

The Arvind logo is rendered in a red, serif typeface. The letters are closely spaced, and the 'A' and 'V' are particularly prominent due to their height and the sharp points of their respective shapes. The logo is positioned in the upper right quadrant of the slide, set against a light, off-white background that is part of a larger graphic design featuring abstract, flowing shapes in shades of blue and purple.

Review Note Q3 2011-12

13th Feb, 2012

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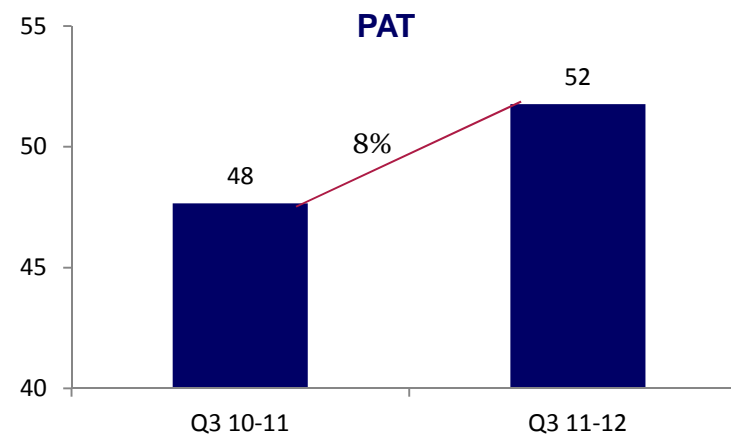
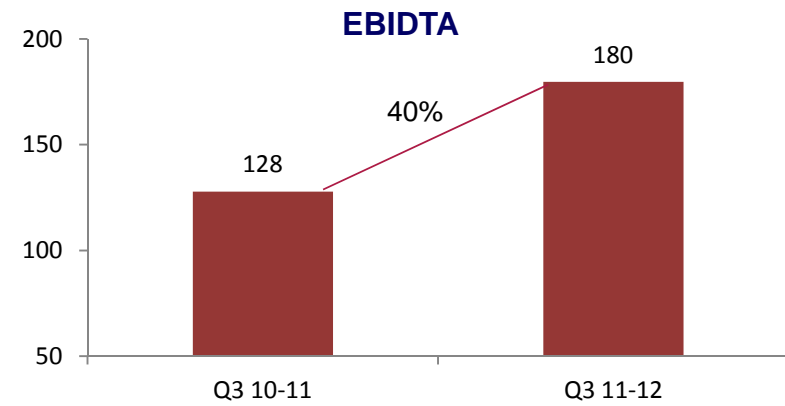
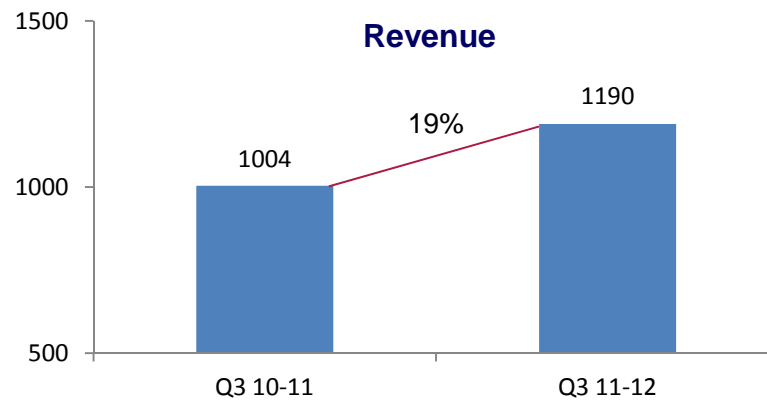
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Financial Performance- Consolidated

Highlights Q3 - 2011-12

Rs crores



Financial Performance Q3 – 2011-12

Rs crores

	Q3 Rs in Crs		Change
	2011-12	2010-11	
Revenue	1190	1004	19%
Raw Materials	548	549	
Employees' Emoluments	117	97	
Others	356	314	
(Increase) / Decrease in Stock	-10	-84	
EBIDTA	180	128	40%
Margin	15.1%	12.7%	
Other Income	34	16	
Interest & Finance Cost(Net)	115	54	
Cash Accruals	99	90	10%
Depreciation	40	42	
Profit Before Taxes	59	48	
Net Profit from Ordinary Acitivity	52	48	8%
Extra Ordinary Item	191	0	
Net Profit	243	48	

