



11th November, 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

Fax No. 022 – 26598237, 26598238

Sub: Press announcement made at the Board Meeting for the 2nd Quarter and half year ended 30th September, 2016

Compliance Officer : Munish kakra (CFO & Company Secretary)
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Scrip Code : LIBERTSHOE
ISIN No. : INE 557B01019

Dear Sir/ Madam,

In continuation of our submission of 2nd Quarter and half year ended results, please find attached herewith the Press announcement made by the Company immediately after the Board meeting in respect of its 2nd Quarter and half year ended 30th September, 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.: a/a



LIBERTY SHOES LIMITED

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CIN No. L19201HR1986PLC033185



Liberty, 2nd Quarter and 6 Months Financial Performance

New Delhi, Friday, Nov. 11, 2016: Liberty Shoes Ltd., India's leading footwear Company, today announced its results of Q2 and Six Months for F.Y. 2016-17. The Company during the quarter and period ended 30th Sep, 2016 has recorded the Sales of Rs. 235.96 Crores as compared to the corresponding quarter and period ended of previous year Rs. 220.87 Crores by registering growth of 7%. Despite slowdown in the Exports markets due to on-going global recession, the Company has seen growth at its Export front by 48% during the quarter and period ended 30th Sep, 2016. Similarly growth has also been recorded by 4% in the domestic sales during the quarter and period ended 30th Sep, 2016 in comparison to the corresponding quarter and period ended of the previous financial year.

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

Domestic Sales:

The domestic sales have increased by over 4% from Rs. 204.57 Crores in the Q2 and Six Months of the financial year 2015-16 to Rs. 211.87 Crores in the Q2 and Six Months of the current financial year 2016-17. Considering the potential of domestic industry 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 elaborating the highlights of the financial performance of the Company also mentioned that due to marginal improvement in the Indian economy the Company has shown moderated growth during the Q2 of F.Y. 16-17. He also added that owing to weak economic conditions in India since the past few years, domestic footwear Companies into high value product segment, like Liberty have witnessed moderate sales growth mainly due to pressure on their volumes. However, companies into branded low value footwear continue to report healthy sales growth. Acknowledging the importance of footwear industry, the Indian government has taken various measures and initiatives in the past in order to support its growth, which has led to structural changes in the footwear industry. However, for the footwear sector to grow rapidly going forward and compete aggressively with the other low cost producing nations, strong push is required in various aspects including favourable policies which would help in rationalizing tax structure, providing infrastructural support in capacity building, reducing transaction costs and increasing the availability of skilled labour in the country.

While focusing on the quality and fashion consciousness, Mr. Gupta has also highlighted that the Indian consumer is evolving with respect to lifestyle, habits and preferences. The Company continuously tries and understands the consumer needs through market research and has been launching various new designs and products every month to fulfill the customers' aspirations and taste at affordable price to suit the changing lifestyle, habits and preferences.

Mr. Gupta, being chairman of Council for Footwear Leather & Accessories (CFLA), domestic footwear Council formed under the aegis of DIPP, MOC&I, said that CFLA is rigorously working to summarize the various concerns and issues through meeting with major industry players, respective concerned departments and conducting of comprehensive study of the entire segment of the Industry. The preliminary issues and concerns to be addressed to the Central and State Government includes rationalization in taxation, policy to safeguard the Industry from cheap importing, bringing all the organized and unorganized players under the Tax bracket, introduction of special packages for footwear

sector and to equate the sector with textile industry and levy of merit rate in GST which will be beneficial for the Company and the Industry in the long run.

With the implementation of GST and various other initiatives of Government including recognition of footwear as thrust sector, footwear Industry in the long run would be benefitted and will surely justify its potential for foreign exchange earnings and creation of new job opportunities.

Export Sales:

The footwear industry has witnessed healthy growth in export earnings in the recent past and remains amongst the top ten foreign exchange earners for the country. Despite Global slowdown, the Company's export performance has increased in the Q2 of the financial year 2016-17. Mr. Gupta said that as informed earlier the Company is hopeful that in future with the revival of the global economy and with the Govt. initiatives, the Company will reveal much better performance in the year to come at its Export front in comparison to the current momentum which will lead to increase the Sales of the Company.


Operating Margin:

Company's operating margins during the quarter and period ended 30th Sep, 2016 has declined mainly due to Employee Cost which, as reported earlier has been impacted by increase in minimum wages in Haryana where the majority of the plants of the Company operate. Despite increase in the overall Sales, the EBITDA margin has declined due to increase in Employees Cost and Other expenses during the quarter and period ended 30th Sep, 2016 in comparison to the corresponding quarter and period in the previous year. The result of the corrective measures taken in the past by the Company is still to be reflected in the next Quarters of the current financial year 2016-17. The Company is planning to pass on increase in minimum wages and other input costs to the consumers wherever feasible without impacting the volumes. The borrowing cost of the Company has reduced during the quarter and period ended 30th Sep, 2016 in comparison to the corresponding quarter and period in the previous financial year due to lowering of the borrowing cost and other corrective measures.

The Company is also working on the alternative strategy to reduce its publicity cost further but without compromising with the flow of communication to the Company's customers.

Outlook for Store Expansion

The Company as explained earlier also has envisaged huge potential in domestic retail market and to exploit this, has been adding the retail stores in the past. To continue with this plan, the Company has added 12 new showrooms of franchisees and Company Owned Company Operated (COCO) during the Quarter ended 30th Sep, 2016. The Company is selective in expansion and after having proper viability and feasibility study, opens the stores to avoid gestation period loss and make the stores profitable with standard inventory turn. 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.



A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "LIBERTY SHOES LTD." around the perimeter and "Auth. Sign" in the center.

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, 679 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.

