

ADITYA BIRLA



FASHION & RETAIL

ABFRL

ADITYA BIRLA FASHION AND RETAIL LIMITED

Performance Highlights

Q3 FY 2015-16

LOUIS PHILIPPE

VAN HEUSEN
POWER DRESSING

Allen Solly™

PETER ENGLAND

pantaloons

PLANET FASHION

PEOPLE
MEN • WOMEN • KIDS • ACCESSORIES

THE COLLECTIVE

ADITYA BIRLA



FASHION & RETAIL

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ADITYA BIRLA GROUP



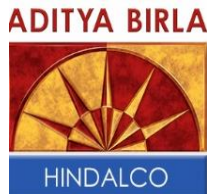
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Australia | Austria | Bangladesh | Brazil | Canada | China | Egypt | France | Germany | Hungary | India | Indonesia | Italy | Ivory Coast | Japan | Korea | Laos
| Luxembourg | Malaysia | Myanmar | Philippines | Poland | Russia | Singapore | South Africa | Spain | Sri Lanka | Sweden | Switzerland | Tanzania | Thailand |
Turkey | UAE | UK | USA | Vietnam

At a Glance | Global & Indian Highlights



Indian Listed Entities



Leading Conglomerate

Globally

- **Among top 2** producer of Viscose staple fiber
- **Number 1** in Carbon Black
- **Largest** Aluminum rolling company
- **4th largest** producer of Insulators & Acrylic fiber
- **Amongst the top** Cement manufacturers

In India

- **Number 1 Lifestyle and Apparel** Player
- **Largest** player in viscose filament yarn
- **Largest** in the chlor-alkali sector
- Among **Top 2** Supermarket Chains
- Among **Top 3** Mobile Telecom Players
- **Leading Player** in Life Insurance ,NBFC and Asset Management
- **Amongst the best** energy efficient fertilizer plant

ABG's journey in Apparel

1999 – 2006 Entry Phase

Acquisition of Madura Garments and transition to retail business through rapid expansion

1999

2004

2006

2007-2013 Expansion and Growth Phase

Launch of "The Collective" super-premium retail space and "People" clothing line in Value segment

2007

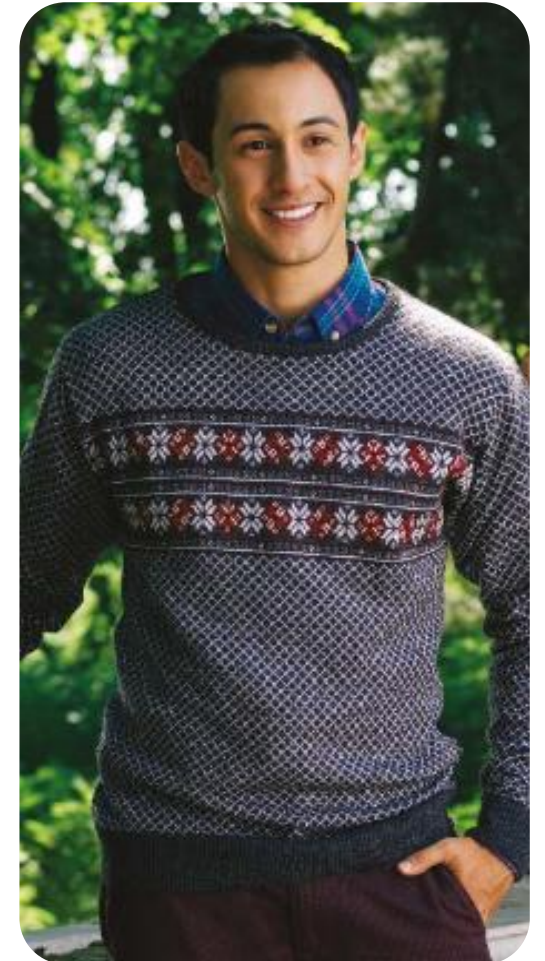
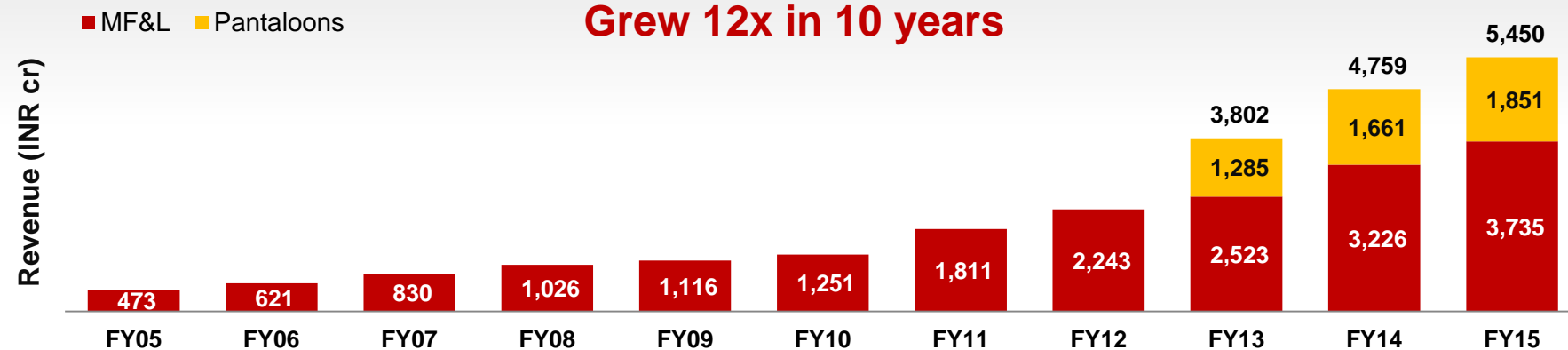
Acquisition of Pantaloon Fashion and Retail JV with Hackett

2013

2015 and Beyond Transformation Phase

2015

Consolidation of apparel business under one umbrella





ADITYA BIRLA FASHION AND RETAIL LIMITED

Milestones : Merger of Pantaloons and MF&L

Sr. No.	Activities	Status
1	Board Meeting for approval of the Composite Scheme	May 3, 2015
2	Receipt of Stock Exchange “No-Observation” Letters	June 26, 2015
3	Hon’ble Gujarat High Court approved the Scheme (ABNL & MGLRCL)	Oct. 23, 2015
4	Hon’ble Bombay High Court approved the Scheme (ABFRL)	Dec. 5, 2015
5	Receipt of SEBI & BSE approval	Jan. 5, 2016
6	Board Meeting to declare scheme effective (w.e.f. Appointed Date i.e. April 1, 2015)	Jan 9, 2016
7	RoC Filing(s) of Court Order, Name Change application	Jan 9, 2016
8	Record Date fixed by ABNL and MGLRCL	Jan 21, 2016
9	Allotment of Shares	Jan 27, 2016
10	Listing & Trading of Shares	Feb 4, 2016

