ADITYA BIRLA

UltraTech

25th April, 2016

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai 400 001.
Tel.: 2272 1233/34
Fax: 022 2272 2039/3121
Scrip Code: 532538

The Manager
Listing Department
The National Stock Exchange of India Limited
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051.
Tel.: 26598236
Fax: 2659 8237 / 38.
Scrip Code: ULTRACEMCO

Dear Sirs,

Attached is an investor's presentation on the performance of the Company for the year ended 31st March, 2016.

The same is for your information, please.

Thanking you.

Yours very truly,

S. K. Chatterjee
Company Secretary

Encl: A/a

ADITYA BIRLA

UltraTech

INDIA'S LARGEST CEMENT COMPANY

EARNINGS Q4:FY 2015/16

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

Contents

MACRO AND INDUSTRY UPDATE

KEY HIGHLIGHTS FOR THE QUARTER & YEAR

OPERATIONAL AND FINANCIAL PERFORMANCE

GLOSSARY

Mnt – Million Metric tons **Lmt** – Lakhs Metric tons **MTPA** – Million Tons Per Annum **Q3** – October - December **Q4** – January-March **Annual** – April-March

LY – Corresponding Period last Year **FY** – Financial Year (April-March) **ROCE** – Return on Average Capital Employed

Note: *The financial figures in this presentation have been rounded off to the nearest ₹ 1 cr ; 1 US$ = ₹ 66.25*

Economy Update Q4

Macro Performance

- Steady GDP growth during first nine months 7.5% (7.4%)
- Indian Rupee continue to depreciate against USD (YoY – 8%)
- WPI inflation decline 0.9% over LY
- Crude oil prices – some indication of hardening

Industry Performance

- Q4 – displayed signs of recovery in cement demand with strong growth nos. ~ 11.5%
- Capacity utilisation improved ~ > 71%*
- Volatile cement prices
- Operating costs – benign

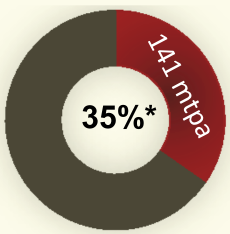
*Company Estimates

Industry (405 mtpa)

Regional Update

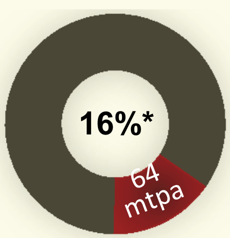
Zone / Region	Volume	Infra	Comm.	Housing	Rural
North (~ 80% cu)**	↑	+	=	=	+
East (~ 85% cu)**	↑	+	+	+	+

North (~ 80% cu)**



- Infrastructure growth from UP and Punjab
- Housing Sector – Marginal growth

East (~ 85% cu)**



- Robust growth from infrastructure spending in all major states – Roads & other developments (Urban as well as rural)
- Sustained housing growth “Housing for all” & “Biju Patnaik Housing Scheme”
- Consistent demand from IHB segment
- Bihar demand – impacted due to sand availability

*Estimated Industry Capacity share **Company estimates on capacity utilization (cu) for Q4

Industry (405 mtpa)

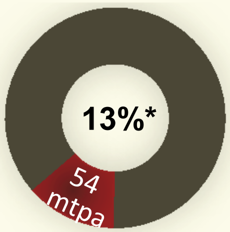
Regional Update

ADITYA BIRLA

UltraTech

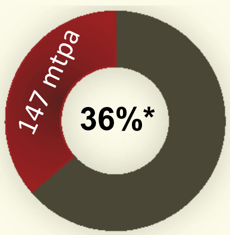
Zone / Region	Volume	Infra	Comm.	Housing	Rural
West (~ 70% cu)**	↑	+	–	=	+
South (~ 55% cu)**	↑	+	–	–	=

West (~ 70% cu)**



- Maharashtra – Momentum in Infrastructure segment - Concrete roads in rural areas, Subdued demand from IHB segment, Mumbai demand - muted
- Gujarat – Marginal demand uptick from Infrastructure

South (~ 55% cu)**



- Demand started from AP, Telangana and Karnataka
- Tamil Nadu and Kerala – No recovery

Increased Infrastructure activities and demand from AP/Telangana development lead the overall industry demand improvement in Q4

*Estimated capacity mix of Industry **Company estimates on capacity utilization (cu) for Q4

Key Highlights for the Quarter

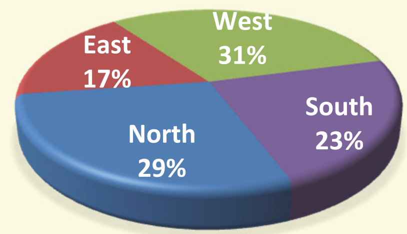
UltraTech Update

Projects Update

Commissioned 1.6 mtpa Grinding unit in Bihar (6.1 mtpa green field capacity added since Apr'15)

Grinding unit in Maharashtra at final stage of commissioning

Total Capacity- 66.25 MTPA in India



WHRS Update

Commissioned another 6 MW Waste Hear Recovery System

Total WHRS Capacity- 59 MW

Total Captive Power Capacity

UltraTech Building Solution

Added ~ 100 stores more during this quarter. Total stores 1200

Acquisition update

Asset Detail

- Network in AP, UP, MP, UK, HP
- 21.2 mtpa Cement and 16.2 mtpa Clinker; TPP – 265 MW; Mines ~ 40 years
- Enterprise value: ₹ 15,900 Crores (USD 107/t)
- Definitive Agreements signed on 31st March 2016
- **Next Steps:** CCI application and filing of Court Scheme

Financing

- 20 years Rupee Term loans at Base Rate (covenant free)
- 5 years moratorium on principal
- Balance Sheet will be debt free before taking on the acquisition financing

