



**India's Largest Interior Infrastructure Company**



**BRING ALIVE YOUR  
INTERIORS**



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# Safe Harbor

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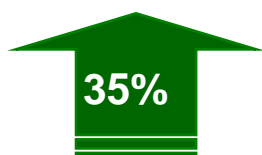
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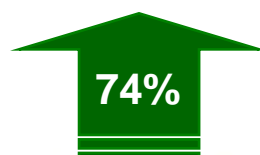
# Financial Review – FY08

(Rs in Cr)

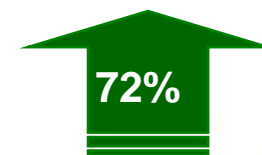
Particulars	2007-08	2006-07	Change (%)
<b>Gross Revenue</b>	<b>631.86</b>	<b>469.52</b>	<b>35</b>
Net Revenue	541.79	392.20	38
<b>EBIDTA (excluding other income)</b>	<b>80.49</b>	<b>46.13</b>	<b>74</b>
EBIDTA margin (%)	14.77	11.76	
<b>PAT</b>	<b>38.73</b>	<b>22.52</b>	<b>72</b>
PAT margin (%)	7.15%	5.74%	
Equity capital (Rs. 5 each)	8.50	8.23	
EPS (Rs, fully diluted)	22.47	13.80	63



Gross Revenue



EBIDTA



PAT

# Financial Review – Q4 FY08

(Rs in Cr)

Particulars	Q4FY08	Q4FY07	Change (%)
<b>Gross Revenue</b>	<b>173.87</b>	<b>131.31</b>	<b>32</b>
Net Revenue	150.97	110.61	36
<b>EBIDTA (excluding other income)</b>	<b>20.54</b>	<b>13.20</b>	<b>56</b>
EBIDTA margin (%)	13.61	11.93	
<b>PAT</b>	<b>8.67</b>	<b>6.71</b>	<b>29</b>
PAT margin (%)	5.74	6.07	
Equity capital (Rs. 5 each)	8.50	8.50	
EPS (Rs, fully diluted)	4.78	4.50	6

32%

Gross Revenue

56%

EBIDTA

29%

PAT

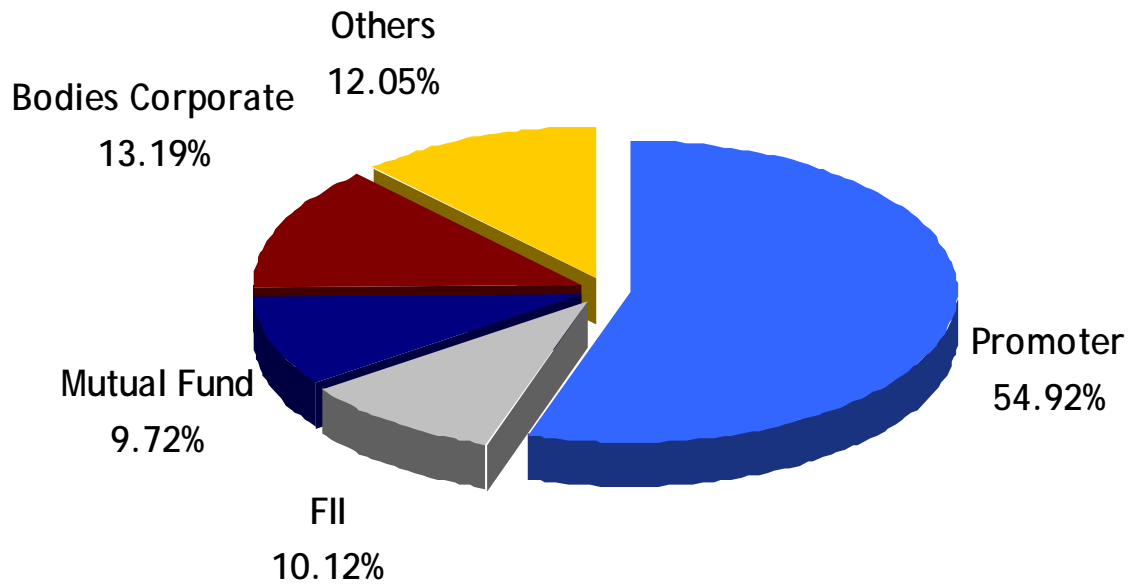


# Key Ratios

(Rs in Cr)

