



SHREE CEMENT LIMITED

PRESS RELEASE

Dubai, January 11, 2018

Shree Cement Board approves acquisition of majority stake in Union Cement Company (P.S.C.) in Ras Al-Khaimah, UAE

The Board of Directors of Shree Cement Limited, in its meeting held today, considered and approved the acquisition of a majority equity stake (minimum 92.83%) in Union Cement Company (P.S.C.) (“UCC”), a company based in the UAE, for an Enterprise Value of USD 305.24 Million excluding Cash and Cash Equivalent (for a 100% equity stake) subject to closing adjustments

Established in 1972, UCC is one of the leading cement manufacturers in the UAE and is a listed company on the Abu Dhabi Securities Exchange (“ADX”). It has its operations in the Emirate of Ras Al-Khaimah in the UAE with a clinker capacity of 3.30 MTPA and cement capacity of 4.00 MTPA. It deals with a variety of cements like Ordinary Portland Cement, Sulphate Resisting Cement and Oil-Well Cement. The plant is located in close proximity to the Ras Al-Khaimah’s Saqr Port which helps it to serve the export markets of Gulf, Middle East and East Africa.

UCC has one subsidiary, UCC Norcem, in which it owns a 60% stake, which is engaged in the marketing of Oil Well Cement.

UCC has a consistent track record of stable performance. For the calendar year 2016, UCC reported consolidated Revenue of USD 153.42 Mn and EBITDA of 33.73 Mn (excluding Investment and other income). For the nine months ended 30th September 2017, the reported consolidated Revenue was USD 120.27 Mn and EBITDA of 25.97 Mn (excluding Investment and other income).

The acquisition is subject to the conversion of UCC from a “public joint stock company” into a “private joint stock company”, delisting from ADX (subject to UAE regulatory approval) and other conditions precedent and is expected to be completed in approximately 9 months.

With this acquisition, the aggregate Cement capacity of Shree Cement will increase from present 29.3 MTPA to 33.3 MTPA. The proposed acquisition will help Shree Cement create its first footprint outside India. UAE is one of the major economies in the Middle East which has good long-term prospects in the housing, construction and infrastructure segment.

Baker Tilly DHC, Standard Chartered Bank and Freshfields Bruckhaus Deringer acted as advisers to Shree Cement Limited on the proposed acquisition.