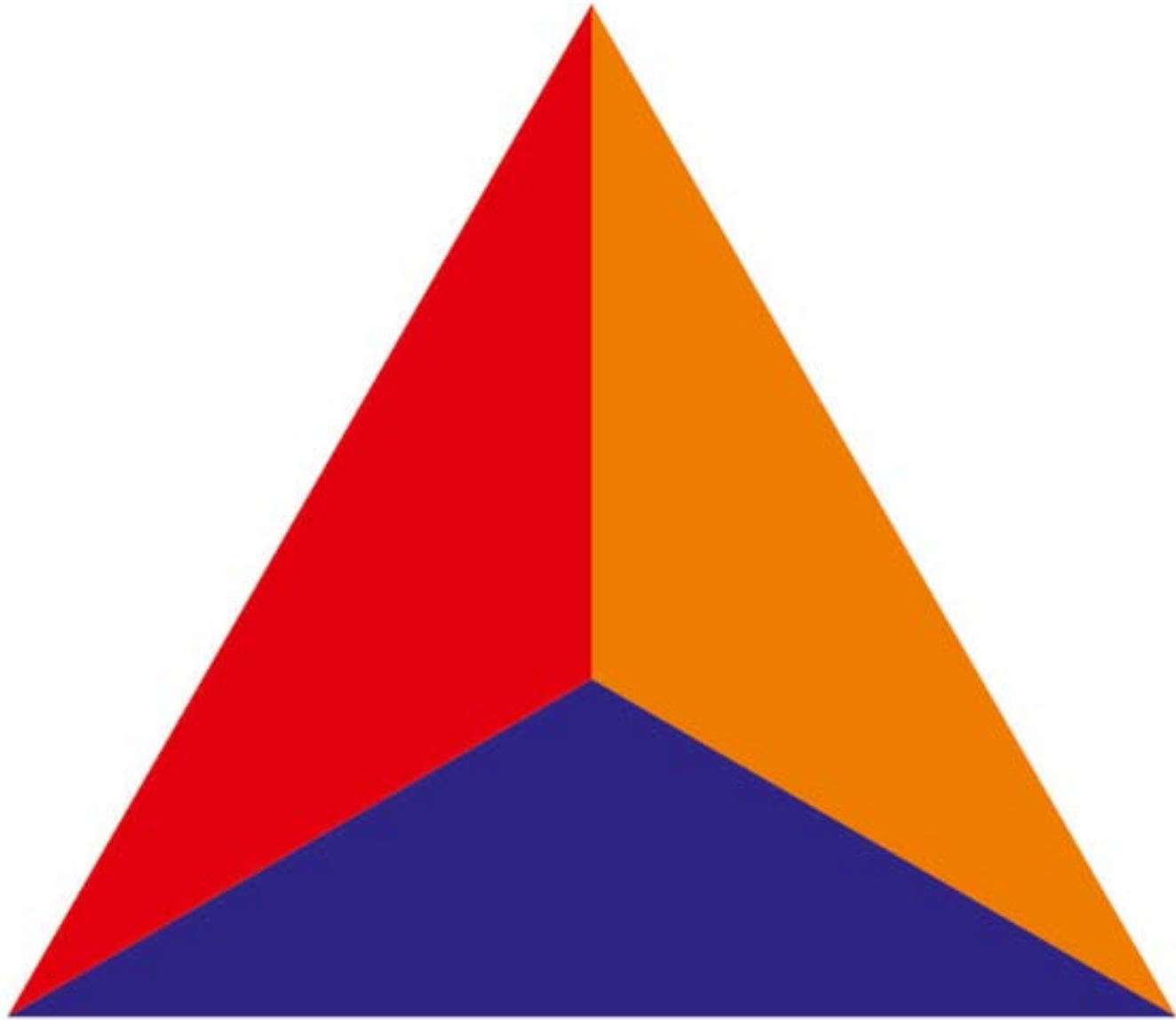




May 2012

Prism Cement Limited—*Investor Presentation*



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Prism Cement Limited—An Overview

Prism Cement Division

RMC Readymix (India) Division

H & R Johnson (India) Division

Strategic Investments

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Company Overview

Integrated Building Materials



Prism Cement

- Cement



H & R Johnson (India)

- Tiles
- Bath (Sanitaryware & CP Fittings)
- Kitchens

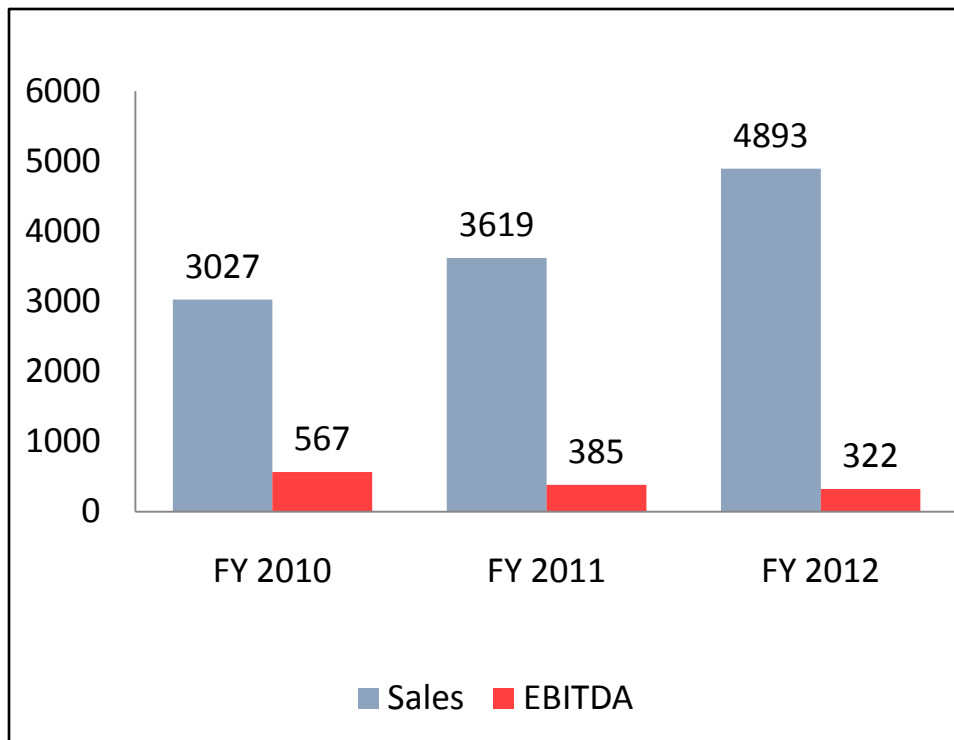


RMC Readymix (India)

