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SOMANY CERAMICS LIMITED
INVESTORS' UPDATE
FOR Q1' FY14

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Message

The growth of economy in general and construction and real estate sector in particular remained muted in Q1'FY14 also. Falling rupee and rising oil and fuel costs added to the woes of the Indian Industry further. Your company is no exception to this.

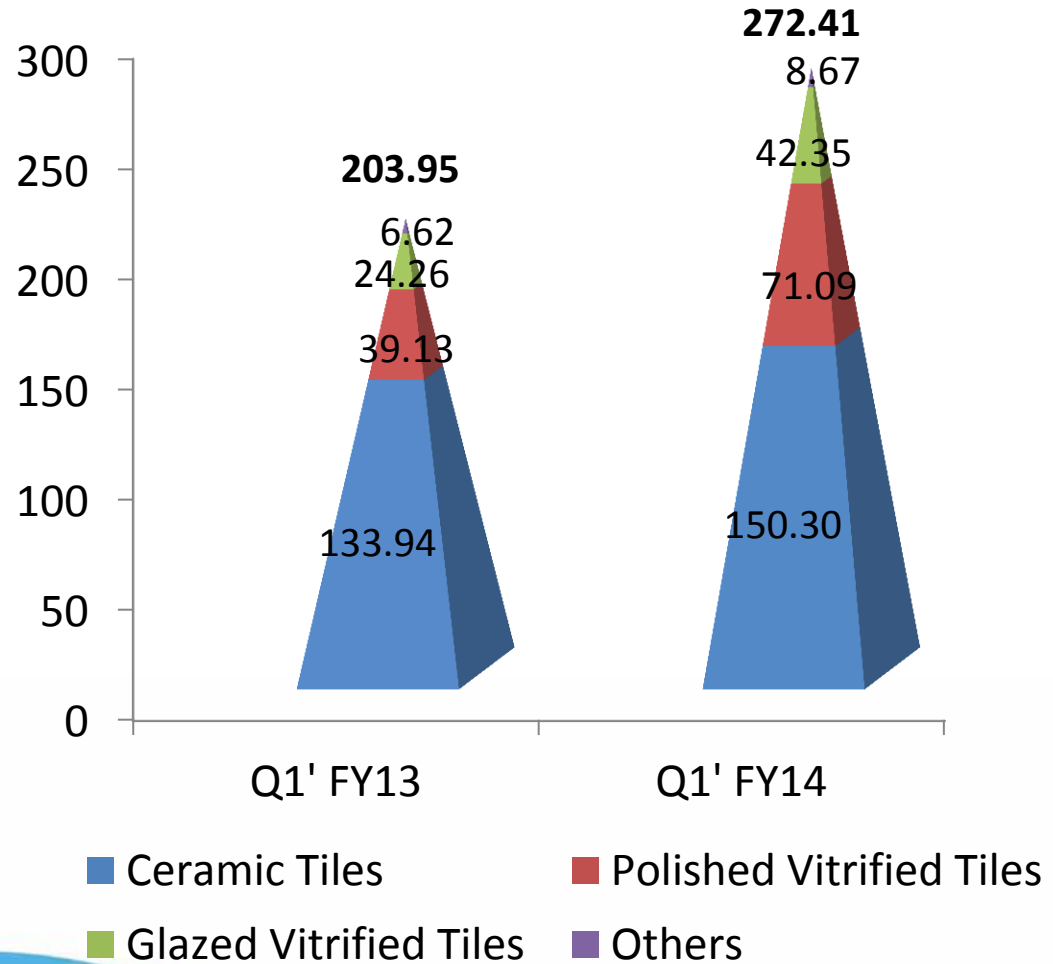
