



ARVIND

Q1 2011-12
28th July, 2011

Arvind Limited

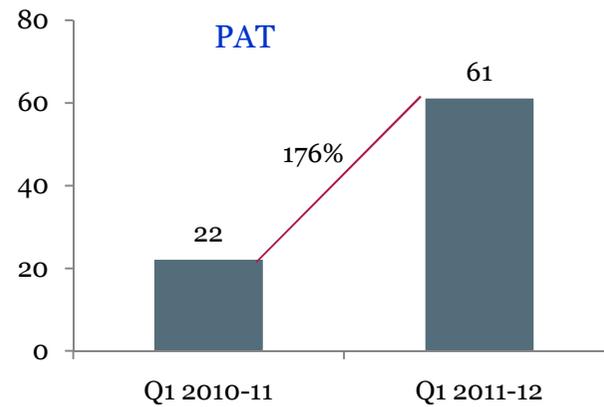
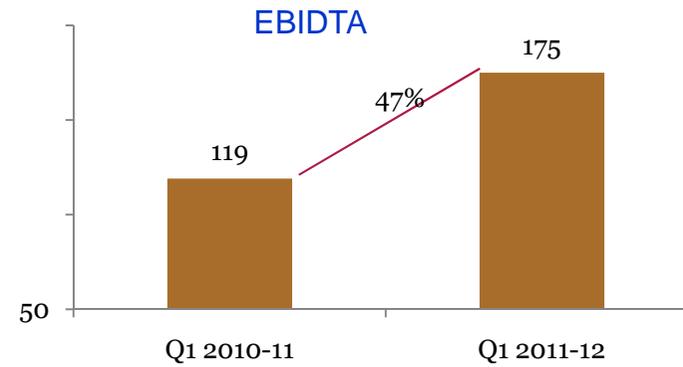
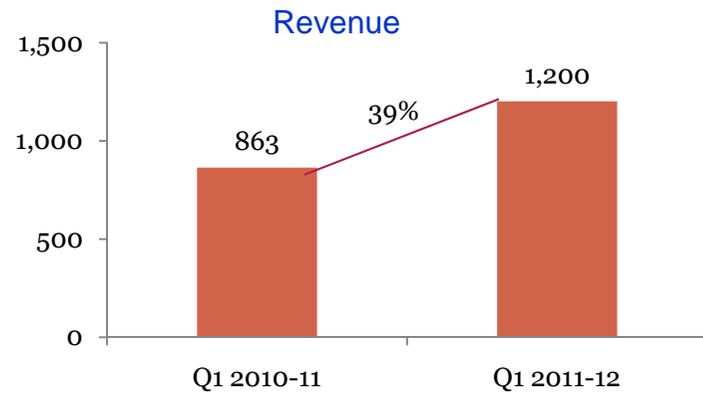
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Financial Performance- Consolidated

