



ACC Limited

Kuldip Kaura,
CEO & MD- ACC Limited,
Motilal Oswal Investor Conference,
August 2012

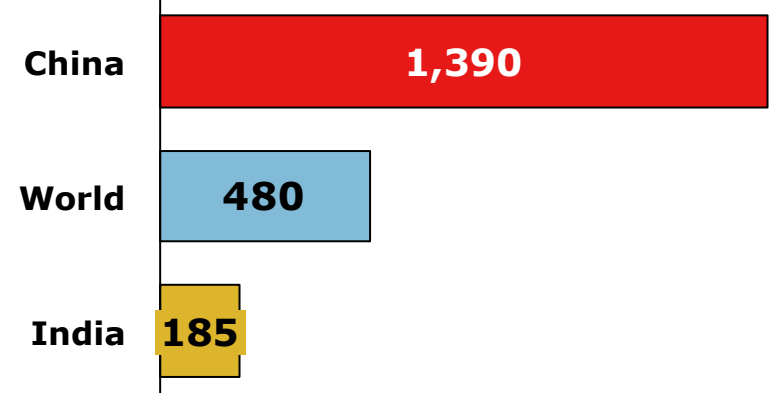
Indian Cement Industry Scenario

- India has the 2nd largest cement industry in the world with demand at ~224 MT (world ~3570 MT) in 2011 & capacity ~290 MT (world ~4100 MT)
- Cement demand expected to grow at ~8-9 % per annum in foreseeable future on the back of ~7 % GDP growth
- Lower Indian Per capita consumption and higher Infrastructure growth leaves a bigger room for industry growth
- Fragmented Industry, with more than 100 players
 - Over 4 Lakh Dealer/Retailers
 - 100+ RMX players
 - 1.5 crore bags sold daily. More than 98% of the total despatches sold in bags

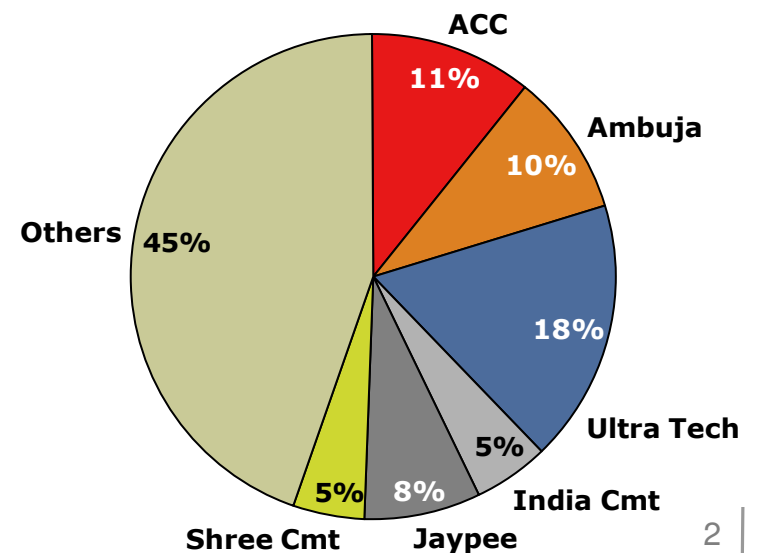
Source: IMF, CMA and E&Y Report

ACC Limited

Per capita cement consumption in 2011 (in kg)



