



Its the way you make me feel



**Q4 & FULL YEAR FY15 INVESTOR PRESENTATION**  
**May 2015**

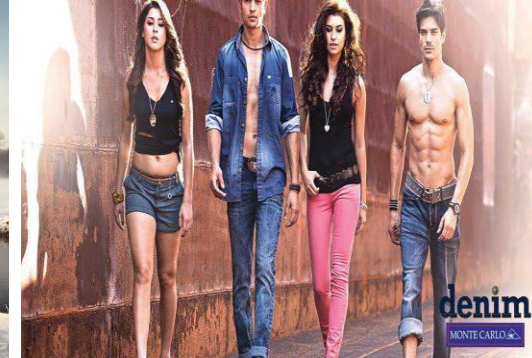
## DIVIDEND PAYOUT FOR FY15

**BOARD OF DIRECTORS HAVE RECOMMENDED A DIVIDEND OF RS. 10.0 PER EQUITY SHARE (100%) WHICH AMOUNTS TO A TOTAL DIVIDEND PAY OUT OF RS. 217.32 MN.**

**DIVIDEND PAY OUT IS 36.4% OF THE REPORTED PAT**

# DISCUSSION SUMMARY

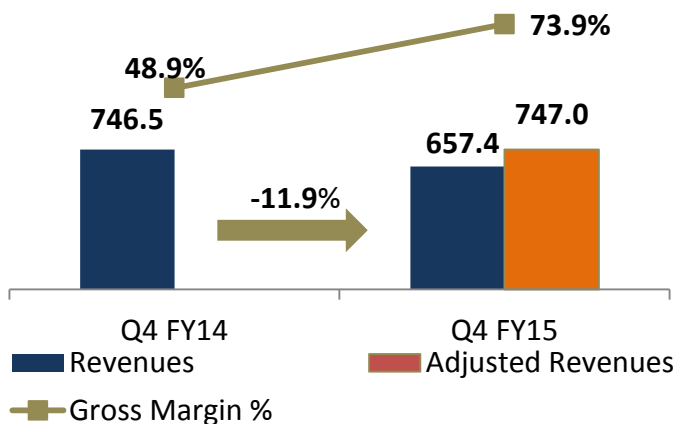
- Q4 & FULL YEAR FY15 RESULTS HIGHLIGHTS
- OPERATIONAL HIGHLIGHTS
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- COMPANY OVERVIEW – ABOUT US
- UNDERSTANDING OUR BUSINESS MODEL
- SUSTAINABLE COMPETITIVE ADVANTAGES
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- ANNEXURE



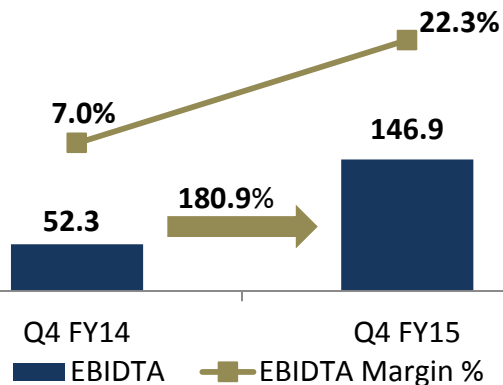
# Q4 & FY15 – RESULTS HIGHLIGHTS

## Q4 FY15 YoY ANALYSIS

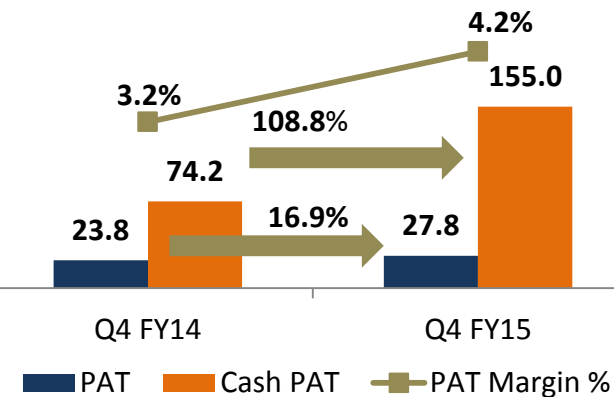
### Revenues\*\*



### EBIDTA & EBIDTA %

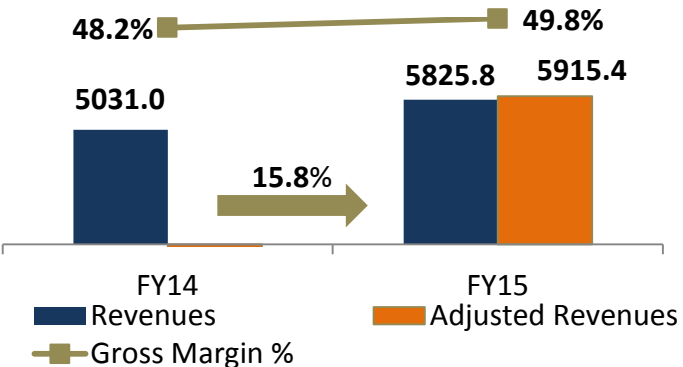


### PAT & PAT %

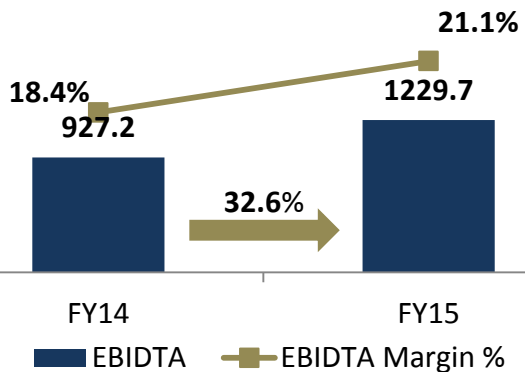


## FY15 YoY ANALYSIS

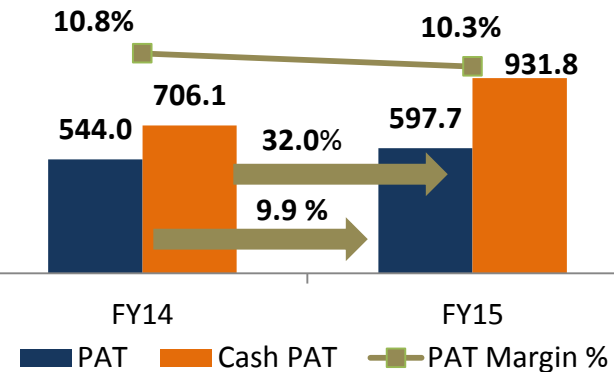
### Revenues\*\*



### EBIDTA & EBIDTA %



### PAT & PAT %



Note – EBIDTA W/O Other Income Gross Profit == Net Revenues – COGS

Note \*\* - Reported Revenues are not comparable on a YoY BASIS, As per New Accounting Policy, any Expenses incurred to Push Sales (Discount & Rebates) have to be deducted from Revenue Itself as compared to Earlier where it was part of Other Selling Expenses. Total Discounts amounting to ₹ 89,587,666 are netted off from the 'revenue from operations'.



