TRIDENTGROUP

Performance Overview Presentation

Q1 FY15

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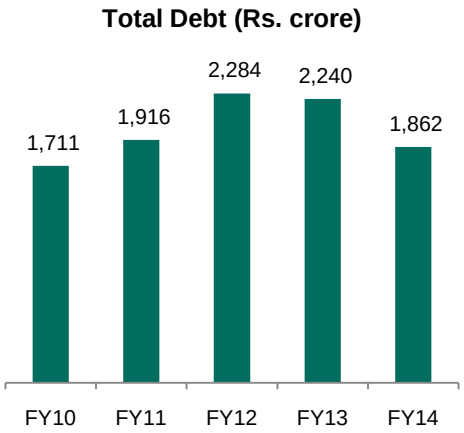
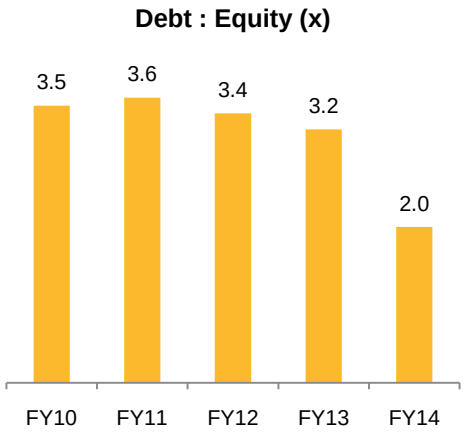
Financial Highlights

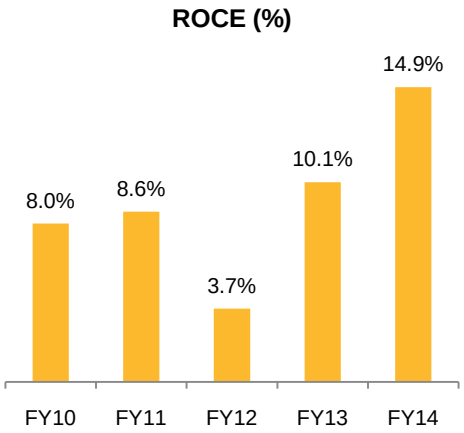
Business Highlights

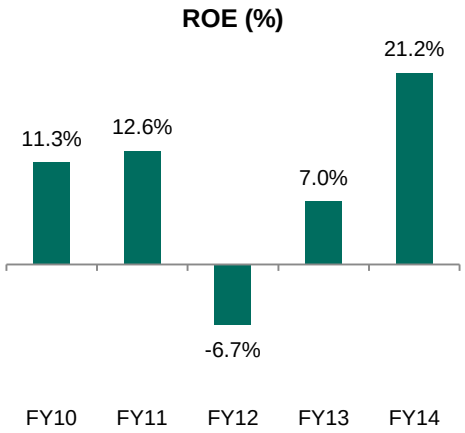
Strategy

About Us and Investor Contacts









Key Financial Parameters

- Reduction in total debt led by repayment and prepayment of loans
- Debt / Equity Ratio at a comfortable level of 2:1
- Higher profitability in FY14 combined with prudent financial management led to improvement in ROCE to 14.9%
- ROE improved to 21.2%

Q1 FY15 Financial Highlights

- **Net Revenue** higher by 4.6% at Rs. 913.3 crore compared to 872.7 crore
- **EBITDA** changed from Rs. 194.3 crore to Rs. 184.0 crore
  - **EBITDA Margin** stood at **20.2%**
- **PAT** stood at Rs. 32.3 crore vis-à-vis Rs. 44.2 crore
- **Diluted EPS** (non-annualized) at Rs. 0.68
- **Cash Profits** at Rs. 113.1 crore vis-à-vis Rs. 112.2 crore
- **Cash EPS** (diluted & non-annualized) stood at Rs. 2.39
- **Interim dividend** of Rs. 0.30 (3%) per equity share of face value Rs. 10

