



Investor Update

July 26, 2012

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended June 30, 2012

Financial Overview (Un-audited for the Quarter ending June 30, 2012)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Q1 '12-13	Q4 '11-12	Q1 '11-12
Sales	1,223	1,462	1,057
Profit before finance cost, tax, depreciation, and exceptional items	97	135	58
Profit / (Loss) before tax	16	51	(14)
Net Profit / (Loss) after tax	11	37	(10)
EPS* (₹)	0.22	0.74	(0.20)

* EPS has been computed on capital base excluding the shares held by the Prism Trust.

Segmental Results

(Figures in ₹ Crores)

Particulars	Q1 '12-13			Q4 '11-12			Q1 '11-12		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	459	388	295	549	514	306	355	365	273
Segment Results	51	1	7	60	15	16	(3)	17	7
Capital Employed	1,420	826	238	1,377	758	236	1,439	730	211

Performance Review and key developments

During the Quarter ended June 30, 2012, the Company produced 6.02 lac tons of clinker and 10.53 lac tons of cement. During the period, the Company despatched 10.67 lac tons of cement. In the corresponding period last year, the Company had despatched 1.20 lac tons of clinker and 9.88 lac tons of cement, aggregating to 11.08 lac tons.

Clinker production in Unit II of the Cement Division, which was suspended in March, 2012 due to damage to the Blending Silo, has recommenced in July, 2012 by installation of an intermediate system. The construction work of the new Blending Silo has commenced.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenue during the Quarter were ₹ 388 Crores, thereby achieving a growth rate of 6% when compared to the corresponding Quarter last year. The capacity utilization of the Division was low during the Quarter on account of acute power shortage in Andhra Pradesh (where 2 large manufacturing plants are situated) and modernization of Pen Plant in

Maharashtra towards more value-added tiles. Moreover, there was a forex loss of ₹ 6 crores on account of rupee depreciation impacting the foreign currency borrowings. As a result, the profitability of the Division was adversely impacted during the Quarter. Towards the end of Quarter, the Division has increased prices across the Board to offset some of the cost increases.

Ceramic World Review, a reputed magazine published from Italy, has recently released the annual rankings of top tile manufacturers in the world. HRJ Division, along with associated companies, has been maintained its rank as the 7th largest player in the world—being the only Indian entity to feature in the rankings.

The Division has continued to launch value-added products from its plants. During the Quarter, it launched Marbonite Stain-Free Slabs from Silica and value-added products in Endura from Dewas. The Division has also set-up a state-of-the art Training and Learning Centre at Pen plant to train employees, masons, and dealers' counter staff.

The Division has inaugurated two more "House of Johnson" showrooms taking the total number of showrooms to 18 across the country.

During the Quarter under review, the sales turnover of RMC Readymix (India) (RMC) Division recorded an increase of 8% as compared to the corresponding quarter last year. This was on the back of a 3% increase in concrete volumes and higher selling prices. However, the profitability of the Division was impacted due to overall cost increase.

Expansions

The Company received the approval for land alienation from the State Government for its cement plant at Kurnool District, Andhra Pradesh and has completed the necessary formalities for the possession. Further project activity will commence in due course.

The basic infrastructure work and work on the incline is under progress 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.

Antique Minerals Pvt. Limited, wholly-owned subsidiary of Antique Marbonite Pvt. Limited, the Company's JV in Gujarat for vitrified tiles, has set-up a manufacturing plant for engineered marble and quartz. Quartz Plant was operationalised in the last financial year and Marble Plant has been operationalised during the Quarter.

The Company is enhancing its capacity of vitrified / glazed ceramic tiles at Dewas, Madhya Pradesh. The capacity is being increased by 2 million m² per annum which would take the Plant's total capacity to 3.4 million m² per annum. The trial production has commenced during the Quarter. The Project shall be completed in FY 2013.

The Company plans to set-up a tile manufacturing facility in East India. It would be the first tile manufacturing plant in the Eastern Region. Honorable Shri. Partha Chatterjee, Minister of Commerce and Industries, Government of West Bengal, laid the Foundation Stone of the Plant during the Quarter.

RMC Division plans to add 8 to 10 concrete plants during the year to maintain a healthy capacity growth. During the Quarter under review, two project sites got completed and hence the total number of operating plants was 85 at the end of June 12.

Industry Scenario / Future Outlook

During the Quarter under review, the demand in the markets of our interest continued to witness growth. With the Government thrust on infrastructure and housing and a delayed monsoon, the demand and cement consumption should sustain.

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. The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable us to enjoy a distinct competitive advantage over others in the market.

The Ready-mixed Concrete Industry in India is over 15 years old and has been growing at a healthy rate over the last few years. 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 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 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 3,300 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 and Kitchens. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 51 million m² per annum spread across 9 manufacturing plants across the country which is the largest in India.

Under its flagship brand, Johnson, HRJ offers glazed wall and floor tiles, bath products, kitchens, laminate / engineered wooden flooring, and engineered marble and quartz. Marbonite brand offers a complete range of vitrified tiles (polished and glazed), and Endura offers industrial tiles and tiles for special applications like bathrooms / high traffic areas / swimming pools etc.

RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready-mixed concrete manufacturers. Set-up in 1996, RMC currently operates 85 ready-mixed concrete plants in 36 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 9 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:

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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.