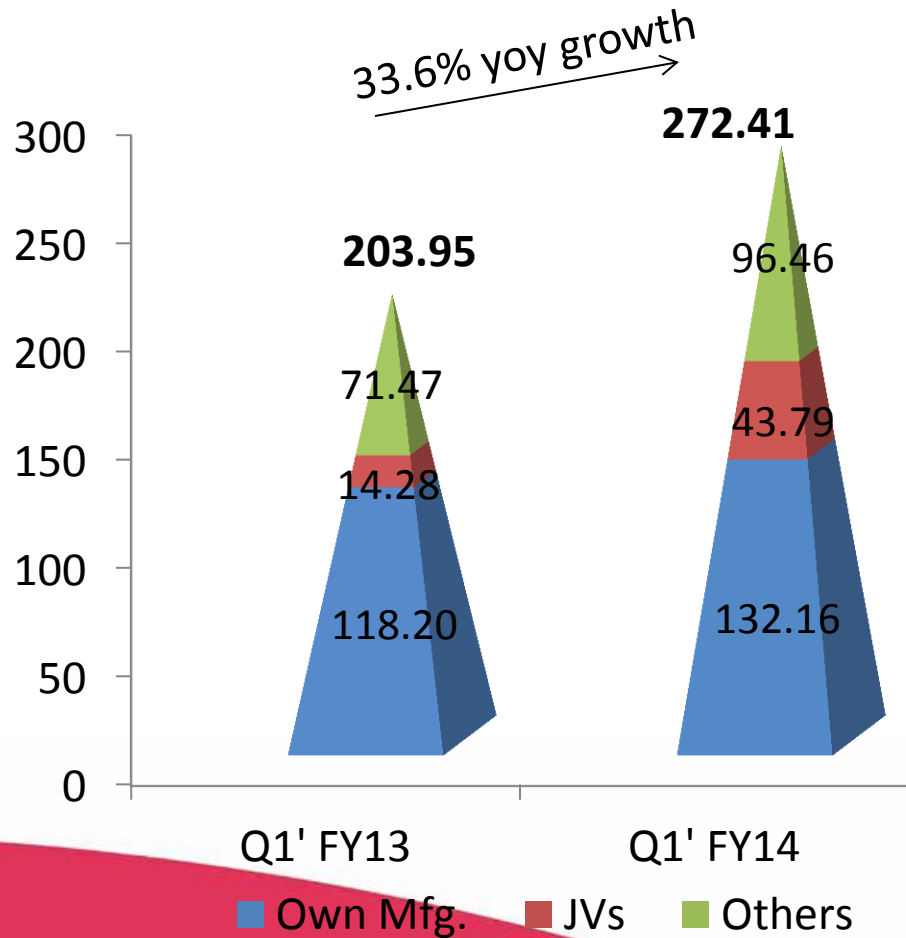
Despite all the adverse factors external to the company as mentioned above, your company (i) yet again posted impressive Q1 gross and net sales of Rs. 272.41 crores and Rs.257.97 crores respectively, 33.6% and 36% higher than the corresponding Q1 last year and (ii) not only maintained the bottom line, but improved it to Rs. 5.82 crores, 10.4% higher than the corresponding Q1 last year.

