ORIENT Bell
WALL & FLOOR TILES

OBL:HO:SEC:00:

New Delhi : 02.06.2015

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga BuildingPhiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Stock Code - 530365

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051

Stock Code: ORIENTBELL

SUB: INVESTOR UPDATE FOR THE QUARTER AND FINANCIAL YEAR ENDED 31.03.2015.

Dear Sir/ Madam,

Please find enclosed herewith Investor update of Orient Bell Ltd. highlighting the performance of the Company during the quarter and financial year ended on 31st March, 2015.

Kindly take the same on record.

Yours Faithfully,
For Orient Bell Limited

Yogesh Mendiratta
Company Secretary & Head-Legal

Encl: as above

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CIN: L14101UP1977PLC021546

Orient Bell Limited

Q4 FY15/FY15 – Investor Update

May, 2015

Key Industry Highlights – Significant Opportunities Ahead…

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Stable Costs

Stability in Raw material costs and softening of fuel prices in the short term to contribute positively towards the sector

Enhanced focus on Infrastructure and Favorable Regulatory Framework

Clearances of large infrastructure projects, execution of Swacch Bharat Abhiyaan, and implementation of favorable regulatory policies aimed to promote indigenous production and increase investments in India would provide significant impetus to the industry, especially to organized tile players

Positive Outlook of Housing Sector

Positive sentiment towards the housing sector on the back of cheaper home loans is expected to cascade strong demand for tiles in the coming years

Setting up of Real Estate Regulatory Authority (RERA) – Real Estate Bill

The body aims to develop, increase transparency and consumer confidence, and promote investments in the Real Estate Sector in India; will provide thrust to Housing and Building Materials sectors

Favorable regulatory policies with enhanced focus on Infrastructure by the Govt. housing sector driven by reduced interest rates and creation of RERA to provide enormous growth opportunities to the industry

Quarterly Overviews

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Own Manufacturing

FY 15 - 22.34 msm produced equating 93% of capacity (FY14 - 80%)

FY 15 – 16.06% higher production from FY 14.

Operational Performance

In FY15 - Sales volume increased 9.3% % y/y to reach 27.4 mn sq. meters

Finished Stock in No: of Days down to 41.1 days in FY 15 against 61.9 days in FY 14

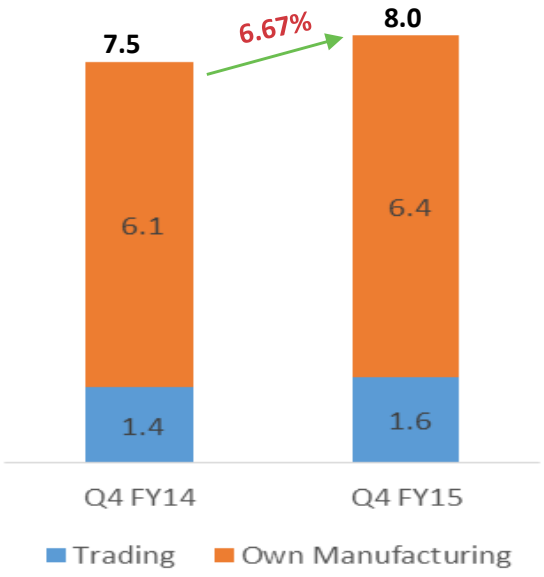
Financial Performance

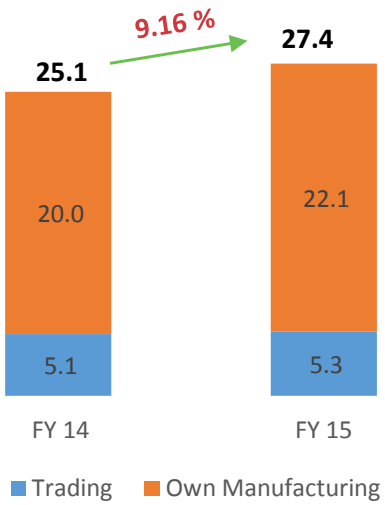
FY 15 - Gross Sales increased by 18.34% y/y to reach INR7,497.2 mn of which own Manufacturing accounted for INR5,661.2 mn; up 19.8% y/y

FY 15 – PBT increased by 123.4% over FY 14.

