

# HEIDELBERGCEMENT

## India Presentation

October 17, 2013



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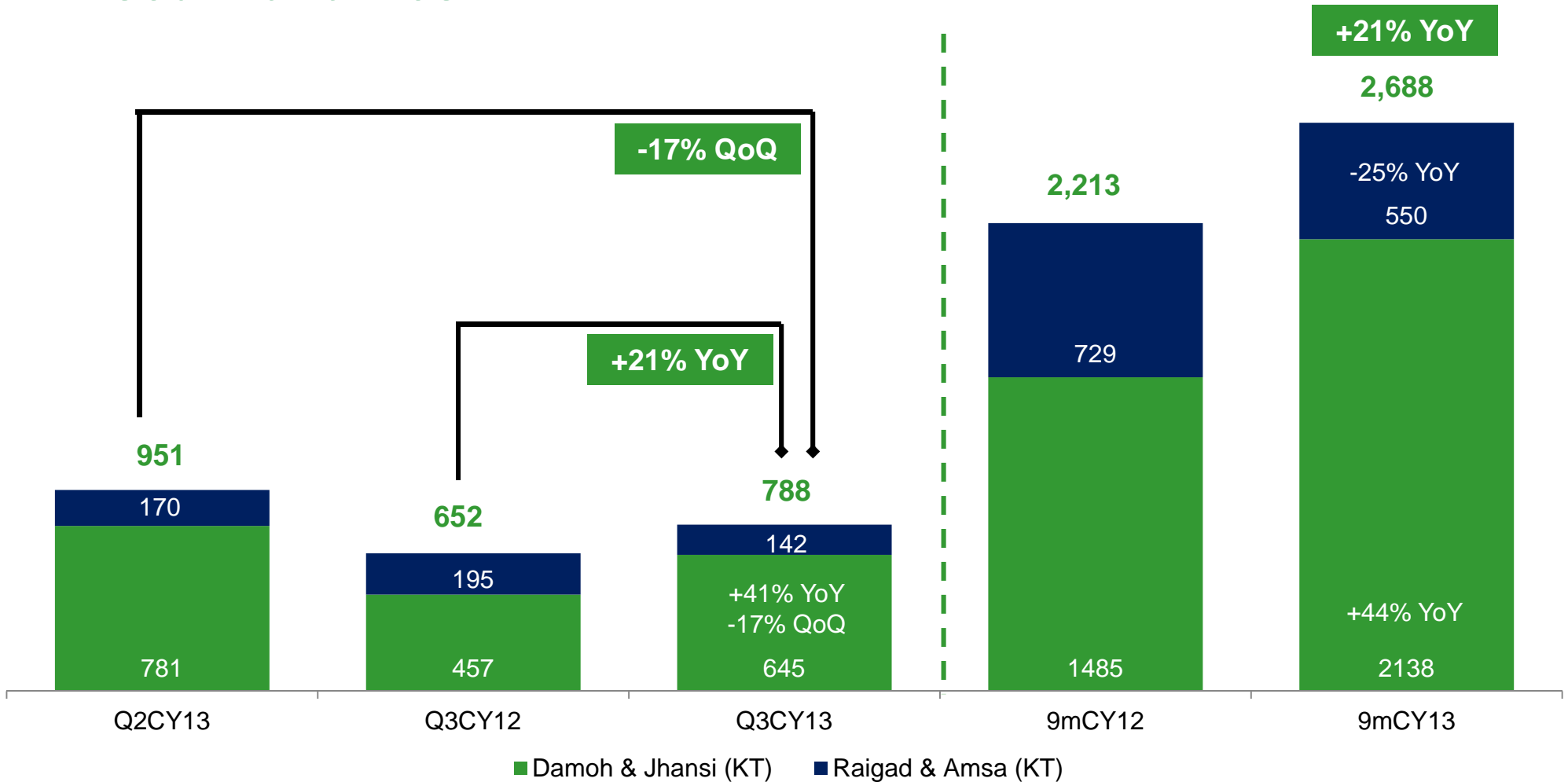
## Financial Performance

