

Press Release

August 13, 2013

Results Update

Moderate Operating Performance, due to challenging Global Economic conditions

Consolidated revenue of Rs. 29,066 Millions in Q2 2013 [QoQ growth of 6%]

Consolidated operating profit of Rs. 4,145 Millions in Q2 2013 [QoQ growth of 19%]

Consolidated net profit of Rs. 1,392 Millions in Q2 2013 [QoQ growth of 25%]

Rain Industries Limited ("Rain" or "the Company") (formerly Rain Commodities Limited) has announced its consolidated and standalone unaudited financial results for the Quarter ended June 30, 2013. Rain is engaged in the business of manufacturing and sale of Carbon Products, Chemical Products and Cement.

Highlights of the un-audited financial results as compared to the previous quarters are:

Consolidated Financial Highlights:

(Rupees in millions)

Particulars	Quarter ended			% change	
	June 2013	March 2013	June 2012	Q2 2013 vs. Q1 2013	Q2 2013 vs. Q2 2012
Net Sales	29,066	27,401	13,906	6%	109%
Operating Profit	4,145	3,473	3,119	19%	33%
Net Profit	1,392	1,116	1,751	25%	(21%)
Earnings Per Share (Rs.)	4.13	3.29	5.09	26%	(19%)

Sales Volume information:

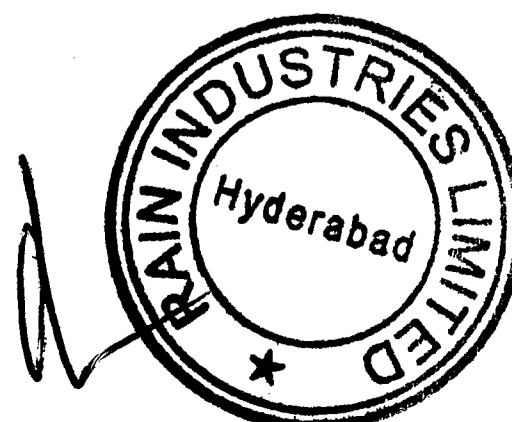
(Volume in '000 Tons)

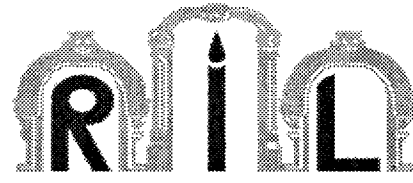
Particulars	Quarter ended			% change	
	June 2013	March 2013	June 2012	Q2 2013 vs. Q1 2013	Q2 2013 vs. Q2 2012
Carbon Products	827	794	662	4%	25%
Chemicals	78	70	-	11%	-
Cement	577	615	582	(6%)	(1%)

Note:

(1) In view of the acquisition of RUETGERS effective January 4, 2013, the figures for the current quarter are not comparable with that of the corresponding previous quarter.

(2) Operating Profit is Profit before Other Income, Exchange Loss, Depreciation, Interest, Taxation and Exceptional Items





Rain Industries Limited
(Formerly Rain Commodities Limited)

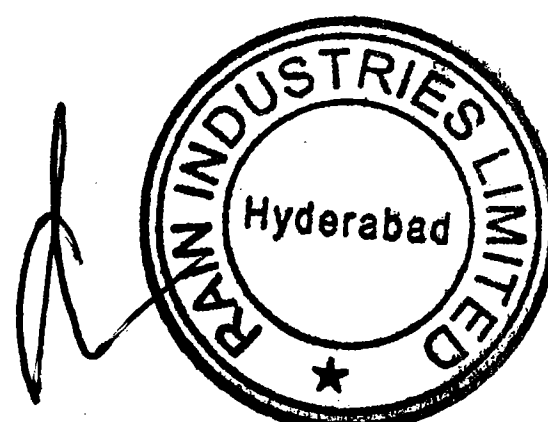
Corporate Highlights:

