RAIN COMMODITIES LIMITED

Investor Presentation – Earnings update for Q2 2011

RAIN CII

PRIYA CEMENT

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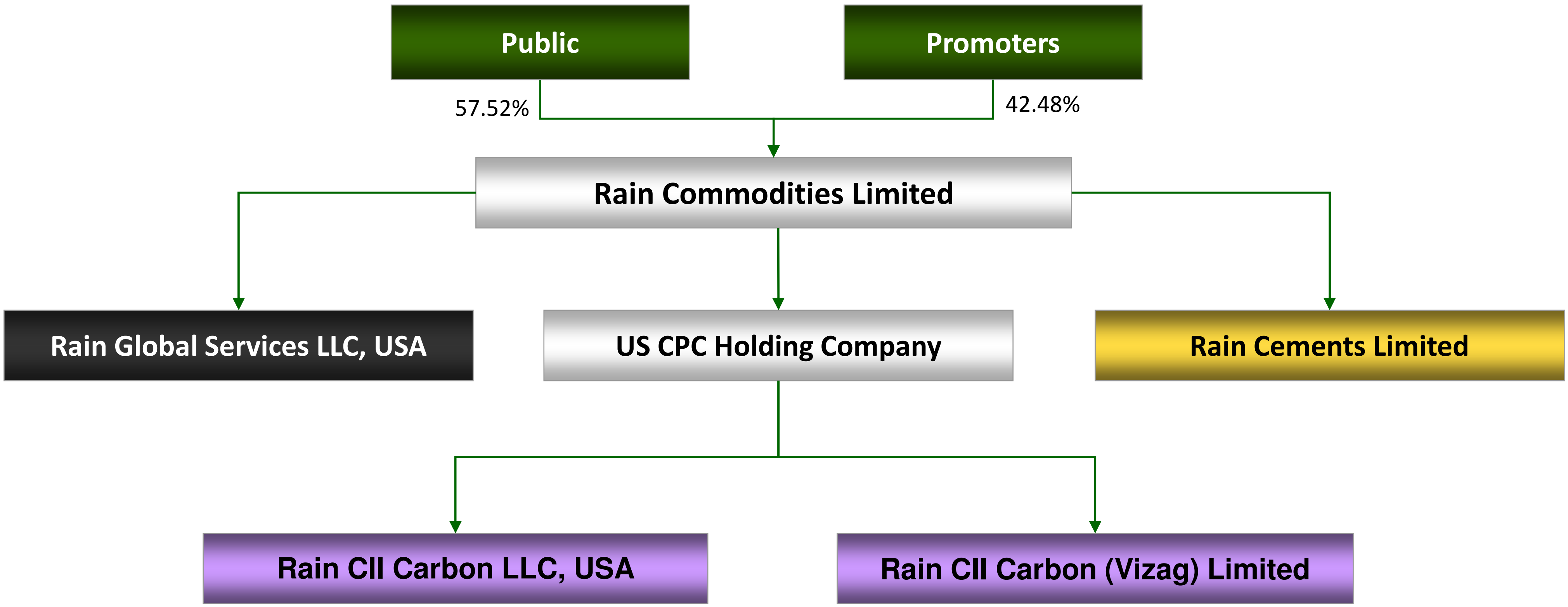
Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Forward-looking statements speak only as of the date the statements are made. Rain Group assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

Group Corporate and Business Structure

Rain Group – Corporate Structure



Group Holding Company | Cement Operating Company | Calcining Operating Company | Fuel Coke Marketing company

Above Chart includes only Operating Companies of Rain Group

Rain Group – Business Verticals

Rain Group

Cement

- Manufacturing and Sale of Cement.
- Two integrated Cement Plants in Andhra Pradesh and a Packing Plant in Karnataka
- Capacity of 3.50 Million Tons per annum
- Activities in South India (Predominantly in Andhra Pradesh, Karnataka and Tamil Nadu)
- Marketed under the brand name "Priya Cement".
- Entity – Rain Cements Limited

CPC and Energy

- Manufacturing and sale of CPC and Co-generation of Energy (Steam and Electricity)
- Capacity of 2.51 Million Tons per annum and 125 MW of Electricity / Steam
- Activities across the World with Seven operating plants in US and One operating plant each in India and China
- Four Waste-heat recovery plants (3 in US and 1 in India) and Fifth Waste-heat recovery plant in US is under construction
- Entities – Rain CII Carbon LLC, US and Rain CII Carbon (Vizag) Limited

Pet Coke Trading

- Marketing of Fuel Grade Green Petroleum Coke (Coal Substitute)
- A recent initiative to develop the relationship with the refineries
- Activities in US, Europe, Middle East and India
- Entities – Rain Global Services LLC, USA and RGS Egypt Limited

Growth opportunities exist in all three business verticals

Rain Group – Key Mile stones

1998 – Rain Calcining Ltd. (RCL) begins operations in Visakhapatnam, India with a capacity of 0.3 Million Tons

2005 – RCL doubles CPC capacity in India to become fifth largest Calciner globally

2006 – Acquired 20% stake in Great Lakes Carbon, US Largest Calciner in the world *(Divested it in 2007)*

2007
- Merger of RCL with Rain Commodities Ltd.
- Acquisition of CII (the 2nd largest Calciner at that point of time)

2008 – Completed Brownfield Cement Expansion of 1.5 Million Tons to increase Group's Cement Capacity to 3.16 Million Tons

2009 – Entry into Chinese CPC Markets, by acquiring a small CPC plant (of 20,000 Tons) and getting access to "Vertical Shaft Calciner" technology

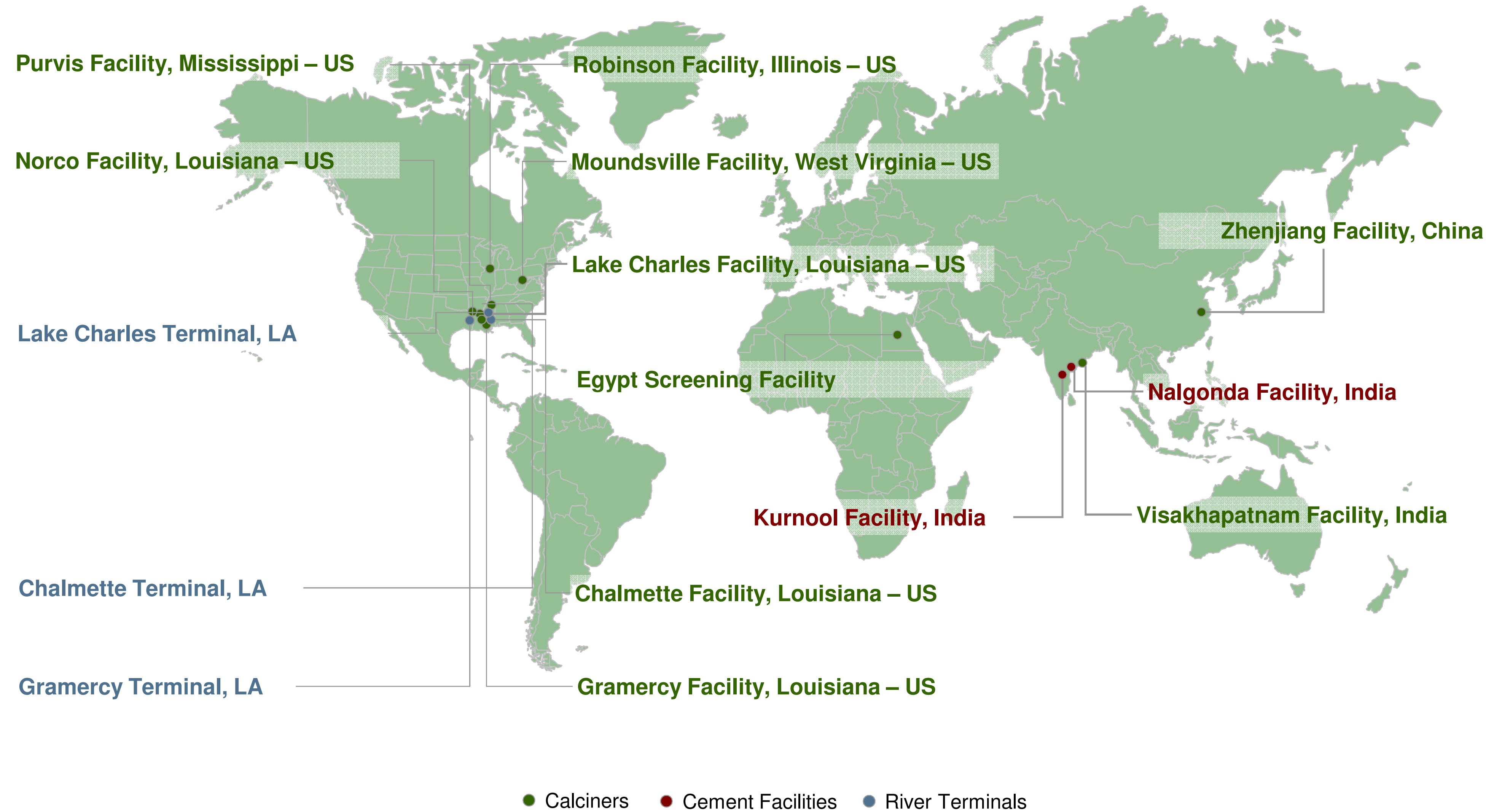
2010 – Acquisition of screening plant in Egypt (strategically located in the fast growing Middle Eastern markets)

2011 to 2013 – Acquisition of Limestone Mining Rights from Yash Birla Group.

