



Liberty, 2nd Quarter Financial Performance

New Delhi, November 6, 2015: Liberty Shoes Ltd., India's leading footwear Company, today announced its results of Q2 for F.Y. 2015-16. The Company during the quarter has recorded the Sales of Rs. 107.39 Crores as compared to the corresponding quarter of previous year Rs. 150.07 Crores. The Sales for the Quarter was declined due to a big Institutional tender order of school shoes to the tune of Rs. 40 Crores approx. being re-scheduled and also due to slowdown in the Export markets. Despite decline in the sales, the Company has improved its EBIDTA margins as a result of various corrective measures taken during the period.

Sh. Adesh Gupta, CEO & Executive Director of the Company says about Revenue of the Company:

Domestic Sales: For the Company Owned Company Operated stores, the Company has achieved around 28% growth in sales whereas same store sales, the Company has witnessed around 10% growth. This signifies the growing confidence of consumers in Liberty Brand despite slowdown in retail. The Company under its retail expansion programme and satisfy with this model performance has already added 40 new stores to its existing pool.

Mr. Gupta while elaborating the highlights of the financial performance of the Company also mentioned that the recognition of the footwear industry and the implementation of favorable policies including formation of Council for Footwear, Leather and Accessories & Make in India Initiatives will further increase the share of the organized players in the growing footwear industry. Mr. Gupta further stated that the Industry has been facing lot of challenges on taxation front which also need to be addressed to exploit the true potential of the footwear industry. Liberty, once the issues resolved, can be benefitted further.

While focusing on the quality and fashion consciousness, Mr. Gupta has also highlighted that to fulfill the customers' aspirations, Company has launched various new designs & products to suits the changing lifestyle.

Export Sales: Due to Global slowdown specially in China, the overall Indian exports have reduced by 20% to 30% in last six months ended 30th September, 2015 and the same trends were observed in the Company's export performance also. Due to steep reduction in Oil prices, Company's Middle East Exports have also impacted. The Company is hopeful that in future with the revival of the global economy and with the Govt. initiatives, the Company can regain its momentum at Export front.

Operating Margin:

Despite the decline in sales, the Company's operating margins have improved with the implementation of changes worked out in the Company's operations. The Earning before Interest, Tax and Depreciation (EBITDA) have improved over the corresponding preceding quarters.

The Company has seen improvement in operating margin due to benefits accruing through merger of Retail Subsidiary and also on account of other operational efficiencies. The Company is hopeful to better it further, going forward, keeping in view the various corrective initiatives taken by the Company.

Outlook for Store Expansion

The Company as explained earlier sees lot of potential in domestic retail market and to exploit this has envisaged retail expansion plans. To continue with this plan the Company has already added 40 new showrooms of franchisees and Company Owned Company Operated (COCO) during first half of 2015-16. The Company, as said earlier also, is aggressive in expansion and identifying the untapped market to enhance its presence and has plans to add overall 70-80 more showrooms in the Franchisees or COCO format in this financial year to keep its expansion programme and growth as per business plan. The Company, he explained, continues to follow TOC concept in more disciplined manner and also implement its efforts to reduce working capital cycle in its future expansion initiatives.

Restructuring Plan:

Mr. Gupta said, as reported earlier the Company has been pursuing with the two group partnership firms for finalising the terms of acquisition of their footwear business assets which, in accordance to the terms of earlier arrangements, are available with the Company till 31st March, 2016 and considering the long term interest of its stakeholders, is in discussions with these partnership firms and the consultants specifically appointed for this purpose.

About Liberty Shoes Limited:

Liberty Shoes is the only Indian Company which is amongst the top 5 manufacturers of leather footwear in the World. The Company is producing more than 60,000 pairs of footwear a day covering virtually every age group and income category. Products are marketed across the globe through 150 distributors, 550 exclusive showrooms and over 6000 multi-brand outlets, and sold in thousands every day in more than 25 countries including fashion-driven, quality-obsessed nations like France, Italy, and Germany. The manufacturing facilities at Liberty are called 'Humantech Centres', where technology works in perfect tandem with human creativity. The company is equipped with Humantech centres at six locations in Haryana and Uttarakhand. Liberty has developed a spectrum of 10 exclusive brands, each of which has been specially designed to cater to a specific target group. The company has something for every occasion, for every age group.