SOMANY CERAMICS LIMITED
INVESTOR UPDATE FOR Q3/9M' FY14

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Message

The Indian economy in general and construction and real sector industry in particular continued its downhill journey in the current quarter also with GDP growth estimates for FY14 being further lowered to around 4.9%.

In addition, a month long shutdown of all units in Morbi (Gujarat) due to a strike by the tile manufacturers between November and December brought company's tiles outsourcing business to a standstill during that period.

Despite the abovementioned odds your company still managed a handsome growth in its top line by 6.5% in Q3 of current year as compared with corresponding period of last year. Lower growth in sales in turn adversely impacted profitability and the related profit ratios.

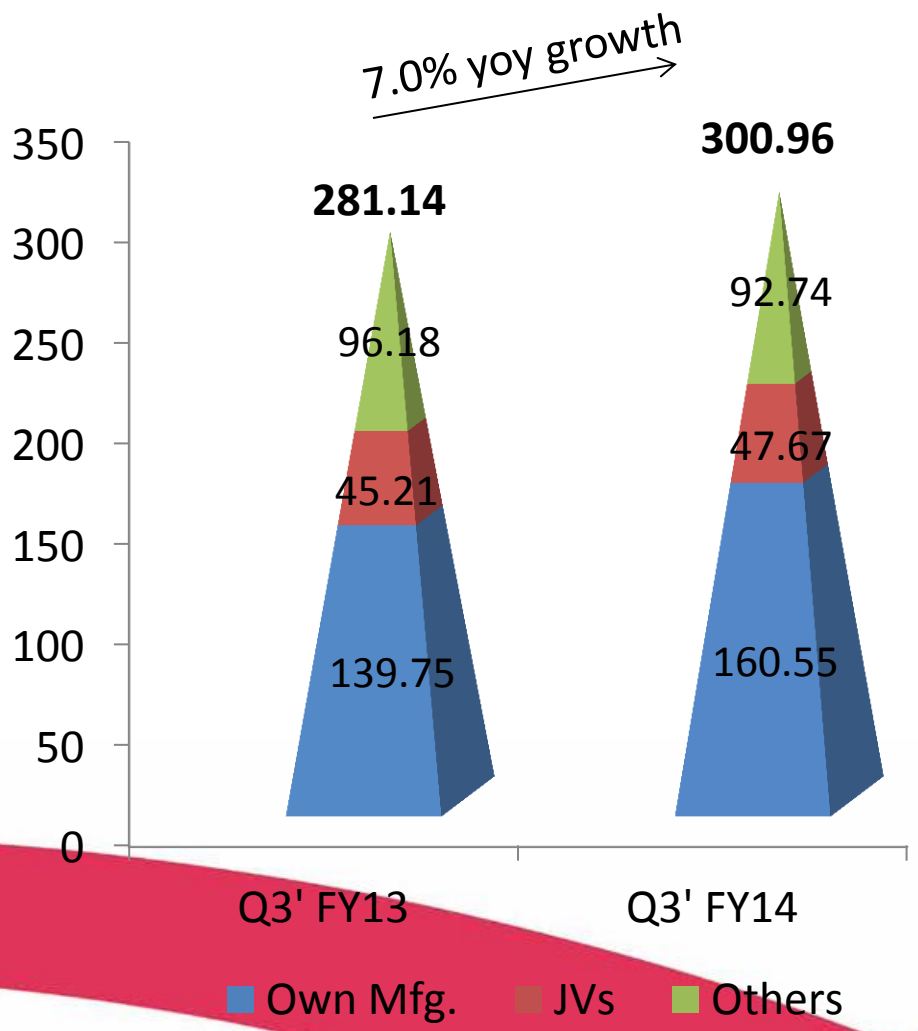
The main operating and financial highlights for and up to Q3 FY14 compared with the corresponding periods last year are available in the subsequent slides.

