RAYMOND LIMITED

TEXTILES **V. SINGHANIA**

Regd off: Plot No. 156, H. No. 2, Village Zadgaon, Ratnagiri - 415 612
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Tr agent: MCS Ltd., Harmony, Sector 1, Khanda, New Panvel, Raigad-401 206

Chairman: Gautam Hari Singhania **SEC:** R. Narayanan (Director- Legal) **AUD:** Dalal & Shah

Yr of Inc	B. Code	BL. Code	F.V.	Price	% ch 1-m	% ch 12-m	P/E	P/CF	Yield	Mkt cap	Vol.	ISIN
1925	500330	RW.IN	10	428.4	-5.5	7.6	19.3	11.8	1.2	26,292.1	3.7	INE301A01014

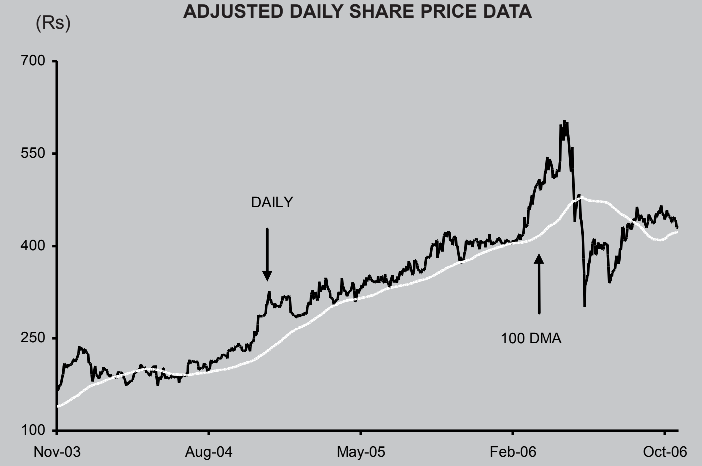
SHAREHOLDING

Indian Promoters	0.4%
Foreign collaborators	34.5%
Indian inst/Mut Fund	32.5%
FIIs/GDR	9.4%
Free float	23.2%
Shareholders	123,171

FX Transaction (FY06)

Exports (fob)	Rs m	2,687
Imports (cif)	Rs m	2,918
Fx inflow	Rs m	2,688
Fx outflow	Rs m	3,325
Net fx	Rs m	-637

ADJUSTED DAILY SHARE PRICE DATA



EQUITY SHARE DATA

No. of months / Year ending		12 / 31/03/04	12 / 31/03/05	12 / 31/03/06
High	Rs	245	356	555
Low	Rs	83	153	306
Sales per share	Rs	200.1	229.5	274.2
Earnings per share	Rs	22.4	14.8	22.2
Cash flow per share	Rs	32.7	29.4	35.8
Dividends per share	Rs	5.50	4.00	5.00
Dividend yield (eoy)	%	3.4	1.6	1.2
Book value per share	Rs	180.8	191.3	207.5
Shares outstanding (eoy)	m	61.38	61.38	61.38
Bonus/Rights/Conversions		-	-	-
Price / Sales ratio	x	0.8	1.1	1.6
Avg P/E ratio	x	7.3	17.2	19.4
P/CF ratio (eoy)	x	4.9	9.7	11.8
Price / Book Value ratio	x	0.9	1.3	2.1
Dividend payout	%	24.5	27.1	22.5
Avg Mkt Cap	Rs m	10,066	15,621	26,424
No. of employees	`000	8	8	8
Total wages/salary	Rs m	2,202	2,517	2,759
Avg. sales/employee	Rs Th	1,554.8	1,783.4	2,130.3
Avg. wages/employee	Rs Th	278.7	318.6	349.2
Avg. net profit/employee	Rs Th	174.3	114.8	172.3

