PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF MYSORE CEMENTS LIMITED

(Registered Office: 1st Floor, "Industry House", 45, Race Course Road, Bangalore 560 001)

This Public Announcement (the "PA") is being issued by Ambit Corporate Finance Private Limited ("Manager to the Offer"/"Ambit"), on behalf of Cementrum I B.V. ("CIBV" / "Acquirer") and HeidelbergCement AG ("HCAG" / the "Person Acting in Concert" / "PAC") pursuant to and in compliance with the Regulations 10, 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI Takeover Code").

THE OFFER AND ITS BACKGROUND

1. This offer (the "Offer") is being made by the Acquirer and the PAC to the equity shareholders of Mysore Cements Limited ("MCL" or the "Target Company"). Other than CIBV and HCAG, who are acting in concert with each other for the purpose of the Offer, no other person is acting in concert with the Acquirer and the PAC for the Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Code, there could be persons who could be deemed to be acting in concert with the Acquirer and the PAC. However, such persons are not acting in concert for the purposes of this Offer.

2. On July 18, 2006 the Acquirer has entered into a Share Subscription and Share Purchase Agreement (the "SSSPA") with the Sellers (defined below) and MCL for acquisition of fully paid-up voting equity shares of Rs.10 each of MCL ("Shares"). The proposed acquisition under SSSPA is as follows:
   - 66,500,000 new fully paid up voting equity shares of MCL to be issued by MCL on a preferential basis in accordance with provisions of, amongst others, SEBI (Disclosure and Investor Protection) Guidelines, 2000 (the "Preferential Issue") at a price of Rs. 54 per Share ("Subscription Price") aggregating Rs. 35,910 lakhs ("the Subscription Consideration"). The Shares allotted by way of the Preferential Issue will represent 42.09% of the Fully Expanded Voting Equity Capital (defined below) of the Target Company.
   - 13,400,000 existing fully paid up voting equity shares of MCL from the Sellers (the "Sale Shares") at a price of Rs.58 per Share ("Sale Price") aggregating Rs.7,772 lakhs ("Sale Consideration"). The Sale Shares will represent 8.48% of the Fully Expanded Voting Equity Capital, and 14.85% of the equity share capital of the Target Company as on the date of signing the SSSPA.

   The Preferential Issue has been considered by the Board of Directors of the Target Company in their meeting held on July 18, 2006 and an extraordinary general meeting of the Target Company is scheduled to be held on August 16, 2006 to authorise the Preferential Issue by way of a special resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions. Further, 1,274,944 Shares would be issued to IFCI Ltd. upon conversion of amount outstanding under the terms of IFCI Ltd's loan facilities. Accordingly, the Fully Expanded Voting Equity Capital of the Target Company would be 158,009,765 Shares, assuming full allotment under the Preferential Issue and allotment of 1,274,944 Shares to IFCI Ltd. As mentioned elsewhere in this PA, there are forfeited shares, fully convertible debentures kept in abeyance and loan conversion rights available to lenders. Voting rights arising out of reissue of forfeited shares / other conversions in future, if any, are not taken into account for the calculation of the Fully Expanded Voting Equity Capital.

3. The Sellers under the SSSPA are:

	Shares of MCL held as on the date of SSSPA	Shares proposed to be sold under SSSPA
Janardhan Trading Co Ltd.	3,123,593	3,123,593
GCC Investment & Trading Co Ltd.	6,480,000	6,480,000
Sutlej Cotton Mills Supply Agency Ltd.	3,261,439	3,189,207
Sukriti Education Society	399,300	399,300
Sushila Birla Memorial Institute	207,900	207,900

   The Sellers are part of the present promoter group of the Target Company.

   Sutlej Cotton Mills Supply Agency Ltd., one of the Sellers, has furnished a non-disposal undertaking to the lending institutions of MCL, under loan agreements pursuant to which loans have been availed of by MCL. Consent of the lenders is yet to be taken under the loan agreements, for the execution and delivery of the SSSPA (and related documents) by MCL and/or the Sellers.

4. In addition to the SSSPA, a shareholders' agreement (the "SHA") has been entered into between the Acquirer, the Target Company and Birla Eastern Limited, Birla VXL Ltd., Central India General Agents Ltd., Sutlej Cotton Mills Supply Agency Ltd., Madhushree Birla, Meenakshi Birla, Sidharth Kumar Birla, Sudarshan Kumar Birla & Sumangala Birla (some members of the present promoter group of the Target Company, hereinafter referred to as the "Indian JV Partners"). Further, the parties intend to enter into an escrow agreement (the "Sale Share Escrow Agreement") between the Acquirer, the Sellers and an escrow agent (the "Sale Share Escrow Agent") to hold the Sale Shares and the Sale Consideration for release to respective parties as per the revlevant terms and conditions of the SSSPA.

