23rd January, 2015

Press Release

Financial Results for the Quarter ended 31st December, 2014

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Acquisition of Madhya Pradesh Cement Units of Jaiprakash Associates

(` in crores)

	Quarter ended		Nine months ended	
	31.12.14	31.12.13	31.12.14	31.12.13
Net Sales	**5,490**	4,783	16,521	14,246
PBIDT	**990**	864	3,205	2,818
PAT	**364**	370	1,400	1,306

The figures for the current year include those of the acquired Gujarat Units and are therefore not strictly comparable with the previous years figures

UltraTech Cement Limited, an Aditya Birla Group Company, today announced its unaudited financial results for the quarter ended 31st December, 2014.

Net Sales at ` 5,490 crores have increased by 15% over the same period of the previous year (` 4,783 crores). Profit before Interest, Depreciation and Tax is ` 990 crores and Profit after Tax is ` 364 crores vis-a-vis ` 864 crores and ` 370 crores respectively, in the corresponding period of the previous year. For the first nine months, revenues have jumped 16% and PAT is up at ` 1,400 crores, an increase of 7%.

The combined domestic cement and clinker sales was 10.98 MnT (9.98 MnT) and 3.16 LmT (2.89 LmT) for white cement and wall care putty.

On a sequential basis, prices witnessed a downward trend. However, the on-going cost optimisation measures helped in containing costs despite the continuing increase in price of input material and logistics cost.

On a consolidated basis, Net Sales stood at ` 5,835 crores as compared to ` 5,137 crores in the corresponding period of the previous year. Profit before Interest, Depreciation and Tax is ` 1,058 crores and Profit after Tax is ` 401 crores vis-a-vis ` 928 crores and ` 399 crores respectively.

Acquisition of Cement Units of Jaiprakash Associates

The Board had earlier approved the acquisition of cement business of Jaiprakash Associates Limited (JAL) situated at Bela and Sidhi in Madhya Pradesh, having a capacity of 4.9 mtpa together with 180 MW TPP.

The Company and JAL have entered into a Definitive Agreement for this acquisition which will propel the Company's cement capacity in India from ~60 mtpa to ~65 mtpa. With the Company's current projects underway, the capacity in India will stand raised to ~71 mtpa in 2016.

In exchange of the above business, the Company shall issue non-convertible debentures worth ` 4,538 crores and non-convertible cumulative redeemable preference shares worth ` 10 lacs. As part of the business, the Company shall take over ` 626.50 crores of debt and negative working capital of ` 160.50 crores.

The transaction with JAL is subject to the approval of shareholders and creditors, sanction of the Scheme of Arrangement by the High Courts, approval of the Competition Commission of India and other statutory approvals. It is anticipated that the transaction will close in 7 to 9 months. Standard Chartered Bank and Moelis & Company India Pvt. Ltd. are the Transaction Advisors and the Valuation was carried out by Bansi S. Mehta & Co., Chartered Accountants. J. M. Financial Institutional Securities Limited provided the Independent Fairness Opinion to the Company. Amarchand & Mangaldas & Suresh A. Shroff & Co. is the Legal Advisor.

Outlook

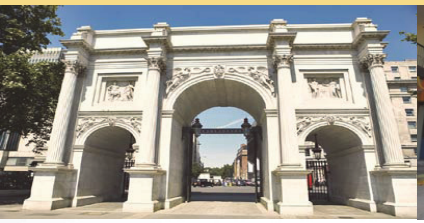
The business outlook continues to remain challenging. Demand growth in the long term is likely to be around 8%. The key demand drivers will continue to be housing and infrastructure spends.

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ADITYA BIRLA

UltraTech

India's Largest Cement Company

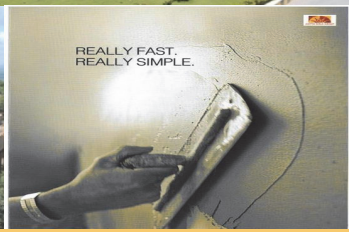










Financial Results Q3: FY 2014-15
Investor Presentation

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

Contents

- **Key highlights**
- **UTCL Performance**
- **Projects and other updates**
- **Outlook**

Note 1 : The financial figures in this presentation have been rounded off to the nearest ₹ 1 Crore