| Caption                             | MINR         |              |              | MINR         |               |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|
|                                     | Q2CY13       | Q3CY12       | Q3CY13       | 9mCY12       | 9mCY13        |
| <b>Volumes (KT)</b>                 | <b>951</b>   | <b>652</b>   | <b>788</b>   | <b>2,213</b> | <b>2,688</b>  |
| Net sales                           | 3,586        | 2,548        | 2,941        | 8,440        | 10,220        |
| Other operating income              | 82           | 15           | 77           | 74           | 170           |
| <b>Total Income from operations</b> | <b>3,669</b> | <b>2,563</b> | <b>3,018</b> | <b>8,514</b> | <b>10,391</b> |
| Cost of materials consumed          | 1,025        | 721          | 753          | 2,429        | 2,832         |
| Changes in inventories              | -226         | -139         | 195          | -292         | -335          |
| Employee benefits expense           | 268          | 230          | 247          | 662          | 783           |
| Power & Fuel                        | 1,036        | 765          | 792          | 2,324        | 2,947         |
| Freight & Forwarding expense        | 568          | 335          | 412          | 1,142        | 1,570         |
| Other Expenses                      | 598          | 439          | 471          | 1,376        | 1,672         |
| <b>EBITDA</b>                       | <b>400</b>   | <b>213</b>   | <b>147</b>   | <b>874</b>   | <b>921</b>    |
| Depreciation                        | 261          | 78           | 274          | 233          | 705           |
| Finance costs                       | 260          | 23           | 303          | 75           | 699           |
| <b>EBT</b>                          | <b>-121</b>  | <b>111</b>   | <b>-429</b>  | <b>566</b>   | <b>-483</b>   |
| Tax                                 | -41          | 36           | -146         | 184          | -142          |
| <b>PAT</b>                          | <b>-80</b>   | <b>75</b>    | <b>-284</b>  | <b>382</b>   | <b>-341</b>   |

- Q3CY13 Revenue increased by 15% yoy contributed by 21% increase in volumes from 652KT in Q3CY12 to 788KT in Q3CY13 and partially offset by 5.5% decrease in net realisation (net of freight and forwarding) from INR 3,396/t to INR 3,211/t.
- HCIL's EBITDA decreased from MINR 213 in Q3CY12 to MINR 147 in Q3CY13, decrease of 31%. EBITDA margin (% of net sales) decreased from 8.3% in Q3CY12 to 5% in Q3CY13.
- EBITDA per tonne decreased from INR 326 per tonne in Q3CY12 to INR 187 per tonne in Q3CY13, decrease of 43%.

| Caption                        | INR          |             |             | YoY             | QoQ             | INR          |             | YoY             |
|--------------------------------|--------------|-------------|-------------|-----------------|-----------------|--------------|-------------|-----------------|
|                                | Q2CY13       | Q3CY12      | Q3CY13      | Change%         | Change%         | 9mCY12       | 9mCY13      | Change%         |
| <b>Per tonne</b>               |              |             |             |                 |                 |              |             |                 |
| Gross realisation              | 3,770        | 3,910       | 3,734       | -4.5%           | -0.9%           | 3,813        | 3,803       | -0.3%           |
| Net realisation                | 3,173        | 3,396       | 3,211       | -5.5%           | 1.2%            | 3,297        | 3,218       | -2.4%           |
| Total cost (excluding freight) | 2,839        | 3,093       | 3,121       | 0.9%            | 9.9%            | 2,936        | 2,939       | 0.1%            |
| EBITDA                         | 420          | 326         | 187         | -42.7%          | -55.5%          | 395          | 343         | -13.1%          |
| <i>EBITDA% of net sales</i>    | <i>11.1%</i> | <i>8.3%</i> | <i>5.0%</i> | <i>-333 bps</i> | <i>-614 bps</i> | <i>10.3%</i> | <i>9.0%</i> | <i>-133 bps</i> |

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



**Share of Central India volumes increased from 67% in 9mCY12 to 80% in 9mCY13**

## ■ Status Update: Raigad Grinding Unit

- We have signed the Business Transfer Agreement with JSW Steel on October 5, 2013.
- Post completion of conditions precedent including approval from Shareholders and Competition Commission of India, transaction will be consummated.
- Indicative completion timeline: Q4CY13

## ■ Disclaimer

### Cautionary statement regarding forward looking statements

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

Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general Financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and new coverage, which could cause actual developments and results to differ materially from the statements made in this presentation. HCIL assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise

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