Rain Industries Limited

(Formerly Rain Commodities Limited)

Corporate Presentation – September 2014

Rain Group Corporate and Business structure

Rain Group – Business Verticals

Rain Group

Carbon Products

- Manufacturing and sale of CPC, CTP, Naphthalene, Co-generation of energy and trading of GPC.
- Activities across the World with thirteen operating plants in US, Canada, Europe, India, Egypt and China.
- CPC capacity of 2.1 Million Tons, Coal Tar distillation capacity of 1.0 million Tons and co-generation capacity of ~125 MW.
- Additional Coal Tar Distillation capacity of 0.3 Million Tons, through Russia JV, is expected to commence operations in 2015.
- 5 Waste-heat recovery plants (4 in US and 1 in India).

Cement Products

- Manufacturing and Sale of Cement.
- Two integrated Cement plants in Andhra Pradesh and a Packing Plant in Karnataka.
- Annual capacity of 3.50 Million Tons.
- Activities in the states of Andhra Pradesh, Karnataka, Tamil Nadu and Maharashtra.
- Markets Cement under the brand "**Priya Cement**"

Chemical Products

- Distillation and sale of primary coal tar distillates into chemical products such as:
  - Aromatic chemicals,
  - Super-plasticizers
  - Resins and Modifiers; and
  - Other Chemicals
- Activities across the World with Four operating facilities in Europe and North America.

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

2007

- Merger of RCL with Rain Commodities Ltd.
- Acquisition of CII (the 2nd largest Calciner at that point of time) with an EV of US$618 million.

2008

Completed Brownfield Cement Expansion of 1.5 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 near to the fast growing Middle Eastern markets)

2012

Setting up of Group's fifth Waste-heat recovery facility in United States

2013

Acquisition of Rütgers (Second largest Coal Tar Distiller in the World) with an EV of €702 million.

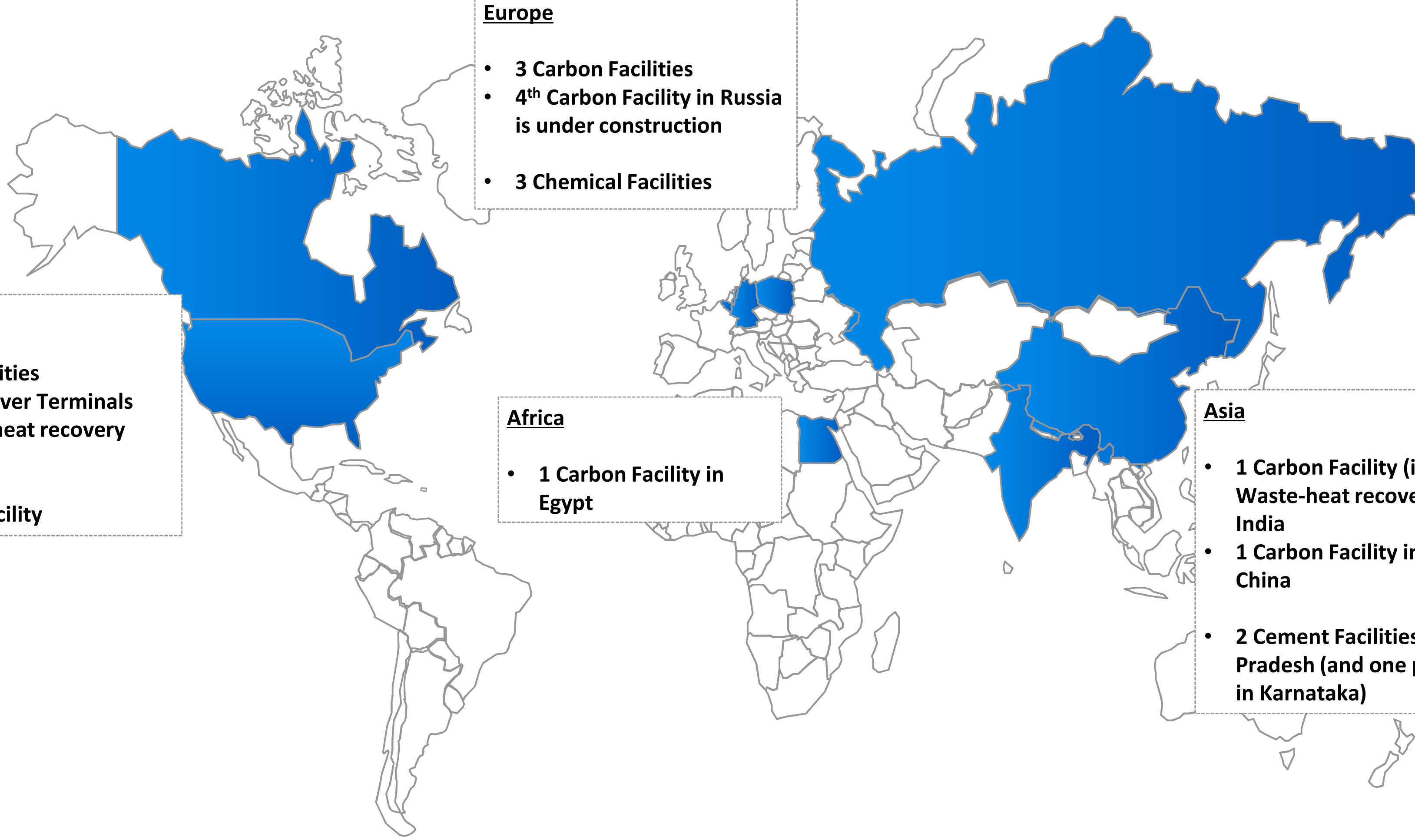
2014 & 2015

14,000 tons Phthalic Anhydride ("PA") expansion project in Belgium.

Greenfield Coal Tar Distillation facility with a capacity of 0.3 Million Tons, through Russian JV.

Rain Group is growing continuously in its Core business through capacity expansions and acquisitions and successfully integrating the same with its existing business

Diversified Geographical Profile



Europe

- 3 Carbon Facilities
- 4th Carbon Facility in Russia is under construction
- 3 Chemical Facilities

North America

- 7 Carbon Facilities (Including 3 River Terminals and 4 Waste-heat recovery facilities)
- 1 Chemical Facility

Africa

- 1 Carbon Facility in Egypt

Asia

- 1 Carbon Facility (including 1 Waste-heat recovery facility) in India
- 1 Carbon Facility in Zhenjiang, China
- 2 Cement Facilities in Andhra Pradesh (and one packing facility in Karnataka)

With best-in-class Facilities across Four Continents, Rain Group supplies to customers across the World

Note: Effective January 1, 2014, Rain Group closed 400K tons of Calcining facility in Moundsville - West Virginia, USA.

Industry Developments

Overview of Calcining Industry

Oil Refining Industry

Green Petroleum Coke - A by-product

- GPC production related to refining of sweet crude
- Reliable off-take is critical

Coke Calciners

Calcined Petroleum Coke

Captured through calcining process

- Critical in the value chain of Green Coke
- Regional competition given high transportation costs
- High barriers to entry due to limited availability of GPC and scale of economies.