Note 2 : 1 USD : INR 63

Glossary

- MTPA - Million Tons Per Annum
- Mnt - Million Metric tons
- Lmt - Lakhs Metric tons
- Q2 - July-September
- Q3 - October – December
- H1 - April-September
- 9 Months - April-December
- LY - Corresponding Period Last Year
- FY - Financial Year (April – March)
- ROCE - Return on Average Capital Employed
- NROCE - Net Return on Average Capital Employed
- MW - Mega Watts
- ICU - Integrated Unit
- GU - Grinding Unit

Key Highlights: Q3FY15

Indian Economy:

- GDP continued to grow over 5%
- Industrial Production (IIP) growth @ 2.2% (LY-Nil) in first 8 months.

Indian Cement Sector:

- **Moderate Cement Demand Growth during the quarter after strong H1:**
  - Weakness in infrastructure segment and low urban housing demand impacted the overall growth;
  - Weak growth on low base put a check on revival of growth in the sector.
- **Sector continued to operate around 65% utilisation:**
  - Over 100 Mnt surplus capacity.
- **Cement Prices saw downward trend from Q2**
- **Decline in commodity prices supported in cost optimisation**

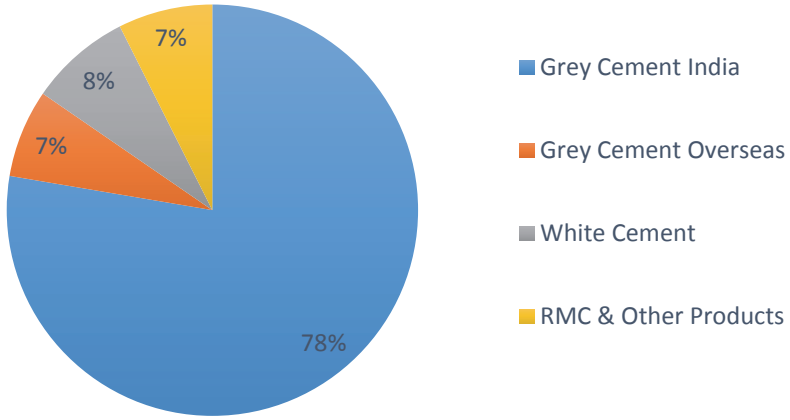
Key Performance Indicators

Q2	Particulars	Q3				9 Months		
FY15		FY15	FY14	△%	Q2	FY15	FY14	△%
61.8	Capacity Annual (MTPA)	63.2	55.5	14	2	63.2	55.5	14
	Sales Volume (Mnt):							
10.1	- Domestic Cement	10.5	9.6	9	5	31.9	28.5	12
11.2	**-** Consolidated (Incl. Clinker)	**11.8**	**10.8**	**10**	**6**	**35.4**	**31.7**	**12**
3.0	White Cement & Putty (Lmt)	3.2	2.9	10	**5**	**8.8**	**8.1**	**8**

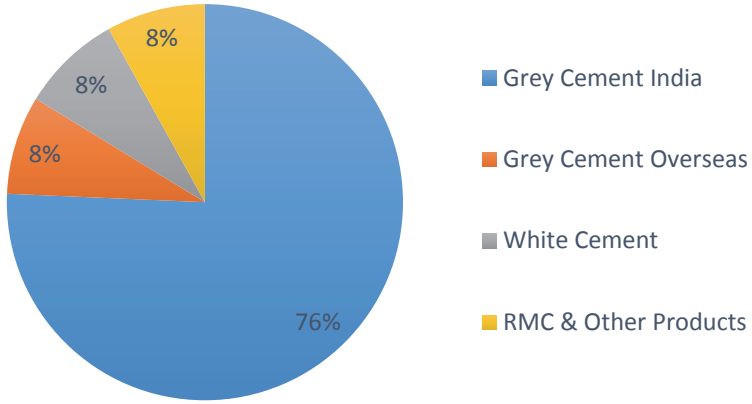
- YoY Capacity increased by 7.7 MTPA (4.8 MTPA for acquired Gujarat plants & 2.9 MTPA for Rajashree plant expansion).
- Domestic sales volume for the quarter up by 9% YoY basis and 5% sequentially
  - Share of acquired Gujarat plants in Growth: 6%
- Capacity utilisation for Indian operations on expanded volume at 70%;
- Double digit growth continued in white cement & putty sales volume.

