Everest Industries Limited

Investor Presentation

2nd November 2010

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 taken 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.

- Flooding in our BW plant disrupted production and dispatches for around 4 weeks during Q2 2010-11. The plant is now functioning normally.

- 33,318 equity shares of Rs. 10 each were issued to employees under ESOS in Q2 (207,757 equity shares in H1).

Financial Highlights

(Rs. in Lacs)

Rs. Lacs	2010-11 Q2	2010-11 H1	2009-10 Q2	2009-10 H1	Growth % YoY Q2	Growth % YoY H1
Net Revenue	14492	34496	13600	31433	6.6%	9.7%
EBIDTA *	1468	4542	1841	4020	-20.3%	13.0%
Interest	139	289	274	559	-49.3%	-48.3%
Depreciation	470	940	462	919	1.7%	2.3%
Loss on Derivatives	228	480	445	560	-48.8%	-14.3%
PBT	631	2833	660	1982	-4.4%	42.9%
PAT	462	2012	468	1412	-1.3%	42.5%

* Excluding Loss on Derivatives

Key Highlights:

•Increase in raw material consumption by 1.9%, stores consumption by 1.1% and power cost by 0.8% have led to a drop in EBIDTA in Q2.

•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. in Lacs)

Rs Lacs	2010-11		2009-10		Growth % YoY	
	Q2	H1	Q2	H1	Q2	H1
Building Products						
Revenue	11365	27982	10741	25701	5.8%	8.9%
PBIT	1557	4892	1940	4715	-19.7%	3.8%
Steel Buildings						
Revenue	3127	6514	2859	5732	9.4%	13.6%
PBIT	-4	-99	-5	-471	20.0%	79.0%
Total						
Revenue	14492	34496	13600	31433	6.6%	9.7%
PBIT	1553	4793	1935	4244	-19.7%	12.9%

Performance Overview

- YoY Revenues grew by 6.6% in Q2 and 9.7% in H1. Q2 witnessed subdued growth due to early onset of monsoons.

- YoY EBIDTA declined by 20.3% in Q2 though it grew by 13.0% during H1 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 (H1 >10%) should result into better performance by ‘Steel Buildings’ business of the Company.

- ‘Steel Building’ reduced it’s EBIT level losses during H1.

Building Products

Unit: Mt

Particulars	2010-11		2009-10		Growth YoY	
	Q2	H1	Q2	H1	Q2	H1
Sales Volumes	117181	287641	110646	268431	5.9%	7.2%

Sales growth of 5.9% in the quarter in the Building products segment was lower than anticipated on account of:

•Seasonal factors - Traditionally the monsoon period sees a slowdown in construction activity. Excessive rainfall in many parts of the country affected sales more than usual.

•Inadequate funds in rural hands. This was an after-effect of last year's poor monsoon. Rural Customers had inadequate surplus funds for the construction of homes so they postponed plans for new construction. Availability of limited funds seem to have benefited durables, which cost less to acquire as compared to home construction.

The fibre cement roofing industry experienced a QoQ growth of 5.6%, HoH growth of -0.21%.

High stock levels in the fibre cement roofing industry resulted in decline in prices during Q2.

Steel Buildings

Unit: Mt

Particulars	2010-11		2009-10		Growth YoY	
	Q2	H1	Q2	H1	Q2	H1
Sales Volumes	4329	8701	4101	7972	5.6%	9.1%

The Steel Building Business has shown an improvement in number of projects being set up. Investment climate is improving, capital expenditure and project enquiries are on an upswing. Notable projects signed by the division during the quarter were:

- Bharti Walmart (repeat customer)
- Godrej Agrovet
- Om Logistics
- Vectra Advance Engineering

The order book at the end of the Q2 2010-11 stood at Rs. 130 crores.

Unaudited Financial Results for the Quarter and Half Year Ended 30 September, 2010

(Rs. in Lacs)

