

## Press Release

27<sup>th</sup> July 2007

### Himatsingka Seide Ltd's consolidated Q1 Sales at Rs. 89 Crores

#### Consolidated financial performance (Q1 ended 30<sup>th</sup> June 2007)

- HSL's consolidated revenues (including other income) stood at Rs.89.37 crores – Consolidated revenues for year ended 31<sup>st</sup> March 2007 was Rs.244.58 crores.
- The Consolidated results include results of Giuseppe Bellora SpA, Italy and its subsidiaries. HSL acquired a 70% stake in Giuseppe Bellora SpA in February 2007. Bellora and its subsidiaries reported revenues of Rs.38.43 crores for the quarter.
- The consolidated results also include the results of Himatsingka Wovens Private Limited, Himatsingka America Inc, & Twill & Oxford, Dubai.
- Consolidated Net profit for the quarter stood at Rs.7.34 crores – the profits were impacted by Rs.3.4 crores of expenses pertaining to the Hassan bed linen plant, mark to market impact of foreign exchange translation of Rs.1.7 crores and M&A related expenses of Rs.1 crore. In addition, revenue was impacted by the rupee appreciation.
- On 1<sup>st</sup> July 2007, the company acquired an 80% stake in Divatex Home Fashions, New York. Divatex reported revenues of USD 151 MM and EBITDA at USD 14 MM for the year ended 31<sup>st</sup> Dec 2006. Divatex performance is therefore not reflected in the quarter results.
- The company is in line to achieving consolidated revenue of Rs.850-900 crores for the year 2007-08

#### Financial performance (Q1 ended 30<sup>th</sup> June 2007)

- HSL's Total revenues (including other income) are up by 3.6% at Rs 45.53 crores compared with Rs 43.94 crores in the corresponding quarter of previous year. Steep appreciation of the rupee vis-a-vis the dollar impacted revenues by 9%.
- Net profit lower by 36% at Rs 9.15 crores (Q1 2006-07 Rs 14.41 crores). In addition to rupee appreciation, profits were impacted by the expenses relating to the Hassan bed linen project that will be commissioned soon and the mark to market impact of foreign currency translation of about Rs.1 crore.
- Quarterly Earnings per share at Rs 0.94, EPS annualized Rs 3.76.

### **Bed Linen Project in Hassan SEZ**

Trial production is currently on at the Hassan facility where certain trial orders have already been serviced. Commercial production is 6-8 weeks behind schedule vis-à-vis the earlier envisaged date of July 2007.

### **Retail Business**

The Company's retail business operated under the brand "ATMOSPHERE" through its wholly owned subsidiary, Himatsingka Wovens Private Limited, saw significant sales growth of 43% in the quarter ended 30<sup>th</sup> June 2007 compared to corresponding period in the previous year. Sales for the quarter ended 30<sup>th</sup> June 2007 stood at Rs 7.46 crores, as compared to Rs 5.20 crores in Q1 2006-07. Profit before tax at Rs.1.02 crores grew at 65% over the corresponding quarter in the previous year.

(Rs. in Lakhs)

**Standalone Unaudited Results**

	<b>Quarter Ended 30.06.2007</b>	<b>Quarter Ended 30.06.2006</b>	<b>Year Ended 31.03.2007 (Audited)</b>
Net Sales	<b>3,960.58</b>	3,771.20	<b>17,416.35</b>
Other Income	<b>592.24</b>	622.83	<b>2,705.65</b>
<b>Total Revenue</b>	<b>4,552.82</b>	4,394.03	<b>20,122.00</b>
Consumption of Raw materials	<b>1,533.36</b>	1,507.08	<b>7,080.39</b>
(Increase)/Decrease in Stock	<b>(50.92)</b>	(326.64)	<b>(974.75)</b>
Personnel Expenses	<b>753.79</b>	455.39	<b>2,521.65</b>
Manufacturing Expenses	<b>372.02</b>	463.96	<b>1,626.97</b>
Admn., Sales & Other Expenses	<b>479.70</b>	419.65	<b>2,324.68</b>
Total Expenditure	<b>3,087.95</b>	2,519.44	<b>12,578.94</b>
<b>PBIDT</b>	<b>1,464.87</b>	1,874.59	<b>7,543.06</b>
Interest	<b>46.62</b>	10.94	<b>44.72</b>
Depreciation	<b>397.56</b>	352.61	<b>1,404.43</b>
<b>Profit Before Tax</b>	<b>1,020.69</b>	1,511.04	<b>6,093.91</b>
Provision for Taxation	<b>105.00</b>	70.00	<b>633.00</b>
<b>Net Profit</b>	<b>915.69</b>	1,441.04	<b>5,460.91</b>
Paid up Equity Share Capital	<b>4,871.66</b>	4,871.66	<b>4,871.66</b>
Face value of each share (Rs)	<b>5.00</b>	5.00	<b>5.00</b>
Reserves			<b>55,238.88</b>
Dividend			<b>2,435.83</b>
Dividend per share (Rs)			<b>2.50</b>
Basic & Diluted EPS (Rs) (Non Annualised)	<b>0.94</b>	1.48	<b>5.60</b>
Aggregate of Public Shareholding			
- No of shares	<b>48,042,983</b>	44,768,978	<b>48,042,983</b>
- % of holding (to total shareholding)	<b>49.31</b>	<b>45.95</b>	<b>49.31</b>

