Hindusthan National Glass & Industries Ltd

Q3 & 9 Months Ended FY10-11

Investor Release

February 07' 2011

Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “on-course”, “should”, “potential”, “pipeline”, “guidance”, “will pursue” “trend line” and similar such expressions or variations of such expressions may constitute "forward-looking statements".

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Hindusthan National Glass & Industries Limited’s ability to successfully implement its strategy, the Company’s growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Hindusthan National Glass & Industries Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Present Capacities

Market Leader in Indian Container Glass Industry, with ~ 55% share

Reasonable level of Exports for market understanding and customer relationship.

Present capacity of ~ 2825 TPD (Tonnes per day)






Rishra, West Bengal	Bahadurgarh, Haryana	Nashik, Maharashtra	Rishikesh, Uttarakhand	Puducherry, Union Territory	Neemrana, Rajasthan
3 Furnaces, 805 TPD	3 Furnaces, 655 TPD	1 Furnace, 390 TPD	2 Furnaces, 425 TPD	1 Furnace, 370 TPD	1 Furnace, 180 TPD

Note : Through Greenfield and Brownfield expansions in India, Capacities expected to grow to 5975 TPD by FY 2014-15. Besides, Overseas Acquisitions also being pursued.

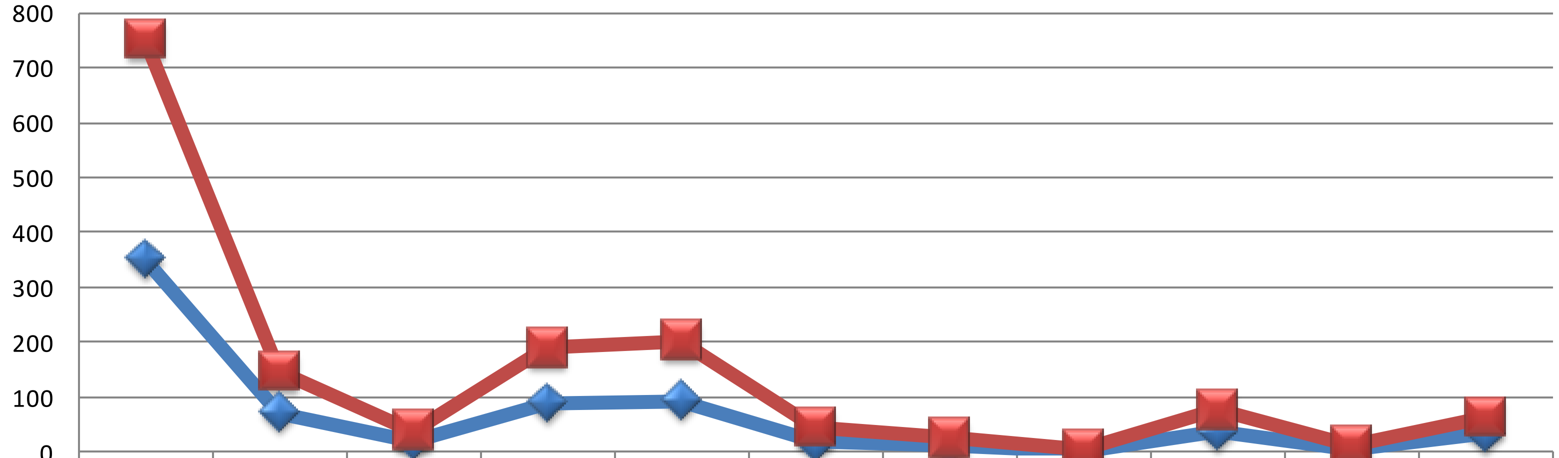
Financial Highlights

- The reason for dip in EBITDA in this quarter Vs. corresponding quarter last year is because of the increase in Raw Material, Power & Fuel and Repairs & Maintenance cost (incl. Stores & Spares)

- RM cost / MT in Q3 FY10-11 is Rs. 4984 Vs Rs. 4796 in Q3 last year,. Power & Fuel cost /MT is Rs. 5398 Vs. Rs.5067. Stores & Repairs cost is also higher by Rs.10 crs. Packing Cost up by Rs. 750/MT

- The sales price increase / MT from Rs 17,000 to Rs. 18,680 / MT has left part of the cost unabsorbed leading to a dip of Rs.3 crs in Core EBITDA level.

