WELSPUN

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WELSPUN INDIA LTD.

BUSINESS UPDATE

Consistent Strong Performance in Q3 FY13; Now #1 in US Home Textiles

- ✓ **Revenue up by 9% ; EBITDA up by 78% and PAT up multifold YoY on the back of improved operational efficiency**
- ✓ **Consolidation of textile business under single roof delivers synergy benefits**
- ✓ **Ranked # 1 in US home textiles by Home Textiles Today (HTT – Jan 2013)**

Mumbai, February 6, 2013: Welspun India Ltd., (WIL), part of the $ 3.5 billion Welspun Group today announced Q3 and 9M FY13 results, showing strong growth in comparison to corresponding period last year.

Financial Summary Q3 and 9M FY13 – (On comparable basis) ***(Rs. Million)***

Particulars	Q3 FY 13	Q2 FY13	Q3 FY 12	YoY Change	9M FY 13	9M FY12	YoY Change
Revenue	9,225	9,945	8,487	9%	28,904	23,794	21%
EBITDA	1,650	1,738	927	78%	5,095	3,166	61%
Finance Cost	483	486	497	-3%	1,476	1,434	3%
Depreciation	357	354	353	1%	1,059	1,036	2%
Profit After Tax	516	586	(7)		1,616	311	420%
Cash PAT	945	1,015	425	122%	2,874	1,722	67%
EBITDA Margin (%)	17.89%	17.47%	10.92%		17.63%	13.31%	
PAT Margin (%)	5.60%	5.89%	-0.08%		5.59%	1.31%	

Note: The figures discussed here are presented on a comparable basis after giving effect of the scheme of merger between WIL and WGBL for each of the periods mentioned. The published figures in the Consolidated clause-41 statement assume the entire impact of 9M FY13 results of WGBL in Q3 FY13, and hence would be different from the figures presented here.

For Welspun India Limited

Director / Company Secretary

BUSINESS UPDATE

Financial Highlights – Q3 FY13

- Sales grew by 9% largely due to higher volumes and better product mix.
- In spite of the increase in raw material costs, increased operational efficiency and the benefits of business restructuring have led to improved EBITDA margins of 18% from 11% in Q3FY12.
- Depreciation flat YoY while Finance expenses marginally lower due to lower debt levels.
- Profit after Tax at Rs. 516 mn; multifold improvement YoY.

Financial Highlights – 9M FY13

- Net Sales up by 21% YoY at Rs. 28,904 mn
- EBITDA up by 61% YoY at Rs. 5,095 mn delivering consistent margins of 18% across the three quarters indicating a steady and sustainable business performance.
- Profit after Tax five-fold YoY at Rs. 1,616 mn
- As on 31st Dec 2012, Net Debt stands at Rs. 15,107 mn while Net worth stands at Rs. 9,285 mn implying a Net Debt to Equity of 1.63x.

Key Developments during the quarter

- Merger of WIL and WGBL completed via court order dated 26 Nov 2012; becomes effective from December 7, 2012 delivering synergy benefits
- Home Textiles Today (HTT) has ranked Welspun No. 1 in US Home textiles in the recent annual survey released in Jan 2013, climbing up from No. 2 position last year.
- Acquired 13.03% equity stake in Welspun Retail Ltd (WRL) a subsidiary company, raising the effective shareholding in WRL to 98.03%.

Management comments

Speaking about the performance, Mr. Rajesh Mandawewala, Managing Director, Welspun India Ltd., said, "Welspun has continued its progress in the major home textile markets and the latest HTT No: 1 ranking is a testimony to our unprecedented growth. The results indicate the success of our consolidation efforts and renewed focus on our core competencies. Our strong customer relationships, efficient supply chain and innovative product development remain our key strengths. Our vision to become a fully integrated player will further improve performance and enable us to consolidate our position as the top home textile supplier globally".

For Welspun India Limited

Director / Company Secretary

BUSINESS UPDATE

Outlook

Indian textile industry is in a favourable position compared to its major competitors, like China and Pakistan, helped by availability of surplus cheap cotton, comparable/lower labour and power costs, along with favourable government policies. Post business consolidation, Welspun is well positioned to fully leverage the Indian competitive advantage and continue on the path of strong and sustainable growth and profitability. The Company's focus over the next year will be to increase its backward integration, which will result in an improvement in operating performance across all product categories.

The outlook for US, which is WIL's biggest market, is improving with an increase in consumer confidence and home sales. The Company is also well placed to capture some of the newer high-end markets in Europe once the EU-India Free Trade Agreement (FTA) comes into effect. Welspun is well poised to gain market share in the fast-growing Indian market through its shop-in-shop strategy in large retail stores under the brand 'Spaces'.

About Welspun India (www.welspunindia.com)

Welspun India Ltd, part of US$ 3.5 billion Welspun Group is one of the top three home textile manufacturers in the world and the largest home textile company in Asia. With a distribution network in 32 countries and manufacturing facilities in India, it is the largest exporters of home textile products from India. Supplier to 14 of Top 30 global retailers, the company has marquee clients like Wal-Mart, J C Penny, Target and Macy's to name a few.

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For Welspun India Limited

Director / Company Secretary