Hindusthan National Glass & Industries Ltd (HNG)

Q1 FY2012 Earnings Presentation
July 30, 2011

Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Hindusthan National Glass & Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Contents

Title	Slide No
Key Developments	4
MD's Message	5
Financial Highlights	6
Performance Analysis	9
Operational overview	10
Present Capacities	11
Capacity Additions Update	1
About HNG	14

Key Developments

- HNG acquired Agenda Glas (AG)**, Germany, during the quarter, marking its international foray in the container glass manufacturing segment
  - Acquisition entails a total investment of ~ Euro 50 million (~Rs. 315 crore) over the next one year
  - Agenda Glass plant will add to HNG's technological strength and production processes, enabling the Company to penetrate into European market, one of the largest markets for food and alco-bev industries
  - Agenda Glass went into bankruptcy proceedings in February 2011, and its assets were acquired by HNG Global GmbH (a 100% subsidiary of HNG) through an international bidding process

- Construction of the greenfield glass manufacturing complex at Naidupeta in Nellore district of Andhra Pradesh is progressing well
  - Spread across 210 acres, on completion the complex will accommodate the world's largest batch house, the single largest furnace in India having a capacity of 650 tonne per day (TPD) and the world's largest container glass end port fired furnace of 175 sq. mt.
  - Initial investment of Rs. 800 crore is earmarked for this facility
  - Expected to be established by Q1 FY2013

- Capacity expansion at the existing Nasik facility is underway
  - Planned capacity expansion of 650 TPD involving a capital expenditure of Rs. 725 crore
  - Expected to be commissioned by Q4 FY2012

***** Now Known as HNG Global GmbH – 100 % Subsidiary of HNG***

MD's Message

Commenting on the performance for Q1 FY2012 Mr. Mukul Somany, Vice Chairman & Managing Director of HNG said:

"I am extremely pleased to announce that the first quarter has been very exciting in terms of business developments and overall performance. Revenues for the quarter stood to Rs. 4,318 million and profits improved to Rs. 261 million as a results of healthy demand and our ability to pass on price hikes to the end user. The two price hikes implemented over the last 10 months have facilitated margin correction and we are confident of improving our margins in the coming quarters.

In a strategic move to foray into container glass manufacturing segment in the international market, during the quarter, HNG acquired Agenda Glass, Germany, having a new state-of-art glass manufacturing facility. I am happy to share, within months of this acquisition, we are already witnessing an improvement in capacity utilization which will enhance cost efficiencies and enable us to turnaround this facility in a short span.

We are making good progress towards our plan to double the Company's existing capacity through Greenfield and Brownfield expansions over the next four years. This will further consolidated our position as the largest player in the organized container glass segment. Moving into the future, as we build on our internal efficiencies & execution capabilities and with our focus on growth via organic and in-organic route, we are confident of delivering high value for all our stakeholders."

Financial Highlights

Profit & Loss Statement Snapshot

Particulars (Rs.mn)	Q1 FY2012	Q1 FY2011	Shift	Q4 FY2011	Shift
Total Income	4,318.1	3,647.4	18.3%	4,097.4	5.39%
EBIDTA	784.8	779.3	0.7%	442.5	77.4%
Margins	18.1%	21.3%	-	10.8%	-
Depreciation	261.2	242.3	7.8%	256.7	1.8%
Interest	196.3	121.1	62.1%	141.0	39.2%
Profit Before Tax	327.3	415.9	-21.3%	44.7	632.2%
Margins	7.5%	11.4%	-	1.1%	-
Tax expense	66.4	102.5	-35.2%	81.1	-18.1%
Profit After Tax (after minority interest)	260.9	313.4	-16.8%	-36.4	816%
Margins	6.0%	8.59%	-	-	-
EPS	2.99	3.59	-16.7	-	-

