

30th May, 2016

The Manager
Listing Department
The National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor

Plot No. C/1, G Block

Bandra – Kurla, Bandra (E),

Mumbai – 400051

Tel.: 022 – 26598100 – 14

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Sub: Press announcement made at the Board Meeting for the Quarter and Year ended 31st March, 2016 results

Compliance Officer : Munish kakra (CFO & Company Secretary)
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P. O. Bastara, Distt. Karnal 132114 (Haryana)
Ph. 01748 – 251101 – 03, 9313601387
Scrip Code : LIBERTSHOE
ISIN No. : INE 557B01019

Dear Sir/ Madam,

Please refer to our letter dated 30th May, 2016 in respect of outcome of the Board meeting of the Company held on Monday, 30th May, 2016.

In Continuation thereof, please find attached herewith the Press announcement made by the Company just after the Board meeting in respect of its Quarter and Year ended 31st March, 2016 results for your information & records.

Kindly upload the same on your website for the information of the investors at large.

Thanking you,
Sincerely Yours,
For **Liberty Shoes Ltd.**



Munish Kakra
CFO & Company Secretary



Enc.: 1 Liberty Shoes Ltd.

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CIN No. L19201HR1986PLC033185



LIBERTY EBIDTA IMPROVES

Gurgaon, May 30, 2016: Liberty Shoes Ltd., India's leading footwear Company, today announced its results of Q4 and Year Ended for F.Y. 2015-16. The Company during the quarter and period ended 31st March, 2016 has recorded the Sales of ₹121.98 Crores and ₹470.65 Crores as compared to the corresponding quarter and year ended of previous year ₹140.03 Crores and ₹546.46 Cr respectively. The Company has witnessed overall growth at its retail front during the year ended 31st March 2016 but the overall top line of the Company has declined due to non procurement of one big Institutional tender order of State Government for school shoes to the tune of Rs. 50 Crores approx. and also due to slowdown in the Exports due to global recession. Despite decline in the overall sales for the year, 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 (COCO), the Company has achieved around 20% growth in sales whereas same store Sales, the Company has witnessed around 11 % growth. This shows the satisfaction level of the customers in Liberty Brand. The Company has, pursuant to its expansion programme in select cities, added more than 32 stores during the financial year 2015-16 mostly in later part of the year revenue of which will be reflecting in the overall performance of the Company in the years to come. However, the Company has envisaged that retail front will do much better in the years to come as the growth is not seen as expected.

Mr. Gupta while highlighting the financial performance of the Company also stated that efforts and initiative taken by Department of Industrial Policy and Promotion including Council for Footwear Leather and Accessories (CFLA) to overcome the challenges faced by domestic footwear industry, has started giving relief to the footwear industry with the excise duty relief up to certain MRP & implementation of VAT notification of UP Government for different rates for Leather and non Leather footwear reducing the VAT burden for all organized players over the period. He also added that CFLA has got recognition from Government of India as a nodal body of Footwear Industry and in pursuit of its object, CFLA along with other authorities represented to various states Governments for VAT reduction on footwear and accordingly, the VAT on footwear in few of the states was reduced to 5% which will help the Company and Industry to encounter competition from the unorganized players. However, its impact on the overall performance of the Company will be witnessed in the next financial year onwards. Mr. Gupta, being Chairman of CFLA said that CFLA is rigorously working to encourage Make In India programme for enlarging the scope of footwear Industry, generate employments, implementing uniform Tax policy, bringing all the Organised and unorganized players under Tax bracket to have uniform pricing of the Products suitable for healthy competition which will be beneficial for the Company and the Industry in long run.

He also added that the increase in Minimum wages in Haryana by approx. 26% from November, 2015 in Haryana has impacted on the overall operating margin of the Company during Q4 of FY 2015-16 but He stated that with the implementation of above changes for whole year operations of next year, there will be substantial improvement in the overall performance of the Company.

Mr. Gupta also stated about the E- Commerce business in consumer products which has been adversely affecting the retail business of the Company & the Industry which is pulling back to the customers from



actual visit thereby reducing overall footfall at the at mall/retail stores. Mr. Gupta further stated that considering the changing business environment and change in buying pattern of customers through online instead of touch and feel of the products, the Company is also in discussion with few leading players in this sector with plan to introduce separate merchandise for E-Commerce Sale.

Export Sales: Mr. Gupta, while highlighting the Export performance, stated that overall export market has not been doing well for last couple of years due to Global slowdown and uncertainty in the economic condition of various countries. The Company's export has also impacted due to this reason and export of the Company declined by around 26% during the financial year 2015-16. Due to steep reduction in Oil prices, Company's Middle East Exports have also impacted besides backing out by one of the major export customers in Europe. The Company is hopeful that in future with the revival of the global economy and with the Govt. initiatives including subvention scheme of 3% for footwear sector, the Company can regain its momentum at Export front.

Operating Margin:

Despite the decline in overall sales and increase in Minimum Wages in Haryana since Nov, 2015, the Company's operating margins during the period ended 31st March 2016 have improved with the implementation of changes worked out in the Company's operations including corresponding impact of excise relief, partial VAT relief for few months from UP state. The Earning before Interest, Tax and Depreciation (EBITDA) % to Total Sales for the period ended 31st March 2016 have improved over the corresponding preceding period.

Outlook for Store Expansion

The Company, since very beginning, has been conservative in opening of new stores in select cities as its initiatives of expansion programme. The Company has envisaged huge potential in domestic retail market considering its existing presence in the market and brand acceptability and to exploit this, has been adding the retail stores in the past. To continue with this plan, the Company has already added 32 new showrooms of franchisees and Company Owned Company Operated (COCO) during the period ended 31st March 2016. 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 had been pursuing with the two group partnership firms for finalising the terms of acquisition of their footwear business assets which are available with the Company under franchise arrangements till 31st March, 2016 in accordance to the terms of earlier agreements. Mr. Gupta further stated that due to some legal and technical issues, the same could not be concluded till the above period and the Company, considering the enduring benefits, has entered in to fresh arrangements for the footwear assets of these partnership firms for interim period of 1 year on the same terms and conditions including fees. The Company has been talks with the firms to materialize the plan envisaged earlier of acquisition of the Assets of these partnership firms within this interim period in due consultation with the consultants 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 162 distributors, 660 exclusive showrooms and over 9800 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.

