



Rain Industries Limited

(Formerly Rain Commodities Limited)

Corporate Presentation – May 2015



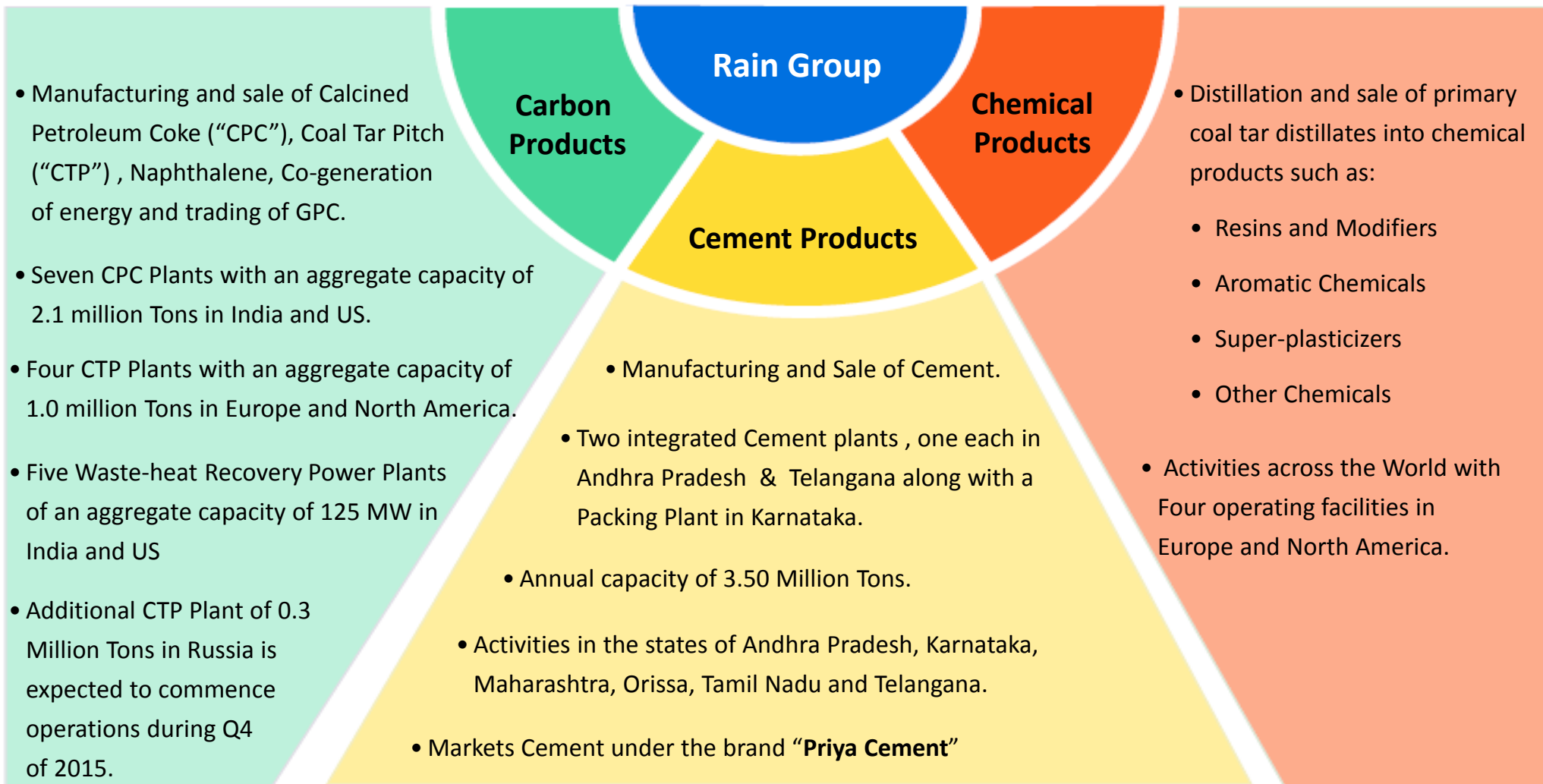
Forward Looking Statement

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Forward-looking statements speak only as of the date the statements are made. The Company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

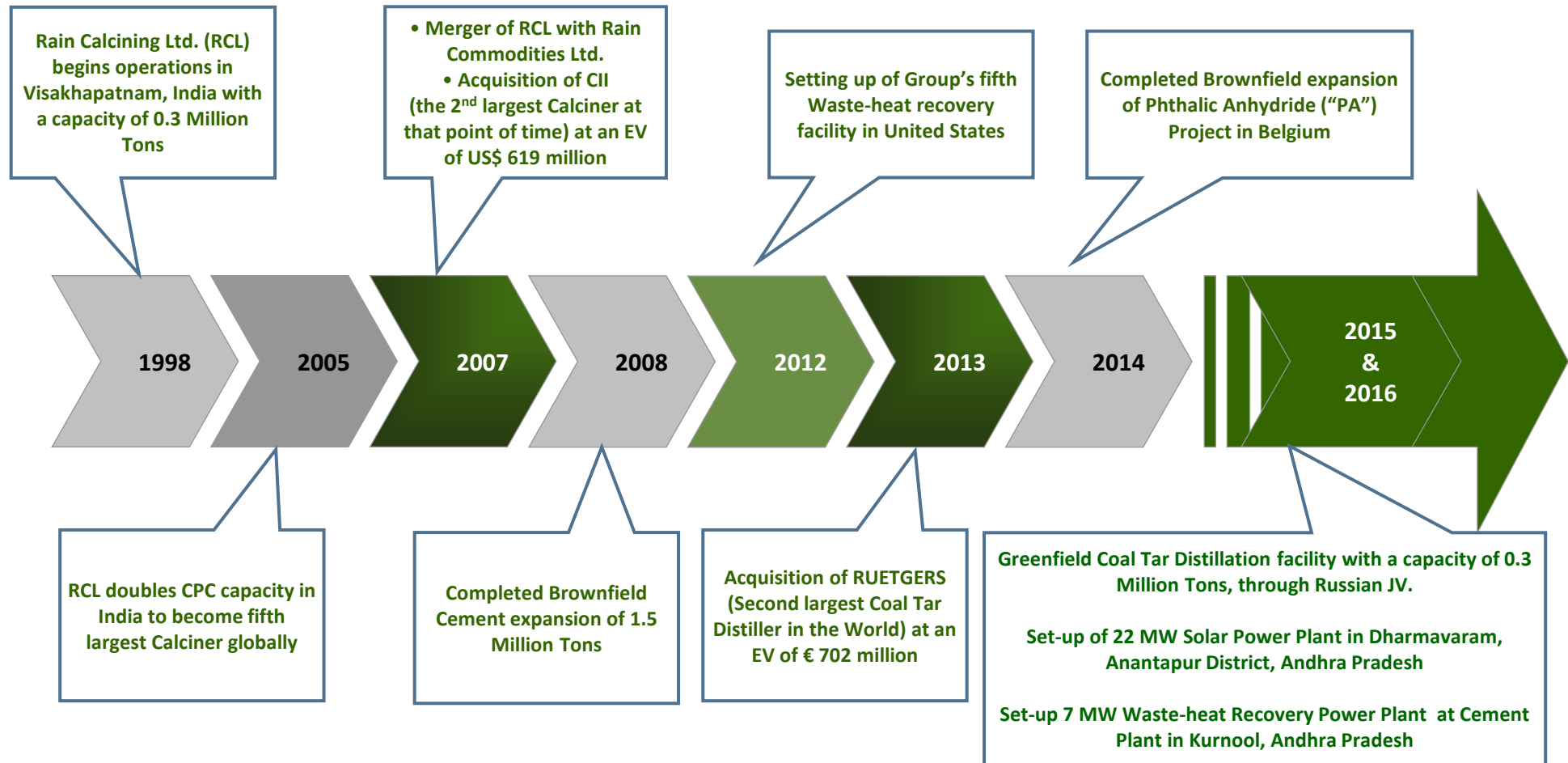
Rain Group – Business Verticals and Geographical Presence

Rain Group – Business Verticals



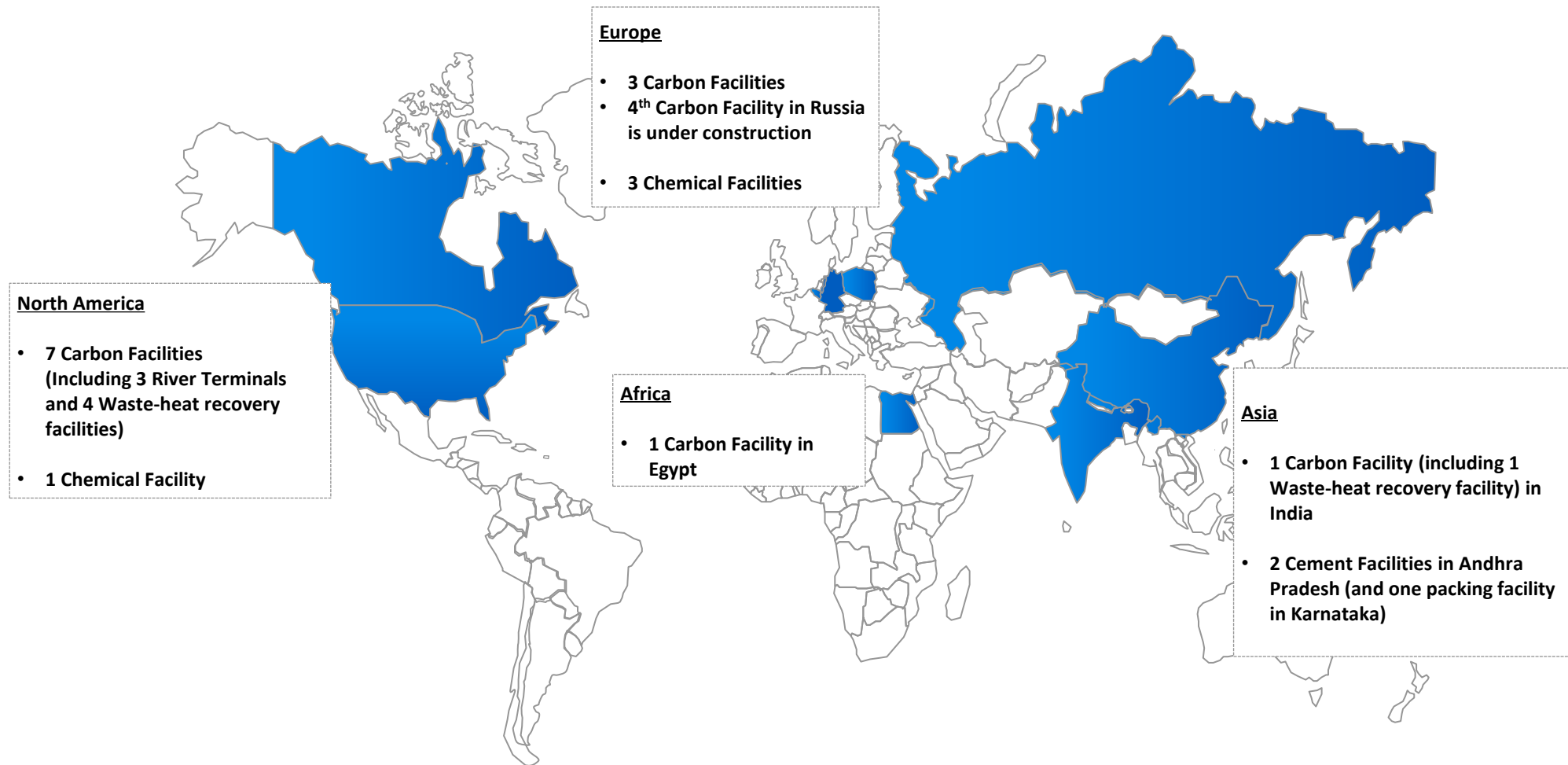
Growth opportunities exist in all three business verticals

