



Investor Update

January 24, 2012

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended December 31, 2011

Financial Overview (Un-audited for the Quarter ending December 31, 2011)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q3 '11-12	Q2 '11-12	Q3 '10-11
Sales	1,203	1,079	892
Profit / (Loss) before finance cost, tax, depreciation, and exceptional items	111	(34)	65
Profit / (Loss) before tax	33	(115)	(1)
Net Profit / (Loss) after tax	23	(79)	0
EPS* (₹)	0.46	(1.61)	(0.01)

* EPS has been computed on capital base excluding the shares held by the Prism Trust.

Segmental Results

(Figures in ₹ Crores)

Particulars	Q3 '11-12			Q2 '11-12			Q3 '10-11		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	457	394	292	354	403	264	247	366	235
Segment Results	61	6	7	(81)	8	2	0	24	9
Capital Employed	1,432	771	225	1,411	767	225	1,400	694	205

Performance Review and key developments

During the quarter ended December 31, 2011, the Company produced 11.26 lac tons of clinker and 12.42 lac tons of cement. During the same period, the Company dispatched 0.45 lac tons of clinker and 12.31 lac tons of cement, aggregating to 12.76 lac tons. In the corresponding period last year, the Company had dispatched 0.05 lac tons of clinker and 8.76 lac tons of cement, aggregating to 8.81 lac tons.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenue during the Quarter were ₹ 394 Crores, thereby achieving a growth rate of 8% when compared to corresponding period last year. Increase in fuel and freight cost have resulted in reduced profitability for the Division during the Quarter. Some price increases have been done to partially offset the increase in costs. The Division participated in the Acetech exhibitions held at Mumbai, Chennai, and Delhi to showcase its new product range and received very favorable response from the Trade segment and Builders. On account of these exhibitions, the marketing expenses for the Quarter are higher thereby impacting profitability. Other factor which affected the profitability of the Division during the quarter was a forex loss of ₹ 4 crores on account of foreign currency borrowings. Moreover, in the corresponding period

last year there was a dividend income from Joint Ventures to the tune of ₹ 1 crores. There has been no dividend income from Joint Ventures during the quarter under review on account of various capacity expansions being done by the Joint Ventures.

The Division entered into a Joint Venture with Small Tiles Pvt. Limited and acquired a 50% stake in Small Tiles. Small Tiles has a capacity to manufacture 2.3 million m² of glazed floor tiles per annum of sizes 12" x 12", 16" x 16", and 24" x 24". Joint Ventures have played an instrumental role in the Division's growth and this fifth tile Joint Venture would be supplying floor tiles which would enable the Division to cater to the growing segment in Northern, Central, Eastern regions of India and overseas market.

The Division is in the process of launching a slew of innovative, value-added products. It has received encouraging response on the product launches done in the last Quarter, especially Johnson Digital range and the imported range of Marbonite and Johnson tiles. The Division also inaugurated "House of Johnson" showroom at Solapur during the Quarter.

During the Quarter under review, the sales turnover of RMC Readymix (India) increased by 24% as compared to the corresponding Quarter in last year. This was mainly helped by increase in average selling prices and increase in number of plants. The profitability of the Division was lower compared to the same period last year which was on account of higher raw material costs during the quarter.

Expansions

The Company received the approval for land alienation from the State Government for its cement plant at Kurnool District, Andhra Pradesh and is in the process of completing the necessary formalities for the possession. Further project activity will commence in due course.

The Company has commenced survey and basic infrastructure work at its Coal Block near Chhindwara, Madhya Pradesh. The mined coal will be used for captive consumption of the cement plant located at Satna, Madhya Pradesh.

The Company plans to set-up a tile manufacturing facility in East India. It would be the first tile manufacturing plant in the Eastern Region. The Company is in the process of completing the final formalities for land acquisition. The Plant is likely to be operational by FY 2014.

The Company is enhancing its capacity of Floor tiles at Dewas, Madhya Pradesh. The capacity is being increased by 2 million m² per annum which would take the Plant's total capacity to 3.4 million m² per annum. The Project is likely to be completed by FY 2012 / FY 2013.

Milano Bathroom Fittings, Wholly-owned subsidiary of the Company, is in the process of setting-up a plant in Jammu to manufacture bath fittings with a capacity of 3 lac pieces per annum which is likely to be operational by FY 2012 / FY 2013.

The Company's subsidiary, Silica Ceramica Pvt. Limited (SCPL), is in the process of increasing the capacity of vitrified / glazed tiles by 10,000 m² per day. This expansion is likely to be completed in FY 2012 and would increase the Plant's capacity to 27,500 m² of vitrified / glazed tiles per day.

Antique Minerals Pvt. Limited, wholly-owned subsidiary of Antique Marbonite Pvt. Limited, the Company's JV in Gujarat for vitrified tiles, is in the process of setting-up a manufacturing plant for engineered marble and quartz. The project is likely to be completed by FY 2012.

RMC Readymix (India) saw a net addition of 2 concrete plants during the Quarter taking the total number of plants to 85. The Division plans to set-up additional 3-4 new plants during FY 2012 to maintain its healthy growth rate. During the next Quarter, the Division should see addition of a quarry also to its portfolio of operating units.

Industry Scenario / Future Outlook

Construction activity remained subdued during the quarter under review keeping in check cement demand and consumption. Average cement prices in the markets of interests declined thereby affecting realizations. Cement demand is expected to grow in Q4 of 2012 on the back of increase in construction activity. However, the demand growth will pick up gradually.

Bulk of H & R Johnson (India)'s products are targeted towards affordable housing segment which is growing at a healthy rate and is likely to continue in future as well due to India's economic growth and changing demographics. The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable us to enjoy a distinct competitive advantage over others in the market.

The Ready-mixed Concrete Industry in India is over 17 years old and has been growing at a healthy rate over the last few years. With the Mega Projects Vertical, RMC Ready-mix (India) is focusing on infrastructure segment as well and the said Vertical has seen a quantum leap in its business. The markets in 2-tier & 3-tier 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 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 Ordinary Portland Cement (OPC). It has the highest quality standards due to efficient plant operations with automated controls. It caters mainly to markets of UP, MP and Bihar, with an average lead distance of 417 kms from its plant at Satna, MP. It has a wide marketing network with about 2,650 dealers.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the market leader in the field of ceramic tiles in India. HRJ has consistently maintained its leadership position in the field of tiles over the past five decades. Today, HRJ enjoys the reputation of being the only company in India to offer end-to-end solutions of Tiles, Sanitaryware, Bath Fittings and Kitchens.

Under its flagship brand, Johnson, HRJ offers glazed wall and floor tiles, bath products, kitchens, laminate / engineered wooden flooring, and engineered marble and quartz. Marbonite brand offers a complete range of vitrified tiles (polished and glazed), and Endura offers industrial tiles and tiles for special applications like bathrooms / high traffic areas / swimming pools etc.

RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready-mixed concrete manufacturers. Set-up in 1996, RMC currently operates 85 ready-mixed concrete plants in 33 cities/towns across the Country. RMC has also ventured into the Aggregates business and operates large Quarries and Crushers. At present, RMC has 8 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.

For additional information, please contact:

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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.