



29th February, 2016

✓
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai 400 001.
Tel.: 2272 1233/34
Fax: 22721919
Scrip Code: 532538

The Manager
Listing Department
The National Stock Exchange of India
Limited
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051.
Tel.: 26598236
Fax: 2659 8237 / 38.
Scrip Code: ULTRACEMCO

Dear Sir,

**Subject: Conference call on the announcement of 22.4 mtpa Cement Capacity
Acquisition**

In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached is a communication being sent out to Analysts regarding a Conference call on the 'announcement of 22.4 mtpa Cement Capacity Acquisition.

The schedule may undergo change due to exigencies on part of the investors/ Company.

Further, please find attached a Presentation in this regard.

This is for your information and record.

Thank you.

Yours very truly,
For UltraTech Cement Limited

A handwritten signature in blue ink, appearing to read "S. K. Chatterjee".

S. K. Chatterjee
Company Secretary & Compliance Officer

Encl: a/a



Please join us on a Conference Call on the announcement of 22.4Mtpa Cement Capacity Acquisition

on Monday 29th February 2016 at 18:00 hrs (IST)

Conference Dial-In Numbers

Please dial the below number at least 5-10 minutes prior to the conference call to ensure that you are connected to your call in time.

Primary Number: +91 22 3960 0683

Secondary Number: +91 22 6746 5917

The numbers listed above are universally accessible from all networks and all countries.

6000 1221

Available in - Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Coimbatore, Delhi, Goa, Guntur, Gurgaon, Hyderabad, Indore, Jamshedpur, Kanpur, Kochi/Cochin, Kolhapur, Kolkata, Nagpur, Noida, Patna, Pune, Raipur, Rajkot, Surat, Trivandrum, Vadodara, Vijayawada
Accessible from all major carriers except BSNL/MTNL.

3940 3977

Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune
Accessible from all carriers.

Local Access Number:

USA : 1 866 746 2133

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ADITYA BIRLA



UltraTech



INDIA'S
LARGEST
CEMENT
COMPANY

ACQUISITION OF
22.4 mtpa
CEMENT CAPACITY



Stock code: **BSE:** 532538 **NSE:** ULTRACEMCO **Reuters:** UTCL.NS **Bloomberg:** UTCEM IS / UTCEM LX

Speeding up growth momentum ... in strategic / new markets at right time



Opportunity explored to accelerate capacity expansion programme in line with Company's Vision

▶ Acquiring 22.4 mtpa Cement Capacity

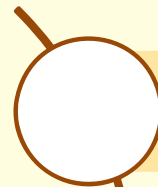


- Jaiprakash Associates Limited (JAL)

