RAIN INDUSTRIES LIMITED

RIL/SEs/2017

August 11, 2017

The General Manager Department of Corporate Services **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400 001	The Manager Listing Department **The National Stock Exchange of India Limited** Bandra Kurla Complex Bandra East Mumbai – 400 051

Dear Sir/ Madam,

Sub: Earnings Presentation– Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith Rain Industries Limited Earnings Presentation on Unaudited Financial Results for the second quarter ended on June 30, 2017.

This is for your information and records.

Thanking you,

Yours faithfully,
for **Rain Industries Limited**

S. Venkat Ramana Reddy
Company Secretary

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RAIN INDUSTRIES LIMITED

Earnings Presentation – Q2 CY17

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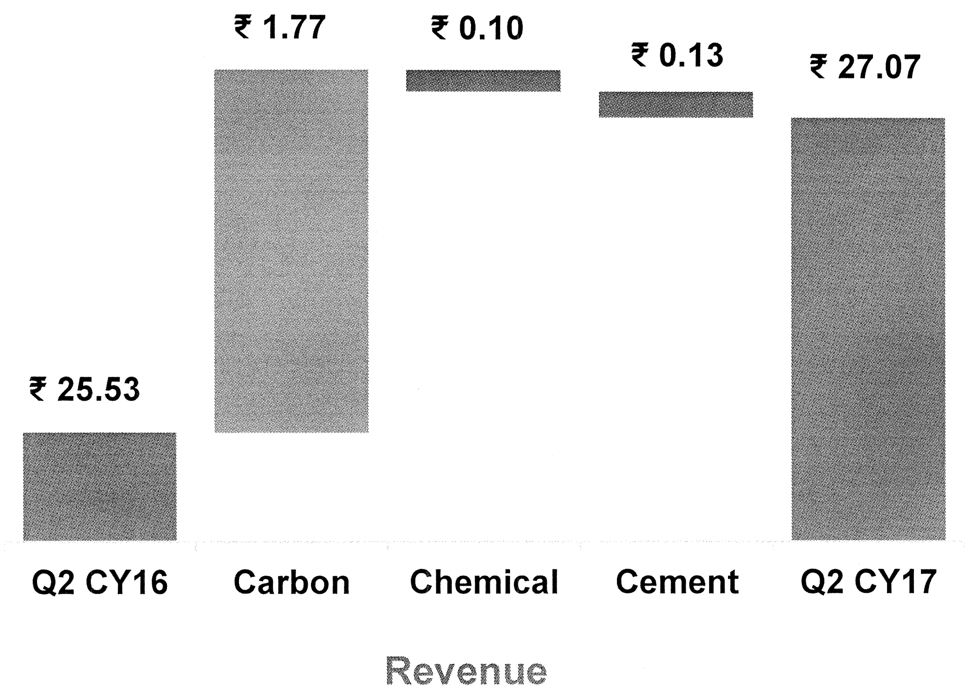
RAIN INDUSTRIES LIMITED ("the Company" or "RAIN"): Rain is a leading vertically integrated global producer of a diversified portfolio of carbon, cement and chemical products that are essential raw materials for staples of everyday life. We operate in three business segments: carbon cement and chemicals. Our carbon business segment converts the by-products of oil refining and steel production into high value carbon products that are critical raw materials for the aluminum, graphite, carbon black, wood preservation, titanium dioxide, refractory and several other global industries. Our cement segment consists of two integrated Cement Plants that operate in the South Indian market producing 2 primary grades of cement, OPC and PPC. Our chemicals business segment extends the value chain of our carbon processing through the downstream refining of a portion of this output into high value chemical products that are critical raw materials for the specialty chemicals, coatings, construction, petroleum and several other global industries. We have longstanding relationships with most of our major customers, including several of the largest companies in the global aluminum, graphite and specialty chemicals industries, and with most of our major raw material suppliers, including several of the world's largest oil refiners and steel producers. Our scale and process sophistication provides us the flexibility to capitalize on market opportunities by selecting from a wide range of raw materials, adjusting the composition of our product mix and producing products that meet exacting customer specifications, including several specialty products. Our production facility locations and integrated global logistics network also strategically positon us to capitalize on market opportunities by addressing raw material supply and product demand on a global basis in both established and emerging markets.

