Kajaria

Investors Presentation

August 2011

Agenda

Global Tile Industry

Indian Tile Industry

Kajaria Ceramics – overview

Leveraging Synergies

Financials

Shareholding Pattern

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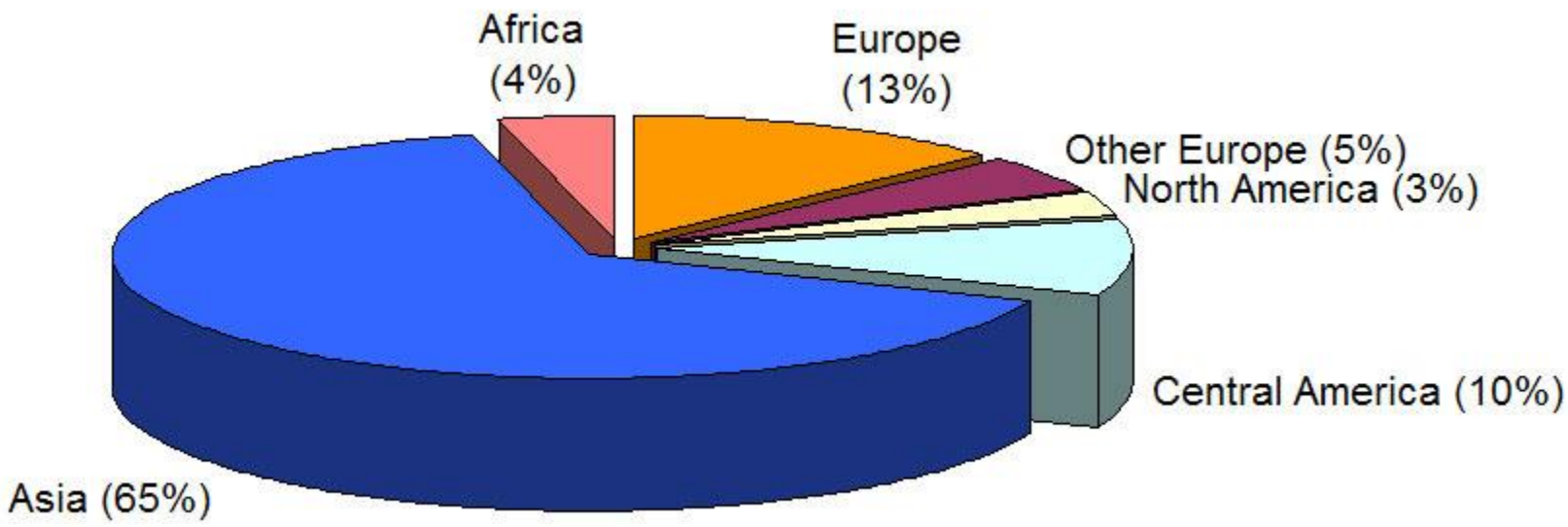
The production of top 10 countries…

(Million Sq Mtr)

	CY 06	CY 07	CY 08	CY 09	
CHINA	3000	3200	3400	3600	→ **42%**
BRAZIL	594	637	713	715	
INDIA	340	385	390	490	→ **6%**
ITALY	569	559	513	368	
IRAN	210	250	320	350	
SPAIN	608	585	495	324	
VIETNAM	199	254	270	295	
INDONESIA	170	235	275	278	
TURKEY	265	260	225	205	
EGYPT	122	140	160	200	
TOTAL WORLD PRODUCTION	7760	8252	8520	8515	

Source: Ceramic World Review

The production of top 10 countries



- World Production has been growing @6-7% CAGR in the period CY 2004-2008 but hardly grew in CY 2009.

- All the top producer countries in Asian Continent increased their production in particular China & India.

- The 27 member EU (European Union) suffered the most significant fall by 24.8% in 2009.

- The overall fall was limited by the positive trend in Asia (+6.3%) and Africa (+11.9%)

Source: Ceramic World Review

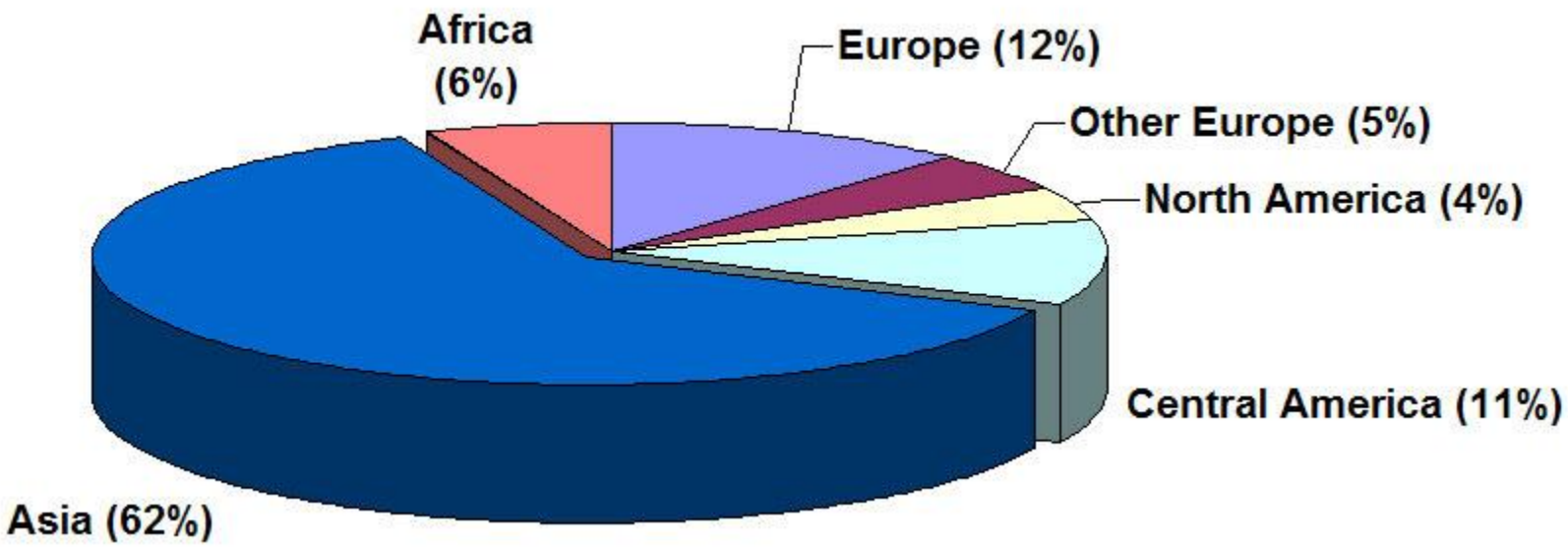
The consumption of top 10 countries…

(Million Sq Mtr)

	CY06	CY07	CY08	CY09	
CHINA	2450	2700	2830	3030	→ **36%**
BRAZIL	484	535	605	645	
INDIA	350	397	403	494	→ **6%**
INDONESIA	148	178	262	297	
IRAN	182	236	265	295	
VIETNAM	145	210	220	240	
EGYPT	103	105	140	180	
USA	308	249	197	169	
SPAIN	319	314	240	156	
ITALY	199	199	176	146	
TOTAL WORLD CONSUMPTION	7450	8060	8350	8460	