Setting up of waste heat recovery facility in US.

Rain is one of the leading producer of CPC with a global market share of about 10%, with diversification into Cement, Energy and Petcoke trading businesses

Rain Group – Global Presence



Rain Group – Profile of Directors

N. Radhakrishna Reddy Chairman	•Mr. Radhakrishna Reddy has more than 40 years of experience in Construction and Cement Industry •He is the founder of Rain Commodities Limited
N. Jagan Mohan Reddy Managing Director	•Mr. Jagan Mohan Reddy holds a Bachelor's of Science degree in Industrial Engineering from Purdue University, U.S.A. He has about 20 years of experience in Calcined Petroleum Coke and Cement Industries. He is the founder of Rain CII Carbon (Vizag) Limited (Indian CPC Company) and is instrumental in creating the world's largest Calciner with the acquisition of CII Carbon L.L.C., USA
N. Sujith Kumar Reddy Promoter Director	•Graduate in Commerce with more than 15years of experience in Construction and Cement Industry •He is currently the Managing Director for Rain Cements Limited (Cement Operations of Rain Group)
Dipankar Basu Independent Director	•Mr. Basu was previously the Chairman of State Bank of India until his retirement in August 1995 •He is currently working as non-executive Chairman of Securities Trading Corporation of India Limited. He is also on the Boards of several other companies in India.
S.L. Rao Independent Director	•Mr. Rao was Director-General, National Council of Applied Economic Research, Delhi from 1990 to 1996 and was the first Chairman of the Central Electricity Regulatory Commission. He is a distinguished economist and is a Chairman, Board of Governors, Institute for Social and Economic Change, Bangalore. He is presently on the Board of Governors of the IIM-Lucknow, Madras Crafts Foundation.
HL Zutshi Independent Director	•Mr. Zutshi has about 40 years of illustrious career in the fields of Energy and Petroleum. •He is the former Chairman and Managing Director of Hindustan Petroleum Corporation Ltd.
G. Krishna Prasad Independent Director	•Mr. Krishna Prasad holds a Bachelor's degree in Electronics Engineering from India and a Masters degree in Computer Science from Wayne State University, Detroit . He is at present Managing Director in Emergency Dictation Software Services Private Limited and Tecra Systems Private Limited and Director in Srinija Infrastructure Pvt. Limited
Yogesh Rasthogi Nominee Director - ICICI Bank	•Mr. Yogesh Rasthogi holds a Bachelor's Degree in Engineering from IIT, Delhi and Post Graduate Diploma in Management from IIM. •He is the Zonal Head-South, Corporate Banking, ICICI Bank Limited .
E.S. Ravisekar Nominee Director - IDBI Bank	•Mr. Ravisekar is the in-charge of Jawaharlal Nehru IDBI Staff College, Hyderabad. •He has been working with IDBI bank for more than 30 years.

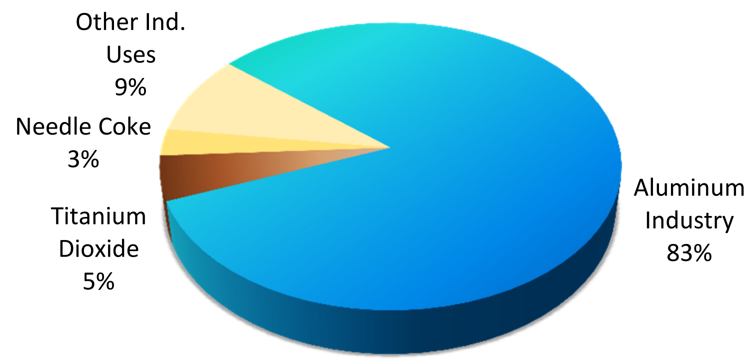
Perfect blend of industry and financial expertise

Industry Fundamentals

Overview of Calcining Industry

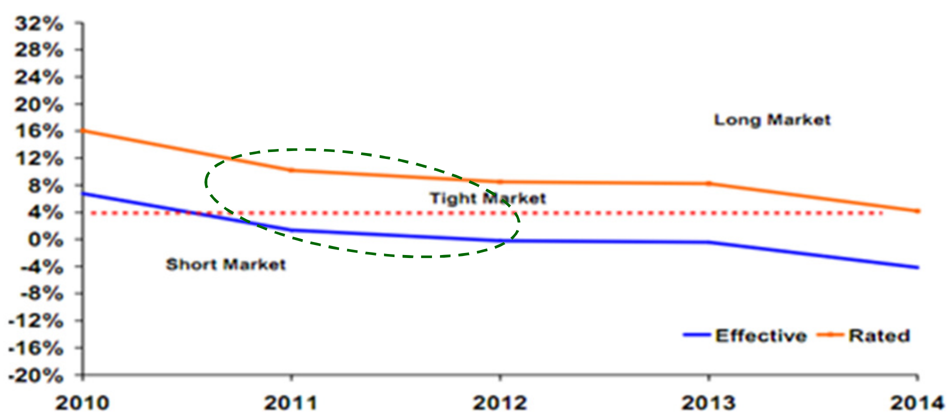
- Calcined Petroleum Coke (“CPC”) is produced from Green Petroleum Coke (“GPC”), a by-product in crude oil refining
- CPC is an essential component of carbon anodes used in Aluminum smelting, contributing more than 80% of total world demand for CPC.
- CPC is also used in other industries, including Titanium Dioxide, Steel Industry (as a Carbon riser), Graphite Industry, etc.

2010 World Calcined Coke Demand by End-use



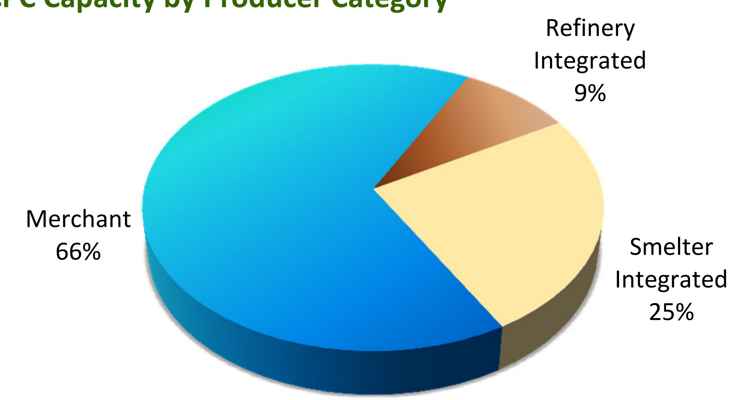
Source: Jacobs Consultancy Inc.

World Reserve CPC Capacity (% of Total CPC Demand)



Source: Jacobs Consultancy Inc.

2010 CPC Capacity by Producer Category



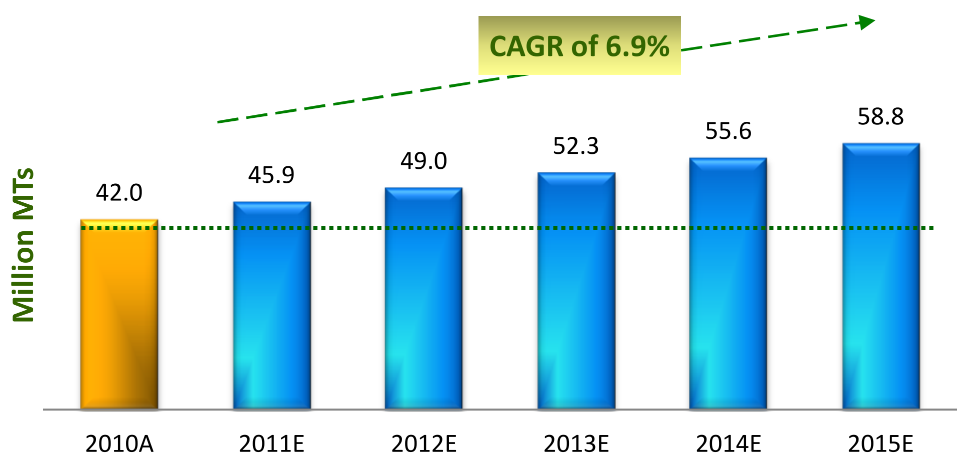
Source: Jacobs Consultancy Inc.