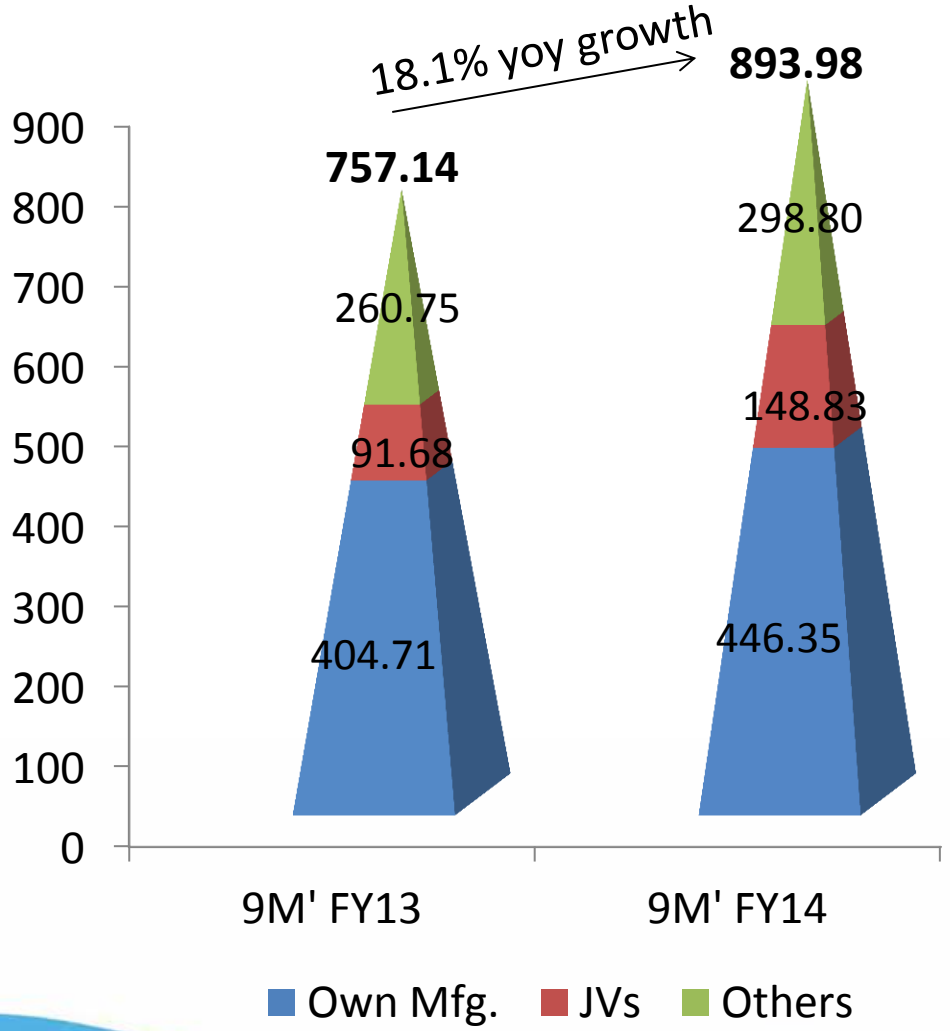
With Morbi now stabilizing post shutdown, the outlook for the current quarter has improved. Moreover the shutdown has resulted in Morbi units and organised sector to come on a level playing field as far as usage of fuel is concerned.

As you are already aware, your company is in the process of raising Rs. 49,99,99,990 by way of preferential allotment of 43,47,826 equity at a price of Rs. 115/- (including premium of Rs. 113/-) per share shares to Mauritius based Latinia Limited, an affiliate of Creador II LLC. The money so raised will be utilized judiciously to meet the existing and future funds requirements of the business.

We look forward to more exciting times ahead and thank you for your continued support.

