



Kajaria Ceramics Limited

CORPORATE PRESENTATION

INDUSTRY REVIEW

Global Ceramic Tile Industry

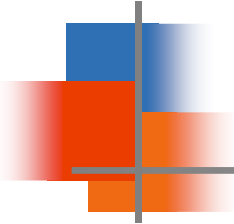
- Total Size - US \$ 36 Billion
- Production – 8495 Million Sqr Mtr for the year ended December 2008.
- The production of top 8 countries is as follows:

		(Million Sq Mtr)			
		<u>CY 05</u>	<u>CY 06</u>	<u>CY 07</u>	<u>CY 08</u>
	CHINA	2500	3000	3200	3400 → 40%
	BRAZIL	568	594	637	713
	ITALY	570	569	559	513
	SPAIN	609	608	585	495
	INDIA	298	340	385	390 → 5%
	IRAN	190	210	250	320
	INDONESIA	175	170	235	278
	VIETNAM	176	199	254	270
TOTAL WORLD PRODUCTION		7050	7725	8210	8495

The Consumption of top 8 countries

		(Million Sq Mtr)			
		<u>CY05</u>	<u>CY06</u>	<u>CY07</u>	<u>CY08</u>
	CHINA	2050	2450	2700	2830 → 34%
	BRAZIL	443	486	535	605
	INDIA	303	350	397	403 → 5%
	IRAN	153	182	236	265
	INDONESIA	155	148	178	262
	SPAIN	303	319	314	240
	VIETNAM	120	145	210	220
	USA	304	308	248	197
TOTAL WORLD CONSUMPTION		6740	7420	8025	8263

- ❑ China and India share almost similar demographics.
- ❑ India lags behind China in consumption of many products including ceramic tiles.
- ❑ This trend is beginning to correct itself; the trend over the last few years indicate a sharp increase in the average consumption of number of products in India.
- ❑ The per capita consumption of China is 2.00 Sq Mtr as against India's 0.36 Sq Mtr which indicate lot of scope of consumption of ceramic/vitrified tile in India.



Indian Tile Industry

- ❑ As on March 2009 the Indian tile industry was to be 403 MSM, estimated to be 450 MSM as on March 2010.
- ❑ Industry size approx. Rs 11200 Crore at March 2010.
- ❑ National Players control 50% of industry.
- ❑ Barring Financial Year 2008-09, the industry has been growing at a CAGR of 15-16% per annum historically.

Indian Industry – Major Players

National Players control around 50% of the Industry

	Turnover as on 31.03.2009 (Rs/Cr)
H&R Johnson	1106
Kajaria Ceramics	691
Nitco Tiles	675
Somany Ceramics	467
Asian Granito	353
Euro Ceramics	263
Orient Ceramics	239
Bell Ceramics	201
Murudeshwar Ceramics	190
Gokul Ceramics	180
Regency Ceramics	158
Bell Granito	80
Decolight Ceramics	77
Others (Restile,Simpolo, Spartek etc)	320
Total	5000

As on March 2010 the share of national players estimated to be **Rs 5800 crore** (a growth of 16% over FY 2008-09)

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



KAJARIA CERAMICS

- an overview -

Manufacturing

- **Kajaria started production in August 1988 at Sikandrabad (UP) with 1 Million Sq Mtr per annum.**

- **Today we have 9.30 Million Sq Mtr of annual capacity in Sikandrabad 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 March 2004 and in September 2006. The present capacity of Gailpur plant is 14.10 millions Sq mtr p.a.