5. Following is a summary of the key terms of the SSSPA:
   - In addition to the Sale Price, the Acquirer has also agreed to pay Rs.14.50 per Sale Share as non-compete consideration aggregating Rs.1,943 lakhs ("Non-Compete Consideration"). The Sellers and their affiliates shall, for a 5 year period not directly or indirectly participate as an investor, manager, consultant or in any other capacity in a business that competes with the Target Company; solicit any client or agent or supplier of the Target Company; supply any product or service which is similar to that provided by the Target Company except that they could invest upto 5% in any listed entity.
   - On completion of certain conditions, including the shareholders of the Target Company successfully approving the Preferential Issue, the First Closing (as defined in the SSSPA) shall take place. At the time of First Closing, the Acquirer shall pay the Subscription Consideration to the Target Company. Simultaneously, the Target Company shall appoint 4 directors nominated by the Acquirer, in compliance with the second proviso to Regulation 22(7) of the SEBI Takeover Code. Further, there shall be 5 independent directors comprising of (a) 3 directors nominated by lenders (b) 2 directors nominated by the Acquirer. Mr. Sudarshan Kumar Birla and Mr. Sidharth Kumar Birla shall continue as directors and the Sellers shall cause the resignation of all directors that are not covered above ("Seller Directors") such that the Board of Directors shall comprise 11 directors.
   - At the time of First Closing the Sale Share Escrow Agent shall release to the Sellers 50% of the total Sale Consideration and 50% of the Non-Compete Consideration, as payment in advance.
   - Upon completion of certain conditions, including completion of Offer formalities, the Second Closing (as defined in the SSSPA) shall take place. At this time, the Sale Share Escrow Agent shall release the Sale Shares to the Acquirer, and the balance of the Sale Consideration & Non-Compete Consideration (as reduced by the advance already paid at First Closing) to the Sellers.
   - If the First Closing does not take place, resignation of the Seller Directors and appointment of directors nominated by the Acquirer shall take place upon Second Closing such that the Board of Directors shall comprise 11 directors.
   - The Acquirer shall comply with the provisions of the SEBI Takeover Code.
   - There are certain covenants of the Sellers and of the Target Company which are intended to protect the rights of the Acquirer. One of the covenants restricts the right of the Target Company to issue fresh Shares at any time on or before the First Closing, or if the First Closing fails to occur, at any time on or before the Second Closing, except for issuance of 1,274,944 Shares to IFCI Ltd. It is also provided that in the event of breach of certain conditions by the Target Company, the Acquirer shall be compensated a sum of ten million US Dollars.
   - It is also provided that if the Acquirer, in pursuance of the SSSPA, fails to comply with the provisions of the SEBI Takeover Code, the SSSPA, to the extent it relates to the sale and purchase of the Sale Shares, shall not be acted upon by the Sellers, the Target Company or the Acquirer.
   - It is also provided that the SSSPA could be terminated by either of the parties in specified circumstances whereby the Acquirer or the Sellers or the Target Company are not able to fulfill the specified obligations.

6. The SHA lays down the joint venture relationship that will take effect, governing the relationship between the Acquirer and Indian JV Partners. The SHA provides that the Acquirer shall have the first right of refusal for transfer of Shares held by Indian JV Partners in the Target Company. Further, it provides that the Indian JV Partners will not transfer their Shares in the Target Company to any competitor without prior written consent of the Acquirer. Mr. Sudarshan Kumar Birla and Mr. Sidharth Kumar Birla will continue on the Board of Directors of the Target Company for an initial period of 3 years, subject to extension by mutual consent.

7. The Sale Share Escrow Agreement entails deposit of the Sale Consideration, the Non-Compete Consideration and the Sale Shares with the Sale Share Escrow Agent. At the First Closing, the Sale Share Escrow Agent shall release an amount equal to 50% of the Sale Consideration and the Non-Compete Consideration to the Sellers, and at the Second Closing, release the balance of such amounts to the Sellers and the Sale Shares to the Acquirer.

8. Other than as stated above, the Acquirer and the PAC have neither acquired nor have been allotted any Shares of the Target Company in the last 12 months. As on the date of this PA, the Acquirer and the PAC do not hold any Shares of the Target Company. The Manager to the Offer does not hold any Shares in the Target Company, as on the date of this PA.

9. The above mentioned proposed acquisition under the SSSPA of 79,900,000 Shares, represents 50.57 % of the Fully Expanded Voting Equity Capital of the Target Company. The Offer is for acquisition of upto 35,000,000 fully paid-up equity shares of Rs. 10 each of MCL ("Offer Size") from the existing shareholders of MCL (other than parties to SSSPA & SHA) representing 22.15 % of Fully Expanded Voting Equity Capital of MCL, at a price of Rs. 58 per fully paid up equity share (Rupees Fifty Eight only) (the "Offer Price") payable in cash.

10. This proposed acquisition under the SSSPA by the Acquirer would lead to a change of control of MCL. The Offer is conditional upon acceptance of 35,000,000 Shares (i.e. the entire Offer Size). In case the number of Shares validly tendered in the Offer is less than the Offer Size, the Acquirer shall not accept any Shares tendered in the Offer. It is the intention of the Acquirer to achieve a majority (more than 50%) holding in the Target Company after completion of the Offer and the acquisition under the SSSPA. If the proposed Preferential Issue of 66,500,000 Shares to the Acquirer under the SSSPA is approved by the shareholders of MCL by way of the requisite special resolution under Section 81(1A) of the Companies Act, 1956, then the Acquirer will declare this Offer to be an unconditional offer, not subject to any minimal level of acceptance. The Acquirer and the PAC are making the Offer in terms of, amongst others, Regulations 10 and 12 of the SEBI Takeover Code. As long as the Offer is conditional upon a level of acceptance, the provisions of Regulation 21A of the SEBI Takeover Code are applicable. Upon declaration of the Offer as unconditional, the Offer would cease to attract the provisions of Regulation 21A of the SEBI Takeover Code. This is an integral term of the Offer. In the event of withdrawal of the conditionality related to minimum acceptance, an announcement will be made in the same newspapers where the PA has appeared.

