



ASAHI INDIA GLASS LTD.

ANALYST MEET

14th June, 2006

SAFE HARBOUR

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Contents

- AIS – At a Glance
- Highlights- SBUs Review of Operations
 - AIS (Auto)
 - AIS (Float)
 - AIS (Glass Solutions)
- Projects Update
- Future Outlook

Brief snap shot of AIS – from inception till FY 2005-06

AIS : 1987-88 TO 2005-06

Sl. No.	ITEM	1987-88	2005-06	CAGR
1.	Sales (Rs. Lakhs)	955	58767	25.71%
2.	EBITDA (Rs. Lakhs)	332	11323	21.67%
	%age to sales	35%	19%	
3.	EBDT (Rs. Lakhs)	202	10240	24.38%
	%age to sales	21%	17%	
4.	Market Capitalisation (Rs. Lakhs)	185	168000	46.00%

These figures contain, in brief, the story of AIS's growth from a supplier of automotive tempered glass to Maruti Udyog (Suzuki) when we began, to the current situation of India's largest glass company, with profitable growth flowing from all the actions taken since the birth of the organization.

AIS's Transition – the journey so far

AIS in 1987	AIS in 2006
<ul style="list-style-type: none"> • Single Plant at Rewari 	<ul style="list-style-type: none"> • Ten Plants in Four Locations
<ul style="list-style-type: none"> • Single Customer – Maruti Suzuki 	<ul style="list-style-type: none"> • Customer base which includes : <ul style="list-style-type: none"> • Auto OE's, • glass distributors and dealers spread all over the country.
<ul style="list-style-type: none"> • Single Product : Tempered Glass 	<ul style="list-style-type: none"> • Full range of automotive safety glass, float glass, architectural processed glass and glass products.
<ul style="list-style-type: none"> • Single Location 	<ul style="list-style-type: none"> • Pan India presence.
<ul style="list-style-type: none"> • Single business segment – Auto Glass 	<ul style="list-style-type: none"> • India's largest integrated glass company with a meaningful presence in every part of the automotive and architectural glass businesses capturing value across the complete glass chain.

AIS - Corporate Profile

- Largest integrated glass company in India, manufacturing wide range of international quality automotive safety glass, float glass, architectural processed glass and glass products.
- Jointly promoted by Labroo family, Asahi Glass Co., Ltd., Japan, with Maruti-Suzuki holding a minority stake. Promoters hold 55.5 % of paid up equity capital of AIS, with remaining 44.5 % held by public at large.
- Three operating business units :
AIS (Auto);
AIS (Float); and
AIS (Glass Solutions)

AIS is in the process of transforming itself from being a manufacturer of world-class products to a solutions provider, moving up the exciting value chain of glass by providing design, products and services and pursuing profitable growth to enhance shareholder value.

AIS (Auto) : Business Segment - Auto Glass

- Largest manufacturer of world class automotive safety glass
- Total production capacity of 2.5 million car sets, with state-of-the-art manufacturing facilities at Rewari and Chennai.
- Sole supplier to almost the entire Indian passenger car industry, with current market share of 85 %.
- Significant presence in the after market, with a market share of over 50% in terms of value.
- Offering full range of automotive safety glass including Laminated Safety Glass, Tempered Glass for side and back lites, Value-added Glass, Defogger Glass, Encapsulated Glass.
- Sales made directly to OE customers and through two nationwide distributors, with 27 depots, to the direct after market, covering the length and breadth of the country.
- Customers include Maruti-Suzuki, Hyundai Motors, Tata Motors, Mahindra, Honda, Toyota, General Motors, Ford India, Hindustan Motors, Fiat India, Volvo, Eicher, Piaggio, Swaraj Mazda.

- **Retaining leadership position**
- **Current market share of 85 %**
- **Sole supplier to almost all the OEs in India**
- **Best positioned to meet growing demand in domestic and export markets**

AIS (Float) : Business Segment - Architectural Glass

- AIS (Float), the erstwhile Floatglass India Ltd. (FGI), is a leading manufacturer of international quality float glass.
- State-of-the-art manufacturing Plant at Taloja, near Mumbai. Second plant, coming up at Roorkee, to be operational by December, 2006. The capacity to increase from the existing level of 500 TPD to 1200 TPD.
- Roorkee Plant to have manufacturing facilities for world-class reflective glass and mirrors also.
- Market share of approximately 20 % of the Indian flat glass (sheet glass and float glass) market and 25 % of the float glass market. Post expansion, the market share to increase to over 35 % of the float glass market.
- AIS (Float) offers a diversified product range of float glass of thickness of 2mm – 12mm, with products like clear float glass, tinted (heat-absorbing) float glass, heat reflective glass and mirrors.
- Country-wide sales & marketing network, comprising over 450 authorized stockists, field sales personnel, zonal offices and area representatives.

Turned around performance of the erstwhile Floatglass India Ltd. (FGI) after its take over in FY 2001-02 and successfully integrated it into AIS.

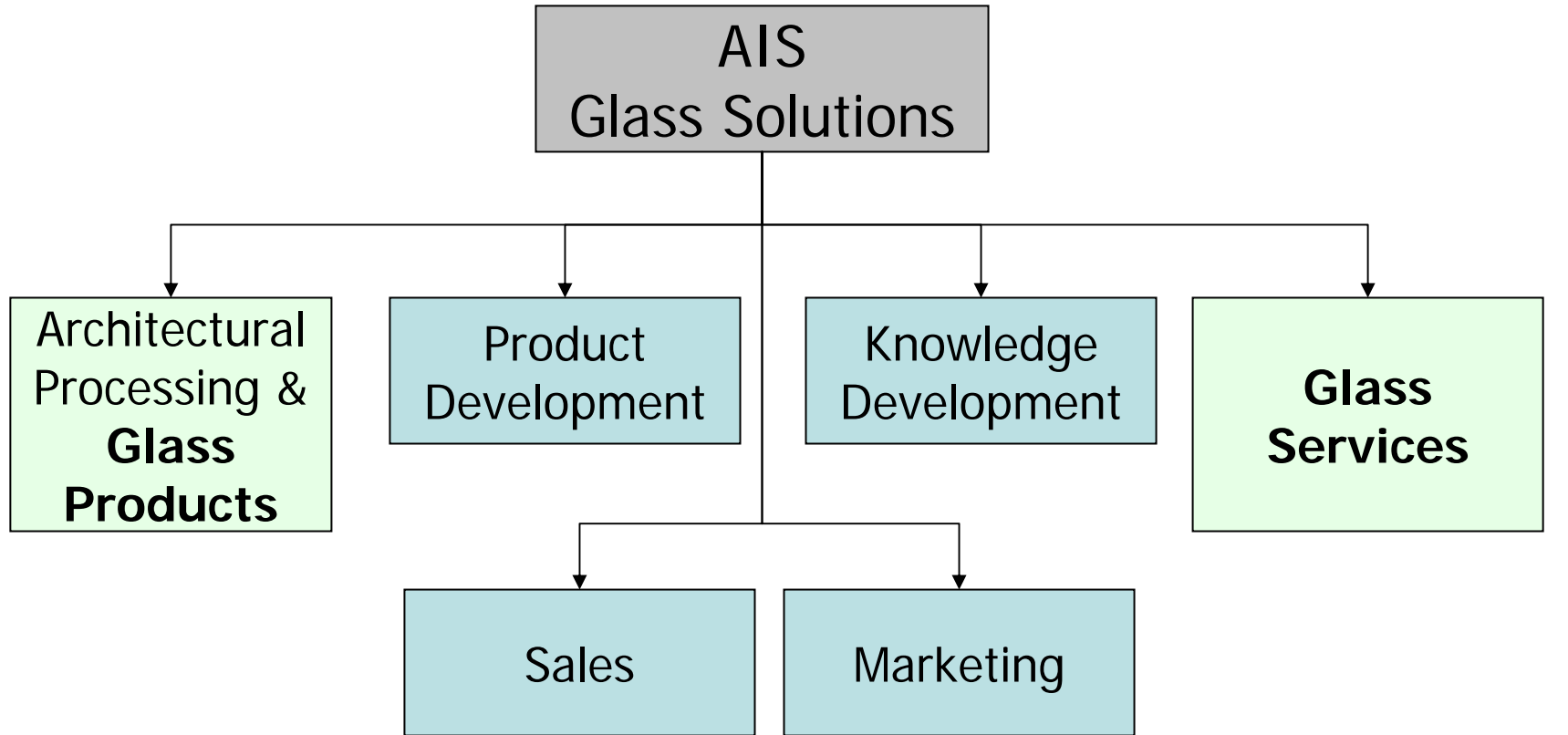
AIS (Glass Solutions) : Business Segment – Architectural Glass Solutions

- AIS (Glass Solutions), set up as a subsidiary of AIS in 2004-05, has emerged as the largest processor in the country, with AIS's architectural processing plants in Talaja (Mumbai), Rewari and Chennai
- Setting up its 4th plant at Roorkee which will be the single largest architectural processing facility in the country and become functional by March, 2007.
- Offering complete range of high quality architectural processed glass like AIS Stronglas (tempered glass), AIS Securityglas, AIS Acousticglas (laminated glass) and insulated glass units
- Introducing innovative products like windows, tabletops, partitions, shelves, shower cubicles, etc.
- Set up with the following long term objectives
 - captively consume float glass for architectural processing & glass products ; and
 - raise glass consumption by disseminating knowledge and introducing innovative product lines.