- Figures of Q3 are not comparable with Q3 of previous year as revenue of VF Arvind Brands Pvt. Limited (VFABPL) has been included only for one in current year month due to sale of JV stake
- EBIDTA margin improved 224 basis points to 15.1% from 12.7%
- Interest & Finance cost includes Rs 37.82 Cr loss on account of FX liabilities(Rs 6.05 Cr Profit in Q3 10-11)
- Other Income includes profit on sale of real estate Rs. 29.75 cr (Q3 2010-11 Rs.9.16 cr)
- PAT from ordinary activity grew by 8% despite FX losses
- Extra Ordinary Item includes net of tax profit on sale of shares of VFABPL



Key Developments during the Quarter

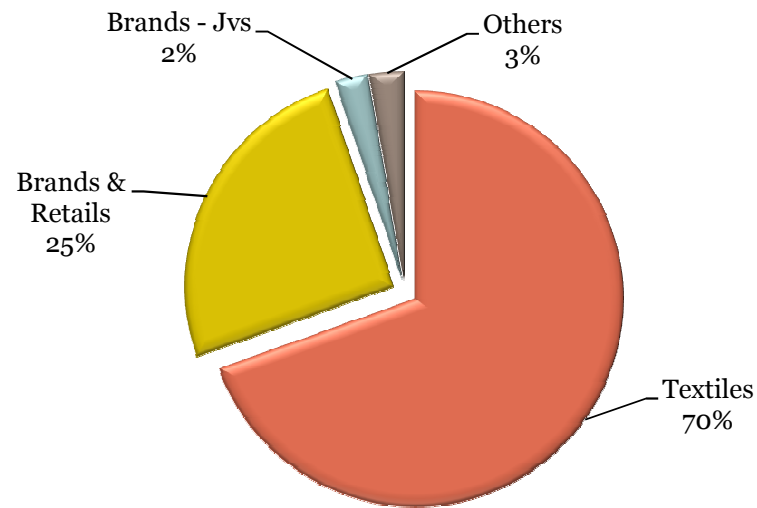
- The Scheme of amalgamation of Arvind Products Limited (APL) with Arvind Limited (AL) became effective from 8th February 2012
 - On consolidated basis, the amalgamation of the company does not make any material difference as APL was being consolidated earlier as well
 - Shareholders of APL will be issued Rs. 3.41 cr shares of Arvind Limited (increase of 1.41%)
- Shares of Joint Venture company VF Arvind Brands Pvt Limited were sold
 - The company has made profit of Rs. 191 crores (net of tax) which has been shown as extra ordinary income during the quarter.
 - The company has stopped consolidating accounts of the JV with effect from Nov 1, 2011

Financial Performance Q3 (comparable)

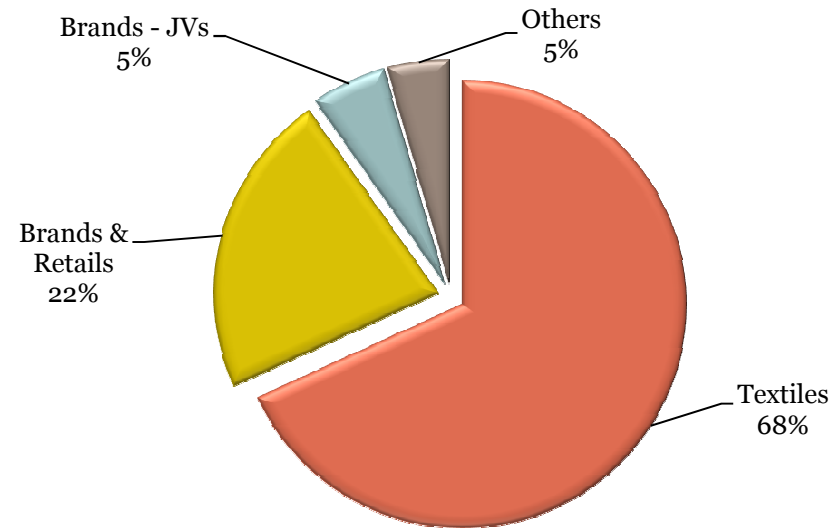
	Q3 Rs in Crs		Change
	2011-12	2010-11	
Revenue	1174	976	20%
Raw Materials	538	526	
Employees' Emoluments	116	96	
Others	354	308	
(Increase) / Decrease in Stock	-10	-76	
EBIDTA	176	123	44%
Margin	15.0%	12.5%	
Other Income	34	16	
Interest & Finance Cost(Net)	114	53	
Cash Accruals	96	85	13%
Depreciation	40	42	
Profit Before Taxes	56	44	
Profit After Tax	49	43	
Minority Interest	0	0	
Net Profit from Ordinary Acitivity	49	43	13%
Extra Ordinary Item	191	0	
Net Profit	240	43	

