



India's Largest Interior Infrastructure Company

Analyst Meet FY 2008-2009



Safe Harbor

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- For a discussion of the risks and uncertainties that may cause results to differ, you should review GIL's filings with stock exchanges, including the annual report and quarterly disclosures.

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Financial Review – FY09

(Rs in Cr)

Particulars	2008-09	2007-08	Change (%)
Gross Revenue	829.53	631.86	31.28
Net Revenue	724.86	541.79	33.79
EBIDTA (excluding other income)	94.87	81.42	16.52
EBIDTA margin (%)	13.09	14.77	
PAT	37.31	38.73	(3.67)
PAT margin (%)	5.15	7.15	
Equity capital (Rs. 5 each)	8.50	8.50	
EPS (Rs, fully diluted)	21.95	22.47	(2.31)

31%

Gross Revenue

Gross revenue for GIL has moved up at a CAGR of 35% in last 5 years

16%

EBIDTA

Financial Review – Q4 FY09

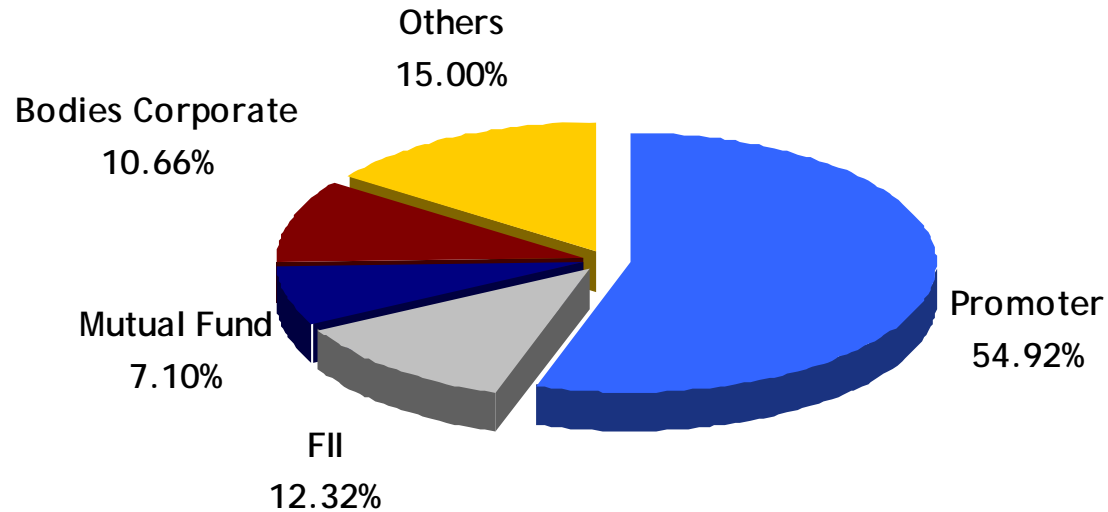
(Rs in Cr)

Particulars	Q4FY09	Q4FY08	Change (%)
Gross Revenue	191.33	173.87	10.04
Net Revenue	167.06	150.97	10.65
EBIDTA (excluding other income)	19.03	20.54	(7.35)
EBIDTA margin (%)	11.39	13.61	
PAT	8.58	8.67	(1.04)
PAT margin (%)	5.14	5.74	
Equity capital (Rs. 5 each)	8.50	8.50	
EPS (Rs, fully diluted)	5.05	4.78	5.64

Key Ratios

Particulars	2008-09	2007-08
Consumption of Raw Materials/Net Revenue (%)	59.41	58.01
Staff Cost/ Net Revenue (%)	8.18	7.28
Administration & Selling Expenses/Net Revenue(%)	14.16	15.29
Manufacturing Expenditure/Net Revenue (%)	5.18	4.66
Net profit / Net Revenue (%)	5.15	7.15
Interest / Net Revenue (%)	2.71	3.34
Return on Average Capital Employed (%)	18.82	23.86
Return on Net Worth (%)	20.74	26.36
Total Debt/Equity	1.43	1.16
Working capital cycle (days)	41	42