Particulars	2007-08	2006-07
Consumption of Raw Materials/Net Revenue (%)	58.01	60.59
Staff Cost/ Net Revenue (%)	7.28	7.43
Administration & Selling Expenses/Net Revenue(%)	15.29	14.83
Other Expenditure/Net Revenue (%)	4.66	5.39
Net profit / Net Revenue (%)	7.15	5.74
Interest / Net Revenue (%)	3.34	3.00
Return on Average Capital Employed (%)	23.86	17.58
Return on Net Worth (%)	26.36	20.93
Total Debt/Equity	1.16	1.36
Working capital cycle (days)	42	43

# Shareholding Pattern as on 31<sup>st</sup> March'08



# Segmental Review & Initiatives

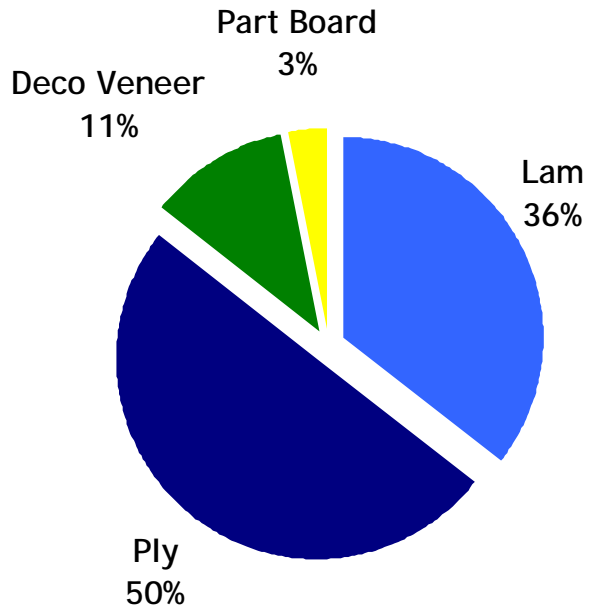
## Segmental Revenue – FY08

(Rs in Cr)

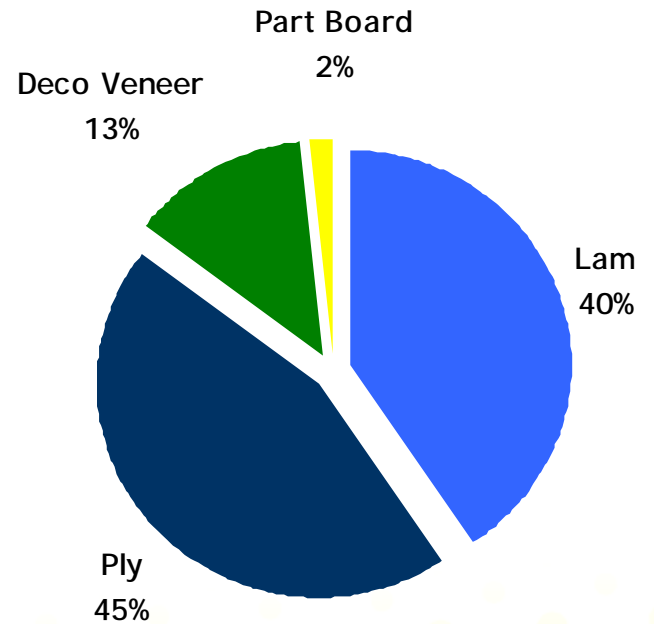
Particulars	FY08	FY07	Change (%)
Plywood	305.03	201.98	51
Particle Boards	18.98	7.94	139
Others	22.89	14.73	56
<b><i>Plywood &amp; Allied Products</i></b>	<b>346.90</b>	<b>224.65</b>	<b>54</b>
Laminate	216.60	182.22	19
Decorative Veneers	69.99	57.69	21
Others	(0.54)	5.56	-
<b><i>Laminate &amp; Allied Products</i></b>	<b>286.05</b>	<b>245.47</b>	<b>17</b>
<b>Gross Revenue</b>	<b>632.95</b>	<b>470.12</b>	<b>35</b>