# Q4 & FULL YEAR FY15 – FINANCIAL HIGHLIGHTS

## FINANCIAL UPDATE -

- FY15 Revenues from Operations increased by 15.8 % to Rs. 5825.8 mn, Q4 FY15 Total Revenues from Operations decreased by 11.9% YoY to Rs. 657.4 mn. **Revenues are not comparable on YoY basis, mainly due to change in an Accounting policy -**
  - As per the New accounting policy, any Expense incurred to Push Sales (Discounts & Rebates) need to be netted off against Revenue from Operations. Therefore, for FY15 Discounts worth Rs. 89.6 mn have been netted off against Revenues in Q4 FY15.
  - Adjusting for the same, Q4 FY15 and Full year FY15 Adjusted Revenues are Rs. 747.0 mn and Rs. 5915.4 mn respectively.
- FY15 EBIDTA w/o Other income increased by 32.6 % YoY to Rs. 1229.7 mn. EBIDTA Margin increased by 268 bps YoY to 21.1% from 18.4% in FY14 due to strong Brand positioning, better product mix and reduction in other expenses through operating leverage.
- FY15 PAT increased by 9.9 % YoY to Rs. 597.7 mn and Q4 FY15 PAT increased by 16.9% to Rs. 27.8 mn . PAT has been affected due to Higher Depreciation due to change in Depreciation policy as per the New Companies Act 2013.
  - Had the Company continued with the previously assessed useful lives, charge for depreciation for year ended 31 March 2015 would have been lower by Rs. 70.6 mn and the profit before tax would have been higher by such amount.
- **FY15 Cash Profit before Tax increased by 26.7 % to Rs. 1248.5 mn YoY and Q4 FY15 Cash Profit before Tax increased by 115.8% to Rs. 171.4 mn YoY.**
- **Board of directors have recommended dividend at 100% of Face value i.e. Rs. 10.00 per share subject to approval of shareholders at AGM.**

## BUSINESS UPDATE

- On the Product side, the company has launched Branded Socks as a category. Also has commenced in-house production of socks, t-shirts and thermals.
- Recently started online e-commerce sale through our own portal [www.montecarlo.in](http://www.montecarlo.in) as well as tie-ups with several online portals. The e-Retail portal and online business completely belongs to the company.

# OPERATIONAL HIGHLIGHTS

## REVENUE ANALYSIS – SEGMENT WISE

### Segment wise Revenues – Product Category wise (In Rs mn)

	FY15	FY14	FY13	FY12
<b>Total Revenues **</b>	<b>5271.8</b>	<b>4566.7</b>	<b>3686.0</b>	<b>3346.9</b>
<b>% Revenue Share – Segment wise</b>				
<b>Woollen Segment</b>	<b>34.5%</b>	<b>33.1%</b>	<b>36.6%</b>	<b>38.3%</b>
<b>Cotton Segment</b>	<b>52.6%</b>	<b>56.2%</b>	<b>54.7%</b>	<b>61.7%</b>
<b>Home Furnishings</b>	<b>8.4%</b>	<b>6.9%</b>	<b>6.0%</b>	<b>0.0%</b>
<b>Kids</b>	<b>4.6%</b>	<b>3.9%</b>	<b>2.7%</b>	<b>0.0%</b>

### Segment wise Revenues – Channel wise (In Rs mn)

	FY15	FY14	FY13	FY12
<b>Total Revenues**</b>	<b>5271.8</b>	<b>4566.7</b>	<b>3686.0</b>	<b>3346.9</b>
<b>% Revenue Share –Channel wise</b>				
<b>MBO including NCS / Institutional</b>	<b>63.5%</b>	<b>65.0%</b>	<b>59.6%</b>	<b>60.2%</b>
<b>Retail Outlets - EBO – COCO</b>	<b>5.5%</b>	<b>5.0%</b>	<b>1.8%</b>	<b>7.7%</b>
<b>Retail Outlets - EBO - FOFO</b>	<b>30.9%</b>	<b>30.0%</b>	<b>38.5%</b>	<b>32.1%</b>

MBO – Multi Brand Outlet  
EBO – Exclusive Brand Outlet  
COCO – Company own Company operated  
FOFO – Franchise own Franchise operated

Note \*\* - Revenues Excluding Fabric Sales

# OPERATIONAL HIGHLIGHTS

## REVENUE ANALYSIS – REGION WISE

### Segment wise Revenues –Region wise

	FY15	FY14	FY13	FY12
<b>% Revenue Share – Region wise</b>				
<b>North</b>	<b>51.3%</b>	<b>58.8%</b>	<b>57.1%</b>	<b>52.6%</b>
<b>East</b>	<b>27.1%</b>	<b>25.1%</b>	<b>22.0%</b>	<b>25.3%</b>
<b>Central</b>	<b>13.8%</b>	<b>9.0%</b>	<b>12.7%</b>	<b>11.5%</b>
<b>South</b>	<b>3.1%</b>	<b>2.7%</b>	<b>3.7%</b>	<b>4.4%</b>
<b>West</b>	<b>4.6%</b>	<b>4.3%</b>	<b>4.0%</b>	<b>6.3%</b>
<b>Overseas</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>0.0%</b>

# OPERATIONAL HIGHLIGHTS

## MARGIN ANALYSIS – CORE BUSINESS MARGINS

### Segment wise Revenues – Product Category wise (In Rs mn)

	FY15	FY14
<b>Branded Apparel Garment Revenues</b>	<b>5271.8</b>	<b>4566.7</b>
<b>Fabric &amp; Yarn Sales (At cost Price)**</b>	<b>539.1</b>	<b>450.3</b>
<b>Net Sales (Revenues)</b>	<b>5810.9</b>	<b>5017.0</b>
<b>EBIDTA W/O Other Income</b>	<b>1229.7</b>	<b>927.2</b>
<b>EBIDTA Margin - % of Total Revenues</b>	<b>21.2%</b>	<b>18.5%</b>
<b>EBIDTA Margin - % of Garment Revenues</b>	<b>23.3%</b>	<b>20.3%</b>

Note \*\* - Company supplies Raw material (Fabric and Yarn) to some of the Outsourced Garmenting vendors due to which it translates into Fabric sales. However these transactions are executed without any mark up at No profit basis.



