



Crew B.O.S. Products Limited

Corporate Presentation





- Key Highlights
- Company Overview
- Financial Overview
- Growth Outlook
- Annexures



**CREW B.O.S.
PRODUCTS
LIMITED**

Key Highlights





Leadership in Global Fashion

- India's leading exporter of leather products
- Diversified product range – Bags, Belts, Wallets and SLG, Footwear, Slippers and Ballerinas
- Significant domestic sales

Straddling the Value Chain

- In-house capabilities for leather tanning
- 7 manufacturing locations
- Strong team of designers and craftsmen
- Infrastructure and manpower for global sourcing of components

Attractive Clientele

- Serving more than 30 leading brands across the world
- Clients include Fossil, Zara, Armani Exchange, Gap, Esprit, Old Navy, Coach, M&S etc
- Clients across USA, Europe, ME and SE Asia

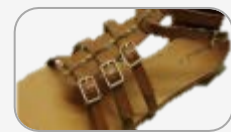
Strong Revenue Growth

- Sales of INR 447crs in FY 2010
- 9M FY11 Sales up 40%+ (Y-o-Y)
- Revenue and EBITDA growth of 36% and 25% CAGR over the past 4 years
- Sales growth of 40%+ over period of global slowdown of 2008 - 10



**CREW B.O.S.
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Company Overview



About Crew B.O.S. Products Limited



- Set up in 1988 by two first generation entrepreneurs, Tarun Oberoi & Robin Bartholomew
- Leading designer, manufacturer and exporter of leather and hi-end leather-based fashion accessories
- Product profile ranges from belts, bags, portfolios, business cases, footwear, wallets, boxes etc
- Decade of credible presence, built on customers' trust catering to renowned global brands and retail chains including Fossil, Zara, Armani Exchange, Gap, Esprit, Old Navy, Coach, M&S etc
- Attractive clientele spread across USA, Europe, Gulf and South East Asia
- 55% of the exported designs are original Crew B.O.S. designs
- Broad basing its product portfolio in order to keep itself abreast with the latest changes in fashion trends around the world



Crew B.O.S. Products Limited

Fashion Bags

- Largest division with specialized manufacturing facilities to service customized needs right from embroidered bags, embellished mixed media bags to leather bags



Belts

- Completely mechanized facilities which uses both traditional and modern techniques to produce high fashion belts
- Traditional methods such as hand padding, hand stitching, hand molding along with the use of sophisticated machinery make the unit one of its kind globally



Small Leather Goods

- Manufacturing unit set up at Neemrana
- Products range from plain and embossed leather wallets, fabric wallets that are printed with sequences and beads, photo frames and watchstraps and other gift items



Footwear

- Varied range of open & closed footwear keeping abreast latest fashion trends
- Exclusive units for both open & closed footwear at Neemrana and Chennai



Driving Excellence through Design



Design driven model

- 55% of the exported designs are original Crew B.O.S. designs and bear testimony to the expertise in design led manufacturing
- Design excellence is endorsed by some of the prestigious global brands, including Coach, Esprit, Armani Exchange, Fossil, Zara, Massimo Dutti, Gap, Banana Republic, Next Plc., Chico's, Tesco, H&M in Europe, GAP, Navy, to name a few

Design House

- State-of-the-art in-house design and development studio
- Driven by 30 designers and product development experts from premier fashion institutes like NIFT, NID, FDDI (Foot Development Designing Institute), London School of Fashion and Pearl Academy of Fashion
- Breathes fresh life into the existing product range and gauge the look and feel for the season almost a year in advance
- To take design led manufacturing to the next level by venturing into designing luxury leathers and leather fabrics for the super luxury designer brands

Crew B.O.S. Academy

- In-house training & skill assessment tools for workers and skilled craftsmen
- Highly experienced technical trainers from Romania and Italy who bring with them the technical skills and work discipline
- Retrain old workers to improve and update their skills
- Bringing in benefits of Labour Satisfaction, Labor Quality and Productivity

Key Success Drivers



Resource

Team

Over 30 designers and product development experts from premium institutes – NIFT, NID, FDDI, London School of Fashion & Pearl Academy of Fashion

Manufacturing

Expansion of capacities to address the increase in outsourcing activities even during the downturn

Backward Integration

Finishing unit in Manesar and agreement with KLF Technokimica Italy for import of chemicals ensure greater operational control

Design

Innovation

Inimitable innovation with traditional craftsmanship translate unique design ideas into novel fashion concepts using new fabrics, colors and style

Contemporary

Italian technical tie-up for raw material conversion to international grade finished raw material, comparable to international quality

Technological Aid

Latest technology aided software enables 3-D design, fashion drawing, pattern making, and clear idea of what the final product will look like

Products

Quality

Specialized imported machinery & stringent quality control measures ensure excellent product quality and widens the competitive edge

Customization

Designers undertake visits to customer's sites establishing strong relationships and create top-of-the-line products reflecting the clients' brand image

Wide Product Basket

Ever changing and diversified product basket, pioneering an extensive range of fashion accessories

Customers/ Brand Partners



ZARA

YOUR M&S



Hush Puppies®

OLD NAVY

AUTENTIC FOSIL

AX

ARMANI EXCHANGE

ESPRIT

DEBENHAMS

next

Product

Main Customers

Bags

Fossil, Debenhams, Coach, Old Navy, Esprit, Chico's, Accessorize, Fat Face, J Jill, Next

Belts

Chico's, Old Navy, Gap, Liz Claiborne, Fossil, Humphrey's, Next, Esprit, M&S, Diesel

Flip Flops

Old Navy, Accessorize, Fossil, Next, El Cortingle, Debenhams, Fat Face, Gap, Spirit Leather, Monsoon

LIZ CLAIBORNE INC

next

chico's

J. Jill

OLD NAVY

Wilson.