P&L Q3'10 Vs Q3'11



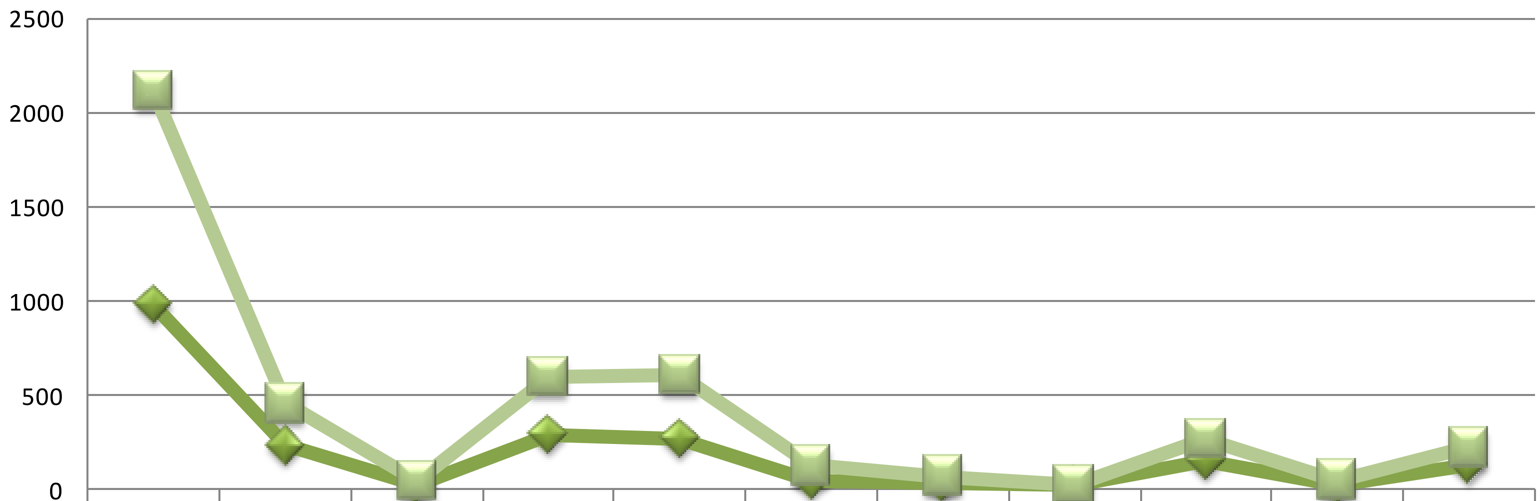
	NET SALES	CORE EBITDA	CORE EBITDA %	Raw Material	Power & Fuel	Repairs & Main (Incl S&S)	INTEREST	Other Income	PBT	TAX	PAT
Q3 2011	400	75	18.75	100	109	28	13	2	39	8	31
Q3 2010	351	72	20.51	89	94	18	12	2	37	5	33

Financials Highlights

- The reason for dip in EBITDA is because of the increase in Power & Fuel (Rs. 716/MT), and Repairs and Maintenance cost (Rs. 300/MT), higher salary cost. PBT has impact of higher Depreciation by 8 crs. this current period.