Amidst the uncertainties surrounding the economy, Somany will adopt a cautious approach and would continue to tread the path of growth mainly through asset light outsourcing model including expansions of existing Joint Ventures and forging new alliances. Investment in debottlenecking and technology up gradation of existing manufacturing plants would however continue.

We at Somany remain bullish on the long term outlook of the ceramic tile industry in India mainly due to inevitable need for rapid growth of construction and real estate sectors of economy backed by higher disposable incomes.

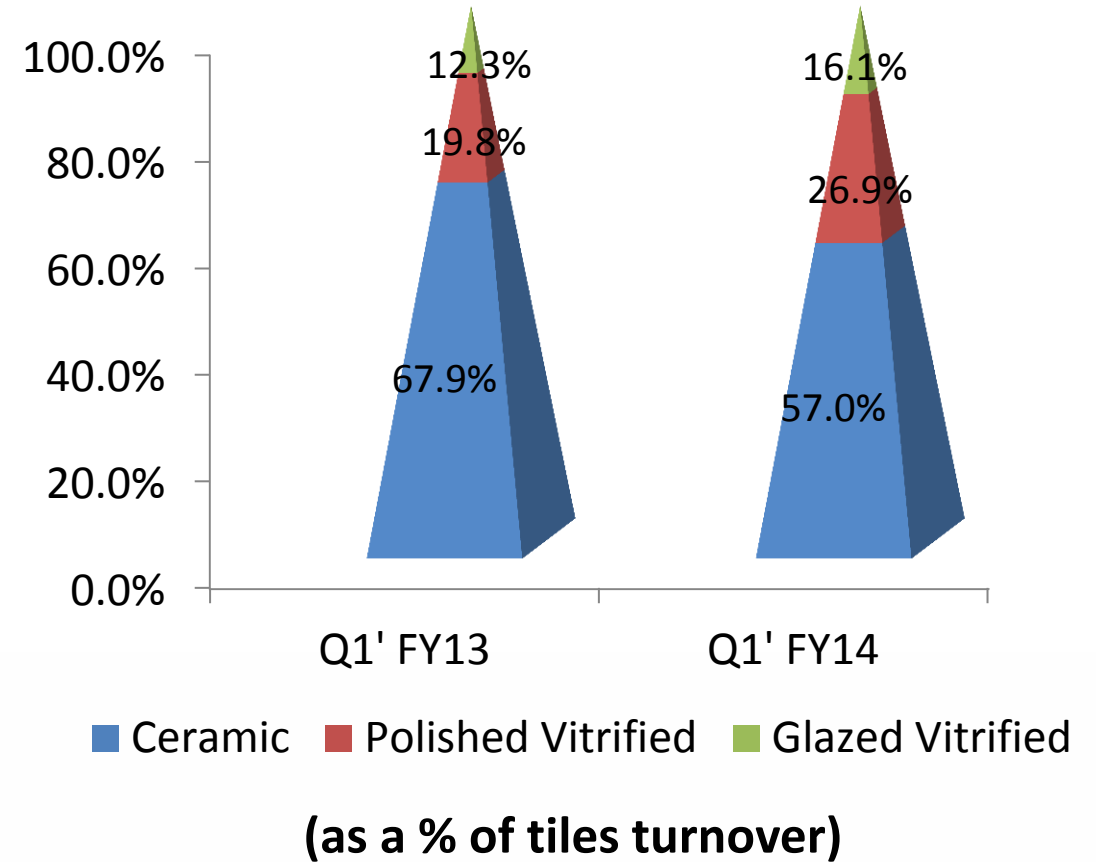
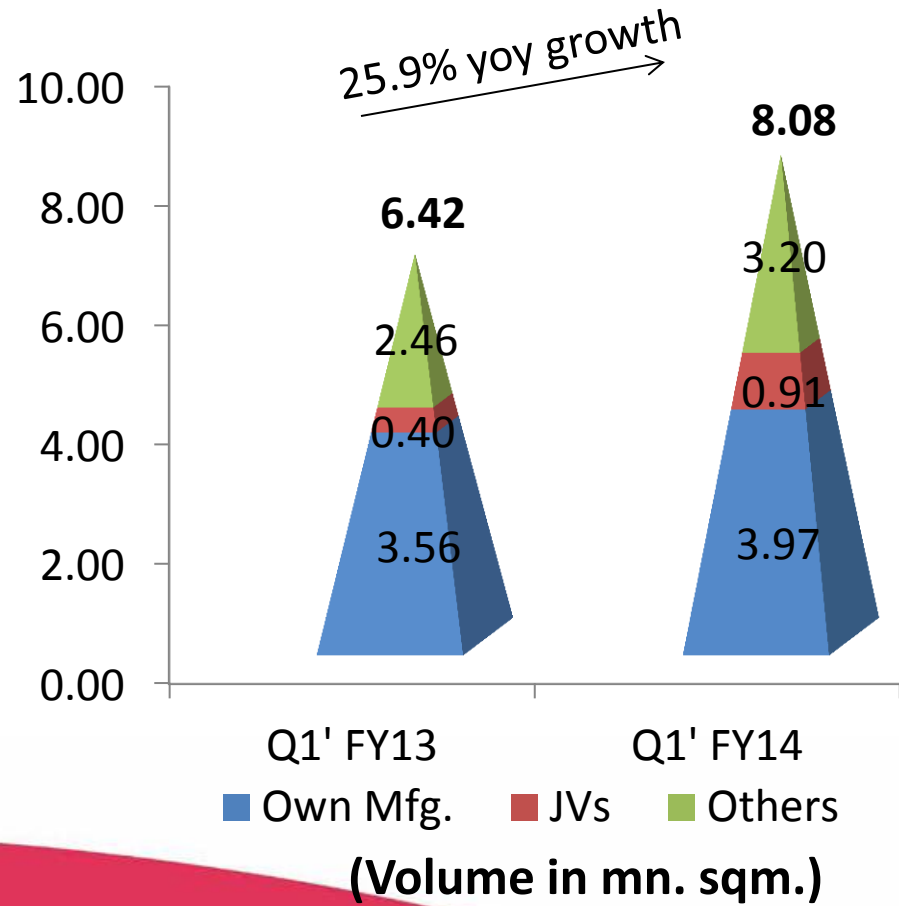