Winning Combination of Brands & Retail



- Powerhouse of **India's leading fashion brands**: Louis Philippe, Van Heusen, Allen Solly, Peter England
- Extensive reach through **multi-channel distribution** network: 2,004 Retail stores & 7,000+ additional points of sale
- Established **global supply chain**
- **Strong in-house design** & product development capabilities
- Track record of **robust financial performance**

India's #1 Menswear Player



- One of **India's largest big-box** fashion retailer
- Unique business model: **Design to Retail**
- Strong portfolio of **exclusive private brands**: ~56% of Revenue
- **Wide reach**: 68 cities & 151 stores
- **Rich portfolio** spanning mens, womens western, womens ethnic and kids
- One of the **largest loyalty programs**: ~ 4.7 Mn members

India's #1 Womenswear Retailer

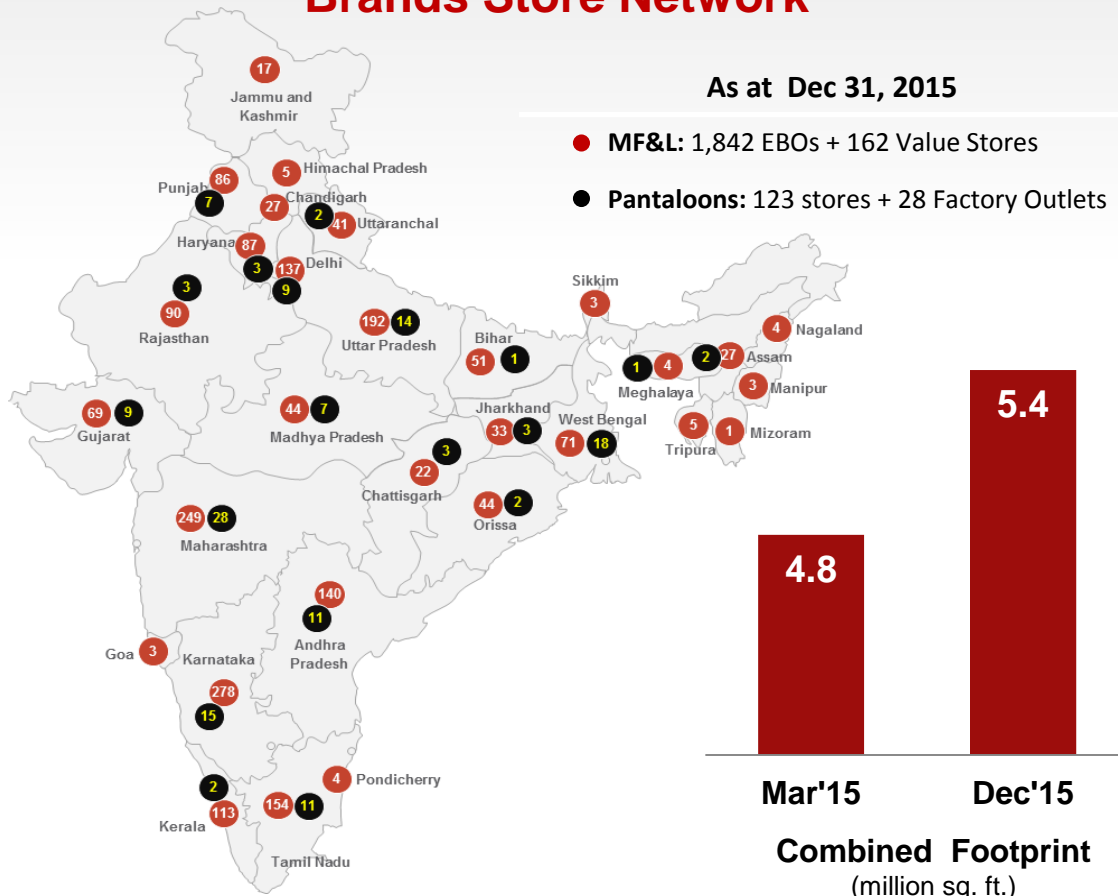


ABFRL: Widest distribution network in the fashion space

Brands Store Network

As at Dec 31, 2015

- **MF&L:** 1,842 EBOs + 162 Value Stores
- **Pantaloons:** 123 stores + 28 Factory Outlets



- MF&L brands are present in ~4000 Multi Brand Outlets

MBOs



- MF&L brands present across all Department Stores thru ~3000 SISs

Large Format Stores



- Pantaloon and MF&L brands are sold on all the leading websites in India

E-Commerce



- In-house e-commerce website – TrendIn.Com

ABFRL OVERVIEW



5 LEADING BRANDS
OF INDIA

OUR YTD(9M FY16) REVENUES ARE

INR 4,618 cr

NO. 1 PURE-PLAY FASHION
LIFESTYLE COMPANY

5.4 mn sq ft

LARGEST BRAND FOOTPRINT IN INDIA

WE OPERATE IN OVER
375 CITIES & TOWNS

STYLING

2 CONSUMERS
EVERY SECOND

7,000+
POINTS OF SALE

2,100+
EXCLUSIVE
BRAND OUTLETS

Board of Directors



Pranab Barua - Managing Director



Sushil Agarwal - Non-Executive Director



Bharat Patel - Independent Director



Sukanya Kripalu - Independent Director



Arun Thiagarajan - Independent Director

Key Management Personnel



Pranab Barua

Business Director,
Apparel & Retail
Business

- Pranab, a 40+ year veteran in the consumer and retail industry, is business director for Apparels & Retail businesses of the Aditya Birla Group (ABG)
- Before being associated with ABG, he was the CEO of Trinethra Super Retail which was acquired by the ABG in 2007.
- He has previously worked in senior positions with Brooke Bond India, as Foods Director on the Hindustan Unilever Board, as Chairman and Managing Director of Reckitt Benckiser and as Regional Director, Reckitt Benckiser for South Asia
- He holds a graduate degree in B.A. (English Honours) from St. Stephens College, New Delhi



Ashish Dikshit

Business Head,
Madura Fashion &
Lifestyle division

- Ashish has been with the Aditya Birla Group for over 15 years having joined MF&L from Asian Paints in 1998
- He has worked across several functions in the business and has headed its supply chain, marketing and sourcing functions over this period. He has also worked as Principal Executive Assistant to the Chairman of ABG for more than 3 years
- He is an Electronics and Electrical Engineer from IIT-Madras and holds a Postgraduate Diploma in Management from IIM-Bangalore



Shital Mehta

CEO, Pantaloons
division

- Shital has been with Aditya Birla Group for about 16 years with the Apparel Business. Previously, he served as the Chief Operating Officer of the International Brands and Retail, Mf&L Fashions and Lifestyle
- Prior to that worked as brand manager for Godrej Foods (1996-2000)
- He is an MBA in marketing from SP Jain Institute of Management and Research and has attended advanced management programs at Wharton Business School



