

29<sup>th</sup> July, 2011

## Nilkamal Limited – Press Release on Q1 FY12 Results

### Q1 2012 Financial Highlights

- ❖ Improved EBIDTA margin of plastic division after experiencing dip during past three quarters thus reflecting a path of recovery.
- ❖ Commencement of manufacturing operations at the green field plant at Hosur.
- ❖ Venturing into mattresses business.
- ❖ Opening of 17<sup>th</sup> @home store at Kochi.

Nilkamal Limited a trusted brand over the years and a leader in the manufacturing business of moulded furniture and material handling products and who is also having its presence in the retail business of lifestyle furniture, furnishings and accessories under its brand '@home', today announces its unaudited standalone first quarter results for FY2012.

(₹ in Crore)

Particulars	Standalone Financial Highlights			
	Q1		Quarter ending 31 <sup>st</sup> March, 2011	Previous Year ended 31 <sup>st</sup> March, 2011
	FY 2012	FY2011		
Net Sales	320.71	284.81	342.30	1249.09
EBIDTA	34.30	31.97	31.01	129.70
EBIDTA Margin (%)	10.70%	11.22%	9.06%	10.38%
PBT	16.57	18.38	14.58	70.04
PAT	12.27	13.09	11.67	52.46
Basic EPS	8.22	10.32	7.82	36.80
Cash EPS	14.43	16.36	13.64	59.91

.....continued to page 2

- 2 -

## Highlights of the Q1 of FY 2012

For the Q1 of the FY2012, the Net Sales of the Company increased by 12.60% as compared to Q1 of the FY2011. In Q1 of the FY2012 Net Sales of the plastics segments increased by 12% i.e. ₹283/- Crores vis a vis ₹252/- Crores, whereas that of the retail segment increased by 17% i.e. ₹39/- Crores as compared to ₹33/- Crores for the Q1 of the FY2011. In the Plastic Segment, material handling business grew by 20% and moulded furniture business by 8% on y-o-y quarterly basis. There is rise in interest and depreciation cost as a result of increase in cost of funds and capital expenditure incurred during the previous financial year. The company is expecting the benefits of the said capital expenditure during the current financial year.

The Company's plastic division has experienced a continuous fall in its operating margin since last three quarters which was due to constant increase in raw material prices. The EBIDTA margin witnessed by the said division was 12.73%, 11.43% and 9.76% in Q2, Q3 and Q4 of the previous financial year. However, with the help of the volume and the value growth of 7% and 15% respectively, the said division was successful in achieving an EBIDTA margin of 12.24% in Q1 FY2012 thus reflecting the path of recovery.

The green field plant at Hosur which has commenced its manufacturing operations during the Q1 FY 2012 is one of the largest plants of the Company. The said plant shall contain facilities for manufacturing of all range of products of the Company.

From its experience of serving millions of homes through its moulded furniture business, Nilkamal believes that 'Home is the most important place in the world' and thus in order to increase the portfolio business related to home, the Company has ventured into mattresses business. The Company's well entrenched Nilkamal brand, existing dealer-distributor network, its PAN presence throughout India, and its retails outlets of '@home' across tier 1 and tier 2 cities are the key drivers on the basis of which it forebodes to become one of the formidable player in the industry. The Company has carried out a test launch of mattresses in the state of Andhra Pradesh and Maharashtra and shall start the manufacturing activity of the mattresses at its Hosur plant by the end of this calendar year.

The Company has opened its 17<sup>th</sup> @home store at Kochi and is planning open three @home stores by end of the current financial year. During the current financial year @home is expected to contribute positively to its bottom line.

During the current financial year, the Company intends to incur a further capital expenditure of approximately ₹50/- Crores for its new business of mattresses, existing plastic business and @home business.

.....continued to page 3

- 3 -

Some of the statements in this communication that are not historical facts are forward looking statements. These statements are based on the present business environment and regulatory framework. Developments that could affect the Company's operations include significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relations. We assume no responsibility for any action taken based on the said information, or to update the same as circumstances change.