Glass Solutions

- **An innovation in value addition, offering end-to-end glass solutions**
- **Solving customer problems about glass**
- **Enabling customers to do more with glass**
- **Knowledge leader in glass**

Forms of AIS Glass Solutions



■ Cost Centers
■ Profit Centers

Glass Solutions - Concept

- An exercise in value addition
- 5 year objectives
 - Raise internal consumption of glass significantly
 - Raise glass consumption in the country from the current level of 0.55 kg per capita by introducing innovative product lines, including:
 - A line of *bath enclosures*.
 - Standard line of *glass shelving*.
 - Line of specialty laminated glass called “ AIS Securityglas” and “AIS Acousticglas” for *burglar-resistance, and sound proofing applications*.
 - A line of *manufactured windows*.
 - Establish dominant presence through the value chain, including through *processed glass* as well as down stream through *Glass Services* to provide a one stop shop to consumers.
 - ***Make AIS the No. 1 glass brand in India***

Glass Solutions – Products and Services Planned

- Processed glass for architectural applications
 - Laminated glass
 - Tempered glass
 - Insulated glass units
- Product lines as discussed, starting with bath enclosure line
- Glass installation service for low volume, high-value jobs in top 8 urban centres.

AIS - Plant Locations

Rewari:
Current
 1. Auto Glass
 2. Glass Solutions

Taloja:
Current
 1. Float
 2. Glass Solutions

Roorkee:
Planned
 1. Float
 2. Glass Solutions
 3. Value Added
 4. Auto Glass

Chennai:
Current
 1. Auto
 2. Glass Solutions



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AIS– Performance Highlights FY 06

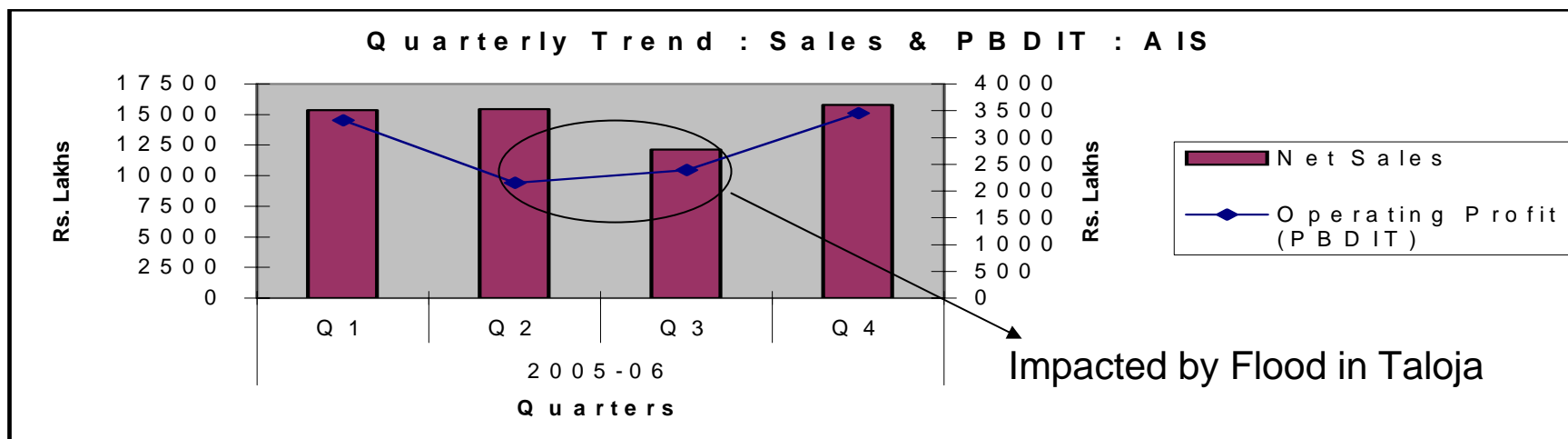
AIS – Report Card FY 06 : Projections vs. Actual

Projections*	Actual
Top line expected to grow in the region of 15 – 18 %	<ul style="list-style-type: none"> - AIS's consolidated sales up 3.5 % - AIS (Auto)'s sales up 13 % - AIS (Float)'s sales down 18 %, impacted by shut down of Taloja Plant for over 3 months due to floods.
Margins stabilization, in the absence of abnormal factors of FY 05	<ul style="list-style-type: none"> - AIS's overall operating profit margins at 19 %, compared to 22 % in FY 05. - AIS (Auto)'s margins at 23 % remained flat. - AIS (Float)'s margins down to 15 %, compared to 20 % in FY 05.
<p>The following Projects scheduled to start in FY 06, completed on time, on cost :</p> <ul style="list-style-type: none"> -Phase II at Chennai – Tempered Back lites -Phase III at Chennai – Laminated Windshields expansion - Architectural Processing Plants in Chennai & Rewari 	

AIS Q4 & Annual Results : 2005-06

AIS Merged Financial (in Rs. Lacs)	Apr -Dec			Jan-Mar			Year ended		
	2005-06	2004 -05	% Incr /Dec 05>04	2005-06	2004 -05	% Incr /Dec 05>04	2005-06	2004 -05	% Incr /Dec 06>05
Net Sales	42983	43187	0%	15785	15680	1%	58767	58868	0%
Profits before foreign exchange gain /loss									
PBDIT	7867	9193	-14%	3455	3693	-6%	11323	12886	-12%
PBDT	7146	9063	-21%	3094	3507	-12%	10240	12570	-19%
PBIT	3241	6276	-48%	7190	2566	180%	10430	8842	18%
PBT	2519	6146	-59%	6828	2381	187%	9347	8526	10%
Margin (To net sales)									
PBDIT	18.3%	21.3%	-3%	21.9%	23.5%	-2%	19.3%	21.9%	-3%
PBDT	16.6%	21.0%	-4%	19.6%	22.4%	-3%	17.4%	21.4%	-4%
PBIT	7.5%	14.5%	-7%	45.5%	16.4%	29%	17.7%	15.0%	3%
PBT	5.9%	14.2%	-8%	43.3%	15.2%	28%	15.9%	14.5%	1%

	2005 -06			
	Q 1	Q 2	Q 3	Q 4
Net Sales	15379	15457	12147	15785
Operating Profit (PBDIT)	3320	2158	2389	3455
Operating Profit Margin (PBDIT/Net Sales)	21.59%	13.96%	19.67%	21.89%



Significant Features of AIS's Results : 2005-06

1. As is now common knowledge, the torrential rains in Bombay in the end of July, 2005 led to unprecedented *flooding* at AIS's Taloja Float Plant, leading to a 3 month shut down.

This had the most significant impact of all on AIS's results in 2005-06 :

Besides the almost Rs. 10 crores direct loss on account of abnormal operating expenses, the impact of lost sales amounted to approximately Rs. 26.70 crores.

2. AIS has made a change in its *depreciation* accounting, in the Auto SBU. AIS (Auto) was hitherto following WDV methodology. This has now been changed to SLM. This brings uniformity in depreciation accounting, which was earlier different within the Company, post the merger of FGI. It also presents a more representative and balanced picture of the actual results, especially in the light of the heavy capital expenditure program being undertaken.

The next slide shows the impact of the change in depreciation method.

Impact of change in Depreciation from WDV to SLM

IMPACT OF CHANGE IN DEPRECIATION METHOD

UP TO 31.03.2006

Rs. IN LACS

SL.	PARTICULARS	EFFECT OF CHANGE ON PROFITABILITY
1	Impact on Closing Inventory (decrease)	(86.02)
2	Difference between SLM and WDV depreciation in the current year (2005-06)	1476.35
3	Depreciation of earlier years (till 31.03.2005) written back	4007.80
	POSITIVE IMPACT ON PROFIT BEFORE TAX	5398.13
4	Impact on Taxation:	
	a) Increase in MAT outflow 437.34	
	b) Deferred Tax liability 399.33	836.68
	NET IMPACT ON PROFIT AFTER TAX (INCREASE)	4561.45

Some Key Ratios

Financial Ratios	Year ending Mar 04	Year ending Mar 05	Period ended Mar'06
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Operational Ratios

Debtors Days	38	38	16
Creditors Days	97	95	91
Current Ratio	1.92	1.03	1.17

Profitability Ratios

ROCE PBIT/ Avg Cap Empld	20%	20%	18%
PBDIT / Avg Cap Empld	32%	29%	19%
RONW PAT /NW	69%	45%	39%

