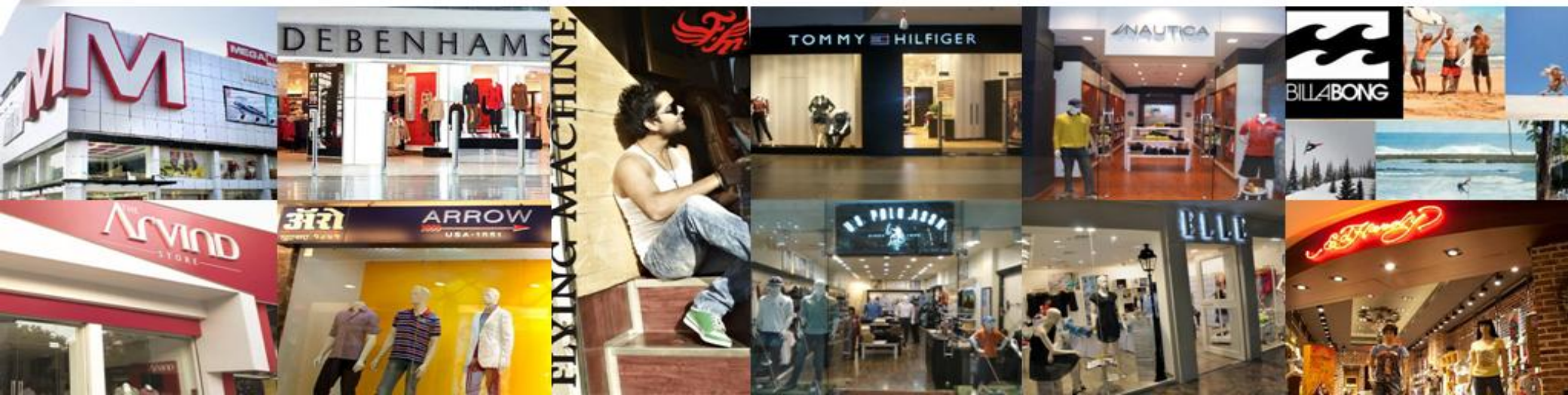




Arvind Limited – Review Note Q4 & 2012-13

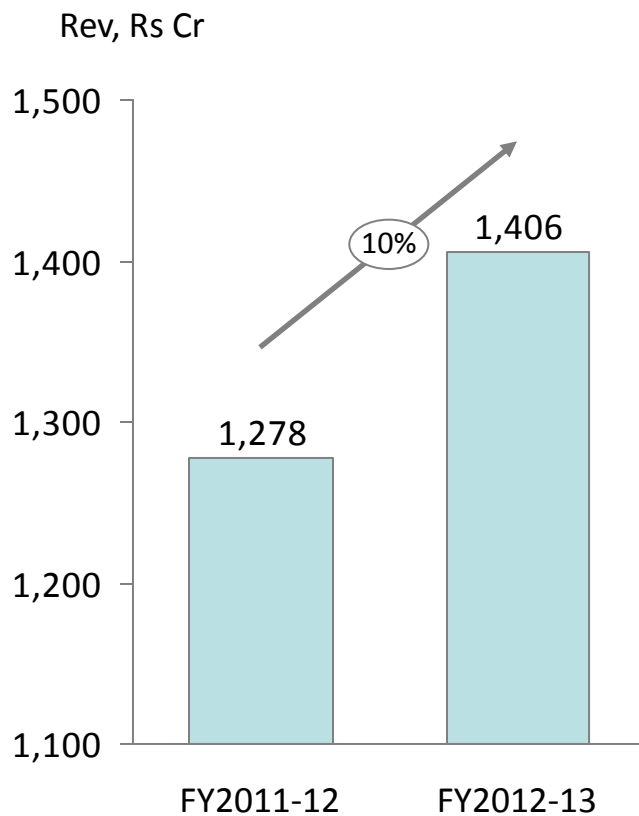
16th May 2013, Ahmedabad



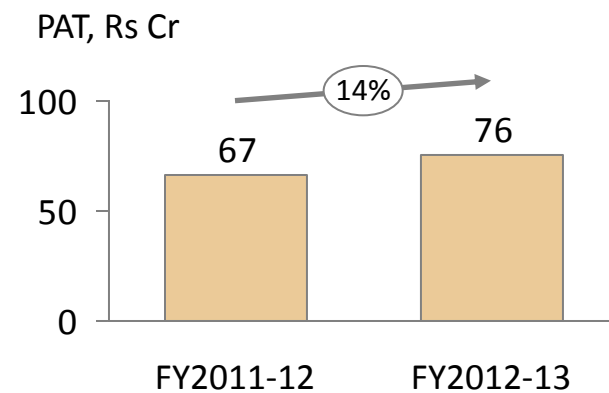
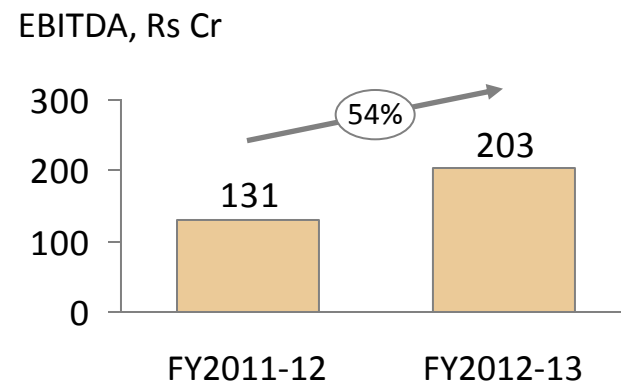


Highlights Q4 – 2012-13

Moderate revenue growth



Strong profitability improvement





Financial Performance Q4 – 2012-13

Rs Cr

	Q4FY13	Q4FY12	Change
Revenues	1,406	1,278	10%
Raw Material Consumed	610	594	
Project Expenses	47	49	
Employees' Emoluments	149	116	
Others	481	412	
(Increase) / Decrease in Stock	-83	-24	
EBIDTA	203	131	54%
Margin	14.4%	10.3%	
Other Income	20	41	
Finance Cost	82	66	