Performance Highlights - Sales Growth

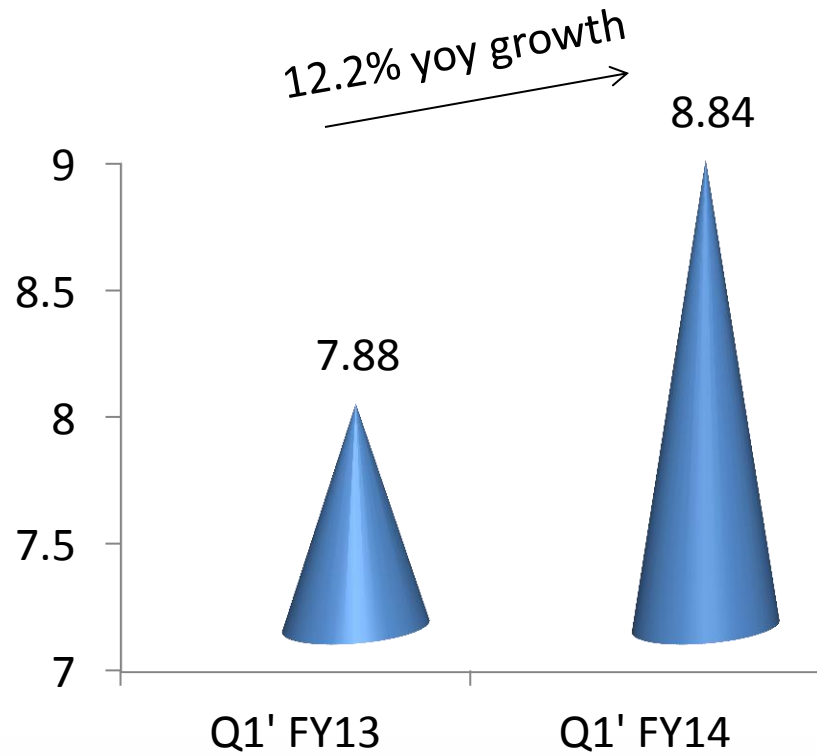


Standalone figures in Rs./ Crores

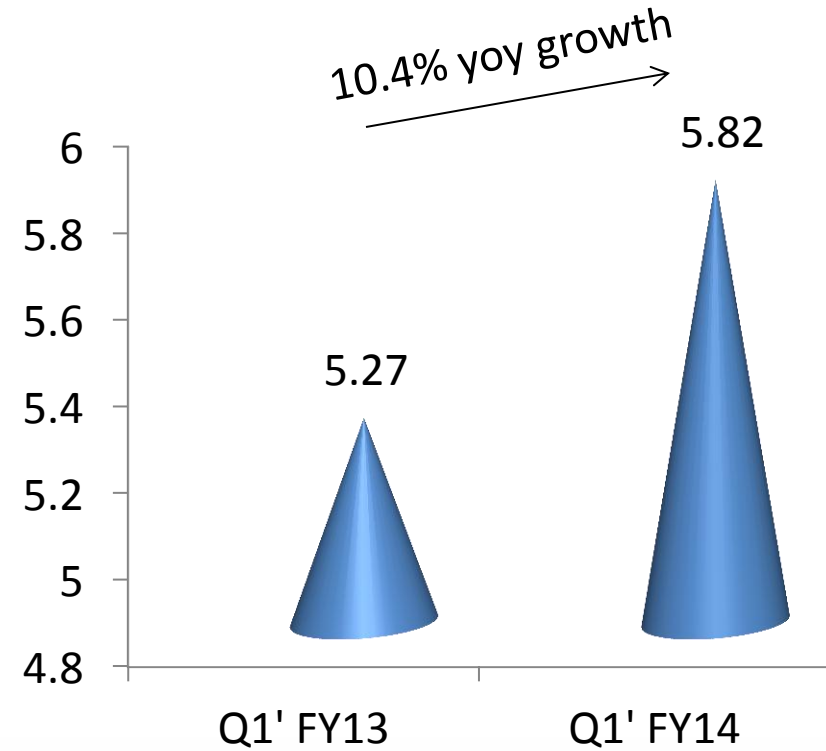
Performance Highlights - Sales Volume / Mix (Tiles)