Structural Ratios

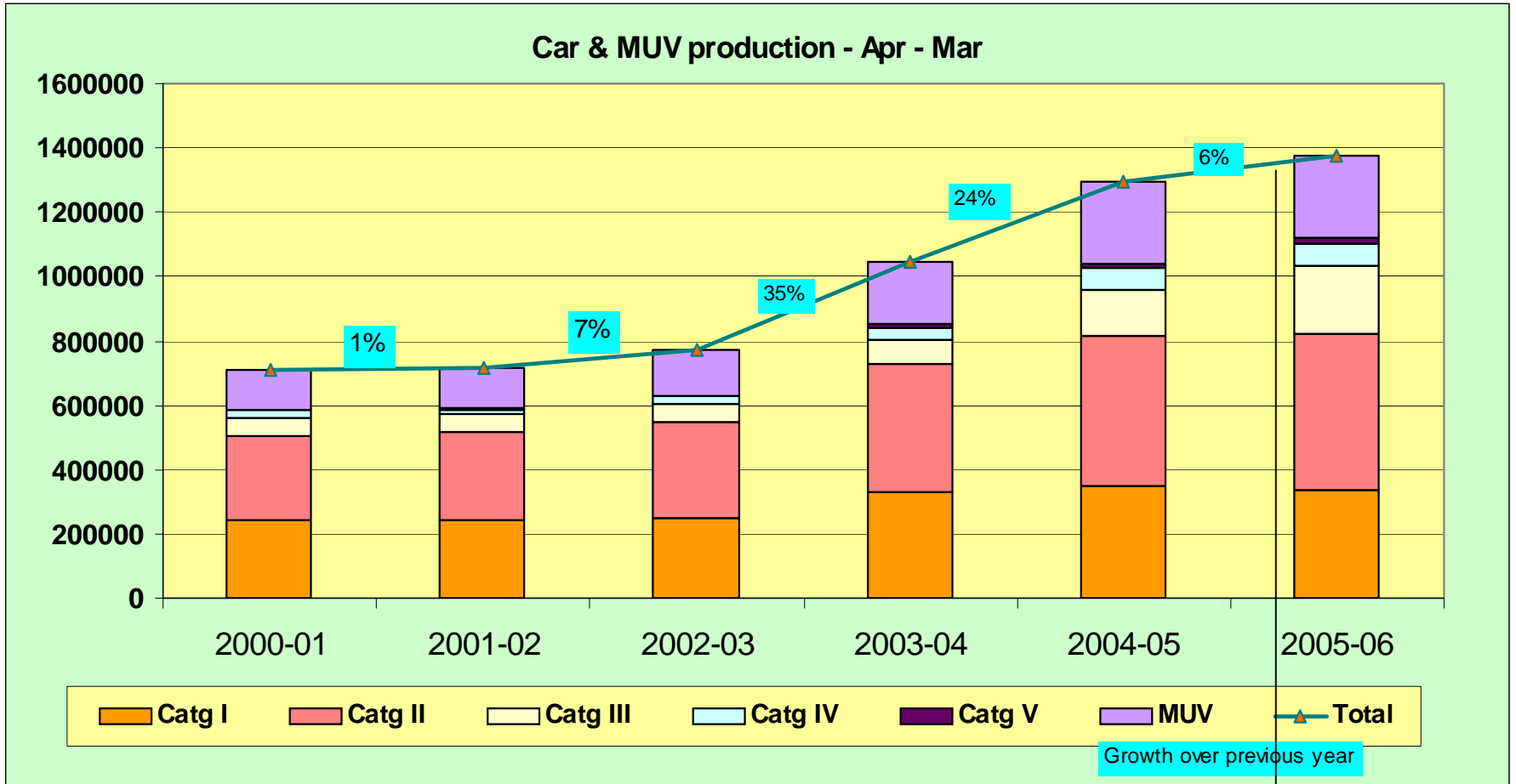
Total Debt / Equity	2.08	2.54	3.31
Interest bearing debt / equity	0.29	0.87	2.15
Total Debt / PBDIT	2.06	3.46	7.99
Debt Service Coverage Ratio	6.91	38.62	8.87
Financial Coverage - PBIT/Int	33.0	26.0	9.2



Rising Debt reflects the Capital Expenditure being incurred in setting up the Integrated Glass Plant in Roorkee, which will begin to contribute to revenue flows from December, 2006 onwards.

AIS (Auto) – Highlights FY 06

Vehicle Production

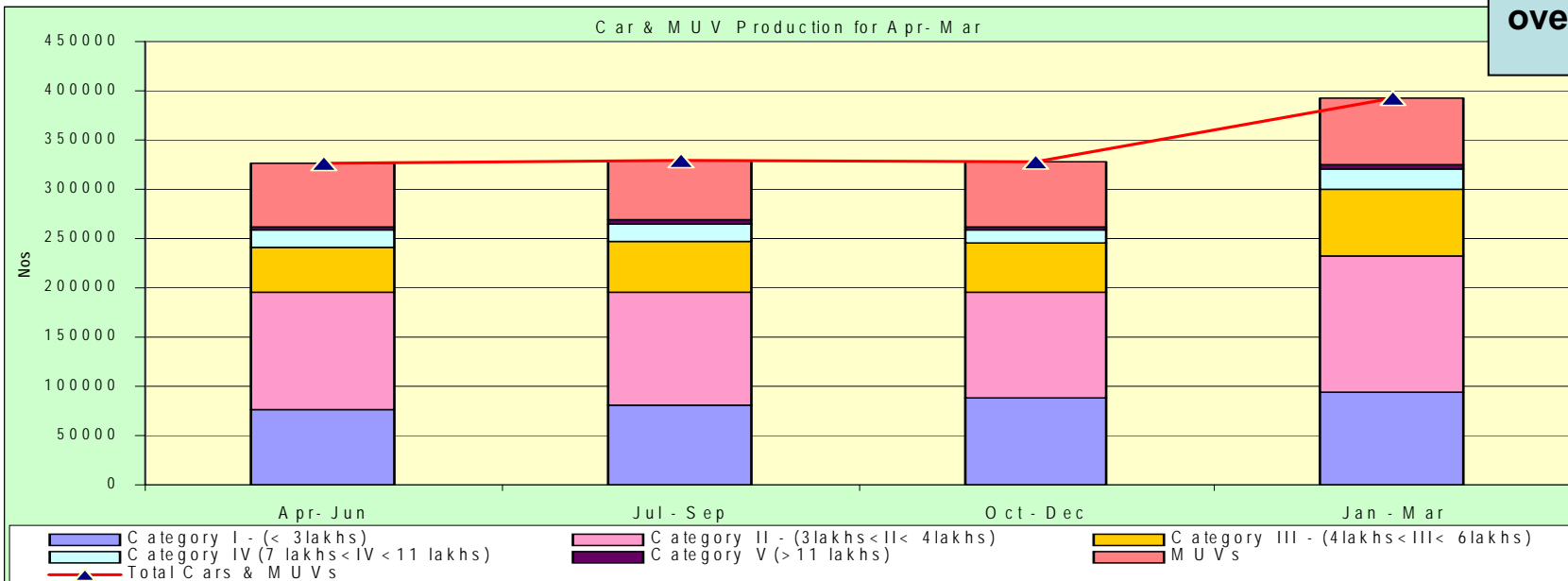


Car production slowed after two consecutive years of strong growth

Cars and MUV's Production - Quarterly

Vehicle Data	Production				Increase / Decrease		
	FY 0506				FY 0506		
Apr - Mar	Q1	Q2	Q3	Q4	Q2 - Q1	Q3 - Q2	Q4 - Q3
Category I - (< 3lakhs)	75774	80900	87666	93484	7%	8%	7%
Category II - (3lakhs<II< 4lakhs)	119635	114691	107972	139027	-4%	-6%	29%
Category III - (4lakhs<III< 6lakhs)	46502	51876	49859	67478	12%	-4%	35%
Category IV(7 lakhs<IV<11 lakhs)	16937	17287	13085	20487	2%	-24%	57%
Category V(>11 lakhs)	3459	4266	3674	4648	23%	-14%	27%
CARS	262307	269020	262256	325124	3%	-3%	24%
MUVs	63444	60031	65462	67028	-5%	9%	2%
Total Cars & MUVs	325751	329051	327718	392152	1%	0%	20% →
No. of cars exported included above	34952	39187	36073	33871	12%	-8%	-6%