Expected tightness in calcining capacities would help sustaining the stable operating margins

Favorable Aluminium Industry Dynamics

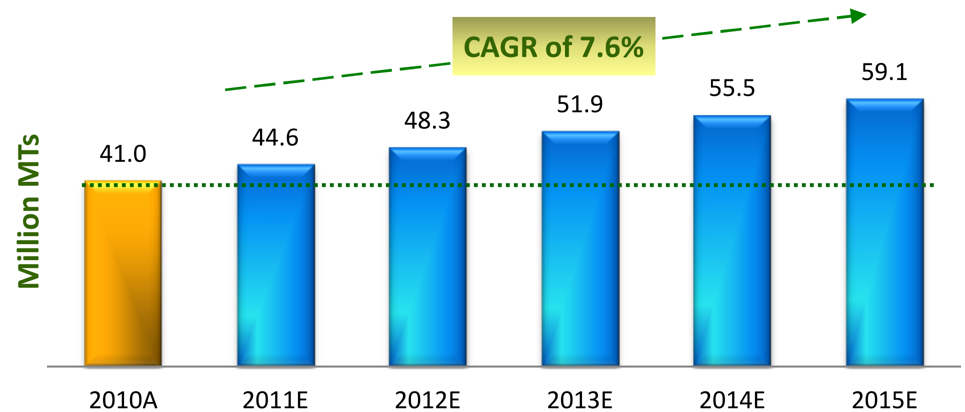
- Global demand for Aluminium grew during 2000–2007 and has returned to positive growth from 2010 primarily because of demand from emerging economies (especially India and China)
- Long-term prices are supported by supply and demand fundamentals
  - Accelerating global growth driven by developing countries. China is the primary contributor, with the other BRIC countries (Brazil, Russia and India) also growing strongly
  - Increasing use of Aluminium as a substitute for other metals, in Automobiles, Aircrafts, Packaging, Civil Construction, etc.

World Aluminium Production (2010–2015E)



Source: CRU

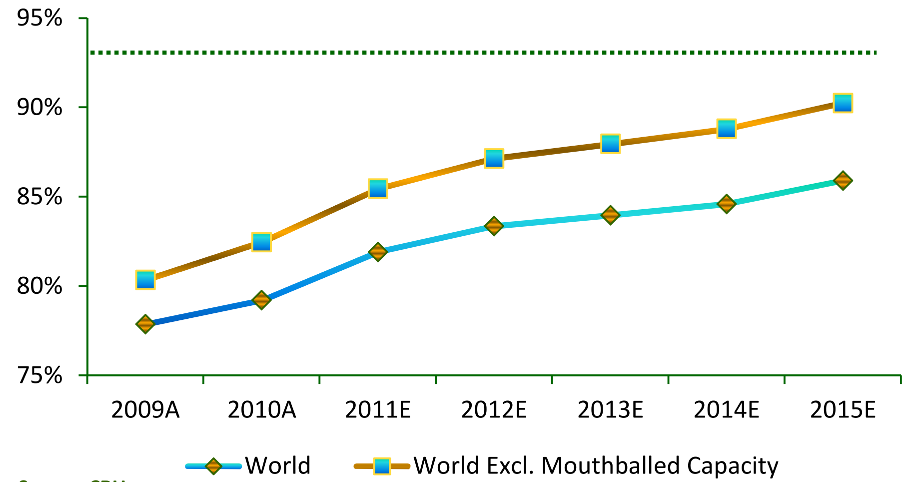
World Aluminium Consumption (2010–2015E)



Source: CRU

Aluminium Capacity Utilization

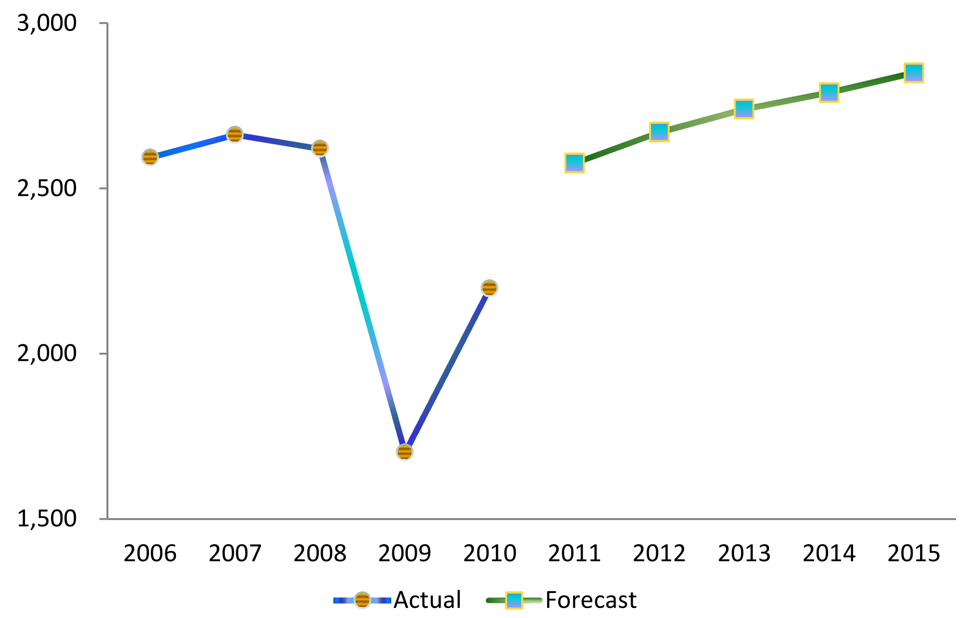
(US$ per MT)



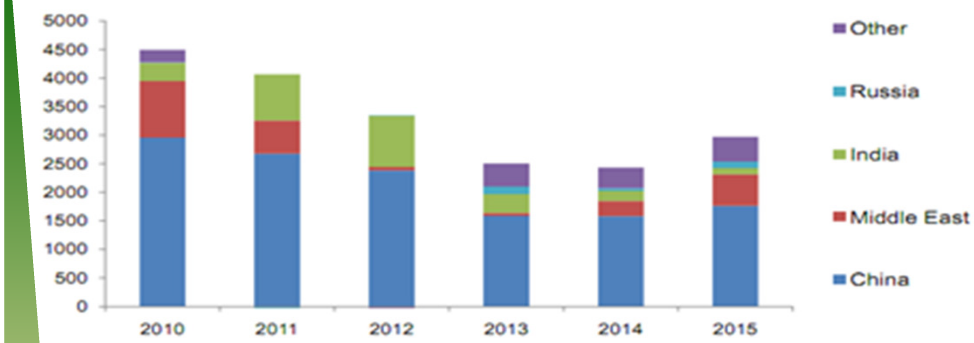
Source: CRU

Favorable Aluminum Industry Dynamics (Cont.)

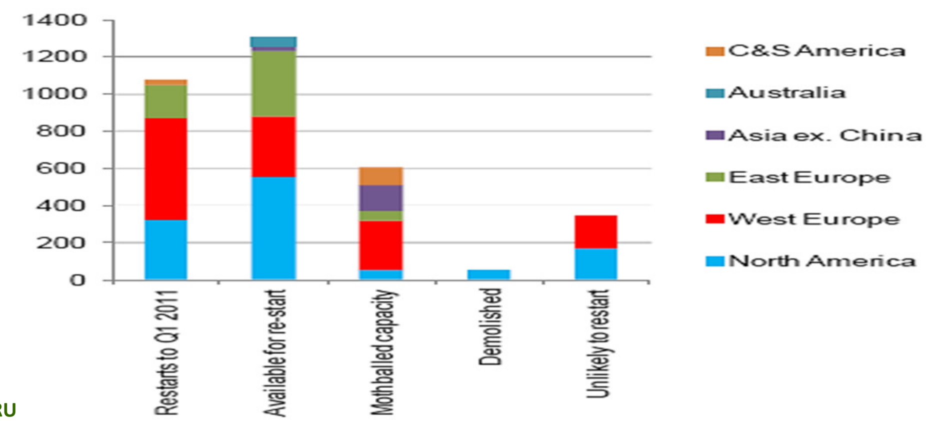
Aluminum Price Forecast
(US$ per MT)



Capacity Additions by region: 2010-2015
(MT Thousands)