AUTENTIC FOSIL

GAP

YOUR M&S

DEBENHAMS

ESPRIT

Accessorize

fat face

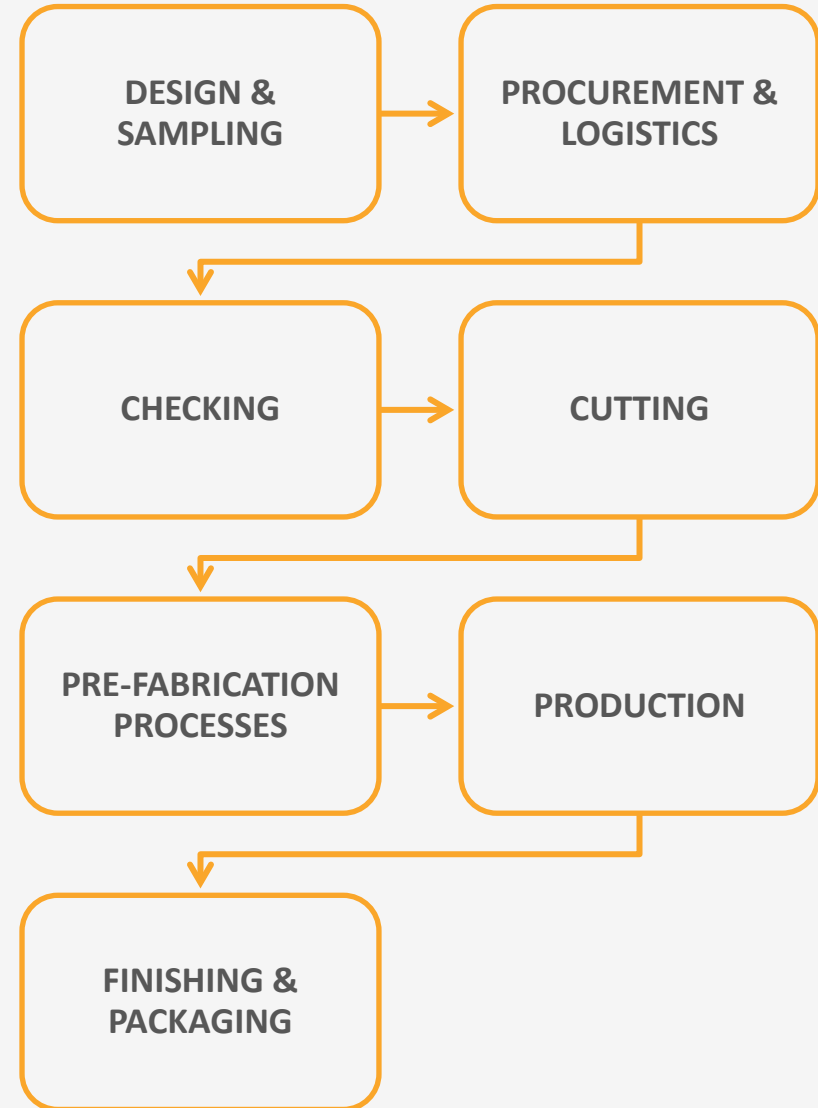
Manufacturing Process



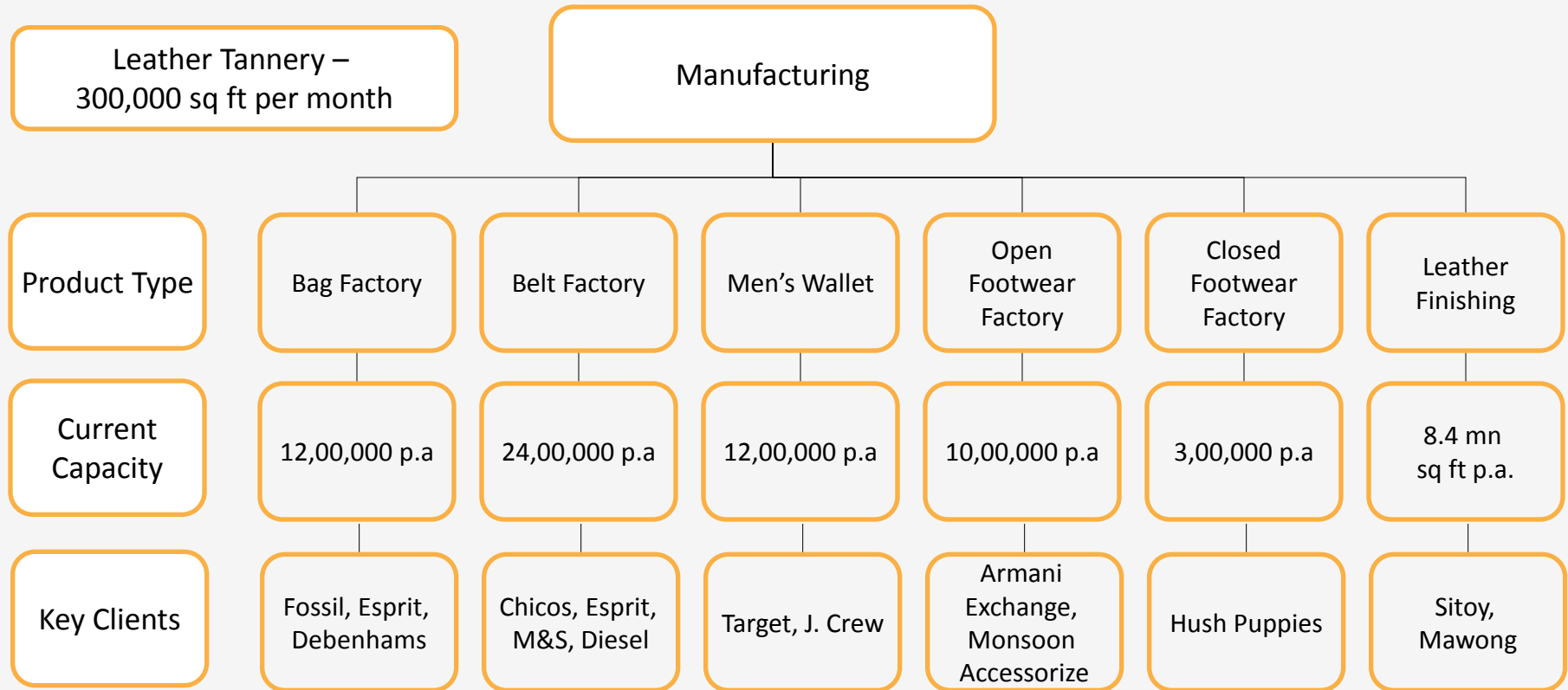