Aluminum Industry

CPC <10% of Production Cost

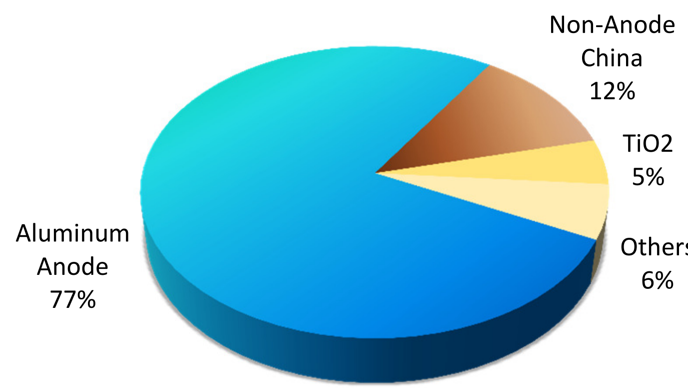
- No economically viable substitute for CPC in Aluminum production process
- Reliable and continuous supply of CPC with consistent high quality is crucial
- Complementary to CTP in anode production

Overview

- CPC is produced from GPC, a by-product in crude oil refining
- Calciners compete on the basis of product quality and reliability, apart from the price
- Availability of Anode-grade GPC has been declining as oil refiners process heavier, more sour crude oils
- Additional worldwide CPC capacity effectively constrained by availability of suitable GPC
- Industry participants working to develop CPC from lower quality GPC sources
- Every Ton of Aluminum requires ~ 0.4 Tons of CPC

World CPC Demand by End Use

CY 2012 Estimated



Overview of Coal Tar Industry

Steel Industry

Coal Tar - A by-product

- Coke production related to steel industry's production volumes
- Reliable off-take is critical

Coal Tar Distillers

Pitch ~48%

Aromatic Oils ~40%

Naphthalene Oil ~12%

- Critical in the value chain of coal tar
- Regional competition given logistical limitations/high transportation costs
- High barriers to entry due to scale economies, asset intensity and know-how requirements

Aluminum Industry

Pitch <5% of Production Cost

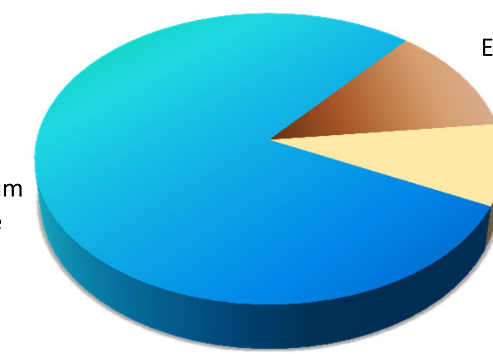
- No economically viable substitute for pitch in Aluminum production process
- Reliable and continuous supply of pitch with consistent high quality is crucial
- Complementary to CPC in anode production

Overview

- CTP is produced from coal tar, a by-product of metallurgical coke ovens in steel industry
- The need for CTP determines the rates of operation for coal tar distillation
- Distillers position their facilities in close proximity to tar suppliers due to specialized transportation requirements to move coal tar and costs associated therewith
- CTP is the essential binder used primarily to make carbon anodes for the Aluminum industry and carbon electrodes for the electric arc furnaces of the Steel industry, in addition to other lower volume applications
- Every Ton of Aluminum requires ~ 0.1 ton of CTP

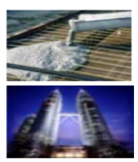
World CTP Demand by End Use

CY 2012 Estimated



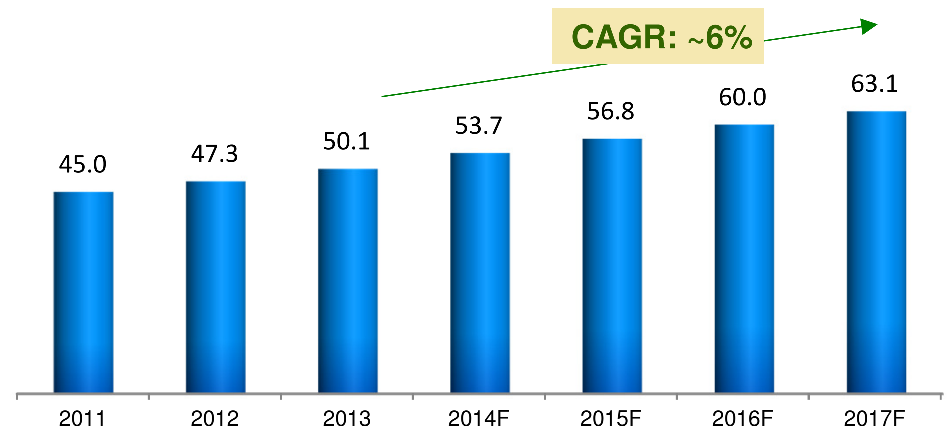
Overview of Chemical Products

Chemicals

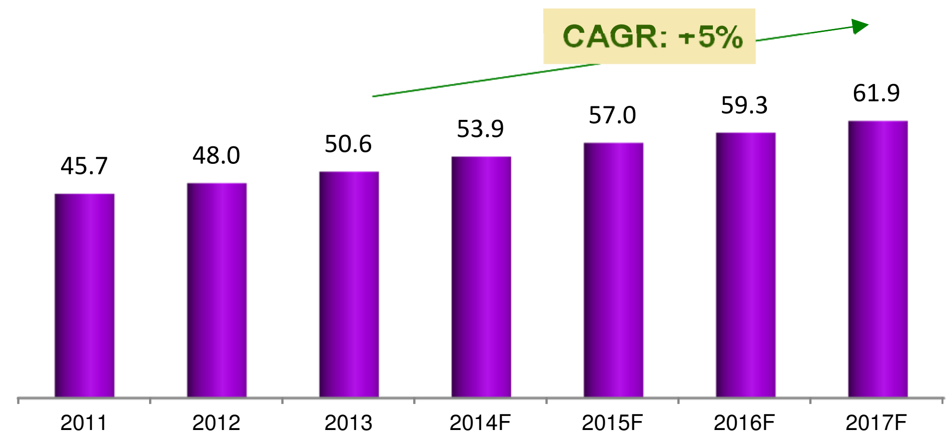
	Superplasticizer	Resins & Modifiers	Aromatic Chemicals	Chemical Trading
Key Raw Materials	▶ Naphthalene oil	▶ Carboindene ▶ C9 feedstock	▶ Carbolic oil ▶ Anthracene oil	▶ Crude benzene/benzene
Products	▶ Superplasticizer chemicals	▶ Resins ▶ Modifiers (DIPN)	▶ Phenol ▶ Specialty products	▶ Crude benzene/benzene
Key Applications				
Key End Markets	▶ Chemicals ▶ Admixture and construction	▶ Adhesives/coatings ▶ Rubber ▶ Paper	▶ Chemicals ▶ Automotive/tyres ▶ Wire varnish	▶ Carbon chemicals ▶ Crude aromatics
Plants	▶ Candiac (CAN)	▶ Duisburg (GER) ▶ Uithoorn (NL)	▶ Castrop-Rauxel (GER)	▶ Duisburg (GER)

Aluminum Industry Outlook

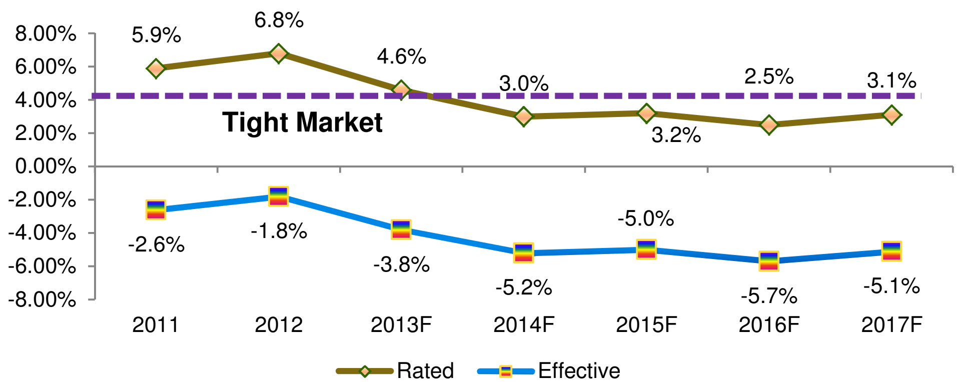
Global Aluminum Consumption
(Mt in millions)