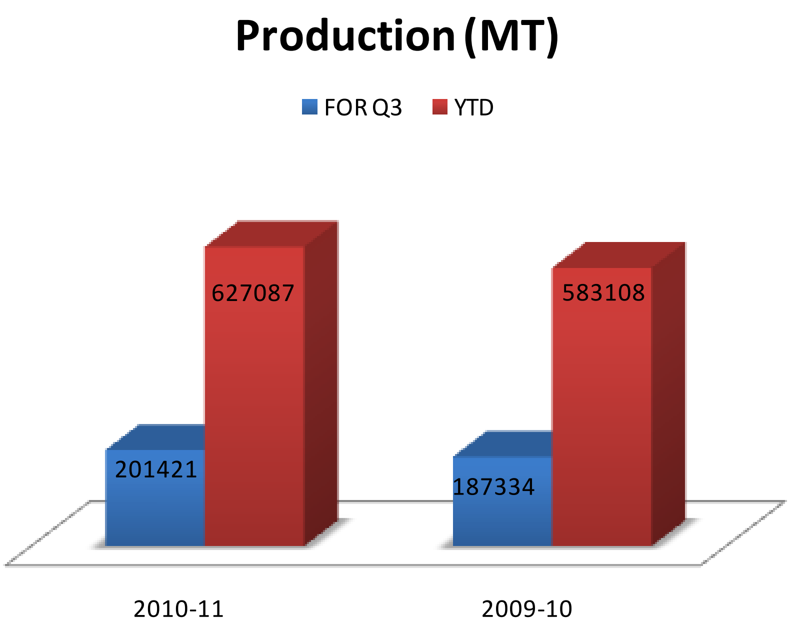
- The sales price has increased from Rs 17,313 / MT to Rs. 18,118 / MT, again only leaving a small unrealized cost increase leading to dip in core EBITDA levels.

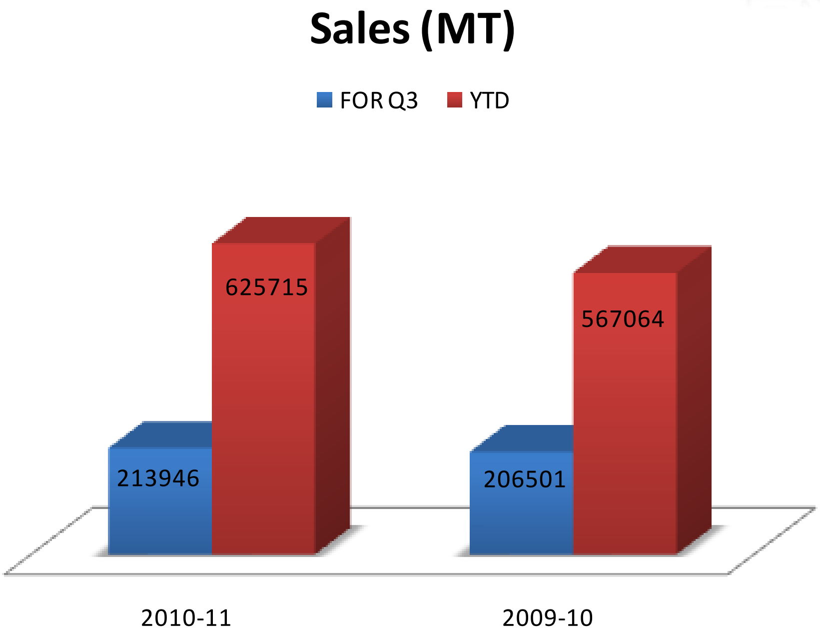
P&L YTD FY 2010 Vs YTD FY2011

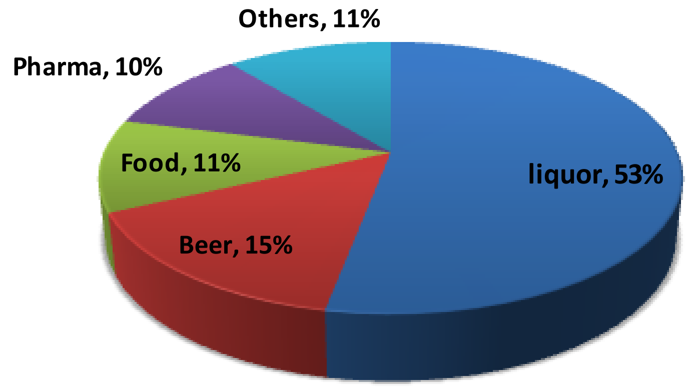


	NET SALES	CORE EBITDA	CORE EBITDA %	Raw Material	Power & Fuel	Repairs & Main (Incl S&S)	INTEREST	Other Income	PBT	TAX	PAT
YTD 2011	1134	222	19.58	303	335	75	37	4	115	25	90
YTD 2010	982	233	23.73	293	270	51	35	22	156	25	131

