Everest Industries Limited

Investor Presentation

16th February 2011

Cautionary Statement

The information contained in this presentation is only current as of its date. Its is advised that prior to acting upon this presentation consultation may be obtained and necessary due diligence may be carried out.

Certain statements in this document may be forward looking statements. Future performances or actual results may differ from these forward looking statements.

Everest Industries Ltd will not be responsible for any action taken based on such statements and is under no obligation to update these forward looking statements.

Corporate News

- Mr. Manish Sanghi, previously COO & Director, has took over as Managing Director of the Company w.e.f. 1 October 2010 pursuant to retirement of Mr. M. L. Gupta.

- Mr. M. L. Gupta continues to be on the Board and has been appointed as (non-executive) Vice Chairman.

- 27,397 equity shares of Rs. 10 each were issued to employees under ESOS in Q3 (235,154 equity shares in Nine months).

Financial Highlights

(Rs. in Lacs)

Rs. Lacs	2010-11		2009-10		Growth % YoY	
	Q3	Nine Months	Q3	Nine Months	Q3	Nine Months
Net Revenue	18032	52528	15312	46745	17.8%	12.4%
EBIDTA *	1151	5693	1183	5203	-2.7%	9.4%
Interest	106	395	272	831	-61.0%	-52.5%
Depreciation	472	1412	465	1384	1.5%	2.0%
Loss /(Gain) on Derivatives	8	488	-194	366	-104.1%	33.3%
(Gain) on sale of property	-694	-694	0	0	0.0%	0.0%
PBT	1259	4092	640	2622	96.7%	56.1%
PAT	997	3009	471	1883	111.7%	59.8%

* Excluding Loss on Derivatives and profit on sale of property

Key Highlights:

•Increase in freight cost by 1.5% and power cost by 1.6% have led to a drop in EBIDTA in Q3.

•Interest cost is lower on account of reduction in borrowing, optimised mix of borrowed funds and the reduction in interest costs.

•POS transactions entered in by the Company have been closed. Henceforth there will be no ‘Loss on Derivatives’ on these transactions.

Segment Results

Rs Lacs	2010-11		2009-10		Growth YoY	
	Q3	Nine Months	Q3	Nine Months	Q3	Nine Months
Building Products						
Revenue	13636	41619	12252	37953	11%	10%
PBIT	1070	5962	1676	6391	-36%	-7%
Steel Buildings						
Revenue	4396	10909	3060	8792	44%	24%
PBIT	229	130	-222	-693	-203%	-119%
Total						
Revenue	18032	52528	15312	46745	18%	12%
PBIT	1299	6092	1454	5698	-11%	7%

Performance Overview

- YoY Revenues grew by 17.8% in Q3 and 12.4% in Nine months.
- YoY EBIDTA declined by 2.7% in Q3 though it grew by 9.4% during Nine months on the strength of buoyant Q1.
- Good monsoon during this year augurs well for the ‘Building Products’ industry in rest of the year.
- Higher industrial growth rates should result into better performance by ‘Steel Buildings’business of the Company.
- Steel Building’ EBIT during Q3 Rs. 229 Lacs.

Building Products

Unit : Mt

Particulars	2010-11		2009-10		Growth YoY	
	Q3	Nine Months	Q3	Nine Months	Q3	Nine Months
Sales Volumes	148457	436098	132130	400561	12%	9%

Sales growth of 12% in the quarter in the Building products was higher than the preceding quarter.

The growth trend should continue on account of :

- Good monsoon should result in increased demand in the next 2 - 3 quarters
- Buoyant economy particularly in rural segment due to effective NAREGA implementation and remunerative agricultural pricing
- Rural demand due to prosperity and spending habits

The average realization declined from Rs. 7812 per ton to Rs. 7502 per ton due to delayed firming up of the market prices post off-season. However the volumes showed a positive trend towards the end of the quarter.

Steel Buildings

Unit: Mt

MT	2010-11		2009-10		Growth YoY	
	Q3	Nine Months	Q3	Nine Months	Q3	Nine Months
Sales Volumes	5493	14194	4784	12756	15%	11%

The Steel Building has shown a major improvement in number of projects being set up.

Investment climate has improved and many more projects are being undertaken.

The order book at the end of the quarter stood at 16720 MT, Rs. 135 Crores.

This Business has recorded positive operating performance for last four months.

