

Dalmia Cement (Bharat) Ltd

Financial Results
for period ended September 2008

October 31, 2008

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Financial Results

DALMIA CEMENT (BHARAT) LIMITED						
Regd. Office: Dalmiapuram - 621 651, Distt. Tiruchirapalli (Tamil Nadu)						
Unaudited Standalone Financial Results for the 2nd Quarter ended 30th September, 2008						
(Rs. in Lakhs)						
S.No.	Particulars	For the Quarter ended		For the half year ended		
		30-09-08 (Unaudited)	30-09-07 (Unaudited)	30-09-08 (Unaudited)	30-09-07 (Unaudited)	For the year ended 31.03.08 (Audited)
1	Income					
	(a)Gross Sales	51,322	40,618	98,801	80,831	169,080
	Less: Excise Duty	6,401	5,152	12,421	10,549	21,013
	(b)Net Sales	44,921	35,466	86,380	70,282	148,067
	(c)Other Operating Income	564	934	1,280	1,455	2,716
	Total Income	45,485	36,400	87,660	71,737	150,783
2	Expenditure					
	(a) (Increase) / Decrease in Stock in trade and work in progress	6,973	1,748	11,502	1,069	(18,951)
	(b) Consumption of Raw Materials	4,041	3,660	8,029	12,558	46,638
	(c) Purchase of traded goods	5	99	5	99	376
	(d) Employees Cost	2,543	2,782	4,797	5,060	8,487
	(e) Depreciation	2,133	2,332	4,185	4,460	8,640
	(f) Power and Fuel	9,372	7,428	18,983	13,865	28,875
	(g) Freight Charges	3,127	2,896	6,296	6,202	11,731
	(h) Other Expenses	7,761	4,696	13,462	11,688	24,025
	Total Expenditure	35,955	25,641	67,259	55,001	109,821
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	9,530	10,759	20,401	16,736	40,962
4	Other Income	(242)	2,488	(113)	8,706	13,739
5	Profit before Interest & Exceptional Items (3+4)	9,288	13,247	20,288	25,442	54,701
6	Interest	3,036	2,570	6,477	4,803	11,291
7	Profit after Interest but before Exceptional Items (5-6)	6,252	10,677	13,811	20,639	43,410
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	6,252	10,677	13,811	20,639	43,410
10	Tax Expense					
	Current tax (net of MAT Credit)	1,291	1,198	1,765	2,327	5,134
	Deferred tax	882	1,167	2,891	1,794	3,372
	Fringe Benefit Tax	60	35	90	57	189
11	Net Profit from Ordinary Activities after Tax (9-10)	4,019	8,277	9,065	16,461	34,715
12	Extraordinary Items	-	-	-	-	-
13	Net Profit (11-12)	4,019	8,277	9,065	16,461	34,715
14	Paid-up Equity Share Capital-Face Value Rs. 2/- each	1,619	855	1,619	855	1,617
15	Reserves excluding Revaluation Reserves					105,868
16	Earning per Share					
	Basic before and after Extraordinary Items (Rupees)	4.97	19.37	11.21	38.52	69.70
	Diluted before and after Extraordinary Items (Rupees)	4.97	10.56	11.21	20.99	69.51
17	Public Share Holdings					
	Number of Shares	3,65,93,113	2,54,39,376	3,65,93,113	2,54,39,376	3,64,97,453
	Percentage of Shareholding	45.21%	59.54%	45.21%	59.54%	45.15%