PART 1 : THE TANNERY – MAKING LEATHER



PART 2 : VALUE ADDITION - MANUFACTURING LEATHER GOODS

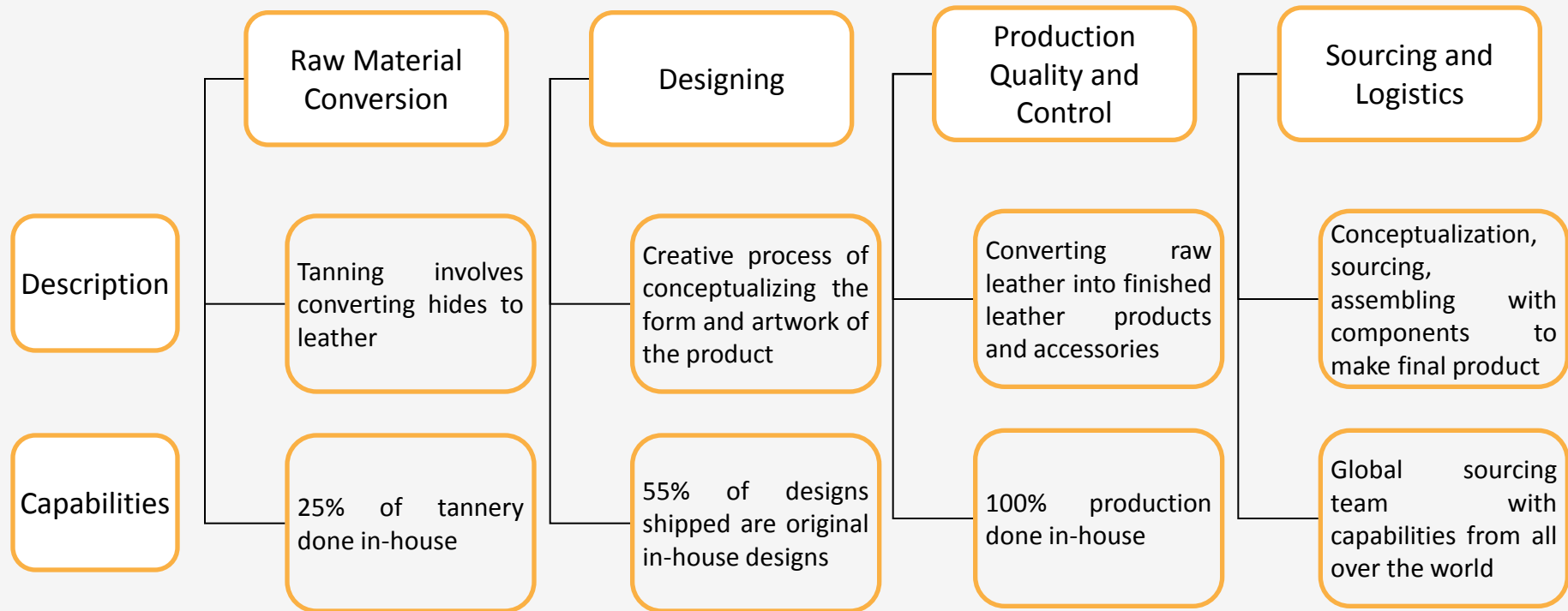
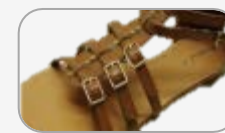