Performance Highlights - PBT / PAT Growth

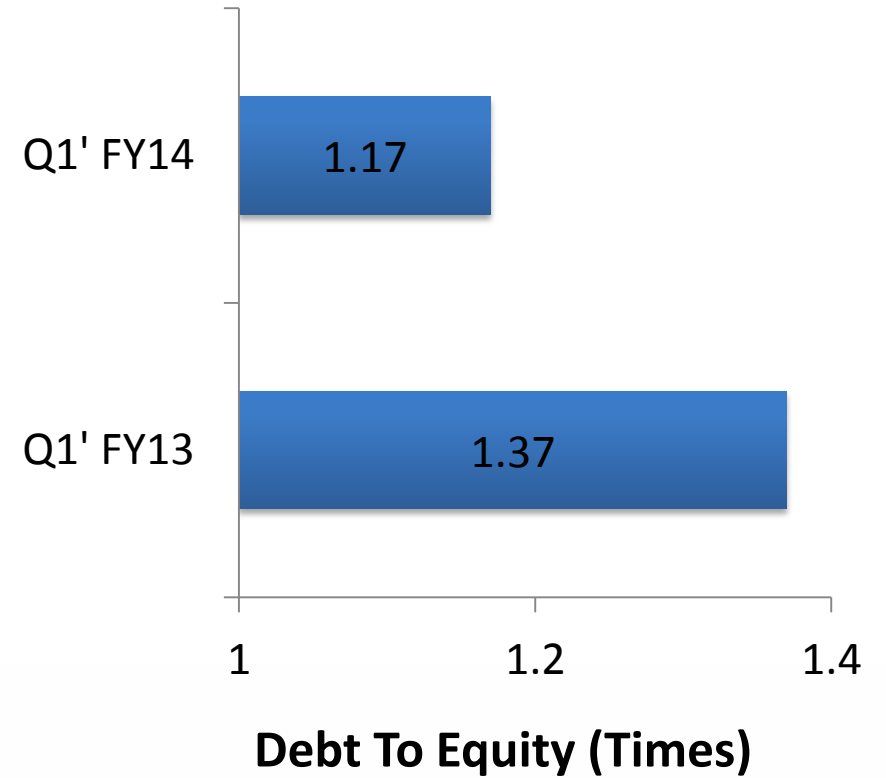
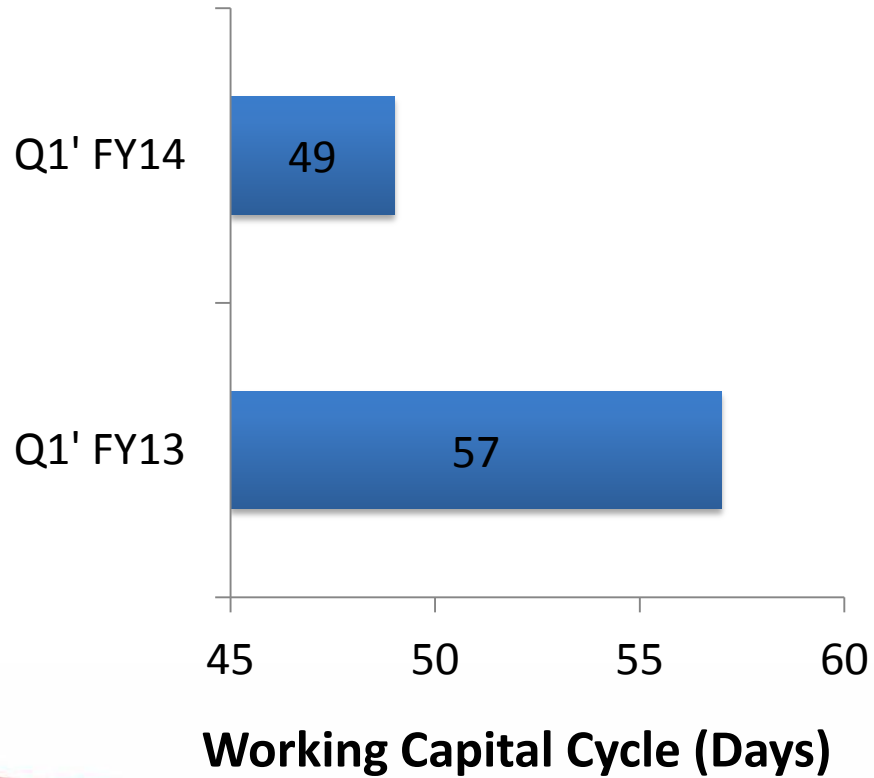


