



Arvind Limited

Review Note Q1
29th July 2010

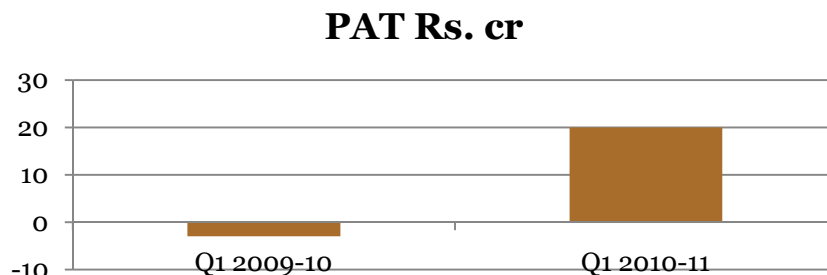
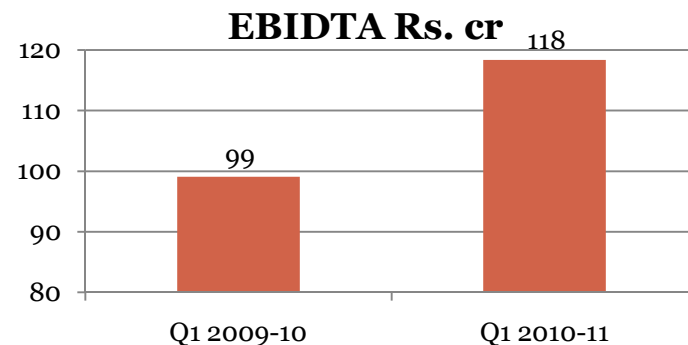
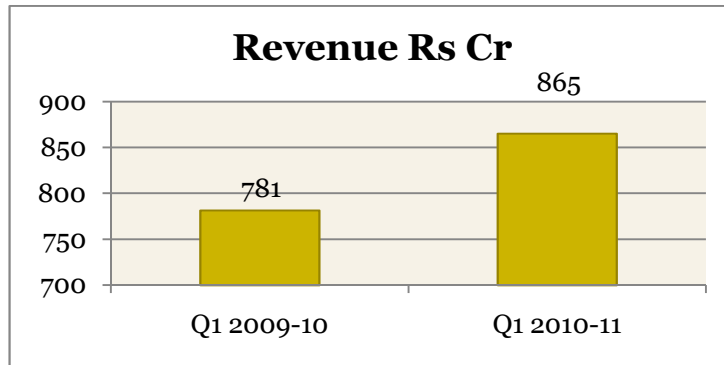
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Financial Performance- consolidated

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Financial Performance – Q1 2010-11



Revenue:

- Backed by strong performance of brands & retail business, revenue grew by 11%

Margin:

- Textile business margin improved due to product mix changes
- Brands & Retail business margin improved due to operating leverage

	Q1 2009-10	Q1 2010-11	
Revenue	781	865	11%
EBIDTA	99	118	19%
PAT	-3	20	

FINANCIAL PERFORMANCE- STANDALONE

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Financial Performance Q1

Rs crores

- Q1 Revenue was flat as most of our plants are working at near 100% capacity
- Margin improvement of 2% in view of product mix rationalization
- Finance cost includes Rs. 11.32 cr. on account of loss on FX liability revaluation as compared to Profit of Rs. 0.03 cr. in Q1 previous year

	2010-11	2009-10	
Particulars	Q1		Change
Revenue	578	575	
Raw Materials	270	237	
Purchase of Finished Goods	8	11	
Employee Cost	67	58	
Power & Fuel	55	52	
Stores Consumption	44	53	
Others	69	83	
(Increase) / Decrease in Stock	-30	1	
Sub Total	484	494	
Operational EBIDTA	93	81	15%
Margin %	16%	14%	
Other Income	9	2	
EBIDTA	103	83	24%
Interest & Finance Cost	54	45	
Cash Accruals	49	38	28%
Depreciation	30	29	
Profit After Tax	19	9	108%