# OPERATIONAL HIGHLIGHTS

## STORE NETWORK ANALYSIS

- Total Number of EBOs – 214, spread across Pan India. Major Presence in North, Central & East.
- Have strong Distribution presence across more than 1400 Multi-Brand Outlets pan India.
- Have presence in 89 National chain store Outlets
  - Presence through 6 National Retail chains such as – Reliance Retail, Shoppers stop, Pantaloons, Metro, Carrefour and Madura Outlets.

### Total Network details

	As on Dec-14
<b>No of Own EBO</b>	<b>20</b>
<b>No of Franchise EBO</b>	<b>194</b>
<b>No of MBO</b>	<b>1400+</b>
<b>No of NCS Presence</b>	<b>89</b>
<b>Institutional Buyers</b>	<b>60</b>

### Retail store - Exclusive Brand Outlets Network details (EBO)

	Mar-15	Dec-14	Mar-14	Mar-13	Mar-12
<b>Existing - No of Stores</b>	<b>214</b>	<b>193</b>	<b>166</b>	<b>152</b>	<b>144</b>
<b>New Opened</b>	<b>6</b>	<b>28</b>	<b>28</b>	<b>20</b>	<b>12</b>
<b>Closed</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>6</b>	<b>4</b>
<b>Total Number of Retail outlets</b>	<b>214</b>	<b>214</b>	<b>193</b>	<b>166</b>	<b>152</b>

# FINANCIALS

## P&L STATEMENT

Particulars (in million)	Q4 FY 15	Q4 FY 14	% Change	FY 15	FY 14	% Change
Net Sales	654.6	741.7	-11.7%	5810.8	5017.0	15.8%
Other Operating Income	2.8	4.7	-41.9%	15.0	14.0	6.7%
<b>Total Income from Operations</b>	<b>657.4</b>	<b>746.5</b>	<b>-11.9%</b>	<b>5825.8</b>	<b>5031.0</b>	<b>15.8%</b>
Cost of Goods Sold	171.3	381.5	-55.1%	2922.5	2603.8	12.2%
<b>Gross Profit</b>	<b>486.0</b>	<b>365.0</b>	<b>33.2%</b>	<b>2903.2</b>	<b>2427.2</b>	<b>19.6%</b>
<b>Gross Margin</b>	<b>73.9%</b>	<b>48.9%</b>	<b>2504 bps</b>	<b>49.8%</b>	<b>48.2%</b>	<b>159 bps</b>
Personnel Expenses	99.2	87.0	14.1%	418.8	270.4	54.9%
Other Expenses	239.9	225.7	6.3%	1254.7	1229.7	2.0%
<b>EBITDA</b>	<b>146.9</b>	<b>52.3</b>	<b>180.8%</b>	<b>1229.7</b>	<b>927.2</b>	<b>32.6%</b>
<b>EBITDA Margin</b>	<b>22.3%</b>	<b>7.0%</b>	<b>1534 bps</b>	<b>21.1%</b>	<b>18.4%</b>	<b>268 bps</b>
Other Income	59.6	41.9	42.2%	189.5	151.6	25.0%
<b>EBITDA Margin (incl. Other Income)</b>	<b>31.4%</b>	<b>12.6%</b>	<b>1879 bps</b>	<b>24.4%</b>	<b>21.4%</b>	<b>292 bps</b>
Depreciation	127.2	50.5	152.1%	334.0	162.1	106.1%
Interest Expense	35.1	14.8	136.8%	170.8	93.2	83.3%
<b>PBT</b>	<b>44.2</b>	<b>28.9</b>	<b>52.6%</b>	<b>914.5</b>	<b>823.5</b>	<b>11.0%</b>
Taxes	16.4	5.2	217.9%	316.8	279.5	13.4%
<b>PAT</b>	<b>27.8</b>	<b>23.8</b>	<b>16.7%</b>	<b>597.7</b>	<b>544.0</b>	<b>9.9%</b>
<b>PAT Margin</b>	<b>4.2%</b>	<b>3.2%</b>	<b>104 bps</b>	<b>10.3%</b>	<b>10.8%</b>	<b>-55 bps</b>
<b>EPS</b>	<b>1.28</b>	<b>1.09</b>	<b>16.7%</b>	<b>27.50</b>	<b>25.03</b>	<b>9.9%</b>

# FINANCIALS

## BALANCE SHEET

Particulars (in million)	FY 14	FY 15
Share Capital	217.3	217.3
Reserves & Surplus	3583.2	3916.4
<b>Shareholder's Funds</b>	<b>3800.5</b>	<b>4133.8</b>
<b>Non-Current Liabilities</b>		
Long-term borrowings	664.9	621.9
Deferred tax liabilities (net)	35.2	2.6
Other long - term liabilities	91.5	107.5
<b>Total Non-Current Liabilities</b>	<b>791.7</b>	<b>732.1</b>
<b>Current liabilities</b>		
Short-term borrowings	229.7	391.8
Trade payables	840.8	817.5
Other current liabilities	563.8	433.7
Short-term provisions	22.9	312.2
<b>Total Current Liabilities</b>	<b>1657.2</b>	<b>1955.1</b>
<b>Total Equity &amp; Liabilities</b>	<b>6249.4</b>	<b>6820.9</b>

Particulars (in million)	FY 14	FY 15
<b>Non-current assets</b>		
Fixed assets	1875.1	1820.8
Non-current investments	140.0	249.6
Long-term loans and advances	118.3	56.8
Other non-current assets	450.1	0.0
<b>Total Non-Current Assets</b>	<b>2583.6</b>	<b>2127.2</b>
<b>Current assets</b>		
Current investments	360.0	230.0
Inventories	1398.5	1840.3
Trade receivables	886.5	1200.8
Cash and bank balances	821.5	1178.6
Short-term loans and advances	171.8	181.9
Other current assets	27.6	62.1
<b>Total Current Assets</b>	<b>3665.9</b>	<b>4693.7</b>
<b>Total Assets</b>	<b>6249.4</b>	<b>6820.9</b>