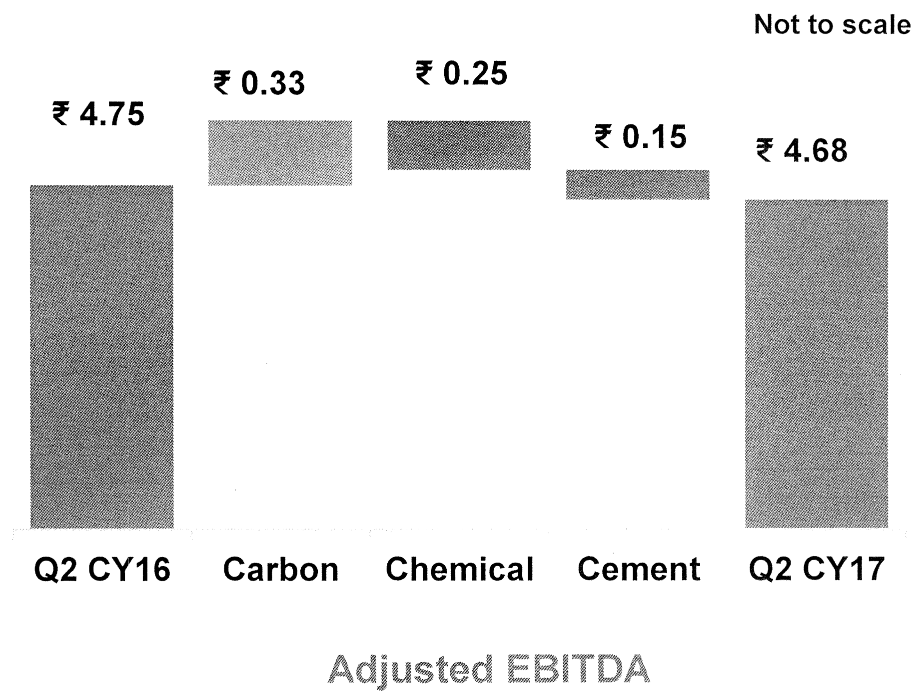
Forward Looking Statement

This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our statements addressing our expectations for segment volumes and earnings, the factors we expect to impact earnings in each segment, demand for our products, our expected uses of cash, and our expected tax rate, are forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, potentially inaccurate assumptions, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations.

Consolidated Performance – Q2 CY17

(₹ in Billions)





Highlights in Q2 CY17

- Expansion projects completed over past two years are contributing to sales and EBITDA growth.
- Industry fundamentals enabling improved realisations in overall Carbon Business and higher volumes in CTP & Other Carbon Products
- Functional integration across all three Geographies is contributing to generate higher revenues, efficiencies and cost reductions.
- In-spite of depreciation of EUR and USD against INR, sustained Adjusted EBITDA of ₹ 4.68 billion
- Consolidated net profit of ₹ 1.52 billion

Completed Capital Projects

Flue Gas Desulfurization Plant in Chalmette, Louisiana, U.S.A. during Dec.'15	☑
300,000 Tons p.a. Coal Tar Pitch Facility in Russia during Feb.'16	☑
7MW Waste Heat Recovery Power Generation Facility in Cement Plant at Kurnool, Andhra Pradesh, India during Sept.'16	☑
1,000,000 Tons p.a. Calcined Petroleum Coke Blending Facility in Vishakapatnam, Andhra Pradesh, India during Dec.'16	☑
17,000 Tons p.a. CARBORES® III reactor in Castrop-Rauxel, Germany during Dec.'16	☑
Debottlenecking Distillation Plant in Hamilton, Canada resulting in increasing capacity from 240,000 Tons p.a. to 263,000 Tons p.a. during June 2017 and improving capacity utilization beyond 90%	☑

All Expansion Projects have now fully stabilized.

