

## Media Release

**Q4 standalone PAT increases by 58.9%**

**Full year standalone PAT increases by 19.0%**

**Ambuja Cements Limited today announced its standalone audited financial results for the quarter and year ended 31<sup>st</sup> December, 2018**

		<b>Quarter October- December 2018</b>	<b>Quarter October- December 2017</b>	<b>Year January- December 2018</b>	<b>Year January- December 2017</b>
Sales Volume – Cement	Million tonnes	<b>6.13</b>	5.87	<b>24.18</b>	22.95
Net Sales	₹ in Crore	<b>2,765</b>	2,614	<b>10,977</b>	10,250
Operating EBITDA*	₹ in Crore	<b>404</b>	508	<b>1,891</b>	1,895
Net Profit after Tax #	₹ in Crore	<b>537</b>	338	<b>1,487</b>	1,250

\* Excludes

a. Income related to VAT incentive of ₹ 33 crore, in Q4 2017

b. Reversal of provision related to contribution towards District Mineral Fund under MMDRA Act, 2015, ₹ 45 crore, in previous year 2017

# Includes

a. Write-back of tax provisions relating to earlier years ₹ 372 crore in Q4 2018 and in current year 2018

b. Charge towards exceptional item (net of tax) ₹ 85 crore in Q4 and in current year 2018

“We have registered a steady growth in our top-line. In addition, we also have been able to withstand cost volatility during this quarter thanks to accelerating efforts on alternative fuels, optimized fuel mix and plant efficiency improvements. We commissioned our new coal block Gare Palma ahead of schedule, which will help further optimising our fuel mix.

Our well defined marketing and commercial strategies, increased sales of value added premium products and our continued focus on customer engagement has helped improve our reach in core markets. The addition of 4.6 mn tonnes of cement volumes from the Greenfield integrated cement plant at Marwar Mundwa, Rajasthan will further strengthen our position in high-growth core markets of North and Gujarat” said Ajay Kapur, Managing Director and CEO, Ambuja Cement.

## Performance

Cement volumes grew 4.4% in Q4' 2018 and 5.4% on a full year basis, top-line grew by 5.8% in the quarter (Q4) and 7.1% on a full year basis. Net profit increased by 58.9% as compared to the corresponding quarter of the previous year. Net Profit for the current quarter and full year ended 2018 includes ₹ 372 crore, towards write back of tax provisions relating to earlier years.

The quarter saw a sharp increase in energy and fuel costs. Efficiency parameters and cost saving initiatives helped to partly mitigate the impact of increasing input cost.

For the full year, the company faced headwinds from rising costs especially for power & fuel, diesel, packing bags (Impacted by increase in crude prices) coupled with volatility in the exchange rates, which were largely mitigated by our continued focus on improving efficiency, fixed cost optimisation, productivity improvements, lower raw material costs and continued focus on alternative fuels.

Ambuja Cements Ltd. is one of the leading cement companies in India. It is part of the LafargeHolcim Group, the world leader in the building materials industry, with a presence in 80 countries, and a focus on cement, aggregate and concrete since 2006. For three decades, Ambuja Cements has provided hassle-free home building solutions with its unique sustainable development projects and environment-friendly practices.



## Dividend

The Board has recommended payment of dividend of ₹ 1.50 per share with a dividend payout of 31%, in light of the proposed Greenfield integrated cement plant at Marwar Mundwa, Rajasthan and other expansion plans.

## Appointment of New MD & CEO

Mr. Bimlendra Jha has been appointed as the Managing Director & CEO of Ambuja Cement with effect from March 1, 2019. At today's Board meeting he has been inducted as an Additional Director and MD & CEO - Designate.

