INVESTOR PRESENTATION

PRISM CEMENT LIMITED

PRISM CEMENT

JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

RMC
Mix with the Best

January, 2015

Integrated Building Materials' Company

PRISM CEMENT

- Cement (Champion)
- Cement (OPC)
- Cement (Hi Tech)

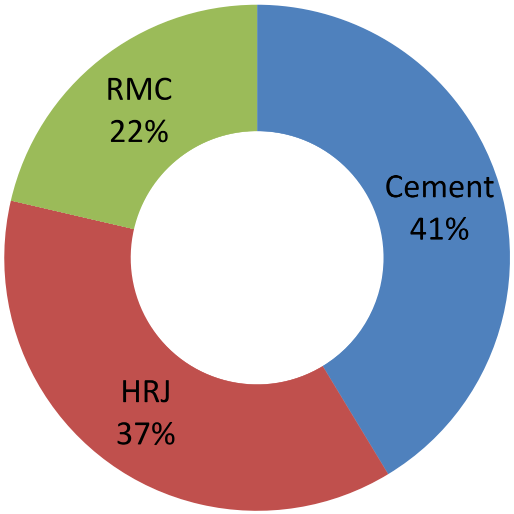
RMC
Mix with the Best

- Ready-mixed Concrete
- Aggregates
- Manufactured Sand

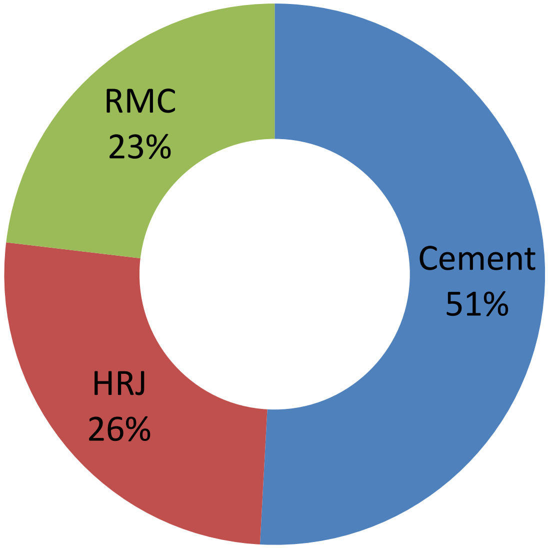
JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

- Tiles (Ceramic, Vitrified, Industrial)
- Sanitaryware, Faucets, and Bath Fittings
- Modular Kitchens
- Construction Chemicals

Divisional Split: FY 2014



Total Sales: ₹ 5,428 crores
($ 875 Mn)



Total EBITDA: ₹ 174 crores
($ 28 Mn)

