



Review Note Q2
23rd Oct, 2012

Arvind Limited

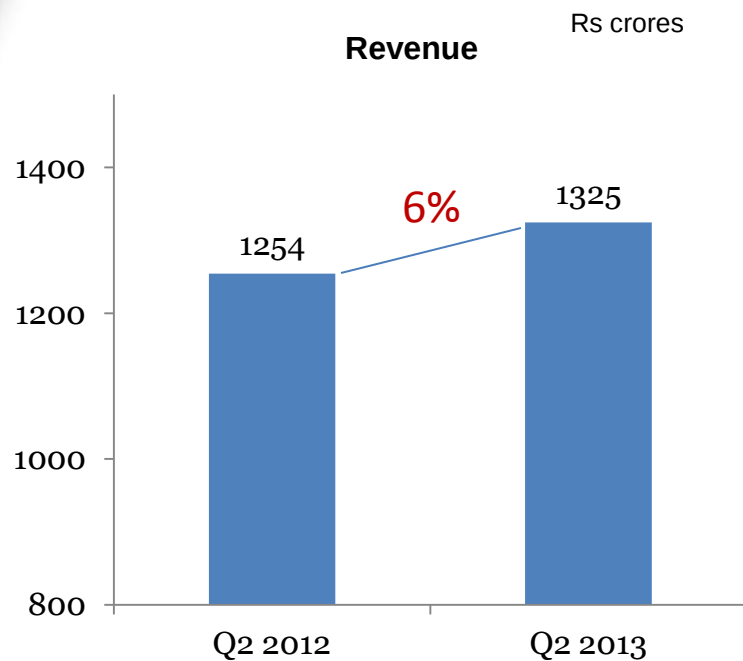
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Financial Performance- Consolidated



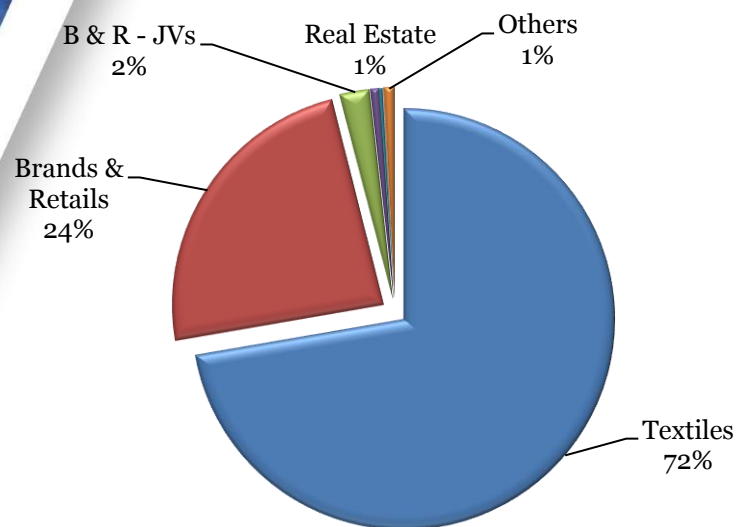
Revenue Growth led by volume growth in Textiles



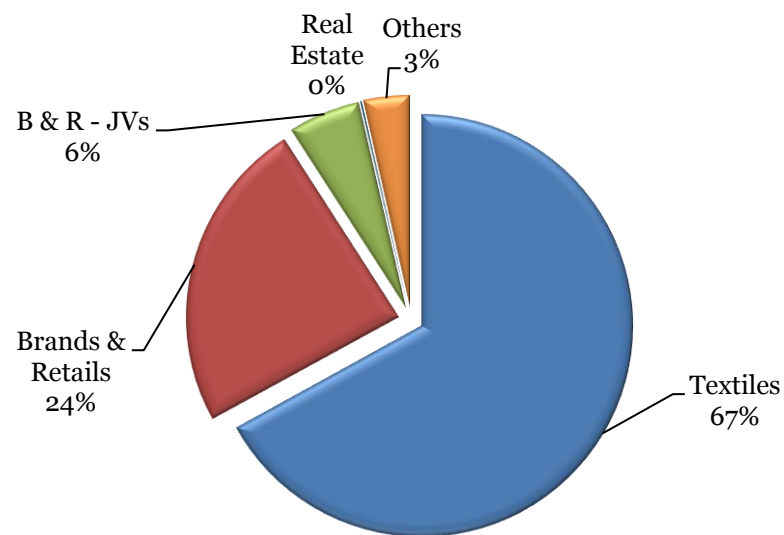
- Revenue for current year does not include revenue of VF Arvind Brands pvt Ltd.(Q2 11-12 :Rs. 47 cr)
 - On comparable basis the Revenue growth is 9.8%
- Volume growth of 25% in shirting and 4% in denim fabrics, partially off set by 7% drop in prices of shirting fabrics
- 6% increase in revenue of brand & retail business



