



KKR to invest Rs 750crores in Dalmia Cement to Form the Largest Private Cement Company in India

Largest Private Equity Investment in India's Cement Industry

May 7th, 2010 -- Dalmia Cement (Bharat) Ltd. (DCBL), and Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") today announced the signing of a definitive agreement under which KKR has agreed to invest up to Rs 750crores in DCBL's wholly owned unlisted subsidiary ("Company") which will house post restructuring DCBL's 9MTPA cement manufacturing capacity, DCBL's stake in OCL India Limited (5.3MTPA capacity) along with the upcoming green field projects of 10MTPA across the country. The use of proceeds will be for both organic / inorganic growth and de-leveraging.

"When we realigned our businesses in March, 2010, one of our goals was to create separate pure play entities that could thrive on their own and have flexibility to raise capital. This transaction with KKR is not just about capital but the foundation of a long term relationship. It will enable us to enhance our capacity and market share through organic as well as inorganic routes, while benefiting from KKR's global network and proven value creation capabilities," said Mr. Puneet Dalmia, MD of Dalmia Cement (Bharat) Limited.

"We are excited to be working with a dynamic and entrepreneurial family with a successful execution track record in India. While the cement industry by nature is cyclical, this is a long-term investment in a great family business, its management team and in India's economy. This is a way to invest behind and contribute to the continued development of India's residential, commercial, and public sector infrastructure," said Mr. Sanjay Nayar, a Member of KKR and CEO of KKR India.

The transaction is subject to customary regulatory approvals.

About KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global alternative asset manager with \$52.2 billion in assets under management as of December 31, 2009. With over 600 people and 14 offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platforms. KKR is publicly traded through KKR & Co. (Guernsey) L.P. (Euronext Amsterdam: KKR). For additional information, please visit KKR's website at www.kkr.com.

KKR has invested more than over \$1.1 billion in India since 2006, which includes investments in Aricent, a global innovation, technology and services company; Bharti Infratel, a telecom infrastructure provider and Coffee Day Resorts, operator of the Café Coffee Day chain of cafes in India.



About Dalmia Cement (Bharat) Ltd.

DCBL has business interests in two major segments, Cement and Sugar. It has cement plants in southern states of Tamil Nadu (Dalmiapuram & Ariyalur) and Andhra Pradesh (Kadapa), with a capacity of 9MTPA. A leader in cement manufacturing since 1939, DCBL is a multi spectrum cement player with double digit market share and a pioneer in super specialty cements used for Oil wells, Railway sleepers and Air strips. The company also produces around 160 MW of Power through thermal and renewable energy with an aim to increase the power generation from non-conventional methods.

Over the past 7 decades, the company has earned the trust of the employees, distribution chain as well as all its stakeholders. DCBL's vision has been acknowledged by the existing Private Equity investor, Actis who has been on the Board and adding valuable insights for the organisational growth. The company is looked upon and respected for being a value-based organization. DCBL has been recognized and awarded Hewitt's Best employer for the year 2009. It has been ranked among the Top Ten in the Manufacturing industry. DCBL is Head Quartered in New Delhi. It has employee strength of more than 3,500 people.

For more information about DCBL, please visit our website www.dalmiacement.com

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