Market Share Pie 2011





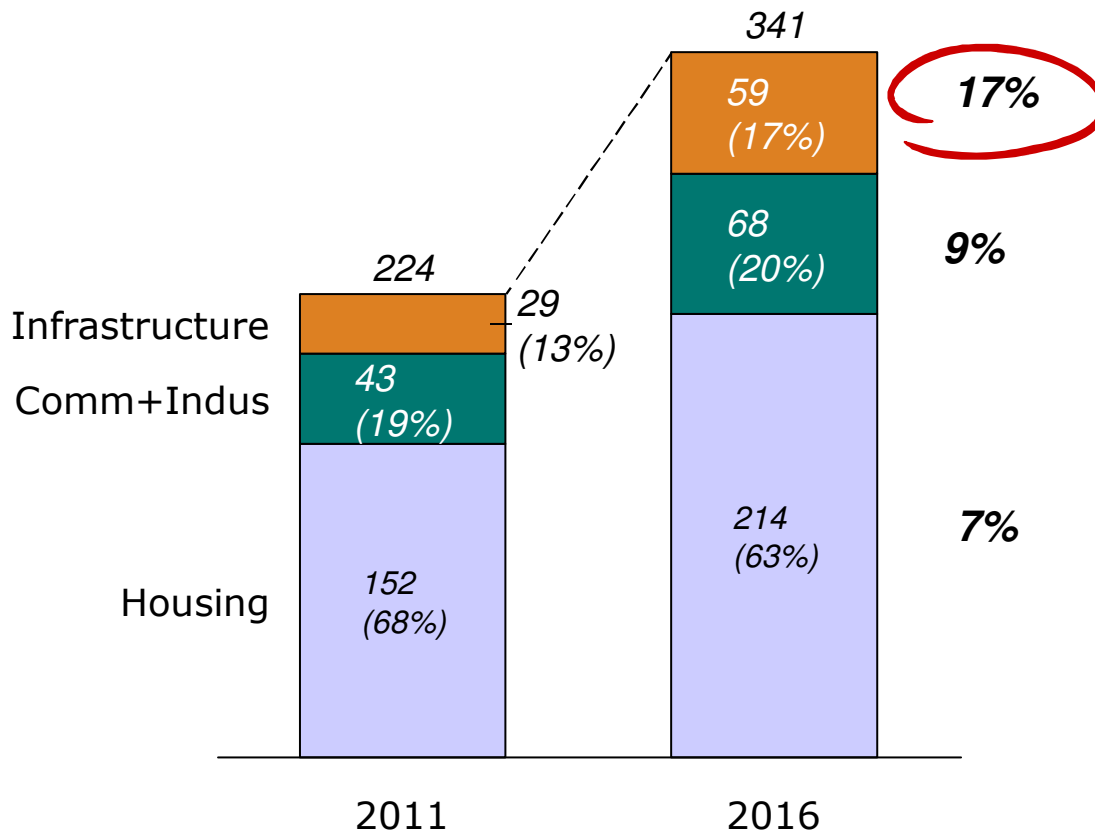
Indian Cement Market Development

Demand - Next Five Years @ 10% CAGR

Key Demand Drivers

Figs in Mio.T

Sectoral
CAGR



Infrastructure

- Construction linked sector account for 8.3% of 12th plan spend ~ 850 bn.
- Infrastructure development – Roads, Ports, Power, etc

Commercial / Industrial

- High Growth in retail, commercial and institutional sector in urban and semi-urban areas
- High Growth in industry segment

Housing

- Population growth and rising per capita income
- Mass urbanization of ~ 250 Million people over next ~20 years
- Thrust by Govt. on Rural / low cost / mass housing



Industry structure undergoing major changes

Investment Cycle	
Planning Period	↑ (5-7 years)
Land Cost	↑ (~200%)
Exchange Rate /Inflation	↑
Energy/Environment Regulations	↑ Enhanced
Operating Cost	
Fuel Cost (Coal)	↑ (50-100%)
Freight Cost (Oil)	↑ (~30%)
MIC (Fly Ash, Slag)	↑ (~100%)

- Significant increase in Investment Cost per ton
- Significant increase in Operating Cost

➤ Market Development

- Long term GDP growth of ~7 % leading to multiplier effect for cement demand growth of ~8-9%
- Rising disposable income
- Increased investment in infrastructure by Govt . Expected investments of ~1trillion USD in 5 yr Plan(2012-17) by Govt.
- Mass urbanization of ~ 250 Million people over next ~20 years

➤ Cost Outlook

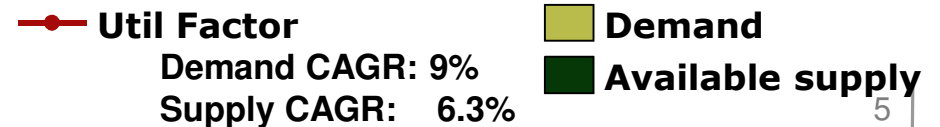
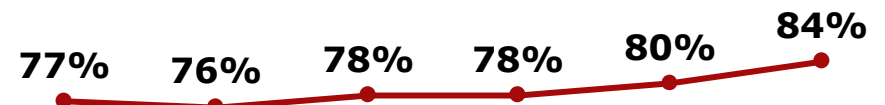
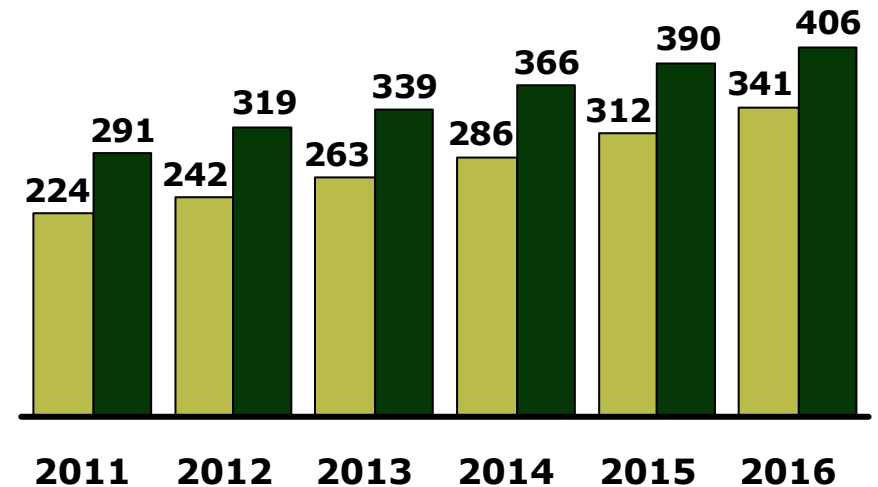
- Overall cost pressure will continue due to rise in cost of domestic coal & reduction in coal linkage and volatile import coal prices
- Rising cost of key input materials like fly ash, slag & road and railway freights
- Inflation remains at high level, & additionally rupee depreciation impacting imports

➤ Capacity Utilization

- Cap. Utilztn. is under pressure as supplies are coming from commissioned projects
- In mid- term , good demand would gradually improve the ratio

