Review Note
Results – 2011-12

ARVIND

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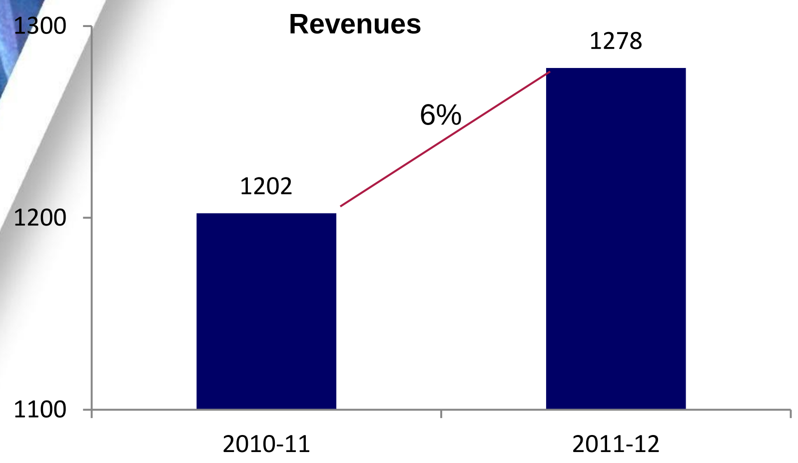
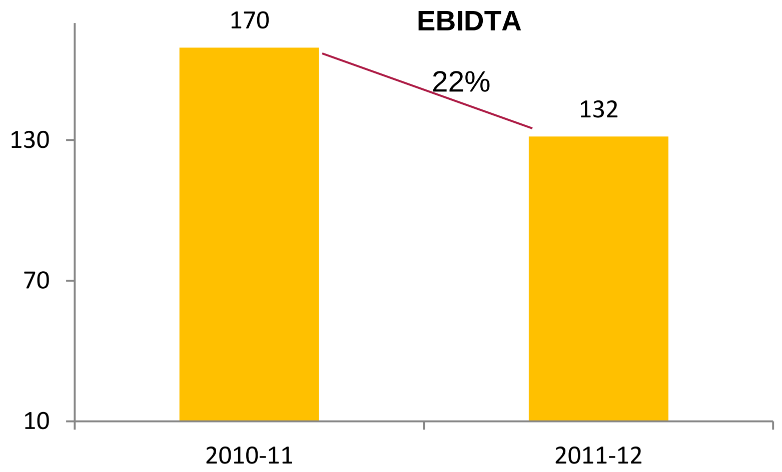
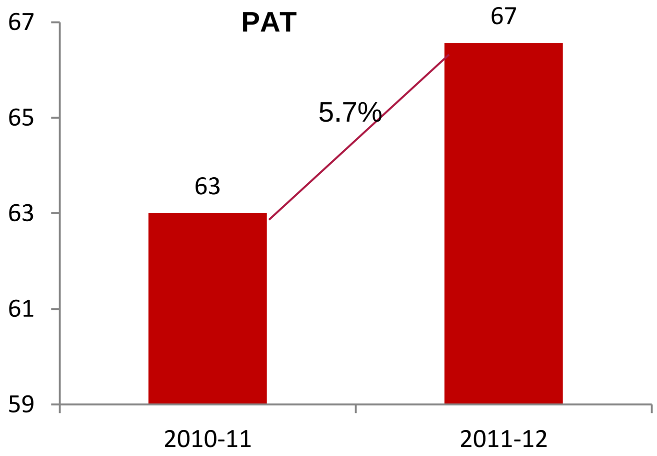
Financial Performance- Consolidated

