



## Investor Update

May 9, 2013

**Prism Cement Limited today announced audited financial results for the year ended March 31, 2013**

### Financial Overview (Audited for the Year ended March 31, 2013)

*(Figures in ₹ Crores unless mentioned otherwise)*

Particulars	Stand-alone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Sales	5,124	4,822	5,212	4,893
Profit / (Loss) before finance cost, tax, depreciation, and exceptional items	266	268	322	322
Profit / (Loss) before finance cost, tax, and exceptional items	106	120	142	160
Profit / (Loss) before tax	(83)	(46)	(85)	(28)
Net Profit / (Loss) after tax	(59)	(30)	(61)	(17)
Share of minority interest	-	-	(2)	(1)
Net Profit / (Loss) after tax, minority interest, and share of profit / (loss) of associates	(59)	(30)	(63)	(18)
EPS* (Rs.)	-1.21	-0.61	-1.27	-0.38

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

### Segmental Results

*(Figures in ₹ Crores unless mentioned otherwise)*

Particulars	Stand-alone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
<b>Segment Revenue</b>				
a) Cement	1,882	1,714	1,882	1,714
b) TBK	1,775	1,675	1,832	1,729
c) RMC	1,128	1,134	1,128	1,134
d) Others	-	-	47	39

<b>Segment Results</b>				
a) Cement	65	36	65	36
b) TBK	15	44	34	70
c) RMC	22	32	22	32
d) Others	-	-	5	2
<b>Capital employed</b>				
a) Cement	1,515	1,377	1,515	1,377
b) TBK	802	758	1,086	988
c) RMC	244	236	244	236
d) Others	-	-	147	141
3) Unallocated	(1,471)	(1,222)	(1,843)	(1,530)
<b>TOTAL</b>	<b>1,090</b>	<b>1,149</b>	<b>1,149</b>	<b>1,211</b>

## Performance Review and key developments

For the year ended March 31, 2013, Company produced 35.30 lakh tons of clinker and 47.18 lakh tons of cement. The Company despatched 0.46 lakh tons of clinker and 47.14 lakh tons of cement, aggregating to 47.60 lakh tons as against 4.75 lakh tons of clinker and 47.42 lakh tons of cement, aggregating to 52.17 lakh tons during the previous year.

Prices of cement improved during the last quarter of the year but volumes remained under pressure due to sluggish demand resulting from subdued construction activity and government spending on infrastructure. Margins were adversely impacted due to higher power and freight costs.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the year were ₹ 1,832 Crores, thereby achieving a growth rate of 6% when compared to last year. The profitability of Division was adversely impacted on account of low capacity utilization, high power and fuel costs, acute power shortage and unavailability of Natural Gas in Andhra Pradesh, higher marketing spend, and increase in overall cost of production due to higher inflation. In order to address the above challenges, HRJ Division has taken various steps. The Division commissioned a coal gassifier in one of the plants in AP and is in the process of commissioning more such gassifiers which would reduce the fuel cost. During the year, the Division got permission to purchase traded power in AP which has not only reduced the cost of power but more importantly provided a stable source of power which is critical for tile manufacturing. The Division had signed a Gas Transportation Agreement (GTA) with GAIL last year. GAIL is in the process of setting-up a pipe-line to transport gas from Dabhol to Bangalore and the Division's plant in Kunigal would get connectivity thereafter. The pipe-line has been delayed a bit and is expected to be set-up during FY 2014. The Division is also in the process of implementing Business Process Re-engineering (BPR) project to significantly improve customer service, modernize sales & distribution policies, and reduce operational costs.

HRJ Division continued to launch a slew of innovative value-added products during the year. The Division launched Disney collection, Kraft Panels, Interlocking tiles, Supergrip tiles and a larger range in Digital collection and vitrified slabs. Engineered Marble and Quartz has been scaled up with a complete range under the Johnson brand.

The Division inaugurated two more “House of Johnson” showroom taking the total number of showrooms to 22 across the country.

Lifestyle Investments PVT Limited (LIPL), an overseas wholly-owned subsidiary of the Company, received a dividend income of £ 751,276 from Norcross plc during the year.

During the year under review, the sales turnover of RMC Readymix (India) (RMC) Division was flattish. The profitability of the Division was impacted due to lower capacity utilization and increase in costs.

## **Expansions**

Mine development activities for the project at Kurnool District, Andhra Pradesh, have commenced. Further project activities will be taken up 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.

During the year, the number of plants operated by the RMC Division increased by one plant.

## **Industry Scenario / Future Outlook**

The demand for cement was sluggish during the year due to subdued construction activity and government spending on infrastructure. It is expected to improve as construction activity picks up in coming months and infrastructure investments along with the Government initiatives translate into an overall growth.

Bulk of HRJ Division'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 favourable 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, kitchens, and engineered marble & quartz 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 current period of 12 months has hit a road block. 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, Kitchens and Engineered Marble & Quartz. 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 & 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.