



KAJARIA CERAMICS LIMITED

Investor Update – Q3 FY13 /9M FY13

Jan. 21, 2013

Kajaria
TRANSFORM YOUR WORLD

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- Chairman's Message
- Financial Performance - Q3 FY13 / 9M FY13
- Balance sheet perspective
- Income Statement
- Shareholding Pattern

The '*new urban*' consumption from Tier II and Tier III locations has significantly expanded the opportunity pie for the Indian tile sector. As we work with speed to create shelf-space and entrench the **Kajaria** brand into every demand pocket, we are optimistic of sustaining our growth momentum.

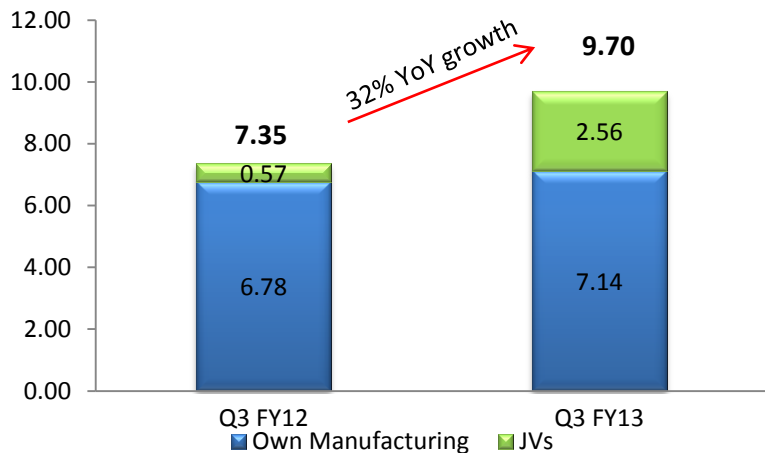
In Q3 FY13 our revenue and net profit grew 19%* and 18%* respectively over the corresponding period of FY12. The growth numbers were a bit subdued primarily due to spiraling cost. The rising fuel cost (R-LNG), compounded by the strong dollar rate coupled with a sharp increase in power tariff impacted margins adversely.

However over the nine-month period, the revenue and profit grew at 24%* and 28%* respectively over the corresponding period of 2011-12 which is in line with our annual guidance.

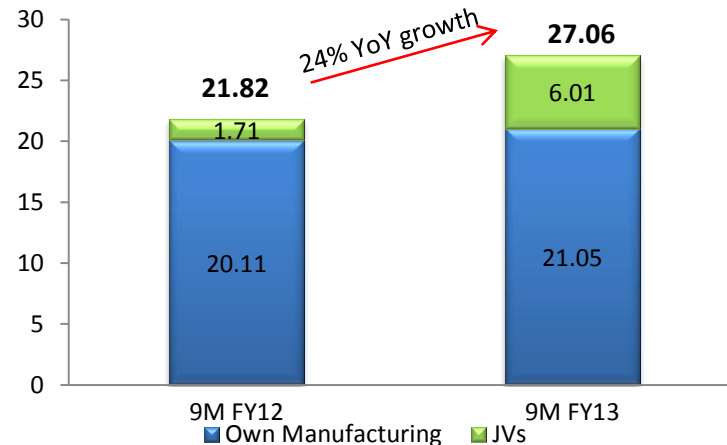
Our newly acquired company -Cosa , a double charge vitrified tile facility is operating at optimum capacity. This initiative facilitates in increased import substitution and reinforces confidence in our ability to sustain and strengthen shareholder value, going ahead.

* Consolidated

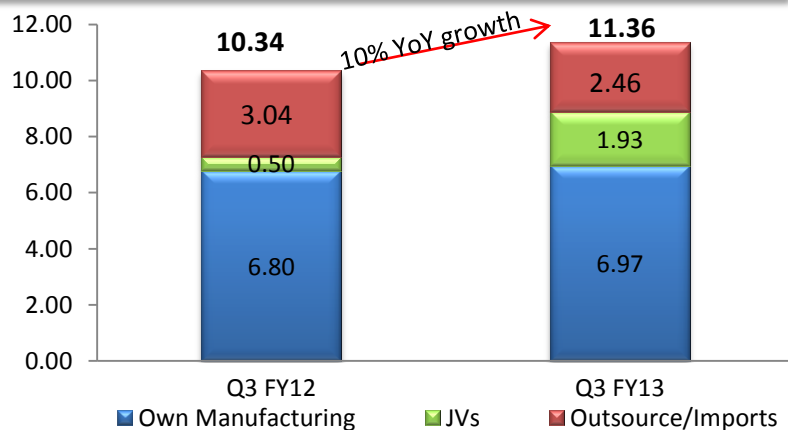
Production Growth – Q3 FY13 (MSM)