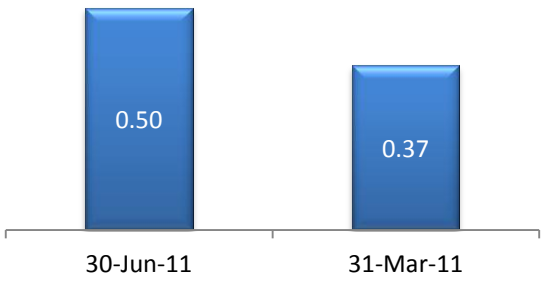
Financial Highlights

Balance Sheet Snapshot

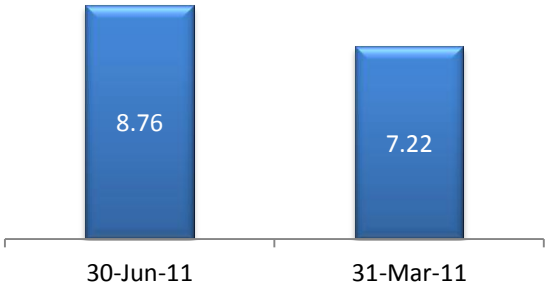
Particulars (Rs. mn)	June 30, 2011	March 31, 2011	June 30, 2010
Gross Block / CWIP	21,946.9	19,997.4	17,168.6
Net worth	11,917.5	11,661.5	11,293.9
Total Debt			
- Long term debt	5,986.5	4,272.9	3,908.4
- Short term debt	2,179.4	2,122.4	1,495.5
Cash & Cash equivalents	50.3	42.1	97.2
Long term Debt to Equity	0.50	0.37	0.35
ROCE (%)	8.76	7.22	9.88
Return on Net worth (%)	8.85	7.82	11.54
Current Ratio	2.15	2.17	2.61
Net working capital cycle (days)	71	74	86

Financial Highlights - Ratios

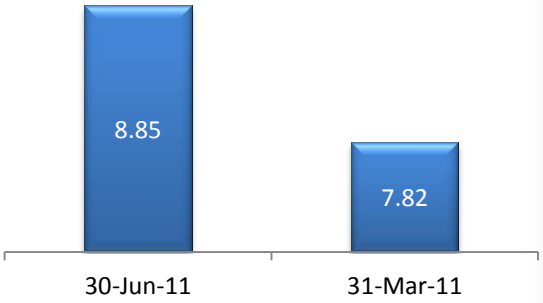
Long term debt / Equity Ratio



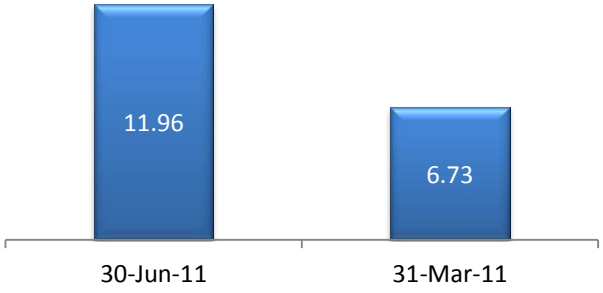
ROCE (%)



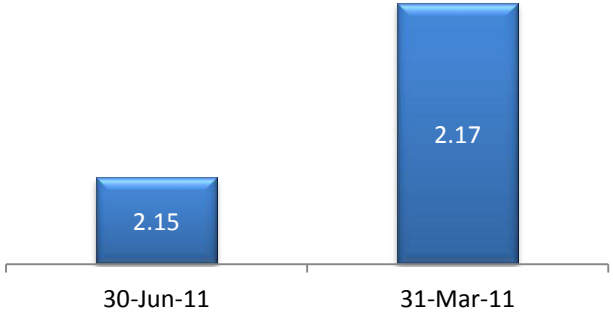
RONW (%)



EPS Annualized (Rs. / share)



Current Ratio (times)