Financial Performance – Revenue Composition

Q3 15



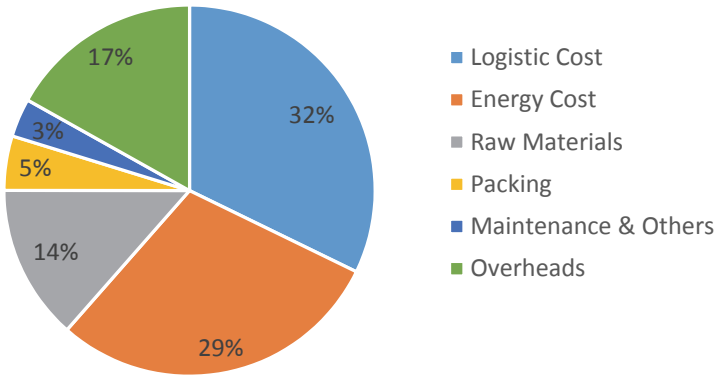
Q3 14



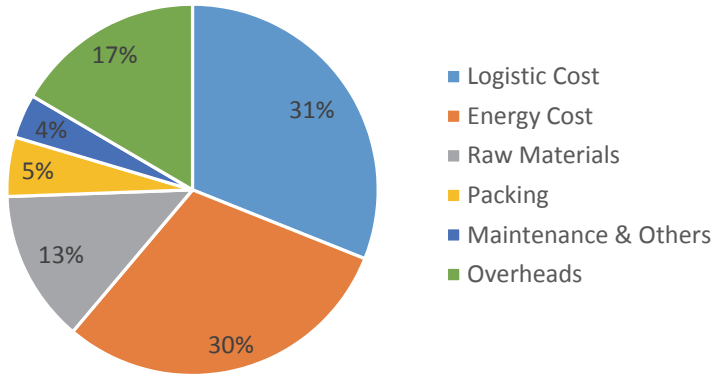
- Increased in revenues of Grey Cement operations backed by the acquired Gujarat plants
- Overseas revenues remained flat.

Key Performance Indicators-
Cost composition (Grey Cement)

Q3 15

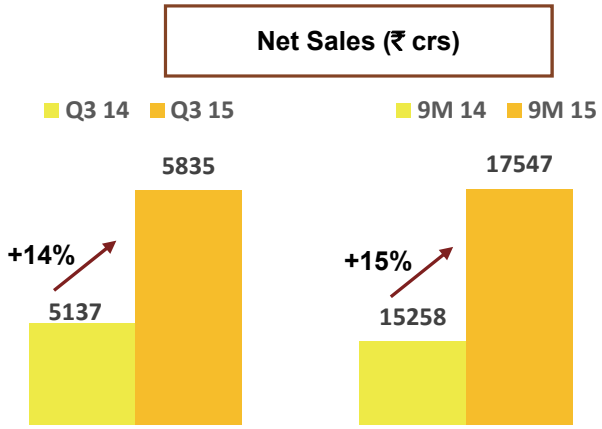


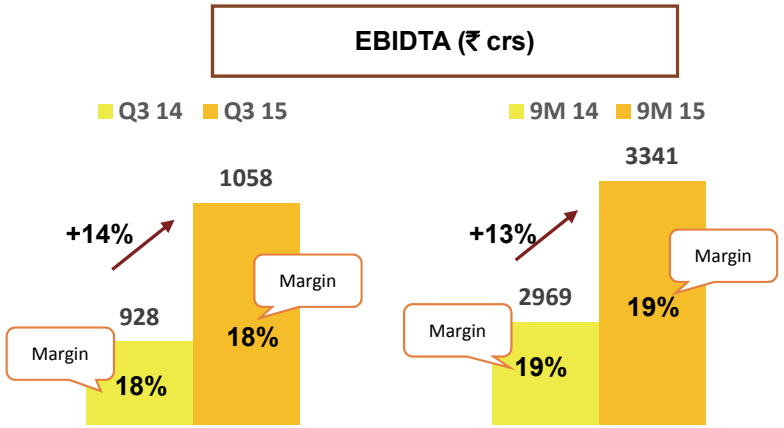
Q3 14



- Increase in railway freight by 6.5% during last budget session lead to increase in overall logistic cost.
- Continuous softening in commodity prices and optimisation of fuel mix supported to control overall energy cost.
  - Petcoke consumption over 50% in total fuel mix.
- Increase in Royalty on Limestone coupled with other input material prices increase impacted the Raw materials cost.