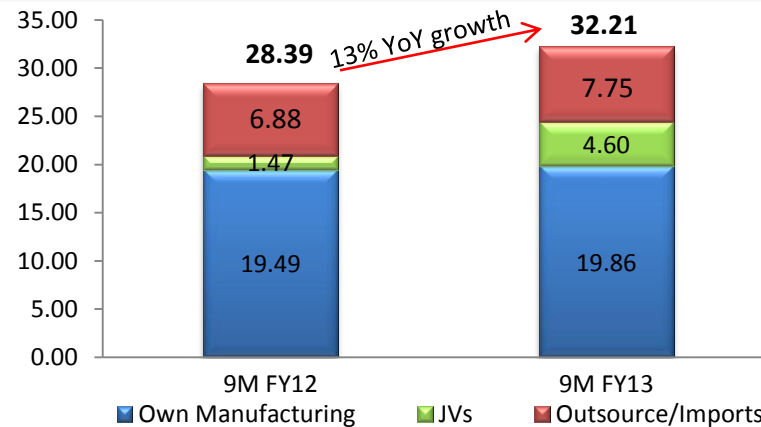
Production Growth – 9M FY13 (MSM)



Sales Growth – Q3 FY13 (MSM)

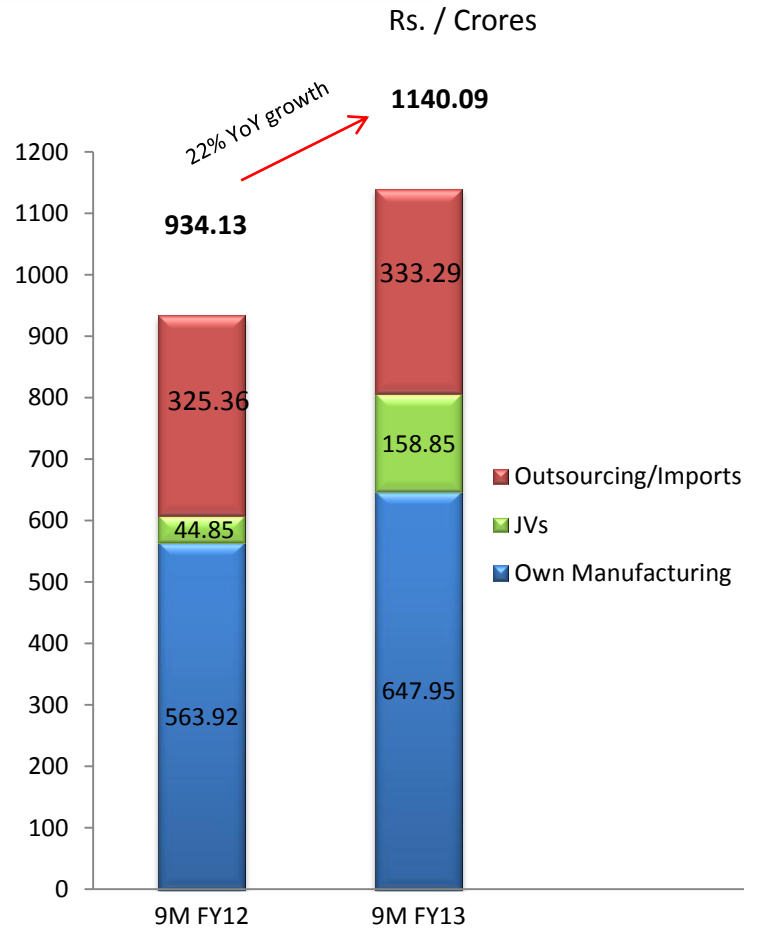
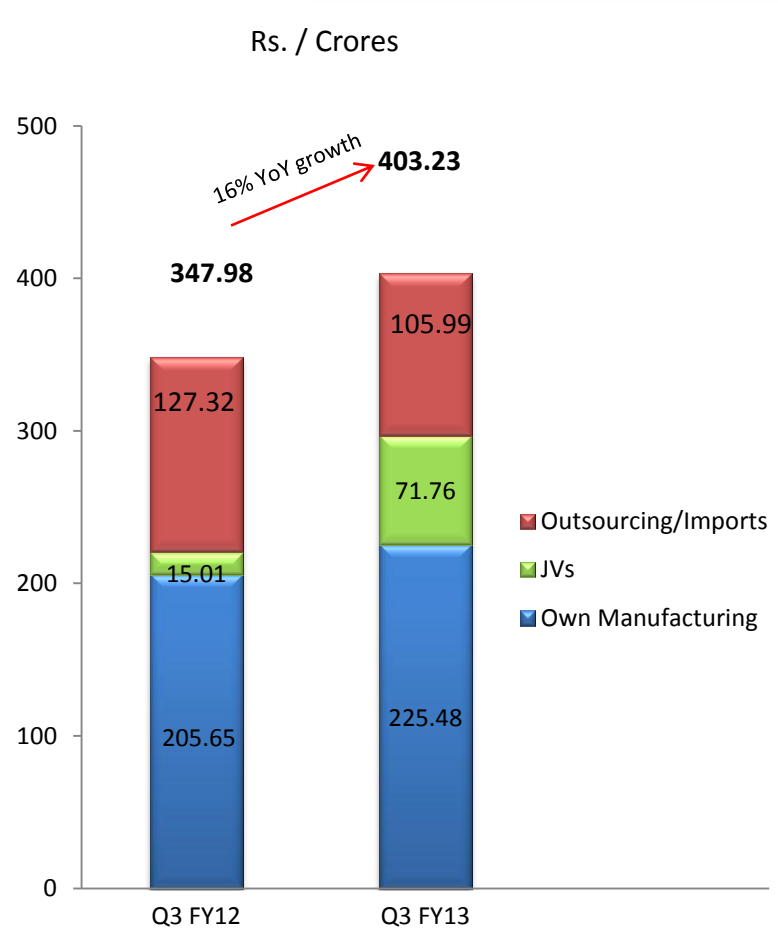