Mr. Bimlendra Jha joins Ambuja Cement from Tata Steel Ltd. where he has spent nearly three decades of his career. Over the past six years, he has held multiple leadership roles including Executive Chairman Long Products Europe, Executive Director on the Board of Tata Steel Europe and CEO Tata Steel UK, looking after operations in UK, Sweden, and Canada. He is a B. Tech in Ceramic Engineering from IIT Varanasi and a Post Graduate Diploma in Business Management, Marketing and Finance from XLRI Jamshedpur.

He has been actively involved in strategic portfolio restructuring and supply chain transformation in Europe and market development, sales and brand management, and innovation in construction practices in India.

Speaking on his appointment, Mr. Bimlendra said: "India is one of the fastest growing large economies in the world. From individual house builders to large infrastructure projects, the construction and cement industries are at the heart of this growth. Ambuja Cement is a strong retail brand and I am extremely excited to be back in India to follow my passion through this brand."

While welcoming Bimlendra on the Board and the Management Team, the Board Chairman, Mr. Narotam Sekhsaria said: "With his wide experience in leadership positions with Tata Steel in India and abroad, we are confident that Bimlendra will be able to guide the Company build on Ambuja's strengths to achieve new heights and maximize shareholders' value".

Mr. Martin Kriegner, a member of the LafargeHolcim Executive Committee, Region Head - Asia and Cement Excellence and Board Member of the company stated that "we are proud to have attracted Bimlendra to Ambuja. With his wide experience in supply chain roles and marketing and construction practices he will build on strong foundations and steer Ambuja to new heights to meet its growth and profitability targets".

Mr. Jha is not related to any of the Directors of the company. Mr. Jha's appointment is subject to the approval of shareholders at the ensuing Annual General Meeting.

## Performance of Material Subsidiary – ACC Limited

Net Sales during the quarter grew 11% to ₹ 3,789 Crores compared to ₹ 3,417 Crores for the same quarter last year. PAT for the quarter registered a growth of 255% to ₹ 732 Crores as against ₹ 206 Crores and PAT for the full year 2018 was ₹ 1,521 Crores compared to ₹ 925 Crores in the previous year, an increase of 64% which also includes write-back of ₹ 501 crores relating to tax provisions of earlier years.

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## Consolidated (Ambuja Cement and ACC Limited) Financial Results for the Quarter and year ended 31<sup>st</sup> December 2018

- Q4 2018 Consolidated PAT up by 138.1%
- Full year Consolidated PAT increases by 43.6%

		Quarter October- December 2018	Quarter October- December 2017	Year January- December 2018	Year January- December 2017
Sales Volume – Cement	Million tonnes	13.63	12.78	52.58	49.16
Net Sales	₹ in Crore	6,545	6,021	25,419	23,126
Operating EBITDA*	₹ in Crore	908	919	4,011	3,779
Net Profit after Tax #	₹ in Crore	1,378	479	2,973	1,945
Net Profit after Tax and non-controlling interest	₹ in Crore	974	409	2,177	1,516

The combined annual cement capacity of both the companies stands at 63 million tonnes.

*\* Excludes*

- Income related to VAT incentive of ₹ 33 crore, in Q4 2017
- Reversal of provision related to contribution towards District Mineral Fund under MMDRA Act, 2015, ₹ 79 crore in previous year 2017 and ₹ 34 crore in Q4 2017

*# Includes*

- Write-back of tax provisions relating to earlier years ₹ 873 crore in Q4 2018 and current year 2018
- Charge of exceptional items (net of tax) ₹ 68 crore in Q4 2018 and ₹ 99 crore in current year 2018

## Outlook

Confidence in the Indian economy has increased substantially on account of the various policy measures announced by the Government, resulting in strong GDP growth numbers. The positive economic outlook has further strengthened based on the recent Budget 2019 announcements and provisions which focus on rural and middle class incomes. The higher allocation to roads and the housing sector will help boost economic development in rural India which is expected to have a positive impact on cement demand.

*Rajiv Gandhi*

Rajiv Gandhi  
Company Secretary  
Mumbai, 18<sup>th</sup> February 2019

*[Signature]*