All Conso numbers excluding RQBE

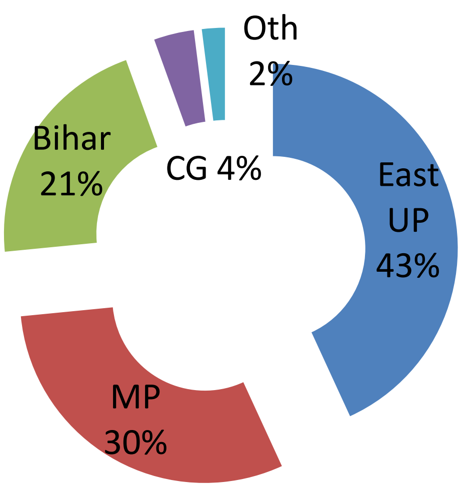
US$ 1 = ₹ 62

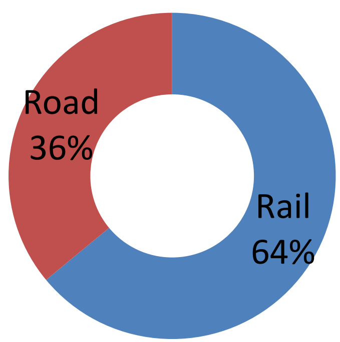
PRISM

CEMENT

Cement - Overview

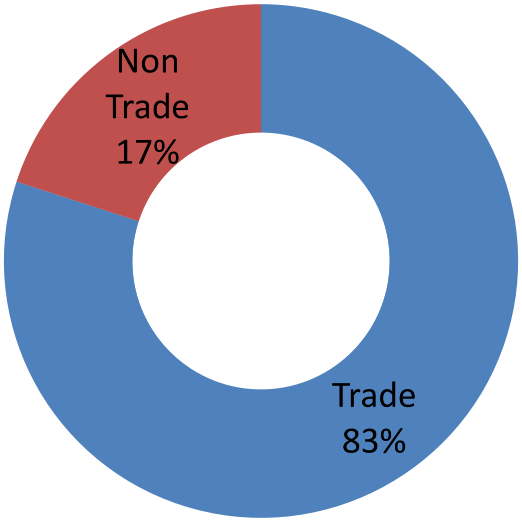
- 2 Modern Plants (set-up in 1997 and 2010) in Satna, MP, Central India
- Effective Capacity: 7 mn tons cement and clinker. Largest in Cluster
- Capital Employed at Satna: ₹ 1,500 crores ($ 242 Mn)



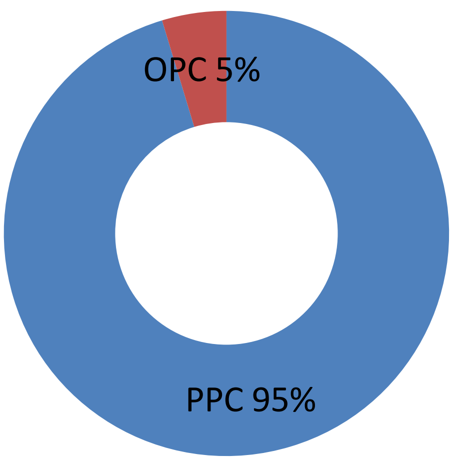


- Cluster demand growth > 1.5x national
- Avg lead distance = 407 KMs
- Superior Rail : Road mix

Cement - Overview



- 83% Trade Sales. Primarily caters to rural and tier 2 & 3 city Housing
- Wide network of over 3,700 dealers and ~ 100 stocking points

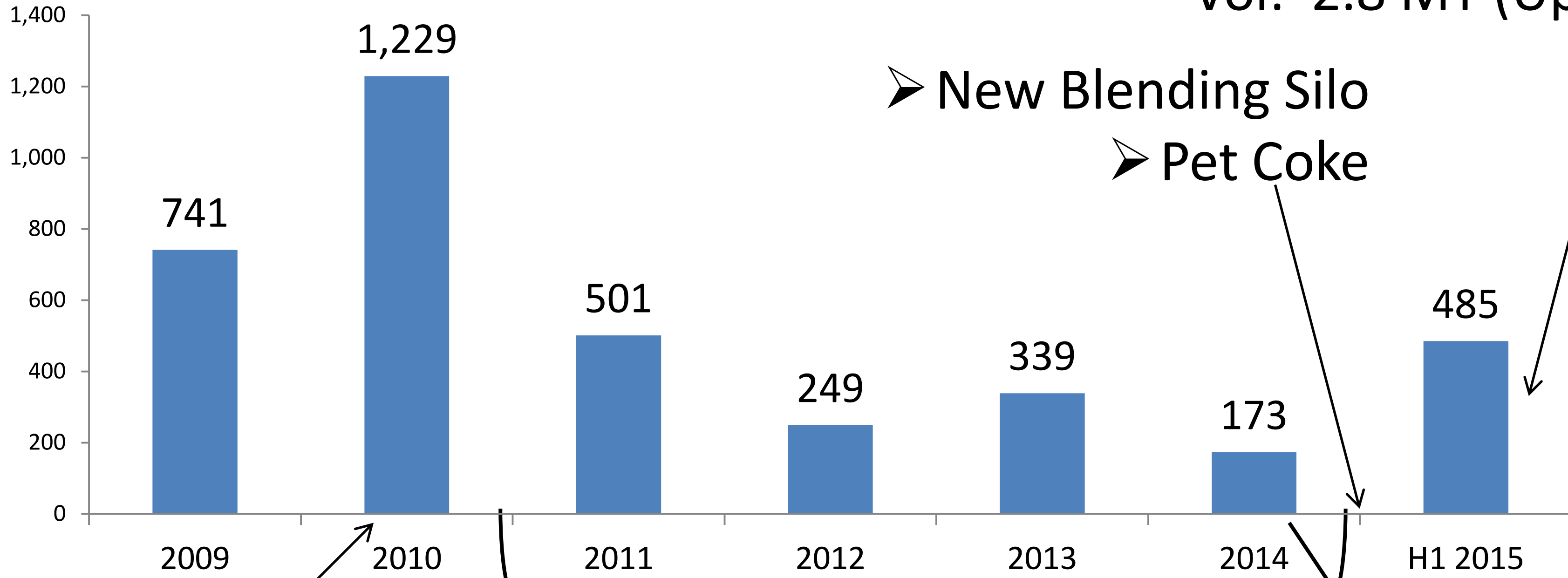


- Superior Product mix. 95% PPC (Fly-ash blended) Cement
- Launched premium cement Hi-Tech in Bihar and recently in UP