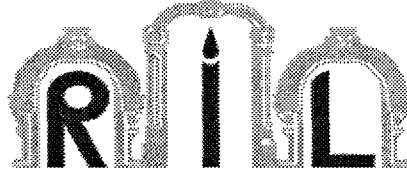
1. On January 4, 2013, the Company has acquired RUETGERS N.V. ('RUETGERS'), a Belgium-headquartered Coal Tar Distiller, from investment fund managed by Triton (the 'previous owner') after receiving the necessary regulatory approvals. The Company acquired 100% of the shares of RUETGERS pursuant to an agreement with the previous owner for a gross enterprise value of €702 million plus certain contingent payments not exceeding €27 million during the next three years. The Company funded the transaction through a combination of internal cash accruals and proceeds from the issuance of senior secured notes. The Company has issued two tranches of senior secured notes with an 8-year tenure consisting of US\$400 million of US Dollar denominated Notes and €210 million of Euro denominated Notes.
2. The fifth waste-heat recovery facility at the existing Calcined Petroleum Coke ("CPC") plant in Lake Charles, Louisiana, USA has commenced commercial operations during May 2013. This project is expected to add an additional operating revenue of about US\$ 15 million per annum.
3. The Company is also in the process of setting up its fourth Coal Tar Distillation plant with a capacity of 300,000 tons per annum in Russia as a Joint Venture with Severstal, one of the leading steel producers in Russia. This project is currently under construction and is expected to start commissioning by end of CY 2014.

Financial Performance Review and Analysis:

To highlight some of the key performance Indicators, on a consolidated basis:

- Consolidated Net Revenue is Rs. 29,066 million during the current quarter an increase of about 6% compared Rs. 27,401 million during Q1 2013.
- Carbon Product sales volume during the current quarter is 827 thousand tons, an increase of 4% compared to Q1 2013.
- Chemicals sales volume during the current quarter is 78 thousand tons, an increase of 11% compared to Q1 2013.
- Cement sales volume during the current quarter is 577 thousand, a decrease of 6% compared to Q1 2013.
- Consolidated Operating Profit for the current quarter is Rs. 4,145 million an increase of 19% compared to Rs. 3,473 million achieved during Q1 2013.
- Consolidated Operating Profit margin is improved marginally from 13% in Q1 2013 to 14% in Q2 2013.





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- Finance cost during the current quarter is reduced marginally by 2% to Rs. 1,398 million compared to Rs. 1,425 million during Q1 2013.
- Effective tax rate during the current quarter is 26% slightly lower compared to 29% during Q1 2013. With the acquisition of RUETGERS with operations in Canada, Belgium, Germany, Poland and Russia, the effective tax rate of the Company would be varying from period to period. However, the long term effective tax rate of the Company is expected to be in the range of 33% to 35%.
- Consolidated Net profit during the current quarter is Rs. 1,392 million, an increase of about 25% compared to Consolidated Net profit of Rs. 1,116 million during Q1 2013.
- The Company achieved a consolidated EPS of Rs. 4.13 during the current quarter, an increase of about 26% compared to consolidated EPS of Rs. 3.29 during Q1 2013.

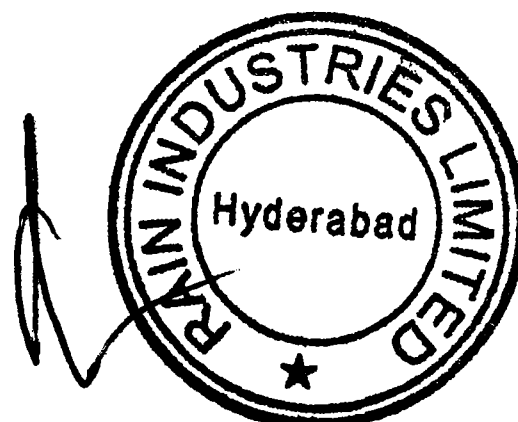
Debt analysis:

As at June 30, 2013, the Company has a consolidated debt of US\$ 1,297 million (including working capital debt of US\$ 66 million) and cash and bank balances of US\$ 127 million. The net debt as at the same date is US\$ 1,170 million.