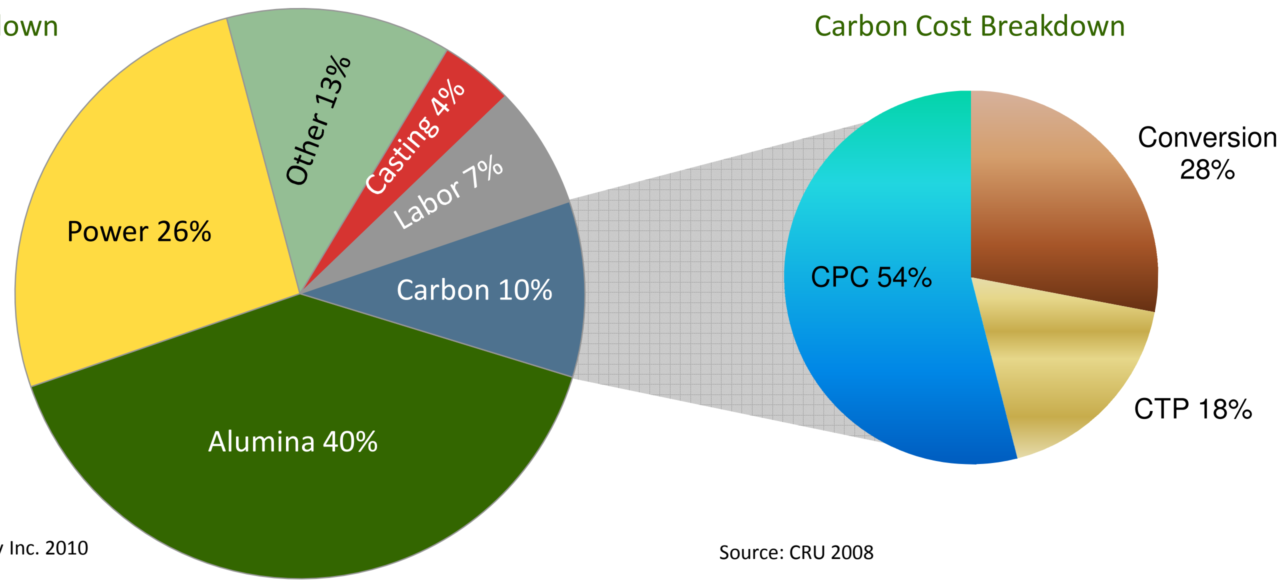
Restarts of idle capacities
(MT Thousands)



Source: CRU

Substantial recovery in LME prices is encouraging the massive capacity additions in Asia and Middle-east and restarts of idle capacities in high cost regions (viz. North America and Europe)

CPC is a ‘Critical Consumable’ in Aluminum Smelting



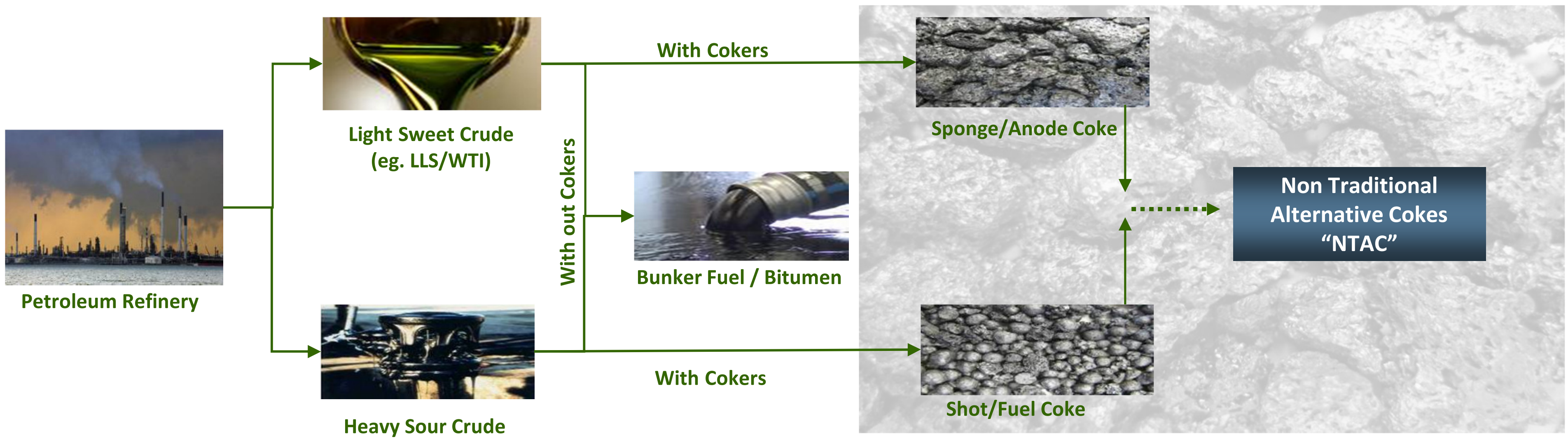
Source: Jacobs Consultancy Inc. 2010

Source: CRU 2008

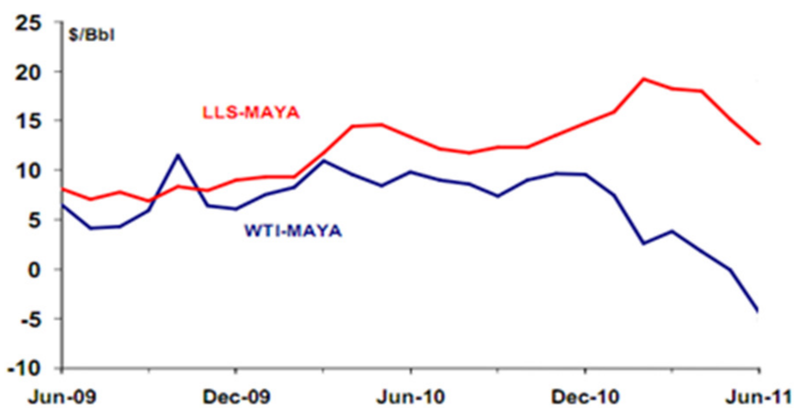
- Every Ton of Aluminium require ~ **0.4 Tons** of CPC and there is no viable ‘**Known Substitute**’ for CPC in Aluminium Smelting
- CPC is critical consumable in Aluminium Smelting (in its Anode Plant):
  - **Quality of Aluminum** produced varies with quality of CPC used
  - **Efficiency of smelting process** varies with quality of CPC
  - **Capacity utilization** varies with the quality of CPC
- Hence, Aluminium Smelters secure supply of CPC on a long term basis, for consistent quality and security of supply

CPC is a critical raw material in Aluminium smelting process

Limited Availability of GPC



Sweet/Sour Spread (LLS-MAYA)

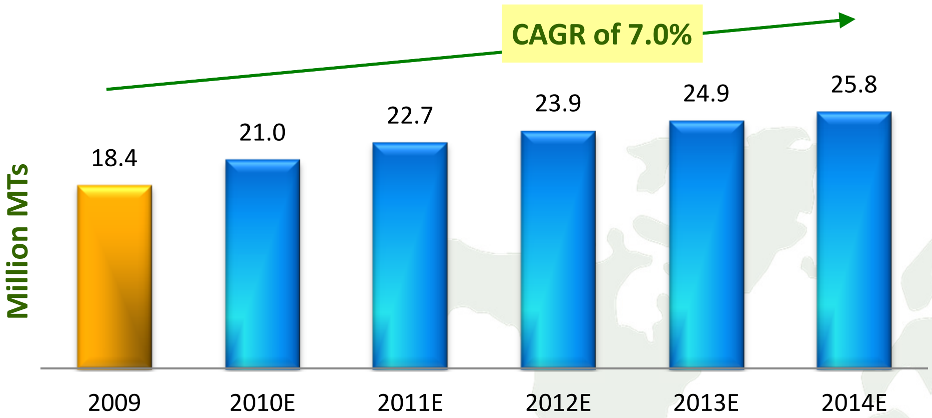


Source: Jacobs Consultancy Inc.

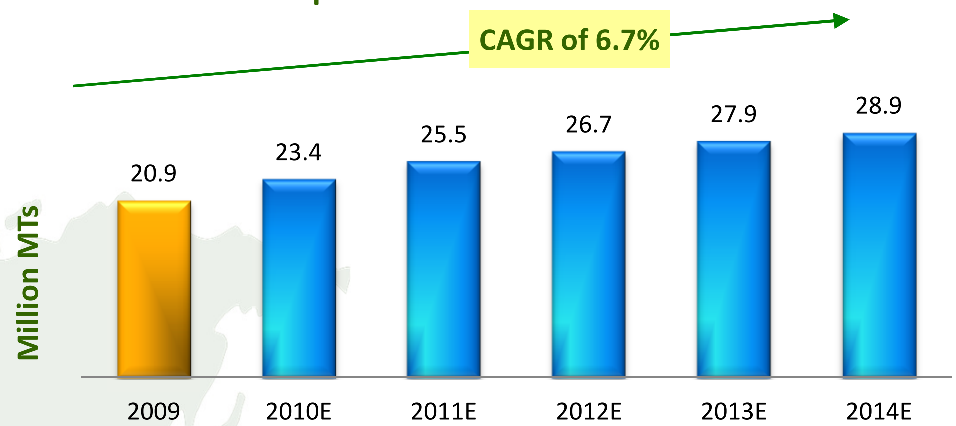
- Refineries optimize their profits by changing the "Crude Basket" and by shifting the product portfolio from Coking to Non-Coking products.
- Although, Anode Grade GPC is a premium product to Fuel Grade GPC, with a premium of about 50 to 100%, Refineries would always prefer to refine "Sour Crude" due to better refining margins.
- Typically a refinery gets ~ 1 to 3% of its total revenue from sale of GPC. Hence, GPC is viewed as a product to be disposed-off and not as a product to be marketed.

Limited Availability of GPC (Cont.)