EBITDA / Ton trend

Vol: 2.8 MT (Up 12%)

- New Blending Silo
- Pet Coke



ROCE: 63%

- Subdued Markets
- Blending Silo Re-construction
- Low Capacity Utilization (Capacity increased from 3 MTPA to 7 MTPA)

- 9-Months: 0
- Q4: ₹ 625

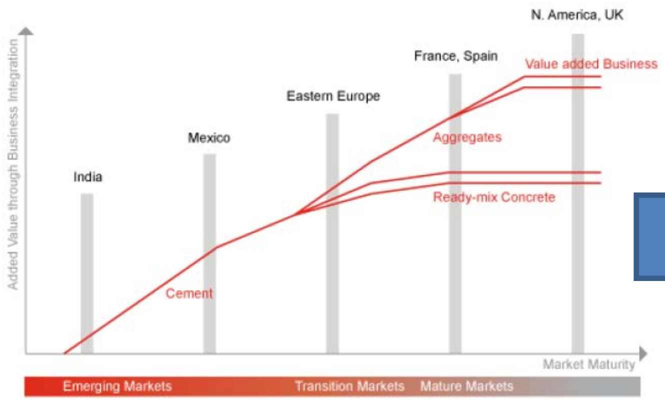
Cement - Expansion

- Green-field plant to come up in Kurnool District, Andhra Pradesh:
  - Cement Capacity: 4.8 MTPA
  - ~ 3,000 acres of land acquired
  - Large limestone reserves secured; Mine development activities in progress
  - Bengaluru, Chennai, and Hyderabad within 300 KMs radius from the Site

RMC

Mix with the Best

RMC Readymix (India)



Source: Espirito Santo Investment Bank Research

- As markets mature, higher value in Ready-mixed concrete business and aggregates as compared to cement

Cement sold (mT)	4.8
RMC Volume sold (mm^3)	3.3
Aggregate Volume Sold (mT)	1.3

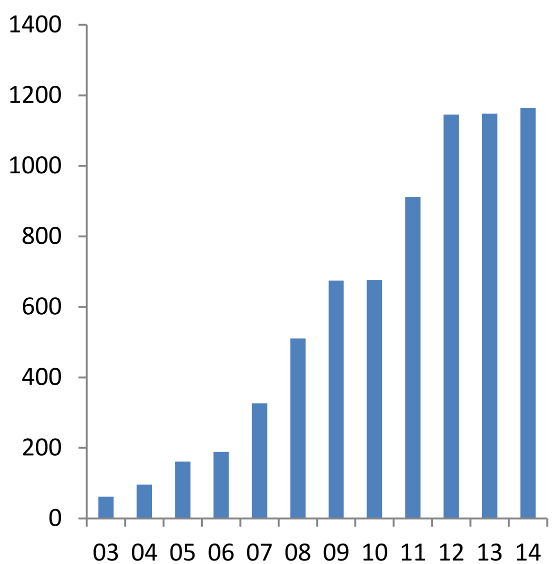
- Higher share of the Company's total revenues from value-added segments (RMC and Aggregates)
- Superior mix as compared to Global majors

Ready-mixed Concrete Industry

- Started in mid-90s; Penetration increasing
- ~ 10% of total cement used for concrete in India is sold through RMC Channel
  - Metros / tier 1 (~35%) and tier 2 (~20%)
  - In developed countries: 50% - 70%
- Several benefits such as assured quality, speed, saving of site space, reduced labor, reduced wastage, safety etc
- Industry volume: > 35 million m^3 per annum
- Steady-state Industry growth rate > 20% per annum due to:
  - Growth of cement consumption in India
  - Conversion from site-mix to ready-mix