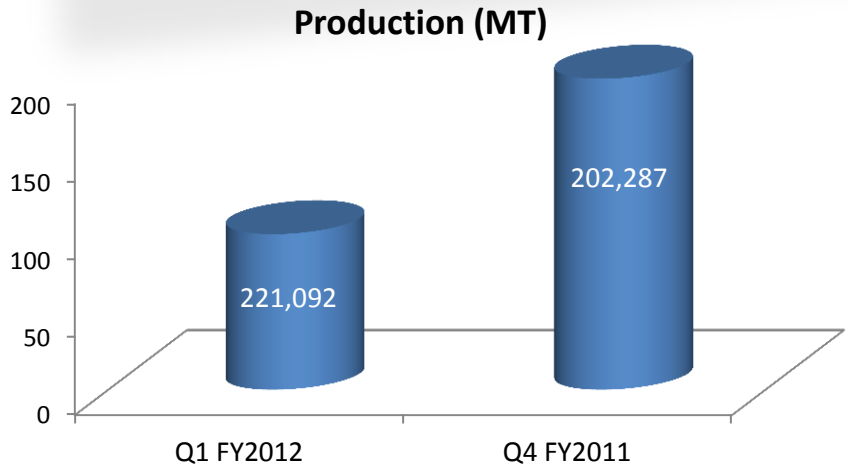
Performance Analysis

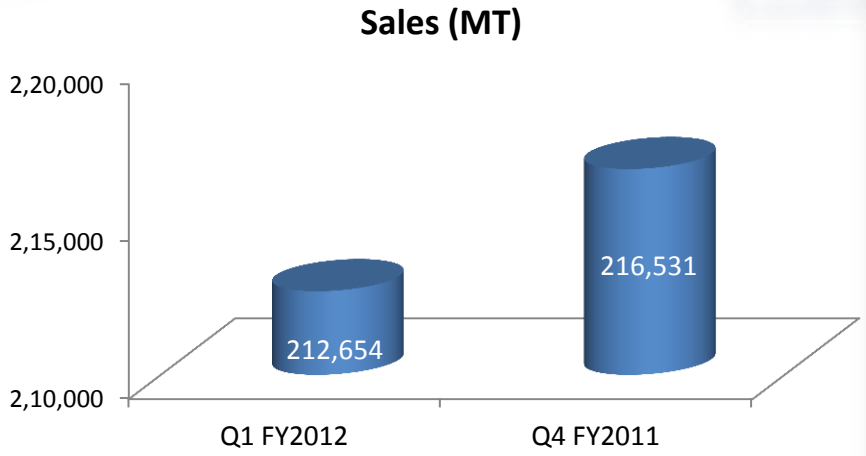
- Revenues for Q1 FY2012 stood at Rs. 4,318 million
  - Volumes during the quarter increased by 9.3 %, as compared to Q4 FY 2011
  - Sales volumes remained stable during the current quarter
  - Realizations for Q1 FY2012 improved by 7.3% as compared to Q4 FY2011
  - Over the past 10 months the Company has implemented two price hikes; the effect of which is expected to reflect in the performance of the coming quarters

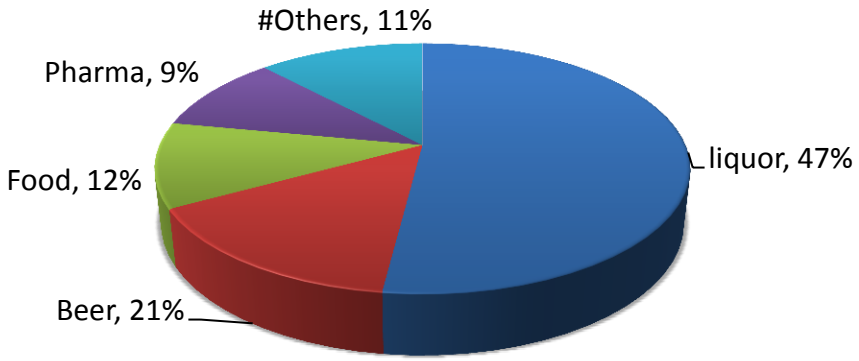
- Q1 FY2012 operating profits have increased significantly by 77.4% over Q4 FY2011
  - Higher realizations enabled the Company to improve operating margins
  - Q4 FY2011 EBITDA was lower by Rs. 21 crore due to non-recurring operational expenses and loss on assets discarded

- Interest & Finance costs have risen to 10.8% (Avg. Q1 FY2012) from 8.5% (Avg. FY2011) given the current interest rate scenario. Further, increased usage of debt financing (about Rs. 1,750 million) has also contributed to higher interest & finance costs
  - Finance and interest charges for the quarter under review stood at Rs. 196.3 million

