



## Investor Update

**July 25, 2013**

**Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended June 30, 2013**

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**Financial Overview (Un-audited for the Quarter ended June 30, 2013)**

*(Figures in ₹ Crores unless mentioned otherwise)*

Particulars	Q1 '13-14	Q4 '12-13	Q1 '12-13
Sales	1,231	1,479	1,223
Profit / (Loss) before finance cost, tax, depreciation, and exceptional items	39	116	97
Profit / (Loss) before tax	(58)	25	16
Net Profit / (Loss) after tax	(48)	14	11
EPS* (₹)	(0.97)	0.29	0.22

\* 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 on the said shares.

## **Segmental Results**

*(Figures in ₹ Crores)*

Particulars	Q1 '13-14			Q4 '12-13			Q1 '12-13		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	483	386	269	565	530	292	459	388	295
Segment Results	0	(6)	1	53	5	14	51	1	7
Capital Employed	1,547	889	243	1,515	802	244	1,420	826	238

## **Performance Review and key developments**

During the quarter ended June 30, 2013, the Company produced 10.37 lakh tonnes of clinker and 12.23 lakh tonnes of cement. During the same period, the Company despatched 1.17 lakh tonnes of clinker and 12.40 lakh tonnes of cement, aggregating to 13.57 lakh tonnes. In the corresponding period last year, the Company had despatched 10.67 lakh tonnes of cement.

The construction of the new Blending Silo at Unit II at Satna is at an advanced stage, upon completion of which production of clinker will normalise.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 386 Crores, which was marginally down when compared to the corresponding Quarter last year. The Division's profitability was adversely impacted during the Quarter on account of inflation-led higher fixed costs but flattish revenues, higher power and fuel costs, and higher freight cost when compared to the corresponding period last year. The Division continued to implement the cost-savings projects. The coal gassifiers at AP Plants are under implementation and are expected to be commissioned during Q2 '13-14. GAIL pipe-line work is in progress and is expected to be set-up during FY 2014. These initiatives would help in reducing the fuel cost of the Division. The Division's Business Process Re-engineering (BPR) project is also under implementation to significantly improve customer service, modernize sales & distribution policies, and reduce operational costs.

In order to further strengthen Johnson's brand equity, the Division has signed Bollywood actress Katrina Kaif as its brand ambassador. As part of this association, she will endorse tiles, bathroom products, engineered marble and quartz, and modular Kitchens of the Division.

The Division inaugurated three more "House of Johnson" showroom taking the total number of showrooms to 25 across the country.

The Anti-Dumping Duty on Vitrified tiles has come to an end after a period of 10 years.

The sales turnover of RMC Readymix (India) (RMC) Division was lower by 10% on a y-o-y basis on account of subdued demand and weak business environment. The profitability of the Division was impacted due to lower capacity utilization and increase in costs.

## **Expansions**

Mine development activities for the cement plant at Kurnool District, Andhra Pradesh are in progress. Project activities will be taken up at an appropriate time.

The basic infrastructure work, other intermediary and ancillary activities and work on the incline is under progress at the Coal Block at Chhindwara, Madhya Pradesh. The construction of the ancillary buildings such as workshop, substation, etc., is nearing completion. The mined coal will be used for captive consumption of the cement plant located at Satna, Madhya Pradesh.

During the quarter, the number of plants operated by the RMC Division increased by three plants quarter on quarter. However, the number of total RMC Plants in operation remained static as during the quarter, 3 plants in Mega Project Vertical were de-mobilized.

## **Industry Scenario / Future Outlook**

Subdued demand continued to weigh on volumes and realisations of the industry. With the overall economy in a weak state and meagre spending on infrastructure, cement prices and margins have taken a beating in the quarter under review. Unusually heavy monsoon in the month of June and increased expenditure mainly due to the hike in power & fuel and freight costs, have exerted further pressure on the margins.

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 has recently launched a slew of lifestyle products to enhance its offerings 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 has been 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 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 54 million m<sup>2</sup> 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. Johnson Marbonite brand offers a complete range of vitrified tiles (polished and glazed), and Johnson 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 88 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:

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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.