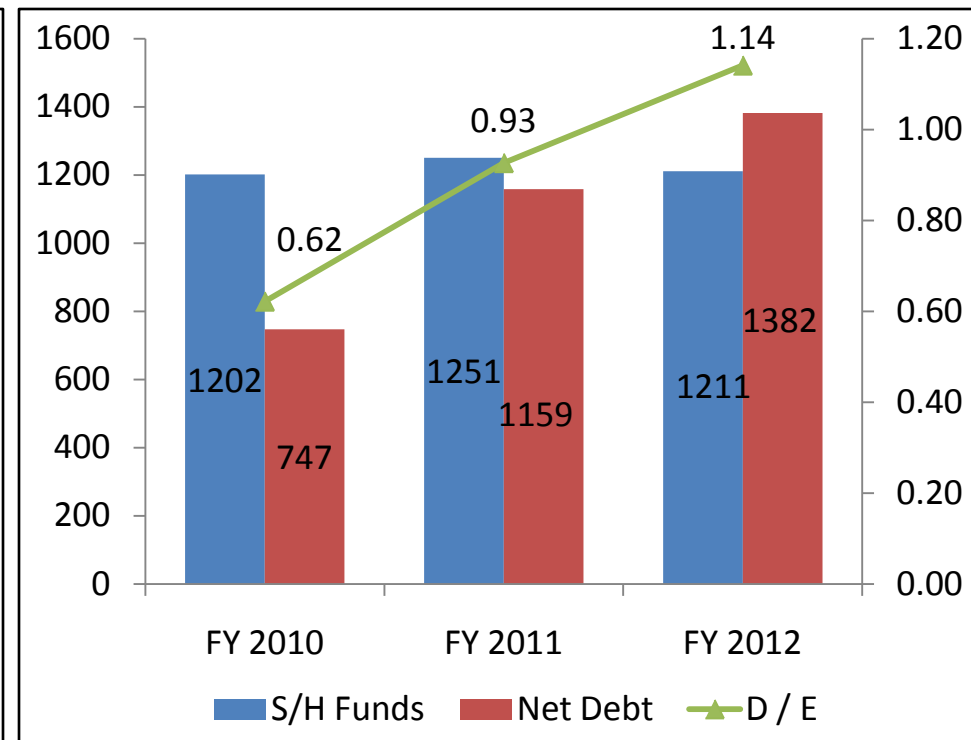
- Ready-mix concrete
- Aggregates

Financial Snapshot

➤ Consolidated financials:

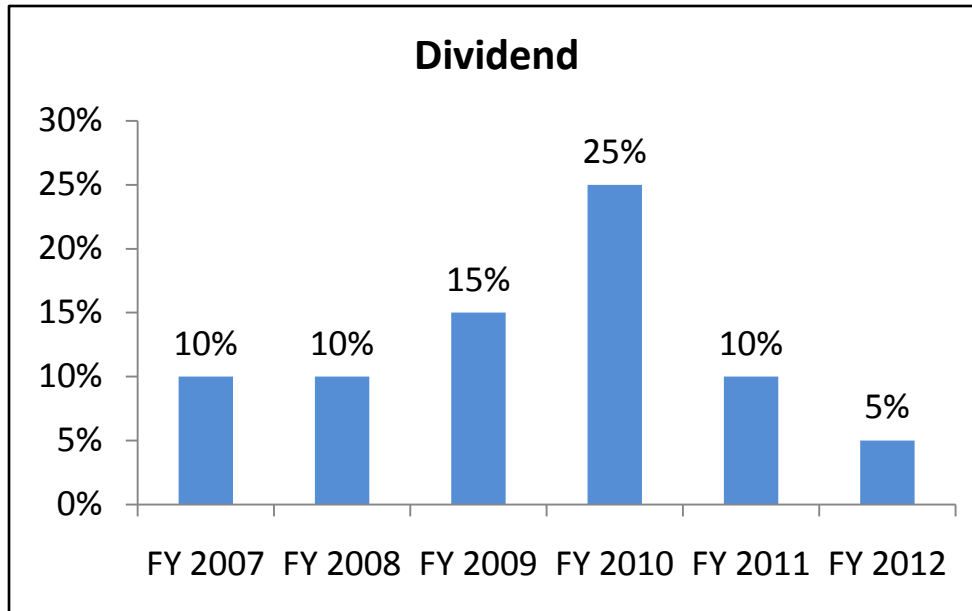


Figures in ₹ crores



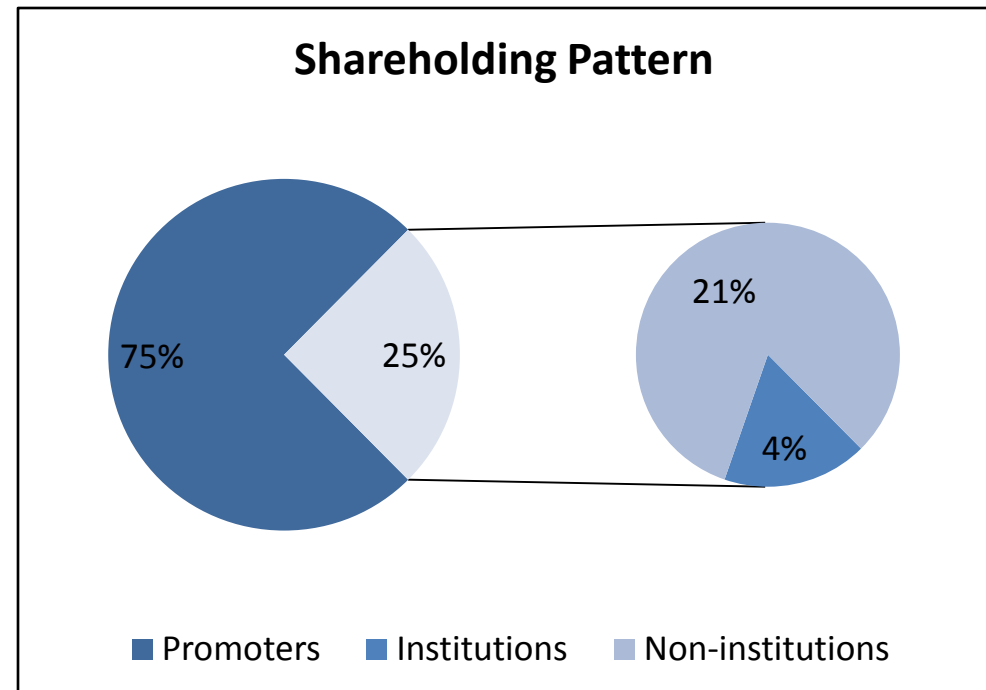
Debt net of Cash, Bank Balance, and Current investments