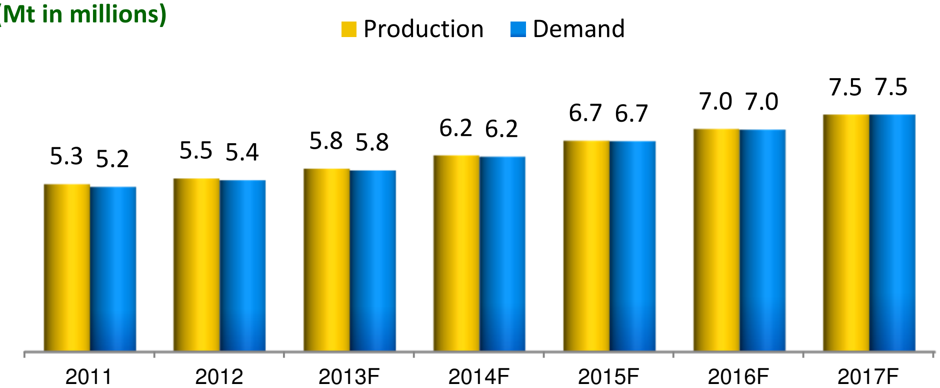
Global Aluminum Production
(Mt in millions)



CPC Outlook - % of Reserve Calcining Capacity



Coal Tar Pitch Outlook
(Mt in millions)

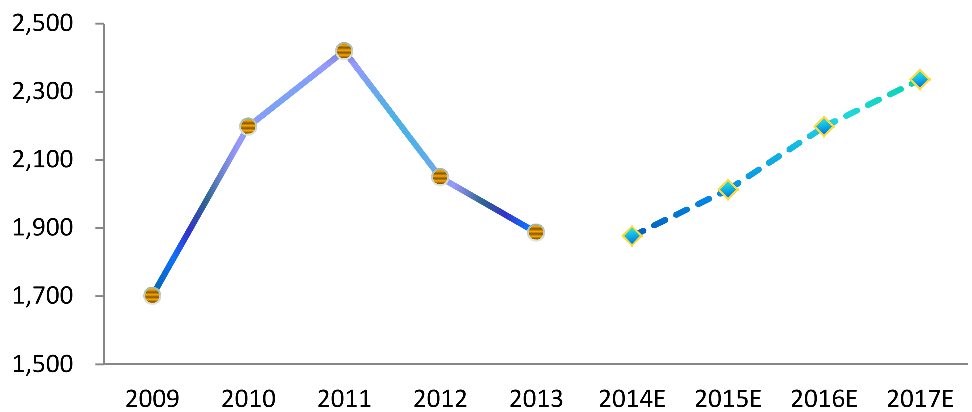


Global Aluminum production is expected to grow at a CAGR of 5% driving incremental demand for both CPC and CTP

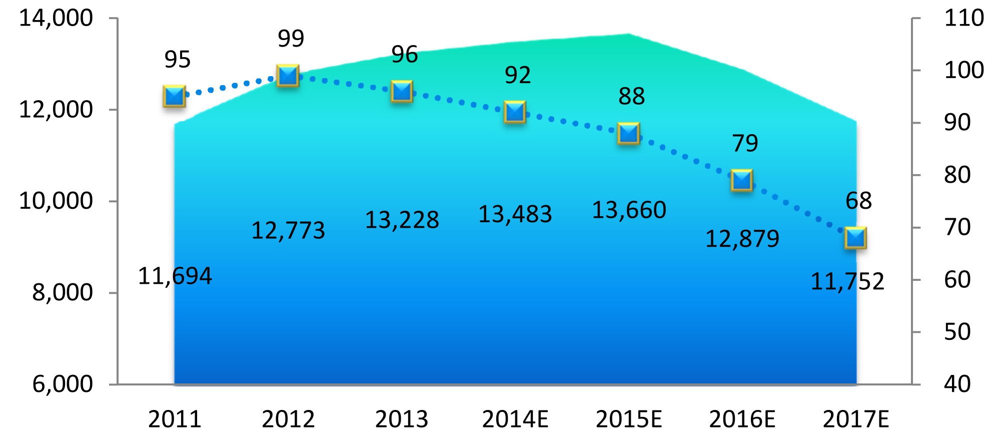
Source: Industry

Aluminum Industry Outlook (Cont.)

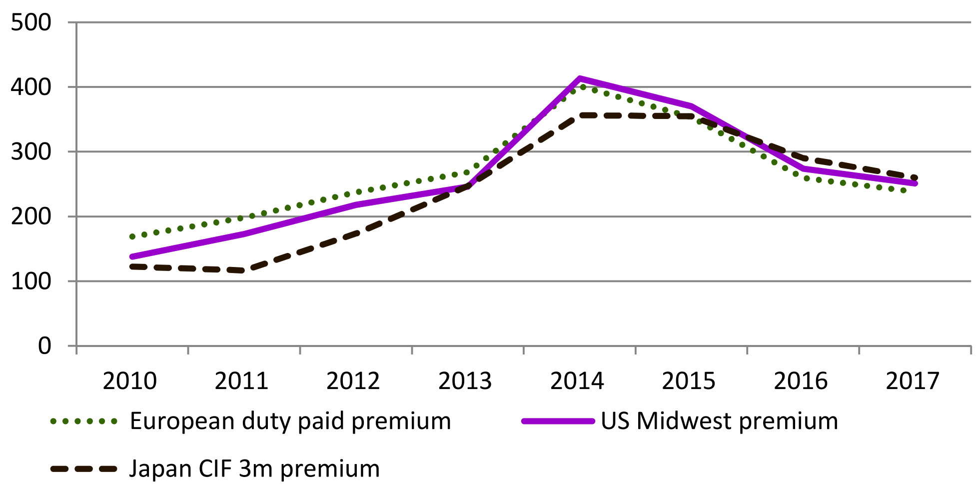
Aluminum Price Forecast (US$ per MT)



Total metal stocks and days of inventory

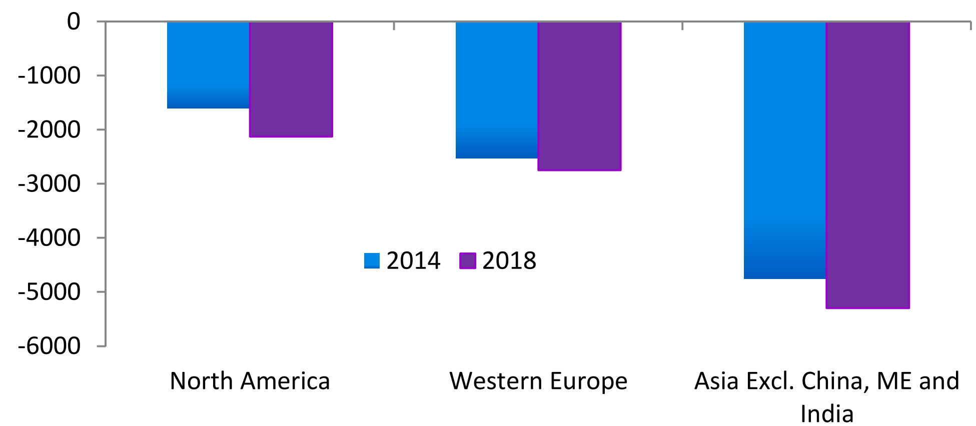


Regional premiums (US$ per MT)