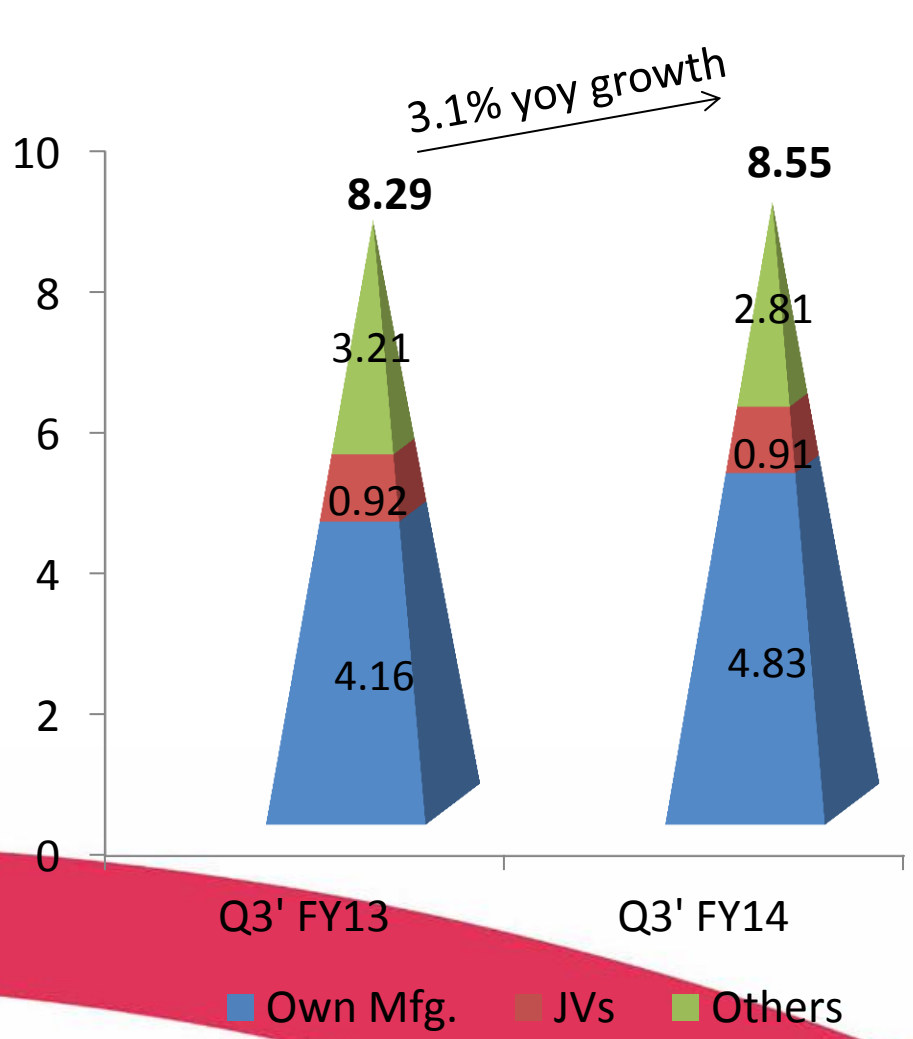
Performance Highlights - Sales Growth

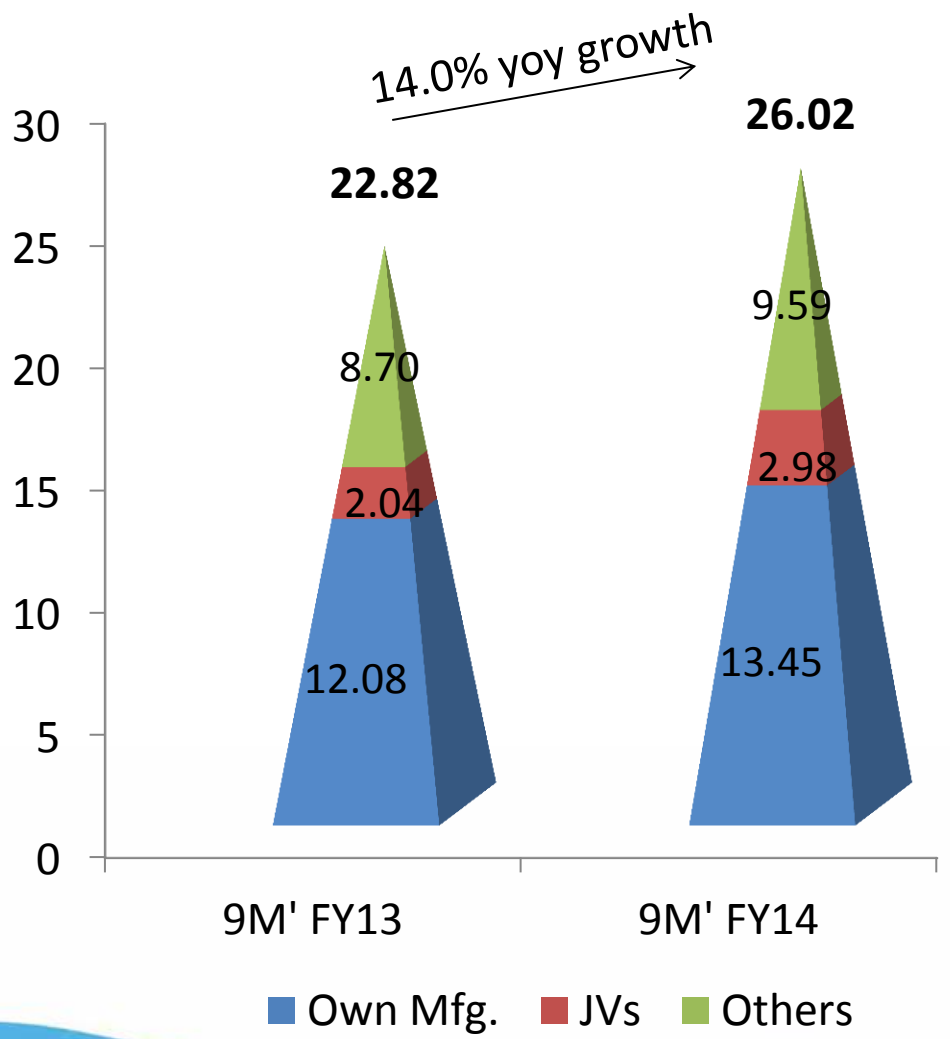