Equity Data



➤ Regular Dividend paying Company

➤ Market Capitalization (as on 30th April 2012): ₹ 2,424 crores

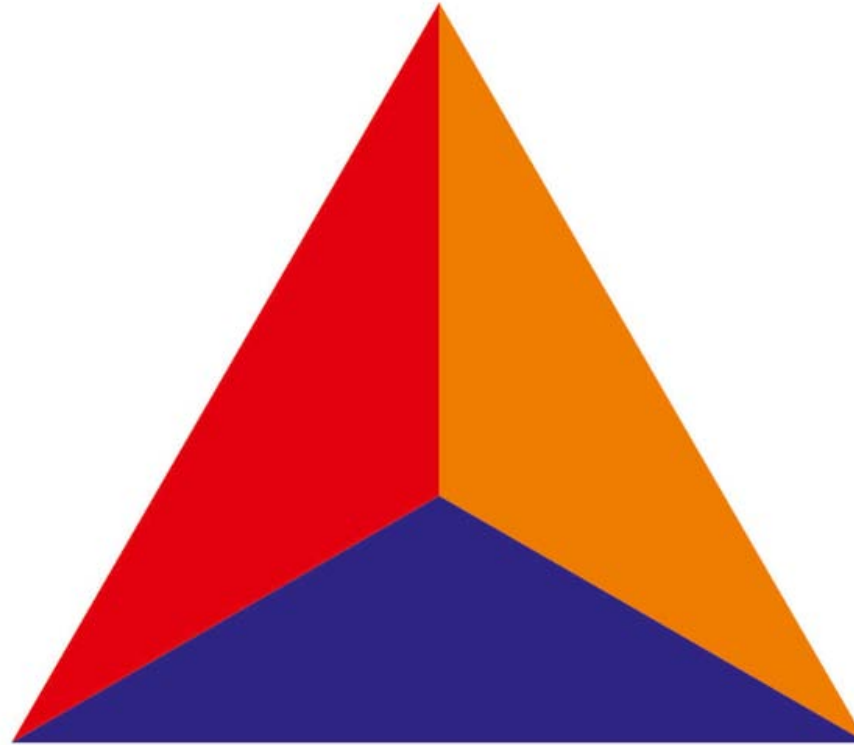


As on March 31, 2012

Prism Cement Limited—in a Nutshell

HRJ Division:

- Marketing driven
(Core strengths:
Brand & Distribution)
- Bath, Kitchen, and
Adhesives:
Complimentary
business with
operating leverage
- Growth drivers:
Affordable housing
and Consumption



RMC Division:

- Strategic route to
market for Cement
industry
- High growth
- Growth Drivers:
Urbanization &
Industrial
infrastructure

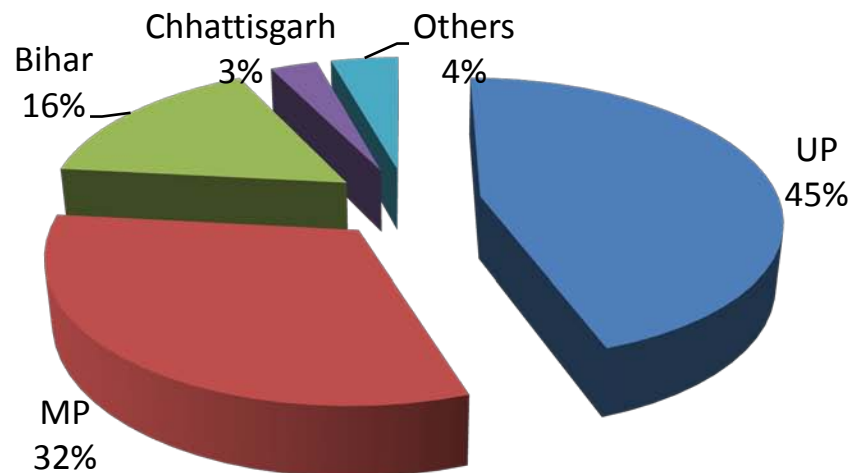
Cement Division:

- Efficient Operations
- Intensive distribution network
- Growth Drivers: Rural & Tier-2 / 3 city housing and
Infrastructure

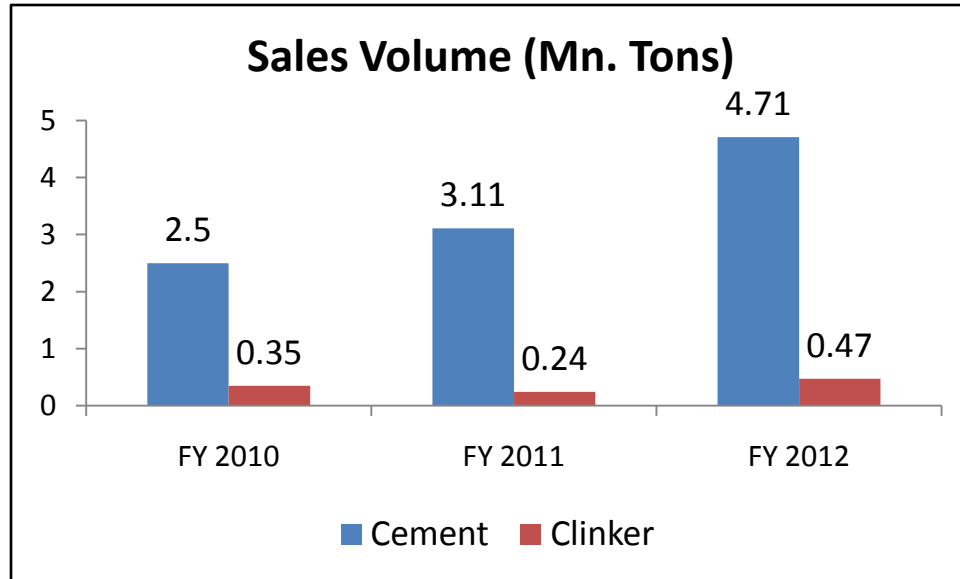


Cement Division - Introduction

- 2 Modern and efficient Plants in Satna, Madhya Pradesh
- First plant commenced production in 1997; Second plant in December, 2010
- Present capacity: 5.6 MTPA (Potential to sell 6 MTPA cement, 0.6 MTPA clinker)
- State-wise break-up of sales:



Cement: Sales & Profitability



➤ Intensive Distribution Network:

- ❖ 3,300 Dealers
- ❖ Over 160 Stocking points

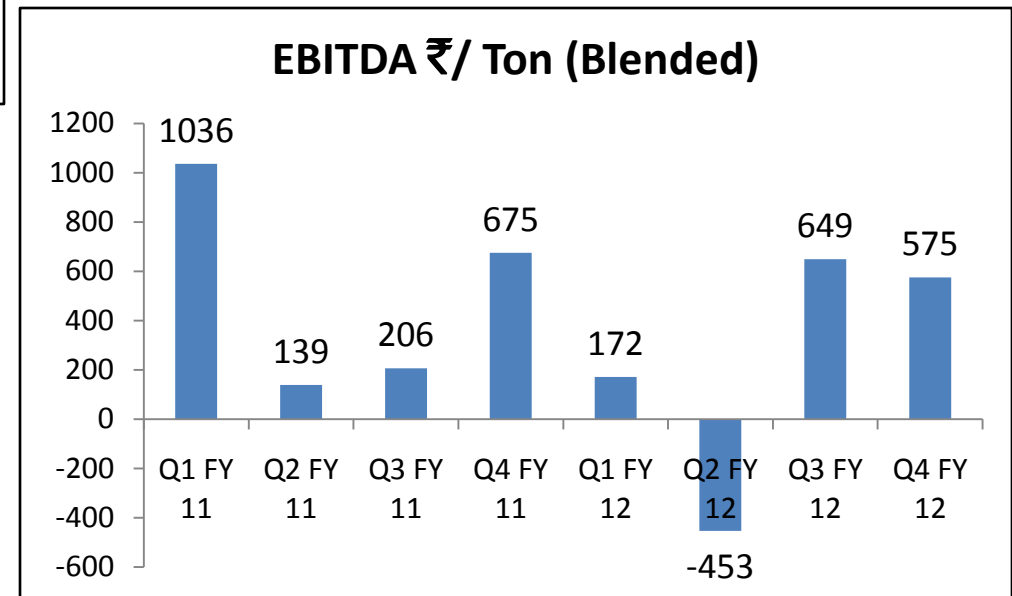
➤ Superior Product mix

- ❖ Over 90% Pozzolana Portland Cement (PPC)

➤ FY 2012 financials:

❖ Gross Sales: ₹ 1,977 crores

❖ EBITDA: ₹ 129 crores



Cement: Fuel, Power & Freight

Fuel

- Allotted a Coal Block at Chhindwara, Madhya Pradesh:
 - 100% ownership
 - GR estimated reserves of 15 million tones
 - All clearances received
 - Mine Developer and Operator (MDO) appointed
 - Planned to be operational in FY 2014
 - Estimated savings: ~ ₹ 95 crores per annum

