



Arvind Limited

Review Note- Q4 & Full Year 2009-10
29th May 2010

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Financial Performance- 2009-10- Consolidated

	Rs. in crores		
	2009-10	2008-09	Change
REVENUES	3280	2745	19%
Raw Materials Consumed	1203	846	
Purchase of Finished goods	290	259	
Employees' Emoluments	342	306	
Others	1038	1072	
(Increase) in Stocks	(3)	(48)	
	2868	2435	
EBIDTA	411	310	33%
Other Income	20	49	
Interest & Finance Costs (Net)	212	291	
Cash Accruals	220	68	222%
Depreciation	173	161	
(Loss)/Profit before Taxes for the year	47	(92)	
Add/(Less) : Prior period adjustments	(0)	2	
Exceptional Items	0	(12)	
(Loss)/Profit for the Year	47	(102)	
Tax Expense :			
- Current Tax	15	4	
- Deferred Tax	(12)	1	
- Fringe Benefit Tax	0	2	
- MAT Credit Entitlement	(9)	0	
(Loss)/Profit before Minority Interest	53	(109)	
Less : Share of Minority Interest	3	(10)	
Profit for the year	50	(99)	150%

- Consolidated revenue up 19% backed by strong growth in fabrics and brands & retail business

- EBIDTA up 33%

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FINANCIAL PERFORMANCE- STANDALONE

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Financial Performance Q4

Rs crores

The figures of Q4 are not comparable with that of previous year as during the year the brands & Retail business was demerged into 100% subsidiary companies w-e-f 1-4-2010

Particulars	2009-10 Q4	2008-09 Q4	Change
Revenue	576	611	-6%
Raw Materials	254	205	
Purchase of Finished Goods	10	48	
Employee Cost	63	64	
Power & Fuel	51	57	
Stores Consumption	52	47	
Others	74	138	
(Increase) / Decrease in Stock	5	-10	
Sub Total	509	548	-7%
Operational EDBIDTA	66	63	5%
Margin %	12%	10%	
Other Income	3	-1	
EBIDTA	69	62	11%
Interest & Finance Cost	27	44	-40%
Cash Accruals	42	18	142%
Depreciation	27	33	
Profit before tax from ordinary activities	15	-15	
Exceptional Items/Prior Period Adj.(net)	0	-5	
Profit before tax	15	-20	
Tax	0	1	
Profit After Tax	15	-20	

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Financial Performance Q4

(Excluding Brands & Retail businesses- for comparison)

Rs crores

- Revenue growth of 21%
- EBIDTA growth of 7%
- Marginal drop in margin due to significant increase in cotton and yarn costs
- The price increases on finished products of the company are not fully reflected in Q4
- Lower interest cost is on account of Rs. 19.8 crores MTM gain of FX borrowing as compared gain of Rs. 4.8 crores during Q4-2008-09

	2009-10	2008-09	
Particulars	Q4		Change
Revenue	576	476	21%
Raw Material Comsumptions	254	190	
Purchase of Finished Goods	10	16	
Employee Cost	63	57	
Power & Fuel	51	55	
Stores Consumption	52	42	
Others	74	78	
(Increase) / Decrease in Stock	5	-24	
Sub Total	509	414	
Operational EBIDTA	66	62	7%
Margin %	12%	13%	
Other Income	3	3	
EBIDTA	69	65	
Interest & Finance Cost	27	45	
Cash Accruals	42	21	104%
Depreciation	27	31	
Profit before tax from ordinary activities	15	-10	
Exceptional Items/Prior Period Adj.(net)	0	-6	
Profit before tax	15	-16	
Tax	0	1	
Profit After Tax	15	-17	

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Financial Performance-2009-10

- As stated earlier, the results are not comparable due to demerger of brands & retail business during the year

Particulars	2009-10	2008-09	Change
Revenue	2317	2353	-2%
Raw Materials	969	696	
Purchase of Finished Goods	48	258	
Employee Cost	241	245	
Power & Fuel	209	271	
Stores Consumption	203	198	
Others	320	456	
(Increase) / Decrease in Stock	19	-35	
Sub Total	2008	2088	-4%
Operational EDBIDTA	309	265	17%
	13.4%	11.3%	
Other Income	12	52	
EBIDTA	321	317	1%
Interest & Finance Cost	155	230	-33%
Cash Accruals	166	87	91%
Depreciation	114	122	-7%
Profit before tax from ordinary activities	52	-35	
Exceptional Items/Prior Period Adj.(net)	0	-11	-100%
Profit before tax	52	-46	
Tax	0	2	
Profit After Tax	52	-48	