Profit before tax (PBT)



Profit after tax (PAT)

Performance Highlights - Debt Management




Based on Standalone figures

Performance Highlights - Financials


Particulars	Q1' FY13	Q1' FY14	Growth %
Gross Sales	203.95	272.41	33.57%
Net Sales	189.68	257.97	36.00%
EBIDTA	17.71	18.58	4.91%
Depreciation	4.88	5.26	7.79%
Finance cost	4.95	4.48	-9.49%
Profit before tax	7.88	8.84	12.18%
Tax expenses	2.61	3.02	15.71%
Profit after tax	5.27	5.82	10.44%
Cash Profit	9.90	10.88	9.90%
EPS (Rs.) (3 monthly)	2.87	3.16	10.10%

Standalone figures in Rs./ Crores


Performance Highlights - Others

- Sales of digital tile doubled to Rs. 59.46 crores in the current quarter compared to Rs. 30.38 crores in corresponding quarter last year. Contribution of the digital tiles in total sales increased to 22% compared to 15% of last year's first quarter
 - Commissioned one more digital printing machines at Kadi (Gujarat) Plant. With this the total number of digital printing machines increased to seven in both the plants
 - Replaced an old press in at Kassar (Haryana) Plant with new one enhancing the productivity and capacity to produce larger format ceramic tiles
 - 232 masons trained under tile master initiative during the quarter
 - Strengthened distribution network further by adding 10 showrooms during the quarter, taking the total to 191
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Challenges

- The cost of natural gas, main fuel for the manufacturing of tiles has gone up sharply by ~28% compared to corresponding quarter last year. Mitigation efforts by reducing energy consumption and changing energy mix, however yielded good results. Still it adversely impacted the bottom line.
 - High volatility in foreign exchange rates adversely impacted profits for the quarter on account of higher reinstatement of foreign exchange liabilities (MTM) in books to the extent of Rs. 1.73 crores. But for this, the profit would have been higher to this extent.
 - Unfair competition from unorganized sector continues.
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Future Plans