Rain Group – Key Milestones



Rain Group is growing continuously in its core business, through capacity expansions, acquisitions and successfully integrating the same with its existing business

Diversified Geographical Profile



With best-in-class Facilities across Four Continents, Rain Group supplies to customers across the World

Industry Updates

Overview of Calcined Petroleum Coke (“CPC”) Industry

Oil Refining Industry



Green Petroleum Coke - A by-product

- ▶ GPC production related to refining of sweet crude
- ▶ Reliable off-take is critical

Coke Calciners



Calcined Petroleum Coke

Captured through
calcining process

- ▶ Critical in the value chain of Green Coke
- ▶ Regional competition given high transportation costs
- ▶ High barriers to entry due to limited availability of GPC and scale of economies

Aluminum Industry



CPC <10% of Production Cost

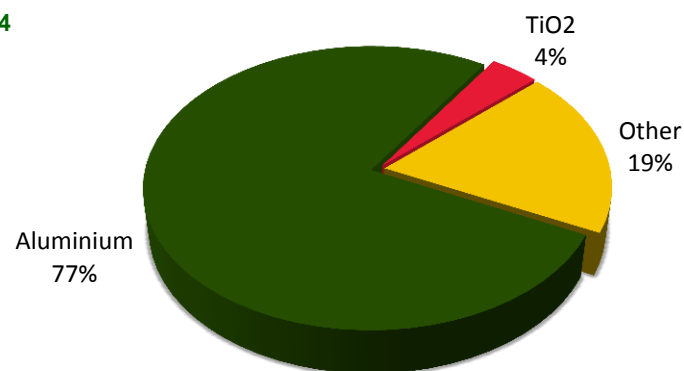
- ▶ Not economically viable substitute for CPC in Aluminum production process
- ▶ Reliable and continuous supply of CPC with consistent high quality is crucial
- ▶ Complementary to CTP in anode production

Overview

- ▶ CPC is produced from GPC, a by-product of crude oil refining
- ▶ Calciners compete on the basis of product quality and reliability, apart from the price
- ▶ Availability of Anode-grade GPC has been declining as oil refiners process heavier, more sour crude oils
- ▶ Additional worldwide CPC capacity effectively constrained by availability of suitable GPC (Anode Grade GPC)
- ▶ Industry participants working to develop CPC from lower quality GPC sources
- ▶ Every Ton of Aluminum requires ~ 0.4 Tons of CPC

World CPC Demand by End-use

CY 2014



Rain has Seven CPC Plants in US and India with aggregate capacity of 2.1 MTA and supplies to customers around the world, except Australia and China.

Overview of Coal Tar Pitch (“CTP”) Industry

Steel Industry



Coal Tar - A by-product

- ▶ Coke production related to steel industry's production volumes
- ▶ Reliable off-take is critical

Coal Tar Distillers



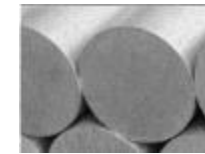
Pitch ~48%

Aromatic Oils ~40%

Naphthalene Oil ~12%

- ▶ Critical in the value chain of coal tar
- ▶ Regional competition given logistical limitations/high transportation costs
- ▶ High barriers to entry due to scale economies, asset intensity and know-how requirements

Aluminum Industry



Pitch <5% of Production Cost

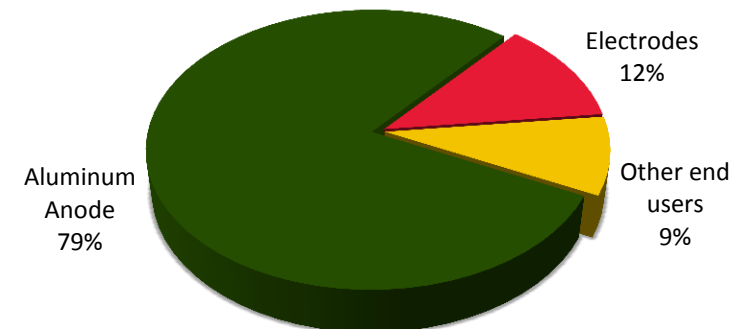
- ▶ No economically viable substitute for pitch in Aluminum production process
- ▶ Reliable and continuous supply of pitch with consistent high quality is crucial
- ▶ Complementary to CPC in anode production

Overview

- ▶ CTP is produced from coal tar, a by-product of metallurgical coke ovens in the steel industry
- ▶ The need for CTP determines the rates of operation for coal tar distillation
- ▶ Distillers position their facilities in close proximity to tar suppliers due to specialized transportation requirements to move coal tar and costs associated therewith
- ▶ CTP is the essential binder used primarily to make carbon anodes for the aluminum industry and carbon electrodes for the electric arc furnaces of the steel industry, in addition to other lower volume applications
- ▶ Every Ton of Aluminum requires ~ 0.1 ton of CTP

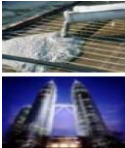



World CTP Demand by End-use

CY 2014



Rain has Three Plants in Belgium, Canada and Germany with aggregate capacity of 1.0 MTA and Fourth Plant of 0.3 MTA under construction in Russia and supplies to customers around the world, except Australia and China.

Overview of Chemical Products of Rain Group

Chemicals				
	Superplasticizer	Resins & Modifiers	Aromatic Chemicals	Chemical Trading
Key Raw Materials	<ul style="list-style-type: none"> ▶ Naphthalene oil 	<ul style="list-style-type: none"> ▶ Carboindene ▶ C9 feedstock 	<ul style="list-style-type: none"> ▶ Carbolic oil ▶ Anthracene oil 	<ul style="list-style-type: none"> ▶ Crude benzene/benzene
Products	<ul style="list-style-type: none"> ▶ Superplasticizer chemicals 	<ul style="list-style-type: none"> ▶ Resins ▶ Modifiers (DIPN) 	<ul style="list-style-type: none"> ▶ Phenol ▶ Specialty products 	<ul style="list-style-type: none"> ▶ Crude benzene/benzene
Key Applications				
Key End Markets	<ul style="list-style-type: none"> ▶ Chemicals ▶ Admixture and construction 	<ul style="list-style-type: none"> ▶ Adhesives/coatings ▶ Rubber ▶ Paper 	<ul style="list-style-type: none"> ▶ Chemicals ▶ Automotive/tyres ▶ Wire varnish 	<ul style="list-style-type: none"> ▶ Carbon chemicals ▶ Crude aromatics
Plants	<ul style="list-style-type: none"> ▶ Candiac (CAN) 	<ul style="list-style-type: none"> ▶ Duisburg (GER) ▶ Uithoorn (NL) 	<ul style="list-style-type: none"> ▶ Castrop-Rauxel (GER) 	<ul style="list-style-type: none"> ▶ Duisburg (GER)

Aluminum Industry Outlook

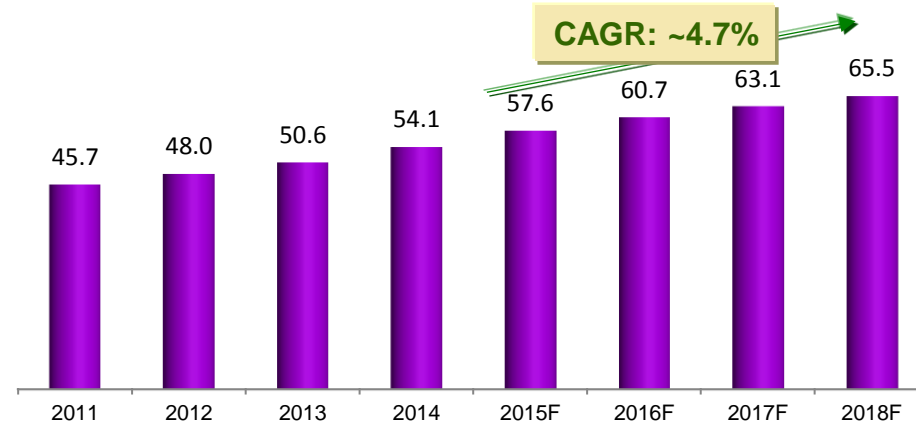
Global Aluminum Consumption

(Mt in millions)

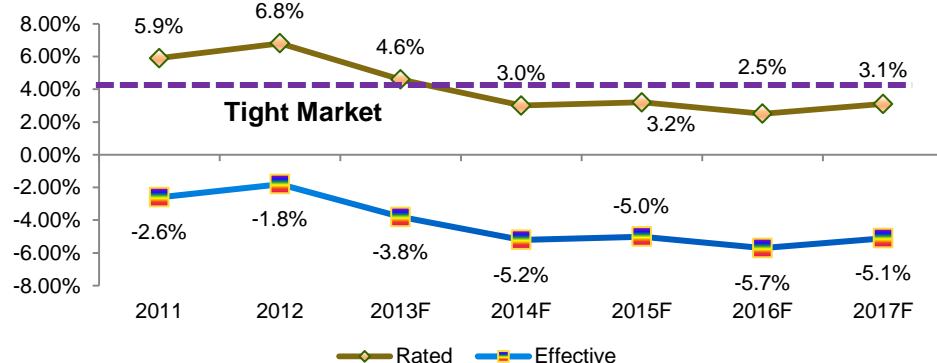


Global Aluminum Production

(Mt in millions)