Financial Performance Summary





- 14% increase in Net Sales for the quarter from ₹ 5137 crs in LY to ₹ 5835 crs on the back of improved sales volume
- Cement prices in India were higher over last year, however sequentially declined on uneven demand scenario.
  - Prices for overseas operations were subdued over LY as well as sequentially.
- Q3 EBDITA improved by 14% from ₹ 928 crs in LY to ₹ 1058 crs:
  - Operating Margin remained at par with LY;
  - Operating Margin of Star Cement operations are in line with India.

Consolidated Financial Performance

₹ crs

Q3			Particulars	9 Months		
FY15	FY14	△%		FY15	FY14	△%
5835	5137	14	Revenue	17547	15258	15
1058	**928**	**14**	**EBIDTA**	**3341**	**2969**	**13**
18.1	***18.1***	**-**	***Margin (%)***	***19.0***	***19.5***	***(1)***
164	100	64	Finance Costs	**427**	**275**	**55**
296	287	3	Depreciation and Amortisation	897	838	7
598	**542**	**10**	**PBT**	**2017**	**1855**	**9**
196	143	37	Tax Expenses	572	504	13
1	4	-	Minority Interest	4	10	-
400	**395**	**1**	**PAT**	**1441**	**1341**	**8**
14.57	**14.41**	**1**	**EPS (₹)**	**52.53**	**48.91**	**7**

- Increase in finance costs and depreciation & amortisation with the acquisition of Gujarat units and commissioning of new capacities.

Balance Sheet

₹ crs

Consolidated		Particulars	Standalone	
31.12.14	31.03.14		31.12.14	31.03.14
18678	17182	Shareholders Funds	18531	17098
19	17	Minority Interest	-	-
10554	7332	Loans (Incl. Current Maturities)	8084	5199
2474	2290	Deferred Tax Liabilities	2480	2296
31725	26821	**Sources of Fund**	29095	24593
24789	20090	Net Block (Incl. Capital Advances)	23266	18650
1061	967	Goodwill on Consolidation	-	-
		Investments:		
4752	4841	Liquid Investments	4602	4841
21	21	Long-term Investments	550	551
1101	902	Net Working Capital	678	551
31725	26821	**Total Application of Funds**	29095	24593

Major Financial Indicators

Indicators	Units	Standalone		Consolidated	
		31.12.14	31.03.14	31.12.14	31.03.14
Shareholders fund	₹ crs	18531	17098	18678	17182
Borrowings	₹ crs	8084	5199	10554	7332
Cash Equivalents	₹ crs	4602	4841	4752	4841
Financial Indicators					
Net Debt: Equity		0.19	0.02	0.31	0.14
Net Debt / EBIDTA		0.81	0.09	1.30	0.57
Interest Cover (PBIT/Gross Interest)		5.4	7.8	5.3	7.2
ROCE		10.9%	13.1%	10.5%	12.5%
NROCE		8.3%	10.5%	8.0%	10.0%
Book Value	₹/Share	675	623	681	627

Long Term Credit Rating (AAA) & Bank Loan Rating (A1+) from Crisil

Projects Update

3rd Line Expansion at Aditya Cement, Rajasthan with split Grinding Unit (GU) in Haryana

- Clinkerisation Capacity – 6000 TPD
- Cement Capacity – 2.9 MTPA

Work-in-progress as per schedule and Clinkerisation likely to commission by year end and cement capacity by mid FY16.

Split GU in West Bengal and Bihar attached with Rawan Line-2 expansion

- Cement Capacity – 3.2 MTPA (1.6 MTPA each)

Civil work in progress and commercial production expected by end of FY16.

Waste Heat Recovery Systems (WHRS)

- Construction works for 45 MW WHRS at different locations are at final stage.

Major part is likely to be commissioned by the end of FY15 and balance by early FY16.

