

URGENT



**PRESS RELEASE**

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Best regards,  
Pragnya Rain/

**THE ADITYA BIRLA GROUP'S MAJOR PORTFOLIO MOVE**

◆ **INDIAN RAYON ACQUIRES MADURA GARMENTS**

◆ **EMERGES AS INDIA'S LARGEST BRANDED APPAREL COMPANY**

The Board of Indian Rayon And Industries Ltd. met in Mumbai today morning and approved the acquisition of "Madura Garments", the readymade garments division of Madura Coats Limited, a subsidiary of Coats Viyella plc, UK. The transaction involves the buy-out of Madura Garments by Indian Rayon as a going concern from Madura Coats and acquisition of brand rights for international brands by its subsidiary abroad from Coats Viyella for a total consideration of over Rs. 236.23 crores. The transfer for which the necessary agreements have been signed will be effective from January 1, 2000.

On the Aditya Birla Group's major foray into this sector, Mr. Kumar Mangalam Birla, the group's chairman said – "We believe the acquisition of Madura Garments will greatly enhance value for Indian Rayon shareholders. Consequent to the review of our portfolio of businesses, the apparels business had been identified as a business that we wanted to have a leadership position in, through a focussed entry into the high value ready-to-wear segment. The acquisition of Madura Garments and certain overseas brand rights is a step forward in this direction, which has overnight catapulted the Group to the top-of-the league in the branded apparels sector".

Indian Rayon will acquire the Madura Garments Division from Madura Coats as an ongoing business together with all the employees, brand licenses, distribution and manufacturing networks for a consideration of Rs. 189.23 crores and will become the owner/licensee for India for premium brands such as Louis Philippe, Van Heusen, Allen Solly, Byford, Peter England and SanFrisco.

In a separate transaction, Aditya Vikram Global Trading House Ltd., a wholly owned overseas subsidiary of Indian Rayon is purchasing from Coats Viyella Plc. the technology and exclusive brand rights for various countries in SAARC and Middle East region for a consideration of US \$ 10.8 million (Rs. 47 crores). This will help Indian Rayon export branded garments in these territories by leveraging India's well established skill base in the textile industry using state-of-the-art technology obtained from world's leading garment manufacturers as well as the exclusive right to use globally renowned brand names in the region. Importantly, this will enable Madura Garments access export markets and widen its growth plans.