Scalable Robust Capacities

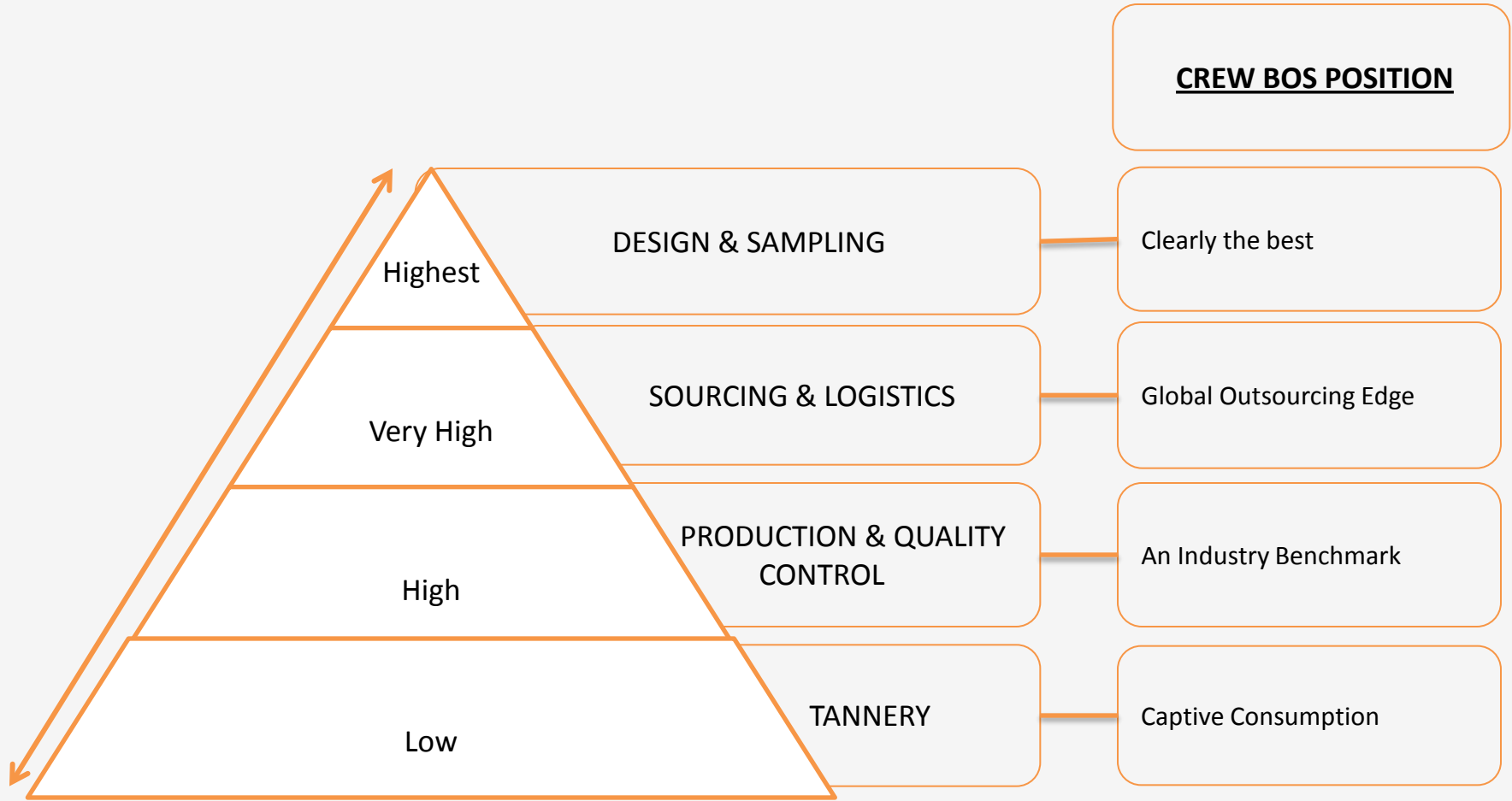


- Robust Manufacturing Facilities
- Endorsed Quality Processes
- Long-term manufacturing contracts with leading brands
- Scalable model

Presence Across the Value Chain



Value Chain Hierarchy



CREW BOS POSITION

DESIGN & SAMPLING

Clearly the best

SOURCING & LOGISTICS

Global Outsourcing Edge

PRODUCTION & QUALITY CONTROL

An Industry Benchmark

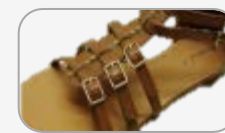
TANNERY

Captive Consumption

Crew B.O.S. Academy at Work

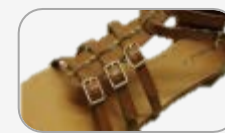


Design & Manufacturing Excellence



Location	Facility	Size (Sq Ft)	Capacity (pair/per month)	Skilled Workforce
Neemrana	Open Footwear	80,000	83,000	650

