

11th February, 2016

The Manager
Listing Department
The National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra – Kurla, Bandra (E),
Mumbai – 400051

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Sub: Press announcement made at the Board Meeting for the 3rd Quarter and Nine months ended results

Compliance Officer : Munish kakra (CFO & Company Secretary)
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Scrip Code : LIBERTSHOE
ISIN No. : INE 557B01019

Dear Sir/ Madam,

Please refer to our letter dated 11th February, 2016 in respect of outcome of the Board meeting of the Company held on Thursday, 11th February, 2016.

In Continuation thereof, please find attached herewith the Press announcement made by the Company just after the Board meeting in respect of its 3rd Quarter and Nine months ended results for your information & records.

Kindly upload the same on your website for the information of the investors at large.

Thanking you,
Sincerely Yours,
For Liberty Shoes Ltd.



Munish Kakra
CFO & Company Secretary



Enc. a/a

Liberty Shoes Ltd.

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CIN No. L19201HR1986PLC033185



Liberty, 3rd Quarter & 9 Months Financial Performance

New Delhi, February 11, 2016: Liberty Shoes Ltd., India's leading footwear Company, today announced its results of Q3 and Nine Months for F.Y. 2015-16. The Company during the quarter and period ended 31st Dec, 2015 has recorded the Sales of Rs. 127.80 Crores and Rs. 348.67 Crores as compared to the corresponding quarter and period ended of previous year Rs. 150.06 Crores and Rs. 406.43 Cr respectively. Though, the Company has seen growth at retail front during the period, the overall top line of the Company has witnessed decline due to a big Institutional tender order of State Government for school shoes to the tune of Rs. 40 Crores approx. being re-scheduled and also due to slowdown in the Exports due to global recession. Despite decline in the sales, the Company has improved its EBIDTA margins as a result of various corrective measures taken during the period.

Sh. Adesh Gupta, CEO & Executive Director of the Company says about Revenue of the Company:

Domestic Sales: For the Company Owned Company Operated stores (COCO), the Company has achieved around 7% growth in sales whereas same store Sales, the Company has witnessed around 15 % growth. This signifies the confidence of customers in Liberty Brand. The Company has been expanding its reach by adding new stores month to month and year to year for last couple of years and in pursuit to that, has added so approx. 40 new stores to its existing kitty in financial year 2015-16.

Mr. Gupta while elaborating the highlights of the financial performance of the Company also mentioned that "Make in India" initiatives taken by Government has given recognition to footwear as Industry besides various initiatives being taken by Department of Industrial Policy and Promotion including formation of Council for Footwear Leather and Accessories (CFLA) to overcome the challenges faced by domestic footwear industry. He also said that Branded Footwear faces the stiff competition with the non branded players in terms of pricing because of high taxes for branded footwear. Mr. Gupta further said that excise duty reduction in 2015 budget has given some relief to the Industry and the recent notification of UP Government for different rates for Leather and non Leather footwear will reduce the VAT burden for all organized players over the period but exceptional increase in Minimum wages from November, 2015 in Haryana will be having adverse impact on the operating margins for the Industry. Mr. Gupta said that with the recognition of footwear as thrust sector and various other initiatives of Government, footwear Industry in the long run would be benefitted and will surely justify its potential for foreign exchange earnings and creation of new job opportunities.

E- Commerce business in consumer products has widened its ambit in last few years which is affecting the footfall of the customers at mall/retail stores. Mr. Gupta further stated that the Company is revamping its E-Commerce platform and is in discussion with major players in this segment by putting the specialized products meant for E-Commerce.

While focusing on the quality and fashion consciousness, Mr. Gupta has also highlighted that the Company has been launching various new designs and products every month to fulfill the customers' aspirations and taste at affordable price to suit the changing lifestyle.

Export Sales: Due to Global slowdown & especially in China, the overall Indian exports have reduced by 25% to 30% in last nine months ended 31st Dec, 2015 and the same trends were observed in the Company's export performance also. Due to steep reduction in Oil prices, Company's Middle East Exports have also impacted. The Company is hopeful that in future with the revival of the global



economy and with the Govt. initiatives, the Company can regain its momentum at Export front. Mr. Gupta also added that export subvention of 3% for footwear sector by Government w.e.f. 1st April, 2015 shall give boost to the industry having exports in terms of their reduced cost of fund.

Operating Margin:

Despite the decline in sales and increase in Minimum Wages in Haryana, the Company's operating margins during the period ended 31st Dec, 2015 have improved with the implementation of changes worked out in the Company's operations. The Earning before Interest, Tax and Depreciation (EBITDA) for the period ended 31st Dec, 2015 have improved over the corresponding preceding period. The Company is planning to pass on hike in Minimum Wages and other Input costs to the consumers wherever feasible without impacting the volumes.

Mr. Gupta while elaborating the numbers also highlighted that Care Analysis & Research Ltd. (CARE), the leading Rating agency has re-affirmed its rating CARE "A" (-) pronounced as CARE "A" minus for the various banking facilities sanctioned to the Company.

Outlook for Store Expansion

The Company as explained earlier also has envisaged huge potential in domestic retail market and to exploit this, has been adding the retail stores in the past. To continue with this plan, the Company has already added 40 new showrooms of franchisees and Company Owned Company Operated (COCO) during the period ended 31st Dec, 2015. The Company is selective in expansion and after having proper viability and feasibility study, opens the stores to avoid gestation period loss and make the stores profitable with standard inventory turn. The Company, he explained, continues to follow TOC concept in more disciplined manner and also implement its efforts to reduce working capital cycle in its future expansion initiatives.

Restructuring Plan:

Mr. Gupta said, as reported earlier, the Company has been pursuing with the two group partnership firms for finalising the terms of acquisition of their footwear business assets which are available with the Company under franchise arrangements till 31st March, 2016 in accordance to the terms of earlier agreements. Mr. Gupta further stated that the Company, considering the enduring benefits, is in discussion with the firms for the finalisation of the arrangements after the expiry of the ongoing agreements valid till 31st March, 2016 in due consultation with the consultants appointed for this purpose.

About Liberty Shoes Limited:

Liberty Shoes is the only Indian Company which is amongst the top 5 manufacturers of leather footwear in the World. The Company is producing more than 60,000 pairs of footwear a day covering virtually every age group and income category. Products are marketed across the globe through 162 distributors, 660 exclusive showrooms and over 9800 multi-brand outlets, and sold in thousands every day in more than 25 countries including fashion-driven, quality-obsessed nations like France, Italy, and Germany. The



manufacturing facilities at Liberty are called 'Humantech Centres', where technology works in perfect tandem with human creativity. The company is equipped with Humantech centres at six locations in Haryana and Uttarakhand. Liberty has developed a spectrum of 10 exclusive brands, each of which has been specially designed to cater to a specific target group. The company has something for every occasion, for every age group.