Demand exceeding supply world Excl. China, ME and India

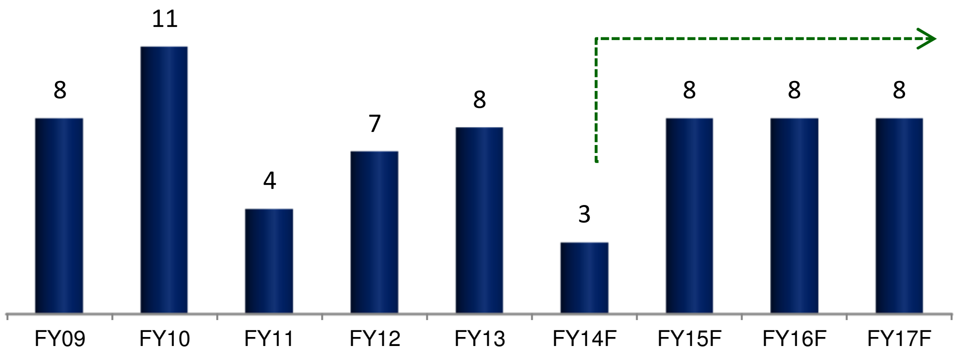
(‘000 MTs)



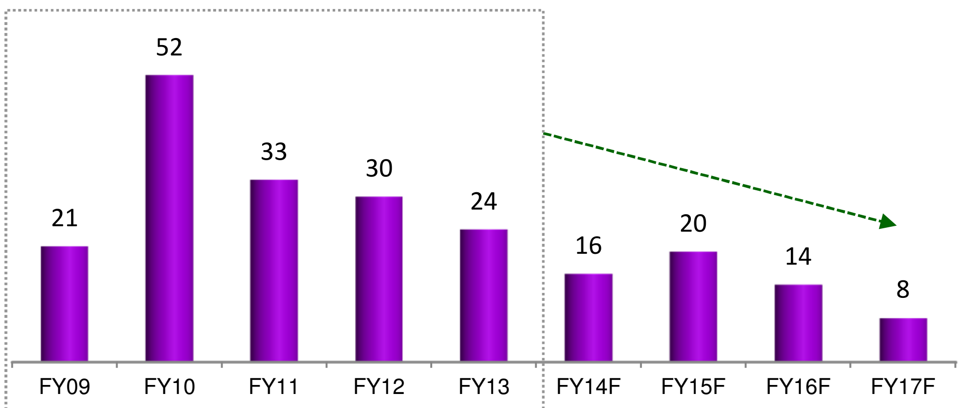
Source: Industry

Cement Industry Outlook

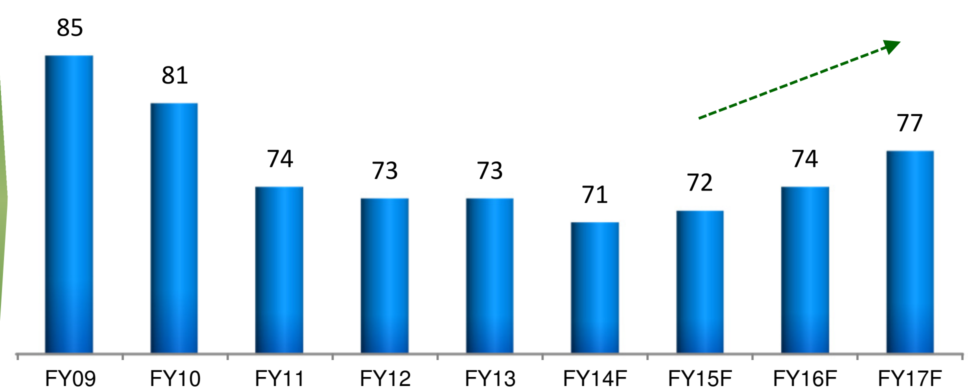
Cement Demand Growth – All India %



Capacity additions – All India MTs



Cement Capacity Utilizations – All India %



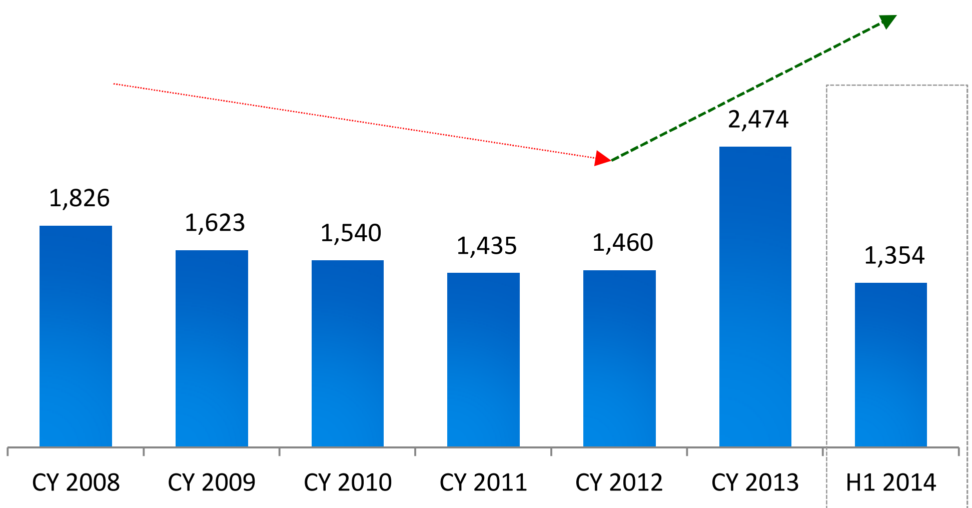
With the expected moderation in the capacity additions and likely improvement in the demand Cement industry is looking buoyant at this time

Source: Industry

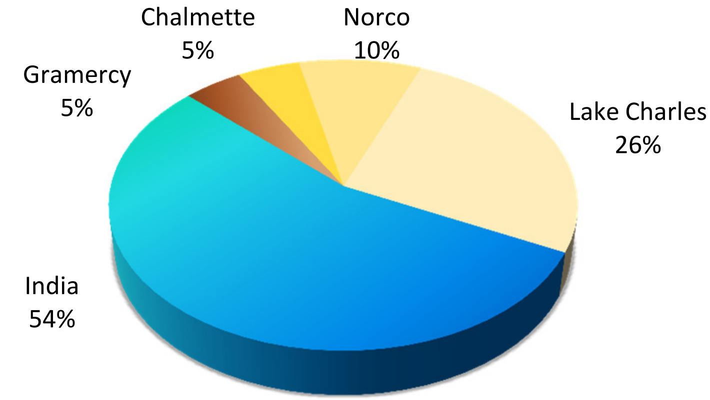
Energy Business Outlook

- Rain Group believes co-generation of energy (equivalent to ~ 125 MW of electricity) from its Calciners as one of the key competitive advantage.
- The Group has invested in energy generation facilities at its
  - Visakhapatnam, India facility
  - Chalmette, Gramercy, Norco and Lake Charles facilities in the USA
- All teething problems at Lake Charles Energy project are resolved now and we expect to see the full benefit of this project from Q3 2014, which would provide additional support to the Group's operating profits.

