

Kajaria Ceramics Ltd

Q3FY11/9MFY11 Results Update

Financial highlights

(Rs Lakhs)	Q3 FY11	Q3 FY10	Growth	9M FY11	9M FY10	Growth
Gross Sales/Income from Operation	26641	18834	41%	70867	54046	31%
Net Sales	25366	17970	41%	67103	52107	29%
EBIDTA	3970	2904	37%	10589	8483	25%
EBIDTA	16%	16%		16%	16%	
Interest	732	1004	-27%	2321	3271	-29%
Depreciation	724	648	12%	2235	1932	16%
Profit Before Tax	2514	1252	101%	6033	3280	84%
Tax	755	425	78%	1810	972	86%
Profit After Tax	1759	827	113%	4223	2308	83%
Equity	1471	1471	-	1471	1471	-
EPS (Rs)	2.39	1.12	113%	5.74	3.14	83%

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 3.84 msm during the quarter ended December 2010 which is more than 100% of the capacity . During the 9 months ended December 2010 this unit has produced 10.20 msm which is 96% of the installed capacity.

2. Ceramic glazed floor tile unit – Sikandrabad (Operational Capacity 3.20 MSM pa.)

The total ceramic glazed tile capacity of this unit was 6.90 msm in the beginning of the year. We are in the process of conversion of part of ceramic tile capacity in to vitrified tile. The balance available ceramic tile capacity in this plant is 3.20 msm per annum presently. The ceramic glazed floor tile unit at Sikandrabad has produced 0.82 msm in this quarter which is more than 100% of the installed capacity.

3. Vitrified tiles unit – Sikandrabad (Capacity 2.40 MSM p.a)

This unit has produced 0.64 msm during the quarter ended December 2010 which is more than 100% of the capacity . During the 9 months ended December 2010 this unit has produced 1.77 msm which is 98% of the installed capacity.

4. New expansion status

The expansion of 6.00 msm annual capacity plant at Gailpur, Rajasthan to manufacture high end polished/glazed vitrified tiles is expected to commence commercial production by February 2011. The conversion of part of ceramic tile unit in to vitrified tile shall be complete by March 2011 and add 2.60 msm of vitrified tiles in Sikandrabad.

Post these expansion/conversion, the total aggregate ceramic and vitrified tile capacity of the company would be 28.30 msm per annum making it the largest producer of ceramic & vitrified tiles in India.

Review of the financial performance

- During Q3'11 the company has sold 5.04 msm tiles (Own Manufacturing) as against 4.23 msm in corresponding quarter and 14.80 msm tiles (Own Manufacturing) in 9 months ended 31st December 2010 as compared to 14.25 msm in the corresponding previous 9 months.
- In addition Q3'11 the company has sold 2.94 msm tiles (Trading) as against 1.80 msm in corresponding quarter and 7.16 msm tiles (Trading) in 9 months ended 31st December 2010 as compared to 4.54 msm in the corresponding previous 9 months.
- The company has achieved a Net Sales of Rs 253.66 crore in Q3'11 compared with Rs 179.70 crore in the corresponding previous quarter reflecting a growth of 41%. The sale has increased to Rs 708.67 crore during

the 9 months ended 31st December 2010 as compared to 540.46 crore in the previous corresponding 9 months, a growth of 29%.

- Though the EBIDTA has increased by Rs 10.66 crore in the Q3'2011 and by Rs 21.06 crore in 9M'2011 as compared to corresponding previous quarter/ 9 months, the EBIDTA margin has declined marginally at 15.65% in Q3'11 as against 16.16% as against the corresponding quarter and also during the 9 months period ended Dec. 2010 at 15.78% as against 16.28% in the corresponding period. This is because of higher weightage of trading turnover, where the margin is much lower than manufacturing. We expect better margin after start of the production of the expended capacity at Gailpur and Sikandrabad.
- PAT for the Q3'2011 and 9M'2011 was Rs 17.59 crore and Rs 42.23 crore respectively as compared to Rs 8.27 crore and Rs 23.08 crore in the corresponding preceding quarter/ 9 months which is 113% and 83% higher as compared to the corresponding period respectively.

Forays Into Sanitaryware & Bath fittings Segment by Tying-up with A Leading European Brand – Vitra

The Company has entered into a MOU with M/s Eczacibasi Yapi Gerecleri A.S., (Eczasibasi) a turkey based manufacturer of various products including the Sanitary ware and CP Fittings under the Brand name of “VitrA” which they intend to market in India. Under the arrangement, Eczasibasi, has appointed Kajaria as its exclusive importer and sole distributor for selling its products in India for a period of 5 years. Kajaria has also opened the first exclusive showroom of Vitra products at Gurgaon on 20th January 2011.

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 19.70 msm per annum and with the modernization of Sikandrabad plant and new addition in Gailpur would go up to 28.30 msm by the end of this year.

For Further information please contact:

Mr Sanjeev Agarwal

Vice President (Finance & Corp. Strategy)

+91-11-26946409 (Board), +91-11-26972936 (Direct)

E-mail: Sanjeev@kajariaceramics.com

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