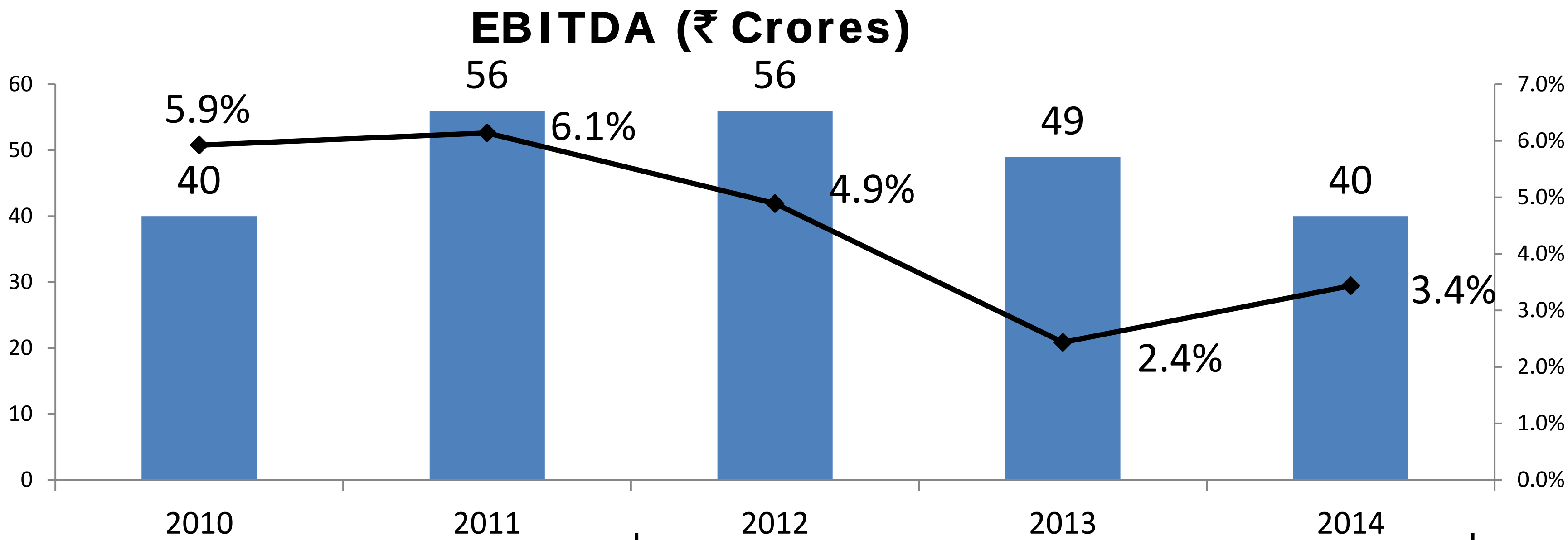
RMC Readymix (India)

- 2nd largest player in India with national footprint
- 90 Plants in 37 cities / towns
  - 11 Plants certified by Quality Council of India (QCI); Others in progress
- Backward Integration: 8 Plants – Aggregates and Manufactured Sand



- ‘03 – ‘12 Sales CAGR: 39%
- Flattish for last 2 years, on account of subdued economy
- Demand drivers: Urbanisation and Infrastructure

RMC – Performance



- Subdued Economy
- Extra Cautious on Debtors Management
- Capacity Utilization dropped to 60%

RMC Profitability

- EBITDA Margins: 3 – 7%
- Asset Turns: > 6x
  - Capital Employed: ₹ 200 crores ($ 32 Mn)
  - Sales: ₹ 1,200 crores (@ 60% utilization) ($ 194 Mn)
- Capital Intensity
  - Gross Block: ₹ 375 crores ($ 60 Mn)
  - Current Valuation: ~ ₹ 600 crores ($97 Mn)
  - At full utilization, consumes ~1.3 MTPA cement

JOHNSON®

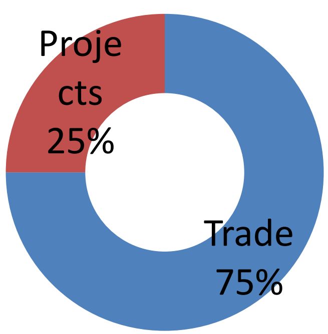
REDEFINING LIFESTYLES, WORLDWIDE.