Sales Growth – 9M FY13 (MSM)



* Sales figures are on standalone basis.

Revenue Growth - Standalone

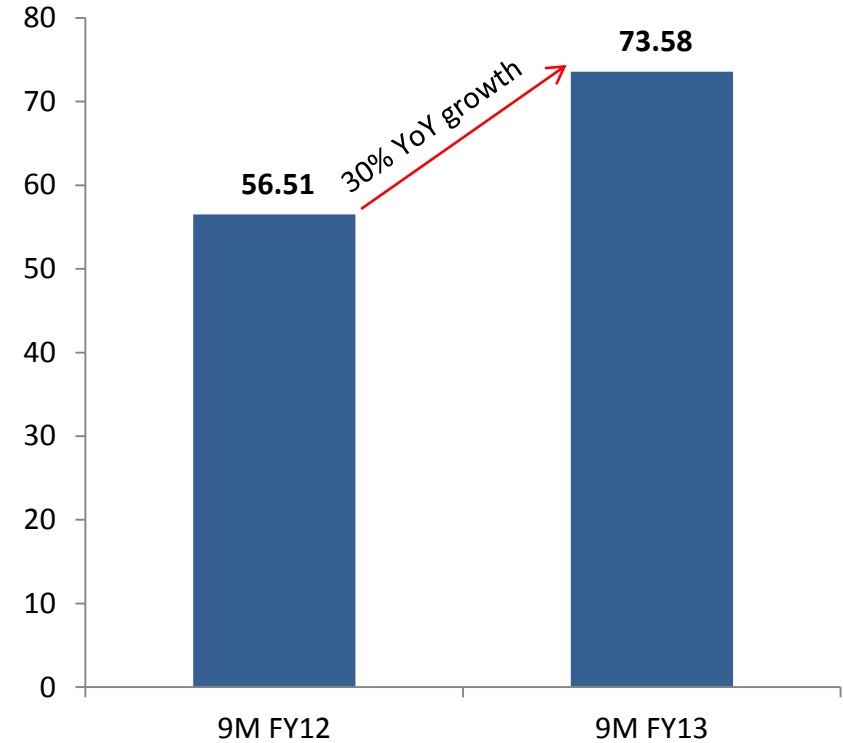
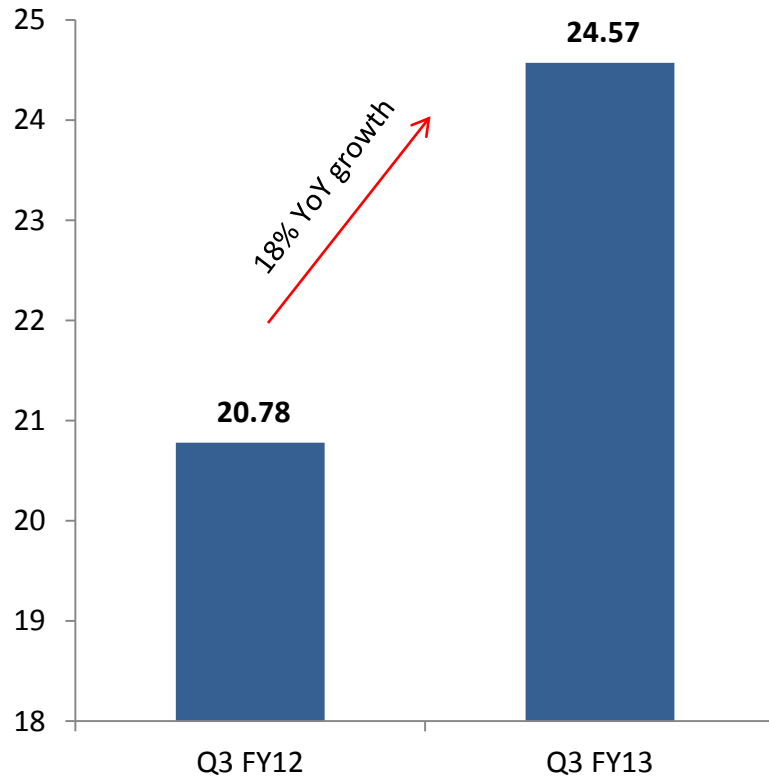


