ADITYA BIRLA

UltraTech

29th February, 2016

BSE Limited
Corporate Relationship Department
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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

S. K. Chatterjee
Company Secretary & Compliance Officer

Encl: a/a

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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.

Local Access Number:	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.
Toll Free Number:	USA : 1 866 746 2133 UK : 0 808 101 1573 Singapore : 800 101 2045 Hong Kong : 800 964 448



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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



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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

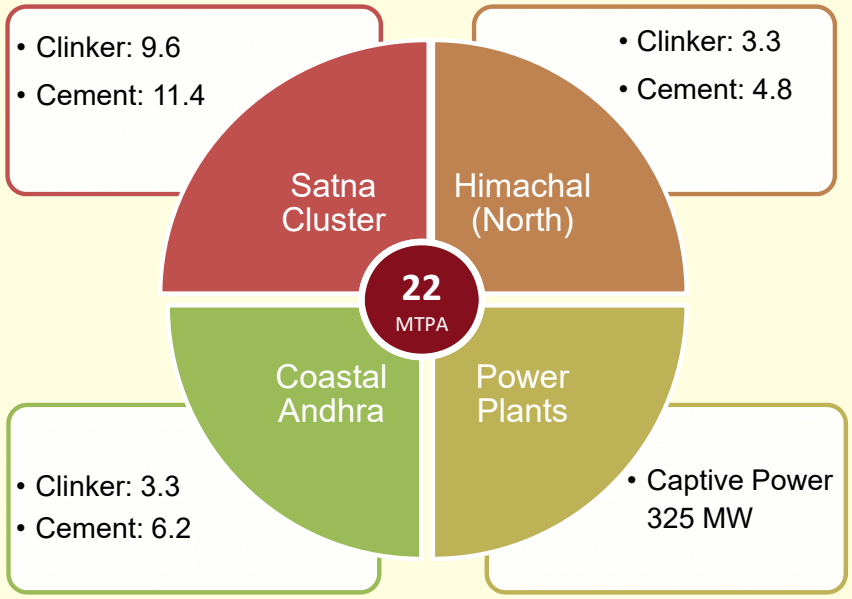
Valuation below replacement cost

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)

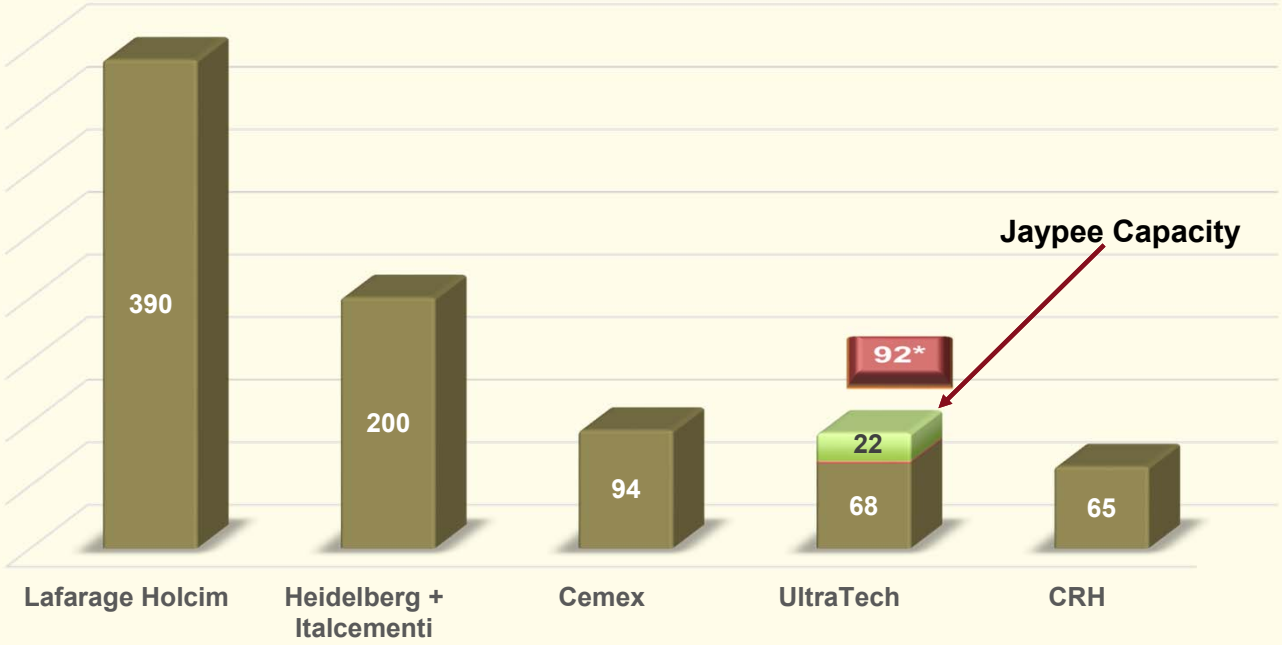


Note: Clinker & Cement Capacity Figures are in MTPA and Reserves in Mnt

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

Source: 2014 Annual Report and Company Presentation (Excluding Chinese Players)

