RAIN INDUSTRIES LIMITED

Earnings Presentation – Q4 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, 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.

Significant Developments during last two years

- Functional integration across all three geographies (Europe, North America and India) into four critical functions (Operations, Commercial, Logistics and Finance).
- Successfully implemented six Capital Projects in Canada, Germany, India, Russia and USA and stabilized operations therein.
- Optimization of conversion cost by implementing best practices simultaneously improving plant reliability and capacity utilization.
- Debottlenecking of capacity and maximizing yield.
- Identifying new sources of raw-materials to de-commoditize business model by reducing dependence on volatile products.
- Strategic alliance for long-term security of raw-materials and capture market opportunities to improve capacity utilization.
- Dedicated logistics team globally to bring efficiencies of handling larger volumes and reduce freight cost.
- Implementation of internal reorganization to roll-up redundant companies (reduction of 9 companies in Europe) and allocate debt to European operations.
- Completed two phases of refinancing to reduce interest cost (by about 250 Basis Points), extended major repayments until 2025
- Recapitalizing debt-mix between Euros and US Dollars, to match underlying cash-flows.
- The Company has implemented Ind AS by transiting from erstwhile Indian GAAP from January 1, 2017.

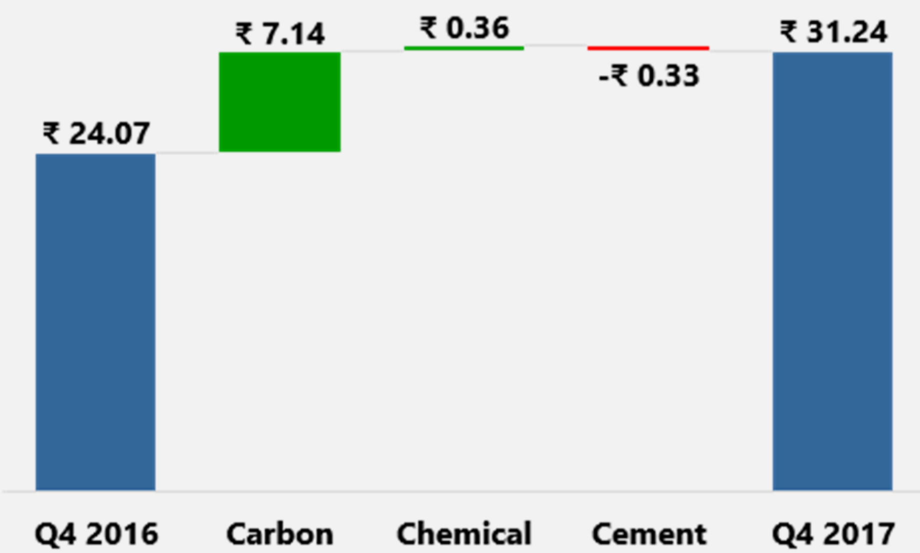
Completed Capital Projects

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 Visakhapatnam, 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. and improving capacity utilization beyond 90%	☑

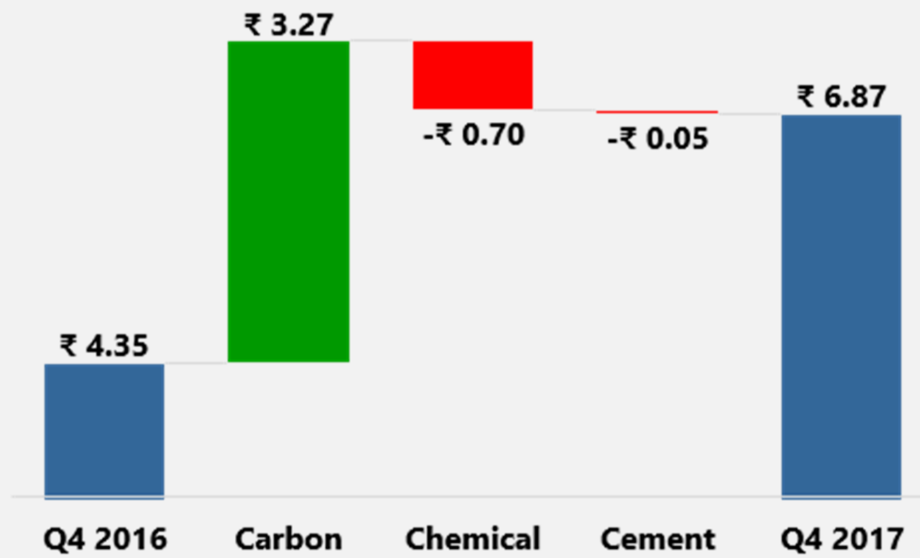
All Expansion Projects have now fully stabilized.