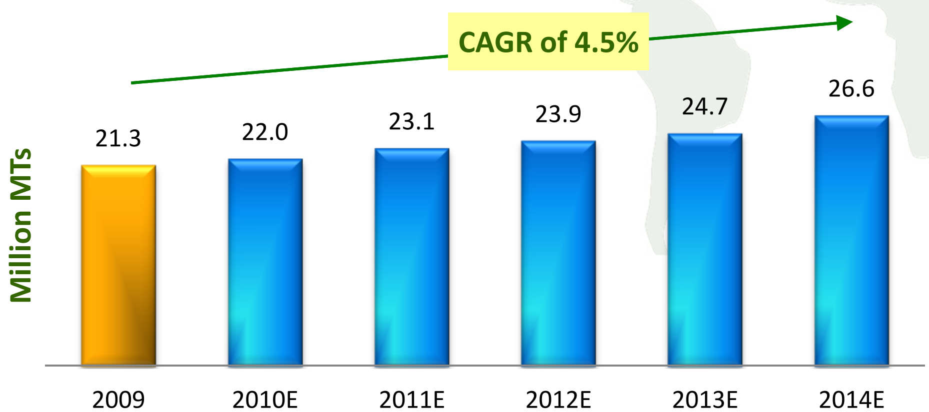
World CPC Demand



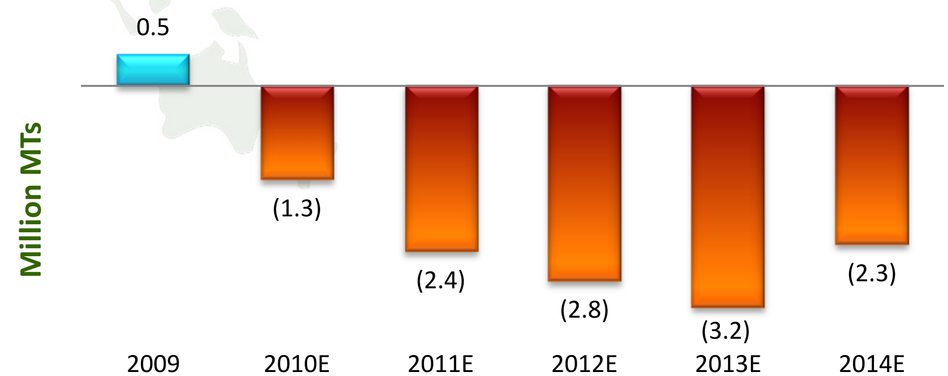
Anode Grade GPC required



Availability of Traditional Anode Grade GPC



Excess/(Short fall) in the availability of Anode Grade GPC

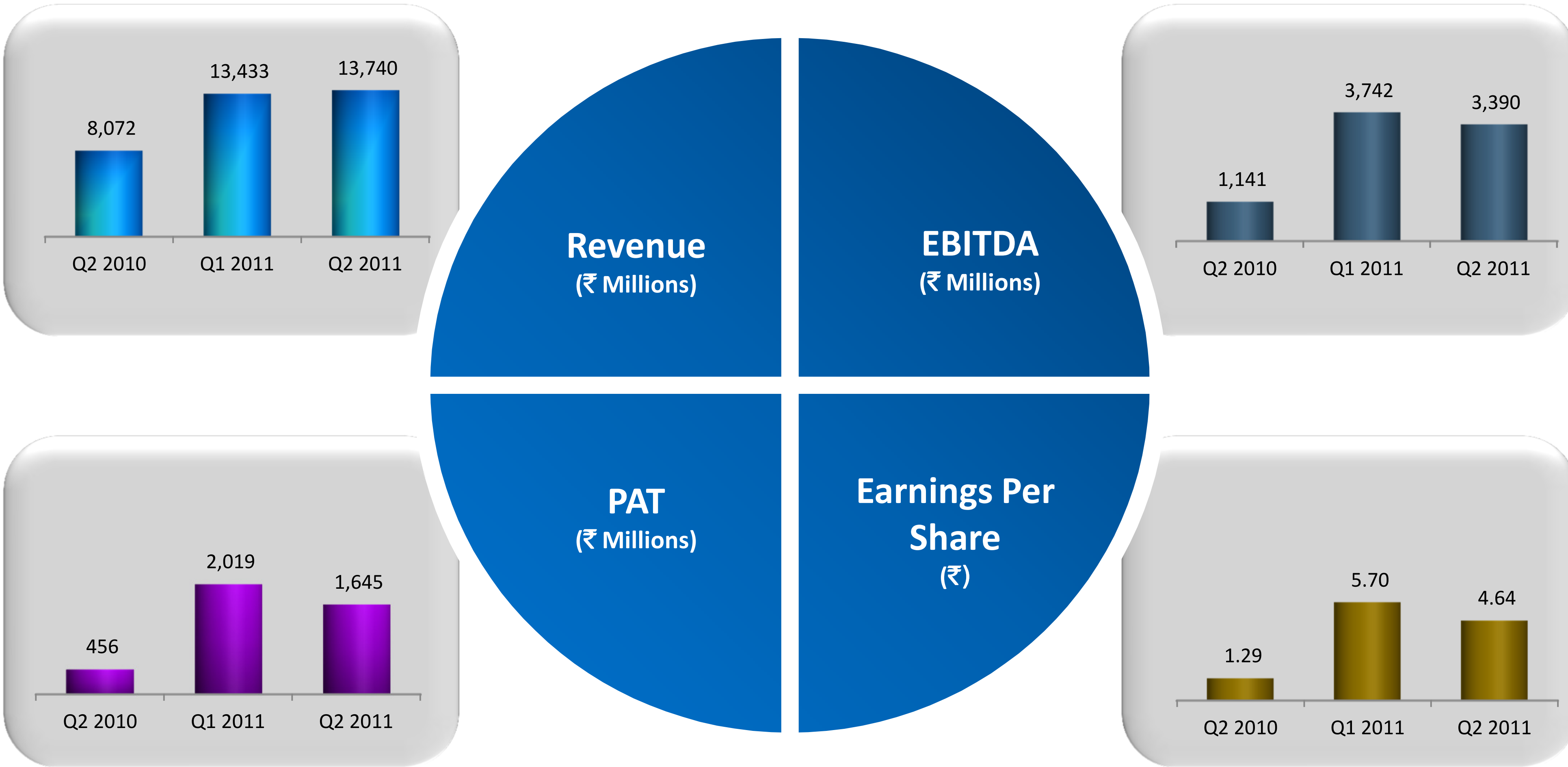


Use of NTAC is the only way to overcome the shortfall in Anode Grade GPC

Source: Jacobs Consultancy Inc.

Rain Group – Financial Overview

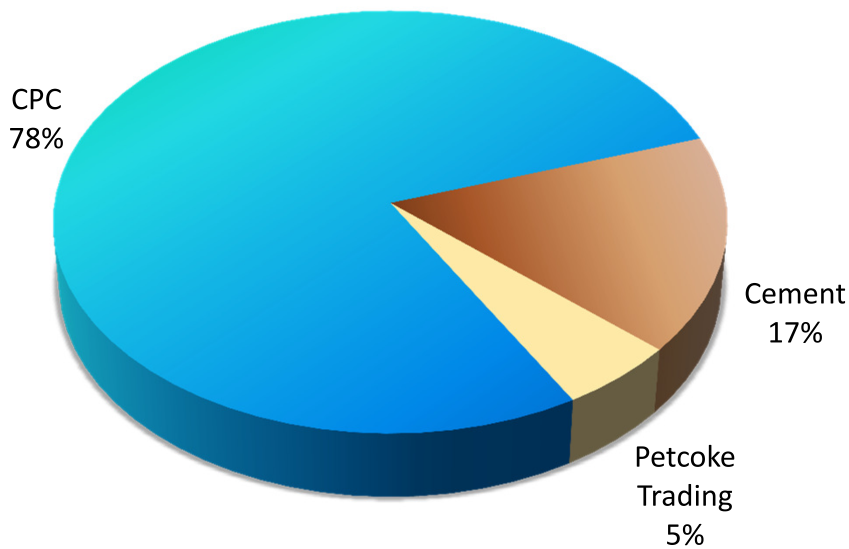
Consolidated Financial Performance



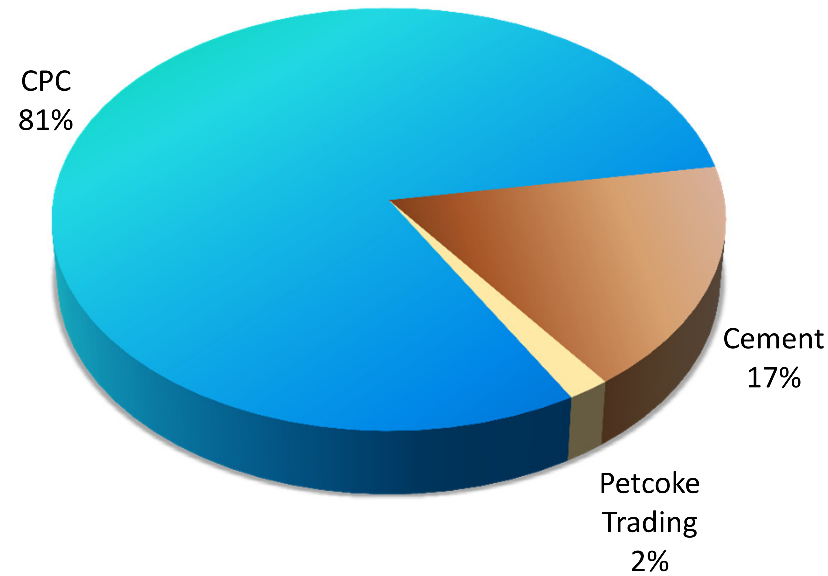
Group Revenues and EBITDA have increased by 70% and 197% respectively, during Q2 2011 as compared to Q2 2010, with strong recovery in both CPC and Cement businesses