H & R Johnson (India)

JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

JOHNSON MARBONITE
PREFERRED OVER ITALIAN MARBLE

JOHNSON ENDURA
INDUSTRIAL TILING SOLUTIONS



- Set-up in 1958; Pioneer of Ceramic tiles in India
- Wide range: Tiles, Sanitary ware, Bath fittings, Modular Kitchens, Construction Chemicals
- 11 Manufacturing Plants (Own & JVs) with largest capacity of 54 mn m^2 / annum

- Strong brand equity

- Large, national Trade network of ~10,000 retail points
- 75% sales from Trade channel

HRJ: Business Model

- "House of Johnson" chain of Retail Outlets
  - 26 across the country
  - Selling complete range of products
  - Contributes ~8% of Division's total sales

- Manufacturing Joint Ventures
  - Asset Light business model
  - 5 Manufacturing JVs contributing to 65% of the capacity
    - Gujarat: 3
    - AP: 2

HRJ: Business Model

- Built complimentary businesses to leverage Brand and Distribution

Construction Chemicals

- 50% Stake in Ardex Endura—JV with Ardex, Germany
- Pioneer in tile fixing adhesives
- Added industrial flooring and waterproofing
- Plants in Begaluru and Vadodara; Pan India presence

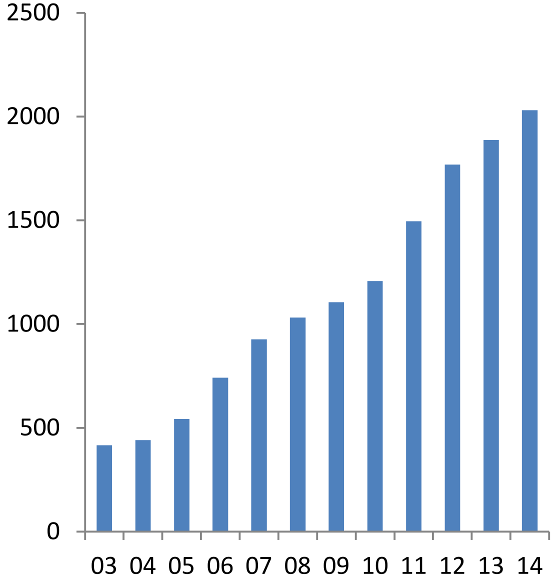
Bathrooms

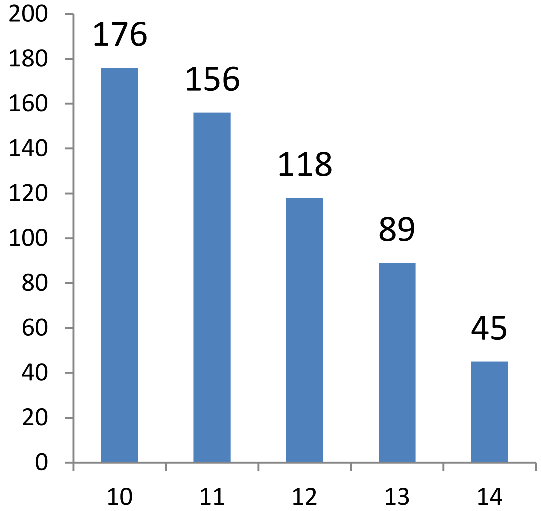
- Sanitaryware , Taps, Bath Fittings, wellness products
- 2 Manufacturing plants for Fittings—Baddi, HP & Samba, J&K
- Potential for scale-up at high rate

Modular Kitchens

- Sunrise industry
- High growth potential
- Offers complete range of products including installation
- Tie-up with a German company for sourcing

HRJ: Financial Trend



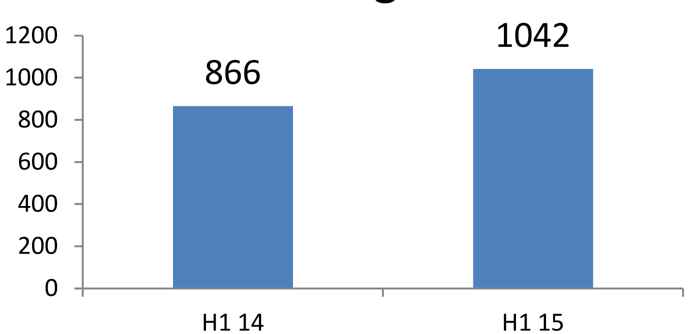


- ’03 – ‘12 Sales CAGR: 17%
- Flattish for last 2 years
  - 70% capacity utilization
  - 40% of total capacity in AP & Karnataka
    - Power and fuel unavailability
    - High Differential cost of LPG Vs. LNG

