

BERGER PAINTS INDIA LIMITED

Regd off: Berger House, 129 Park Street, Kolkata - 700 017
 E-Mail: bpicorp@vsnl.net
 Web site: www.bergerpaints.com
 Telephone: (033) 2229 9724 Fax: (033) 2249 9729
 Tr agent: C B Management Services P Ltd., P22 Bondel Road, Kolkata - 700 019

PAINTS

MISCELLANEOUS

Chairman: Kuldip Singh Dhingra

SEC: Aniruddha Sen

AUD: Lovelock & Lewes

Yr of Inc	B. Code	BL. Code	F.V.	Price	% ch 1-m	% ch 12-m	P/E	P/CF	Yield	Mkt cap	Vol.	ISIN
1923	509480	BRGR.IN	2	49.7	-8.1	26.4	21.3	17.1	8.0	15,851.5	15.0	INE463A01020

SHAREHOLDING

		FX Transaction (FY06)	
Indian Promoters	: 73.5%	Exports (fob)	Rs m 14
Foreign collaborators	: 0.0%	Imports (cif)	Rs m 672
Indian inst/Mut Fund	: 7.9%	Fx inflow	Rs m 15
FII's/GDR	: 0.0%	Fx outflow	Rs m 711
Free float	: 18.6%	Net fx	Rs m -696
Shareholders	: 25,824		

No. of months	12	12	12
Year ending	31/03/04	31/03/05	31/03/06

EQUITY SHARE DATA

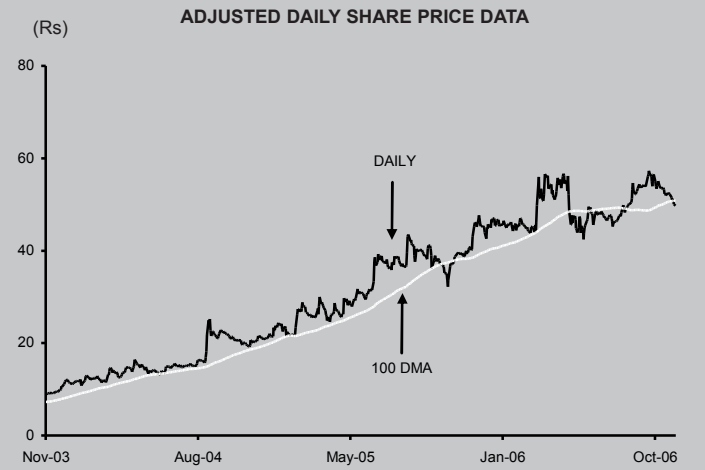
High	Rs	227	52	95
Low	Rs	67	19	40
Sales per share	Rs	266.9	42.9	51.3
Earnings per share	Rs	16.6	2.8	3.7
Cash flow per share	Rs	22.3	3.9	4.7
Dividends per share	Rs	6.50	7.00	10.00
Dividend yield (eoy)	%	4.4	19.7	14.8
Book value per share	Rs	70.0	10.5	11.9
Shares outstanding (eoy)	m	26.58	199.35	199.34
Bonus/Rights/Conversions		-	FV2,1:2B	BB
Price / Sales ratio	x	0.6	0.8	1.3
Avg P/E ratio	x	8.9	12.8	18.1
P/CF ratio (eoy)	x	6.6	9.9	14.5
Price / Book Value ratio	x	2.1	3.4	5.7
Dividend payout	%	39.1	253.3	267.9
Avg Mkt Cap	Rs m	3,913	7,077	13,455
No. of employees	'000	2	2	2
Total wages/salary	Rs m	447	500	535
Avg. sales/employee	Rs Th	3,902.6	4,418.7	5,200.4
Avg. wages/employee	Rs Th	245.9	258.1	272.1
Avg. net profit/employee	Rs Th	243.1	284.5	378.4

