RAIN INDUSTRIES LIMITED

Press Release **August 13, 2016**

Consolidated Results for the Second Quarter Ended June 30, 2016

RAIN INDUSTRIES LIMITED ("RAIN" / "the Company") reported its' Consolidated Unaudited Financial Results for the Quarter Ended June 30, 2016.

Consolidated Financial Highlights for Q2 2016

- Income from Operations is ₹ 25,315 million and Operating Profit is ₹ 4,441 million
- Profit After Tax is ₹ 1,565 million and Earnings Per Share is ₹ 4.65
- Strong Cash Balance of ₹ 8,211 million to meet debt obligations in the near-term

Consolidated Financial Performance ₹ in Millions

Particulars	Quarter Ended Jun. 30, 2016	Quarter Ended Jun. 30, 2015	Year Ended Dec. 31, 2015
Net Revenue	25,189	26,100	101,718
Other Operating Income	126	137	467
Adjusted Operating Profit ("EBITDA")	**4,441**	**4,372**	**13,492**
Adjusted Operating Profit Margin	*18%*	*17%*	*13%*
Finance Cost	1,513	1,423	5,763
Other Income	322	132	499
Forex (Gain) / Loss	(162)	147	(96)
Depreciation and Amortization Expenses	862	816	3,278
Profit / (Loss) Before Tax and Exceptional Items	**2,550**	**2,118**	**5,046**
Exceptional Items	-	-	61
Profit / (Loss) Before Tax	**2,550**	**2,118**	**4,985**
Tax Expense/ (Benefit)	987	681	1,962
Net Profit / (Loss) Before Share of Profit of Associates and Minority Interest	**1,563**	**1,437**	**3,023**
Share of (Profit) / Loss of Associates and Minority Interest	2	14	210
Net Profit / (Loss)	**1,565**	**1,451**	**3,233**
Earnings / (Loss) Per Share	4.65	4.31	9.61

SEGMENT WISE - FINANCIAL PERFORMANCE

CARBON PRODUCTS

Particulars	Quarter Ended Jun. 30, 2016	Quarter Ended Jun. 30, 2015	Variance in %
(a) Sales Volumes (In ‘000 MTs)			
- Calcined Petroleum Coke (CPC)	441	394	12%
- Coal Tar Pitch (CTP)	142	123	15%
- Other Carbon Products [1]	194	163	19%
- Green Petroleum Coke (GPC)	18	34	-46%
TOTAL	**795**	**714**	**11%**
(b) Net Revenue [2] (₹ in Millions)			
- Calcined Petroleum Coke (CPC)	6,896	7,262	-5%
- Coal Tar Pitch (CTP)	3,744	3,443	9%
- Other Carbon Products[1]	6,208	6,406	-3%
- Green Petroleum Coke (GPC)	202	334	-40%
- Energy	693	620	12%
TOTAL	**17,743**	**18,065**	**-2%**
(c) Adjusted Operating Profit [3] (₹ in Millions)	**3,358**	**3,251**	**3%**
(d) Adjusted Operating Margin (%)	**19%**	**18%**	**1%**

Notes:

(1) *Other Carbon Products include other derivatives of Coal Tar distillation including Creosote Oil, Naphthalene, Phthalic Anhydride, Carbores and others.*

(2) *Net Revenue is Total Sales adjusted for Inter-Segment Sales.*

(3) *Adjusted Operating Profit is profit before adjustment of Exceptional Items, Other Income, Foreign Exchange (Gain) Loss, Depreciation & Amortization, Impairment Loss, Interest and Taxation.*

CHEMICALS

Particulars	Quarter Ended Jun. 30, 2016	Quarter Ended Jun. 30, 2015	Variance in %
(a) Sales Volumes (In '000 MTs)			
- Aromatic Chemicals	16	17	-6%
- Superplasticizers	16	16	-
- Resins & Modifiers	33	34	-3%
- Chemical Trading	10	19	-48%
TOTAL	**75**	**86**	**-13%**
(b) Net Revenue [1] (₹ in Millions)			
- Aromatic Chemicals	742	823	-10%
- Superplasticizers	795	787	1%
- Resins & Modifiers	2,950	3,258	-9%
- Chemical Trading	207	493	-58%
TOTAL	**4,694**	**5,361**	**-12%**
(c) Adjusted Operating Profit [2] (₹ in Millions)	**716**	**681**	**5%**
(d) Adjusted Operating Margin (%)	**15%**	**13%**	**2%**

CEMENT

Particulars	Quarter Ended Jun. 30, 2016	Quarter Ended Jun. 30, 2015	Variance in %
(a) Sales Volumes (In '000 MTs)	603	554	9%
(b) Net Revenue [1] (₹ in Millions)	2,752	2,674	3%
(c) Adjusted Operating Profit [2] (₹ in Millions)	367	440	-17%
(d) Adjusted Operating Margin (%)	13%	16%	-3%