Consolidated Revenue (net sales) is up by 19% at Rs 417.26 crore in Q3FY13 as compared to Rs 350.32 crore in Q3FY12 and up 24% at Rs 1162.04 crore in 9MFY13 as compared to Rs 938.91 crore in 9MFY12.

PAT Growth - Standalone

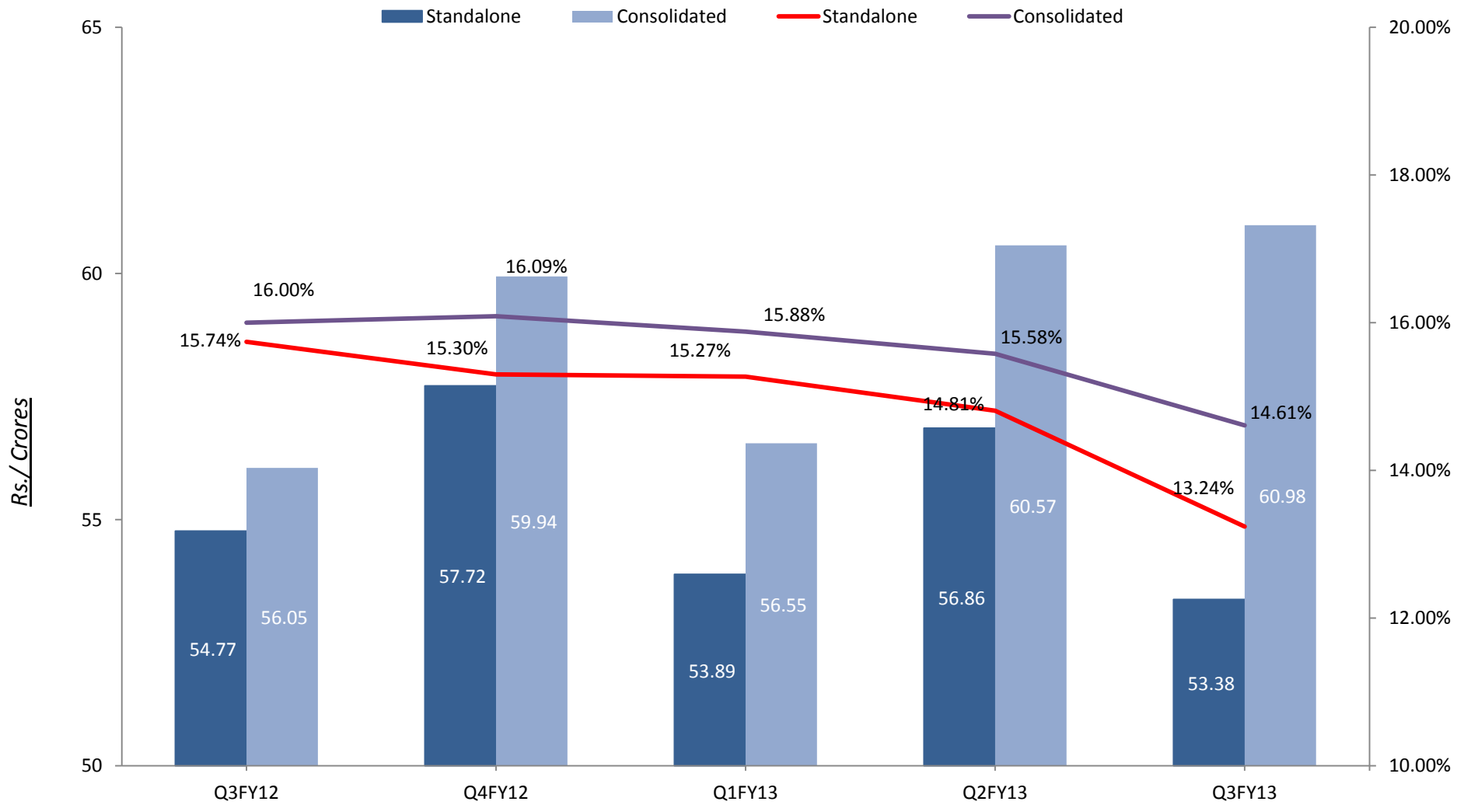