Although Q IV saw a 20% increase over Q3



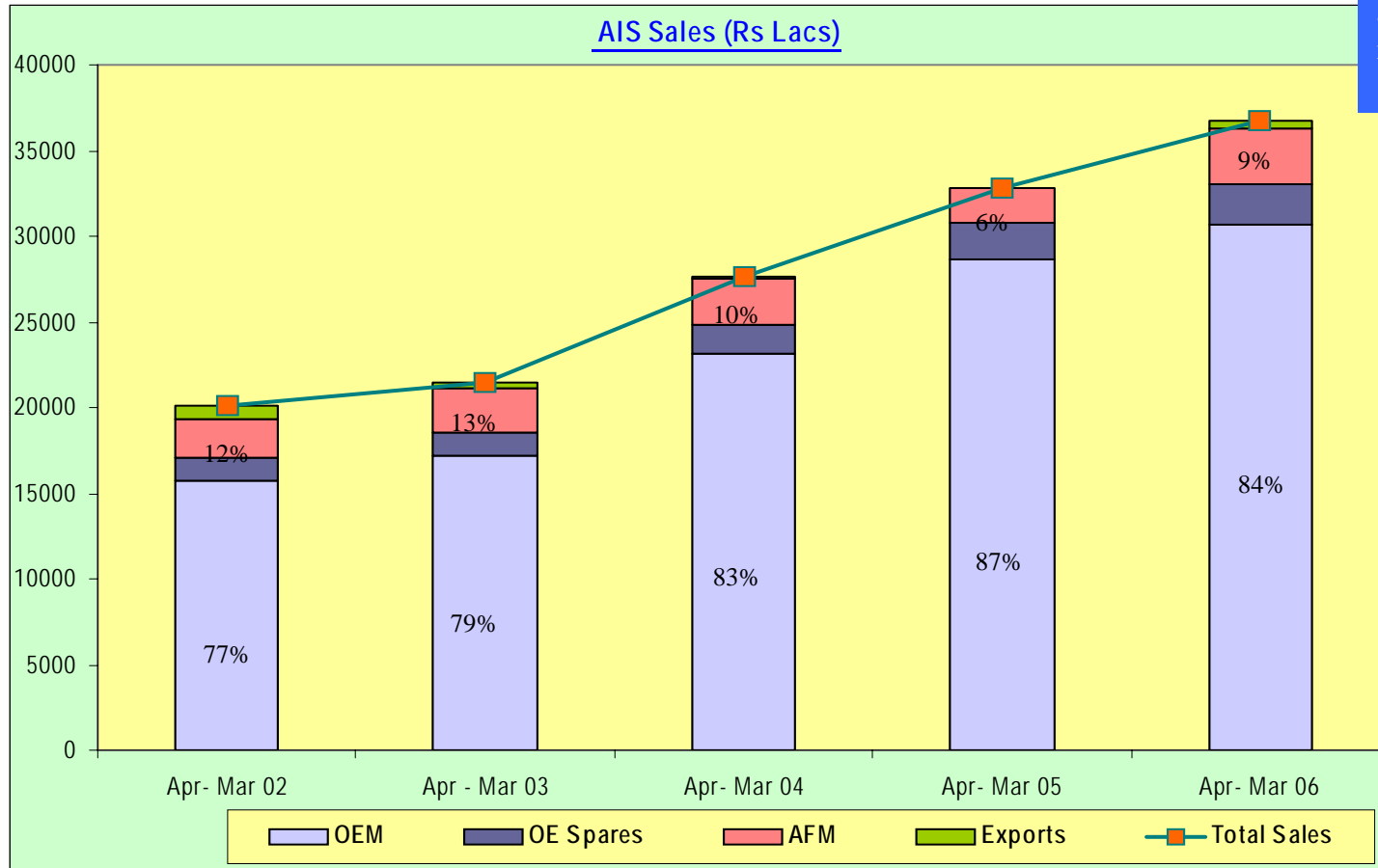
Segment Wise Net Sales

(Rs Lacs)	Apr-Mar 02	Apr - Mar 03	Apr- Mar 04	Apr-Mar 05	Apr-Mar 06
OEM	15725	17141	23125	28632	30622
OE Spares	1355	1385	1699	2131	2451
AFM	2208	2633	2674	2051	3186
Exports	824	288	107	0	477
Total	20112	21446	27604	32814	36737

02>01	03>02	04>03	05>04
9%	35%	24%	7%
2%	23%	25%	15%
19%	2%	-23%	55%
-65%	-63%	-100%	
7%	29%	19%	12%

OE growth in line with automotive market growth

Exports picks up again after 2 years
Sales are to Europe and Pakistan ARG market

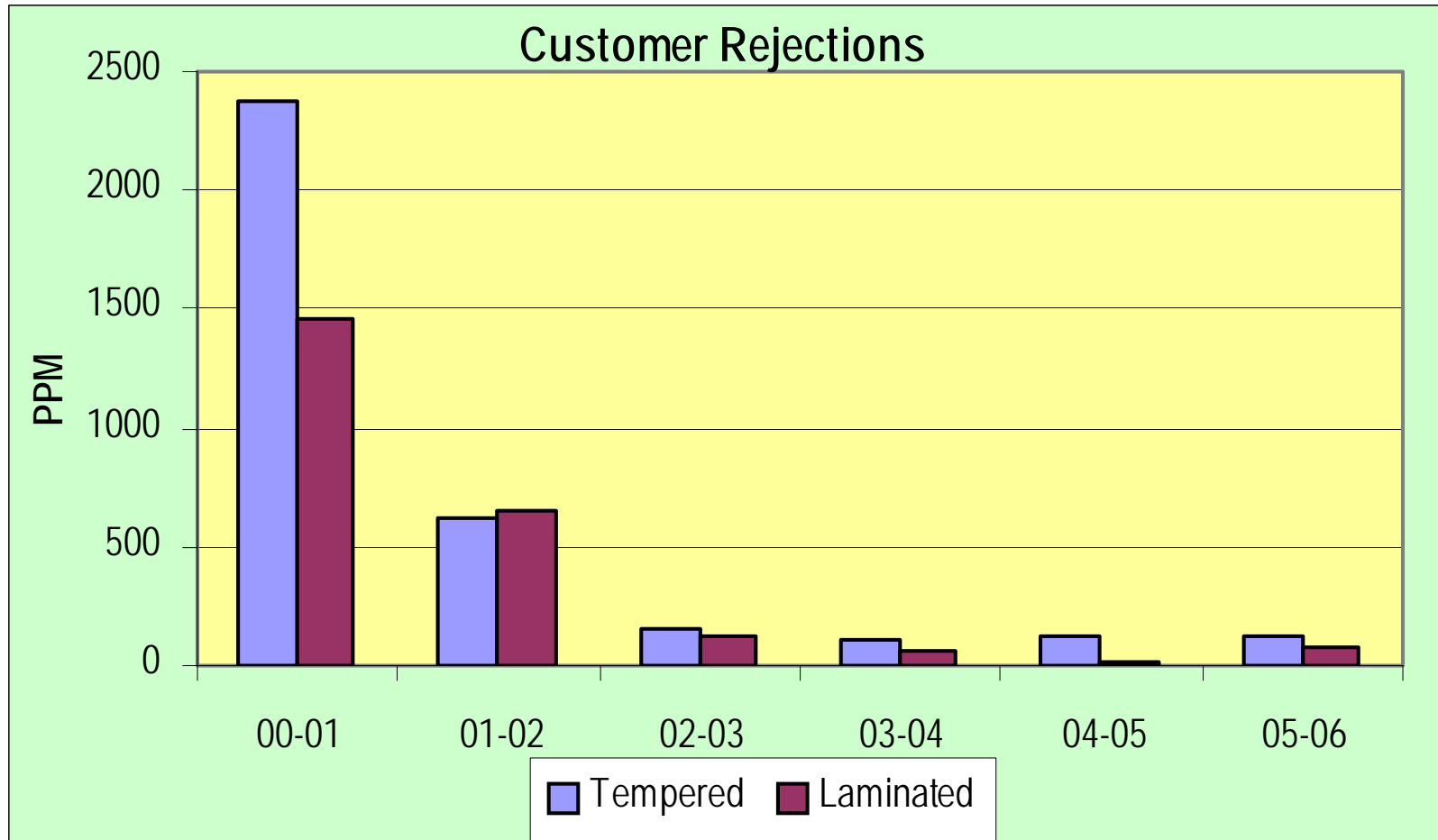


OEM Market Share

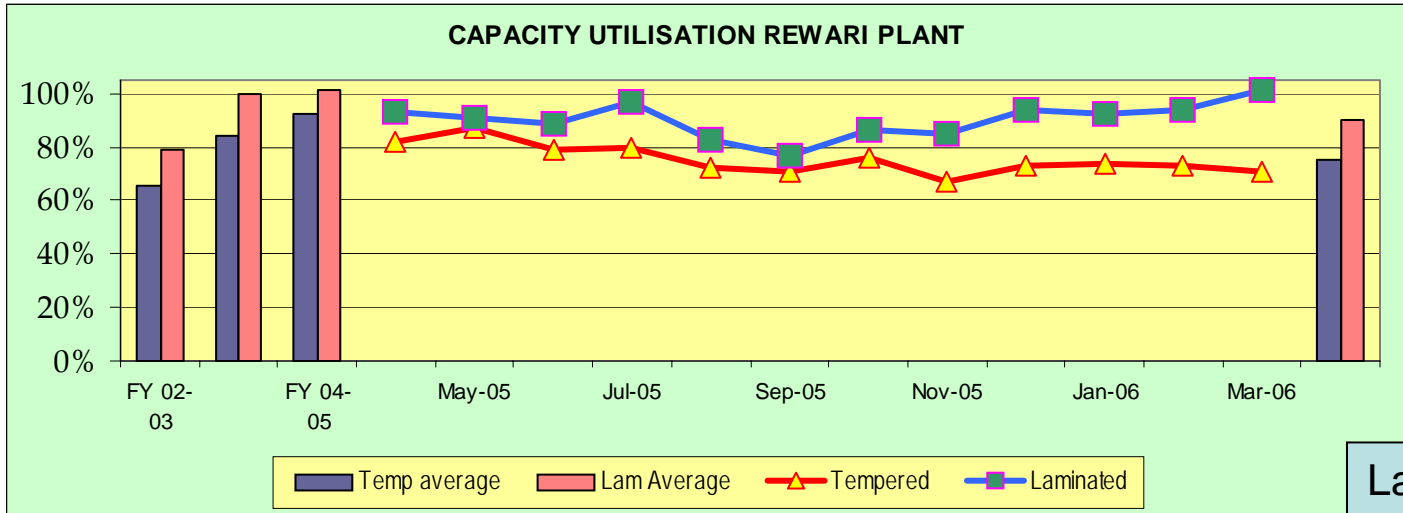
Customer	AIS Share
Fiat India	
: Palio	86%
Ford India	99%
General Motors India Limited	89%
Hindustan Motors : Lancer	100%
Honda Siel	99%
Hyundai Motors	76%
Mahindra & Mahindra	
: Scorpio	100%
: Other MPVs	49%
Maruti Udyog Limited	100%
TELCO	
: Indica	71%
: Safari	100%
: Other MPVs	30%
Toyota Kirloskar	98%
Reva	39%
Total	85%

