Himatsingka Seide Limited

10/24, Kumara Krupa Road, High Grounds, Bangalore - 560 001, India.

Ref: SEC:0001:2:0522:KGN

July 24, 2015

> Speed Post A/d. <

Listing Department
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Dear Sirs,

Sub: Business Update.

We are enclosing herewith Business Update dated 24th July, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

Ashok Sharma
Associate Vice President – Treasury, Taxation
& Company Secretary

Encl: as above.

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- While there was some softness on the revenue front we also saw a substantial improvement in our operating performance. The macro environment in our key markets has remained relatively stable and the softness in revenue may be attributed to timing differences that arise between quarters across our businesses.
- As we see it revenue growth during FY 16 should be range bound between 8% and 10% YoY. However we remain margin focused and continues to sweat our manufacturing and distribution assets to drive improved return ratios.
- Group to merge operating divisions in the United States into one subsidiary. This will help consolidate the North American portfolio under one umbrella with a through put of USD 300 Million, 14 brands a robust private label platform, and a strong leadership.

- After signing Kate Spade New York in March 2015, the group has on boarded two new brands for the North American Market. The brands are " Kravet " and " Lady Antebellum Heartland " . While " Kravet " is among the most recognized Home furnishing bands in the North American Market , " Lady Antebellum Heartland " by Lady Antebellum is an extremely popular country music band in the United States.

- We see the European Division breaking even or marginally profitable in FY 16 after restructuring exercises carried out in FY 15.

- The Group remains extremely focused on margin expansion initiatives across its manufacturing and retail and distribution businesses. While we saw a margin expansion from manufacturing operations during the first quarter, we expect to see better operating margins from the retail and distribution businesses going forward.

- The Group received approval from the Government of Karnataka with regard to its proposed expansion project in the state. We wish to clarify that we are in advance stage of exploring the expansion initiatives and will make a formal announcement of the same as the plans are fructified.

About Himatsingka

The Rs. 2000 crore Himatsingka Group is a vertically integrated home textile major with a global footprint. The Group focuses on the manufacture, retail and distribution of Home Textile products. On the manufacturing front, the Group operates amongst the largest capacities in the world for upholstery fabrics, drapery fabrics and bed linen products. Spread across Asia, Europe and North America, its retail and wholesale distribution divisions carry some of the most prestigious brands in the Home Textile space and cater to Private Label programs of major retailers across these geographies.
With over 5000 people, the Group continues to expand its reach and build capacities in the Home Textile space.



www.himatsingka.com

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