Cash Accruals	141	106	33%
Depreciation	64	41	
Profit Before Tax	76	65	17%
Net Profit after Minority Intere	76	67	14%

Key highlights

Revenue Growth of 10% achieved due to

- 29% volume growth in shirting/khaki textiles business
- 17% topline growth in Brands & Retail business
- 15% price growth in Denim leading to 4% topline growth despite 10% volume decline

EBIDTA Margin

- EBIDTA margin improvement across all textiles as well as brand & retail verticals

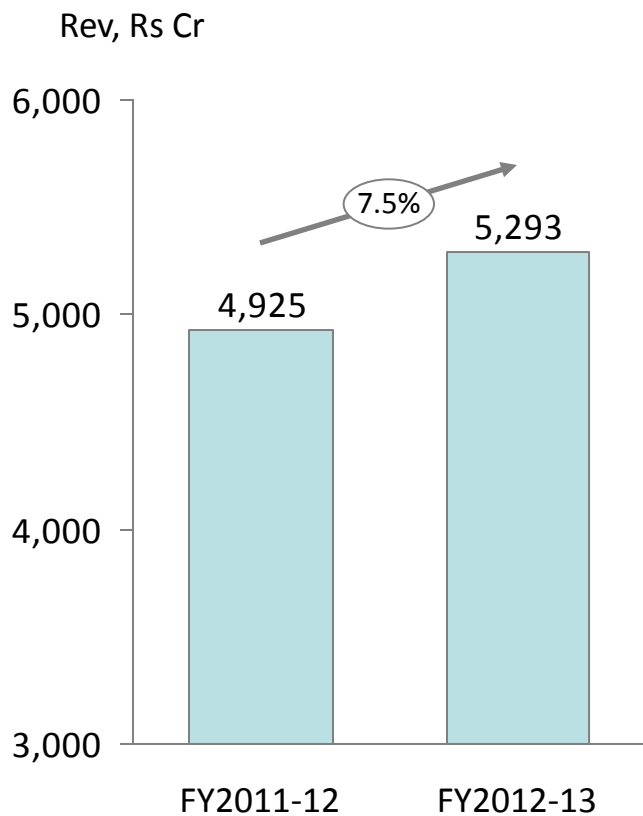
One-time Depreciation charge Rs 7.6 Cr

- As company decided to increase depreciation from about 7% to 15% in Brands & Retail assets