Design & Manufacturing Excellence



Location	Facility	Size (Sq Ft)	Capacity (pcs/per month)	Skilled Workforce
Manesar	Belts	80,000	200,000	720

Design & Manufacturing Excellence



Location	Facility	Size (Sq Ft)	Capacity (pcs/per month)	Skilled Workforce
Manesar	Handbags	205,000	100,000	2,200

Design & Manufacturing Excellence



Location	Facility	Size (Sq Ft)	Capacity (sq ft/per month)	Skilled Workforce
Manesar	Leather Finishing	28,000	700,000	16

Design & Manufacturing Excellence



Location	Facility	Size (Sq Ft)	Capacity (pcs/per month)	Skilled Workforce
Manesar	Wallets	40,619	100,000	326

Design & Manufacturing Excellence



Location	Facility	Size (Sq Ft)	Capacity (pairs/per month)	Skilled Workforce
Chennai	Closed Footwear	22,000	25,000	175



Have successfully undergone more than 50 Social, Technical, CTPAT audits conducted by international bodies in the past 1 year

SGS

ITS

STR

US Customs

Bureau Veritas

Omega

T - Group



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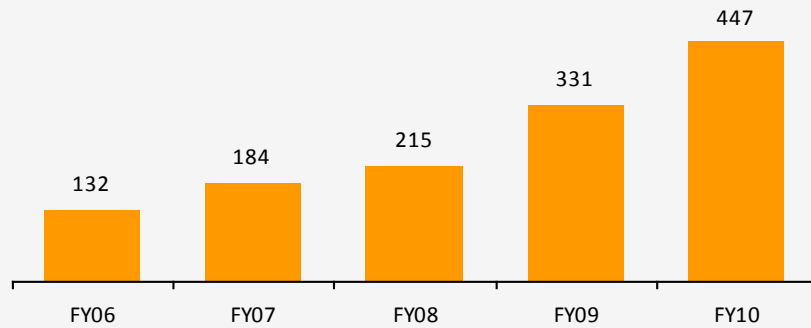
Financial Overview



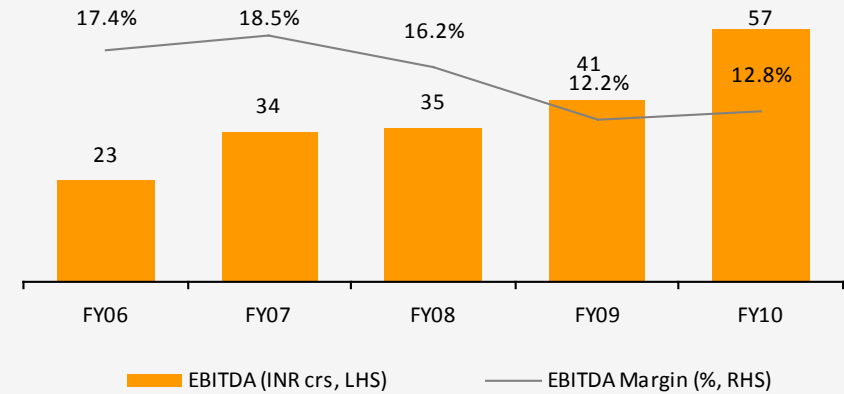
Financial Highlights – Annual



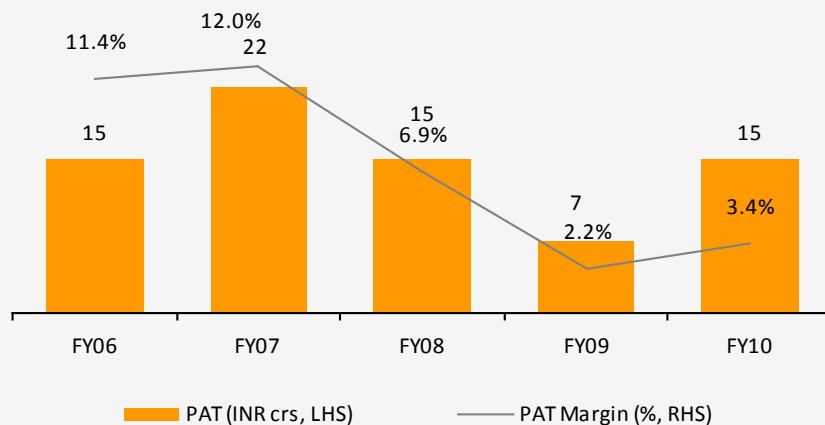
Net Sales (INR crs)



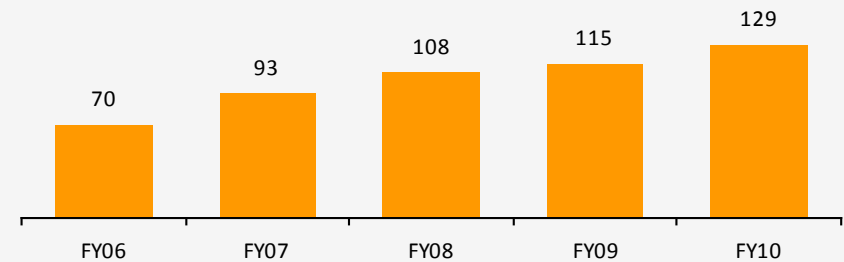
EBITDA and Margin



PAT and Margin



Net Worth (INR crs)