Acquisition to consummate within 12 to 13 months

Q4 – Highlights

		YoY Change
Domestic Cement Sales Volume	13.20 Mnt	+ 15%
Blended Sales	64%	+ 2%
RMC volume	13.31 LM^3	+ 18%
Average Realisation (Indian Operations)	₹ 4,609/t	(-) 9%

Q4 – Highlights

		YoY Change
Total Costs	₹ 3689/t	(-) 8%
Energy Cost	₹ 685/t	(-) 27% Efficiency Gain : 5%
Petcoke Consumption	70%	+ 6%
Fuel Consumption	710 Kcal/kg of Clinker	(-) 1%

Q4 – Financial performance
(Consolidated)

Turnover Growth	₹ 6850 crs + 5%
EBIDTA Growth	₹ 1478 crs + 3%
Capacity Utilisation	84% + 5%
Profit after tax	₹ 723 crs + 10%

FY16 - Financial performance
(Consolidated)

Turnover Growth	₹ 25281 crs	+ 5%
PAT	₹ 2287 crs	+ 9%
EPS	₹ 83.33	+ 9%
EBIDTA Growth	₹ 5109 crs	+ 7%
Operating Margin	19%	+ 100 bps
Dividend	₹ 9.5/share	+ 5%

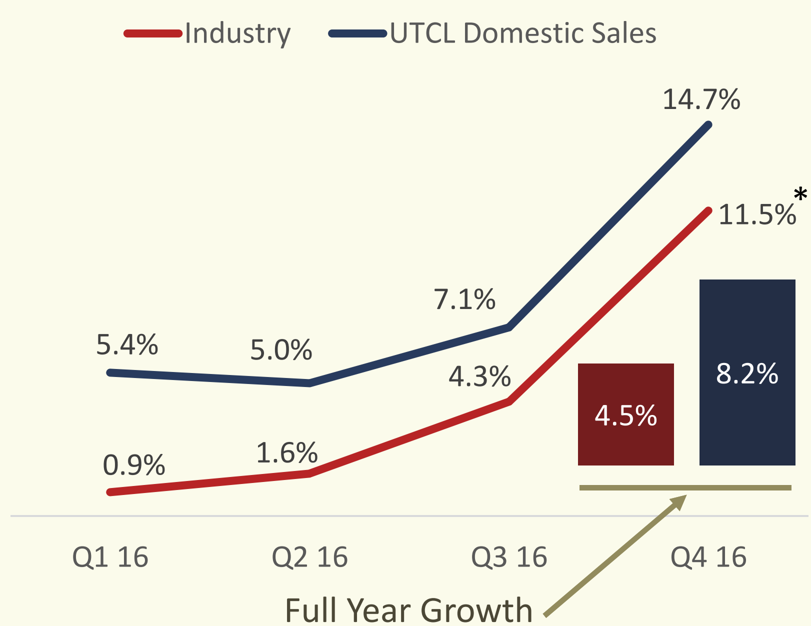
Consolidated Net Debt reduced by ₹ 1569 crs

Net Debt: EBIDTA = 0.71   Net Debt/Equity = 0.17

Operational and Financial Performance

Strong sales performance

Grey Cement Sales



UTCL Consolidated Performance

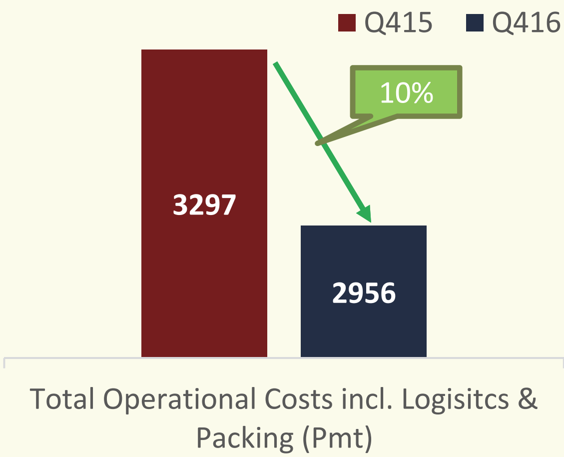
Particulars	CY	LY	▲%
Capacity (mtpa)	67.7	63.2	7
Cap Utilisation	84%	79%	5
Grey Cement Sales (Mnt):			
Q4	14.5	12.8	13
FY	51.3	48.2	7
White Cement & Putty Sales (Lmt):			
Q4	3.9	3.5	9
FY	13.1	12.2	7

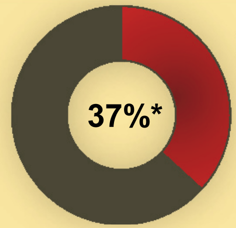
- **Achieved double digit volume growth … remained ahead of industry performance**
- **Improved capacity utilisation on higher capacity base**

*Industry Growth : DIPP Data & *Company Estimates*

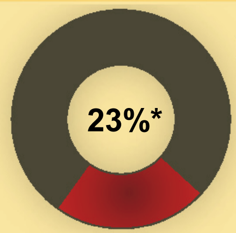
Operational Performance

Operational Costs (Grey Cement)

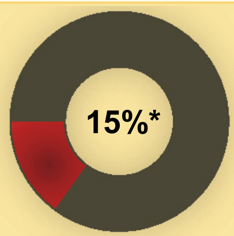




- **Logistics cost marginally lower YoY : ₹ 1088/t**
  - ❑ **Advantage of lower fuel prices**
  - ❑ **Increase in rail freight arrested overall gain**



- **Further improvement in energy cost: 27% YoY**
  - ❑ **Coal/ petcoke prices continued to remain soft**
  - ❑ **Consistent improvement in efficiencies**



