

Century Plyboards (I) Ltd.

Investor Presentation

March 2012

**RISING HIGH,
REACHING
FURTHER...**



Safe Harbor



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CenturyPly – A Conglomerate



Business Overview



Plyboards & Laminates

- ❁ Pan- India: 5 Manufacturing facilities
 - ★ 30 mn sqm / 122,000 CBM - Plywood
 - ★ 149,000 CBM - Timber peeling-Veneer
 - ★ 2.4 mn sheets - Laminates
 - ★ 0.8 mn sqm - Pre-Laminated Board
- ❁ Capacity Expansion underway in all segments

Cement

- ❁ Largest Cement Producer in NER of India
- ❁ Integrated Cement manufacturing facility with Captive Power Plant
- ❁ 4.4 MTPA Cement Capacity
 - ★ 1.2 MTPA Operational
 - ★ 3.2 MTPA Expansion underway to be completed in Q4FY2012

Logistics

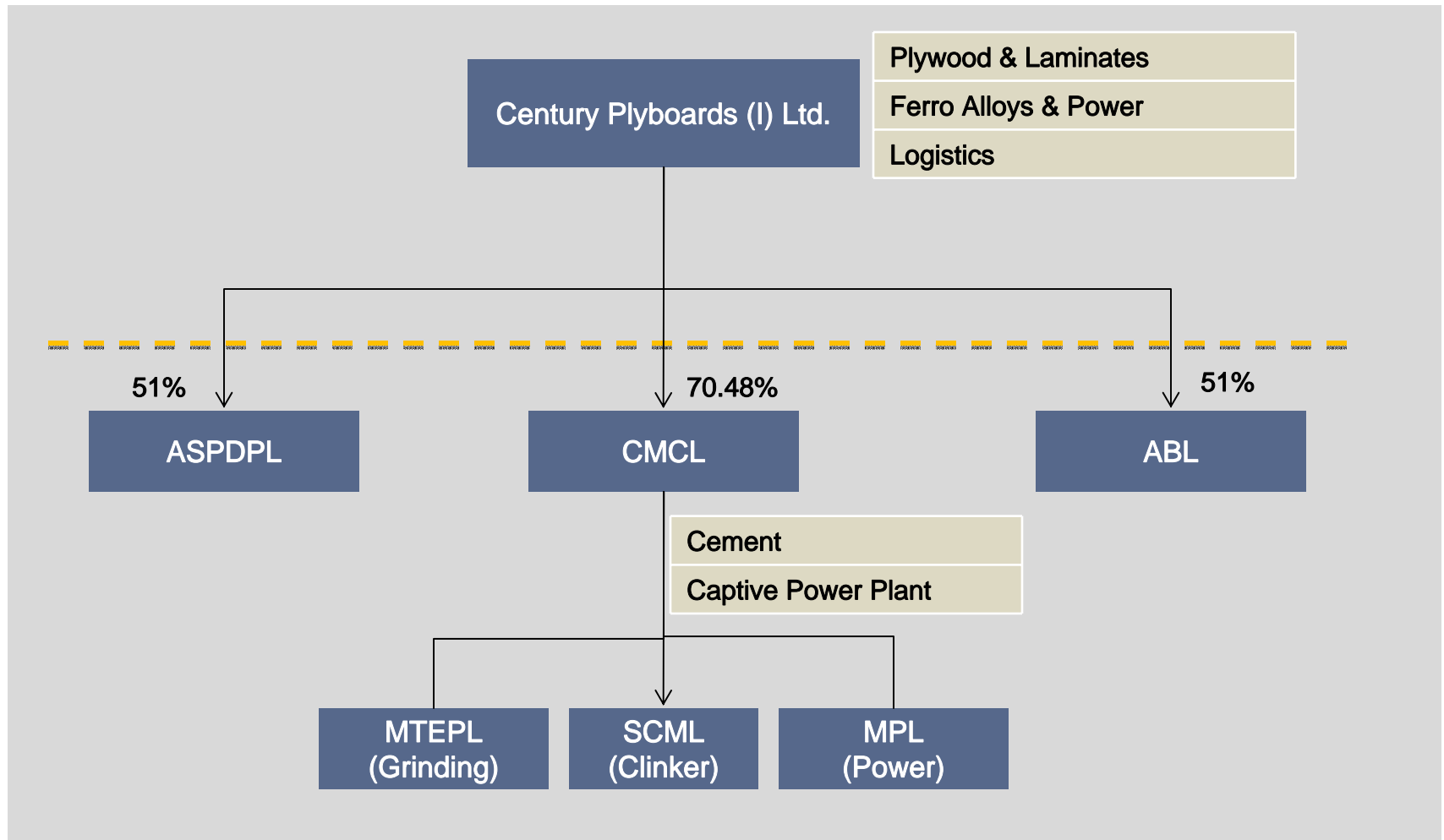
- ❁ First Private Sector CFS in Kolkata
 - ★ Strategically located near Kolkata port
 - ★ Area of ~ 100,000 sqm
 - ★ Capacity to handle 160,000 TEUs
- ❁ Jetty in Falta EPZ, Kolkata
 - ★ Capacity of 150,000 TPA