Standalone figures in Rs./ Crores

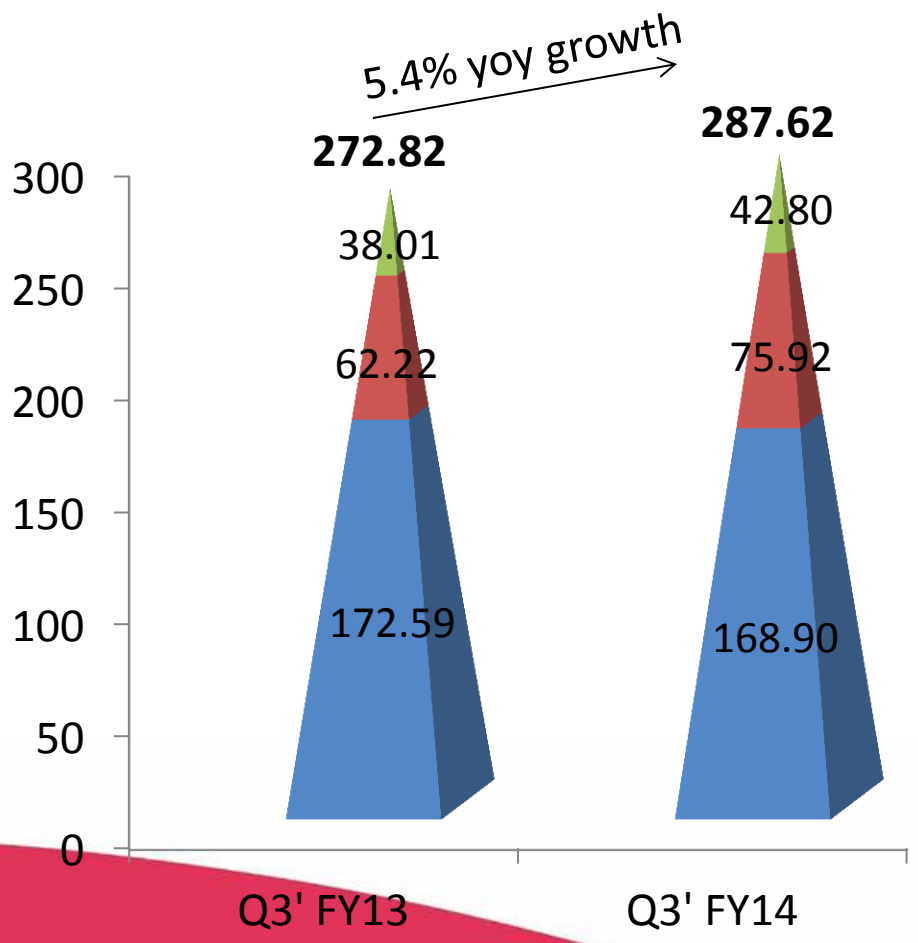
Performance Highlights - Sales Volume Growth (Tiles)

