



Press Release

Mumbai, 3rd May 2015

Creating India's Largest Pure Play Branded Apparels Company

Aditya Birla Nuvo to unlock value for the shareholders by consolidating its branded apparels businesses

In a bid to capitalise on its large market presence in the branded fashion space in India, Aditya Birla Nuvo Ltd. ("ABNL") today announced consolidation of its branded apparels businesses under its listed subsidiary - Pantaloons Fashion & Retail Limited ("PFRL").

The Boards of Directors of ABNL, PFRL and Madura Garments Lifestyle Retail Company Limited ("MGLRCL") – a subsidiary of ABNL, at their respective meetings held today, have approved the consolidation of branded apparels businesses under PFRL, through a composite scheme of arrangement ("Scheme").

To reflect the enhanced scope of the operations post consolidation, the Board of PFRL has approved PFRL to be renamed as 'Aditya Birla Fashion & Retail Limited' ("ABFRL").

Mr. Kumar Mangalam Birla, Chairman, Aditya Birla Group said, "This consolidation will create India's largest pure play fashion & lifestyle Company with a strong bouquet of leading fashion brands and retail formats. This move brings India's #1 branded menswear and womenswear players together."

"The consolidation will unlock value for the shareholders by giving them an opportunity to participate in the promising fashion space directly through ABFRL", added, Mr. Birla.

The businesses that will be demerged from the respective companies into PFRL are:

1. Madura Fashion, a branded apparel retailing division of ABNL, and
2. Madura Lifestyle, a luxury branded apparel retailing division of MGLRCL;

The Boards have approved the following swap ratio recommended by the independent valuers:-

- Shareholders of ABNL will get 26 new equity shares of PFRL for every 5 equity shares held in ABNL pursuant to the demerger of Madura Fashion,
- Shareholders of MGLRCL will get 7 new equity shares of PFRL for every 500 equity shares held in MGLRCL pursuant to the demerger of Madura Lifestyle,
- Preference shareholder of MGLRCL will get 1 new equity share of PFRL

On the completion of the transaction and issuance of new shares, the existing base of 9.28 Crore equity shares of PFRL will go up to 77.28 Crore equity shares. The new shares will be issued directly to the respective shareholders of the transferor companies. An existing shareholder holding 100 equity shares in ABNL will continue to hold 100 equity shares of ABNL and in addition, will get 520 equity shares of PFRL.

Mr. Pranab Barua, Business Director, Apparel & Retail business, said, "This move to bring all the branded apparels businesses under one roof will accelerate the growth of these businesses and help exploit emerging opportunities presented by the rapidly growing Indian apparel market."

The apparels category is the largest contributor to the organised retailing market in India which is expected to grow at a robust CAGR of 18% over next few years.

Having a combined turnover and EBITDA of Rs. 5,290 Crore and Rs. 493 Crore respectively for twelve months ended 31st December 2014, ABFRL will have the widest retail network in India in the fashion space with 1,869 exclusive stores pan India across 4.8 million square feet, as on 31st March 2015.

The consolidation will also enable tapping of operational synergies on various fronts such as sourcing, real estate and technology platforms.

The transaction is subject to the necessary statutory and regulatory approvals including approvals of the respective High Courts, the Stock Exchanges, SEBI, the respective Shareholders and lenders / creditors of each of the companies. The appointed date of the Scheme will be 1st April 2015. The transaction is expected to be consummated in the next 6 to 9 months.

Advisors:

Transaction Advisor : Standard Chartered Bank
Independent Valuers : Price Waterhouse & Co. LLP and Bansil S. Mehta & Co.
Independent Fairness Opinion (PFRL) : JM Financial Institutional Securities Pvt. Ltd.
Independent Fairness Opinion (ABNL) : Axis Capital Limited
Legal Advisors to the transaction : Amarchand & Mangaldas & Suresh A Shroff & Co.

About Aditya Birla Nuvo Limited

Aditya Birla Nuvo Limited is a ~USD 4 billion conglomerate operating in the services and the manufacturing sectors, where it commands a leadership position. Its service sector businesses include Financial Services (Life Insurance, Asset Management, NBFC, Housing Finance, Private Equity, Broking, Wealth Management, online money management and general insurance advisory), Fashion & Lifestyle (Branded apparels & Textiles) and Telecom. Its manufacturing businesses comprise of Agri, Rayon and Insulators businesses.

Aditya Birla Nuvo is part of the **Aditya Birla Group**, a USD 40 billion Indian multinational. The Group operates in 36 countries across the globe, is anchored by an extraordinary force of about 120,000 employees belonging to 42 nationalities and derives more than 50% of its revenue from its overseas operations.

About Pantaloons Fashion & Retail Limited

Pantaloons Fashion & Retail Limited is among the top 3 large format fashion retailers and the largest branded womenswear retailer in India. Pantaloons' wide customer reach spans 104 Stores and 30 Factory outlets across 2.3 million sq. ft. in 49 cities as on 31st March 2015. It registered revenue of Rs. 1,801 Crore and EBITDA of Rs. 62 Crore for twelve months ended 31st December 2014.

About Madura Fashion & Madura Lifestyle

Madura Fashion is the powerhouse of India's leading apparel brands such as Louis Philippe, Van Heusen, Allen Solly, Peter England and People. It is the largest branded menswear player in India. Louis Philippe and Van Heusen are largest selling brands in India.

Madura Lifestyle retails leading international luxury brands under the retail format 'The Collective'. It also retails Madura Fashion brands under the retail format 'Planet Fashion'.

On a combined basis, Madura Fashion and Madura Lifestyle reach out to customers through a pan India network of 1,735 Exclusive Brand Outlets spanning 2.5 million sq. ft. and 6000+ additional points of sales as on 31st March 2015. They clocked total revenue of Rs. 3,645 Crore and an EBITDA of Rs. 443 Crore for twelve months ended 31st December 2014.

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