Customer Rejections

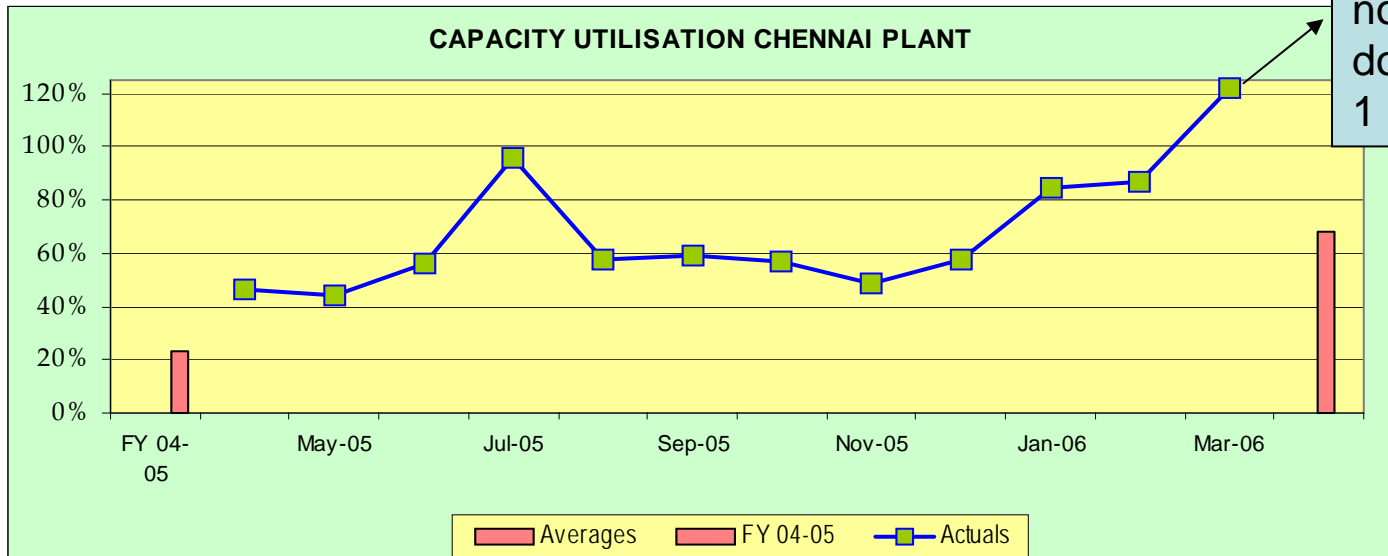
S No	Item	00-01	01-02	02-03	03-04	04-05	05-06
1	Tempered	2373	619	163	115	117	124
2	Laminated	1461	648	122	56	23	70



Capacity Utilization



Laminated Capacity now doubled to 1 million



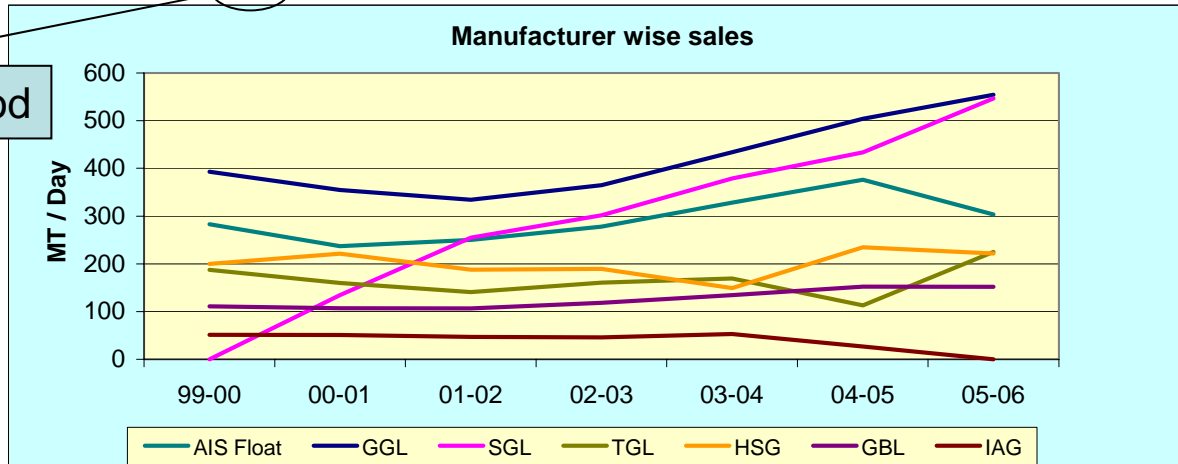
AIS (Float) – Highlights FY 06

Background – Indian Float Glass Sales till 2005-06

Flat Glas Sales in India (MT/ Day) 1999 -2000 onwards : By Manufacturer

Year	AIS Float	GGL	SGL	TGL	HSG	GBL	IAG	Total
99-00	283	393	0	187	200	111	52	1225
00-01	237	355	134	160	221	107	51	1265
01-02	250	334	255	141	188	107	47	1321
02-03	278	365	302	161	190	119	46	1459
03-04	328	434	379	169	149	134	53	1647
04-05	376	504	434	113	235	152	27	1841
05-06	304	554	547	225	222	152	0	2003

Impact of Flood



Growth of Flat Glass Sales in india

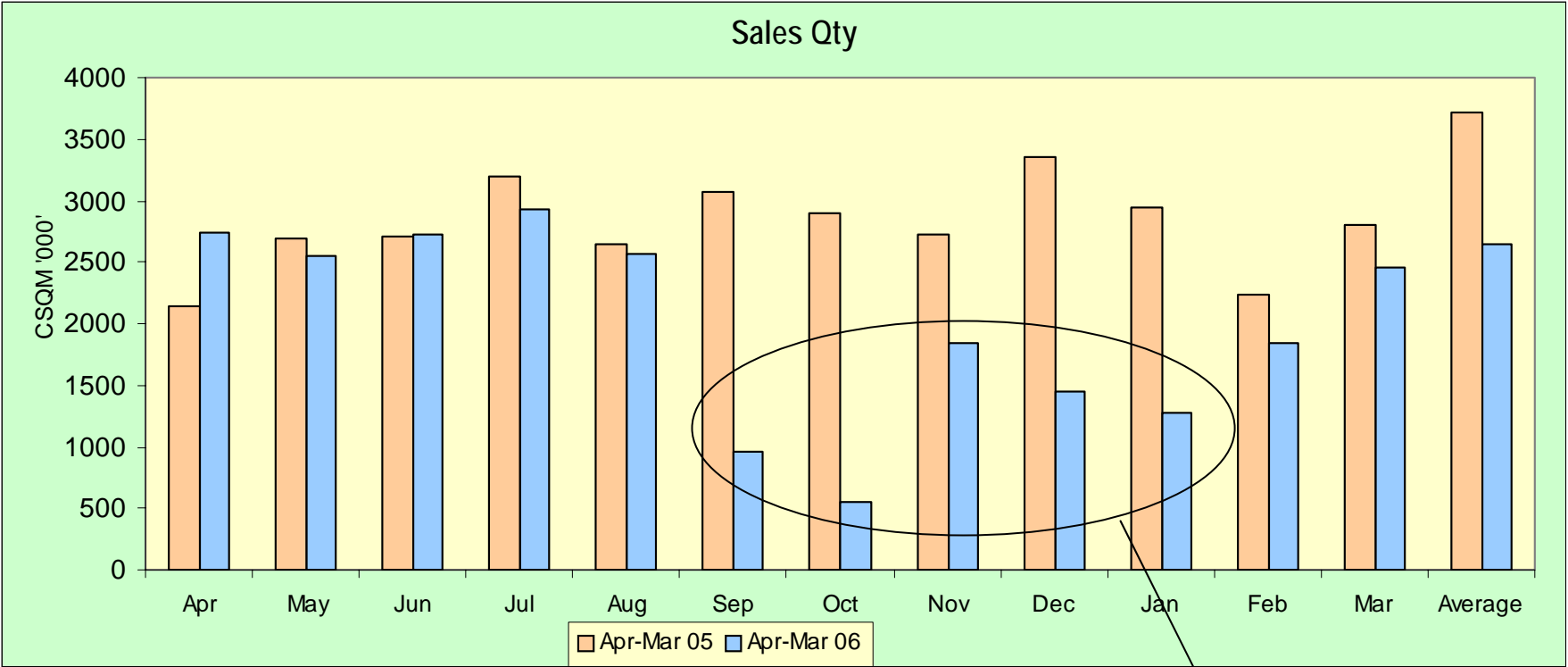
Year	MT / Day	% age Growth
97-98	988	
98-99	1077	9.01%
99-00	1225	13.78%
00-01	1265	3.26%
01-02	1321	4.43%
02-03	1459	10.44%
03-04	1647	12.82%
04-05	1841	11.79%
05-06	2003	8.81%
CAGR GROWTH		9.24%