Q1 FY15 Operational Highlights

- Net Sales higher on account of improved utilization rates resultant to increased product off-take across products viz. Terry Towel, Yarn and Paper combined with improved realizations as a result of enhancing the product mix towards value-added products
- EBIDTA Margin at 20.2% driven by our focus on cost optimization and increasing contribution from high margin value-added products
- Outstanding net debt as on June 30, 2014 stood at Rs. 2589.4 crore
  - Outstanding term debt as on June 30, 2014 stood at Rs. 1880.6 crore
- The Company repaid long term loans amounting to Rs. 105.42 crore during the quarter

Profit & Loss Abstract

Q1 FY15	Q4 FY14	*Growth %*	Particulars (Rs. crore)	Q1 FY15	Q1 FY14	*Growth %*
913.3	990.2	*-7.8%*	Net Revenue	913.3	872.7	*4.6%*
730.8	836.5	*-12.6%*	Total Expenditure	730.8	678.7	*7.7%*
444.3	553.3	*-19.7%*	- Material Consumed	444.3	427.6	*3.9%*
286.5	283.2	*1.2%*	- Other Costs & Expenses	286.5	251.1	*14.1%*
184.0	154.0	*19.5%*	EBITDA	184.0	194.3	*-5.3%*
20.2	*15.6*	*460 bps*	*EBITDTA Margin (%)*	*20.2*	*22.3*	*-212 bps*
80.9	64.0	*26.3%*	Depreciation	80.9	68.1	*18.8%*
103.2	90.0	*14.7%*	EBIT	103.2	126.3	*-18.3%*
58.1	47.9	*21.3%*	Interest	58.1	59.3	*-2.0%*
45.0	42.1	*7.1%*	PBT	45.0	66.9	*-33%*
12.8	12.8	*-0.2%*	Tax	12.8	22.8	*-44%*
32.3	29.3	*10.3%*	PAT	32.3	44.2	*-27%*
0.68	0.92	*-26.1%*	*EPS (Diluted) (Rs.)*	0.68	1.42	*-52%*

Management Comment

Commenting on the performance, Mr. Rajinder Gupta, Chairman at Trident Group, said:

"The performance during the quarter is reflective of the progress on several strategic initiatives. The commissioning of our new Terry Towel facility in Budni is under stabilization. However, it has started adding to the overall efficiencies and is reflected in the improved margin profile of this business. The full benefits of these capacities will be visible from FY16 onwards. In the paper business, our focus is on improving productivity and operational efficiencies.

While we consolidate operations in the near term, we are confident of delivering sustained growth through larger capacities and improved product offerings in the longer term. At the same time, measures to strengthen our balance sheet will help us contain debt and financial costs relative to the increasing size of our operation which will deliver enhanced value to our shareholders."

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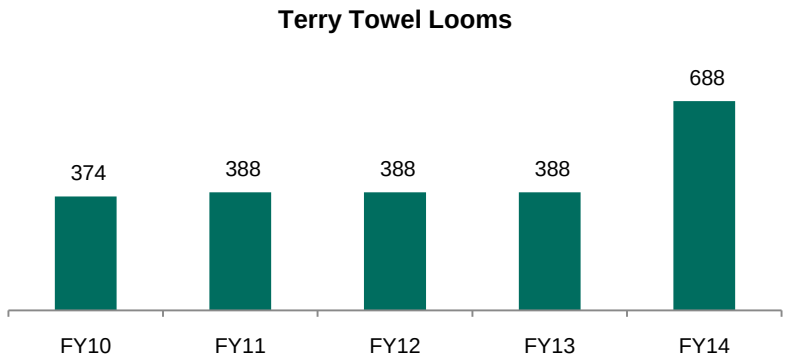
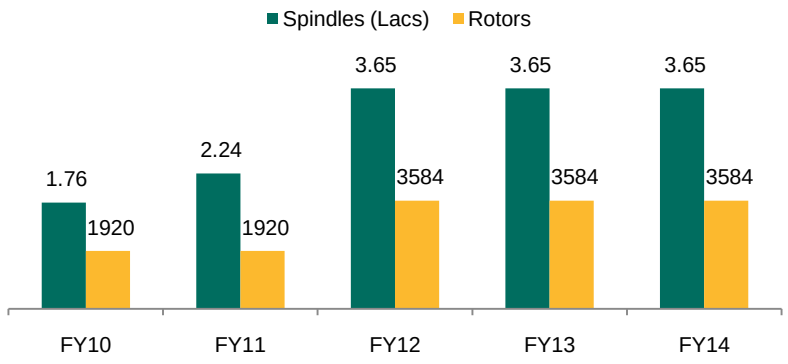
TRIDENTGROUP

