



KAJARIA CERAMICS LIMITED

Investor Update – Q2 FY14 / H1 FY14

November 6, 2013

Kajaria
TRANSFORM YOUR WORLD

Certain Statements in this document may be forward-looking within the meaning of applicable laws and regulations. And actual results might differ substantially from those expressed or implied. Such statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors could cause our actual results to differ. Kajaria Ceramics Limited will not be in any way responsible for any action taken based on such statements.

- Chairman's Message
- Financial Performance - Q2 FY14 / H1 FY14
- Balance sheet perspective
- Income Statement
- Shareholding Pattern

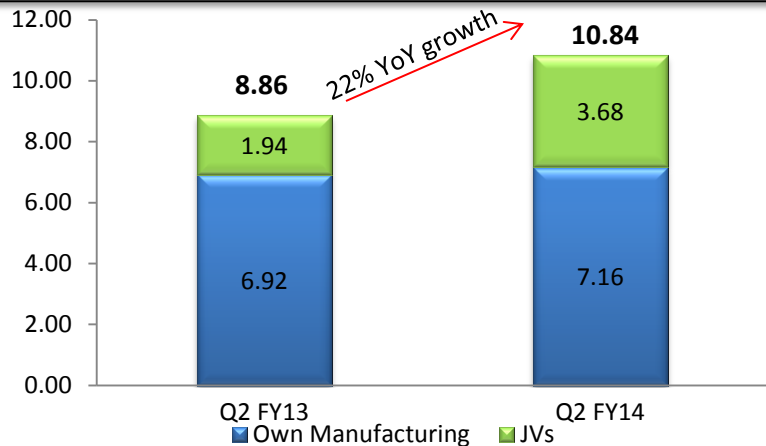
At a time when it would have been acceptable to blame the usual (economic slowdown, reduced private spending) we refuse to accept that consumer spending was dwindling.

During the Q2/2013-14 our sales volume grew 22% and revenue grew 23% over the corresponding period of the previous year. Our operating margin though, remained under pressure due to rising fuel cost coupled with weak Indian rupee during the quarter.

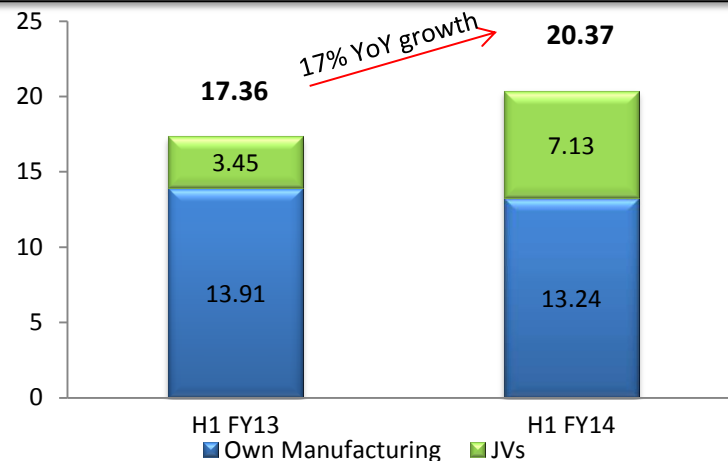
As we continue to identify new customers, new markets and new opportunities, we are also drawing a strategic blueprint for sizeable capacity expansion at our subsidiaries Jaxx and cosa through brownfield initiatives. Jaxx will increase the capacity by 4.50msm of high end polished vitrified tiles and Cosa Ceramics plans to increase the capacity by 3.00 msm of polished vitrified tiles.

The shareholders, at the EGM on the 6th November have approved the issuance of fresh equity of 20 lac equity shares at a price of Rs. 250/- aggregating to Rs. 50 crore and 38.85 lac warrants convertible into equity shares of the company at a price 257.37 per share aggregating to Rs. 100 crore to WestBridge Crossover Fund, LLC.