### OUR PEDIGREE

- Launched in 1984 as an exclusive woollen brand by Oswal Woollen Mills Limited (“**OWML**”), “Monte Carlo” has emerged as one of the leading Indian apparel brands. Experienced management team led by Mr. Jawahar Lal Oswal who has over 50 years experience in the textile and woollen industry and with Mr. Sandeep Jain Executive Director .
- ‘Monte Carlo’ has been recognized as a ‘Superbrand’ for woollen knitted apparel in each edition of Consumer Superbrands India since its first edition in September 2004.
- Launched as an exclusive woollen brand, Company has successfully diversified with a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the ‘Monte Carlo’ brand

### OUR BRAND & PRODUCT PORTFOLIO

- Branded apparel business was demerged into Monte Carlo Fashions Limited (MCFL) in 2011. Ownership of the brand ‘Monte Carlo’ is with the Company
- ‘Monte Carlo’ is the flagship brand with a portfolio of woollen apparel and cotton and cottonblended apparel
- Have Launched different ranges under the Umbrella Brand “Monte Carlo” - ‘Platine’ is our premium range for men, ‘Denim’ is our exclusive range for denim apparel, ‘Alpha’ is our exclusive range for women and ‘Tweens’ is our exclusive range for kids.

### OUR REACH & PRESENCE

- Brands distributed through a network of Monte Carlo EBOs and MBOs including national chain store. Strong distribution network and wide presence across the country. In south & west the company has adopted distribution system through distributors.
- **MBOs** - Products are supplied through 21 exclusive commission agents to over 1400+ MBOs on outright basis.
- **EBOs – COCO - 20** stores are leased, managed by company personnel. Inventory is owned by MCFL
- **EBOs – FOFO – 194** EBOs are on Franchise basis. Products are supplied on Pre-order Outright basis.
- Also supplying through National Chain Stores for 6 Retail chains. E-commerce presence through own portal montecarlo.in and tie-ups with Digital platforms such as Flipkart, snapdeal etc

### OUR FINANCIALS

- Consolidated Revenues, EBITDA and PAT were Rs. 5,810.8 mn, Rs. 1229.7 mn and Rs.597.7 mn in 2015
- Virtually debt-free balance sheet with Total Debt to Equity at 0.3 x as of Mar-15. Strong Cash Balance at Rs. 1408.6 mn as on Mar-15. (Excluding Non Current investments of Rs. 249.6 mn)
- Healthy Return Ratios: 2015 ROCE of 20.9%, Cash Adjusted ROCE of 30.0% and ROE of 15.1%.
- Virtually the business model has no Inventory risk and credit risk, thus protected from normal hazards of Branded Apparel Business

# COMPANY OVERVIEW – ABOUT US

## SHAREHOLDING STRUCTURE



Market Data	As on 29.05.2015 (BSE)
Market Capitalization (Rs Mn)	12,528
No. of shares outstanding (Mn)	21.73
Face Value (Rs.)	10.00
52 week High-Low (Rs.)	645.00-460.65

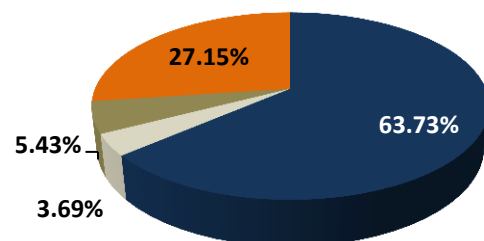
Source – BSE

Key Institutional Investors	% Holding
Kanchi Investments Ltd (Samara Capital) *	10.94
Birla Sun Life Trustee Co.	4.60
Aditya Birla Pvt Ltd	2.49
Goldman Sachs India	1.74
DB International (Asia) Ltd	1.30
ICICI Prudential Life Insurance	1.25