Unaudited Financial Results for the Quarter and Period Ended 31 December,2010

(Rs. in Lacs)

SL. No.	Particulars	3 months ended 31.12.2010 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2009 (Unaudited)	Year to date figures for current period ended 31.12.2010 (Unaudited)	Year to date figures for previous period ended 31.12.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
1.	(a) Net sales / Income from operations	17,994	15,273	52,416	46,634	65,253
	(b) Other operating income	38	39	112	111	160
	Total Income	18,032	15,312	52,528	46,745	65,413
2.	Expenditure					
	a) (Increase)/Decrease in stock-in-trade and work in progress	(641)	10	(438)	(409)	(791)
	b) Consumption of raw materials	10,724	8,566	28,324	25,741	36,260
	c) Purchase of traded goods	39	30	364	149	328
	d) Employees costs	1,710	1,580	5,050	4,725	6,302
	e) Freight	1,496	1,037	4,107	3,129	4,537
	f) Depreciation	472	465	1,412	1,384	1,837
	g) Other expenditure	3,634	3,041	9,820	8,649	12,180
	Total	17,434	14,729	48,639	43,368	60,653
3.	Profit from operations before other income and interest	598	583	3,889	3,377	4,760
4.	Other income	775	135	1,086	442	803
5.	Profit before interest	1,373	718	4,975	3,819	5,563
6.	Interest	106	272	395	831	995
7.	Profit after interest but before exceptional items	1,267	446	4,580	2,988	4,568
8.	(Gain)/ Loss on derivative transactions	8	(194)	488	366	397
9.	Profit before tax	1,259	640	4,092	2,622	4,171
10.	Tax expense	262	169	1,083	739	1,170
11.	Profit after tax	997	471	3,009	1,883	3,001
12.	Paid up Equity share capital (face value Rs. 10/-)	1,505	1,480	1,505	1,480	1,482
13.	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	15,888
14.	Basic and diluted EPS	6.63	3.18	20.06	12.72	20.28
15.	Public shareholding					
	(a) No. of shares	7,530,332	7,386,550	7,530,332	7,386,550	7,295,178
	(b) Percentage of shareholding	50.03%	49.91%	50.03%	49.91%	49.24%
16.	Promoters and Promoter Group Shareholding					
	a) Pledged/ encumbered					
	-Number of shares	Nil	Nil	Nil	Nil	Nil
	-Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil	Nil
	-Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
	b) Non encumbered					
	-Number of shares	7,520,470	7,413,470	7,520,470	7,413,470	7,520,470
	-Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	49.97%	50.09%	49.97%	50.09%	50.76%

Segment-Wise Revenue And Capital Employed for the Quarter and Period Ended 31 December,2010

(Rs. in Lacs)

		3 months ended 31.12.2010 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2009 (Unaudited)	Year to date figures for current period ended 31.12.2010 (Unaudited)	Year to date figures for previous period ended 31.12.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
1	**Segment revenue**					
	a. Building products	13,636	12,252	41,619	37,953	52,944
	b. Steel buildings	4,396	3,060	10,909	8,792	12,469
	Total	**18,032**	**15,312**	**52,528**	**46,745**	**65,413**
	Total revenue	**18,032**	**15,312**	**52,528**	**46,745**	**65,413**
2	**Segment results (Profit before tax and interest from each segment)**					
	a. Building products	1,070	1,676	5,962	6,391	9,022
	b. Steel buildings	229	(222)	130	(693)	(816)
	Total	**1,299**	**1,454**	**6,092**	**5,698**	**8,206**
	Less:					
	i. Interest	106	272	395	831	995
	ii. Other unallocable expenditure (net of unallocable income)	(66)	542	1,605	2,245	3,040
	Total Profit before Tax	**1,259**	**640**	**4,092**	**2,622**	**4,171**
3	**Capital Employed (Segment assets - Segment liabilities)**					
	a. Building products	27,891	26,107	27,891	26,107	27,763
	b. Steel buildings	3,938	5,214	3,938	5,214	4,273
	c. Unallocable	(11,189)	(1,886)	(11,189)	(1,886)	(1,888)
	Total	**20,640**	**29,435**	**20,640**	**29,435**	**30,148**

NOTES :

1 The above financial results have been approved by the Audit Committee and the Board of Directors at their respective meetings held on 18 January, 2011 and have been subjected to limited review by the statutory auditors as per Clause 41 of the Listing Agreement.

2 Other income for the quarter and nine months ended 31st December 2010, includes Rs. 694 lacs being profit on sale of property.

3 The previous period figures have been regrouped wherever necessary.

4 No investor complaints were outstanding at the beginning of the quarter. No complaints were received during the quarter ended 31 December, 2010.