



Investor Update

February 11, 2014

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended December 31, 2013

Financial Overview (Un-audited for the Quarter ended December 31, 2013)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q3 '13-14	Q2 '13-14	Q3 '12-13
Sales	1,236	1,243	1,276
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items	2	(18)	11
Profit / (Loss) before tax	(97)	12	(79)
Net Profit / (Loss) after tax	(62)	18	(54)
EPS* (₹)	(1.27)	0.36	(1.10)

* Earning Per Share (EPS) has been computed without considering 1,23,51,600 equity shares of the Company held in a Trust for the benefit of the Company and dividend income received, if any, on the said shares.

Segmental Results

(Figures in ₹ Crores)

Particulars	Q3 '13-14			Q2 '13-14			Q3 '12-13		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	434	430	288	438	452	275	488	428	267
Segment Results	(32)	(5)	1	(54)	127	(2)	(32)	1	2
Capital Employed	1,525	876	223	1,497	851	234	1,492	806	234

Performance Review and key developments

During the Quarter ended December 31, 2013, the Company produced 9.30 lac tons of clinker and 11.48 lac tons of cement. The Company despatched 0.04 lac tons of clinker and 11.31 lac tons of cement during the Quarter ended December 31, 2013 as against 13.58 lac tons of cement during the quarter ended December 31, 2012.

Cement margins were impacted due to subdued volumes and increase in input costs during the Quarter when compared to the corresponding period last year.

During the Quarter, expenditure of ₹ 14.98 crores (corresponding Quarter of the previous year ₹ 8.04 crores) has been incurred on account of annual shutdown in one of the cement units of the Company.

During the Quarter, the Cement Division launched 'HI-TECH', a new generation brand offering premium quality grade of cement, in Bihar. Prism 'HI-TECH' offers variety of advantages over traditional cement available in the market. It is highly recommended for critical applications and uses in construction of foundations, pillars, beams, columns and roofing.

The Company started using pet coke in cement operations during the Quarter. Pet coke is expected to reduce the overall operating cost, thereby improving profitability, of the Division.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 428 Crores. The Division Sales revenues were flat when compared to the corresponding Quarter last year due to the agitation by the tile manufacturers in Morbi (Gujarat) for nearly a month, an important tile source for the Company. The Division's profitability was adversely impacted during the Quarter on account of higher fuel and raw material costs when compared to the corresponding period last year. The Division continued to implement the cost-savings projects. The Coal Gassifier commissioned in one of the AP unit in Q2 has stabilized and one more has been commissioned in another unit in AP during Q3. Natural Gas Pipe line connectivity by GAIL for Karnataka plant is near completion. These initiatives would help in reducing the fuel cost and ramping up the capacity utilization of the Division.

The Company has wound up its wholly-owned foreign subsidiary—Lifestyle Investments Pvt Limited (LIPL). During the Quarter, the Company has received an amount of ₹ 6 crores as dividend on the equity shares held in LIPL, in addition to its investment of ₹ 10 lacs in LIPL.

The Quarter under review remained challenging for RMC Readymix (India) (RMC) Division. The sales turnover of the Division increased by 8% on y-o-y basis. The profitability of the Division continues to be under pressure due to lower capacity utilization and increase in costs, especially fuel. However,

the Division has witnessed few signs of recovery in the last month of the Quarter.

Expansions

The basic infrastructure work and work on the incline is nearing completion at the Coal Block at Chhindwara, Madhya Pradesh. The mined coal will be used for captive consumption of the cement plant located at Satna, Madhya Pradesh.

Industry Scenario / Future Outlook

The demand for building materials is expected to improve in Q4 of FY 2013-14 as compared to Q3 of the year. Therefore, the overall capacity utilization of the Company is expected to improve during the Quarter.

Bulk of H & R Johnson (India)'s products are targeted towards affordable housing segment which is growing at a healthy rate and is likely to continue in future as well due to India's economic growth and changing demographics. Moreover, HRJ also has a slew of lifestyle products at premium price points. The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable HRJ to enjoy a distinct competitive advantage over others in the market.

The Ready-mixed Concrete Industry in India is over 15 years old and was growing at a healthy rate over the last few years. However, due to the prevailing economic environment, the volume growth for the industry in the last few quarters has been under pressure. The markets in some of the metros are expected to see a turnaround shortly as Development permissions are being given at a greater pace. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well. The markets in 2-tier & 3-tier cities have also been showing maturity which will help the 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 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 Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and Ordinary Portland Cement (OPC). It has recently launched premium quality grade of cement under 'HI-TECH' brand. Prism Cement has the highest quality standards due to efficient plant operations with automated controls. It caters mainly to markets of UP, MP and Bihar, with an average lead distance of 425 kms from its plant at Satna, MP. It has a wide marketing network with about 3,700 dealers serviced from 163 stocking points.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the pioneer of ceramic tiles in India. Over the past 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 3 strong brands, viz. Johnson, Johnson Marbonite, and Johnson Endura. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 54 million m² per annum spread across 9 manufacturing plants across the country which is 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 90 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 8 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.

For additional information, please contact:

Mr. Aditya Bob Mahendru
General Manager (Corporate Planning)
Prism Cement Limited
Tel: 91-22-6675 4142-46
Email: abmahendru@prismcement.com
Website: www.prismcement.com

Address:

"Rahejas", Main Avenue, V. P. Road
Santacruz (W), Mumbai—400 054

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.