Source – Company / BSE

Note - \* - Lock in for 1 year along with Promoter Holding

### Mar-15 Shareholding



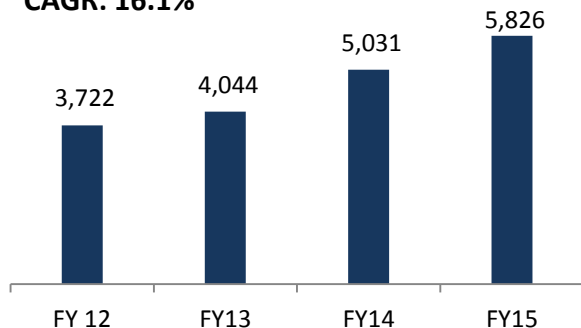
■ Promoter ■ FII ■ DII ■ Public

# COMPANY OVERVIEW – ABOUT US

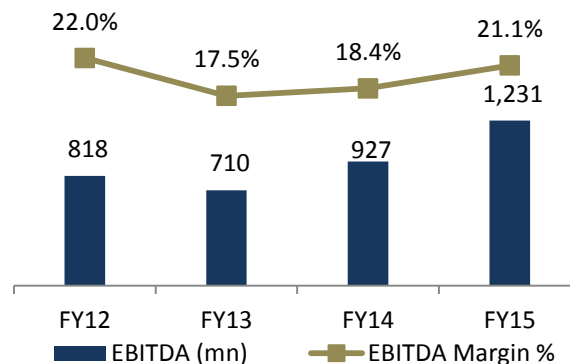
## FINANCIAL HIGHLIGHTS

### REVENUES

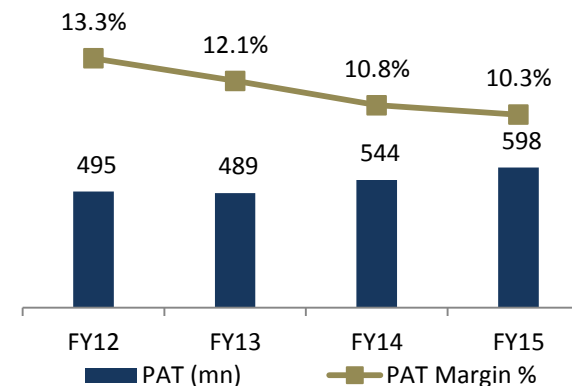
CAGR: 16.1%



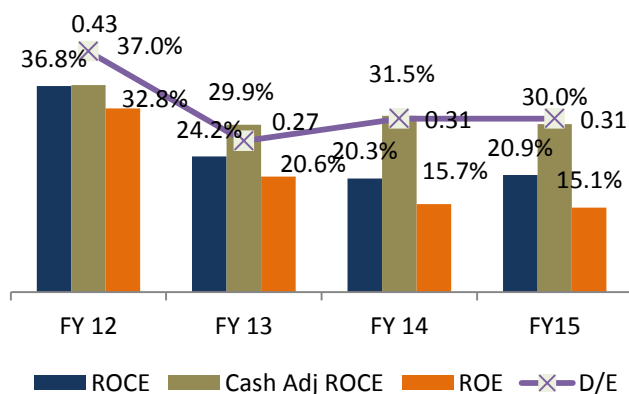
### EBITDA & EBITDA Margin



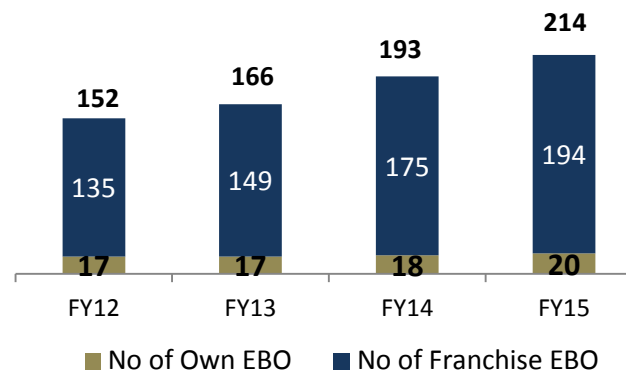
### PAT & PAT Margin



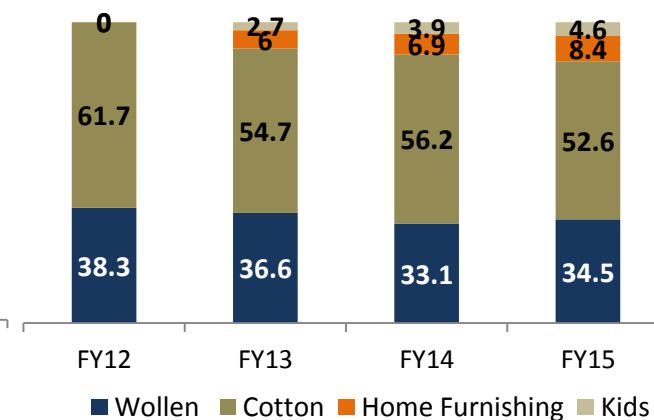
### LEVERAGE & RETURN RATIOS



### EBO – STORE GROWTH



### REVENUE – SEGMENT WISE



Source - RGP













Note – ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital Employed = Equity + Total Debt – C&E)]



# COMPANY OVERVIEW – ABOUT US

## OUR PRODUCT PORTFOLIO

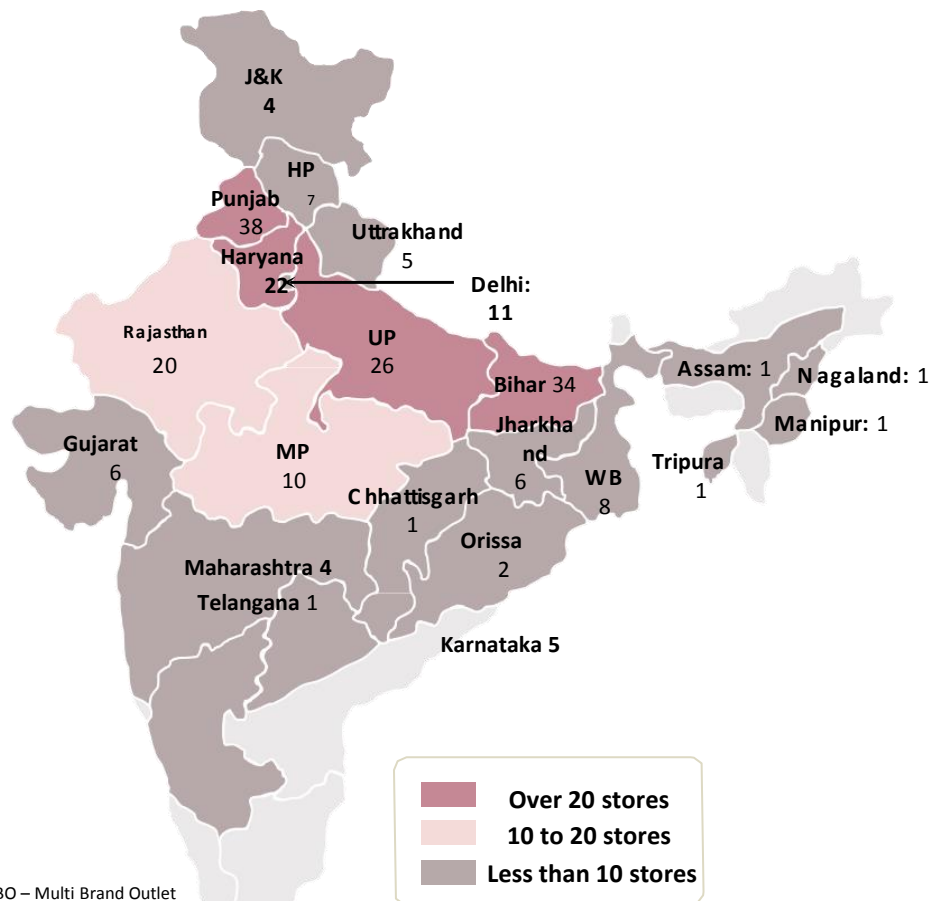


<p><b>Woollens</b></p>		<p>Sweaters Jackets, Shawls</p>	
<p><b>Cottons</b></p>	  	<p>T-shirt, Shirts, Trousers</p>	
<p><b>Kids</b></p>		<p>Sweaters Jackets, T-shirt, Sweat Shirts</p>	
<p><b>Economy range</b></p>		<p>T-Shirts, Sweatshirts, Thermal-wear</p>	
<p><b>Home Furnishing Range</b></p>		<p>Mink Blankets, Bed Sheets, Quilts</p>	

# COMPANY OVERVIEW – ABOUT US

## OUR RETAIL PRESENCE & RETAIL NETWORK

Monte Carlo exclusive brand outlets (EBO)<sup>#</sup> -Total 214 EBOs with presence across India. Mainly into North, East & Central



