Press Release

RAYMOND LIMITED – UNAUDITED FINANCIAL RESULTS

DECEMBER QUARTER - FY 16-17

Highlights

- Consolidated Revenue decline limited to 5% at Rs 1,331 Crores, despite cash crunch in the market
- Consolidated EBITDA for the quarter down by 39% at Rs 82 Crores
- Consolidated Net Loss for the quarter at Rs 16 Crores
- Revenue grew by 13% in October, however declined in November & December by 15% due to demand contraction which was a consequence of cash crunch
- Gross margin improved by 0.8% to 46% despite pressure on input cost and statutory levies

Mumbai, January 25, 2017: Raymond Limited today announced its unaudited financial results for the quarter and nine months ended December 31, 2016. A snapshot of the results is given below:

<table>
<thead>
<tr>
<th>Consolidated Results Snapshot</th>
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<tbody>
<tr>
<td>Rs in Crores</td>
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<tr>
<td>Net Revenue</td>
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<tr>
<td>EBITDA</td>
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<tr>
<td>EBITDA %</td>
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<td>Exceptional Cost</td>
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<td>PAT</td>
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Textile Segment sales volume increased by 12.5% in Q2 and maintained the momentum in October with growth of 17.4%. However, due to cash crunch in the economy in November & December, volumes fell by 35.2% and 16% respectively, primarily in Wholesale and MBO channels. Sales for the quarter ended December 31, 2016 was Rs 658 Crores, 11% lower than the previous year. As a consequence, EBITDA margins were impacted leading to a reduction of Rs. 45 Crores in EBITDA.
**Branded Apparel:** The top line which was consistently growing at 16-18% during the last nine quarters, grew by only 6% to Rs. 329 Crores in quarter ending December 31, 2016 due to demand slowdown in traditional channels. Our 4 power brands grew by 24% in the month of October. The sales was lower in the month of November due to the immediate cash crunch in the economy, however it bounced back in the month of December driven by EBO and LFS channels. EBITDA margins decreased marginally due to impact of statutory levies.

Retail Stores count as on December 31, 2016 stood at 1,067 across all formats, including 47 stores in the Middle East and SAARC region covering over 1.97 million square feet of retail space. Sales grew across the exclusive network by 8% and blended like to like across formats by 3%.

**Garmenting Segment** sales at Rs 129 Crores was lower by 12% during the quarter mainly on account of deferment of the orders to next quarter. EBITDA for the quarter grew by 32% mainly due to better product mix and savings in costs.

**Luxury Cottons shirting fabric** business grew by 11% to Rs 131 Crores led by higher volumes during the quarter. EBITDA for the quarter grew by 56%, on account of operational and cost efficiencies.

**Tools and Hardware** segment sales down by 19% to Rs 79 Crores due to impact of demand contraction in domestic market and exports were impacted due to continued slowdown in African markets. EBITDA margins largely impacted due to lower sale volumes.

**Auto Components** segment performance not comparable due to forging business disposed off in FY16. On a like for like basis, sales was up by 31% y-o-y and EBITDA increased to Rs 5 Crores from the breakeven level in the previous year and working capital days improved by 16 days. The business performance is maintaining the pace of the turnaround it already achieved in Q2.

Announcing the results, Mr. Gautam Hari Singhania, Chairman & Managing Director, Raymond Limited said, “The Business was performing in line with our targets till October 2016, however the months of November and December were impacted due to demand contraction as a result of the cash crisis. Proactive revenue initiatives have resulted in containing the reduction in sales. We expect the consumer demand in our retail stores to bounce back as cash circulation improves. The wholesale trade channel may take more time before stabilizing to normal volume growth. In long run, the transition towards more cashless economy will bring positive impact for the industry as there will be
a shift of business from unorganized to organized sector. Our long term growth strategy for the business remains intact and will continue to focus on creating shareholder value.”

About Raymond

Raymond offers end-to-end solutions for fabrics and garmenting. It has some of the leading brands in its portfolio including Raymond, Park Avenue, Raymond Premium Apparel, Parx, and Color Plus amongst others. Raymond has one of the largest exclusive retail networks in the textile and fashion space in India.

As a part of the diversified Group, it also has business interests in men’s accessories, personal grooming & toiletries, prophylactics, files & tools and auto components.

Visit us today at www.raymond.in to witness how we cater to the needs of 'The Complete Man'.

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