Consolidated Performance – Q4 CY17

(₹ in Billions)



Revenue



Adjusted EBITDA

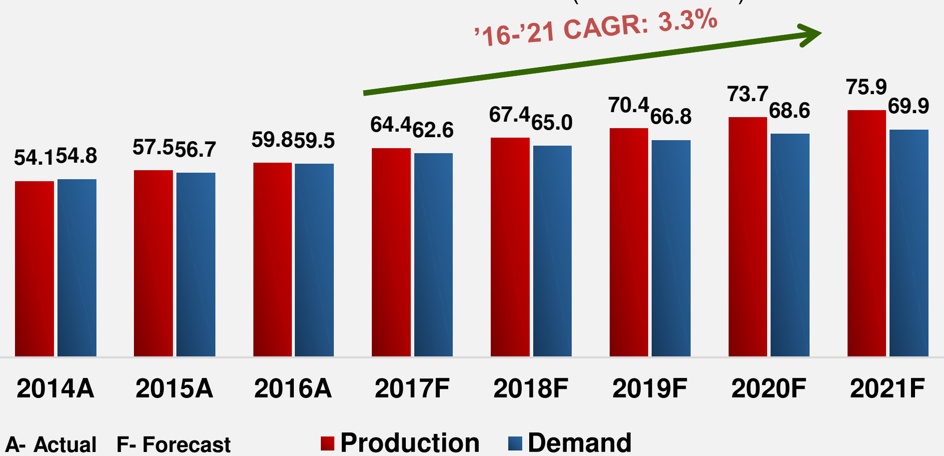
Highlights in Q4 CY17

- Expansion projects completed over the past 2 years and improved capacity utilisations are contributing to revenue and EBITDA growth.
- Functional integration across all three geographies has improved efficiencies and enabled cost reductions.
- Industry fundamentals enabling improved realisations.
- Consolidated adjusted net profit of ₹ 3.0 billion and adjusted earnings per share of ₹ 8.9.