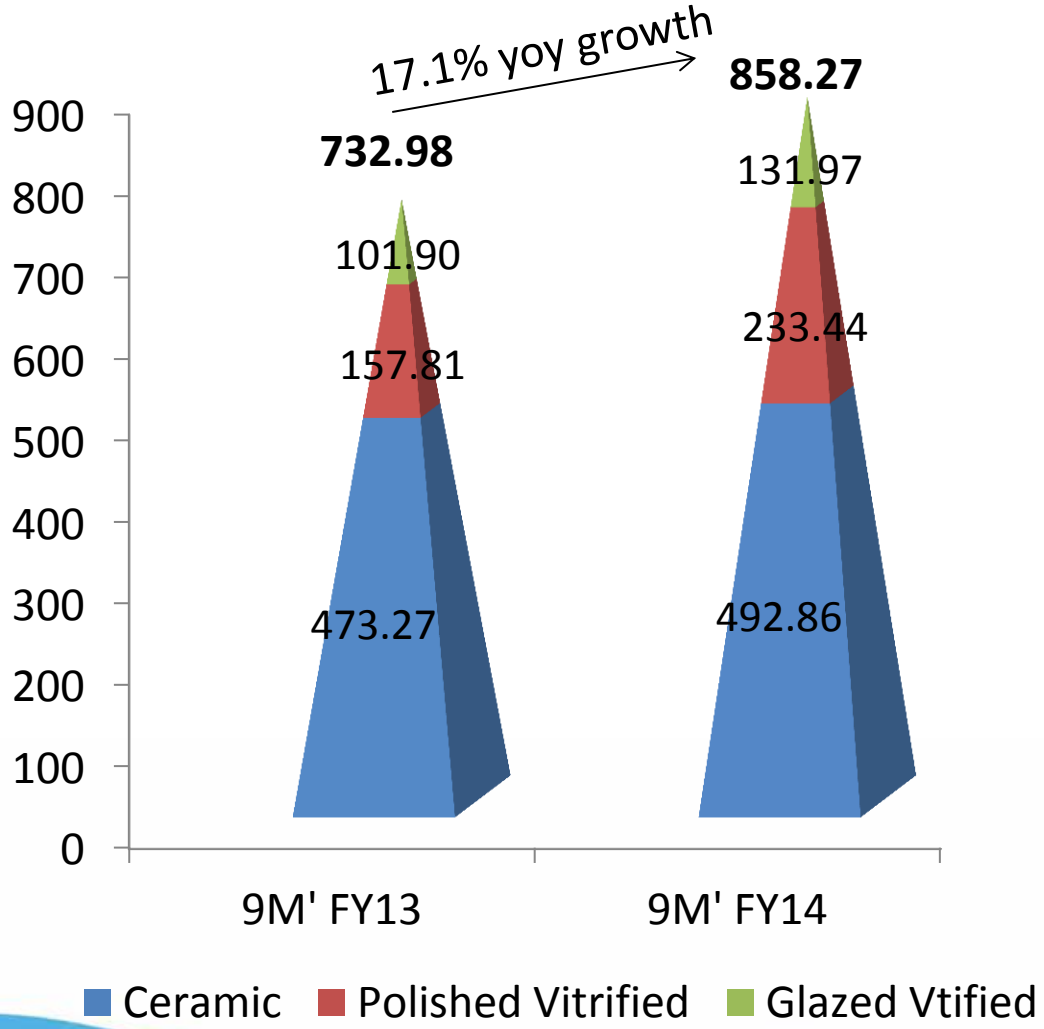




Standalone figures in mn sqm