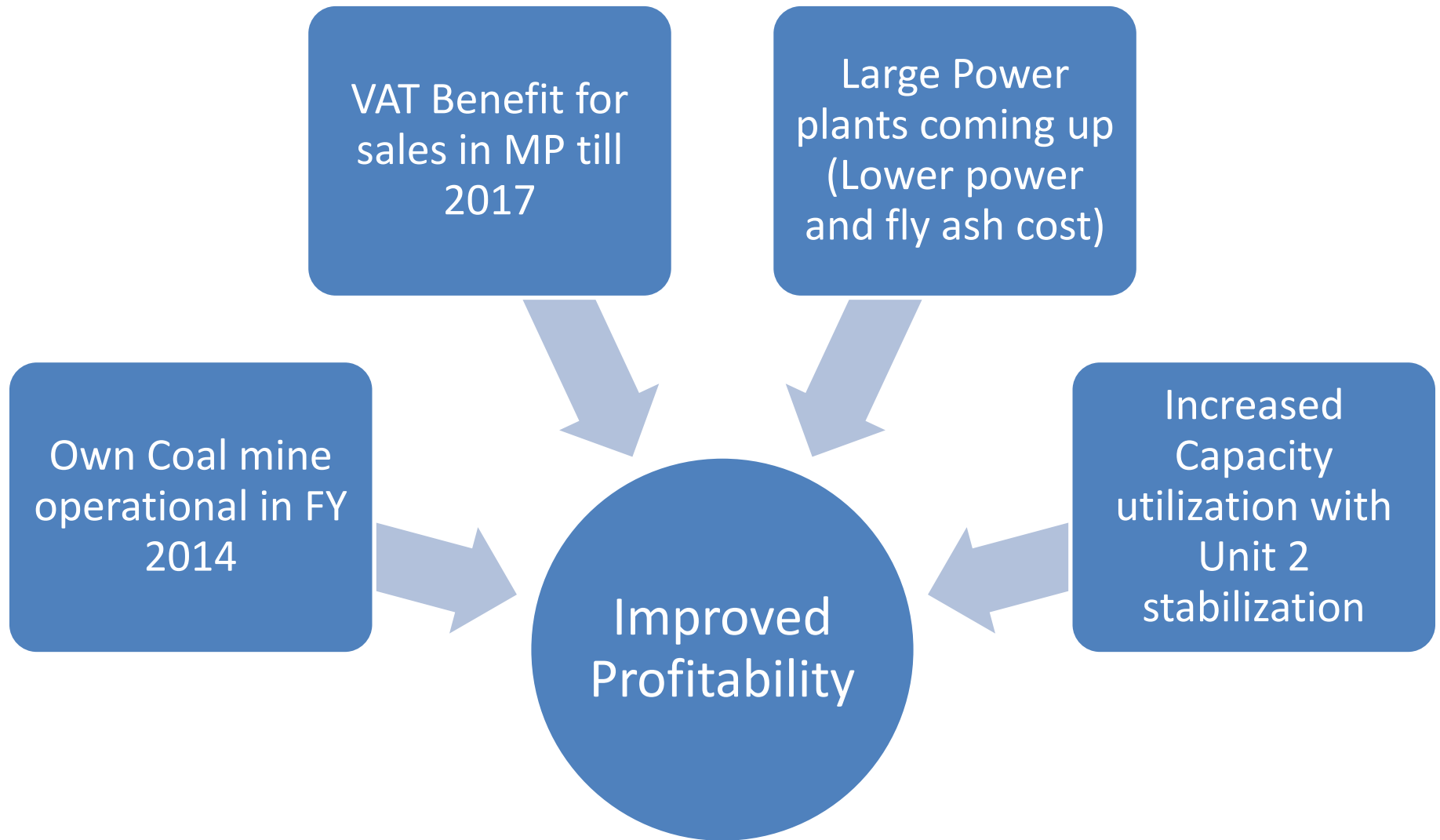
Power

- Purchased from Grid
- Stable and good quality source of supply
- Rate / Unit for FY 2012: ₹ 5.1
- 7 Power Plants with a total capacity of 17,000 MW coming up in nearby areas over the next few years

Freight

- Average lead distance: 408 KMs
- Rail: 61%
- Road: 39%

Profitability upsides



Capacity Expansion

- Green-field plant to come up in Kurnool District, Andhra Pradesh:
 - ❖ Cement Capacity: 4.8 MTPA
 - ❖ Land possession completed.
 - ❖ Project likely to start in FY 2014. Normally takes 30 months for a Greenfield Plant to be commissioned.



RMC Snapshot

- Ready-mix Concrete is an assured-quality concrete (Mixture of Cement, Sand, Aggregates, Admixtures, and Water)
- Several benefits such as assured quality, speed, saving of site space, reduced labour, reduced wastage etc



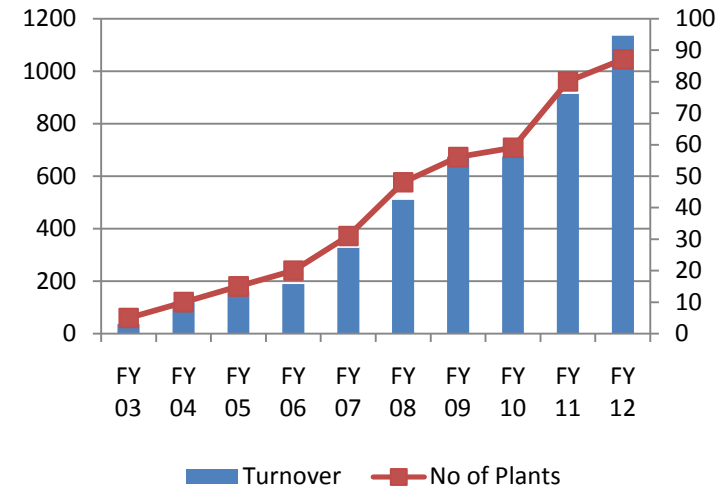
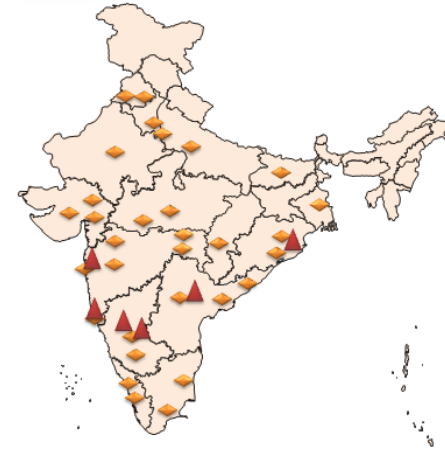


Ready-Mix Concrete Industry

- Industry commenced in 1990s
- At present:
 - ❖ 10% of total cement used for concrete in India is sold through RMC channel (50% - 70% in developed countries)
 - ❖ Around 700 commercial RMC Plants
 - ❖ Industry volume: ~ 35 million m³ per annum
 - ❖ 5 key players in the Organized sector
- Industry growth rate >20% per annum due to:
 - ❖ Growth of cement consumption in India
 - ❖ Conversion from site-mix to ready-mix

RMC Ready Mix (India)

- Among Top 3 players in India with a national footprint
- 87 Plants in 35 cities / towns
- Backward integration: 9 Aggregate Plants ; Manufactured Sand
- High Growth:
 - ❖ Last 10 years' Sales growth: 46% CAGR
 - ❖ Last 5 years' Sales growth: 22% CAGR

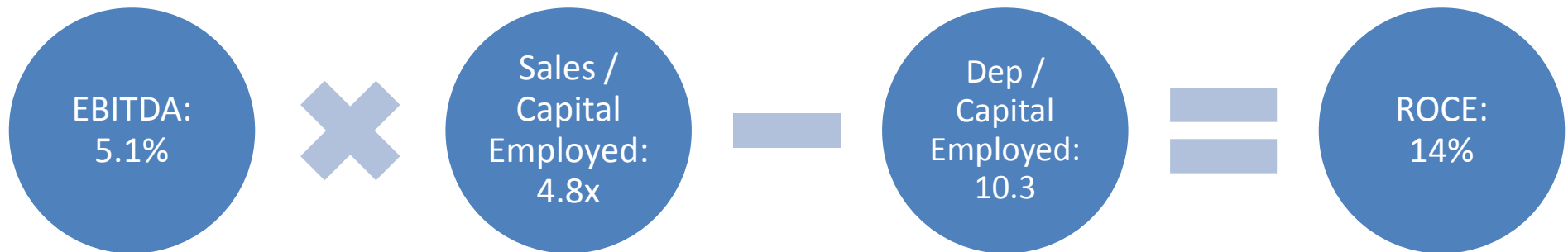
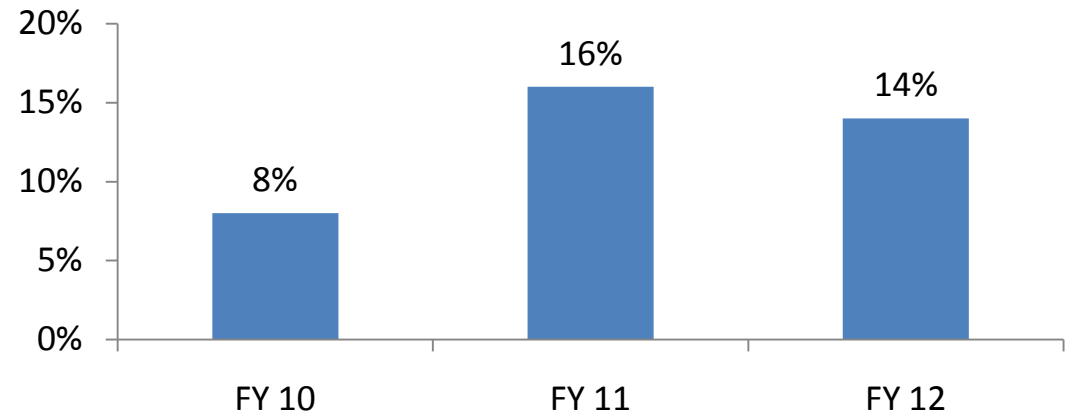


