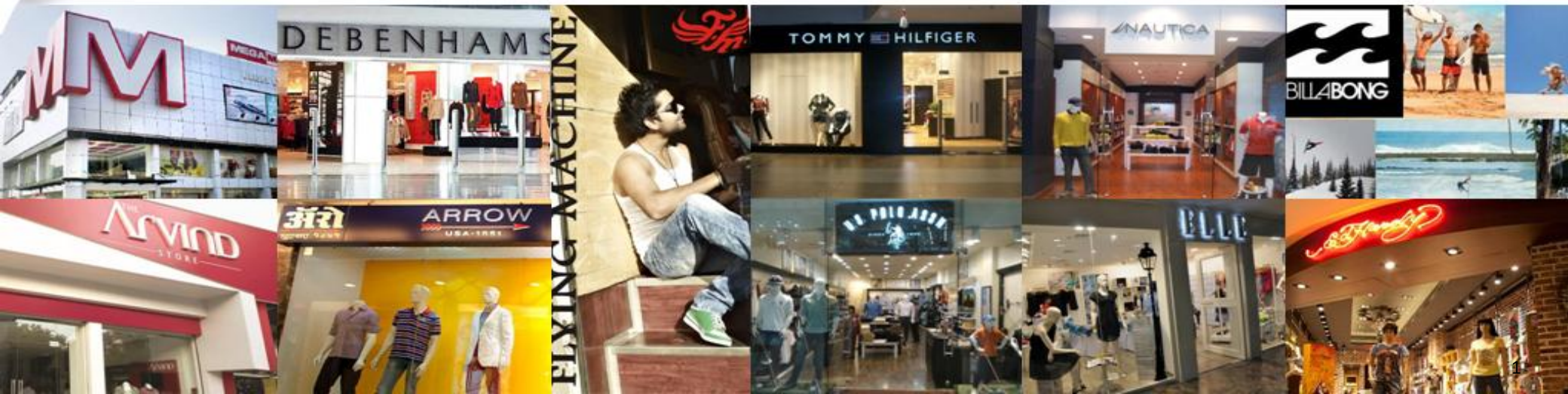


Arvind



Arvind Limited – Acquisition of Stake in Calvin Klein Jeans Business

24th March 2014, Ahmedabad

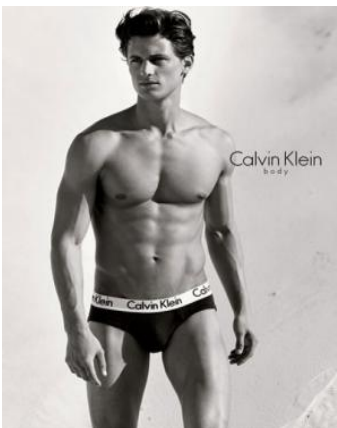


CK: High brand awareness in India across multiple segments

CK is a highly recognized brand in India, with appeal across....

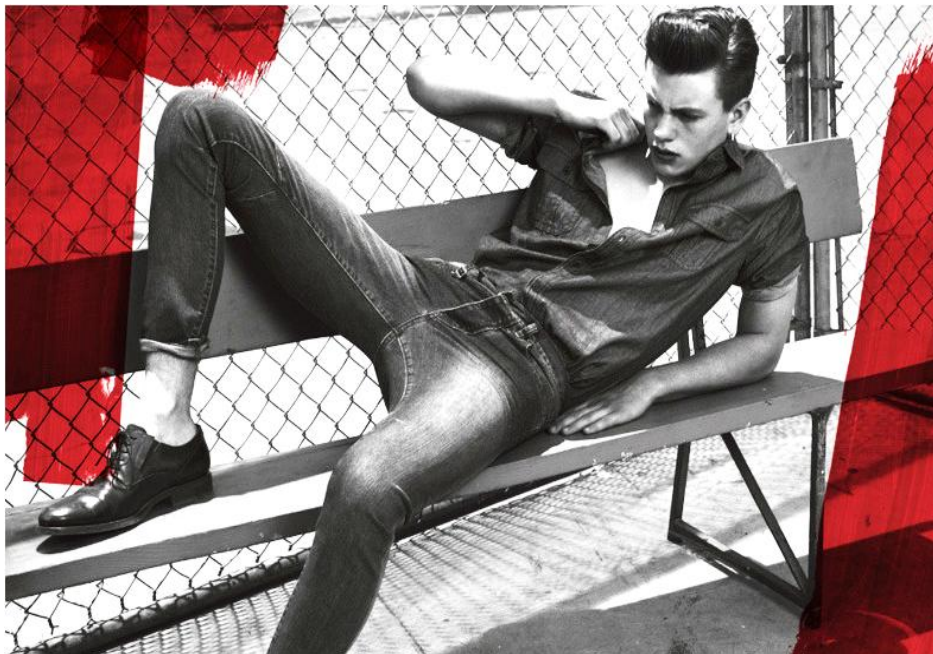


- Men as well as Women
- Youth as well as Middle Aged
- All Apparel Categories – Jeans, Formalwear, Sportswear, Suits & Blazers , Dresses, Intimates
- Multiple Lifestyle Categories – Footwear , Apparel, Accessories, Perfumes



