

## **SKNL: Q2 FY2010-11 Financial Results Highlights**

**Net Sales up 26.5 % to Rs. 1203.40 crores**  
**EBIDTA at Rs. 242.08 crores, a 32.1 % increase**

**Mumbai, 29 October 2010:** SKNL, a leading brand-led conglomerate involved in design, manufacturing, marketing and distribution of high quality fabrics and ready-to-wear garments, has announced its results for the second quarter and half year ended 30 September, 2010.

### **Financial performance update: (All figures are consolidated unless stated otherwise)**

Q2 FY2010-11 Financial results highlights:

- ❖ Net sales from operations up 26.5% to Rs. 1203.40 crores from Rs. 951.41 crores
- ❖ EBIDTA improves 32.1% to Rs. 242.08 crores. from Rs. 183.25 crores.
- ❖ Net profit (before minority interest) up 12.4 % to Rs. 77.85 crores compared to Rs. 69.25 crores
- ❖ PAT after minority interest at Rs. 63.87 crores
- ❖ Fully diluted EPS after minority interest (not annualized) at Rs. 2.52

H1 FY2010-11 Financial results highlights:

- ❖ Net sales from operations up 43.3% to Rs. 2378.32 crores from Rs. 1659.53 crores
- ❖ EBIDTA improves 35.5 % to Rs. 467.59 crores from Rs. 345.17 crores
- ❖ Net profit (before minority interest) up 18.4 % to Rs. 155.04 crores compared to Rs. 130.99 crores
- ❖ PAT after minority interest at Rs. 126.58 crores
- ❖ Fully diluted EPS after minority interest (not annualized) at Rs. 5.04

SKNL has delivered an enhanced performance in Q2 FY2010-11. The Company has demonstrated an ability to deliver improving and sustained performances through variable and often challenging environments demonstrating the strength and diversity of its business model. Now that the macro economic scenario has turned, the Company is well placed to grow manifold driven by its brand, design, manufacturing, marketing and distribution led activities. Domestically, the Company has a strong set of brands catering to nearly all socio-economic segments in the branded garment and fabric space. With the acquisition of **assets of HMX**, the largest men's tailored Company in America, SKNL now has access to a whole array of leading international brands including Hickey Freeman, Bobby Jones, Hart Schaffner Marx, Exclusively Misook, Austin Reed amongst others.

For the rest of this year, SKNL expects to progressively improve its performance led by increased festive season sales, higher consumer confidence and efficient cost management.

(SKNL results that are being reviewed are consolidated with Reid and Taylor India Limited (RTIL), Leggiuno SpA along with holding Companies and HMX LLC and Copley Inc. and SKNL-UK)

In the quarter under review, SKNL's net sales grew 26.5% to Rs 1203.40 crores from Rs. 951.41 crores. This growth in sales was driven mainly by volume enhancement across product offerings.

EBIDTA for the quarter stood at Rs. 242.08 crores compared to Rs. 183.25 crores, an increase of 32.1%. Margins for the quarter under review stood approximately at 20.0 %. In Q2 FY2010-11, PBT increased to Rs. 115.62 crores versus Rs. 100.15 crores in the corresponding period last year. Net profit after minority interest for the period under review stood at Rs. 63.87 crores compared to Rs.58.43 crores.

**Commenting on the performance in Q2 FY2010-11 Mr. Nitin S. Kasliwal, Managing director and Vice Chairman of SKNL said,**

'We're pleased to report another encouraging quarter, with revenues up 26.5 % and profits up 9.3% (PAT after minority interest). All our SBUs delivered healthy operating and financial performance. 'Belmonte' in the Consumer Textiles segment and 'Reid & Taylor' in the Luxury Textiles segment remained key contributors to the overall performance for the current quarter.

*Our international operations have also started contributing substantially to our top-lines. SKNL's US subsidiary HMX enables tremendous backend-frontend synergies within the group. Given the quality and diversity of its brand portfolio, HMX is an extremely exciting business venture. Apart from giving SKNL an immediate presence in the vast US markets, some of our SBUs are extremely well placed to cater to their needs, both in fabrics as well as in garments. The worldwide license for DKNY menswear is also unfolding an excellent business opportunity and puts SKNL in the forefront of the men's global apparel business.*

*A back-end, front-end synergy model, well-diversified and strong brand portfolio catering to diverse customer segments across the globe, expansive marketing & distribution network and state-of-the-art manufacturing are purposeful strides in line with our vision of clothiers to the nation today....the world tomorrow. These solid building blocks give us the confidence to continue delivering sustainable growth going forward."*

**Financial overview:**

(All Rupee figures in crores unless stated otherwise)

(All figures are consolidated unless stated otherwise)

<b>Particulars</b>	<b>Q2 FY2010- 11</b>	<b>Q2 FY2009- 10</b>	<b>Change (%)</b>	<b>H1 FY2010- 11</b>	<b>H1 FY2009- 10</b>	<b>Change (%)</b>
<b>Net sales</b>	<b>1203.40</b>	<b>951.41</b>	<b>26.5</b>	<b>2378.32</b>	<b>1659.53</b>	<b>43.3%</b>
<b>EBIDTA</b>	<b>242.08</b>	<b>183.25</b>	<b>32.1</b>	<b>467.59</b>	<b>345.17</b>	<b>35.5%</b>
<i>Margins</i>	<i>20.0%</i>	<i>19.2%</i>		<i>19.5%</i>	<i>20.7%</i>	
<b>PBT</b>	<b>115.62</b>	<b>100.15</b>	<b>15.4%</b>	<b>232.58</b>	<b>193.04</b>	<b>20.5%</b>
<i>Margins</i>	<i>9.5%</i>	<i>10.5%</i>		<i>9.7%</i>	<i>11.6%</i>	
<b>PAT</b>	<b>77.85</b>	<b>69.25</b>	<b>12.4%</b>	<b>155.04</b>	<b>130.99</b>	<b>18.4%</b>
<i>Margins</i>	<i>6.4%</i>	<i>7.3%</i>		<i>6.5%</i>	<i>7.9%</i>	
<b>PAT After Minority Interest</b>	<b>63.87</b>	<b>58.43</b>	<b>9.3%</b>	<b>126.58</b>	<b>109.63</b>	<b>15.5%</b>
<i>Margins</i>	<i>5.3%</i>	<i>6.1%</i>		<i>5.3%</i>	<i>6.6%</i>	

**For further information please contact:**

Manish Mallick / Priyanka Rawlani  
SKNL  
Tel: 9699409869  
Email: [manish.mallick@sknl.co.in](mailto:manish.mallick@sknl.co.in)

Pranav Thakkar  
Sampark Public Relations  
Tel: +91 22 2202550  
Email: [pranav.thakkar@sampark.com](mailto:pranav.thakkar@sampark.com)

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