Strategic Rationale



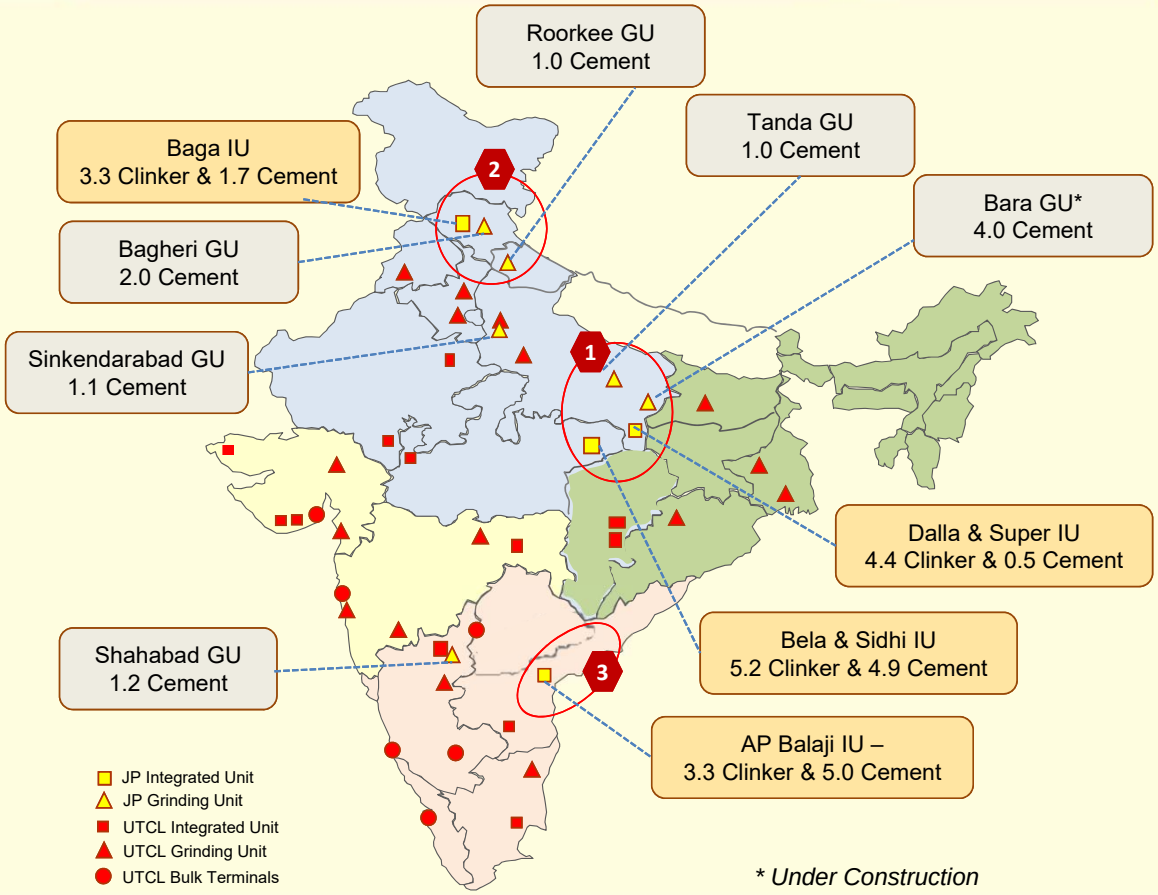
Strategic fit locations	▸ Entry in 2 new clusters. Robust and sustainable growth ahead ▸ Leadership positions in few markets
Right time for Acquisition	▸ Sector poised for growth. Positive signs for recovery cycle ▸ Opportunities to improve market share with strong operating margins ▸ Favorable Gearing 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



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** Under Construction*

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**	

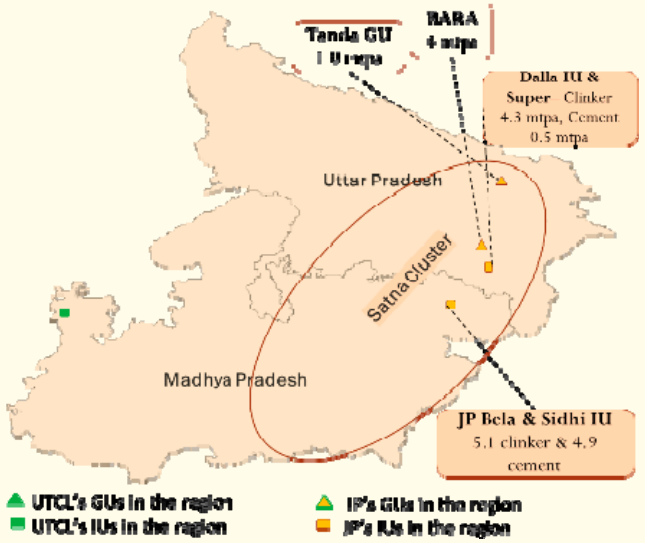
**1.6 mtpa of Bihar GU (to be commissioned in Mar'16) +0.6 mtpa Bahrain GU*

Source: Company data.