11. The Shares are listed on National Stock Exchange of India Limited ("NSE"), Bombay Stock Exchange Limited ("BSE") and The Bangalore Stock Exchange Association Limited ("BgSE") (the "Stock Exchanges"). Based on the information available, the Shares are frequently traded on both the NSE and BSE and consequently, the minimum offer price for the Offer is to be computed in accordance with Regulation 20(4) of the SEBI Takeover Code. The Shares are most frequently traded on NSE, within the meaning of explanation to Regulation 20 (5) of the SEBI Takeover Code. The Offer Price of Rs. 58 per equity share of MCL is justified in terms of Regulation 20(4) of the SEBI Takeover Code in view of the following:
    - i. Proposed Sale Price payable for Sale Shares: Rs.58 per equity share
    - ii. Proposed Subscription Price for Preferential Issue: Rs.54 per equity share
    - iii. Highest price paid by the Acquirer for acquisition of equity shares of MCL during the 26 weeks period preceding the date of the PA: Not applicable
    - iv. The average of the weekly high and low of the closing prices of the equity shares of MCL during the 26 weeks preceding the PA, on NSE: Rs.40.40 and Rs.39.93 during the 26 weeks preceding the date of the meeting of the Board of Directors of MCL where the Preferential Issue was proposed.
    - v. The average of the daily high and low of the equity shares of MCL, on NSE, during the 2 weeks preceding the date of PA: Rs.46.68 and Rs.43.73 during the 2 weeks preceding the date of the meeting of the Board of Directors of MCL where the Preferential Issue was proposed.

    (Source of all MCL price data : www.nseindia.com)

    The Offer Price of Rs. 58 is the highest of i, ii, iii, iv and v above, as required under the SEBI Takeover Code. The amount paid as Non-Compete Consideration is not more than 25% of the Offer Price.

    Further, based on the available information, the Target Company's equity shares are deemed to be infrequently traded on BgSE as per explanation to Regulation 20(5) of the SEBI Takeover Code. Therefore, the parameters of Regulation 20(5) of the SEBI Takeover Code have also been considered. The Offer Price of Rs.58 per equity share is also justified in terms of Regulation 20(5) of the SEBI Takeover Code based on the following financial parameters of MCL:

Period Ended	March 31, 2006	March 31, 2005
- Return on Net Worth	Negative	Negative
- Earnings per Share (Rs.)	(10.56)	(3.36)
- Book Value per Share (Rs.)	(12.41)	(4.57)
- Offer Price Earnings Ratio (x)	—	—
- Industry P/E ratio **	26.70	

    **Source: Capital Markets Vol. XXI/10 dated July 17 - 30, 2006, Industry: Cement - North India

12. All Shares accepted in terms of the Offer would be acquired by CIBV. HCAG will not acquire any Shares under the Offer.

13. The Acquirer and the PAC are permitted to revise this Offer upward upto seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where the PA has appeared and the revised offer price would be paid for all the Shares tendered anytime during the Offer.

INFORMATION ABOUT THE ACQUIRER AND THE PAC

14. Cementrum I B.V.:
    - Cementrum I B.V. ("CIBV") is a private company, limited by shares and incorporated on April 25, 2006. It is registered in the Kingdom of The Netherlands with The Chamber of Commerce for Oost-Brabant under number 17190524. The registered office of CIBV is situated at Sint Teunislaan 1, 5231 BS 's-Hertogenbosch, The Netherlands.
    - The entire issued and paid up equity share capital of CIBV consists of 18,000 ordinary shares of EUR 1 each.
    - HeidelbergCement AG is the ultimate holding company of CIBV. HCAG controls 100% shareholding of CIBV, through 3 intermediate wholly controlled companies. The entire share capital of CIBV is owned by ENCI Holding NV which is a 74.99% subsidiary of CBR SA, Belgium, the balance 25.01% held by HCAG. CBR SA, Belgium is a subsidiary of HeidelbergCement International Holding GmbH, Germany, a 100% subsidiary of HCAG.
    - The Management Board consists of Mr. Daniel Gauthier, president of the Management Board alongwith Mr. Mathijs Cremers and Mrs. Wilhelmina Baten, members of the Board. On July 19, 2006, CIBV received EUR 7.5 million ("mn") (equivalent to Rs. 4,401.75 lakhs) as share premium. (One Euro = Rs. 58.69 as on July 17, 2006; Source: reference rate at www.rbi.org.in)
    - CIBV has been recently incorporated and has not started any commercial operations. CIBV is incorporated as a holding company and its main objects authorize it to undertake a wide range of activities including activities to incorporate, to participate in any way, to manage, to supervise, to finance businesses and companies.
    - CIBV has not earned any significant revenues since its incorporation.