Business Concentration – Q2 2011

Revenue Breakdown



EBITDA Breakdown

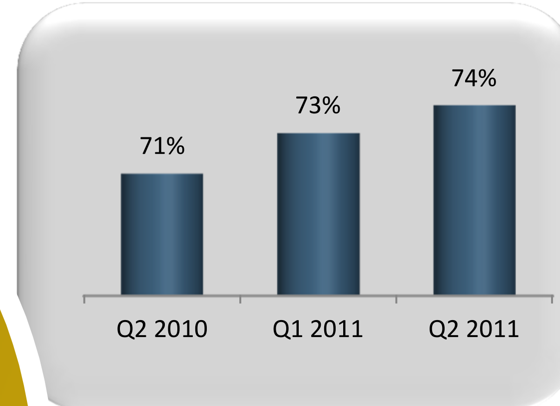


CPC, the core business of Rain Group, contributes about 80% of Consolidated Revenues and EBITDA

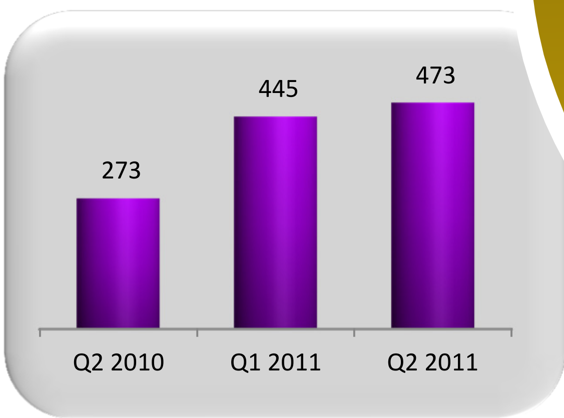
Rain Group – CPC Snap Shot

Sales Volume
(Thousand MTs)

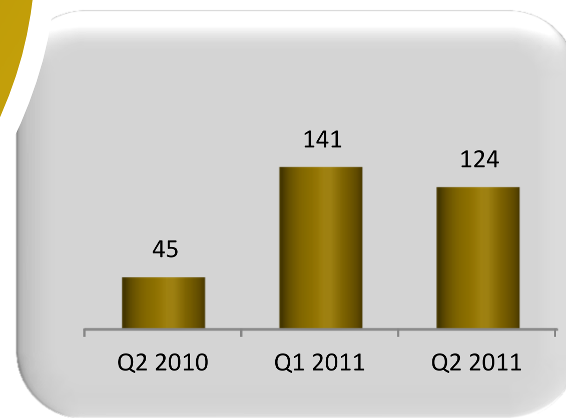
Capacity Utilization
(%)



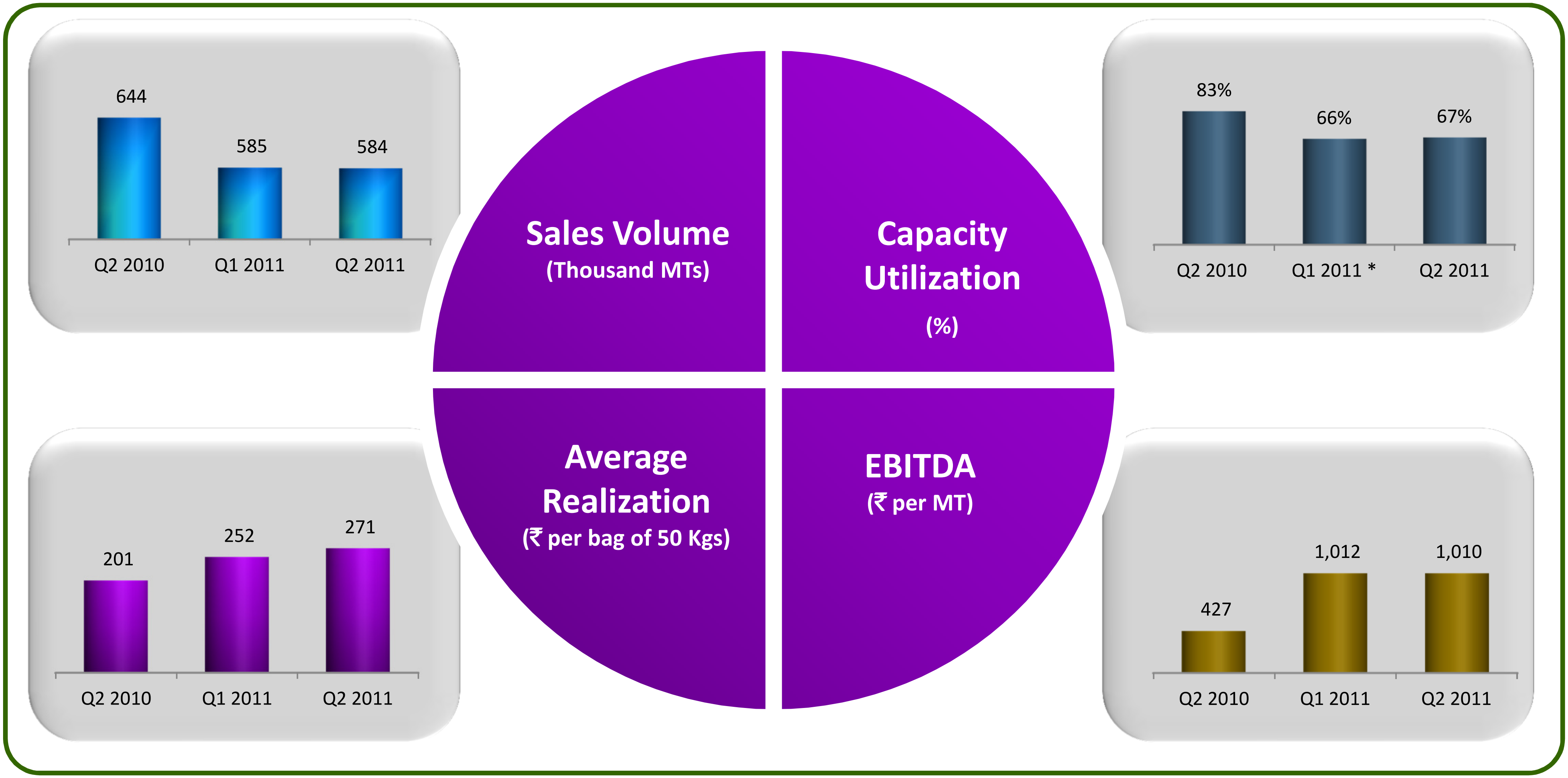
Average Realization
(US$ per MT)



EBITDA
(US$ per MT)