Entry in New Market – Satna Cluster



Satna Cluster (Cement – 11.4 mtpa)



- 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**

Note: Bara is under implementation and yet to commissioned

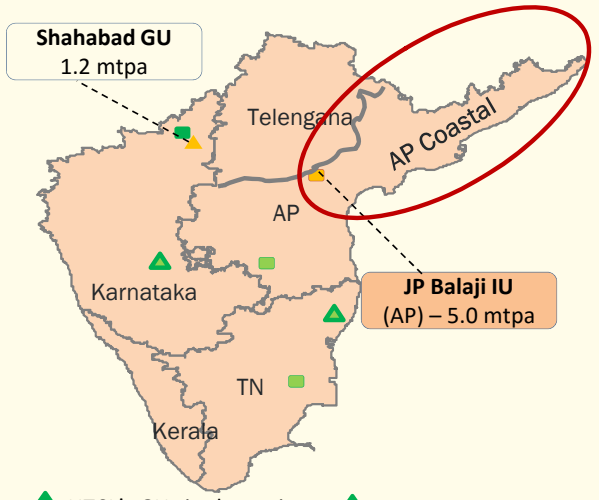
Strengthening market penetration

**Source: Internal Assumptions **Source: Annual Reports and Research Reports*

Strengthening presence into new developing State - AP



AP +Karnataka (Cement – 6.2 mtpa)



- 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 costal AP and Telangana markets

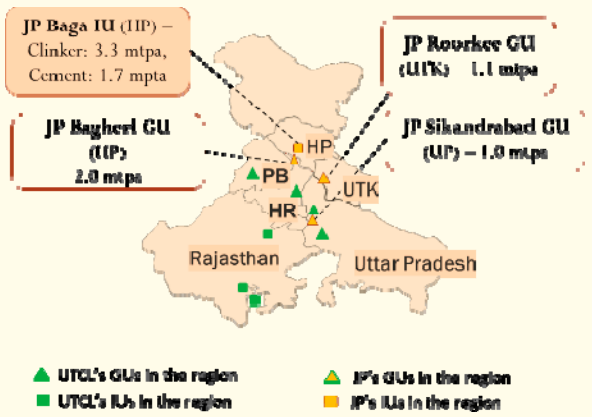
High cement consumption area

*Source: Internal Assumptions

Improving market penetration –
Punjab Cluster



Himachal (Cement – 4.8 mtpa)



- 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

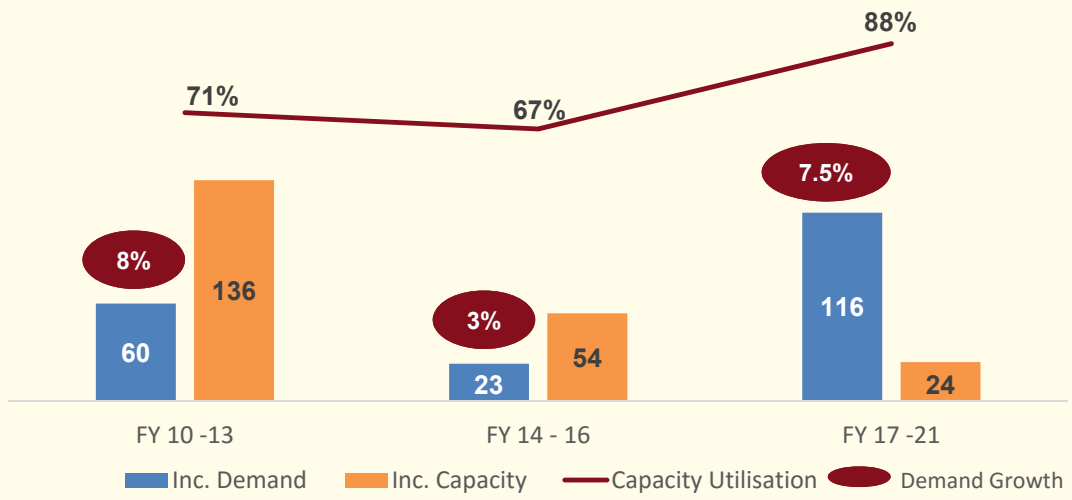
**Source: Internal Assumptions*

Industry poised for recovery



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Industry incremental demand supply trend*



- 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

Source: Internal Assumptions

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

** As on 26th February'16*

Additional Benefits – not part of valuation

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

Enhancing shareholder value

UTCL : Pre and Post Acquisition



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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



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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.

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WE ARE
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