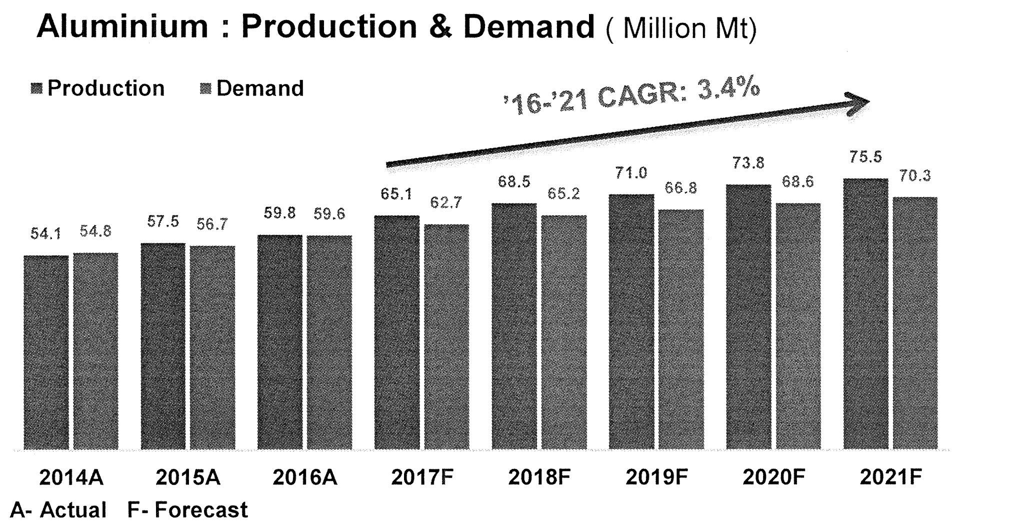
Planned Capital Project 1 – CPC Expansion

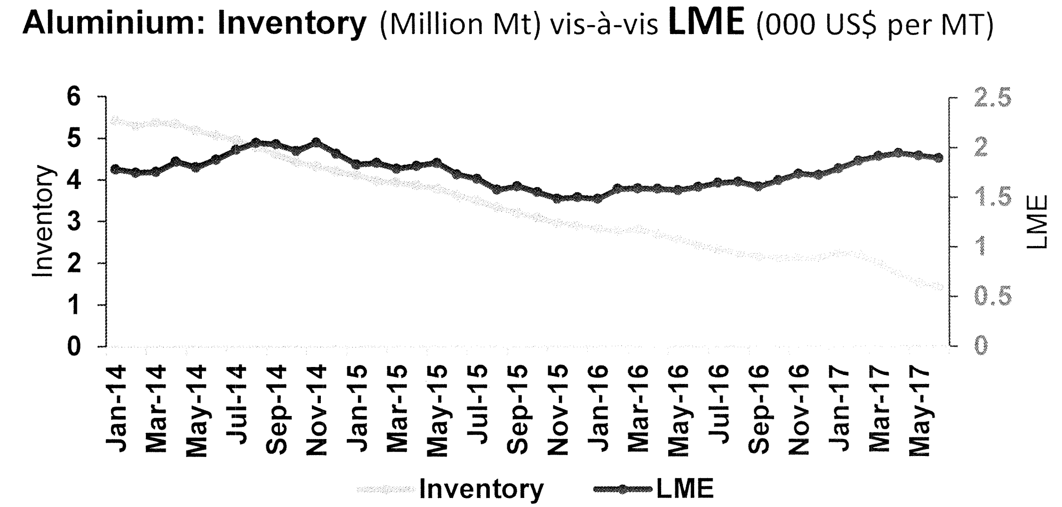
Project Name	Vertical Shaft Calcination Plant with Waste Heat Recovery Plant (WHR) at Special Economic Zone (SEZ) in Visakhapatnam, India
Production Capacity	Calcined Petroleum Coke (CPC) up to 370,000 Tons p.a. and 15MW Power from WHR Plant
Technical advantages of Vertical Shaft Kiln	- Enables production of High-density CPC - Improves input-output conversion
Value Additions	- No import duties on Capital Goods & Raw materials - 100% tax exemption on exports for first 5 years of Operations - Supplementary tax benefits from State Government on Goods & Service Tax - Balance foreign exchange through flexible Exports & Domestic sales mix
Target Markets	India and nearby regions
Estimated Project Cost	₹ 4,240 million (~ US$ 65 Million)
Commencement of Operations	Q1 2019