Statement showing outstanding Debt balances as at June 30, 2013 (US\$ Millions)	
Term Debt (including Finance leases and Deferred Payment Liabilities)	
US Dollar denominated debt	873
Euro denominated debt	342
INR denominated debt	16
Total	1,231
Working Capital Debt	
US Dollar denominated debt	59
Euro denominated debt	7
INR denominated debt	-
Total	66
Total Consolidated Debt	1,297

Although, majority of the debt is in foreign currency, due to the following reasons the fluctuation of INR against US Dollar and Euro will not have significant impact on financial performance of the Company:

- Majority of the foreign currency debt is availed by foreign subsidiaries to pursue the acquisitions outside India.



- Further, the Company has designated the foreign currency loans availed as a hedging instrument to hedge its net investment in non-integral foreign operations, with effect from January 1, 2009. Accordingly, the foreign exchange (Gain) / Loss on such foreign currency loans, determined as an effective net investment hedge is recognized in Reserves and Surplus and would be transferred to the Statement of Profit and Loss upon sale or disposal of the investment in such non-integral foreign operations. During the current quarter, foreign exchange loss of Rs. 409 million has been recognized in the Reserves and Surplus.

With an existing cash balance of US\$ 127 million and undrawn revolver facilities of US\$ 140 million, the Company is comfortably placed to meet debt repayment obligations and capex projects in pipe line. The major debt repayment obligations would start only from 2018.

Historical Performance:

(Rupees in millions)

	Q2 2013	Q1 2013	CY 2012	CY 2011	CY 2010	CY 2009	CY 2008
Income from Operations ⁽¹⁾	29,336	27,939	53,615	56,395	37,857	36,494	44,615
Operating Profit ⁽²⁾	4,145	3,473	11,090	13,783	7,559	9,063	11,723
Net Profit	1,392	1,116	4,577	6,641	2,407	4,438	4,038

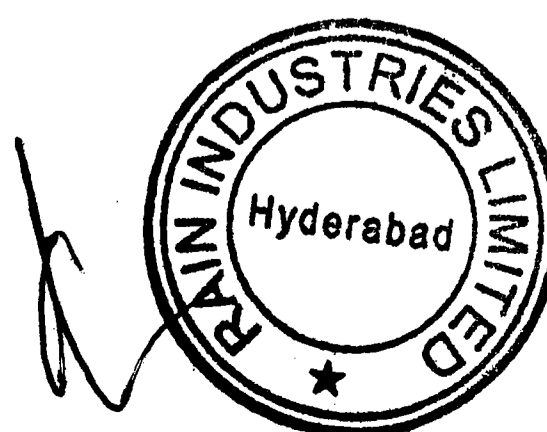
Note: In view of the acquisition of RUETGERS effective January 4, 2013, the figures of the current periods are not comparable with that of previous years.

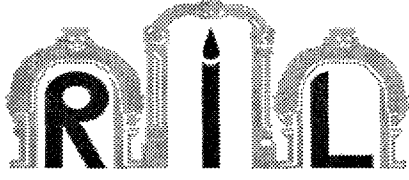
- (1) Income from Operation is sum of Net Sales and Other Operating Income.
- (2) Operating Profit is Profit before Other Income, Exchange Loss, Depreciation, Interest, Taxation and Exceptional Items.

About Rain:

Rain is one of the World's leading producers of Carbon Products and Specialty Chemicals with 18 operating facilities spread across United States of America, Canada, Europe, India, Africa and China. A 19th facility, a JV in Russia, is currently under construction. Rain also has two integrated Cement manufacturing facilities in India and markets its product under the brand "Priya Cement".

Carbon products are comprised of CPC, Green Petroleum Coke ("GPC"), Coal Tar Pitch ("CTP"), Co-generated Energy and other derivatives of Coal Tar distillation. Chemical products represent the downstream operations of Coal Tar distillation and are comprised of Resins, Modifiers, Super Plasticizers and other Specialty products. The manufacture and sale of Cement has been classified as Cement products.





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