- **YoY Marginal increase in Raw Materials Cost**
  - ❑ **Full impact of MMDR Act levy**

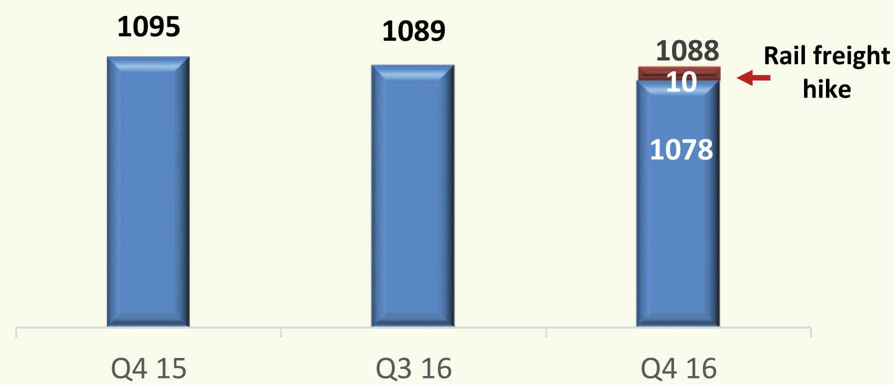
Decline in overall costs partially negated impact of volatile cement prices

**% share in total operational costs including logistics.*

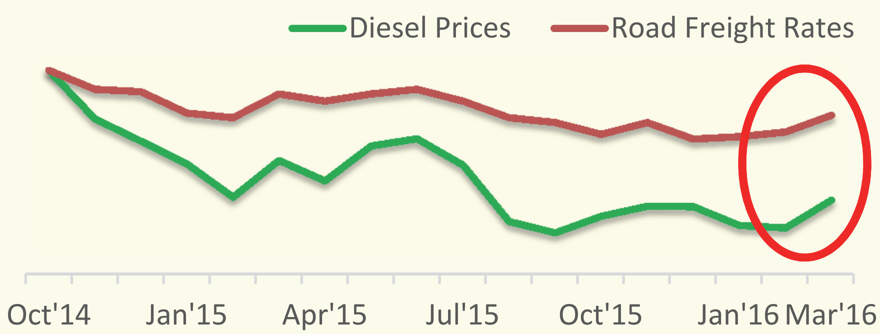
Logistics cost trends

(Indian Operations)

Logistics Cost ₹/t



Road freight rates v/s Diesel prices trend

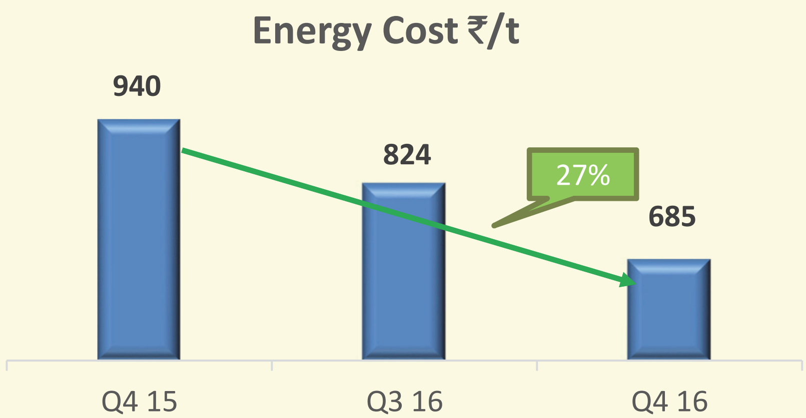


Note 1: Every 1% reduction in diesel price corresponds to 0.4% reduction in road freight

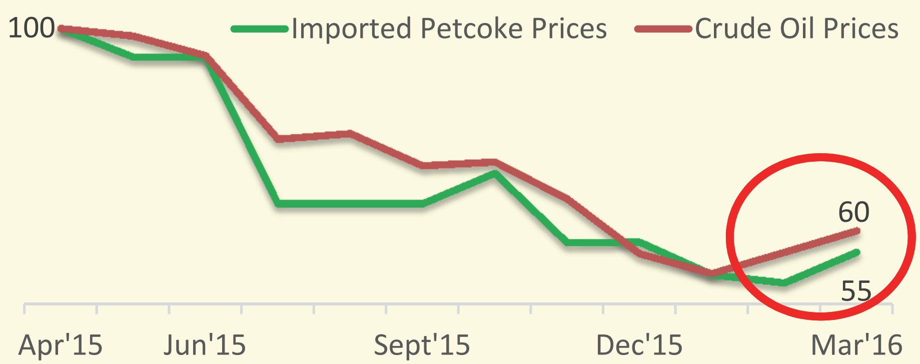
- **YoY Logistics cost – declined marginally**
  - **Benefit of lower diesel prices (₹ 15/t)**
  - **Rail freight hike 2.7% in April'15 (₹ 10/t)**
  - **Marginal benefit from plant / market alignment**
  - **Road share in overall mix: 70% (LY - 68%)**
- **QoQ cost remained range bound**
  - **Diesel prices started showing upward trend from Mar'16 …. Impacting road freight**

Note 2: Above prices index trend is on base prices/rates of Oct'14

Energy cost trends
(Indian Operations)



