

HEIDELBERGCEMENT

India Presentation

February 19, 2014



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■ Cautionary Statement

This presentation may contain certain forward-looking statements relating to the Company's future business, developments and economic performance.

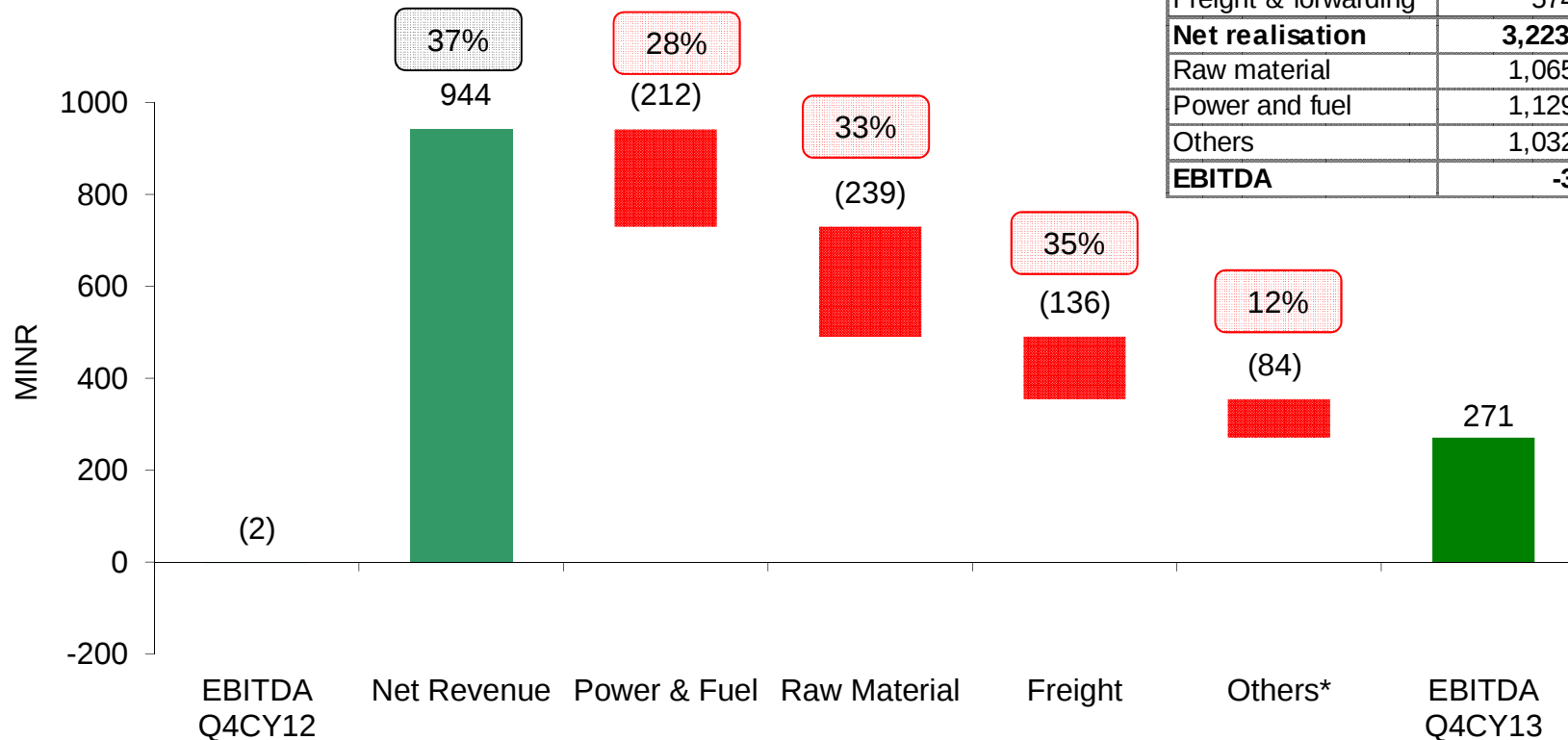
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Financial Performance Q4CY13 and CY13