Production Capacity

The total aggregate capacity of the Company on 31.03.2010 is 23.40 MSM p.a:-

Gailpur (wall tiles)		14.10 MSM
Sikandrabad (floor tiles)	6.90 MSM	
Sikandrabad (polished vitrified tiles)	<u>2.40 MSM</u>	<u>9.30 MSM</u>
		23.40 MSM

Indian Tile Industry - Segmentation

How Kajaria is Catering to all the segment of the 450 MSM tile Industry (Rs. 11200 cr)



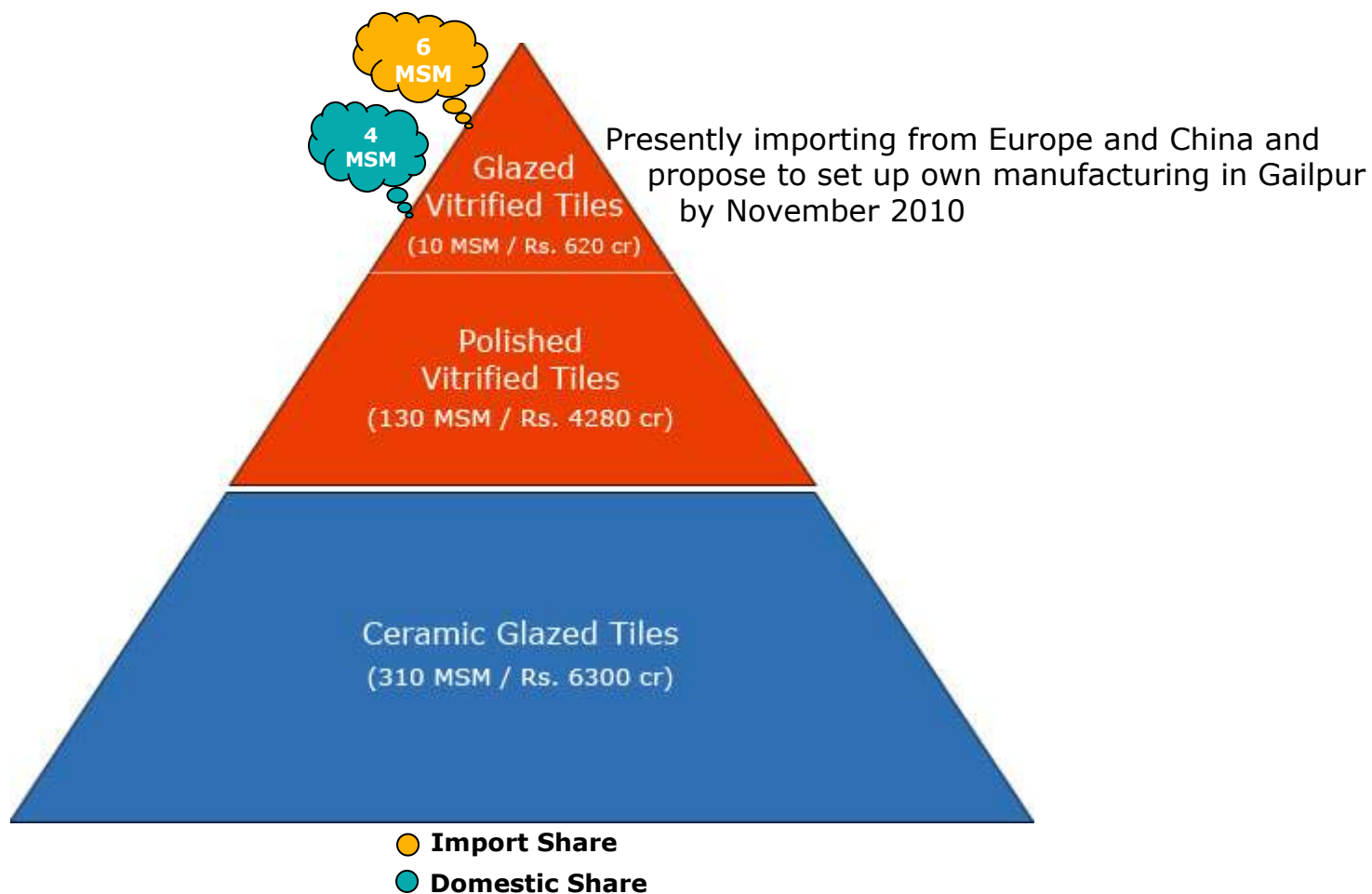
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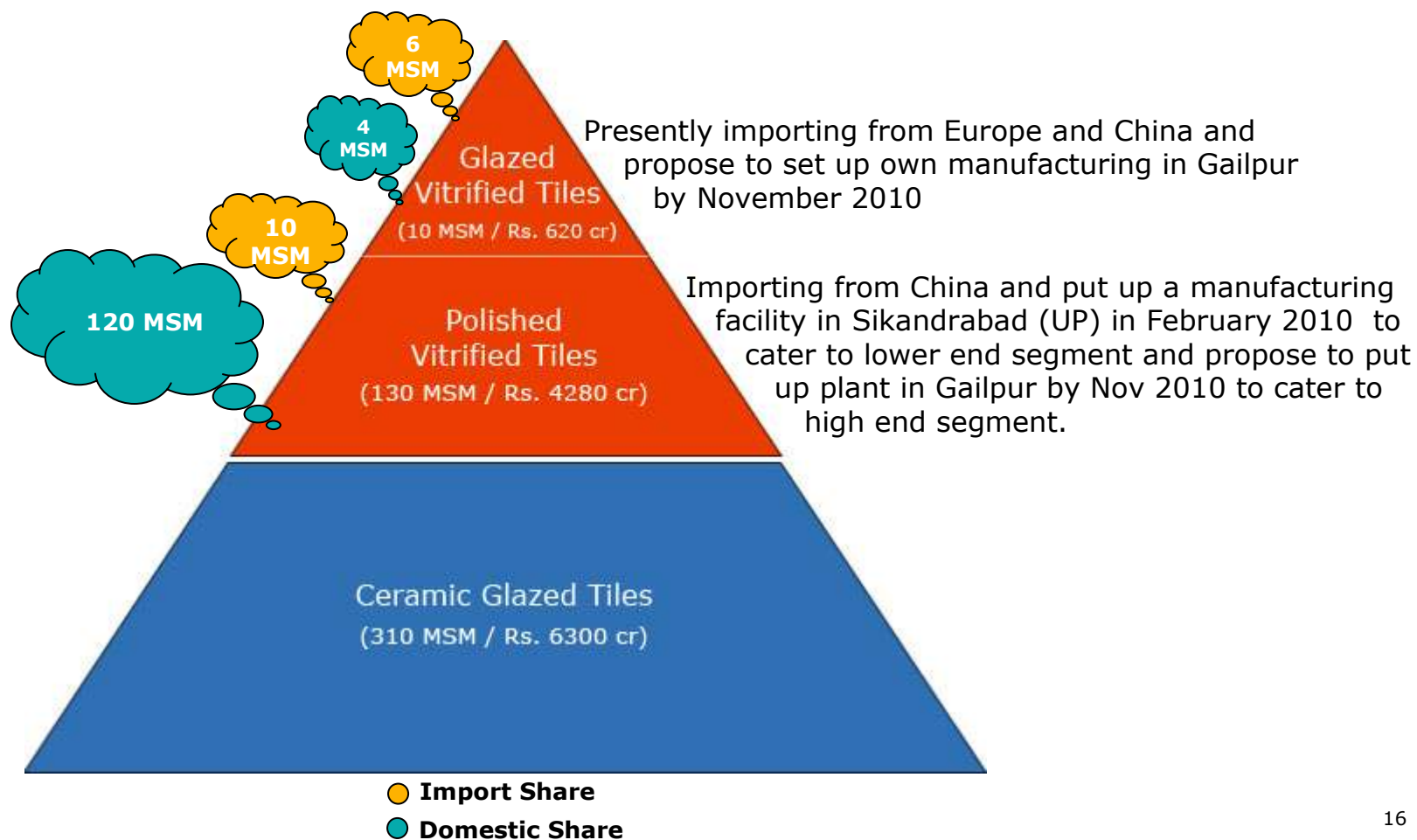
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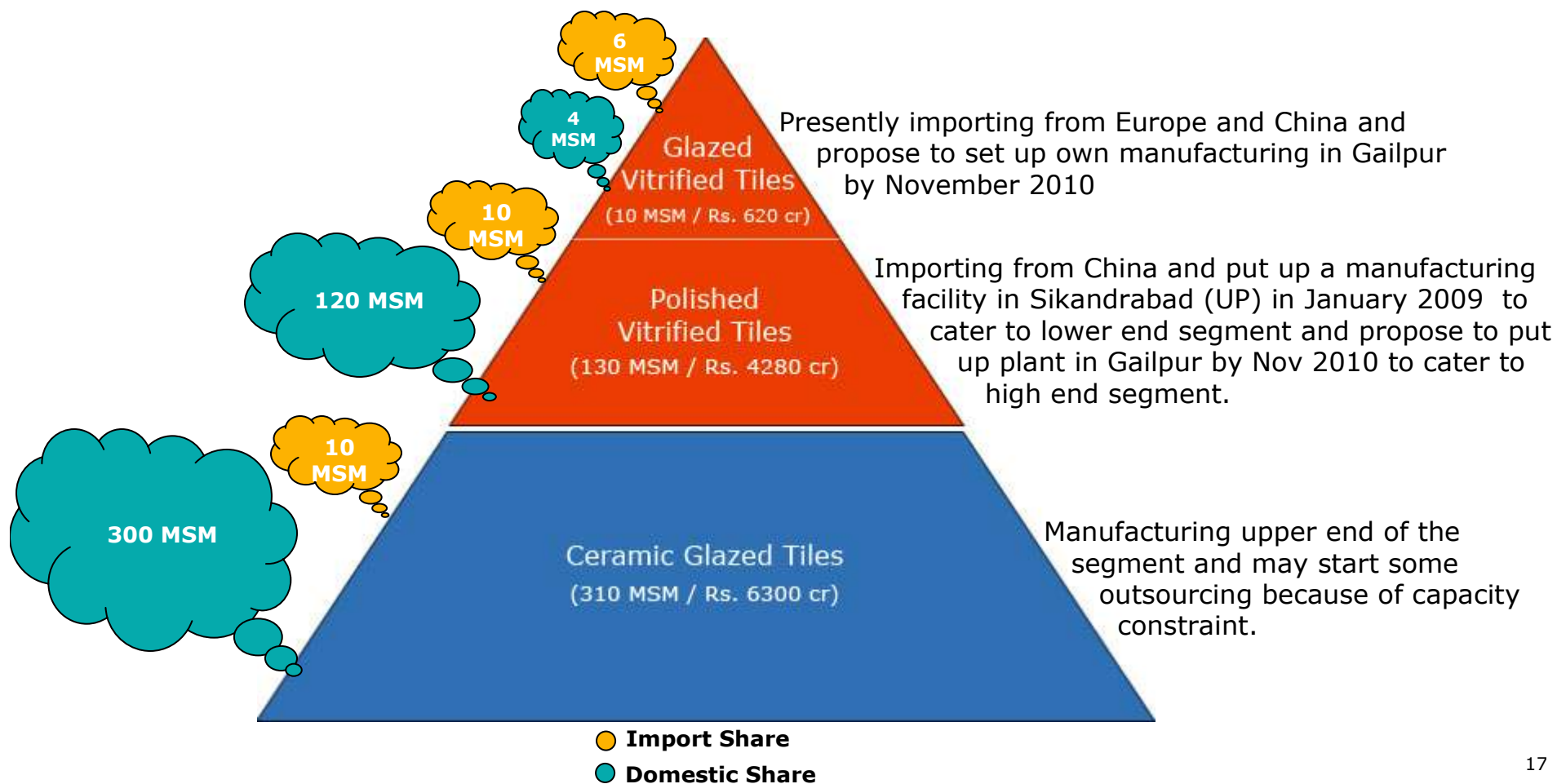
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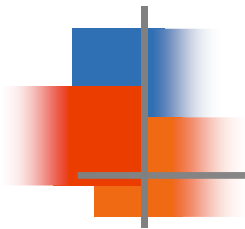
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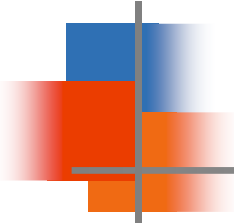
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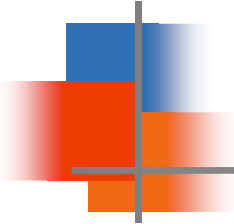
Future Expansion