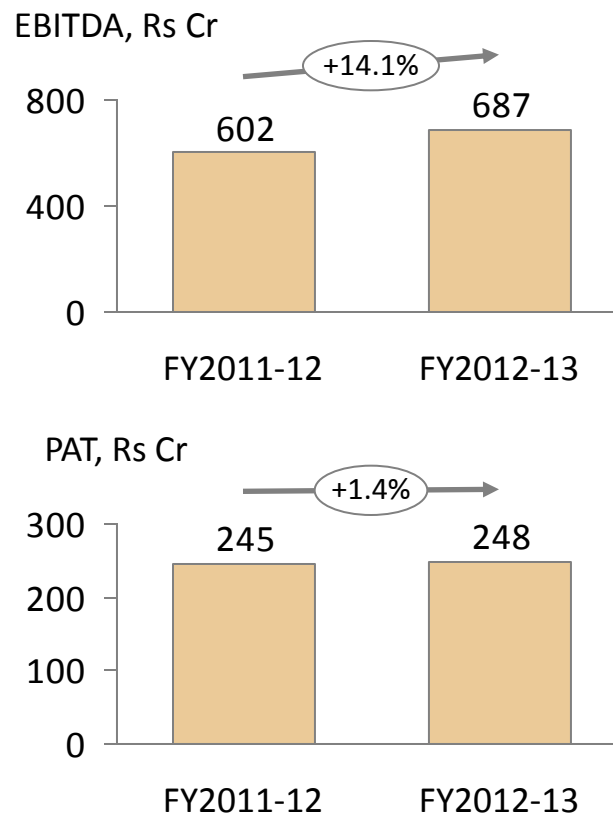


Highlights FY 2012-13

Moderate revenue growth



Strong improvement in operating margins



Financial Performance – FY2012-13

	Rs Cr		
	2012-13	2011-12	Change
Revenue from Operations	5293	4925	7%
RawMaterials	2512	2349	
Project Expenses	110	100	
Employees' Emoluments	566	451	
Others	1687	1458	
(Increase) / Decrease in Stock	-285	-55	
Foreign Exchange Loss /(Gain)	15	19	
EBIDTA	687	602	14%
Margin	13.0%	12.2%	
Other Income	81	117	
Interest Cost	315	309	
Cash Accruals	453	410	10%
Depreciation	204	161	
Profit Before Taxes	248	248	
Profit After Tax	248	245	1%
Extra Ordinary Item**	0	191	
Net Profit	248	436	