Ferro Alloy & Power

- ❁ Ferro Alloy plant with 10,620 MT
 - ★ 2 submersible arc furnaces of 9 MVA each
 - ★ 13.8 MW captive Power Plant
 - ★ Plant located at Meghalaya
- ❁ Capacity Expansion underway of 5,310 MT
 - ★ Adding submersible arc furnace of 9 MVA

Dovetailed to India's fastest growing Interior & Exterior Infrastructure space

Corporate Structure



CMCL: Cement Manufacturing Company Ltd.
MTEPL: Megha Technical & Engineers Pvt. Ltd.
SCML: Star Cement Meghalaya Ltd.

MPL: Meghalaya Power Limited
ASDPL: Auro Sundram Ply & Door Pvt. Ltd. (Ply unit in Uttaranchal)
ABL: Aegis Business Ltd. (Mineral Trading Activities)

Key Management Team



Sajjan Bhajanka, Chairman

- ★ Responsible for the overall strategic direction
- ★ Started Ply business & successfully diversified into emerging growth opportunities in NER
- ★ Entrepreneurial experience of over 35 years

Sanjay Agarwal , Managing Director

- ★ Heads Marketing & Branding of Ply & Cement
- ★ Successfully launched and created brands 'Century Ply' and 'STAR Cement'
- ★ Over 25 years of Industry experience

Vishnu Khemani, Managing Director

- ★ Heads South India operations of Plywood business
- ★ Experience of over 25 years in plywood & timber related industries

Prem Bhajanka, Managing Director

- ★ Heads Northern & Eastern India operations of Plywood business & mining operations of Cement business
- ★ Experience of over 30 years in Industry

Rajan Chamaria, Managing Director (CMCL)

- ★ Heads the Operations and Expansion of Cement Business
- ★ Experience of over 30 years in Cement industry

Ajay Baldawa, Executive Director

- ★ Heads Technical, Quality & Automation of Plywood business
- ★ An IIT- graduate with global accomplishments with over 30 years of experience

Key Management Team



S.B. Roongta, MD - CMCL

- ★ Doyen of the Cement Industry, previously with Birla Vikas Cement, Satna Cement, Lok Cements, Thalavadi Cements etc.
- ★ Over 35 years of experience in Cement Industry

Ashutosh Jaiswal, President - Logistics

- ★ Heads Logistic Business and International Trade of Plywood Business
- ★ Over 25 years experience in the Industry

Jyoti Agarwal, Vice President – Marketing

- ★ Heads the sales, marketing and branding of the Cement business.
- ★ Over 20 years of experience in Cement Industry

Anoop Hoon, President – Marketing & OD

- ★ XLRI graduate heads marketing of Plywood business and Human Resource Division
- ★ Over 30 years of corporate experience