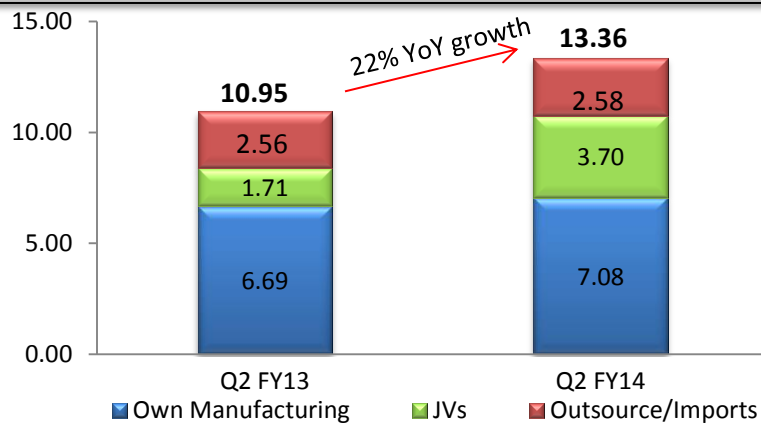
Production Growth – Q2FY14



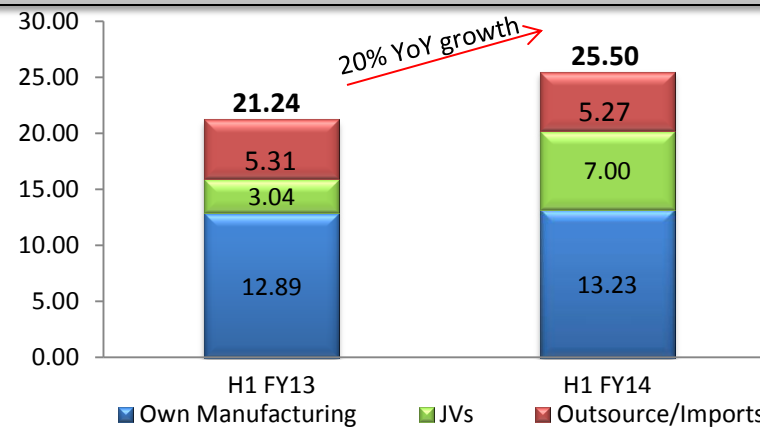
