

## Positive Free cash flow for 2<sup>nd</sup> consecutive year

- ✓ 1<sup>st</sup> Company in India to get Egyptian Cotton Certification Gold Seal
- ✓ Innovative sales share at 34%; Branded sales share at 13% in FY16
- ✓ FY16: Op. EBITDA margin up 200 bps; PAT crosses Rs. 7 bn milestone
- ✓ Sales growth at 19% Y-o-Y in Q4FY16
- ✓ Total Dividend for the year at Rs. 1.3/share

**Mumbai, April 25, 2016:** Welspun India Ltd., (WIL), part of the US\$ 3 billion Welspun Group announced Q4 and FY16 results today, showing strong growth in operating EBITDA and PAT in comparison to the corresponding period last year.

Consolidated Financial Summary - Q4 & FY16 <span style="float: right;">(Rs. Million)</span>								
FY16	FY15	Change %	Particulars	Q4 FY16	Q4 FY15	YoY Change %	Q3 FY16	QoQ Change %
59,795	53,025	12.8%	Revenue	16,283	13,658	19.2%	14,904	9.3%
15,575	12,742	22.2%	Operational EBITDA	4,229	3,446	22.7%	4,006	5.6%
<b>26.0%</b>	<b>24.0%</b>	<b>202 bps</b>	<b>Op. EBITDA Margin</b>	<b>26.0%</b>	<b>25.2%</b>	<b>74 bps</b>	<b>26.9%</b>	<b>-91 bps</b>
16,490	13,691	20.4%	EBITDA	4,497	3,735	20.4%	4,178	7.7%
27.6%	25.8%	176 bps	EBITDA Margin	27.6%	27.3%	27 bps	28.0%	-41 bps
2,362	2,829	-16.5%	Finance Cost	663	569	16.5%	592	11.9%
3,750	3,329	12.6%	Depreciation	1,042	1,009	3.3%	997	4.5%
10,378	7,533	37.8%	Profit Before Tax	2,792	2,157	29.4%	2,588	7.9%
<b>7,029</b>	<b>5,398</b>	<b>30.2%</b>	<b>PAT post min. &amp; asso.</b>	<b>1,933</b>	<b>1,614</b>	<b>19.8%</b>	<b>1,741</b>	<b>11.0%</b>
11.8%	10.2%	157 bps	PAT Margin	11.9%	11.8%	5 bps	11.7%	19 bps
11,487	9,017	27.4%	Cash Profit*	3,125	2,781	12.4%	3,002	4.1%
<b>7.0</b>	<b>5.4</b>	<b>30.2%</b>	<b>EPS<sup>#</sup></b>	<b>1.9</b>	<b>1.6</b>	<b>19.8%</b>	<b>1.7</b>	<b>11.0%</b>

\*Cash Profit = PBDT – Current tax #Adjusted for stock split

Balance sheet snapshot (Rs. million)	31 <sup>st</sup> Mar 2016	31 <sup>st</sup> March 2015
Net worth	19,877	14,318
Gross debt	26,632	30,851
<b>Net Debt</b>	<b>25,248</b>	<b>26,554</b>
Net fixed assets (incl. CWIP)	33,435	26,049
Net current assets (excl. cash & cash equiv.)	11,054	13,155
Capital Employed	49,486	47,208
Net Debt/Op. EBITDA	1.62	2.08
Net debt/Equity	1.27	1.85
<b>ROCE (pre-tax)</b>	<b>26.4%</b>	<b>22.8%</b>
ROE	41.1%	42.5%

### Consolidated Financial Highlights – Q4 FY16 (compared with Q4 FY15 figures)

- Revenue at Rs. 16,283 million vs. Rs. 13,658 million; 19.2% growth YoY driven by higher volumes across products and higher mix of innovative and branded products
- Domestic retail sales continue to witness robust growth and FY16 growth stands at 47%
- Share of innovative products stands at 34% in FY16 (vs. 31% in FY15) while branded sales share stood at 13% (vs. 11% in FY15)
- Operating EBITDA up by 22.7% at Rs. 4,229 million vs. Rs. 3,446 million in Q4 FY15. Operating EBITDA margin up 74 bps at 26.0% (vs. 25.2% in Q4 FY15), mainly on account of higher share of innovative and branded products
- Finance cost stood at Rs. 663 million, 16.5% higher YoY on account of commissioning of the modernization and capacity enhancement projects and change in mix of working capital, partly offset by the reduction in base rate and interest equalization scheme announced by the Govt. of India
- Depreciation was higher YoY at Rs. 1,042 million (vs. Rs. 1,009 million in Q4 FY15), primarily on account of the capitalisation of ongoing modernisation and expansion projects
- Profit after Tax (after minority interest) stood at Rs. 1,933 million compared to the Q4 FY15 figure of Rs. 1,614 million, growth of 19.8% YoY
- Net worth stands at Rs. 19,877 million as on 31<sup>st</sup> March 2016 (vs. Rs. 14,318 million)
- Net debt stands at Rs. 25,248 million (vs. Rs. 26,554 million at end-FY15) implying a net debt/equity of 1.27x (vs. 1.85x at end-FY15)
- Net debt/ Operating EBITDA as on 31<sup>st</sup> Mar 2016 stands at 1.62x vs. 2.08x at end-FY15
- ROCE (pre-tax) for FY16 stands at 26.4% (vs. 22.8% in FY15) and ROE stands at 41.1% (vs. 42.5%)
- The Company generated positive free cash flows after capex for the second year in a row
- Final dividend announced at Rs. 0.05/share taking the total dividend for FY16 to Rs. 1.3/share

### Project Status

The capital expenditure during the quarter was Rs. 4.8 billion, taking the total to Rs. 11.1 billion during the year. Q4 capex involved capacity enhancement in towels and modernisation of the Vapi plant. The total annual capacity post expansion stands at 60,000 MT for Towels, 72 million metres in Bed Linen and 8 million sq metres in Rugs & Carpets.

For FY17, the capital expenditure planned is Rs. 8 billion. This includes the remaining part of the modernisation project and capacity enhancement in towels, sheets and rugs & carpets. By the end of the year, annual capacity is expected to reach 72,000 MT in Towels, 90 million metres in Bed Linen and 10 million sq metres in Rugs & Carpets.

### Recent Awards & Recognitions

- 1st Company in India to get Egyptian Cotton Certification Gold Seal
- Ms. Dipali Goenka, Joint MD – Welspun India, featured at #16 in Asia's 50 Power Businesswomen 2016 by Forbes. Ranked #4 among Indian Women
- “Supplier of the Year in Bed & Bath” - Walmart
- Corporate Responsibility Award at Supplier Awards 2016 - Tesco
- 5 Star Vendor of the Year - Macy's
- Highest Direct to Store Delivery Share - IKEA 2015.

### Management comments

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “Another successful year, record sales & profitability, made possible by delivering unique experiences through innovation and branding. In the coming year, our focus will be on increasing revenue from the domestic market and profitability through branded and innovative products.”**

**About Welspun India ([www.welspunindia.com](http://www.welspunindia.com))**

*Welspun India Ltd, part of US\$ 3 billion Welspun Group, is among the top 3 home textile companies in the World. With a distribution network in more than 50 countries and world class manufacturing facilities in India, it is the largest exporter of home textile products from India. Supplier to 14 of Top 30 global retailers, the Company has marquee clients like Bed Bath & Beyond, Costco, Kohl's, Target, Wal-Mart and Macy's to name a few.*

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