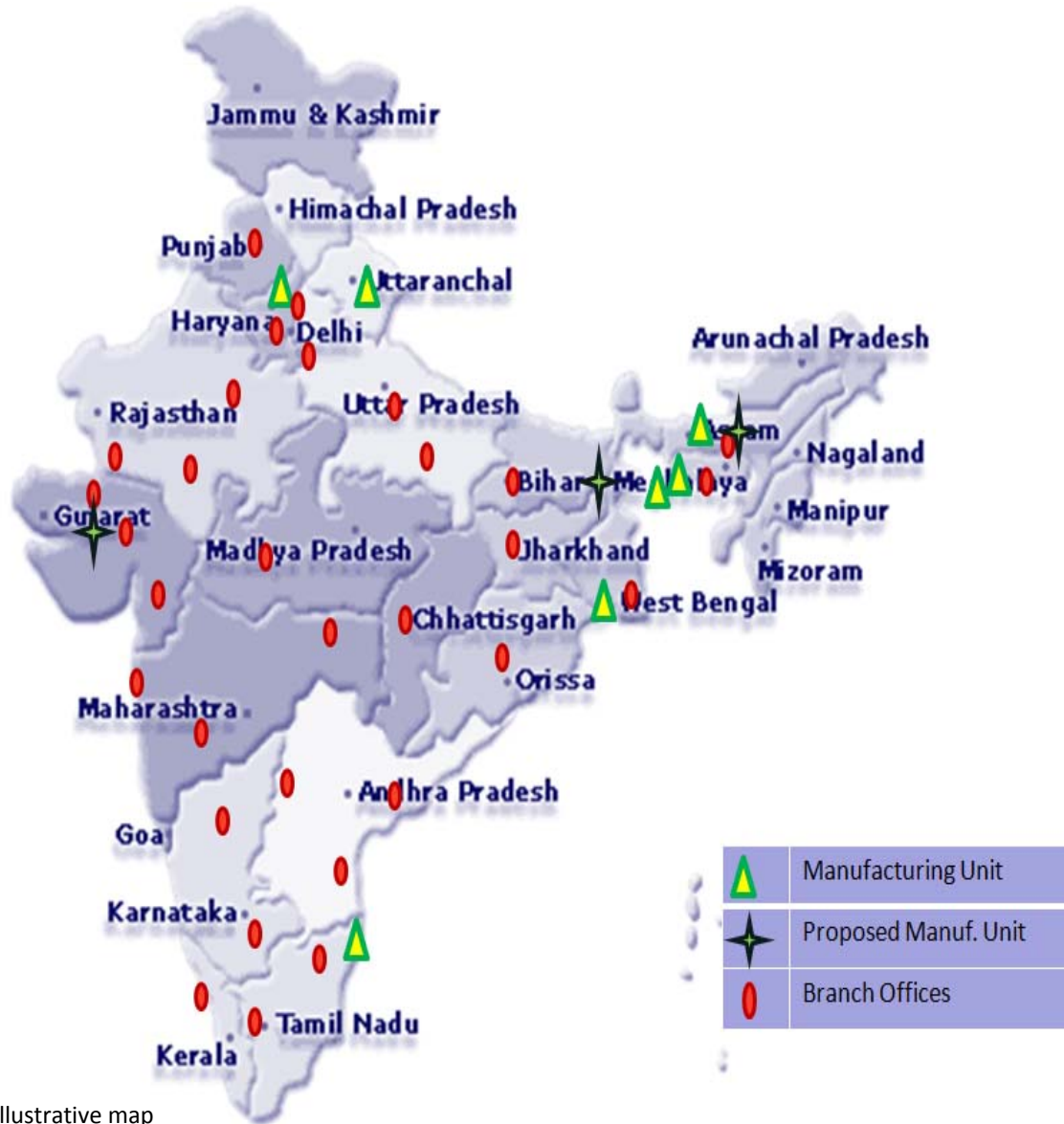
Arun Julasaria, CFO & Company Secretary

- ★ Expertise in Corporate structuring, mergers and amalgamation
- ★ Instrumental in implementation of SAP
- ★ Varied experience of over 25 years

Sanjay Gupta, CFO - CMCL

- ★ Successfully tied up debt for cement capacity expansion project
- ★ Industry experience of over 20 years

Pan India Presence



Manufacturing Units

Ply & Panel	5 +1
Cement	1 +2
Ferro Alloys	1

Branch Offices

Over 35

Distribution Network*

Ply & Panel	> 20,000
Cement	> 2,000

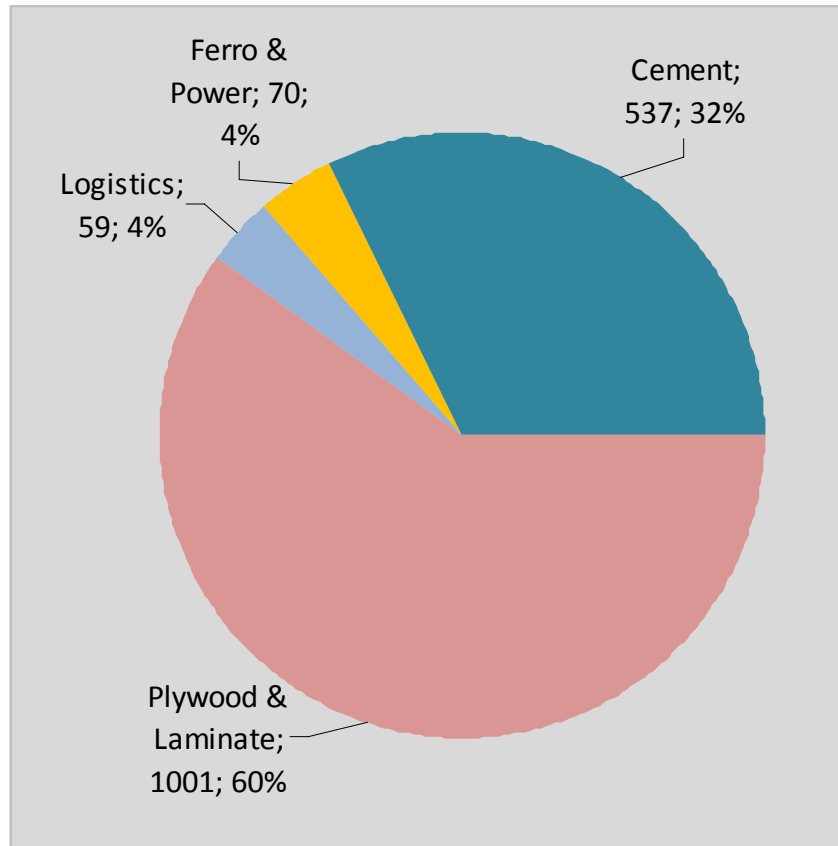
*Includes dealers, sub-dealers, retail outlets etc.