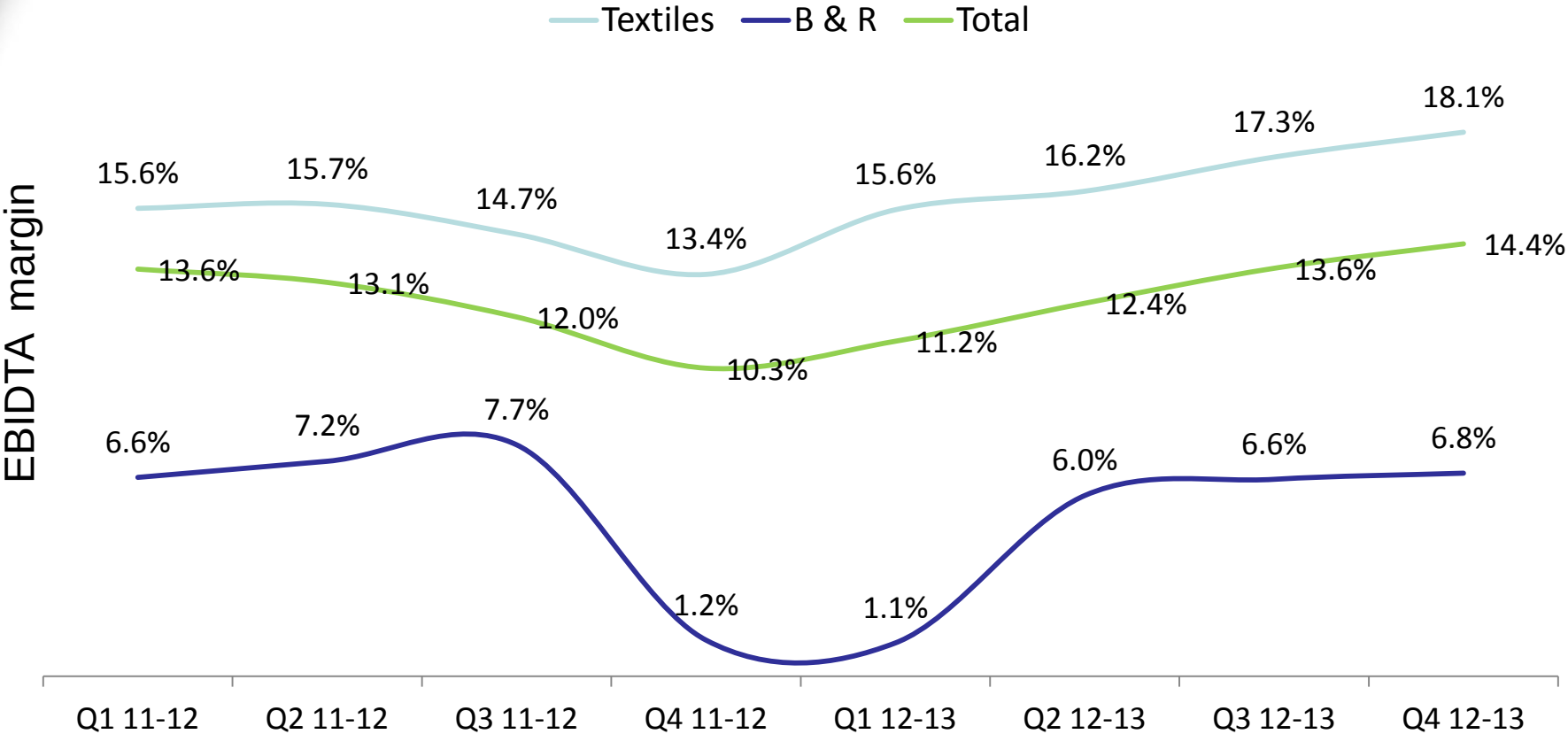
Key highlights

Revenue growth of 7% despite impact of strike and economic slow down

- 28% volume growth in shirting/khaki textiles business
- 25% topline growth in Brands & Retail business
- 2% increase in revenues of MegaMart
- 7% drop in denim volume and 4% drop in revenues, largely caused by Strike during Q1



Continued Q-o-Q improvement in margins for both Textiles as well as Brands & Retail Businesses

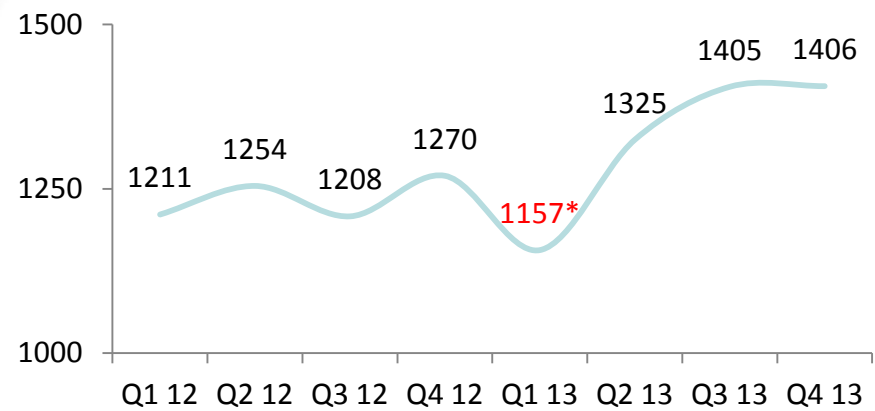


Margins in B&R improving even after including losses from the newer acquired brands