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Key Parameters

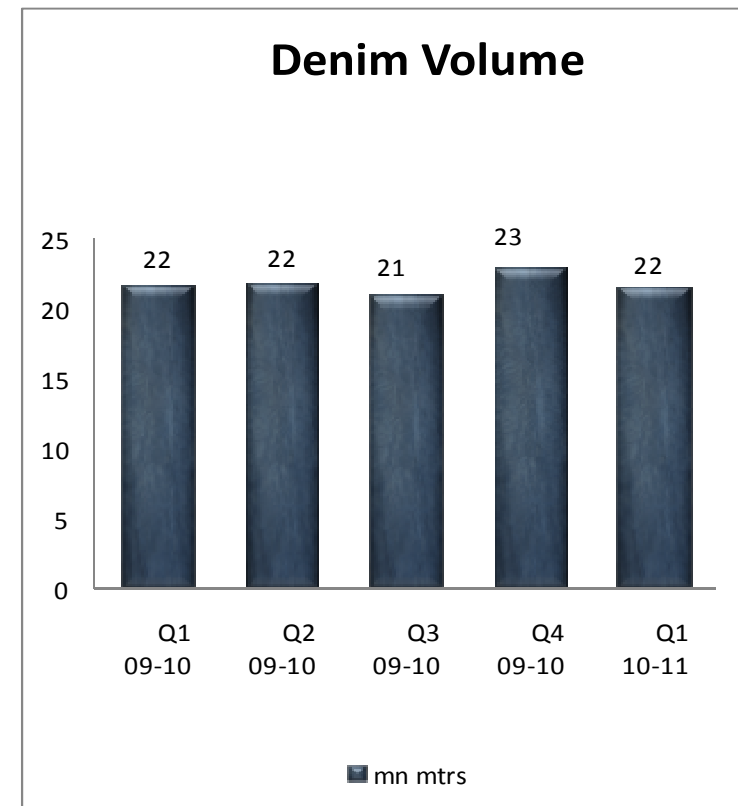
	Denim		Shirting	
	Qtr - I		Qtr - I	
Key Business Parameters	2010-11	2009-10	2010-11	2009-10
Exp Sales (Mn Mtrs)	11.5	11.7	1.4	1.2
Dom Sales (Mn Mtrs)	10.1	10.1	8.8	8.0
Average Price - Rs/Mtr	122	121	133	133
	Cotton		Gas	
	Qtr - I		Qtr - I	
Major Cost Components	2010-11	2009-10	2010-11	2009-10
Cost in Rs./Kg	74.2	60.7	14.0	17.2



BUSINESS ANALYSIS

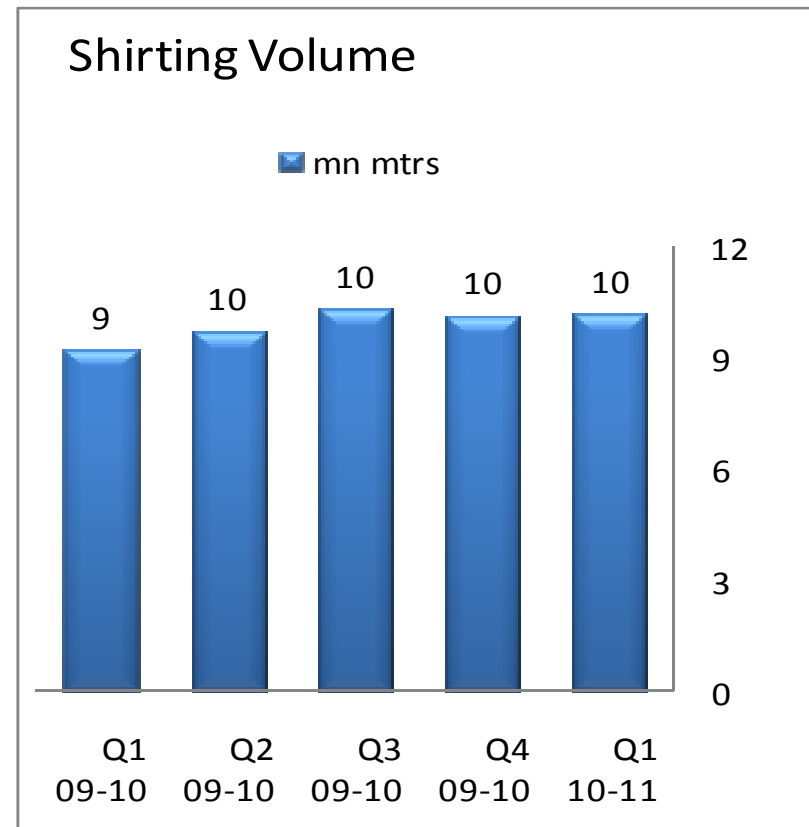
Denim

- Denim Plants operating at near 100% and hence volumes are flat
- Capacity expansion by 8% in Q3