- Brands distributed through a network of Monte Carlo EBOs and MBOs including national chain stores
- MBOs - Products were supplied by 21 exclusive commission agents to over 1,400 MBOs on outright basis
- EBOs – Company-Owned-Company-Operated
  - With a focus to develop brand equity by opening stores at High streets at Premium Retail Locations and showcasing an extensive range of products.
  - 20 stores are leased and managed by company personnel. Inventory is owned by MCFL
- EBOs – Franchisee-Owned-Franchisee-Operated
  - Fit-outs layout and fixtures defined by MCFL. But franchisees lease premises for stores and bear staff and operational costs
  - With no major capex from the company side, the format is highly scalable
- NCS – Products are also supplied to 89 National chain stores (NCS) on Consignment / Outright basis. Supply to 6 Retail chains such as Reliance retail, Shopper stop, Madura, Pantaloons, Metro & Carrefour.
- Entered into distribution agreements with online sales through digital commerce platforms

MBO – Multi Brand Outlet  
 EBO – Exclusive Brand Outlet  
 COCO – Company own Company operated  
 FOFO – Franchise own Franchise operated

# COMPANY OVERVIEW – ABOUT US

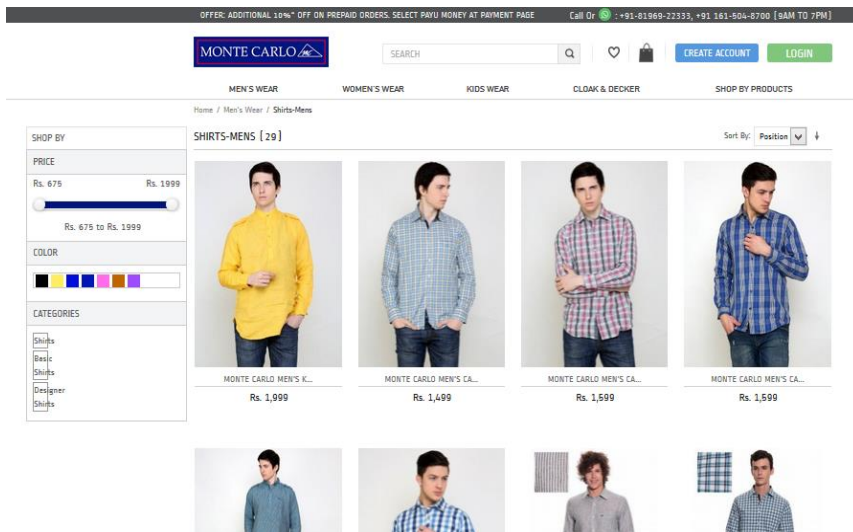
## OUR RETAIL PRESENCE THROUGH E-COMMERCE



### RETAIL PRESENCE THROUGH E-COMMERCE -

- Recently started online e-commerce sale through our own portal [www.montecarlo.in](http://www.montecarlo.in) as well as tie-ups with several online portals. The e-Retail portal and online business completely belongs to the company.
- Have Entered into distribution agreements with some of the leading Indian digital commerce platforms for sale of our products online.

### OWN PORTAL – [WWW.MONTECARLO.IN](http://WWW.MONTECARLO.IN)



### TIE-UPS WITH ONLINE PLATFORMS



# COMPANY OVERVIEW – ABOUT US

## IN-HOUSE DESIGN & PRODUCTION CAPABILITIES

### IN-HOUSE DESIGN & PRODUCT DEVELOPMENT

- In-House dedicated design team of over 30 professionals which travels and follows the emerging global fashion trends for creation of the designs for our new collections.
- Focus on developing new products, improving existing ones and forecasting fashion trends.
- In addition, our Exclusive Commissioned Agents have direct access to the dealers, distributors and retailers in India and they conduct regular market surveys to understand consumer demand and feedback.

### MANUFACTURING CAPABILITIES –

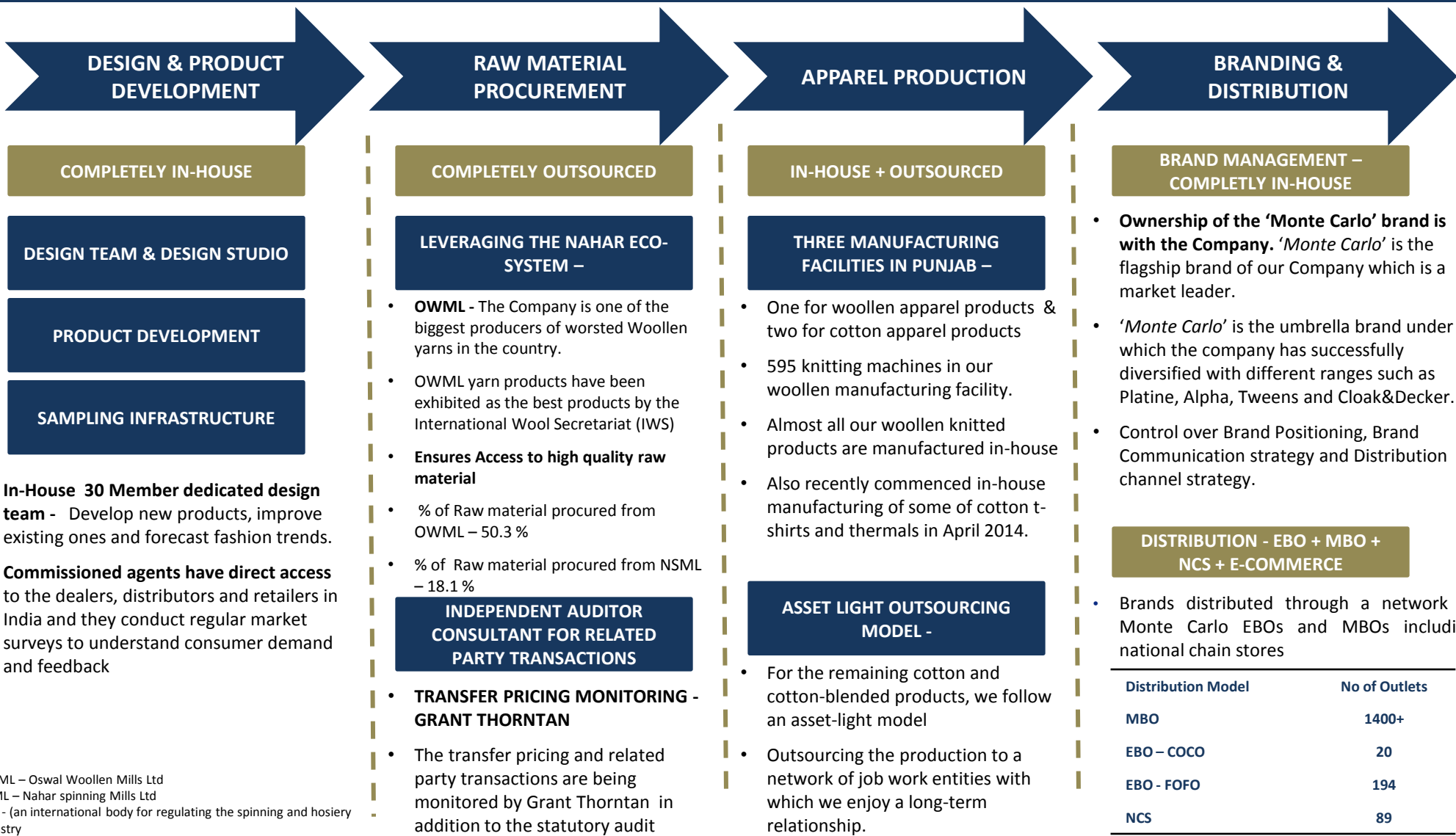
- Three manufacturing facilities in Ludhiana, Punjab :-
  - One for woollen apparel products
  - Two for cotton apparel products.
  - The manufacturing facilities include facilities for product development, a design studio and sampling infrastructure.
- Almost all woollen knitted products are manufactured in-house. Recently also commenced in-house manufacturing of some of our cotton t-shirts and thermals in April 2014.
- For the remaining cotton and cotton-blended products, we follow an asset-light model by outsourcing the production to a network of job work entities with which we enjoy a long-term relationship.