Imported Petcoke Prices / Crude Oil Prices Trend

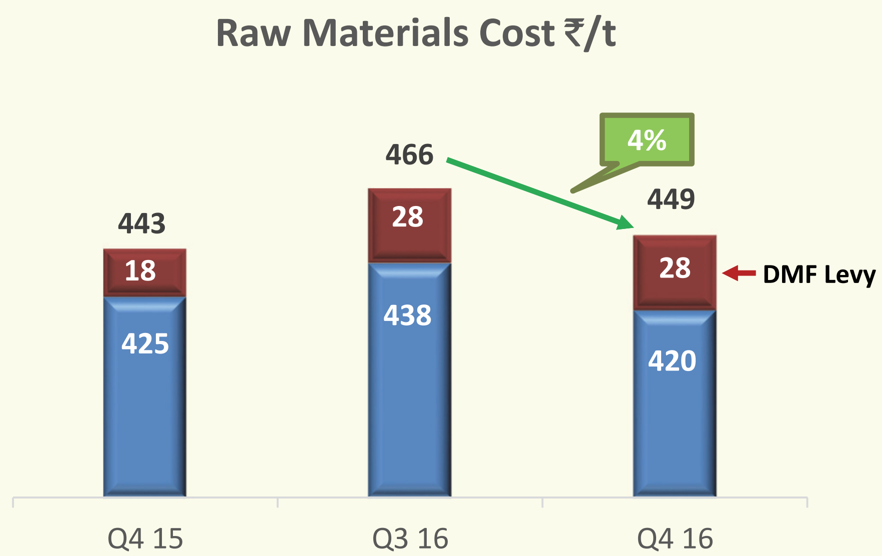


Note: Above prices index trend is on base prices of April'15.

- **Improved Energy Cost: 27% YoY and Sequentially: 17%**
- **Saving in power costs:**
  - **WHRS share enhanced to 6%; Operating at 75% utilisation**
  - **Power consumption norms improved 3% over Q3 16**
  - **Improved petcoke usage in TPP : 55% (44%)**
- **Gain in fuel costs: Mainly lower coal / petcoke prices incl. benefit of low cost inventory**
  - **Hardening prices going forward**

Kiln Fuel Mix %	Q4 15	Q3 16	Q4 16
Petcoke	64%	74%	70%
Imported Coal	19%	18%	21%
Indigenous Coal and Others	17%	8%	9%

Raw Materials cost trends
(Indian Operations)



- **Sequentially cost declined 4%**
  - **Softening prices of additives and Improved blending ratio**
- **YoY marginal increase in costs:**
  - **Full impact of DMF levy under MMDR Act (₹ 11/t)**
  - **Benefit from lower additives prices**

Income statement

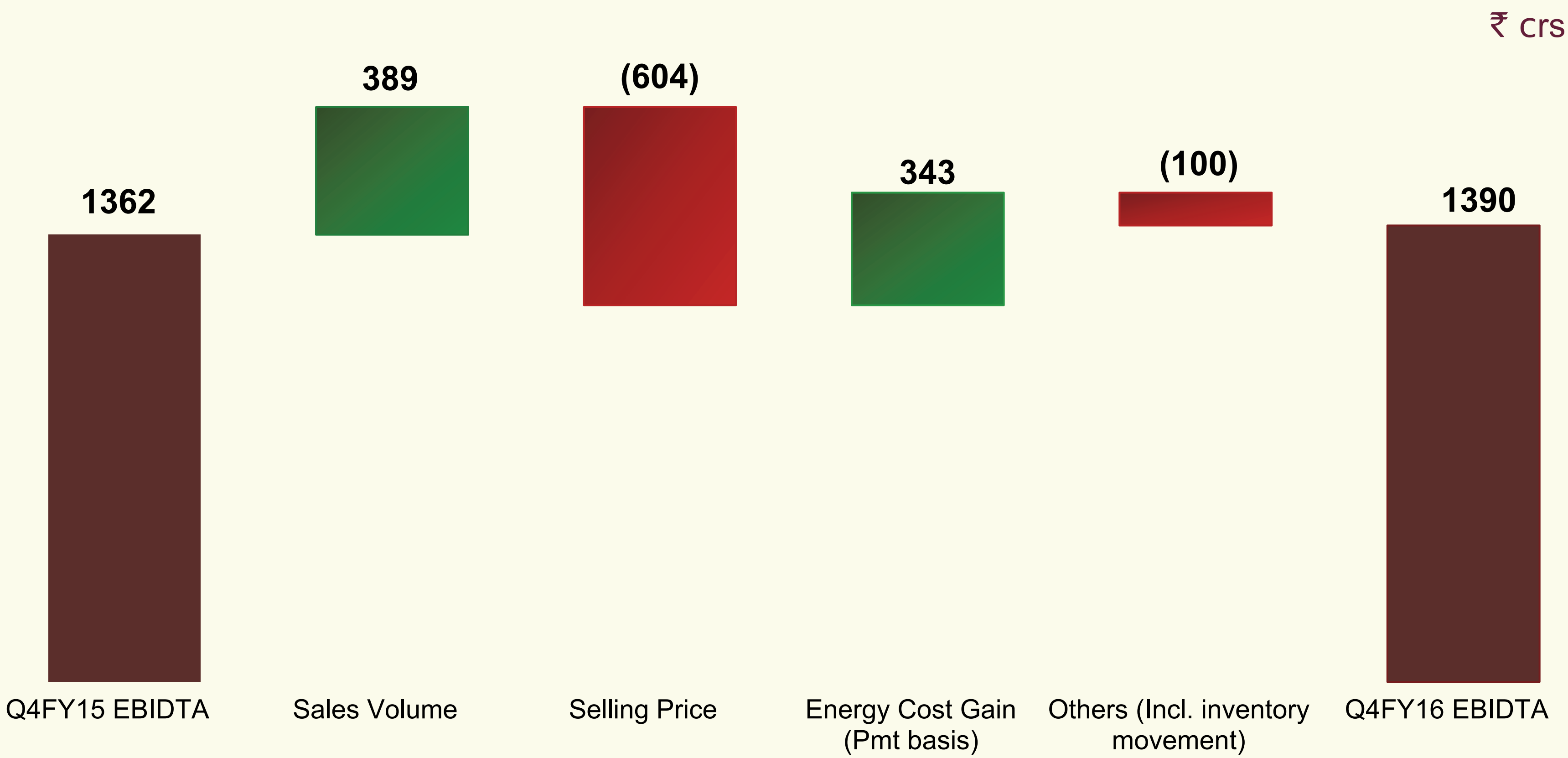
(Standalone)