Caption	MINR			YoY	QoQ	MINR		12mYoY
	Q3CY13	Q4CY12	Q4CY13	Change%	Change%	CY12	CY13	Change%
Volumes (KT)	788	674	923	37%	17%	2,888	3,610	25%
Net sales	2,917	2,559	3,503	37%	20%	11,000	13,648	24%
Other operating income	73	65	82	26%	12%	113	285	152%
Total income	2,990	2,624	3,586	37%	20%	11,113	13,932	25%
EBITDA	120	-2	271	n/a	126%	845	1,148	36%
Other income	28	6	30	444%	9%	32	74	134%
Depreciation	274	82	266	224%	-3%	315	970	208%
Finance costs	303	30	359	1085%	19%	105	1,059	905%
EBT	-429	-109	-324	n/a	n/a	457	-807	-277%
Tax	-146	-35	-258	n/a	n/a	148	-399	-370%
PAT	-284	-74	-66	n/a	n/a	308	-407	-232%
<i>EBITDA% of net sales</i>	<i>4.1%</i>	<i>-0.1%</i>	<i>7.7%</i>	<i>782 bps</i>	<i>362 bps</i>	<i>7.7%</i>	<i>8.4%</i>	<i>73 bps</i>

EBITDA Bridge: Q4CY12 vs. Q4CY13

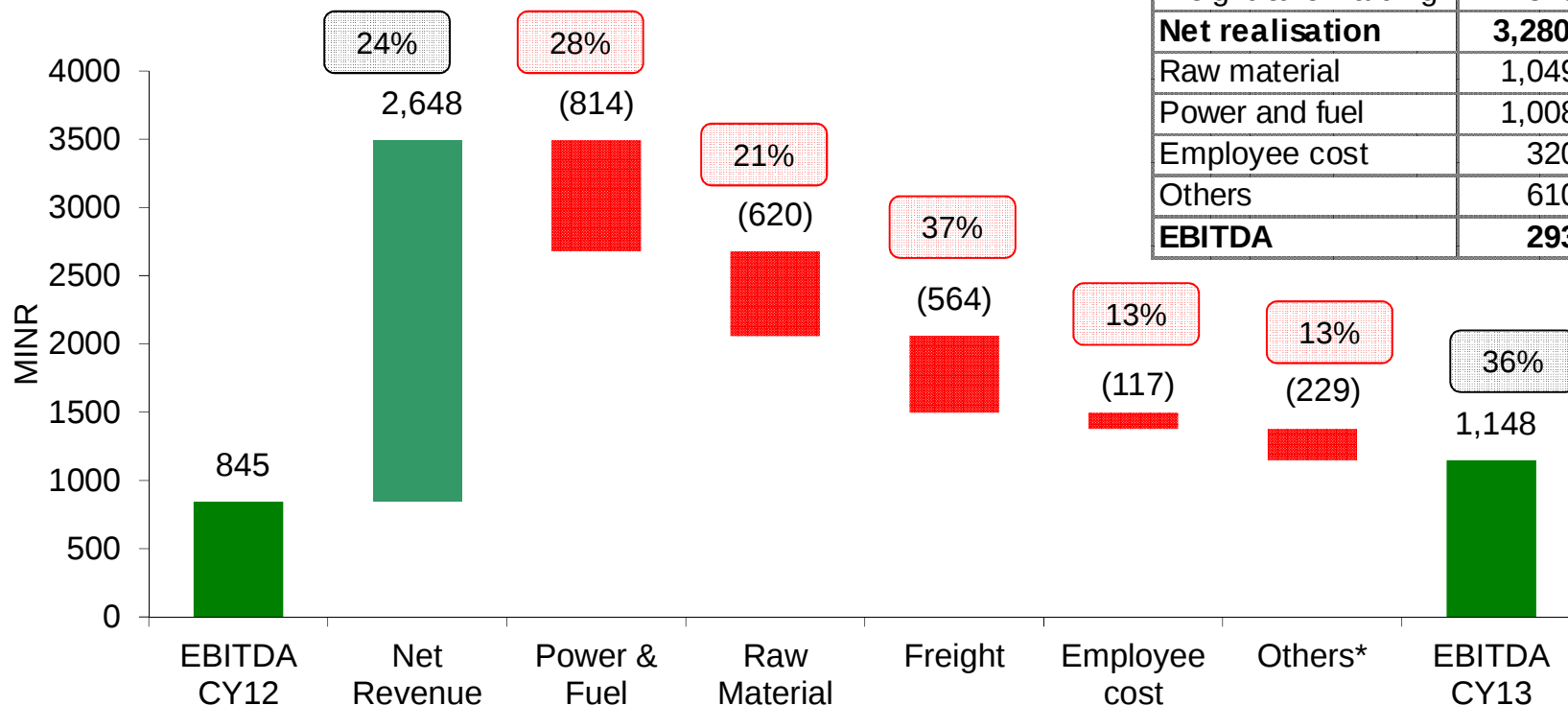


INR per tonne	Q4CY12	Q4CY13	Change %
Gross realisation	3,797	3,798	0.0%
Freight & forwarding	574	567	-1.3%
Net realisation	3,223	3,231	0.3%
Raw material	1,065	1,037	-2.6%
Power and fuel	1,129	1,055	-6.5%
Others	1,032	845	-18.2%
EBITDA	-3	294	n/a

Note: Change in inventory has been allocated to power & fuel and raw material in the ratio of 60% and 40% respectively. Others include other expenses, employee cost and other operating income. Others include other operating income, employee cost and miscellaneous expenses.

- HCIL's EBITDA increased from negative MINR 2 in Q4CY12 to MINR 271 in Q4CY13. EBITDA margin (% of net sales) increased from negative 0.1% in Q4CY12 to 7.7% in Q4CY13.
- EBITDA per tonne increased from negative INR 3 per tonne in Q4CY12 to INR 294 per tonne in Q4CY13.
- Revenue increased by 37% mainly contributed by 36.8% increase in volumes from 674KT in Q4CY12 to 923KT in Q4CY13; gross realisation remained flat.
- On per tonne basis, power and fuel cost decreased by 6.5%, other expenses by 15% and raw material by 2.6%.