Demand - Supply

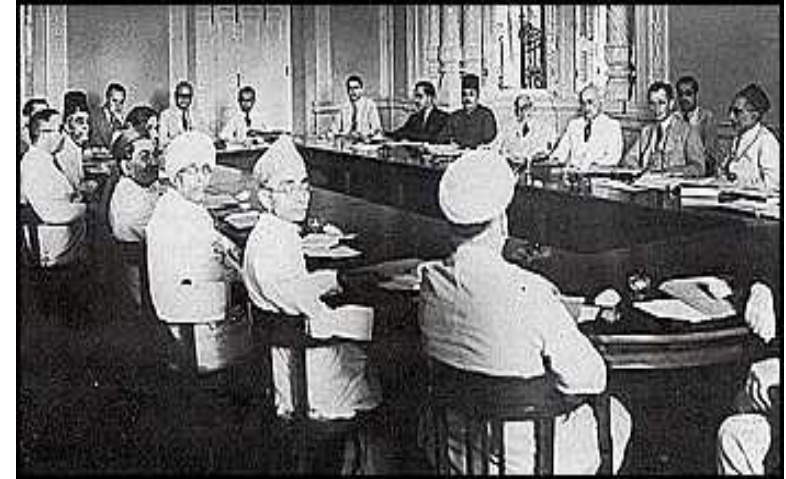
All values in Mio tons





ACC – Pioneer Of Indian Cement Industry with a Rich Heritage

- ACC was incorporated on August 1, 1936, in a historic merger of ten cement companies belonging to four business groups
- ACC became Holcim group company in 2005



- **ACC is first among equals**

1947 - First indigenous plant at Chaibasa, Jharkhand

1956 - First with bulk cement distribution at Okhla, Delhi

1961 - First with blended cement using blast furnace slag from TISCO

1978 - First to introduce energy efficient precalcinator technology

1982 - First to commission a 1 MTPA cement plant at Wadi, Karnataka

1994 - First to start commercial manufacture of Ready Mixed Concrete

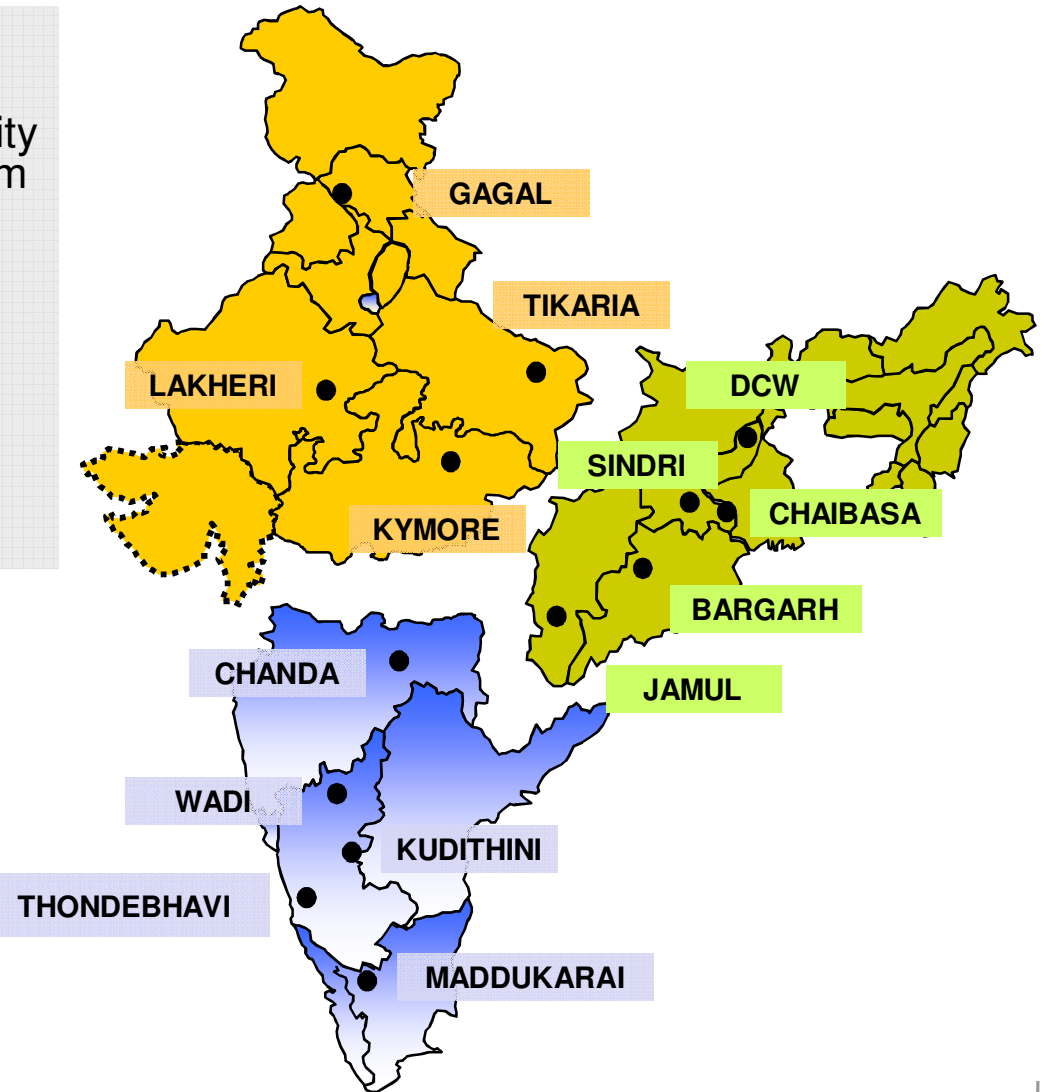
2011 - World's largest cement kiln installed at Wadi Karnataka, with a capacity of over 13000 MT of clinker per day