Highlights Q4 - 2011-12







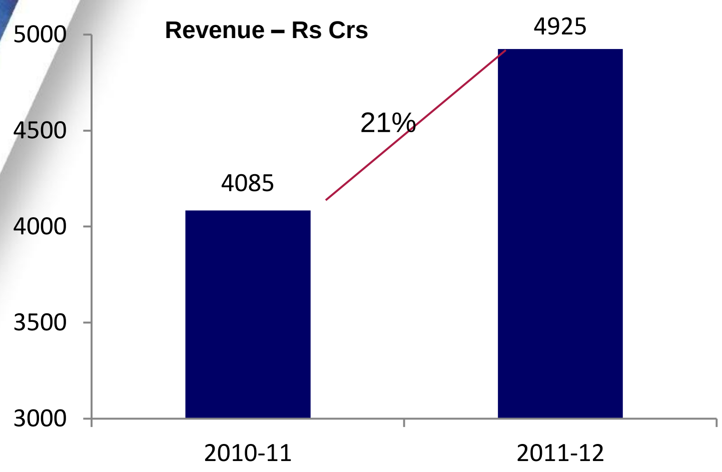
Financial Performance Q4 – 2011-12

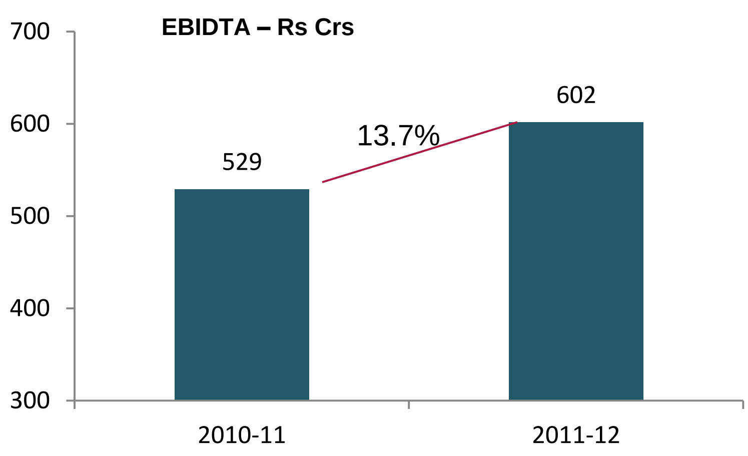
Rs crores

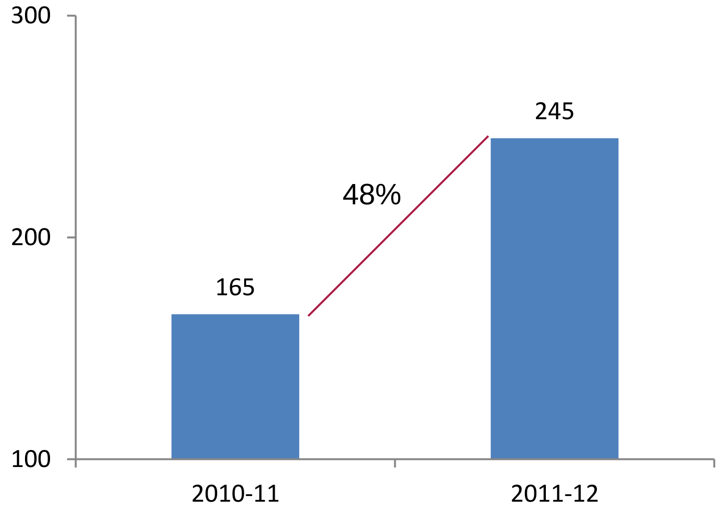
	Q4 Rs in Crs		
	2011-12	2010-11	Change
Revenue from operations	1278	1202	6%
RawMaterials	622	630	
Employees' Emoluments	116	109	
Others	412	378	
(Increase) / Decrease in Stoc	-4	-84	
EBIDTA	132	170	-22%
Margin	10.3%	14.1%	
Other Income	43	4	
Interest & Finance cost	66	66	
Cash Accruals	108	107	1%
Depreciation	41	40	
Profit Before Taxes	67	67	
Profit After Tax	67	64	
Net Profit	67	63	

