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H1 FY17 PAT increased by 2.2% YoY to INR 154.4 mn

11th November 2016, Ludhiana–Monte Carlo Fashions (MCFL), the Ludhiana-based Branded (woollen and cotton) apparel manufacturer, announced its Second Quarter and First Half FY17 Results today.

H1 FY17 Revenues from Operations remained stable at Rs. 1,998.2mn on a YoY basis. Also, excluding the sale of raw material (Fabric & Yarn), Adjusted Revenues remained flat on a YoY basis at Rs. 1,621.4mn. Gross Margins increased by 177 bps at 61.1%.

Overall Growth Outlook is stable and positive due to good visibility on the Order book. H1 FY17 EBIDTA w/o Other income decreased by 6.4% Rs. 339.4 mn. EBIDTA Margin was 16.9%, This was primarily due to higher Advertisement and Marketing expenses which increased to Rs. 142.3 mn as compared to Rs. 105.3mn on YoY basis. H1 FY17 PAT increased by 2.2% to Rs. 154.4 due to lower depreciation and moderating interest expenses.

The current strategy is to establish our Brand visibility on a Pan India basis along with increased focus on Southern & western India, therefore the increase in advertising and marketing expense should be seen as an investment which would lead to long term benefits of enhancing our Overall brand recall. However, we intend to manage the advertising expenses within 5% of the overall Revenues for the full year.

During the quarter, 7 New EBO stores opened during the quarter with a focus on Western and central regions. Stores opened in Mumbai, Aurangabad, Hooghly, Khanna, Jamshedpur (2 stores), Poanta Sahib. No Major capex Is planned for the next 2 years. Therefore, Positive Operating leverage expected as the production gains scale during the course of the year.

About Monte Carlo Fashions Ltd (MCFL):

Monte Carlo Fashions Ltd is a leading manufacturer and retailer of woollen, cotton & cotton blended, knitted and woven apparels and home furnishings. It also supplies accessories including belts, ties, inner wears, thermal wears and socks. MCFL's manufacturing facilities are primarily located in Ludhiana, Punjab, and are fully backed by capabilities in product development, design studio and an efficient sampling infrastructure. It follows an asset-light model for its cotton

MONTE CARLO FASHIONS LIMITED

Press Release for the Quarter ended September 30, 2016

knitted garments and woven garments by primarily outsourcing the production of its knitted and woven products.

The strength of its brand 'MONTE CARLO' has significantly contributed to the success of the business. 'MONTE CARLO' has been recognized as a 'Superbrand' for woollen hosiery garments since Fiscal 2003 by International Society for Superbrands.

The Company is listed on the Bombay Stock Exchange (BSE) (BSE: 538836) and the National Stock Exchange (NSE) (NSE: MONTECARLO, ISIN: INE950M01013), with a market capitalisation of ~Rs 993.2 crore as on 11th November 2016

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