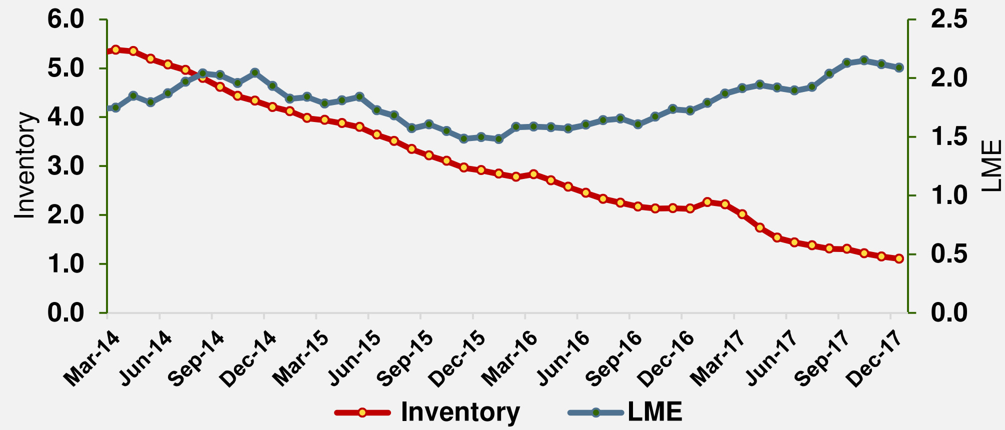
Note: Charts Not to scale

Key Market Factors

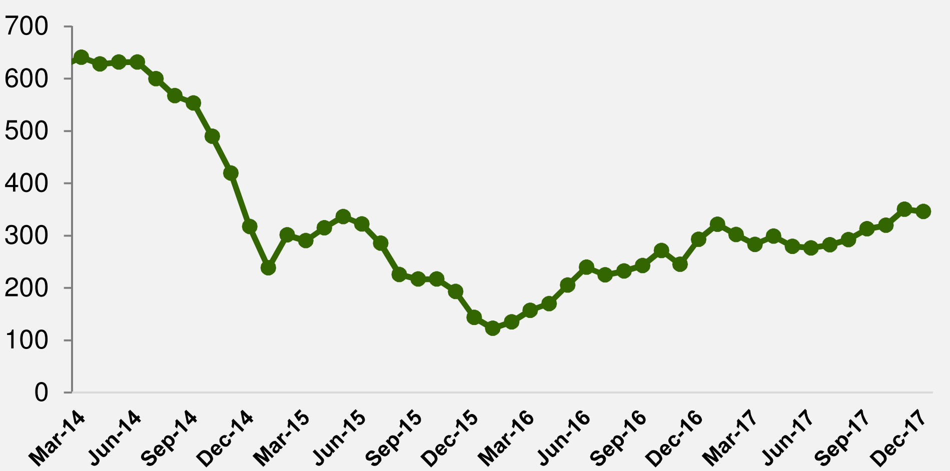
Aluminium : Production & Demand (Million Tons)



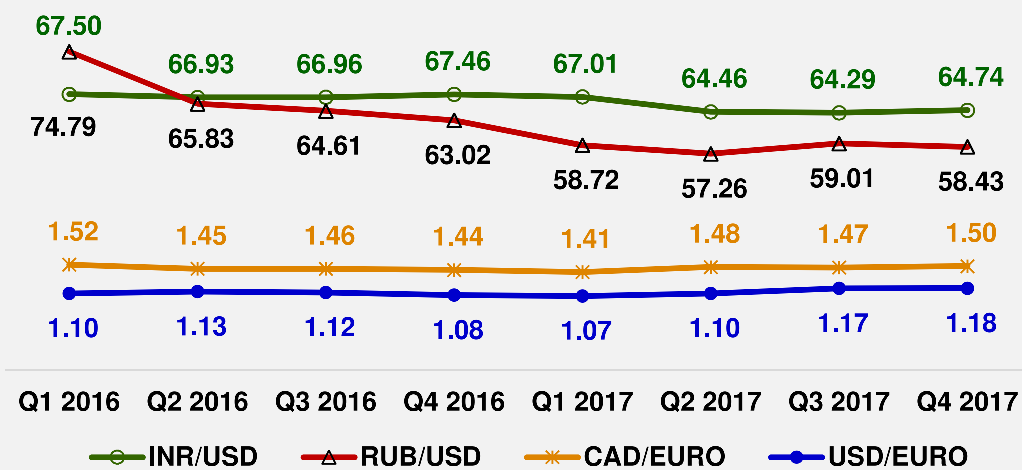
Aluminium: Inventory (Million Tons) vis-à-vis **LME** (000 US$ per Ton)



Fuel Oil (US$ per Ton)



Foreign Exchange Movements:

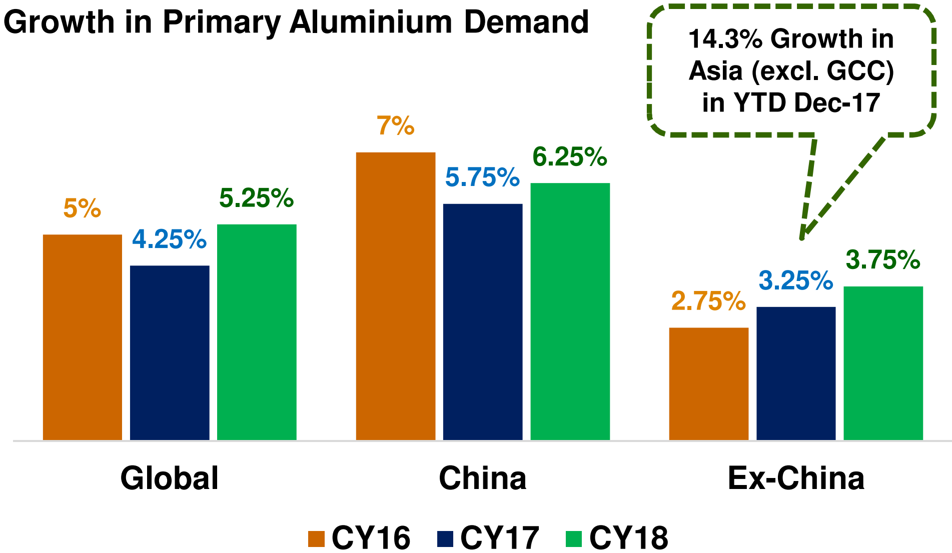


Primary Aluminium production continue to grow contributing to demand for Carbon products.

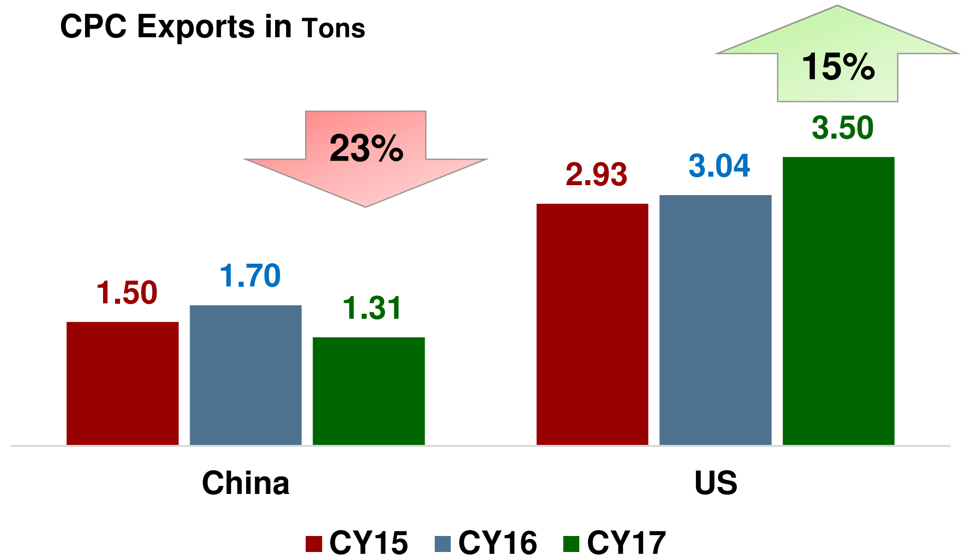
Source: Management Estimate and Industry Updates

Market Updates

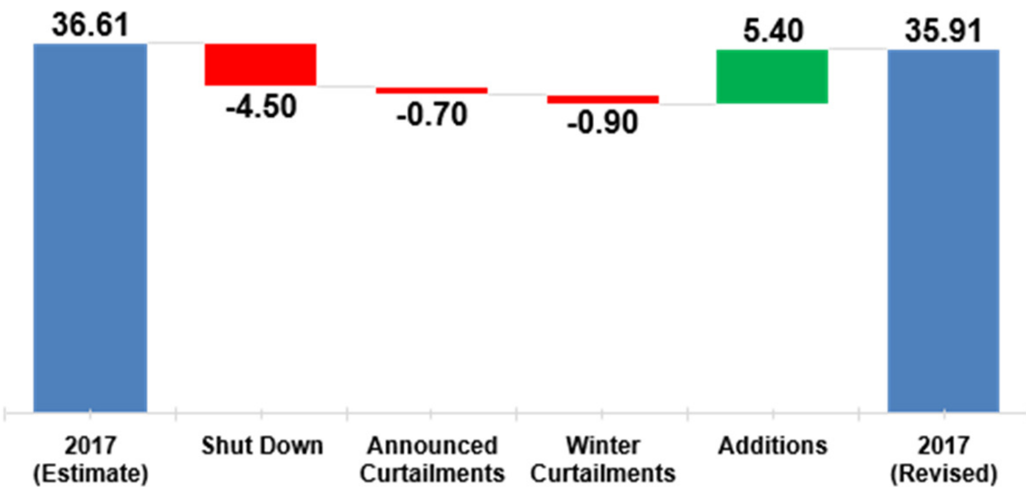
Growth in Primary Aluminium Demand



CPC Exports in Tons



China Primary Aluminium in Tons - 2017



Source: Management Estimate and Industry Updates

Recent Updates:

North America

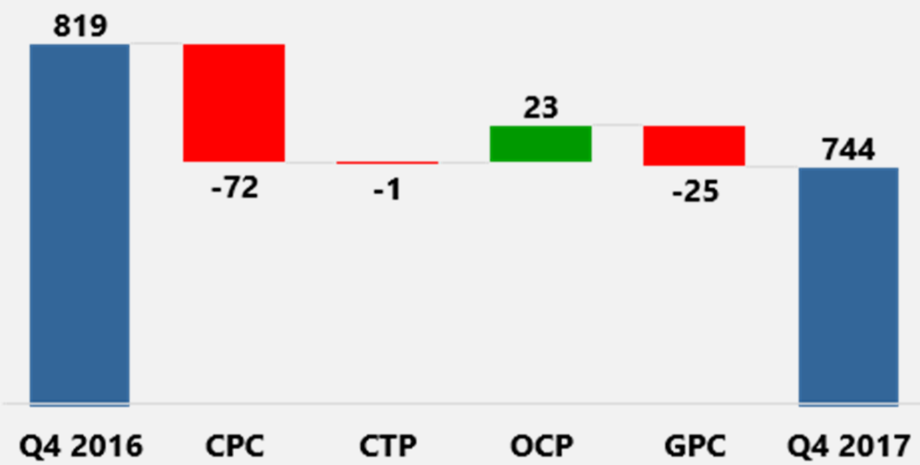
- ✓ Alcoa announced the restart of its smelting facility at Warrick near Evansville, Indiana of 161,400 tons p.a. to be operational in Q2 2018.
- ✓ Magnitude 7 Metals will also restart shortly in New Madrid, Missouri (former Noranda Plant).
- ✓ Potential incremental capacity utilisation upto 100,000 tons p.a. at Century Aluminium's Mt. Holley and Hawesville plants.

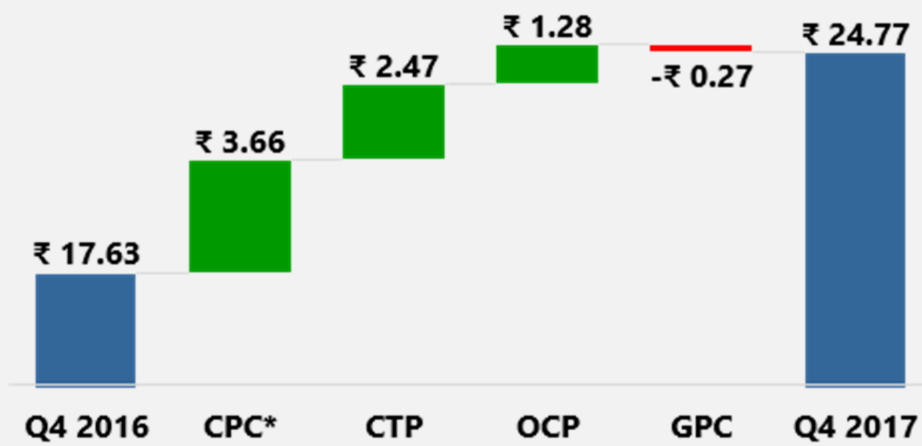
China

- ✓ Initiatives from National Development and Reform Commission (NDRC) & Ministry of Environmental Protection (MEP) for environmental protection under implementation by curtailments in smelting capacities in China.