₹ crs

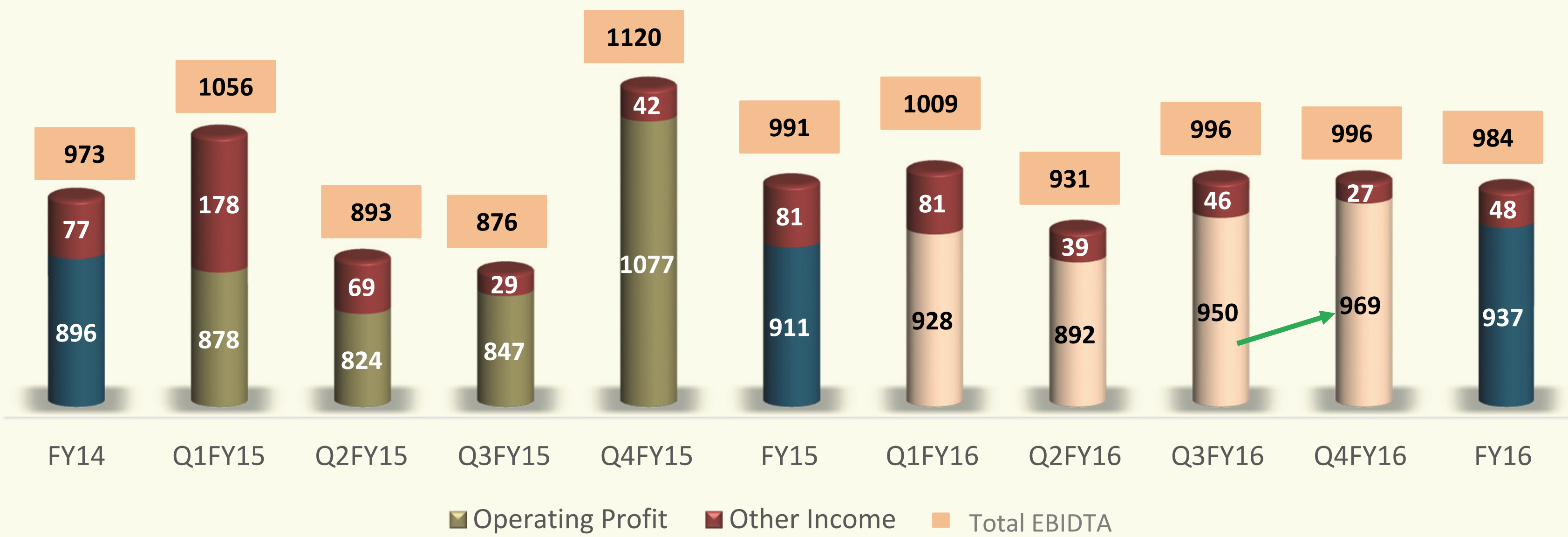
Q4			Particulars	Annual		
CY	LY	▲%		CY	LY	▲%
13.20	11.51	15	Domestic Cement Sales Volume	46.93	43.37	8
6436	6133	5	Revenue	23841	22648	5
38	52	(27)	**Other Income**	235	372	(37)
1390	**1362**	**2**	**EBIDTA**	**4851**	**4567**	**6**
22%	22%	-	***Margin (%)***	20%	20%	-
111	150	26	Finance Costs	505	547	8
349	288	(21)	Depreciation	1289	1133	(14)
930	**924**	**1**	**PBT**	**3,057**	**2,886**	6
249	309	20	Tax Expenses	882	872	(1)
681	**615**	**11**	**PAT**	**2,175**	**2,015**	**8**
24.8	**22.4**	**11**	**EPS (₹)**	**79.2**	**73.4**	**8**

- **Q4 EBIDTA – marginally higher; benefit of higher sales volume and low costs set-off with weak cement prices**
- **PAT improved 11% during Q4 and 8% for full year**

EBIDTA movement
(Standalone)



Operating and Total EBIDTA ₹ pmt
(Indian Operations)



Operating EBIDTA/tone improved QoQ

Income statement
(Consolidated)

₹ crs

Q4			Particulars	Annual		
CY	LY	▲%		CY	LY	▲%
6850	6517	5	Revenue	25281	24056	5
38	52	(27)	Other Income	218	350	(38)
1478	**1435**	**3**	**EBIDTA**	**5109**	**4776**	**7**
22%	22%	-	***Margin (%)***	20%	20%	-
127	160	21	Finance Costs	560	587	5
376	306	(23)	Depreciation	1368	1203	(14)
975	**969**	**1**	**PBT**	**3181**	**2986**	**7**
252	312	19	Tax Expenses	892	884	**(1)**
0.5	(0.3)		Minority Interest	2	4	
723	**657**	**10**	**PAT**	**2287**	**2098**	**9**
26.3	**24.0**	**10**	**EPS (₹)**	**83.3**	**76.5**	**9**

- **Q4 EBIDTA – marginally higher; benefit of higher sales volume and low costs set-off with weak cement prices**
- **PAT improved 10% during Q4 and 9% for full year**

