HeidelbergCement India Ltd. (HCIL)

Investors‘ Presentation

Q2 FY 2016-17



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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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Key Highlights – Q2 FY 2016-17 vs. Q2 FY 2015-16

Gross Sales Realization per t higher by 2.7%

Operating Costs* per t lower by 2.4%

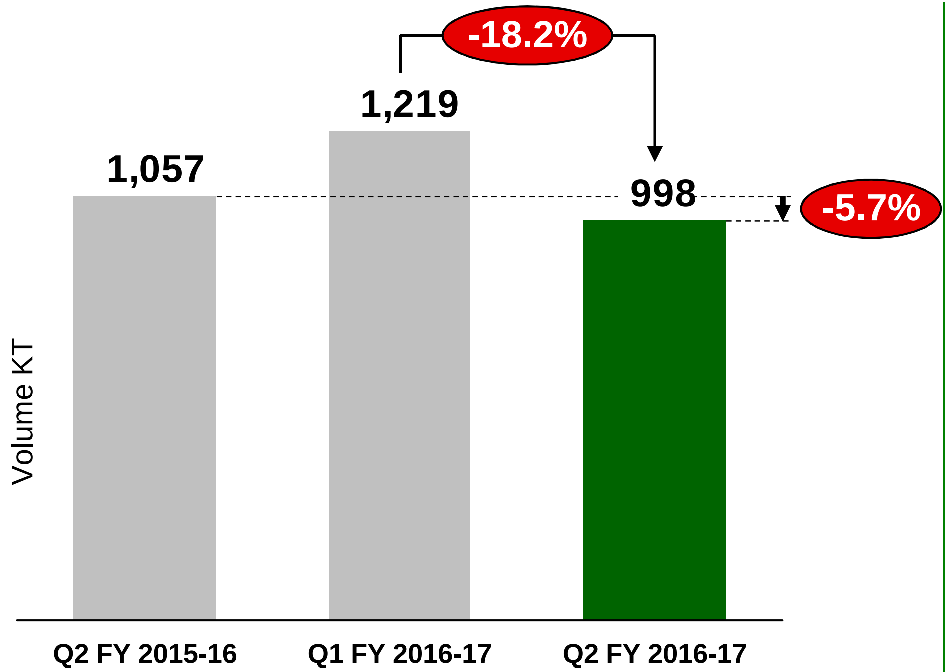
EBITDA, increased by 44.0%

EBITDA % increased by 6.2%

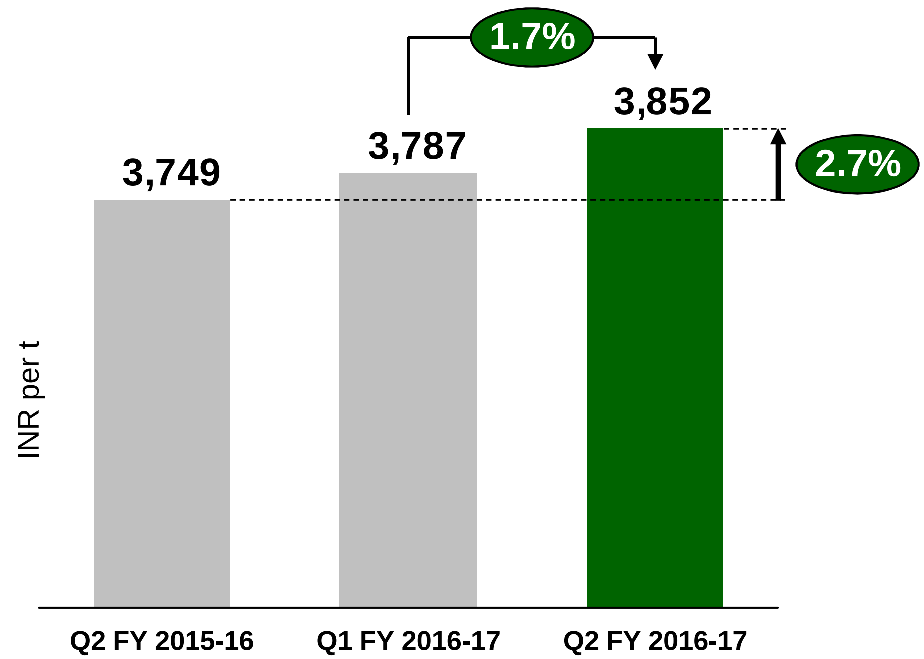
Results for Q2 FY 2015-16 adjusted to make the figures Ind AS compliant