Update on acquisition in MP

- Board of Directors of the Company, in today's meeting approved the definitive agreement with Jaiprakash Associated Limited ("JAL") for the acquisition of their Bela and Sidhi plants in the state of Madhya Pradesh.
- Combined Clinker Capacity of 5.3 MTPA and Cement capacity of 4.9 MTPA together with Thermal Power Plant Capacity of 180 MW.
- Transaction is expected to complete in next 6-9 months after getting the all required regulatory approvals.
- Post completion of this transaction and projects underway, the Company's capacity will increase to 71 MTPA in India by 2016.

Particulars	₹ Crores
Total Consideration	**5325.0**
Less: Financial Indebtedness	626.5 *
Add: Working capital as on date	(160.5)*
Balance Consideration	**4538.0**

** To be finalised on the closing date*

Consideration met by:

a) Issuance of 10% 100000 Redeemable Cumulative Preference shares of FV ₹ 10 each and

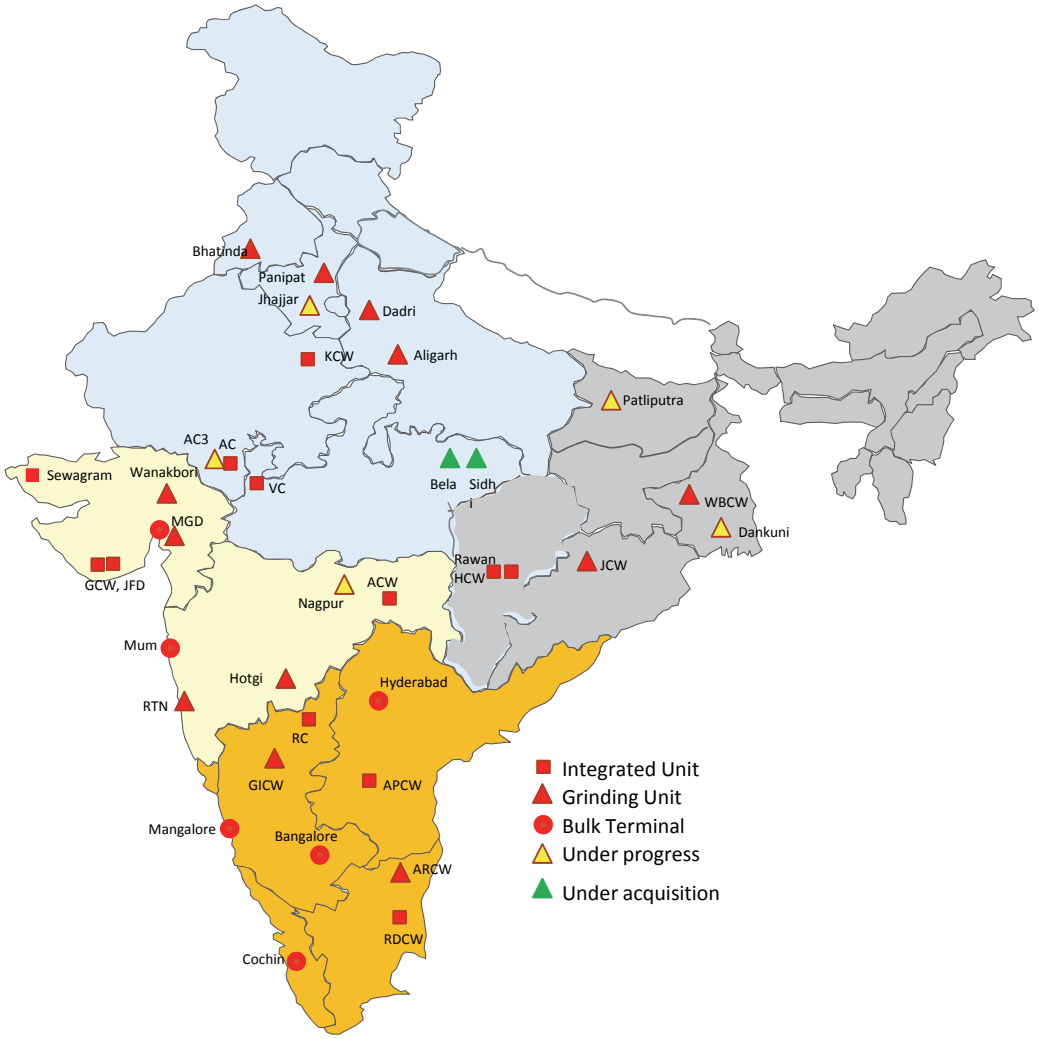
b) 90,758 unsecured non-convertible redeemable debentures of a face value of ₹ 5,00,000/- each

