



Investor Update

February 14, 2017

Prism Cement Limited today announced un-audited standalone financial results for the quarter ended December 31, 2016

Financial Overview (Un-audited for the quarter ended December 31, 2016)

(Figures in ` Crores unless mentioned otherwise)

Particulars	Q3 '16-17	Q2 '16-17	Q3 '15-16
Net Sales (excluding Excise)	1,234	1,260	1,347
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items (As per IND AS)	30	32	57
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items (As per IGAAP)	43	43	71
Profit / (Loss) before tax	-46	-21	-22
Net Profit / (Loss) after tax	-47	-21	-15
EPS (`)	-0.93	-0.42	-0.30

Segmental Results

(Figures in ` Crores)

Particulars	Q3 '16-17			Q2 '16-17			Q3 '15-16		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	496	436	312	512	455	305	500	548	307
Segment Results	35	(29)	(0)	27	(18)	(3)	34	(7)	5
Capital Employed	1,567	650	173	1,557	681	179	1,700	752	186

Performance Review and key developments

The results for the quarter ended December 2016 were impacted by demonetization. The Cement and RMC Division reported better profitability as compared to quarter ended September 30th, 2016, while TBK segment is still in the consolidation phase reporting a loss.

During the quarter under review as per mandated Indian Accounting Standards (IND-AS), Cement EBITDA stood at ₹393/ton, up Rs43/ton QoQ basis. On comparable basis and including operating income Cement EBITDA for the quarter was at ₹506/ton, up from ₹479/ton during the quarter ended December 31st, 2015. For the Quarter ended December 31st, 2016, the Company sold 12.03 lac tons of cement and clinker as against 12.22 lac tons for the quarter ended December 31st, 2015. Overall volumes were down by ~1.5% mainly due to demonetization impact especially so in the rural markets.

The company had taken various cost rationalization measures over the last couple of years such as resorting to imported coal, increase in pet-coke consumption, reduction in power consumption amongst others. However the international prices of pet-coke and coal have firmed up significantly, which should have affected the overall costs. However the same has been mitigated by resorting to outsourcing of power and logistic cost optimization. As a result the Cement Division's total cost has been lower as compared to quarter ended September 30th, 2016.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the quarter were ₹436 Crores as compared to ₹548 Crores in the corresponding quarter last year, declining by ~20% yoy. The Division continued to scale-up its marketing activities through various initiatives like strengthening of distribution network, merchandising and has also taken various initiatives to optimize the costs.

The RMC Readymix (India) (RMC) Division's sales turnover inched by ~2% as compared to the corresponding Quarter of last year.

Industry Scenario / Future Outlook

Post demonetization period, the ground level activity / businesses has gradually picked up and getting back to normalize level. The impending growth momentum is likely to pick up going forward. The recent Union Budget has further put impetus on infrastructure development especially on road, irrigation and railway capex. The Budget has set target to double farmer's income in five years. This along with focus on affordable housing should help to boost demand for all the three Divisions in the medium to long term.

Regarding Cement Division, in the near term we expect better crops for farmers in our catchment area on the back of good monsoons, higher minimum support prices and ongoing thrust of government spending on infrastructure to drive demand.

The H & R Johnson (India) Division continues to possess robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens. The focus is on increasing the utilization levels and better working capital management. The past few quarters has seen renewed focus on marketing, strengthening channel distribution and continuing the initiatives to rationalize costs. The Division intends to further improve the product display of value added products.

Demonetization coupled with other historic reforms like GST in due course would result in significant benefit for organized sector including your company.

The Ready-mixed Concrete Industry in India is over 20 years old and was growing at a healthy rate till four years back. 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 reflecting strong comeback. Subsequently the order book has increased substantially for the Mega Projects Vertical. The markets in tier 2 & tier 3 cities have also been showing maturity which will help industry's growth.

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 404 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 3,900 dealers serviced from ~153 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. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 61 million m² per annum spread across 11 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 82 ready-mixed concrete plants in 39 cities/towns across the Country. Further, the Division has been able to secure new positions in its existing markets which will help it to grow going forward. RMC has also ventured into the Aggregates business and operates large Quarries and Crushers. At present, RMC has 6 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.