Rs. / Crores

Rs. / Crores



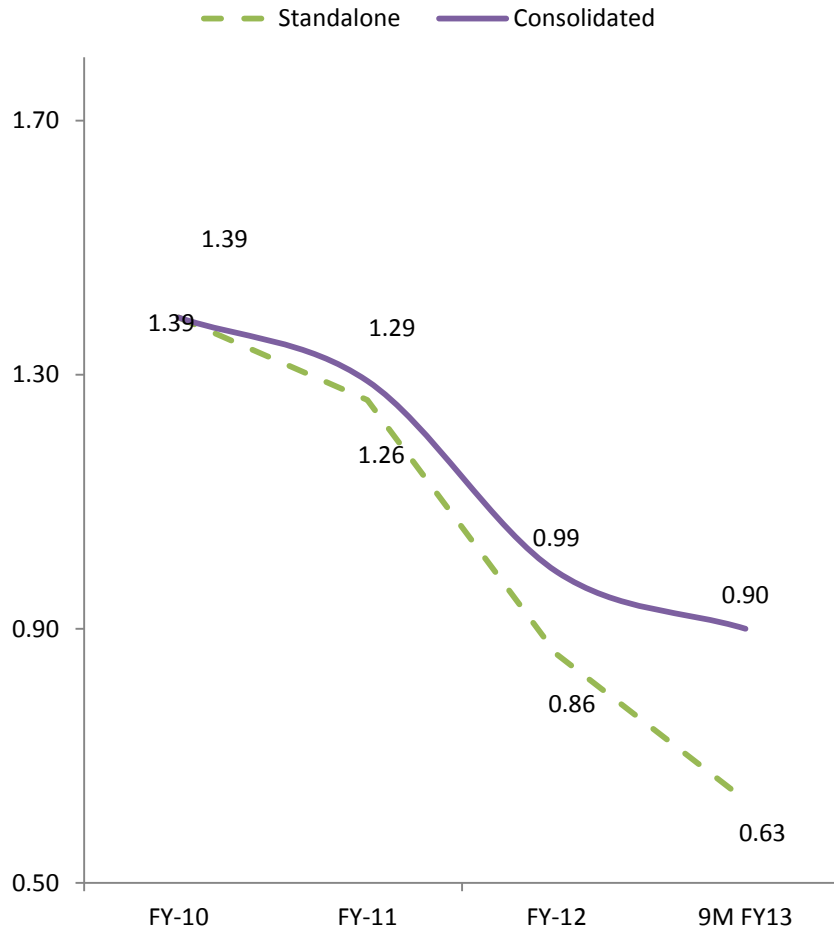
Consolidated net profit up by 18% at Rs. 24.95 crore for Q3FY13 as compared to Rs. 21.06 crore for Q3FY12 and up by 28% at Rs. 73.74 crore for 9MFY13 as compared to Rs. 57.39 crore for 9MFY12.