Q2 2012-13- Revenue



Q2 2012-13



Q2 2011-12

Compared Q2 2011-12

Textile Business grew by 13%

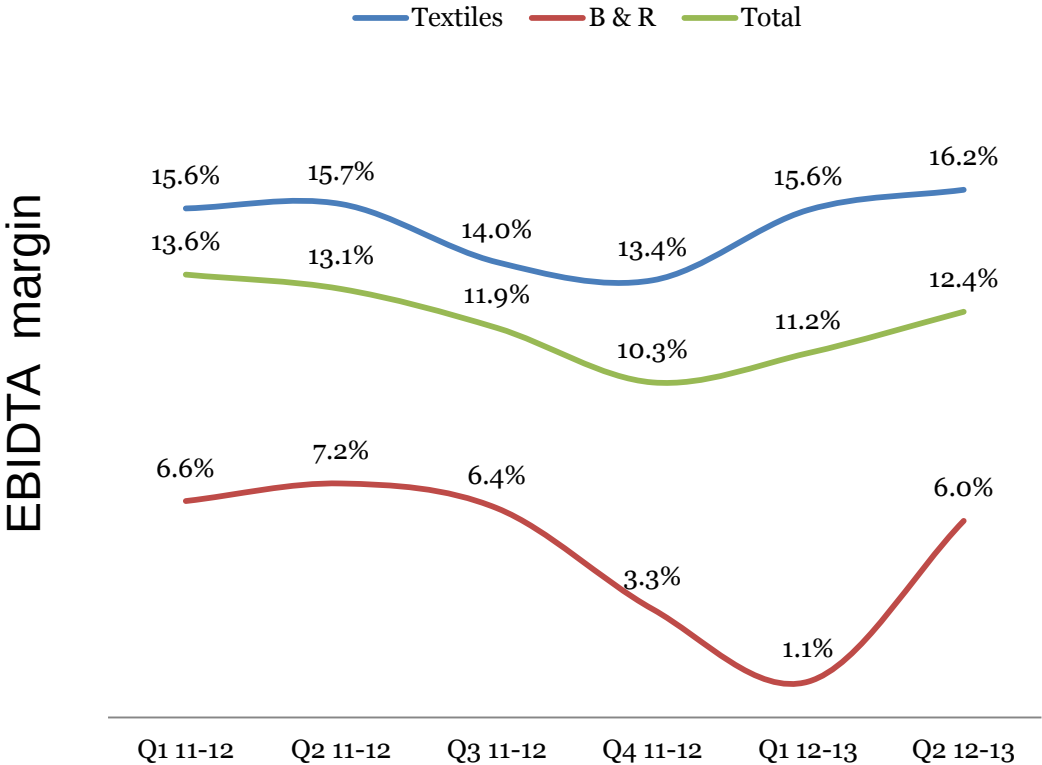
Brands & Retail Business grew by 6%

Share of apparel & fabric retailing grew to 35.8% from 35.5%

Share of domestic revenue grew to 71% from 70%



Margin for both Textiles and Brands & Retail having bottomed out , has now gathered upward momentum