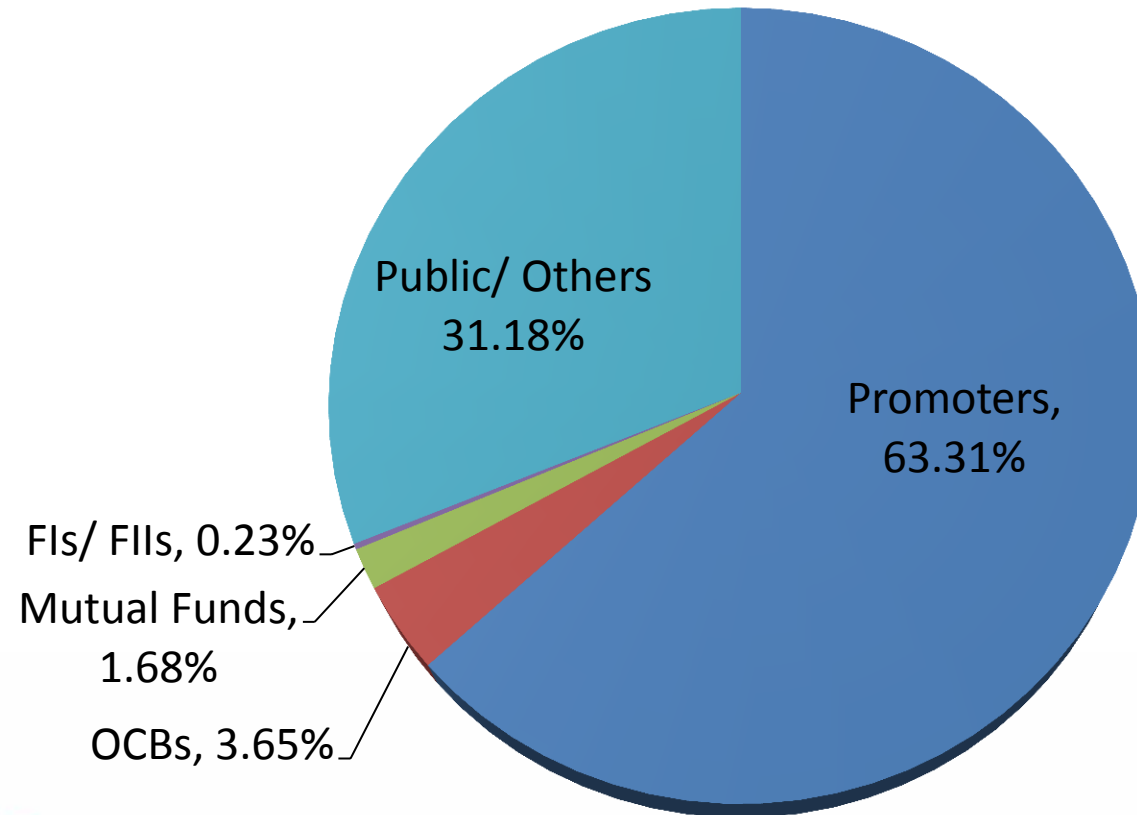
- ❖ The capacity expansion at one of the JV's plant (Commander Vitrified Private Ltd) is likely to be completed in the last quarter of the current financial year increasing its capacity from ~2.65 million square meters to ~5.5 million square meters per annum.
 - ❖ The capacity optimization at the other JV plant (Vintage Tiles Private Ltd) has resulted into increase in its capacity from ~2.65 millions to ~3.3 millions per annum.
 - ❖ The company plans to invest 51% in Amora Tiles Private Ltd which is setting up a new plant to produce ~2.4 million square meters of ceramic tiles per annum. The plant is expected to be commissioned in the last quarter of the current financial year.
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- ❖ The company also plans to invest 26% in M/s Vicon Ceramics Private Ltd which is setting up a new plant to produce ~3.9 million square meters of ceramic and vitrified tiles per annum. This plant is also expected to be commissioned in the last quarter of the current financial year.
- ❖ The investment in debottlenecking and up gradation of the existing own plants continues, the benefits of which would follow in subsequent quarters.



Shareholding Pattern

As on 30th June, 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 'Gold' award – for its annual report of F.Y. 2011-12



Corporate Brief

Somany is amongst the frontrunners in the ceramic tile industry in India. Currently it has access to manufacturing capacity of ~36.45 million square meters of tiles per annum spread across two own manufacturing plants in Haryana and Gujarat (19.15 million sqm), two joint venture plants in Gujarat (5.30 million sqm) and outsourcing tie ups for 12.0 millions 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 1500+ dealers, more than 6000 sub dealers and 191 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.



THANK YOU!

