

CEAT Ltd.

Investor Update – Q1 FY10

CEAT

Performance Summary



Rs. in Crores

Particulars	Q1 FY`10	Q1 FY`09
Operating Income	679.62	653.33
Operating Profit	109.46	10.57
Other Income	0.48	0.22
Interest	12.10	12.99
Depreciation	6.31	8.67
PBT	91.53	-10.87
Tax Expenses	31.33	-0.20
PAT	60.20	-10.67

Key Highlights



- CEAT registered super PBT performance of Rs. 91.53 cr against a loss of Rs. 10.87 cr in Q1 FY10.
- High margin replacement sales contributed 79% to the revenue compared to 68% in Q1 FY10.
- Raw material cost came down in Q1 FY10 adding significantly to profits. Smart buying of Natural Rubber helped to keep the costs lower.
- High EBITDA margin of 16.2% was recorded on account of higher replacement sales, better market mix & smart raw material procurement.
- PBT to Net Sales margin has been among the highest in the industry so far.



Sales Performance



Rs. in Crores

Particulars	Q1 FY'10	Q1 FY'09	Change (%)
Gross Sales	566	493	15
- Replacement	59	114	-48
- OE			
- Domestic	625	607	3
- Export	93	115	-19
Total	718	722	-1
Excise Duty	44	69	-36
Net Sales	674	653	3

Production Inputs



Particulars	Q1 FY'10	Q1 FY'09	Change (%)
Own Production (No. lac)	4.76	4.79	-1
-Truck tyres	1.74	1.90	-8
-Light truck tyres	0.09	0.18	-50
-OTR / Grader	1.18	1.24	-4
-PVR/UVR (Radial)			
Total Procurement (Lac MT)	0.33	0.34	-4
-Own production	0.08	0.11	-27
-Outsourcing	0.41	0.45	-10
-Total			

Future Outlook



- The tyre demand outlook is improving.
- Raw material costs could be slightly higher in the next quarter.
- CEAT is setting up a project at Halol in Gujarat at an approx. project cost of Rs. 500 crores. The progress of the project is satisfactory and the company expects to start commercial production by October 2010.

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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