



Aditya Birla Fashion and Retail Limited (ABFRL) reports results for the quarter ended 31st Dec 2015

Mumbai, 12th February 2016

Aditya Birla Fashion and Retail Limited (“ABFRL”) is India’s largest pure-play fashion company. ABFRL has been formed by the consolidation of the branded apparel businesses of Aditya Birla Group comprising of Aditya Birla Nuvo Limited’s (“ABNL”) Madura Fashion division and ABNL’s subsidiaries Pantaloons Fashion & Retail (“PFRL”) and Madura Garments Lifestyle Retail Company through a Scheme of Arrangement.

The Scheme of Arrangement has been sanctioned by the Gujarat High Court at Ahmedabad and the Bombay High Court and the consolidation has become effective from January 9, 2016. Post the consolidation, PFRL was renamed ABFRL w.e.f. January 12, 2016 and new shares were issued pursuant to the de-merger. These were listed and traded with effect from February 4, 2016.

Quarter 3			Results	YTD Dec 2015		
2014-15 (Previous Year) Reported	2014-15 (Previous Year) Proforma ²	2015-16 (Current Year)		2014-15 (Previous Year) Reported	2014-15 (Previous Year) Proforma ²	2015-16 (Current Year)
450	1,349	1,627	Revenue	1,390	4,047	4,618
31	133	107	EBITDA	58	383	350
-	-	5	Merger related adjustments ¹	-	-	37
31	133	102	EBITDA (Reported)	58	383	313
(43)	11	12	Net Profit before merger related adjustments ¹	(164)	31	43
(43)	11	7	Net Profit (Reported)	(164)	31	6

Notes:

(1) Adjustments include merger related cost of Rs. 5 Cr and a sum of Rs. 32 Cr towards elimination of profits on unsold inventory between the two divisions as on April 1, 2015

(2) Pursuant to the Scheme of Arrangement referred to above, PFRL was renamed ABFRL on Jan 12, 2016. Previous Year Reported figures represent figures for PFRL and are not comparable with current year. To make performance comparable, Proforma financials for the previous year comprising MF&L and Pantaloons financial performance have been presented.

The Board of Directors of ABFRL at their meeting today has approved the third quarter results of the Company, which are indeed robust. ABFRL has reported an impressive growth of 21% in its revenue for the third quarter ended 31st December 2015, in an extremely competitive environment which witnessed a steep increase in discounting and promotion across channels. The company increased its advertising spends by 58% during the quarter, in line with its strategy to further strengthen its brands. Increased promotional and advertising spends have resulted in an EBITDA of Rs. 107 Cr for the quarter, which is 19.5% lower than the previous year.

Madura Fashion & Lifestyle

MF&L recorded a 16% Revenue Growth in Q3 across all channels, with same-store-growth of 5% in its exclusive brand outlets. The division increased its advertising spends by ~64% during the quarter (on YOY basis). Incremental provision for bonus (with retrospective impact for FY14-15) further impacted the profitability for the period resulting in an EBITDA of Rs. 66 Cr, which is 36% lower than previous year.



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Pantaloons

Pantaloons experienced one of its best quarters with revenue growth of 32% and same-store-growth of 19% across its network. This was aided by the spill-over of festive season from Q2 and early onset of End-Of-Season-Sale (EOSS) in Q3. The Division also opened 15 new stores in this quarter including its first ever franchisee store. EBITDA for the quarter grew by 17% to Rs. 36 Crores despite the incremental impact of provision for bonus (with retrospective impact for FY14-15).

Going Forward

The company will continue to leverage its market leadership through continued investments in brands, expansion of its distribution reach across multiple formats and channels and product enrichment through design and innovation. The company has also initiated a wide scale digital transformation through a comprehensive omni-channel program to create a seamless consumer experience across its physical and digital presence in-line with the evolving consumer who is increasingly buying on-line.

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