ACC – A Pan India Presence

Nationwide presence

- 16 cement plants - capacity of 30 million tonnes/annum
- 21 sales units, 66 area offices
- 55+ RMX plants
- 10,000 dealers



2011: Cement & Clinker Sales*

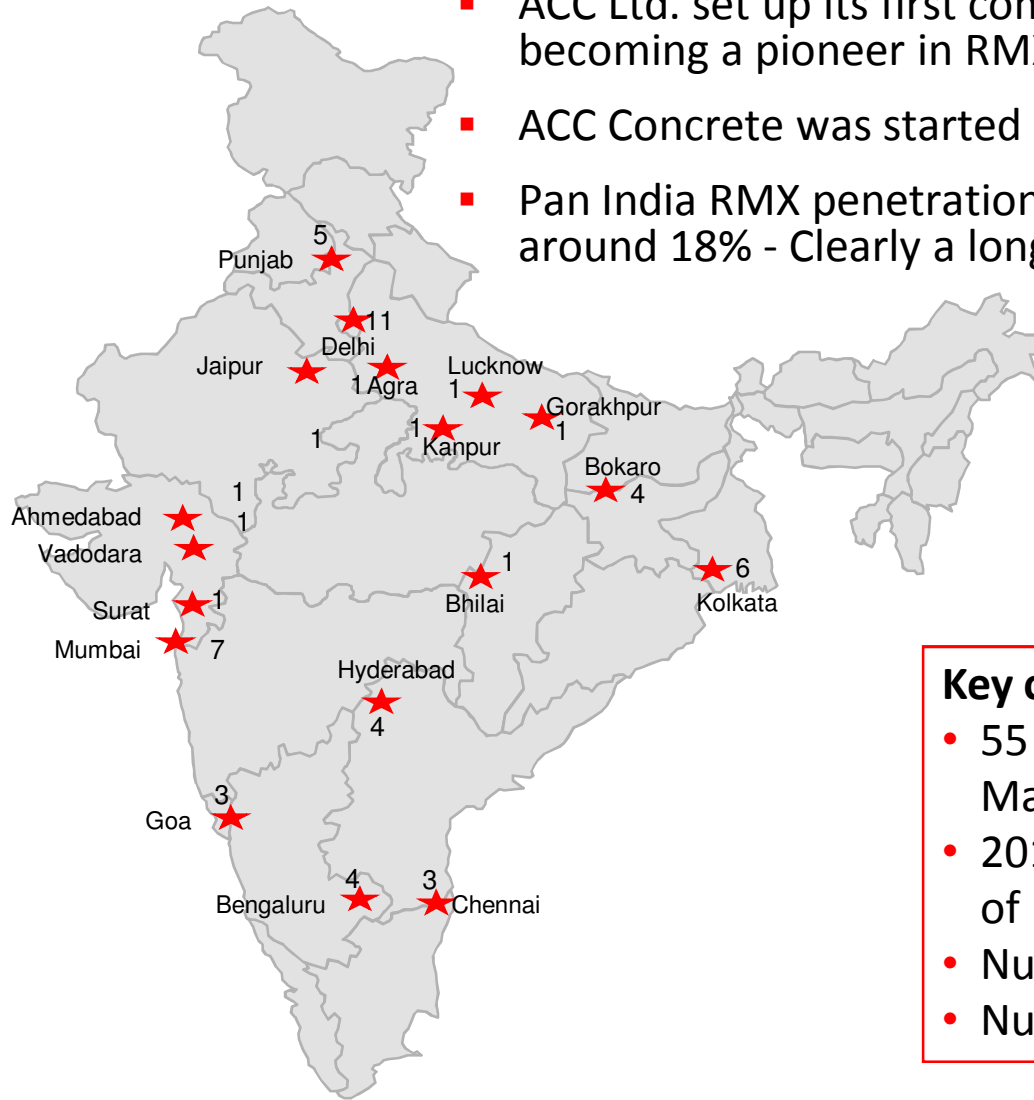
Volume (MioT)	23.97
Net Sales (Mio USD)	1870
EBITDA (Mio USD)	410

*1 USD= 50 INR



RMX Operations: ACC Concrete

- ACC Ltd. set up its first commercial RMX plant in India in 1994 becoming a pioneer in RMX industry
- ACC Concrete was started as a subsidiary of ACC Ltd. in Jan 2008
- Pan India RMX penetration is around 7% and in Indian metros around 18% - Clearly a long way to grow for RMX market in India



Key company statistics

- 55 plants across India with presence in all Major cities
- 2011- Volume Sold 2.1 mio m³. Net Sales of Rs 6,800 mio.
- Number of Transit Mixers – 300
- Number of pumps is – 50

