@home®

Nilkamal Limited

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25th January, 2011

Nilkamal Limited – Press Release on Q3 FY11 Results

Q3 2011 Financial Highlights

- ❖ Huge Capital Expenditure on its path for Expansion
- ❖ Continuous accelerated growth of Material Handling business
- ❖ Significant growth in the Retail business (@home), set to achieve break even in the FY2011.

Nilkamal Limited an undisputed leader in the manufacturing business of moulded furniture and one of the largest one stop material handling solution provider for the crates, equipment etc, and who is also having its presence in the retail business of lifestyle furniture, furnishings and accessories under its brand @home, today announces its unaudited standalone third quarter and nine months results for FY2011.

(Rs. in Crore)

Standalone Financial Highlights				
Particulars	**Q3**		**9M**	
	FY 2011	**FY2010**	**FY 2011**	**FY2010**
Net Sales	304.10	248.46	906.79	723.84
EBIDTA	30.24	36.67	98.69	97.51
EBIDTA Margin(%)	10%	15%	11%	13%
PAT	11.56	16.76	40.78	40.17
PAT(%)	4%	7%	4%	6%
Basic EPS (Rs.)	7.75	13.11	29.06	31.43

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Performance of the Company

For the Q3 of the FY2011, the Net Sales of the Company increased by 22% as compared to Q3 of the FY2010. This was primarily due to an increase in the sales volumes of the plastics segment, whereas the sales growth was consistent across both the plastics and the retail segments. In Q3 of the FY2011 Net Sales of the plastics segments increased by 20% i.e. Rs. 264 Crores vis a vis Rs. 219 Crores, whereas that of the retail segment increased by 38% i.e. Rs. 42 Crores as compared to Rs. 30 Crores for the Q3 of the FY2010. In the Plastic Segment material handling business grew by 38% and moulded furniture business by 9% on y-o-y quarterly basis, while for the period ended nine months, it has achieved growth of 32% & 13% respectively. The retail business of the Company grew by 48% for the period ended nine months and is close to break even, due to acceleration in sales growth on sustainable basis, which will add positively to the bottom line of the Company.

The EBIDTA margin of 10% during the Q3 of the FY2011 was due to the increase in the operating expenses of the Company which was a momentary factor, whereas the Company had achieved an higher EBIDTA margin in FY2010 due to exceptional income, low cost of raw material and reduced operating expenses.

During the FY2011 the Company has incurred substantial amount towards capital expenditure. Such capital expenditure would result in significant increase in the manufacturing capacity at various plants of the Company. The Company's large scale green field plant at Hosur shall start its operations by first quarter of FY2011-12.

Some of the statements in this communication that are not historical facts are forward looking statements. These statements are based on the present business environment and regulatory framework. Developments that could affect the Company's operations include significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relations. We assume no responsibility for any action taken based on the said information, or to update the same as circumstances change.

Yours Faithfully,
For **Nilkamal Limited**

Priti Dave
Company Secretary