Growth of Float Glass Sales in India

Year	MT / Day	% age Growth
99-00	844	
00-01	867	2.77%
01-02	962	10.87%
02-03	1084	12.76%
03-04	1290	18.98%
04-05	1411	9.32%
05-06	1615	14.46%
CAGR GROWTH		11.42%

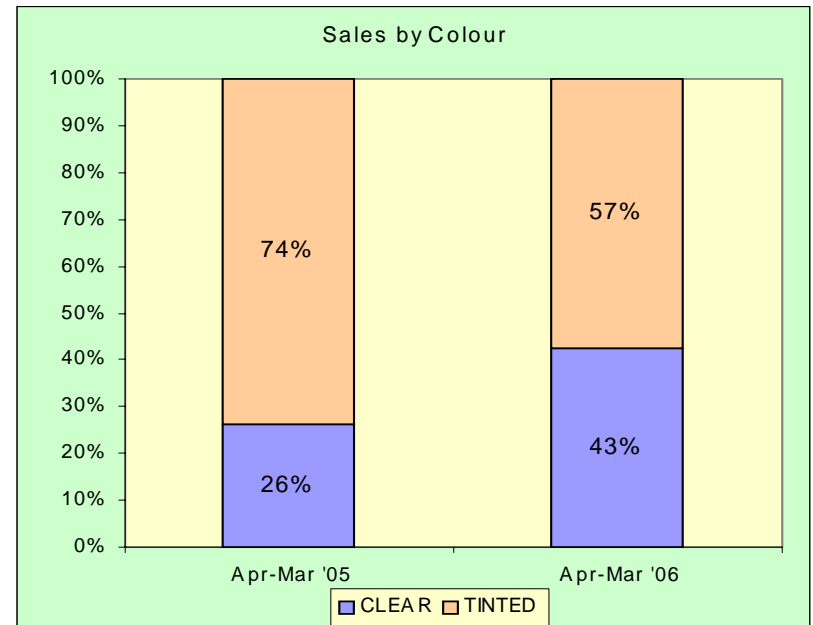
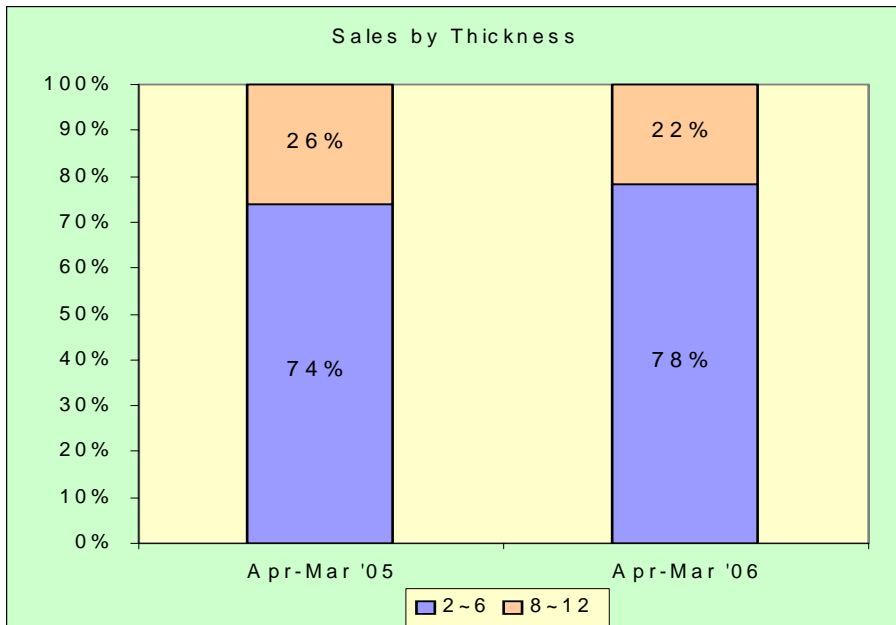
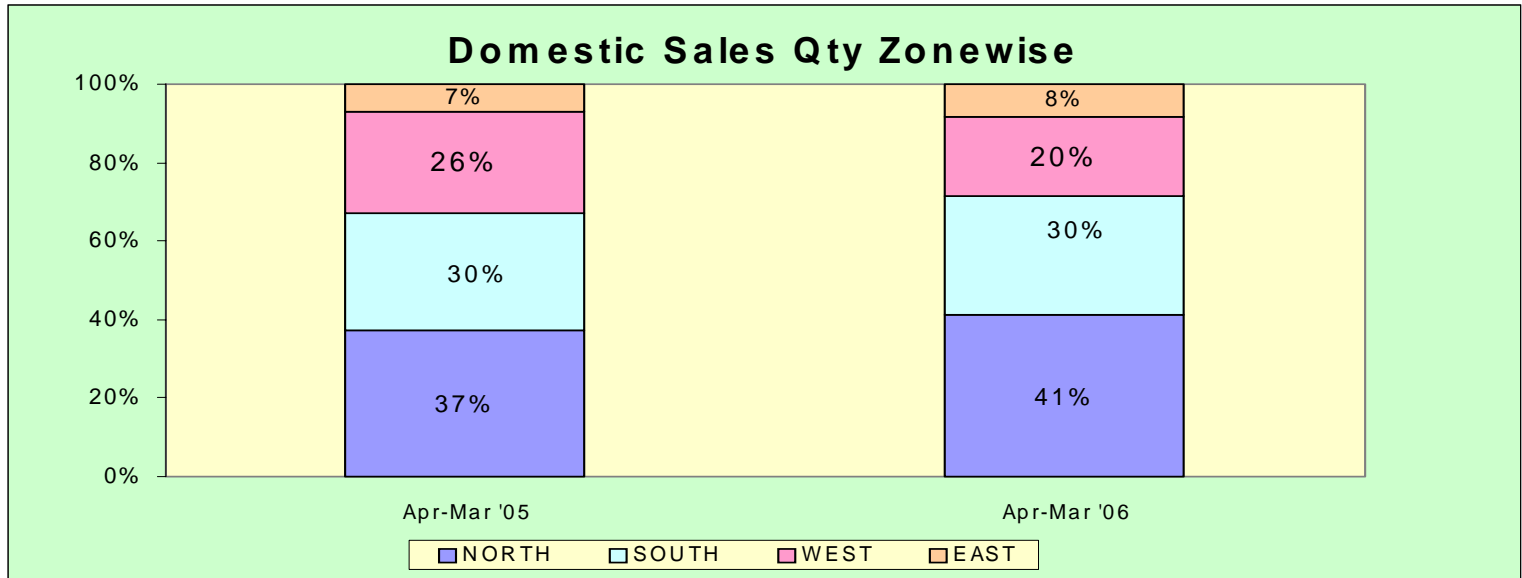
Shows the increasing penetration of float.