Notes:

(1) *Net Revenue is Total Sales adjusted for Inter-Segment Sales.*

(2) *Adjusted Operating Profit is profit before adjustment of Exceptional Items, Other Income, Foreign Exchange (Gain) Loss, Depreciation & Amortization, Impairment Loss, Interest and Taxation.*

Financial Performance Review and Analysis – Q2 2016 Vs. Q2 2015:

Key performance indicators of the Company on a consolidated basis:

- Consolidated Net Revenue of ₹ 25,189 million during Q2 2016, a fall of ~3% compared to ₹ 26,100 million during Q2 2015.
    - Carbon Products sales volume during Q2 2016 is 795 thousand metric tons, an increase of ~11% compared to 714 thousand metric tons in Q2 2015. The increase is mainly due to the incremental volumes from Russian CTP Plant and incremental CPC from Chalmette FGD plant in conjunction with Indian CPC Blending Facility and partly offset by decrease in Pet coke trading. During Q2 2016, the average blended realization decreased by ~12%. Further, the Euro appreciated by ~7.5% and US Dollar appreciated by ~5.4% against Indian Rupee. Overall the fall in the average blended realizations including decline in exchange rates partially offset by increase in volumes led to a decline in revenue from Carbon Products business by ~2% in Q2 2016; as compared to Q2 2015.
    - Chemicals sales volume during Q2 2016 is 75 thousand metric tons, a decrease of ~13% compared to 86 thousand metric tons in Q2 2015. Due to decrease in trading volumes, the Chemical revenues in Indian Rupees decreased during Q2 2016 by ~12%. Further, improved realizations were offset by ~7.5% appreciation of Euro against Indian Rupee.
    - Cement revenue during Q2 2016 increased by ~3% as compared to Q2 2015. This is mainly due to the increase in volumes by ~9% partly offset by ~5% decline in realizations.
- Consolidated Operating Profit for Q2 2016 is ₹ 4,441 million an increase of ~2% compared to ₹ 4,372 million achieved during Q2 2015; the increase is primarily due to an increase in sales volumes of Carbon Products resulting from operations of the new capital projects and other cost optimization initiatives implemented within RAIN Group.
- Due to the aforesaid reasons, Operating Margins have increased to 18% during Q2 2016, compared to Operating Margin of 17% achieved during Q2 2015.
- During Q2 2016, the Company had a Foreign Exchange Gain of ₹ 162 million, as compared to Foreign Exchange Loss of ₹ 147 million in Q2 2015. The Company has designated certain long term inter-company loans as Investments in non-integral foreign operations, as per Indian Accounting Standard 11 with effect from July 1, 2015 and transferred foreign exchange losses / gains on reinstatement of such inter-company loans to Foreign Currency Translation Reserve.

Accordingly, a foreign exchange gain of ₹ 154 million on account of reinstatement of such inter-company loans have been transferred to Foreign Currency Translation Reserve during Q2 2016.

- Finance cost during Q2 2016 is ₹ 1,513 million, an increase of 6% compared to ₹ 1,423 million during Q2 2015 due to the depreciation of the rupee against US Dollar and Euro and offset by decrease in debt through buy-back of Senior Secured Notes and making of scheduled repayment of debt.
- Effective tax rate during the quarter is in-line with the group tax rates at various geographies which include India, Belgium, Canada, Germany and the United States.
- Consolidated Net Profit during Q2 2016 is ₹ 1,565 million as compared to Net Profit of ₹ 1,451 million during Q2 2015.
- The Company achieved a Consolidated EPS of ₹ 4.65 during Q2 2016 as compared to Consolidated EPS of ₹ 4.31 during Q2 2015.

Debt Analysis:

As at June 30, 2016, the Company has a Consolidated Gross Debt of US$ 1,127 million (including Working Capital Debt of US$ 34 million) and Cash and Cash Equivalents of US$ 121 million. The Net Debt as at the same date is US$ 1,006 million.

(US$ in Million)[1]

Particulars	Jun. 30, 2016	Dec. 31, 2015	Repayment Terms
Senior Secured Notes:-			
- 8.00% USD Denominated	373	373	Bullet repayment in Dec. 2018
- 8.25% USD Denominated	337	356	Bullet repayment in Jan. 2021
- 8.50% Euro Denominated	[2] 226	229	Bullet repayment in Jan. 2021
Senior Bank Debt	123	117	Floating Rate - Instalments up to 2021
Sales Tax Deferment	12	12	Interest Free - Instalments up to 2027
Loan from JV partners	10	6	Fixed Rates - Unsecured loans
Other Debt	12	13	Fixed Rates - Includes Finance leases
Gross Term Debt	**1,093**	**1,106**	
Add: Working Capital Debt	34	39	
Gross Debt	**1,127**	**1,145**	
Less: Cash & Cash Equivalents	121	132	
Net Debt	**1,006**	**1,013**	

Notes:

(1) As substantial part of the Consolidated Debt is denominated in US Dollars, the Consolidated Debt of the Company is presented in US Dollars.

