



## Investor Update

July 19, 2011

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended June 30, 2011

### Financial Overview (Un-audited for the Quarter ending June 30, 2011)

*(Figures in ₹ Crores unless mentioned otherwise)*

Particulars	Q1 '11-12	Q1 '10-11
Sales	1049	769
Profit before finance cost, tax, depreciation, and exceptional items	58	116
Profit / (Loss) before tax	(14)	81
Net Profit / (Loss) after tax	(10)	56
EPS* (₹)	(0.20)	1.14

\* EPS has been computed on capital base excluding the shares issued to the Prism Trust.

### Segmental Results

*(Figures in ₹ Crores)*

Particulars	Q1 '11-12			Q1 '10-11		
	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	355	365	273	233	289	207
Segment Results	(3)	18	8	69	19	6
Capital Employed	1439	552	211	1,257	478	201

### Performance Review and key developments

During the quarter under review, the Company produced 8.17 lac tons of clinker and 9.75 lac tons of cement. During the period, the Company dispatched 1.20 lac tons of clinker and 9.88 lac tons of cement. In the corresponding period last year, the Company had dispatched 1.06 lac tons of clinker and 6.13 lac tons of cement. The margins of Cement Division have been affected due to declining cement prices and increase in input costs, primarily coal prices which have increased by about 45% in the quarter under review as compared to the coal prices prevalent in the corresponding previous quarter.

With the stabilization of operations at Unit II, the average lead distance has gone up from 370 kms of its plant at Satna, MP, to 417 kms during the quarter under review.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenue during the quarter were ₹ 365 Crores, thereby achieving a growth rate of 26% when compared to corresponding period last year. Increase in fuel cost has resulted in reduced profitability for the Division during the year. Moreover, in the corresponding period last year there was a dividend income from Joint Ventures to the tune of ₹ 3 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.

Ceramic World Review, a reputed magazine published from Italy, has recently released the rankings of top tile manufacturers in the world. HRJ Division, along with associated companies, has been ranked as the 7<sup>th</sup> largest player in the world—being the only Indian entity to feature in the rankings. Also, Johnson Brand has been conferred with Trusted Brand Award for 2011 by Readers' Digest—achieving the recognition for third time.

HRJ's Bath vertical (sanitaryware, faucets, taps etc) has continued its fast growth and has gained further market share during the quarter under review. B&Q, largest home improvement retailer in UK and Europe, has approved HRJ's tiles for sale in B&Q stores. As a consequence, regular export orders have started coming for tiles.

During the Quarter under review, the sales turnover of RMC Readymix (India) increased by 33% as compared to the corresponding quarter in last year. This was mainly helped by improvement in productivity and increase in number of plants.

## **Expansions**

The Company is awaiting clearance for land alienation from the State Government for its cement plant at Kurnool District, Andhra Pradesh, after which further project activity will commence.

The Company has been allotted a Coal Block in the Chhindwara District of Madhya Pradesh and has received the requisite approvals. It is planned to acquire land and start the initial mines development activity in the current year.

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 has been allotted land for the same and the possession is expected shortly. The Plant is likely to be operational by FY 2013.

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

Milano Bathroom Fittings, Wholly-owned subsidiary of the Company, has been allotted land at Jammu. The possession of the land is expected shortly. MBF would be 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 its capacity of vitrified tiles by 9,000 m<sup>2</sup> per day. This expansion is likely to be completed by FY 2012 / 2013 and would increase the Plant's capacity to 25,500 m<sup>2</sup> per day.

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 / FY 2013. .

RMC Readymix (India) plans to set-up 10 new plants during FY 2012 to maintain its healthy growth rate.

## **Industry Scenario / Future Outlook**

Cement demand growth has slowed down in this financial year primarily due to a slow pace of construction in the housing sector and the laggard pace of implementation of infrastructure projects, resulting in a supply overhang and subdued prices.

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 is over 16 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 Pozzollana 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 and engineered wooden flooring. Marbonite brand offers a complete range of vitrified tiles, 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 80 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.