

BUSINESS UPDATE

Strong H1 performance of Textiles business - Profits at Rs. 1,096 Million in excess of two times

- **Strong Q2 performance backed by higher revenues and better margins**
- **EBITDA up by 38% YoY, to Rs 1,794 million**
- **Profit after Tax more than doubles YoY; at Rs. 614 million**

Mumbai, November 8, 2012: Welspun India Ltd., (WIL) and Welspun Global Brands Ltd. (WGBL), part of the \$ 3.5 billion Welspun Group today announced Q2 FY13 Results, showing strong growth with profits having more than doubled in comparison to corresponding period last year.

Textiles Business (WIL + WGBL) Combined Financial Summary Q2 FY13 (Figures in Rs. Million)

Particulars	Q2 FY13	Q1 FY13	Change %	Q2 FY12	Change %	H1 FY13	H1 FY12	Change %
Reported EBITDA	1,794	1,706	5%	1,299	38%	3,500	2,392	46%
PAT	614	482	27%	239	156%	1,096	427	156%
Cash PAT	960	811	18%	750	28%	1,772	1,334	33%

Financial Highlights Total Textiles - Q2 FY13

- Combined performance of Textiles Business for WIL and WGBL has shown significant improvement over the previous year. Business has benefited from closure/ re-strategizing of international/ retail operations that were not performing well in the challenging environment.
- Combined EBITDA growth was mainly on account of higher volumes and improved margins across product categories of Terry Towels, Sheets and Rugs.
- Combined Profit after Tax more than doubled due to higher volumes, improved margins, better operating efficiencies and favorable currency movement.

Management comments

Speaking about the performance, Mr. Rajesh Mandawewala, Managing Director, Welspun India Ltd., said, “Welspun is now a focused and integrated Home Textiles player with offerings across all the key product segments. We have consolidated our operations and focused on profitable growth. This has broadened our reach across key markets, strengthened our partnerships with major clients and put us on the path of sustainable and profitable growth. The innovative solutions from our product development teams have helped us develop products that match consumer needs, enabling us to record a strong performance even in changing dynamics of the global market”.

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Performance of WIL and WGBL as follows:

WIL Consolidated Financial Summary Q2 FY13 (Figures in Rs. Million)

Particulars	Q2 FY13	Q1 FY13	Change	Q2 FY12	Change	H1 FY13	H1 FY12	Change
Revenue	8,022	7,487	7%	6,992	15%	15,509	12,473	24%
Reported EBITDA	1,348	1,295	4%	1,050	28%	2,643	1,956	35%
Finance Cost	334	363	-8%	366	-9%	698	734	-5%
Depreciation	325	319	2%	297	10%	644	590	9%
PAT	473	377	25%	212	123%	850	393	116%
Cash PAT	771	674	14%	675	14%	1,445	1,208	20%
Operational EBITDA	1,170	1,241	-6%	1,015	15%	2,410	1,801	34%
EPS (Rs./Share)	5.31*	4.23*		2.38*		9.54*	4.42*	
Reported EBITDA Margin (%)	17%	17%		15%		17%	16%	
Operational EBITDA Margin (%)	15%	17%		15%		16%	14%	
PAT Margin (%)	6%	5%		3%		5%	3%	

* not annualized

Financial Highlights Q2 FY13:

- Robust revenue growth of 15% y-o-y driven by strong increase in sales volumes of Terry Towels and Sheets.
- Reported EBITDA up 28% y-o-y due to higher volumes, improved margins and higher operating efficiencies.
- Profit after Tax more than doubled on account of volume growth, improved operating performance, lower interest cost with efficient working capital management and favorable currency movement.
- Basic EPS is at Rs. 5.31 for the current quarter.
- The Board has recommended an interim dividend of Rs. 2/share.

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WGBL Consolidated Financial Summary Q2 FY13 (Figures in Rs. Million)

Particulars	Q2 FY13	Q1 FY13	Change %	Q2 FY12	Change %	H1 FY13	H1 FY12	Change %
Revenue	9,179	9,100	1%	7,274	26%	18,278	13,533	35%
Reported EBITDA	446	411	9%	249	79%	857	436	97%
Finance Cost	176	161	10%	139	27%	337	249	36%
Depreciation	28	29	-3%	49	-42%	58	92	-37%
PAT	141	105	34%	28	412%	246	34	623%
Cash PAT	189	137	38%	75	153%	326	127	158%
Operational EBITDA	442	405	9%	(29)		846	(74)	
EPS (Rs./Share)	13.44*	10.06*		2.63*		23.50*	3.25*	
Reported EBITDA Margin (%)	4.86%	4.51%		3.43%		4.69%	3.22%	
Operational EBITDA Margin (%)	4.81%	4.45%		-0.40%		4.63%	-0.54%	
PAT Margin (%)	1.53%	1.16%		0.38%		1.35%	0.25%	

* not annualized

Financial Highlights Q2 FY13:

- Revenue has grown by 26% with higher volumes across the products of Terry Towels, Sheets and Rugs and improved realization.
- Reported EBITDA growth was significantly high at 79%; benefiting from higher revenues, improved operating efficiencies (with lower selling and distribution cost as a percent of sales) and lower manpower cost on rationalization of international set-up.
- Finance cost has increased by 27% because of increase in loans at consolidated level.
- Depreciation is lower due to decrease in gross block in Retail Business and scale down of overseas operations.
- Significant growth in Profit after Tax to Rs. 141 million and Cash PAT to Rs. 189 million due to improvement in operating performance and benefits flowing from closure/ re-strategizing of international/ retail operations.
- Basic EPS for this quarter at Rs. 13.44 is considerably higher than the corresponding figure last year.

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Outlook

The Company is well placed to benefit from the steady growth in US, which is one of the largest markets for Welspun. However, the challenges in the EU region shall continue to impact the industry in general but shall have limited impact on Welspun, given its smaller exposure there. The capacity closure in developed nations has certainly improved overall supply capability of major textile-exporting countries, including India. Welspun is well placed to leverage its India location, which is cotton surplus. The Company is well poised to sweat its assets, with operations at high utilization rates of about 90% in towels and sheets.

About Welspun India (www.welspuntowels.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.

About Welspun Global Brands Ltd (www.welspunglobalbrand.com)

Formed after de-merger of Welspun India Ltd. into two separate companies. Welspun Global Brands, one of the largest marketers of Home Textile products internationally enjoys excellent relationship with 14 out of 20 top retailers in the World. It has some of the most prestigious brands under its banner and is second to none in product innovation and design.

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