INCOME DATA

Net Sales	Rs m	12,283	14,089	16,829
Other income	Rs m	1,772	1,157	1,139
Total revenues	Rs m	14,055	15,246	17,968
Gross profit	Rs m	1,144	1,266	2,121
Depreciation	Rs m	681	707	874
Interest	Rs m	250	307	390
Profit before tax	Rs m	1,985	1,409	1,996
Minority Interest	Rs m	-31	-32	-50
Prior Period Items	Rs m	-15	-5	-15
Extraordinary Inc (Exp)	Rs m	49	-188	40
Tax	Rs m	611	277	610
Profit after tax	Rs m	1,377	907	1,361
Gross profit margin	%	9.3	9.0	12.6
Effective tax rate	%	30.8	19.7	30.6
Net profit margin	%	11.2	6.4	8.1

BALANCE SHEET DATA

Current assets	Rs m	8,588	8,151	9,742
Current liabilities	Rs m	3,134	3,064	4,115
Net working cap to sales	%	44.4	36.1	33.4
Current ratio	x	2.7	2.7	2.4
Inventory Turnover	Days	112	96	96
Debtors Turnover	Days	84	69	66
Net fixed assets	Rs m	4,640	7,089	11,196
Share capital	Rs m	614	614	614
"Free" reserves	Rs m	10,187	10,791	11,740
Net worth	Rs m	11,095	11,745	12,738
Long term debt	Rs m	2,994	4,494	7,504
Total assets	Rs m	19,886	21,906	27,190
Interest coverage	x	8.9	5.6	6.1
Debt to equity ratio	x	0.3	0.4	0.6
Sales to assets ratio	x	0.6	0.6	0.6
Return on assets	%	6.9	4.1	5.0
Return on equity	%	12.4	7.7	10.7
Return on capital	%	11.5	7.5	8.7
Exports to sales	%	17.4	18.8	16.0
Imports to sales	%	11.3	16.8	17.3

CASH FLOW

No. of months / Year ending		12 / 31/03/04	12 / 31/03/05	12 / 31/03/06
From Operations	Rs m	1,633	1,236	1,569
From Investments	Rs m	-821	-2,233	-3,947
From Financial Activity	Rs m	-693	905	2,445
Net Cashflow	Rs m	118	-92	66

INTERIM RESULTS

		3QFY06	4QFY06	1QFY07	2QFY07
Net sales	Rs m	3,453	3,843	2,806	3,586
Gross profit	Rs m	565	532	228	1,553
Gross profit margin	%	16.4	13.8	8.1	43.3
Net profit	Rs m	306	348	130	1,415
Net profit margin	%	8.9	9.1	4.6	39.5

KEY DATA

Parameters	Unit	FY04	FY05	FY06
Fabric capacity	MMTR	25.0	25.0	28.0
Fabric sales	% of sales	64.9	63.4	64.3
Denim capacity	MMTR	20.0	30.0	40.0
Denim Sales	% of sales	16.9	18.6	22.0

NOTES

Raymond is India's largest and world's third largest integrated manufacturer of wool and wool blended fabrics with production capacity of 24 mm (million meters). It is the domestic market leader in files and tools with around 80% share. The company is the second largest denim producer in the country with a capacity of 40 million meters (mm). It has a widespread distribution network across the country, which it can leverage to sell some of its well-recognised brands.

The textile division registered revenue growth of 13% YoY in FY06 while the exports sales from this division (12% of sales) witnessed a growth of 9% YoY primarily through the garmenting route. The division, however, continued to witness pricing pressure due to overcapacity in the domestic market. The revenues from the denim division grew by 32% YoY, driven by 35% YoY rise in volumes (due to the capacity expansion from 30 million metres per annum to 40 MMPA). However, average realisations per metre were lower due to the change in market mix in favour of the domestic market. The branded apparel segment of the company remained its focus area, with Raymond Apparel and Color Plus (most profitable standalone brand in the country) witnessing revenue growth of 11% YoY and 16% YoY respectively in FY06.

We believe that while a wider retail presence will continue to enable the company consolidate its domestic market share, on the other hand, the overseas alliances will give it an edge over competitors for garnering export orders. Of the green-field textile capacity expansion at Vapi (6 mm capacity), 3 mm has already been commissioned while the rest will be commissioned by 2HFY07. Also, in the denim division, the JV entered into with UCO of Belgium has created a total capacity of 80 mm and has started generating revenues from July 2006.