- In order to enable comparison, the figures in the adjoining table have been recast by excluding figures of VFABPL for Q3 2011-12 and 2010-11

Q3 2011-12- Revenue



Q3 2011-12



Q3 2010-11

Compared Q3 2010-11

Textile Business grew by 21%

Brands & Retail Business grew by 32%

Share of apparel & fabric retailing grew to 37% from 33%

Share of domestic revenue remained at 67%.

2011-12 –Q3-Earnings

- EBIDTA grew by 40% to Rs.180 cr.

EBIDTA margin improved 223 basis points to 15.1% as compared to 12.9% on account of:

- Textile margin growth from 16.4% to 18%
 - Brands & Retail margin increased from 7.8% to 8.7%
- Profit After Tax from ordinary activity grew to Rs. 52 crores up 8% compared to Q2 2010-11 despite writing off FX loss of Rs. 37.82 crores.

Balance Sheet

Rs cr.

	31.12.2011	31.03.2011
SOURCES OF FUND		
Share Capital	258	258
Reserves and Surplus	1635	1468
Shareholders' Fund	1894	1725
Minority Interest	6	6
Loan Funds	2174	2211
Deffered Tax Liability(Net)	22	22
Total	4096	3964
APPLICATION OF FUNDS		
Fixed Assets	2903	2766
Investments	51	45
Fx Transalation Account	5	(1)
Net Current Assets	1136	1154
Misc Exp		0
Total	4096	3964

Ratios

	2010-11	2011-12	2011-12
		Q3	9 Month
EPS	6.5	2.0	6.8
Debt / Equity	1.3	1.1	1.1
Debt / EBIDTA	3.7	2.5	2.7
ROCE	10.6%	16.9%	15.5%
ROE	8.4%	11.0%	12.4%
Revenue Growth	25.0%	19.0%	26.5%



Financial Performance-Standalone

Financial Performance Q3

Rs crores

Particulars	2011-12	2010-11	Change
	Q3		
Revenue	832	648	28%
Raw Materials	382	338	
Employee Cost	92	67	
Power & Fuel	90	61	
Stores Consumption	61	46	
Others	84	90	
(Increase) / Decrease in Stock	-28	-43	
Sub Total	1063	898	
EBIDTA	151	88	71%
Margin %	18.1%	13.6%	
Other Income	35	12	
EBIDTA	186	100	85%
Interest & Finance Cost	101	41	
Cash Accruals	85	59	43%
Depreciation	33	28	
Profit before tax	52	31	
Tax	0	0	
Profit After Tax	52	31	65%
Extra Ordinary Item	198	0	
Net Profit after Extra Ordinalry Item	250	31	