- Revenue growth 6% as the volume in textile for Q4 in the current FY were lower compared to very buoyant Q4 of last year
- Brand & Retail business grew at 58%
- EBIDTA margin fell from 14% to 10% following
  - drop in textile margin from 15.8% to 13.4% as the company reduced its inventory valuation rates due to fall in cotton price and
  - Drop in brands & retail margin from 5.6% to 1.2% as company reduced sales prices in Q4 but sold higher cost inventory. (bought in earlier period when input costs were higher)
- Company believes that while textile margins will be restored in Q1, it will take one more quarter for brands & retail margin to get restored

Highlights FY- 2011-12







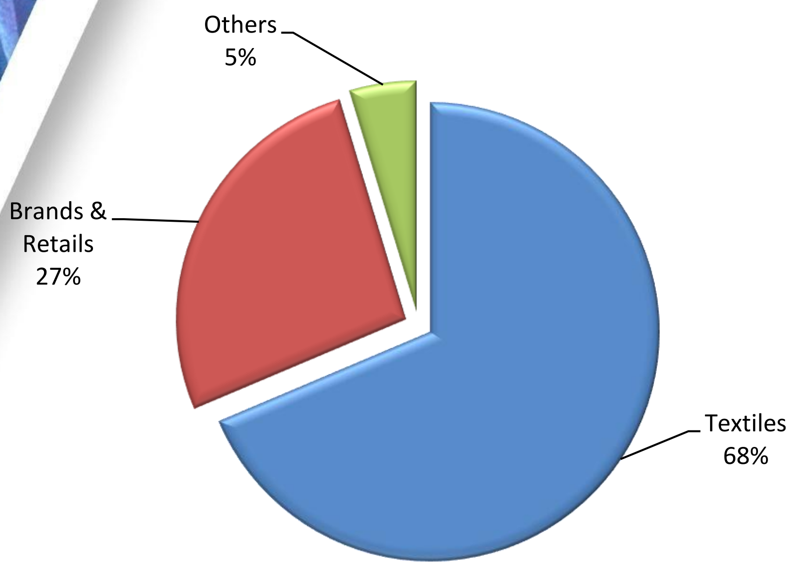
Financial Performance – 2011-12

Rs crores

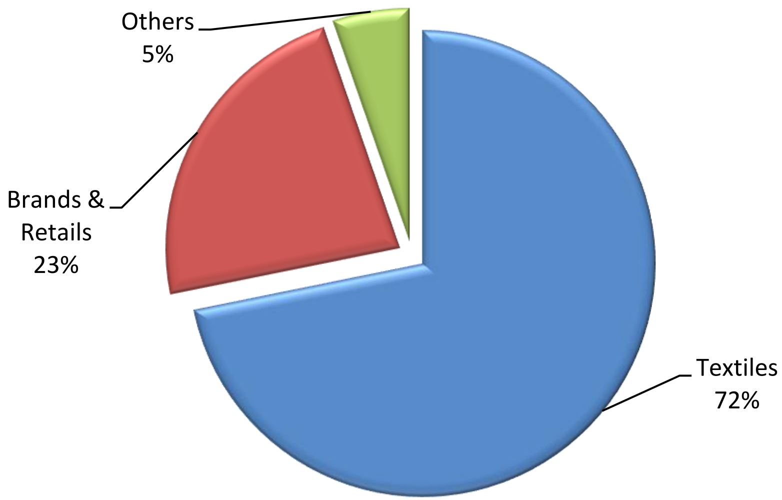
Mar-31	2012	2011	Change
Revenues	4,925	4,085	21%
Raw Material Consumed	2,377	2,113	
Employees' Emoluments	451	395	
Others	1,528	1,268	
(Increase) / Decrease in Stock	-34	-221	
EBIDTA	602	529	14%
Margin	12.2%	13.0%	
Other Income	118	55	
Intrest & Finance Cost	309	236	
Cash Accruals	412	348	18%
Depreciation	161	172	
Profit Before Tax	250	176	42%
Profit After Tax	245	165	48%
Extra Ordinary Item (Net of Tax)	191	0	
Net Profit after Minority Interest	436	165	