Production Growth – H1 FY14



Sales Growth– Q2 FY14

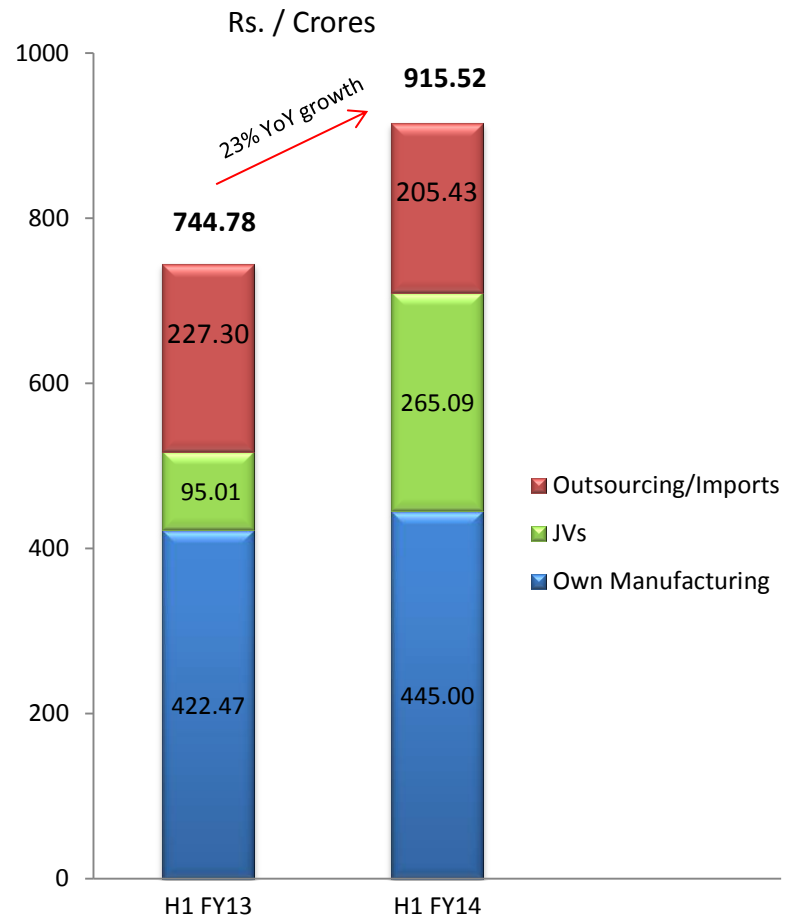
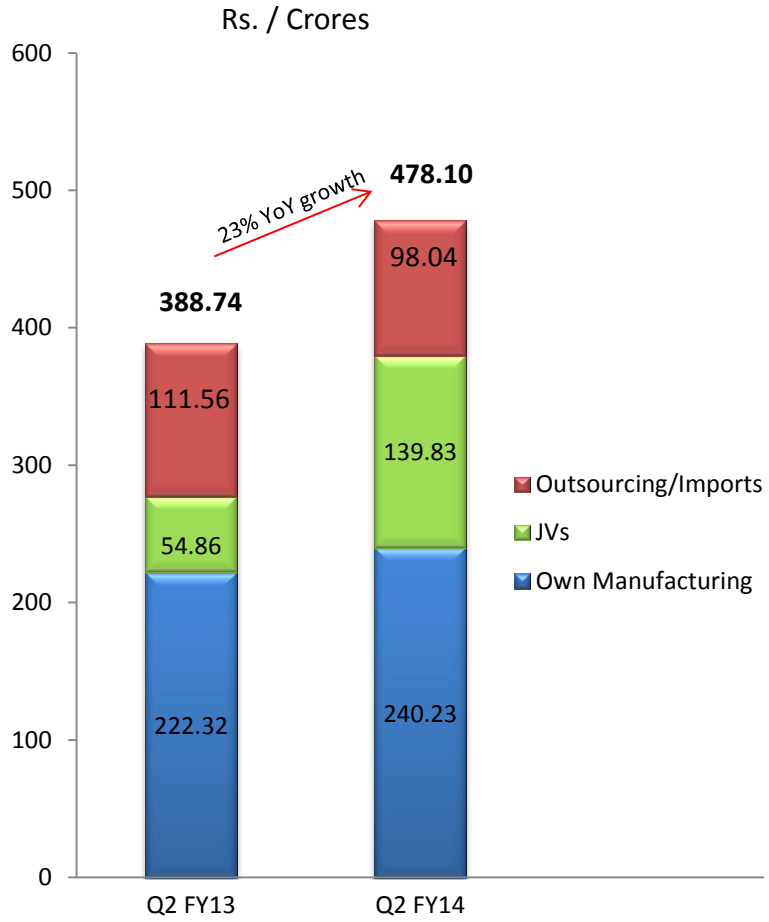