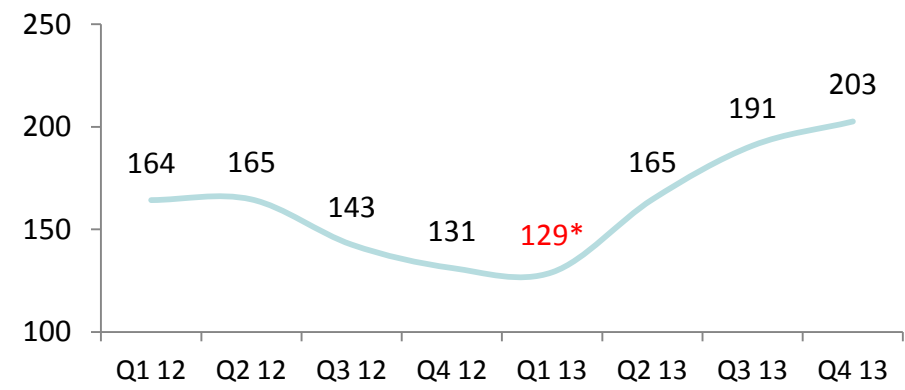


Revenue, EBIDTA and PAT are at all-time high

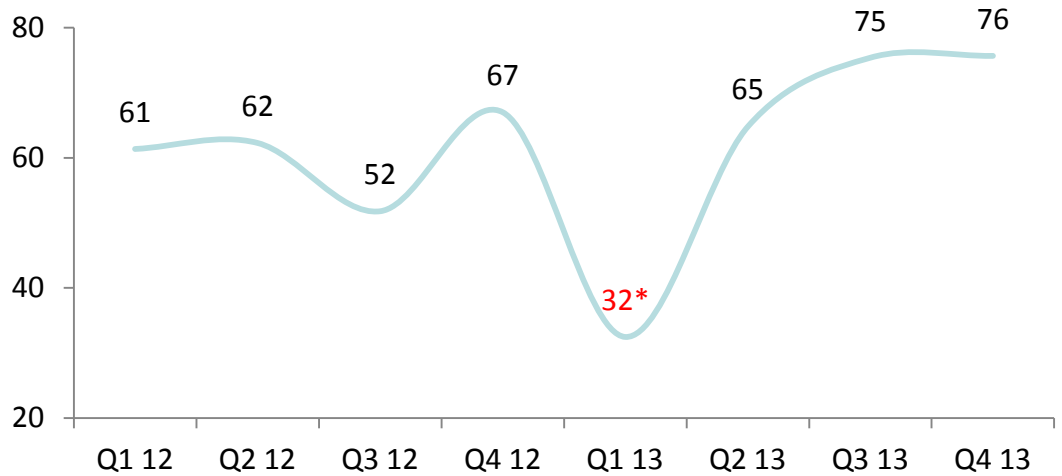
Revenue Rs Cr



EBIDTA Rs Cr



PAT Rs Crs



* Strike period

Consolidated Balance Sheet, as at Mar 31st 2013

Rs Cr

	As at	
	Mar 31st 2013	Mar 31st 2012
<i>Equity and Liabilities</i>		
Shareholders' funds		
Share Capital	258	258
Reserves and Surplus	1996	1770
Non-current liabilities	1034	855
Short term borrowings	1281	1175
Current Liabilities	1654	1338
Minority Interest	11	9
Total	6233	5405
<i>Assets</i>		
Non-current assets		
Fixed Assets	2902	2785
Non-current Investments	57	42
Long Term Loans and Advances	388	280
Other Non-current Assets	1	2
Current assets	2885	2296
Total	6233	5405



Key Financial Ratios

	2010-11	2011-12	2012-13
EPS	6.50	9.48	9.63
Debt / Equity	1.31	1.00	1.10
Debt / EBIDTA	3.7	2.8	3.2
ROCE	10.5%	13.1%	11.9%
ROE	8.4%	12.0%	11.3%
Revenue Growth	25%	20%	7%

ROCE and ROE lower due to:

- 1) Lost contribution on account of strike in Denim plant
- 2) Planned losses in newly acquired Brands & Retail businesses