Highlights Q1 - 2011-12

Rs crores



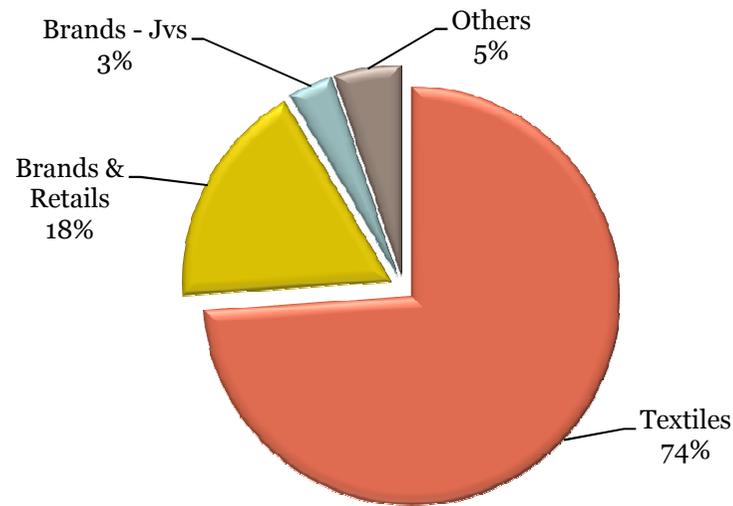
Financial Performance Q1 – 2011-12

Rs crores

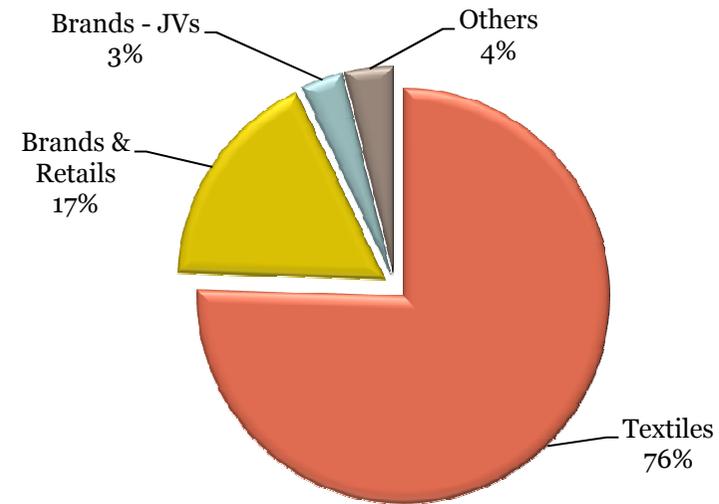
	Q1		Change
	2011-12	2010-11	
Revenue	1200	863	39%
Raw Materials	599	430	
Employees' Emoluments	107	94	
Others	349	254	
(Increase) / Decrease in Stock	-30	-35	
EBIDTA	175	119	47%
Margin	14.6%	13.8%	
Other Income	10	12	
Interest & Finance Cost(Net)	84	65	
Cash Accruals	101	66	53%
Depreciation	41	46	
Profit Before Taxes	60	20	
Add : Prior Period Adjustments	2	0	
Net Profit after M inority Interest	61	22	176%

- Company's textiles and brands & retail segments witnessed strong growth leading to impressive 39% growth in revenue for Q1
- EBIDTA margin improved 80 basis points to 14.6% from 13.8%
- EBIDTA margin grew by 53% on account of revenue growth and margin improvement
- Profit after tax sharply moved up to Rs. 61 cr.

Q1 2011-12- Revenue



Q1 2011-12



Q1 2010-11

Compared Q1 2010-11

Textile Business grew by 37%

Brands & Retail Business grew by 44%

Share of apparel & fabric retailing grew to 31% from 30%

Share of domestic revenue grew to 66% from 64%

2011-12 Earnings

- EBIDTA grew by 47% to Rs.175 cr.

EBIDTA margin improved 80 basis points to 14.6% as compared to 13.8% on account of:

- Textile margin growth from 15.7% to 17.6%
 - Brands & Retail margin growth from 5.8% to 6.5%
- Profit After Tax grew to Rs. 61 crores up 176% compared to Q1 2010-11



Financial Performance-Standalone

Financial Performance Q1

Rs crores

- Revenue growth due to sharp increase in price caused by cotton cost increase as well as due to increase in volumes
- Despite sharp increase in raw material cost, the margin improved

	2011-12	2010-11	
Particulars	Q1		Change
Revenue	822	578	42%
Raw Materials	396	279	
Employee Cost	73	67	
Power & Fuel	67	55	
Stores Consumption	55	44	
Others	86	69	
(Increase) / Decrease in Stock	0	-30	
Sub Total	1072	763	
EBIDTA	146	93	57%
Margin %	17.8%	16.2%	
Other Income	15	9	
EBIDTA	162	103	57%
Interest & Finance Cost	68	54	
Cash Accruals	93	49	90%
Depreciation	29	30	
Profit before tax	64	19	
Exceptional Items/Prior Period Adj.(net)	2	0	
Profit before tax	66	19	
Profit After Tax	66	19	249%

Ratios

	2010-11	2011-12
	Full year	Q1
EPS	6.5	2.4
Debt / EBIDTA	3.7	3.3
ROCE	10.6%	13.5%
ROE	8%	14%
Revenue Growth	25%	39%