Carbon Business Performance – Q4 CY17

(₹ in Billions)





*Includes Energy Revenue

Sales Volumes (Tons in Thousands)

Revenue

Highlights in Q4 CY17

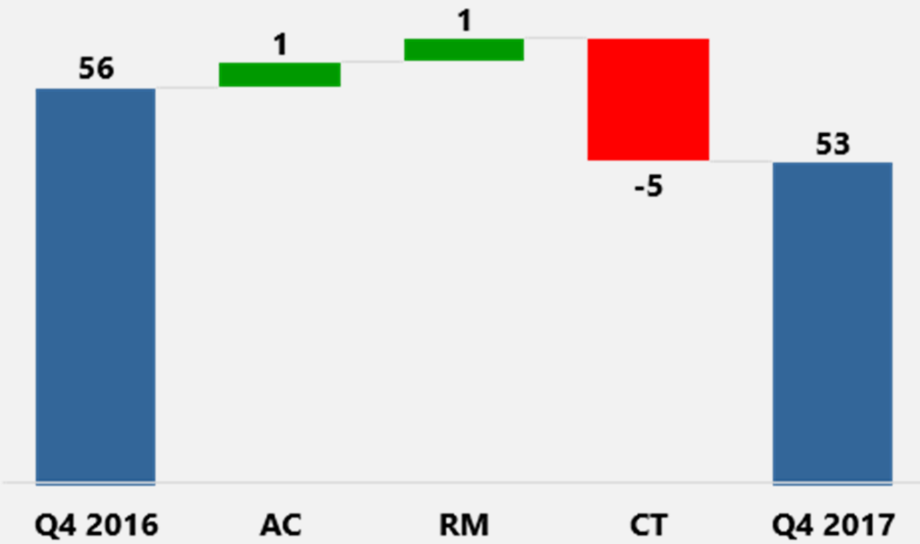
- Revenues increased due to higher quotations and higher volumes in Other Carbon Products.
- CPC volumes decreased due to delayed shipments. Incremental volumes from High-margin Other Carbon Products, due to better capacity utilisation..
- Adjusted EBITDA increased by ₹ 3.3 billion due to changes in sales-mix, improved blended realisations and cost optimisation.

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

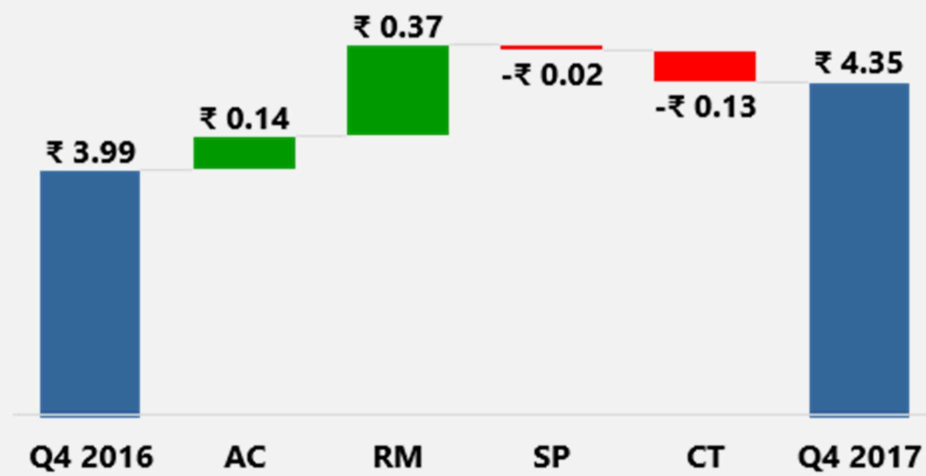
Note: Charts Not to scale

Chemical Business Performance – Q4 CY17

(₹ in Billions)



Sales Volumes (Tons in Thousands)