** Excludes Depreciation*

Volumes and Price Development



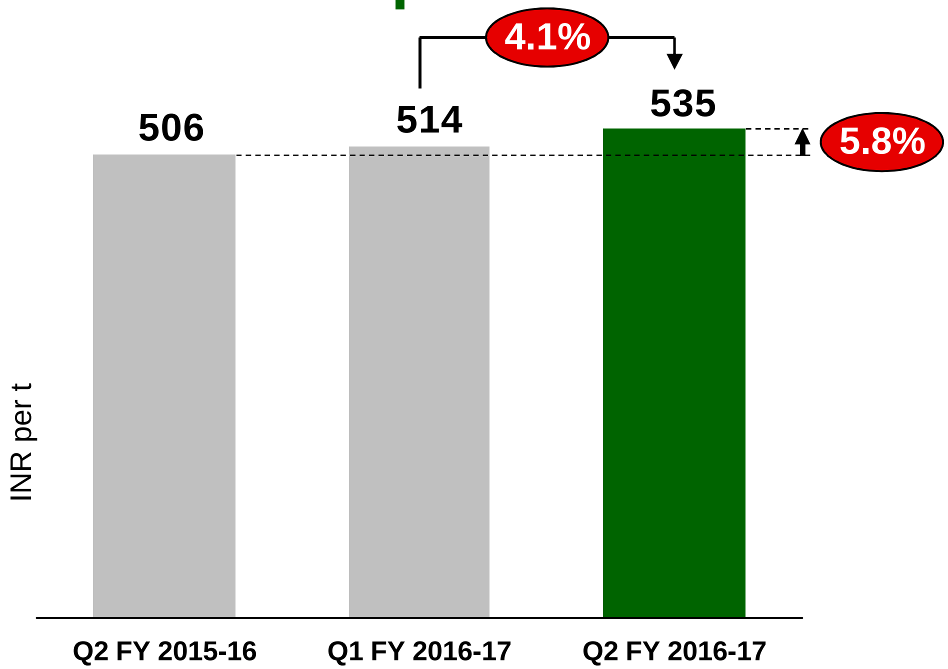
Volume Development



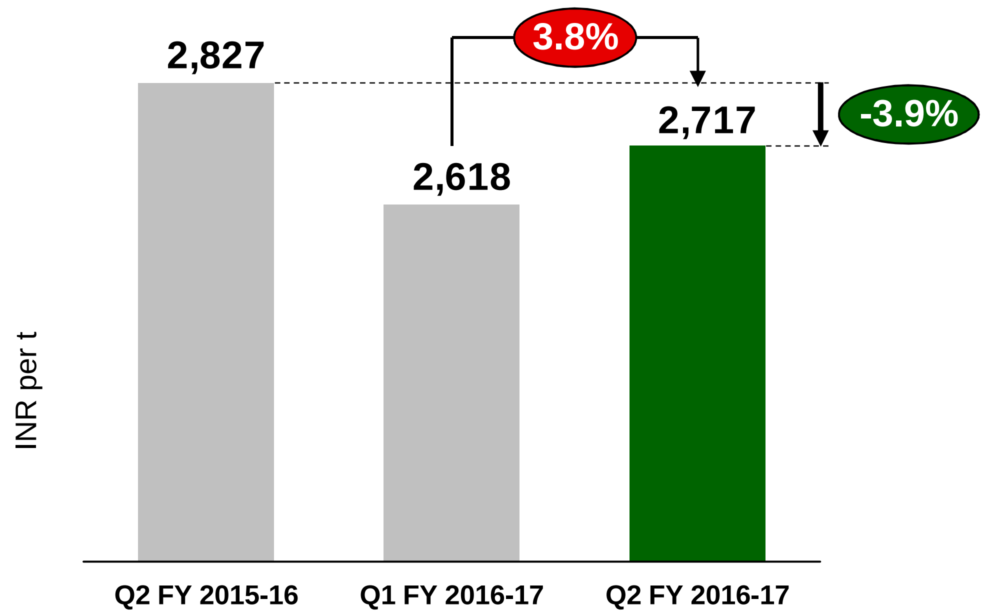
Gross Realisation per t

- Heavy rains and sand shortage impacted construction activities leading to lower demand while prices remained firm across markets.
- Demand continues to remain weak amidst festival season, however good monsoon after 2 years of drought like conditions should help revive volume offtake in the coming days.
- Capacity Utilization for Q2 FY 2016-17 ~77%
- Trade : Non Trade Mix ~ 80:20 for Central India .