EBIDTA / EBIDTA Margin – quarterly progression

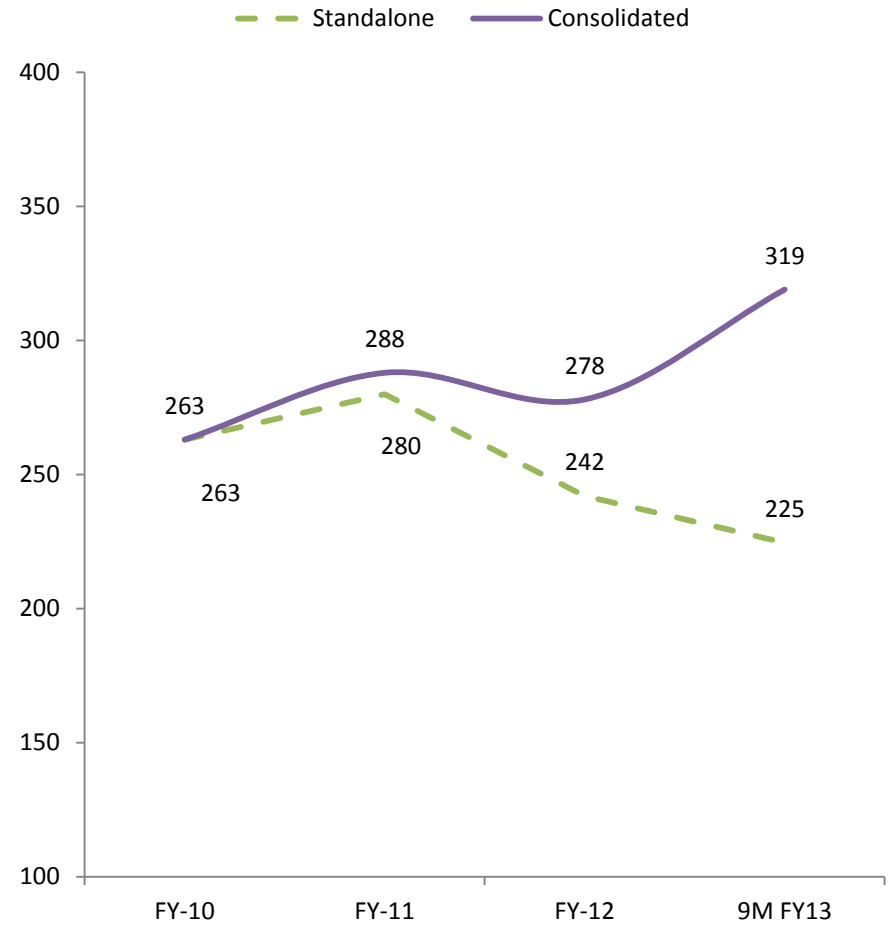


EBIDTA margin in Q3FY13 dropped mainly due to increase in power & fuel cost.

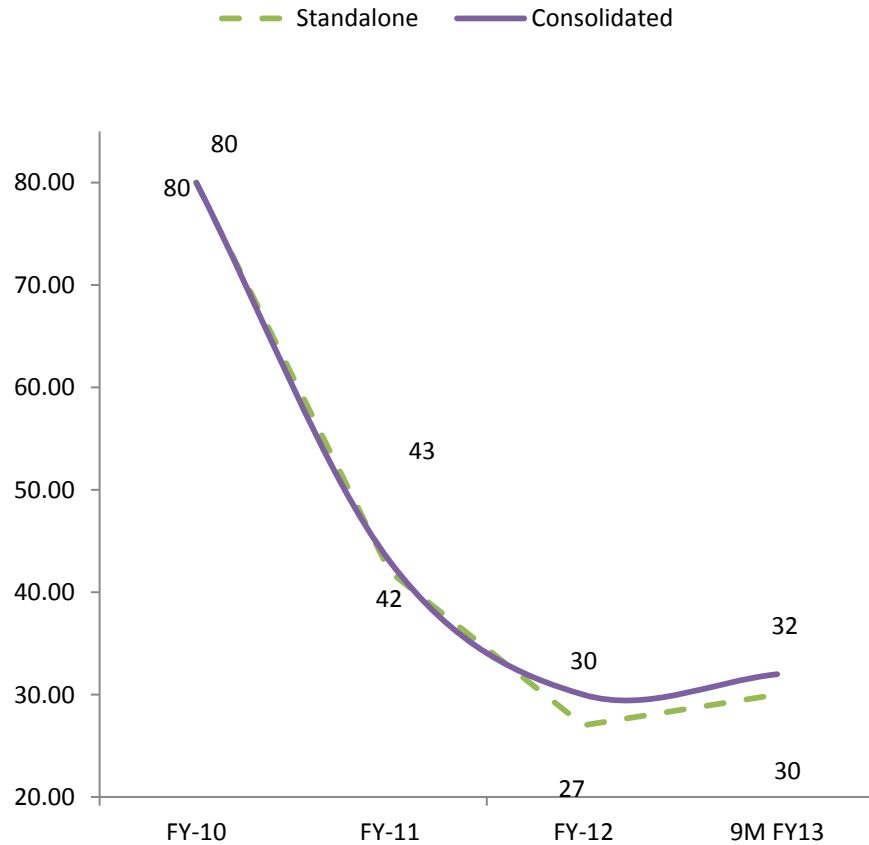
Debt Equity (X)