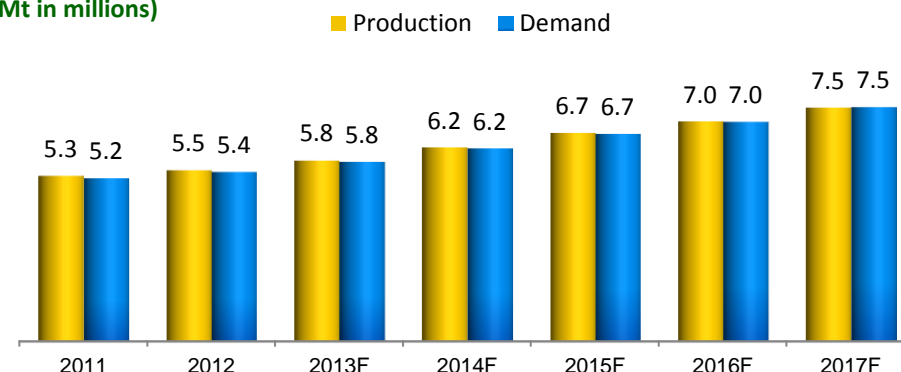


CPC Outlook - % of Reserve Calcining Capacity



Coal Tar Pitch Outlook

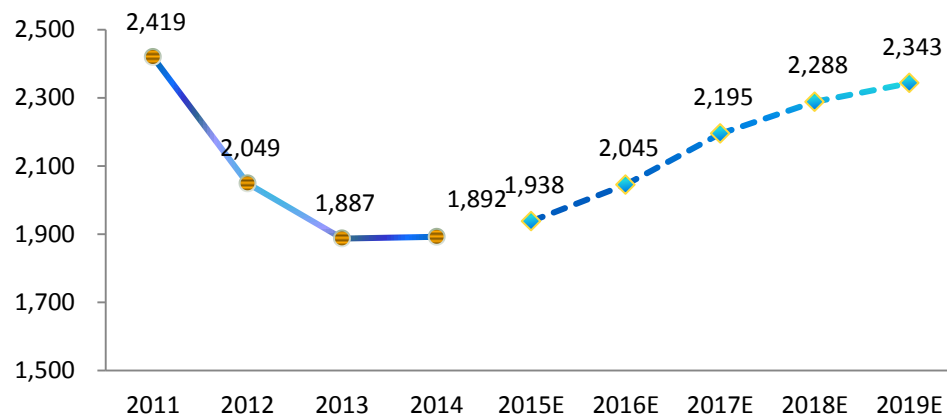
(Mt in millions)



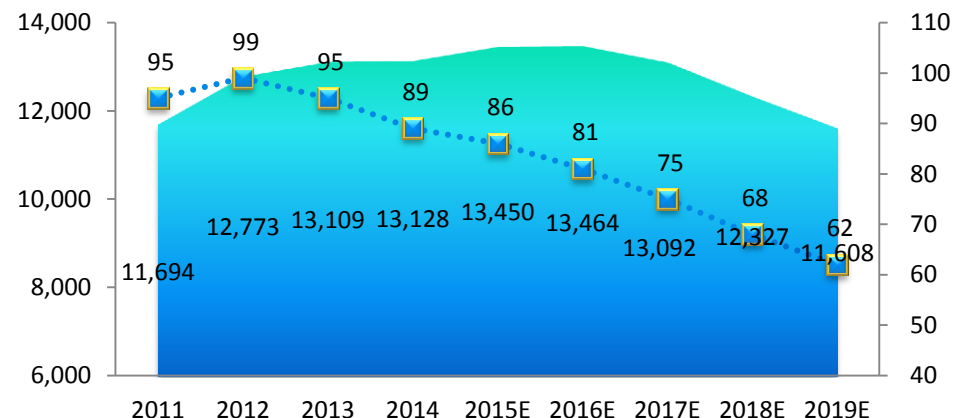
Global Aluminum production is expected to grow at a CAGR of 5% driving incremental demand for both CPC and CTP

Aluminum Industry Outlook (Contd.)

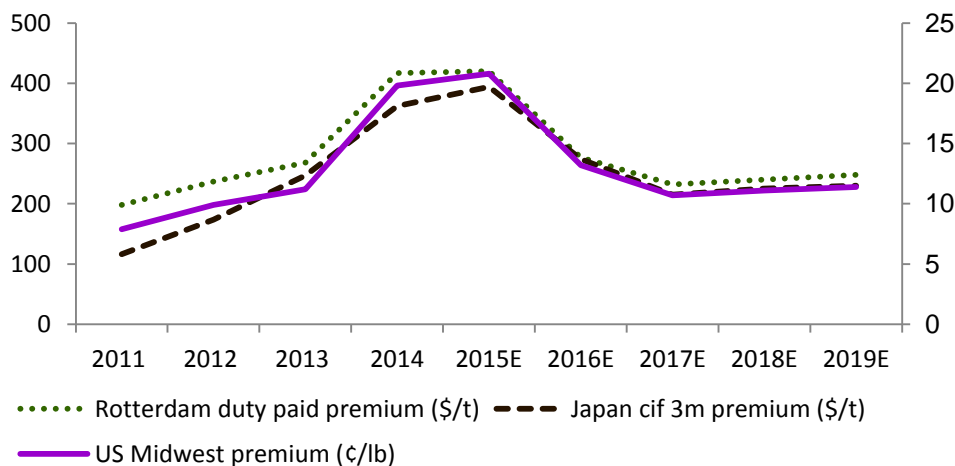
Aluminum Price Forecast - (US\$ per MT)



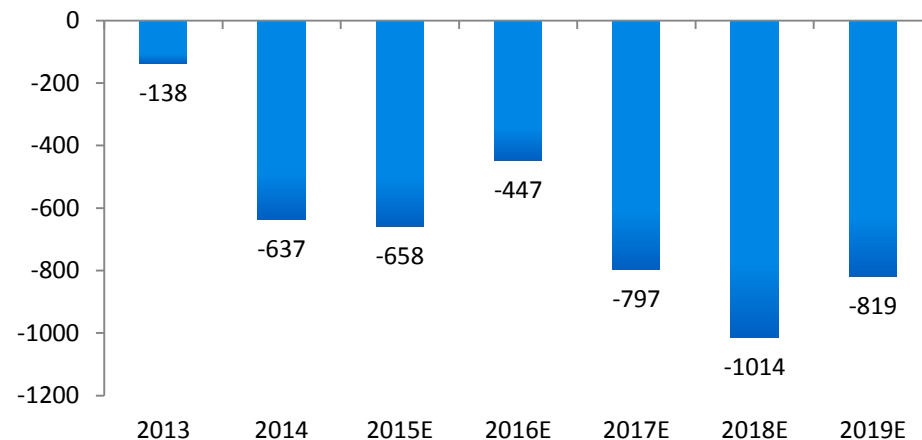
Total metal stocks and days of inventory



Regional premiums - (US\$ per MT) & (¢/LB)

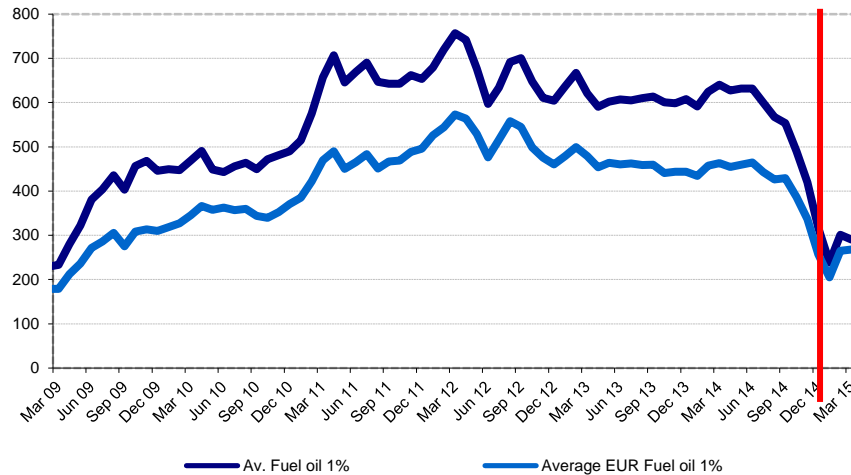


World Excl. China market balance - ('000 MTs)