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Financial Performance-2009-10

(Excluding Brands & Retail businesses- for comparison)

- Revenue growth of 23% backed by strong product demand
- EBIDTA growth of 25% due to improved operating leverage
- Lower other income as the previous year figures included profit on sale of property
- Lower interest cost as MTM gain on FX borrowing was Rs. 22 cr. as compared to MTM loss of Rs. 63 cr. in 2008-09

Particulars	2009-10	2008-09	Change
Revenue	2317	1878	23%
Raw Material Comsumptions	969	646	
Purchase of Finished Goods	48	77	
Employee Cost	241	219	
Power & Fuel	209	263	
Stores Consumption	203	192	
Others	320	276	
(Increase) / Decrease in Stock	19	-44	
Sub Total	2008	1630	23%
Operational EBIDTA	309	248	25%
	13.4%	13.2%	
Other Income	12	44	
EBIDTA	321	292	
Interest & Finance Cost	155	220	
Cash Accruals	166	72	132%
Depreciation	114	112	
Profit before tax from ordinary activities	52	-40	
Exceptional Items/Prior Period Adj.(net)	0	11	
Profit before tax	52	-51	
Tax	0	2	
Profit After Tax	52	-53	

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Balance Sheet – Arvind Standalone

	Rs. Crores	
	31.03.2010	31.03.2009
SOURCES OF FUNDS		
Share Capital	240	260
Reserves and Surplus	1,181	940
	1,420	1,201
Loan Funds		
Secured Loans	1,729	1,921
Unsecured Loans	142	103
	1,871	2,024
Deferred Tax Liability	13	13
Total	3,304	3,237
APPLICATION OF FUNDS		
Fixed Assets	1,965	2,124
Investments	300	100
FC Monetary Item Tr.Diff a/c	(1)	7
Net Current Assets	1,039	997
Miscellaneous Expenses	0	10
Total	3,304	3,237

Key Parameters

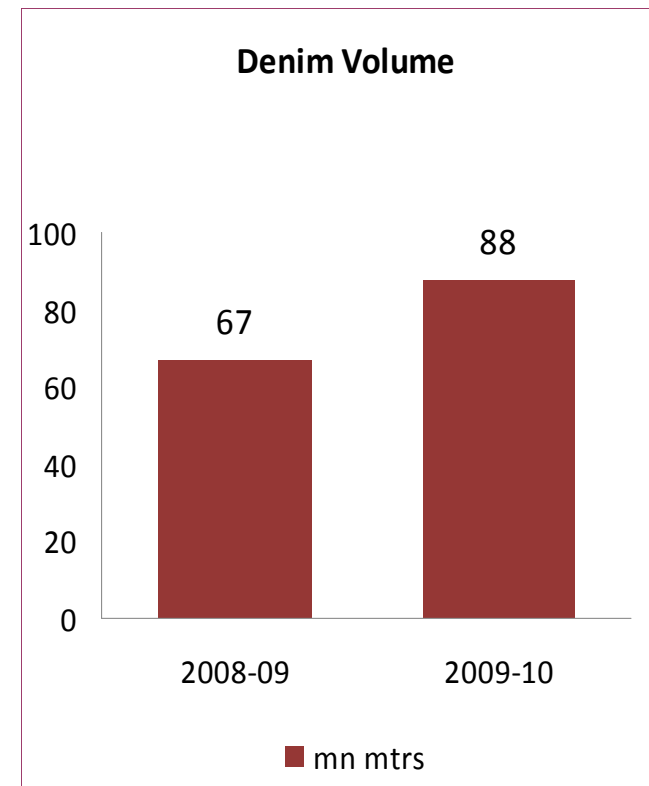
	Full year				Q4			
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Denim		Shirting		Denim		Shirting	
Export Sales (Mn Mtrs)	43	34	6	4	12	7	2	1
Dom Sales (Mn Mtrs)	45	33	33	23	11	9	8	7
Avg Price Rs. Mtr	116	115	127	135	115	114	122	131
Major Cost Components	Cotton		Gas		Cotton		Gas	
Cost in Rs./Kg	64	64	15	19	68	61	13	17