Opportunity to grow, build and add to CK brand offering in India, and develop it into ‘the Largest Bridge to Luxury Lifestyle Brand in India ‘

Acquisition of 49% stake in CK Jeans business by Arvind Ltd



Transaction facts

- Arvind Brands & Retail Pvt. Limited, a subsidiary of Arvind Limited, has acquired 49% equity stake in Premium Garments Wholesale Trading Pvt Ltd
- Deal valued on the basis of total EV of ~INR 180 CR, at 8-10x FY14-15 EV / EBITDA multiple
- The remaining 51% stake will continue to be held by PVH, the Principal owner of the CK brand



Strong Investment Thesis

- Acquisition of 49% Stake in CK will:
 - Make Arvind the **undisputed leader in the 'Bridge To Luxury' segment** (with a strong portfolio of Tommy Hilfiger, Gant, Nautica & CK), which is a highly attractive segment in Indian apparel retail in terms of growth as well as profitability
 - **Strengthen Arvind's position in the jeans wear market** and help build a portfolio across price points with CK Jeans, Hilfiger Denim, USPA Denim, Flying Machine, Ed Hardy
 - **Substantially enhance Arvind's position in the innerwear segment** where Arvind has a large growth vision with the acquisition of Hanes as well as innerwear play of other brands

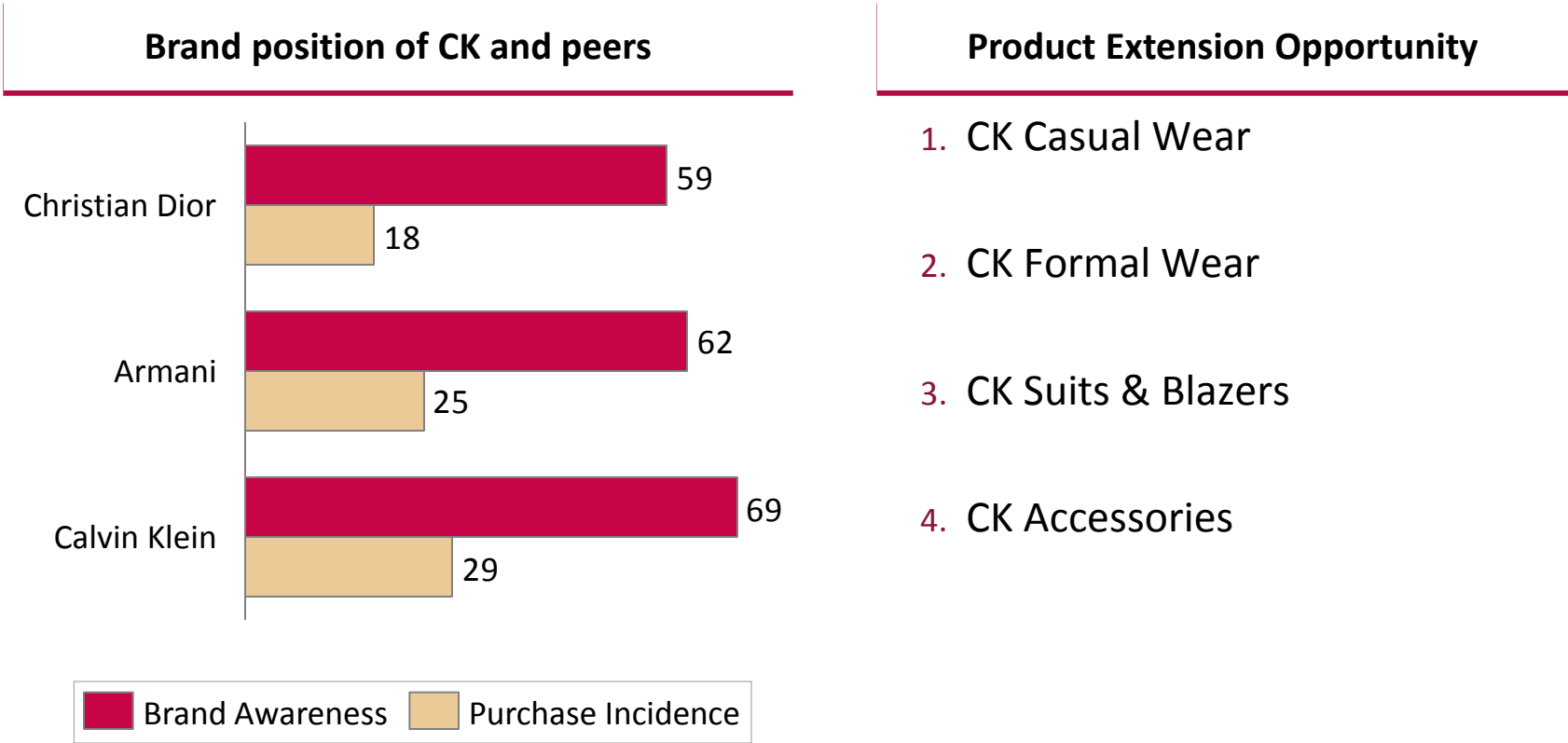
CK will be an extremely valuable addition to Arvind's Brands Portfolio