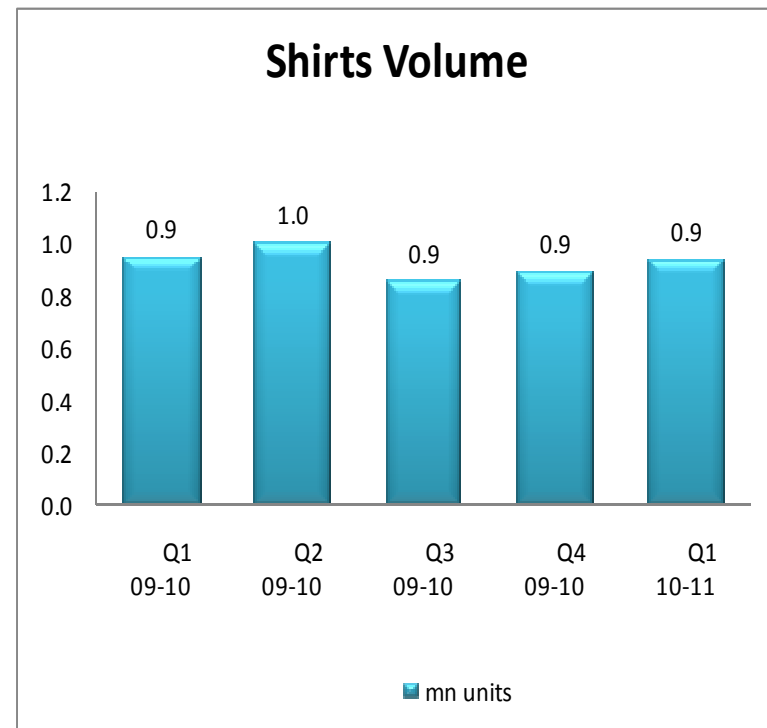
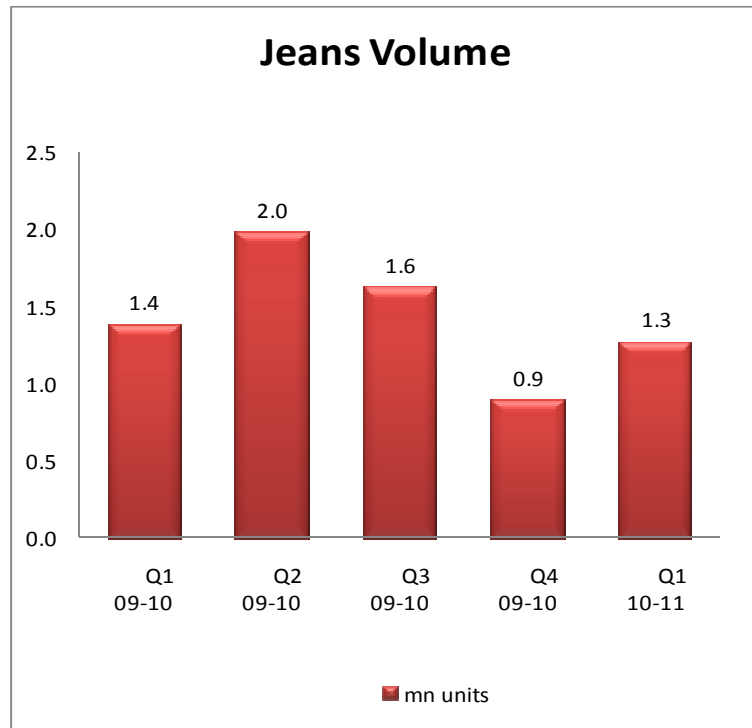


Shirting

- Shirting Volumes too are flat as the plant is operating at near 100%
- Capacity expansion by 10% in Q3