S Visvanathan

CFO, Apparel & Retail
Business

- S. Visvanathan joined the Aditya Birla Group in 2007 and has been with the Apparel business since then.
- He has 26 years of experience across industries spanning white goods, capital equipment, electrical equipment and auto components
- Previously he has worked with the Tata Group in various capacities in auto components business, Voltas and Allwyn (CFO)
- He is a commerce graduate from Chennai University and a qualified Chartered Accountant and Cost Accountant

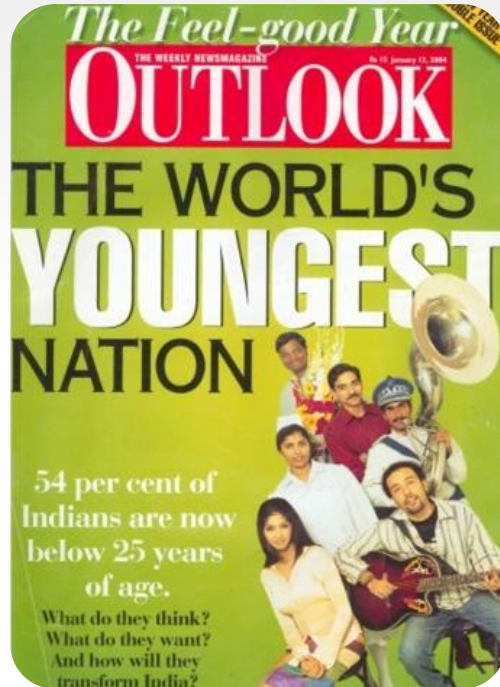
ADITYA BIRLA



FASHION & RETAIL

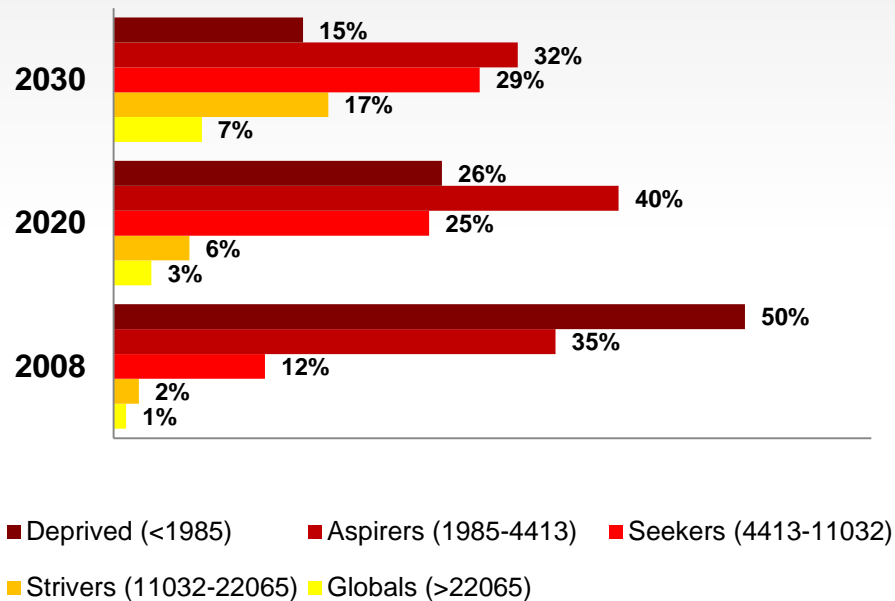
INDUSTRY UPDATE

Right Ingredients for Growth in Retail : Favorable Macro Economic & Demographic Factors



**The world's youngest nation,
54% below the age of 25 years**

...And Changing Economic fortune by segment...
%, mn households



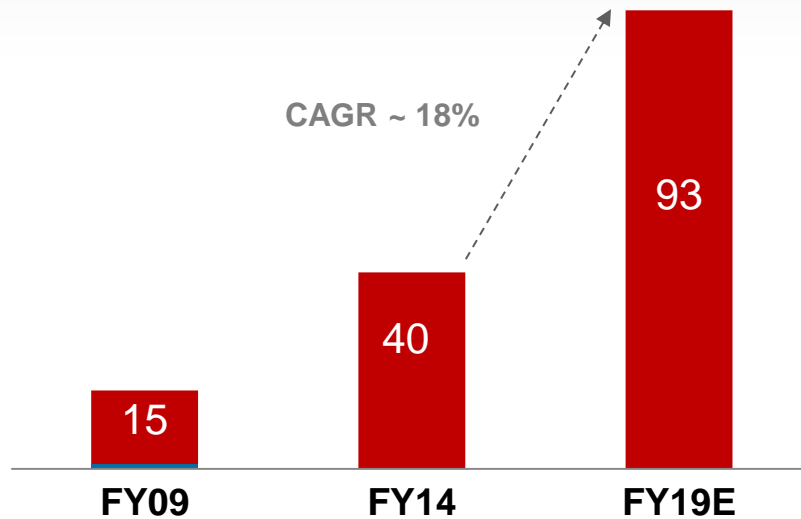
**With rapidly growing prosperity
across all strata of society**



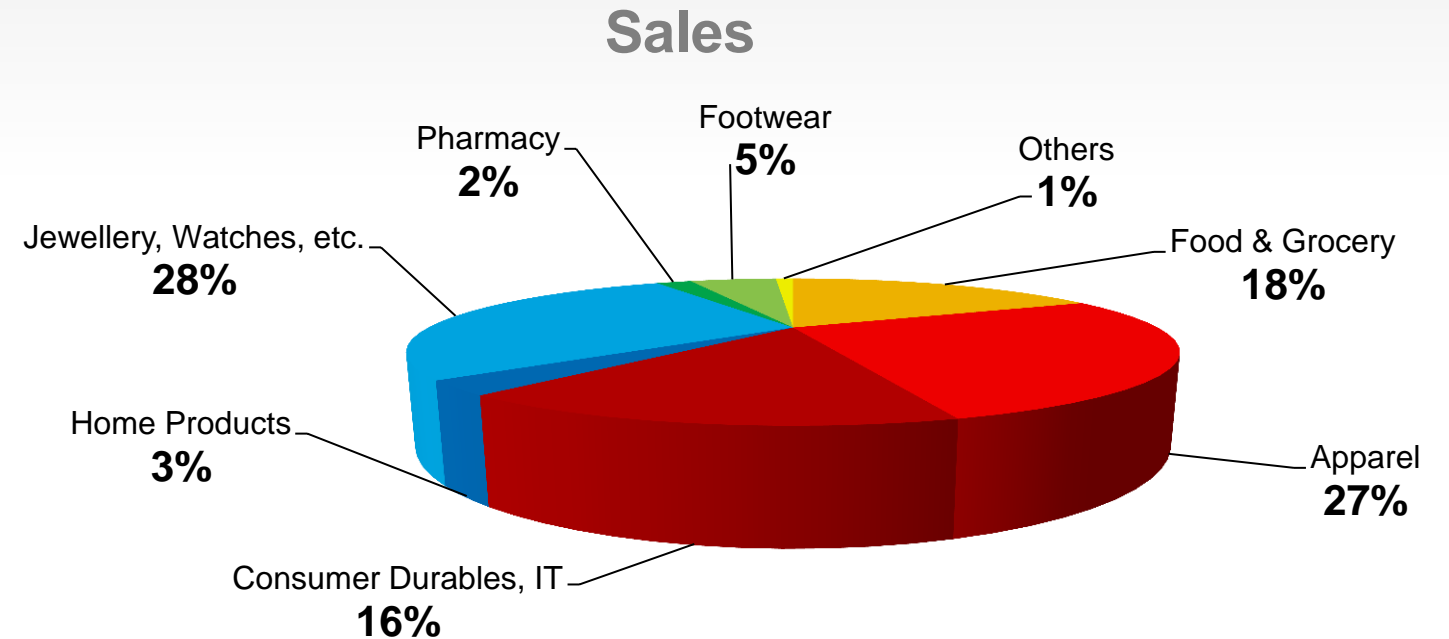
Indian Apparel Market – Large and Growing Rapidly