Sales Growth– H1 FY14



* All figures are on consolidated basis and are in million sq. mtr. of tiles, unless mentioned

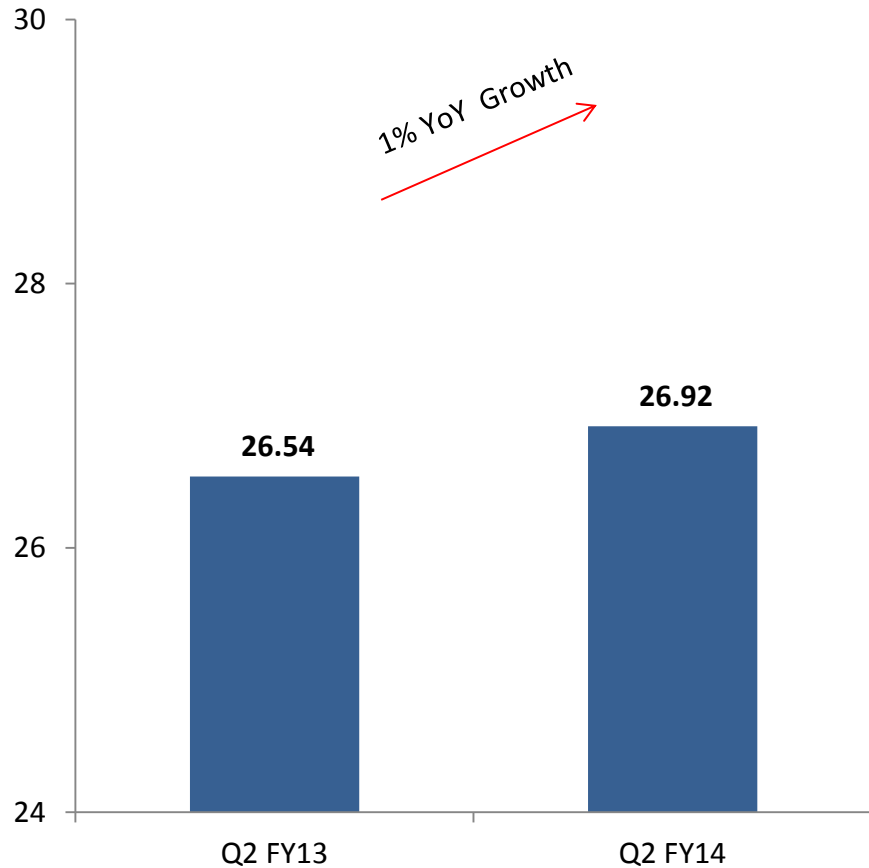
Revenue Growth



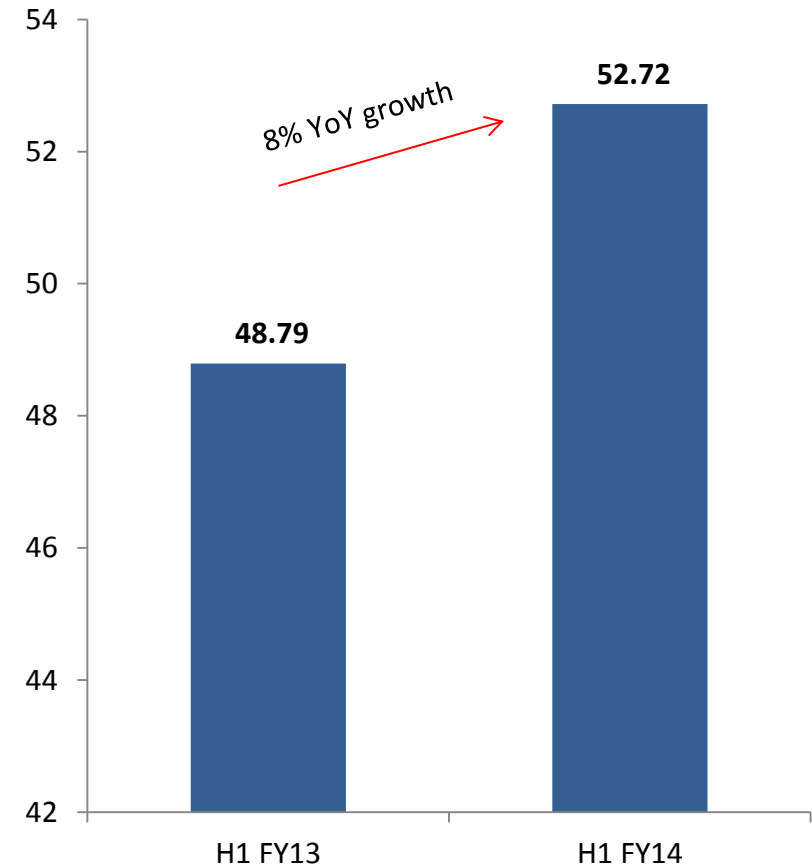
All figures are on consolidated basis and are in Rs. crores, unless mentioned.