Energy Revenues – INR Millions



Energy concentration by plant

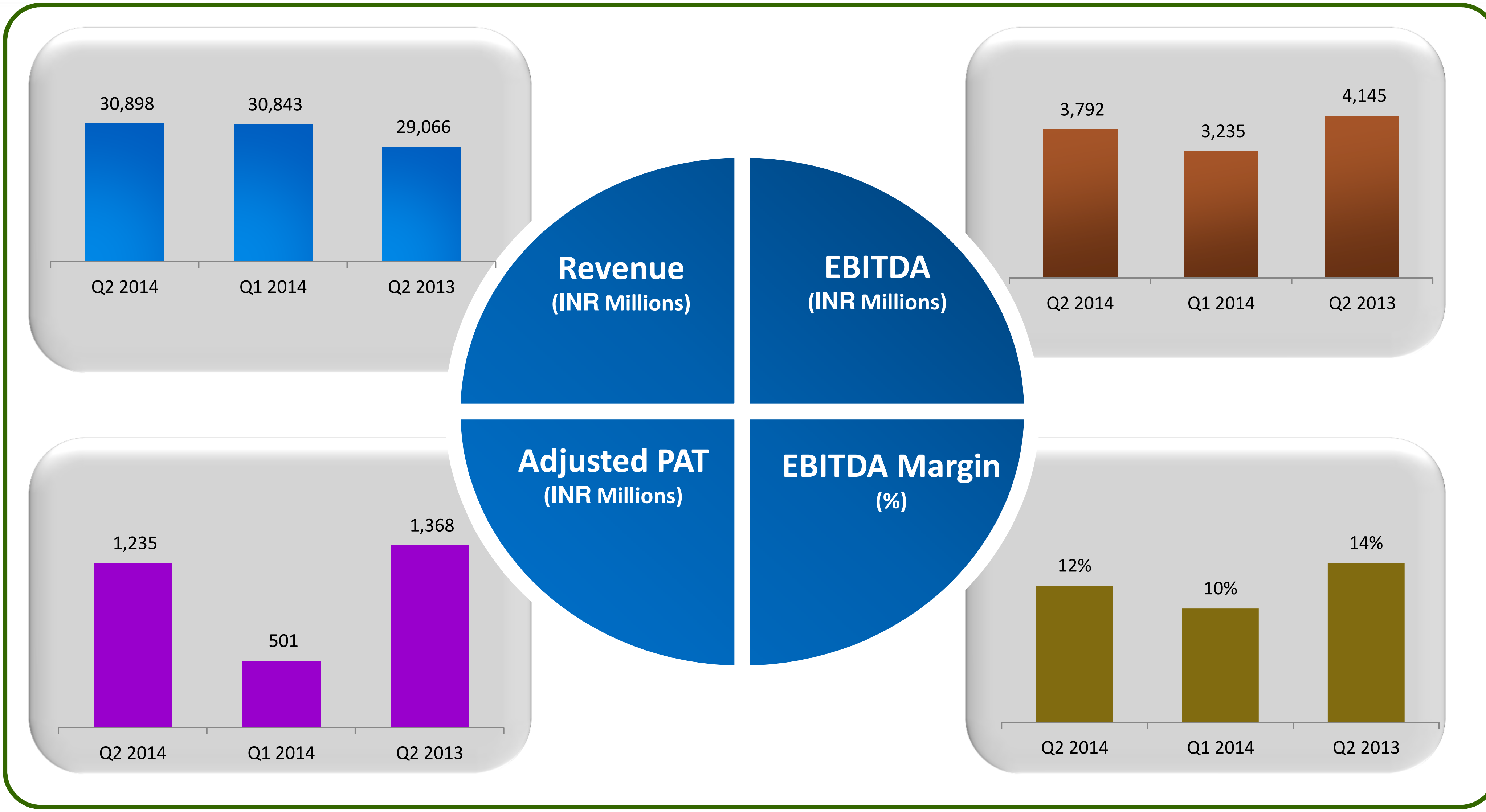


CY 2013

Rain Group is the only Calciner in the World with substantial revenues from Waste-heat recovery