Driven by organized retail growth of ~18% over next 5 years

Organized Retail (US\$bn)



Apparel - Largest share in Organized Retail



ABFRL well poised to exploit the growth opportunity

Key trends driving industry growth

1



Value fashion – increasing middle class, shift away from unorganized, greater awareness of the shopping experience leading to a creation of large value fashion market (growing at 15%+)

2



Increasing share of women wear– with changing cultural norms, more women working and large number of younger women in cities, organised market is shifting away from being a predominant menswear market

3



Supply led demand growth- growth of branded apparel market is led by increased supply including entry of many International players across multiple segments

4



E-commerce - Deep investments by the e-commerce industry is creating rapid growth and adoption of this channel. This has significantly increased the consumer reach for the industry and leading brands. In addition to partnering with these players, brands are also establishing their own play in this space.

ADITYA BIRLA



FASHION & RETAIL

OPERATIONAL & FINANCIAL PERFORMANCE

Executive Summary - Q3 FY16



Market Overview

- Overall consumer sentiments continue to remain subdued for discretionary and lifestyle categories
- However, industry recorded impressive growth due to shift in festive season from Q2 and early onset of End-Of-Season-Sale (EOSS) in Q3
- The period was marked by intense competitive activities in forms of heavy promotions and deep discounts, led by e-commerce players

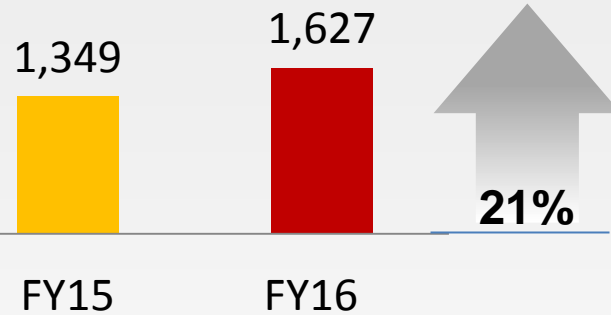
ABFRL Performance Highlights

- Revenue grew by an impressive 21%, with Pantaloons division growing by 32% and MF&L Brands by 16%
- In line with its strategic focus on brands, advertising investments were increased by 58% for the quarter
- EBITDA at Rs. 102 Cr (against Rs. 133 Cr in previous year) was impacted by
 - Increased promotional and advertising spends
 - Exceptional adjustments (merger related costs and incremental impact of provision for bonus*)

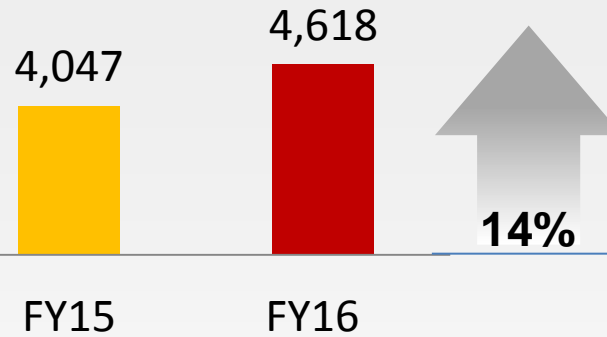
* As per the recent amendments to minimum bonus under the Payment of Bonus Act

ABFRL - Financial Performance Indicators

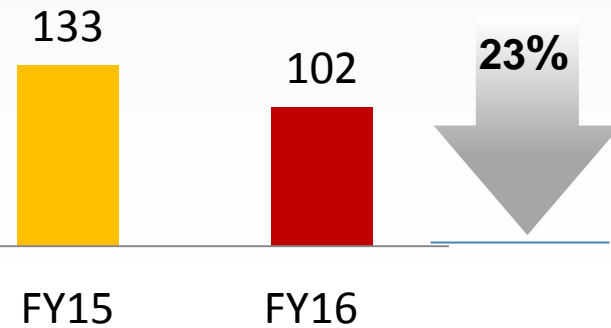
Quarter 3 Revenue (Rs. Crore)



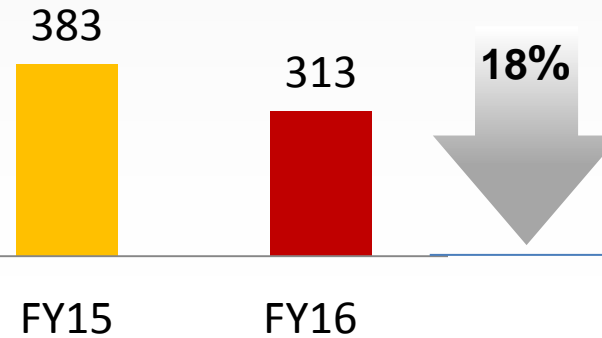
YTD Dec'15 Revenue (Rs. Crore)



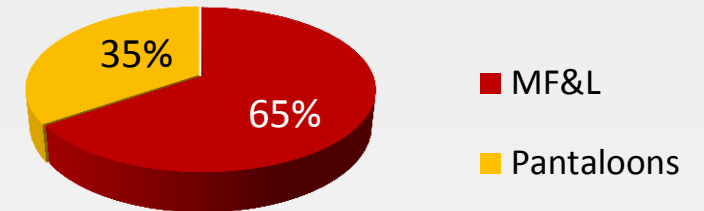
Quarter 3 EBITDA (Rs. Crore)



