



Investor Update

February 11, 2016

Prism Cement Limited today announced un-audited standalone financial results for the quarter ended December 31, 2015

Financial Overview (Un-audited for the quarter ended December 31, 2015)

(Figures in ` Crores unless mentioned otherwise)

Particulars	Q3 '15-16	Q2 '15-16	Q3 '14-15
Net Sales / income from operations (net of excise)	1,323	1,393	1,328
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items	71	52	37
Profit / (Loss) before tax	(19)	(51)	(60)
Net Profit / (Loss) after tax	(12)	(33)	(41)
EPS (`)	-0.24	-0.66	-0.81

Segmental Results

(Figures in ` Crores)

Particulars	Q3 '15-16			Q2 '15-16			Q3 '14-15		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	467	564	301	531	564	307	513	532	297
Segment Results	36	(6)	6	23	(12)	3	8	(4)	(1)
Capital Employed	1,707	816	188	1,701	809	183	1,644	848	193

Performance Review and key developments

The quarter ended December 2015 saw improvement in Cement EBIDTA at ₹479/ton as compared to ₹209/ton in the corresponding quarter in FY15, an increase of 129%, despite lower realizations and slowdown of demand in the market. This reflects the benefits of cost rationalization measures taken in the recent past.

For the quarter ended December 2015, the Company sold 12.22 lac tons of cement and clinker as against 12.98 lac tons for the corresponding quarter in FY15, a decrease of 6%, due to lower demand in the Company's operating markets of central India. Both the premium brands "Hitech" and "Duratech" have been well received by the markets. Together they contributed ~5% of sales during Q3FY16 vis-a-vis 3% of total volume in FY15.

The Company had taken various cost rationalization measures in FY16 such as resorting to imported coal, increase in imported pet-coke consumption, reduction in power consumption, amongst others.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹564 Crores, there by growing by 6% when compared to the corresponding quarter in FY15. The Division continued to scale-up its marketing activities through various initiatives like strengthening of distribution network, merchandising and also taken various initiatives to optimise the costs.

The Ministry of Commerce has already initiated antidumping investigation concerning imports of Vitrified tiles from China. This step would be a positive for local industry.

Recent revision in long term RLNG prices is a welcome step that would result in reduction in fuel cost, going forward.

During the quarter ended December 31, 2015 the RMC Readymix (India) (RMC) Division's sales turnover increased by 1% as compared to the corresponding Quarter of last year. Profitability of the Division improved both on YoY and QoQ basis. The division reported EBIT of ₹5.6 Crs in the current quarter against a loss of ₹0.9 Cr in the corresponding quarter last year. During the Quarter under review, the division had 79 plants under operations as against 77 during the quarter ended September 2015.

The Company has agreed, in principle, to sell 23% of its holding in the paid-up capital of Raheja QBE General Insurance Company Limited (Raheja QBE), the general insurance subsidiary, to its existing partner in Raheja QBE, namely the QBE Group, Australia, for a consideration of approximately AUD 21,500,000 (equivalent to approximately ₹103cr).

The proposed transaction is subject to requisite approvals. Once the proposed transaction is consummated, the Company's shareholding in Raheja QBE shall stand reduced from 74% to 51%.

Industry Scenario / Future Outlook

India is the fastest growing economy in the world, with a falling repo rate cycle, CAD, budget deficit and inflation. We expect that considering the positive macro economic indicators, taken together with clear policy initiatives, the economic cycle is expected to turn for the better going forward which would help the Company going ahead.

Numerous initiatives have been taken by Government to improve the economic outlook of India. Government focus continues to be on "make in India", "smart cities" and infrastructure focus on roads and rural housing. Jabalpur and Bhopal are amongst the first 20 smart cities to receive the fund for development. These two cities are part of the operating markets that we sell cement in.

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 initiatives last year to reduce power and fuel cost, the Division is enhancing its capacity utilization.

The Ready-mixed Concrete Industry in India is over 20 years old and was growing at a healthy rate till three years back. However, due to paucity of new construction projects taking off, volume growth for the industry in the last few quarters has been under pressure. The markets in many of the metros are expected to see a turnaround in the near term as economy picks up and construction activities resume. With the Mega Projects Vertical, RMC Division is focusing to cater the infrastructure segment, which is showing signs of revival. The markets in tier 2 & tier 3 cities have also been showing maturity which will help industry's growth.

The Central Government has recently announced 20 smart cities to be developed in the first phase. RMC India has presence already in 14 of these cities. We believe this should open further business opportunities for the division in the medium term.

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 scaled up capacity with Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and premium quality grade of cement under 'HI-TECH' and 'DURATECH' brand. Prism Cement has the highest quality standards due to efficient plant operations with modern state of the art automated controls. It caters mainly to markets of Eastern UP, MP and Bihar, with an average lead distance of 399 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 3,800 dealers serviced from ~90 stock 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 4 strong brands, viz. Johnson, Johnson Marbonite, Johnson Porselano and Johnson Endura and. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 58 million m² per annum spread across 10 manufacturing plants across the country which is one of 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 79 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.

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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.