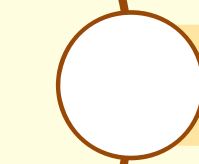


Subsidiaries

- Jaypee Cement Corporation Limited
- Jaiprakash Power Ventures Limited



Inroads into Strategic markets



Right time for inorganic growth



Changing industry environment favoring deal

Valuation below replacement cost

Entry in newer markets

Assets to be acquired



1

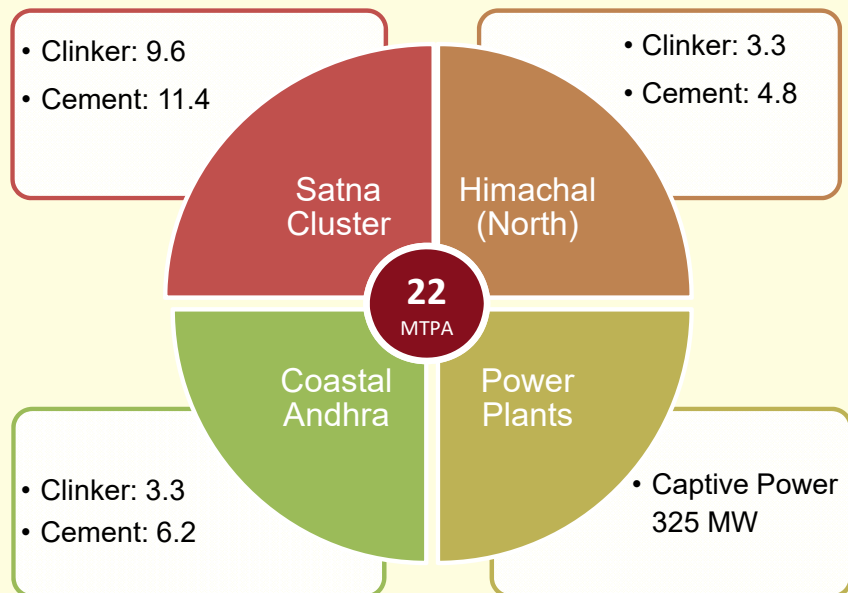
No. of Plant locations - 12

2

Total Clinker Capacity – 16.2 mtpa
Total Cement Capacity – 22.4 mtpa

3

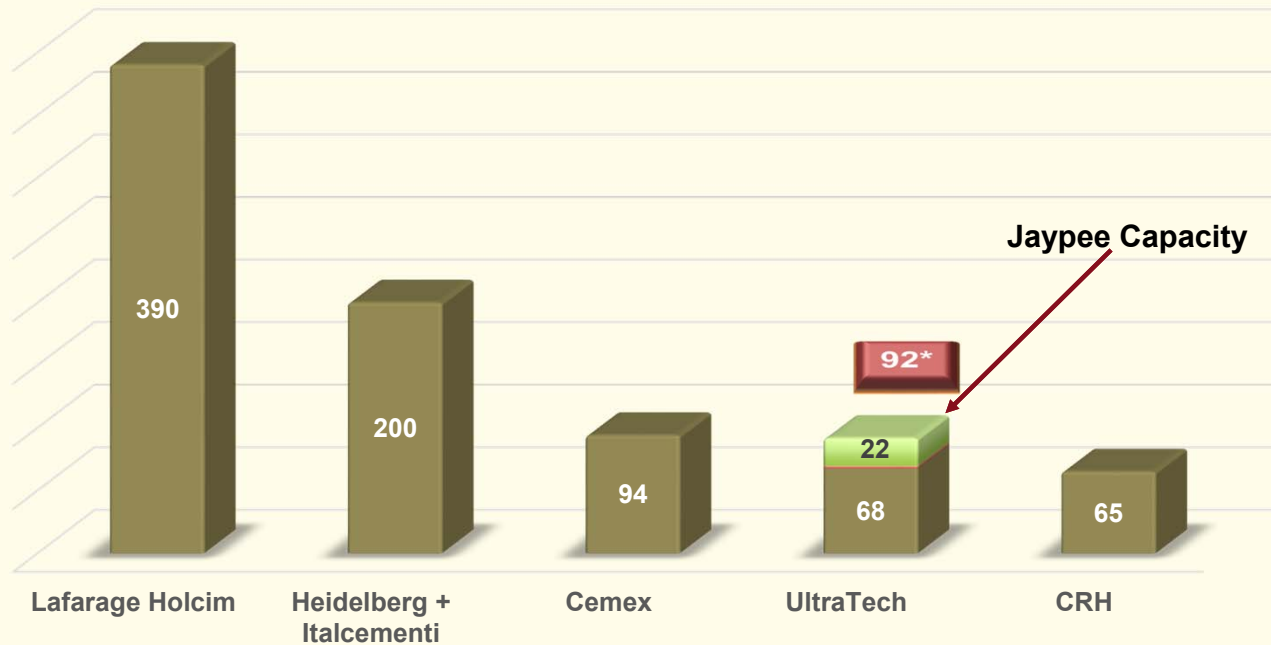
Thermal Power plant capacity – 325 MW
(Including surplus power 120 MW)



Note: Clinker & Cement Capacity Figures are in MTPA and Reserves in Mnt

Consummation of the deal after all corporate & regulatory approvals - 12/15 months

Global positioning post proposed acquisition



* Including proposed acquisition + 1.6 mtpa of Bihar GU (to be commissioned in Mar'16) + 0.6 mtpa Bahrain GU

In the Big League

Strategic Rationale



Strategic fit locations

- ▶ Entry in 2 new clusters. Robust and sustainable growth ahead

Right time for Acquisition

- ▶ Sector poised for growth. Positive signs for recovery cycle
- ▶ Opportunities to improve market share with strong operating margins
- ▶ Favorable Gearing Ratio