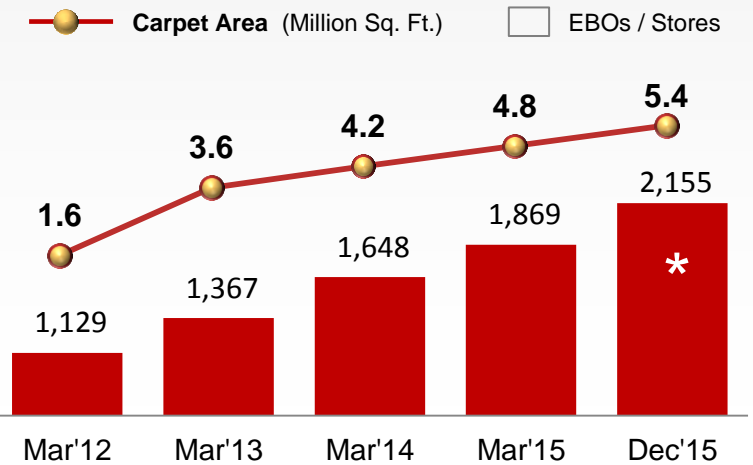
YTD Dec'15 EBITDA (Rs. Crore)



Revenue Mix YTD Dec'15



Brand Stores Network



* Includes 162 value stores of MF&L division which are not included in the count upto Mar'15

A man with a beard and dark hair, wearing a blue patterned button-down shirt and dark jeans, is sitting in a theater. He is holding an open magazine or book in his hands. The theater has rows of yellow seats with red trim. In the background, there is a stage with a desk, a lamp, and a large tufted leather sofa. The lighting is warm and focused on the man.

MADURA FASHION & LIFESTYLE



The image shows the interior of a fashion retail store. On the left, a wooden ladder holds several pairs of jeans. Below the ladder, shelves are filled with neatly folded blue jeans. In the center, a rack displays various jackets, including a brown leather jacket and a camouflage jacket. To the right, more clothing is displayed on shelves and racks, with a sign that reads "It's what YOU are". The store has a modern, industrial feel with brick walls and track lighting.

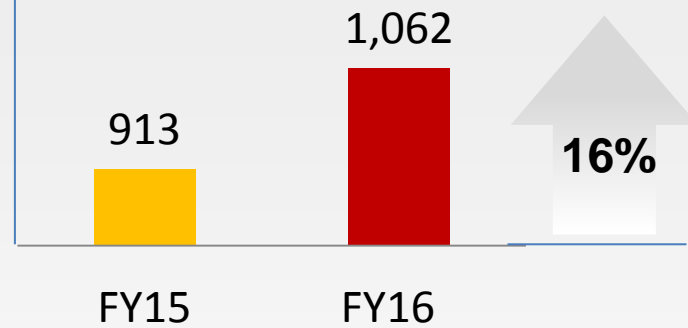
FASHION RETAIL STORES LOOK-AND-FEEL

Madura Fashion & Lifestyle Brands

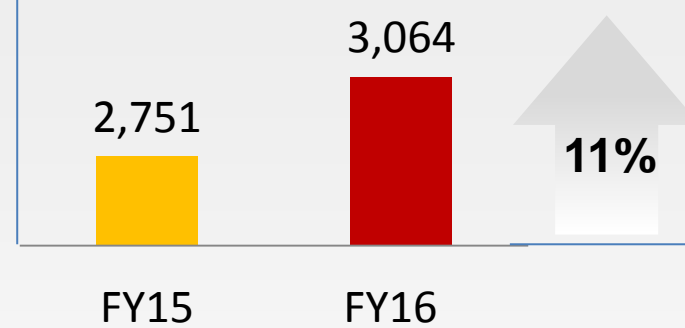


Madura Fashion & Lifestyle Revenue & Margins

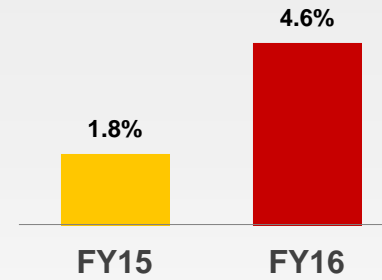
Quarter 3 Revenue (Rs. Crore)



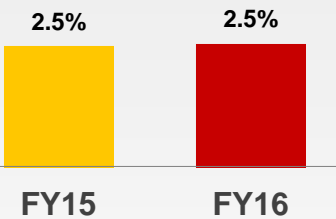
YTD Dec'15 Revenue (Rs.Crore)



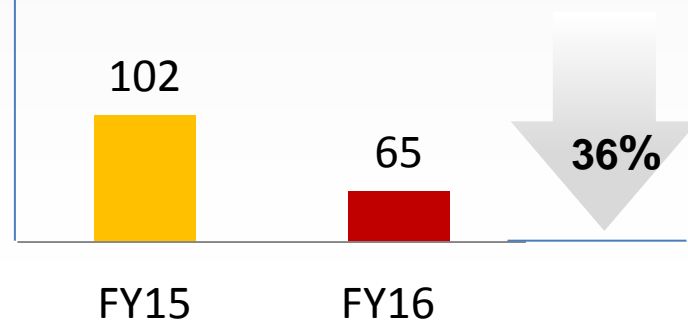
Q3 L2L Growth %



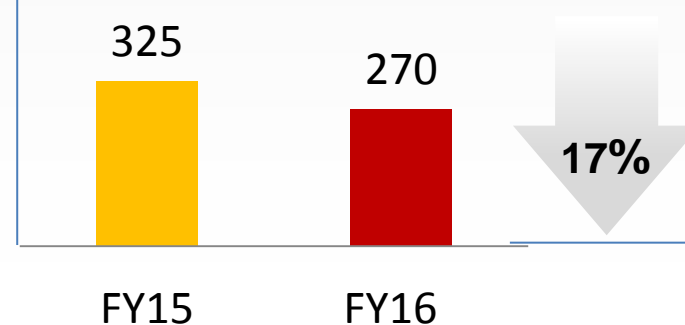
YTD Dec'15 L2L Growth %



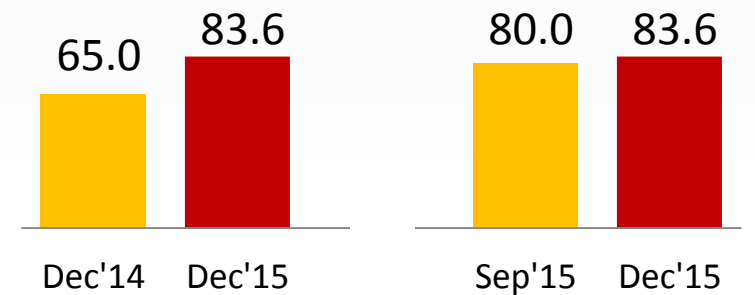
Quarter 3 EBITDA (Rs. Crore)



YTD Dec'15 EBITDA (Rs.Crore)



Loyalty base (in lakhs)