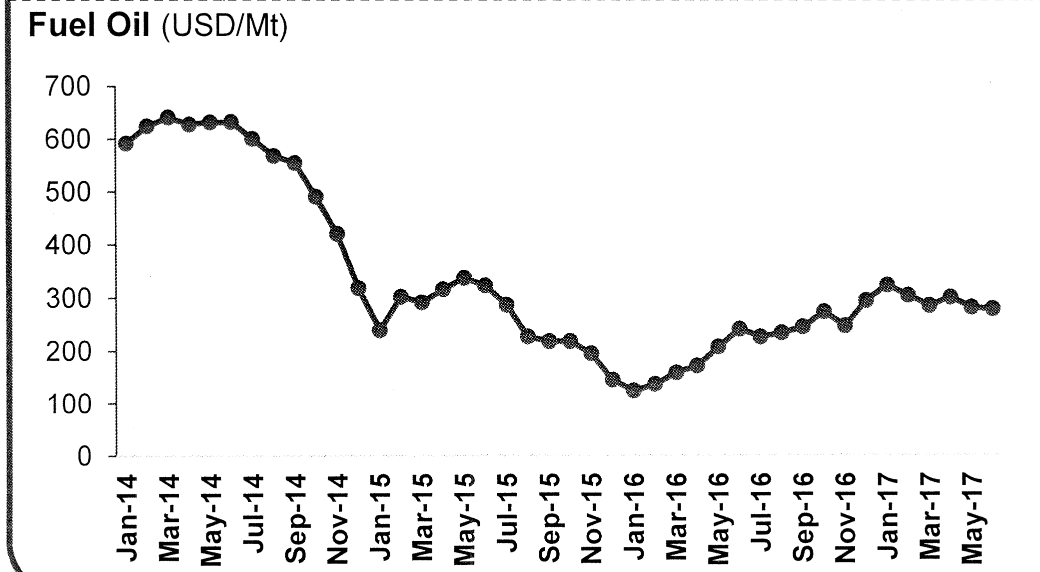
Planned Capital Project 2 – Tar Distillation

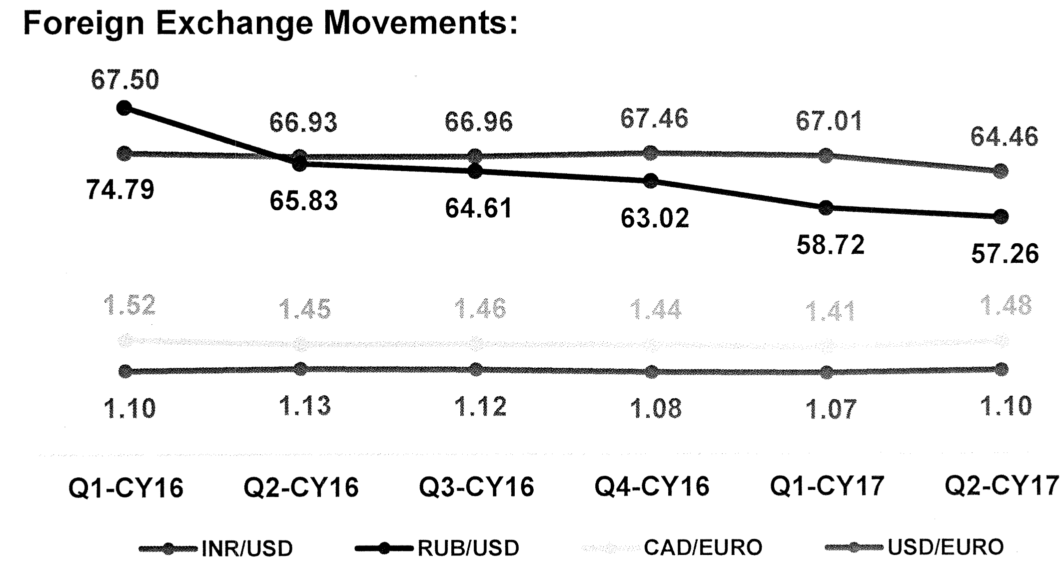
Project Name	Debottlenecking of Petro-Chemical Feedstock Distillation Facilities in Castrop–Rauxel, Germany and Zelzate, Belgium
Activities	Installation of Additional Balancing Equipment and Construction of Storage Facilities and other infrastructure
Value Additions	- The installed capacity will incrementally increase to 200,000 Tons p.a. - Further, the capacity utilization of such Petro-Chemical Feedstock Distillation Facilities will increase with construction of additional storage facilities and other infrastructure. - Higher volumes of Petroleum Pitch for Specialty Binders and Graphite Applications, Petrochemical Distillates, Naphthalene and Resin feedstocks.
Estimated Project Cost	US$ 17.0 million
Commencement of Operations	Q4 2018