Operational Overview



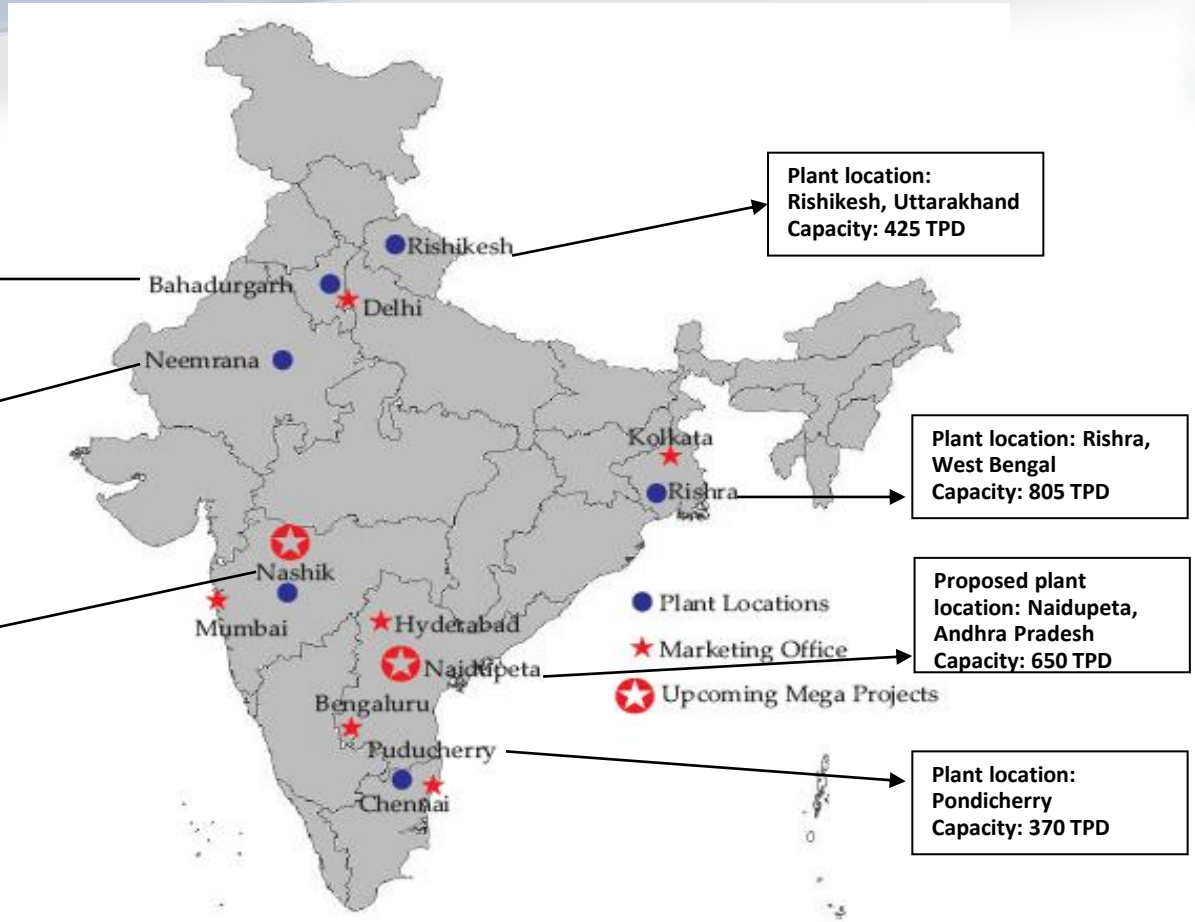




Segment wise sales Q1 - FY2012

Others include Soft drink also

Present Capacities - Domestic



Note : Through Greenfield and Brownfield expansions in India, Capacities expected to grow to 5,975 TPD by FY 2013-14. Besides, Overseas Acquisitions also being pursued.

Present Capacities - International



Plant location:
Gardelegen, Germany
Capacity: 320 TPD

Note : Through Greenfield and Brownfield expansions in India, Capacities expected to grow to 5,975 TPD by FY 2013-14. Besides, Overseas Acquisitions also being pursued.

Capacity Additions update

Location	Furnace No	Start Date	End Date	From TPD	End TPD	New Furnace (N) / Rebuild (R)
Rishra	1	1-Apr-11	17-06-2011	180	280	R
Rishra	6	1-Oct-11	01-02-2012	360	650	R
Neemrana	11	1-Sep-13	01-02-2013	180	550	R
Puducherry	9	1-July-14	01-12-2014	370	550	R
Nashik	10	1-Feb-13	01-08-2013	390	550	R
Nashik - New	12	1-Mar-11	01-02-2012		650	N
Naidupeta (AP)	New		01-04-2012		650	N
Gardelegen, Germany	New		12-05-2011		320	N

About HNG

The HNG group, headquartered in Kolkata, was founded by Mr. C.K. Somany, a visionary entrepreneur, in 1946. HNG is listed on BSE, NSE and CSE. The Company's pan-India manufacturing operations are spread over six centres - Rishra, Bahadurgarh, Rishikesh, Puducherry, Nashik and Neemrana. HNG has a production capacity of ~3,250 TPD through 12 furnaces and 48 production lines spread across six plants in India & 1 plant in Germany. The Company is in the process of doubling its capacity to ~5975 over the next 3 years by way of both Greenfield and Brownfield expansion in India.

The Company is one of the frontrunners in the Indian packaging industry and India's leading glass container manufacturer with ~ 55% market share in the Indian glass packaging segment. HNG has strong growth plans in place and is taking significant strides towards their vision of becoming one of the top 15 glass packaging companies globally.

HNG group also diversified into the float glass segment through HNG Float Glass Limited (Associate Company). The other companies under HNG's wings are Glass Equipment (India) Ltd. (GEIL), Quality Minerals Ltd. (QML), and HNG Global GmbH (all are 100 % subsidiaries).

THANK YOU

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