PANTALOONS



pantaloons

pantaloons

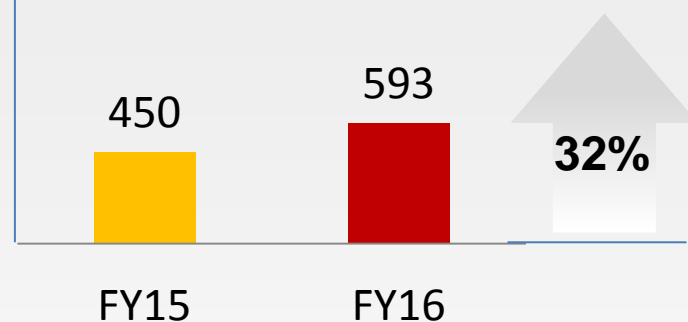
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Shorts

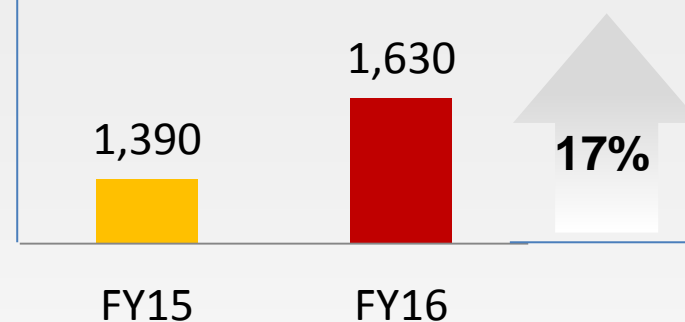
₹899
 onwards

Pantaloons Indicators

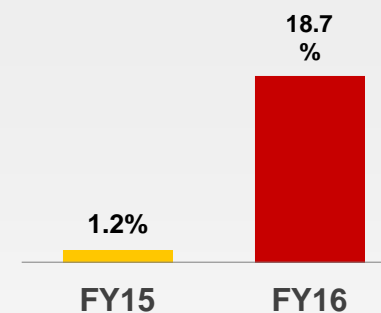
Quarter 3 Revenue (Rs. Crore)



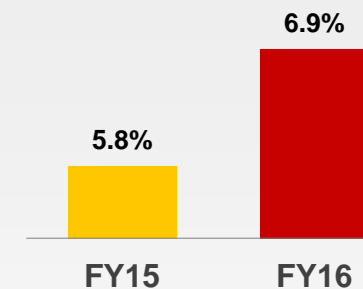
YTD Dec'15 Revenue (Rs.Crore)



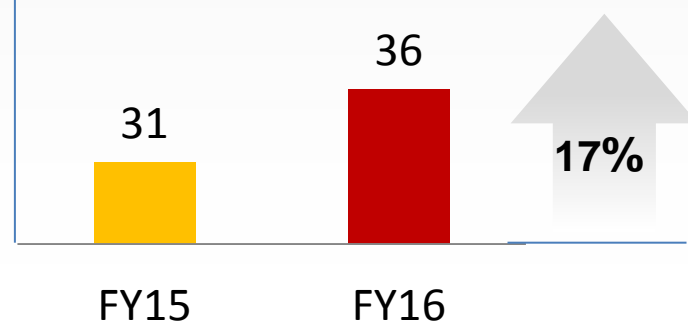
Q3 L2L Growth %



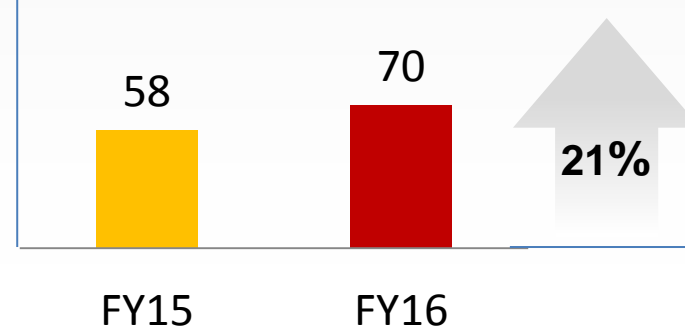
YTD Dec'15 L2L Growth %



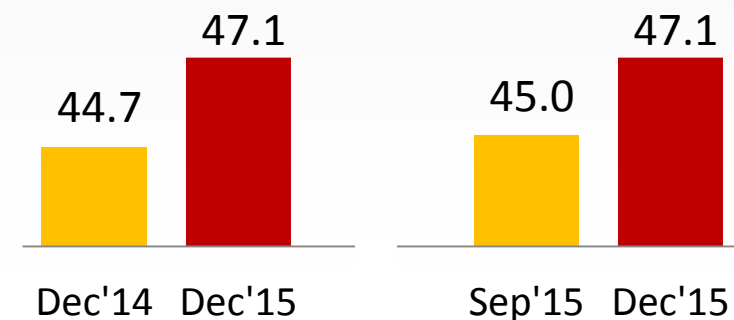
Quarter 3 EBITDA (Rs. Crore)



YTD Dec'15 EBITDA (Rs.Crore)



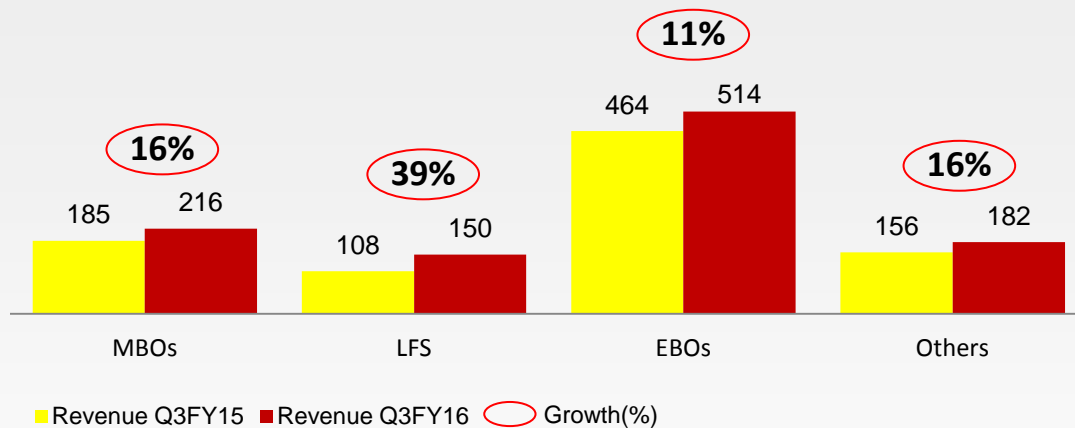
Loyalty base(in lakhs)



