



**Results Update**

Continued robust operating performance in spite of difficult global economic conditions

Consolidated profit increased to Rs. 4,448 Millions in CY 2009

Substantial reduction in Gross and Net Debt during CY 2009

Proposed corporate restructuring of hiving-off Cement Business into a Subsidiary  
and Potential listing of CPC Business

Rain Commodities Limited (“Rain” or “the Company”) has announced its consolidated audited financial results for the year ended December 31, 2009. Rain is engaged in the business of manufacturing and sale of Cement and Calcined Petroleum Coke and generation of energy (steam and electricity) through waste-heat recovery. Rain carries-out its cement business within Rain Commodities Limited and carries-out the Calcined Petroleum Coke business through its Wholly Owned Subsidiaries Rain CII Carbon (India) Limited and Rain CII Carbon LLC, US.

**Financial Highlights:**

- Consolidated Net Income of Rs. 4,438 Millions in CY 2009, as compared to Consolidated Net Income of Rs. 4,038 Millions in CY 2008, an increase of 10%.
- Consolidated Net Revenues of Rs. 36,338 Millions in CY 2009, as compared to Consolidated Revenues of Rs. 44,547 Millions in CY 2008, a decline of 18%.
- Consolidated Earnings per Share of Rs. 62.66 for CY 2009, as compared to consolidated EPS of Rs. 57.35 for CY 2008, an increase of 9%.
- Substantial reduction in Gross debt of Rs. 30,312 Millions as on December 31, 2009, as compared to Gross debt of Rs. 37,692 Millions as on Dec. 31, 2008. Further net debt declined during the same period from Rs. 35,333 Millions to Rs. 26,964 Millions, due to strong operational cash flows.

The financial results demonstrates strong leadership of the Company in CPC business and operational synergies achieved through integration of CII Carbon, acquired in July 2007, with Indian Operations. In spite of 22% decline in sales volumes in CPC Business during CY09, a result of fall in global production of aluminium, the Company is able to report higher net income during CY09 than that reported in CY08, through stabilization of Brownfield expansion of cement capacity in Kurnool, exceptional profit from sale of investments in Kuwait Joint Venture and reduction in interest costs due to lower LIBOR and repayment of debt.



**Management Discussion & Analysis:**

**1. Revenues Analysis (Rupees in Millions)**

	<b>CY 2007</b>	<b>CY 2008</b>	<b>CY 2009</b>	<b>CAGR</b>
A) Cement	5,501	7,088	7,885	<b>20%</b>
	<b>26%</b>	<b>16%</b>	<b>21%</b>	
B) Carbon Products	16,006	37,767	29,012	<b>35%</b>
	<b>74%</b>	<b>84%</b>	<b>79%</b>	
	<b>21,507</b>	<b>44,856</b>	<b>36,897</b>	
Less: Inter segment revenue	270	308	558	
<b>Net Revenue</b>	<b>21,237</b>	<b>44,547</b>	<b>36,338</b>	<b>31%</b>

**2. Sales and Production Data:**

	<b>(In Metric Tons)</b>		
	<b>CY 2007</b>	<b>CY 2008</b>	<b>CY 2009</b>
<b>Production Volume</b>			
A) Cement	1,535,307	2,185,113	2,372,299
B) Carbon Products	2,099,874	2,175,745	1,667,896
<b>Sales Volume</b>			
A) Cement	1,517,859	2,164,353	2,366,463
B) Carbon Products	2,160,386	2,220,070	1,741,026

**Key Balance-sheet Break-up**

**3. Debt Profile (Rupees in Millions)**

A) Cement	3,567	4,918	2,899
B) Carbon Products	26,412	32,773	27,412
<b>Total</b>	<b>29,979</b>	<b>37,692</b>	<b>30,312</b>

Average cost of the Debt decreased from 8.02% in CY08 to 6.54% in CY09.

**4. Liquidity Profile (Rupees in Millions)**

Cash and Cash Equivalents	818	2,359	3,347
Undrawn committed facilities	1,737	1,546	5,660
<b>Total</b>	<b>2,555</b>	<b>3,905</b>	<b>9,007</b>

Note: Cash and Cash equivalents includes investment in liquid Mutual Funds.



## 5. Net-worth Analysis

Net Worth of the group increased from Rs. 2,905 Millions as on December 31, 2007 to Rs. 12,104 Million as on December 31, 2009.

### Important Developments in CPC Business:

- During CY09, the Company acquired a CPC Plant with a capacity of 20,000 Tons in China at a cost of about US Dollars one million. Through this acquisition, the Company made an entry into China and gained access to 'Vertical-shaft Technology' widely used by Chinese Calciners. Further, the acquisition would also support the Indian CPC Operations, by augmenting sources for procurement of Anode-grade Petroleum Coke, the key raw-material for manufacturing CPC.
- The Company is evaluating setting-up new energy projects in two of its CPC Plants in US, to generate electricity through waste-heat recovery and expects to commence the construction work towards the end of CY10.

### Proposed Corporate Restructuring:

The Board of Directors of the Company have reviewed and approved the following proposed corporate restructuring of the Company and it's Wholly Owned Subsidiaries:

1. Hiving-off the Cement Operations to a Wholly Owned Subsidiary, to enable possible induction of Joint Venture Partners in the future and/or to pursue value-accretive acquisitions.
2. Creation of a Global Holding Company in USA for the Calcined Petroleum Coke (CPC) business to enable raising of equity funds, through an IPO, for general corporate uses and/or repayment of debt.

Subject to the approval of Lenders, Shareholders, Regulators and Hon'ble High Court of Andhra Pradesh, the proposed Corporate Restructuring would be implemented through a Scheme of Arrangement under Sections 391 and 394 of the Companies Act, 1956.

### For further information please contact:

T. Srinivasa Rao  
Vice President - Finance  
Tel: +91 40 4040 1266  
Fax: +91 40 4040 1214  
Email: tsrinivas@raincii.com

Y. Ravi Kiran  
Financial Analyst  
Tel: +91 040 4040 1252  
Fax: +91 40 4040 1214  
Email: ravikiran@raincii.com

**Safe Harbour:** *Some of the statements made in this release that are not historical facts can be construed as forward-looking statements. These forward-looking statements include the Rain Commodities Ltd's (RCOL) financial and growth projections as well as statements concerning its plans, strategies, intentions and beliefs concerning its business and the markets in which it operates. These statements are based on information currently available to RCOL, and are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors could cause results to materially differ from those stated. These factors include, but are not limited to, changes in laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates of countries with which RCOL does business; competitive pressures, the loss of one or more key customer or supplier relationships; customer insolvencies, successful integration of structural changes, including restructuring plans, acquisitions divestitures and alliances; cost and availability of raw materials; and other economic, business, competitive, regulatory and/or operational matters affecting the Company and its subsidiaries generally. RCOL assumes no obligation to update forward-looking statements and takes no responsibility for any consequence of decisions made based on such statements*