

Ambuja Cement

ACL:SEC:

May 17, 2018

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Dear Sirs,

Sub: Investors' Presentation

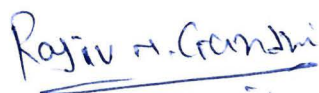
Further to our letter dated May 14, 2018, informing you about the 35th AGM notice of the Company wherein one of the item is to sought shareholders' approval for renewal of the "Technology and Know How" Agreement with Holcim Technology Limited, a related party. (Resolution no. 9 of the AGM Notice dated May 4, 2018)

In this regard, Please find enclosed the Investors' presentation to be made to Analysts/Institutional Investors.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Ambuja Cements Limited



Rajiv Gandhi
Company Secretary
Membership No. A11263

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Investor Presentation Renewal of Technology Know-How Agreement

Robust Growth



Globally 2nd rank



Fast ramp up



Globally 7th Rank in C&M



Heat Barrier Technology



Shipping - Silver Jubilee



Higher EBITDA Growth



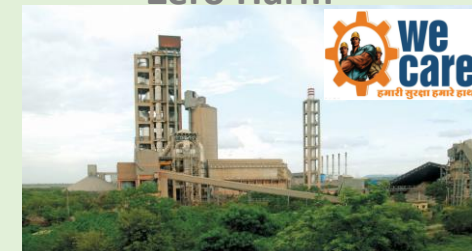
Continue to Build Strong Brand



High AFR usage at Ambujanagar Unit



Achieve goal of Zero Harm



Preamble

For the period January 1, 2013 to December 31, 2017, Ambuja had requested the LafargeHolcim Group (“LafargeHolcim”) a world leader in the cement industry, to avail usage of its valuable Intellectual Property (‘IP’), Technology Know-how and End-to-End solutions in the building materials industry which includes initiatives ranging from cement manufacturing, sustainability to commercial and marketing amongst others.

Ambuja entered into an agreement with Holcim Technology Ltd. (“TKH Agreement”) for the use of LafargeHolcim’s Intellectual Property, Technology know-how and End-to-End solutions. Over the last five years this agreement has proven to be very resourceful for Ambuja and has resulted in significant benefits and advancements in the areas of:

- *Cement manufacturing through initiatives in the areas of Thermal Energy and Alternative Fuel & Raw Materials (“AFR”); Electrical Energy Optimization; Procurement; Commercial Excellence; Innovation; Health & Safety and People initiatives; Knowledge Management and Sustainability*

The management and independent directors have reviewed the benefits using third party experts and believe the benefits accrued as a result of these initiatives far outweigh the costs. The management intent is to continue to improve operational efficiency & grow the business in new products & solutions. Hence the need to extend the TKH agreement.

The Company has requested LafargeHolcim to continue providing its support, keeping in mind the importance of continuity of the initiatives already under implementation and new initiatives which will further accrue as a result of the continued association.

The Audit committee, comprising a majority of Independent Directors and chaired by an Independent Director has recommended to the Board the extension of the TKH agreement based on its review of past and potential future benefits. Accordingly, the Board of Directors has approved the renewal of the TKH Agreement (under which these services are provided) for a period of 3 years starting January 1, 2018.

The LafargeHolcim Group, formed as a result of the merger of Lafarge SA and Holcim Ltd in 2015, is a world leader in the building materials space and has more than 2,300 operating sites in around 80 countries. In CY17 LafargeHolcim reported sales of ~210 Mn tons cement, ~279 Mn tons of aggregates and ~51 Mn cubic meters of RMX. As part of its new Strategy 2022 – “Building for Growth”, LafargeHolcim is now building a fourth business segment - Solutions & Products. The LafargeHolcim Group is the holder of best in class technical solutions & products, building solutions and more than 270 registered patent families. R&D at the LafargeHolcim Group is focused on developing cost efficient and sustainable building solutions.