Financial Position

ADITYA BIRLA UltraTech

₹ crs

Standalone		Particulars	Consolidated	
31.03.16	31.03.15		31.03.16	31.03.15
20736	18858	Shareholders Funds	21058	19041
-	-	Minority Interest	15	18
7661	7414	Loans (Incl. Current Maturities)	10027	9829
3227	2792	Deferred Tax Liabilities	3222	2786
31624	**29064**	**Sources of Fund**	**34322**	**31674**
24344	23632	Net Block (Incl. Capital Advances)	25964	25186
-	-	Goodwill on Consolidation	1106	1053
		Investments:		
6377	4479	Liquid Investments & Bank FD	6401	4634
732	730	Long-term Investments	21	21
172	223	Net Working Capital	830	780
31624	**29064**	**Total Application of Funds**	**34322**	**31674**
1284	**2935**	**Net Debt**	**3626**	**5195**

Financial Indicators

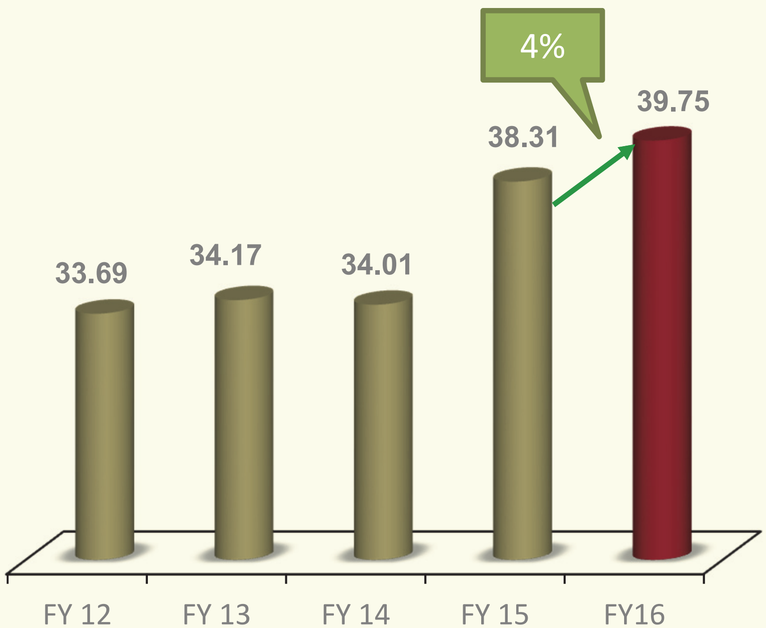
Indicators	Standalone		Consolidated	
	31.03.16	31.03.15	31.03.16	31.03.15
Shareholders fund (₹ crs)	20736	18858	21058	19041
Borrowings (₹ crs)	7661	7414	10027	9829
Cash Equivalents (₹ crs)	6377	4479	6401	4634
Financial Indicators				
Net Debt: Equity	0.06	0.16	0.17	0.27
Net Debt / EBIDTA	0.26	0.64	0.71	1.09
Interest Cover (PBIT/Gross Interest)	6.8	5.8	6.5	5.7
ROCE	11.7%	12.0%	11.3%	11.5%
Book Value (₹/Share)	756	687	767	694



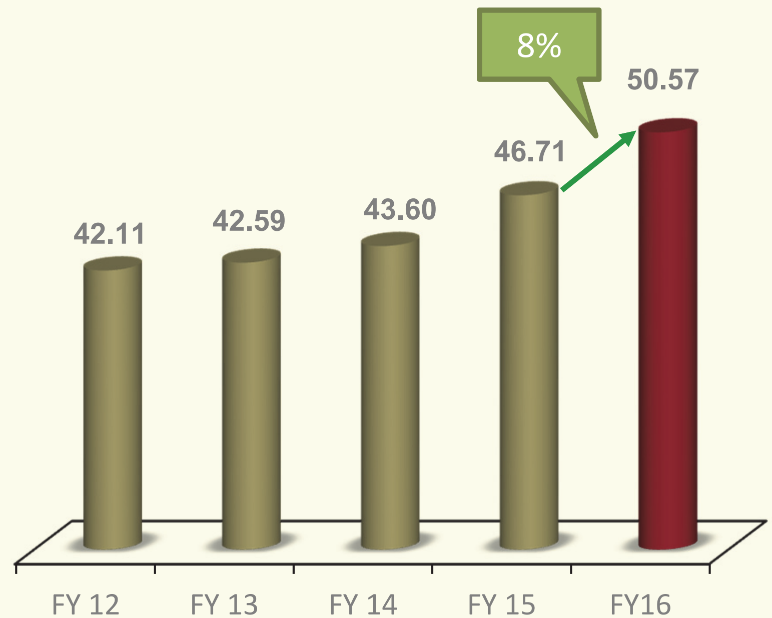

Annual Performance


Production trends
(Consolidated)

Clinker production
(Million tonnes)

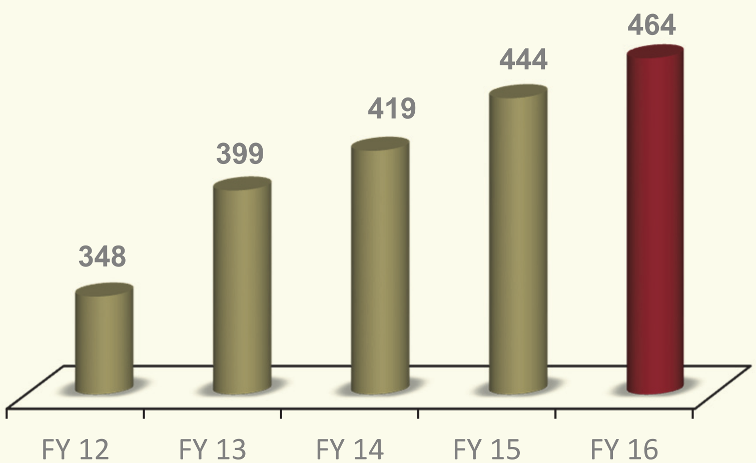


Cement production
(Million tonnes)