Revenue

Highlights in Q4 CY17

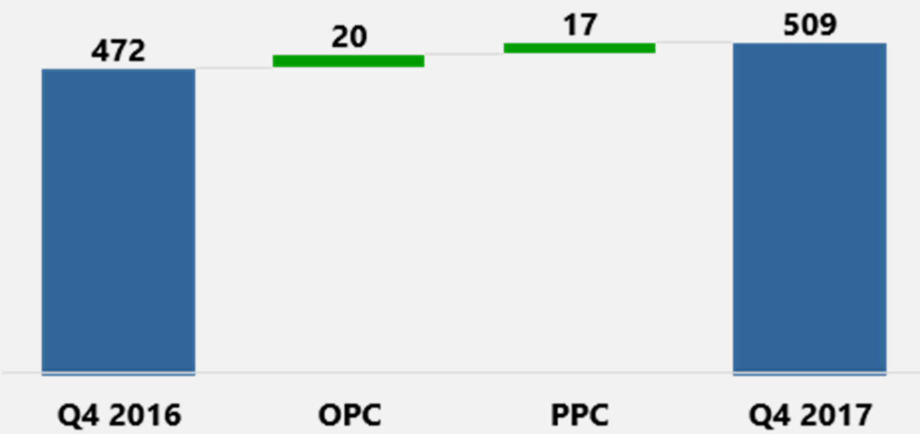
- Increase in revenue from Aromatic Chemicals and Resins & Modifiers contributed to an increase in revenue from Chemical business.
- Strong demand for Resins from adhesive industry drove revenue increase.
- Performance of chemical business impacted due to increase in operating expenses and higher raw material quotations.
- 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

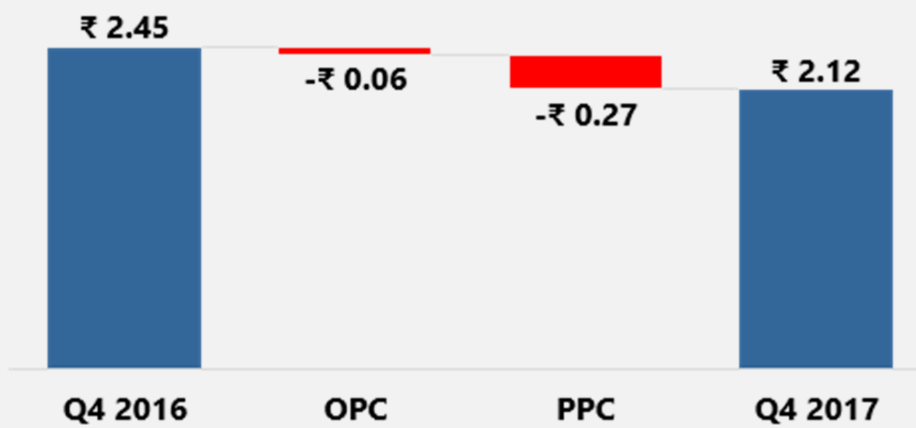
Note: Charts Not to scale

Cement Performance – Q4 CY17

(₹ in Billions)



Sales Volumes (Tons in Thousands)



Revenue

Highlights in Q4 CY17

- Revenue from cement business decreased by ~ 13.4% mainly due to decrease in realisations by ~ 19.7% in Q4 CY17 compared to Q4 CY16, partly off-set with ~ 7.8% increase in volumes..
- Lower realizations, coupled with increase in cost of inputs impacted the adjusted EBITDA by ~ 14.7%.
- Commenced execution of 4.1 MW WHR in Nalgonda plant with a Project outlay of ₹ 0.5 billion after the success in WHR in Kurnool Cement plant.
- Cement demand will increase due to increased projects from the Government relating to infrastructure and implementing rural housing schemes

OPC – Ordinary Portland Cement; PPC – Portland Pozzolana Cement

Note: Charts Not to scale

Consolidated Debt Position

US$ in Millions	Pro-forma Jan.'18	Dec.'17	Dec.'16
Senior Secured Notes			
- 8.00% USD Bonds (due in 2018)	-	-	373
- 8.25% USD Bonds (due in 2021)	-	247	336
- 8.50% Euro Bonds (due in 2021)	-	*242	209
- 7.25% USD Bonds (due in 2025)	550	550	-
Euro Term Loan B	466	-	-
Other Term Debt	69	69	152
Gross Term Debt	**1,085**	**1,108**	**1,070**
Add: Working Capital	50	50	26
Gross Debt	**1,135**	**1,158**	**1,096**
Less: Cash and Cash Equivalents	112	147	154
Less: Deferred Finance Cost	20	12	15
Net Debt	**1,003**	**999**	**927**
LTM Adjusted EBITDA	349	349	244