- Revenue grew on account of 44 % growth in brands & retail business and significant increases in prices of fabrics caused by very high cotton prices
- EBIDTA margin growth @ 14% as margin in brands & retail business dropped as company reduced sales prices in Q4 but sold higher cost inventory. (bought in earlier period when input costs were higher)

2011-12- Revenue



2011-12



2010-11

Compared FY 2010-11

Textile Business grew by 15%

Brands & Retail Business grew by 44%

Share of apparel & fabric retailing grew to 34% from 31%

Share of domestic revenue remained at 67%

2011-12 Earnings

- EBIDTA grew by 13.7% to Rs.602 cr.

  EBIDTA margin reduced by 74 basis points to 12.22% as compared to 12.96% on account of:

  - Textile margin growth from 15.5% to 16.4%
  - Brands & Retail margin reduced from 7.2% to 5.1%

- Profit After Tax grew to Rs. 245 crores up 48% compared to 2010-11

Balance Sheet

Rs cr.

	As at	
	March 31, 2012	March 31, 2011
Equity and Liablities		
Shareholders' funds		
Share Capital	258	254
Reserves and Surplus	1,774	1,440
Minority Interest	9	16
Non-current liabilities	855	932
Short Term Borrowings	1,175	1,069
Current liabilities	1,338	1,292
Total	5,409	5,004
Assets		
Non-current assets		
Fixed Assets	2,785	2,600
Non-current Investments	42	61
Long Term Loans and Advances	280	223
Other Non-current Assets	6	10
Current assets	2,297	2,109
Total	5,409	5,004

Ratios

	2010-11	2011-12
EPS	6.50	9.48
Debt / Equity	1.31	1.03
Debt / EBIDTA	3.7	2.9
ROCE	10.6%	13.2%
ROE	8.4%	12.1%
Revenue Growth	25%	21%

