Q1 2011-12
28th July, 2011

Arvind Limited
Naroda Road,
Ahmedabad-380025 (India)
Tel: +91-79-30138000
Fax: +91-79-30130630
www.arvind.com
Financial Performance- Consolidated
Highlights Q1 - 2011-12

Revenue

Q1 2010-11: 863
Q1 2011-12: 1,200
Increase: 39%

EBIDTA

Q1 2010-11: 119
Q1 2011-12: 175
Increase: 47%

PAT

Q1 2010-11: 22
Q1 2011-12: 61
Increase: 176%
Financial Performance Q1 – 2011-12

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

- 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.
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

- 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.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2011-12 Q1</th>
<th>2010-11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>822</td>
<td>578</td>
<td>42%</td>
</tr>
<tr>
<td>Raw Materials</td>
<td>396</td>
<td>279</td>
<td></td>
</tr>
<tr>
<td>Employee Cost</td>
<td>73</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Power &amp; Fuel</td>
<td>67</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Stores Consumption</td>
<td>55</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>86</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>(Increase) / Decrease in Stock</td>
<td>0</td>
<td>-30</td>
<td></td>
</tr>
<tr>
<td>Sub Total</td>
<td>1072</td>
<td>763</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>146</td>
<td>93</td>
<td>57%</td>
</tr>
<tr>
<td>Margin %</td>
<td>17.8%</td>
<td>16.2%</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>15</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>162</td>
<td>103</td>
<td>57%</td>
</tr>
<tr>
<td>Interest &amp; Finance Cost</td>
<td>68</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Cash Accruals</td>
<td>93</td>
<td>49</td>
<td>90%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>29</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>64</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Exceptional Items/Prior Period Adj.(net)</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>66</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>66</td>
<td>19</td>
<td>249%</td>
</tr>
<tr>
<td>Ratios</td>
<td>2010-11</td>
<td>2011-12</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>---------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Full year</td>
<td>Q1</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>6.5</td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>Debt / EBIDTA</td>
<td>3.7</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>10.6%</td>
<td>13.5%</td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>8%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Revenue Growth</td>
<td>25%</td>
<td>39%</td>
<td></td>
</tr>
</tbody>
</table>
Business Analysis

All numbers in this section are consolidated unless specified otherwise
Textile revenue grew by 37% led by robust 66% growth in denim and 19% growth in shirting/khaki fabrics.
Denim & shirting/khaki Volumes

Denim – Mn Mtrs

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>22.0</td>
<td>23.6</td>
</tr>
</tbody>
</table>

Shirting / Khakis – Mn Mtrs

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>14.4</td>
<td>15.4</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Jan-Feb</th>
<th>M Pcs</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>69.8</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>74.5</td>
<td>-6.3%</td>
</tr>
</tbody>
</table>
Cotton cost volatility

Cotton Price Movement

Rs. per candy

Oct'10  Nov'10  Dec'10  Jan'11  Feb'11  Mar'11  Apr'11  May'11  Jun'11  Jul'11
# Key Parameters- Q1 2011-12-Textiles

<table>
<thead>
<tr>
<th></th>
<th>Denim</th>
<th>Shirting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011-12</td>
<td>2010-11</td>
</tr>
<tr>
<td>Exports (Mn Mtrs)</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Domestics (Mn Mtrs)</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Avg Price (Rs / Mtr)</td>
<td>185</td>
<td>122</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Cotton</th>
<th>Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Cost Components</td>
<td>2011-12</td>
<td>2010-11</td>
</tr>
<tr>
<td>Cost in Rs./Kg</td>
<td>136</td>
<td>74</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th></th>
<th>Revenue Rs Crs</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALBL</td>
<td>116</td>
<td>66%</td>
</tr>
<tr>
<td>ARL</td>
<td>103</td>
<td>26%</td>
</tr>
<tr>
<td>Total</td>
<td>219</td>
<td>44%</td>
</tr>
</tbody>
</table>

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

### Like to Like Growth

<table>
<thead>
<tr>
<th></th>
<th>% LTL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALBL</td>
<td>14</td>
</tr>
<tr>
<td>ARL</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>2010-11</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------</td>
</tr>
<tr>
<td></td>
<td>Stores</td>
</tr>
<tr>
<td>Brands</td>
<td>228</td>
</tr>
<tr>
<td>Retails</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>428</strong></td>
</tr>
</tbody>
</table>

- KA Counters

- 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