Financial Performance Q2 – 2012-13

Rs crores

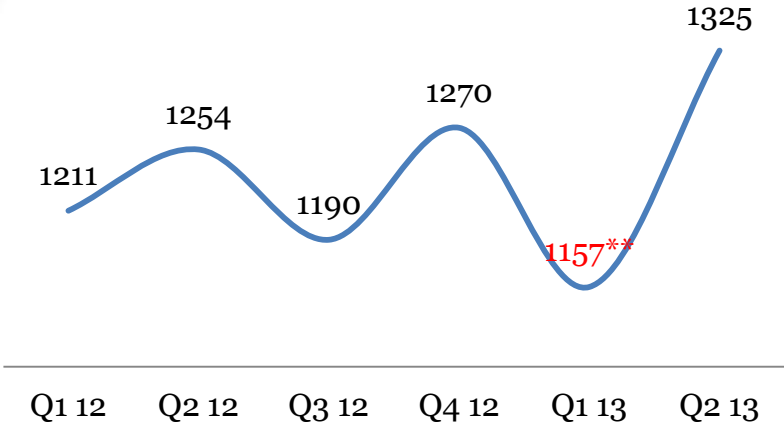
	Q2 Rs in Crs		Change
	2012-13	2011-12	
Revenue from Operations	1,325	1,254	6%
Raw Materials	694	665	
Employees' Emoluments	143	112	
Others	409	367	
(Increase) / Decrease in Stock	-103	-54	
Foreign Exchange Loss /(Gain)	17	0	
	1,160	1,090	
EBIDTA	165	165	0%
Margin	12.4%	13.1%	
Other Income	25	24	
Interest & Finance Cost	79	86	
Cash Accruals	111	103	8%
Depreciation	47	41	
Profit Before Taxes	64	62	
Profit After Tax	65	61	
Net Profit	65	62	4%

- EBIDTA margin was lower due to loss on account of unwinding of foreign exchange hedges.
- Other Income includes profit from sale of land of Rs. 11.1 Crs. (Last year Rs.16.5 Crs)
- Figures are not comparable as the Q2 of 2011-12 included figures of our share in our JV, VF Arvind Brands Pvt Ltd.

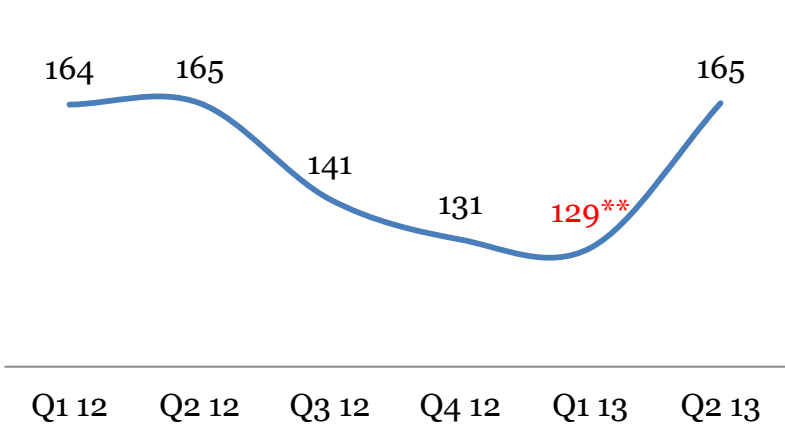


Revenue, EBIDTA & PAT are on the rise

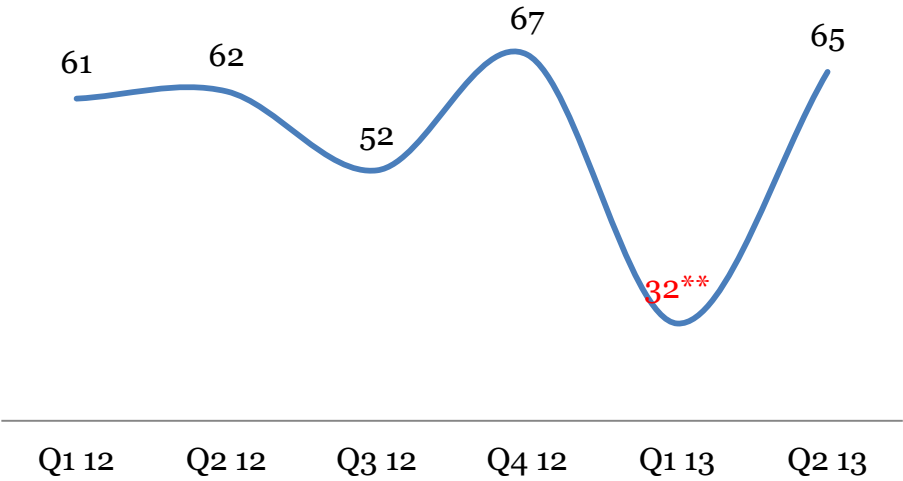
Revenue – Rs Crs



EBIDTA– Rs Crs



PAT – Rs Crs



**strike period



Financial Performance-Standalone

Financial Performance Q2

Rs crores

Sep-30	2012	2011	Change
Revenues	959	763	26%
Raw Material Consumed	426	324	
Employees' Emoluments	112	75	
Others	311	208	
(Increase) / Decrease in Stock	-31	32	
EBIDTA	141	124	14%
Margin	14.7%	16.3%	
Other Income	28	26	
Intrest & Finance Cost(Net)	67	69	
Cash Accruals	102	81	27%
Depreciation	37	28	
Profit Before Tax	65	52	24%
Profit After Tax	65	52	
Net Profit after Minority Interest	65	52	24%