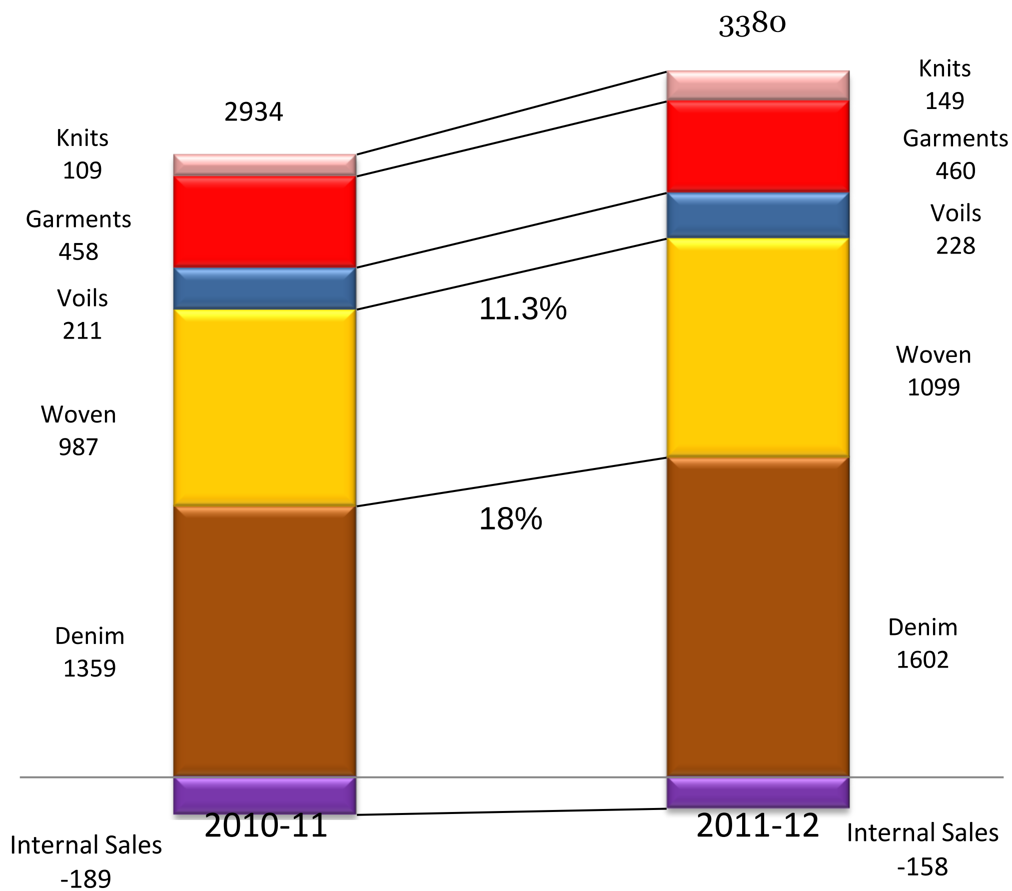
Business Analysis

All numbers in this section are consolidated unless specified otherwise

Textiles Business- Revenue Mix

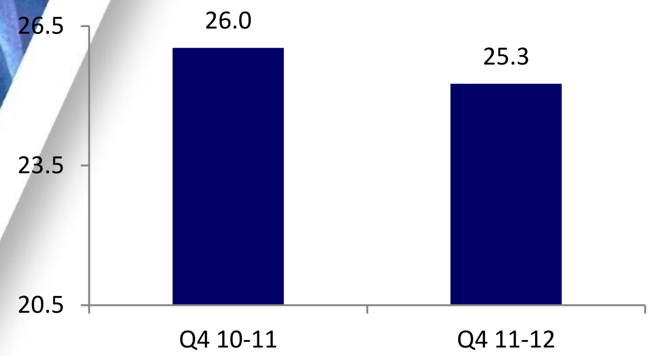
Textile revenue grew by 15% led by robust 18% growth in denim and 11.3% growth in shirting/khaki fabrics