Segment contribution in FY2012

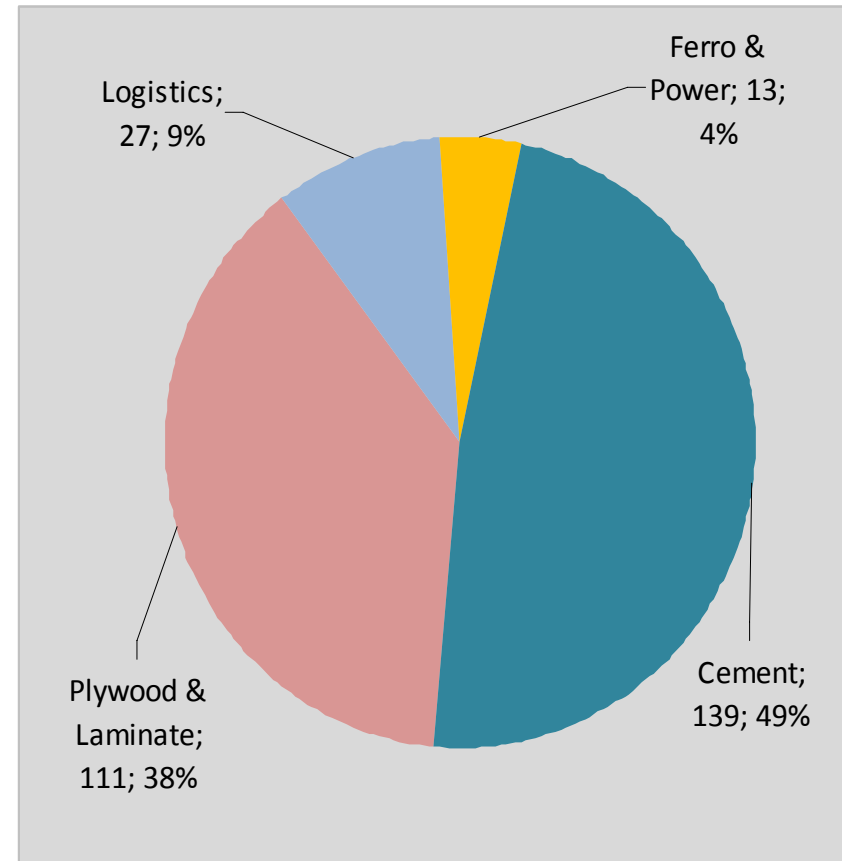


Rs. crores

Revenue Contribution



EBIT Contribution



Major Capacity expansion in High Margin Cement business

Capacity & Expansion Plan



Business	Unit	Capacity	Expansion	Post Expansion
Plywood & Allied				
Plywood	CBM	122,420	30,000	152,420
Timber Peeling-Veneer	CBM	149,000	31,000	180,000
Laminate Sheets	Nos.	2,400,000	1,200,000	3,600,000
Pre-Lam. Boards	SQM	800,000	800,000	1,600,000
Cement	MTPA	1.20	3.20	4.40
Clinker	MTPA	0.80	1.75	2.55
Power	MW	8.00	63.00	71.00
Ferro Alloy	MTPA	10,620	5,310	15,930
Power	MW	13.80	-	13.80
Logistic – CFS	TEUs	160,000	-	160,000

Expansions to be completed by March 2012

Plywood & Laminates Business



**UNMATCHED
MUSCLE
POWER.
THAT'S
PF PLY.**

The **PF** and **PF** technology make PF Ply, the mightiest ply of all...

CENTURYPLY
BWR GRADE

**CELEBRATING
THE COLOURS
OF LIFE**

CENTURYLAMINATES

W I D E S T R A N G E O F D E S I G N S

UNRIVALLED
TOUGHNESS
WITH 7 YEARS'
LIFETIME
GUARANTEE

UNPARALLELED
STRENGTH
OF 140 KG QSS

UNRIVALLED
QUALITY AND
COMMITMENT
TOWARDS
ENVIRONMENT

Indian Plywood & Panel Industry is ~ Rs. 12,000 Crs.