(Rs. in Lakhs)

## Standalone Segment Reporting

	Quarter Ended 30.06.2007	Quarter Ended 30.06.2006	Year Ended 31.03.2007 (Audited)
<b>1. Segment Revenue</b>			
a) Home Textiles	3,448.79	3,304.73	14,903.17
b) Yarn	629.51	605.34	3,212.56
Total	4,078.30	3,910.06	18,115.73
Less: Inter Segment Revenue	117.72	138.86	699.38
<b>Net Sales/Income from Operations</b>	<b>3,960.58</b>	3,771.20	<b>17,416.35</b>
<b>2. Segment Results:</b>			
Profit(+)/ (Loss)(-) before tax and interest			
a) Home Textiles	1,089.12	1,191.43	4,699.89
b) Yarn	(0.12)	(14.15)	239.05
Total	1,089.00	1,177.28	4,938.94
Less : Interest	46.62	10.94	44.72
Add: Other un-allocable income net of un-allocable expenditure	(21.69)	344.70	1,199.69
<b>Total Profit Before Tax</b>	<b>1,020.69</b>	1,511.04	<b>6,093.91</b>
<b>3. Capital Employed (Segment assets – Segment Liabilities)</b>			
a) Home Textiles	41,828.35	18,879.11	40,279.98
b) Yarn	2,332.72	2,898.43	2,216.70
c) Other Un-allocable Corporate assets	16,865.15	37,024.70	17,613.86
<b>Total</b>	<b>61,026.22</b>	58,802.24	<b>60,110.54</b>

- Trial production at the Hassan Bed-Linen facility has commenced.

- On 1st July, 2007, the Company through its wholly owned subsidiary, Himatsingka America Inc, New York, completed the acquisition of a 80% stake in Divatex Home Fashions Inc, New York.

- There were no pending investor complaints at the beginning of the quarter. During the quarter ended June 30th, 2007, the Company received 33 Investor Complaints, which have been attended and no complaints remain unresolved as on 30 th June 2007.

- The Statutory Auditors have carried out a 'Limited Review' of the Standalone financial results for the quarter ended 30th June 2007.

- Previous years/quarters figures have been regrouped/recast, wherever necessary

Bangalore  
July 27, 2007

**Dinesh Himatsingka**  
Managing Director

(Rs. in Lakhs)

**Consolidated Unaudited Results**

Particulars	Quarter	Year
	ended 30.06.2007 (Unaudited)	ended 31.03.2007 (Audited)
Net Sales	8,312.71	20,911.29
Other Income	624.38	3,546.88
<b>Total Revenue</b>	<b>8,937.09</b>	<b>24,458.17</b>
Consumption of Raw materials	3,424.40	9,190.43
(Increase)/Decrease in Stock	(357.41)	(1,738.61)
Personnel Expenses	1,907.18	3,352.55
Manufacturing Expenses	373.41	1,677.95
Admn. Sales and Other Expenses	2,001.13	3,310.38
Total Expenditure	7,348.71	15,792.70
<b>PBIDT</b>	<b>1,588.38</b>	<b>8,665.47</b>
Interest	256.30	96.41
Depreciation	551.40	1,570.09
Profit Before Tax	780.68	6,998.97
Provision for Taxation	140.71	687.53
<b>Profit After Tax and before Minority Interest</b>	<b>639.97</b>	<b>6,311.44</b>
Minority Interest	(94.06)	168.44
<b>Net Profit</b>	<b>734.03</b>	<b>6,143.00</b>
Paid up Equity Share Capital	4,871.66	4,871.66
Face Value - (Rs)	5.00	5.00
Reserves		54,585.75
Dividend	-	2,435.83
Dividend per Share (Rs)	-	2.50
Basic & Diluted EPS (Rs)	0.75	6.30
Aggregate of Public Shareholding		
- No. of shares	48,042,983	48,042,983
- % of holding (to total shareholding)	49.31	49.31

The above consolidated financial results include figures in respect of its subsidiaries, Himatsingka Wovens Pvt Ltd, Himatsingka America Inc, Twill & Oxford LLC, Giuseppe Bellora SpA, BP Venture srl, Giuseppe Bellora America Inc, Interbrand srl and BP Venture Portugal LDA . GBT SrL (a subsidiary of Giuseppe Bellora SpA) has not been considered for consolidation, since it is under liquidation.

Bangalore:  
Date: 27th July 2007

Dinesh Himatsingka  
Managing Director