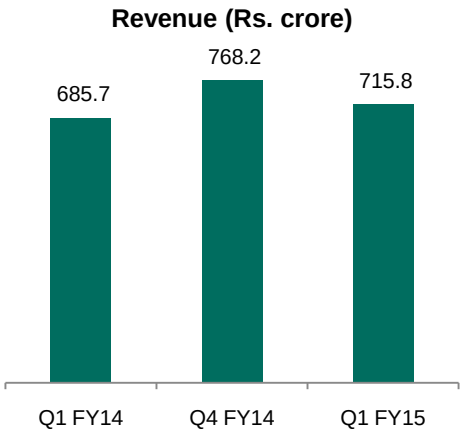
Trident Textiles

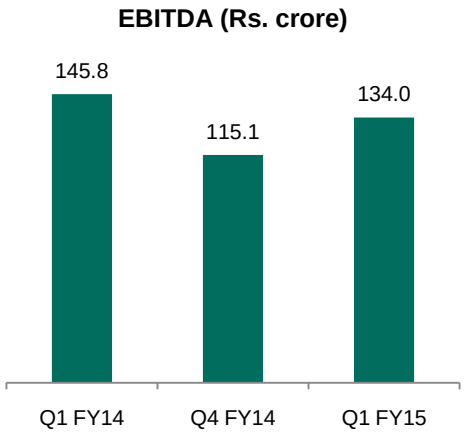
World's Largest Integrated Terry Towel Manufacturer

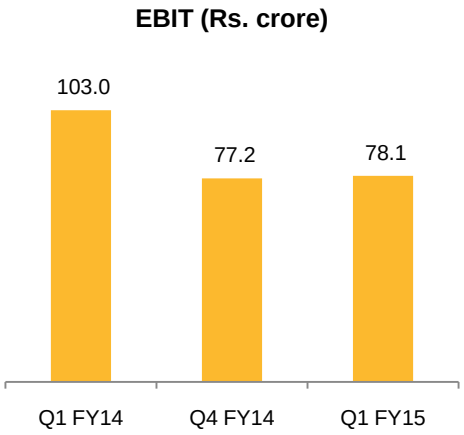
- Fully integrated home-textile operations with terry towel capacity of 360 million pieces of towel per annum and capacity of commensurate yarn
- Terry towel capacity increased by 300 looms in March 2014 which is under stabilization
- Implemented the world's largest terry towel project at a single facility
- One of the largest cotton yarn spinning capacity in India with 3.66 lac spindles capable of producing 8400 MT/month of cotton and blended yarn