15. HeidelbergCement AG
    - HeidelbergCement AG (www.HeidelbergCement.com) is a company incorporated under the laws of Germany. The registered and business offices of HCAG is situated at Berliner Strasse 6, 69120 Heidelberg, Germany. It is registered with the Commercial Register of Mannheim. The registration number of the company is HRB No. 330082.
    - HCAG produces a wide range of building materials including cement, ready-mixed concrete, concrete products, aggregates, as well as dry mortar, lime, sand-lime bricks, and building chemicals. HCAG today, along with its group companies, has its activities in various countries and is among the largest cement manufacturers in the world.
    - The company was initially formed as a partnership firm in 1873-74. Over the years, HCAG has been developed to an international building materials company with a wide range of product and market diversification. It has embarked on a series of mergers and acquisitions of cement plants.
    - The shares of HCAG are listed on the Official Market of the German stock exchanges in Frankfurt/Main, Düsseldorf, Munich and Stuttgart. Further, the shares of HCAG are permitted to be traded under the category of "Open Market" on stock exchanges in Berlin/ Bremen, Hamburg and Hannover. The quoted price of HCAG share was Euros 86.41 on July 17, 2006 at the Frankfurt Stock Exchange (Xetra ClsAuction). According to the information available to HCAG, 77.95% of its share capital is held by Spohn Cement GmbH including persons acting in concert with it and their subsidiaries. Further, 7.5% of the share capital is held by SCHWENK Beteiligungen GmbH & Co. KG. The remaining 14.55% shares are free float and held by the public. Spohn Cement GmbH is a company which belongs to members of the Merckle family. SCHWENK Beteiligungen GmbH & Co. KG is a company which belongs to members of the Schwenk/Schleicher family. For many decades the Merckle family and the Schwenk/Schleicher family have been shareholders of HCAG.
    - Dr. Bernd Scheifele, Helmut S. Erhard, Daniel Gauthier, Andreas Kern and Dr. Lorenz Näger are the members of the Managing Board of HCAG. The Supervisory Board of HCAG has Fritz-Jürgen Heckmann, Heinz Schirmer, Theo Beermann, Heinz-Josef Eichhorn, Josef Heumann, Gerhard Hirth, Rolf Hülstrunk, Heinz Kimmel, Max Dietrich Kley, Hans Georg Kraut, Senator E.h. Dr. med. h.c. Adolf Merckle, Ludwig Merckle, Tobias Merckle, Eduard Schleicher, Heinz Schmitt and Karl-Heinz Strobl as members.
    - As on March 31, 2006, the share capital of HCAG amounts to Euros 296,064,791.04 and is divided into 115,650,309 no-par value bearer shares with a current proportionate nominal share value of Euro 2.56 each.
    - As per the audited accounts for the year ended December 31, 2005, HCAG recorded consolidated total turnover of Euros 7,802.57 mn equivalent to Rs. 4,579,329.51 lakhs (Euros 6,929.41 mn equivalent to Rs. 4,066,868.97 lakhs for the previous financial year ended December 31, 2004). The consolidated Group share net profit (after adjusting for minority interest) for the same period was Euros 414.50 mn equivalent to Rs. 243,270.64 lakhs (loss of Euros 365.80 mn equivalent to Rs. 214,686.26 lakhs). The subscribed share capital is Euros 296.07 mn equivalent to Rs. 173,760.55 lakhs. (Euros 258.42 mn equivalent to Rs. 151,667.28 lakhs). The consolidated shareholders' equity was Euros 4,630.16 mn equivalent to Rs. 2,717,437.38 lakhs (Euros 3,534.21 mn equivalent to Rs. 2,074,229.61 lakhs). The earnings per share were Euros 3.74 equivalent to Rs. 219.58 (loss per share of Euros 3.64 equivalent to Rs. 213.42). The book value per share was Euros 43.73 equivalent to Rs. 2,566.76 (Euros 39.26 equivalent to Rs. 2,304.28). The return on equity (shareholders equity and minority interests) was 9.30% for the year ended December 31, 2005 (negative figure for the previous year on account of the loss). The Price Earnings multiple was 23.10 as on July 17, 2006. The figures in brackets are for the previous financial year ended December 31, 2004. (One Euro = Rs. 58.69 as on July 17, 2006; Source: Reference rate at www.rbi.org.in)

INFORMATION ABOUT THE TARGET COMPANY

16. MCL was incorporated on May 13, 1958 under the Companies Act, 1956 in the State of Karnataka with the Registrar of the Companies, Mysore, Bangalore. Its registration number is 1318/1958. The registered office of MCL is situated at Industry House, 45, Race Course Road, Bangalore, Karnataka - 560 001. Late Shri.G.D. Birla became the Chairman of the Target Company in 1966 The Target Company's main activities include production of cement, sponge iron and mild steel ingots using major raw materials like gypsum, iron ore, iron slag, limestone, pozzolona etc. The cement is sold under the brand name "Diamond Cement". MCL has two integrated cement manufacturing units located in Damoh - Imlai in Madhya Pradesh and in Ammasandra, Karnataka. Further, MCL has a grinding unit in Jhansi, Uttar Pradesh. The Damoh and Jhansi units cater to the states of Madhya Pradesh, Uttar Pradesh, Uttaranchal, Haryana, Delhi, Bihar and the North-Eastern markets, in addition to exports to Nepal. The Ammasandra unit caters to the markets of Karnataka, Kerala, Tamil Nadu, Goa, Pondicherry and Lakshadeep.