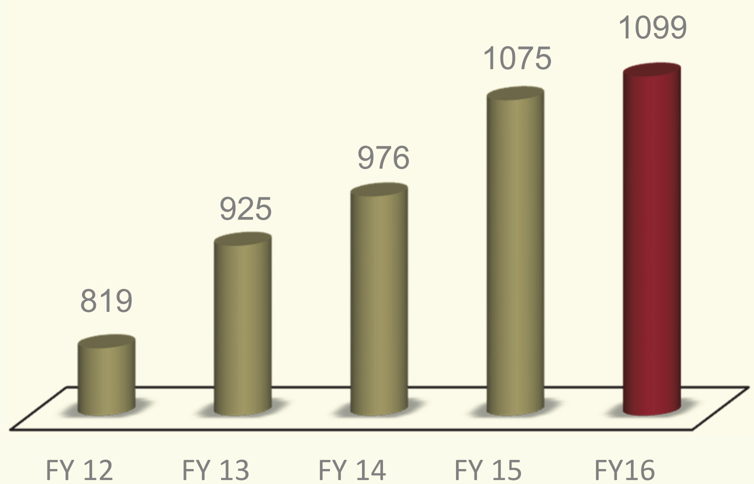
Grey cement cost trends
(Indian Operations)

Raw Material Cost
(₹/Mt)



Increasing Government levies

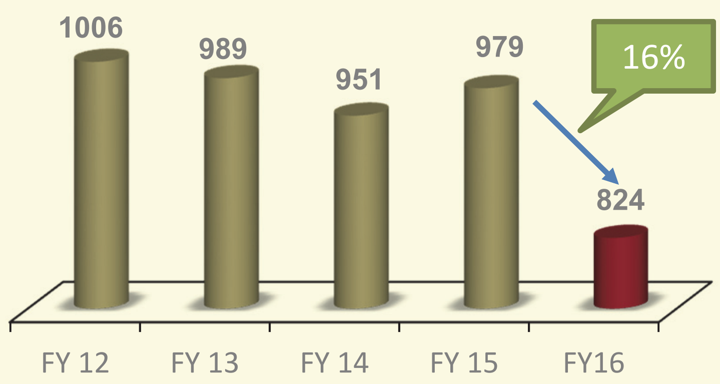
Logistics Cost
(₹/Mt)



Mix	FY12	FY13	FY14	FY15	FY 16
Rail	36%	34%	34%	29%	28%
Road	61%	63%	62%	67%	69%
Sea	3%	3%	3%	4%	3%

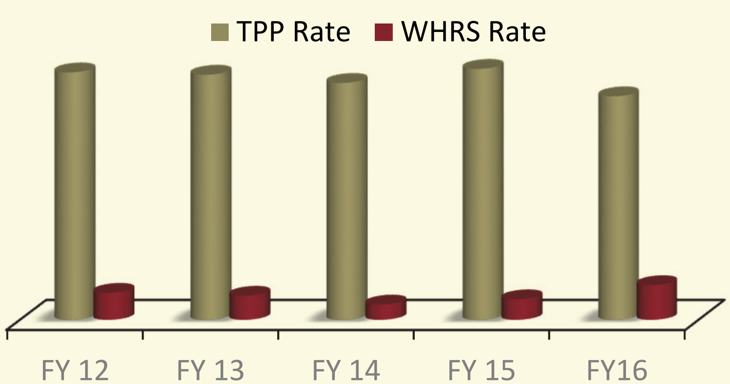
Grey cement cost trends *(Contd..)*
(Indian Operations)

Energy Cost (₹/Mt)



Fuel Mix	FY12	FY13	FY14	FY15	FY16
Imported Coal	44%	35%	26%	26%	20%
Petcoke	26%	38%	48%	52%	70%
Ind. Coal & Others	30%	27%	26%	22%	10%