Costs Development



Logistic Cost per t



Operating Costs (excl. logistics) per t

- Lower costs on y-o-y basis primarily due to:
  - Lower costs of Petcoke and Bags- already hardened significantly
  - Optimization of fuel mix
  - Savings from generation of power from Waste Heat Recovery based Power Generation Plant (WHRP) at Narsingarh
- Power tariff increased in MP and Karnataka.
- Rail : Road Mix ~ 50:50

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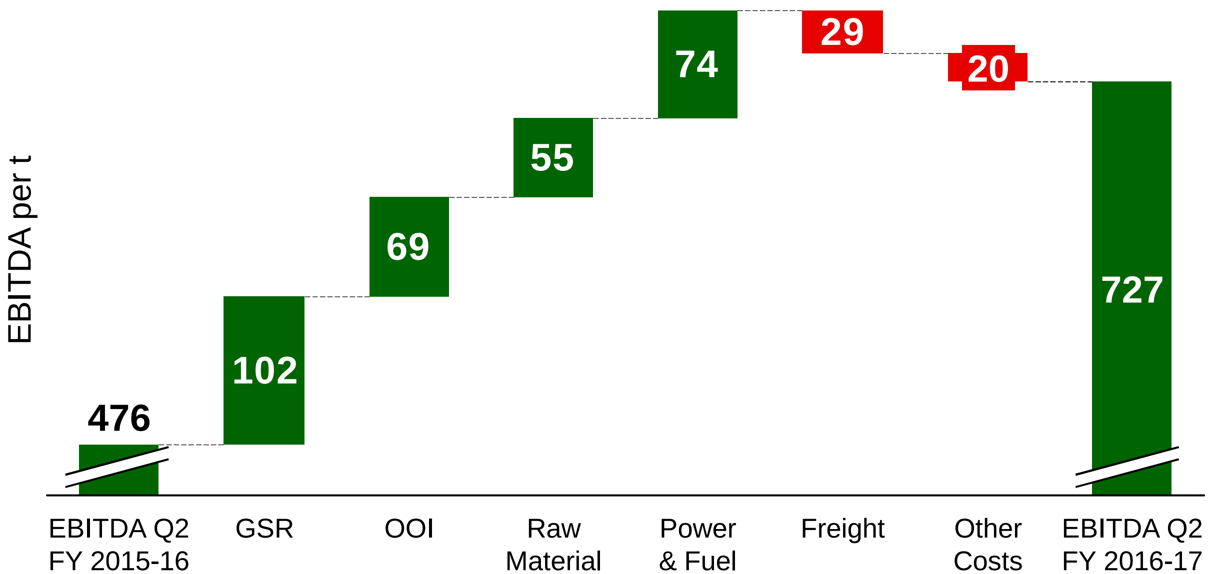
Financial Performance and EBITDA per t Bridge Q2 FY 2016-17

Caption	MINR		YoY
	Sept Qtr -16	Sept Qtr -15	*Change%*
Volumes (KT)	**998**	**1,057**	***-5.7%***
Net sales	3,842	3,964	*-3.1%*
Other operating income	127	63	*103.5%*
Total income	**3,969**	**4,027**	***-1.4%***
Total Expenses	**3,244**	**3,523**	***-7.9%***
EBITDA	**726**	**504**	***44.0%***
Other income	9	35	*-74.1%*
Depreciation	250	229	*9.0%*
EBIT	**485**	**310**	***56.4%***
Finance costs	235	276	*-14.9%*
EBT	**250**	**35**	***625.6%***
Tax	85	13	*555.0%*
PAT	**165**	**21**	***668.4%***
EBITDA% of net sales	*18.9%*	*12.7%*	*6.2%*



- EBITDA / t improved to INR 727 during Q2 FY 2016-17 .
- Improvement in pricing apart from savings in power costs due to commissioning of WHRP, lower fuel costs and lower cost for bags were the prime drivers for the increase in EBITDA.

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Debt Position 30-09-2016

- Fourth tranche of ECB due for repayment in 1H FY 2016-17 (Total MINR 454) – Repaid Already.
- Gross Long Term Debt further reduced to MINR 8,302 (as at 30^{th} Sept. 2016) from MINR 8,756 (as at 31^{st} March 2016).
- Net Debt reduced to MINR 8,100 (as at 30^{th} Sept 2016) from MINR 9,378 (as at 31st March 2016).

Note :

1. Gross Long Term Debt = Long Term Debt (LTD) including current potion of the LTD maturing in the next 1 year but excludes impact of Mark to Market on the USD External Commercial Borrowings (ECB) which were hedged using Cross Currency Swaps. Also includes full value of the interest free loan of MINR 336 received from "The Pradeshiya Industrial & Investment Corporation of U.P. Ltd" (PICUP) repayable after 7 years.

2. Net Debt = Gross Long Term Debt + Short Term Borrowings – Cash & Cash Equivalents

Thank You

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for better building

Safety is our foremost priority