17. The networth of the Target Company was fully eroded at the end of the financial year 2003-04. Accordingly, in 2004-05, the Target Company has filed a reference before and the same has been registered with the Board for Industrial and Financial Reconstruction ("BIFR") as case no.279/2004 on September 2, 2004. The Target Company is therefore a sick industrial undertaking within the provisions of Sick Industrial Companies (Special Provisions) Act 1985. As per the announcements made to the Stock Exchanges, the restructuring proposal for the Target Company under the Corporate Debt Restructuring (CDR) has been approved by the Empowered Group.

18. The Shares of the Target Company are currently listed on BSE, NSE and BgSE.

19. The present subscribed and paid up capital of the Target Company comprises of 90,234,821 fully paid up equity shares of Rs. 10 each aggregating Rs.902,348,210 and 1,349,336 cumulative redeemable preference shares of Rs. 100 each aggregating Rs. 134,933,600. The Board of Directors of MCL have forfeited 18,193 equity shares and the amount received against these shares aggregates Rs. 0.9 lakh which is reflected in the balance sheet. The Board of Directors of MCL can re-issue the forfeited shares under the extant regulations. Further, the offer for 54,048 fully convertible debentures of Rs. 45 each (convertible into one equity share of Rs. 10 at a premium of Rs. 35) made in August 1993, has been kept in abeyance in accordance with the provisions of Section 206A of the Companies Act 1956, against which Rs. 0.13 lakh has been received and is included in sundry creditors. The loan agreements of the Target Company have clauses which provide for conversion of the debt, subject to certain conditions. Other than what is stated herein above, as on the date of this PA, to the best of the knowledge of the Acquirer and the PAC, there are no partly paid-up equity shares or outstanding convertible instruments.

20. As per the audited figures for the year ended March 31, 2006, MCL has reported total income of Rs. 43,419.53 lakhs and loss after tax of Rs. 8,990.85 lakhs after including the loss of Rs.5,283.56 lakhs considered as extraordinary item (Rs. 40,316.28 lakhs and Rs. 2,478.68 lakhs for the previous year ended March 31, 2005). MCL has been incurring losses for some time. Accordingly, for the Financial Year 2006 and 2005, the ratios on return on net worth, earnings per share and price earnings multiple are not meaningful. The book value per equity share is negative.

21. The Acquirer and the PAC do not hold any directorship on the Board of Directors of the Target Company.

REASONS FOR THE ACQUISITION AND FUTURE PLANS ABOUT TARGET COMPANY

22. The Offer is being made in compliance with Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code, for the purpose of substantial acquisition of Shares and voting rights, as disclosed earlier, accompanied with change in control and management of the Target Company, thereby enabling the Acquirer and the PAC to exercise control over the Target Company inter-alia, through the right to appoint directors or through control over management or policy decisions, by virtue of their shareholding. The Acquirer and the PAC reserve the right to seek reconstitution of the Board of Directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956. The Acquirer and the PAC may also consider changing the name of the Target Company at a later date.

23. After acquisition of control over the Target Company, the Acquirer and the PAC would continue the existing business of the Target Company and support the Target Company's Board of Directors in their endeavour to develop the business. The Acquirer and the PAC may also consider restructuring and / or streamlining of various operations, assets, liabilities, businesses or otherwise of the Target Company by way of arrangement / reconstruction, restructuring, mergers / demergers, at a later date. Such decisions will be governed by the provisions of the applicable laws and other applicable regulations. The Acquirer and the PAC will evaluate and consider such proposals and may, if appropriate, support the same. It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the business requirements and in line with opportunities or changes in the economic scenario, from time to time.

24. HCAG, through HeidelbergCement Central Europe East Holding B.V. holds a 50% stake in Indorama Cement Limited, which is an Indian company primarily engaged in manufacture and sale of cement - a line of activity substantially similar to that of the Target Company. Indorama Cement Limited has a single plant near Mumbai in Western India which caters primarily to the region in and around Mumbai. The Acquirer and the PAC do not foresee any significant impact on the operations / market share of the Target Company due to Indorama Cement Limited or vice versa since both the companies essentially cater to different markets. At present there are no plans for integrating the businesses of the two companies. The Acquirer and the PAC may consider harnessing the benefits of synergies of operations of the two companies for administrative and financial efficiencies through sharing of services, procurement of raw materials etc.

25. Except in the ordinary course of business, the Acquirer and the PAC undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.

STATUTORY AND OTHER APPROVALS REQUIRED FOR THIS OFFER

26. The Offer is subject to the receipt of the approval from Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder for the acquisition of equity shares by the Acquirer under the Offer. The Offer is also subject to the approval from RBI for the opening and operation of the escrow account and special account to be opened under the applicable provisions of the SEBI Takeover Code and other related matters.

27. To the best of knowledge and belief of the Acquirer and the PAC, as of the date of the PA, other than the above, no statutory approvals are required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the SEBI Takeover Code, the Acquirer and the PAC will not proceed with the Offer in the event that such statutory approvals that are required are refused.

28. It may be noted that in case of non-receipt of statutory approvals within a reasonable time, the Securities and Exchange Board of India ("SEBI"), if satisfied that the non receipt of the statutory approvals was not due to willful default or negligence on part of the Acquirer and the PAC, has a power to grant an extension of time to the Acquirer and the PAC for payment of consideration to shareholders and the Acquirer and the PAC shall pay interest for the delay, to the shareholders who have accepted the Offer, at such rates as may be specified by SEBI under Regulation 22(12) of the SEBI Takeover Code. Further, if the delay occurs due to willful default of the Acquirer and the PAC in obtaining the requisite statutory approvals, Regulation 22(13) of the SEBI Takeover Code shall be applicable. The Acquirer and the PAC shall complete all procedures relating to the Offer within a period of 15 days from the Offer Closing Date.

