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Cost. Customisation. Convenience.

The long and short of it is that Euro Ceramics Limited is shaking up its industry by leveraging these age-old mantras into a compelling business model.

Euro Ceramics today.

Vision

- To be the most effective, innovative and creative Company and be known for the quality, leadership and professionalism both nationally and internationally.
- To build a conglomerate and be a leader in its chosen business area, create an organisation in which all members are proud to be associated with.
- To set benchmarks that will become the standard for industry and others to emulate and follow.

Business

- Manufacturing vitrified ceramic tiles with an installed capacity of 79,971 MTPA.
- Manufacturing calcareous tiles with an installed capacity of 45,000 MTPA.
- Manufacturing sanitaryware with an installed capacity of 11,000 MTPA.
- Manufacturing aluminium extruded sections with a capacity of 1,800 MTPA.
- Trading in wall tiles, through its 100% subsidiary, Euro Merchandise (India) Ltd.
- Generating 10-MW of power through captive power plant based on lignite.

Management

- 1,000-plus professional team, headed by Mr. Nenshi L.Shah, Chairman & Managing Director.
- Promoters hold a 55.31% stake.

Mission

- Euro Ceramics is committed to serve society by providing quality products and services.
- We have dedicated ourselves to long-term growth and will practise highest standards in manufacturing, marketing and care for our people.
- Apart from local markets, we should become an international player and with the existing high standards of quality, we should have a good share of the global market.
- Suitable expansions related to our core strength in construction industry.
- Euro Ceramics will practise the best business standards and values and stand as a role model for the best of the medium-size enterprises to give maximum benefits to its shareholders.

Banking on

Quality

- ISO 9001:2000.
- ISO 13006/EN 176 Group B1a Certifications.

Presence

- Headquartered in Mumbai.
- Plant located at Bhachau, Kutch.
- Listed on the National Stock Exchange and the Bombay Stock Exchange.
- Marketing presence across India under the Euro brand.
- Runs 30 retail outlets across the country.

Projects

- Residential complex
- Commercial complex
- IT industry
- Banking sector
- Corporate offices
- Multiplexes
- Shopping complexes, malls
- Star hotels
- Hospitals
- Airports
- Government projects

Operations

Technology and equipment sourced from SACMI.

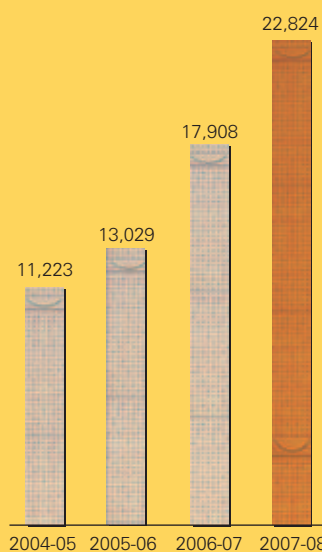
**Promoter's
holding**
55.31%
as on
March 31, 2008

Employees
1090
employees
as on
March 31, 2008

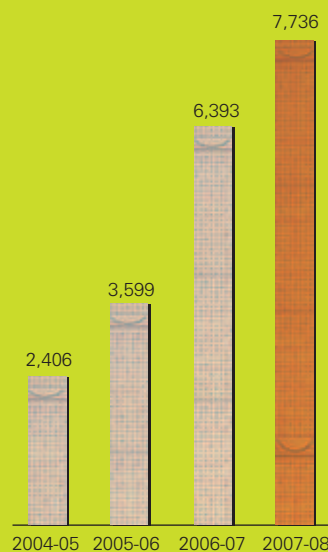
**Market
capitalisation**
Rs. 210 crs
as on
March 31, 2008