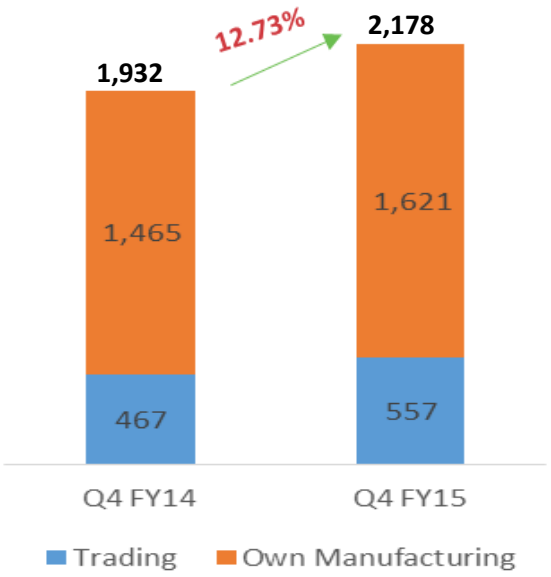
Sales Performance

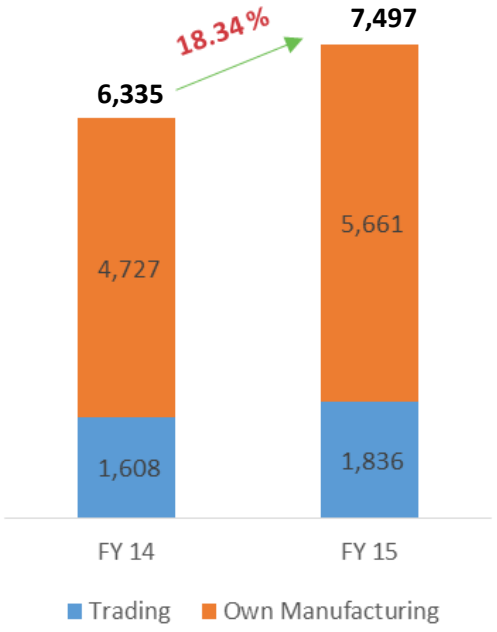
Sales Volume *(in Mn Sq Mtrs)*



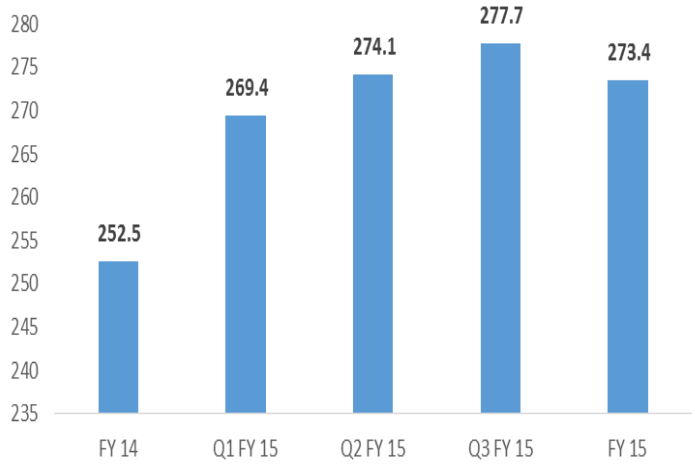


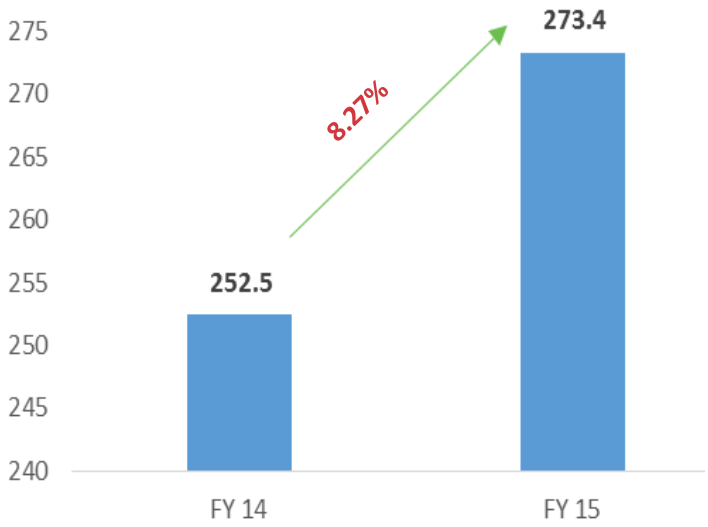
Sales Value *(INR Mn)*





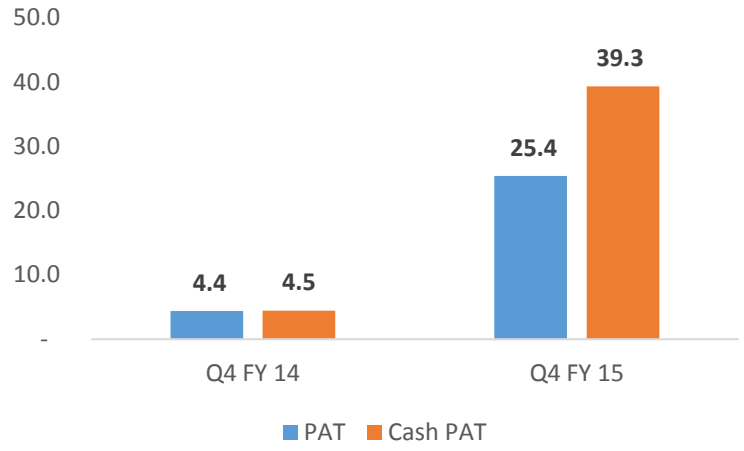
Average Sales Price (₹/m2)