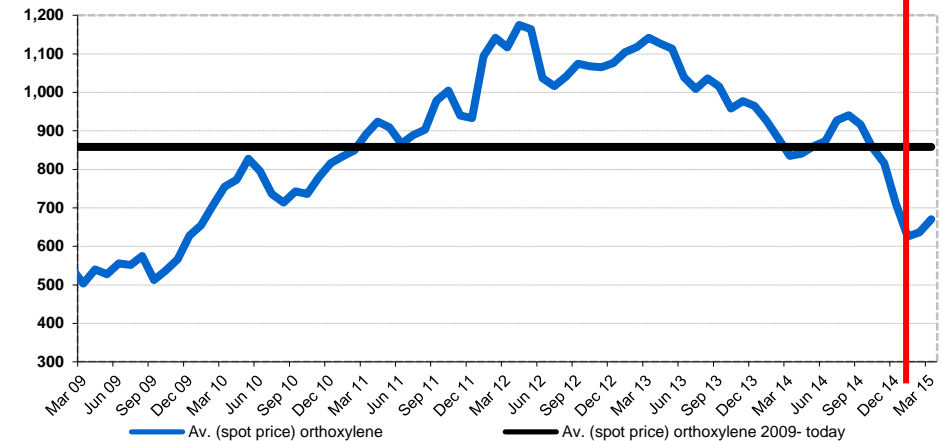


Market - Key Quotations

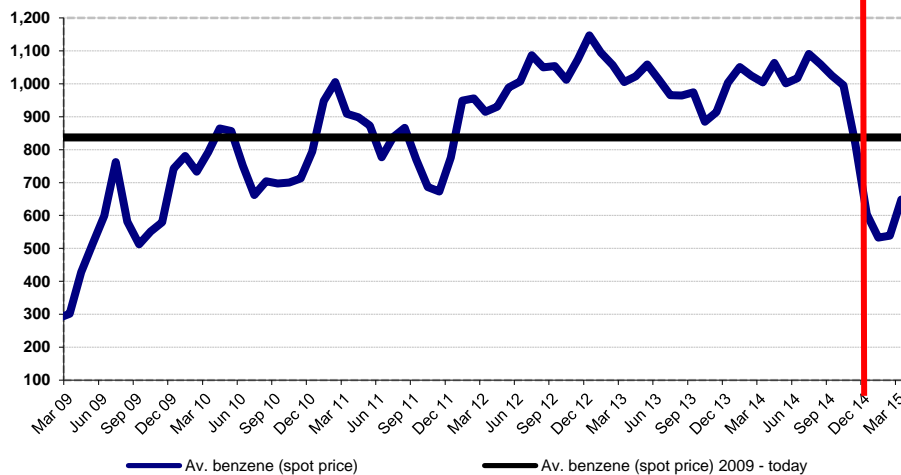
Fuel Oil



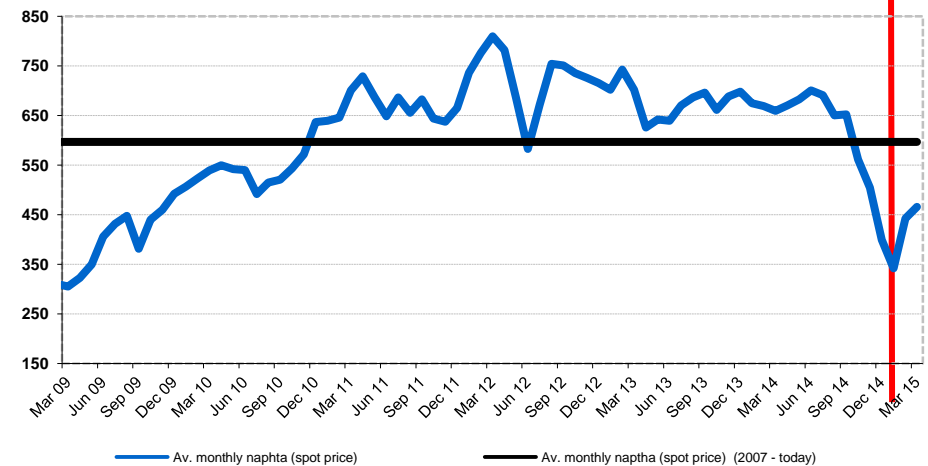
Orthoxylene



Benzene



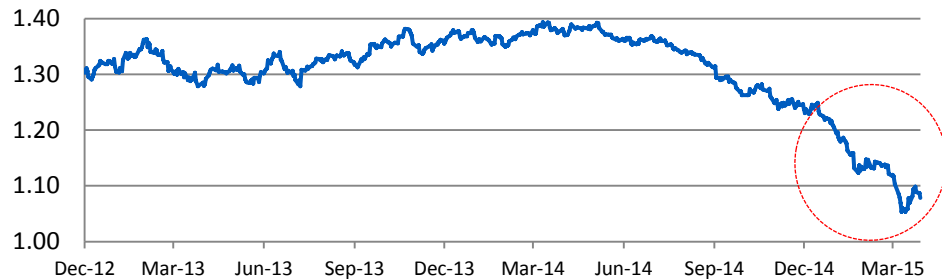
Naphthalene



Commodity prices declined sharply during Dec.'14 Quarter and started recovering in March'15 Quarter

Foreign Exchange Movements

EURO to US\$



December 2012 – March 2015 US\$/EUR Movement

Latest (Q115 Closing)	Lowest (Mar 16, 2015)	Highest (Mar 13, 2014)
1.079	1.053	1.393

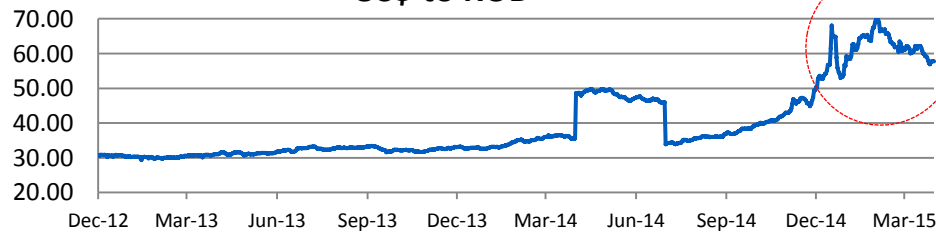
US\$ to INR



December 2012 – March 2015 INR/US\$ Movement

Latest (Q115 Closing)	Lowest (Feb 4, 2013)	Highest (Aug 28, 2013)
62.59	52.97	68.36

US\$ to RUB



December 2012 – March 2015 RUB/US\$ Movement

Latest (Q115 Closing)	Lowest (Jan 14, 2013)	Highest (Feb 2, 2015)
57.81	29.37	70.04

With series of positive developments in the United States,
Dollar appreciated against Euro.
Strong appreciation of USD against Euro in Q12015
strengthened competitiveness.

Rain Group – Financial Snapshot

Corporate Highlights – Expansion Projects

Coal Tar Distillation Plant in Russia:

- New Coal Tar Distillation Plant with a capacity of 300,000 TPA is being developed in Cherepovets, Russia via Joint Venture with OAO Severstal, Russia. Plant is expected to be operational during Fourth quarter of CY 2015.
- Long-term viability of the Russian Plant was not impacted due to devaluation of the Russian Ruble, as majority of the production from the Russian Plant will be sold in prices denominated either in US Dollars or in Euros.

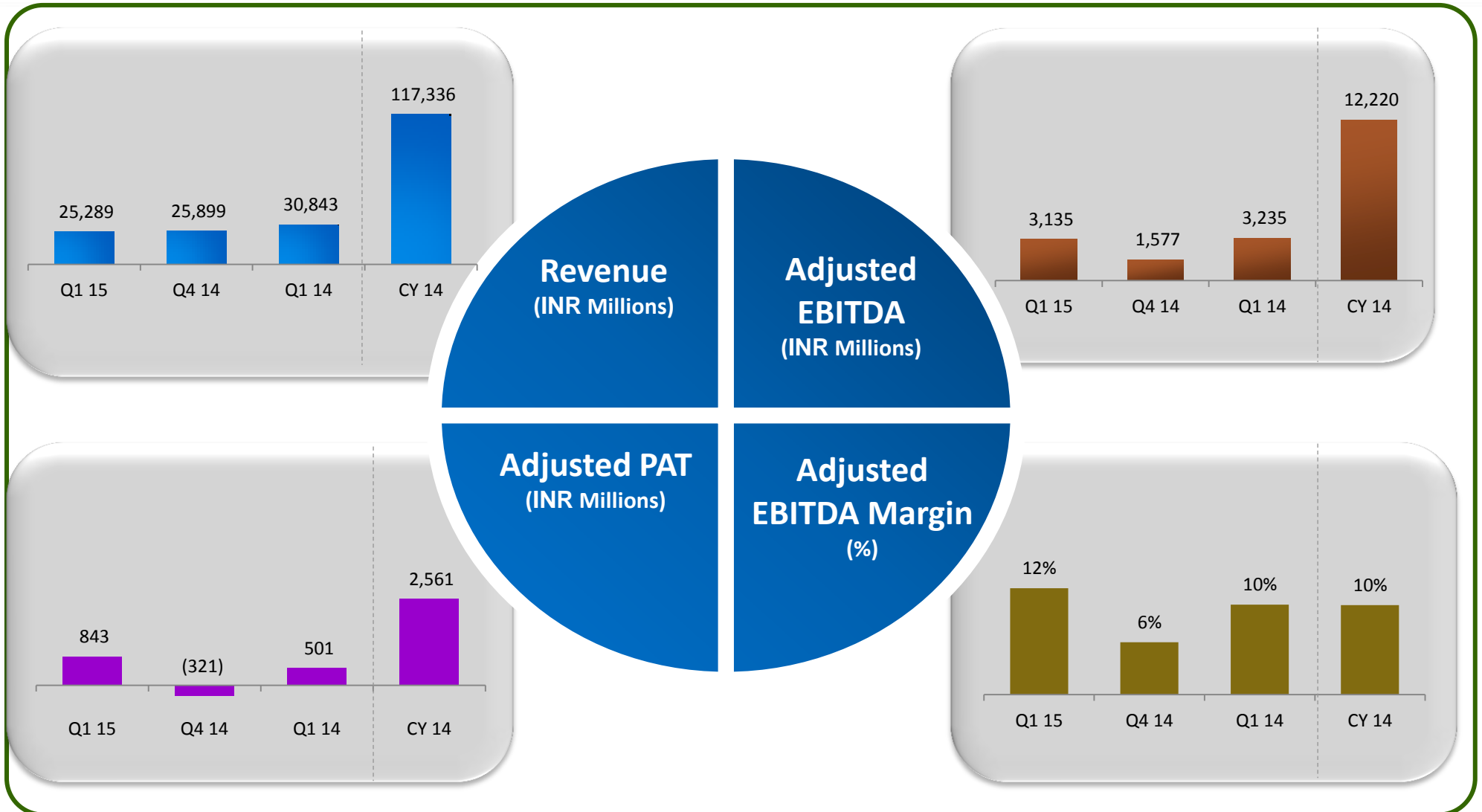
WHR Co-generation Power Plant:

- The Company is proposing to set-up a 7 MW Waste-heat Recovery Co-Generation Power Plant in its Kurnool Cement Plant with an estimated total capital outlay of INR 700 million.
- WHR Power Plant is expected to be operational in first-half of CY 2016 and would result in lower energy cost leading to improved operating margins in Cement Business.

Solar Power Plant in Anantapur District of Andhra Pradesh:

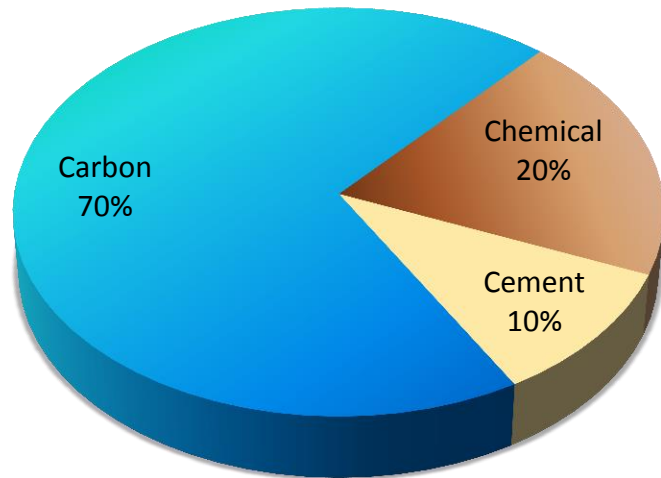
- The Company executed Power Purchase Agreement with Southern Power Distribution Company of Andhra Pradesh (“APSPDCL”) for 22 MW Solar Power Plant in the Anantapur District of Andhra Pradesh.
- Although the Company owns free-hold land required for a Solar Power Plant in Tadipatri Village in Anantapur District, APSPDCL allocated Sub-station for evacuation of Power in Dharmavaram Village of Anantapur District. Accordingly, the Company is in the process of acquiring land to set-up the Solar Power Plant. The total capital outlay for the Solar Power Project is estimated to be INR 1,400 million.
- Solar Power Plant is expected to be operational in Second-half of CY 2015 and once operational, Solar Power Plant would generate Operating Profit of about INR 200 million per annum.