Sales Quantity

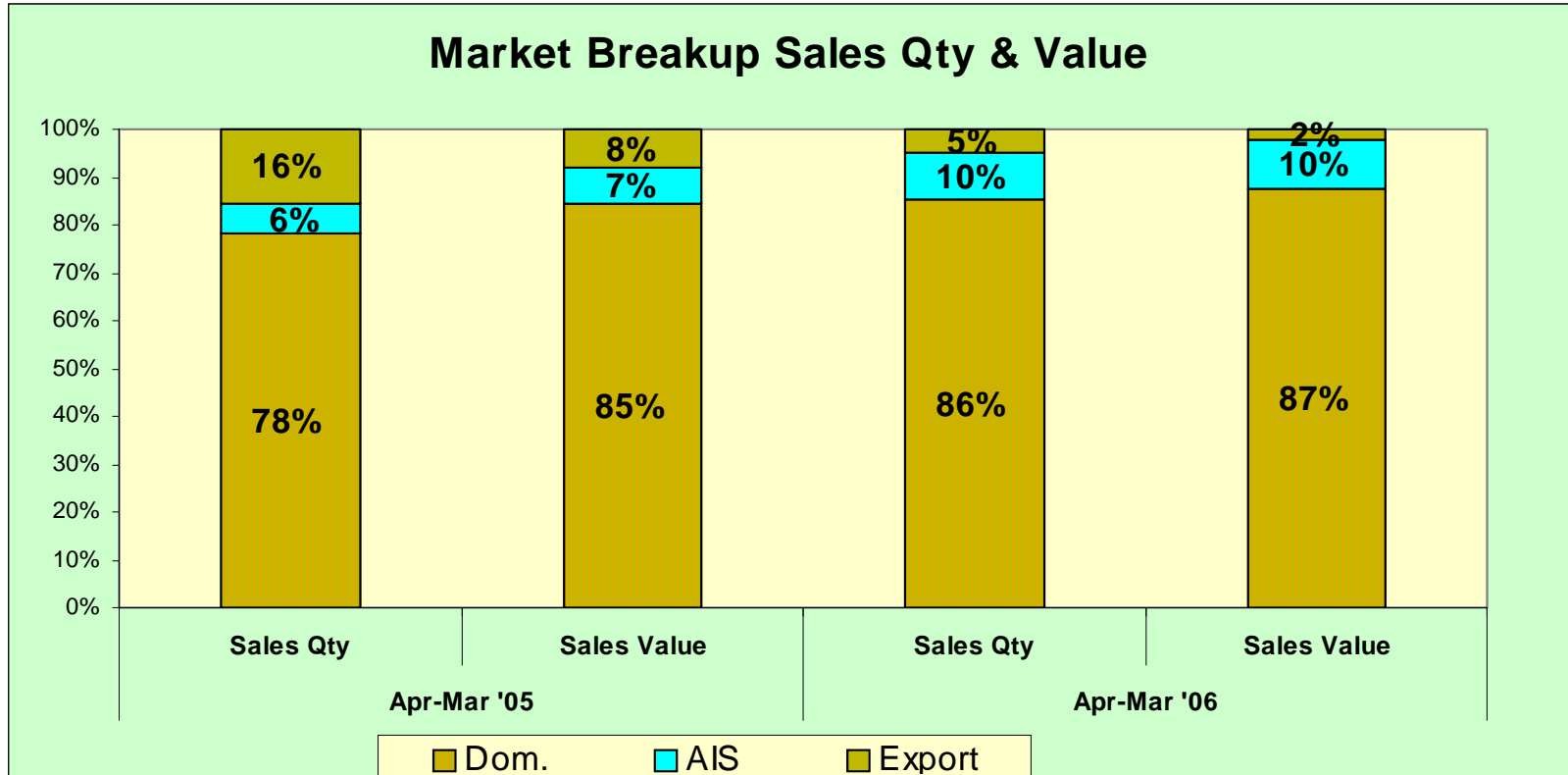


Lost Sales because of Flood.

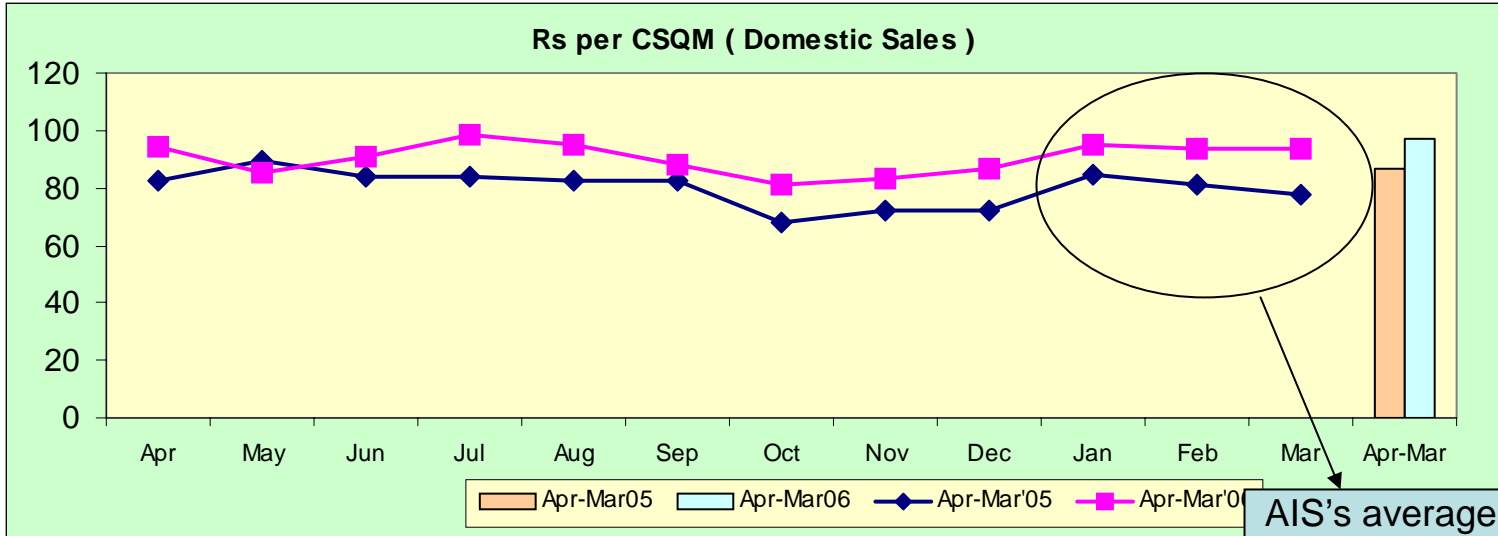
Sales



Market Breakup

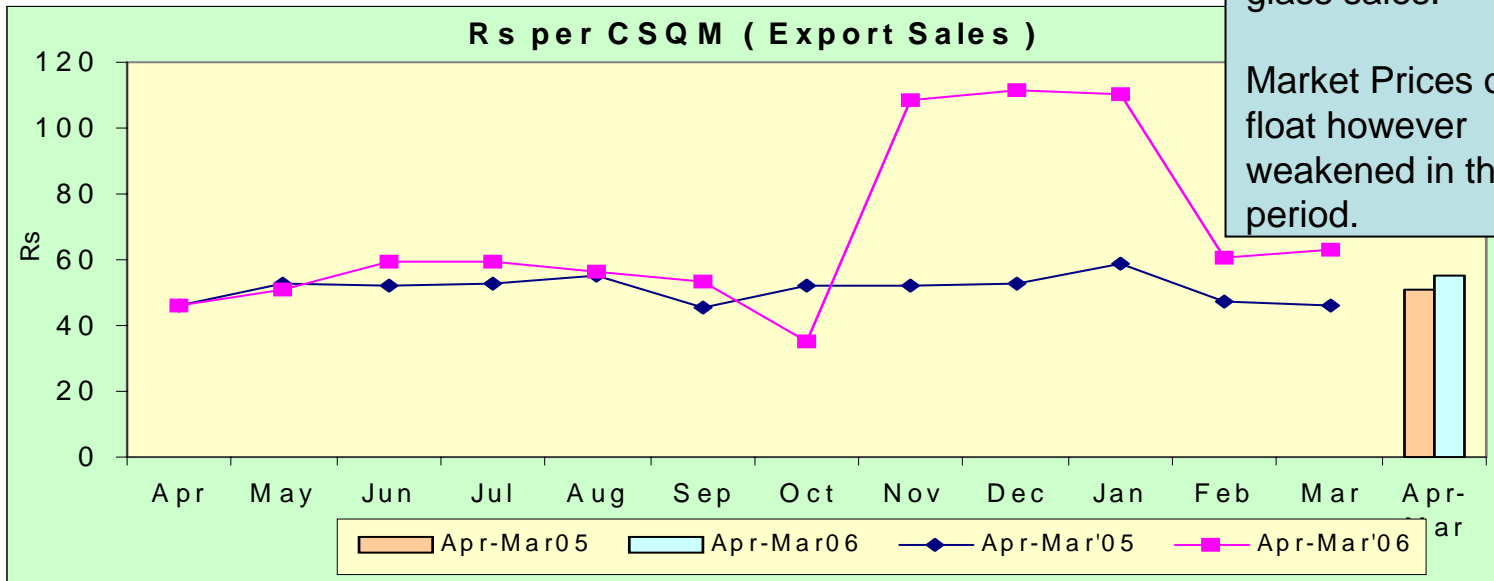


AIS Sales Rate



AIS's average sales rate strengthened mainly because of increased tinted glass sales.

Market Prices of clear float however weakened in this period.



AIS (Glass Solutions) – Highlights FY 06

AIS (Glass Solutions) Financial Results FY 2005-06

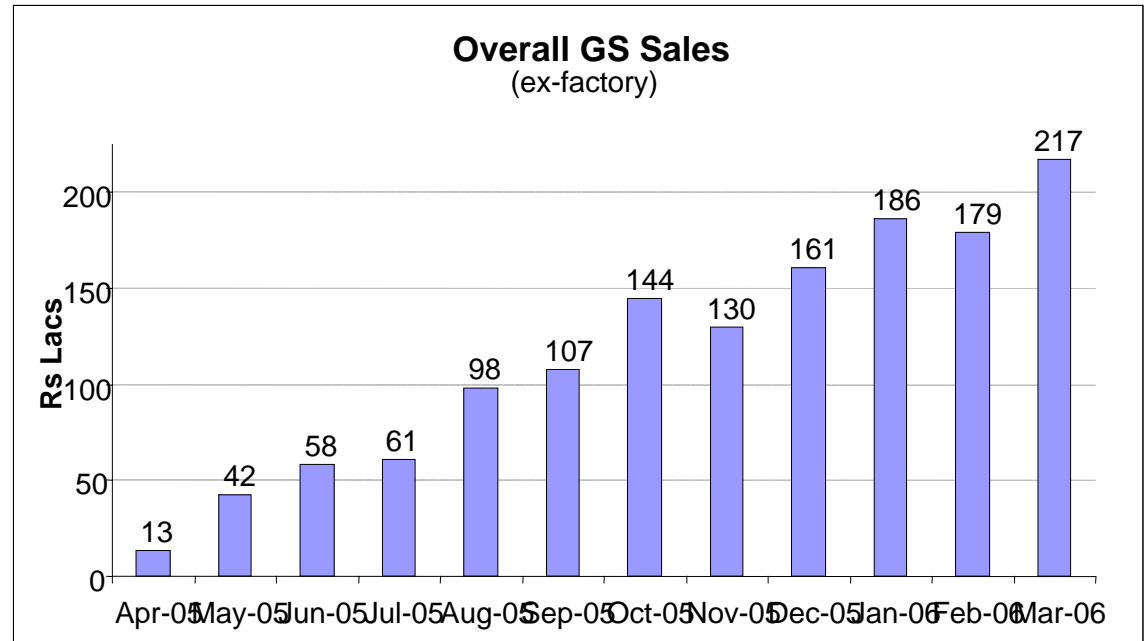
Sales 1397 → Includes direct sales from AIS Auto on behalf of Glass Solutions
 PBDIT -14
 PBT -42