BUSINESS ANALYSIS

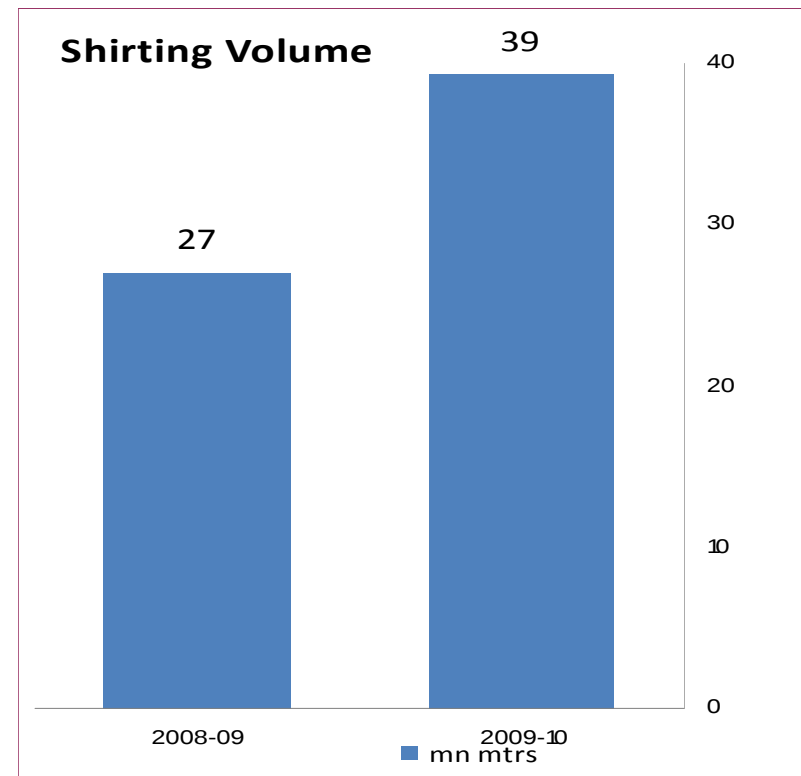
Denim

- Denim volume grew by 31% for the year :
 - Exports growth 26%
 - Domestic growth 37%
- Demand continues to be robust

