



Investor Update

April 14, 2009

Prism Cement Limited today announced audited results for the nine month period ended March 31, 2009.

The Board of Directors has decided to adopt the financial year of the Company from April 1st to March 31 each year as against 1st July to 30th June in the earlier years. Consequently, the current financial year is for a period of nine months i.e. July 1, 2008 to March 31, 2009 and hence the figures for the current period are not strictly comparable with the previous period.

Production of cement increased from 6.25 lakh tonnes during the quarter ended March 31, 2008 to 6.44 lakh tonnes during the quarter ended March 31, 2009. During the quarter ended March 31, 2009, clinker and cement despatches increased marginally to 8.36 lakh tonnes from 8.33 lakh tonnes in the previous corresponding quarter. Sales for the quarter ended March 31, 2009 increased from Rs. 26664 lakhs during the quarter ended March 31, 2008 to Rs. 27814 lakhs during the quarter ended March 31, 2009. For the nine months ended March 31, 2009 the Company despatched 18.74 lakh tonnes of cement and 4.17 lakh tonnes clinker.

The Company has posted a PBT of Rs. 8018 lakhs for the quarter ended March 31, 2009 as against a PBT of Rs. 8477 lakhs for the previous quarter ended March 31, 2008.

The Company has earned a PBT of Rs. 15198 lakhs and a PAT of Rs. 9623 lakhs for the nine months ended March 31, 2009,

The Board of Directors has recommended a final dividend of Re. 0.50/- per equity share of Rs. 10/- each, in addition to the interim dividend of Re. 1/- per share paid in October 2008. The total dividend for the nine month period ended March 31, 2009 will amount to Rs. 1.50/- per share as against Re. 1/- per share paid for the previous year ended June 30, 2008.

The Company continues to be debt-free. The Company's major investments are in Mutual Fund Liquid schemes. The aggregate amount of investments in the Mutual Fund schemes as on March 31, 2009 stood at Rs. 5580 lakhs. The Company has exercised strict credit control as a result of which, the debtors stand at zero as on March 31, 2009.

The Company's subsidiary - M/s. Raheja QBE General Insurance Company Limited has been granted the Certificate of Registration for carrying out general insurance business by the Insurance Regulatory and Development Authority and is planning to launch its products in the current financial year.

Capacity Expansion

The Company's plan for increase in cement capacity is making steady headway. For its Unit II at Satna, the Company has placed the orders for its core plant and machinery and other major equipment. Civil and allied work has already commenced.

For its cement plant at Kurnool District, Andhra Pradesh, the Company has acquired most of the land for its mining operations and the environmental clearance has been received. The mines development work has commenced and the Company is awaiting certain clearances from the State Government for further activity to take place.

The mining plans for the coal block allotted to the Company in Chhindwara District of Madhya Pradesh have been approved. The other requisite approvals are under progress.

Industry Scenario

The global financial turmoil, which has affected the developed economies has had its ripple effect on the Indian economy as well. Indian GDP growth slipped to 7% in the year 2008-09 as against 9% growth in the previous year. The slowdown of the economy has affected housing, construction and infrastructure sector. However, despite this, the cement industry witnessed a demand of about 8% year-on-year during the 2008 -09. This was only marginally lower than 10% recorded in the last 2 to 3 years.

Economy in the rural and small towns has remained relatively insulated from the slow down. Rural income, infact, has been on the rise driven largely by continuous growth in agriculture during the past few years and the growth of the service sector. This coupled with easy availability of finance has resulted in a healthy demand for cement.

The Government has undertaken several road and housing projects besides announcements of several power projects, especially in U.P. and M.P, which are markets of our interest. Further step up in the expenditure on various rural social schemes and enhanced allocation for rural sector is expected after the elections. This should sustain the demand for cement.

About Prism Cement Limited

Prism Cement Limited is an ISO 9001:2000 certified company promoted by Rajan Raheja Group which has diverse business interests. The company operates one of the largest single kiln cement plants in the country at Satna, Madhya Pradesh. Equipped with state-of-the-art machinery and technical support from F.L Smidth & Co., A.S Denmark, the world leaders in cement technology, the company has successfully created a niche for itself in the Indian cement industry.

The company manufactures Portland Pozzollana Cement (PPC) with the brand name 'Champion' and Ordinary Portland Cement (OPC). 'Champion', its largest selling product, is general purpose cement mainly used in housing construction. OPC is used for specialised applications like high rise buildings, bridges, AC sheets, pipes, poles, etc.

The company has the highest quality standards due to modern plant with automated controls. The strength and other characteristics of its cement are much higher than the BIS requirements. This together with brand building exercise has placed it in the premium price segment.

The company caters mainly to markets of UP, MP and Bihar which are within the radius of 340-370 kms of its plant at Satna, MP. The company has strong marketing network with over 2000 dealers serviced from 46 stocking points without any wholesalers.

The equity shares of the company are listed on the Bombay and National Stock Exchanges.

Investor Relations

Prism Cement Limited is committed to create 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.