PAT Growth - Consolidated

Rs. / Crores

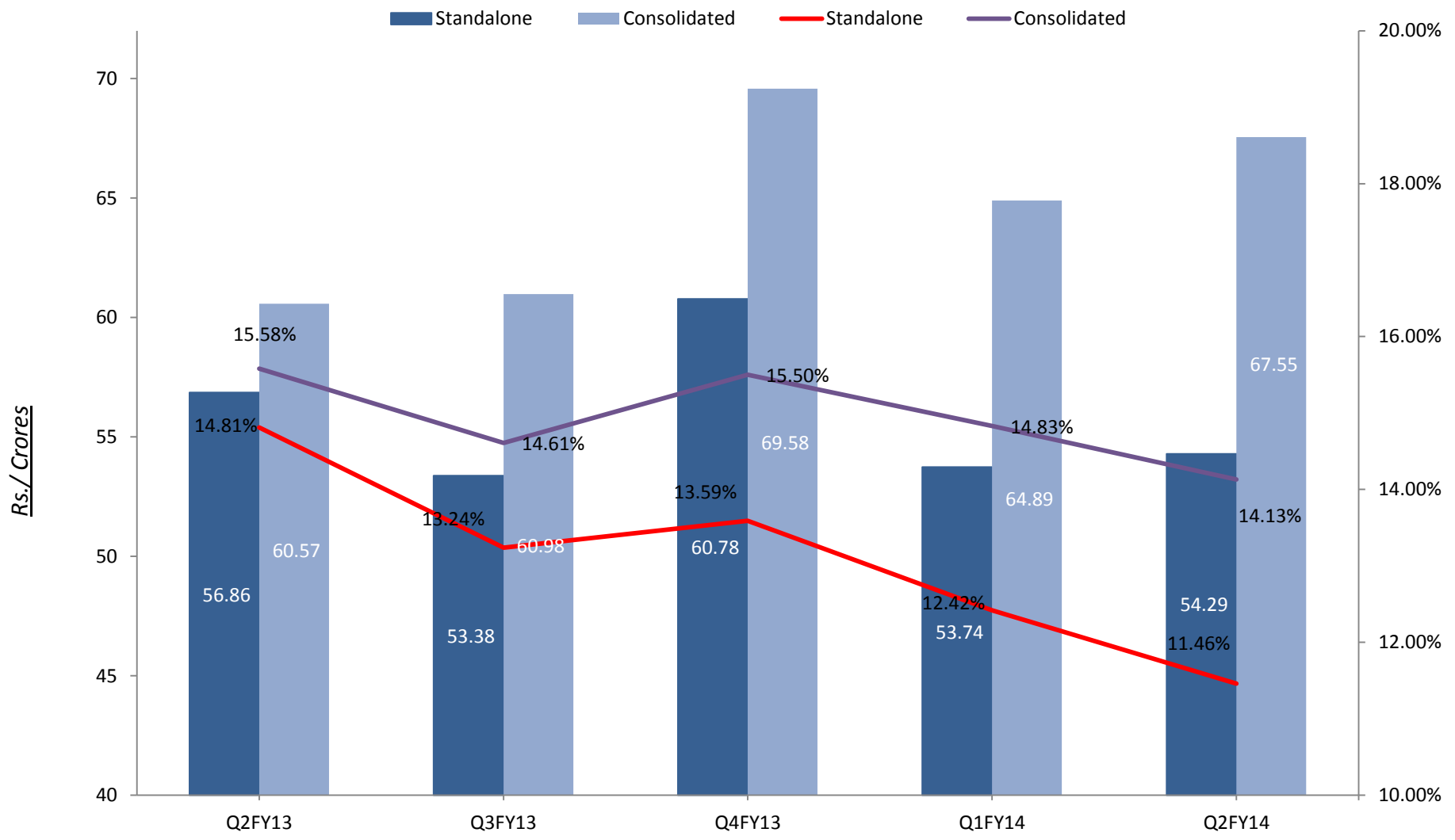


Rs. / Crores



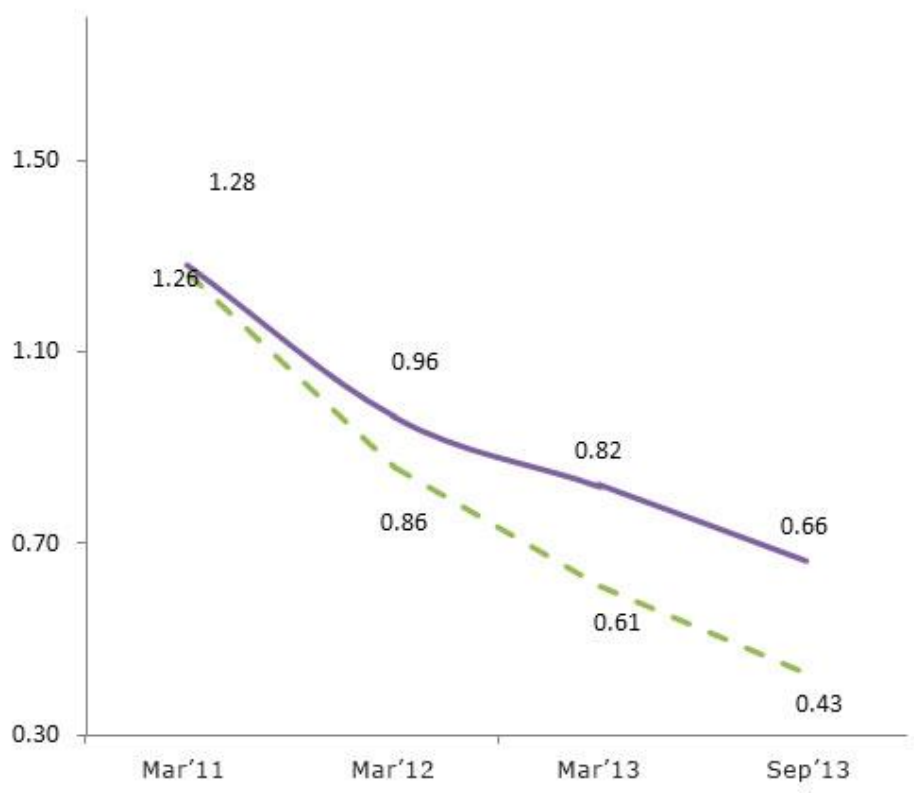
All figures are on consolidated basis and are in Rs. crores, unless mentioned.