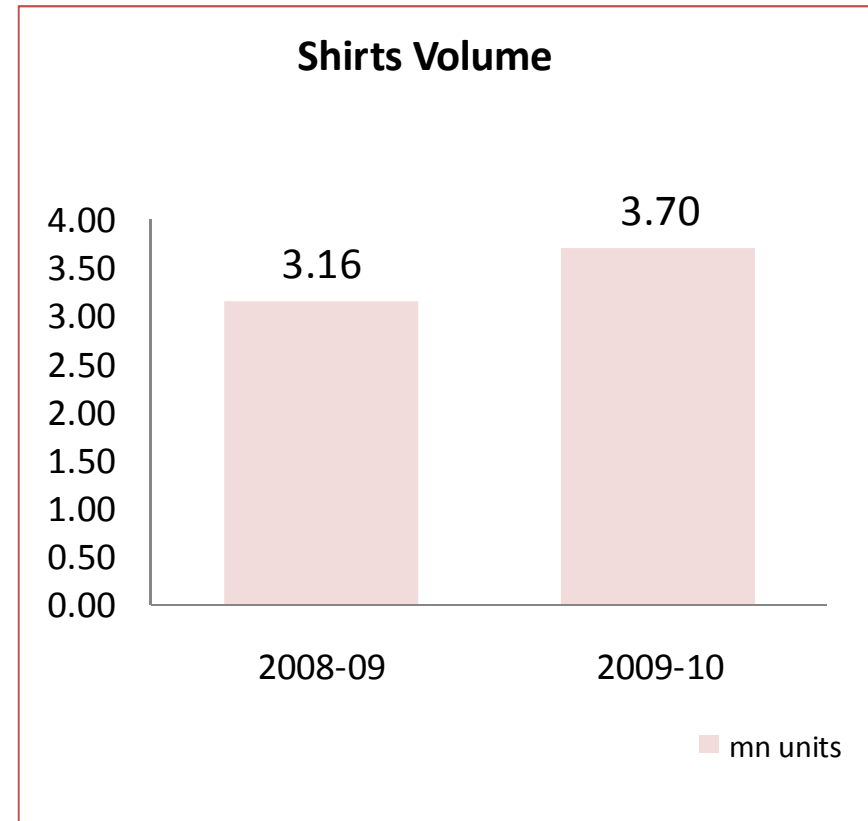
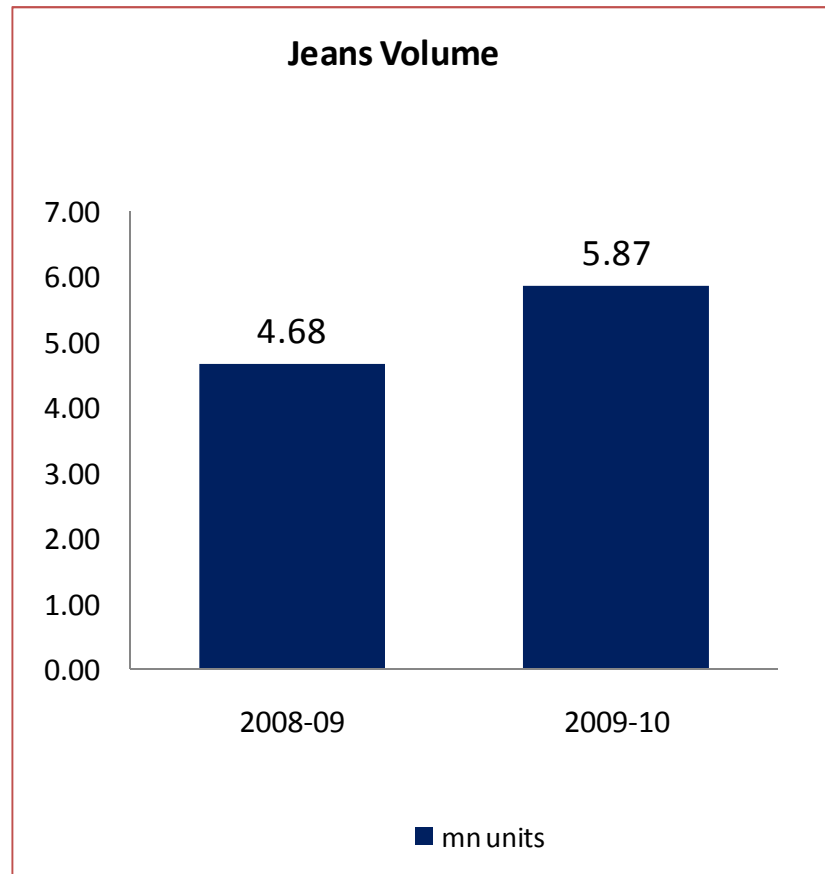


Shirting

- Shirting volume saw a 44% growth due to successful execution of company's twin strategy of rapid expansion of retail distribution and product differentiation

