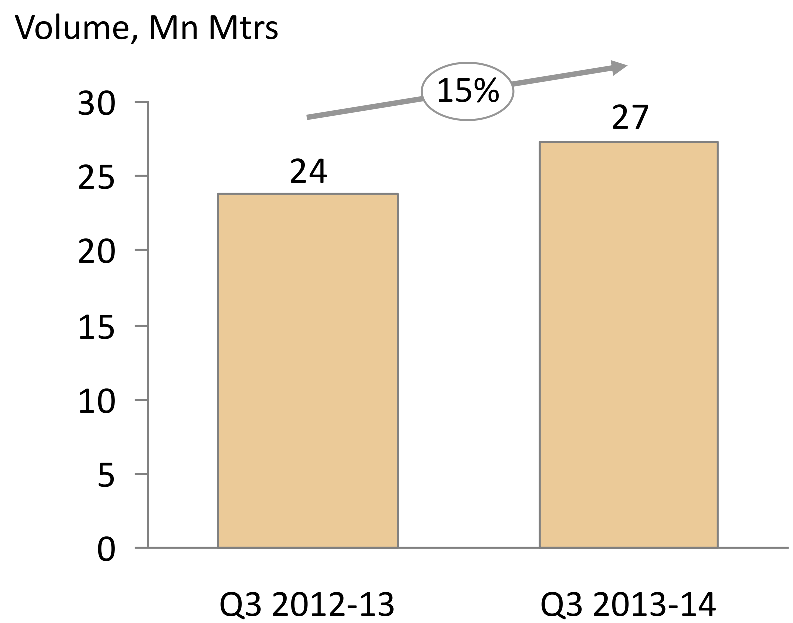
- Every product category registered volume and price growth leading to strong revenue growth in the textiles segment

Denim & Shirting/Khaki Volumes – Q3 2013-14

Denim



Shirting & Khaki

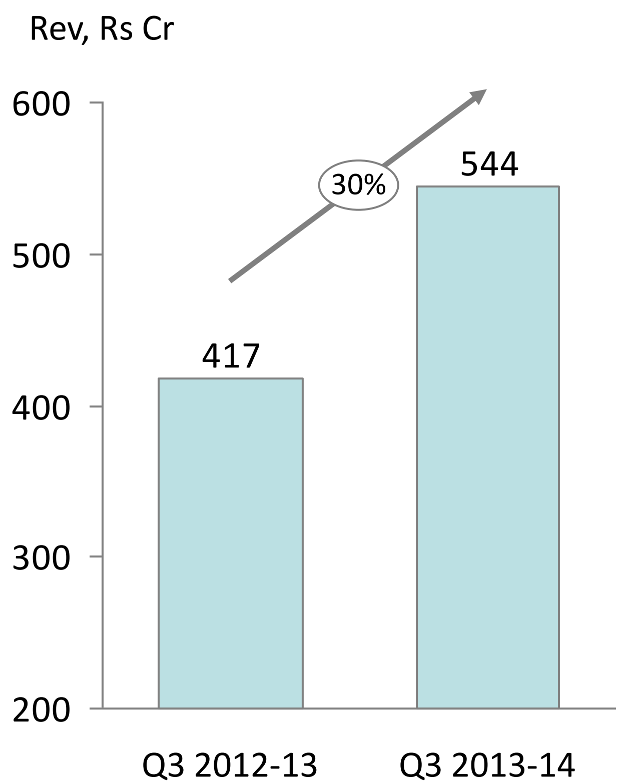


Key Parameters: Q3 2013-14 – Textiles

	Denim		Woven	
	Q3 13-14	Q3 12-13	Q3 13-14	Q3 12-13
Exports(Mn Mtrs)	9	7	6	7
Domestic (Mn Mtrs)	16	14	21	17
Avg Prices	179	170	168	156
Major Components	Cotton		Gas	
Cost in Rs / Kg	114	99	20	17