- ★ Share of organized sector is 30%
- ★ Reduction in excise duty beneficial for organized sector growth
- ★ Overall Industry expected to grow at 15%
- ★ Organized sector to grow at a faster pace of 20% - 25%

Growth Drivers

- ★ Growing Real Estate and Construction sector
- ★ Rising per Capita Income
- ★ Supporting Demographics
- ★ Replacement cycle shorten to 3-4 years from 12-15 years decade back

Industry dependent on Imported Raw Material

- ★ Natural timber resources highly regulated or banned in most states
- ★ Plantation timber from agro forestry insufficient to meet industry demand and not suitable for high quality products

CenturyPly – A leading plywood brand



Products	<ul style="list-style-type: none">❖ Plywood, Decorative Veneers, Laminates and Pre laminated boards❖ Leading lifestyle brand offers complete Interior Decor solution.
Production Capacity	<ul style="list-style-type: none">❖ Plywood: 122,000 CBM❖ Timber Peeling -Veneer: 149,000 CBM❖ Laminates: 2.40 mn sheets❖ Pre Lam Board: 0.8 mn sqm
Production Units	<ul style="list-style-type: none">❖ 5 Manufacturing facilities well spread across India❖ Kolkata (West Bengal) , Karnal, (Haryana), Chennai (Tamil Nadu), Guwahati (Assam), Roorkee (Uttaranchal)
Expansion	<ul style="list-style-type: none">❖ Green field Expansion at Kandla, Gujarat<ul style="list-style-type: none">★ Plywood and Veneer expansion of 30,000 CBM at Gujarat❖ Expansion at existing Units<ul style="list-style-type: none">★ Laminates expansion of 1.2 mn sheets at Kolkata★ Pre-Laminated board expansion of 800,000 SQM at Chennai❖ Capital Outlay of ~Rs 50 crs.<ul style="list-style-type: none">★ To be funded through Internal accruals❖ All expansion to Commission by Q4 FY12

Growth expectations : 2.5x India's GDP

Key Competitive Strengths

Strong Brand value

- ★ Top 100 most valuable brands of India as per 4P Survey 2010, now
- ★ One of Nation's top 200 Power Brands – 'Legacy', 'Recall' & 'Trust'
- ★ CenturyPly has been adorned as 'Master Brand' by the CMO council

Diverse Range – One stop solution for all Ply & panel requirements

- ★ Manufacture all variants of Plywood, Veneer, Laminate and Pre Lam boards

Ability to identify new trends and innovate new products

- ★ Boiling Water Resistance (BWR) decorative veneer
- ★ Seven year powder proof guaranteed PF plywood
- ★ Flexoply, the only flexible plywood

Pan India distribution network

- ★ Over 20,000 dealers, sub-dealers and retail outlets etc.
- ★ Strong visibility and market proximity
- ★ Well spread manufacturing facilities to optimize logistics cost

Commands price premium over peer group

Raw material linkages

- ★ Raw material availability & cost - Crucial for long term sustainability of business
- ★ Evaluating linkage opportunities globally

Entry into ready-made Furniture business

- ★ Active consideration of entry into ready made furniture
- ★ In discussion with International designers and brands

Entry in MDF business

- ★ Existing Licenses for setting up MDF units in Uttarakhand & Punjab
- ★ To evaluate economic viability of setting up MDF unit in Southern region

Exploring manufacturing of Gypsum Board

- ★ Offers qualities like Fire proof, lightweight, non dampening, sound proof
- ★ Used in Partition wall, false ceiling etc

Cement Business



ISSE ZABARDAST SETTING NAHIN



Resource Rich- NER of India

NER is rich in Natural Resources

- ★ 37% of country's river waters, 20% of hydrocarbons (Oil & Gas) Opportunities
- ★ Large quantities of low ash coal resources, limestone and dolomite deposits

Increasing Government focus on the Region

- ★ Significantly below average Infrastructure
- ★ Comprehensive fiscal incentives package

Fiscal incentives to enhance economic and industrial development of the region

- ★ 10% budget of central ministries are earmarked for development of NER
- ★ North East Industrial & Investment Promotion Policy (NEIIP), 2007 and other policies

North East India



High quality Limestone & Coal deposits availability – A Competitive Advantage

Persistent Demand Supply Mismatch



❌ Cement demand growth in NER higher than average growth in Country

★ Over last 5 year, 13% CAGR in NER compared to 8% in Country

❌ Demand Drivers for the Cement in NER

★ Estimated investments of Rs 1620bn planned in next 5 years

★ Huge hydro power generation potential of 59,000MW

★ Focus on improving road connectivity within NER as well as the rest of the county