**CK is already a Rs 100 Cr +brand with
high single-digit EBIDTA %**





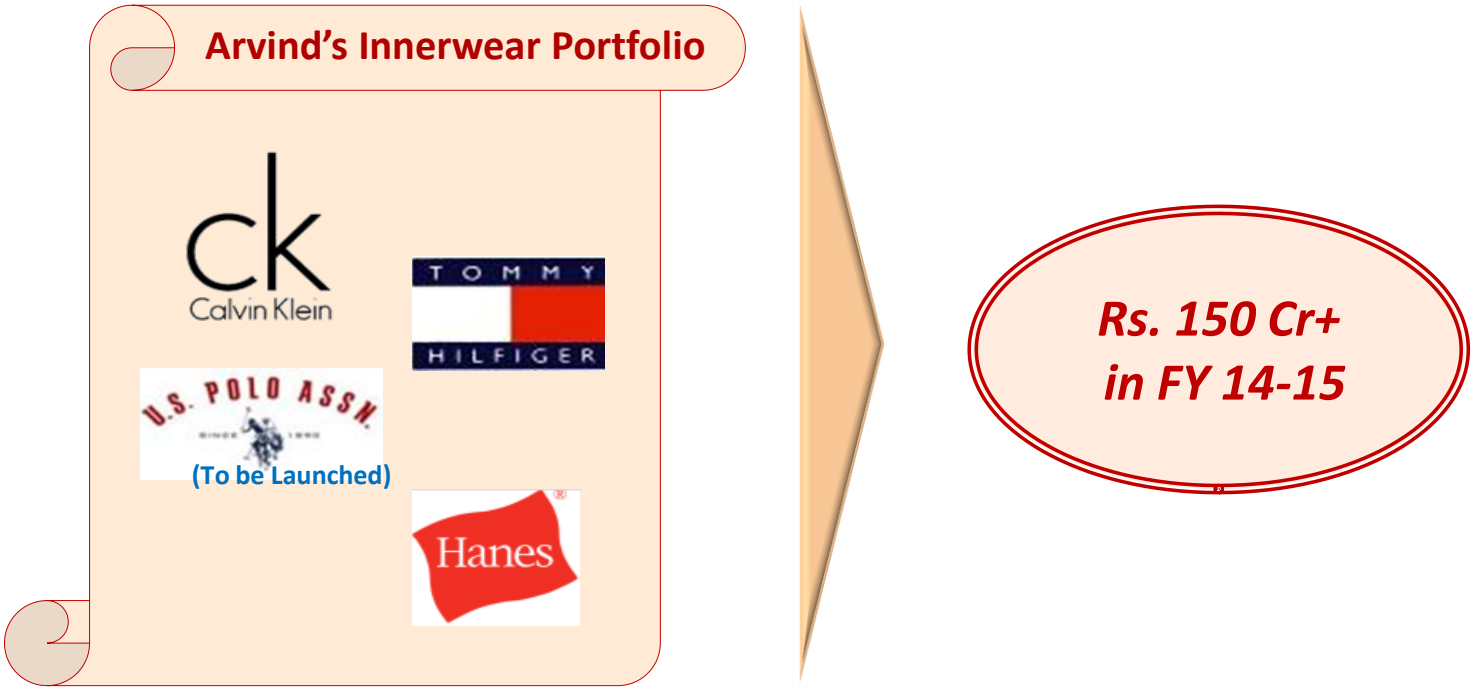
Arvind’s research shows that Calvin Klein is a brand with highest brand recognition among peers, with multiple extension options



