Kajaria

Investors Presentation

February 2012

Agenda

Global Tile Industry

Indian Tile Industry

Kajaria Ceramics – overview

Game Changer

Financials

Shareholding Pattern



Agenda

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Game Changer

Financials

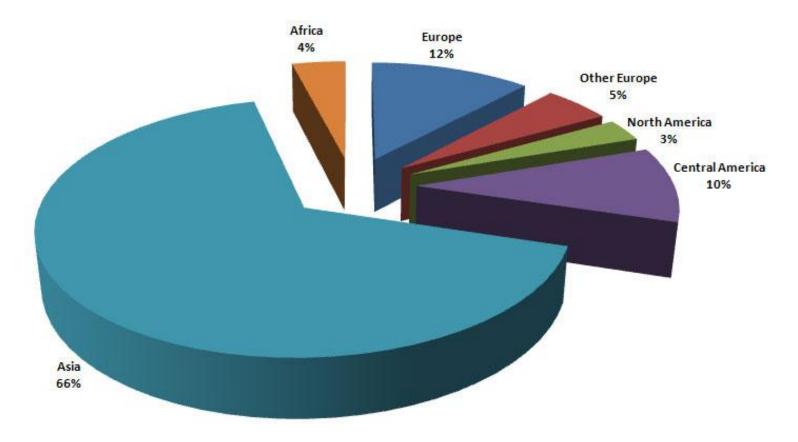
Shareholding Pattern

The production of top 10 countries...

			(Million	Sq Mtr)	
	CY07	CY08	CY09	CY10	
CHINA	3200	3400	3600	4200	→ 44%
♦ BRAZIL	637	713	715	753	
INDIA	385	390	490	550	→ 6%
IRAN	250	320	350	400	
ITALY	559	513	368	387	
VIETNAM	254	270	295	375	
SPAIN	585	495	324	366	
INDONESIA	235	275	278	287	
C* TURKEY	260	225	205	245	
EGYPT	140	160	200	220	
TOTAL WORLD PRODUCTION	8252	8520	8515	9515	•

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World production Scenario



- World Production has grown @ 6% CAGR in the period CY 2004-2009. Grew @ 11.7% in CY 2010, perhaps Ist time double digit growth in a decade.
- All the top producer countries in Asian Continent increased their production. Asia's production grew by 14.9% in CY 2010

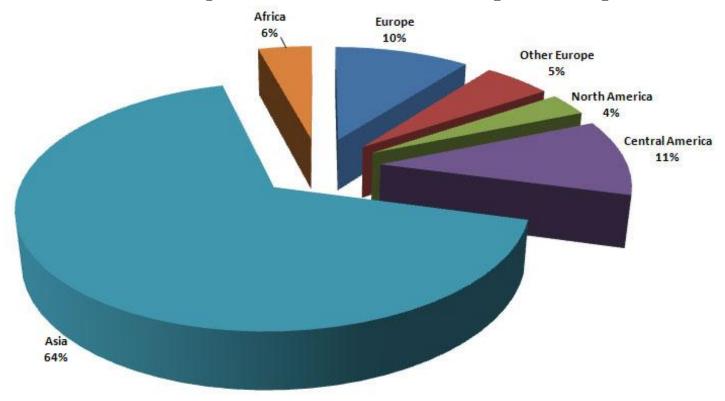
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The consumption of top 10 countries...

				(Million	Sq Mtr)	
		CY07	CY08	CY09	<u>CY10</u>	
	CHINA	2700	2830	3030	3500 → 37%)
(BRAZIL	535	605	645	700	
	INDIA	397	403	494	557 → 6%	
Ψ	IRAN	236	265	295	335	
*	VIETNAM	210	220	240	330	
	INDONESIA	178	262	297	277	
燉	EGYPT	105	140	180	200	
	USA	249	211	173	186	
35 247.3	SAUDI ARABIA	110	136	166	182	
	MEXICO	173	176	163	168	
	TOTAL WORLD CONSUMPTION	8060	8350	8460	9350	

