

Himatsingka Seide Limited
10/24, Kumarakrupa Road, High Grounds, Bangalore – 560 001

Press Release

29th June 2008

Consolidated financial performance (12 months ended 31st March 2008)

- HSL Consolidated revenues for the year ended March 31st 2008 stood at Rs. 892.32 Cr vs Rs. 244.58 Cr during the previous year, a growth of 264.84 %.
- Consolidated net loss for the period stood at Rs. 23.99 Cr. vs a consolidated Net Profit of Rs. 61.43 Cr. during the previous year.
- Consolidated results for the period include a Rs. 40.28 Cr loss from the new Bed linen manufacturing facility which was commissioned on October 12th 2007. Further, the Company incurred Rs. 9.50 Cr of expenses incurred during the first half of the fiscal that relate to the Bed linen facility prior to the commencement of commercial production.
- During the Year the Company through its wholly owned subsidiary, Himatsingka America Inc. (HimA), concluded the acquisitions of Divatex Home Fashions Inc., USA, and DWI Holdings Inc., USA. HimA acquired a 80% and 100% stake respectively in the two firms. Consequently, the above consolidated results also include one time M&A related expenses of Rs.2.20 Cr.
- Exceptional items include Rs. 27.77 Cr towards a mark to market provision for a Foreign Exchange Derivative contract, Rs 1.32 Cr pertaining to one off expenses incurred relating to the closure of the Portugal Subsidiary of Giuseppe Bellora SpA and a gain of Rs 3.43 Cr on account of profit on dilution of stake by Giuseppe Bellora SpA, in one of its subsidiary company.

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Consolidated Financial performance (Q4 ended 31st March 2008)

- HSL Consolidated revenues for the Quarter ended March 31st 2008 stood at Rs. 285.14 Cr .
- Consolidated net loss for the period stood at Rs. 41.09 Cr.
- The consolidated results during the Quarter were primarily impacted by a net loss of Rs 22.43 Cr from the new Bed Linen manufacturing facility at the Hassan SEZ in Karnataka. The facility was commissioned on 12th Oct 2007.
- As the new Bed Linen facility has just been commissioned and is being ramped up, capacity utilization was low during the quarter and stood at 53%.
- Exceptional items for the Quarter includes Rs 27.77 Cr towards a mark to market provision for a Foreign Exchange Derivative Contract .

Significant Events during the Year

- Consequent to the acquisition of a 70% stake in Giuseppe Bellora SpA during February 2007, the Company acquired an 80% stake in Divatex Home Fashions Inc, on 30 June 2007 and a 100% stake in DWI Holdings on 18th October 2007.
- The company commissioned its Bed linen Facility Located at the Hassan SEZ, on 12th October 2007. The total investment made in the new facility stands at Rs. 437 Cr.

- **Himatsingka Wovens Private Limited, a wholly owned Subsidiary of the Parent which owns the Atmosphere brand, launched its Singapore store during October 2007. The Store was launched through its 100% subsidiary Himatsingka Singapore Pte Limited**
- **During the quarter, the shareholding of Giuseppe Bellora S.p.A. (GB), in one of its subsidiary companies, BP Venture Srl (BPV) has reduced from 57.3% to 15.1%. This is in line with the strategic intent of GB to consolidate its retail operations. The reduction in the shareholding is a result of lower participation in fresh infusion of capital of BPV. Consequentially, BPV and its subsidiary are no longer subsidiaries of the Group and hence not consolidated in the above results.**
- **In view of the rising energy prices, the Company is executing a coal based co-generation captive power plant of a capacity of 12.5 MW. The plant is expected to be commissioned in Q2 2009. Post commissioning, the Company expects to benefit on account of lower steam and power costs.**

Mr. Shrikant Himatsingka, Executive Director, Himatsingka Seide, said “Having committed investments of Rs. 1000 crores in M&A, green field initiatives and organic expansions over the last 18 months, Himatsingka is now a truly integrated global home textile company. Our focus going forward would be to stabilize our Greenfield facility at Hassan, to enhance synergies with our acquired entities and continue to explore growth opportunities in emerging markets on the Retail and Distribution front.”

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