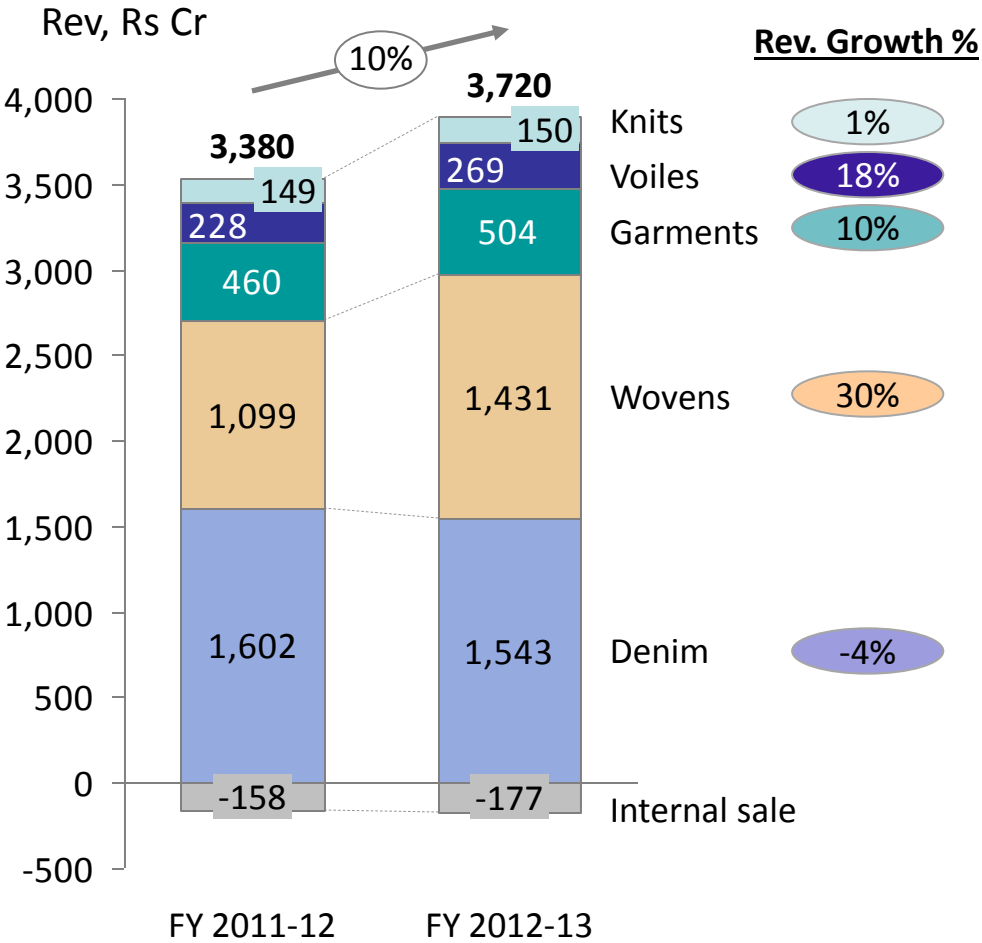


Business Analysis

All numbers in this section are consolidated unless specified otherwise



Textiles Business: Revenue Mix in FY2012-13



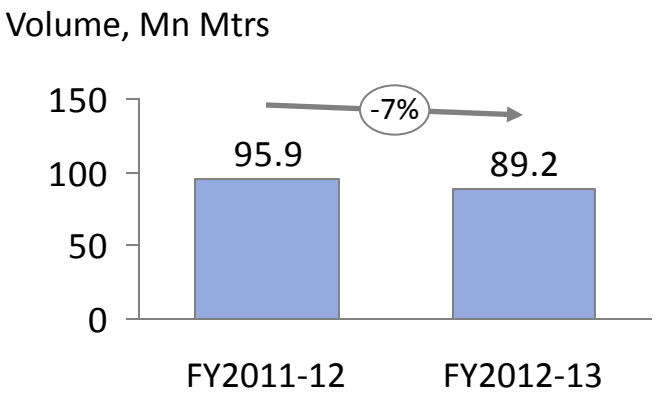
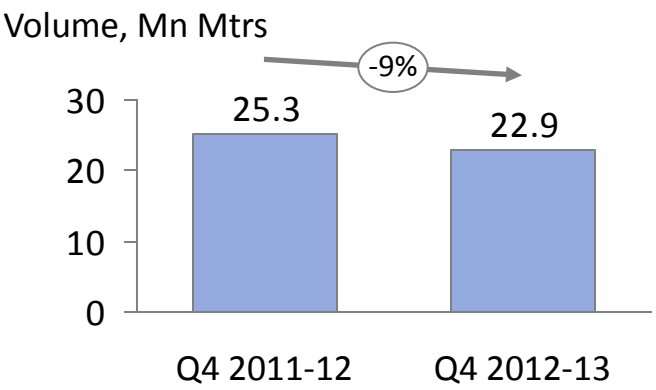
Textile revenue grew by 10%