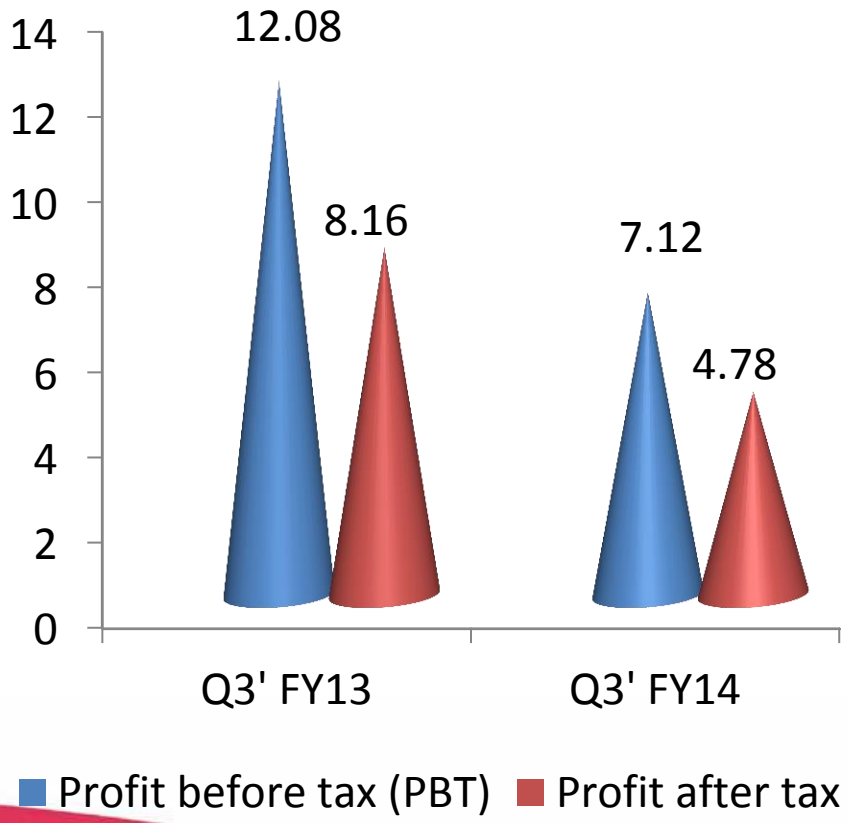
Performance Highlights - Product Mix Growth (Tiles)