# Product wise sales Break up

FY' 08



FY' 07



## Segmental EBIDTA – FY08

Particulars	FY08	FY07	Change (%)
Plywood & Allied Products	14.46%	13.10%	10
Laminate & Allied Products	15.14%	13.89%	9

## Segmental Capacity & Production – FY08

Capacity	FY08	FY07	Change (%)
Plywood (mn Sqm)	21.00	18.00	17
Particle Boards (mn Sqm)	2.00	2.00	-
Laminate (mn Sheets)	5.34	3.96	35
Decorative Veneer	2.10	2.10	-

Production	FY08	FY07	Change (%)
Plywood (mn Sqm)	18.14	12.86	41
Particle Boards (mn Sqm)	1.23	0.36	242
Laminate (mn Sheets)	4.88	4.56	7
Decorative Veneer	1.37	1.37	-

# Plywood & Allied Products

- Gross revenue of Plywood increased by 51% to Rs. 305.03 crores in FY08.
- Average realization increased by 4% from Rs. 160 to Rs. 167.
- One Plywood press was added in the last quarter in Uttarakhand thereby increasing the total plywood capacity to 21 mn Sqm.
- Production of plywood increased by 41 per cent to 18.14 million square meters during FY08.
- Average capacity utilizations reached to 97 per cent on enhanced capacity on pro rata basis.
- Plywood & allied products contributed 55% to the total revenue.
- Reduction in excise duty on plywood and particle board contributed to expansion of margins

ABU

51%

Gross Revenue

4%

Avg Realization

41%

Production

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## Key Initiatives

- Acquired two Gujarat based plywood units and modernising the same, which will add a capacity of 3 mn Sqm by Q2 of FY09
- Introduction of reconstituted veneer at Rudrapur plant under brand name of “Green Spectrumwood” and shifting of Teak products from Rajasthan to Uttarakhand for excise benefits.
- Started outsourcing of Plywood so as to cater the specific requirements of the market.

## Particle Board

- Gross revenue for Particle boards increased by 139% to Rs. 18.98 crores in FY08.
- Average realization reduced by 37% from Rs. 252 to Rs. 159 due to higher plain board sales (69%) in comparison to prelam boards (31%).
- Production is increased by 239% to 1.23 million square meters during FY08.
- Average capacity utilizations is increased to 61%

ABU



139%

Gross Revenue



239%

Production

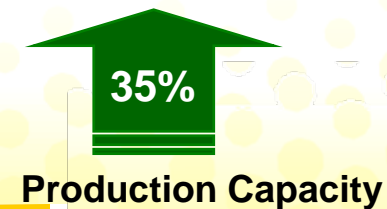
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# Laminates & Allied Products

- Gross revenue of Laminates increased by 19% to Rs. 216.60 crores in FY08.
- Average realization increased by 10% from Rs. 406 to Rs. 445.
- Capacity increased by 35% from 3.96 mn sheets to 5.34 mn sheets (15.90 mn Sqm) after the expansion in July, 2007.
- Production of laminates increased by 7% from 4.56 mn sheets to 4.88 mn sheets.
- Capacity utilization reached to 98 per cent in FY08, on increased capacity of 5.34 million sheets on prorata basis.

ABU



# Key Initiatives

- Introduced new finishes and designs in Laminates like Ruffled Feather, Parallel Streaks, Super Gloss, Contra Stripes, Cosmo Motifs, Hoopla, Soul Timber, Horizon Hues, Brush, Magical flow and I finish.
- Introduced range of new veneer species such as Ocean washed, Houdini, Perfect 10, Mosaic.
- Launched Restroom Cubicles under the brand name of 'Green Sturdo'.
- Introduced the edge banding solutions for the entire range of laminates under the brand "Green Edge Blends"
- Focus on increasing revenue contribution from branded exports.

