



Investor Update

May 14, 2015

Prism Cement Limited today announced audited standalone financial results for the year ended March 31, 2015

Financial Overview (Audited for the Year ended March 31, 2015)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Sales	6,009	5,345	6,118	5,445
Profit / (Loss) before Other Income, finance cost, tax, depreciation, and exceptional items	284	140	351	179
Profit / (Loss) before Other Income, finance cost, tax, and exceptional items	147	(36)	186	(21)
Profit / (Loss) before tax	(11)	(128)	(7)	(129)
Net Profit / (Loss) after tax	15	(82)	5	(85)
Share of minority interest	-	-	(2)	(1)
Net Profit / (Loss) after tax, minority interest, and share of profit / (loss) of associates	15	(82)	3	(86)
EPS (Rs.)	0.29	-1.66	0.05	-1.76

Segmental Results

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Segment Revenue				
a) Cement	2,201	1,947	2,201	1,947
b) TBK	2,206	1,892	2,227	1,916
c) RMC	1,204	1,143	1,204	1,143
d) Insurance	-	-	40	38

Segment Results				
a) Cement	165	(24)	165	(24)
b) TBK	(3)	118	19	127
c) RMC	2	10	2	10
d) Insurance	-	-	13	6
Capital employed				
a) Cement	1,683	1,591	1,683	1,591
b) TBK	842	838	1,215	1,150
c) RMC	198	225	198	225
d) Insurance	-	-	161	151
3) Unallocated	(1,707)	(1,646)	(2,202)	(2,058)
TOTAL	1,015	1,008	1,054	1,059

Performance Review and key developments

For the Quarter ended March 31, 2015, the Company sold 15.03 lac tons of cement and clinker as against 14.71 lac tons for the Quarter ended March 31, 2014.

The Cement Division has started using some quantities of imported coal in order to reduce cost. The full benefit of this initiative would reflect in the current financial year in a phased manner. There was some other cost saving initiatives. However, the impact of improved operational efficiencies and increased volumes was negated by weak demand and sluggish prices during the Quarter as compared to the corresponding Quarter of FY 14.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 661 Crores, thereby growing by 6% when compared to the corresponding quarter in FY14. The relatively lower growth was on account of high base effect—the fourth Quarter in FY 14 had grown by 45% sequentially (as compared to Q3 of FY 14) after the key cost saving initiatives were implemented by the Division. The Division continued to scale-up its marketing activities through various initiatives like strengthening of distribution network, merchandising etc. A new Nobilia Showroom (Germany's No 1 Kitchen) was inaugurated at Raghuvanshi Mills Compound, Mumbai during the Quarter.

The RMC Readymix (India) (RMC) Division's sales turnover dropped by 1% as compared to the corresponding Quarter of FY 14. Profitability of the Division continued to be under pressure due to lower capacity utilization. During the Quarter under review, a few plants were demobilized. The Division is in the process of identifying new locations where it plans to relocate unused / underutilized assets.

The Company is in the process of replacing expensive bank borrowings with NCDs in a phased manner to reduce interest cost.

Industry Scenario / Future Outlook

With key initiatives on the cost front at Prism Cement Division implemented last year, the Division is on a stronger footing with a cost competitive structure. Moreover, with a stable government and consequent optimism, the demand for cement should improve in the medium term which bodes well for the Division.

The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable H & R Johnson (India) Division to enjoy a distinct competitive advantage over others in the market. Moreover, with the successful completion of initiatives last year to reduce power and fuel cost, the Division is enhancing its capacity utilization.

The Ready-mixed Concrete Industry in India is over 20 years old and was growing at a healthy rate till three years back. However, due to paucity of new construction projects taking off, volume growth for the industry in the last few quarters has been under pressure. The markets in most of the metros are expected to see a turnaround in the medium term as economy picks up and construction activities resume. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well. The markets in tier 2 & tier 3 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 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 Eastern UP, MP and Bihar, with an average lead distance of 399 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 3,800 dealers serviced from ~90 stocking 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 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 81 ready-mixed concrete plants in 35 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.

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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.