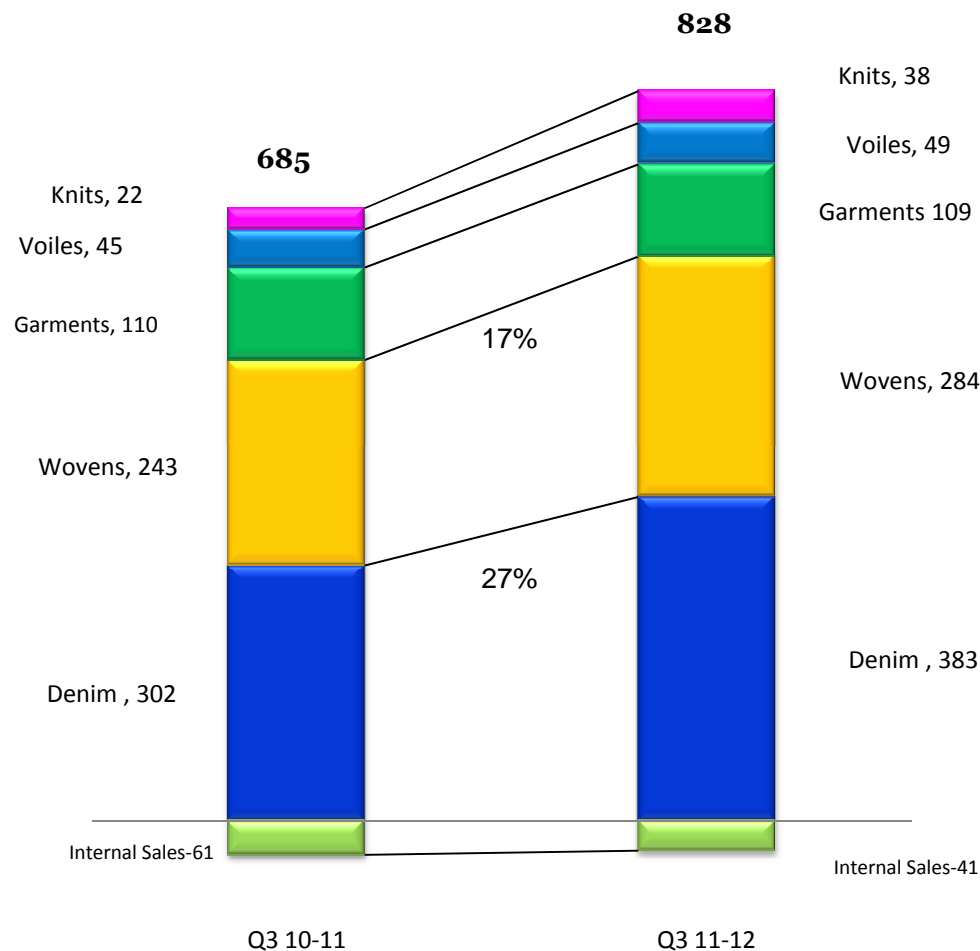


Business Analysis

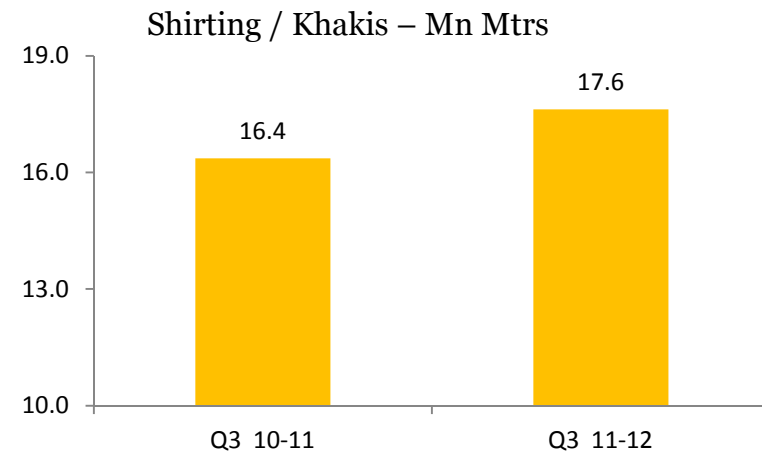
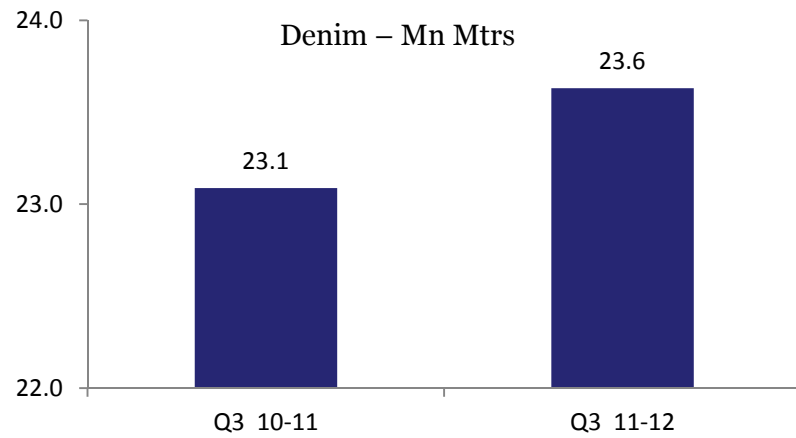
All numbers in this section are consolidated unless specified otherwise