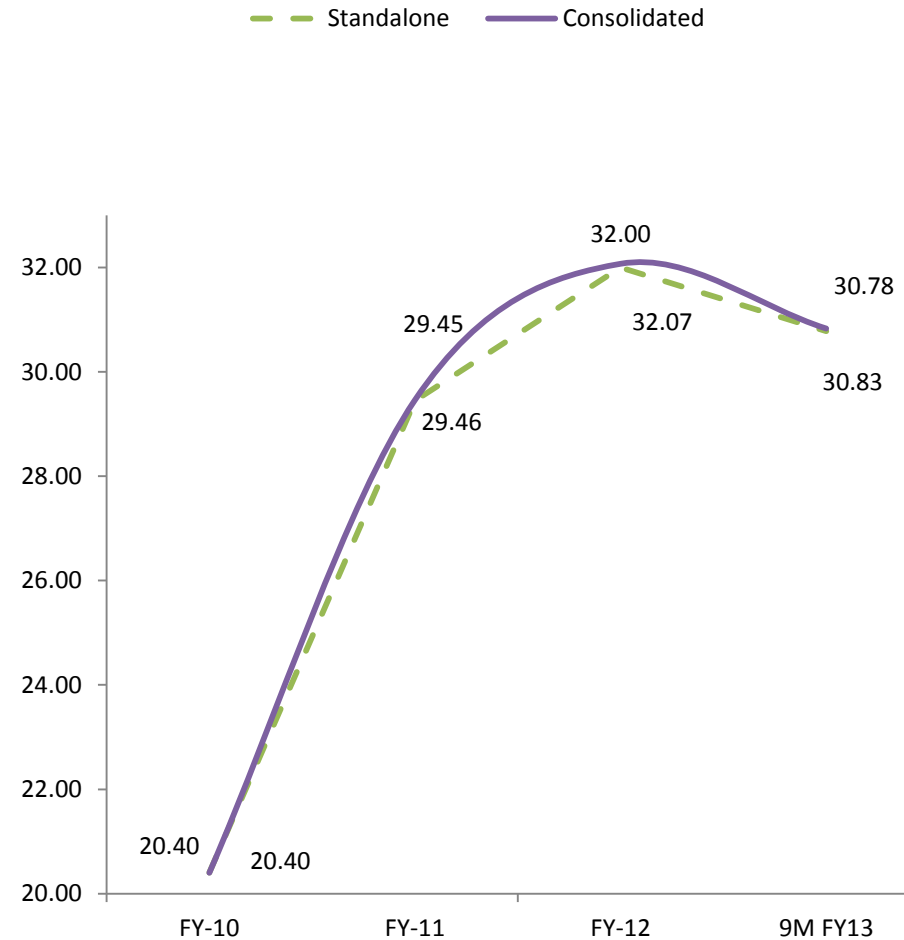
Debt (Rs. Crore)



Working Capital Cycle (days)



Return on Equity (Avg.) *



Capex creditors not considered in working capital cycle.

* ROE for as on 31st Dec. 12 taken at average net worth as on 31st Mar. 12 and 31st Dec.. 12 and annualised 9M FY13 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 at 74% in 9M FY13. (Q3 FY13 - 79%)

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 83% in 9M FY13. (Q3 FY13 - 81%)

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 89% in 9M FY13. (Q3 FY13 - 94%)