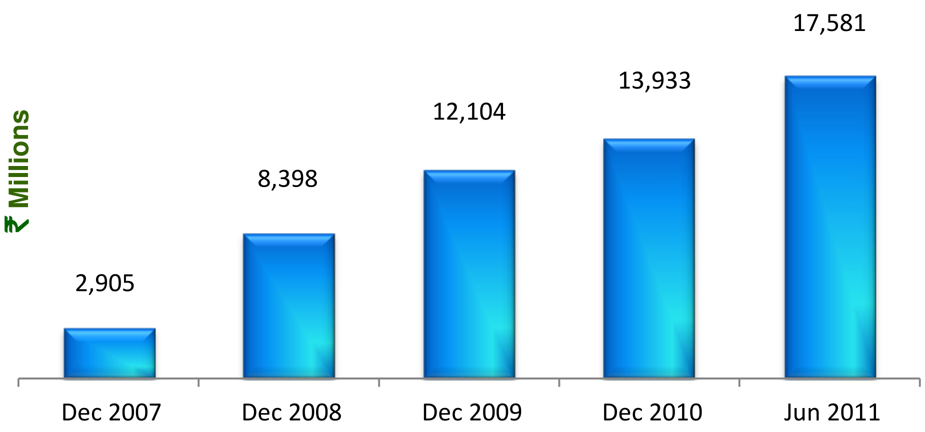
Rain Group – Cement Snap Shot



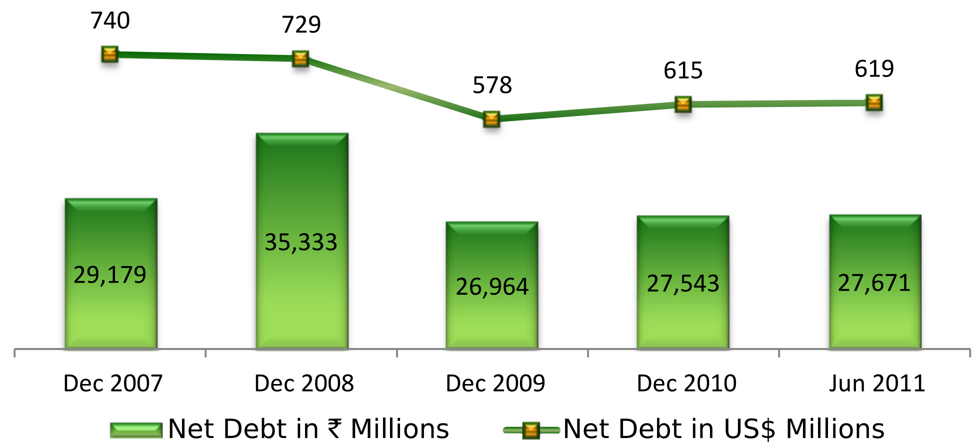
Note*: With de-bottlenecking and start of Fly Ash handling facility in Bellary (Karnataka), Cement capacity has increased from 3.16 to 3.5 Million tons from Q1 of 2011.

Substantially improved Financial Leverage

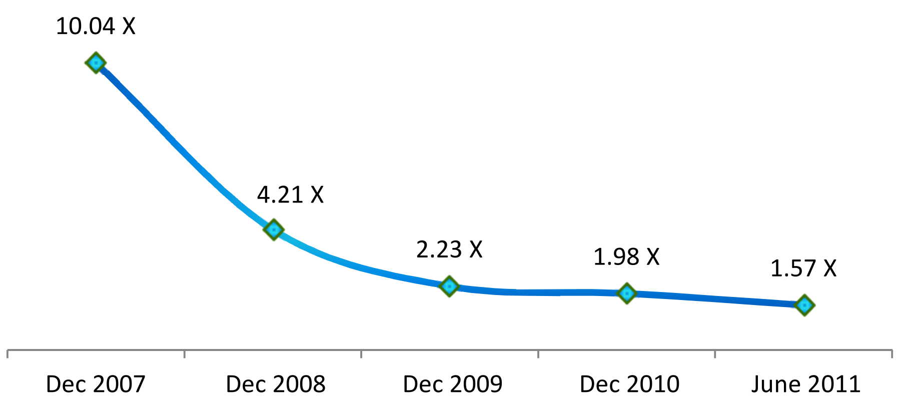
Equity



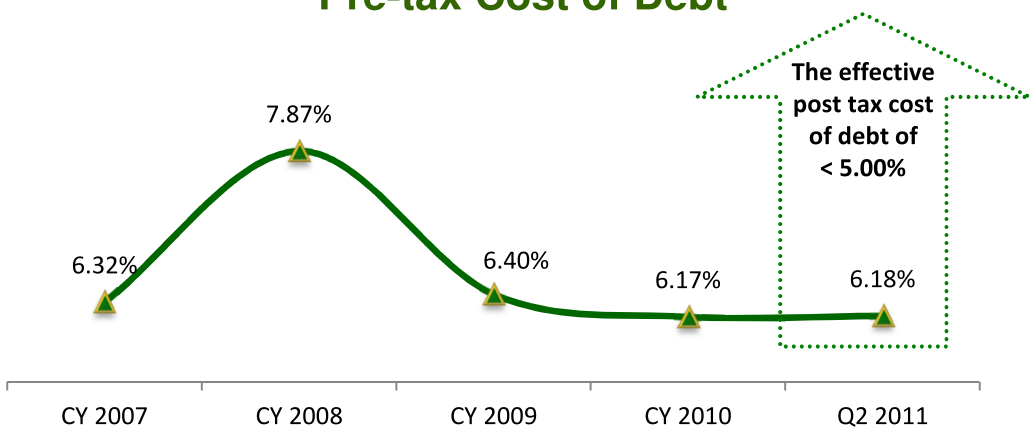
Net Debt



Net Debt to Equity



Pre-tax Cost of Debt



Substantial improvement in Financial Leverage at 1.57X as on June 2011 vis-à-vis 10.04X as of December 2007

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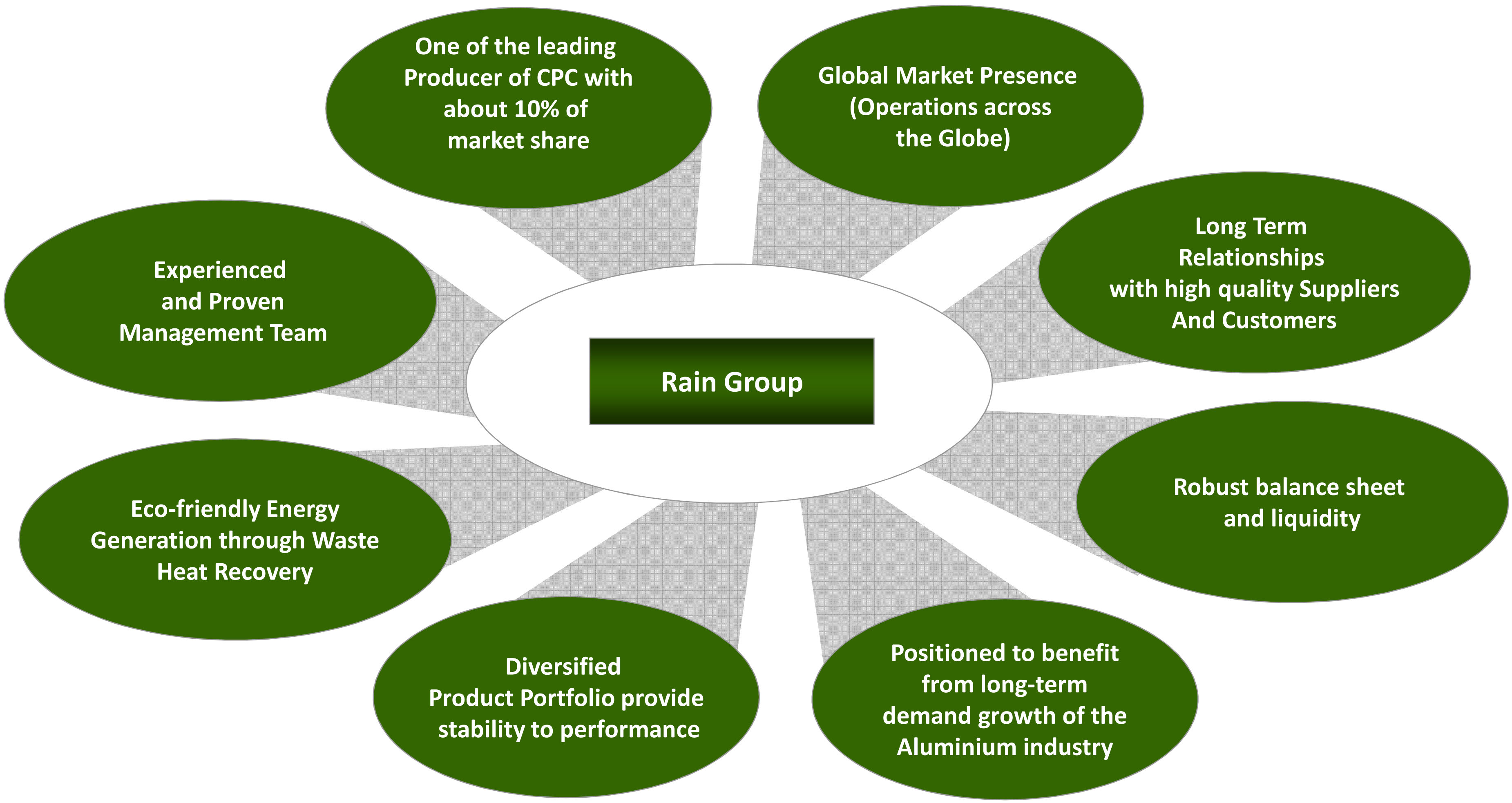
Debt Profile

(US$ Millions)	Amount	Type of interest	Rate	Remarks
	As on Jun 30, 2011			
Senior Secured Notes	400	Fixed rate	8.00%	Bullet repayment in 2018.
Senior Subordinated Notes	16	Fixed rate	11.13%	Bullet repayment in 2015. Call option accrues to the company from Nov 2011.
Junior Subordinated Notes	17	Fixed rate	10.00%	Bullet repayment in 2018.
External Commercial Borrowings	139	Floating rate	L + 300 bps	Quarterly installments upto 2016. Can only be prepaid with the prior consent from RBI.
Senior Bank Debt	45	Floating rate	L + 350 bps	Annual installments upto 2013.
Other Short Term Debt	13	Fixed rate	10.66%	Quarterly installments upto 2013.
Sales Tax Deferment	21	Interest Free	0.00%	Repayable over a period of 15 years beginning from 2012.
Gross Term Debt	**651**		**6.61%**	
Add: Working Capital Debt	88			
Less: Cash and Equivalents	120			
Net Debt	**619**			