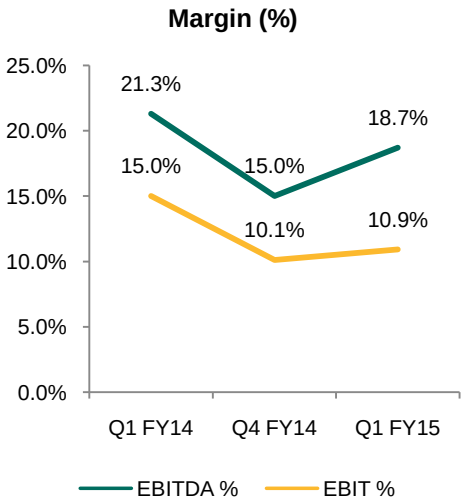










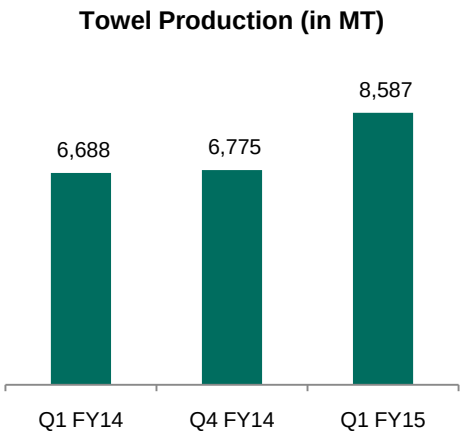


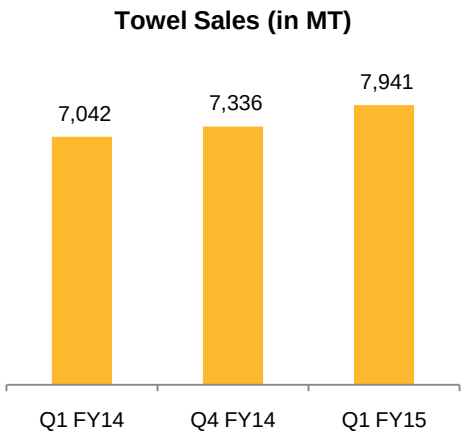
Financial Highlights

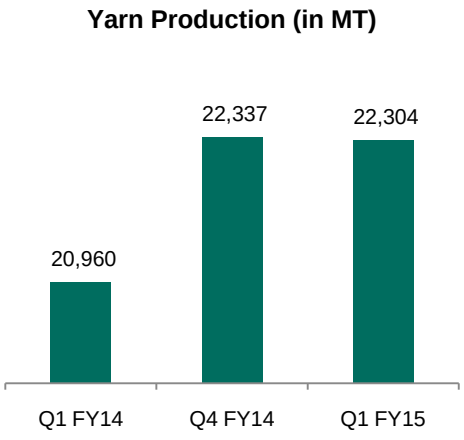
Top-line increased by 4.4% compared to Q1 FY14

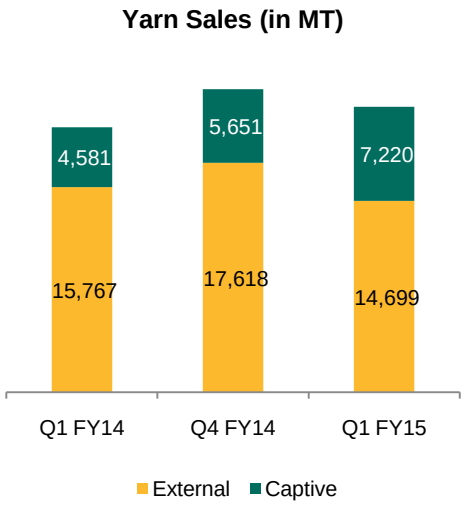
EBITDA margin stood strong at 18.7%

EBIT margin at 10.9% post implementation of terry towel facility at Budni









Operational Highlights

Terry towel production volume increased 28.4% y-o-y while sales volume increased 12.8% y-o-y

Captive sales of yarn increased from 22.5% in Q1 FY14 to 32.9% in Q1 FY15

Q1 FY15 Performance Overview & Outlook

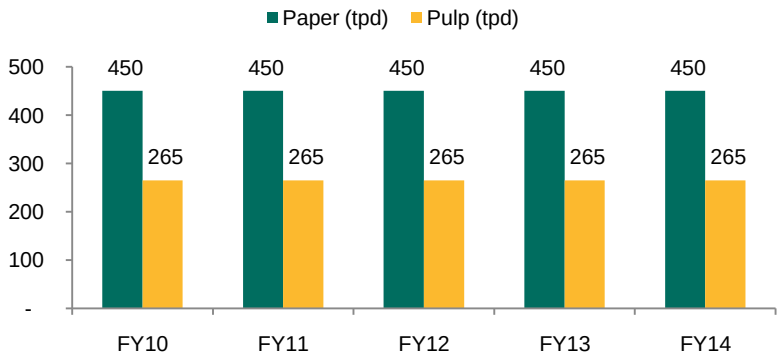
- Topline growth of 4.4% driven by increase in terry towel sales volume as well as realizations:
  - Terry towel sales volume improved by 12.8% while realizations improved by 3.7% backed by greater focus on value-added products
- Worked on developing new customer base
  - Trident brand presence doubled to 33 Reliance Market & Mart stores pan-India
  - Increased presence on online portals reaching direct customers
- Market research and segmentation drive new product launches in the domestic market
  - New look and launch of own brands like Trident Everyday, Trident Home Essentials, Trident Classic, etc. to enhance product branding
  - New Products to be introduced during festivities viz. Aroma, Organica & Cuddlies
  - Leveraging research and development to enhance the proportion of value-added products to the overall product mix
- Demand expected to be good in Online segments and Channel market spread pan-India