Source: Ceramic World Review

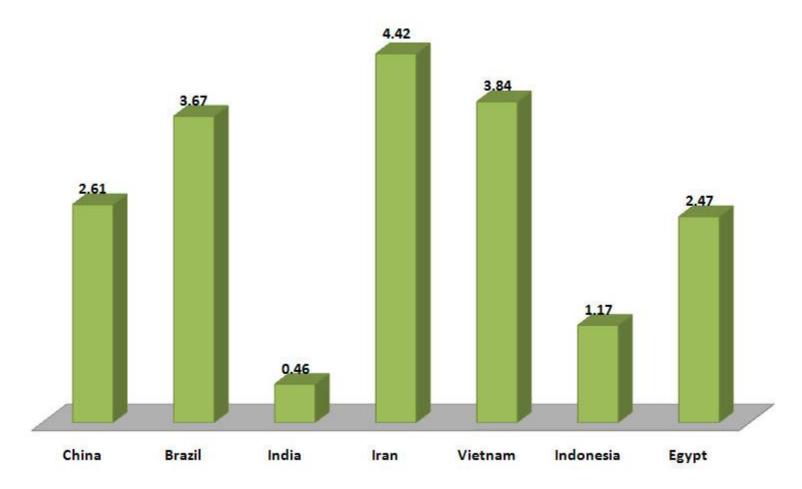
Global consumption Scenario (CY10)



- The break down in consumption by geographical area is very similar to that of production
- Asia once again showed the biggest growth in demand at 14% in CY10.
- Indian tile industry grew by 12.2% (in volume terms) in CY10 over the last year.

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Global Scenario ... Per capita consumption of tile (Sq Mtr)



Source: Ceramic World Review



Agenda

Global Tile Industry

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Kajaria Ceramics – overview

Game Changer

Financials

Shareholding Pattern

Indian Tile Industry

- Indian tile industry is around 557 million sq. mt. as of March 2011.
- Industry size Rs 140 Billion
- National Brands control 50% of industry.
- The industry has been growing at a CAGR of 15-16% per annum (Value terms) in last 5-6 years.

Indian Industry - Major Players

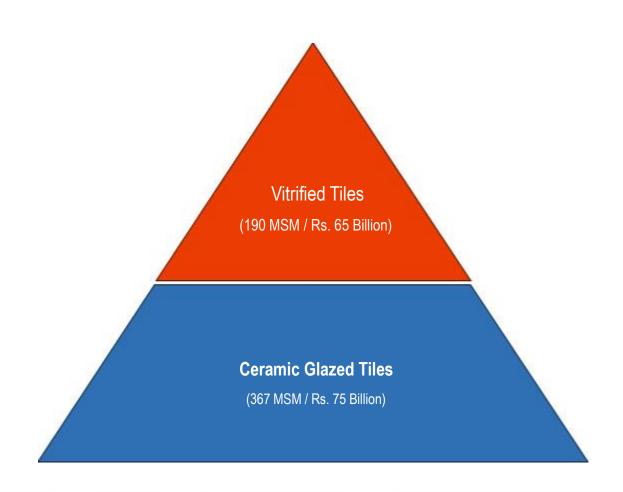
National Brands control around 50% of the Industry

	Turnover as on
	31.03.2011 (Rs/Billion)
H&R Johnson	14.72
Kajaria Ceramics	10.05
Somany Ceramics	7.58
Nitco Tiles	7.29
Asian Granito	4.82
Orient Ceramics	3.58
Euro Ceramics	2.60
Gokul Ceramics*	2.00
Bell Ceramics	1.67
Regency Ceramics	1.92
Murudeshwar Ceramics	1.86
Bell Granito*	1.00
Decolight Ceramics	1.51
Others (Restile, Simpolo, Spartek etc)*	10.00
Total	70.60