Source: Ceramic World Review

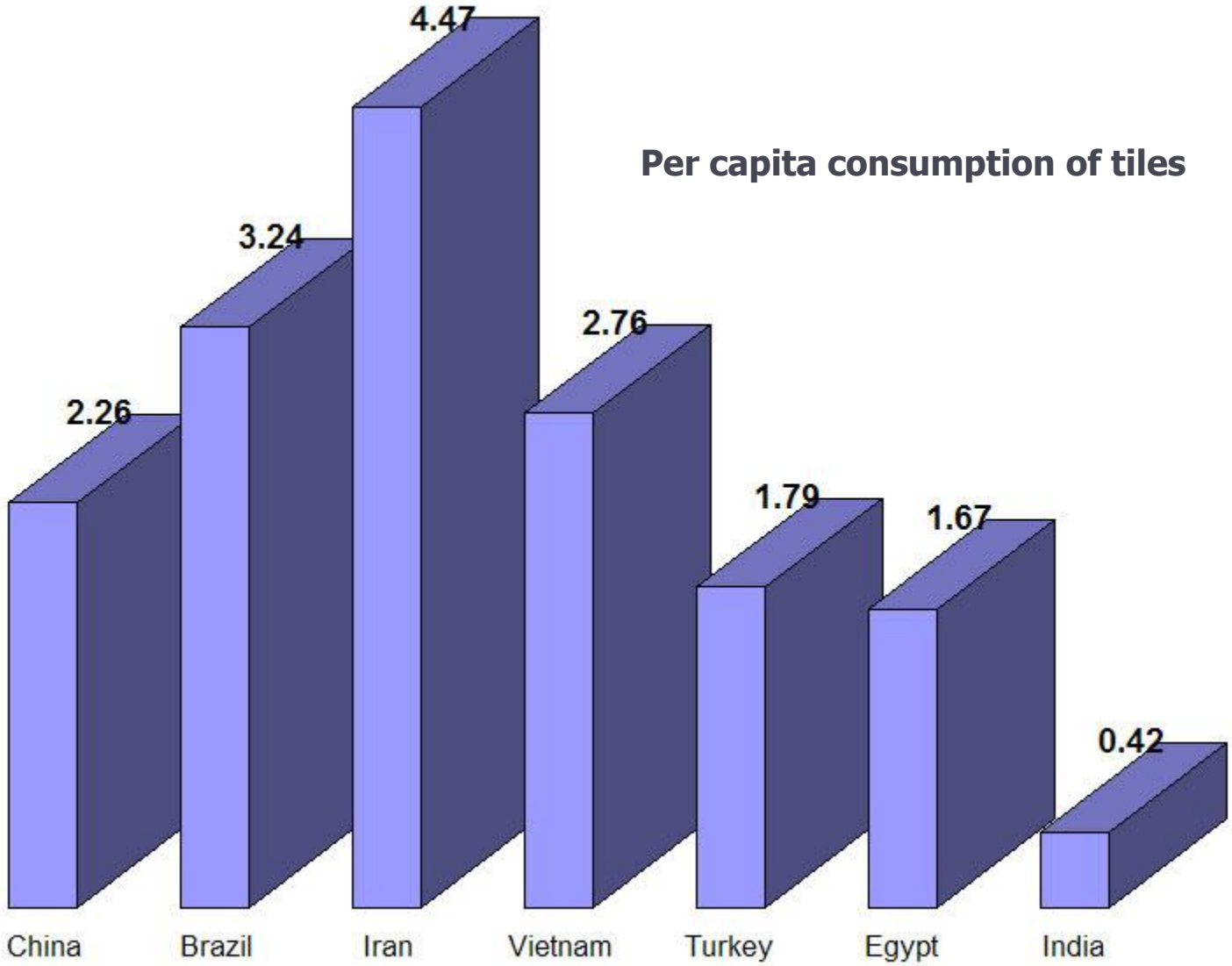
The consumption of top 10 countries (CY 09)



- The break down in consumption by geographical area is very similar to that of production
- Asia once again showed the largest growth in demand at 7.9%.
- India showed the maximum growth in the world at 22.58%.

Source: Ceramic World Review

Global Scenario …



Source: Ceramic World Review

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Indian Tile Industry

- Indian tile industry is around 550 million sq. mt. as of March 2011.
- Industry size Rs 130 Billion
- National Players control 50% of industry.
- Barring Financial Year 2008-09, the industry has been growing at a CAGR of 15-16% per annum in last 5-6 years.

Indian Industry – Major Players

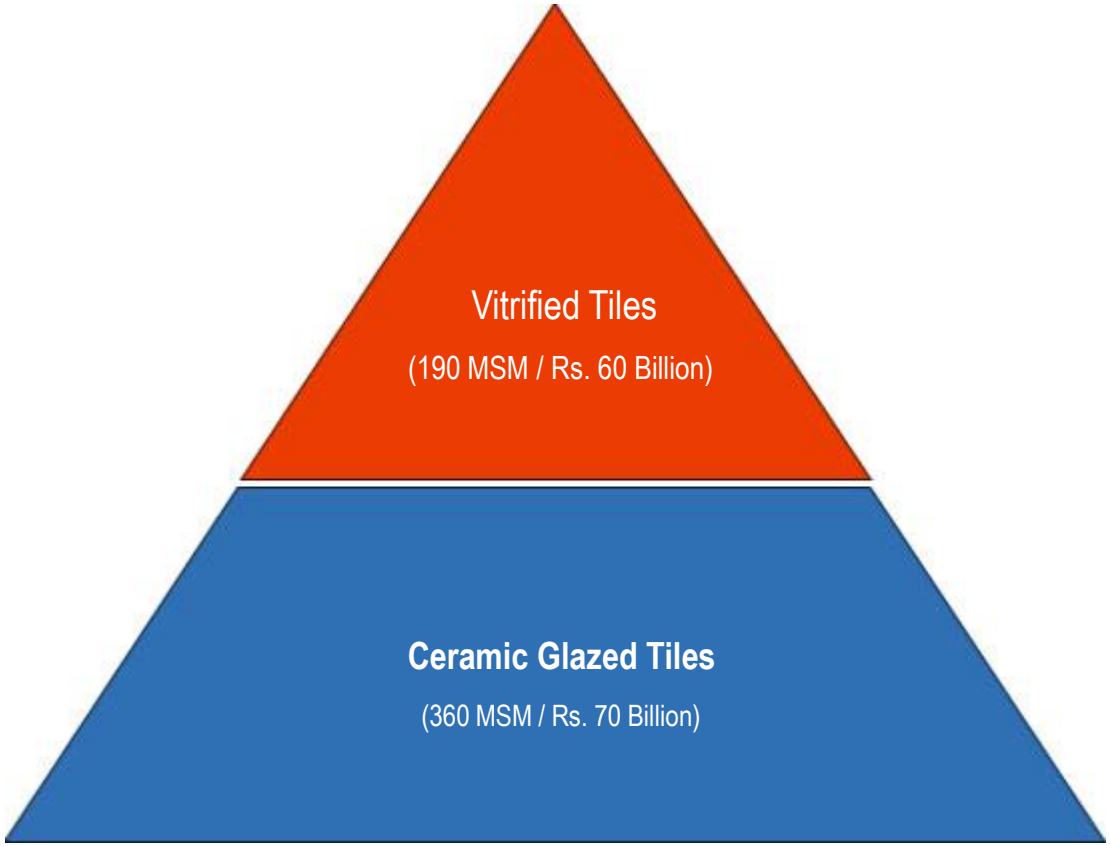
National Players control around 50% of the Industry

	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

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

Indian Industry – Segmentation

How Kajaria is Catering to all the segment of the 550 MSM tile Industry (Rs. 130 Billion)