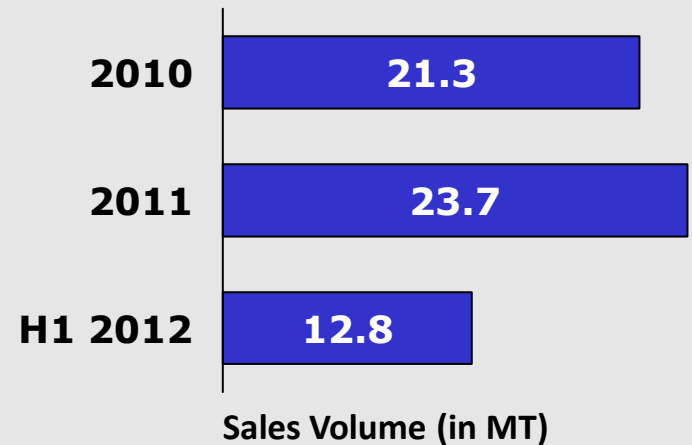


ACC Operational & Financial Performance

Market share

Market share to 11%

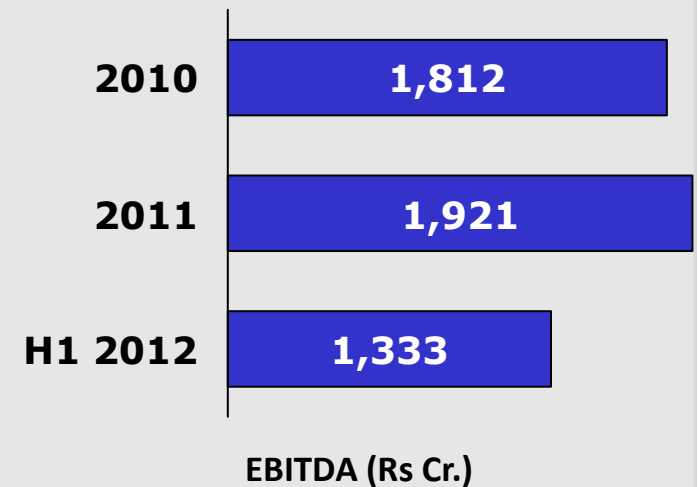
- Ramp up of Wadi, Chanda
- Enhancement of distribution network
- Access to new markets



Financial Performance

Improved EBITDA

- Better internal efficiencies
- New premium product launches
- Higher sales volumes





ACC: Perspective

Growth Potential

- Participate in India growth story
- Indian market to grow from 224 to ~ 500 by 2020
- To maintain market share at ~11 %
- Potential to grow to ~55 MTPA by 2020

Performance Potential

- Mindset to touch benchmark and theoretical performance levels
 - Customer centricity and value creation
 - Cost Leadership
 - Architecture to drive performance
-