Consolidated Financial Performance

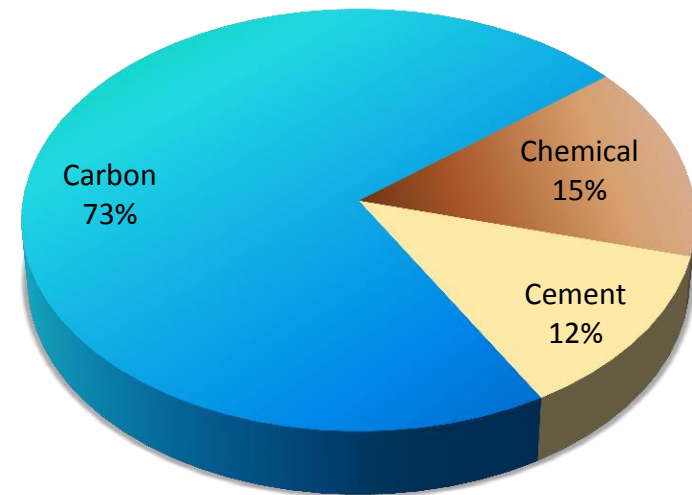


Business Concentration – Q1-2015

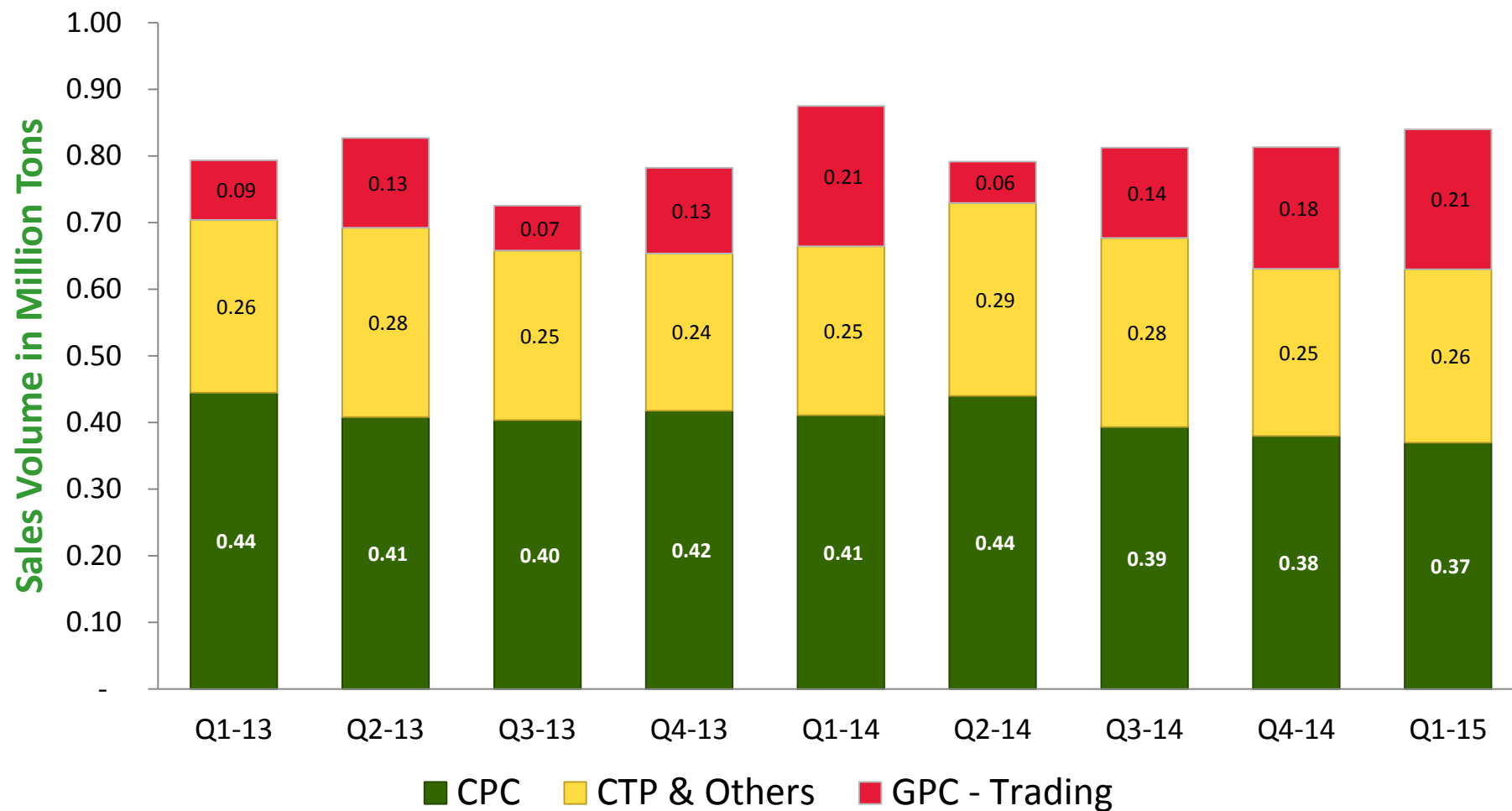
Revenue Breakdown



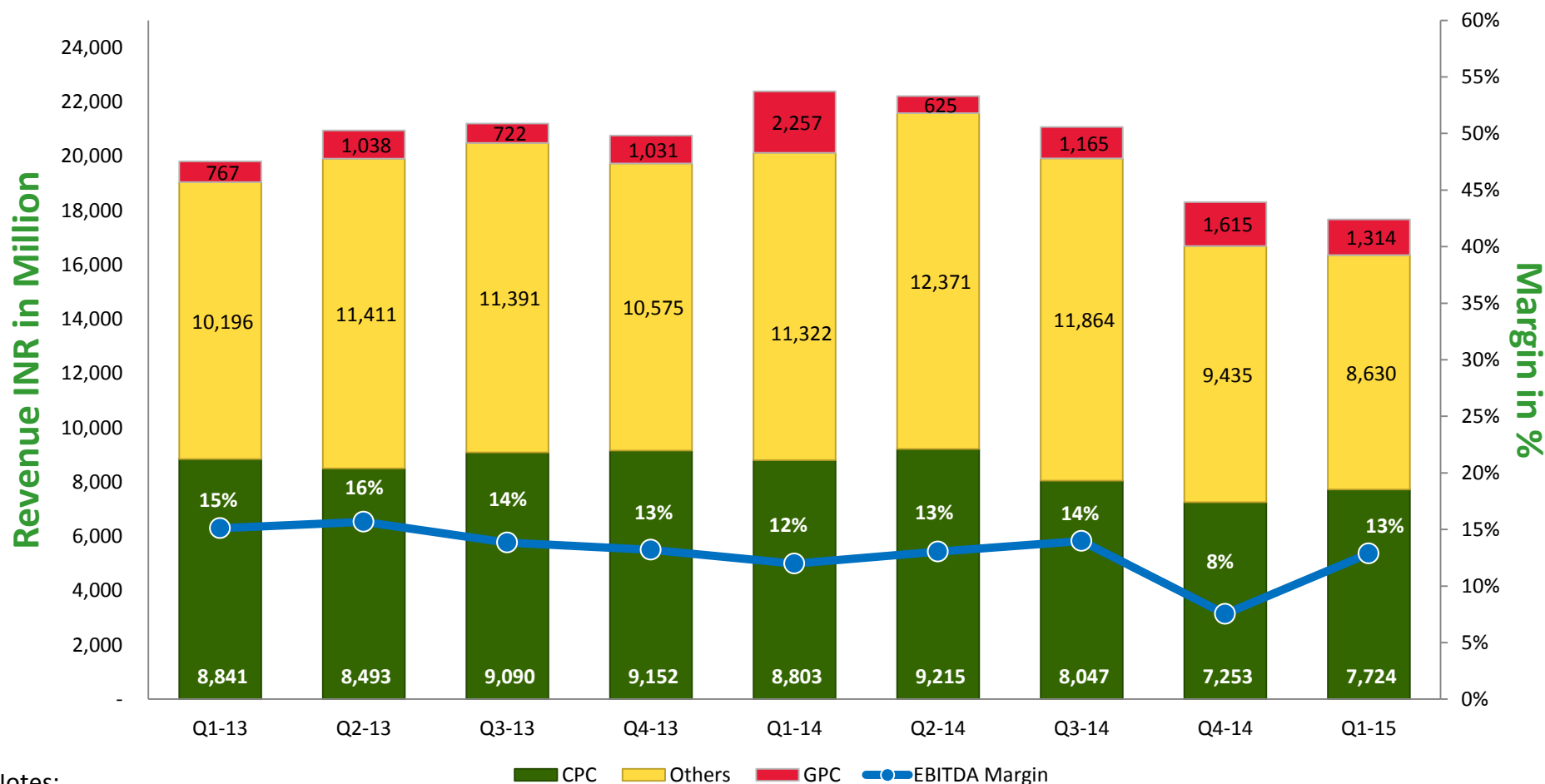
EBITDA Breakdown



Carbon Products – Sales Volumes



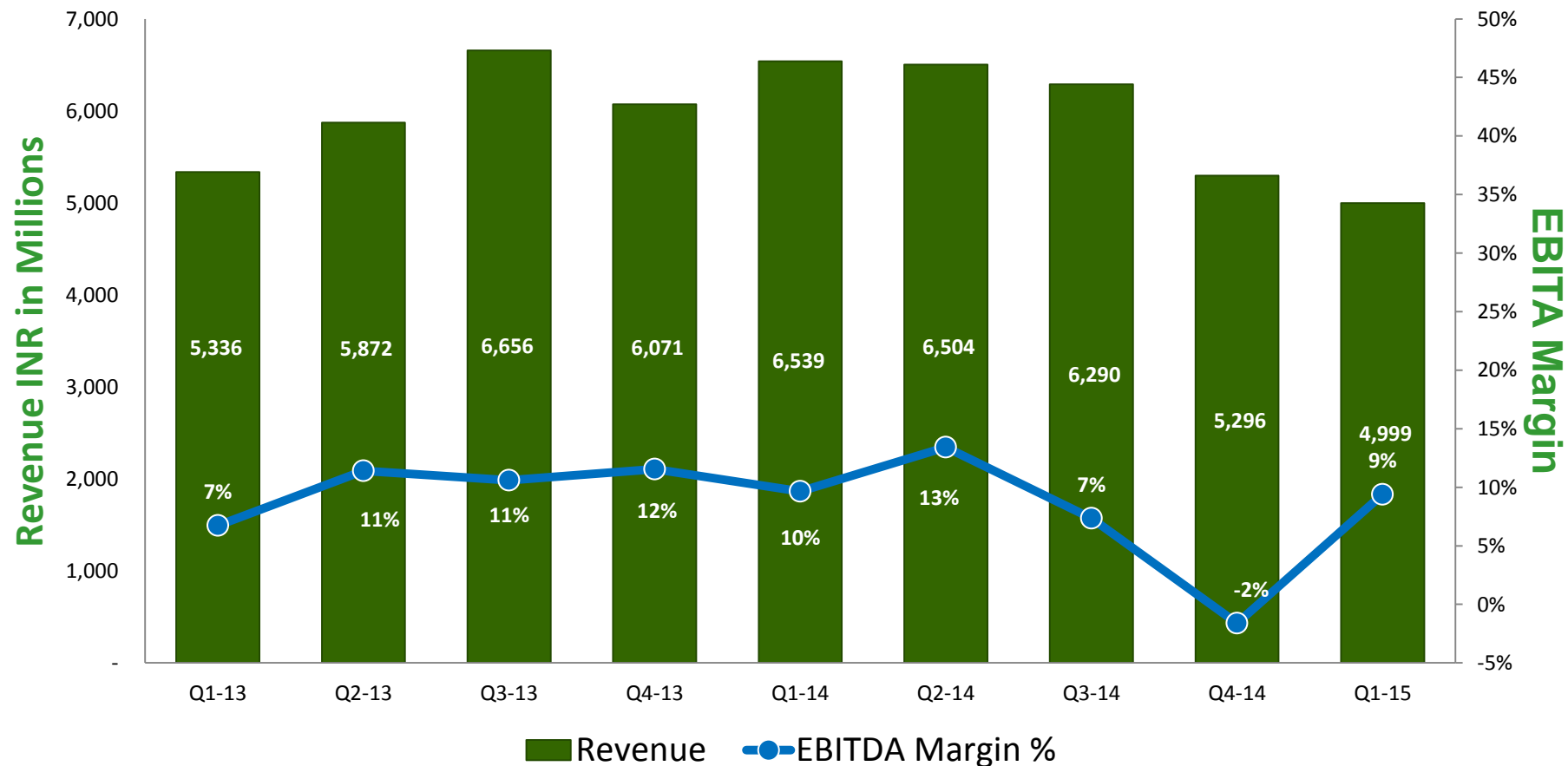
Carbon Products – Revenues & EBITDA Margins



Notes:

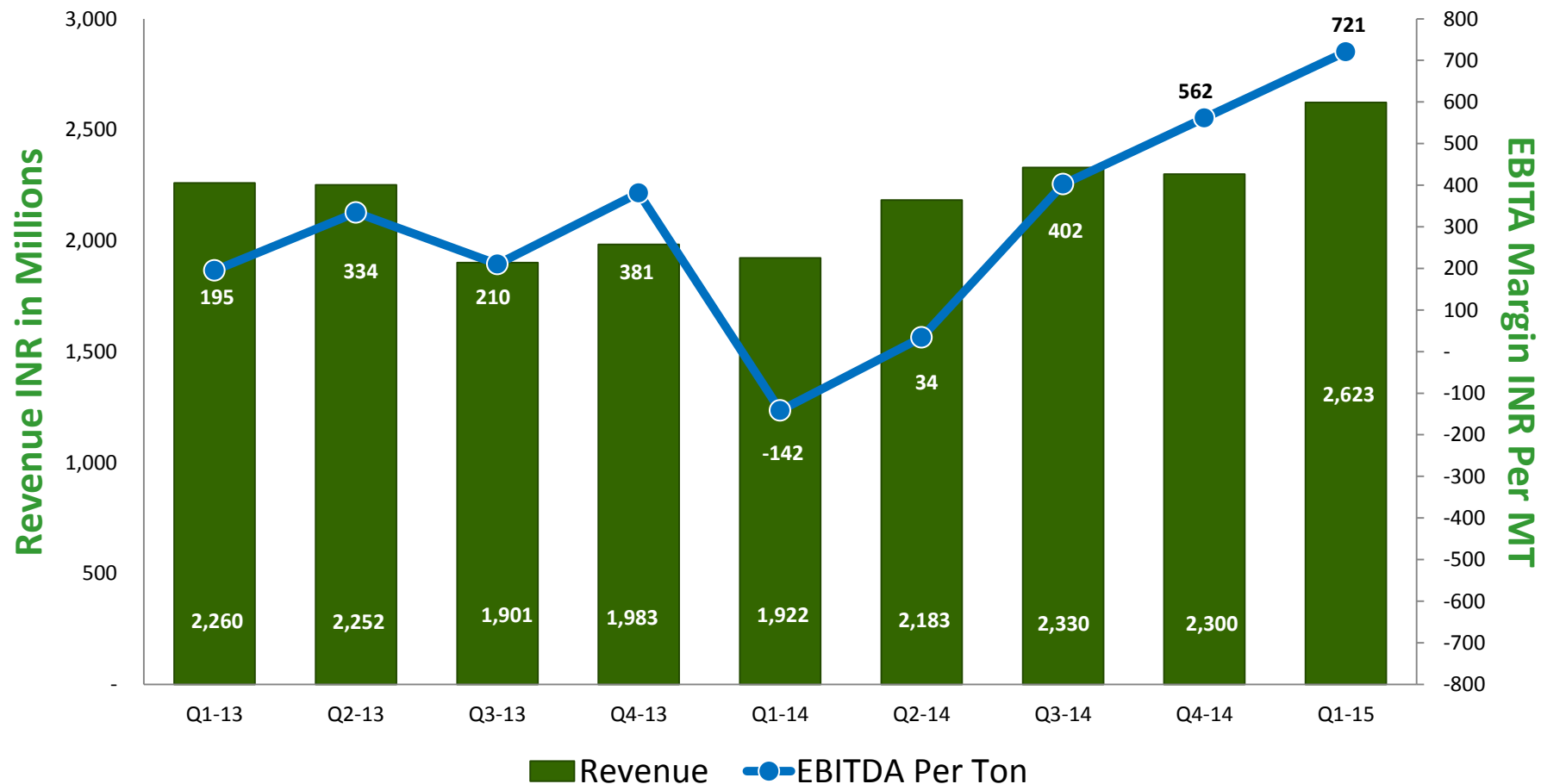
- 1) CPC revenues include revenues from Waste-heat Recovery Energy revenues
- 2) Revenues from Other Carbon Products include CTP and other derivatives of Coal Tar Distillation