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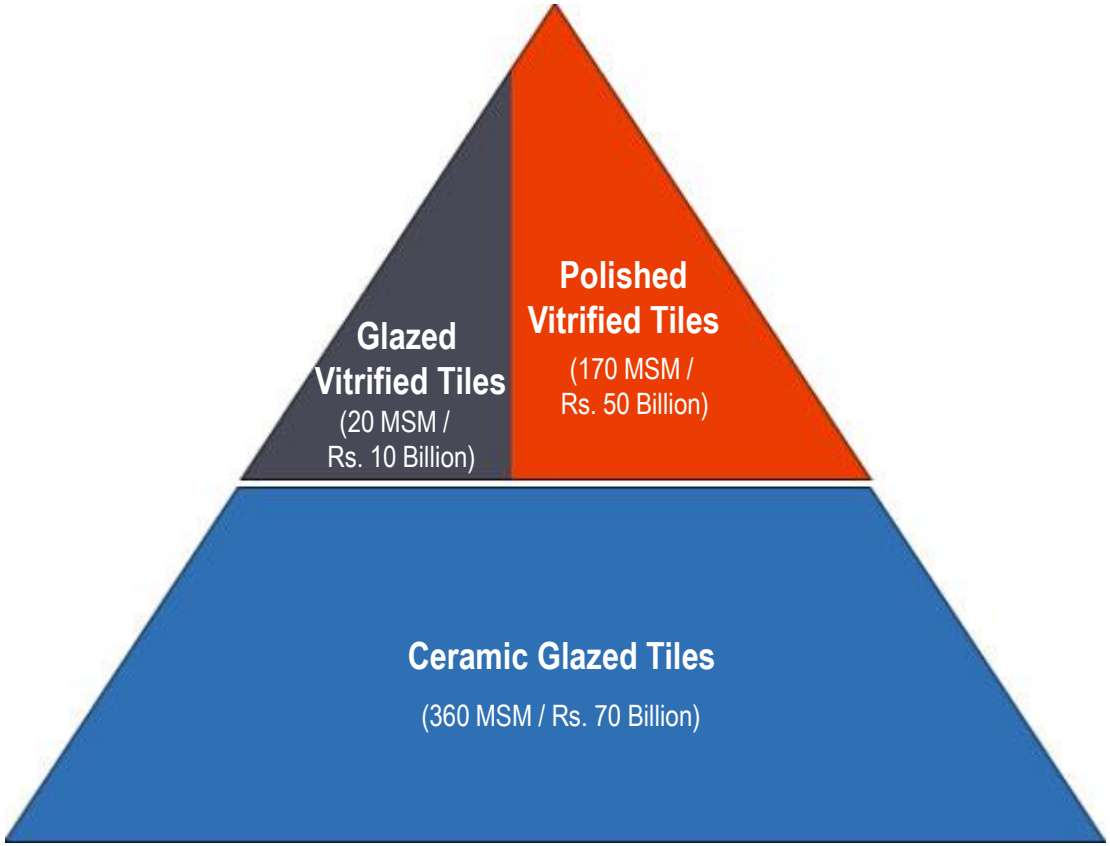
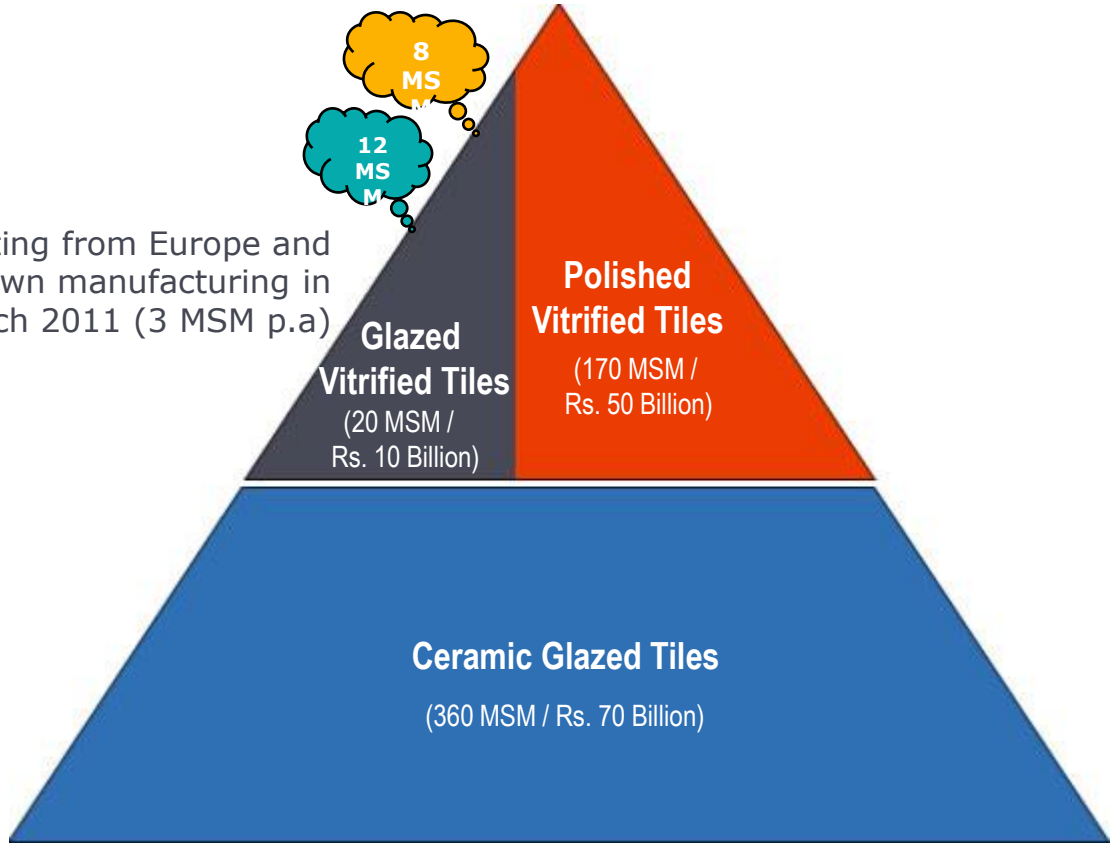


Indian Industry – Segmentation

How Kajaria is Catering to all the segment of the 550 MSM tile Industry (Rs. 130 Billion)

Have been importing from Europe and China and put up own manufacturing in Gailpur in March 2011 (3 MSM p.a)



Import Share Domestic Share

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Indian Industry – Segmentation

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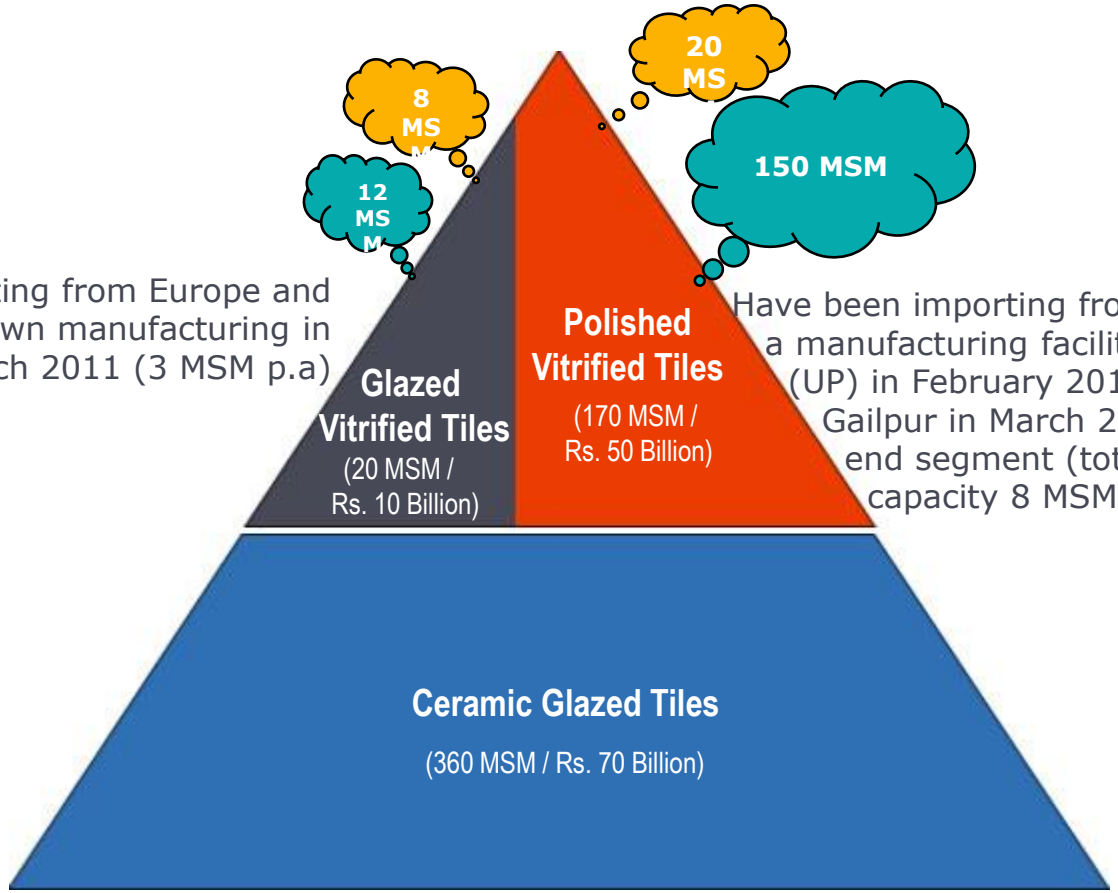

Have been importing from China and put up a manufacturing facility in Sikandrabad (UP) in February 2010 and also in Gailpur in March 2011 to cater to high end segment (total aggregate capacity 8 MSM p.a).

