



Investor Update

November 03, 2015

Prism Cement Limited today announced audited standalone financial results for the quarter ended September 30, 2015

Financial Overview (Audited for the quarter ended September 30, 2015)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q2 '15-16	Q1 '15-16	Q2 '14-15
Sales	1,496	1,476	1,439
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items	52	81	47
Profit / (Loss) before tax	(51)	(12)	(29)
Net Profit / (Loss) after tax	(33)	(8)	(20)
EPS (₹)	-0.66	-0.16	-0.39

Segmental Results

(Figures in ₹ Crores)

Particulars	Q2 '15-16			Q1 '15-16			Q2 '14-15		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	531	564	307	518	541	314	525	522	295
Segment Results	23	(12)	3	48	(4)	4	35	0	(4)
Capital Employed	1,701	809	183	1,695	831	201	1,677	868	201

Performance Review and key developments

The quarter ended September 2015 saw improvement in Cement EBITDA at Rs329/ton as compared to Rs276/ton in the corresponding quarter in FY15,

despite lower realizations. During the quarter provision was made towards District Mineral Foundation and National Mineral Exploration Trust including for prior period. This impacted EBITDA to the extent of ~₹33/ton.

For the quarter ended September 30, 2015, the Company sold 13.45 lac tons of cement and clinker as against 12.92 lac tons for the quarter ended September 30, 2014, growth of 4%. The cement volumes were flat as compared to the same period last year. Both the premium brands "Hitech" (launched last year) and "Duratech" (launched in Q1FY16) have been well received by the markets. Together they contributed ~6% of sales during Q2FY16 vis-a-vis 3% of total volume in FY15.

The company had taken various cost rationalization measures in FY15 such as resorting to imported coal, increase in imported pet-coke consumption, reduction in power consumption amongst others.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the quarter were ₹564 Crores, there by growing by 8% when compared to the corresponding quarter in FY15. The Division continued to scale-up its marketing activities through various initiatives like strengthening of distribution network, merchandising and also taken various initiatives to optimize the costs. The Division is making efforts to improve the product mix by upgrading the plants to produce more value added products which will help to improve the realizations.

The RMC Readymix (India) (RMC) Division's sales turnover increased by 4% as compared to the corresponding quarter in FY15. Profitability of the Division improved during the year as compared to the corresponding period last year. The division posted EBIT of ₹2.8cr as compared to loss of ₹4.3cr on a y-on-y basis. During the quarter under review, few plants were demobilized. The Division is in the process of identifying new locations where it plans to relocate unused / underutilized assets.

During the quarter the Company has agreed, in principle, to sell 23% of its holding in the paid-up capital of Raheja QBE General Insurance Company Limited (Raheja QBE), the general insurance subsidiary, to its existing partner in Raheja QBE, namely the QBE Group, Australia, for a consideration of approximately AUD 21,500,000 (equivalent to approximately ₹103cr).

The proposed transaction is subject to requisite approvals. Once the proposed transaction is consummated, the Company's shareholding in Raheja QBE shall stand reduced from 74% to 51%.

Industry Scenario / Future Outlook

The government has taken several initiatives such Make in India, Swachh Bharat Mission, Housing for All, development of Smart Cities and renewed thrust for Infrastructure development amongst others. This apart stable inflation and recent interest rate cut augur well for all the businesses in medium to long term, though near term challenges remain.

The long term drivers for cement demand remain intact. Higher government spending on infrastructure particularly roads, growth in rural housing and rising per capita incomes are likely to augur well for the cement industry. The cement division is on strong footing with several cost rationalization exercise done in recent quarters.

The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable H & R Johnson (India) Division to enjoy a distinct competitive advantage over others in the market. Moreover, with the successful completion of initiatives last year to reduce power and fuel cost, the Division is enhancing its capacity utilization.

The Ready-mixed Concrete Industry in India is over 20 years old and was growing at a healthy rate till three years back. However, due to paucity of new construction projects taking off, volume growth for the industry in the last few quarters has been under pressure. The markets in most of the metros are expected to see a turnaround in the medium term as economy picks up and construction activities resume. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well. The markets in tier 2 & tier 3 cities have also been showing maturity which will help the industry's growth.

About Prism Cement Limited

Prism Cement Limited is one of India's leading integrated Building Materials' Company, with a wide range of products from cement, ready-mixed concrete, tiles, bath products to kitchens. The company has three Divisions, viz. Prism Cement, H & R Johnson (India), and RMC Readymix (India). Prism Cement Limited also has a 74% stake in Raheja QBE General Insurance Company Limited, a JV with QBE Group of Australia.

The equity shares of the company are listed on the Bombay and National Stock Exchanges.

Prism Cement

Prism Cement commenced production at its Unit I in August, 1997 and Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and premium quality grade of cement under 'HI-TECH' and 'DURATECH' brand. Prism Cement has the highest quality standards due to efficient plant operations with automated controls. It caters mainly to markets of Eastern UP, MP and Bihar, with an average lead distance of 399 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 3,800 dealers serviced from ~90 stocking points.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the pioneer of ceramic tiles in India. For over five decades, HRJ has added various product categories to offer complete solutions to its customers. Today, HRJ enjoys the reputation of being

the only entity in India to offer end-to-end solutions of Tiles, Sanitaryware, Bath Fittings, Kitchens, and Engineered Marble & Quartz. All the products are sold under 4 strong brands, viz. Johnson, Johnson Marbonite, Johnson Porcelano and Johnson Endura and. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 54.5 million m² per annum spread across 9 manufacturing plants across the country which is one of the largest in India.

RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready-mixed concrete manufacturers, set-up in 1996. RMC currently operates 77 ready-mixed concrete plants in 36 cities/towns across the Country. Further, the Division has been able to secure new positions in its existing markets which will help it to maintain its growth. RMC has also ventured into the Aggregates business and operates large Quarries and Crushers. At present, RMC has 7 Quarries across the country. RMC has been at the forefront in setting high standards for plant and machinery, production and quality systems and product services in the ready-mixed concrete industry.

Investor Relations

Prism Cement Limited is committed to creating long-term sustainable shareholder value through successful implementation of its growth plans. The company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community.

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Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.