Shareholding Pattern as on 30th June'09



Segmental Review & Initiatives



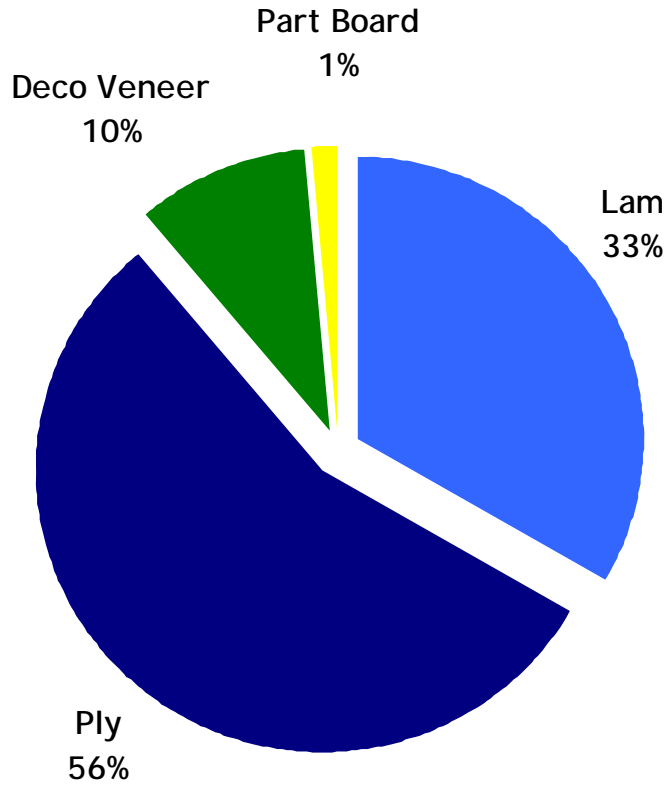
Segmental Revenue – FY09

(Rs in Cr)

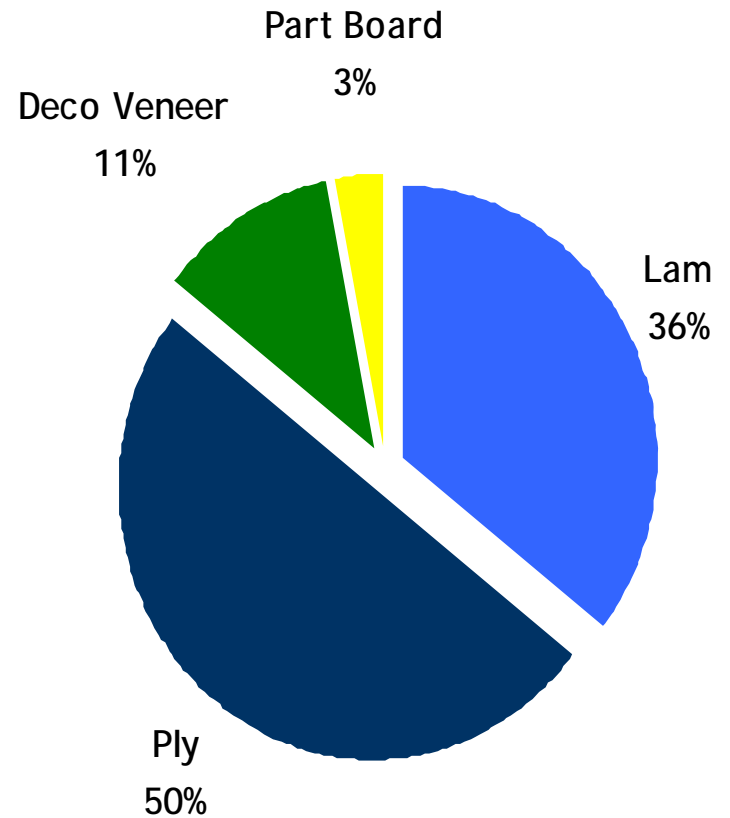
Particulars	FY09	FY08	Change (%)
Plywood	443.20	306.37	44.66
Particle Boards	11.11	18.98	(41.46)
Others	27.38	20.55	
Plywood & Allied Products	481.69	345.90	39.25
Laminate	266.83	216.69	23.14
Decorative Veneers	77.80	68.96	12.82
Others	5.24	0.86	
Laminate & Allied Products	349.87	286.51	22.11
Gross Segmental Revenue	831.56	632.41	31.49