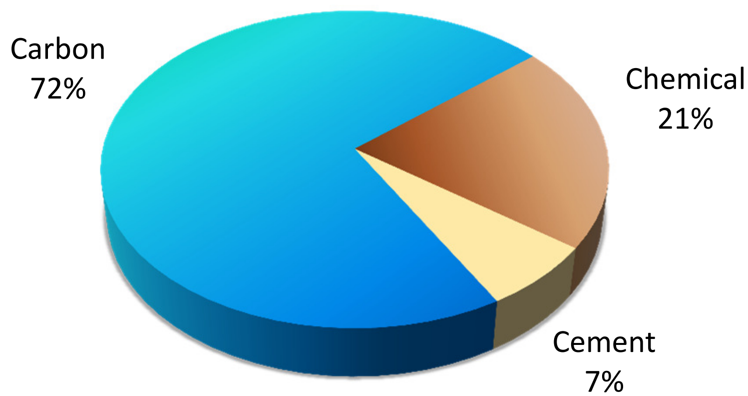
Rain Group – Financial Snapshot

Consolidated Financial Performance

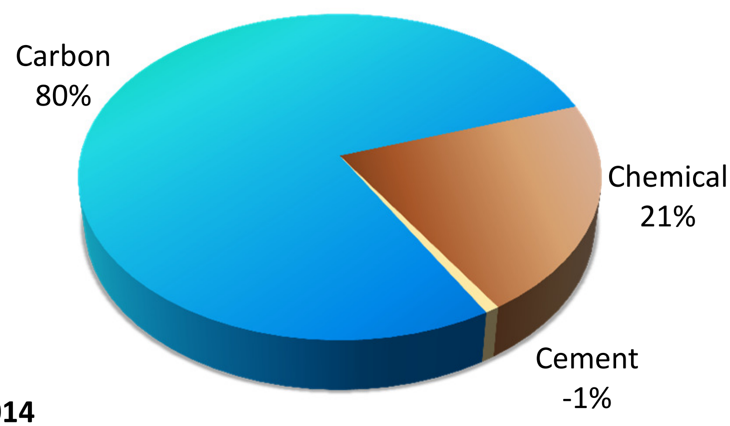


Business Concentration

Revenue Breakdown

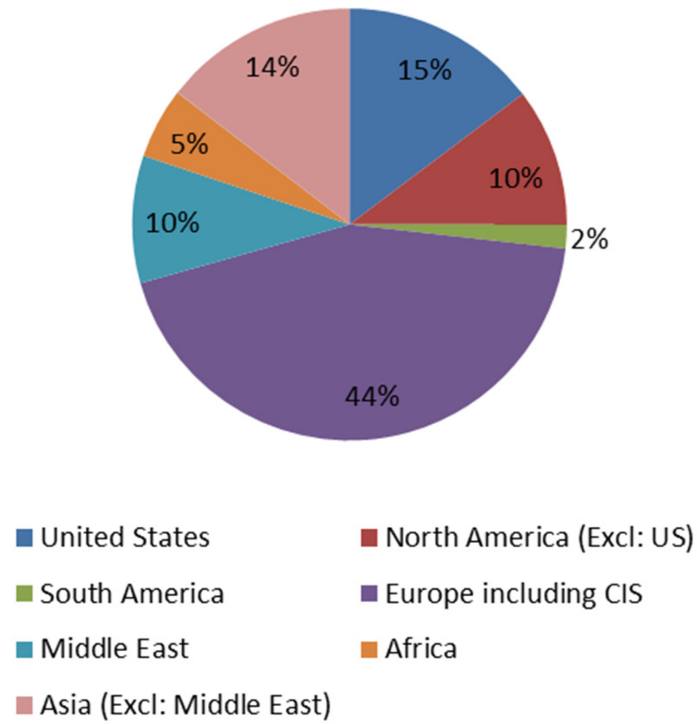


EBITDA Breakdown



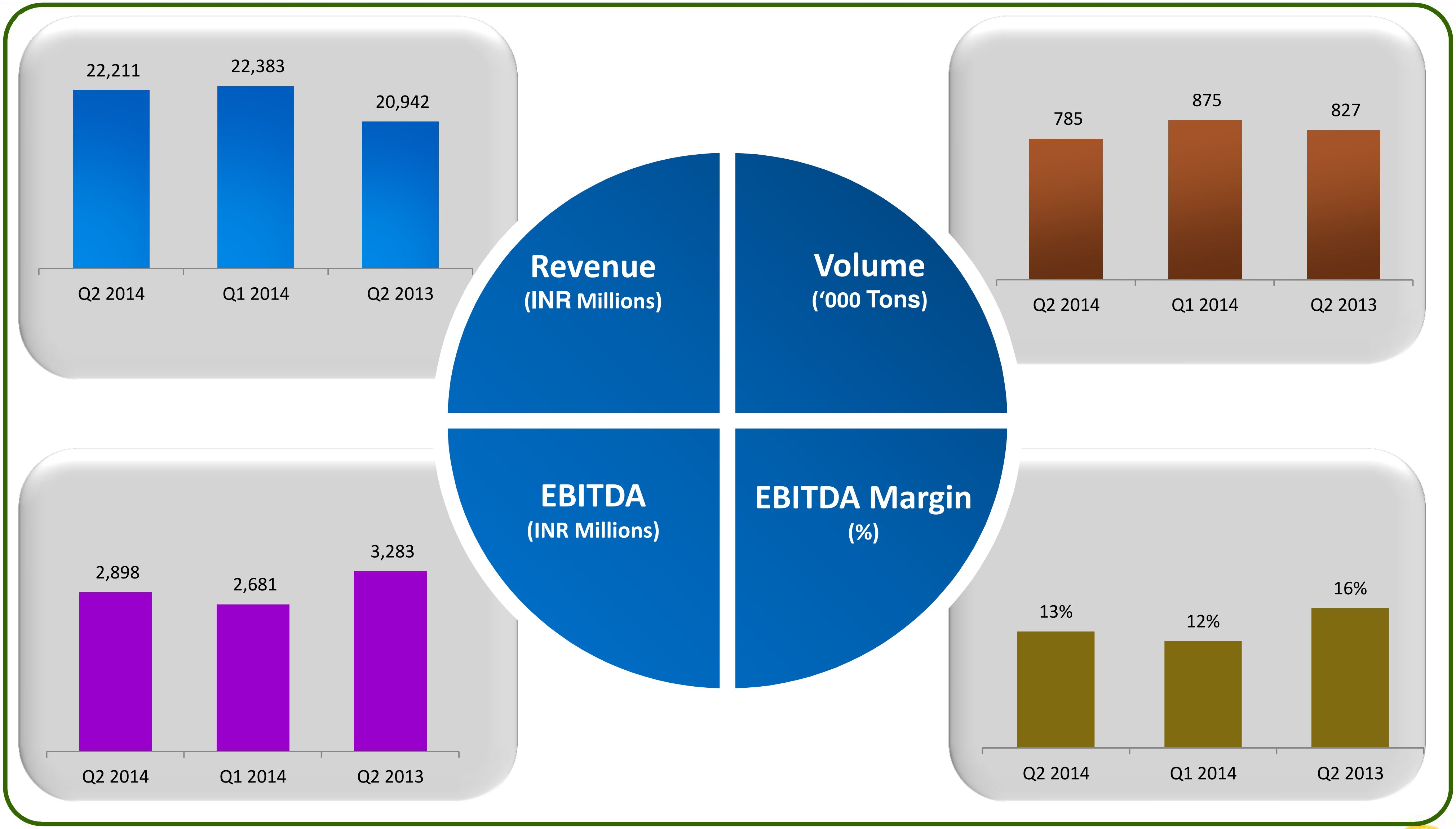
H1 2014

Geographical spread of Revenue



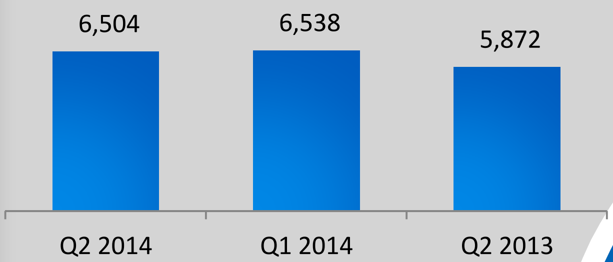
CY 2013

Rain Group – Carbon Business Snap Shot

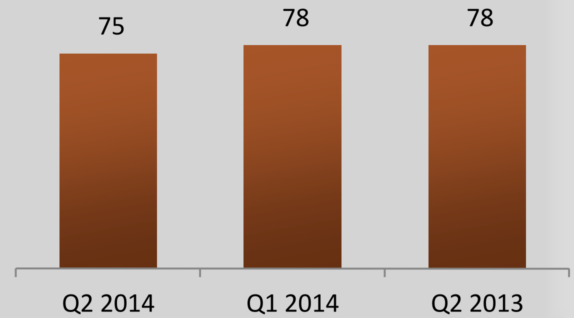


Rain Group – Chemical Business Snap Shot

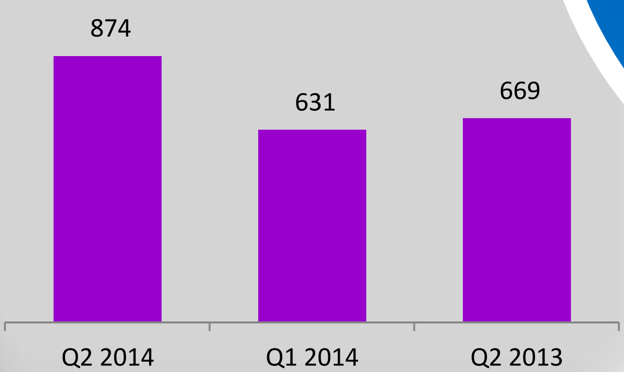
Revenue (INR Millions)



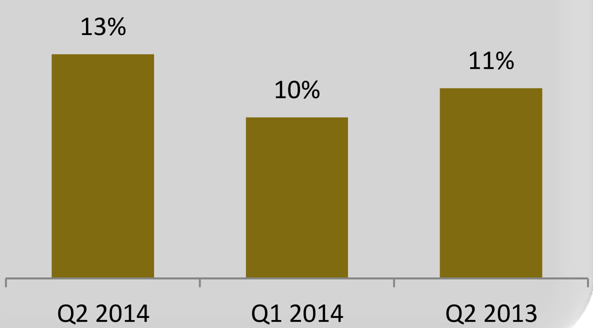
Volume ('000 Tons)