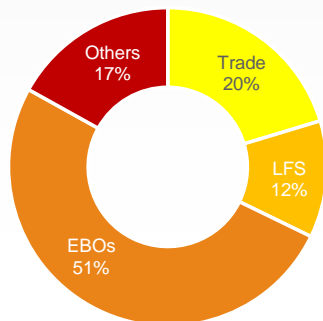


Revenue Deep Dive – Q3

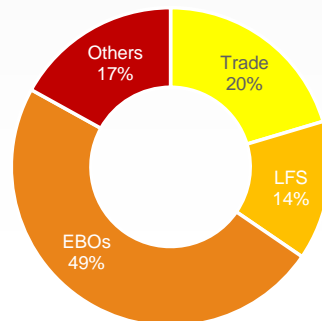
MF&L Channel Growth



Channel Mix (Q3FY15)

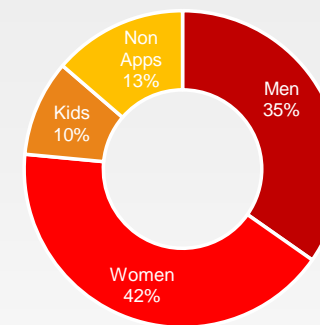


Channel Mix (Q3FY16)

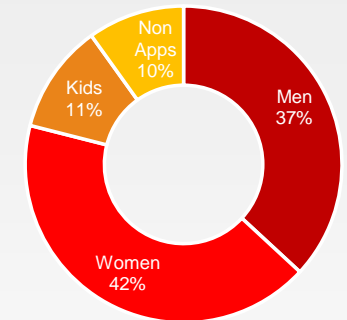


Pantaloons Category & Regional Mix

Category Mix (Q3FY15)

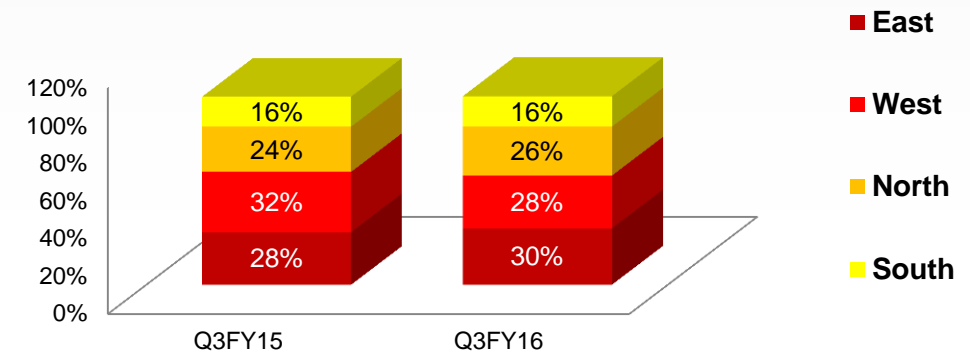


Category Mix (Q3FY16)



Exclusive brands contribute to 56% of the revenue

Regional Mix



Profit & Loss Statement

Particulars	Quarter 3			YTD Dec		
	Proforma FY15	FY16	CHANGE	Proforma FY15	FY16	CHANGE
Net Sales / Income from Operations	1,337	1,617		4,010	4,587	
Other Operating Income	12	10		37	31	
Total Income from Operations	1,349	1,627	21%	4,047	4,618	14%
Expenses						
Cost of Goods Sold	584	730		1,777	2,106	
Employee Benefits Expense	137	167		396	465	
Rent	162	183		471	516	
Other Expenses	334	449		1,026	1,228	
Total Expenses	1,217	1,528	26%	3,670	4,314	18%
Other Income	1	3		6	9	
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)	133	102	-23%	383	313	-18%
Depreciation and Amortisation Expenses	64	55		190	176	
Finance Cost	58	40		162	131	
(Loss) / Profit before Tax	11	7	-38%	31	6	-82%
Tax Expenses	-	-		-	-	
Net (Loss) / Profit for the period	11	7	-38%	31	6	-82%

- Higher investments in Advertising as part of focused strategy on accelerated brand development
- Accelerated Depreciation – Rs. 7 cr for Q3 and Rs. 33 cr YTD

- Impact of:
 - Elimination of profit on unsold stock b/w divisions – Rs. 32.3 cr
 - Payments of Bonus Act* (incl. for previous year) – Rs. 15.9cr
 - Expenses for consolidation – Rs. 5 cr

* As per the recent amendments to minimum bonus under the Payment of Bonus Act

Balance Sheet Information

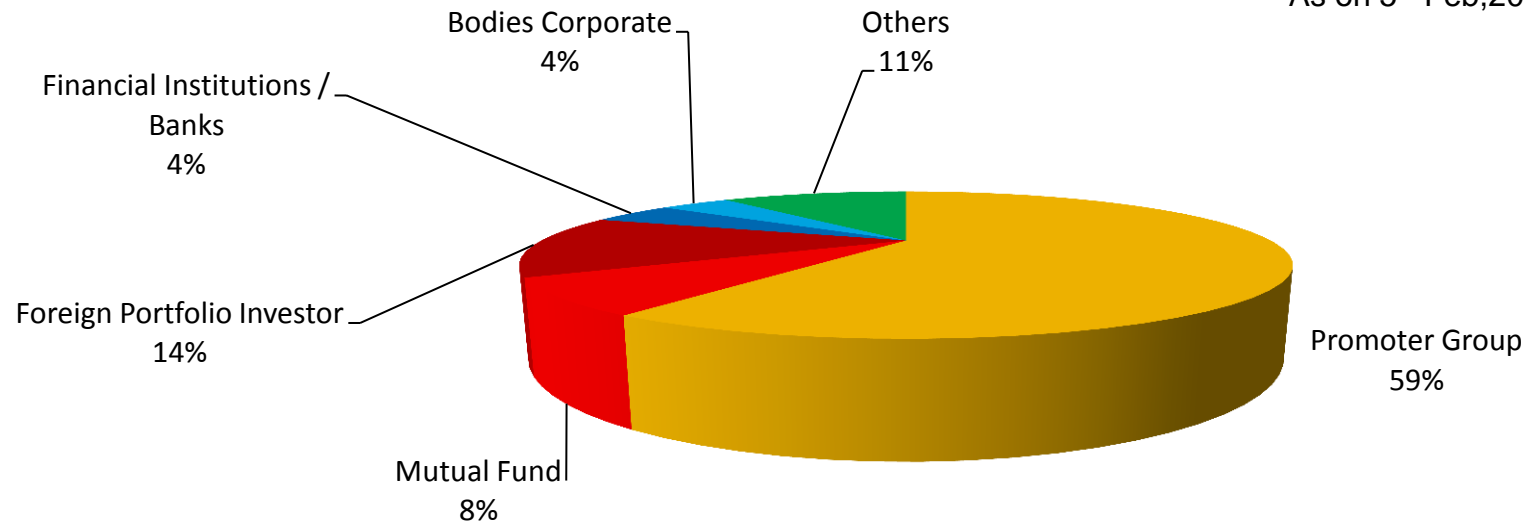
Particulars	1-Apr-15	31-Dec-15
Net Worth	1,047	1,053
Debt	1,802	1,708
Capital Employed	2,849	2,761
Net Block (Incl. CWIP)	709	667
Goodwill	1,775	1,775
Net Working Capital	340	274
Cash & Bank Balance	26	46
Capital Employed	2,849	2,761