Changing Industry environment

- ▶ Increased entry barriers for Organic growth
- ▶ New Regulations – MMDR Act and Land Acquisition Bill

Cost Advantage

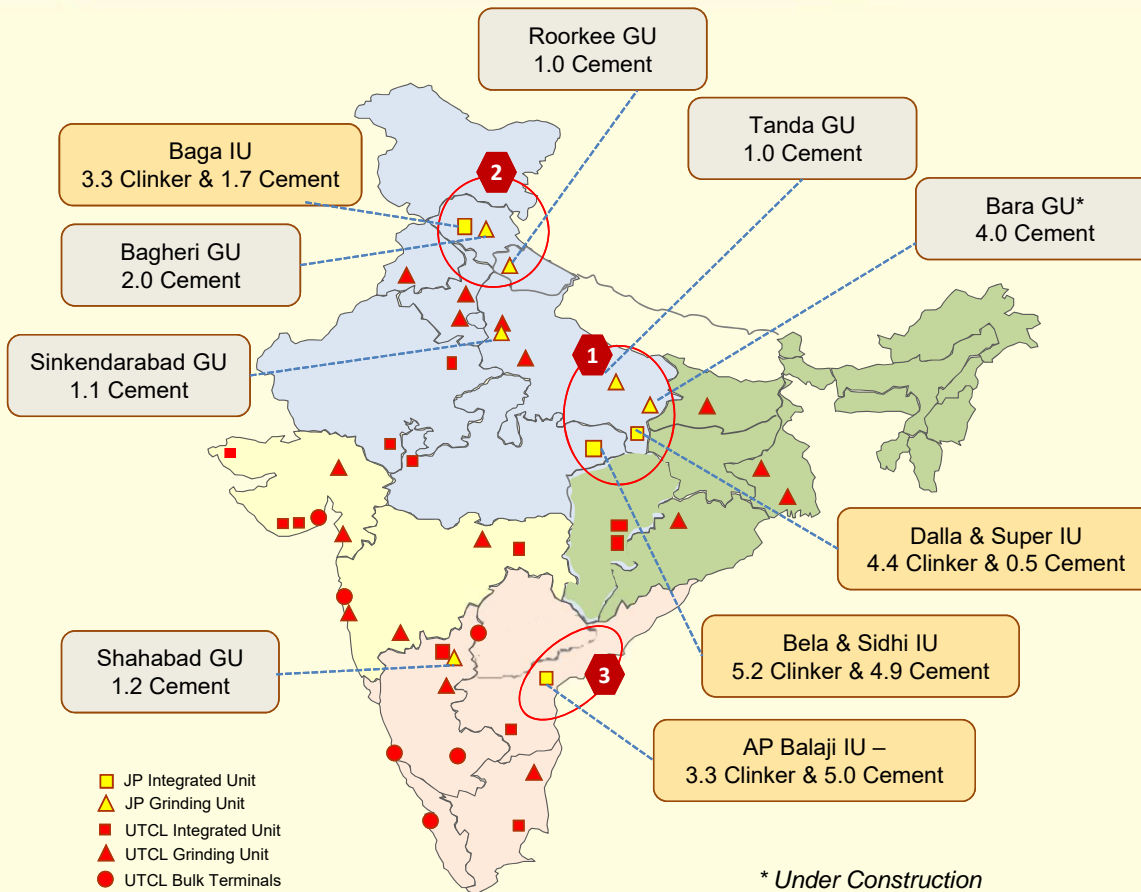
- ▶ Sufficient Lime Stone Reserves

Valuation

- ▶ Enterprise Value at ~ US\$ 110/t ; Below replacement cost

Opportunities for Operational and Financial Synergy

UltraTech network post acquisition



Expanding Footprint in India

- ▶ Access to new markets
- ▶ 15% of relevant demand basket (40 mill tones)**
- ▶ Post transaction Company to have presence in all major Clusters except North East