Key Market Factors





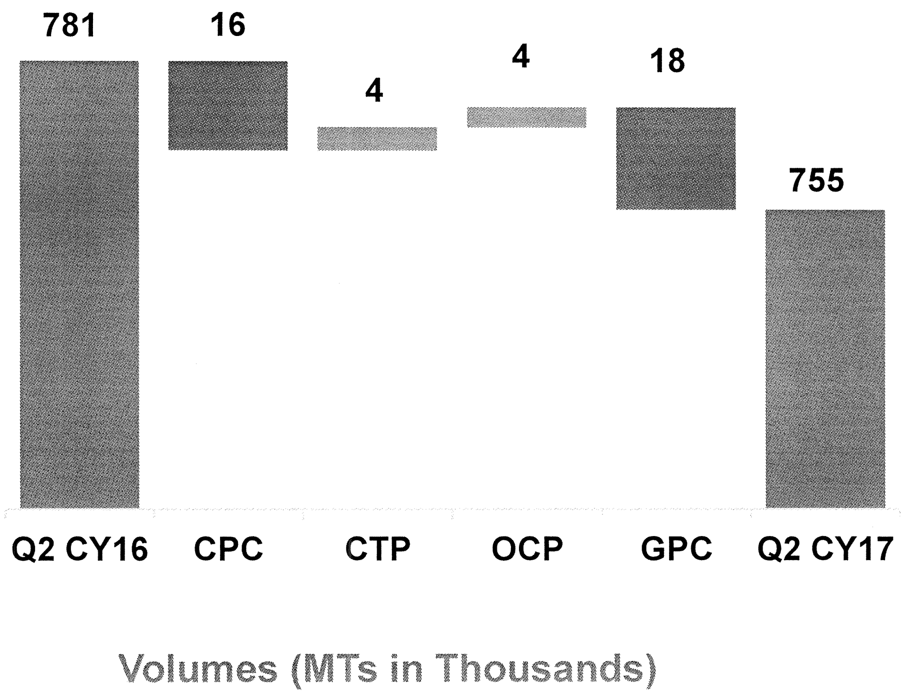


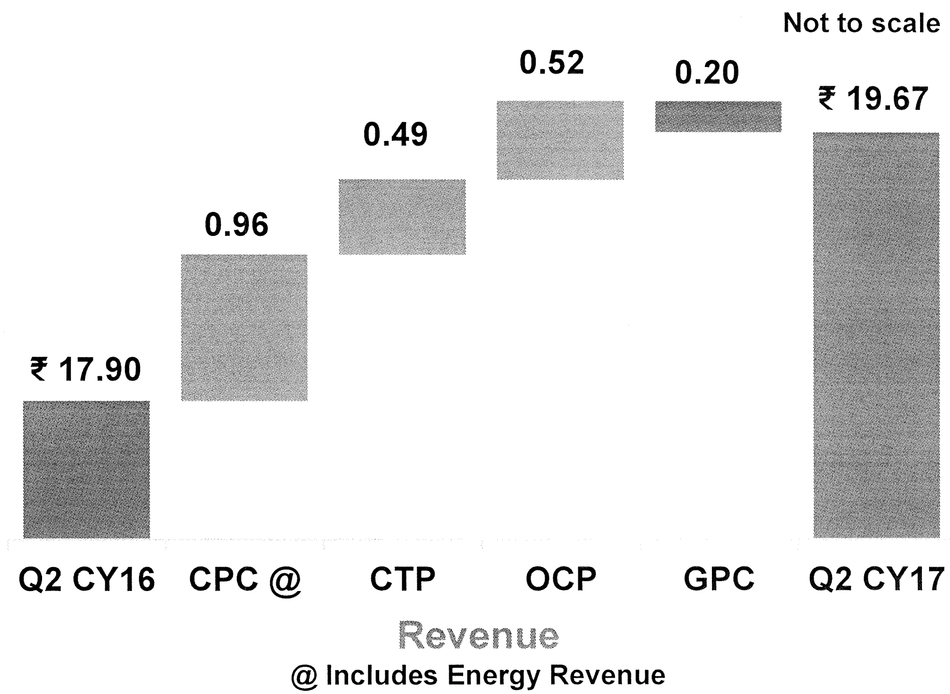


Primary Aluminium production continue to grow contributing to demand for Carbon products.

Carbon Business Performance – Q2 CY17

(₹ in Billions)





Highlights in Q2 CY17

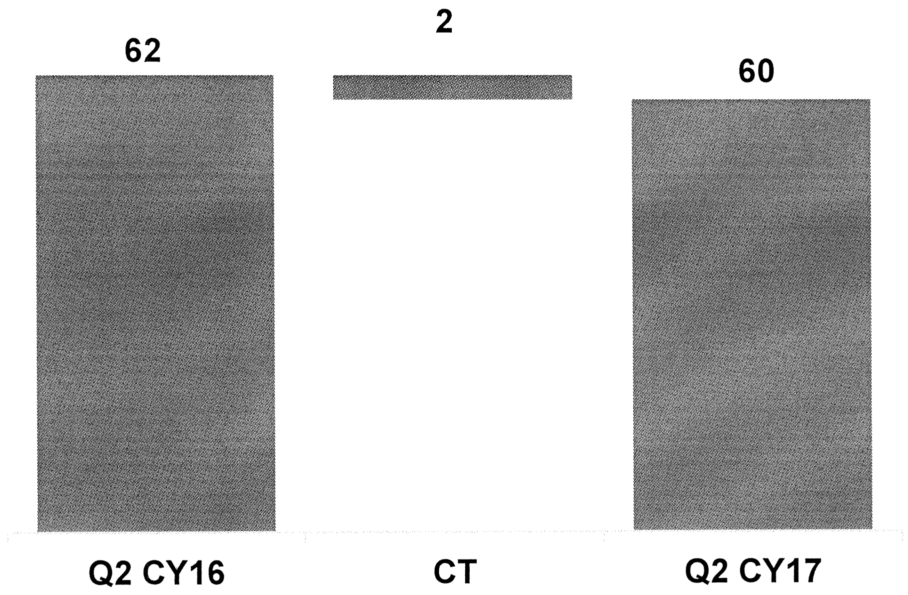
- Revenues increased due to higher quotations and higher volumes in CTP & other Carbon Products, partly off-set with decrease in CPC volumes due to shipment timings coupled with appreciation of INR against USD and Euro.
- Adjusted EBITDA increased to ₹ 4.0 billion due to higher volumes of CARBORES® from third Reactor which was operational in this quarter, ramping up YoY higher throughput of Russian Tar Distillation facility and execution of Indian CPC blending strategy coupled with improved blended realisations.

CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products; GPC – Green Petroleum Coke