^{*} estimated

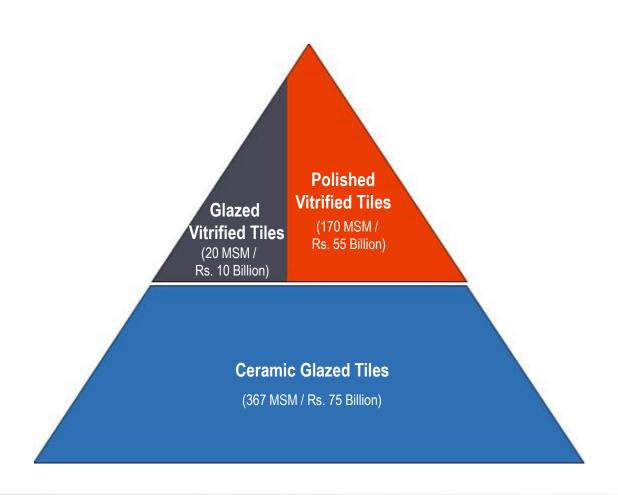
Balance 50% of the industry is represented by other unbranded players mainly present in the state of Gujarat.

Indian Industry - Segmentation



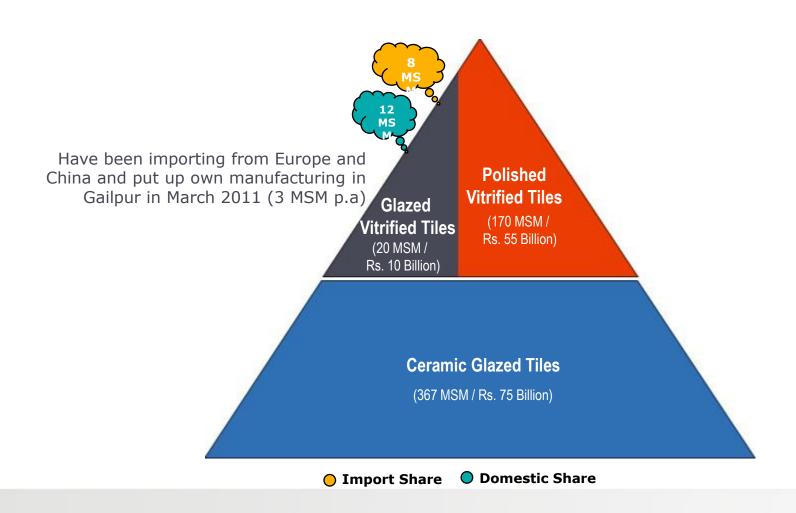


Indian Industry – Segmentation



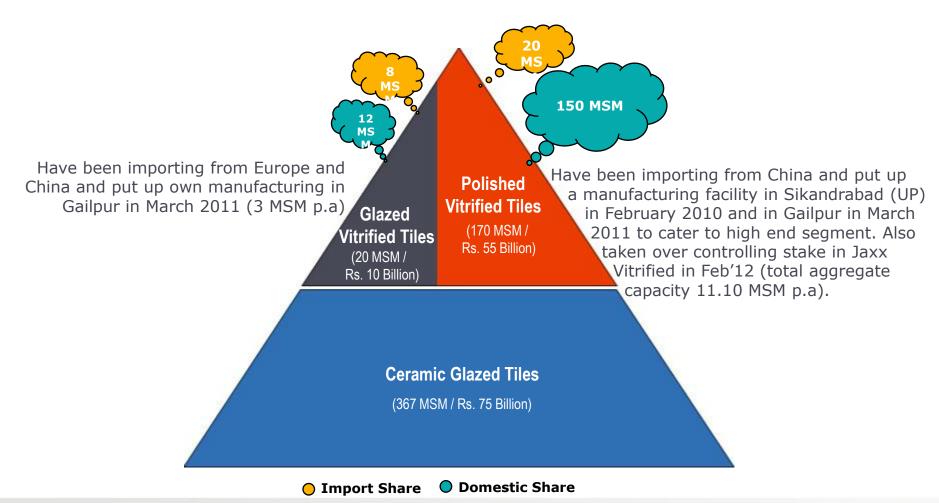


Indian Industry – Segmentation



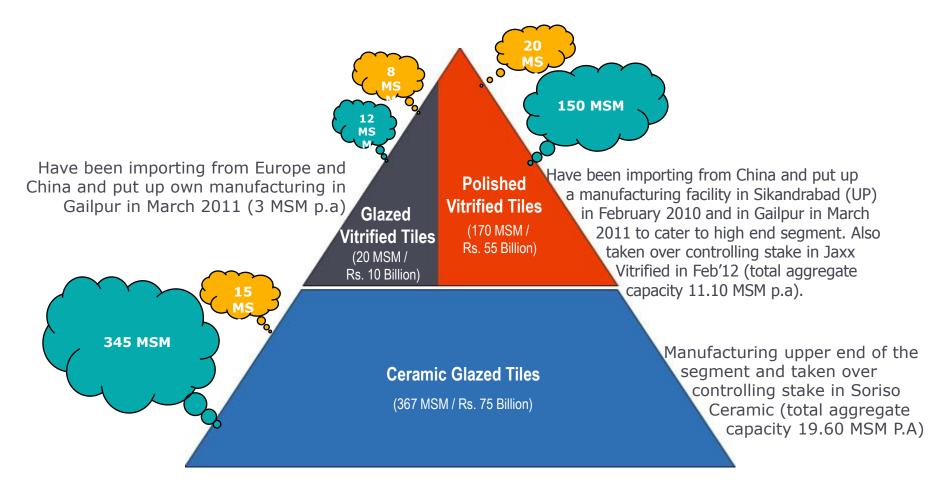


Indian Industry - Segmentation





Indian Industry - Segmentation





Agenda

Global Tile Industry

Indian Tile Industry

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Game Changer

Financials

Shareholding Pattern

Manufacturing

- Kajaria started production in August 1988 at Sikandrabad (UP) with 1 million sq. mtr. per annum.
- Current Capacity of Sikandrabad plant is 8.20 million sq. mtr. of ceramic glazed and vitrified tiles.



Manufacturing

Commissioned 2nd Plant in March 1998 at Gailpur (Rajasthan) with a capacity of 6 million sq mtr p.a. and further increased the capacity in phased manner. The present capacity of Gailpur plant is 20.10 millions sq. mtr. per annum of ceramic glazed and vitrified tiles.



Acquisition (Joint Ventures)