# COMPANY OVERVIEW

## UNDERSTANDING OUR BUSINESS MODEL



OWML – Oswal Woollen Mills Ltd  
 NSML – Nahar spinning Mills Ltd  
 IWS - (an international body for regulating the spinning and hosiery industry)

# COMPANY OVERVIEW

## UNDERSTANDING OUR BUSINESS MODEL



### UNDERSTANDING WOOLLEN SEGMENT

JANUARY

FEBRUARY - MARCH

APRIL

MAY TILL JULY

AUGUST ONWARDS

- Product Development & Sampling Process
- **Design process is finalised. Sample sets sent to our Commissioned Agents. (CA)**
- Commissioned Agents take these sample sets to various cities for display and invite the dealers and distributors
- Company Organizes fashion shows to showcase proposed products to the MBOs.
- **CA procure orders from the MBOs and act as an interface between us and the MBOs. These CA are Exclusive to the Company.**
- The dealers and distributors of the MBOs place orders for our products with the CA
- **Pre Booking of Orders from MBOs and Franchise EBOs**
- Production for these specific designs for which orders are placed, commences from the month of May.
- Start dispatching our winter wear products to the 'Monte Carlo Exclusive Brand Outlets' and MBOs from August onwards.
- **Peak Inventory in September,**

### UNDERSTANDING COTTON SEGMENT

AUGUST

SEPTEMBER- OCTOBER

OCTOBER

NOVEMBER TILL JANUARY

FEBRUARY ONWARDS

- **Separate Dedicated Design team for non-winter products**
- **Design process is finalised. Sample sets sent to our Commissioned Agents. (CA)**
- Commissioned Agents take these sample sets to various cities for display and invite the dealers and distributors
- Company Organizes fashion shows to showcase proposed products to the MBOs.
- **CA procure orders from the MBOs and act as an interface between us and the MBOs. These CA are Exclusive to the Company.**
- The dealers and distributors of the MBOs place orders for our products with the CA
- **Pre Booking of Orders from MBOs and Franchise EBOs**
- Production for these specific designs for which orders are placed, commences from the month of November.
- Start dispatching our non-winter wear products to the 'Monte Carlo Exclusive Brand Outlets' and MBOs from August onwards.

Designing is an ongoing process throughout the year for both cotton and woollen garments.  
Production of plain and basic designs continue through out the year for both Woollen and cotton segments



	Total Revenues (Rs. Mn)	% of Revenues in Third Quarter		Avg. Ticket price (Rs.)
FY 2012	3,722	53.6 %	Winter wear - Sweater, Jackets & Cardigans	~2000
FY 2013	4,044	59.9 %	Shirts	~1000
FY 2014	5,037	53.4 %	Denim	~900
			Trouser	~900
			T-shirt	~600

**Winter clothing usually comprises of high-ticket products, with approximately 4 months of winter revenues comparable to 8 months of summer business**

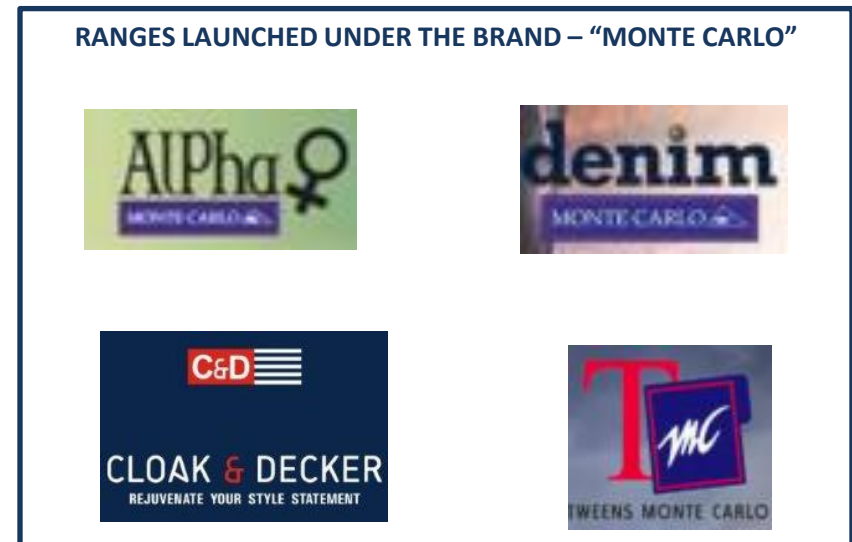
- Significant amount of revenue generated primarily during the third quarter of each fiscal year.
- The seasonality is primarily because the sales of our winter products which includes sweaters, jackets, cardigans and sale of certain cotton and cotton-blended products such as cotton jackets, suits, sweat shirts, full sleeve t-shirts and shirts in the winter mainly occurs between October and January.
- Winter products are typically higher in value in terms of production cost as well as sales revenue, and accordingly generate higher revenue, in comparison with the non-winter products.

