



BIRLA CORPORATION LIMITED

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Press Release

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Birla Corp to acquire cement business of Reliance

Birla Corporation Limited (Birla Corp) today announced an agreement with Reliance Infrastructure Ltd for acquisition of its entire cement business for an Enterprise Value of Rs. 4,800 crores. The two companies have agreed that Birla Corp shall acquire all the shares of Reliance Cement Company Pvt. Ltd. (Reliance Cement). The acquisition, subject to approval of the Competition Commission of India and other relevant regulatory authorities, will be funded through existing cash reserves and incremental debt.

This acquisition will provide Birla Corp ownership with high quality assets taking its total capacity from 10 MTPA to 15.5 MTPA, strengthening its presence in the high growth central region. The Company's expansion potential will also be enhanced – with mineral concessions in Madhya Pradesh, Maharashtra, Rajasthan, Karnataka, Andhra Pradesh and Himachal Pradesh – to emerge as a pan-Indian player in the foreseeable future.

Reliance Cement has three cement units, an integrated cement plant at Maihar (Madhya Pradesh) and grinding units at Kundanganj (Uttar Pradesh) and Butiburi (Maharashtra). Birla Corp will also benefit from Reliance Cement's strategically located raw material sources, captive coal mine, optimum manpower, efficient operating parameters and technical capability for producing top-end quality product.

Birla Corp, established in 1919, is part of the MP Birla Group with presence across cement and jute; cement constitutes more than 90% of the Company's revenues with units in Rajasthan, Madhya Pradesh, Uttar Pradesh and West Bengal.

Shri Harsh V. Lodha, Chairman of Birla Corp, said: "I am very pleased to announce this very important transaction in Birla Corp's history. Reliance Cement fits our plans to grow the business profitably very well and offers lucrative prospects for creating synergy with existing operations. It provides an excellent platform for increasing our footprint in existing as well as new geographies."

Axis Capital acted as financial advisor, Nishith Desai Associates acted as counsel to Birla Corp for this transaction and Deloitte conducted the financial and commercial due diligence.