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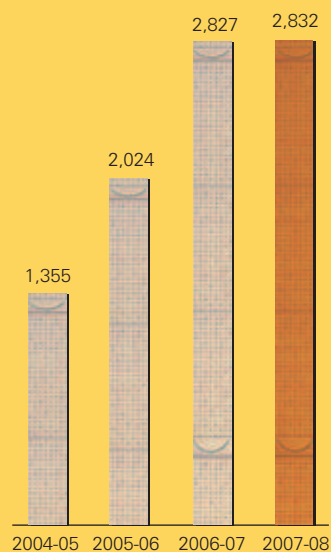
Sales (Rs. lacs)



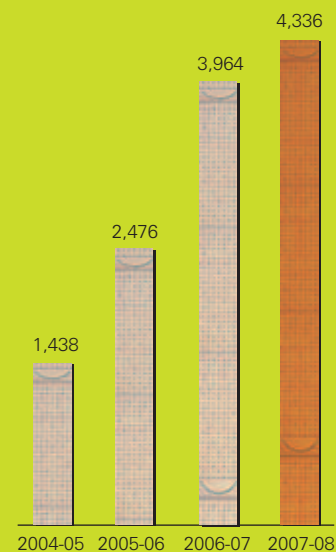
EBIDTA (Rs. lacs)



PAT (Rs. lacs)



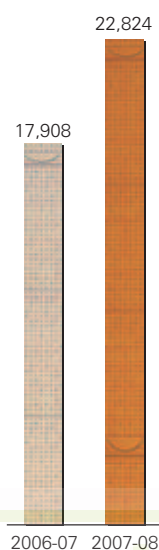
Cash profit (Rs. lacs)



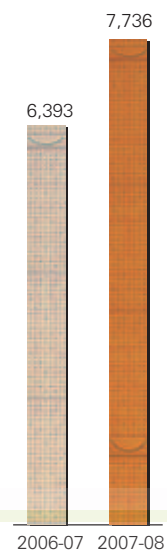


Highlights 2007-08

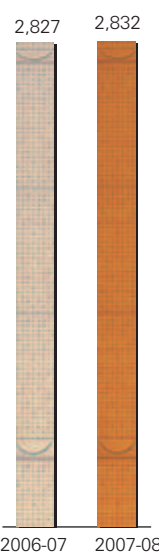
Sales
(Rs. lacs)



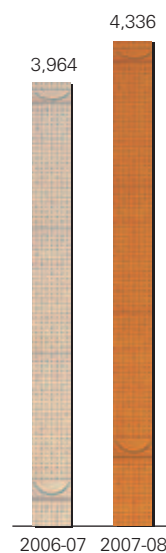
EBIDTA
(Rs. lacs)



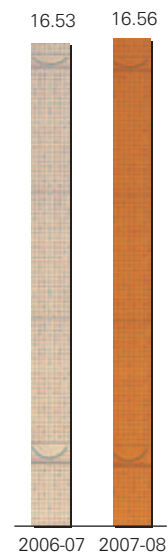
PAT
(Rs. lacs)



Cash profit
(Rs. lacs)



EPS
(Rs.)



Operations

- Reported 100% utilisation across the vitrified tile capacities and commenced commercial production at the calcareous tile plant in 2007-08.
- Reduced power and fuel cost as a proportion of the turnover by 167 bps to 19.07%.

Product score

Vitrified tiles

- Increased production by 9.12% — from 78,331 tonnes in 2006-07 to 85,472 tonnes.
- Nearly 90% of the output was classified as first-quality grade.
- Launched new designs.

Aluminium extrusions

- Increased production from 1,320 tonnes in 2006-07 to 1,408 tonnes.

Calcareous tiles

- Commissioned a 45,000-MTPA calcareous tiles facility in June 2007.

Credit ratings

- Achieved PR1+ rating from CARE, signifying strong capacity for timely payment of short-term debt and the lowest credit risk.

- Awarded LA+ rating from CARE, signifying adequate safety for the timely servicing of debt obligations with the tenure of more than a year. This rating signifies a low credit risk.