# SUSTAINABLE COMPETITIVE ADVANTAGE

## STRONG BRAND & BRAND RECALL



- The strength of our brand 'MONTE CARLO' has significantly contributed to the success of our business.
- **The Ownership of the 'Monte Carlo' brand as well as all the sub-brand ranges are the registered trademarks and belong to the Company.**
- Monte Carlo enjoys significant premium and brand recall on a pan-India basis
- **Leading Indian Apparel brand by revenue** – as per Technopak report 2014
- As per the Technopak Report, 2014, we are the leading woollen knitted apparel brand in India in the premium and mid-premium segment.
- **In 2014, Monte Carlo was honored as one of ASIA'S BEST MARKETING BRANDS by World Consulting & Research Corporation (WCRC)**
- **MONTE CARLO' has been recognized as a 'Superbrand' for woollen hosiery garments since September 2004 by International Society for Superbrands.**
- Introduced successfully a number of ranges under the umbrella brand and seek to build its brand-equity based on new products
- **Showcases our ability to anticipate, identify and respond to changing fashion trends in a timely manner.**
- Scale of our business provides us the ability to increasingly focus on branding and promotion to further increase our visibility and market share across India



# SUSTAINABLE COMPETITIVE ADVANTAGE

## WELL DIVERSIFIED PRODUCT MIX



- Launched as an exclusive woollen brand, the Company now offers a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the 'Monte Carlo' brand.
- The woollen and woollen blended product category contribute 33 % of revenues in FY14.**
- Over last 3 years, New ranges have been successfully launched under the Umbrella Brand – "Monte Carlo":
  - An exclusive women's wear range 'Alpha'
  - Kids wear range 'Tweens' - for age group 7-13'
  - Premium men's range of woollen sweaters under 'Platine' and
  - Economy range for men under 'Cloak and Decker'
- Also Introduced its range of home furnishing products like mink blankets, quilts and sheets

Segment wise Revenues	FY15	FY14	FY13	FY12
<b>Total Revenues (Rs. Mn)</b>	<b>5271.8</b>	<b>4566.7</b>	<b>3686.0</b>	<b>3346.9</b>
<b>% Revenues - Woollen Segment</b>	<b>34.5%</b>	<b>33.1%</b>	<b>36.6%</b>	<b>38.3%</b>
<b>% Revenues - Cotton Segment</b>	<b>52.6%</b>	<b>56.2%</b>	<b>54.7%</b>	<b>61.7%</b>
<b>% Revenues – Home Furnishing Segment</b>	<b>8.4%</b>	<b>6.9%</b>	<b>6.0%</b>	<b>0.0%</b>
<b>% Revenues - Kids Segment</b>	<b>4.6%</b>	<b>3.9%</b>	<b>2.7%</b>	<b>0.0%</b>

### Range, positioning and products offered

Range	Woollens & Woollen-blended	Cottons & Cotton-blended	Home Furnishing	Kids
<b>Monte Carlo</b> - Premium and mid-premium segments for men	Sweaters, jackets, thermals, woollen accessories (caps, mufflers, Shawls, stoles)	Shirts, trousers, t-shirts, track-suits	Mink blankets, bed sheets and quilts	
<b>Platine</b> - Premium range for Men	Cashmere and cash-wool sweaters, blazers, coats	Cotton shirts, trousers and t-shirts		
<b>Denim</b> - mid-premium Range		Denim trousers (jeans) and shirts		
<b>Alpha</b> - Exclusive range for Women	Sweaters, cardigans	Shirts, t-shirts, tops and trousers		
<b>Tweens</b> - Exclusive Kids wear Collection				Sweaters, Cardigans, Shirts, t-shirts and Bottoms
<b>Cloak &amp; Decker</b> - Economy range for men		Cotton and cotton-blended t-shirts		

# SUSTAINABLE COMPETITIVE ADVANTAGE

## ROBUST DISTRIBUTION MODEL

	MBO	NCS	EBO-COCO	EBO –FOFO
Total Number of Outlets	1400+	89	20	194
% of Revenue Contribution – FY14	58.3 % (NCS Contribute less than 10%)		31.3 %	
Distribution Sale Model	Pre-Booking of Orders Outright Sale	SOR – Sale or Return / Outright Sale	Inventory owned by MCFL	Pre-Booking of Orders Outright sale
Inventory Risk	No	Yes	Yes	Minimal – 5-15 % of Products Return Allowed
Discount Sharing	No	No	Yes	Yes, Range from 5% to 17.5%
Payment Collection – Credit Risk	Exclusive Commission Agents are Liable to pay	Reputed Retail Chains	-	Bank Guarantee's and PDC taken from Franchise

**ROBUST DISTRIBUTION MODEL ASSURES MINIMAL INVENTORY RISK AND CREDIT RISK.**

**TILL DATE, THERE HAS BEEN NO BAD DEBTS OR RECEIVABLES WRITE OFF FOR THE COMPANY**

# FUTURE GROWTH STRATEGY

## FOCUS ON BRAND & PRODUCT PORTFOLIO EXPANSION

- Focus on branding and promotion to further increase our visibility and market share across India
- Focus on a comprehensive range of cotton and cotton-blended products which cater to all seasons in-order to expand our all-season product range and strengthen our pan-India operations.

## FOCUS ON RETAIL NETWORK EXPANSION

- Target to open 275 EBOs by the end of Financial Year 2016-17 mainly through the franchise route.
- Plan to diversify our pan-India presence by penetrating into the southern and western regions of India.
- Focus on Online sales through own portal as well as Tie-ups with e-commerce portals such as Flipkart, Jabong, Snapdeal and India Shopping.

## FOCUS ON RETURN RATIOS EXPANSION

- No major capex requirement for over next 2 years. Have already built the Manufacturing building facility, need to install additional machinery to expand production facility.
- Ability to sustain Robust growth for next 2-3 years without any major capex. Therefore Return ratios set to improve.

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*These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond MCFL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of MCFL.*

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# THANK YOU



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# MONTE CARLO FASHIONS

## STORE IMAGES





# MONTE CARLO FASHIONS

## OUR CAMPAIGNS & COLLECTIONS