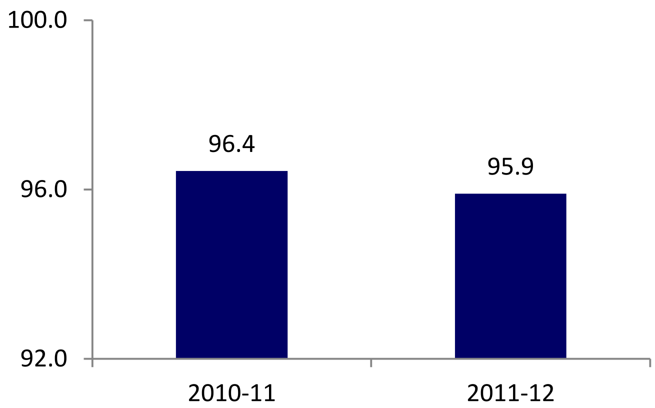
Rs crores



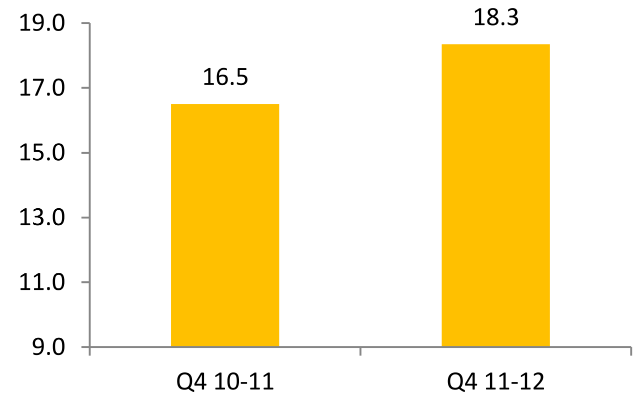
Denim & shirting/khaki Volumes

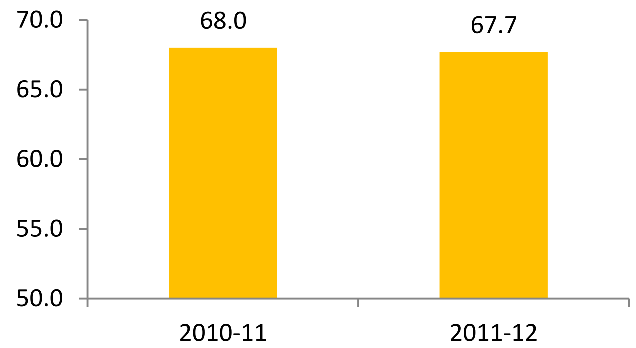
Denim



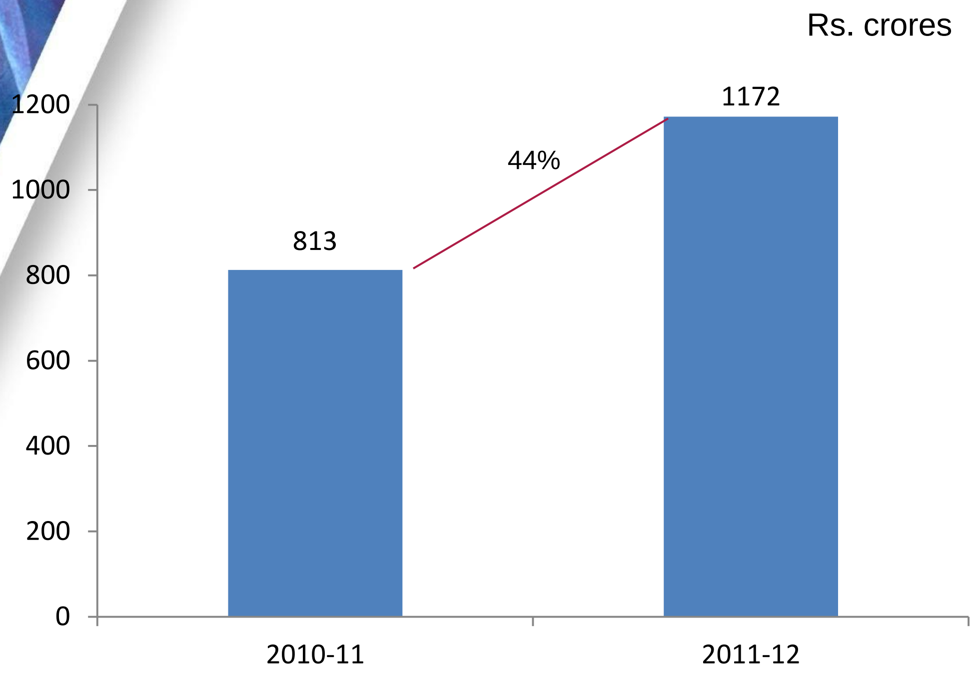


Shirting & Khaki





Brands & Retail Businesses- Revenue



- Arvind Lifestyle brands & Arvind Retail Limited are subsidiaries operating in apparel Brands & Retail Businesses respectively
- Revenue growth achieved during the year ~44%

Revenue Growth in current year has been exceptional

Following a 47 % revenue growth in 2010-11, the revenue grew by 44 % in the current FY

Revenue 2011-12

	Revenue Rs Crs	% Growth
ALBL	658	59%
ARL	514	29%
Total	**1182**	**44%**

One of the key growth drivers was like to like growth…….