## Key Initiatives (contd..)

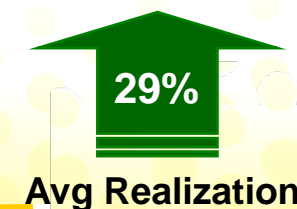
- Establishing “Greenlam” brand in the International markets by appointing Authorised Distributors in ASEAN, Middle East and Russia.
- Opened representative offices in Indonesia, Hong Kong, Thailand and Dubai to promote the brand and strengthen the marketing network.
- Exporting Laminates to more than 25 countries.
- Promoted Greenlam Asia Pacific Pte Ltd., as a 100% subsidiary to develop market for Greenlam brand in ASEAN countries.
- Setup a 100% Subsidiary Greenlam America Inc in US for marketing & distribution of its laminate products.



# Decorative Veneer

- Gross revenue for Decorative veneers increased by 21% to Rs. 69.99 crores in FY08.
- Average realization improved by 29% from Rs. 411 to Rs. 532 due to improved product mix.
- Capacity utilization was 61 per cent in FY08 due to shifting the manufacturing of Teak Veneer to Uttarakhand because of saving in excise duty.
- Taken up the expansion by adding a press for higher dimension (10' x 4') catering to niche market and will add further revenue to the division.

ABU



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# Business Initiatives

## Environmental Initiatives

- Rajasthan unit is registered under the UNFCCC for carbon credits by shifting from conventional fuel consumption to mustard husk in its boilers. Uttarakhand unit is under registration for the same. Both unit will generate a revenue of Rs. 3 crores.

## Changing Business Dynamics

- Sales & Marketing function has been vertically restructured in to two division Surfacing products (laminates & decorative veneer) and Back Bone products (plywood & particle board) to focus on both the category to drive the penetration into the market.
- Introduced cash & carry terms with Distributors.
- Launched Green months of 28 days, thereby reducing credit to the market.
- First Interior Infrastructure company to run on SAP.
- Improvement in working capital cycle.