DISCLOSURE IN TERMS OF REGULATION 21 OF THE SEBI TAKEOVER CODE

29. The provisions of the Listing Agreement which relate to maintenance of minimum level of public shareholding presently do not apply to the Target Company since the Target Company has filed a reference before BIFR and the same has been registered with BIFR. In the event the relevant provisions of the Listing Agreement become subsequently applicable and the public shareholding is found to be reduced below the minimum level required as a result of proposed acquisition under the SSSPA and the Offer, the Acquirer shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement, within the time period mentioned therein, should the public shareholding level in the Target Company not be in line with the then applicable relevant provisions of the Listing Agreement.

FINANCIAL ARRANGEMENTS

30. The total financial resources required for this Offer, assuming full acceptance at the Offer Price will be Rs. 2,030,000,000 (Rupees Two Thousand and Thirty million only) ("Maximum Consideration"). The Acquirer has made firm arrangement for the Maximum Consideration. For acquisition of Shares to be accepted under the Offer, in addition to own capital, the Acquirer also has debt funding support from HCAG. HCAG has provided this funding support through internal accruals and / or usage of credit lines.

31. In accordance with Regulation 28 of the SEBI Takeover Code, CIBV has created an escrow account by making a cash deposit of Euros 36,500,000 equivalent to Rs. 2,142,185,000 (Rupees Two Thousand One Hundred Forty Two million One Hundred and Eighty Five Thousand) (One Euro = Rs. 58.69 as on July 17, 2006; Source: Reference rate at www.rbi.org.in) in a bank account with Standard Chartered Bank at their branch office at New London Bridge House, 25 London Bridge Road, 20th Floor, London SE1 9TB, UK - ("Escrow Account"). The equivalent rupee amount of the amount placed in the Escrow Account, is more than 100% of the Maximum Consideration assuming full acceptance. On receipt of requisite RBI approval, CIBV will arrange the transfer of this deposit to the Mumbai branch of Standard Chartered Bank. The Manager to the Offer has been authorised to realise the value of the Escrow Account in terms of the SEBI Takeover Code.

32. Ernst & Young Accountants, P.O. Box 90170, 5200 NT 's-Hertogenbosch, The Netherlands, the statutory auditors of CIBV, have confirmed vide their letter dated July 19, 2006 that the Acquirer has made the firm arrangements for meeting their obligations under the SEBI Takeover Code. Based on this certificate from the auditors, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to fulfill their obligations under the Offer in full.

OTHER TERMS OF THIS OFFER

33. The Offer is conditional upon acceptance of 35,000,000 Shares (i.e. the entire Offer Size). In case the number of Shares validly tendered in the Offer is less than the Offer Size, the Acquirer shall not accept any Shares tendered in the Offer. As mentioned earlier, if the proposed Preferential Issue of 66,500,000 Shares to the Acquirer under the SSSPA is approved by the shareholders of MCL by way of special resolution under Section 81(1A) of the Companies Act, 1956 then the Acquirer will declare this Offer to be an unconditional offer, not subject to any minimal level of acceptance.

34. A letter of offer (the "Letter of Offer"), specifying the detailed terms and conditions of this Offer, along with a Form of Acceptance-cum-Acknowledgement (the "Form of Acceptance"), will be mailed to all the shareholders of MCL (other than parties to SSSPA & SHA) whose names appear on the register of members of MCL, and to the beneficial owners of the equity shares of MCL whose names appear on the beneficial records of the respective depositories, at the close of business hours on Friday, August 4, 2006 (the "Specified Date"). All the shareholders (other than parties to SSSPA & SHA) who own the shares of MCL anytime before Monday, September 25, 2006 (the "Offer Closing Date") are eligible to participate in the Offer.

35. Shareholders who are holding Shares in physical form and wish to tender their equity shares will be required to send the Form of Acceptance, original Share Certificate(s) and transfer form(s) duly signed & witnessed to Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078, acting as the registrar to the Offer (the "Registrar to the Offer"), in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance so that the same are received on or before the close of business hours on the Offer Closing Date. In case of registered shareholders non-receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer form(s) duly signed, the Offer shall be deemed to have been accepted.

36. For shareholders holding Shares in dematerialised form, the Registrar to the Offer has opened a special depository account. Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Shares in the special depository account:

DP Name	Standard Chartered Bank
DP ID	IN301524
Client ID	30010677
Account name	ISRL- MYSORE CEMENTS LTD OPEN OFFER ESCROW ACCOUNT
Depository	National Securities Depository Limited

Shareholders having their beneficiary account in Central Depository Services (India) Limited **("CDSL")** have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL. NSDL and CDSL are collectively referred to as Depositories.

Beneficial owners holding Shares in the dematerialised form who wish to accept the Offer, will be required to send their Form of Acceptance to the Registrar to the Offer at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai -400078 , either by hand delivery during business hours on weekdays or by registered post so that the same are received on or before 5 PM on the Offer Closing Date. The Form of Acceptance should be sent along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode with the above details filled in favour of special depository account mentioned above and duly acknowledged by the DP.