Like to Like Growth

	% LTL
ALBL	18
ARL	6.8

ALBL- Brands
ARL- MegaMart Retail

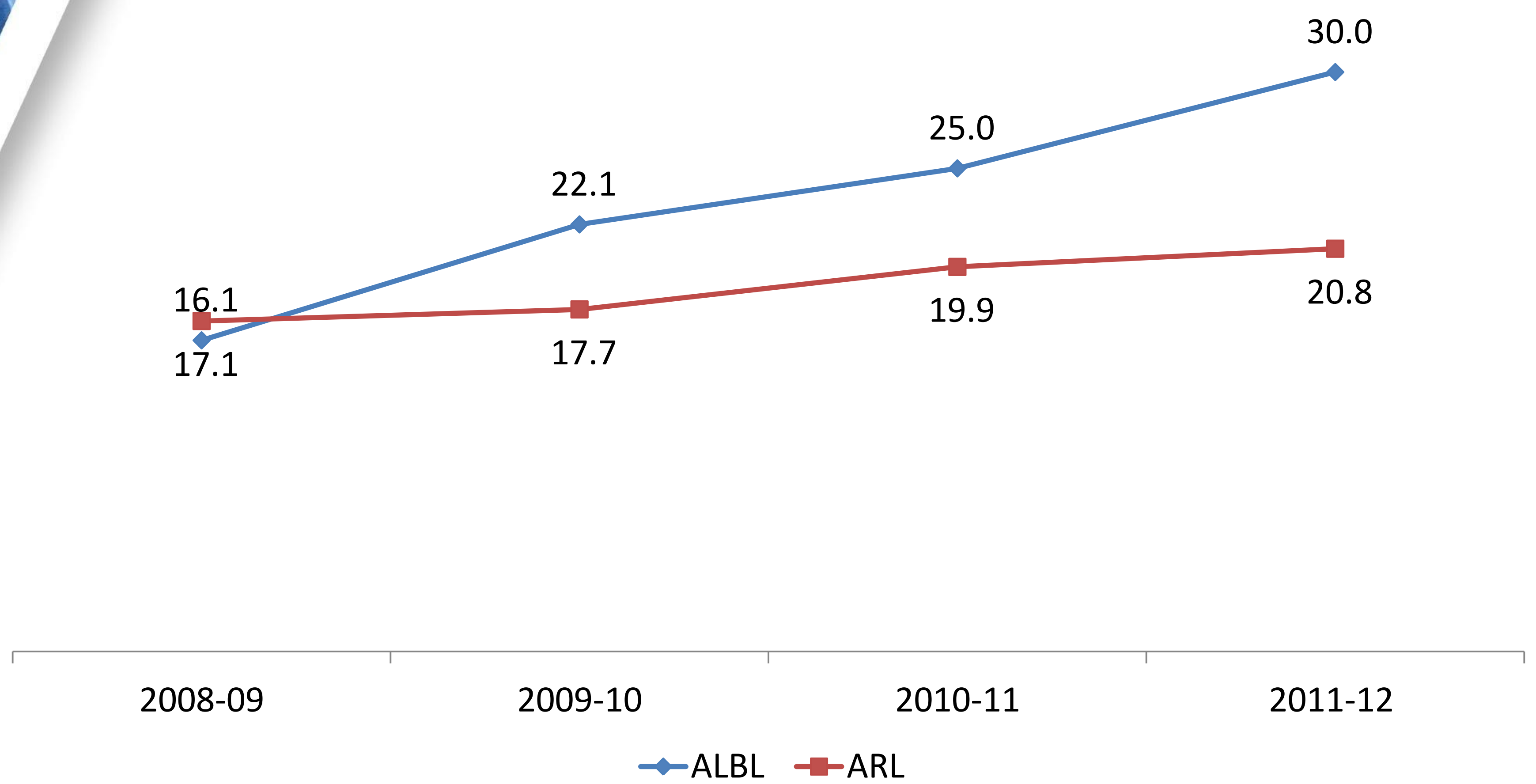
Brands & Retail Business- Distribution

	2010-11		2011-12	
	Stores	Sq.ft	Stores	Sq.ft
Brands	228	2,14,844	352	3,30,943
MM	200	6,17,154	216	6,91,770
Total	428	8,31,998	568	10,22,713
No of KA counters	248		327	

- Sales Increase in Key Account Counters: grew to 101 cr- a growth of 39%

Retail Productivity is on the Upswing

Figs: *Rs Per Sq. Ft. Sales Per Day*



Thank You