Brands & Retail Business grew by 30% in Q3 2013-14

Strong revenue growth

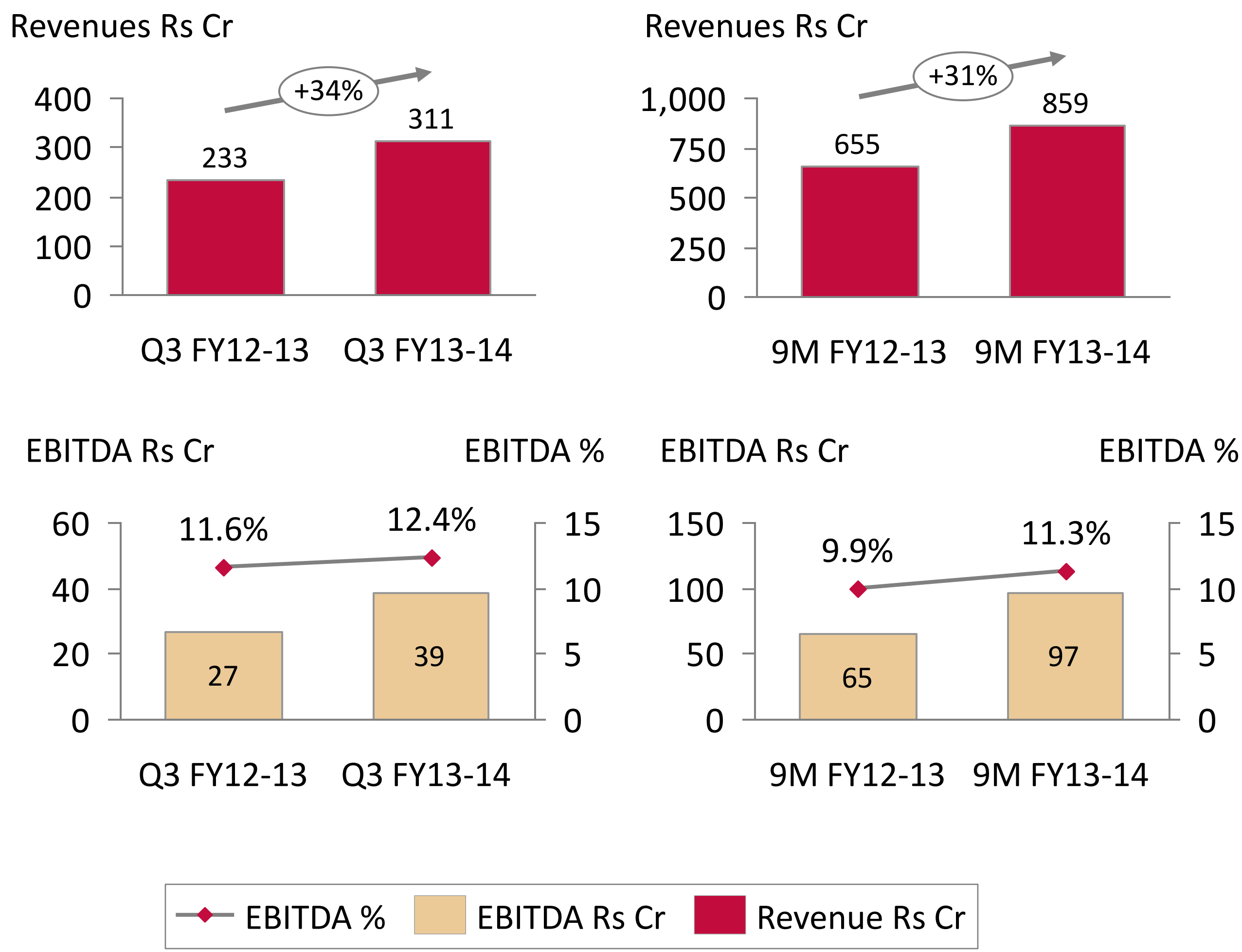


Key highlights

- Revenue growth of 30% achieved due to
  - 48% revenue growth in Brands (40% growth excluding newly acquired brands)
  - 6% revenue growth in MegaMart Retail, despite several old format stores being marked for closure
- Like to Like growth
  - 10.2% LTL growth in Brands
  - (-7)% LTL growth in MegaMart Retail, explained partly by planned store closures and further impacted by slowdown in Value retail post Diwali

Performance of Power Brands

Power brands



Brands & Retail Business – Distribution

	Q1 2013-14		Q2 2013-14		Q3 2013-14	
	Stores	**Sq Ft**	**Stores**	**Sq Ft**	**Stores**	**Sq Ft**
Brands	622	647810	638	666083	684	709543
MM	184	682179	186	717255	189	762081
Total	806	1329989	824	1383338	873	1471624
No of KA Counters	633		640		685	

- Sales Increase in Key Account Counters: Growth of 37% in Q3 FY 13-14

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Outlook for FY2013-14

- Revenue growth expected to be 27% for the year

- EBIDTA margins expected to be between 13.75% and 14.0% for the year

Thank You