Import Share Domestic Share

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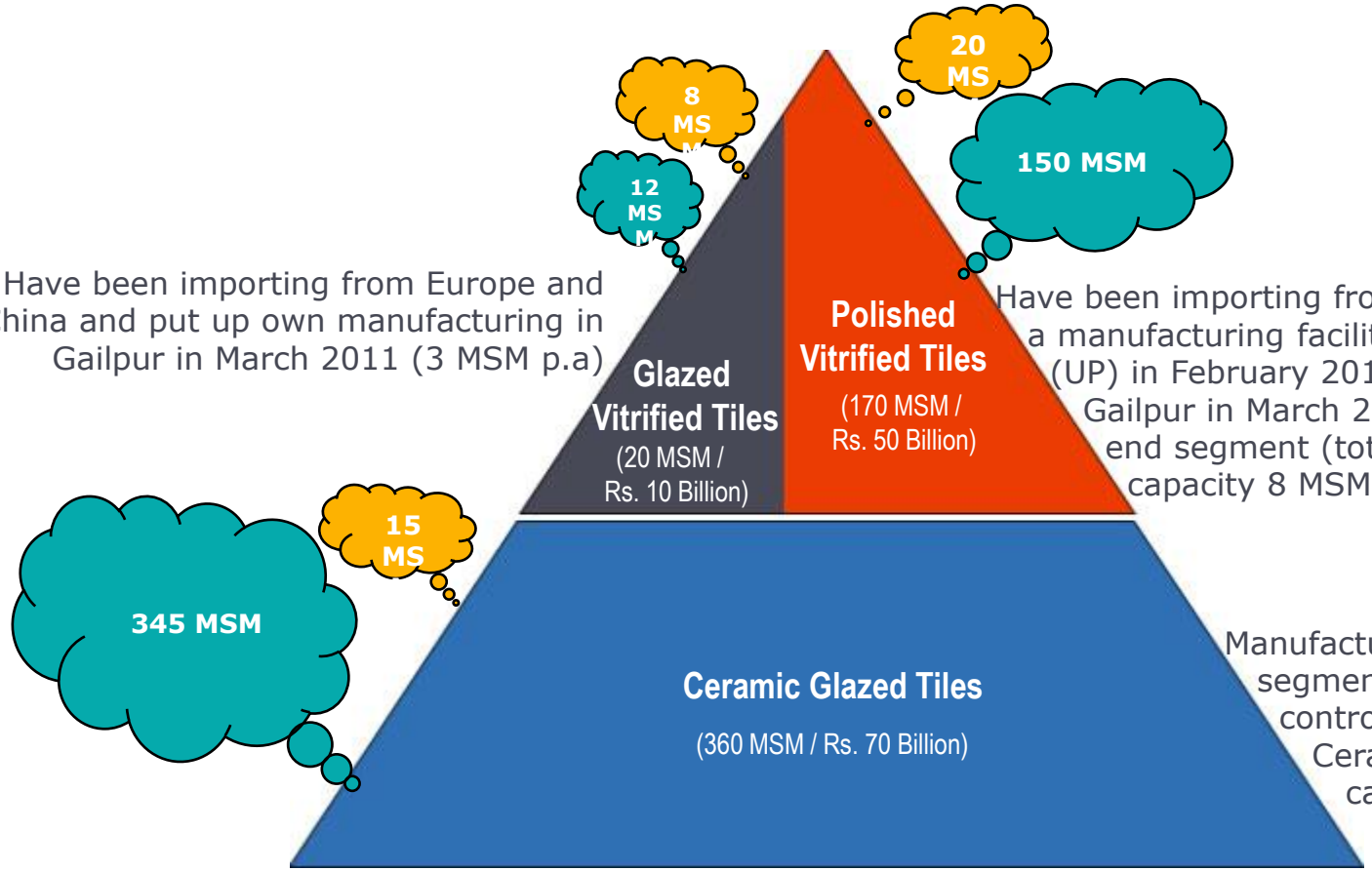
Indian Industry – Segmentation

How Kajaria is Catering to all the segment of the 550 MSM tile Industry (Rs. 130 Billion)



Have been importing from Europe and China and put up own manufacturing in Gailpur in March 2011 (3 MSM p.a)

Have been importing from China and put up a manufacturing facility in Sikandrabad (UP) in February 2010 and also in Gailpur in March 2011 to cater to high end segment (total aggregate capacity 8 MSM p.a).

Manufacturing upper end of the segment and taken over controlling stake in Soriso Ceramic (total aggregate capacity 19.60 MSM P.A)

Import Share **Domestic Share**

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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.

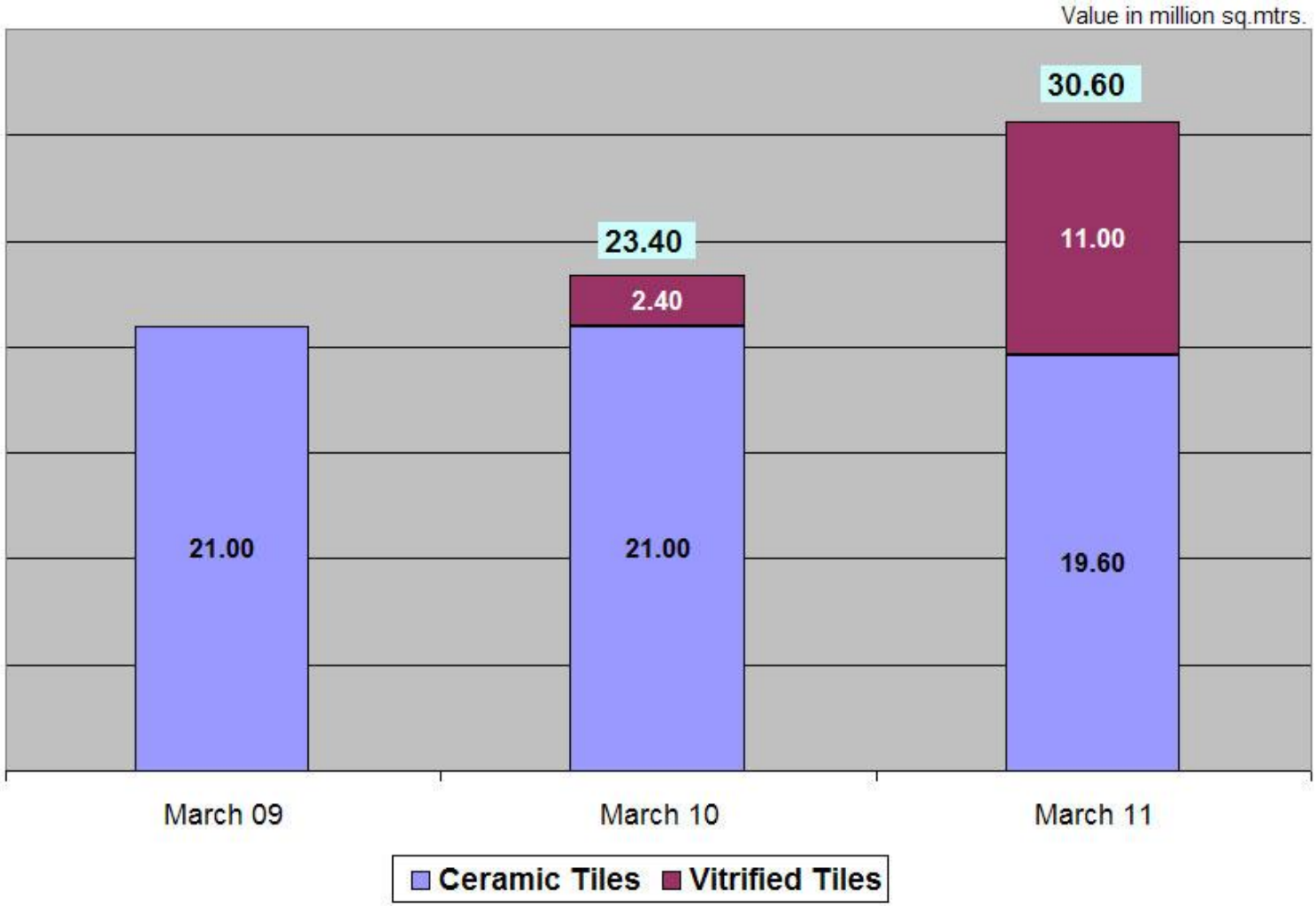
Manufacturing

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.

First ever acquisition

- Acquired 51% stake in Soriso Ceramic Private Limited, based in the State of Gujarat in February 2011.
- Soriso has an annual capacity of 2.30 million sq meters per annum of ceramic floor tiles.
- Expanding capacity from 2.30 MSM to 4.60 MSM (production to commence by January 2012).