In case of non-receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to have been accepted. Shareholders holding dematerialised Shares and tendering them in the Offer should ensure the credit of the Shares in favour of the special depository account mentioned above before 5 PM on the Offer Closing Date.

In addition to the above mentioned address of the Registrar to the Offer, all eligible owners of Shares of MCL, registered orunregistered (including the beneficial owners) who wish to avail of and accept the Offer can also 'hand deliver' the Form of Acceptance along with all the relevant documents at any of the collection centres mentioned below in accordance with the procedure as set out in the Letter of Offer. All centres mentioned herein below would be open during the Offer period on all working days (except Sundays and Bank Holidays) during business hours as shown below:

Sr No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1	Mumbai	Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai -400078.	Vishwas Attavar	vishwasa@intimespectrum.com	022-25960320-28	022-25960329	Hand Delivery & Registered Post
2	Mumbai	Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Vivek Limaye	vivek.limaye@intimespectrum.com	022-22694127	022-25960329	Hand Delivery
3	Ahmedabad	Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	ahmedabad@intimespectrum.com	079-2646 5179	079-2646 5179 (Telefax)	Hand Delivery
4	Bangalore	Intime Spectrum Registry Ltd.,No:658-57,1st Floor, Laxmi Venkateshwar Archade,11th Main, 4th Block Jayanagar, Opp Vijay Party Hall, Bangalore- 560 011	Chandra Shekhar	bangalore@intimespectrum.com	080-32720640	080-26910054	Hand Delivery
5	Kolkata	Intime Spectrum Registry Limited, 59C, Chowringhee Road, 3rd Floor, Kolkata -700020	S.P. Guha	kolkata@intime-spectrum.com	033-22890539/40	033-22890539/40 (Telefax)	Hand Delivery
6	New Delhi	Intime Spectrum Registry Ltd., 3rd Floor, A-31, Naraina Industrial Area, Phase I, New Delhi -110 028	Bharat Bhushan	delhi@intime-spectrum.com	011-41410592/93/94	011-41410591	Hand Delivery
7	Pune	Intime Spectrum Registry Limited,Bhagirathi,1202/3/11,Shivajinagar,off Ghole Road, Opp Hotel Surya, Pune - 411004.	P. N Anbal	pune@intime-spectrum.com	020-65203395	020 - 25533304 (Telefax)	Hand Delivery
8	Chennai	C/o Hitech Share Services Pvt Ltd., No 81, Ground Floor, MNO Complex, Greams Road, Chennai 600 006	Lakshmi Subramaniam	sri3secadmin@rediffmail.com	044 - 28292272/73	044-42142061	Hand Delivery
Working Hours: Monday to Friday 10 AM to 5 PM, Saturday 10 AM to 1 PM, Holidays: Sundays and Bank Holidays							

Shareholders who cannot hand deliver their documents at the collection centres referred to above may send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078, and not to any other collection centre so that the same are received on or before 5 PM on the Offer Closing Date.

37. Shares which are locked-in as per the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000, can be tendered in the Offer. In such an event, the residual lock - in period shall continue in the hands of the Acquirer.

38. In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centres set out in paragraph above clearly marking the envelope "Mysore Cements Limited - Open Offer" by providing suitable documentary evidence of the acquisition of the Shares or make the acceptance on plain paper. Shareholders holding Shares in physical form should state their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s). Beneficial owners should state their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centres on or before the close of business on the Offer Closing Date. The acceptance should be signed by all the shareholders as per the registration details available with MCL / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "Mysore Cements Limited - Open Offer".

39. In case any person has submitted his Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before 5 PM on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the Offer Closing Date.

40 In case any person has lodged Shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of Shares for transfer. Such persons should also instruct MCL and/or its registrar & transfer agents - Alpha Systems Private Limited (R&T Agents of the Target Company) to send the transferred equity share certificate(s) directly to the collection centre located at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W),Mumbai-400078. The person should ensure that the equity share certificate(s) reach the designated collection centre on or before 5 PM on the Offer Closing Date. No indemnity is required from unregistered equity shareholders.

41. The Acquirer and the PAC shall purchase the Shares from the shareholders who have validly tendered the Shares under the Offer (i.e. Shares and /or other documents are in order in terms of the Offer) and remit the consideration in respect thereof within 15 days from the Offer Closing Date, in cash, by Account Payee Cheque/ Demand Draft / Payorder at the shareholders' sole risk. The information as to whether the Shares tendered by them have been accepted (in full or in part) or rejected and the consideration payable would be sent by registered post / speed post. The payment instrument will be drawn in favour of the Sole/First named shareholder in case of joint registered holders.

42. The Registrar to the Offer will hold in trust the Shares/share certificates, Shares lying in credit of the special depository account, Form of Acceptance and the transfer form(s), if any, on behalf of the shareholders who have accepted the Offer, till the Acquirer and the PAC complete the Offer obligations in accordance with the SEBI Takeover Code.