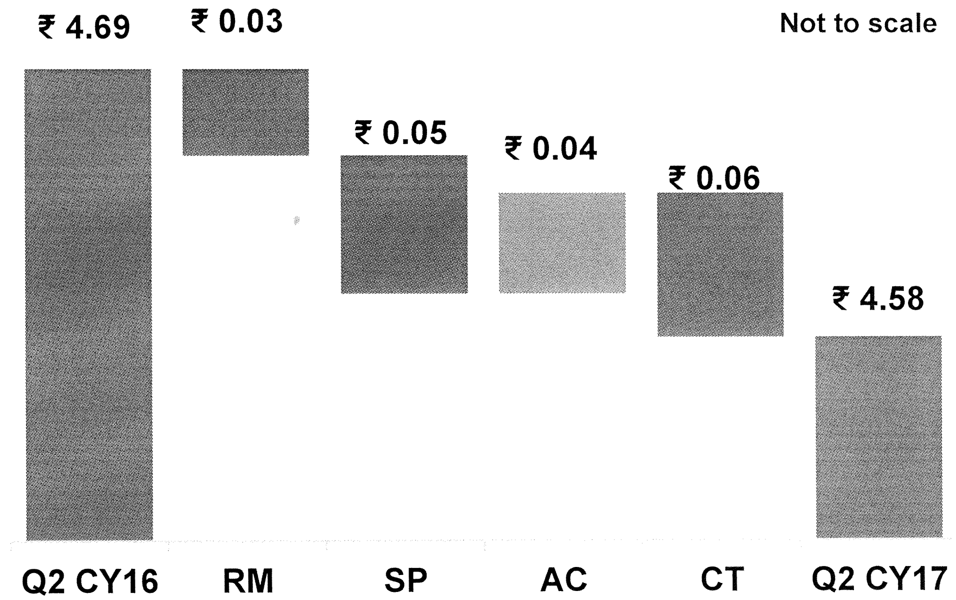
Adjusted EBITDA increased from ₹ 3.67 Billion in Q2 CY16 to ₹ 4.00 Billion in Q2 CY17

Chemical Business Performance – Q2 CY17

(₹ in Billions)



Volumes (MTs in Thousands)



Revenue

Highlights in Q2 CY17

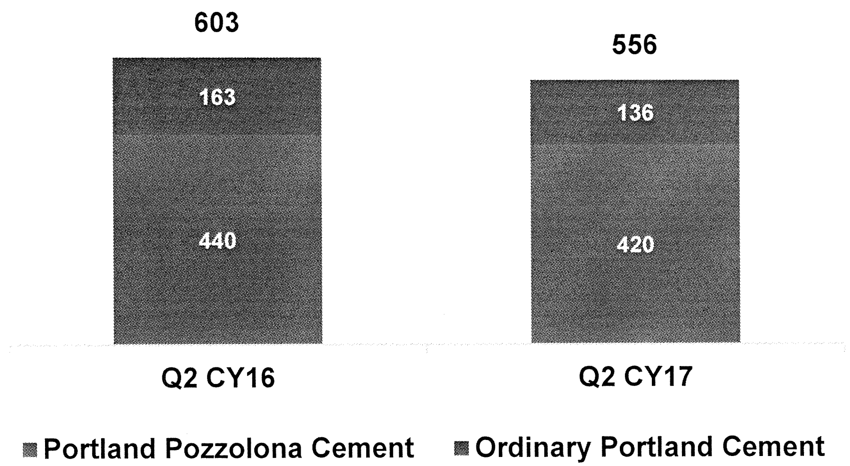
- Contributions to Revenue from the turn-around of Aromatic Chemical product portfolio and strong demand for Resins from Adhesive Industry was fully offset by the decrease in realisations from other chemicals and depreciation of Euro against INR.
- EBITDA impacted by raw material prices and availability.
- Decline in Chemicals Trading is due to the Company's decision to reduce low margin trading operations

RM - Resins & Modifiers; AC - Aromatic Chemicals; SP - Superplasticizers; CT - Chemtrade

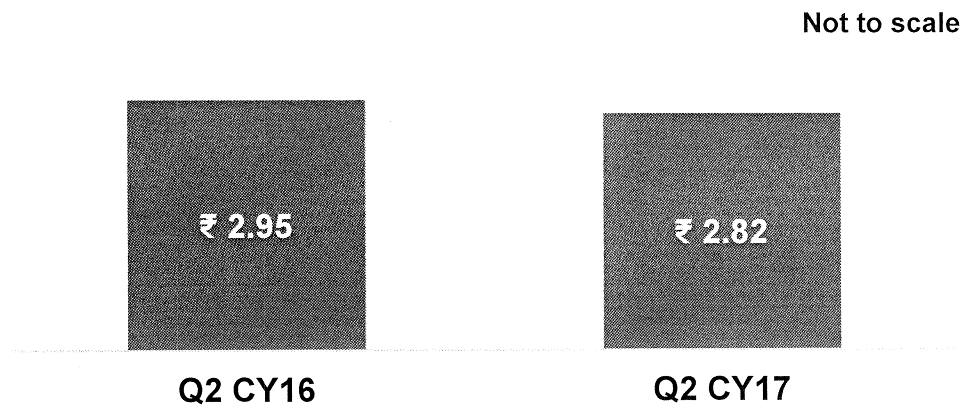
Adjusted EBITDA decreased from ₹ 0.72 Billion in Q2 CY16 to ₹ 0.47 Billion in Q2 CY 17