- 3) GPC revenues are revenues from Pet Coke Trading

Chemicals – Revenue & EBITDA Margins



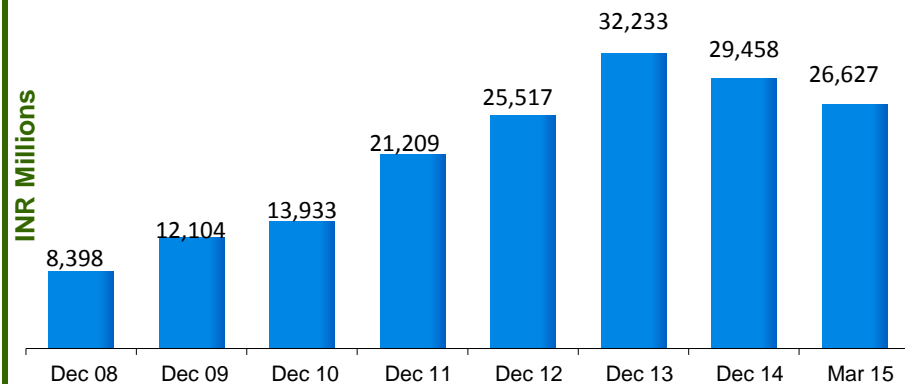
Due to fall in commodity prices, performance is impacted during Q4 of CY14.
Performance would improve during CY15, with stabilization of prices, coupled with the benefit of expansion projects

Cement – Revenue & EBITDA Margins



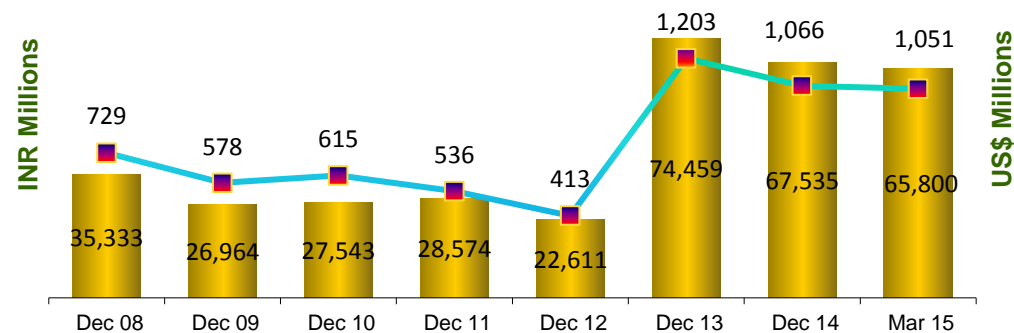
Consolidated Financial Leverage

Equity

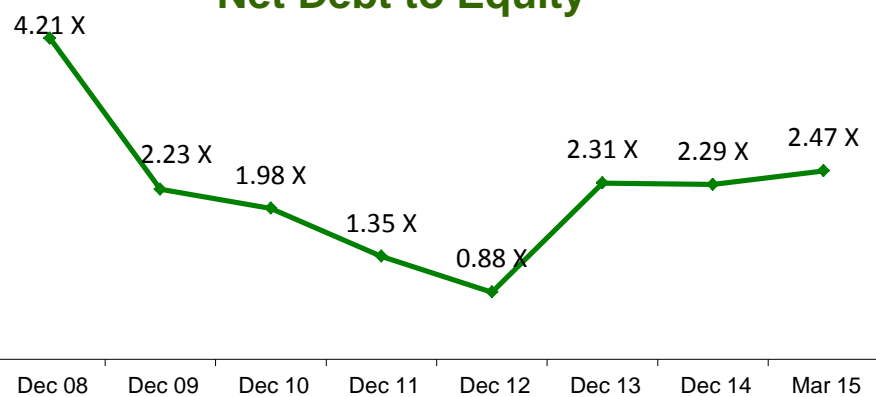


Fall in Equity is due to fall in Euro – INR Exchange rate resulting in lower FCTR