Product extensions will open up additional category growth opportunities for Arvind



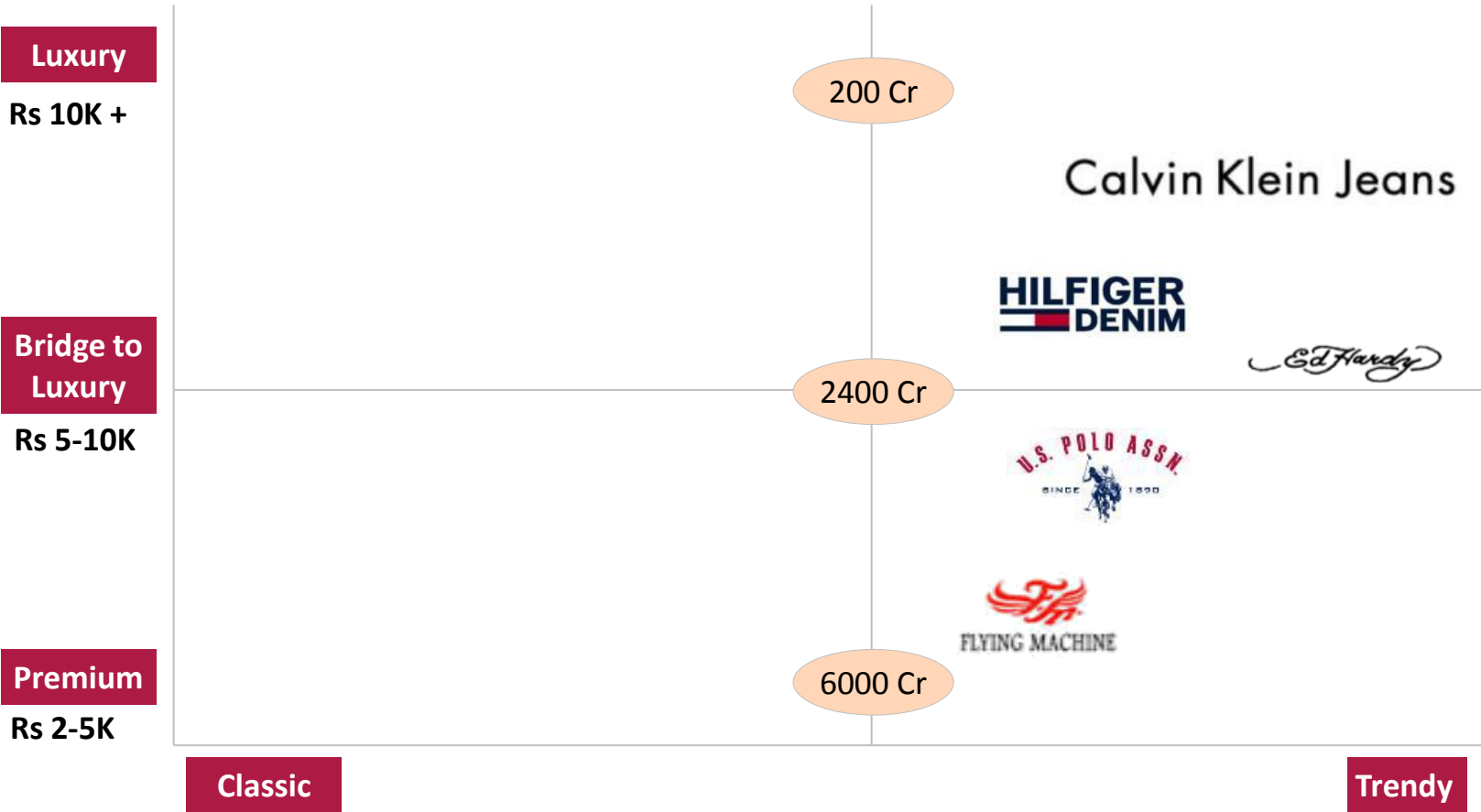
Strengths of Calvin Klein Underwear will help Arvind build a strong innerwear business



Will achieve leadership in department store channel by 2016



With addition of CK Jeans, Arvind has the unique opportunity to build a large Denimwear play in Premium and BTL segments



With its strong portfolio, Arvind will be a leader in the fast-emerging BTL and Premium Jeanswear market in India



Calvin Klein stake will be accretive to the Brands business earnings

- *Already a 100 Cr + brand in India*
- *Potential to be a large 'Power Brand 'within 2-3 years time*
- *Growth potential of 30-40% for the next 3-5 years*
- *Margin enhancement opportunity from high single-digit to mid double-digits*

Thank You

CK & Arvind