EBIDTA / EBIDTA Margin (consolidated) – quarterly progression



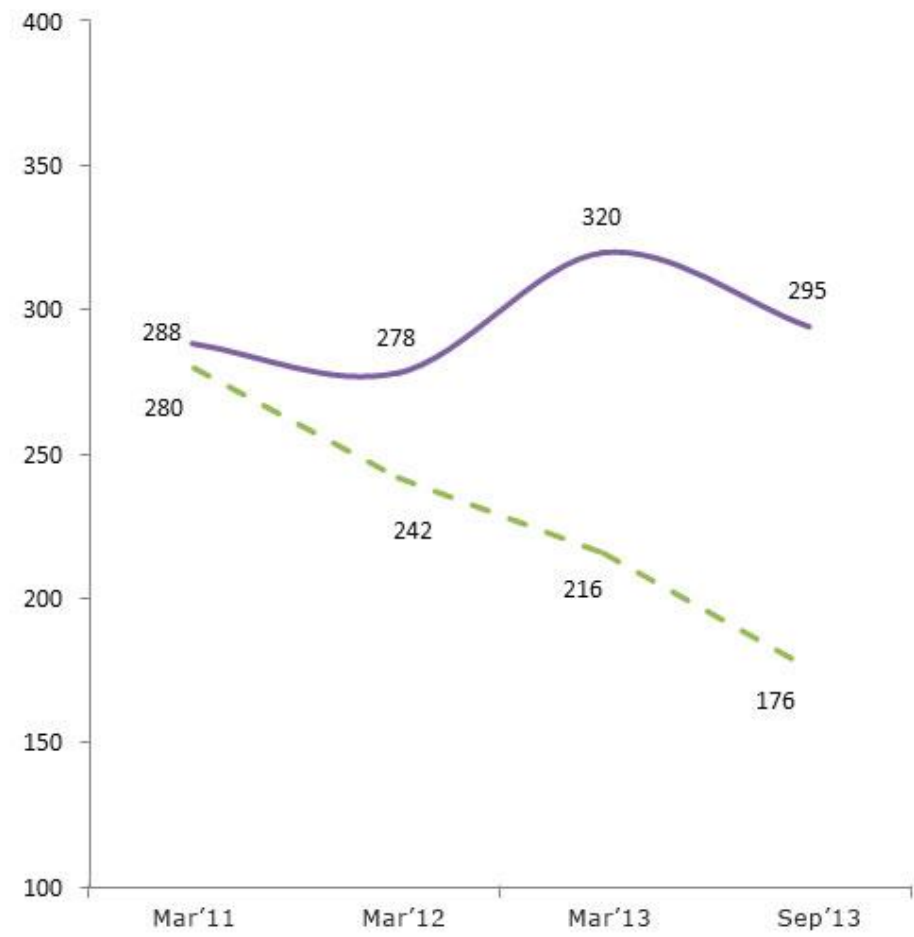
Debt Equity (X)

— Standalone — Consolidated

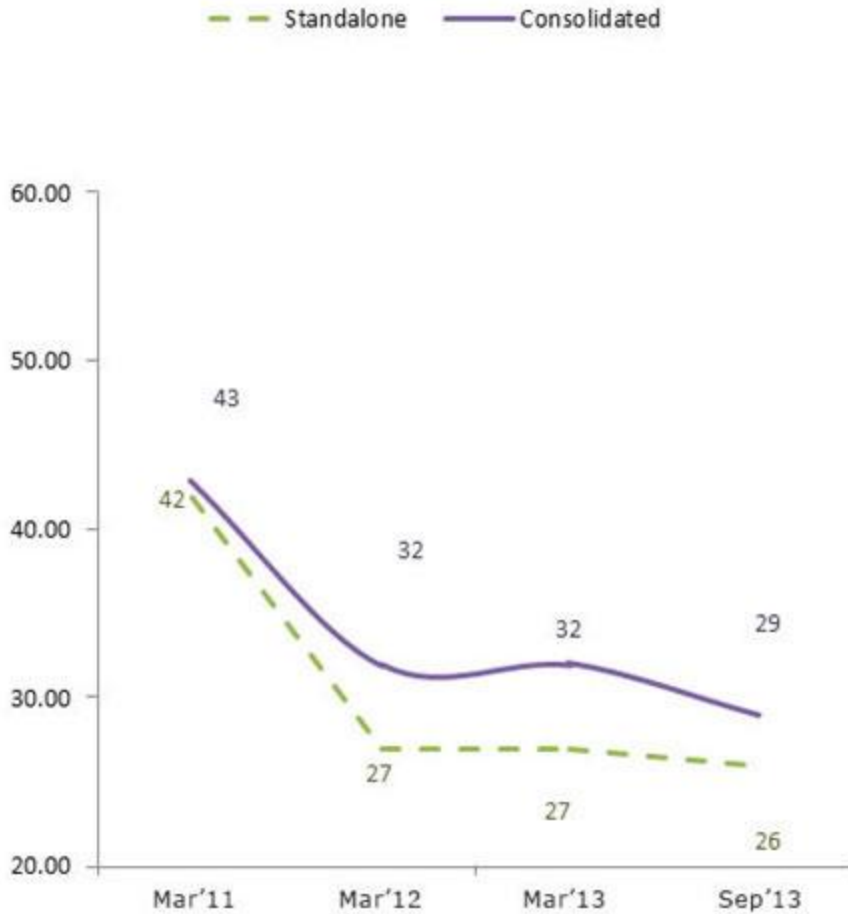


Debt (Rs. Crore)