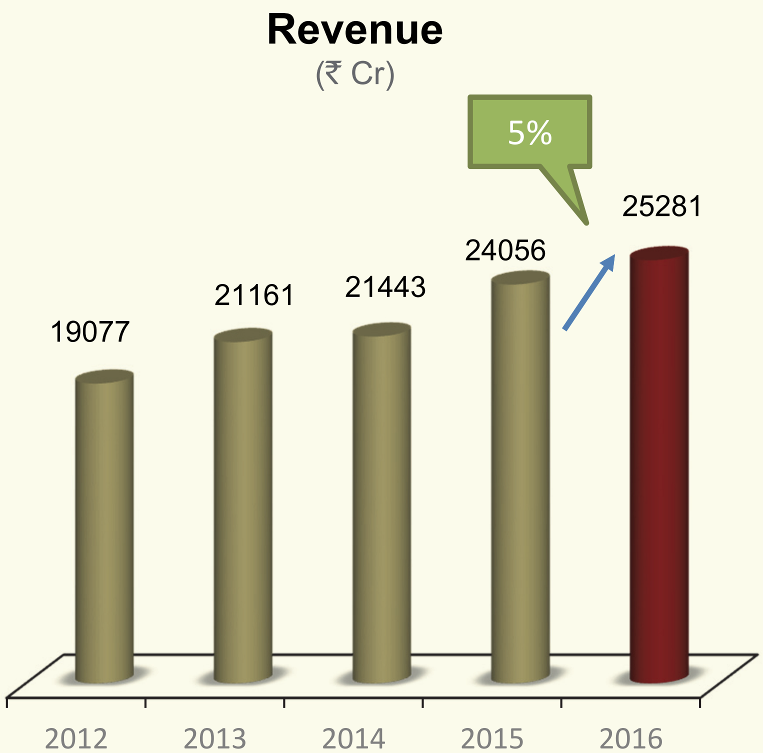
Comparative Cost Trend TPP / WHRS

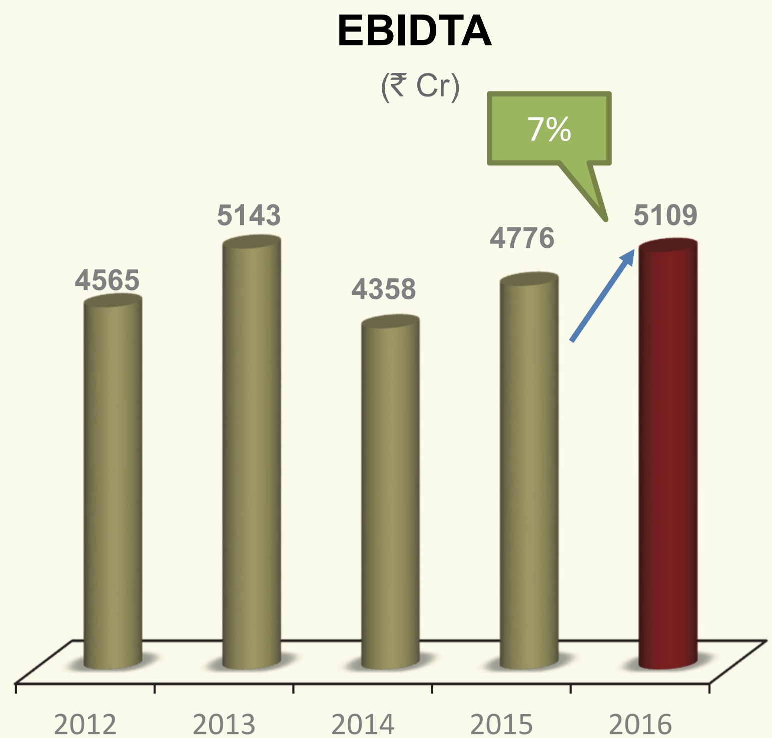


Power Mix	FY12	FY13	FY14	FY15	FY16
TPP	78%	79%	81%	82%	82%
WHRS	0.4%	0.3%	0.3%	2%	5%
Others	22%	21%	19%	16%	13%

WHRS power cost 1/6th of the TPP Power

Financial performance trends
(Consolidated)








Sector Guidance


Sector guidance:

Cautious

Expectations

- Pick-up in cement concrete roads
- Development of ports
- Work started on Amaravati City
- Housing for all programme and Rural housing
- Development activities in UP & Punjab

Concern

- Looming threat of drought
- Delay in Government projects
- Increasing trend in input costs (Coal & Petcoke)
- Volatility in cement prices

Cement demand expected to grow 7-8% for FY17

Annexures

Income statement
(Standalone)

US$ Mn

Q4			Particulars	FY		
CY	LY	▲%		CY	LY	▲%
971	926	5	Revenue	3598	3418	5
6	8	(27)	**Other Income**	35	56	(37)
210	**206**	**2**	**EBIDTA**	**732**	**689**	**6**
22%	22%	-	***Margin (%)***	20%	20%	-
17	23	26	Finance Costs	76	83	**8**
53	43	(21)	Depreciation	195	171	(14)
140	**139**	**1**	**PBT**	**461**	**436**	**6**
38	47	20	Tax Expenses	133	132	(1)
103	**93**	**11**	**PAT**	**328**	**304**	**8**
0.4	**0.3**	**11**	**EPS** (US$)	**1.2**	**1.1**	**8**

- **Q4 EBIDTA – marginally higher; benefit of higher sales volume and low costs set-off with weak cement prices**
- **PAT improved 11% during Q4 and 8% for full year**

Income statement
(Consolidated)

US$ Mn

Q4			Particulars	FY		
CY	LY	▲%		CY	LY	▲%
1034	984	5	Revenue	3816	3631	5
6	8	(27)	Other Income	33	53	(38)
223	**217**	**3**	**EBIDTA**	**771**	**721**	**7**
22%	22%	-	***Margin (%)***	20%	20%	-
19	24	**21**	Finance Costs	85	89	**5**
57	46	(23)	Depreciation	207	182	(14)
147	**146**	**1**	**PBT**	**480**	**451**	**7**
38	47	**19**	Tax Expenses	135	133	(1)
0.07	(0.05)		Minority Interest	0	1	
109	**99**	**10**	**PAT**	**345**	**317**	**9**
0.4	**0.4**	**10**	**EPS** (US$)	**1.3**	**1.2**	**9**

- **Q4 EBIDTA – marginally higher; benefit of higher sales volume and low costs set-off with weak cement prices**
- **PAT improved 10% during Q4 and 9% for full year**

Financial Position

ADITYA BIRLA UltraTech

US$ Mn

Standalone 31.03.16	Standalone 31.03.15	Particulars	Consolidated 31.03.16	Consolidated 31.03.15
3130	2846	Shareholders Funds	3178	2874
-	-	Minority Interest	2	3
1156	1119	Loans (Incl. Current Maturities)	1513	1484
487	421	Deferred Tax Liabilities	486	420
4773	**4387**	**Sources of Fund**	**5180**	**4781**
3674	3567	Net Block (Incl. Capital Advances)	3919	3801
-	-	Goodwill on Consolidation	167	159
		Investments:		
962	676	Liquid Investments	966	699
110	110	Long-term Investments	3	3
26	34	Net Working Capital	125	118
4773	**4387**	**Total Application of Funds**	**5180**	**4781**
194	**443**	**Net Debt**	**547**	**784**


ALL GEARED UP TO FACE THE FUTURE!
ADITYA BIRLA
UltraTech
WE ARE
ULTRA READY

Disclaimer

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