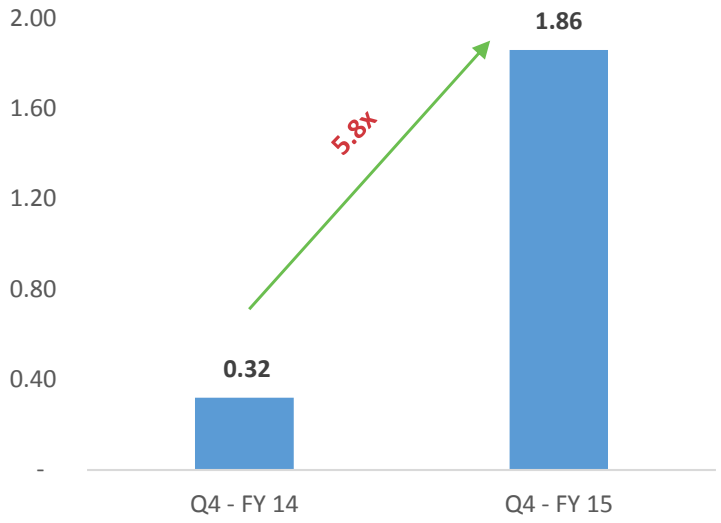
Profitability

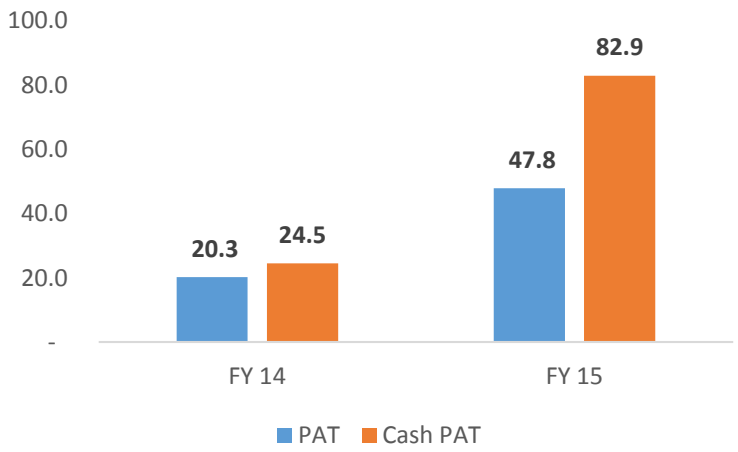
PAT & Cash PAT *(INR Mn)*



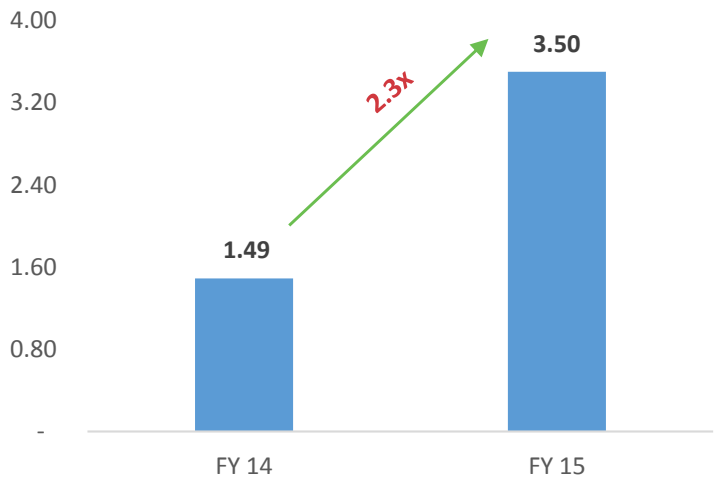
PAT in Q4 FY15 increased 483% y/y ; Cash PAT increased 781% during the same period

EPS* (₹/share)





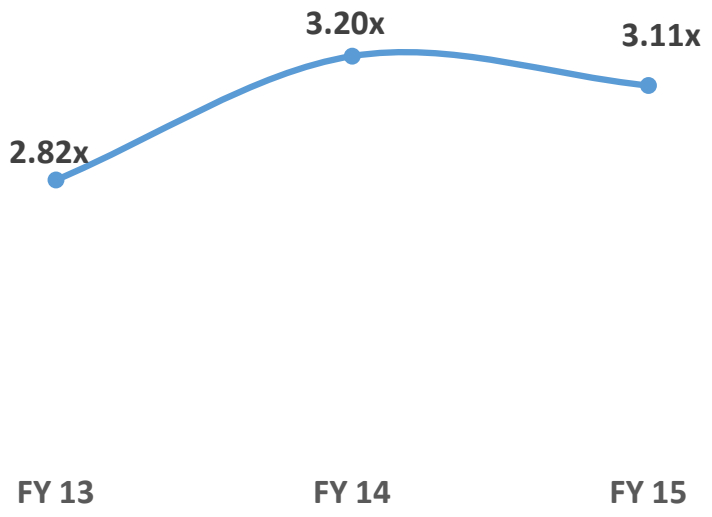
PAT in FY15 increased 136% y/y ; Cash PAT increased 238% during the same period



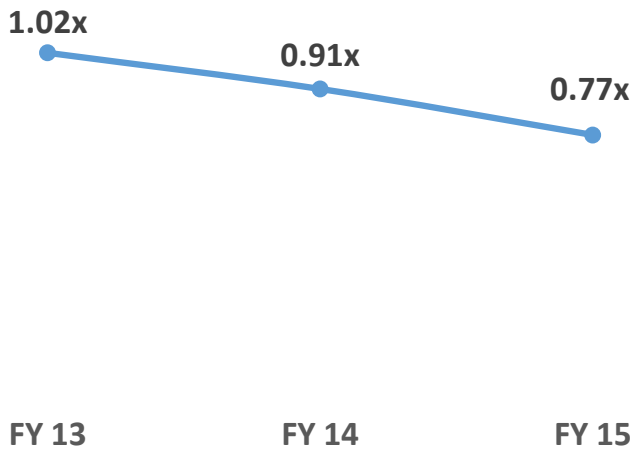
***Fully Diluted EPS**

Leverage

Net-Debt/EBITDA



Debt to Equity



Enhanced focus on deleveraging resulting in significantly low interest costs; PBT increased over 123% y/y in FY15