Financial Snapshot: RMC Division

➤ FY 2012:

- ❖ Gross Sales: ₹ 1135 crores
- ❖ Volume: 3.4 million m³
- ❖ EBITDA: ₹ 58 crores

ROCE



RMC Readymix—Strategy

Backward Integration

- 9 Aggregate Plants / Manufactured sand. Scale-up further.
- Supplies to some of own plants as well as 3rd parties

Commercial Concrete

- Strengthen position further in existing markets
- Enter un-tapped markets and penetrate further

Mega Vertical

- Focus on large infrastructure projects. E.g. Power plants, Ports, Dams etc
- Scale-up further



JOHNSON[®]

TILE | BATH | KITCHEN

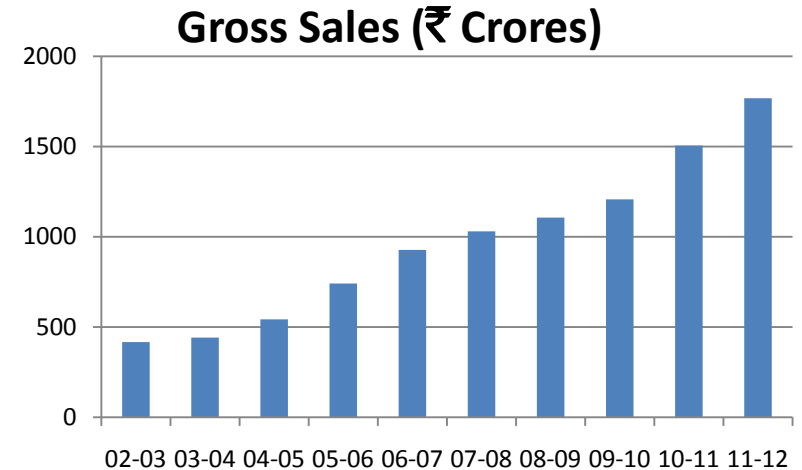
HRJ – Introduction

- Leader since 1958
- Ranked 7th in the study of “World’s top ceramic tile manufacturers” by Ceramic World

- Key Brands:



- Largest distribution network: Over 1,000 dealers / 10,000 sub-dealers / 16 House of Johnson / 22 Johnson Corners

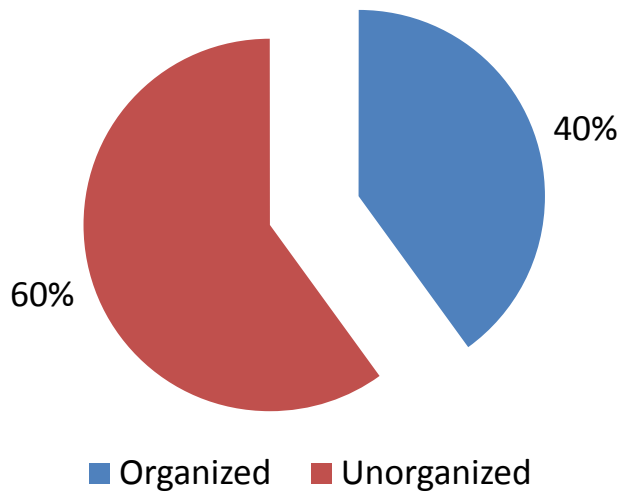


*** (10-year CAGR): 17 % ***

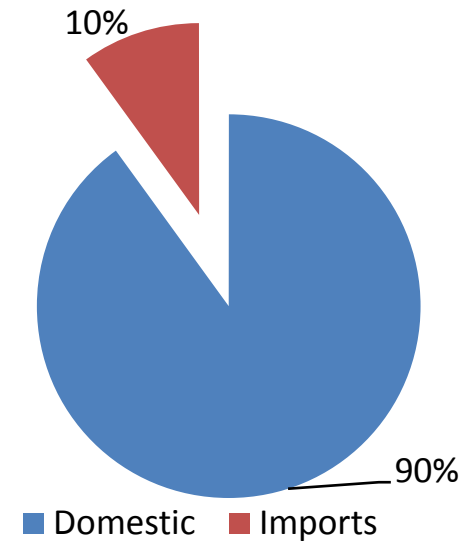
- Regionalized manufacturing: 11 Plants
- In FY 12, sold 1.4 mn ft² of tiles / day