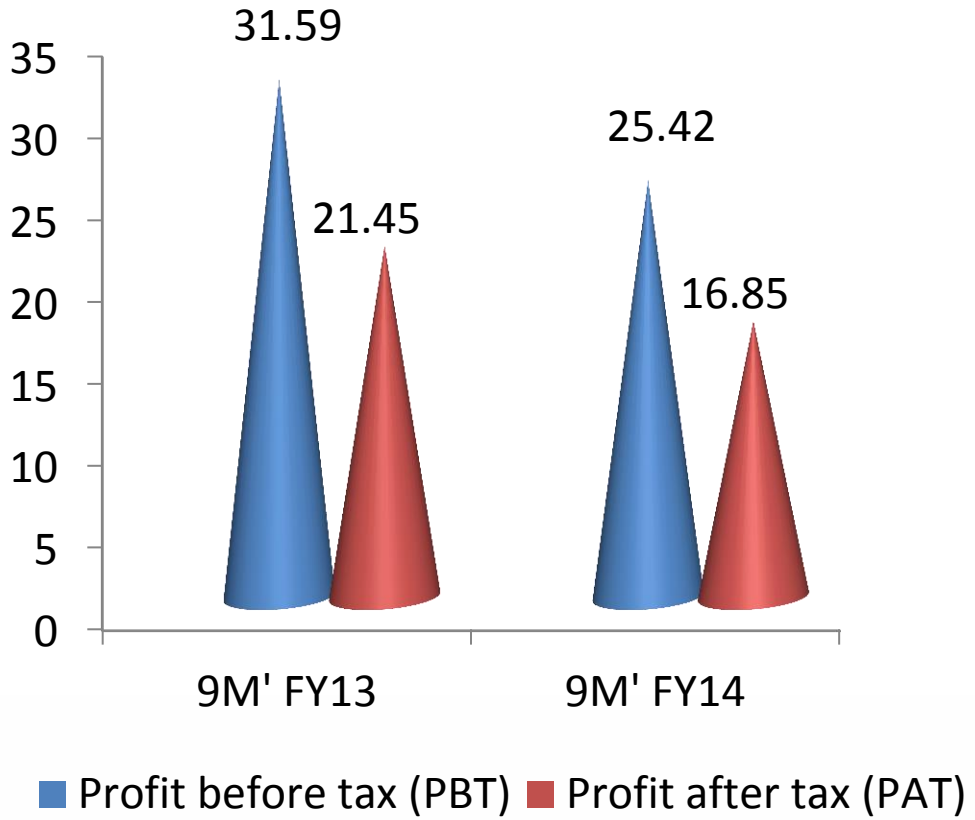




Standalone figures in Rs./ Crores

Performance Highlights - PBT / PAT





Standalone figures in Rs./ Crores

Performance Highlights - Financials

Particulars	Q3' FY13	Q3'FY14	9M' FY13	9M' FY14
Gross Sales	281.14	300.96	757.14	893.98
Net Sales	266.23	283.54	712.53	845.33
EBIDTA	22.36	17.43	61.78	55.70
Depreciation	5.25	5.73	15.13	16.45
Finance cost	5.03	4.58	15.06	13.83
Profit before tax	12.08	7.12	31.59	25.42
Tax expenses	3.92	2.34	10.14	8.57
Profit after tax	8.16	4.78	21.45	16.85
Cash Profit	13.84	10.53	36.67	33.27
EPS (Rs.) (3/9 monthly)	2.37	1.38	6.22	4.88

Standalone figures in Rs./ Crores

Other Highlights (Q3/ 9M' FY14)

- Strike by the tile manufactures at Morbi (Gujarat) in November/ December, 2013 for a month substantially impacted Company's topline and bottomline
- Participated in prestigious ACETECH Exhibition at Mumbai, Bangalore and New Delhi
- Launched large format 800x1200 mm glazed vitrified tiles and 'Slip Shield' tile
- 62 masons trained under Tile Master initiative during the quarter
- Further strengthened distribution network during the quarter by:

  i) adding 8 showrooms, taking the total to 213 (mainly franchisee)

  ii) adding 47 dealers, taking the total to 1896

Status of Joint Ventures

❖ **Vintage Tiles Private Ltd. (Existing)**

- Acquired 26% equity stake adding capacity of ~2.65 mn sqm per annum of polished vitrified tiles
- Commenced production in January, 2012
- Proposed capacity expansion of 2.65 mn sqm of polished vitrified tiles is expected by the middle of next year

❖ **Commander Vitrified Private Ltd. (Existing)**

- Acquired 26% equity stake adding capacity of ~2.65 mn sqm per annum of polished/ glazed vitrified tiles
- Commenced production in June, 2012
- Capacity expansion to produce additional ~3.50 mn sqm of polished vitrified tiles completed and production started from 26th December, 2013

Status of Joint Ventures… contd.

❖ **Amora Tiles Private Ltd. (New)**

- Proposed to acquire 51% stake in equity stake adding capacity of ~2.45 mn sqm per annum of ceramic wall tiles
- Commissioning in March, 2014