- Led by robust 30% growth in shirting/khaki fabrics
- 10% growth in garments
- 7% drop in Denim volumes, partly compensated by price increase
- 18% growth on a smaller base for the voiles business

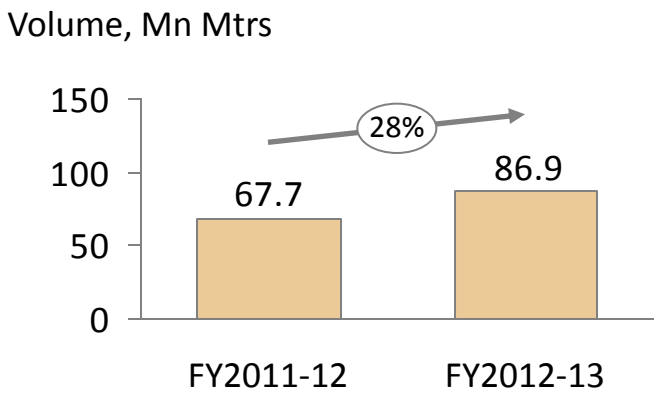
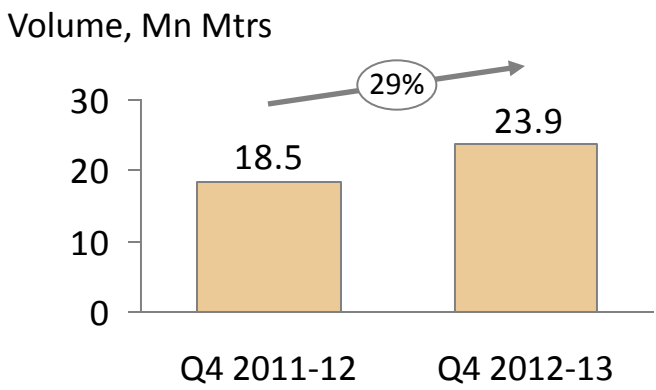


Denim & Shirting/Khaki Volumes – FY2012-13

Denim



Shirting & Khaki



Key Parameters: FY2012-13 – Textiles

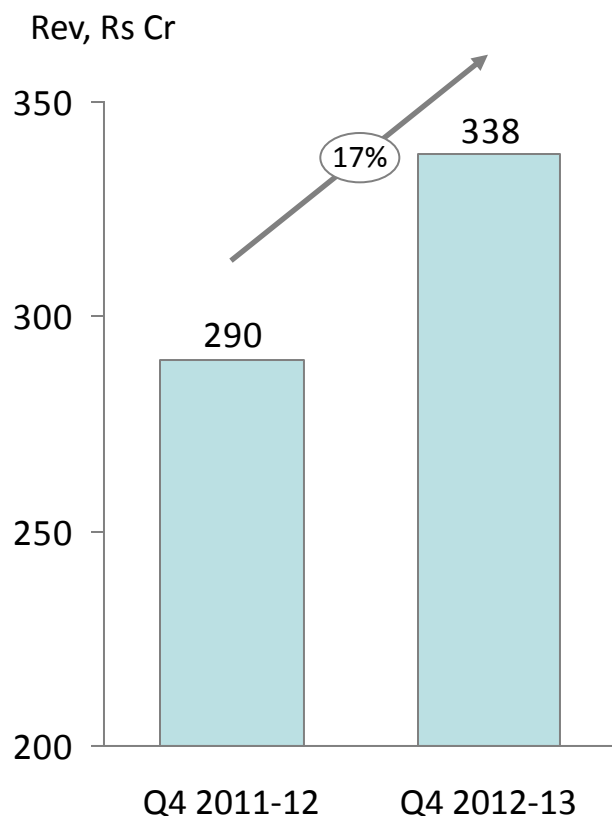
	Denim		Shirting / Khakis	
	FY 2012-13	FY 2011-12	FY 2012-13	FY 2011-12
Exports (Mn Mtrs)	36	41	66	47
Domestic (Mn Mtrs)	53	55	21	21
Avg Price - (Rs/Mtr)	169	164	153	156
Major Components	Cotton		Gas	
Cost in Rs / Kg	97.6	120.3	17.6	17.3