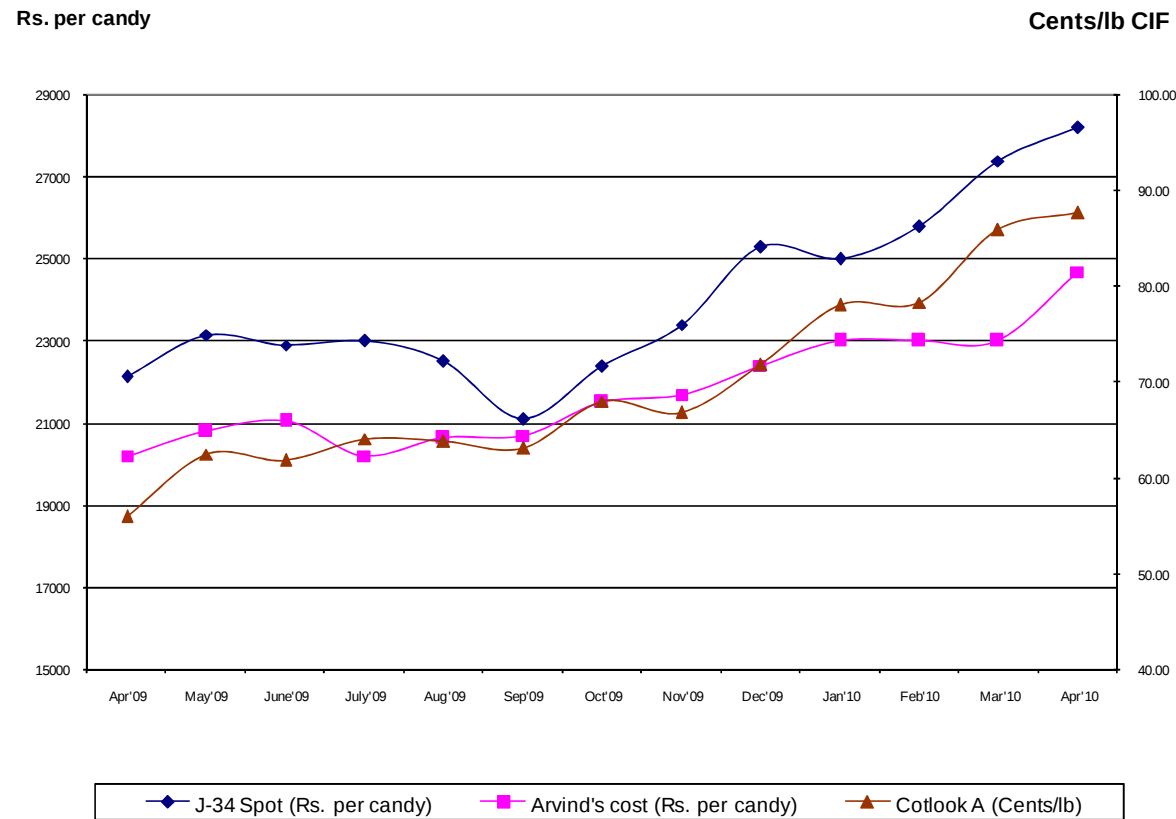


Shirts & Denim Garments



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Cotton cost

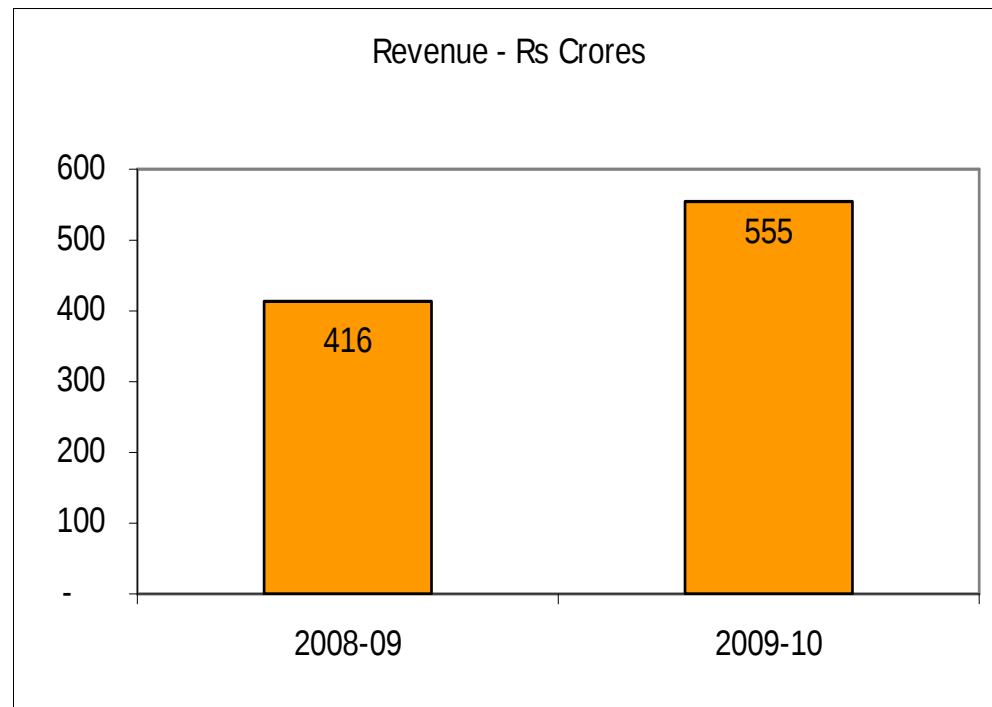


		Apr-09	Apr-10
J-34 Spot	Rs / Candy	22150	28200
Arvind Cost	Rs / Candy	20200	24700
Cotlook A	Cents / lb	56.00	87.70

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Brands & Retail Business

- Brand & Retail Business grew by 37%
- Every segment of the business turned profitable during the year
- Brands Portfolio at the premium end was strengthened with the introduction of 2 new brands, USPA & Izod.
- Megamart continued to expand rapidly and registered 39% growth
- Brands & Retail businesses will continue to grow rapidly and will aim to reach Rs. 1000 crores revenue with double digit EBIDTA margins in 2 years.



Outlook 2010-11

Positive:

- Robust demand for fabrics & garments
- 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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