Sales 1397

Products	Rs Lacs	
Tempered	1029	74%
Laminated	160	11%
Insulated	166	12%
AIS Security	34	2%
AIS Accoustic	8	1%

Zone	Rs Lacs	
North	599	43%
West	451	32%
South	347	25%

Market	Rs Lacs	
Distributed	788	56%
Project	609	44%



In its first year of operations, AIS (Glass Solutions) has risen to become the country's No. 1 Architectural Glass Processing Business.

AIS (Glass Solutions) – Key Achievements in FY 2005-06

- 3-factories commissioned in < 365 days
- National Sales Force, 32 Sales People, and 65+ Channel Partners. Most knowledgeable sales force on glass in the country through focus and repeated training
- Made entry into Projects segment
- Launched innovative, value-added products like AIS Securityglas™ & AIS Acousticglas™
- Set up AIS Order Tracking System (OTS): Real time, multiple-user, multiple-department, collaborative, online information tracking software developed at a cost under Rs 3 lacs.
- Developed comprehensive website www.aisglasssolutions.com for technical information, order tracking (like DHL), online demos, and enquiry generation. Developed in 20 days flat.
- Organized Glass Training Workshops for 1000+ Architects, builders, fabricators, consultants, contractors trained on glass and glazing in 10 cities all over the country.
- Published Glass Training Manual, the first of its kind in the country
- Developed AIS Glass Configurator: Software for wind-loads, heat insulation, acoustic insulation, and thermal breakage, calculations

AIS – Projects Update

- Completed and commissioned Phase II & III expansion at the Auto Glass Plant at Chennai in FY 06, adding capacities for 1-1.2 million tempered backlites and another 500,000 laminated windshields.
- Set up and commissioned two architectural processing facilities at the Auto Glass Plants at Chennai and Bawal, significantly increasing architectural glass processing capacity.
- The Integrated Glass Plant at Roorkee, which is the single largest investment by AIS, is coming up, on time on cost. The Plant to have state-of-the-art facilities for
 - Float Glass (700 TPD),
 - Value Added Glass like Reflective and Mirror,
 - Automotive Safety Glass,
 - Architectural Processed Glass
 - Glass Products

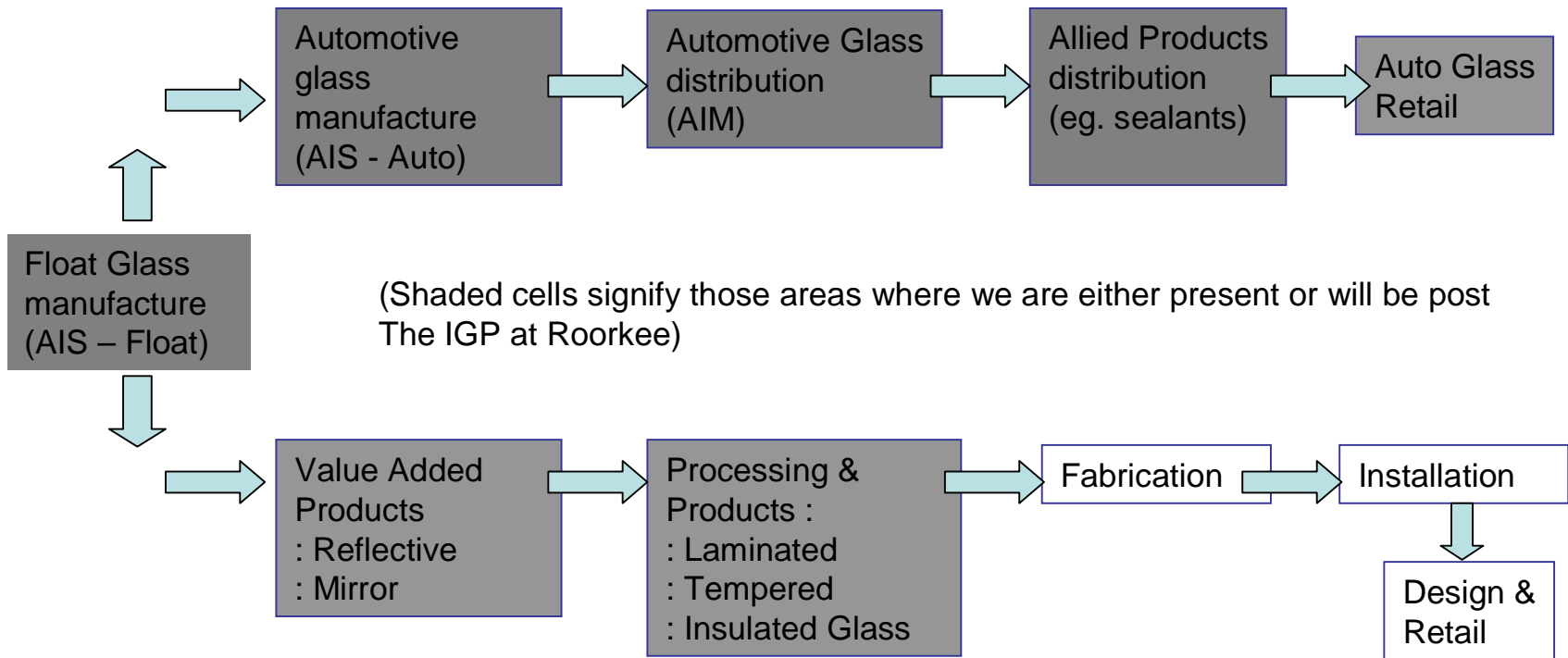
AIS : Broad Outlook FY 07

1. AIS Top line expected to grow over 25 %, compared to FY 06 levels, given the expected sharp increase in sales of AIS (Glass Solutions) and AIS (Float).
2. Operating profit margins are likely to remain under pressure, given the current situation where we face a squeeze – with prices, especially that of Float Glass, declining, and input costs rising substantially. (As an illustration, rise in fuel prices over a year – i.e. April 2006 vs. April 2005 – itself is an impact of Rs. 25 crores – between Float and Auto SBU's)
3. Main thrust will be to start the Roorkee Plant on schedule, with a quick ramp up of production, which should improve sales and profitability driven by :
 - Excise and Tax Incentives
 - Substantially lower operating costs
 - 100% glass supply from own float plant
 - Power at almost 50% of the cost elsewhere incurred.

Vision

To continue to be India's leading integrated glass company

AUTOMOTIVE GLASS VALUE CHAIN



ARCHITECTURAL GLASS SOLUTIONS

Looking Forward

Going forward, AIS's Strategy Initiatives would be to seek out profitable growth in the values chains that define our two core businesses – Auto Glass and Architectural Glass, with a focus to :

- ❑ **Increase Scale** – to capture volumes. Already started at Chennai, and will by the year end at Roorkee.
- ❑ **Value Add** – to capture margins at the farthest possible end of the chain, rather than at the commodity end, through products such as:
 - Auto Glass
 - Architectural Processing and Products (Glass Solutions)
 - Mirror
 - Pyrolitic Reflective
- ❑ **Sweat Existing Assets** – to squeeze margins from assets already in place. While operating plans to raise efficiency and productivity are a part and parcel of annual operating plans, we need to *Export* – especially in the Auto Business, to fully utilise plant capacities – eg. in Chennai.
- ❑ **Seek out additional opportunities for value added projects and products.**

Looking Forward..

- Post commissioning of the scheduled expansions, AIS revenues are expected to rise over 100 per cent in FY 08, compared to FY 06, given the strong demand outlook and market potential.
- These expansions would further strengthen AIS's competitive position in the auto glass and the architectural glass value chains and improve AIS's position of being amongst the lowest cost producers in the world, given its capex and opex capabilities.
- Key Targets include :
 - Quality of Japan at Cost of China
 - Maintaining earnings growth to deliver enhanced shareholder value



GUIDING PRINCIPLES

All actions of AIS are driven by the following guiding principles :

- 1. Customer satisfaction**
- 2. Creation of Value for Shareholders**
- 3. Respect for the Environment**
- 4. Use of facts**
- 5. Continuous Improvement**
- 6. Strengthening of Systems**
- 7. Upgradation of human potential by education and training**
- 8. Social Consciousness**