Cement Performance – Q2 CY17

(₹ in Billions)



Volumes (MTs in Thousands)



Revenue

Highlights in Q2 CY17

- Improved realisations offset with lower volumes contributed for fall in revenues.
- Increase in material costs impacted the fall in Adjusted EBITDA to ₹ 0.21 billion during Q2-CY17 from ₹ 0.37 billion.
- Cement demand will increase due to increased projects from the Government relating to infrastructure and implementing rural housing schemes

Adjusted EBITDA decreased from ₹ 0.37 Billion in Q2 CY16 to ₹ 0.21 Billion in Q2 CY 17

Consolidated Debt Position

US$ in Millions	Jun. 2017	Dec. 2016
Senior Secured Notes		
- 8.00% USD Bonds (due in 2018)	-	373
- 8.25% USD Bonds (due in 2021)	241	336
- 8.50% Euro Bonds (due in 2021)	*227	209
- 7.25% USD Bonds (due in 2025)	550	-
Other Term Debt	76	152
Gross Term Debt	**1,094**	**1,070**
Add: Working Capital	10	26
Gross Debt	**1,104**	**1,096**
Less: Cash and Cash Equivalents	131	154
Less: Deferred Finance Cost	21	15
Net Debt	**952**	**927**
LTM EBITDA	**289**	**246**

**Change resulting from appreciation of Euro against USD exchange rate*
 # Considering Adjusted EBITDA for LTM Q2 CY17

Highlights in Q2 CY17

- Cash balance of US$131 Million
- Unutilised Credit Limits – US$ 162 Million
- Post March'17 Re-financing:
  - Average Rate of Interest : 7.5% pre-tax
  - Average Rate of Interest : 4.8% post-tax.
  - Consolidated gross-leverage # : 3.8X
  - Consolidated net-leverage # : 3.3X.

RAIN – Key Business Strengths

- Three business verticals (Carbon, Cement and Chemicals)
- Transforming by-products of oil and steel industries into high-value carbon based products
- Long standing relationships with raw material suppliers
- Leading R&D function drives continuous innovation
- Diversified geographical footprint with advantaged freight and logistic network
- Facilities with overall 125 MW co-generated energy
- Refinancing at lower interest rate
- International Management Team
- Strategy shift from low margin products to favourable product mix

RAIN Group continues to grow on its core competence

Appendix

Summary of statement of operations

₹ in Millions

Particulars	Q2 2017	Q1 2017	Q2 2016	CY 2016
Net Revenue	27,071	25,226	25,535	94,378
Other Operating Revenue	95	123	126	567
Revenue from Operations	27,166	25,349	25,661	94,945
Adjusted EBITDA	**4,678**	**4,414**	**4,747**	**16,367**
Adjusted EBITDA Margin	17.2%	17.4%	18.5%	17.2%
Profit Before Tax and Exceptional Items	2,375	1,717	2,341	5,021
Exceptional Items	-	670	-	262
Profit Before Tax	2,375	1,047	2,341	4,759
Tax Expense	819	400	961	1,792
Share of Profit of Associates and Minority Interest	(41)	(55)	(29)	(58)
Net Profit	1,515	592	1,351	2,909
Adjusted Net Profit	**1,515**	**1,028**	**1,267**	**3,457**
Adjusted Earnings Per Share	4.5	3.1	3.8	10.3

Note: The above presented operating statement summary is as per Ind AS implemented from January 1, 2016 and the same is not comparable with the financial statements reported in the previous years as per Indian GAAP

Thank You