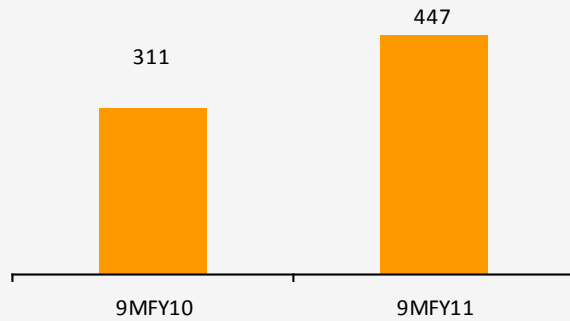
Source : Company Annual Reports

Note : All figures based on consolidated financials

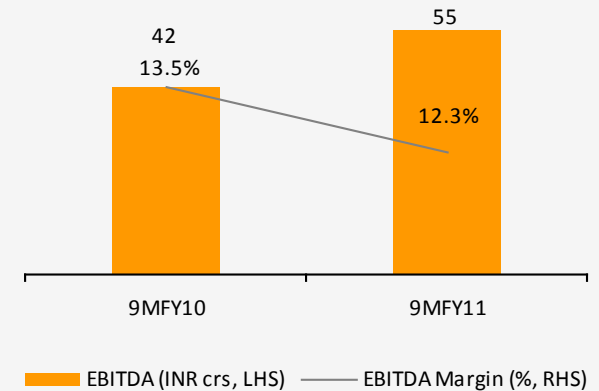
Financial Highlights – 9M FY11 VS 9MFY10



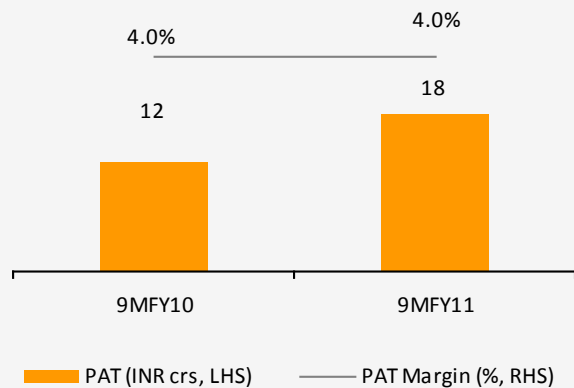
Net Sales (INR crs)



EBITDA and Margin

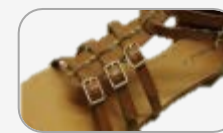


PAT and Margin



- Net Sales at INR 447 crs, up by 44% in 9MFY'11
- EBITDA at INR 55 crs, up by 31% in 9M FY'11
- PAT at INR 18 crs, up by 44% in 9MFY'11

Operational Highlights



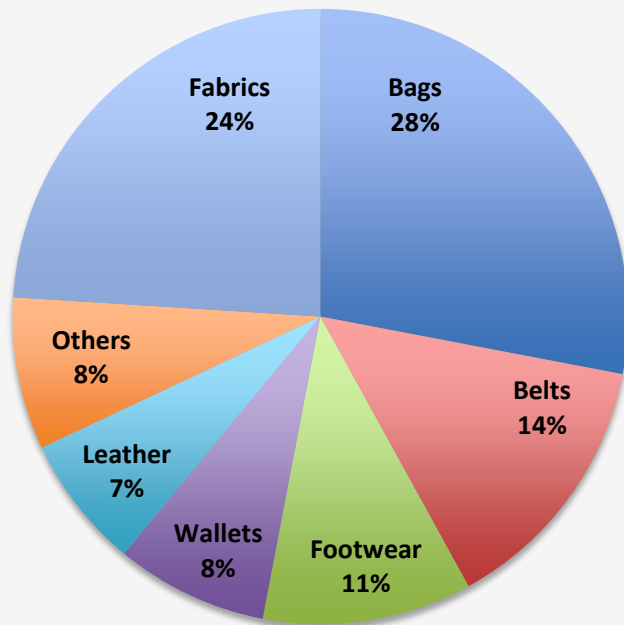
Operating Income (Standalone - 2010)

Year Ended March 31, 2010					
INR mn	2010	Share	2009	Share	Growth
Exports	3,125	68%	2,081	59%	50%
Domestic	1,305	28%	1,298	37%	0.5%
Duty	163	4%	131	4%	25%
Total	4,593		3,509		

Sales Break up (Standalone - 2010)

Year Ended March 31, 2010					
Particulars	2010	Share	2009	Share	Growth
Bags	1,252	28%	986	30%	27%
Belts	616	14%	504	15%	22%
Footwear	487	11%	302	9%	61%
Wallets	368	8%	341	10%	8%
Leather	294	7%	51	2%	475%
Others	344	8%	42	1%	716%
Fabrics	1,082	24%	1,067	32%	1%
Total	4,443		3,293		