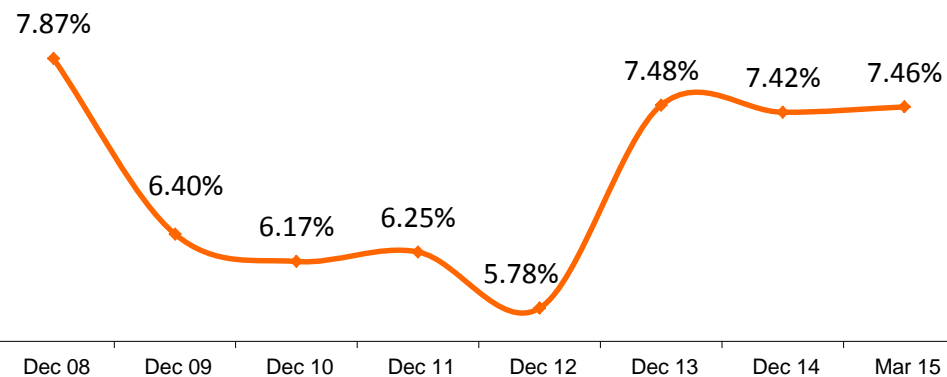
Net Debt in INR and US\$



Net Debt to Equity



Pre-tax Cost of Debt



Term Debt Profile

As at March 31, 2015

(US\$ Millions)	Amount	Type of interest	Rate	Remarks
Senior Secured Notes	1,007	Fixed rate	8.21%	Bullet repayment in 2018 and 2021.
External Commercial Borrowings	41	Floating rate	4.00%	Quarterly installments up to 2016
Senior Bank Debt	30	Floating rate	5.23%	Annual installments up to 2018
Loan from JV partners	8	Fixed rate	8.50%	Bullet repayment in 2018
Other Debt	13	Fixed rate	4.55%	Including US\$ 15.5 Millions of Finance Leases
Sales Tax Deferment (INR denominated)	13	Interest Free	-	Repayable over a period of 15 years beginning from 2012.
Gross Term Debt	1,112		7.84%	
Add: Working Capital Debt	74		1.36%	
Total Debt	1,186		7.44%	
Less: Cash and Equivalents	135			
Net Debt	1,051			

	US\$ Millions
Debt as at March 31, 2015	1,112
Scheduled Repayments	
CY 2015	16
CY 2016	29
CY 2017	35
CY 2018	392
Later Years	640

Senior Secured Notes / Bonds

(Issued by Rain CII Carbon LLC, US)

Issue Date	Interest	Issue Amount (in Millions)	Out-standing As on Mar 15 (US\$ in Millions)	Scheduled For Repayment	Redemption Option On or After / (Redemption Premium Payable)
Dec 2010	8.00%	US\$ 400	380	Dec 2018	December 1, 2014 [4% *]
Dec 2012	8.25%	US\$ 400	400	Jan 2021	January 15, 2016 (~ 6% #]
Dec 2012	8.50%	Euro 210	227 &	Jan 2021	January 15, 2016 (~ 6% #]
Total			1,007		

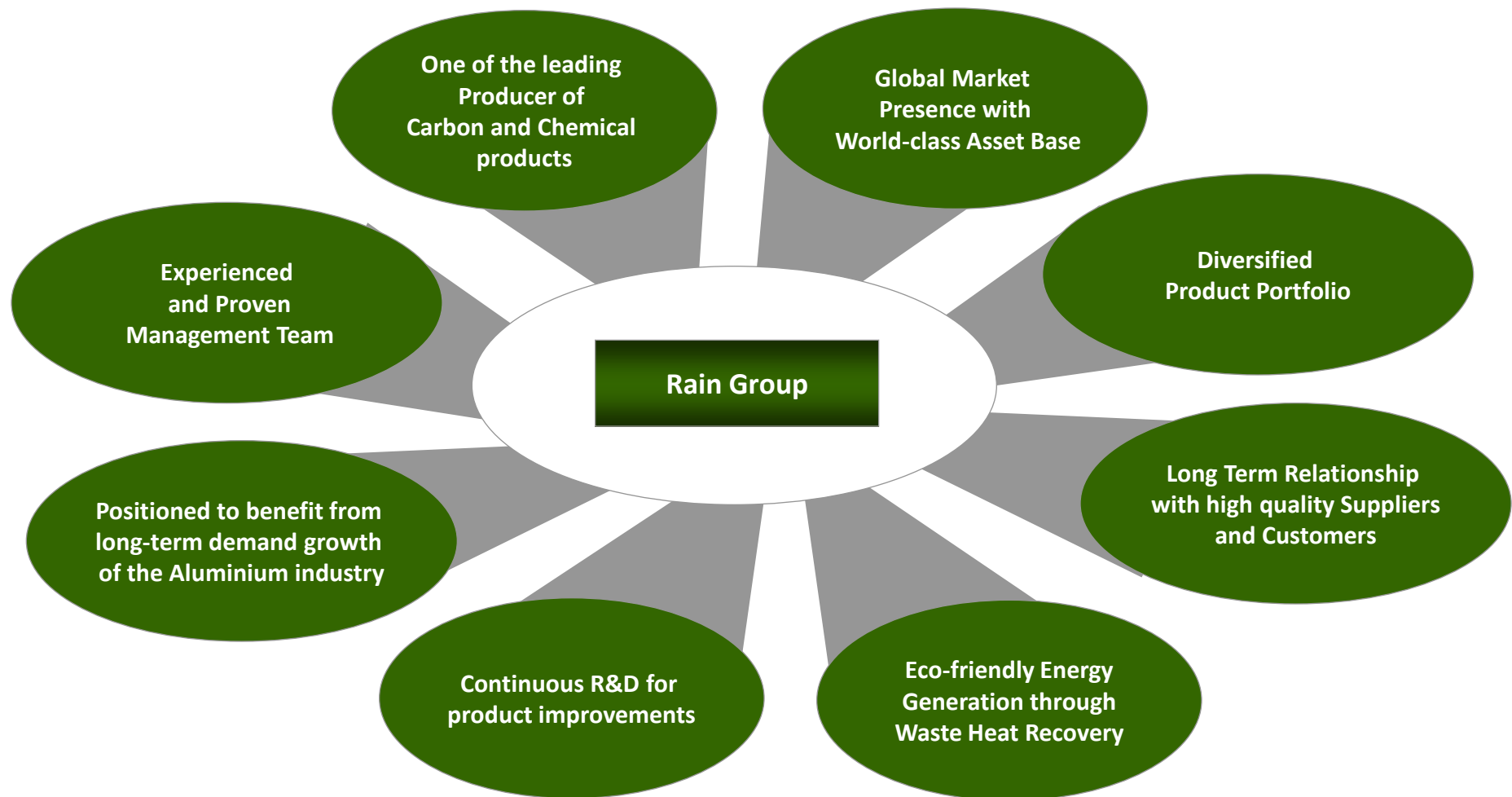
* Redemption premium would decline to 2% / 1% after December 1, 2015 / 2016.

Redemption premium would decline to ~ 4% / ~ 2% / ~ 1% after January 15, 2017 / 2018 / 2019

& Applying Euro – USD Exchange Rate of 1.08 as on March 31, 2015.

- Bonds of US\$ 400 million were issued in December 2010 to repay 11.125% Bonds and Other bank loans, earlier borrowed for acquisition of CII Carbon LLC during July 2007 and to invest in RCC's Fourth Waste-heat Recovery Power Plant.
- Bonds of US\$ 400 million and € 210 million were issued in December 2012 to primarily finance the acquisition of Rütgers.
- These Bonds are similar to “Non Convertible Debentures”:
 - With no periodical repayments and 100% of Principle payable as Bullet-repayment.
 - No recurring financial covenants to be complied, except certain restrictions on investments, payment of dividends and incurring of additional borrowings, etc.
 - Payment of interest at a fixed coupon payable Bi-annually.

Key Strengths



The Company is well trimmed for growth

Key Areas of Focus

De-leveraging Balance Sheet

Refinancing high-cost debt with low-cost debt

Improving operational efficiency

Timely Completion of Expansion Projects

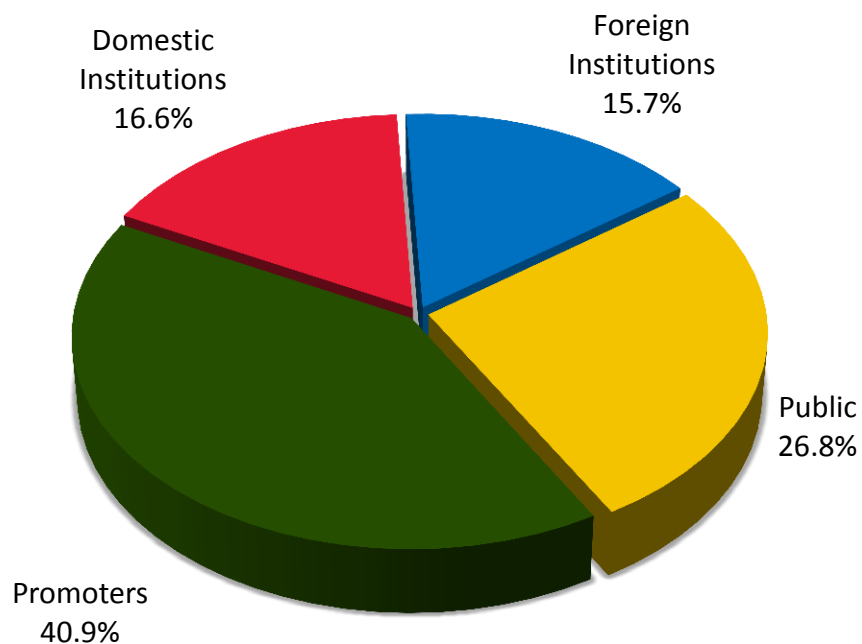
Expanding R&D initiatives to create more environment friendly Carbon

Successful implementation of these initiatives would substantially enhance Shareholder Value

