

CEAT Ltd.

Investor Update – Q2 FY10

CEAT

Performance Summary



Rs. in Crores

Particulars	Q2 FY`10	Q2 FY`09
Operating Income	715	654
Operating Profit	106	(24)
Other Income	0.4	2.2
Interest	7.9	15.3
Depreciation	6.3	4.3
PBT	92	(41)
Tax Expenses	31	(13)
PAT	61	(28)

Key Highlights



- CEAT continued with a strong performance in the second quarter registering a PBT of Rs. 92 crores
- Net sales for the quarter went up by 9% to Rs. 714 crs
- Replacement sales contributed 73% to the revenue in Q2 FY'10 compared to 65% in Q2 FY'09.
- Interest cost remained low mainly due to repayment of high cost debt & fresh borrowings at a lower cost.
- The operating margin for the quarter stood at 14.7%. This is on account of higher replacement sales, better market mix & smart raw material procurement.

Sales Performance



Rs. in Crores

Particulars	Q2 FY'10	Q2 FY'09	Change (%)
Gross Sales	551	468	18
- Replacement	79	97	-18
- OE			
- Domestic	630	565	12
- Export	127	158	-19
Total	757	723	5
Excise Duty	43	69	-38
Net Sales	715	654	9



Production Inputs



Particulars	Q2 FY'10	Q2FY'09	Change (%)
Own Production (No. lac)	4.90	4.67	5
-Truck tyres	1.80	1.73	4
-Light truck tyres	0.15	0.13	15
-OTR / Grader	1.18	1.24	-4
-PVR/UVR (Radial)			
Total Procurement (Lac MT)	0.35	0.33	6
-Own production	0.11	0.13	-16
-Outsourcing	0.46	0.46	0
-Total			

Future Outlook



- The tyre demand outlook remains good.
- Raw material cost is expected to go up in the next quarter as the prices of Natural Rubber and Carbon Black continues to be higher.
- 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.

For enquiries mail us at investors_relation@rpg.in