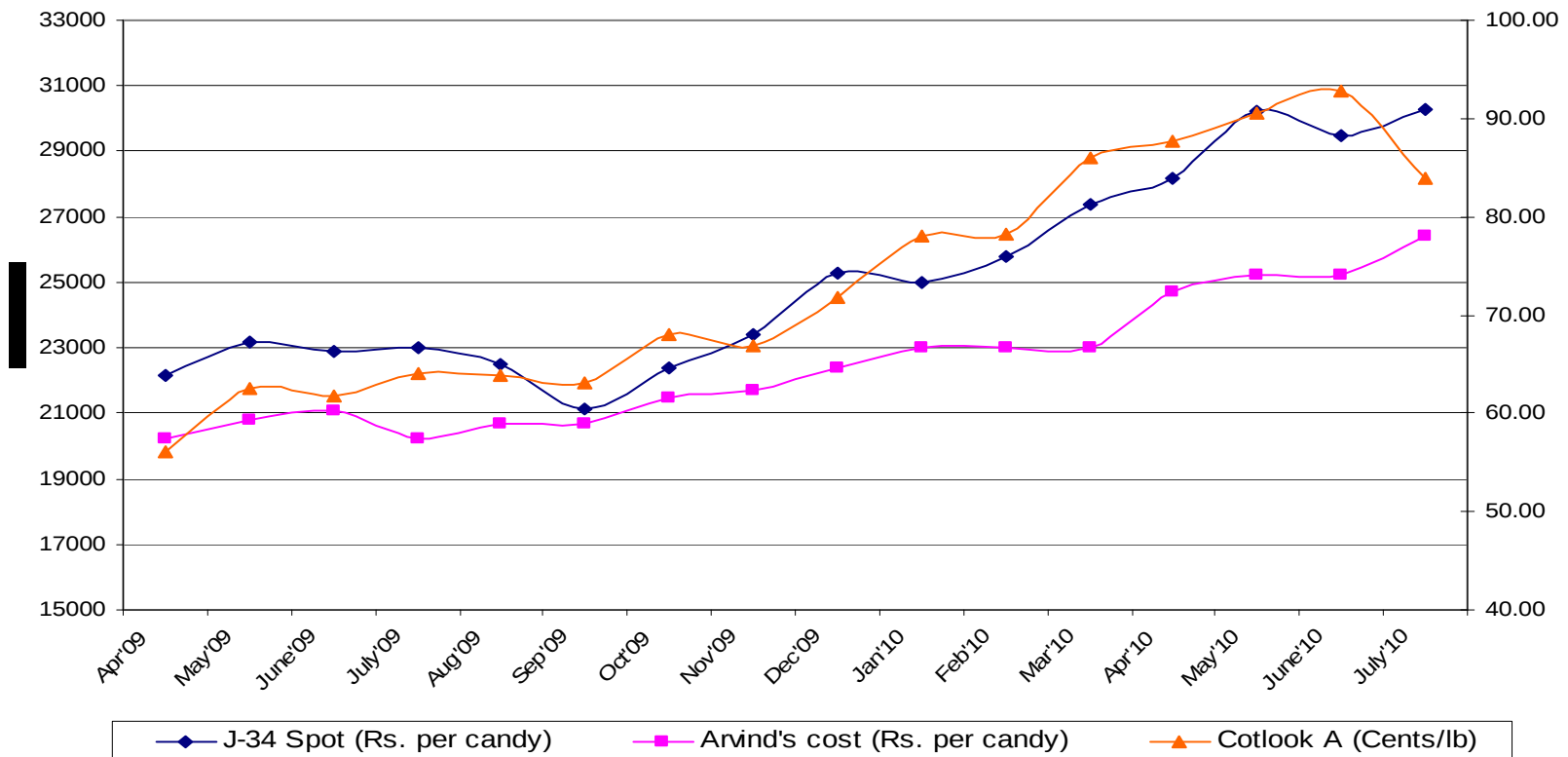


Denim & Shirt Garments



Cotton cost

Trend in cotton prices



		Apr-09	Jun-10
J-34 Spot	Rs / Candy	22150	29500
Arvind Cost	Rs / Candy	20200	25200
Cotlook A	Cents / lb	56.00	92.88