Outlook - Challenging

- Cement demand expected to remain weak for short term, However Long-term growth expected to be in line with GDP:
  - Demand revival from infrastructure projects with various regulatory, financial & administrative reforms initiated by Government,
  - Housing demand to improve with higher budget allocation for housing need and interest rate cut
- Supply-demand balance to improve gradually with improved demand and slowing down of new capacity addition due to rising entry barriers:
  - Availability of Limestone;
  - Land acquisition bill;
  - High Capital Cost;
  - Increased in gestation period;
  - Regulatory clearances.
- Prices continue to remain under pressure linked in the current surplus supply regime.
- Softening trend in commodity prices will support the sector to control the increase in cost

Our Focus – High Quality, High Volume and Low Cost

UltraTech Footprint



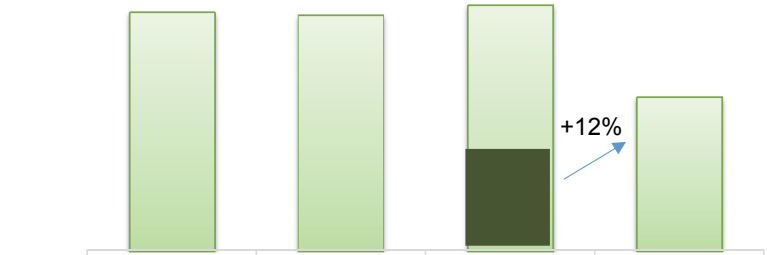
- 12 Integrated Units
- 12 Grinding Units
- 2 ICU Under Acquisition
- 4 GU In-Progress
- 1 ICU Under Expansion (AC3)

Zones	Zonal Capacity (mtpa)			
	FY14	Capacity Share	By 2016*	Capacity Share
North	16.8	28%	24.6	35%
East	8.2	14%	11.4	16%
West	16.4	27%	16.4	23%
South	18.8	31%	18.8	26%
All India	**60.2**	**100%**	**71.2**	**100%**
Overseas	3.0		3.6	
Total	63.2		74.8	

ADDITIONS: Aditya Cement – 2.9, Pataliputra – 1.6, DANKUNI 1.6 Acquisition (Bela + Sidhi) – 4.9

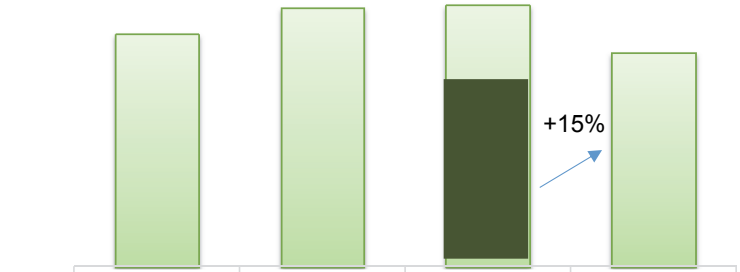
Operational and Financial Performance Trends

Sales Volume trend



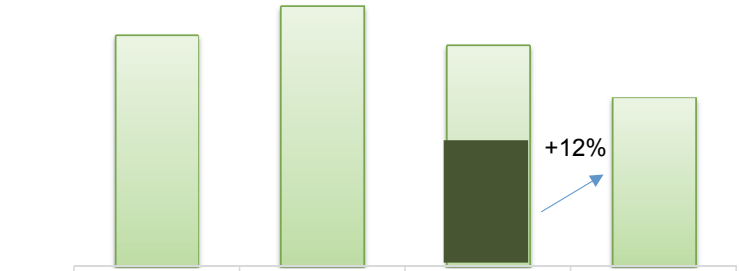
	FY12	FY13	FY14	9M FY15
Mnt	43.96	43.63	44.67	35.39

Net Sales trend (₹ crs)