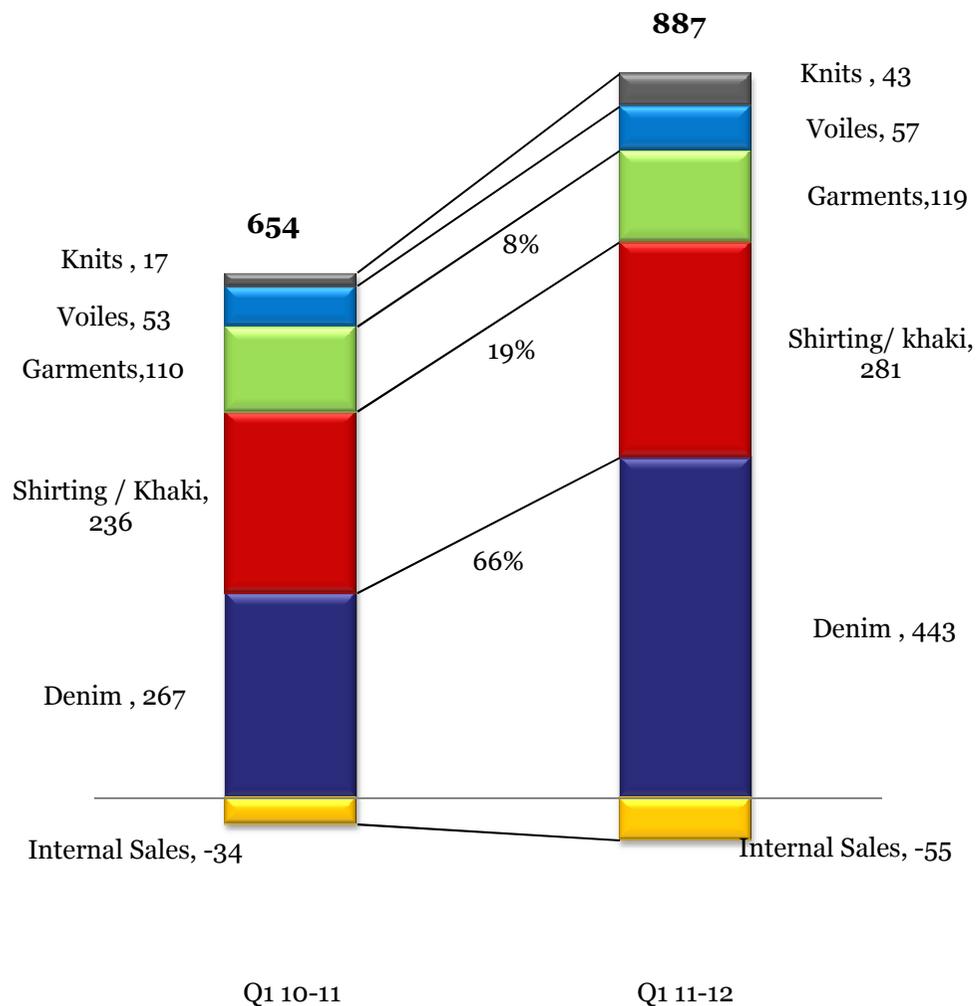


Business Analysis

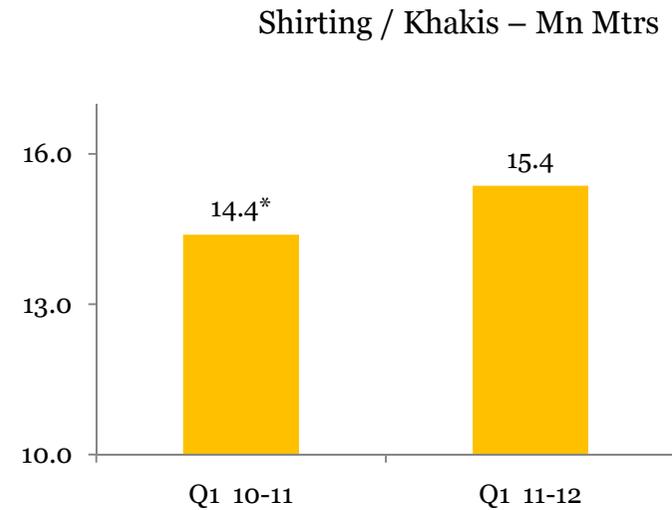
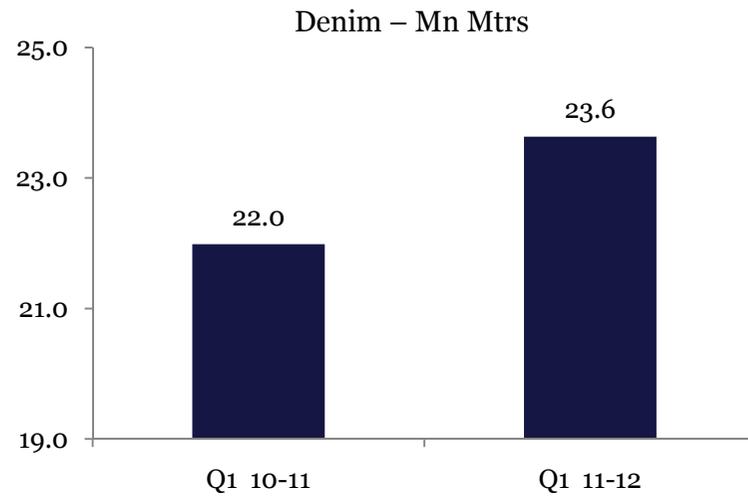
All numbers in this section are consolidated unless specified otherwise

