

SKNL: Q3 FY11 Financial Results Highlights

Net Sales up 11.8 % to Rs. 1342.84 crores
EBIDTA at Rs. 264.72 crores, 21.7 % increase

Mumbai, 27th January 2011: SKNL, a leading multi-brand conglomerate involved in the design, manufacturing, marketing and distribution of high quality fabrics and ready-to-wear garments, today announced its results for the third quarter ended 31st December, 2010.

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

Q3 FY2010-11 Financial results highlights:

- ❖ Net sales from operations up 11.8% to Rs. 1342.84 crores from Rs. 1200.97 crores
- ❖ EBIDTA improves 21.7% to Rs. 264.72 crores from Rs. 217.48 crores.
- ❖ Net profit (before minority interest) up 18.2 % to Rs. 95.46 crores compared to Rs. 80.79 crores
- ❖ PAT after minority interest at Rs. 79.69 crores
- ❖ Fully diluted EPS after minority interest (not annualized) at Rs.2.86

The nine months highlights are as follows:

- ❖ Net sales from operations up 30.1 % to Rs. 3721.15 crores from Rs. 2860.50 crores
- ❖ EBIDTA improves 30.2 % to Rs. 732.31 crores from Rs. 562.65 crores
- ❖ Net profit (before minority interest) up 18.3 % to Rs. 250.50 crores compared to Rs. 211.78 crores
- ❖ PAT after minority interest at Rs. 206.27 crores
- ❖ Fully diluted EPS after minority interest (not annualized) at Rs. 7.93

SKNL has once again delivered an enhanced performance in Q3 FY2010-11. The Company has been consistently showcasing a robust performance demonstrating the strength and diversity of its business model.

In the global arena, SKNL is driven by its brand, design, manufacturing, marketing and distribution set up. In the domestic markets, SKNL has a strong set of brands catering to 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 is well placed to leverage leading international brands including Hickey Freeman, Bobby Jones, Hart Schaffner Marx, Exclusively Misook and Austin Reed.

(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 11.8% to Rs. 1342.84 crores from Rs. 1200.97 crores. This growth in sales was driven mainly by volume enhancement across product offerings.

EBIDTA for the quarter stood at Rs. 264.72 crores compared to Rs. 217.48 crores, an increase of 21.7%. Margins for the quarter under review stood approximately at 19.6%. In Q3 FY2010-11, PBT increased to Rs. 138.81 crores versus Rs. 121.83 crores in the corresponding period last year. Net profit after minority interest for the period under review stood at Rs. 79.69 crores compared to Rs. 67.49 crores.

Commenting on the performance in Q3 FY2010-11 Mr. Nitin S. Kasliwal, Managing director and Vice Chairman of SKNL said, "I am pleased to announce that Q3 and 9M FY11 reported a healthy growth with the increasing contribution of all the SBU's to the revenues. With great pride I would like to share with you that RTIL has evolved into a substantial business entity and during the quarter filed a Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) for its IPO." He further added, "Our economy brand 'World player' has been received well in all cities where it has been launched. 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. Plans for the HVFC facility are on schedule and operations have gained momentum during the quarter. Exports to Leggiuno have commenced thus marking the successful implementation of our backward and forward integration strategy. Moreover, we are making good in-roads with the DKNY menswear business and we see excellent potential in the men's global apparel business going forward. "

Financial overview: (Table to be included)

(All Rupee figures in crores unless stated otherwise)

(All figures are consolidated unless stated otherwise)

Particulars	Quarter Ended	Quarter Ended	Change	Nine months ended	Nine months ended	Change
	31.12.2010	31.12.2009	YOY	31.12.2010	31.12.2009	YOY
Net Sales	1,342.84	1,200.97	11.8%	3,721.15	2,860.50	30.1%
PBIDTA	264.72	217.48	21.7%	732.31	562.65	30.2%
PBIDTA Margin	19.6%	18.0%		19.5%	19.6%	
PBT	138.81	121.83	13.9%	371.38	314.87	17.9%
PBT Margin	10.3%	10.1%		9.9%	10.9%	
PAT	95.46	80.79	18.2%	250.50	211.78	18.3%
PAT Margin	7.1%	6.7%		6.7%	7.4%	
PAT after Minority Interest	79.69	67.49	18.1%	206.27	177.12	16.5%
PAT Margin	5.9%	5.6%		5.5%	6.2%	

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