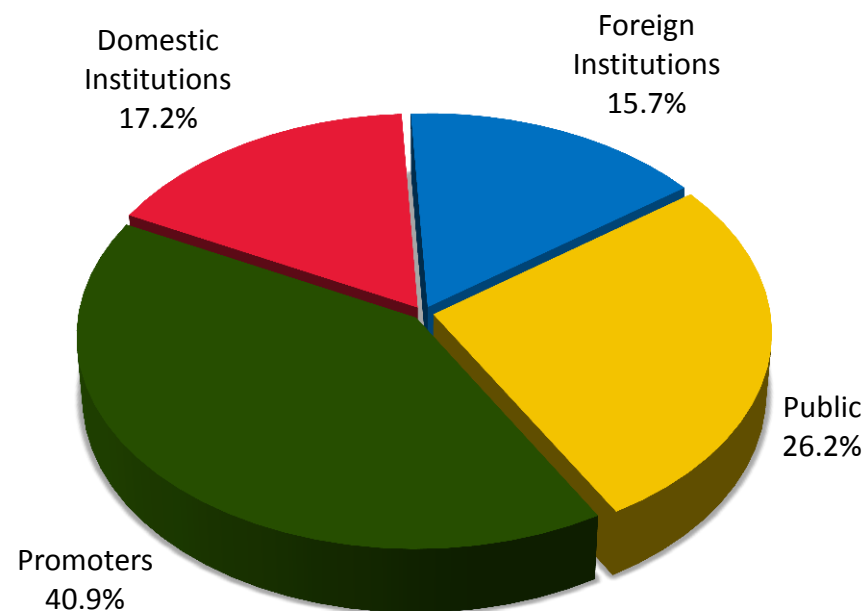
Annexures

RIL Share Holding Pattern

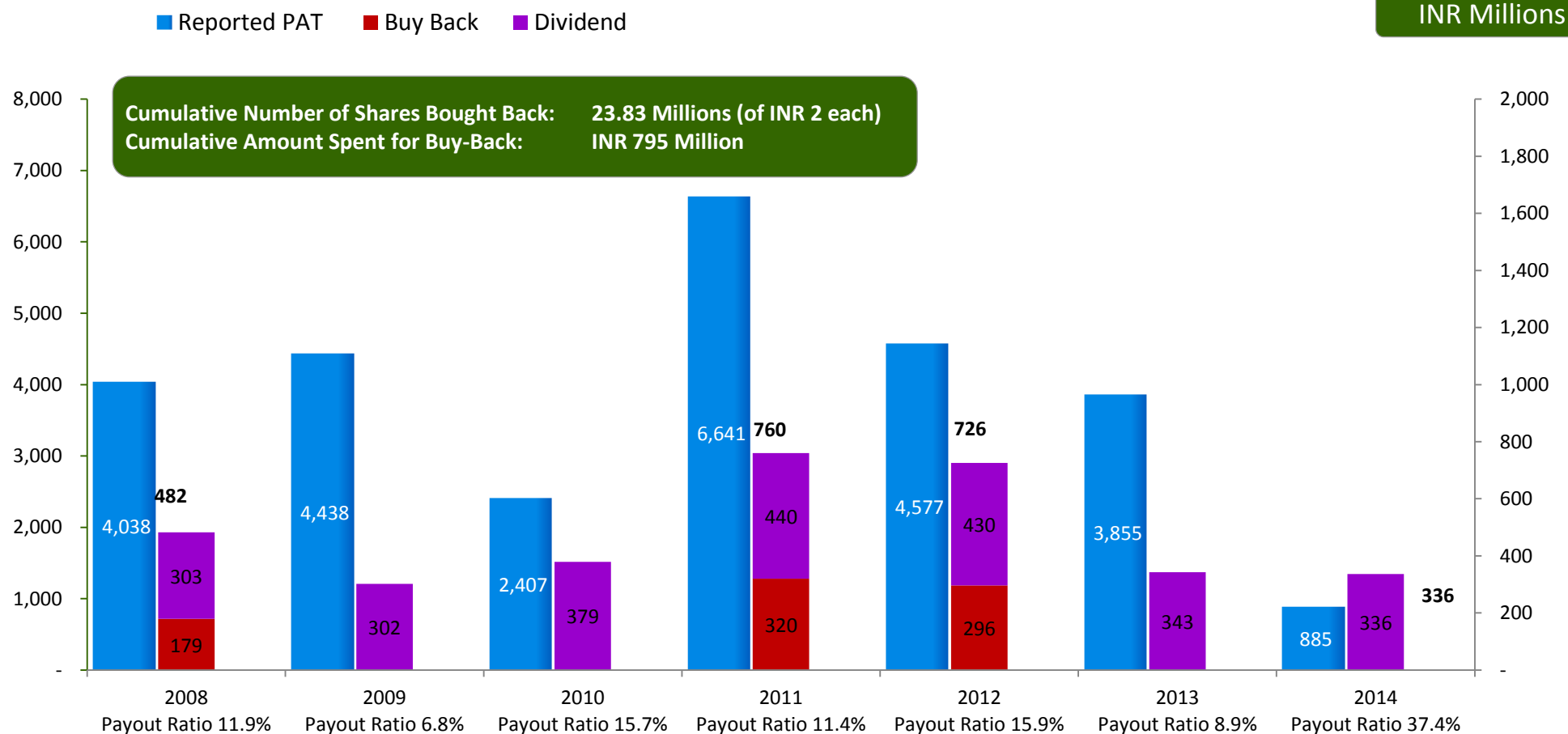
Dec 31, 2014



Mar 31, 2015



Pay-out Ratio



Note: Although the Company obtained shareholders approval through postal ballot for buy-back program of INR 515 Millions during CY 2009; the Company could not pursue the buy-back program due to positive movement in the share price.

Consolidated Key Performance Indicators

INR Millions

	Q1 2015	CY 2014	CY 2013	CY 2012	CY 2011	CY 2010
Revenue from operations ⁽¹⁾	25,390	119,370	117,443	53,615	56,395	37,857
Operating Profit ⁽²⁾	3,135	12,220	14,978	11,090	13,873	7,559
Reported PAT	843	885	3,845	4,577	6,641	2,407
Adjusted PAT ⁽³⁾	843	2,561	4,512	5,796	6,641	3,305

(1) Revenue from operations includes other operating income

(2) Operating Profit is Profit before Other Income, Exchange Loss, Depreciation, impairment loss, Interest, Taxation and exceptional items

(3) Summary of adjustments to Reported PAT to derive Adjusted PAT:

- Profit After Tax for CY 2014 is adjusted for incremental pension liability from actuarial losses of Rs. 1,820 Million, Inventory write down due to fall in oil prices of Rs. 237 Million, Russian ruble currency devaluation impact Rs. 338 Million, Impairment loss of Rs. 95 Million, net tax impact on all these items of Rs. 814 Million.
- Profit After Tax for CY 2013 is adjusted for insurance claim proceeds of Rs. 375 Million, costs incurred for acquisition of RUETGRES of Rs. 142 Million, Moundville Impairment loss of Rs. 1,304 Million, net tax impact on all these items of Rs. 404 Million.
- Profit After Tax for CY 2012 is adjusted for one time expenditure of Rs. 1,789 Million (net of tax Rs. 1,219 Million) incurred in-connection with the acquisition of Rütgers.
- Profit After Tax for CY 2010 is adjusted for net exceptional expenditure of Rs. 1,249 Million (net of tax Rs. 898 Million).

Frequently Asked Questions

- **What is the Impact of falling Crude Oil / Commodity prices on the businesses carried-out by Rain?**
 - Prices of CPC and GPC are not indexed to Crude Oil or other Commodity prices and they are influenced by their own supply-demand dynamics. Although, prices of both GPC and CPC fluctuate widely, the spread between prices of GPC and CPC move in a narrow-range.
 - Prices of certain Carbon products and Chemical Products manufactured by the Company are indexed to Crude Oil or other Commodity prices. As both Raw-materials and Finished Products in Coal Tar Distillation are indexed to Crude Oil or Other Commodity prices with a lag of few months, there is no impact of falling Crude Oil or other Commodity prices on the business of Coal Tar Distillation in the medium term. The Company has some exposure to the BTX and Ortho-xylene pricing.
- **What is the Impact of falling Aluminium prices on the businesses carried-out by Rain?**
 - Prices of CPC and CTP are not indexed to Aluminium prices and they are influenced by their own supply-demand dynamics.
 - As CPC and CTP are critical consumables used in manufacturing of Aluminium metal, their demand is directly proportionate to production of Aluminium metal and not linked to Aluminium prices.
- **What is the Impact of weakening Russian Ruble on the viability of Russian Tar Distillation Plant?**
 - The weakening Russian Ruble will not impact the viability of Russian Expansion, as the finished product from Russian Plant will be sold either in Russia (as an import-substitute) or exported from Russia. With conversion costs being incurred in Russian Ruble, the plant will be more competitive in the international market.

Frequently Asked Questions

- **What are the plans for de-leveraging the Company, considering the high-leverage?**
 - Gross debt of the Company has reduced by US\$ 25 million from US\$ 1,211 million as on Dec. 31, 2014 to US\$ 1,186 million as on Mar. 31, 2015. Net debt during the same period reduced by US\$ 15 million. Reduction in gross debt is mainly due to repayments of US\$ 11 million in working capital debts and exchange rate reinstatements. The Company continues to focus on reduction of both Gross debt and Net debt.
 - Net Debt-to-annualised EBITDA is higher at 5.25 X as on March 31, 2015; the Interest-to-EBITDA for Q1 2015 is better at 2.2 X, even in weaker business conditions and when one major expansion is under implementation.
 - With no major repayments in next three-years; the Company is well positioned to meet all repayment obligations.
 - The Company has options to make Bullet Repayments of US\$ 380 million and US\$ 655 million due in December 2018 and January 2021 respectively, partly through internal accruals and partly from fresh borrowings.
- **What is the Impact of weakening Euro against US Dollars on the businesses carried-out by Rain?**
 - The Company generates 45% - 50% of revenues from Plants located in Europe. About 10% of revenues from such Plants are generated in US Dollars, for which costs are incurred in Euros. A 10% decline in Euro-Dollar Exchange rate would result in less than 2% decline in operating profitability in US Dollar terms.
 - Weak Euro would make European products more competitive in international market resulting in improved capacity utilization and higher operating profits.

Thank you for your attention

In case of any further details, please contact:

India:

Anil Kumar Upadhyay

Phone: +91 40 4040 1234

Direct: +91 40 4040 1252

Email: anilkumar@raincii.com

US:

Ryan Tayman

Tel: +1 203 5172 822

Email: rtayman@raincii.com