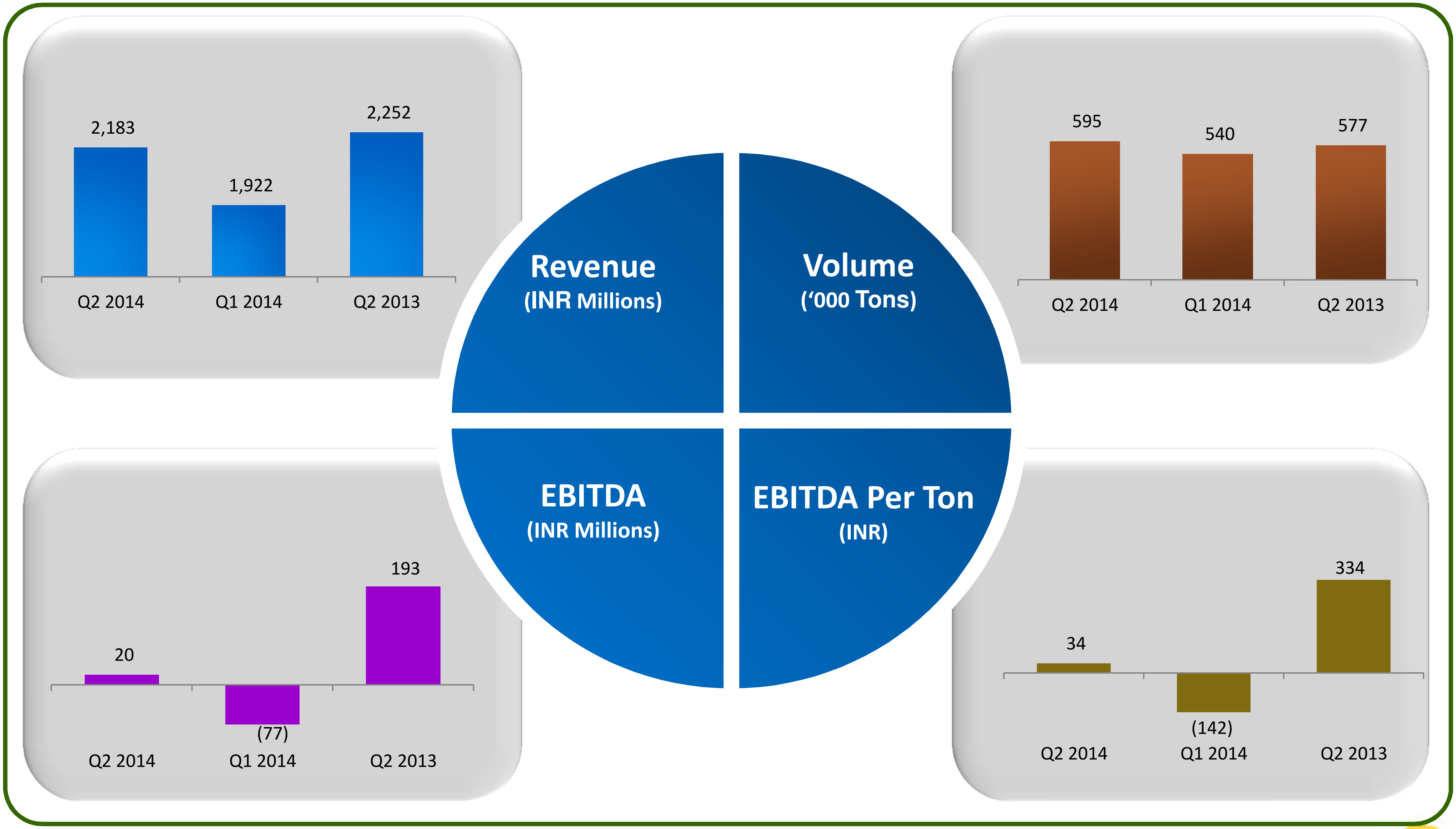
EBITDA (INR Millions)



EBITDA Margin (%)

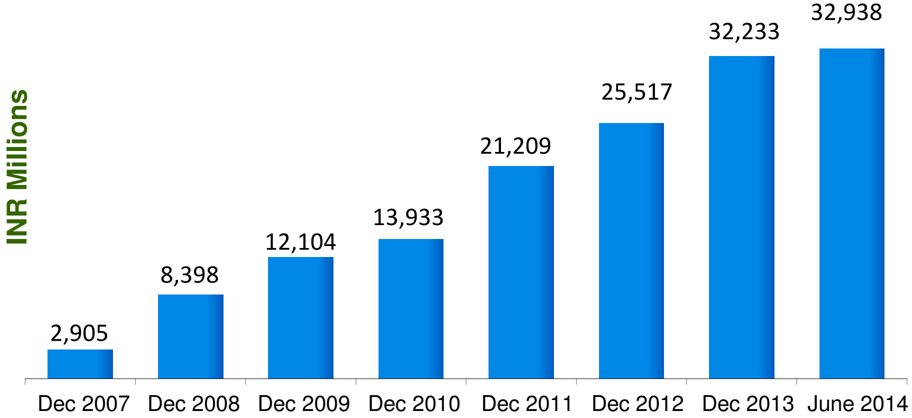


Rain Group – Cement Business Snap Shot

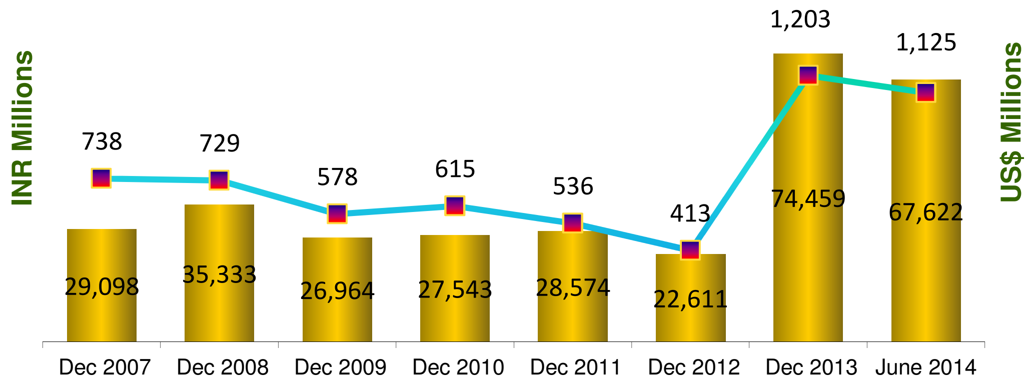


Consolidated Financial Leverage

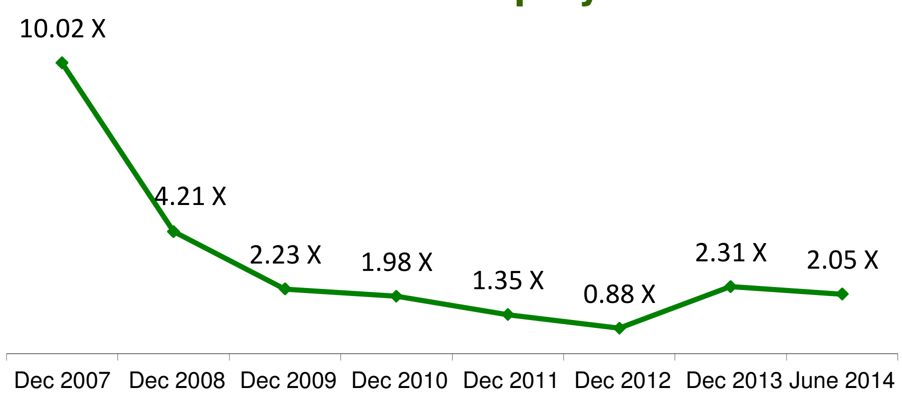
Equity



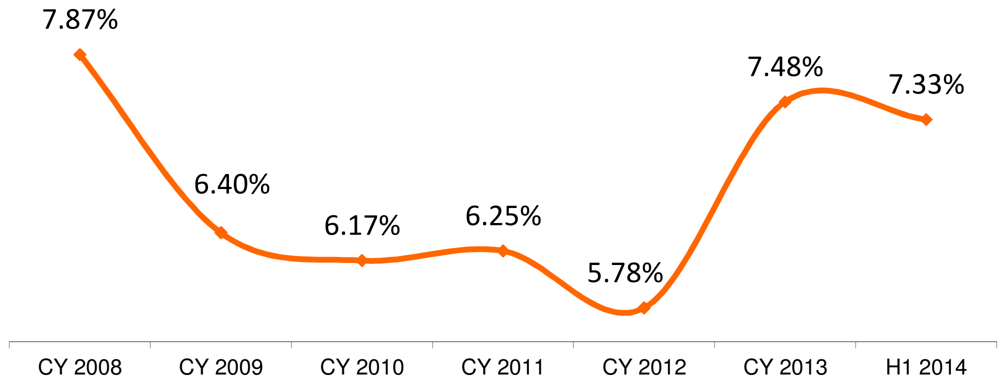
Net Debt in INR and US$



Net Debt to Equity



Pre-tax Cost of Debt



Debt raised for the Rütgers acquisition is the primary reason for increase in the Net Debt and average cost of debt