Marketing

- Launched a complete range of calcareous tiles i.e.; agglomerated marble under the Euro brand.
- Expanded its marketing presence across India and in international territories.
- Doubled exports to around Rs. 19 crores.
- Supplied in various SEZs.
- Introduced franchise outlets to exclusively market Euro products under the name 'Euro Stile Station'.

Post-balance sheet development

- Commissioned an 11,000-MTPA sanitaryware facility in April 2008 at a cost of around Rs. 77 crores.

Shareholder returns

Earnings per share	Book value (as on March 31, 2008)	Dividend
Rs. 16.56	Rs. 115.05	7.5%

CMD's overview

"We are the youngest in the industry, but we outperformed the industry sales growth with a 27% rise in our topline."

Mr. Nenshi L. Shah, *Chairman & Managing Director*, shares the Company's big picture.



Dear Shareholders,

What kind of a Company is Euro Ceramics? What distinctive difference will we make in our space?

These are the two questions that I am most frequently asked today.

Euro Ceramics is not another tile company. It is being positioned as a core ceramic Company. Our growth will be derived from a growing understanding of this material and how we can apply it in various ways to make a wider range and a better quality of products.

Euro Ceramics is not a run-of-the-mill ceramic products company. It is being positioned as a design-led, premium tile company. What we make will address customers who possess the desire and the capability to buy the best.

At the Company, we feel that a combination of these two statements represents the essence of an effective and enduring business model. This is why:

- It is our experience that the community of people who want to migrate to a better quality of products and services keeps growing all the time, recession or not. Most consumer segments are sensitive to the overall economic, national and international environments; the premium-end is not.
- It is our experience that the quality-conscious, upper-end customer rewards innovation and design better and quicker than any other income segment. In our business, this translates into a more effective coverage of costs, the availability of an attractive cash flow and a stronger availability to reinvest in

more products and higher capacities.

- In our experience, a design-led company creates the expectation of superior quality. This creates a consumer pull, helps us reduce the promotions budget, enthuses our franchisees and helps us widen our distribution network faster.

I am pleased to state that in 2007-08 we walked this talk. We leveraged our understanding of the ceramic material and extended from the manufacture of vitrified tiles to the commercial manufacture of calcareous tiles in June 2007 and sanitaryware in April 2008.

So what will this business model achieve for our Company?

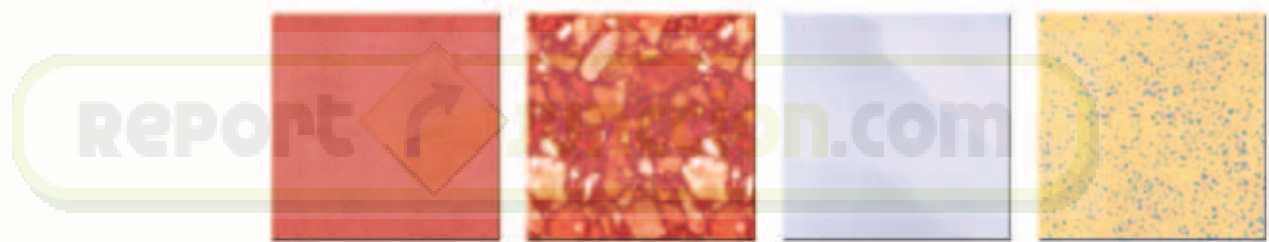
One, there is a growing international respect for Euro Ceramics for its ability to fuse three globally established product categories into its business with speed and effectiveness. In our understanding, this combination of businesses is unique; companies have successfully scaled their individual product lines to achieve economies of scale and brand, but no Company has taken the absolutely lateral approach of widening its product breadth over scale within our sector.

Two, we expect to drive sustainable growth in terms of topline and bottomline for the Company over the foreseeable future, translating into superior value for all those who own shares in our Company.

Nenshi L. Shah
Chairman & Managing Director



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One Company?

We see four. One for vitrified tiles. One for calcareous tiles (agglomerated marble). One for sanitaryware. One for wall tiles.