Figures of both the quarters are not comparable as Q2 2011 does not include the figures of APL



Ratios

	2010-11	2011-12	Q1 12-13	Q2 12-13
	Actual	Actual	Actual	Actual
EPS	6.5	9.5	1.3	2.5
Debt / Equity	1.3	1.0	1.0	1.1
Debt / EBIDTA	3.7	2.9	3.2	3.0
ROCE	10.6%	13.2%	10.8%	12.7%
ROE	8%	12.1%	6.6%	12.0%
Revenue Growth	25%	21%	-4%	6%



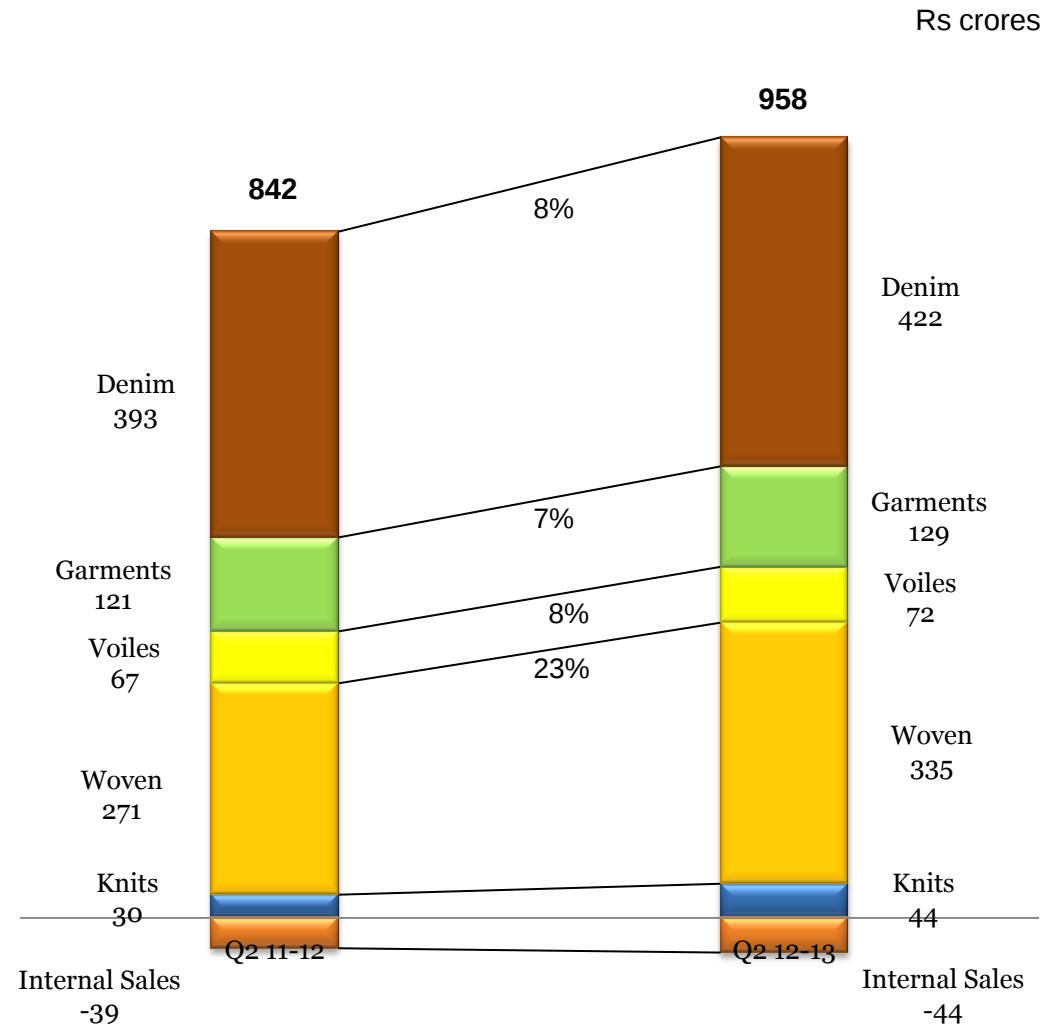
Business Analysis

All numbers in this section are consolidated unless specified otherwise



Textiles Business- Revenue Mix

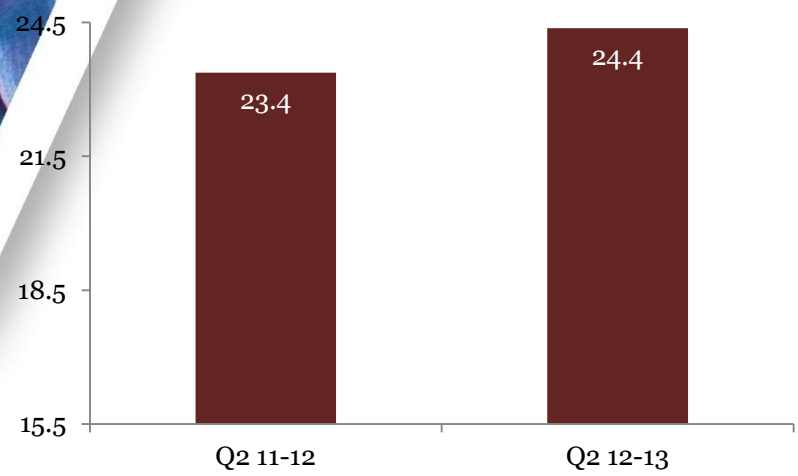
- Shirting/Khaki (wovens) business revenue rose by 23% due to capacity addition.
- We expect further increase in capacity utilization in H2 for wovens fabrics