TKH Achievements (2013 – 2017)

.....(1/2)

1 CAN.

Cement Manufacturing

Procurement Excellence

Thermal Energy & AFR Optimization

- Dedicated **'Geocycle'** division supports in waste management and use of alternate fuels
- Thermal Energy consumption including Alternative Fuel and Raw Materials ("AFR") improved
- Raw Mix design in line with multiple fuel usage in kiln
- Technical support and expertise in the conceptualization and engineering of pre- and co-processing including AFR labs
- Knowledge transfer to achieve fuel flexibility and usage of alternate fuels
- Training & technical assessments of kilns to co-process AFR in kilns
- Safety standards related to AFR operation
- Alternative Fuel usage ~5% in 2017
- Process safety

Electrical Energy Optimization

- Initiatives to improve electric energy consumption
 - Ball Mill Initiatives (MBi)
 - Synergy Acceleration Task Forces (SATF)
 - Fan Initiatives (FANi)
- Quarry planning & Raw Mix design – led to reduction in electrical energy consumption
- Achieved consistently low electric energy consumption per ton of cement
- Specific Electrical Energy consumption reduced by 2 kWh/t from 2013 to 2017
- Electrical safety

Manufacturing Excellence

- Support in Manufacturing Excellence Program (People Power)
- Industrial Fixed Cost Initiative (IFC) – benchmarking of plant performance vs the best practices
- Clinker Optimisation Initiative (COi) - enhancing cement performance and clinker factor reduction – improve share of blended products
- India Manufacturing Transformation (IMT)- Lean organizational setup for plants to improve productivity (60+ Indian managers participated in global programs implementing best practices)
- Maintenance initiative (MANi) – improved reliability of plants, reduced break downs and thereby reduced maintenance costs
- Shutdown Management & Safety

Procurement

- Development and deployment of standardised business applications for procurement information systems
- Category management to leverage high volume purchases across the globe (volume pooling)
- Fuel Sourcing - global overview (market/price) and benchmarking
- Leveraged global know-how to help procure and modify specified equipment
- Inventory Management (NWC) Program

Growth in cost of production kept below inflation

TKH Achievements (2013 – 2017)

.....(2/2)

I CAN.

Commercial Excellence

- Growth and Innovation at LafargeHolcim supports Ambuja in
 - commercial processes through price and margin management
 - product offerings management
 - customer experience management
 - offering differentiating value offers
 - go to market models
 - enhanced market standing in Buildings & Infrastructure and Affordable Housing
- Sharing of Global Best Practices, participation of international experts in projects as active members

Ramp up of premium product to over 2 million tons per annum

Innovation

- Development of new products [*Roof Special, Compocem, Powercem, Railcem, Microfine products, Cool Walls*]
- Optimization of Raw Mix design for better clinker factor, better quality of cement and reduction of operating costs
- Developing admixture and special performance enhancers
- Latest Innovative Tools for providing solutions to Building & Infra customers

Innovation in operations & product development

Sustainability

- Sustainability Framework provided by LafargeHolcim based on Global Plan SD 2030 is guiding Ambuja to achieve its following sustainability development goals for 2030 [*Climate, Circular Economy, Water & Nature, People & Community*]
- Tools used to undertake quarry planning, modeling and scheduling
- Substantial support for projects to enhance the reserves of mineral resources at cement plants
- Water Measurement protocol (reduce consumption, improve generation) - Achieved 5.5 water positive in 2016
- Sites with WASH (Water Sanitation & Hygiene) Pledge
- Biodiversity management action plan
- Human Rights Modules
- Sites with Stakeholder Engagement Plan
- Low Carbon Roadmap – reduction in specific CO₂ emissions by 4.3% from 2012 to 2017
- Development of Sustainable Products - more than 90% blended cement products

Ranked no 2 in Carbon Disclosure Project (CDP) globally and no 7 in Dow Jones Sustainability Index (DJSI) in 2017