★ Increase railway penetration in the region

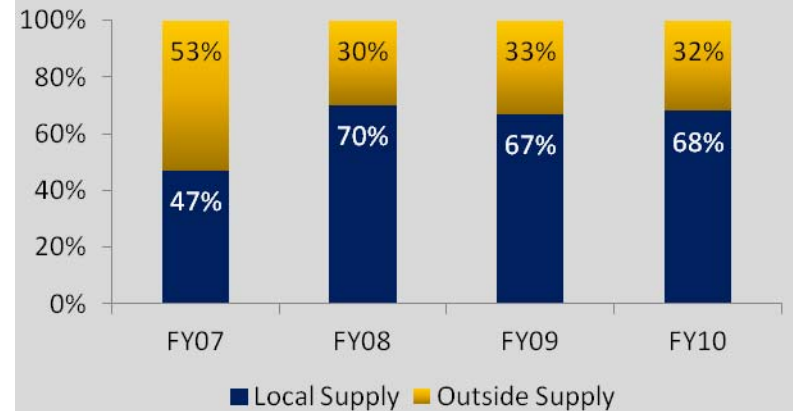
❌ Structurally deficit cement market

★ 30% of demand met from outside region

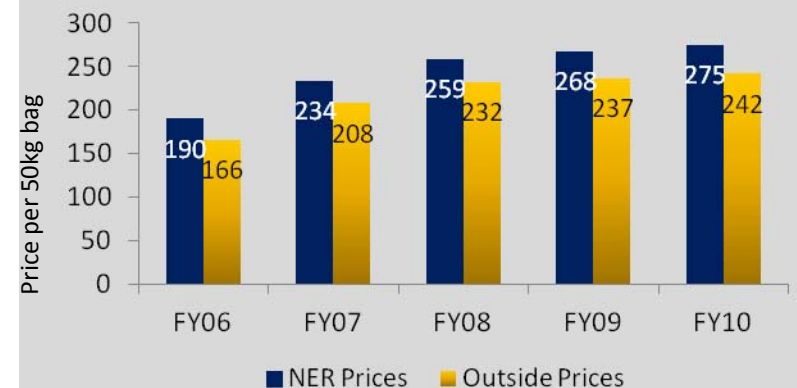
★ 4.8 MTPA installed capacity in region

❌ Persistent Demand–Supply mismatch leading to deficit in region

> 30% cement demand met from outside



12-14% price premium over rest of India



Continued strong demand will help maintain higher Average Realization

Operational Capacity - 1.2 MTPA

1.2 MT Capacity operational since Dec 2004

- ❏ Located at Lumshnong, Meghalaya
 - ★ 225 km from Guwahati
 - ★ 125 km from Shillong

- ❏ Well connected to other parts of NER
 - ★ Located on NH-44, close to other roads as well
 - ★ Silchar airport is 125 km away
 - ★ Badarpur - nearest railway station , 85 km

- ❏ Cinkerisation unit
 - ★ Operating capacity of 0.8 MT

- ❏ Two grinding units
 - ★ Total capacity of 1.2 MT

- ❏ 8 MW Captive Power Plant

- ❏ Dry process cement plant consisting of five-stage pre-heater with pre-calculator kiln



Capacity Post Expansion - 4.4 MTPA

3.2 MT Capacity expansion Underway

- ❏ Clinker facility: Closer to source of Raw Material
 - ★ 1.75 MT at Lumshong, Meghalaya
- ❏ Split grinding units: Closer to markets improves economics
 - ★ 1.6 MT at Guwahati, Assam
 - ★ 1.6 MT at Kahelgaon, Bihar
- ❏ 63 MW Captive Power Plant
- ❏ Capital Outlay of Rs. 1,300 Crs. to be funded from Debt & Internal Accruals
 - ★ ~Rs. 900 Crs. Debt tied up
- ❏ Commissioning by Q4 FY12
- ❏ Project Progress as per schedule
 - ★ Appointed Holtec as Technical Consultants
 - ★ Orders placed for critical items
 - ★ Construction work under progress



Location Advantages



Quality limestone reserves of more than 100 years

- ❖ Captive mines of high quality limestone
- ★ Limestone with calcium oxide content greater than 49%
- ❖ Total mineable area of over 600 hectares
- ❖ Estimated reserve of over 360 mn tonnes



Freight Advantage offered by existing set up

- ❖ Cement – Low value , High volume product
- ★ Inward & Outward freight forms significant part of overall cost
- ❖ Plant Location Advantage in Freight cost reduction
- ★ Captive limestone mines with distance of 2-3 kms
- ★ Coal is procured from vendors within 50 kms
- ❖ New Grinding units to reduce outward freight
- ★ Grinding units located in Assam & Bihar
- ★ Well positioned to cater to deficit markets of Bihar, Jharkhand, West Bengal

Factory and Dumps



Unique marketing strategy



Focused brand development

- ❖ 'Star Cement' – Awarded most preferred Cement Brand
- ★ Commands ~18% market share in NER
- ★ Branding campaigns with regional stars
- ❖ Strong management focus on Brand development
- ★ Arrangement with renowned advertising agencies like Rediffusion, BNAS, Group M Media
- ★ Brand Promotion through various mediums like outdoor advertising, Road shows, TVC's & music videos.