**Source: Internal Assumptions

Plant wise capacity to be acquired



SN	Location	Plant	Capacity (mtpa)	
			Clinker	Cement
1	Dalla	IC	2.1	0.5
2	JP Super (under commissioning)	C	2.3	
3	Tanda	GU		1.0
4	Sikanderabad	GU		1.0
5	Bara (under commissioning)	GU		4.0
6	Bela	IC	2.1	2.6
7	Sidhi	IC	3.1	2.3
Satna Cluster			9.6	11.4
8	Baga	IC	3.3	1.7
9	Bagheri	GU		2.0
10	Roorkee	GU		1.1
HP Cluster			3.3	4.8
11	Balaji	IC	3.3	5.0
12	Shahabad	GU		1.2
South Cluster			3.3	6.2
Total			16.2	22.4

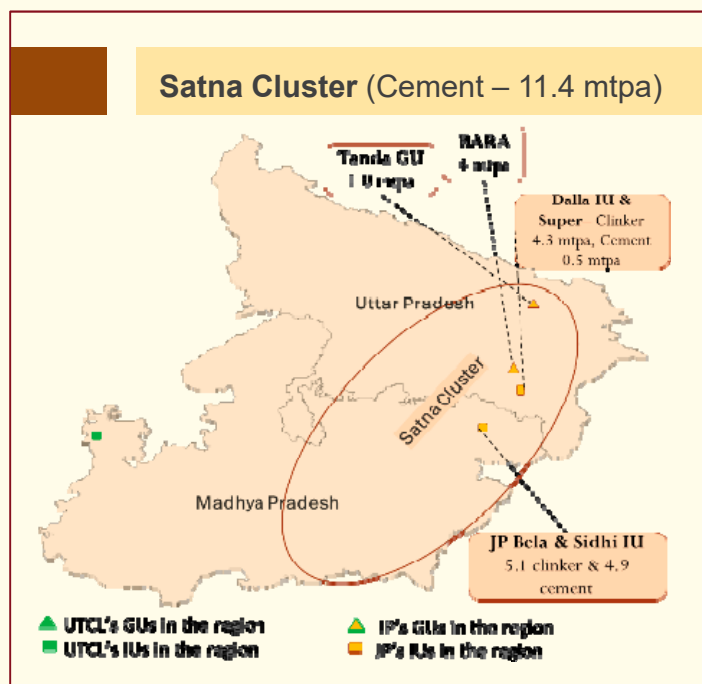
IC: Integrated Cement ; GU: Grinding Unit; C: Clinker

UTCL: Zonal presence post acquisition

Zone / Region	Pre*	Jaypee	Post	Mix%
North	19.0	4.8	23.8	27%
Satna Cluster	-	11.4	11.4	13%
East	11.4	-	11.4	13%
West	20.4	-	20.4	23%
South	15.5	6.2	21.7	24%
All India	66.3	22.4	88.7	100%
Overseas	3.6	-	3.6	
Total	69.9	22.4	92.3	

*1.6 mtpa of Bihar GU (to be commissioned in Mar'16) +0.6 mtpa Bahrain GU

Entry in New Market – Satna Cluster



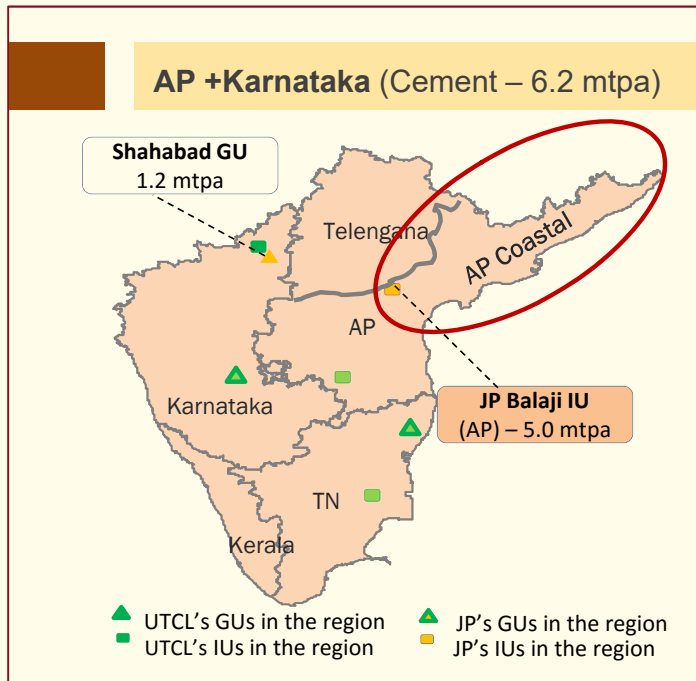
Note: Bara is under implementation and yet to commissioned