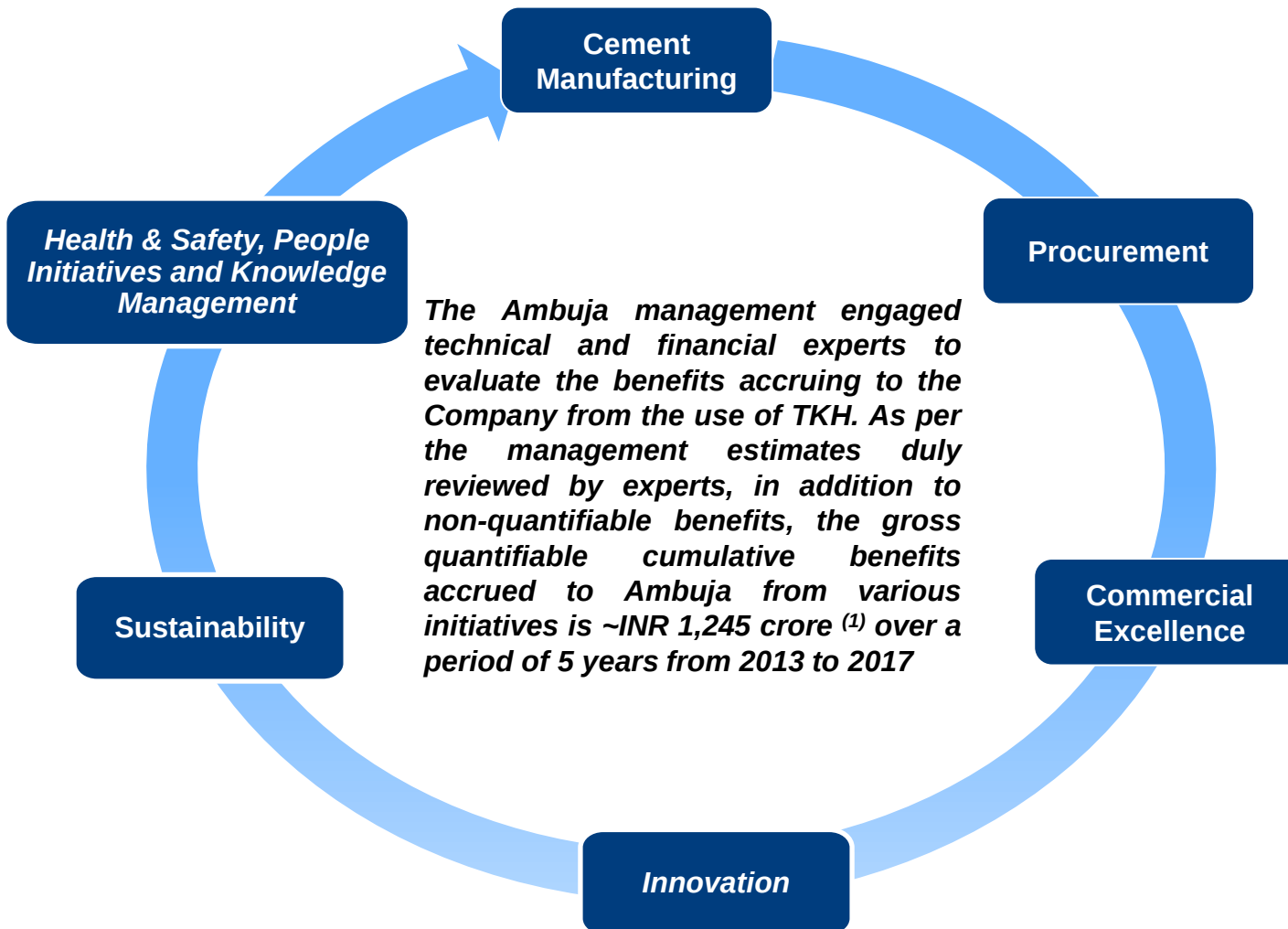
Health & Safety, People Initiatives & Knowledge Management

- H&S - Global standards & processes implementation to improve safety standards
- H&S best practices and learnings shared worldwide
- Structural integrity (DSCQP**), Process Safety (MSR*), Electrical Safety, Road Safety Map 2020, competency development, audits / assessments
- Training modules for cement manufacturing, AFR and other areas
- Certification courses for maintenance and process engineers
- Access to tools like iConsult and Connect LH, a repository of information from all regions
- HR Global Practices

74% reduction in incidents from 2013 to 2017

Post merger of Lafarge & Holcim a leading global building materials and solutions company resulted in a bigger platform in the building materials space. The IP of Lafarge also became available to Ambuja resulting in additional resources without any increase in the fee

Unlocking potential with the help of TKH (2013-2017)



- Visible change in Health Safety culture - Ambuja awarded Globally Best H&S performance in Holcim in 2014
- Launched innovative products – Roof Special, Ambuja Compocem, Powercem, Railcem and Ambuja Plus Cool Walls
- Ambuja has been a part of India's iconic projects – under water rail tunnel (Calcutta), India's longest highway tunnel in J&K (Chenani-Nashri)
- Ambuja accredited 5.5 times Water Positive in 2016
- Ambuja among the top 10 companies in the Global Dow Jones Sustainability Index (DJSI) ranking 2017 (Ambuja ranked at No.7)
- Reduced specific CO₂ emission by 30% in 2017 over 1990 level
- Ambuja featured in the CDP League Table; Ranked No. 2 among 13 global public listed cement companies
- The annual survey by a leading business magazine ranked Ambuja amongst India's "Most Respected Companies"
- Ambuja bags six prestigious accolades @ CII-ITC Sustainability Awards