C. COSA CERAMICS

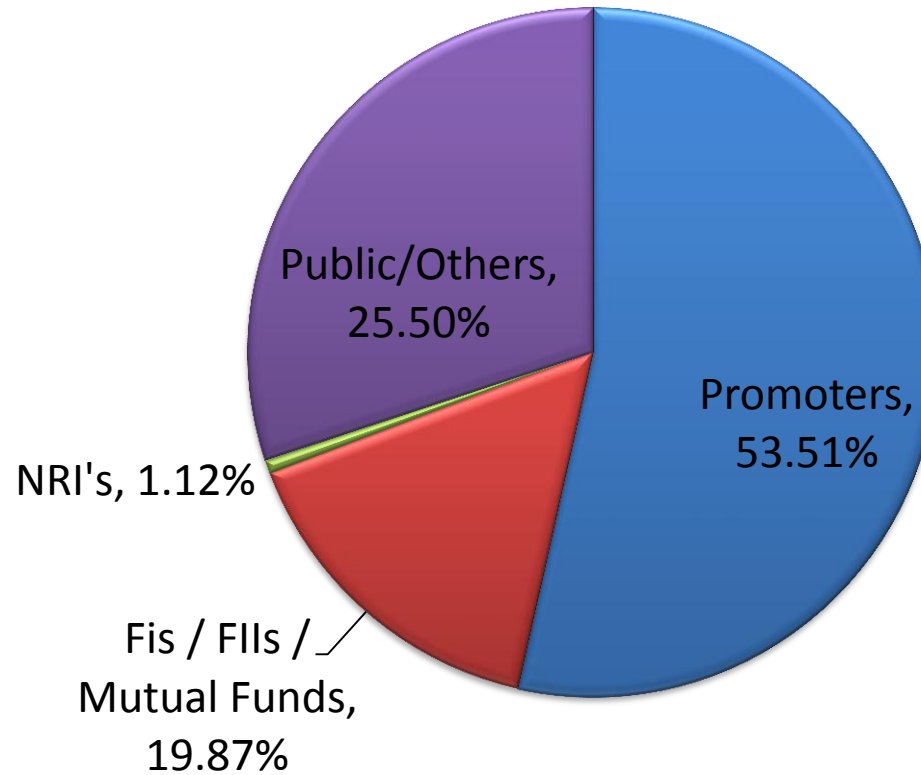
Acquired 51% stake in Cosa Ceramics Pvt. Ltd., based in Morbi, Gujarat – on 16th Oct.'12, with an annual production capacity of 2.70 MSM of polished vitrified tiles. COSA has produced 0.48 MSM in Q3 FY13. Expected to operate at optimum Capacity in Q3FY13.

Financial highlights

(Rs in Crore)

	Q3FY13		Q3FY12		Growth		9M FY13		9M FY12		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Sales	433.80	449.41	370.97	373.62	17%	20%	1229.21	1253.78	995.26	1000.61	24%	25%
Net Sales	403.23	417.26	347.98	350.32	16%	19%	1140.09	1162.04	934.13	938.91	22%	24%
EBIDTA	53.38	60.98	54.77	56.05	-3%	9%	164.13	178.10	143.52	147.73	14%	21%
EBIDTA MARGIN	13.24%	14.61%	15.74%	16.00%			14.40%	15.33%	15.36%	15.73%		
Interest	8.43	11.81	15.08	15.36	-44%	-23%	27.78	35.13	34.51	35.31	-20%	-1%
Depreciation	9.08	11.32	10.01	10.29	-9%	10%	29.38	34.28	27.56	28.44	7%	21%
Profit Before Tax	35.87	37.85	29.68	30.40	21%	25%	106.97	108.69	81.45	83.98	31%	29%
Tax	11.30	12.04	8.90	9.09	27%	32%	33.39	34.25	24.94	25.71	34%	33%
Minority Interest	-	0.86	-	0.25	-	-	-	0.70	-	0.88	-	-
Cash Profit	33.65	36.27	30.79	31.35	9%	16%	102.96	108.02	84.07	85.83	22%	26%
Profit After Tax	24.57	24.95	20.78	21.06	18%	18%	73.58	73.74	56.51	57.39	30%	28%
Equity	14.72	14.72	14.72	14.72			14.72	14.72	14.72	14.72		
EPS (Rs)	3.34	3.39	2.82	2.86	18%	18%	10.00	10.02	7.68	7.80	30%	28%

As on 31st Dec. 2012



Equity Shares Outstanding – 73.58 millions

Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India. It has an annual capacity of 41.00 mn. sq. meters, distributed across six plants - one in Sikandrabad (UP), one in Gailpur (Raj.), three in Morbi (Guj.) and one in Vijaywada (AP).

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

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

Mr. Sanjeev Agarwal

Vice President (Finance & Corporate Strategy)

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

Email: sanjeev@kajariaceramics.com