- UTCL: No presence in the market
- Share in all India demand : 10%*
Per capita consumption low at 140 kg*
- Amongst fastest growing cluster in India
Growth in last 5 years: 7% CAGR*
- Estimated current capacity utilization ~ 80%*
- 8 Players having capacity of ~ 38 mtpa**

Strengthening market penetration

Strengthening presence into new developing State - AP

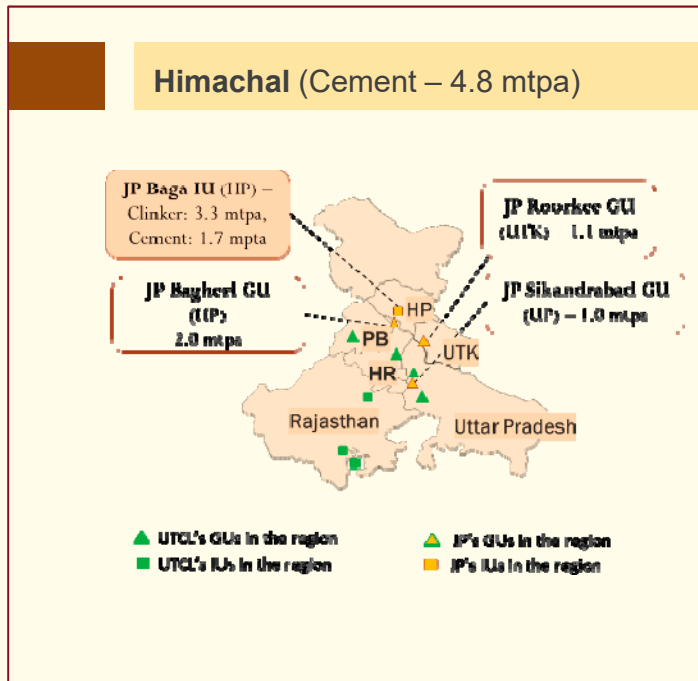


- UTCL: Absence in the AP coastal market
- Andhra Pradesh poised for good growth
Ambitious plan for development of new capital city
- Likely growth for next 5 years: ~ 10% CAGR*
Capacity utilization to improve from 71% to 85%*
- UTCL: Negligible presence in main cement consuming markets of AP and Telangana (Except Hyderabad).
- UTCL: Logistic advantage compared to APCW for serving coastal AP and Telangana markets