- ❑ Putting up a 6 MSM per annum brown-field plant in Rajasthan to manufacture high end glazed/polished vitrified tiles at a cost of Rs 125 crore.
- ❑ The plant is expected to go on stream by December 2010 and expected to give an annual turnover of Rs 300 crore.



Strengths...

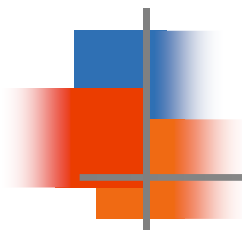
- ❑ 17 Office-cum-display centres all over India.
- ❑ Distribution network of 6000 dealers & sub-dealers.
- ❑ Product quality at par with international standards.
- ❑ Kajaria sells 70% in retail and 30% in projects (Builders) as against industry average of 50:50.



Strengths

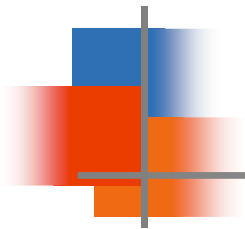
- ❑ Focus on providing complete tile solution for all segment of the market.
- ❑ 'Kajaria' No. 1 brand in ceramic tiles in India. It is the highest brand recall in the mind of discerning customers for quality, designs and as a provider of new concepts and ideas.
- ❑ Only Ceramic Tile Company in the country conferred with **"Superbrand"** for 4th consecutive time.





Opportunities

- ❑ The Government has imposed Anti Dumping Duty on Ceramic glazed Tiles on 15.06.2009 to curb cheaper import from China.
- ❑ The Company has entered into an Agreement with GAIL for supplying LNG, which has started in May 2010. This will result in substantial savings in Fuel cost in respect of Gailpur plant.