TRIDENTGROUP

Trident Paper

World's Largest Wheat Straw-based Paper Manufacturer

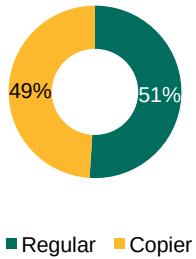
- Agro-residue (wheat straw) and ECF pulp used to manufacture paper
- Customers across 35 countries including India, Middle East, Africa, US, Latin America and UK, among others
- Energy-saving operations initiated to reduce power consumption



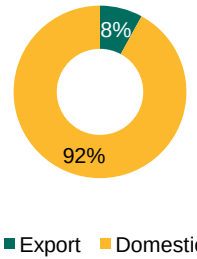
Product Portfolio

*Writing and printing paper
*Branded copier paper: SPECTRA, My Choice, Trident Natural and Trident Eco Green
*Maplitho paper under brands like: Diamond Line, Silver Line, Crystal Line, Super Line, Prime Line, Nature Line and Base Line
*Bible and offset printing paper
*Cream-wove
*Watermark paper
*Colour paper

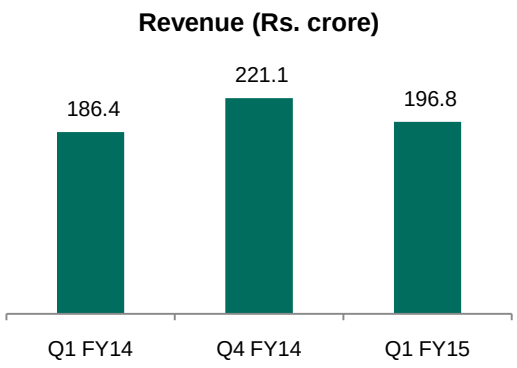
FY14 Product Mix

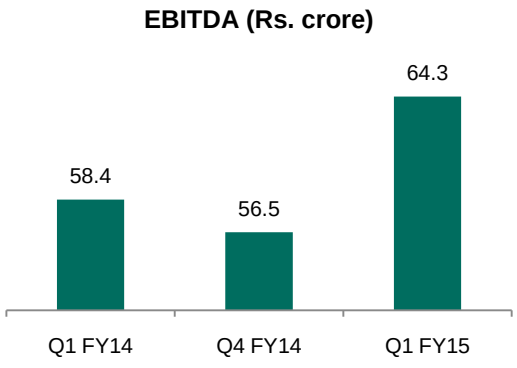


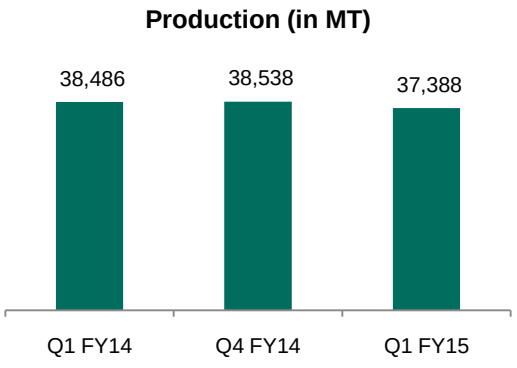
FY14 Export : Domestic Mix

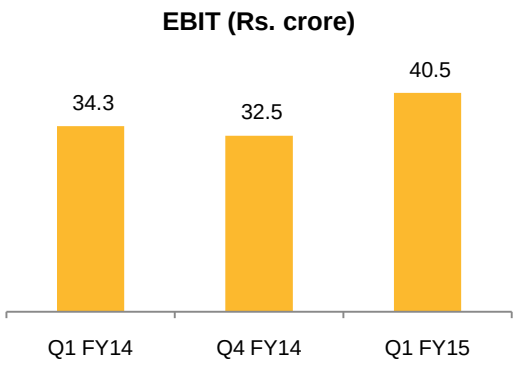


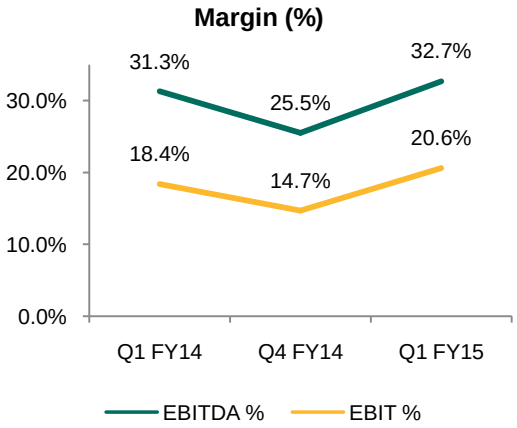
Financial & Operational Highlights

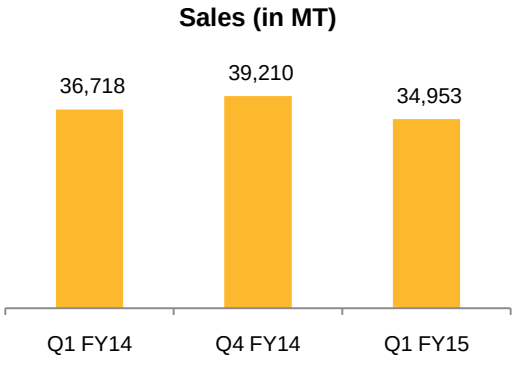












Q1 FY15 Performance Overview & Outlook

- Topline growth of 5.6% driven by increase in realizations
  - Sales volume decreased by 4.8% while realizations improved by 10.9%
  - Improved realizations resulting from enhanced product mix towards the copier segment
- EBITDA increased to INR 64.29 crore while EBITDA margin improved by 136 bps to 32.7%
- New identity for Trident Copier Paper launched to enhance product branding
- Improvement in average GSM to achieve higher profitability by increasing operational efficiency
- Improvement in service aspect to achieve price premium vis-a-vis competition
- Focus on institutional orders for longer runs, thereby improving productivity
- Improvement in operational efficiencies resulting from reduced power and fuel consumption

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Strategy

Continuous Improvement

- Business excellence activities like Kaizen, TQM, TPM, 5S, Change Management to have lean manufacturing resulting in efficient usage of technology
- TPM Policy has been formulated across the organization to achieve zero accidents, zero defects and zero breakdowns

Focus on value-added Products

- Innovation in design and product development of textile and paper products
- Patented technologies for superior quality Air Rich™ towels for better functionality and aesthetics
- Paper division geared towards high margin copier segment

Brownfield Expansion

- 38,802 TPA of additional cotton yarn capacities to meet captive demand
- Sheeting unit in Budni with 500 looms
- Capital outlay reduced due to incentive schemes by central and state governments

Strategy

Focus on Cost Efficiencies

- Captive Power capacities – one of the lowest ratio of power cost to revenue
- Leverage existing relations with suppliers in India, China & Egypt for supply of quality cotton at competitive prices

Entry in New Markets

- Continuous focus on spreading customers geographically
- Successfully entered new markets like UK, Italy, France, Japan, Australia, South Africa and Canada