INCOME DATA

Net Sales	Rs m	7,095	8,559	10,224
Other income	Rs m	104	125	151
Total revenues	Rs m	7,199	8,684	10,375
Gross profit	Rs m	708	837	1,068
Depreciation	Rs m	149	163	182
Interest	Rs m	39	43	70
Profit before tax	Rs m	624	756	967
Minority Interest	Rs m	0	0	0
Prior Period Items	Rs m	0	0	0
Extraordinary Inc (Exp)	Rs m	-1	-57	-3
Tax	Rs m	181	148	220
Profit after tax	Rs m	442	551	744
Gross profit margin	%	10.0	9.8	10.4
Effective tax rate	%	29.0	19.6	22.8
Net profit margin	%	6.2	6.4	7.3

BALANCE SHEET DATA

Current assets	Rs m	2,602	3,151	3,874
Current liabilities	Rs m	1,100	1,477	2,346
Net working cap to sales	%	21.2	19.6	14.9
Current ratio	x	2.4	2.1	1.7
Inventory Turnover	Days	65	74	76
Debtors Turnover	Days	41	39	41
Net fixed assets	Rs m	984	1,188	1,410
Share capital	Rs m	266	399	399
"Free" reserves	Rs m	1,582	1,678	1,968
Net worth	Rs m	1,861	2,092	2,381
Long term debt	Rs m	187	142	144
Total assets	Rs m	3,586	4,367	5,297
Interest coverage	x	17.0	18.6	14.8
Debt to equity ratio	x	0.1	0.1	0.1
Sales to assets ratio	x	2.0	2.0	1.9
Return on assets	%	12.3	12.6	14.0
Return on equity	%	23.8	26.3	31.2
Return on capital	%	23.5	26.6	32.2
Exports to sales	%	0.3	0.1	0.1
Imports to sales	%	3.8	5.5	6.6



No. of months	12	12	12
Year ending	31/03/04	31/03/05	31/03/06

CASH FLOW

From Operations	Rs m	573	498	1,082
From Investments	Rs m	-280	-352	-384
From Financial Activity	Rs m	-288	-234	-634
Net Cashflow	Rs m	5	-88	65

INTERIM RESULTS

		3QFY06	4QFY06	1QFY07	2QFY07
Net sales	Rs m	2,627	2,432	2,524	3,197
Gross profit	Rs m	298	239	266	326
Gross profit margin	%	11.3	9.8	10.5	10.2
Net profit	Rs m	199	137	172	236
Net profit margin	%	7.6	5.6	6.8	7.4

KEY DATA

Parameters	Unit	FY04	FY05	FY06
Paint capacity	THTPA	70.0	127.6	127.6
Avg realisation per tonne	Rs	60,130	64,106	66,671
Raw material costs	% of sales	62.6	64.2	63.5
Advertising and promotion exp	% of sales	3.1	3.3	3.3
Capex	Rs m	194	377	250

NOTES

Berger Paints is the second largest paint manufacturer in India with an overall market share of 19%. It is India's second largest decorative paint manufacturer (11% share) and also the third largest industrial paint manufacturer (14%). Over two-thirds of its turnover comes from decorative paints and the balance from industrial paints.

In FY06, the topline growth at over 18% YoY was led by the company's aggressive marketing campaign on the decorative paint front. Added to this was the commencement of the powder coating plant in Jammu with a capacity of 2,400 MT/KL per annum (Phase-I). The Jammu plant also has capacities to manufacture liquid paints i.e., water-based and solvent-based. These are decorative paints and the capacity is 12,000 MT/KL per annum. The water-based paint commenced production in the mid of FY06. In all, the topline growth was fuelled by product launches and capacity augmentation. Operating margins in FY06 expanded by 80 basis points, which was commendable considering the fact that crude prices were firm resulting in higher petrochemical prices (including plastics).

The company is setting up a plant in Gurgaon, which will manufacture plastic paint coatings for auto ancillary products with the initial capacity at 1,000 MT per month and hopes to complete by mid-2007. Since this segment has higher realisations as compared to protective coatings (at the broader level), it will not only aid topline growth but also provide stability to the industrial segment margins. Also, the paint manufacturing facility in Jammu is likely to lower the tax rate. As the new capacities gain in scale, further cost savings are possible over the next two to three years. However, this is based on the premise that there are no major shocks as far as crude prices are concerned in this period.