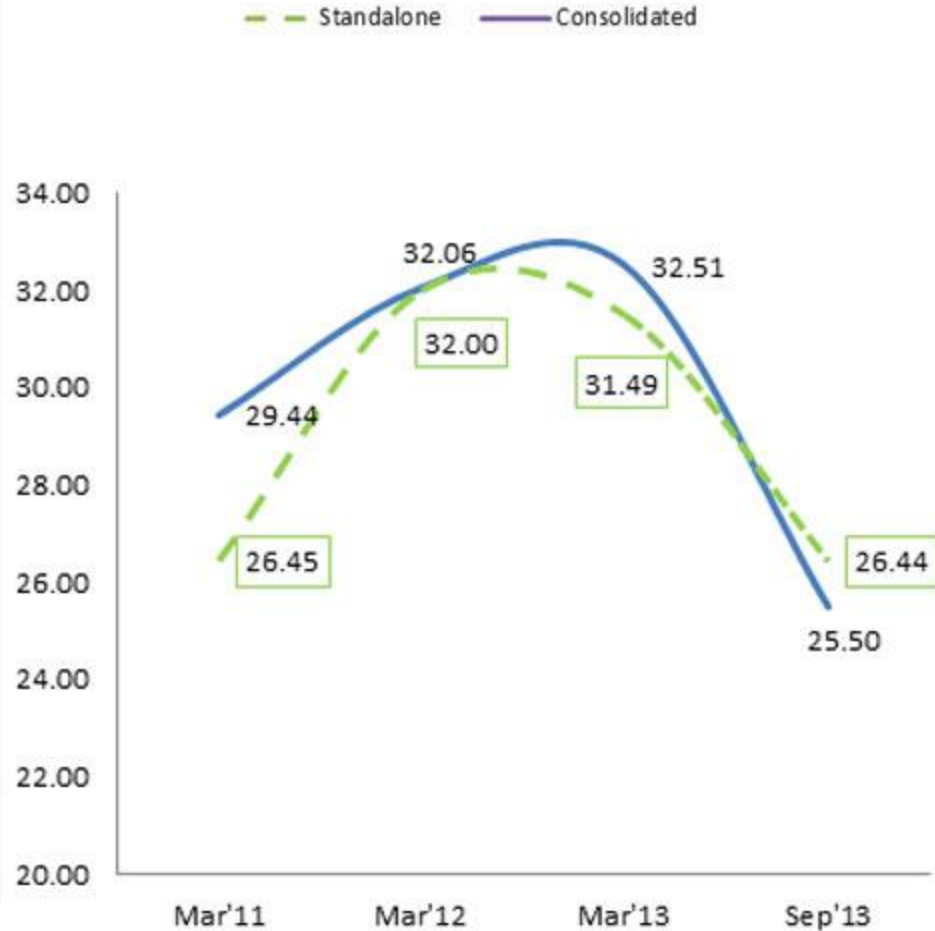
— Standalone — Consolidated



Working Capital Cycle (days)



Return on Equity (Avg.)



Capex creditors not considered in working capital cycle.

* ROE for 6 months taken at average net worth as on 31st Mar. 13 and 30th Sep, 13 and annualised H1 FY14 PAT.

A. SORISO CERAMICS

Acquired 51% stake in Soriso Ceramic Pvt Ltd, based in Morbi, Gujarat in February 2011 with an annual capacity of 2.30 MSM of ceramic floor tiles. Further expanded the capacity to 4.60 MSM. Production for enhanced capacity started in March 2012. Soriso has operated at 96% in Q2FY14.

B. JAXX VITRIFIED

Acquired 51% stake in Jaxx Vitrified Pvt Ltd, based in Morbi, Gujarat in February 2012, with an annual capacity of 3.10 MSM. Production has commenced in March 2012. Jaxx has operated at 87% in FY13. Jaxx has acquired another plant with a 2.6 MSM annual capacity of polished vitrified tile in April 2013 in Morbi making the total capacity of Jaxx to 5.70 MSM per annum. JAXX has operated at 97% in respect of first plant having capacity of 3.10 MSM and operated at optimum level in respect of second plant (acquired in April 2013) having capacity of 2.60 MSM in Q2FY14. The Board has approved for putting up 4.50 additional capacity of high end polished vitrified tiles at the existing location.

C. VENNAR CERAMICS

Acquired 51% stake in Vennar Ceramics Ltd, based in Vijayawada, Andhra Pradesh in April 2012, with an annual capacity of 2.30 MSM of high end ceramic wall tiles. Production has commenced on the 1st July, 2012. Vennar has operated at 93% in Q2FY14.

