

CEAT Ltd.

Investor Update – Q4 FY09



Performance Summary



Rs. in Crores

Particulars	Q4 FY`09	Q4 FY`08
Net Sales	621.7	646.2
Operating Profit	57.1	45.2
Other Income*	0.2	64.9
Interest	14.4	14.2
Depreciation	6.4	9.6
PBT	36.5	86.4
Tax Expenses	-8.5	9.4
PAT	45.0	76.9

*Other Income for Q4 FY08 includes extra-ordinary income of Rs. 68.4 Crs



Key Highlights



- Net Sales grew by 7.9% YoY in FY09 amidst economic slowdown.
- PBT during the year was severally impacted due to high key input prices but raw material costs by have declined by 16% in Q4 as compared to the previous quarter.
- Operating PBT in the last quarter was Rs.36.3 Crs, improvement of 70% YoY.
- Outsourcing and own production was cut down to improve margins and balance demand & supply.
- The year ended with a net loss of Rs.16.1 Crs.
- Despite making losses, the company's performance has shown significant improvement on benchmarking, especially in exports.

Sales Performance



Rs. in Crores

Particulars	Q4 FY'09	Q4 FY'08	Change (%)
Gross Sales	534	463	15
- Replacement	50	135	-63
- OE			
- Domestic	583	598	-3
- Export	87	128	-32
Total	670	726	-8
Excise Duty	49	76	-36
Net Sales	622	650	-4

Production Inputs



Particulars	Q4 FY'09	Q4 FY'08	Change (%)
Own Production (No. lac)			
-Truck tyres	4.36	4.79	-9
-Light truck tyres	1.54	1.82	-15
-OTR / Grader	0.11	0.26	-58
Total Procurement (Lac MT)			
-Own production	0.30	0.35	-14
-Outsourcing	0.07	0.11	-35
-Total	0.37	0.45	-19

Key Challenges



- The current economic scenario on demand remains a concern.
- All major OEMs have been operating at a very low level of production during the year.

Cautionary Statement



Statement in this “Management Discussion and Analysis” describing the company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include demand supply conditions, finished goods prices, availability and prices of raw materials, changes in the government regulations, tax regimes, economic development within India and the countries within which the company conducts business and other factors such as litigations and labor negotiations.

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