Business Highlights



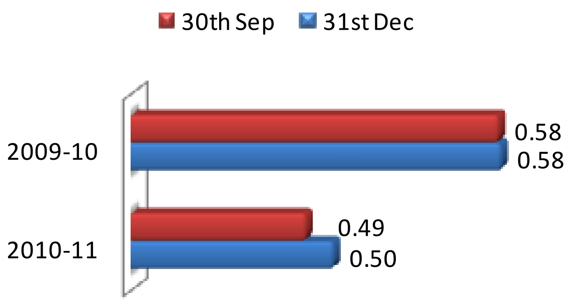




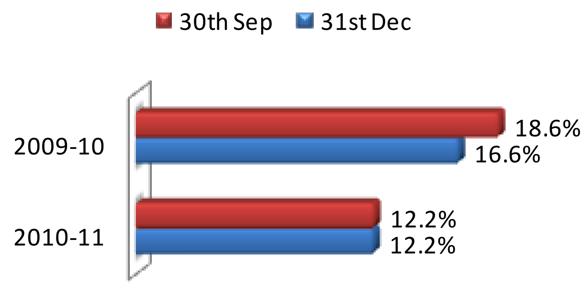
SEGMENT WISE SALE YTD 2010-11

Business Highlights (Ratios)

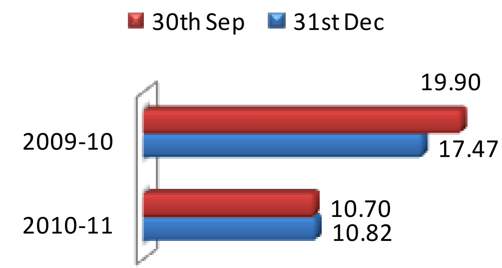
DE Ratio (%)



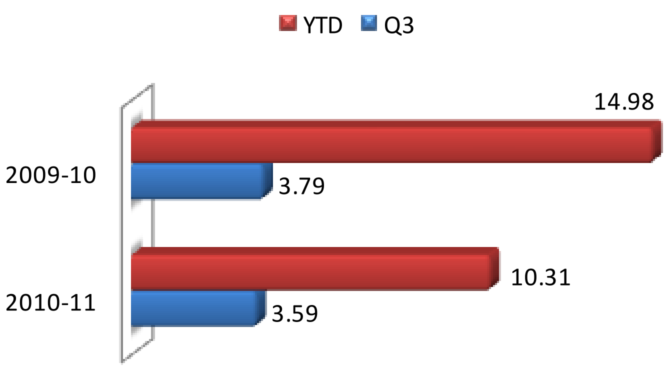
ROCE %



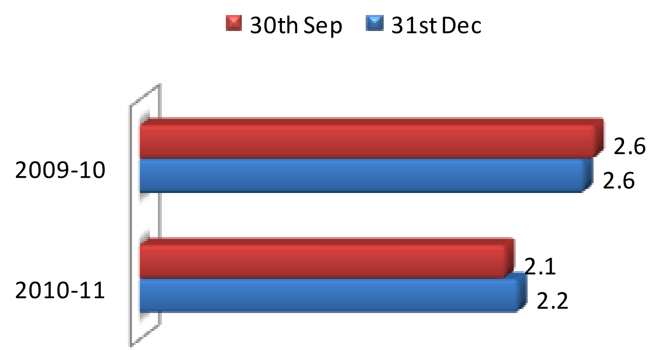
RONW %



EPS (not annualised)



Current Ratio



Outlook on user industries - Liquor

- Size of Indian IMFL market is estimated to be ~ US$ 4.5 bn with total sales volumes of 236m cases
- Industry projected to grow at 10-12% p.a. over next few years