43. Any Shares that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment order(s) / restriction from other statutory authorities, wherein the shareholder(s) may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected in case directions/orders of the Court/relevant statutory authority permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

44. While tendering Shares under the Offer, where the Offer consideration (no. of Shares tendered multiplied by the Offer Price) payable exceeds Rs.1 lakh, shareholders are requested to give their Permanent Account No. / General Index Register No. and attach a photo copy of the PAN / GIR no./ duly filled Form 60 (as applicable). The Acquirer and the PAC also reserve the right to reject such tenders from shareholders, where the details of PAN / GIR No. and a photo copy of the PAN / GIR no./ duly filled Form 60 (as applicable) is not submitted.

45. While tendering Shares under the Offer, NRIs/ OCBs/ foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. In case the RBI approvals are not submitted, the Acquirer and the PAC reserve the right to reject the Shares tendered. As per the extant provisions of the Income Tax Act, 1961 ("Income Tax Act"), no deduction of tax at source shall be made before remitting the consideration for Shares tendered under the Offer by Foreign Institutional Investors ("FIIs") as defined in the Income Tax Act. However, while tendering their Shares under the Offer, Non Resident Indians ("NRIs"), Overseas Corporate Bodies ("OCBs") and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") / Tax Clearance Certificate ("TCC") indicating the amount of tax to be deducted by the Acquirer and the PAC before remitting the consideration, from Income Tax authorities under the Income Tax Act. In case the aforesaid NOC / TCC is not submitted, the Acquirer and the PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders, on the entire consideration amount payable to such shareholders. The Acquirer and the PAC also reserve the right to reject such tenders from non-resident shareholders, where the aforesaid NOC / TCC is not submitted.

46. If the aggregate of the valid responses to the Offer exceeds 35,000,000 Shares, then the Acquirer and the PAC shall accept the valid acceptances received on a proportionate basis from each shareholder as per Regulation 21(6) of the SEBI Takeover Code. The Shares are compulsorily traded in dematerialised form and the minimum marketable lot for the purposes of acceptance, for both physical and demat will be one Share.

47. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted Shares are accepted by their respective DPs when transferred by the Registrar to the Offer.

48. A schedule of some of the key events in respect of the Offer is as follows:

Activity	Day & Date
Specified Date*	Friday, August 4, 2006
Last date for a competitive bid	Saturday, August 12, 2006
Date by which Letter of Offer to be dispatched to shareholders	Friday, September 1, 2006
Date of opening of the Offer	Wednesday, September 6, 2006
Date of closure of Offer	Monday, September 25, 2006
Last date for revising the Offer Price / number of shares	Thursday, September 14, 2006
Last date for withdrawing acceptance from the Offer	Wednesday, September 20, 2006
Last date of communicating rejection / acceptance and payment of consideration for accepted tenders	Thursday, October 10, 2006

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All eligible owners (registered or unregistered including beneficial owners) of the equity shares of MCL (other than parties to SSSPA & SHA) can participate in the Offer any time before the Offer Closing Date.*

GENERAL

49. If there is any upward revision in the Offer Price or number of equity shares by the Acquirer and the PAC till the last date of revision viz. Thursday, September 14, 2006, or if the Offer is withdrawn, the same would be informed by way of a public announcement in the same newspapers in which this PA has appeared. Such revised price, if any, would be paid for all the Shares validly tendered any time during the Offer and accepted under the Offer.

50. The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act, 1992. Based on the information presently available publicly, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992.

51. Pursuant to Regulation 13 of the SEBI Takeover Code, the Acquirer and the PAC have appointed Ambit Corporate Finance Private Limited, Mumbai as the Manager to the Offer. Further, Intime Spectrum Registry Limited has been appointed as the Registrar to the Offer. The office of the Registrar to the Offer is at C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078, Tel. No. 022- 25960320- 28; Fax No. 022 - 25960329; email: vishwasa@intimespectrum.com; Contact Person: Mr. Vishwas Attavar.

52. For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

53. In terms of Regulation 22(5A) of the SEBI Takeover Code, shareholders desirous of withdrawing their acceptances tendered in the Offer, can do so up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents, including the Form of Withdrawal, as per the instructions to be contained in the Letter of Offer, so as to reach the Registrar to the Offer at the collection center where the original tender was submitted, on or before Wednesday, September 20, 2006.

54. If there is a competitive bid:
   i. The public offers under all the subsisting bids shall close on the same date.
   ii. As the Offer Price can not be revised during seven working days prior to the closing date of the Offer/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their equity shares accordingly.

55. CIBV and HCAG represented by their respective Board of Directors accept full responsibility for the information (except that which pertains to the Target Company) contained in this PA and also for fulfilling their obligations as laid down in the SEBI Takeover Code.

56. This PA is issued by the Manager to the Offer on behalf of the Acquirer and the PAC.

57. **This PA would be available on the SEBI's website at www.sebi.gov.in. Eligible persons may also download a copy of the Letter of Offer, Form of Acceptance and Form of Withdrawal, which will also be available on SEBI's website and apply using the same.**

Issued by the Manager to the Offer

Ambit

Ambit Corporate Finance Private Limited
Ambit RSM House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel: +91-22-39821819
Fax: +91-22-39823020 Contact Person: Mr. Kashyap Choksi E-mail: mclopenoffer@ambitpte.com

On behalf of

HEIDELBERGCEMENT

Cementrum I B.V.
Sint Teunislaan 1, 5231 BS ' s-Hertogenbosch, The Netherlands.

HeidelbergCement AG
Berliner Strasse 6, 69120 Heidelberg, Germany.

Date : July 21, 2006
Place : Mumbai