



BIRLA CORPORATION LIMITED

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Press Release

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Birla Corp to acquire Jojobera and Sonadih Cement Businesses from Lafarge India

Birla Corporation Limited (Birla Corp) today announced that it has agreed to a transaction with Lafarge India Private Limited (Lafarge India), whereby Birla Corp, either directly or through its wholly owned subsidiary, shall acquire both the Jojobera and Sonadih cement businesses (Acquisition Business) from Lafarge India for an Enterprise Value of Rs. 5,000 crores. The transaction would be funded through existing cash reserves and incremental debt, and is subject to approval of Competition Commission of India and other relevant regulatory approvals.

Under this transaction, Birla Corp will acquire the Acquisition Business, which comprises an integrated cement unit at Sonadih (Chhattisgarh), a cement grinding unit at Jojobera (Jharkhand), along with Concreto and PSC brands and an excellent management team. Acquisition Business has a cement capacity of ~5.15 million tonnes per annum (mtpa), with mineral rights over adequate reserves of limestone. The Acquisition Business has a demonstrated track record of operational and commercial excellence with profitability amongst the highest in the industry aided by raw material linkages, strong distribution networks and excellent brand loyalty in the attractive Eastern India cement market. Upon completion of this transaction, Birla Corp will consolidate its position in the Eastern India cement market where demand supply scenario and outlook continue to remain buoyant.

Birla Corp, established in 1919, is part of the MP Birla Group with presence across cement and jute; cement constitutes over 90% of the company's revenues. With a total operational cement capacity of ~10 mtpa, it has units in Rajasthan, Madhya Pradesh, Uttar Pradesh and West Bengal. Post completion of this transaction, Birla Corp will have a total capacity of ~15 mtpa. With addition of these brands to its existing basket of brands, Birla Corp will derive synergy benefits through consolidation of its capacity.

Shri Harsh V Lodha, Chairman of Birla Corp, said: "I am very pleased to announce this very important transaction in Birla Corp's history. The Acquisition Business, together with the Concreto and PSC brands, perfectly fit into our strategic vision and ambition of enhancing our competitiveness in our chosen markets. I am glad to welcome new talent and leaders to our Group, who share our convictions and professional culture".

KRISCORE Financial Advisors and SBI Capital Markets Limited were financial advisors and Nishith Desai Associates acted as counsel to Birla Corp for this transaction.