Textiles Business- Revenue Mix

Textile revenue grew by 37% led by robust 66% growth in denim and 19% growth in shirting/khaki fabrics



Denim & shirting/khaki Volumes



*Figures are exclusive of semi-finished fabric Sales

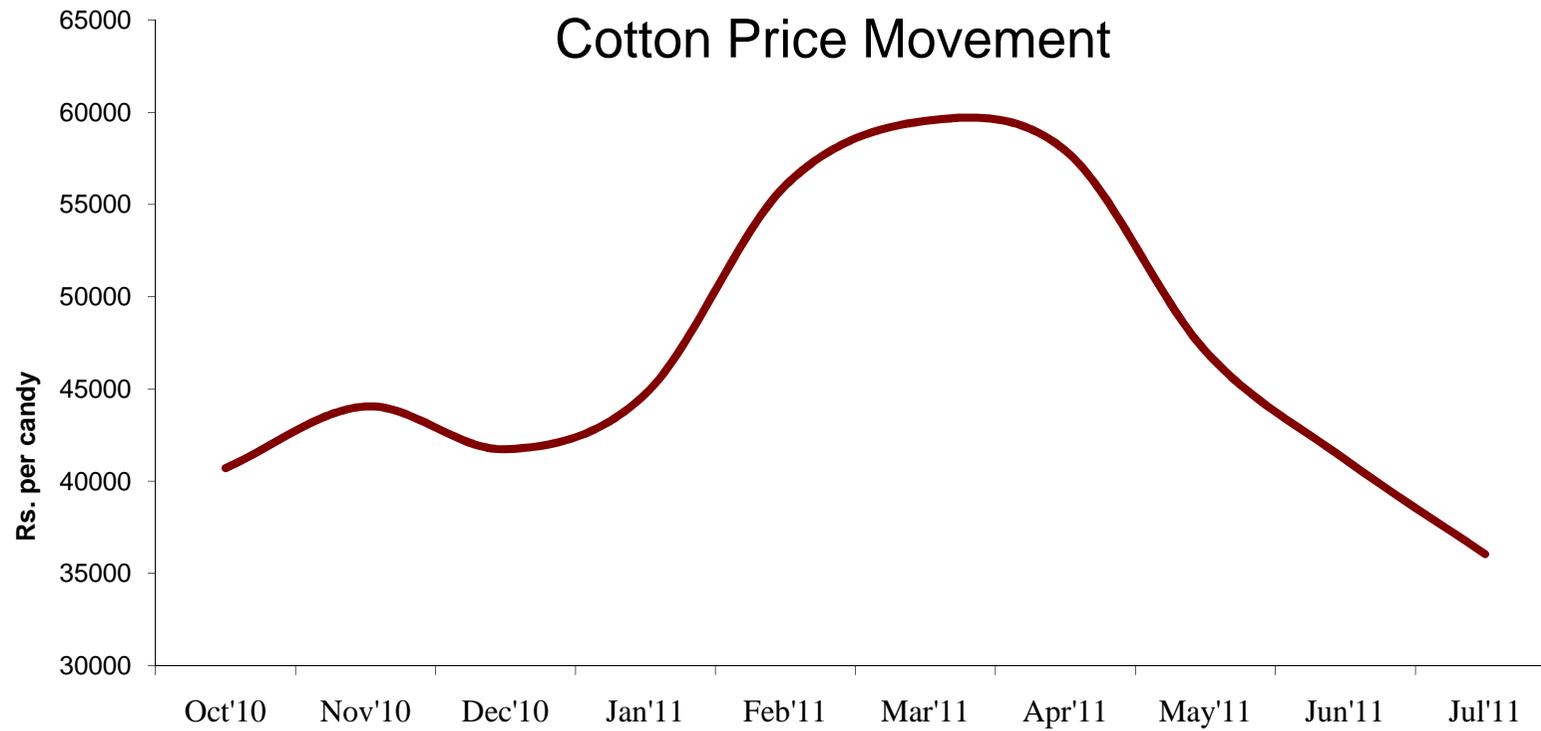
Denim volume growth

- Denim volume growth was 8%
- Growth could have been higher but for the fact that brands & retailers are buying less due to:
 - Expectation of fall in prices due to sharp fall in cotton prices
 - Uncertainty of the impact of steep increase in MRPs that could have on demand

Imports of denims in US

Jan-Feb	M Pcs	
2011	69.8	
2010	74.5	-6.3%

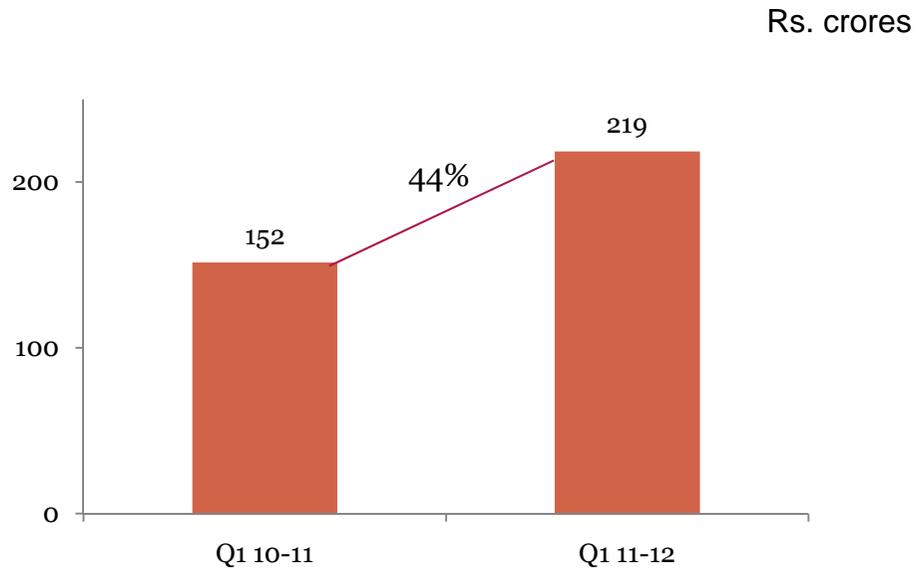
Cotton cost volatility



Key Parameters- Q1 2011-12-Textiles

	Denim		Shirting	
	2011-12	2010-11	2011-12	2010-11
Exports (Mn Mtrs)	11	12	1	2
Domestics (Mn Mtrs)	13	10	10	9
Avg Price (Rs / Mtr)	185	122	172	130
	Cotton		Gas	
	2011-12	2010-11	2011-12	2010-11
Major Cost Components				
Cost in Rs./Kg	136	74	17	14

Brands & Retail Businesses-Revenue Q1



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

Revenue Growth in current quarter once again exceptional

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

Revenue Q1-11

	Revenue Rs Crs	% Growth
ALBL	116	66%
ARL	103	26%
Total	219	44%

One of the key growth drivers was like to like growth in Retail.....

Like to Like Growth

	% LTL
ALBL	14
ARL	6

ALBL- Brands
ARL- MegaMart Retail

Brands & Retail Business- Distribution

	2010-11		Q1 2011-12	
	Stores	Sq Ft	Stores	Sq Ft
Brands	228	214844	252	233097
Retails	200	617154	215	686702
Total	428	831998	467	919799
KA Counters	248		283	

- Sales Increase in Key Account Counters: grew by 45% in Q1

Outlook

- Expect to achieve Revenue growth for the current FY of about 15-20% on account of :
 - Strong brands & retail growth
 - Capacity expansion in shirting/khaki fabrics in H2 of current FY
 - Demand for fabrics may revive in later part of the current FY as price adjustments, on account of lower cotton cost, has begun to happen across the value chain
- Margins likely to be maintained
- Increase in interest cost on account of increase in rates

Thank You

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