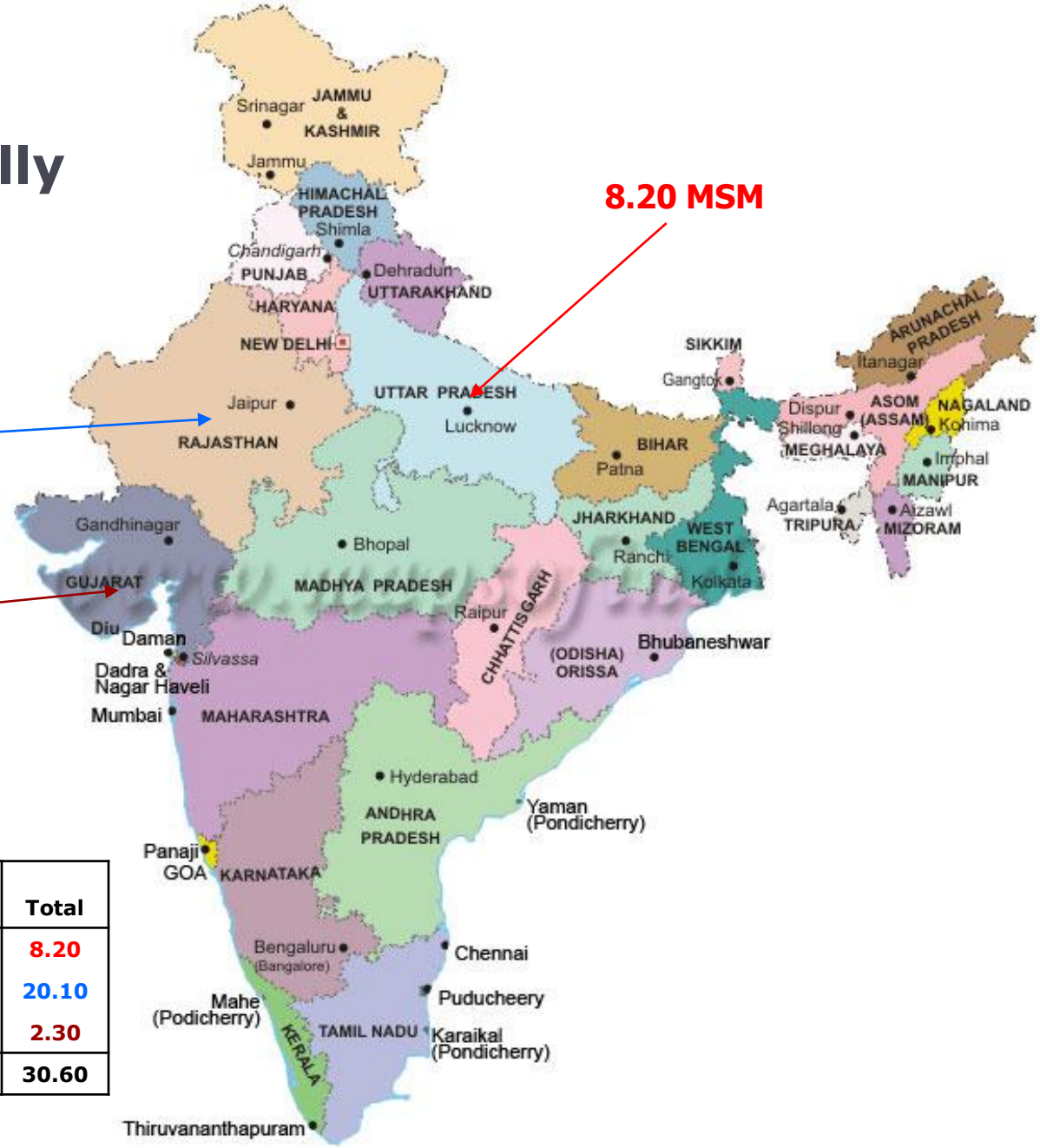
The total present capacity is 30.60 million sq. mtr. making Kajaria the largest manufacturer of ceramic and vitrified tiles in India



Kajaria

How the capacity is divided geographically

Qty in million sq. mtrs. (MSM)

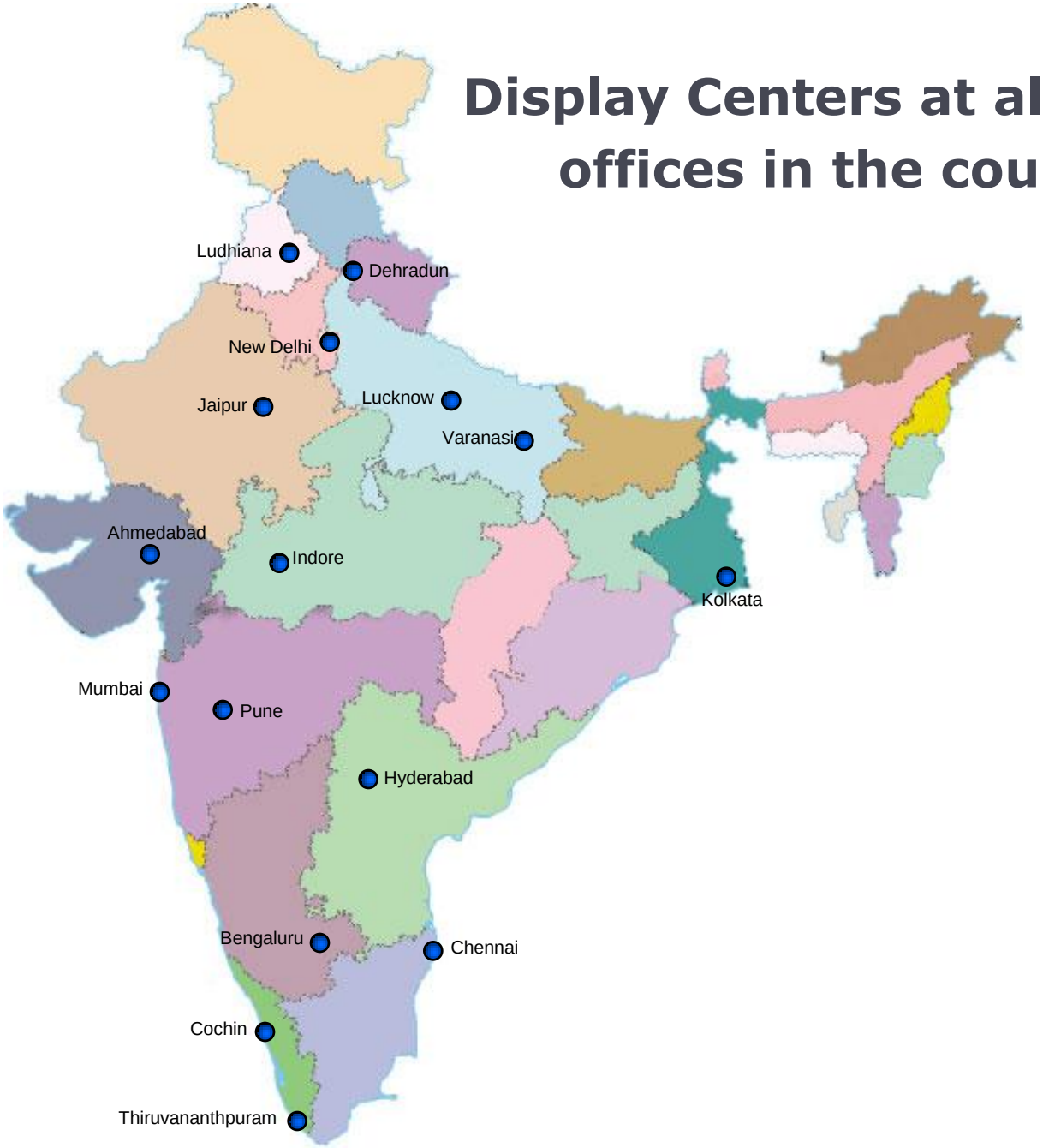


Plant	Ceramic tiles	Vitrified tiles	Total
1. Sikandrabad (UP)	3.20	5.00	8.20
2. Gailpur (Rajasthan)	14.10	6.00	20.10
3. Morbi (Gujarat)	2.30	0.00	2.30
	19.60	11.00	30.60

Distribution network of 800 dealers

(Apart from their sub-dealers)