(2) Due to buy back of € 6.55 million bonds partly offset by the change in exchange rate.

With the existing Cash and Cash Equivalents of US$ 121 million coupled with undrawn revolver facilities of US$ 148 million, the Company is well placed to meet debt servicing obligations in the near-term. The major debt repayments are scheduled to start from December 2018.

Foreign Exchange Rates:

The Company has used the below mentioned average and closing exchange rates for conversion of foreign currency transactions recorded in the Statement of Profit and Loss and Balance Sheet respectively in preparing the consolidated financial statements.

Currency	Average Rate for		Variance in %
	Q2 2016	Q2 2015	
Indian Rupees / US Dollar	66.93	63.50	-5.40%
Indian Rupees / EURO	75.57	70.31	-7.48%
RUB / US Dollar	65.83	52.56	-25.24%
Canadian Dollar / EURO	1.45	1.36	-7.14%

Currency	As at Jun. 30, 2016	As at Dec. 31, 2015	Variance in %
Indian Rupees / US Dollar	67.62	66.33	-1.94%
Indian Rupees / EURO	75.01	72.50	-3.46%
RUB / US Dollar	64.42	74.10	13.06%
Canadian Dollar / EURO	1.44	1.51	4.74%

Historical Performance

₹ in Million

Particulars	Q2 2016	Q1 2016	CY 2015	CY 2014	CY 2013	CY 2012
Income from Operations(1)	25,315	21,617	102,185	119,370	117,443	53,615
Adjusted Operating Profit (2)	4,441	1,997	13,492	12,220	14,978	11,090
Net Profit (Loss)	1,565	(762)	3,233	885	3,845	4,577
Adjusted Net Profit (Loss) (3)	1,565	(250)	3,233	2,561	4,512	5,796

Notes:

(1) Income from Operations is the sum of Net Revenue and Other Operating Income.

(2) Adjusted Operating Profit / EBITDA is Profit before Other Income, Foreign Exchange (Gain) / Loss, Depreciation & Amortisation, Impairment Loss, Interest, Taxation and Exceptional Items.

(3) Net Profit is adjusted for exceptional expense or income for the reported period net of the applicable taxes.

(a) Profit After Tax for Q1 2016 is adjusted for provision for inventories ₹ 547 Million, incremental Major Maintenance ₹ 439 Million, Severance impact ₹ 74 Million, Gain on buy back of bonds ₹ 166 Million, net tax expense of ₹ 382 Million on all these items.

(b) Profit After Tax for CY 2015 is adjusted for actuarial gain of ₹ 697 million on pension liability, liquidated damages of ₹ 429 million to EPC contractor, provision for bad debts of ₹ 134 million, Russian Ruble & Canadian Dollar currency devaluation impact of ₹ 127 million (net of minority interest) and tax impact on all these items of ₹ 7 million (net of minority interest).

(c) Profit After Tax for CY 2014 is adjusted for actuarial losses of ₹ 1,820 million on pension liability, Inventory write down of ₹ 237 million due to fall in commodity prices, Russian Ruble currency devaluation impact of ₹ 338 million, impairment loss of ₹ 95 million, and tax impact on all these items of ₹ 814 million.

(d) Profit After Tax for CY 2013 is adjusted for acquisition related costs of ₹ 142 million, impairment loss of ₹ 1,304 million offset by insurance claim receipts of ₹ 375 million and tax impact on all these items of ₹ 404 million.

(e) Profit After Tax for CY 2012 is adjusted for one time expenditure of ₹ 1,789 million (net of tax ₹ 1,219 million) incurred in-connection with the acquisition of RÜTGERS.

About RAIN:

RAIN is one of the world's leading producers of Carbon Products and Specialty Chemicals with 17 operating facilities spread across India, Belgium, Canada, Egypt, Germany, the Netherlands, USA, Poland and Russia. RAIN also has two integrated Cement facilities in India and markets its product under the brand name "Priya Cement".

Carbon Products include Calcined Petroleum Coke ("CPC"), Coal Tar Pitch ("CTP"), Green Petroleum Coke, Energy produced through Waste-heat recovery and other derivatives of Coal Tar distillation including Creosote Oil, Naphthalene, Phthalic Anhydride, Carbores and others. Chemicals Products include Resins, Modifiers, Superplasticizers, Aromatic Chemicals, and others. The manufacture and sale of Cement has been classified as Cement.

For further information please contact:

Investor Relations – India

Anil Kumar Upadhyay
Tel: +91 40 4040 1252
Email: Anil.Upadhyay@raincarbon.com

Investor Relations – US

Ryan Tayman
Tel: +1 203 517 2822
Email: Ryan.Tayman@raincarbon.com