D. COSA CERAMICS

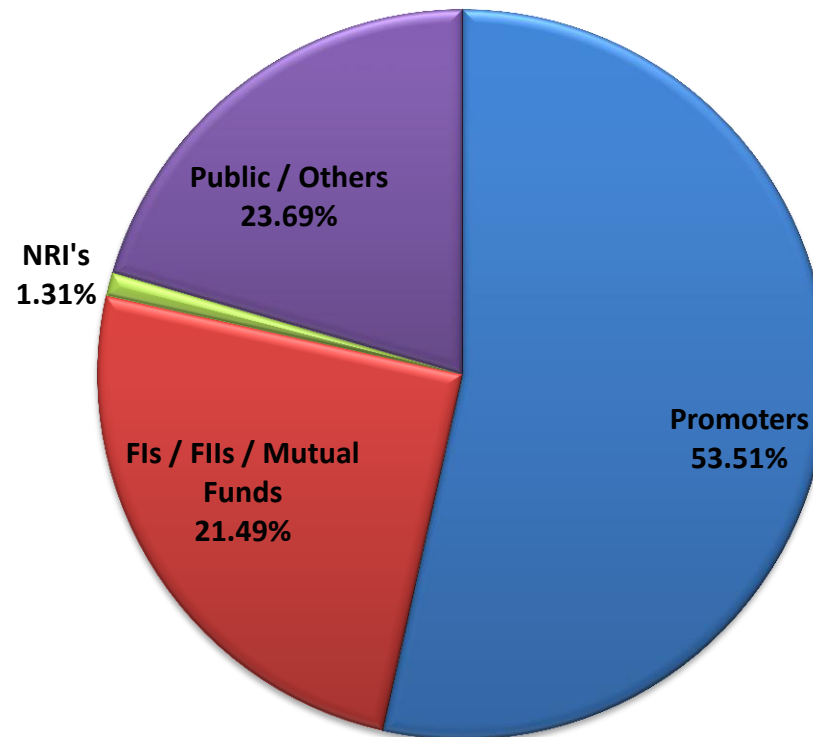
Acquired 51% stake in Cosa Ceramics Pvt. Ltd., based in Morbi, Gujarat – on 16th Oct.'12, with an annual production capacity of 2.70 MSM of polished vitrified tiles. COSA has operated at 96% in Q2FY14. The Board has approved putting up of 3.00 MSM additional capacity at its existing location.

Financial highlights

(Rs in Crores)

| | Q2FY14 | | Q2FY13 | | Growth | | H1 FY14 | | H1 FY13 | | Growth | |
|-------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| Gross Sales | 505.19 | 509.81 | 414.27 | 419.65 | 22% | 21% | 964.65 | 974.60 | 795.41 | 804.37 | 21% | 21% |
| Net Sales | 473.93 | 478.10 | 383.99 | 388.74 | 23% | 23% | 906.56 | 915.52 | 736.86 | 744.78 | 23% | 23% |
| EBIDTA | 54.29 | 67.55 | 56.86 | 60.57 | -5% | 12% | 108.03 | 132.44 | 110.75 | 117.12 | -2% | 13% |
| EBIDTA MARGIN | 11.46% | 14.13% | 14.81% | 15.58% | | | 11.92% | 14.47% | 15.03% | 15.73% | | |
| Interest | 7.80 | 11.40 | 7.29 | 9.88 | 7% | 15% | 16.21 | 23.14 | 19.35 | 23.32 | -16% | -1% |
| Depreciation | 9.10 | 11.74 | 10.63 | 12.27 | -14% | -4% | 18.08 | 23.23 | 20.30 | 22.96 | -11% | 1% |
| Profit Before Tax | 37.39 | 44.41 | 38.94 | 38.42 | -4% | 16% | 73.74 | 86.07 | 71.10 | 70.84 | 4% | 22% |
| Tax | 12.81 | 15.25 | 12.12 | 12.12 | 6% | 26% | 25.17 | 29.41 | 22.09 | 22.21 | 14% | 32% |
| Minority Interest | - | 2.24 | - | -0.24 | - | - | - | 3.94 | - | -0.16 | - | - |
| Cash Profit | 33.68 | 38.66 | 37.45 | 38.81 | -10% | 0% | 66.65 | 75.95 | 69.31 | 71.75 | -4% | 6% |
| Profit After Tax | 24.58 | 26.92 | 26.82 | 26.54 | -8% | 1% | 48.57 | 52.72 | 49.01 | 48.79 | -1% | 8% |
| Equity | 14.72 | 14.72 | 14.72 | 14.72 | | | 14.72 | 14.72 | 14.72 | 14.72 | | |
| EPS (Rs) | 3.34 | 3.66 | 3.65 | 3.61 | -8% | -1% | 6.60 | 7.16 | 6.66 | 6.63 | -1% | 8% |

As on 30th Sep. 2013



Equity Shares Outstanding – 73.58 millions

Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India. It has an annual capacity of 45.20 mn. sq. meters, distributed across seven plants - one in Sikandrabad (UP), one in Gailpur (Raj.), four in Morbi (Guj.) and one in Vijaywada (AP).

Kajaria is the most certified ceramic tile company and the only Indian ceramic tile company awarded 'Superbrand' status for sixth consecutive time.

For further information, please visit www.kajariaceramics.com or contact:

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