Dynamic marketing & distribution approach in extending reach

- ❖ First Company in NER to start distribution through direct network
- ★ Through dealers rather than C&F agents
- ❖ Wide distribution network in NER & Eastern region
- ★ Over 500 dealers across NER
- ★ Direct sales channels to cater to industrial clients
- ★ Established marketing set up in other important market like Bihar



Logistic & Ferro Alloys Business



Kolkata Port

Heavily congested due to consistent traffic growth

- ★ Eastern region witnessing strong economic activities
- ★ Container traffic at Kolkata expected to grow at 20% CAGR
- ★ Need for development of efficient CFS facilities to decongest port

Jetty

Jetty operations at Falta, EPZ near Kolkata since 2001

- ★ Joint Venture with Ministry of Commerce , Govt. of India
- ★ Ensures smooth & efficient handling of timber and handles third party cargo

Logistics

CFS

First Private Sector Company to set up CFS in Kolkata

- ★ Based on track record of Jetty operations, Kolkata Port Trust invited to develop CFS
- ★ Developed CFSs with State of the art facilities

CFS at Sonai operational since 2008

- ★ Area of 22,000 sqm & capacity of 40,000 TEUs

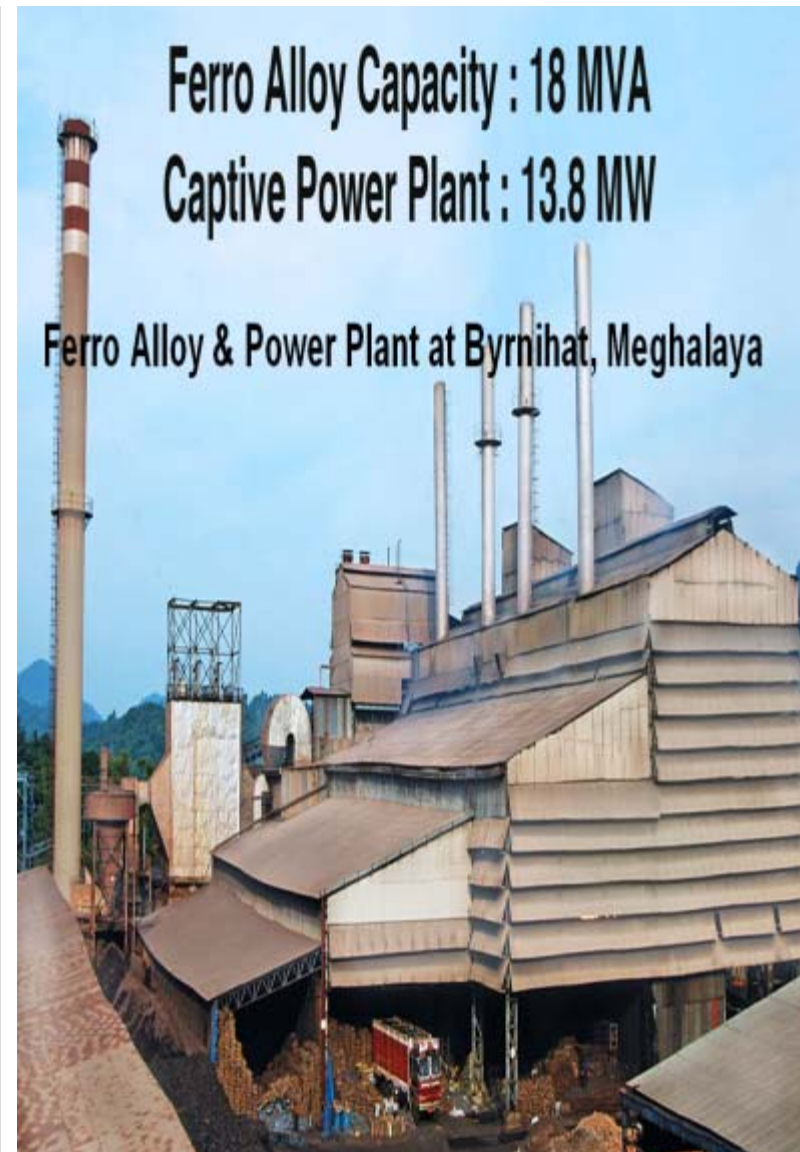
3 fold increase in Capacity with Second CFS at Jingira pool

- ★ Area of 80,000 sqm & capacity of 120,000 TEUs
- ★ Commenced operations from June 2010

Beneficiary of congestion at Kolkata with 160,000 TEUs

Ferro Alloy & Power

- ❏ **Ferro Alloy Industry growth directly linked to Steel Industry**
 - ★ Strong Indian Economic growth to drive steel sector
- ❏ **Largest manufacturing unit with 18 MVA capacity in North East region**
 - ★ Plant established in 2001
 - ★ 2 nos. submersible arc furnaces of 9 MVA each
 - ★ 10,620 MT Ferro Silicon Production capacity
 - ★ Captive Power plant of 13.80 MW
- ❏ **Capacity Expansion Underway of 5,310 MT**
 - ★ 1 no. submersible arc furnace of 9 MVA
 - ★ Capex of ~Rs. 20 crs – funded by Internal accruals
 - ★ Completion by Q4 FY 12
- ❏ **Strategically located at Byrnihat, Meghalaya**
 - ★ Plant enjoys fiscal incentives as per North East policy
 - ★ Abundant raw material in the region