Note: Debt is excluding current portion during the period

Q4 FY15/FY15 Profit & Loss

ORIENT Bell WALL & FLOOR TILES

INR Mn

Period	Q4FY14	Q4FY15	Growth y-o-y	FY14	FY15	Growth y-o-y
Sales (Gross)	1,931.7	2,178.5	12.8%	6,334.7	7,497.2	18.4%
Sales (Net)	1,779.4	2,009.0	12.9%	5,837.2	6,912.3	18.4%
Adj. EBITDA*	108.1	142.6	32.1%	482.0	500.0*	3.7%
Margin on Net Sales	6.1%	7.1%	17.0%	8.3%	7.3%	(12.0%)
PBT	4.5	45.3	907.7%	45.9	102.5	123.5%
Margin on Net Sales	0.3%	2.3%	792.5%	0.8%	1.5%	88.7%
PAT	4.4	25.6	481.3%	20.3	47.8**	136.0%
Margin on Net Sales	0.2%	1.3%	414.8%	0.3%	0.7%	99.3%

- Other Income of **INR28.7 mn includes INR11.6 mn** write back of provisions earlier made in the books of accounts subsequent to writing off the amounts in the books of accounts
- EBITDA in current year was negatively impacted due to increase in fuel costs and optimization of inventory

Adjusted for **Provision for Bad Debts of INR13.0 mn.*

Actual Tax outflow was only **INR18.2 mn as against a provision of INR53.36 mn** on account of MAT credit available due to carried forward losses of Erstwile Bell Ceramics; **Cash PAT for FY15 INR 82.9 mn

Credit Rating

CRISIL upgraded our credit rating for Bank Facilities:

Bank Facility	Rating	Upgraded From
Long Term	BBB+ (Stable)	BBB+ (Negative)
Short Term	A2	No Change

Rationale

- OBL's established market position backed by strong distribution network, diversified geographical and customer base,and above-average financial risk due to efficient working capital management
- Financial risk profile to improve over the near term on account of low capex requirements and repayment of majority of long-term debt over the next two years
- Gearing expected to be **less than 1.1 times** for FY16 on the back of low working capital requirements
- Liquidity is also expected to improve with increasing cash accruals
- Interest coverage ratio expected to be **over 2.5 times** in the near term

Orient Bell Tile Boutiques (OBTBs) and Integration of Bell Ceramics

- OBTBs are exclusive display centers for OBL to display its high end and patent pending products
- During the year we saw a shift of **700 basis points** from our low end products to high value product categories due to better display and reach
- Total **OBTBs in the country are 87** of which eight are company owned
- Plan to **launch 31 more OBTBs by Nov'2015** including one company owned boutique
- The final leg of system integration of Bell Ceramics (changeover to uniform Orient Bell Information System) is underway and may marginally impact sales in Q1 FY16, however in the long-run it would significantly improve our operational efficiency and sales growth

Capacity Expansion…First JV inked

- OBL inked its first JV with a Ceramic Tile Manufacturing manufacturer at Morbi (Gujarat)
- Acquired **19.5% stake** in the Greenfield Project
- Capacity of **4.6 mn sq mts** for polished and glazed vitrified product categories
- Commercial production is expected to commence **by end of Q3'FY16**

Strategy for Growth and Margin improvements

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Before 2010

- Focus on North and East markets
- Product Development
- Capacity Expansion and increasing presence
- Strong in institutional with growing retail

2011-14

- Acquisition and Consolidating Bell Ceramics
- Pan India Presence
- Harmonizing internal systems and process improvements to improve efficiency
- Strengthening Management and Distribution Network
- Launch Digital technology

Way Forward

Growth+

- Build Capacities through Outsourcing/JV route for Vitrified
- Enhancing dedicated retail space with continued momentum of adding OTBTB's in key consumption markets
- Deeper penetration in the Interior Designer and Architect market
- Enhanced focus on Western India

Margins+

- Refining existing lines to improve mix of floor and digital tiles
- Enhanced focus on digital and vitrified floor tiles and thereby profitability
- Orient Bell presence and product awareness to be enhanced with both BTL and ATL advertising

Focus Areas

Disclaimer

The information contained herein has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire.

This Information may include certain statements and estimates provided by the Company with respect to the projected future performance of the Company. Such statements, estimates and projections reflect various assumptions by management concerning possible anticipated results, which assumptions may or may not be correct.

Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the Company.

This presentation may contain statements that are "forward looking statements." The company's actual future results may differ materially from those suggested by such statements, depending on various factors for which the company and its management does not take any responsibility.

For further information, please contact:

Investor Relations:

Orient Bell Limited

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