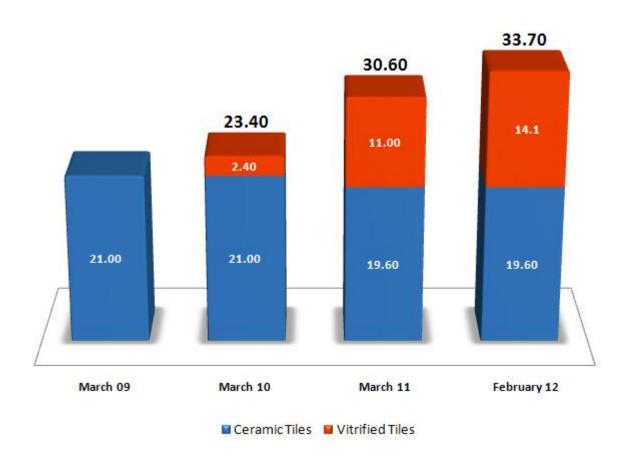
A. SORISO CERAMICS

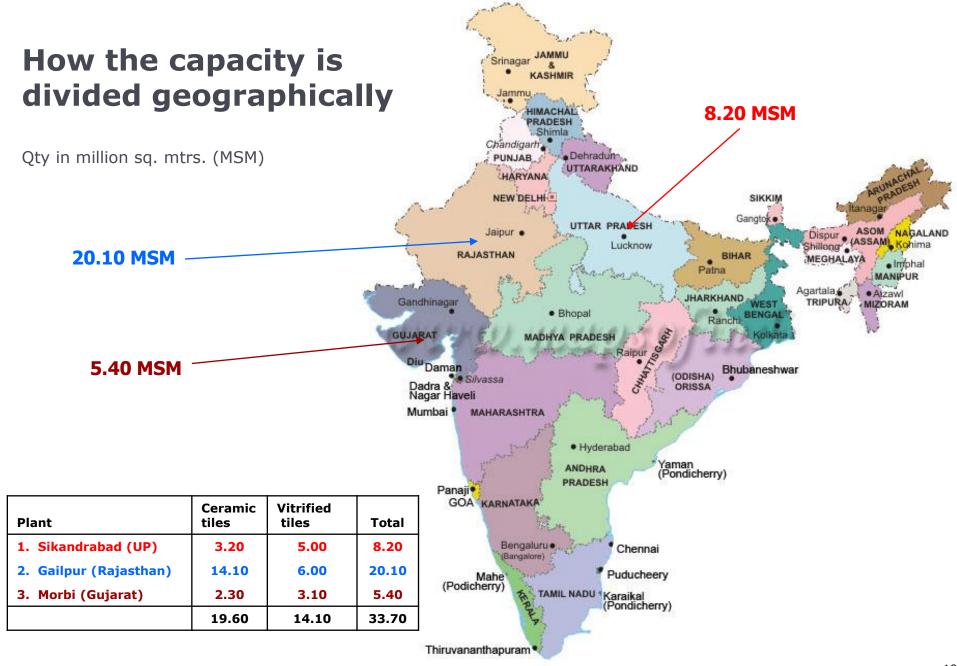
Acquired 51% stake in Soriso Ceramic Pvt Ltd, based in Gujarat in February 2011 with an annual capacity of 2.30 MSM of ceramic floor tiles. Further expanding capacity to 4.60 MSM (production to commence in February 2012).

B. JAXX VITRIFIED

Acquired 51% stake in Jaxx Vitrified Pvt Ltd, based in Gujarat in February 2012, with an annual capacity of 3.10 MSM (production to commence in February 2012).

The total present capacity is 33.70 million sq. mtr. making Kajaria the largest manufacturer of ceramic and vitrified tiles in India



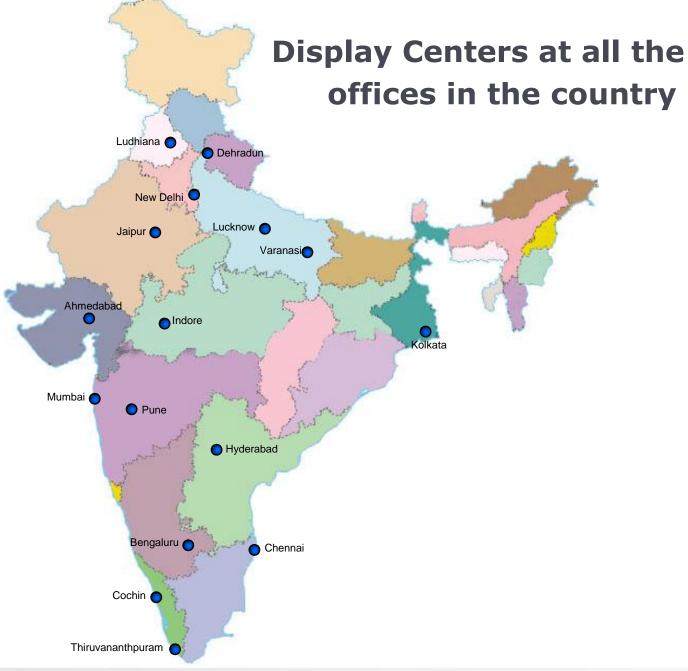


Distribution network of 800 dealers

(Apart from their sub-dealers)







PRESTIGIOUS PROJECTS

Delhi Metro



South Delhi Station

IT / ITES



Adobe Systems India Pvt. Ltd.

PRESTIGIOUS PROJECTS

Developers



The Close - Unitech

Schools



Delhi Public School

Kajaria World

- Retail chain of showrooms selling high end tiles imported from Spain and China.
- 19 showrooms (8 own + 11 franchises.
- Selling leading international brands like:-



















Gurgaon







India's first tile Company with

OHSAS-18001

CERTIFIED

Committed to Society
India's first tile Company with
SA-8000

ISO-14001

CERTIFIED



Indian Green Building Council

Kajaria's recent membership to the Indian Green Building Council, reassures that each manufactured product is eco-friendly when offered to builders & customers across the globe



Only Ceramic Tile Company in India conferred with "Superbrand" for 5th consecutive time.