Display Centers at all the offices in the country



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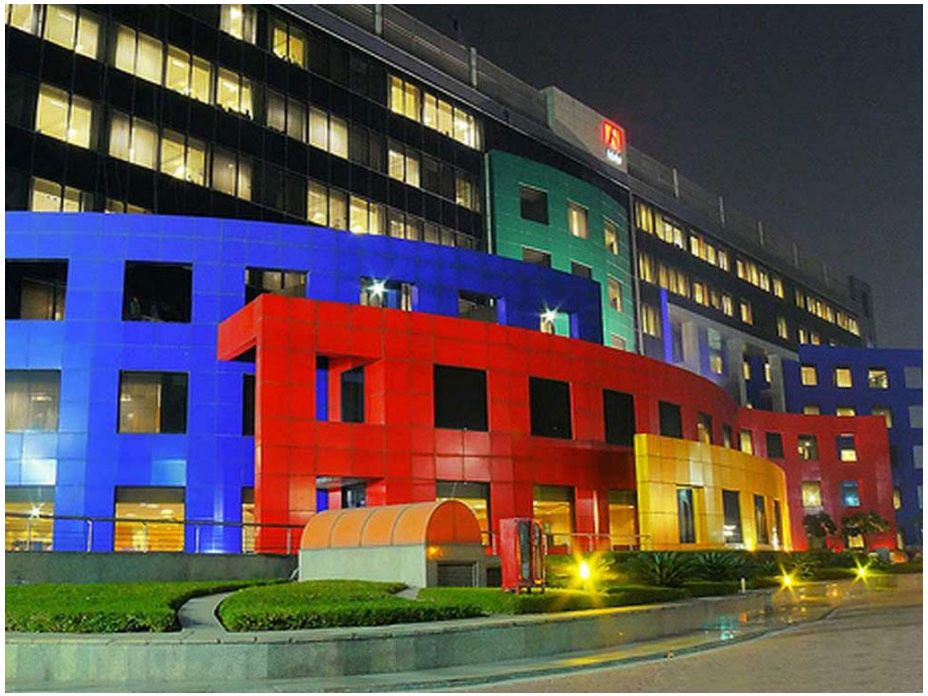
PRESTIGIOUS PROJECTS

Delhi Metro

South Delhi Station

IT / ITES



Adobe Systems India Pvt. Ltd.

PRESTIGIOUS PROJECTS

Developers

The Close - Unitech

Schools

Delhi Public School

Kajaria World

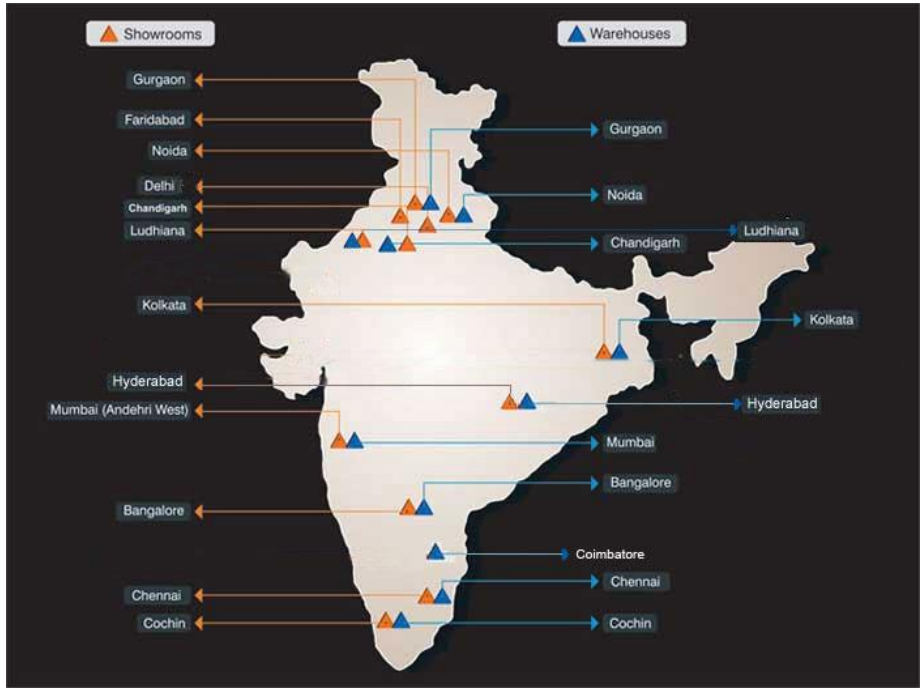
- Retail chain of showrooms selling high end imported tiles and sanitary ware from Spain and China.
- We have 12 showrooms (8 own + 4 franchises) and 12 warehouses.
- Selling leading international brands like:-

SALONI cerâmica Spain..

GRESPANIA CERAMICA Spain..

ARGENTA Spain ...

BALDOCER CERAMICAS Spain ...



Ludhiana

Chennai

Gurgaon

Kajaria

Product quality at par with international standards

Committed to Excellence
India's first tile Company with
ISO 9001 : 2008
CERTIFIED

Committed to Better Health & Safety
India's first tile Company with
OHSAS-18001
CERTIFIED

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

Committed to Save Environment
India's first tile Company with
ISO-14001
CERTIFIED

Indian Green Building Council
M E M B E R

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

Selected Business Superbrand INDIA 2010/11 Industry Validated

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

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Leveraging Synergies

Leveraging the two invaluable assets – the Kajaria brand and unparalleled, multi-layer distribution network – to expand the product bouquet to cater to the growing aspirations of the discerning Indian customers.

- **Forayed into the high-end sanitaryware business which positions the Company as a complete bathroom solution provider**

- **Established a foothold in high-value wooden flooring solutions, by way of import from China.**

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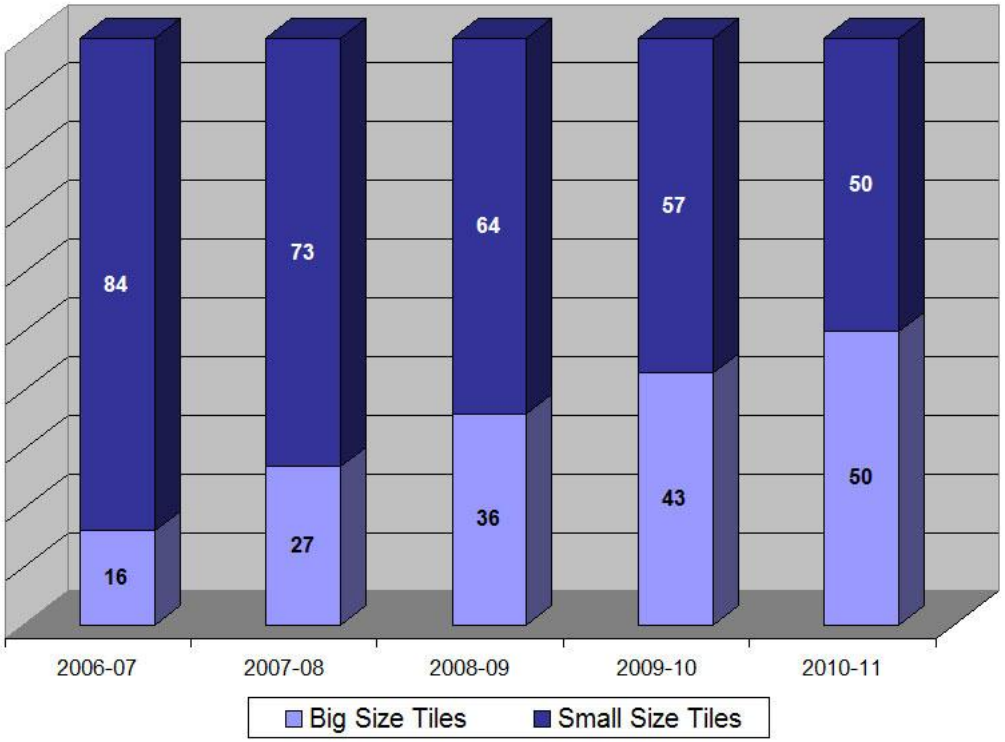
Game Changer

