



Investor Update

May 25, 2016

Prism Cement Limited today announced audited standalone financial results for the year ended March 31, 2016

Financial Overview (Audited for the Year ended March 31, 2016)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Net Sales	5,521	5,572	5,565	5604
Profit / (Loss) before Other Income, finance cost, tax, depreciation, and exceptional items	303	286	384	354
Profit / (Loss) before Other Income, finance cost, tax, and exceptional items	151	150	206	189
Profit / (Loss) before tax	(21)	(11)	(6)	(7)
Net Profit / (Loss) after tax	8	15	6	5
Share of minority interest	-	-	(2)	(2)
Net Profit / (Loss) after tax, minority interest, and share of profit / (loss) of associates	8	15	3	3
EPS (Rs.)	0.17	0.29	0.07	0.05

Segmental Results

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Segment Revenue				
a) Cement	2,027	2,201	2,027	2,201
b) TBK	2,279	2,206	2,309	2,227
c) RMC	1,260	1,204	1,260	1,204
d) Insurance	-	-	42	40

Segment Results				
a) Cement	153	167	153	167
b) TBK	(31)	(2)	10	20
c) RMC	26	2	26	2
d) Insurance	-	-	11	14
Capital employed				
a) Cement	1,748	1,683	1,748	1,683
b) TBK	740	842	1,077	1,215
c) RMC	177	198	177	198
d) Insurance	-	-	115	161
3) Unallocated	(1,676)	(1,707)	(2,101)	(2,202)
TOTAL	988	1,015	1,016	1,054

Performance Review and key developments

The quarter ended March 2016 saw 36% improvement in Cement EBIDTA / ton to ₹594/ton as compared to ₹436/ton in the corresponding quarter in FY15, despite lower realizations. This reflects the benefits of cost rationalization measures taken in the recent past.

For the quarter ended March 31, 2016, the Company sold 13.61 lac tons of cement and clinker as against 15.02 lac tons for the quarter ended March 31, 2015. While the cement volumes grew by 2.2% YoY, clinker volumes were down 60% YoY. Cement sales were impacted by sand mining ban in Bihar. During the quarter the company launched a new brand "Champion Plus" in all the three markets where it sells cement. The brand was well accepted and in short period it contributed ~1% of annual volume.

During FY16, the Cement division reported EBITDA / ton of ₹477/ton as compared to ₹410/ton in FY15. For the year as a whole, the Company sold 52.9 lac tons of cement and clinker as against 56 lac tons in FY15. While Cement volumes declined by ~2%, the clinker volumes declined by ~36%.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's standalone sales revenues during the quarter ended March 31, 2016 were ₹611 Cr as compared to ₹661 Cr in the corresponding quarter of last year. During the quarter the division focused on working capital optimization. The Capital employed came down to ₹740 Cr for the quarter ended March 2016 as compared to ₹842 Cr in the corresponding quarter of last year. The Division continued to scale-up its marketing activities through various initiatives like strengthening of distribution network, merchandising and also taken various initiatives to optimize the costs.

During FY16 HRJ division reported standalone revenues of ₹2279 Cr as compared to ₹2206 Cr in FY15, growth of ~3%. It reported EBITDA of ₹1 Cr as compared to ₹27 Cr. On a consolidated basis revenues were at ₹2309 Cr as compared to ₹2227 Cr, growth of ~4%. It reported EBITDA of ₹67 Cr as compared to ₹77 Cr in FY15.

The RMC Readymix (India) (RMC) Division's sales turnover increased by 9% as compared to the corresponding Quarter of last year. Turnover increased by 12% compared to the trailing Quarter. Profitability of the Division improved both on YoY and QoQ basis. The division reported EBIT of ₹13 Cr in the current quarter against ₹6.6 Cr in the corresponding quarter of last year.

During FY16, the RMC division has reported 150bps improvement in EBITDA margins to 4%. EBITDA was at ₹50 Cr as compared to ₹30 Cr in the previous year. Turnover increased by ~5% as compared to FY15.

During the year, after obtaining requisite approvals, the company has transferred 23% stake in one of its subsidiary, Raheja QBE General Insurance Company Ltd (RQBE) to JV partner, QBE Asia Pacific Holdings Ltd and recognized profit of ₹62.4 Cr. Presently, the company holds 51% stake of the equity of RQBE.

Industry Scenario / Future Outlook

The several initiatives taken by the government would bolster the construction industry leading to increased demand for cement and ready mix concrete. The passage of Real Estate Bill and renewed focus on affordable housing segment would provide ample growth opportunity in all business segments of the Company. The Company has taken measures which going forward would help to improve operational efficiency and productivity. The above initiatives is likely to help demand rebound for Cement, TBK and RMC. The weather forecasting agencies have predicted above normal monsoons for the country, which augurs well for the cement demand. However below normal monsoons could be a concern.

Central India, which is the main region where the cement division of the company operates, has witnessed some traction on infrastructure segment especially the road construction segment, eastern corridor DFC, Metro rails amongst others. In the short run the division is likely to benefit from the recent reduction in fuel prices, although fuel prices seem to be bottoming out.

The Ready-mixed Concrete Industry in India is over 20 years old and was growing at a healthy rate till four years back. The industry has witnessed volume growth in the recent quarters, which had been under pressure due to paucity of new construction projects taking off. 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.

Having resolved the power and fuel issues, the TBK segment is focusing on increasing the utilization levels and product mix improvement. The division continues to focus on marketing and strengthening channel distribution. The division intends to further improve the display of value added products. The recent events of gas price reduction and anti-dumping duty on vitrified tiles from China should augur well for the division.

Overall Prism Cement as a company is well placed with cost initiatives and operating efficiencies to leverage the growing opportunities.

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 51% 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' & 'Champion Plus' 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 405 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 3,790 dealers serviced from ~155 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 81 ready-mixed concrete plants in 38 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.