Superbrand is a concept that originated in the UK in 1993 and currently operating in 86 countires

Agenda

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Game Changer

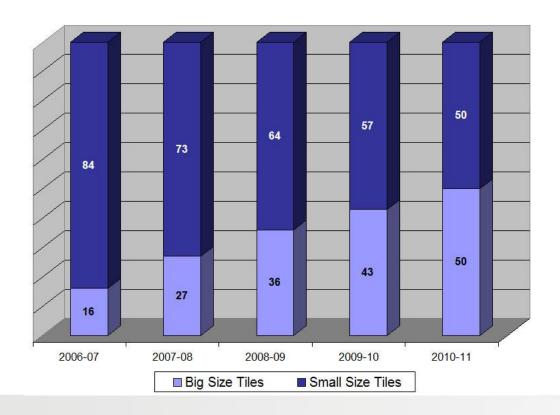
Financials

Shareholding Pattern

Game Changer

Improved ROCE/ROE due to higher asset turn ratio

- Historic high capex has capped ROCE/ROE
- Asset turn ratio has been improving due to:-
 - Incrementally lower capex (Italian machine price came down due to China foray into machine manufacture)
 - Kajaria moving towards bigger/value added tiles



Agenda

Global Tile Industry

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Game Changer

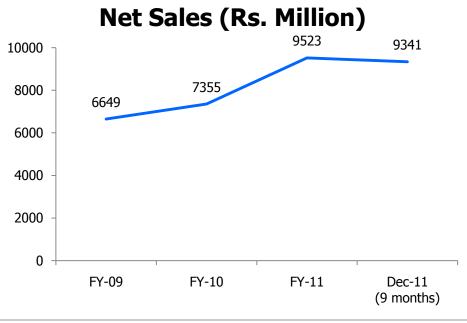
Financials

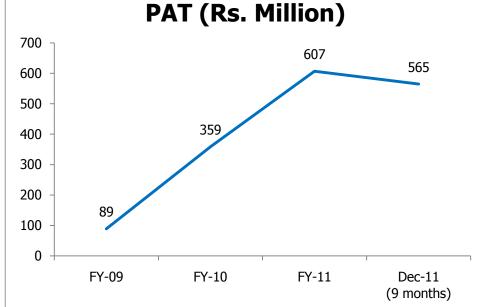
Shareholding Pattern

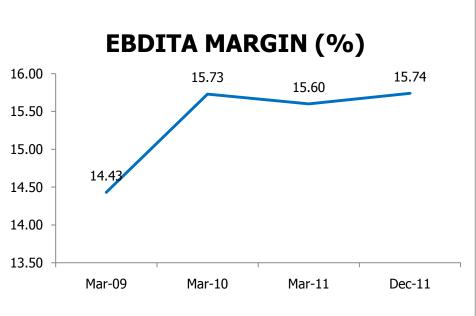
Segment wise Turnover

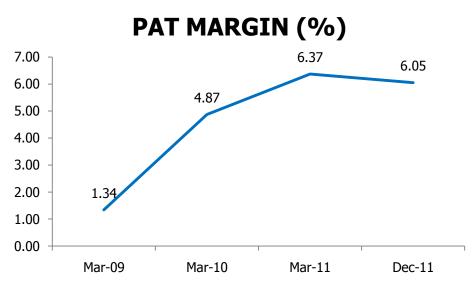
Rs. in Million

		c Wall & r Tiles		d Vitrified iles	Glazed Vitrified Tiles		KAJARIA w@rld High End Tiles	Bathware / Wooden Flooring	Total
Fin Year	Mnfg.	Outso- urcing	Mnfg.	Outso- urcing	Mnfg.	Outso- urcing		(Outsourcing)	
FY 2007-08									
(Audited)	3499	-	-	1250	-	240	300	-	5289
FY 2008-09									
(Audited)	4302	-	-	1850	-	400	360	-	6912
FY 2009-10									
(Audited)	4728	130	60	1730	-	620	400	-	7668
2010-11									
(Audited)	4582	620	860	2504	12	1125	267	75	10045