- MF&L incurred Capex of ~Rs. 17 Cr. during Q3FY16
- Pantaloons incurred Capex of ~Rs. 42 Cr. during Q3FY16



Share-holding Pattern

As on 5th Feb, 2016

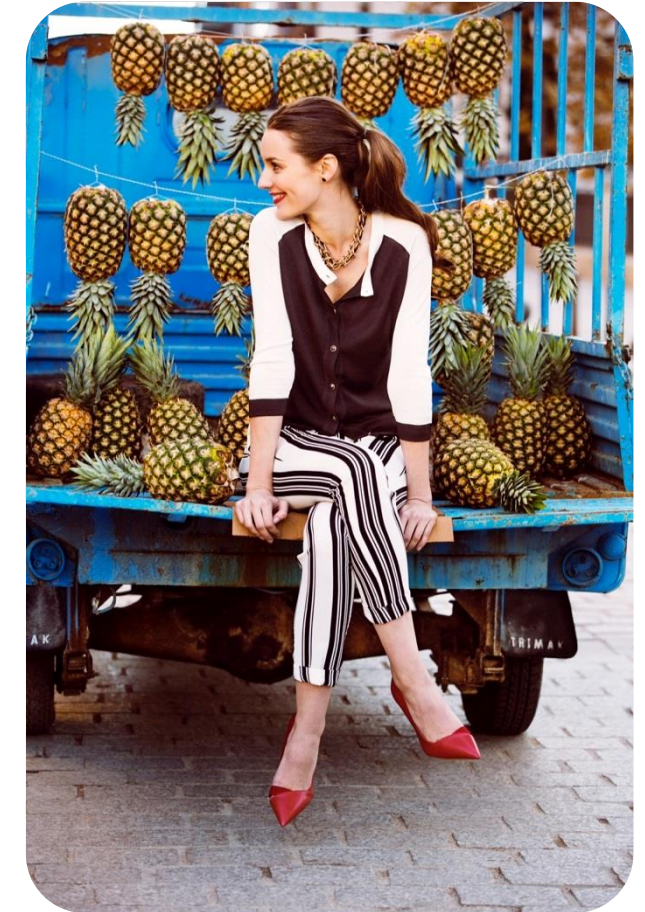


Promoter Group

Name	Holding %
IGH Holdings Private Ltd	11.1%
TGS Investment And Trade Private Ltd	9.1%
Aditya Birla Nuvo Ltd & its subsidiaries	9.1%
Umang Commercial Company Ltd	8.5%
Trapti Trading And Investments Pvt Ltd	6.4%
Hindalco Industries Ltd	5.9%
Others	9.5%

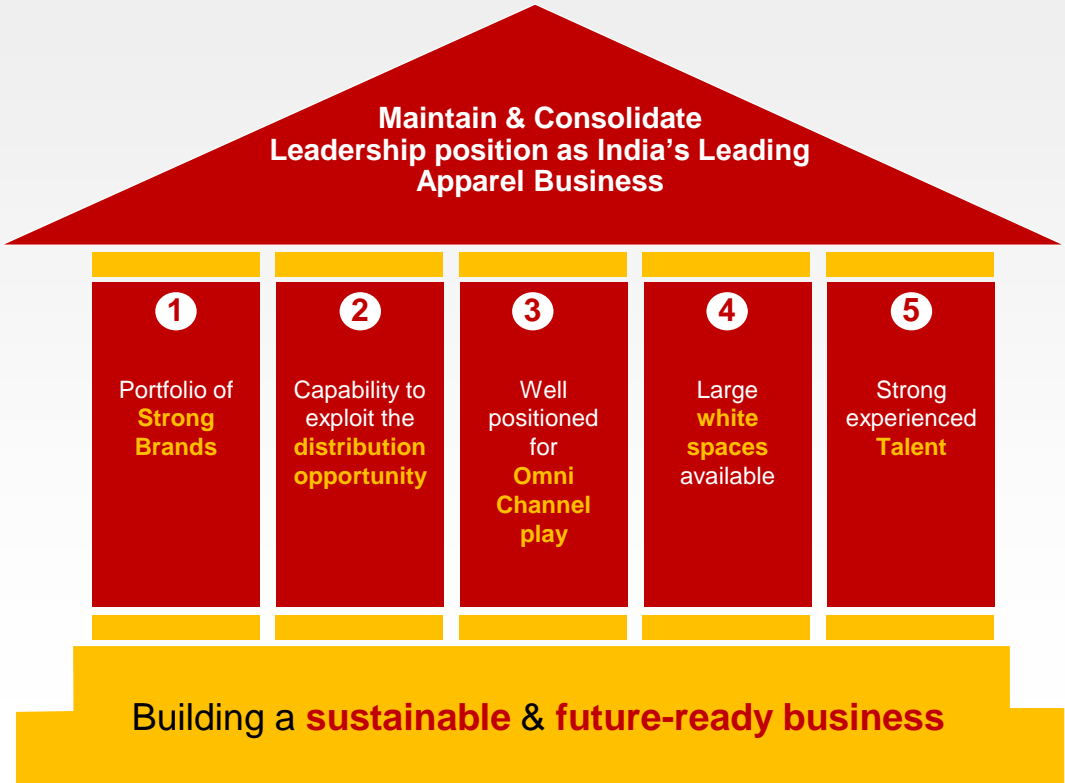
Non-Promoter Shareholding > 1%

Name	Holding %
India Opportunities Growth Fund Ltd - Pinewood Strategy	1.6%
Hsbc Global Investment Funds A/C Hsbc Gif Mauritius Limited	1.2%
Franklin Templeton Investment Funds	1.0%
Life Insurance Corporation Of India	4.1%



ABFRL Well Positioned for Future

Strong Fundamentals



Short to Medium Term Focus

Brands

- Continued investment behind brands and innovation
- Aggressive roll-out of consumer centricity programs

Distribution Expansion

- Leveraging brand strength and drive penetration in Tier 2 - 3 towns
- Accelerating online presence

Build businesses in fast growing segments

- Entering under-penetrated segments
- Pursuing inorganic and organic growth opportunities

Digital Transformation

- Complete omni channel roll-out across the network in next 12-15 months

Disclaimer



Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements” including, but not limited to, those relating to general business plans & strategy of Aditya Birla Fashion and Retail Limited (“ABFRL”), its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in ABFRL's business, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in the countries in which ABFRL conducts business. Important factors that could make a difference to ABFRL's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in ABFRL's principal markets, changes in Government regulations, tax regimes, competitors actions, economic developments within India and the countries within which ABFRL conducts business and other factors such as litigation and labour negotiations.

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