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Cotton Outlook

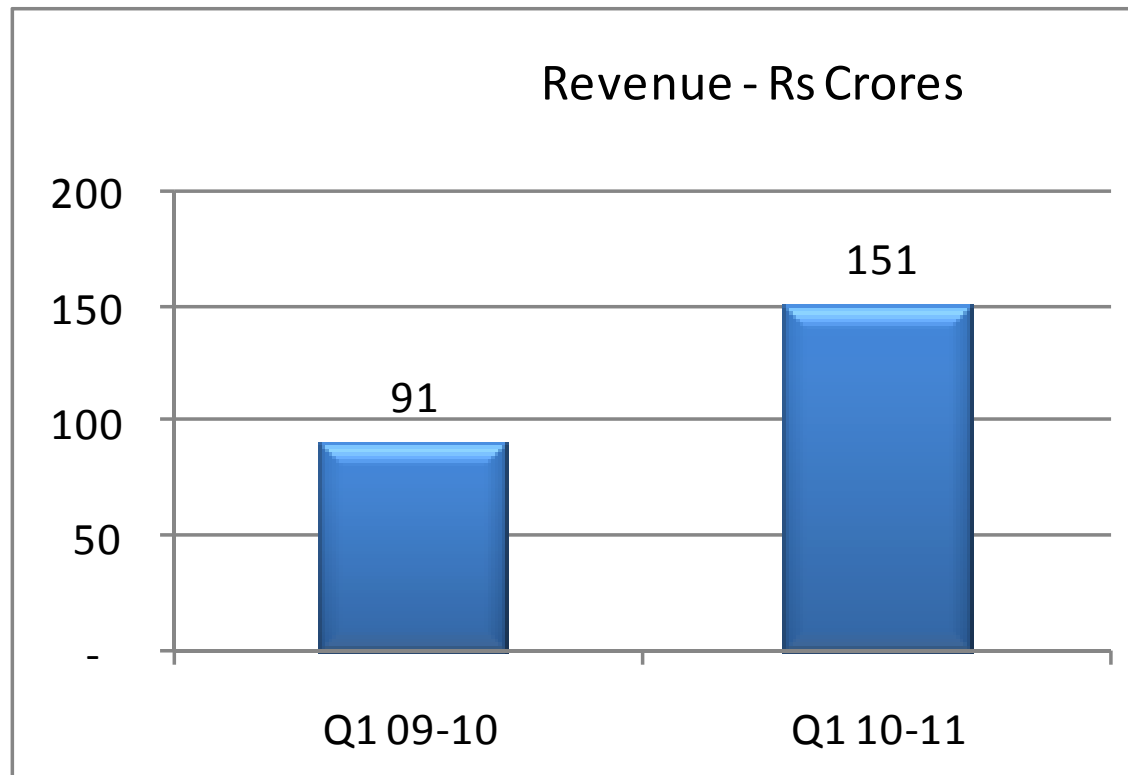
- Area under cultivation in India likely to go up 10% to 110 lacs hectors
- Crop estimates in three major producing nations
 - India crop likely to go up by 10% to 33 M bales
 - US crop likely to go up by 30% to about 19 M Bales
 - Chinese crop seems to be affected due to flooding and hence will remain constant at 35 M bales
- Price may fall by 10 to 15%



SUBSIDIARY COMPANIES

Arvind Lifestyle Brands Ltd

Arvind Retail Limited



- ALBL and ARL are 100% subsidiaries operating in Brands & Retail Businesses respectively
- With 66% revenue growth in Q1 the business is set to touch total revenue of Rs. 800 cr.- 50% growth

All Retail Formats have Registered 20+% Like to Like Growth

Brand	Like to Like growth %
	21
	90
	24
	Small format 28
	Large Format 40



LAND SALE

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Sale of Land

- During the quarter Company has sold 1/2th the are of the land forming part of Ashoka Cotsyn, a division of Arvind Limited situated at Khokhra, Ahmedabad
- The sale consideration was Rs. 70 crores
- The Company is planning to sell some more land and expects to realise Rs. 30-40 cr during the financial year

Outlook 2010-11

Positive:

- Robust demand for fabrics & garments
- Capacity expansion in H2 to help top line growth
- Strong growth in Brands & Retail subsidiaries
- Expect to realize Rs. 47-48 for exports in \$

• Negatives:

- Very high cotton & still higher yarn prices



Thank You

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