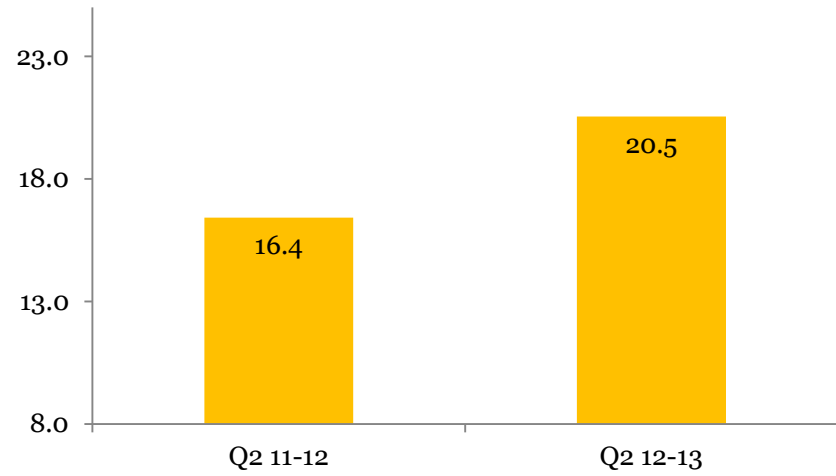
Denim & Shirting/Khaki Volumes

Denim – Mn Mtrs



4% Volume Growth

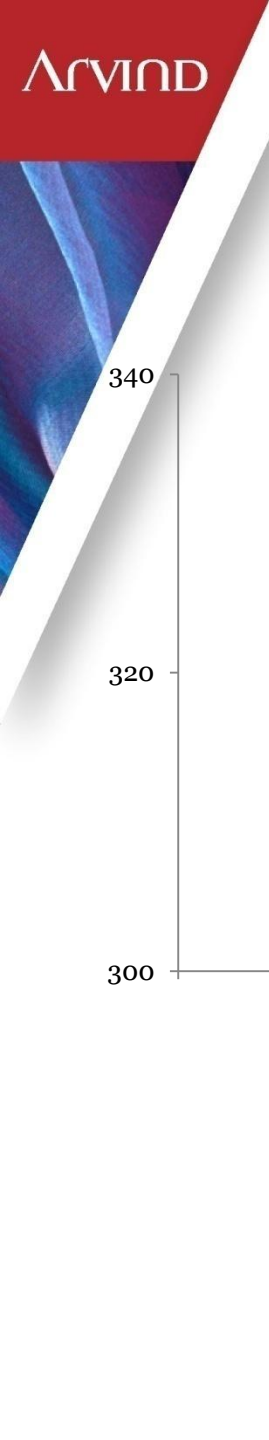
Shirting / Khakis – Mn Mtrs



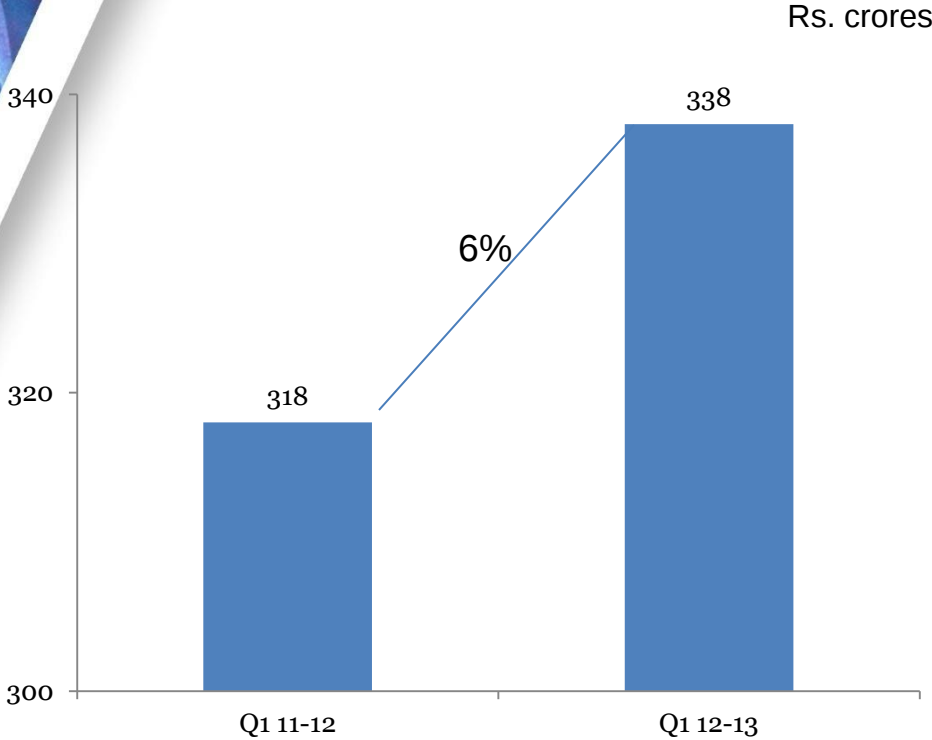
25% Volume Growth

*Figures are exclusive of semi-finished fabric Sales

Brands & Retail Business



Brands & Retail Business Revenue growth at 6%



- Revenue increased during the quarter ~6%
 - Growth momentum picked up in July/Aug.
 - Sep growth lower due to base effect
 - Q2 of FY'12 (last year) included one month of festival buy
 - In Current year, festival is falling in Oct-Nov



Revenue grew during the current quarter due to Volume Growth

The revenue grew by 6% in the current quarter, although volumes grew by 6% vis-à-vis -2% in Q1

Revenue Q2-12

	Revenue Rs Crs	% Growth
ALBL	214	11%
ARL	124	0%
Total	338	6%

Both Brands & MegaMart had negative LTL growth due to the base effect: Last year sept was one of the two festive months.

Like to Like Growth

	% LTL
ALBL	-3.1%
ARL	-10.1%



Brands & Retail Business- Distribution

	Q1 12-13		Q2 12-13	
	Stores	Sq Ft	Stores	Sq Ft
Brands	370	347381	419	388101
Retail	209	708462	208	704391
Total	579	1055843	627	1092492
KA Counters	362		371	

➤ Sales Increase in Key Account Counters: grew by 33% in Q2



Megamart re-launched in new avatar



- Fashion
- Unisex
- Value



- Hypermarket
- Masculine
- Value



New Brand Acquisition Update

- Business Transfer Agreement with Planet Retail for acquisition of 3 Brands : Debenhams, Next and Nautica is executed
 - Effective date : 1st Sep'12 for Nautica and 1st Oct'12 for Debenhams and Next
- Transfer of Stores operations from PR to Arvind in progress and expected to be completed by end Oct'12



Outlook

- Revenue growth of about 10-12%% for the year
 - Volume growth expected
 - Textiles 14-16%
 - Brands & Retail: 6% to 8%
 - Revenue growth forecast reduced marginally due to revenue loss in Q1 on account of strike and lower volume growth expected in Brands & Retail business
- International demand for textiles strong
- Indian retail demand sluggish resulting in lower growth for Mega-Mart and lower off-take of fabrics
- Company expects that margins for the current year will be marginally better than the last year.
- Company expects cotton prices to remain soft during the season

Thank You

ASVIND