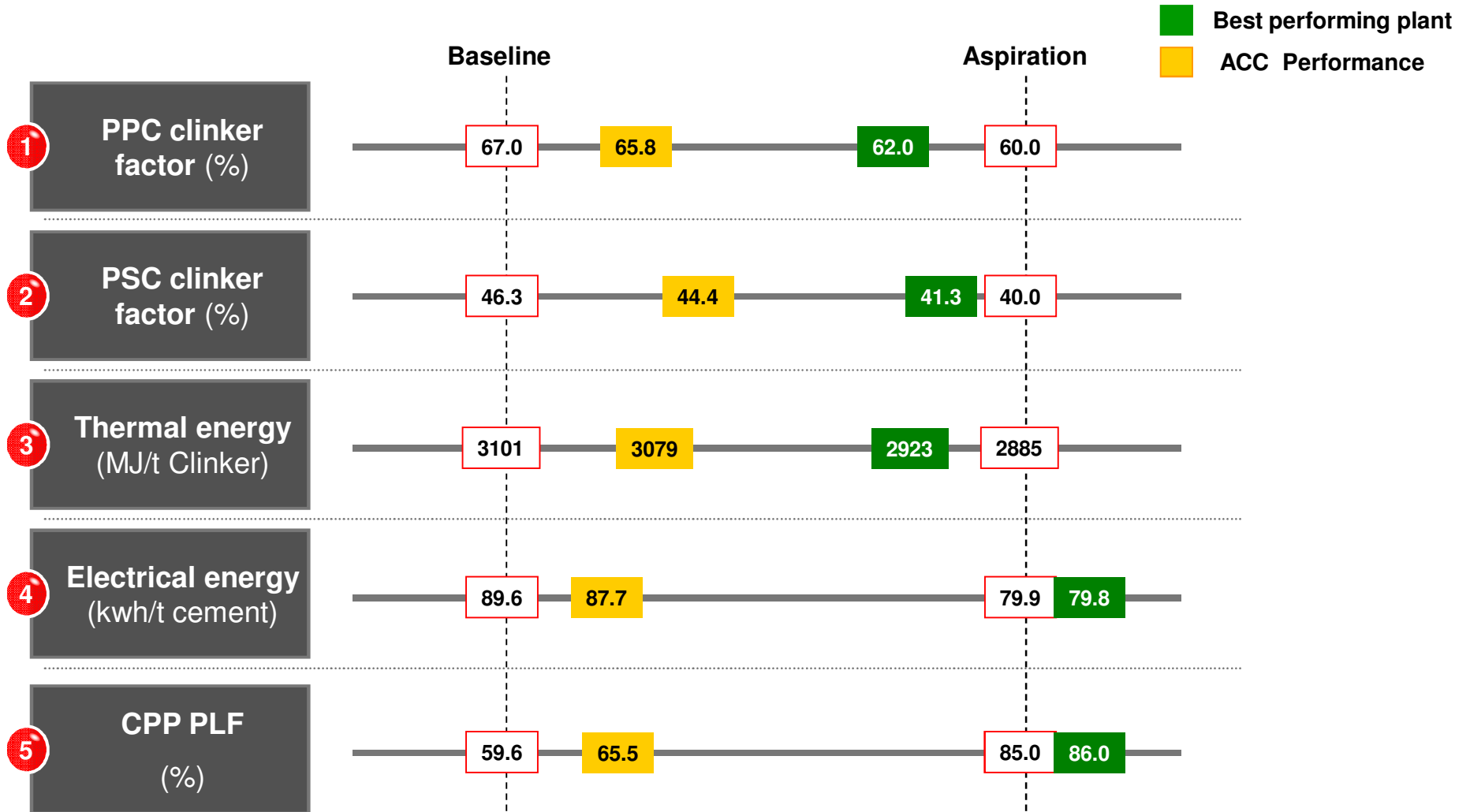
ACC towards Customer Centricity

- Launched Premium Products (F2R, Coastal +, Concrete+) to address identified market gaps and needs
 - Rolled out CRM across the country
 - Customer Help Centers and Interactive website (www.acchelp.in) to provide construction solutions
 - Improve time to serve - delivery within 2 hrs
 - High emphasis on mason training programs to impart new construction technology knowledge
-



Manufacturing Excellence

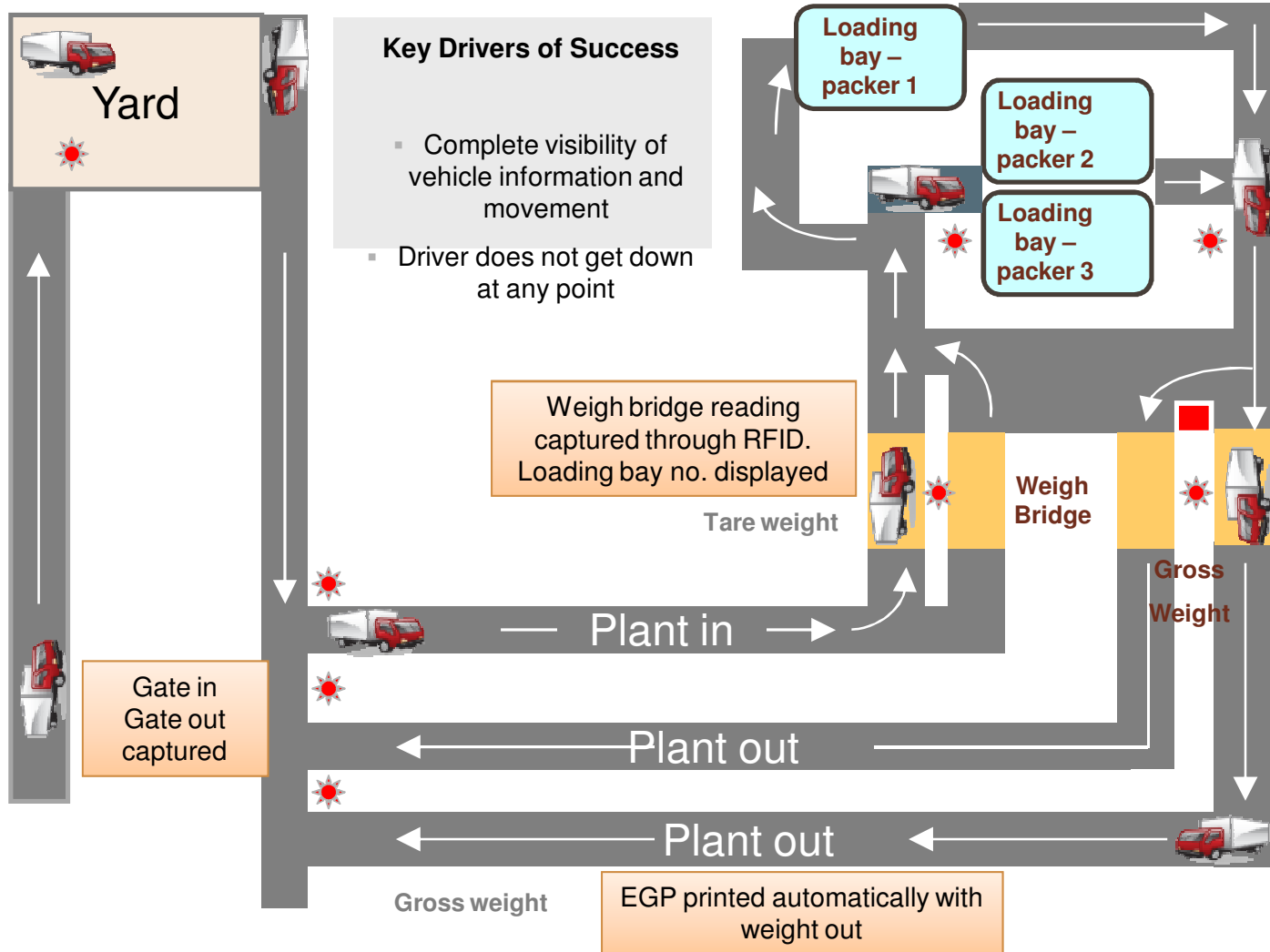
To improve efficiencies across KPIs





Logistics Excellence : GIGO

RFID implemented to achieve best-in-class GIGO time



- Key Drivers of Success**
- Complete visibility of vehicle information and movement
 - Driver does not get down at any point

