

October 12, 2010

The Deputy General Manager,
Stock Exchange, Mumbai
Corp. Relation Department,
1st Floor, New trading Ring, Rotunda Bldg
P J Towers, Dalal Street,
Fort, Mumbai-400001

Dear Sir

Disclosure pursuant to the Listing Agreement

Pursuant to its obligations under the Listing Agreement, Please find enclosed herewith a Investors' / Analysts' / Press Release dated 12th October 2010 specifying the summary of Financial Performance for the quarter / half year ended 30th September 2010 and other developments effecting the financial performance of the Company.

Thanking you,

Yours faithfully,

for **Kajaria Ceramics Limited**


R.C. Rawat

Sr. VP (A&T) & Company Secretary

Copy to:

Mr. Hari K- Vice President
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), Mumbai-400051

Kajaria Ceramics Ltd.

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Kajaria Ceramics Ltd

Q2FY11/H1FY11 Results Update

Financial highlights

(Rs Lakhs)	Q2 FY11	Q2 FY10	Growth	H1 FY11	H1FY10	Growth
Gross Sales/Income from Operation	23470	19224	22%	44175	35212	25%
Net Sales	22175	18537	20%	41686	34137	22%
EBIDTA	3489	3044	15%	6619	5579	19%
EBIDTA	16%	16%		16%	16%	
Interest	812	1175	-31%	1589	2267	-30%
Depreciation	775	647	20%	1511	1284	18%
Profit Before Tax	1902	1222	56%	3519	2028	74%
Tax	570	345	65%	1055	547	93%
Profit After Tax	1332	877	52%	2464	1481	66%
Equity	1471	1471	-	1471	1471	-
EPS (Rs)	1.81	1.19	52%	3.35	2.01	67%

Production and capacity utilization

1. Ceramic glazed wall tile unit – Gailpur (Capacity 14.10 MSM p.a)

The ceramic glazed wall tile unit at Gailpur has produced 6.35 msm during the half year ended September 2010 which is 90% of the installed capacity. The capacity utilization should improve further in the 2nd half of this Financial Year.

2. Ceramic glazed floor tile unit – Sikandrabad (Capacity 6.90 MSM pa.)

Out of the 6.9 msm ceramic floor tile capacity, the company had put up 4.2 msm per annum in 2004-05 based on dry grinding technology. This technology has not been much successful in India and also at Kajaria. The production and quality has not been upto the mark. Also availability of quality raw material has not been consistent. This year the company has closed down the production and finally closed the unit in July 2010. The production of the floor tiles has been 1.6 msm in half year ended September 2010 which is 47% of the installed capacity.

Moreover, the floor tile segment has been taken over by vitrified tile segment, therefore, we have decided to convert this 4.2 msm ceramic glazed floor tile plant into vitrified tile plant by adding some balancing equipments to take advantage of growing vitrified tiles segment. We expect conversion of this plant to take place by February 2011 and expect to run the new plant at optimum capacity utilization.

3. Vitrified tiles plant - Sikandrabad

The vitrified tile plant put up by the company in February 2010 has operated at 94% capacity utilization during the half year ended September 2010 and expect to reach optimum capacity utilization in the 2nd half of this fiscal.

4. New expansion status

The expansion of 6 msm annual capacity plant at Gailpur, Rajasthan to manufacture high end polished/glazed vitrified tiles is expected to commence commercial production by January 2011 as earlier planned for December 2010. The Delay was due to heavy rains/floods in northern India.

Review of the financial performance

- During Q2'11 the company has sold 7.08 msm tiles as against 6.78 msm in corresponding quarter and sold 13.47 msm tiles in half year ended 30th September 2010 as compared to 12.78 msm in the corresponding previous half year.
- The company has achieved a Net Sales of Rs 221.75 crore in Q2'11 compared with Rs 185.37 crore in the corresponding previous quarter reflecting a growth of 20%. The same trend was there in respect to half yearly sales. The sale has increased to Rs 416.86 crore during the half year ended 30th September 2010 as compared to 341.37 crore in the previous corresponding quarter, a growth of 22%.

- The EBIDTA has increased by Rs 4.45 crore in the Q2'2011 and Rs 10.40 crore in H1'2011 as compared to corresponding previous quarter/Half year.

The EBIDTA has declined marginally in terms of percentage in Q2'2011 as compared to the corresponding previous quarter due to lower capacity utilization of ceramic floor tile unit and offering more discount to dealer community to push sales due to heavy rains and floods in the country in the month of July/August 2010.

We expect the overall margin percentage to improve in H2'2011 with the commencement of production of high end polished vitrified/Glazed vitrified tiles in Gailpur plant by January 2011, replacing the major portion of import sale.

- PAT for the Q2'2011 and H1'2011 was Rs 13.32 crore and Rs 24.64 crore respectively as compared to Rs 8.77 crore and Rs 14.81 crore in the corresponding preceding quarter/Half year.
- This quarter/Half year ended September 2010 has been "ALL TIME HIGH" in the history of the company, both in terms of turnover and profit.

About Kajaria Ceramics Limited

Kajaria Ceramics Limited is India's one of the leading floor and wall tiles manufacturers. The company is providing complete tile solution to the customers by way of own production and import of tiles. Kajaria started its operation in 1988 with a capacity to produce 1 million sq mtr tiles per annum at Sikandrabad (U P). Today it has got 2 state-of-art modern automatic plants.

The present effective capacity is 19.20 msm per annum and with the modernization of Sikandrabad plant and new addition in Gailpur would go up to 27.20 msm by February 2011.

For Further information please contact:

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ceramic glazed wall/floor tile is a mix of different kind of clays with coating of different kind of glaze and colours and fully stain free
\$ Vitrified / polished porcelain tile has very negligible water absorption level and has homogenous body