Textiles Business- Revenue Mix

Textile revenue grew by 21% led by 27% growth in denim and 17% growth in shirting/khaki fabrics



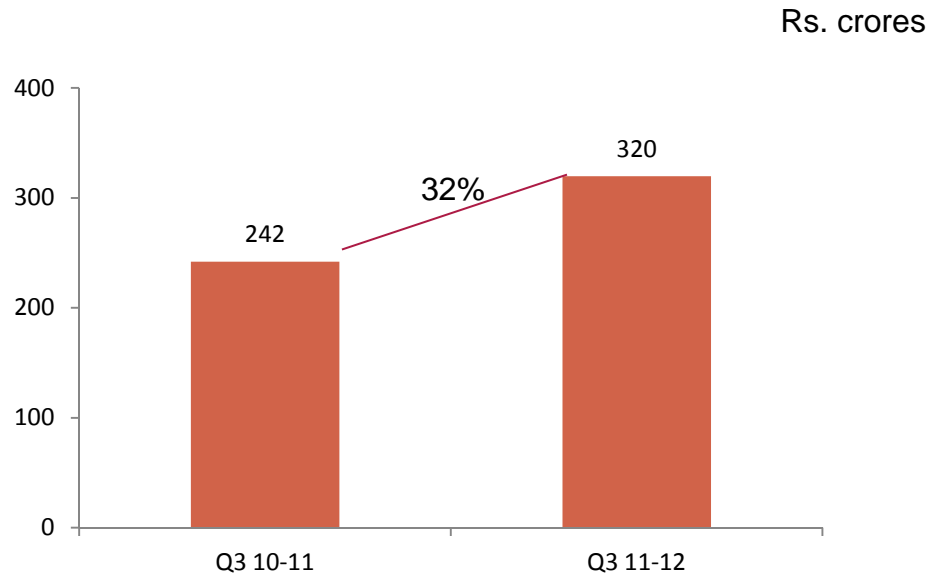
Denim & shirting/khaki Volumes



Key Parameters- Q3 2011-12-Textiles

	Denim		Shirting	
Key Business Parameters	2011-12	2010-11	2011-12	2010-11
Exports (Mn Mtrs)	9	9	6	4
Domestic (Mn Mtrs)	15	14	12	13
Avg Price (Rs/Mtr)	159	139	153	148
	Cotton		Gas	
Major Cost Components	2011-12	2010-11	2011-12	2010-11
Cost in Rs./Kg	120	99	19	16

Brands & Retail Businesses-Revenue Q3



- Arvind Lifestyle brands & Arvind Retail Limited are subsidiaries operating in apparel Brands & Retail Businesses respectively
- Revenue growth achieved during the quarter ~32%