Weigh bridge reading captured through RFID.
Loading bay no. displayed

Tare weight

Weigh Bridge

Gross Weight

Gate in
Gate out captured

Plant in

Plant out

Plant out

Gross weight

EGP printed automatically with weight out

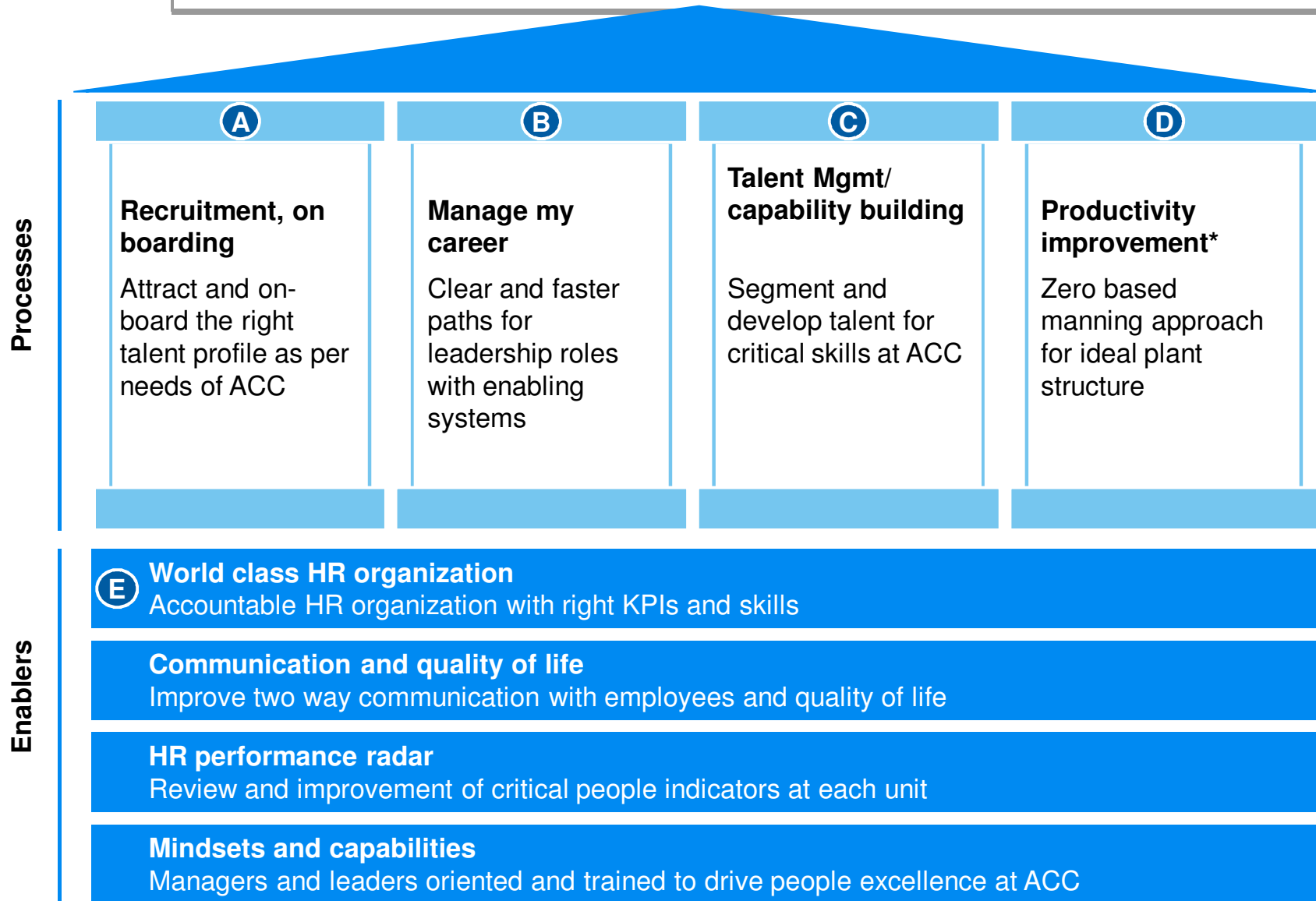
RFID reader

- Vehicle side plant fixed to 45 numbers
- Yard detention time reduced to 7 hrs
- Enabled safe and smooth flow of vehicle inside the plant