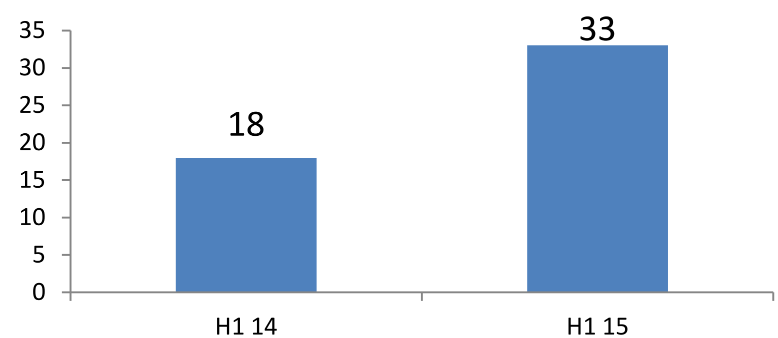
- EBITDA (Conso) declined:
  - FY 10: ₹ 176 crores (14.6% of sales) ($ 28 Mn)
  - FY 14: ₹ 45 crores (2.2% of sales) ($ 7 Mn)

HRJ: Key Initiatives

- Addressed Power and Fuel issues in South by:
  - Installing 3 Coal Gassifiers in 2 Plants in AP
  - Winning bids for onshore micro Gas wells in AP
  - Natural Gas pipeline connectivity completed for Karnataka plant
  - Started purchasing Traded power
- Further strengthening Brand leadership
  - Scaling-up marketing activities
  - Signed Ms. Katrina Kaif as brand ambassador and started TV advertising



Sales: 20%
EBITDA (Conso): 80%



Strategic Investment

RAHEJA QBE

- 74% stake in Raheja QBE General Insurance
- JV with QBE Group of Australia
- Focus on Speciality products like Liability insurance, Marine liability and Trade Credit
- Prism's investment: ₹ 153 crores ($ 25 Mn)
- FY 14 financials:
  - Gross written premium: ₹ 32 crores ($ 5 Mn)
  - Profit before tax: ₹ 6 crores ($ 1 Mn)

Management Profile

Management Profile

- Mr. Vijay Aggarwal, 46 years, Managing Director
  - B. Tech (Elec.) from IIT, Delhi and PGDM from IIM, Ahmedabad.
  - Joined Hathway Investments in 1993
  - Past experience includes SBI Capital Markets
  - On the Board of various companies including Exide Industries, Aptech, Asianet Satellite Communications, and Ardex Endura (India)

Management Profile

- Mr. Ganesh Kaskar, 55 years, Executive Director – HRJ
  - M. Tech (Civil) from IIT, Mumbai
  - Joined erstwhile RMC Readymix (India) Pvt. Limited in 1996
  - Past experience includes ACC and Tata Consulting Engineers

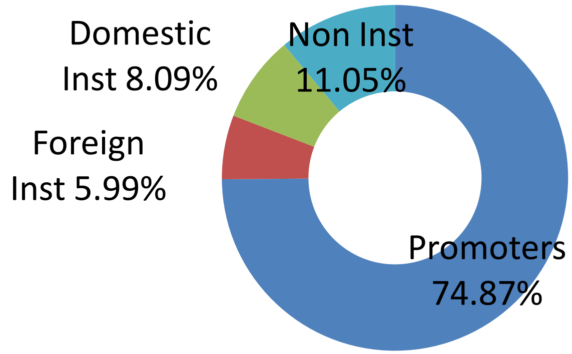
- Mr. S Ramnath, 59 years, Executive Director – Cement
  - Chartered Accountant and Cost Accountant. Also, holds a Diploma in Human Resource Management.
  - Joined the Company in 1998
  - Past experience includes Larsen & Toubro

- Mr. Venugopal M Panicker, 50 years, Executive Director – RMC
  - Chartered Accountant, Company Secretary and a Member of the Institute of Company Secretaries & Administrators, UK (AICSA-UK)
  - Joined erstwhile RMC Readymix (India) Pvt. Limited in 1996
  - Past experience includes Walchandnagar, Tatas and Williamson Magor

Other Information

Other Information

- Market Cap (As on 19.01.2015): ₹ 4,983 crores ($ 803 Mn)
- Borrowings
  - Status (As on 31.03.2014)
    - Consolidated: ₹ 2,105 crores ($ 339 Mn)
    - Stand-alone: ₹ 1,833 crores ($ 296 Mn)
  - Replacing expensive bank borrowings with NCDs in a phased manner
  - Short-term rating enhanced from A2 to A1 and for Term Loan / NCD from A- (Negative outlook) to A- (Stable Outlook) by ICRA
- Shareholding Pattern (As on 31.12.2014)



THANK YOU

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