Revenue Growth in current quarter once again exceptional

Revenue growth in Q3 continued to be high at 32%

Revenue Q3-11

	Revenue Rs Crs	% Growth
ALBL	166	43%
ARL	154	22%
Total	320	32%

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

Like to Like Growth achieved over 11%

	% LTL
ALBL	16.2
ARL	4.7

ALBL- Brands
ARL- MegaMart Retail

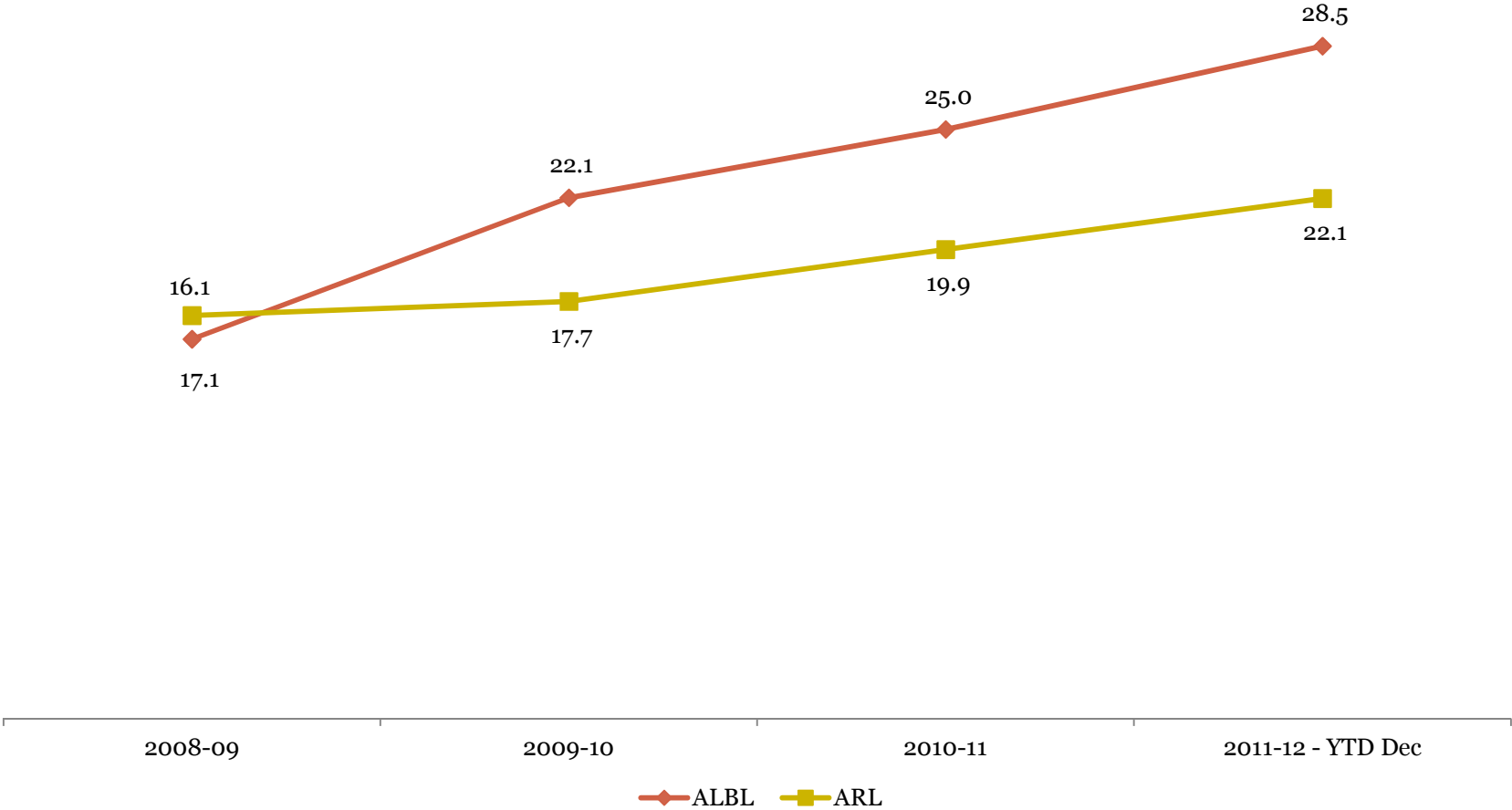
Brands & Retail Business- Distribution

	2010-11		9M 2011-12	
	Stores	Sq Ft	Stores	Sq Ft
Brands	228	214844	329	303363
Retail	200	617154	219	697897
Total	428	831998	548	1001260
KA Counters	248		310	

- Sales Increase in Key Account Counters: grew by 14% in Q3

Retail Productivity.

Figs: Rs Per Sq. Ft. Sales Per Day



Outlook

- Revenue growth for the current FY likely to be about 18%
 - Strong brands & retail growth
 - Capacity expansion in shirting/khaki fabrics
- Marginal drop in EBIDTA margin in Q4 as selling price in textile and Brand & Retail business adjusted to reflect current cotton prices while part of inventories continue to reflect higher cotton prices of previous season.

Thank You

ARVIND