Highlights in Q4 CY17

- Cash balance of US$147 million and unutilised working capital facilities of US$ 100 million
- The 2021 Notes were refinanced on Jan. 16, 2018 with the issuance of a Euro denominated Term Loan B of € 390 million at an interest rate of EURIBOR (with a 0% floor) +300 bps.
- Impact of refinancing:

US$ in Millions	Pro-forma Jan.'18	Jan.'17
Gross Debt Leverage Ratio	3.2x	4.5x
Net Debt Leverage Ratio	2.9x	3.8x
Interest Coverage Ratio	6.1x	3.0x
Avg. Interest Rate (Pre-tax)	5.26%	7.64%
Avg. Interest Rate (Post-tax)	3.52%	4.97%
% of Euro Term Debt	42.89%	19.54%
% of Debt with Floating Interest rate#	49.38%	14.19%

 # Majority of debt is repayable in structured instalments and eligible for accelerated repayments.

**Change resulting from appreciation of Euro against USD exchange rate*

Net Working Capital & Debt Repayments

Net Working Capital:

□ / $ in Millions	Dec.'17	Dec.'16
Inventories (□)	19,985	12,678
Trade Receivables (□)	16,873	10,392
Trade Payables (□)	(11,512)	(7,604)
Net Working Capital (□)	**25,346**	**15,466**
Net Working Capital ($)	**396**	**228**

Increase of US$ 168 million in net working capital has resulted in increase in working capital loan by US$ 24 million.

Scheduled Repayments of Term Loan:

	$ in Millions
Term Debt post Refinancing in Jan.18	1,085
Scheduled Repayments:	
- CY 2018	28
- CY 2019	11
- CY 2020	19
- CY 2021	17
- CY 2022	14
- Later Years	**996**

Flexible to accelerate repayments against Term Debt of US$ 535 million, depending on cash-flows

RAIN – Key Business Strengths

- Three business verticals (Carbon, Cement and Chemicals)
- Global presence with 2.1 million tons p.a. Calcination Capacity, 1.0 million tons p.a. CPC blending capacity, 1.35 million tons p.a. Coal Tar Distillation Capacity and 4.0 million tons p.a. Cement Capacity.
- Transforming by-products of oil and steel industries into high-value carbon products
- Long standing relationships with raw material suppliers and end customers
- 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	Q4 CY17	Q4 CY16	CY 2017	CY 2016
Net Revenue	31,245	24,069	113,919	94,378
Other Operating Income	203	221	552	567
Revenue from Operations	**31,448**	**24,290**	**114,471**	**94,945**
Adjusted EBITDA	**6,872**	**4,347**	**22,702**	**16,367**
Adjusted EBITDA Margin	*21.9%*	*17.9%*	*19.8%*	*17.2%*
Profit before share of profit of associates, exceptional items and tax	**4,345**	**1,678**	**12,634**	**5,021**
Exceptional Items	1,133	-	1,803	262
Share of Profit of Associates	9	41	8	41
Profit Before Tax	**3,221**	**1,719**	**10,839**	**4,800**
Tax Expense, including Exceptional Tax Benefit	37	821	2,918	1,792
Minority Interest	112	22	285	99
Net Profit	**3,072**	**876**	**7,636**	**2,909**
Adjusted Net Profit	**2,977**	**876**	**7,977**	**3,457**
Adjusted Earnings Per Share in (□)*	8.9	2.6	23.7	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

Reconciliation of Profit after tax to Adjusted Profit after tax

 in Millions

Details	Q4 2017	CY 2017
A. Reported Profit after tax	**3,072**	**7,636**
B. Add/(Less): Exceptional items		
Add: Premium on Redemption and Amortisation of Deferred finance cost on redemption of 2018 & 2021Notes through refinancing in March 2017 and January 2018 respectively (Net of Tax)	736	1,172
Less: Tax benefit in restating Deferred Tax Liability at new enacted corporate tax rates of 21% and 29.58% in the USA and Belgium respectively	(831)	(831)
C. Adjusted Profit after tax (A + B)	**2,977**	**7,977**

Thank You