SL. No.	Particulars	3 months ended 30.09.2010 (Unaudited)	Corresponding 3 months ended in the previous year 30.09.2009 (Unaudited)	Half-year ended 30.09.2010 (Unaudited)	Corresponding half-year ended in the previous year 30.09.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
1.	(a) Net sales / Income from operations	14,457	13,551	34,422	31,361	65,253
	(b) Other operating income	35	49	74	72	160
	Total Income	14,492	13,600	34,496	31,433	65,413
2.	Expenditure					
	a) (Increase)/Decrease in stock-in-trade and work in progress	(252)	(1,165)	203	(419)	(791)
	b) Consumption of raw materials	7,582	7,942	17,600	17,175	36,260
	c) Purchase of traded goods	236	59	325	119	328
	d) Employees costs	1,663	1,625	3,340	3,145	6,302
	e) Freight	1,047	907	2,611	2,092	4,537
	f) Depreciation	470	462	940	919	1,837
	g) Other expenditure	2,999	2,617	6,186	5,608	12,180
	Total	13,745	12,447	31,205	28,639	60,653
3.	Profit from operations before other income and interest	747	1,153	3,291	2,794	4,760
4.	Other income	251	226	311	307	803
5.	Profit before interest	998	1,379	3,602	3,101	5,563
6.	Interest	139	274	289	559	995
7.	Profit after interest but before exceptional items	859	1,105	3,313	2,542	4,568
8.	(Gain)/ Loss on derivative transactions	228	445	480	560	397
9.	Profit before tax	631	660	2,833	1,982	4,171
10.	Tax expense	169	192	821	570	1,170
11.	Profit after tax	462	468	2,012	1,412	3,001
12.	Paid up Equity share capital (face value Rs. 10/-)	1,502	1,480	1,502	1,480	1,482
13.	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	15,888
14.	Basic and diluted EPS	3.08	3.16	13.43	9.54	20.28
15.	Public shareholding					
	(a) No. of shares	7,502,935	7,386,550	7,502,935	7,386,550	7,295,178
	(b) Percentage of shareholding	49.94%	49.91%	49.94%	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 promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	-Percentage of shares (as a % of the total share capital of the Company					
	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 promoter and promoter group)	100%	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company					

Segment-Wise Revenue, Results And Capital Employed for the Quarter And Half Year Ended 30 September, 2010

(Rs. in Lacs)

		3 months ended 30.09.2010 (Unaudited)	Corresponding 3 months ended in the previous year 30.09.2009 (Unaudited)	Half-year ended 30.09.2010 (Unaudited)	Corresponding half-year ended in the previous year 30.09.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
1	**Segment revenue**					
	a. Building products	11,365	10,741	27,982	25,701	52,944
	b. Steel buildings	3,127	2,859	6,514	5,732	12,469
	Total	**14,492**	**13,600**	**34,496**	**31,433**	**65,413**
	Total revenue	**14,492**	**13,600**	**34,496**	**31,433**	**65,413**
2	**Segment results (Profit before tax and interest from each segment)**					
	a. Building products	1,557	1,940	4,892	4,715	9,022
	b. Steel buildings	(4)	(5)	(99)	(471)	(816)
	Total	**1,553**	**1,935**	**4,793**	**4,244**	**8,206**
	Less:					
	i. Interest	139	274	289	559	995
	ii. Other unallocable expenditure (net of unallocable income)	783	1,001	1,671	1,703	3,040
	Total Profit before Tax	**631**	**660**	**2,833**	**1,982**	**4,171**
3	**Capital Employed (Segment assets - Segment liabilities)**					
	a. Building products	28,723	28,217	28,723	28,217	27,763
	b. Steel buildings	3,877	5,134	3,877	5,134	4,273
	c. Unallocable	(12,970)	(2,058)	(12,970)	(2,058)	(1,888)
	Total	**19,630**	**31,293**	**19,630**	**31,293**	**30,148**

1. The above financial results have been approved by the Audit Committee and the Board of Directors at their respective meetings held on 25 October, 2010 and have been subjected to limited review by the statutory auditors as per Clause 41 of the Listing Agreement.
2. No investor complaints were outstanding at the beginning of the quarter. No complaints were received during the quarter ended 30 September, 2010.
3. The statement of assets and liabilities is as follows:

(Rs. in Lacs)

	Particulars	**As at 30.09.2010 (Unaudited)**	**As at 30.09.2009 (Unaudited)**
1.	**Shareholders' fund**		
	a) Share capital	1,512	1,480
	b) Reserves and surplus	18,118	15,068
2.	**Loan funds**	12,405	14,722
3.	**Stockists' deposits**	1,100	691
4.	**Deferred tax liability (Net)**	2,445	2,369
	Total	**35,580**	**34,330**
5.	**Fixed assets**	22,170	23,351
6.	**Investments**	2	5
7	**Current assets, loans and advances**		
	a) Inventories	13,438	12,556
	b) Sundry debtors	2,297	2,177
	c) Cash and bank balances	1,748	1,619
	d) Other current assets	3	1
	e) Loans and advances	5,734	3,848
		23,220	20,201
8.	**Less : Current liabilities and provisions**		
	a) Current liabilities	9,098	8,595
	b) Provisions	731	683
		9,829	9,278
9.	**Foreign Currency Monetary Item Translation Difference Account**	17	51
	Total	**35,580**	**34,330**

4. The previous period figures have been regrouped wherever necessary.