



Investor Update

July 29, 2014

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

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

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q1 '14-15	Q4 '13-14	Q1 '13-14
Sales	1,499	1,635	1,231
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items	118	119	38
Profit / (Loss) before tax	20	15	(58)
Net Profit / (Loss) after tax	13	11	(48)
EPS (₹)	0.27	0.22	-0.97

Segmental Results

(Figures in ₹ Crores)

Particulars	Q1 '14-15			Q4 '13-14			Q1 '13-14		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	600	490	303	593	624	311	483	386	269
Segment Results	79	2	0	62	2	11	0	(6)	1
Capital Employed	1,618	871	221	1,591	838	225	1,547	914	243

Performance Review and key developments

During the Quarter, Prism Trust has sold its entire holding of 1,23,51,600 equity shares held in the Company. The Company is the beneficiary of the Trust. Prism Trust, which was formed in March 2010, was created after the

merger of erstwhile H. & R. Johnson (India) Limited and erstwhile RMC Readymix (India) Private Limited with the Company. The Trust has realized approx. ₹ 88 crores, at an average price of about Rs. 71.50 per share from this sales transaction. The proceeds have been used to reduce the borrowings of the Company.

During the Quarter ended June 30, 2014, the Company produced 11.29 lac tons of clinker and 13.62 lac tons of cement. During the same period, the Company despatched 1.92 lac tons of clinker and 13.47 lac tons of cement, aggregating to 15.39 lakh tonnes. In the corresponding period last year, the Company had despatched 13.57 lakh tonnes of cement and clinker.

The Company commenced mining of coal in March 2014 from its Coal Block at Chhindwara, Madhya Pradesh and has started initial despatches to its cement plant at Satna, Madhya Pradesh.

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

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 490 Crores, thereby growing at a healthy rate of 27% 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. The Division opened a new "House of Johnson" during the Quarter, taking the total number to 26 showrooms across the country.

The RMC Readymix (India) (RMC) Division witnessed some early signs of recovery in the construction sector during the Quarter. RMC's sales turnover increased by 13% 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.

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 recent initiatives to reduce power and fuel cost, the Division is poised for better 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' and Ordinary Portland Cement (OPC). It has recently launched 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 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 7 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.