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 value added tiles



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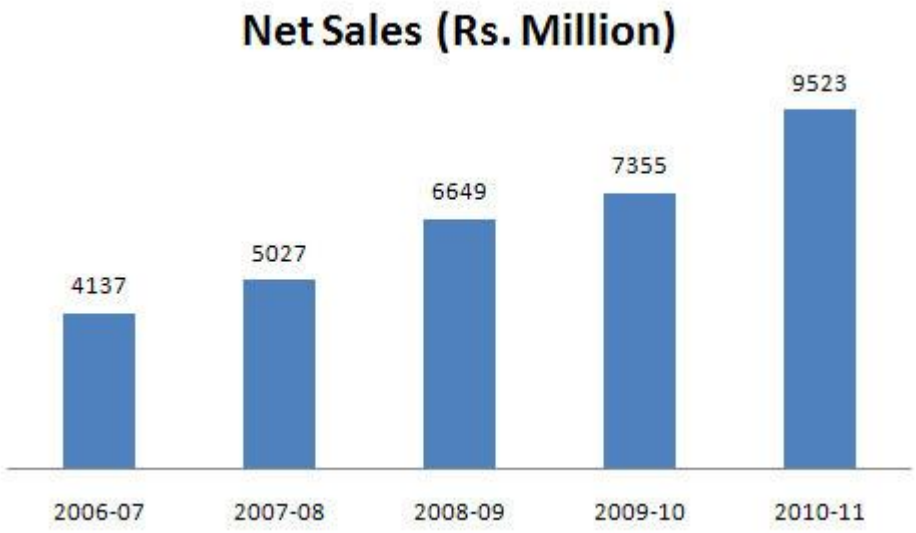
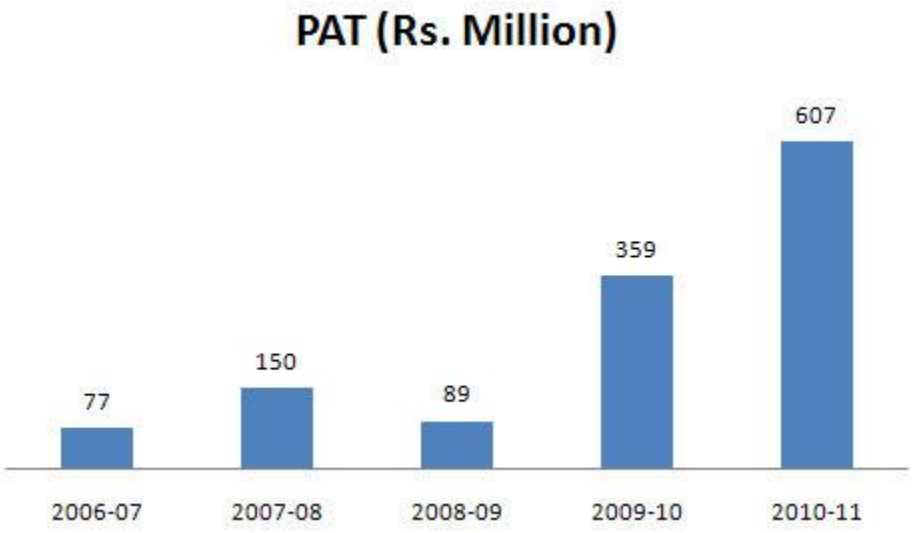
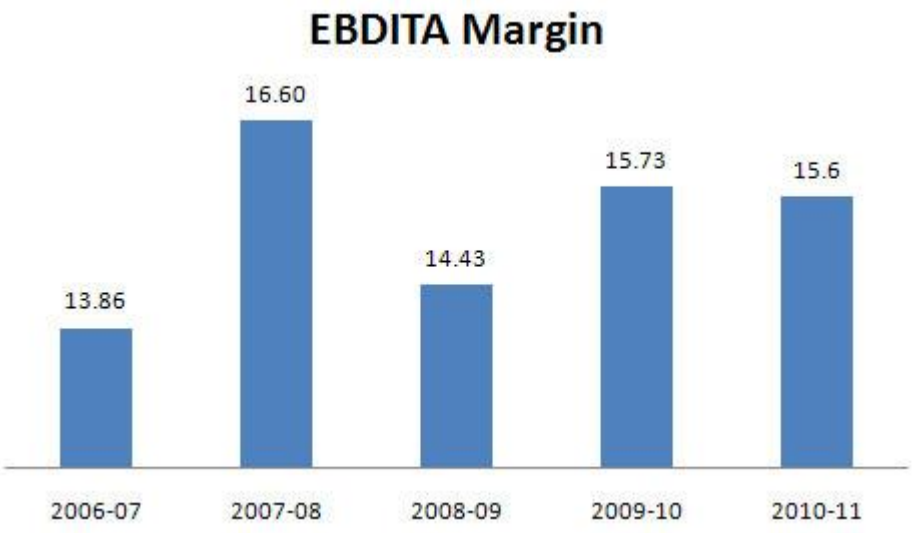
Segment wise Turnover Projection

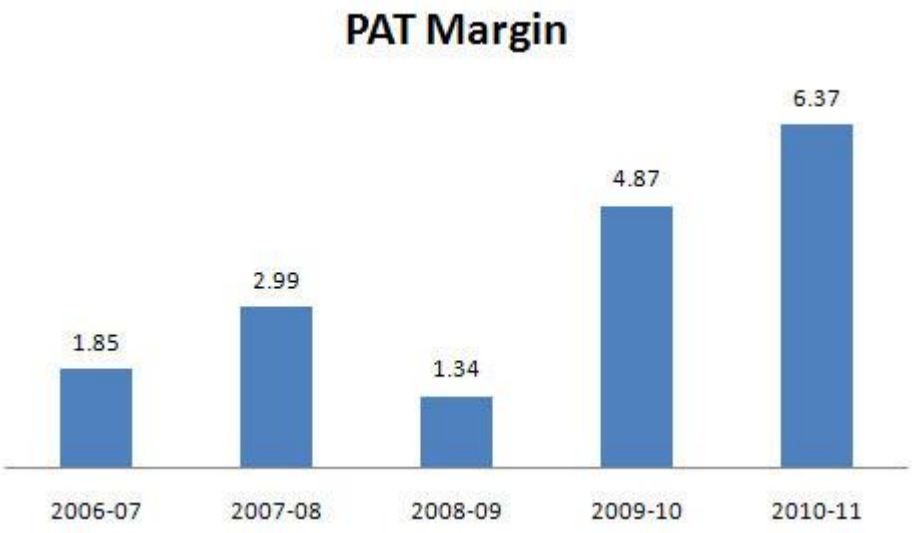
Rs. in Million

	Ceramic Tiles		Polished Vitrified Tiles		Glazed Vitrified Tiles		Imported Tiles	Bathware	Wooden Flooring	Total
Fin Year	Mnfg.	Outso-urcing	Mnfg.	Outso-urcing	Mnfg.	Outso-urcing				
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	63	12	10045

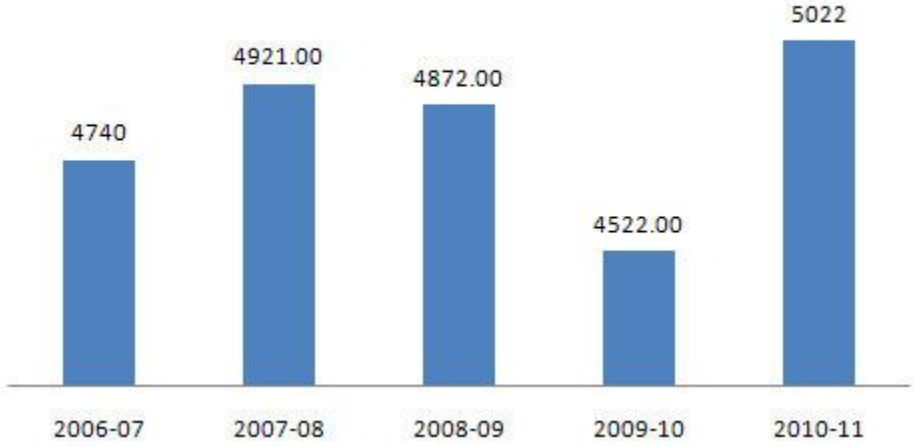

Net Sales (Rs. Million)
4137
5027
6649
7355
9523
2006-07
2007-08
2008-09
2009-10
2010-11