Product wise sales Break up

FY '09



FY '08



Segmental EBIDTA – FY09

Particulars	FY09	FY08	Change (%)
Plywood & Allied Products	12.68%	14.46%	(12.31)
Laminate & Allied Products	13.69%	15.14%	(9.58)

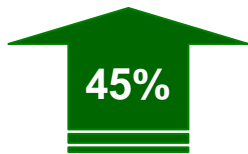
Segmental Capacity & Production – FY09

Capacity	FY09	FY08	Change (%)
Plywood (mn Sqm)	24.00	21.00	14.29
Particle Boards (mn Sqm)	2.00	2.00	-
Laminate (mn Sheets)	5.34	5.34	-
Decorative Veneer	4.20	2.10	100

Production	FY09	FY08	Change (%)
Plywood (mn Sqm)	22.97	18.14	26.63
Particle Boards (mn Sqm)	0.48	1.23	(60.98)
Laminate (mn Sheets)	5.72	4.88	17.21
Decorative Veneer	1.25	1.37	(8.76)

Plywood & Allied Products

- Gross revenue from Plywood increased by 45% to Rs. 443.20 crores in FY09.
- Average realization increased by 10% from Rs. 167 to Rs. 183.
- Production of plywood increased by 27 per cent to 22.97 million square meters during FY09.
- Average capacity utilizations reached to 96 per cent on enhanced capacity.
- Plywood & allied products contributed 58% to the total revenue.



Gross Revenue



Avg Realization



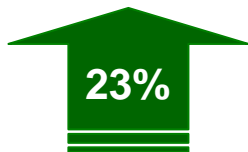
Production

Key Initiatives

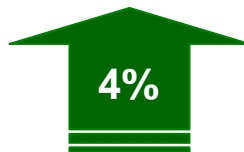
- Merged two Gujarat based plywood units which post modernisation, added a capacity of 3 mn Sqm of plywood
- Commenced outsourcing of Plywood to cater to specific market requirements.
- Commenced Plywood exports.
- Setting up an Architect Leadership Council for the select and exclusive set of Business Leaders from the domain of Architecture.

Laminates & Allied Products

- Gross revenue of Laminates increased by 23% to Rs. 266.83 crores in FY09.
- Average realization increased by 4% from Rs. 445 to Rs. 464.
- Production of laminates increased by 17% from 4.89 mn sheets to 5.72 mn sheets.
- Capacity utilization reached to 107 per cent in FY09, on increased capacity of 5.34 million sheets.
- Exports recorded a handsome growth of 57% to Rs. 59.03 crores in FY09.



Gross Revenue



Avg Realization



Production

Key Initiatives

- Introduced more than 50 SKU's under spread across various finishes and designs in Laminates like Weathered woods, Blazing Delight, Summer Blooms, Elegant Tweeds,
- Introduced range of new veneer species such as Woven Delight, Mozneer, Ocean washed, Houdini, Perfect 10, Mosaic.
- Focus on increasing revenue contribution from branded exports.
- Launch of “Green Studio” at Bangalore, an exclusive brand shop displaying the entire range of Greenlam Laminates, Dekodur range of high end laminates and Green Decowood Veneers amongst others.
- Construction of “Greenply Esplanade” at the Behror unit to display laminates and veneers, materials one can see, touch and feel.

Key Initiatives (contd..)

- Establishing “Greenlam” brand in the International markets by appointing Authorised Distributors in ASEAN, Middle East, Russia & CIS countries, UK, Australia & New Zealand.
- Representative offices in Indonesia, Hong Kong, Thailand and Dubai to promote the brand and strengthen the marketing network.
- Laminates exports to more than 35 countries.
- Greenlam Asia Pacific Pte Ltd., the company’s 100% subsidiary in Singapore for marketing laminates, expanded its reach in ASEAN countries.
- Promoted Greenlam America Inc., wholly owned subsidiary in US, for marketing & distribution of its laminate products.
- Presently Setting up branch office in Europe to cater to the European markets.

Decorative Veneer

- Gross revenue for Decorative veneers increased by 11% to Rs. 77.79 crores in FY09.
- Average realization improved by 13% from Rs. 532 to Rs. 598 due to improved product mix and increase in input costs.
- Capacity utilization was 40 per cent in FY09 due to 100% capacity expansion by adding a press for higher dimension (10' x 4') in 2nd Quarter of FY09.