Growth Drivers:

- Low per capita consumption in India of 1.8 litres as against 8.7 litres in Europe and 8.5 litres in USA
- Increasing disposable income
- Youth & Middle-aged population expected to increase from ~ 48% of population (2001) to 54% in 2011
- ~ 485m people in the drinking age and another 100m likely to be added over next 5 years
- Cultural change – acceptance of social drinking and growing drinking habits in women
- Increasing deregulation by State Governments

Outlook on user industries - Beer

- Size of industry in terms of volumes : 191 m cases
- Industry projected to grow at 12-15% p.a. over next few years

Growth Drivers:

- Low per capita consumption in India of 1.3 litres, compared to global average of 24 litres
- Increase in disposable income
- Increasing exposure to beer, mainly due to increase in number of outlets
- Rising popularity of beer among urban working women
- Branding efforts of Beer producing Companies is also aiding growth of new glass bottles in the segment.

Outlook on user industries - Food

- As per Government of India's Vision 2025, the food processing industry is expected to more than double in size from the current US$ 70 bn to ~ US$ 150 bn by 2025

Growth Drivers:

- Increase in disposable income
- Changing lifestyles of urban and rural middle class
- Increasing health consciousness with shift from traditional unpackaged formats to packaged, branded goods
- Increasing working women population
- Increase in penetration of glass containers – currently 10-12% of all food and beverages are packed in glass containers in India as compared to 40-50% in developed markets

Outlook on user industries – Soft Drinks

- The Indian soft drinks market is estimated to be ~ US$ 1.8 bn with carbonated drinks contributing US$ 1.5 bn and juices US$ 0.3 bn
- Overall industry growing at ~ 8% p.a. with fruit drinks/ juices category growing at ~ 25% p.a.

Growth Drivers:

- India's consumption amongst one of the lowest in the world at 5 bottles p.a. as compared to 800 bottles p.a. in US
- Increase in disposable income
- Increasing penetration in rural India and faster urbanization
- Introduction of healthier fruit based substitutes / juices and energy drinks to tap newer market aspirations

Outlook on user industries – Pharma

- India's Pharmaceutical Industry is the 3rd largest in the world in volume terms and 14th in value terms
- The Indian domestic market is currently ~ US$ 12.3 bn and is growing at CAGR of 12-15% as against a global average of 4-7%
    - ◇ Projected to grow to US$ 20 bn by 2015

Growth Drivers:

- Increase in disposable income
- Increased health awareness
- Expansion of healthcare facilities in the rural and far-flung areas to further boost demand
- Increasing penetration of customized insurance plans would drive affordability of healthcare services

Ratings & Awards

- HNG has recently been awarded at no.35th among the best 500 mid sized companies in India by Inc. India, in their October, 2010 issue.

- CARE has improved the Long Term credit rating of HNG from AA to AA+ (implying high safety for timely servicing of debt obligations and carrying very low credit risk).

- CRISIL has given HNG 4/5 rating implying Strong Fundamentals, and 3/5 rating on Valuation front.

Capacity Additions update

Location	Furnace No	Start Date	End Date	From TPD	End TPD
Rishra	1	1-Apr-11	30-06-2011	185	260
Rishra	6	1-Sep-11	15-12-2011	360	650
Neemrana		1-Jun-13	30-09-2013	210	550
Puducherry	1	1-Jun-13	30-08-2013	370	550
**Nashik	1	1-Aug-12	31-11-2012	390	550
WF (Nashik)	New	1-Mar-11	31-11-2011		650
Naidupeta (AP)	New		31-03-2012		650
North	New	1-Jan-14	30-09-2014		650

*** Note : Actual decision will be taken in the light of market situation*
Capacity will go up by ~ 2995 TPD by 2014

Strategic moves

- HNG is looking for an overseas strategic partner, through which, the combined force will yield lots of mutual business advantages.

- HNG is also scouting for an international acquisition. The target geographies are MENA region, Europe and SE Asia. Some of the targets are at advanced stage of evaluation.

THANK YOU

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