PAT (Rs. Million)
77
150
89
359
607
2006-07
2007-08
2008-09
2009-10
2010-11

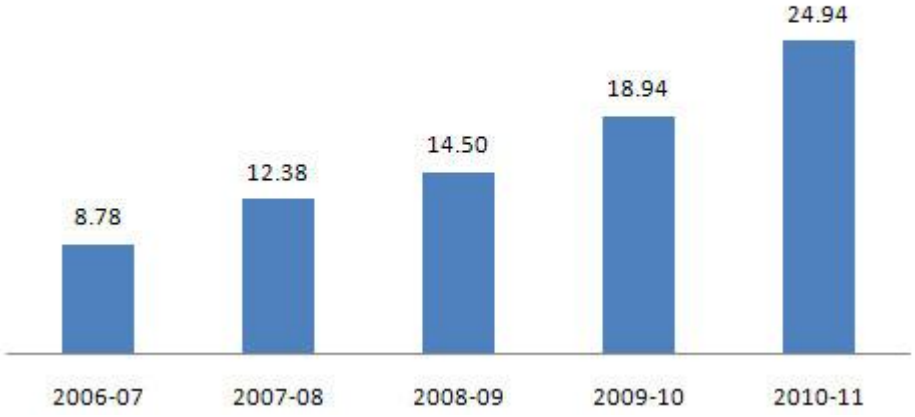

EBDITA Margin
13.86
16.60
14.43
15.73
15.6
2006-07
2007-08
2008-09
2009-10
2010-11


PAT Margin
1.85
2.99
1.34
4.87
6.37
2006-07
2007-08
2008-09
2009-10
2010-11

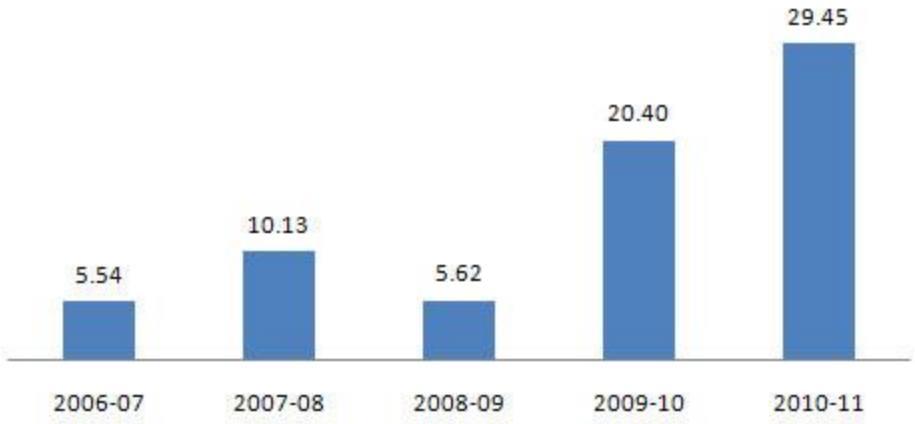
Capital Employed



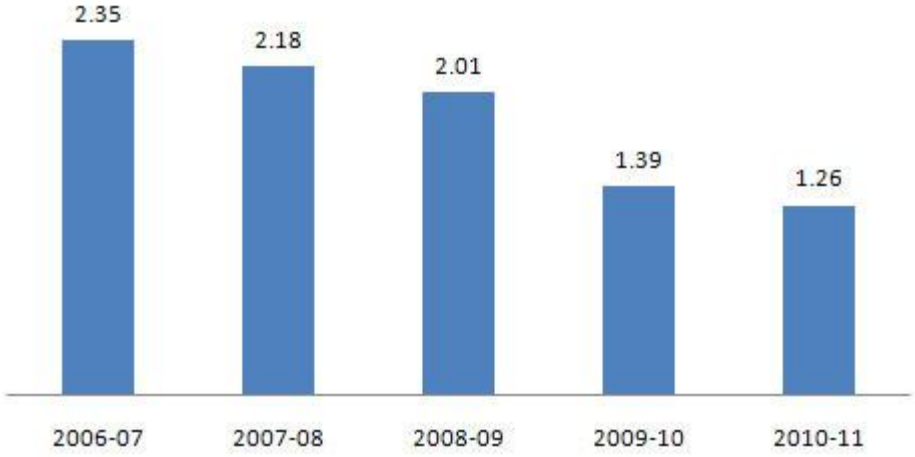
ROCE



RONW



Total Debt/Equity



Financials

Rs in Million

	Quarter Ended			Year ended		
	Growth (%)	Jun '11 #	Jun '10	Growth (%)	Mar '11 #	Mar '10
Gross Sales	40%	2890	2071	31%	10051	7667
Net Sales	39%	2713	1951	29%	9523	7355
PBDIT	38%	433	313	29%	1490	1157
PBDIT%		16%	16%		16%	16%
Less: Interest	17%	91	78	-20%	301	375
Less: Depreciation	21%	90	74	11%	297	267
PBT	56%	252	162	74%	892	514
PBT%		9%	8%		9%	7%
Tax Provision	59%	78	49	83%	285	156
PAT	51%	171	113	70%	607	358
EPS* (Rs)	51%	2.32	1.54	70%	8.24	4.87

- Face Value Rs 2 per share.

\# Consolidated

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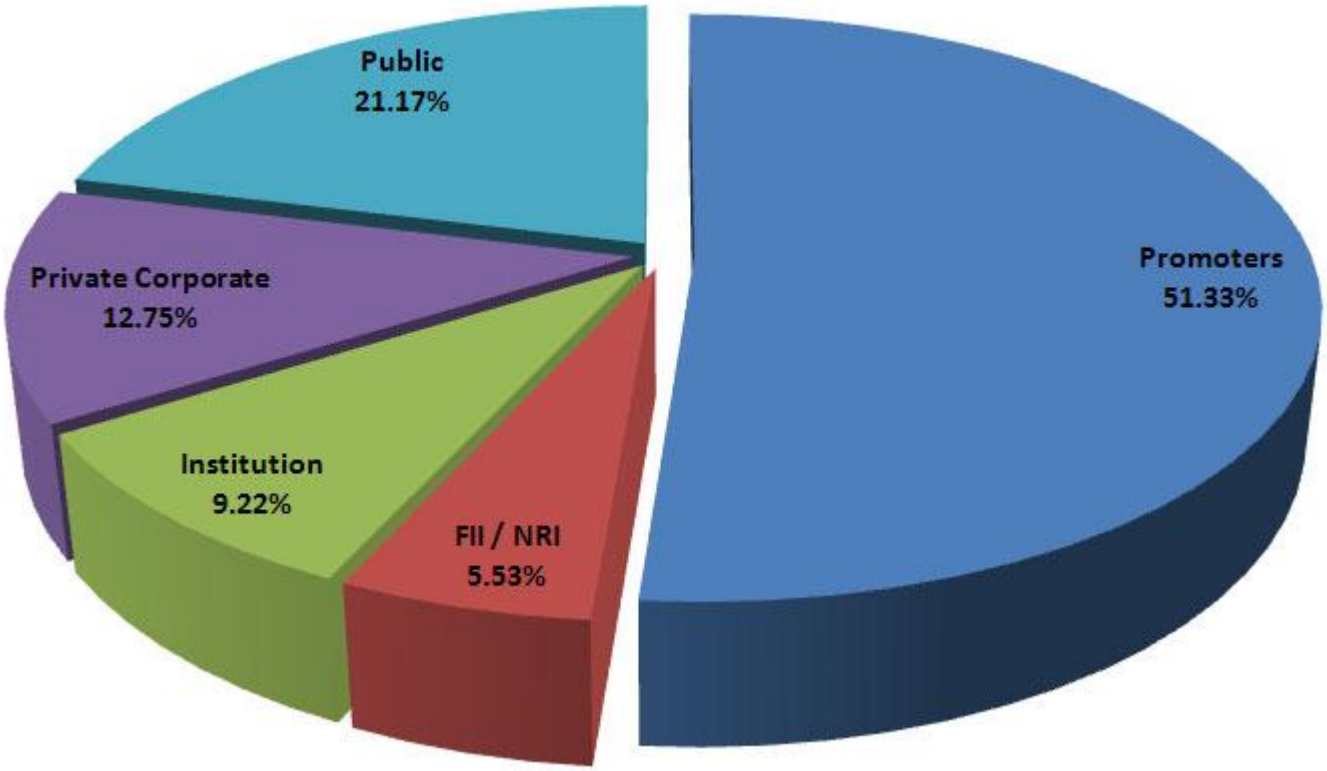
Shareholding pattern (30.06.2011)



Kajaria

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!