11%

Gross Revenue



13%

Avg Realization

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 in the process of registration. Company has received Rs. 1.26 crores for its CDM project at Rajasthan Unit during the financial year under review.
- First Non US Company to get prestigious Green Guard Certifications for Greenlam for Indoor Air Quality which is awarded only to products/Brands which adhere to the eco-friendly guidelines laid down by Greenguard Environmental Institute US.

Changing Business Dynamics

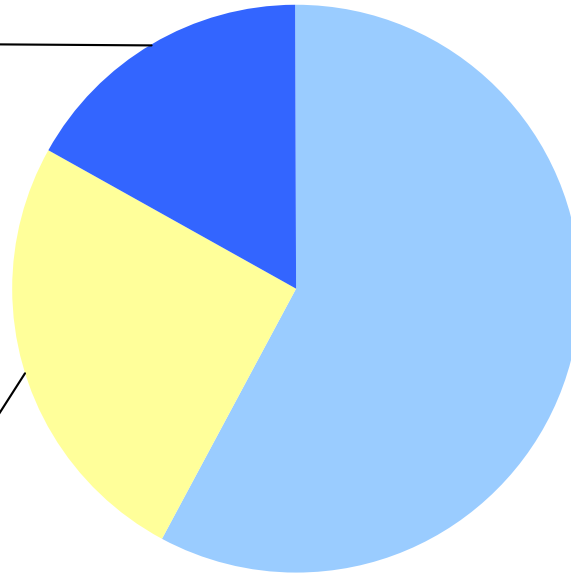
- Marginal Improvement in working capital cycle in a challenging environment.

Industry Scenario

Particle Board & MDF
Rs. 2200cr

Plywood including Decorative Veneers
Rs 7800 cr

Laminates
Rs. 3000 cr



The market is growing at approx 5% per annum

Industry Dynamics

- Highly fragmented industry. Share of unorganised sector is approx. 80% in plywood and around 50% in laminates.
- Particle Board & MDF segment is growing at a rate of 25% with imports having a share of around 70%.
- Growth of organised sector is 15-20% in comparison to overall industry growth of 5%, indicating the shift of customer preferences from Unbranded to Branded goods.
- Looking at current market dynamics GIL sees an opportunity to increase its market share in the organised plywood and laminate industry.
- Huge growth opportunity in MDF which would be fulfilled by the new initiatives under implementation

New Ventures



Venturing into MDF

- Venturing into MDF (Medium Densified Fiber Boards), a very popular and successful panel product worldwide.
- 70% of the country's MDF requirements are currently met by imports. Imports of MDF is costly since the freight component in MDF is around 30-35%.
- MDF is a very versatile product with applications primarily in Paneling. It is also used in a 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 manufacturing wood based MDF which is accepted globally.

MDF Plant-Uttarakhand

- Setting up India's largest MDF Plant with a capacity of 180,000 cbm at the existing unit in Uttarakhand.
- Project is being setup at a cost of Rs. 250 crores.
- Main Plant and technology is sourced from M/s Diffenbacher, Germany, world leader in MDF, having more than 100 installations world over.
- Project implementation is progressing as per schedule and plant is expected to start commercial production by March 2010.
- The Unit will enjoy Fiscal benefits in the form of excise duty exemption for 10 years and corporate tax exemption on 100% of profits for first 5 years and 30% for the next five.
- MDF is expected to contribute around Rs. 375 crores to the gross revenue at full capacity.

Laminate Unit- Himachal Pradesh

- New laminate unit with a capacity of 3.3 million sheets (12.64 mn Sqm) has commenced commercial production in one press out of a total of three presses proposed to be installed.
- Fiscal benefits a) excise duty exemption for 10 years and b) corporate tax exemption on 100% of profits for first 5 years and 30% for next five years.
- Capital outlay of Rs. 105 crores.
- Unit will manufacture compact laminates and laminates in 3 different formats apart from the present (4' x 8'). This will open up markets internationally such as US, Europe, parts of Asia, South Africa, Australia as well as new markets in India.
- Unit is expected to generate gross revenues of Rs. 250 crores at full capacity.

Thank You

