



Investor Update

October 17, 2014

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended September 30, 2014

Financial Overview (Un-audited for the Quarter ended September 30, 2014)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q2 '14-15	Q1 '14-15	Q2 '13-14
Sales	1,439	1,499	1,243
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items	46	118	(18)
Profit / (Loss) before tax	(29)	20	12
Net Profit / (Loss) after tax	(20)	13	18
EPS (₹)	-0.39	0.27	0.36

Segmental Results

(Figures in ₹ Crores)

Particulars	Q2 '14-15			Q1 '14-15			Q2 '13-14		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	525	522	295	600	490	303	438	452	275
Segment Results	34	1	(4)	79	2	0	(54)	127	(2)
Capital Employed	1,677	868	201	1,618	871	221	1,497	876	234

Performance Review and key developments

During the Quarter ended September 30, 2014, the Company produced 8.77 lac tons of clinker and 12.78 lac tons of cement. During the same period, the

Company dispatched 0.47 lac tons of clinker and 12.93 lac tons of cement, aggregating to 13.40 lac tons. In the corresponding period last year, the Company had dispatched 11.71 lac tons of cement and clinker.

The margins of the Cement Division improved as compared to the corresponding Quarter of last year on account of cost saving measures implemented and relatively healthy demand in the markets of interest.

Impact of decision of the Honourable Supreme Court of India on de-allocation of Sial Ghogri Coal Block, which is effective from March 31, 2015, is being reviewed and if required, will be recognised in due course.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 522 Crores, thereby growing at a healthy rate of 16% when compared to the corresponding Quarter last year. The growth was on account of higher capacity utilization post implementation of cost saving measures last year and continued intensive activities on the marketing front. As part of the marketing efforts, the Division did an in-film branding tie-up with a Bollywood film *Bang Bang* which was released during the Quarter. There has been a disruption in Gas supply in one of the Plants in Andhra Pradesh on account of major pipeline maintenance by GAIL. As a result, the Plant has to run on high-cost fuels (LPG / Propane).

The RMC Readymix (India) (RMC) Division sales turnover increased by 7% as compared to the corresponding Quarter last year. However, profitability of the Division continued to be under pressure due to lower capacity utilization and increase in costs, especially fuel. During the Quarter under review, a few plants were demobilized. The Division is in the process of identifying new locations where it plans to relocate unused / underutilized assets.

Expansions

Mine development activities for the cement plant at Kurnool District, Andhra Pradesh are in progress. Project activities will be taken up at an appropriate time.

Industry Scenario / Future Outlook

With key initiatives on the cost front at Prism Cement Division implemented last year, the Division is on a stronger footing with a cost competitive structure. Moreover, with a stable government and consequent optimism, the demand for cement should improve in the medium term which bodes well for the Division.

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 two years back. However, due to uncertainties in the prevailing economic and political environment, 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. 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', Ordinary Portland Cement (OPC), and premium quality grade of cement under 'HI-TECH' brand. Prism Cement 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 405 kms from its plant at Satna, MP. It has a wide marketing network with about 3,700 dealers serviced from ~100 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 3 strong brands, viz. Johnson, Johnson Marbonite, and Johnson Endura. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 54 million m² per annum spread across 9 manufacturing plants across the country which is 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 85 ready-mixed concrete plants in 35 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 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.