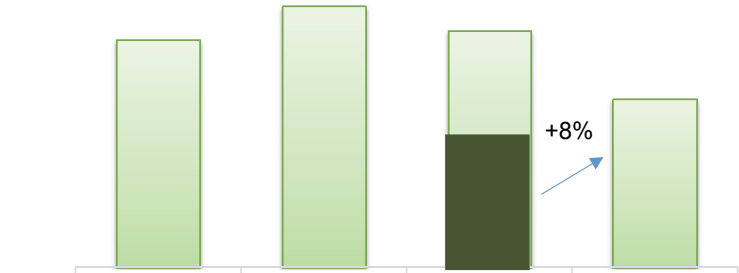
	FY12	FY13	FY14	9M FY15
Crs	19077	21161	21444	17547

EBDITA (₹ crs)



	FY12	FY13	FY14	9M FY15
Crs	4565	5143	4358	3341

Cash Profit (₹ crs)

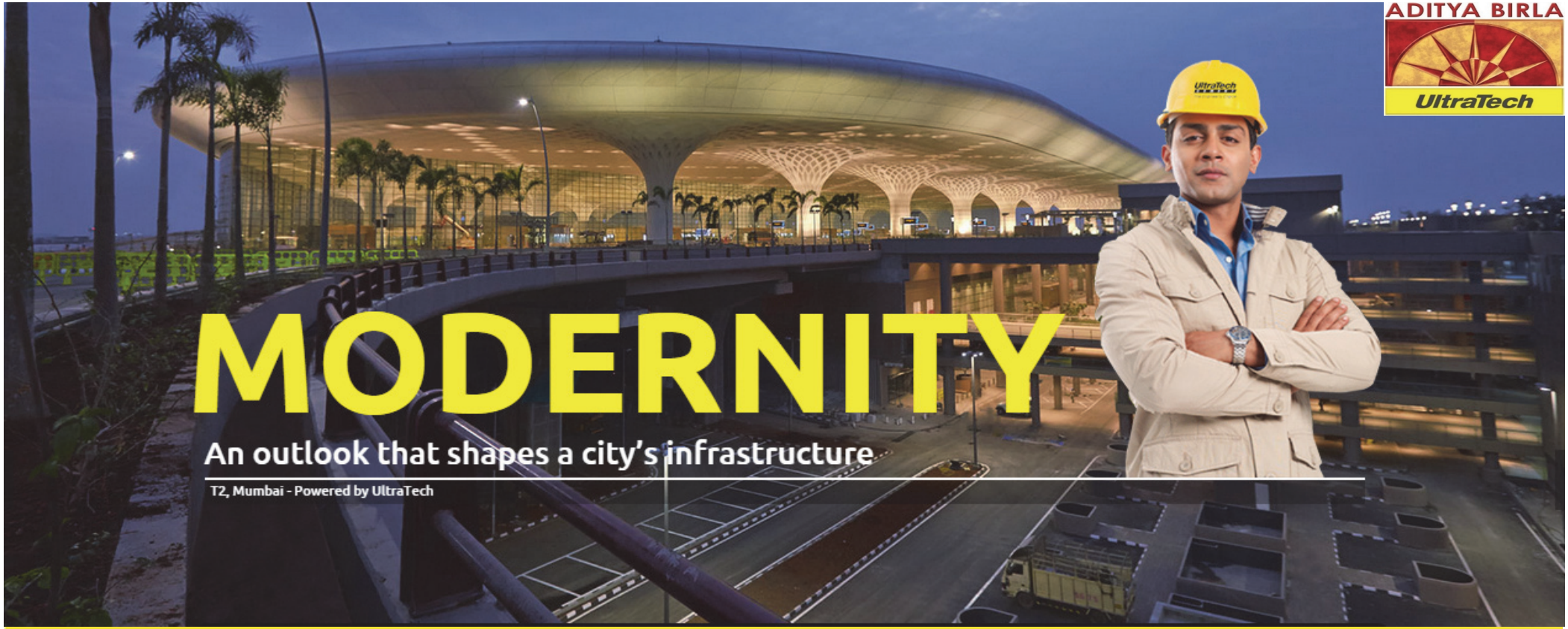


	FY12	FY13	FY14	9M FY15
Crs	3370	3869	3513	2489

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.

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