Branding Strategy

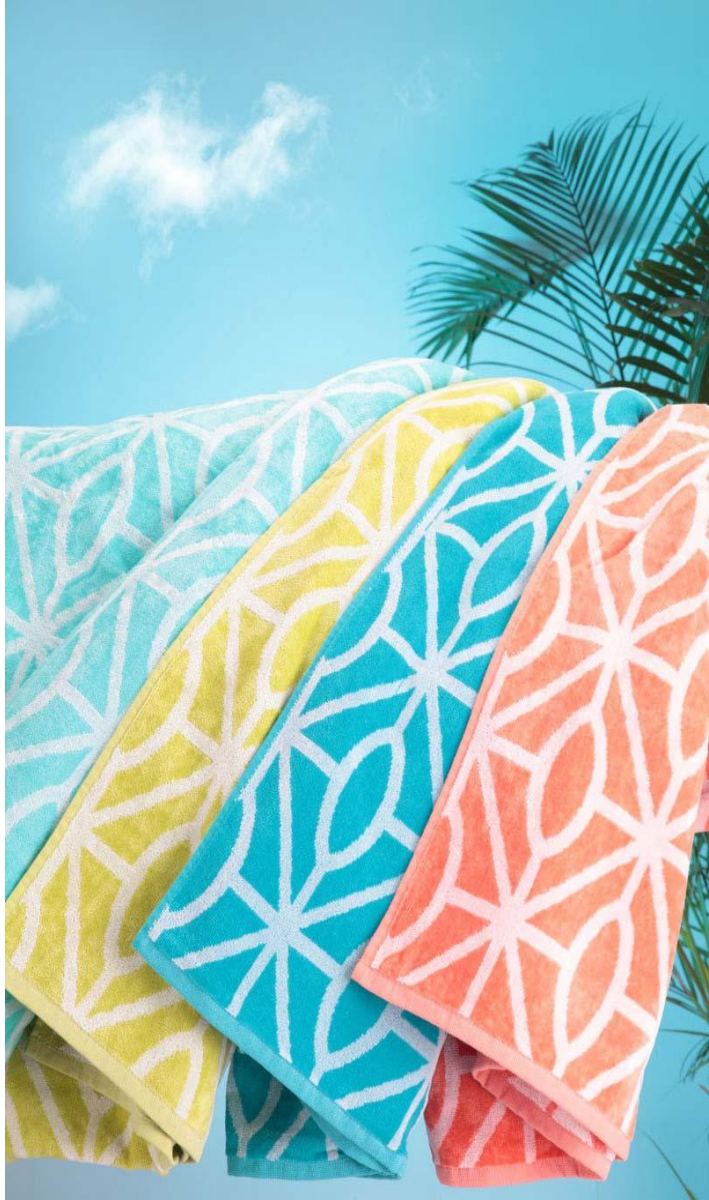
- Focus on aggressive branding strategy to percolate home textile product in premium customer segment

Geographical Diversification

- Locational advantage (M.P. being closer to ports), State Government incentives (mega project incentives), captive power plant (reduction in power cost) to make operations cost effective resulting in improved profitability

Post Expansion Facilities

Business		Operations	
Division	Product	Existing	Post ongoing expansions
Home Textiles	Terry Towels	688 Looms	688 Looms
	Sheeting	---	500 Looms
	Yarn	3.66 Lac Spindles	5.42 Lac Spindles
		5,500 Rotors	5,500 Rotors
	Dyed Yarn	6,825 TPA	6,825 TPA
Paper & Chemicals	Paper	175,000 TPA	2,00,000 TPA
	Chemicals	100,000 TPA	100,000 TPA
Energy	Captive Power	50 MW	110 MW



TRIDENTGROUP

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About Us

Trident Limited is the flagship company of TridentGroup, a USD 1 billion Indian business conglomerate and a global player. Headquartered in Ludhiana, Punjab, Trident is the largest terry towel and wheat straw based paper manufacturer in the world. With the establishment of the state-of-the-art manufacturing processes and systems coupled with appropriate human capital and credentials, Trident has frequently received accolades from its patrons in recognition for delivering high quality standards and for its customer-centric approach.

The Company operates in two major business segments: Textiles and Paper with its manufacturing facilities located in Punjab and Madhya Pradesh. Trident’s customer base spans over more than 75 countries across 6 continents and comprises of global retail brands like Ralph Lauren, Calvin Klein, JC Penney, IKEA, Target, Wal-Mart, Macy's, Kohl's, Sears, Sam's Club, Burlington, etc. With export turnover accounting for about 50% of total sales of the Company, TridentGroup has emerged as one of the world’s largest integrated home textile manufacturer.

TRIDENTGROUP

Awards and Accolades

… recognized by the world

- 4 times **Wal-Mart** Supplier of the Year Awards
- 3 times **JC Penney** Awards (Best Supplier, Innovation & Quality)
- 2 **Ikea** Quality and Sustainability Awards
- 3 **Corporate Governance** Awards
- **Texprocil** Export Performance Awards

Investor Contacts

For more information about us, please visit ***www.tridentindia.com***

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