Leveraging on LafargeHolcim's IP, experience and knowledge across functions, Ambuja is well poised to unlock significant potential benefits in the future

TKH Renewal Rationale

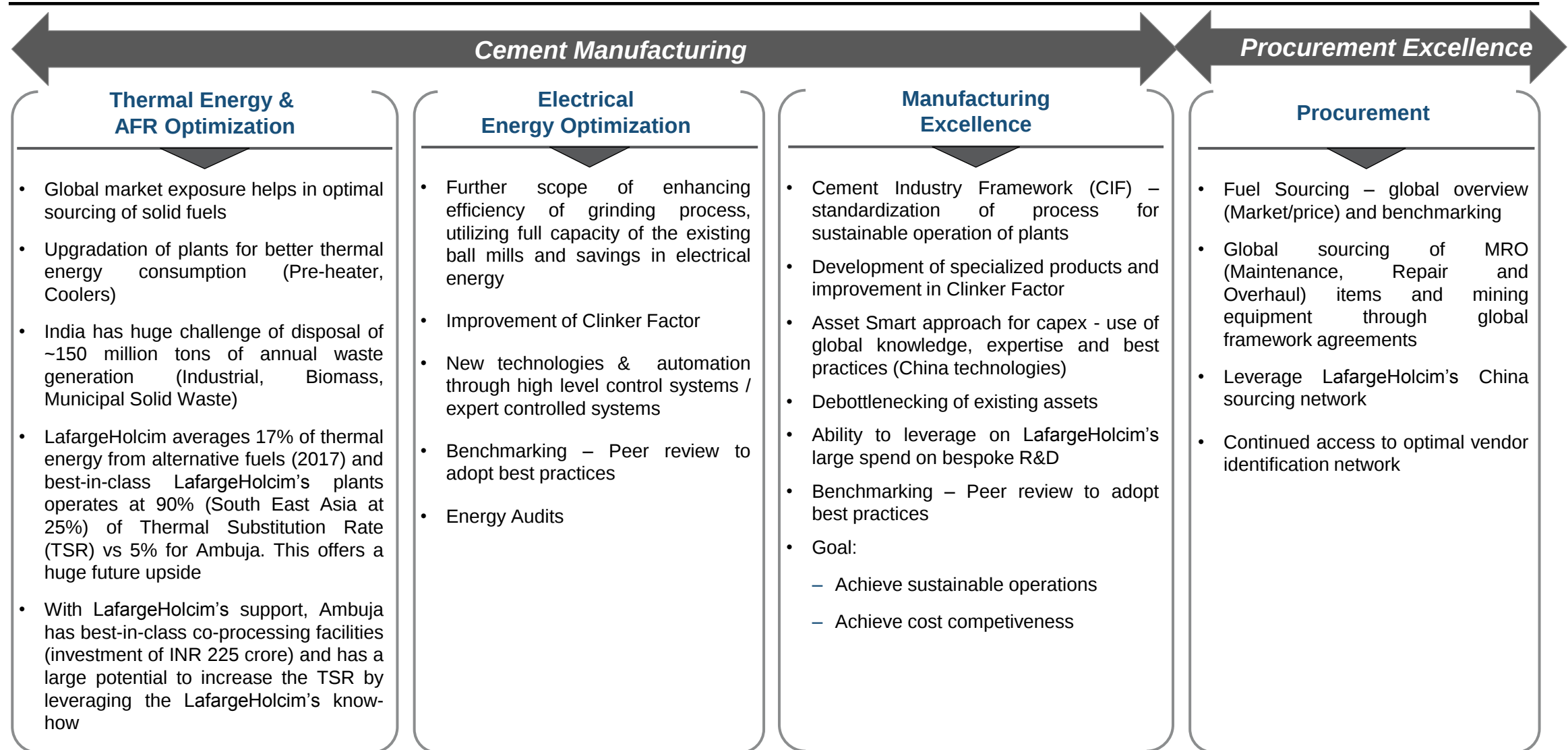
The LafargeHolcim Group is a leading global construction materials and solutions company with generations of experience to create innovative solutions to meet customer specific requirements. The cornerstone of LafargeHolcim's global R&D activities is the LafargeHolcim Research Center in Lyon, France. It is the first and largest research center in the global construction industry. In addition, the Group also operates a network of local construction development laboratories in different countries. On a global level, the Group's portfolio includes more than 1,500 patents that range from cement manufacturing processes and construction solutions, to CO2 footprint solutions and efficient waste management. The LafargeHolcim Group has best in class technical solutions, product profile, and building solutions.