High cement consumption area

*Source: Internal Assumptions

Presence in HP Market

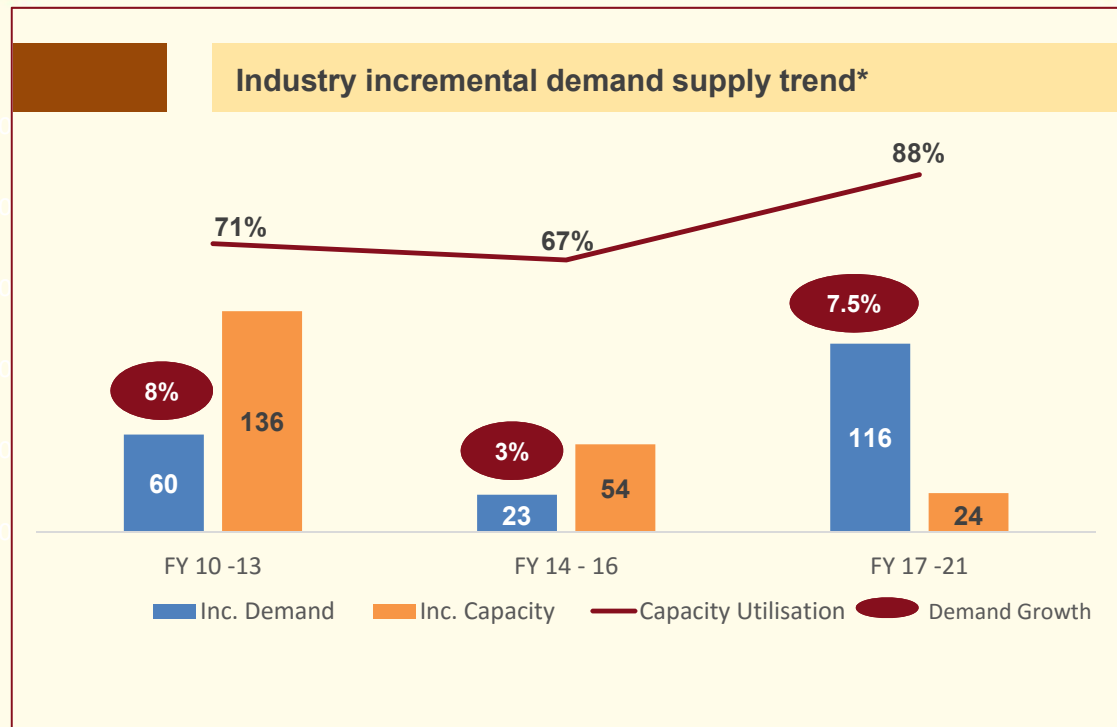


- Punjab Cluster (HP +UK +Punjab + J&K): Share in all India demand ~ 5%*
- Cluster capacity utilization: > 80%*
- Poised for good growth on the back of infra & housing demand
- UTCL: will have synergy in reducing lead distance
- UTCL: Improving market positioning in the cluster

* Sikandarbad is 40 kms away from UTCL Dadri GU is an overlapping assets

Optimisation of logistics cost

Industry poised for recovery



- ▶ Markets improving – seen early sign of demand recovery
- ▶ Demand likely to rebound @ 7.5%* with improving infrastructure spending and urbanisation
- ▶ Shrinking Supply–Demand Gap: Incremental demand is higher than supply for next five years*
- ▶ Improving capacity utilization in sector - likely to supports for good operating margins

Opportunity to grow

Changing Industry / Company dynamics



- ▶ Growth Dilemma : Inorganic v/s Organic
 - Increasing gestation period for new greenfield plant
 - New limestone mines through auction only
 - Land acquisition becoming difficult

- ▶ UTCL: Strong Financials
 - Completed all announced Organic capacity expansion programme
 - No new Organic capacity in pipeline for next 2-3 years
 - Low leverage supports Inorganic growth

UltraTech poised to partner with Industry Growth

Value creation for stakeholders



- ▶ Value creation through synergy benefits
 - Opportunity to improve operational performance of target assets on UltraTech standard
 - Logistic synergies with market realignment
 - Synergies in working capital management
 - Procurement synergy
 - “UltraTech” brand advantage

Significant potential for improving performance of target assets

Valuation



Particulars	₹ Crs
Total Capacity (MPTA)	22.4
Enterprise Value	16,500
Consideration for capacity under commissioning	470
Total Enterprise Value (EV)	16,970
EV – US\$ /t (USD /INR = 68.6)	110
Replacement Cost (US\$/t)	135
UTCL Market Valuation (US\$/t)*	167

Additional Benefits – not part of valuation

- ▶ Surplus TPP Capacity – 120 MW
- ▶ Fiscal Benefits
- ▶ Synergy benefits through market realignment and brand premium

* As on 26th February'16

Enhancing shareholder value

UTCL : Pre and Post Acquisition



Particulars	Pre	Post
Total Grey Cement Capacity - MPTA	67.7	92.3*
No of Locations	40	54
Captive Power Capacity - MW	774	1099

** Including 1.6 mtpa of Bihar GU (to be commissioned in Mar'16) +0.6 mtpa Bahrain GU*

Participating in “Make in India” !

Disclaimer



Statements in this “Presentation” describing the Company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

UltraTech Cement Limited

Regd. Office: 2nd Floor, ‘B’ Wing, Ahura Centre, MIDC, Andheri (E), Mumbai – 400 093

[Corporate Identity Number L26940MH2000PLC128420]

☎ 91-22 66917800 🌐 www.ultratechcement.com or www.adityabirla.com ✉ investorrelations.utcl@adityabirla.com

ALL GEARED UP TO FACE THE FUTURE!

ADITYA BIRLA



UltraTech

WE ARE
ULTRA READY