EBITDA Bridge: CY12 vs. CY13

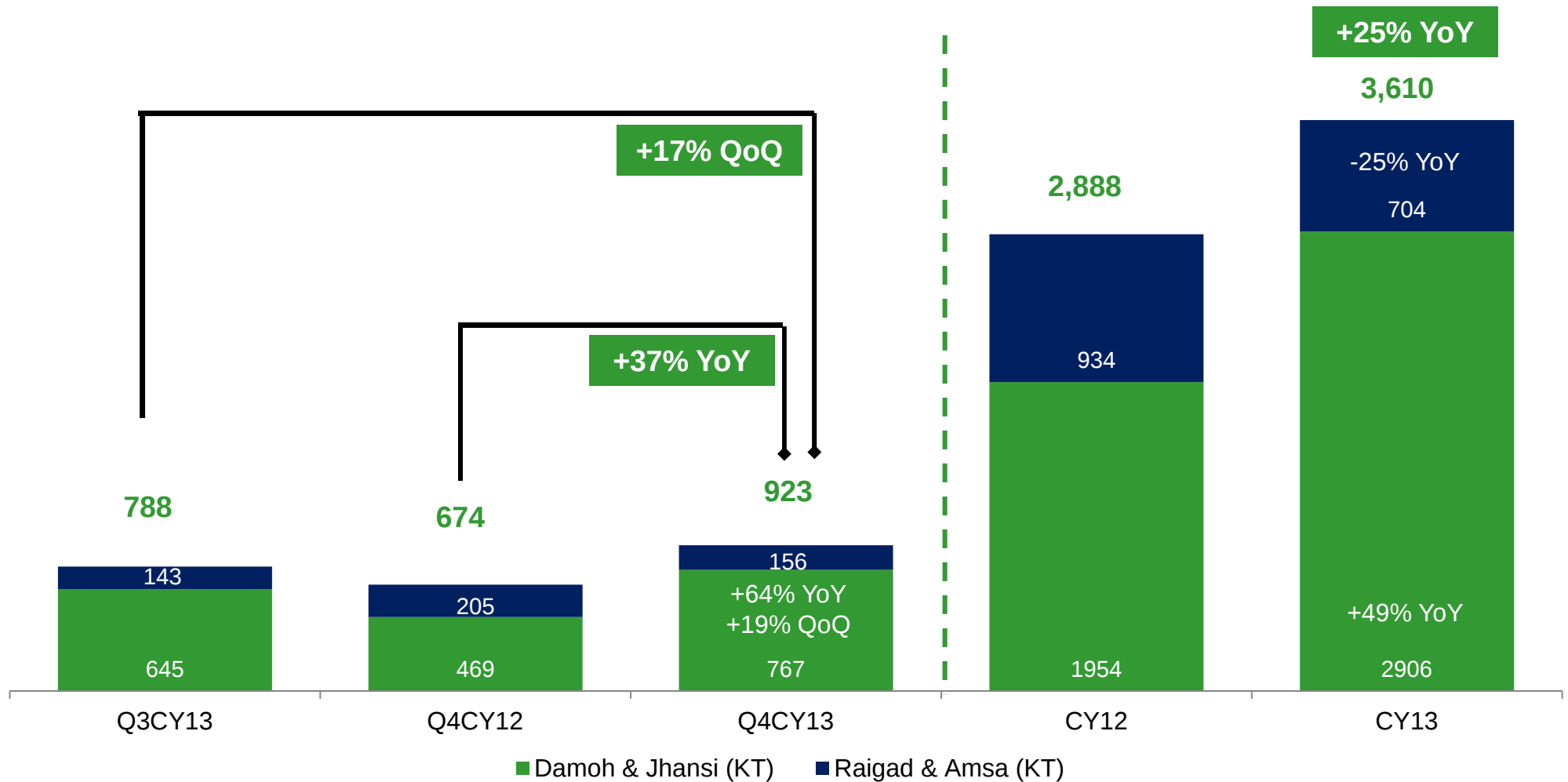


INR per tonne	CY12	CY13	Change %
Gross realisation	3,809	3,780	-0.8%
Freight & forwarding	529	580	9.5%
Net realisation	3,280	3,201	-2.4%
Raw material	1,049	1,012	-3.5%
Power and fuel	1,008	1,030	2.2%
Employee cost	320	288	-9.9%
Others	610	551	-9.6%
EBITDA	293	318	8.7%

Note: Change in inventory has been allocated to power & fuel and raw material in the ratio of 60% and 40% respectively. Others include other expenses and other operating income. Others include miscellaneous expenses and other operating income.

- HCIL's EBITDA increased from MINR 845 in CY12 to MINR 1,148 in CY13. EBITDA margin (% of net sales) increased from 7.7% in CY12 to 8.4% in CY13.
- EBITDA per tonne increased from INR 293 per tonne in CY12 to INR 318 per tonne in CY13.
- Revenue increased by 24% contributed by 25% increase in volumes from 2,888KT in CY12 to 3,610KT in CY13 and partially offset by 0.2% decrease in gross realisation from INR 3,809 per tonne to INR 3,803 per tonne.
- On per tonne basis, employee cost, other expenses and raw materials decreased by 9.9%, 9.6% and 3.5% respectively. Power and fuel cost increased by 2.2% yoy.

Growth in Central India volumes significantly offset by decrease in south and west



Share of Central India volumes increased from 68% in CY12 to 81% in CY13

■ Sale of Raigad Grinding Unit and NCD Issuance

- HCIL sold Raigad Plant to JSW Steel Limited w.e.f. January 3, 2014.
- With this sale, HCIL has become pre-dominantly a Central India player having 5 million tonnes capacity, all India capacity of 5.4 million tonnes.

Salient features of Raigad Transaction:

- Sale / transfer of the Raigad grinding unit together with all its assets, rights, liabilities, obligations, licenses/approvals and employees on a going concern basis by way of slump sale.
- The employees of the Raigad grinding have been transferred to the Purchaser on the terms and conditions, which are no less favourable than their earlier terms with HCIL.
- Sale consideration is MINR 1,660; out of which MINR 1,000 received on January 3, 2014 and the balance shall be received early 2015.

Non Convertible Debentures to HCAG

- Non convertible debentures (NCD) amounting to MINR 3,700 issued to HCAG and paid outstanding debt from local banks in Dec'13.
- NCDs were issued @10.4%, HCIL increased its debt maturity by average 5 years and saved on interest cost.

■ Thank You

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**Safety is our
foremost priority**



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