❖ **Vicon Ceramics Private Ltd. (New)**

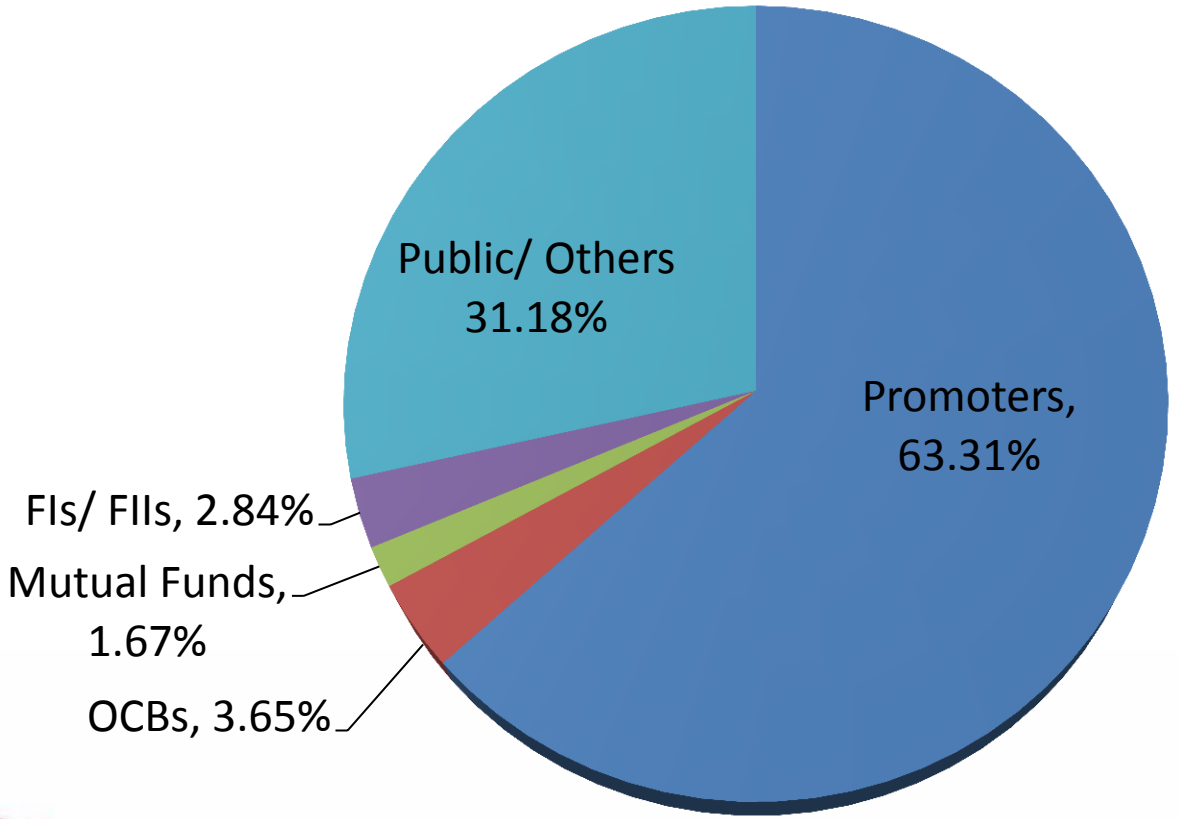
- Acquired 26% stake in equity adding capacity of ~2.10 mn sqm per annum of industrial vitrified tiles (1st phase)
- Commissioning of 1st phase in April, 2014

❖ **Acer Granito Private Ltd. (New)**

- Acquired 26% stake in equity adding capacity of ~2.10 mn sqm per annum of polished vitrified tiles
- Proposed capacity expansion of ~3.00 mn sqm per annum of polished vitrified tiles
- Expected commissioning in July, 2014

Shareholding Pattern

As on 31st Dec. 2013



Equity Shares Outstanding – 34497000 of Rs. 2/- each

Accreditations

- ISO 9001 certification – for quality of manufacturing facility
- ISO 14001 certification – for environment friendly manufacturing facility
- BS OHSAS 18001 certification – for maintaining health and safety standard
- ISO 22000 certification – for food safety management
- EN ISO 14411 (CE) certification – for complying quality norms defined by European Standard
- BIS certification – for its product, first Indian tile company to be so accredited
- 5's certification – for maintaining organised and efficient workplace
- Power brand award – for its perception, performance and brand recall
- Recognised as Asia's Most Promising Brand of the year 2012-13
- LACP Spotlight 'Silver' award – for its annual report of F.Y. 2012-13

Corporate Brief

Somany is amongst the frontrunners in the ceramic tile industry in India. Beginning FY 15 it will have access to manufacturing capacity of ~45 million square meters of tiles per annum spread across two own manufacturing plants in Haryana and Gujarat (19.15 mn sqm), two existing joint venture plants in Gujarat (5.30 mn sqm), three new joint ventures & expansion of existing joint venture (10.15 mn sqm) and outsourcing tie ups for ~10 mn sqm.

Somany is the first and only company in Indian tile industry to have a patent for its highly abrasion resistant tiles 'VC Shield', making it India's most durable tile.

Brand 'SOMANY' has pan India presence with a network of 1800+ dealers, more than 10000 sub dealers and 213 retail showrooms (Somany Exclusives and Studios). Also the Company is continuing to expand its global footprint.

For further information, you may visit us at www.somanyceramics.com or contact Mr. R.K.Lakhotia, Vice President–Finance @ fin@somanytiles.co.in.

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 includes 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.

SOMANY

THANK YOU!