Ceramic Tile Industry—Potential

➤ Industry size: ₹ 18,000 crores



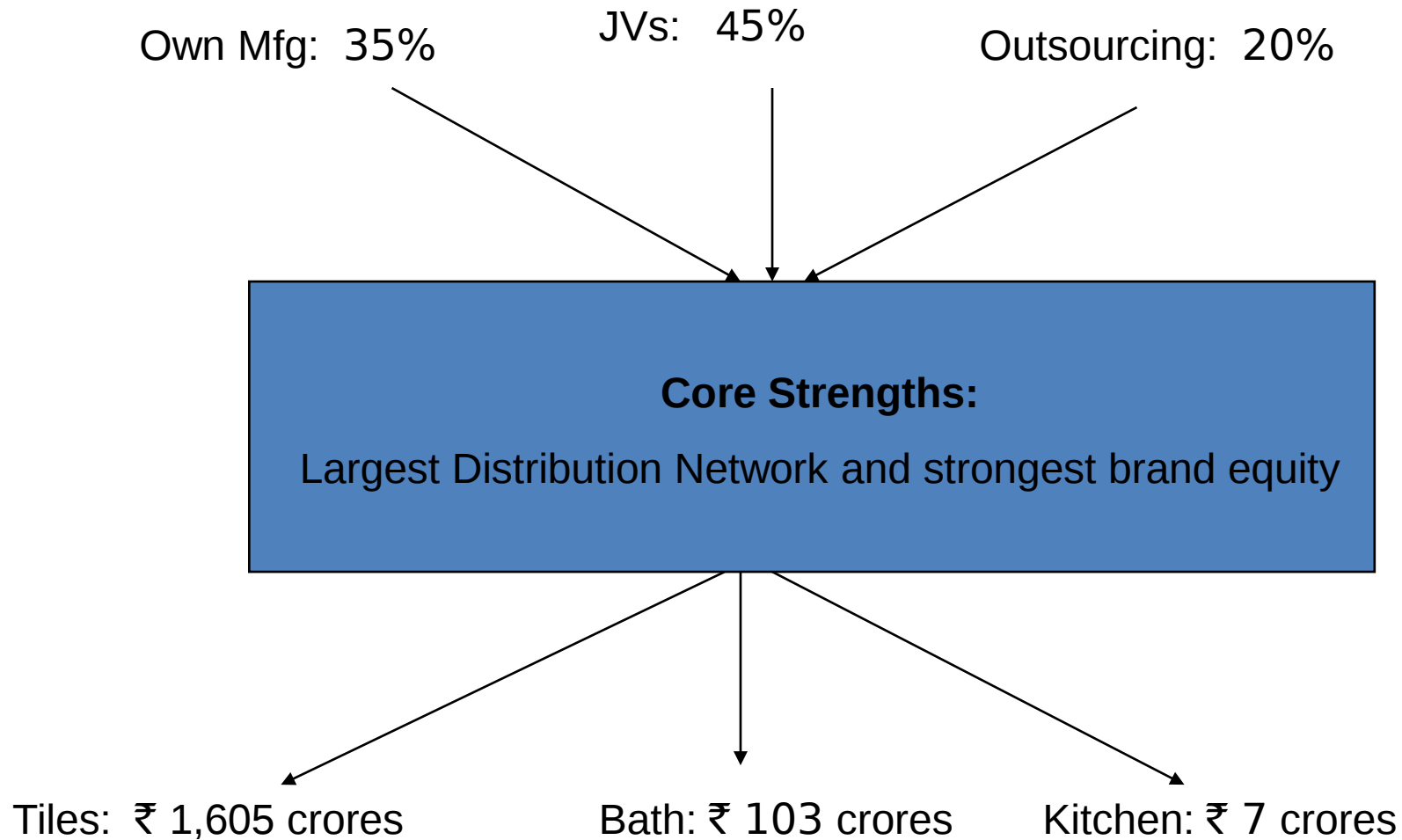
➤ Primarily domestic industry



➤ Growth rate: >15% per annum due to:

- ❖ Urbanization
- ❖ Commercial infrastructure

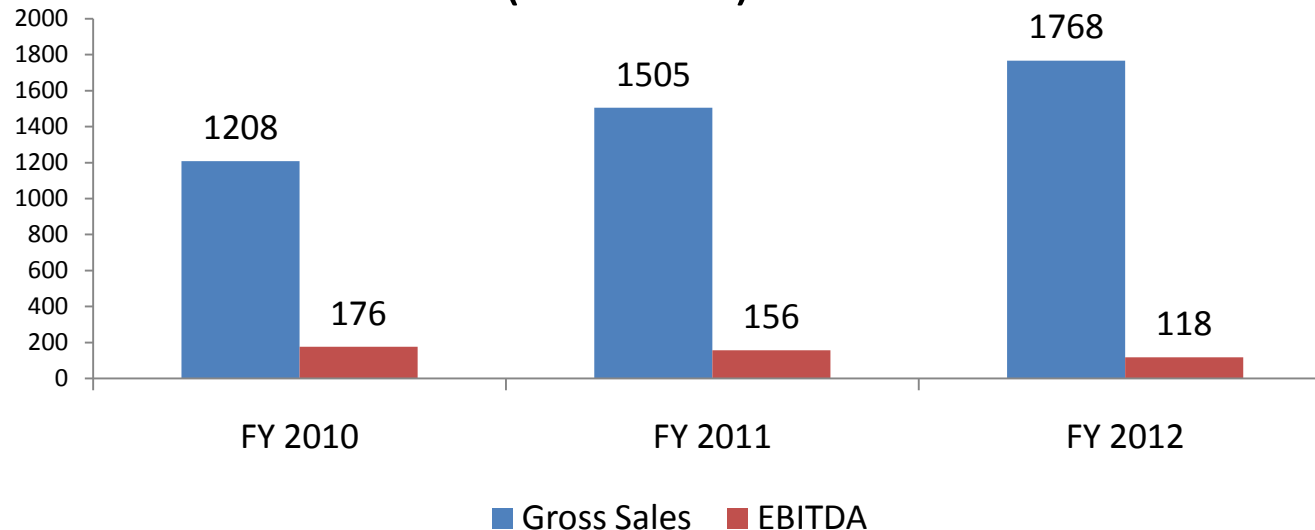
HRJ: Marketing entity



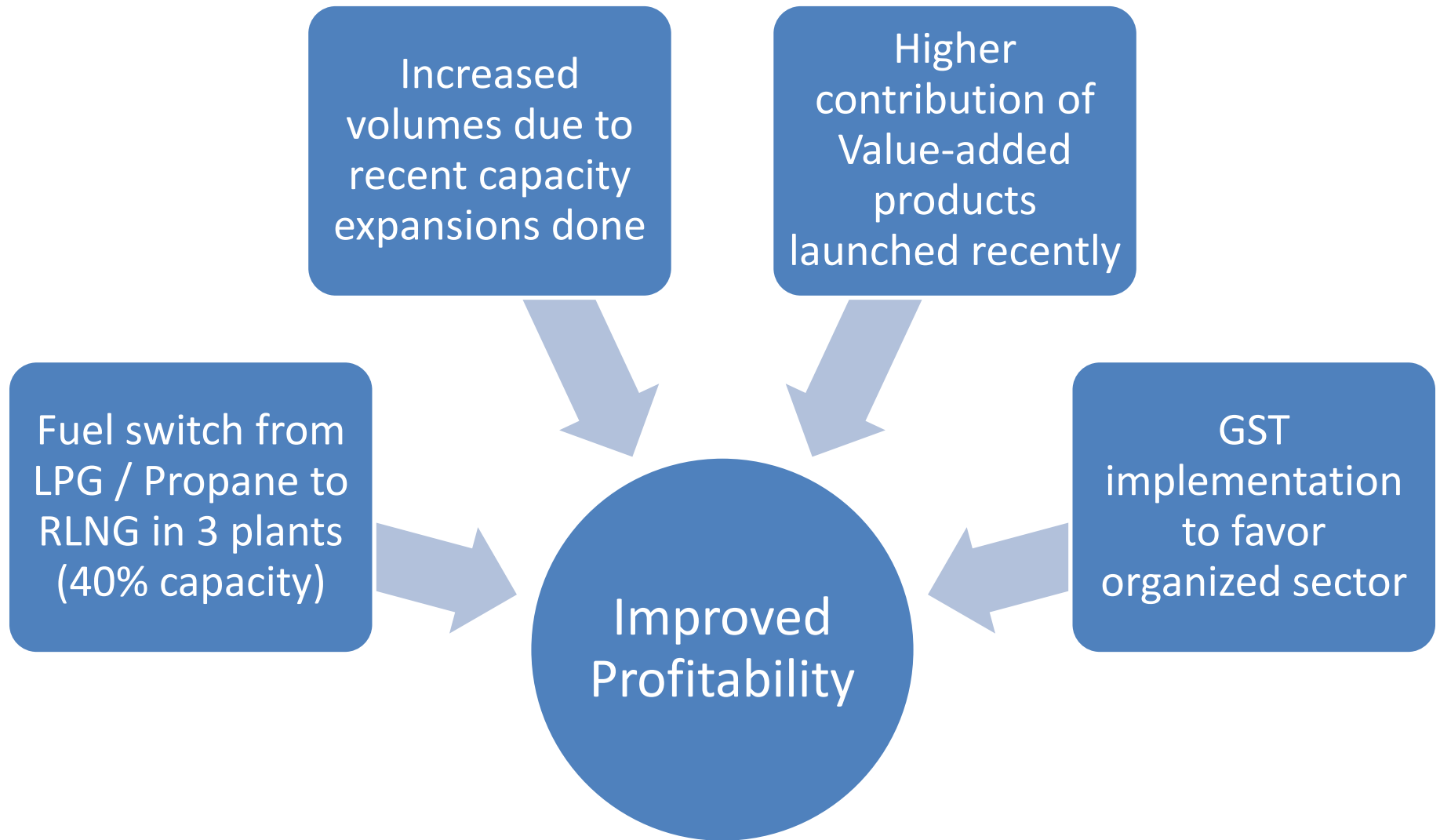
HRJ Financials

- 50% stake in Ardex Endura—JV with Ardex, Germany
 - ❖ Pioneer in India in tile fixing adhesives, grouts, industrial flooring, and waterproofing
 - ❖ Manufacturing Plants in Bangalore and Vadodara ; Pan India presence
 - ❖ FY 2012 - Sales: ₹ 77 crores / EBITDA: ₹ 12 crores

➤ HRJ Consolidated financials (₹ crores):



Profitability upsides



Strategic Investments

Strategic Investments

- 74% stake in Raheja QBE General Insurance
 - ❖ JV with QBE Group of Australia
- Focus on Speciality products like Liability insurance, Marine liability, Trade Credit etc
- Prism's investment: ₹ 153 crores
- FY 12 financials:
 - ❖ Gross written premium: ₹ 23 crores
 - ❖ Profit before tax: ₹ 6 crores

Strategic Investments

- 29.9% stake in Norcros plc through wholly-owned subsidiary
 - ❖ Norcros, listed on London Stock Exchange, is a leading supplier of showers, ceramic tiles, and adhesive products with operations in UK, South Africa, Middle East, and Australia
 - ❖ Prism's Investment: ₹ 133 crores
 - ❖ FY 11 financials (Not consolidated in Prism's financials):
 - ✓ Revenue: £ 196 million (₹ 1,603 crores @ ₹ 81.8 / £)
 - ✓ EBITDA: £ 18 million (₹ 147 crores @ ₹ 81.8 / £)

Strategic Investments

➤ Treasury Stock:

- ❖ 1.2 crore shares of Prism Cement held through Prism Trust
- ❖ 2.45% of the Company's equity capital
- ❖ Book Value of investment: ₹ 24 crores

Management Profile

Management Profile



- Mr. Manoj Chhabra, 60 years, Managing Director
 - ❖ Chartered Accountant.
 - ❖ Joined the Company in 1993. Appointed as MD in 2003
 - ❖ Past experience includes senior positions at Larsen and Toubro. On the Board of Raheja QBE General Insurance Company Limited



- Mr. Vijay Aggarwal, 43 years, Managing Director
 - ❖ B. Tech (Elec.) from IIT, Delhi and PGDM from IIM, Ahmedabad.
 - ❖ Joined Hathway Investments in 1993. Appointed MD of erstwhile H. & R. Johnson (India) Limited in 1998
 - ❖ Past experience includes SBI Capital Markets. On the Board of various companies including Exide Industries, ING Vysya Life Insurance, Aptech, Asianet Satellite Communications, and Norcros plc.



- Mr. Ganesh Kaskar, 53 years, Executive Director
 - ❖ M. Tech (Civil) from IIT, Mumbai.
 - ❖ Joined erstwhile RMC Readymix (India) Pvt. Limited in 1996. Appointed ED of RMC Readymix (India) in 2001
 - ❖ Past experience includes ACC and Tata Consulting Engineers

Disclaimer

Disclaimer :

Cautionary statement regarding forward – looking statements

This presentation may contain certain forward – looking statements relating to the future business, development and economic performance.

Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation. Prism Cement Limited assumes no obligation to update or alter forward – looking statements whether as a result of new information, future events or otherwise.

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