



Investor Update

January 24, 2013

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended December 31, 2012

Financial Overview (Un-audited for the Quarter ended December 31, 2012)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q3 '12-13	Q2 '12-13	Q3 '11-12
Sales	1,276	1,145	1,216
Profit / (Loss) before finance cost, tax, depreciation, and exceptional items	12	40	110
Profit / (Loss) before tax	(79)	(45)	33
Net Profit / (Loss) after tax	(54)	(31)	23
EPS* (₹)	(1.10)	(0.63)	0.46

* 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 on the said shares.

Segmental Results

(Figures in ₹ Crores)

Particulars	Q3 '12-13			Q2 '12-13			Q3 '11-12		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	488	428	267	370	429	274	456	394	292
Segment Results	(32)	1	2	(7)	9	0	61	4	6
Capital Employed	1,492	806	234	1,487	820	234	1,432	771	225

Performance Review and key developments

During the quarter ended December 31, 2012, the Company produced 9.95 lac tons of clinker and 13.51 lac tons of cement. The Company dispatched 13.56 lac tons of cement during the quarter ended December 31, 2012 as against 0.45 lac tons of clinker and 12.31 lac tons of cement during the quarter ended December 31, 2011.

During the Quarter, expenditure of ₹ 8 crores has been incurred on account of annual shutdown of the Company's cement unit. In the corresponding quarter previous year, the amount was Nil.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 428 Crores, thereby achieving a growth rate of 9% when compared to the corresponding Quarter last year. 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 and other sales promotion / marketing activities pertaining to new product launches, the marketing expenses for the Quarter are higher thereby impacting profitability.

During the Quarter, Johnson brand received the honor of Asia's Most Promising Brand. Asia's Most Promising Brand is the outcome of a mega consumer & product survey by iBrands involving the most promising brands from various industries across Asia's most 15 promising countries. The Division also received Zee Business - NAREDCO Good Home Award for sanitary fittings during the Quarter.

The Division inaugurated one more "House of Johnson" showroom taking the total number of showrooms to 20 across the country.

During the quarter under review, the sales turnover of RMC Readymix (India) (RMC) division recorded a decrease of 9% as compared to the corresponding quarter last year. The profitability of the division was impacted due to drop in volumes which were on account of reduction in construction activities during the quarter.

A few plants of the Division had participated in the National Safety Council Awards-2011 contest for the MSME Sector. The outcome of the same was very positive and it was seen that one RMC plant won the Silver Medal, four RMC plants won the Bronze Medal and once Aggregate Crusher received a letter of appreciation at the NSCI presentation Ceremony held in New Delhi.

Expansions

Mine development activities for the project at Kurnool District, Andhra Pradesh, have commenced. Further project activities will be taken up 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 has enhanced its capacity of vitrified / glazed ceramic tiles at Dewas, Madhya Pradesh. The capacity has been increased by 2 million m² per annum which has taken the Plant's total capacity to 3.4 million m² per annum. The commercial production commenced during the Quarter.

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 RMC division has reviewed its capex plans for the current year and has accordingly planned to commission fewer plants than what was envisaged. The Division now plans to close the year with 90 plants in operation. During the Quarter, the Division saw an increase in the number of plants under operation to 88 which was a net addition of 2 plants during the quarter.

Industry Scenario / Future Outlook

Poor demand, weak government spending on infrastructure and inactivity in the construction sector kept prices of cement under pressure during the quarter under review. Coupled with higher power, freight and raw material costs, realisations have been adversely impacted. The markets are expected to improve and stabilize during the last quarter 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 period of 9 months has hit a road block. 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 54 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 88 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 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.