

INVESTOR RELEASE

IFGL Refractories FY16 Income at Rs. 722 Crs

Consolidated Normalized EBITDA margin at 12.2%

Strong Balance Sheet with Net Debt/Equity at 0.07x

14th May, 2016, Kolkata – The Board of Directors of IFGL Refractories Limited (the Company) in their meeting held today have announced audited financial results both on consolidated and stand alone basis for the quarter/year ended 31st March, 2016.

Key Consolidated Highlights are as follows:

(Rscrs)	FY16	FY15
Total Income	722	793
Normalized EBITDA*	87	99
<i>Normalized EBITDA Margin</i>	12%	12%
PAT	42	53
PAT %	5.8%	6.7%
Dividend	2/- per equity share	2/- per equity share

**Normalized EBITDA is before Provisions (other than Tax) which is part of other expenses*

World Steel Association forecasts demand to return to growth of 0.4% and reach 1,494 Mt. Economic environment facing the steel industry continues to be challenging with China's slowdown impacting globally across a range of indicators contributing to volatility in financial markets, sluggish growth in global trade and low oil and other commodity prices.

On a positive note, some emerging economies in South and Southeast Asia have shown resilient growth and along with NAFTA and the EU are expected to support a recovery in 2017. World Steel Association expects that steel demand outside China will continue to grow by 1.8% in 2016 and

this growth will accelerate to 3.0 % in 2017. ASEAN 5 (Thailand, Malaysia, Vietnam, Indonesia, Philippines) is expected to maintain a growth rate of around 6% and will reach 74.6 Mt in 2017 as per World Steel Association.

For the Year ended 31st March, 2016 IFGL Refractories Ltd reported Consolidated Total Income of Rs. 722 Cr. Normalized EBITDA i.e. EBITDA before provisions stood at Rs. 87 Cr for FY16 while Profit after Tax and Minority Interest came in at Rs. 42 Cr. Consolidated Earnings per share was recorded at Rs. 12.12 per equity share. In the backdrop of difficult and volatile operating environment, Company's performance has been satisfactory. The Company has paid interim dividend of Rs. 2/- per equity share for FY16 and no further Dividend has been proposed to be paid

International Businesses

Monocon Group, UK subsidiary, reported Income of GBP 22.8mn for FY16. Profitability was impacted owing to a one-time provision in Q2FY16 of GBP 0.6 mn (comprising of receivables of GBP 0.5 mn and stocks of GBP 0.4 mn). Low domestic production owing to increase imports from China has impacted revenue growth. However even in this challenging operating environment, Monocon Group have reported profits of GBP 0.7mn for FY16. Focus areas going forward are cost control and improving product mix and sales to credit worthy clients across geographies.

Hoffman Ceramics, German Business, reported its best fiscal year since acquisition in 2008. It reported Income of Euro 10.6mn for FY16. EBITDA came in at Euro 1.1mn with a margin of 10.4%. Comparatively better economic health of Germany coupled with improved product mix by Hoffman led to better performance. PAT was recorded at Euro 0.7mn with a margin of 6.5%

Ei Ceramics, USA Business is a traditionally high margin business. However, increased imports from China resulted in lower domestic production and thus impacted profitability. However recent

measures to protect Home grown Steel Industry by USA Government is expected to improve operating environment considerably. Company reported Income of \$ 15.4mn for FY16. EBIDTA came in at \$1.6mn with a margin of 10.5%. FY16 PAT was recorded at \$ 0.8mn.

IFGL Exports, Indian Subsidiary focusing on Exports market and operating from Kandla SEZ in Gujarat, reported record profits since inception. This Company reported Income of Rs. 46.5 Cr for FY16. EBIDTA came in at Rs.11.5 Cr with a margin of 24.7 % while PAT was recorded at Rs. 6.6 Cr with a margin of 14.1 %. Operational efficiency along with relatively stable currency environment improved profitability during FY16.

India Business performance (Standalone)

Standalone Income stood at Rs. 307 Cr during FY16 with an EBITDA of Rs. 37 Cr. The EBITDA margin came in at 12.1%. Profit after Tax was recorded at Rs. 18.6cr for FY16.

Our focus on sale of high value added products and association with relatively strong integrated steel mills has led to stable performance. The recent measures by Government of India will improve the situation of domestic steel producers thereby benefitting us.

About IFGL Refractories

IFGL Refractories is a leading manufacturer of specialized Refractories having manufacturing facilities in China, Germany, India, UK and USA. Krosaki Harima Corporation (a subsidiary of Nippon Steel Corporation, Japan) is the technology provider. Equity Shares are listed both on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. For more information about IFGL Refractories, please visit www.ifglref.com

Safe harbor statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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