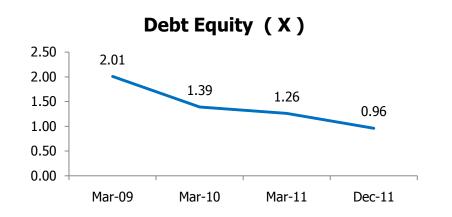


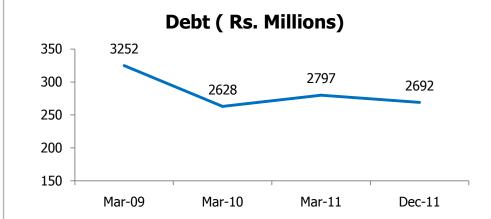


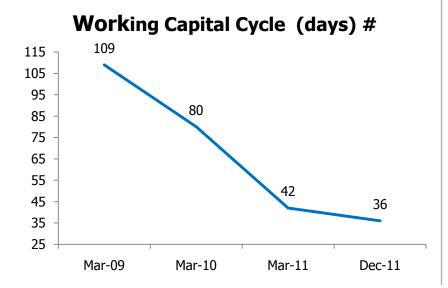


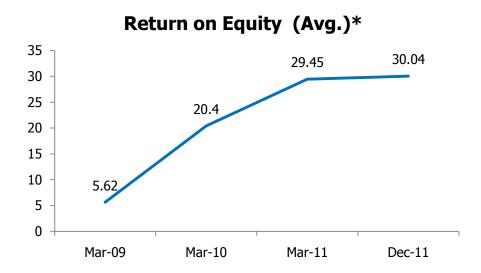












Capex creditors not considered in working capital cycle.

* ROE for 9 months taken at average net worth as on 31st Mar. 11 and 31st Dec. 11 and annualised 9M FY12 PAT.



Financials

Rs in Million

	Quarter Ended			9	Year Ended		
	Dec '11 #	Dec '10	Growth (%)	Dec '11 #	Dec '10	Growth (%)	Mar '11 #
Gross Sales	3736	2664	40%	10006	7087	41%	10051
Net Sales	3503	2537	38%	9389	6710	40%	9523
PBDIT	561	397	41%	1477	1059	40%	1490
PBDIT%	16%	16%		16%	16%		16%
Interest	154	73	110%	353	232	52%	301
Depreciation	103	72	42%	284	224	27%	297
PBT	304	251	21%	840	603	39%	892
PBT%	9%	10%		9%	9%		9%
Tax Provision	91	76	20%	257	181	42%	285
Minority Interest	3			9			1
PAT	211	176	20%	574	422	36%	606
EPS* (Rs)	2.86	2.39	20%	7.80	5.74	36%	8.24

Face Value Rs 2 per share.# Consolidated



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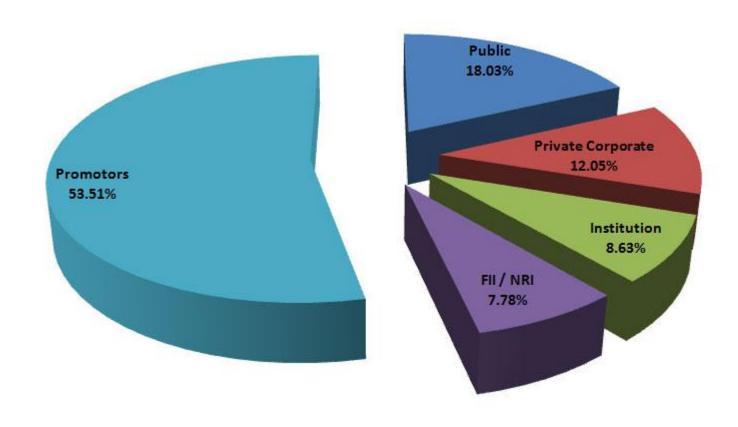
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Game Changer

Financials

Shareholding Pattern

Shareholding pattern (31.12.2011)



Forward looking and cautionary statement

Certain statements in this report concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risk and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, completion, including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, contracts, our ability to commission, our ability to raise the finance within time and cost, our ability to manage our internal operations, reduced demand for tiles, our ability to successfully complete and integrate potential acquisitions, withdrawal of fiscal/governmental incentives, impact of regulatory measures, political instability, unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.

Thank You!