Financial Highlights



Segment Financials



Rs. Crores	Ply & Lam		Cement		Ferro Alloy & Power		Logistics	
	FY12	FY11	FY12	FY11	FY12	FY11	FY12	FY11
Net Sales	1001	757	537	480	70	90	59	33
Other Income	4	3	1	5	-	-	-	-
Expenses	894	696	399	353	57	45	32	17
EBITDA	111	64	139	132	13	45	27	16
<i>Margin</i>	11%	8%	26%	28%	18%	50%	46%	48%
Interest	37	15	18	3	2	4	1	1
Depreciation	14	14	28	19	5	11	8	7
PBT	60	35	93	110	6	30	18	8
<i>Margin</i>	6%	5%	17%	23%	9%	33%	31%	24%

Consolidated Financials –FY12 & FY11



Rs. Crores	31-Mar-12	31-Mar-11	YoY
Net Sales	1,658	1354	22%
Other operating Income	9	6	
Expenditure	1382	1111	
EBITDA	285	249	14%
<i>Margin</i>	<i>17.19%</i>	<i>18.39%</i>	
Other Income	5	8	
Depreciation	55	51	
Interest	58	23	
Tax Expense	6	(6)	
Exceptional Items	21		
Net Profit	150	189	-21%
<i>Margin</i>	<i>9.05%</i>	<i>13.96%</i>	
Minority Interest	27	35	
PAT after minority interest	123	154	-20%

Consolidated Balance Sheet

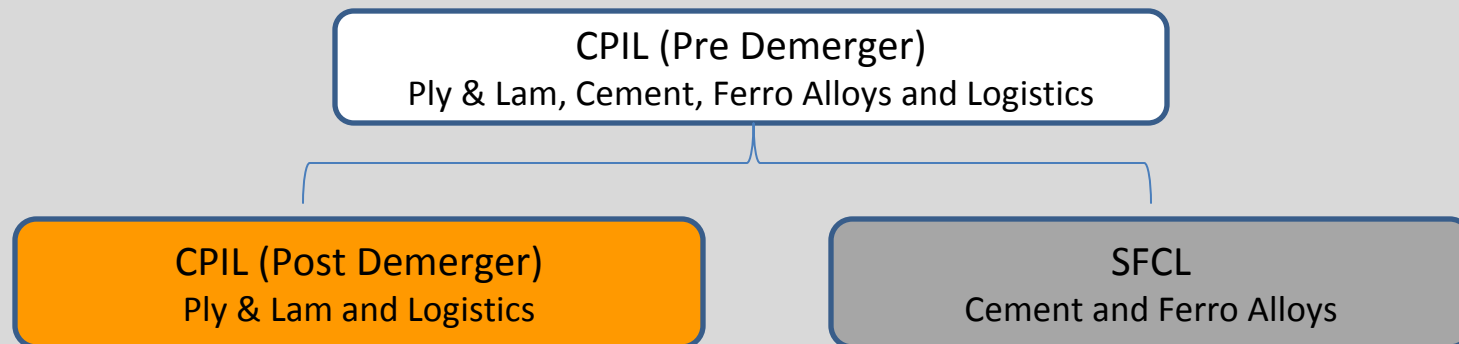


Rs. Crores	31-Mar-12	31-Mar-11
Net Worth	727	629
Minority Interest	179	156
Non Current Liabilities	663	281
Current Liabilities	618	521
Total Liabilities	2,187	1,587
Net Assets*	1,176	724
Investments	9	6
Long Term Loans & Advances	93	97
Other Non-current Assets	4	4
Current Assets		
-Inventories	310	255
-Trade Receivables	195	152
-Cash & Bank	68	36
-Other Current Assets	147	121
- Loans & Advances	185	192
Total Assets	2187	1,587

*Net Assets includes CWIP

Restructuring Update

- ❖ To demerge its Ferro Alloys and Cement Division into another Company i.e., Star Ferro and Cement Limited (“SFCL”) w.e.f. appointed date 01st April 2011.
- ❖ The existing shareholders of CPIL will be entitled to 1 equity shares of Rs.1/-each of SFCL for their holding of 1 equity share in CPIL. SFCL is proposed to be listed on NSE and BSE.
- ❖ Rationale for Demerger
 - ★ Simplify and rationalise the holding structure of various businesses and interests of CPIL and result in creation of more focussed entities,
 - ★ Assist in realising the potential of the respective businesses more fully.
- ❖ Current Status:
 - ★ Scheme of Arrangement is approved by the Board and filed with BSE & NSE.
- ❖ Business Structure:



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