	Denim		Shirting / Khakis	
	Q4 2012-13	Q4 2011-12	Q4 2012-13	Q4 2011-12
Exports (Mn Mtrs)	10	12	6	6
Domestic (Mn Mtrs)	13	14	18	12
Avg Price - (Rs/Mtr)	171	149	156	143
Major Components	Cotton		Gas	
Cost in Rs / Kg	98.4	98.2	17.4	19.3



Brands & Retail Business grew by 17% in Q4 2012-13

Strong revenue growth



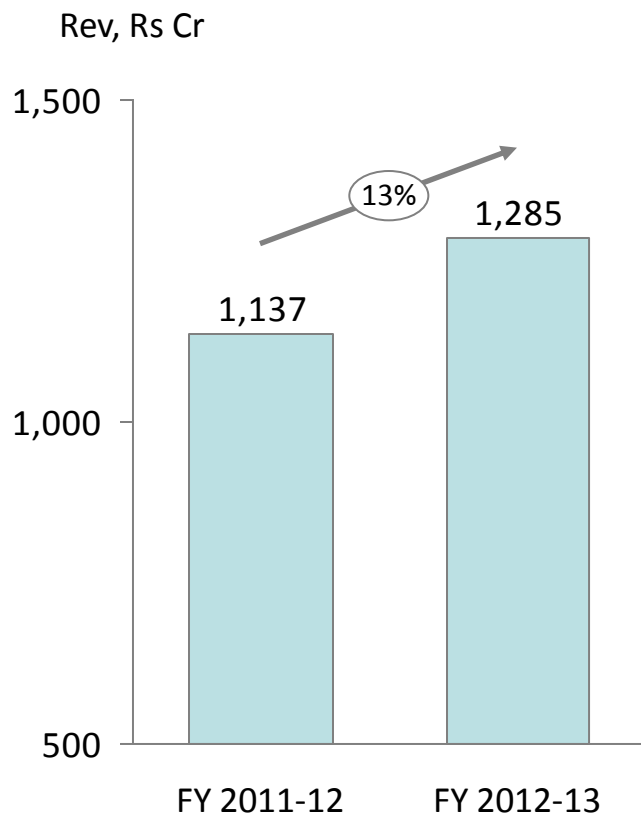
Key highlights

- Revenue growth of 17% achieved due to
 - 37% revenue growth in Brands (29% growth excluding newly acquired brands)
 - 9% revenue growth in MegaMart Retail, after de-growth in first 3 quarters
- Like to Like growth
 - 0.2% LTL growth in Brands
 - 5.4% LTL growth in MegaMart Retail, after registering negative LTL for first 3 quarters



Brands & Retail Business grew by 13% in FY2012-13

Strong revenue growth



Key highlights

- Revenue growth of 13% achieved due to
 - 25% revenue growth in Brands (21% growth without newly acquired brands)
 - 2.2% revenue growth in MegaMart Retail, as business went through a repositioning and model change to consolidate operations and restore margins
- Like to Like growth
 - 1.7% LTL growth in Brands
 - Overall LTL de-growth of (3.8%) in Megamart Retail



Brands & Retail Business – Distribution

Particulars	FY11-12		FY12-13	
	# Stores	Sq.ft	# Stores	Sq.ft
Brands	352	330,943	487	504,015
MM	216	691,770	197	710,133
Total	568	1,022,713	684	1,214,148
No of KA Exclusive Counters	327		376	
Total KA Counters with Sub Brands	481		576	

- Sales Increase in Key Account Counters: Growth of 32%



Outlook for FY2013-14

- Revenue growth expected to be over 20% on account of volume growth in both Textiles and Brands & Retail
 - Textiles: 12-15%
 - Brands & Retail: 25%+
- International demand for textiles strong: Indian retail demand sluggish
- Company expects that margins for the coming year will be maintained
 - Margin for the Textiles businesses may improve marginally
 - Margins for the Brands & Retail businesses may fall marginally due to higher investments in marketing and distribution for the newly acquired brands

Thank You

ARVIND