Sales – Product Category-wise - 2010





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Growth Outlook



Key Developments



- Focus on design led manufacturing
- Global leader in the design arena leveraging the expertise built over the years catering to global fashion majors
- Volume growth outlook is encouraging as demand is back
 - o Enquiries for further orders remain robust
 - o Capacity is the constraint to higher volume engagement
 - o Multiple issues in China making shoes & accessories brands/ buyers nervous
- Business of the Finishing Unit is benefiting from the high demand of global customers
 - o Higher realizations due to greater value addition
 - o Crew B.O.S. is expanding its operations to 200,000 sq ft facility (300,000 sq ft by Sep-11) at Neemrana to cater to the growing demand
 - o Demand growth from both local as well as global markets like Europe and China
- New customer additions such as Zara, Nordstrom where order size is substantial
- Launch of Crew Republica, the branded business for Crew B.O.S., in the niche space of leather accessories & footwear



Manufacturing Capacity
Largest in India

Design & Quality
Strong USP making Crew B.O.S. a 'brand' in itself

Product Range
Diversified and one-stop shop across categories

Clients
Marquee names across Europe & US

Target to reach INR 1,000 crs in 3 years



Manufacturing Capacity

- Current capacity sufficient to generate manufacturing revenues ~ INR 600 crs
- Additional capex (primarily towards balancing requirements) envisaged to reach targeted revenues

Resources, Quality & Design

- State-of-the-art design and development studio
- Team of highly qualified fashion designers from the best institutes
- Lean Manufacturing & an idea called 'Global Happy Village'

Diversified Product Range

- One stop-shop for customers looking to buy across categories
- Bags to constitute a significant component followed by belts, footwear, wallets & SLG, and slippers & ballerinas

Client Mix

- Reputed global brands (premium / luxury) and retailers
- Names include Coach, Fossil, Nike, Zara, Burberry, Diesel, Armani, Debenhams, GAP, Polo, Accessorize, Esprit, Chico's and American Eagle

Significant room for topline & margin expansion



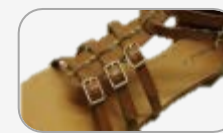
- Significant Opportunity to expand both volume and realizations across categories
 - o Shoes – Realization can increase from USD 20 with 23% contribution to USD 45 with 40% contribution
 - o Bags – Realization can increase from USD 26 with 24% contribution to USD 45 with 28% contribution
 - o Belts – Realization can increase from USD 6 with 28% contribution to USD 10 with 40% contribution



**CREW B.O.S.
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Annexures





<p>Tarun Oberoi Chairman and Managing Director</p>	<ul style="list-style-type: none">▪ Founder Promoter of Crew B.O.S. Products Limited▪ Over 25 years of experience in manufacturing, sourcing and marketing▪ Qualification :<ul style="list-style-type: none">o B.Com Graduate from Delhi Universityo Management Diploma from Oberoi School of Hotel Management▪ Manages complex buyer-vendor relationships▪ Deep understanding of raw materials and products
<p>Robin Bartholomew Wholetime Director</p>	<ul style="list-style-type: none">▪ Co-promoter of the Company▪ Qualification :<ul style="list-style-type: none">o Post Graduate in Sociology from Delhi School of Economicso Diploma in Hotel Management from Oberoi School of Hotel Management▪ Oversees the tasks of merchandising and marketing for the firm▪ Strong interpersonal skills crucial in maintaining healthy relationships with various buyers
<p>Tarun Joshi Additional Director</p>	<ul style="list-style-type: none">▪ Over 25 years experience in marketing, communications and retail▪ Has been associated with leading multinationals and well known Indian Business Houses▪ Has been involved in building of many brands, across various categories, including Gillette, Everyday, Nestle Gold, Reid & Taylor, Belmonte, Dunhill and Escada in India▪ Ex - MD & CEO of Brandhouse Retails Ltd▪ Has been a panelist on leading business forums and industry roundtables

