



Investor Update

Oct 23, 2012

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended September 30, 2012

Financial Overview (Un-audited for the Quarter ended September 30, 2012)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q2 '12-13	Q1 '12-13	Q2 '11-12
Sales	1,145	1,223	1,088
Profit / (Loss) before finance cost, tax, depreciation, and exceptional items	40	97	(39)
Profit / (Loss) before tax	(45)	16	(115)
Net Profit / (Loss) after tax	(31)	11	(79)
EPS* (₹)	(0.63)	0.22	(1.61)

* Earning Per Share (EPS) has been computed without considering 1,23,51,600 equity shares of the Company held in a Trust for the benefit of the Company and dividend income received during the half year ended September 30, 2012, on the said shares.

Segmental Results

(Figures in ₹ Crores)

Particulars	Q2 '12-13			Q1 '12-13			Q2 '11-12		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	370	429	274	459	388	295	354	402	264
Segment Results	(7)	9	0	51	1	7	(85)	8	2
Capital Employed	1,487	820	234	1,420	826	238	1,370	767	225

Performance Review and key developments

During the quarter ended September 30, 2012, the Company produced 7.71 lac tons of clinker and 9.35 lac tons of cement. During the period, the Company dispatched 9.31 lac tons of cement. In the corresponding period last year, the Company had dispatched 1.34 lac tons of clinker and 11.79 lac tons of cement.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 429 Crores, thereby achieving a growth rate of 6% when compared to the corresponding Quarter last year. The capacity utilization of the Division remained low during the Quarter on account of acute power shortage in Andhra Pradesh (where 2 large manufacturing plants are situated) and modernization of Pen Plant in Maharashtra towards more value-added tiles. Towards the end of Quarter, the Division got permission to purchase traded power in Andhra Pradesh.

The Division has implemented One Brand Strategy during the Quarter. As a result, all its existing brands, viz. Marbonite and Endura, will henceforth be attached to the mother brand, Johnson, and would be rebranded as Johnson Marbonite and Johnson Endura. This would simplify its communication to its customers who would be easily able to relate the different brands under a single umbrella.

The Division has continued to launch value-added products from its plants. During the Quarter, it launched 100 x 100 Johnson Marbonite Slabs, 80 x 80 Johnson Marbonite Glazed Vitrified slabs, 30 x 60 Johnson Neo Digital Wall, and 30 x 45 Johnson Digistyle.

The Division has inaugurated one more "House of Johnson" showroom taking the total number of showrooms to 19 across the country.

During the Quarter under review, the sales turnover of RMC Readymix (India) (RMC) Division recorded an increase of 4% as compared to the corresponding quarter last year. The profitability of the Division was impacted due to cost increases.

Expansions

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

The basic infrastructure work and work on the incline is under progress at the Coal Block at Chhindwara, Madhya Pradesh. The mined coal will be used for captive consumption of the cement plant located at Satna, Madhya Pradesh.

The Company is enhancing its capacity of vitrified / glazed ceramic 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 trial production is going on. The Project shall be completed in FY 2013.

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.

RMC Division plans to add 8 to 10 concrete plants during the year to maintain its manufacturing capacities. The setting up of new plants will help in meeting the shortfall in capacity due to the closure of site plants where projects have come to an end. During the Quarter under review, work at two project sites came to an end but RMC successfully replaced these two sites. One new plant was added in commercial concrete vertical and hence, the total number of operating plants was 86 at the end of Sept'12.

Industry Scenario / Future Outlook

Cement demand growth slowed down during the quarter under review. The slowdown was primarily attributable to a muted pace of construction in the housing sector and infrastructure projects, thereby affecting realizations. The markets are expected to improve and stabilize during the balance period of the financial year.

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. Moreover, HRJ has recently launched a slew of lifestyle products to enhance its offerings at premium price points. The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable HRJ to enjoy a distinct competitive advantage over others in the market.

The Ready-mixed Concrete Industry in India is over 15 years old and has been growing at a healthy rate over the last few years. However, due to the prevailing economic environment, the volume growth for the industry in the current half year has hit a road block. The recent positive developments in the economy are expected to help growth of the industry in the 2nd half and future. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well. 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 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 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 425 kms from its plant at Satna, MP. It has a wide marketing network with about 3,300 dealers serviced from 163 stocking points.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the pioneer of ceramic tiles in India. Over the past 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 and Kitchens. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 51 million m² per annum spread across 9 manufacturing plants across the country which is the largest in India.

Under its flagship brand, Johnson, HRJ offers glazed wall and floor tiles, bath products, kitchens, laminate / engineered wooden flooring, and engineered marble and quartz. Johnson Marbonite brand offers a complete range of vitrified tiles (polished and glazed), and Johnson 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 86 ready-mixed concrete plants in 37 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 9 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.