Reduction in GIGO time from 180 minutes to 110 minutes



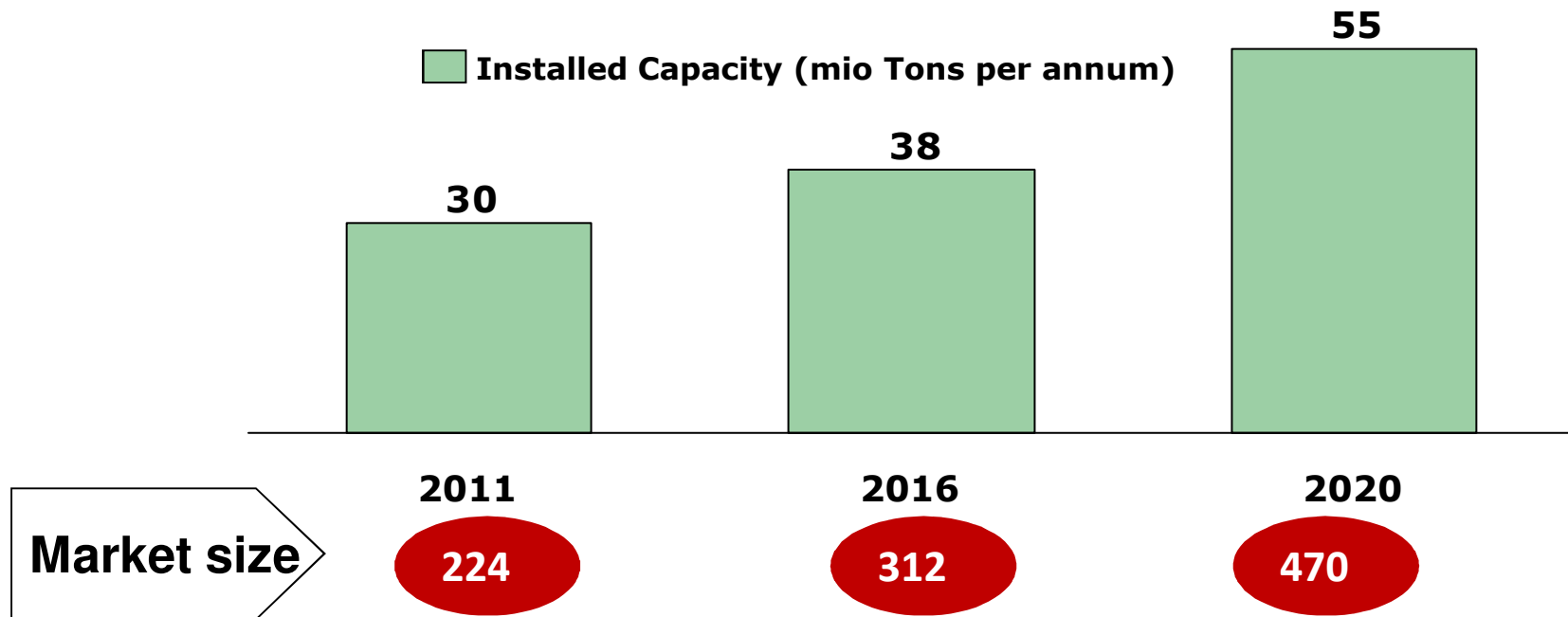
HR Excellence: Strengthen the HR system to increase people centricity





ACC 's growth potential

Next 8-10 years, Opportunity to create another ACC



➤ Jamul Project with 2.79 MTPA Clinker capacity and 5.15 MTPA Cement capacity is under implementation. Expected commissioning by 2015



ACC'S Journey towards sustainability

- Greenhouse gas emissions: ACC reduced specific CO2 emissions from 812 kg /t(1990) to 545 kg/t (2012).Ongoing efforts to improve further
 - Clinker Factor to reduce from current 65% to ~ 60%
 - Electrical Energy to reduce from current 89.6 kwh/t cement to 80 kwh/t cement.
 - Thermal Energy to reduce from current 3101 MJ/T Clinker to 2885 MJ/T Clinker
 - ACC plans to double (~740000 tons) its AFR usage by 2015
- Renewable Energy
 - Wind Power 19 MW installed .Additional 15 MW conceptualized
 - Waste Heat Recovery system at Gagal is being installed and feasibility at other plants is being examined
- On Going focus on Water Conservation, Afforestation and tree plantation
- ACC publishes annual Corporate Sustainable Development Reports based on GRI guidelines



ACC – Community Development Impacting Over 1 Lakh People in 100+ Villages

- ❑ **Sustainable Community Development** – in 100 villages around its operations through livelihood generation, rural infrastructure, literacy, women’s empowerment. Notable successes - 289 self help groups benefitting 2900 women
- ❑ **Education & Training** – ACC supports 66 Govt. schools in backward districts. Operates 16 schools wherein 10,000 students receive education. ACC runs 2 technical institutes at Kymore (MP) and Jamul (Chhattisgarh). ACC has partnered with seven ITIs for their up-gradation through the PPP program
- ❑ **Community Health** – ACC medical clinics conduct village health camps. ACC is the first corporate to set up Anti-Retroviral treatment centres for combating AIDS. Around 6000 people have benefited.
- ❑ **Building infrastructure for livable neighborhoods**





ACC - Awards & Accolades

- ACC was the very first recipient in 1976 of National Award for Rural and Agricultural Development Activities from ASSOCHAM.
- Good Corporate Citizen Award in 2006 from Bombay Chamber of Commerce & Industry
- Bombay Natural History Society Award in 1997 for supporting the cause Nature Conservation
- Golden Peacock Environment Management Special award for outstanding efforts in Environment Management
- National Award for Fly Ash Utilization 2006 – by Ministry of Power, Ministry of Environment & Forests, Dept of Science & Technology
- Greentech Safety Gold and Silver Awards from Greentech Foundation for outstanding performance in Safety Management
- Jamnalal Bajaj Uchit Vyavahar Puraskar – in the category Large Manufacturing Enterprises for exemplary record of practicing and promoting Fair Business Practices by Council for Fair Business Practices
- CNBC-TV 18's India Business Leaders Award in the category India Corporate Citizen of the Year 2008
- The Vision Corporate Triple Impact by FICCI -2010 for Triple Bottom Line
- India Manufacturing Excellence Awards 2011



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