Awards and Felicitations

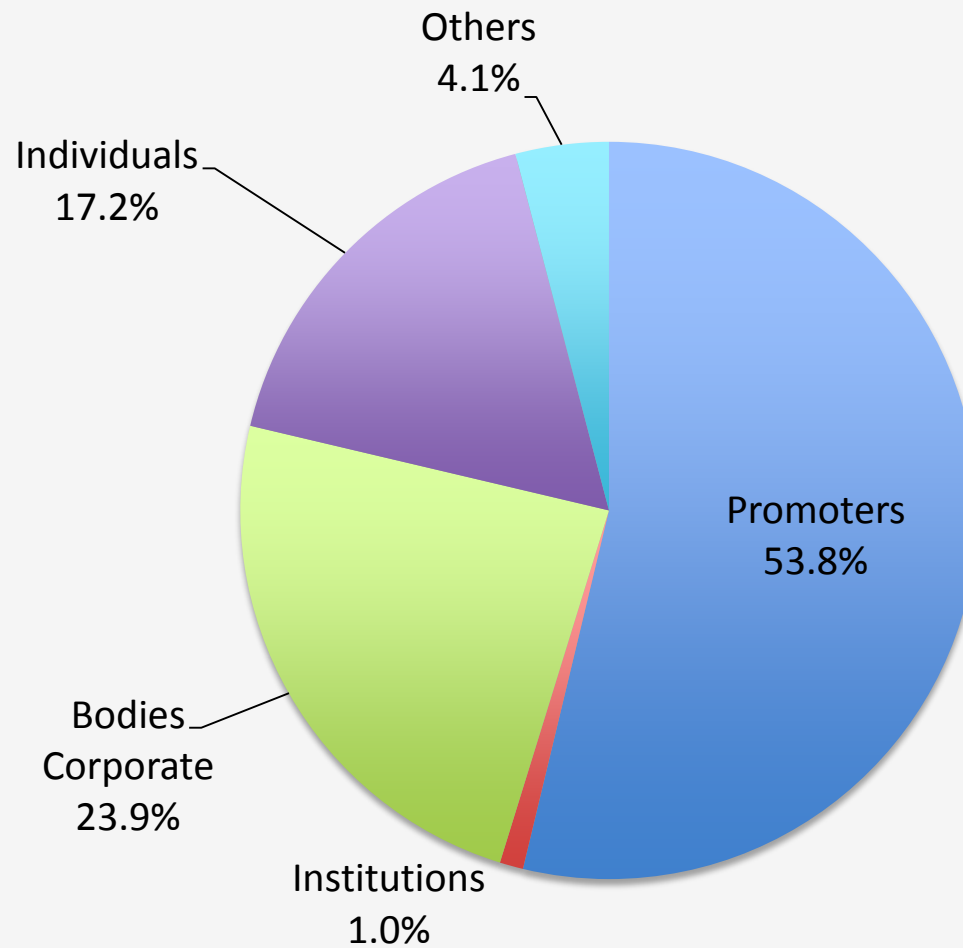
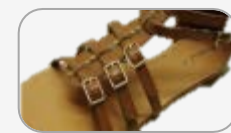


"First Place" in USD 15 million category by CFLE,
 International Leather Fair, Chennai 2010



Superlative Performance (Leather & Non Leather)
 Annual CFLE Awards – Jan 2009

Shareholding Structure



Note: Pre conversion of preferential warrants

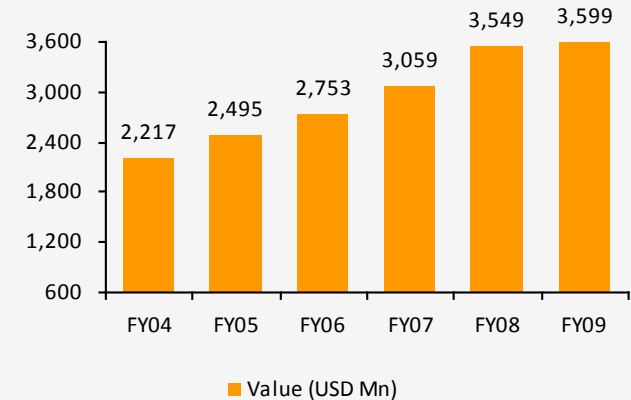
Source: BSE (31st December 2010)

Indian Leather Industry – Overview



- **Positioned as one of the largest global suppliers of Leather Goods & Accessories**
 - o Employs over 2.5 million people
 - o Occupies 5.2% of World Leather Trade & is the 2nd largest producer of footwear & leather garments in the world
 - o 10th largest Indian manufacturing sector & ranks # 8 in exports in terms of foreign exchange earnings for the country
 - o Expected to grow at a CAGR of 20% between 2008 – 11
- **Strengths**
 - o 2 bn square feet leather produced / annum
 - o 21% of world cattle & buffalo & 11% of world goat & sheep population
 - o Modernized manufacturing units with skilled manpower at competitive wages
 - o Presence in major markets – long-standing Europe experience
- **Government Support**
 - o “Focus Sector” under Foreign Trade Policy leading to simplified import/export procedures
 - o 100% FDI - Automatic Route & 5% concessional import duty for specified machinery
 - o Duty neutralization/exemption/remission schemes and funding support provided towards export promotion

India's Leather and Leather Goods Exports



India is an emerging destination for high value and quality finished products at low cost

...Storehouse of Untapped Potential



- **Global Leather Trade is a USD 137 Billion Market**
 - Developed countries concentrate on brands and source manufactured goods from developing countries
 - China controls 32% of the world's leather export while India has a share of 5.2%
- **China's share of 32% is an opportunity for other manufacturing clusters**
 - Global brands are seeking to de-risk production by creating an alternative to China
 - China is becoming more expensive and concentrating on high paying industries
- **India is the only country which offers a wide range of inherent advantages**
 - India owns 10% of the world's raw material and 21% of the world's cattle and buffalo
 - World's largest skilled labour and low manpower cost
 - Favorable government policies and recognized as a 'Focus Sector'
- **CREW B.O.S. is ideally positioned to capture this opportunity**
 - Leading designer and exporter of leather products and accessories
 - Leading global leather brands of the world as its clients
 - Present across the value chain with manufacturing capabilities across multiple locations





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