	US$ Millions
Debt As on June 30, 2011	**651**
Scheduled Repayments	
H2 2011	11
CY 2012	26
CY 2013	122
CY 2014	11
Later Years	481

With existing cash balance of US$ 120 Million, Rain is comfortably placed to meet repayment obligation of US$ 160 Million during next three years and Expansion Capex of US$ 60 Million (to set-up Waste-heat recovery plant in US)

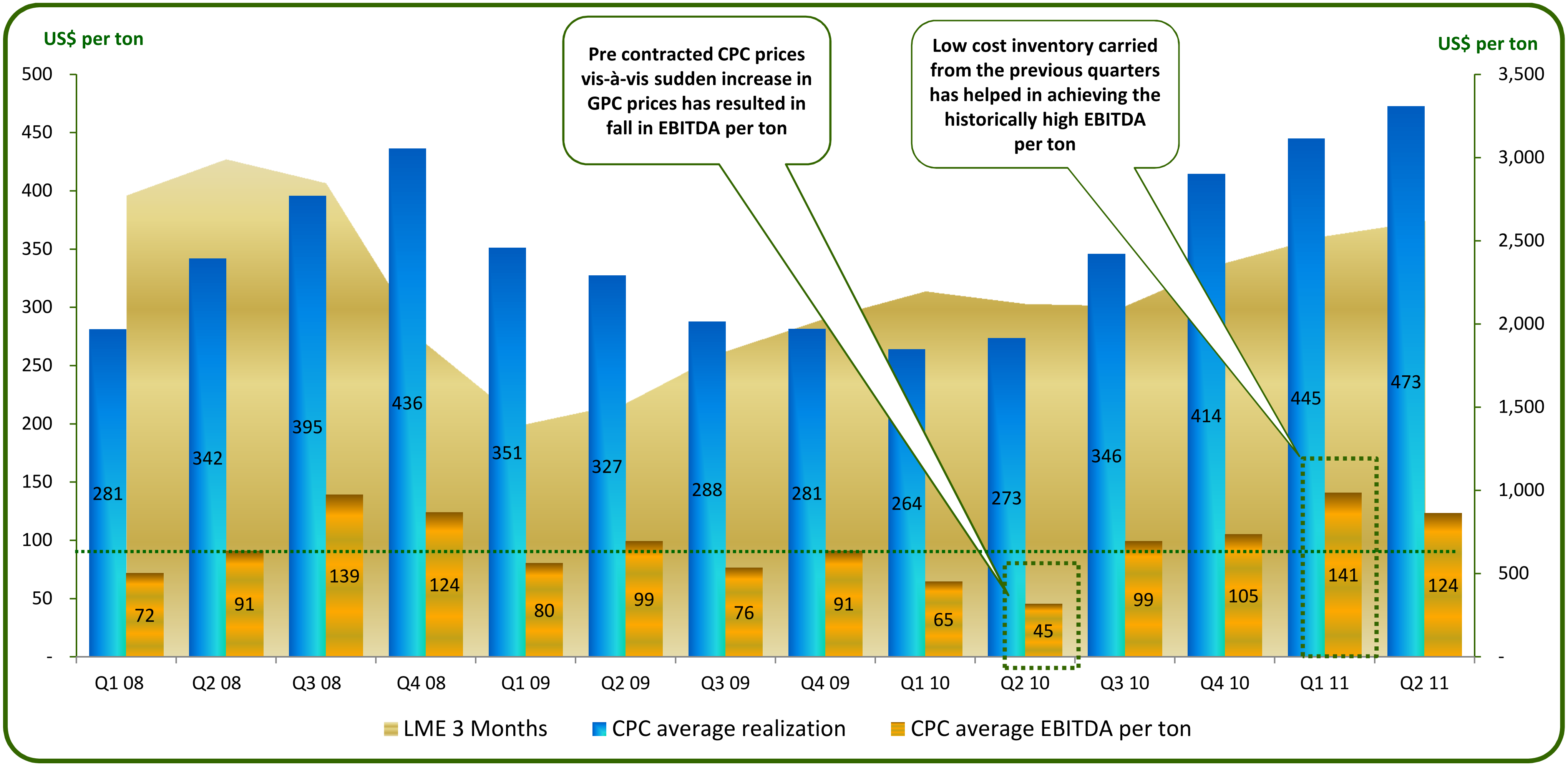
Key Strengths



Stable Financial Performance, Poised for Growth

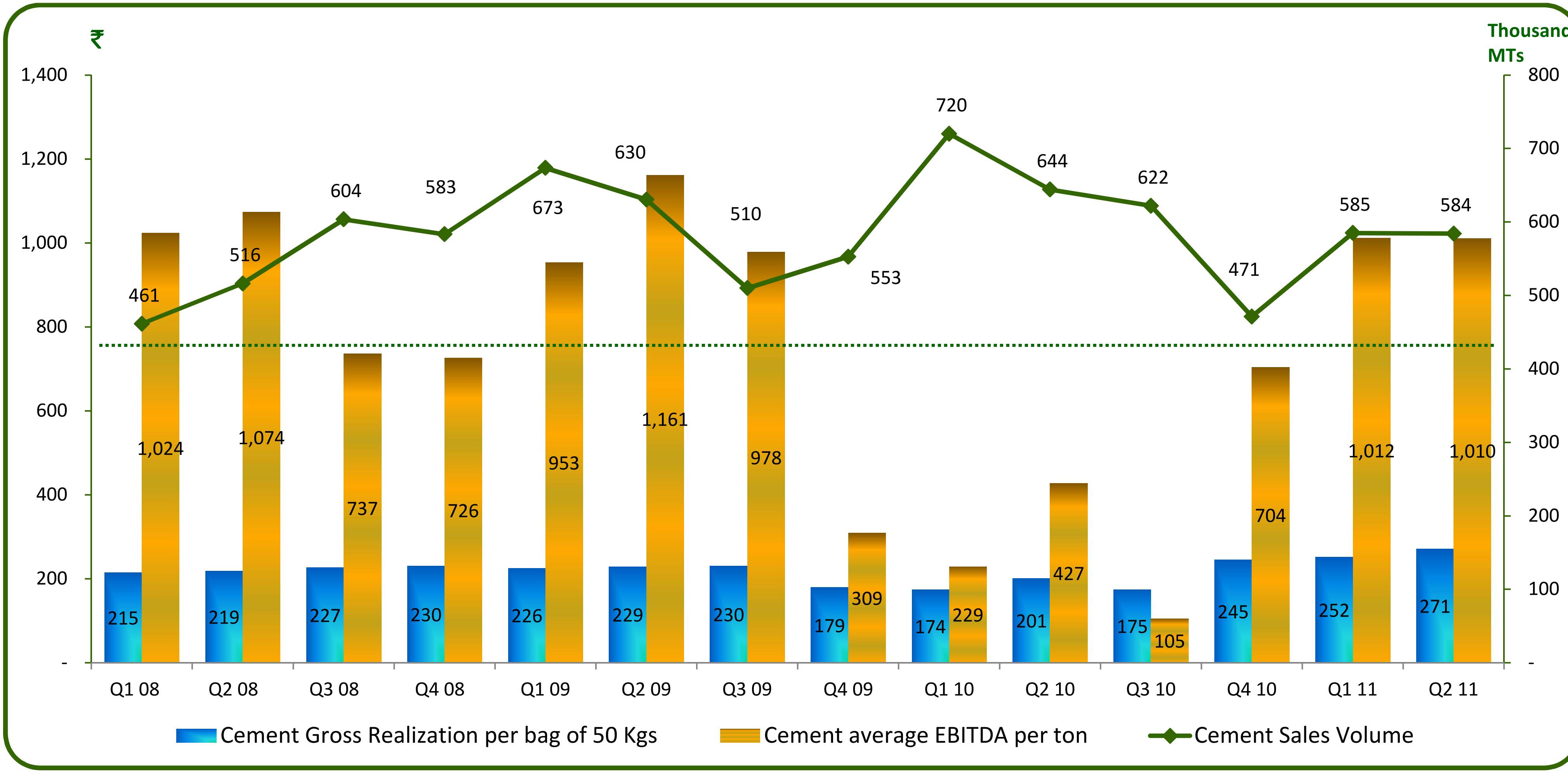
Appendices

CPC Historical Data



The average EBITDA during the last fourteen quarters is US$ 97 per MT

Cement Historical Data



The average EBITDA during the last fourteen quarters is ₹ 746 per MT

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Thanks for your time and attention

In case of any further details please contact:

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