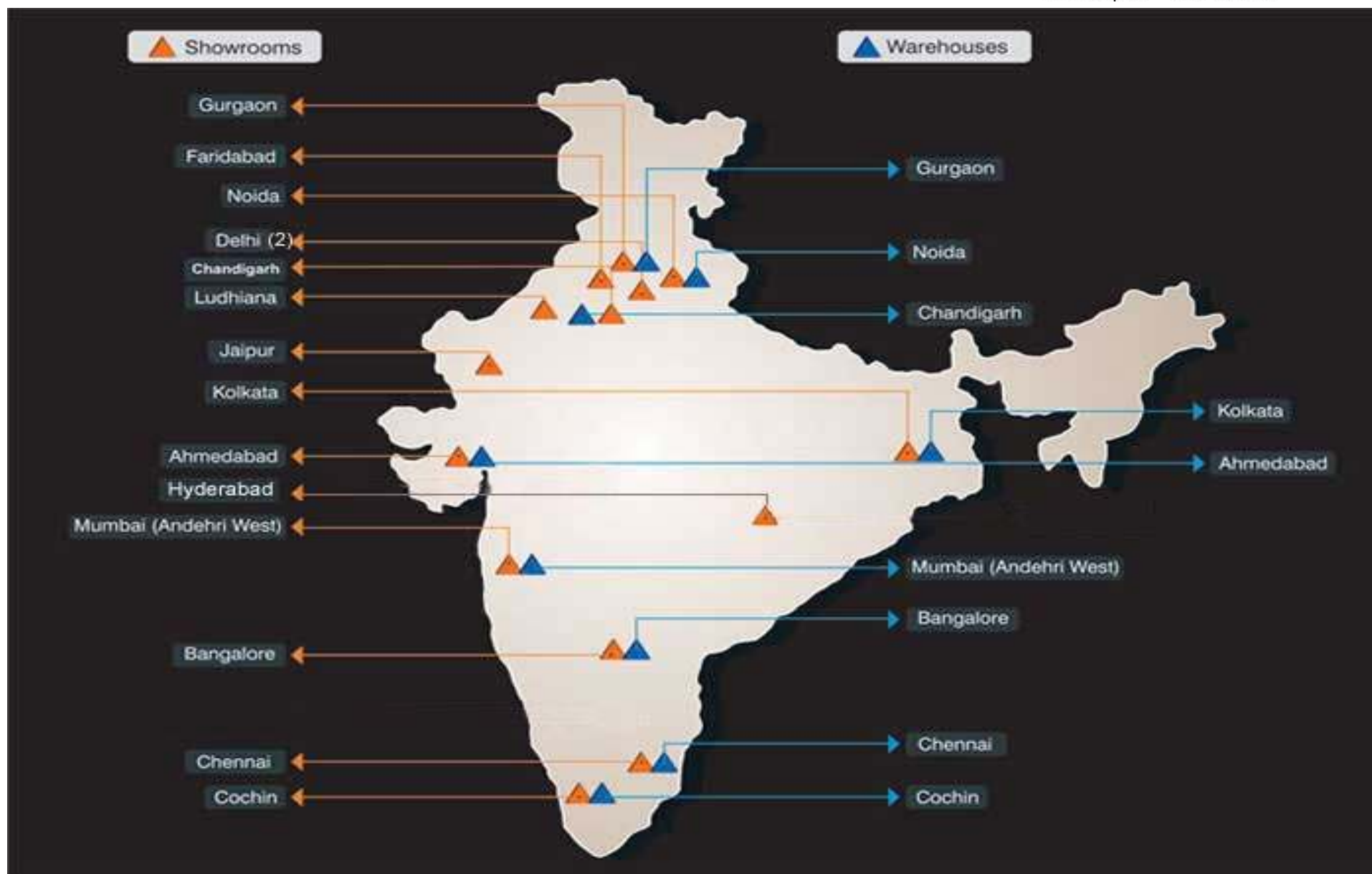
Kajaria World

KAJARIA
world

Lifestyles - and more...

- ❑ Retail chain of showrooms selling high end imported tiles and sanitaryware from Europe and China.
- ❑ We have 15 showrooms (10 own + 5 franchises) and 9 warehouses.
- ❑ Selling leading international brands like:-



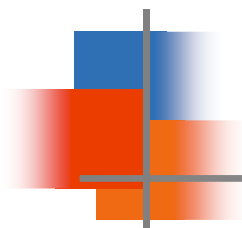


Bangalore

KAJARIA
world

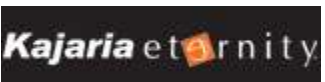
Lifestyles - and more...





Turnover Growth

Rs/Crore

	 Ceramic Tiles		 Polished Vitrified Tiles		 Glazed Vitrified Tiles		 Kajaria World Retail Chain	Total
Fin Year	Mnfg.	Outsourcing	Mnfg.	Outsourcing	Mnfg.	Outsourcing		
FY 2007-08 (Audited)	350	-	-	125	-	24	30	529
FY 2008-09 (Audited)	430	-	-	185	-	40	36	691
FY 2009-10 (Audited)	473	13	6	173	-	62	40	767
2010-11 (Projection)	490	30	120	150	30	70	50	940
2011-12 (Projection)	510	70	230	140	130	20	60	1160

Financials

Rs in Crore

	Quarter ended		Year ended	Year ended
	Jun '10	Jun '09	Mar '10	Mar '09
Gross Sales	207.05	159.88	766.75	691.20
Net Sales	195.11	156.00	735.53	664.88
PBDIT	31.30	25.35	115.67	95.93
PBDIT%	16%	16%	16%	14%
PBT	16.17	8.06	51.44	12.75
PBT%	8%	5%	7%	2%
Tax Provision	4.85	2.02	15.59	3.85
PAT	11.32	6.04	35.85	8.90
EPS* (Rs)	1.54	0.82	4.87	1.21

* Face Value Rs 2 per share.

THANK YOU