Term Debt Profile

(US$ Millions)	Amount	Type of interest	Remarks
	As at June 30, 2014		
Senior Secured Notes/Bonds	380	Fixed rate	Bullet repayment in 2018
Senior Secured Notes/Bonds	687	Fixed rate	Bullet repayment in 2021.
Senior Bank Debt	94	Floating rate	Installments up to 2018
Deferred Consideration to Triton	25	Interest free	Payment based on triggering events
Sales Tax Deferment	15	Interest Free	Installments up to 2027
Junior Subordinated Notes	13	Fixed rate	Bullet repayment in 2018, along with compounded interest
Other Debt	30	Fixed rate	Including Finance Leases
Gross Term Debt	**1,244**		
Add: Working Capital Debt	96		
Total Debt	**1,340**		
Less: Cash and Cash Equivalents	215		
Net Debt	**1,125**		

	US$ Millions
Debt as at June 30, 2014	**1,244**
Scheduled Repayments	
6M 2014	26
CY 2015	39
CY 2016	30
CY 2017	35
CY 2018	409
Later Years	705

With the strong liquidity position of over $400 million (including $199 million of undrawn revolver facilities) the Group is well placed to meet the Debt servicing and Capex requirements in near term

Key Strengths

Rain Group

- One of the leading Producer of Carbon and Chemical products
- Global Market Presence with World-class Asset Base
- Diversified Product Portfolio
- Long Term Relationship with high quality Suppliers and Customers
- Eco-friendly Energy Generation through Waste Heat Recovery
- Continuous R&D for product improvements
- Positioned to benefit from long-term demand growth of the Aluminium industry
- Experienced and Proven Management Team

Stable Financial Performance Poised for Growth

Key Areas of Focus

De-leveraging

Balance Sheet

Timely completion of Expansion Projects

[PA expansion in Belgium and Coal Tar Distillation project in Russia]

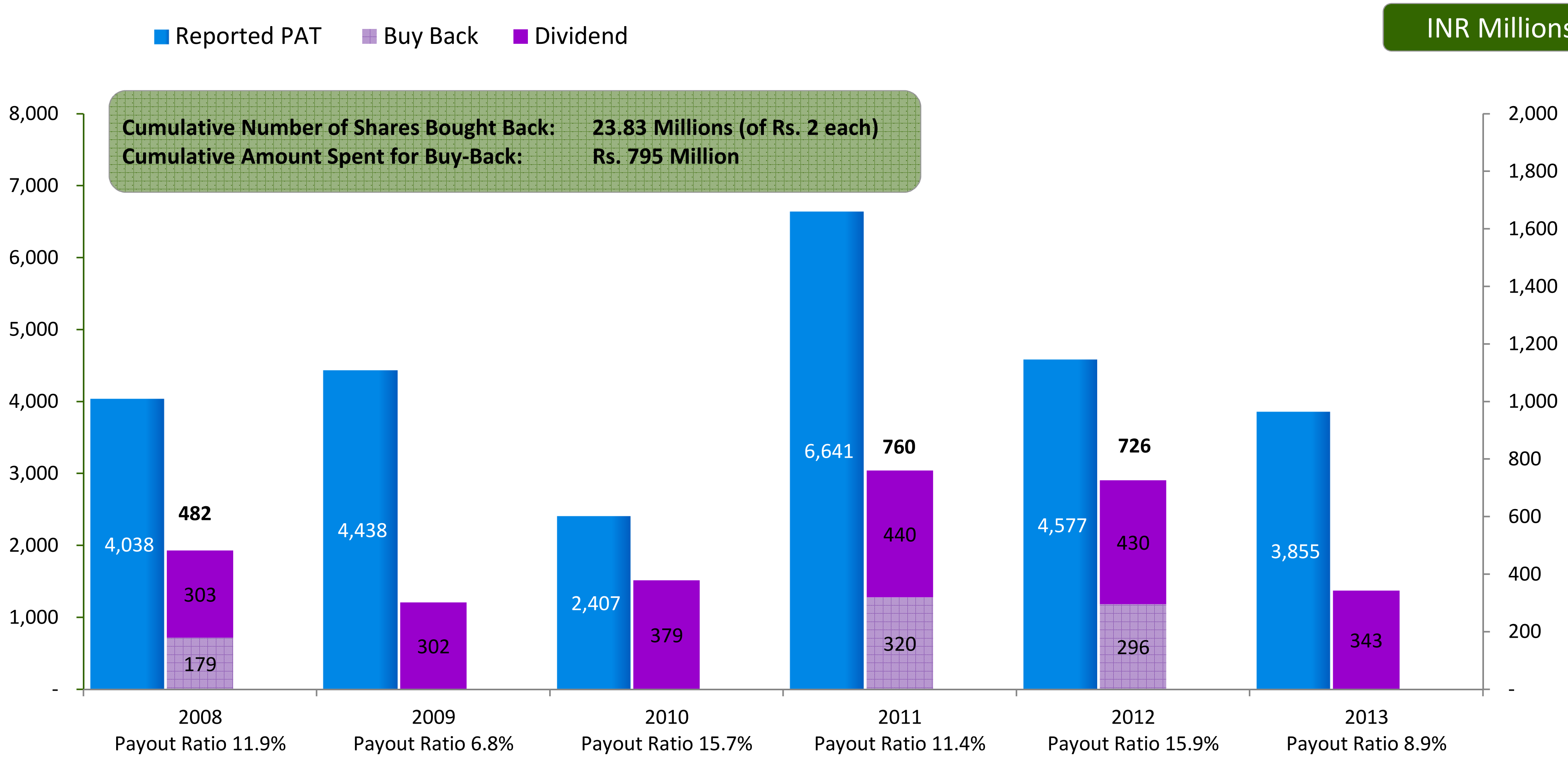
Expanding R&D initiatives to create more environment friendly Carbon

Successful implementation of these initiatives would substantially improve the shareholder value

Annexure

Payout Ratio

INR Millions



Note: Although the Company obtained shareholders approval through postal ballet for buy-back program of Rs. 515 Millions during CY 2009; the Company could not pursue the buy-back program due to positive movement in the share price.

Consolidated Key Performance Indicators

INR Millions

	Q2 2014	Q1 2014	CY 2013	CY 2012	CY 2011	CY 2010	CY 2009	CY 2008
Revenue from operations (1)	31,548	31,388	117,443	53,615	56,395	37,857	36,494	44,615
Operating Profit (2)	3,792	3,235	14,978	11,090	13,873	7,559	9,063	11,723
Reported PAT	1,235	501	3,845	4,577	6,641	2,407	4,438	4,038
Adjusted PAT (3)	**1,235**	**501**	**4,512**	**5,796**	**6,641**	**3,305**	**4,020**	**4,038**

(1)Revenue from operations includes other operating income

(2)Operating Profit is Profit before Other Income, Exchange Loss, Depreciation, impairment loss, Interest, Taxation and exceptional items

(3) Summary of adjustments to Reported PAT to derive Adjusted PAT:

- Profit After Tax for CY 2013 is adjusted for insurance claim proceeds of Rs. 375 Million, costs incurred for acquisition of Rütgers of Rs. 142 Million, Moundsville Impairment loss of Rs. 1,304 Million, net tax impact on all these items of Rs. 404 Million.
- Profit After Tax for CY 2012 is adjusted for one time expenditure of Rs. 1,789 Million (net of tax Rs. 1,219 Million) incurred in-connection with the acquisition of Rütgers.
- Profit After Tax for CY 2010 is adjusted for net exceptional expenditure of Rs. 1,249 Million (net of tax Rs. 898 Million).
- Profit After Tax for CY 2009 is adjusted for exceptional profit of Rs. 513 Million (net of tax Rs. 418 Million) on sale of Investment in Petroleum Coke Industries Company, Kuwait.

Thank you

In case of any further details please contact:

Y. Ravi Kiran
Sr. Manager - Corporate Finance
Rain Commodities Limited
Phone: +91 40 4040 1234
Direct: +91 40 4040 1252
Email: ravikiran@raincii.com