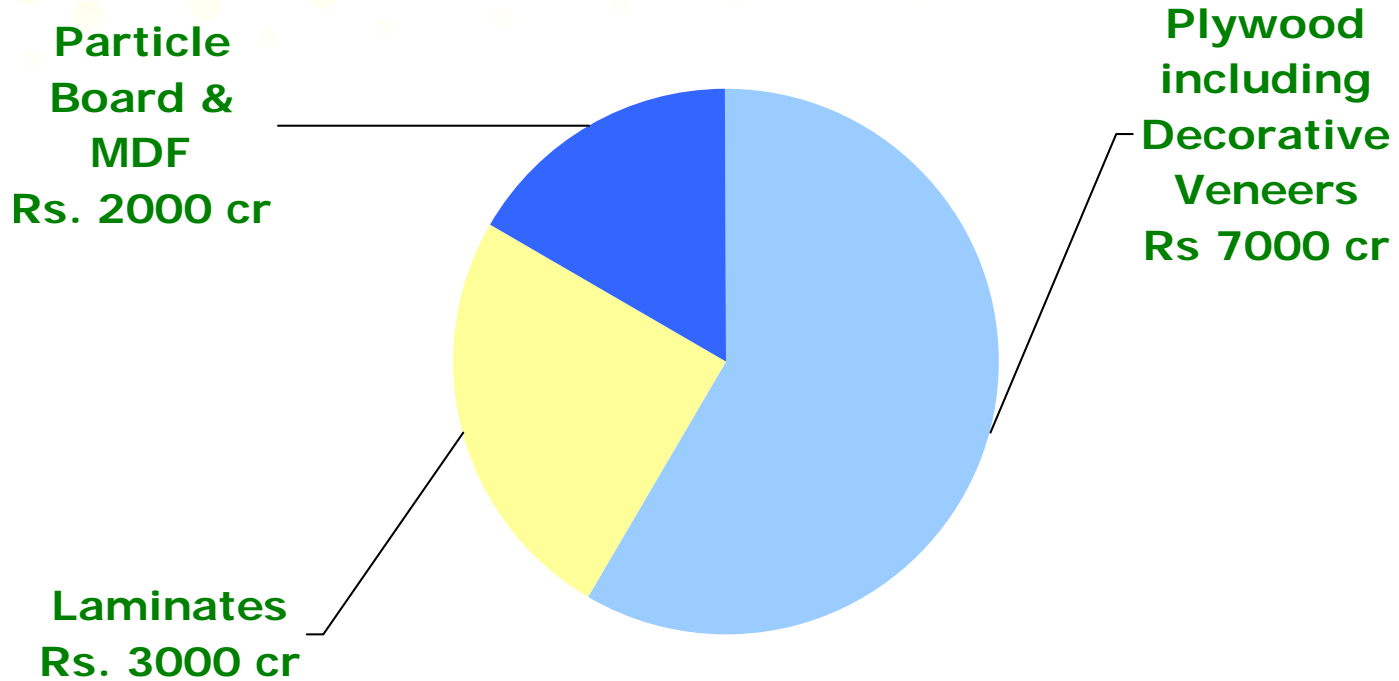
## Branding Initiatives

- Two new campaigns for Greenlam and Greenply brands so as to maintain the brand recall highest in the category

[Greenply Campaign 2007-08- Chalta Rahe](#)

[Greenlam Campaign 2007-08- Dikhane Ka Jee Kare](#)

# Industry Scenario



# Industry Dynamics

- Highly fragmented industry.
- Share of unorganised sector in plywood is 80% and in laminates around 50%.
- Particle Board & MDF segment is growing at a rate of 25% with around 80% imports
- Growth of organised sector is 25-30% in comparison to overall industry growth of 10% there by reducing the share of unorganised sector which indicates the shift customer preference from Unbranded to Branded goods.



- Looking at the current market dynamics GIL sees an opportunity to increase its share in organized plywood market from 25% to 30-35% and in laminates from 15% to 25%
- Moreover there is an huge growth opportunity in MDF segment which would be fulfilled by the new initiatives being planned



# New Ventures

# Venturing into MDF

- Venturing into MDF (Medium Densified Fiber Boards), a very popular and successful panel product worldwide.
- 80% of MDF requirements are imported due to low capacity in India.
- Import of MDF is making it a costlier since the freight component in MDF is around 30-35%.
- MDF is a very versatile product with worldwide application primarily in Paneling and finds use in wide range of furniture, windows, doors, frames, handicraft items, display or exhibition stands and signs, ceiling, toys, carving, partitions, maritime applications and educational equipment.
- GIL will be making wood based MDF which is accepted Globally.



# MDF Plant-Uttarakhand

- Setting up India's largest capacity of 180,000 cbm plants at its existing unit in Uttarakhand.
- Project will set up at a cost of Rs. 250 crores.
- Plant and technology is sourced from M/s Diffenbacher, Germany, world leader in MDF plants having more than 100 installation world over.
- Plant will start commercial production from end of Q4 of FY10.
- Project will enjoy Fiscal benefit in the form of waiver of excise duty for 10 years and 100% income tax waiver for first 5 years and 30% for next five years.
- MDF is expected to contribute Rs. 375 crores to the gross revenue at 100% production.
- Expected EBIDTA margin would be around 22%.

# Laminate Unit- Himachal Pradesh

- Setting up its second laminate unit in Himachal Pradesh with a capacity of 3.3 million sheets (12.64 mn Sqm).
- Unit will enjoy Fiscal benefit in the form of waiver of excise duty for 10 years and 100% income tax waiver for first 5 years and 30% for next five years.
- Unit will have a outlay of Rs. 120 crores and start commercial production from beginning of Q3 of FY10.
- The plant will manufacture compact laminates and laminates in 3 different formats apart from the present (4' x 8'). This will open up market internationally such as US, Europe, part of Asia, South Africa, Australia as well as in new markets in India also.
- Unit is expected to generate gross revenue of Rs. 240 crores at full capacity.
- Expected EBIDTA from this unit will be 17%.

# Future Outlook

- Revenue growth of 25-30%(CAGR) over the next three years.
- Improvement in contribution from high margin value added products for both the segments.
- Increasing revenue contribution from exports from 7% to 10%.
- Expand international operations to all the continents.
- Improvement in working capital cycle.

# Thank You