The TKH achievements listed out earlier have helped Ambuja gain thorough knowledge and have helped put in motion several initiatives. The initiatives have also provided a good head start in managing the complex process of AFR and introducing premium products and further support here will help Ambuja become an industry leader .

Thus, LafargeHolcim has provided world class technologies and practices on a continuous basis under the TKH Agreement. These have helped Ambuja derive substantial benefits, a fact recognized by the Board of Directors.

With the objective of meeting Ambuja's long term vision of growth, the Company wishes to renew the right to use LafargeHolcim's Intellectual Property, Technology know-how and End-to-End solutions, based on the substantial benefits it believes will accrue, as laid down in the ensuing slides

TKH Potential Benefits....(1/2)



TKH Potential Benefits....(2/2)

Commercial Excellence

- Price and Margin management
- Expertise in Building and Infrastructure – technologies, global practices
- Digital platform for dealers and end users
- New business beyond cement – Products and Solutions
- Focus on growth through new business segments like
 - Ready-Mix concrete
 - Manufactured sand (in view of sand mining issues faced by India)
 - Mortar and construction chemicals
- Premium products set to grow faster than cement industry

Innovation

- Access to knowledge base of global R&D center at Lyon
- New product development
- Access to innovations from other countries in cement and building materials
- Admixture for cement & concrete
- Scale up waste co-processing in kilns while maintaining the same quality standards
- Leveraging technology/ low cost solutions
- Exploring below water table mining to improve resources and reserves and life of mines
- Leveraging global expertise in 3D printing initiative as part of enhanced customer experience

Sustainability

- Sustainability Framework provided by LafargeHolcim based on Global Plan SD 2030 is guiding Ambuja to achieve its sustainability development goals 2030
- Tools used in mining plan to ensure an even extraction and effectively extend the life of a mine
- Use LafargeHolcim's expertise to meet emission standards including SOX and NOX norms
- Low Carbon roadmap – process improvement and new technology sharing
- Sharing global initiatives and solutions to improve water conservation
- Conservation of natural resources (limestone, coal, water)
- Sustainable construction initiatives & pollution control measures

Health & Safety, People Initiatives & Knowledge Management

- Using LafargeHolcim's tool of Health and Safety Improvement Plan (HSIP) as a focus tool to identify and fix high priority areas and to achieve goal of 'Zero Harm'
- Enable sharing of LafargeHolcim's Best Practices, Root Cause Analysis tools, Assessment & Audits
- Road Safety Roadmap 2020
- Set up transport control towers to monitor In-Vehicle Monitoring System (IVMS), thus helping improve road safety performance
- Global workshops / training & development
- Continued access to repository of information from all regions

Over the next 10 years, the Government's continuous focus on infrastructure development (roads, highways, irrigation projects and railways), housing and increased rural spends, along with the efforts towards creating jobs through spending on rural and labour intensive infrastructure, will support economic growth. Ambuja is well positioned to participate in India's growth.

Conclusion

The merger of Lafarge & Holcim led to an increase in group R&D capabilities, number of IPs, network plants and products & solutions available to the Company. The management of Ambuja has requested LafargeHolcim to renew the TKH agreement considering the following

- ✓ *Gross quantifiable cumulative **benefits accrued of ~INR 1,245 crore** from 2013 to 2017*
- ✓ ***Continuation** of the on-going initiatives under implementation **and further support required from LafargeHolcim***
- ✓ *With an aim to build the business in innovative products and solutions segments catering to specialised customer needs.*

*The proposal is to renew the TKH agreement with **no increase in the fee** and on the following terms*

- ✓ ***3 year** validity from January 1, 2018 – December 31, 2020*
- ✓ *Fee being the **lower of***
 - *1% of the net sales for each financial year*
 - *Such rate as may be determined by the competent authorities under the Bilateral Advance Pricing Agreement between the governments of India and Switzerland*

The Audit Committee, the Independent Directors and the Board are of the opinion that renewal of the TKH Agreement is in the best interest of the Company and its stakeholders

Disclaimer / Safe Harbour

Cautionary statement regarding forward-looking statements

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