Quarterly Reporting on Segment Wise Revenues, Results and Capital Employed under Clause 41 of the Listing Agreement						
S.No.	Particulars	(Rs. in Lakhs)				
		For the Quarter ended		For the half year ended		For the year ended 31.03.08 (Audited)
		30-09-08 (Unaudited)	30-09-07 (Unaudited)	30-09-08 (Unaudited)	30-09-07 (Unaudited)	
1	Segment Revenues (net of Excise Duty)					
	(a) Cement	34,910	29,808	66,928	56,601	112,224
	(b) Sugar	6,294	2,612	11,656	7,908	21,307
	(c) Power	397	1,109	2,266	2,945	12,947
	(d) Others	3,377	2,224	6,208	3,924	8,911
		44,978	35,753	87,058	71,378	155,389
	Less: Inter Segment Revenue	57	287	678	1,096	7,322
	Net Segment Revenue	44,921	35,466	86,380	70,282	148,067
2	Segment Results					
	(a) Cement	11,989	14,095	24,136	25,428	45,735
	(b) Sugar	(774)	(1,412)	(1,810)	(1,997)	(3,686)
	Less: Write down of inventories to market value	-	-	-	1,297	1,297
		(774)	(1,412)	(1,810)	(3,294)	(4,983)
	(c) Power	(273)	(264)	508	24	5,312
	(d) Others	693	348	1,288	556	621
		11,635	12,767	24,122	22,714	46,685
	Add : Other unallocable income net of unallocable expenditure	(2,347)	480	(3,834)	2,728	8,016
	Less : Interest	3,036	2,570	6,477	4,803	11,291
	Total Profit before Tax	6,252	10,677	13,811	20,639	43,410
3	Segment Capital Employed					
	(a) Cement	69,981	59,267	69,981	59,267	67,005
	(b) Sugar	43,999	36,385	43,999	36,385	47,123
	(c) Power	27,144	29,174	27,144	29,174	29,114
	(d) Others	14,709	14,056	14,709	14,056	17,878
	Total	155,833	138,882	155,833	138,882	161,120
Notes						
1 Figures for corresponding previous year/periods have been regrouped and rearranged wherever considered necessary.						
2 No. of Investors complaints:						
(a) At the beginning of the quarter: Nil						
(b) Received and Resolved during the quarter: 46						
(c) At the end of the quarter: Nil						
3 Share of Profit in Associate Company OCL India Limited for the quarter/ half year ended 30th September,08 is Rs.480 Lakhs and Rs.1,308 Lakhs respectively, which is not included in the above results.						
4 The above results have been taken on record by the Board of Directors in their meeting held on 31.10.2008 and have been reviewed by the Statutory Auditors of the Company.						
For Dalmia Cement (Bharat) Limited						
New Delhi 31st October, 2008		P.K. Khaitan Chairman				

■ Income

- Gross Sales : Rs 513 crs; ↑ 26% YoY
- Net Sales : Rs 449 crs; ↑ 27% YoY
- Total Income : Rs 455 crs ↑ 25% YoY

■ Profits

- EBITDA : Rs 117 crs ↓ 11% YoY
- Net Profit : Rs 40 crs ↓ 51% YoY
- OP Margins : 26%
- NP Margins : 9%

- Highest ever cement volumes of 9.27 lacs in the quarter
- Commissioned 18 MW Power Plant in July'08
- Greenfield AP Project to be commissioned in Dec'08

(In Rs. Crore)	Q2'08	Q2'09	YoY Growth
Gross Sales	406	513	26%
Net Sales	355	449	27%
Other Operating Income	9	6	-40%
Total Income	364	455	25%
EBITDA	131	117	-11%
Other Income	25	(2)	-110%
Interest	26	30	18%
Depreciation	23	21	-9%
Tax	24	22	-7%
Net Profit	83	40	-51%

- Improved Realisations and volumes help revenue growth
 - Realisations growth : cement 8% ; sugar 26%
 - Volume growth : cement 9%; sugar 87%
- EBITDA drops 11% on account of
 - Higher input costs including power & fuel costs

(In Rs. Crore)	HY1'08	HY1'09	YoY Growth
Gross Sales	808	988	22%
Net Sales	703	864	23%
Other Operating Income	15	13	-12%
Total Income	717	877	22%
EBITDA	212	246	16%
Other Income	87	(1)	-101%
Interest	48	65	35%
Depreciation	45	42	-6%
Tax	42	47	14%
Net Profit	165	91	-45%

- Net sales grow 23% at Rs 864 crs backed by
 - Improved realizations : cement 11% ; sugar 19%
 - Volume growth : cement 7%; sugar 17%
- EBITDA up 16% despite higher energy costs

Period ending (Rs In crores)	Q2'08				Q2'09			
	Cement	Sugar	Others	Total	Cement	Sugar	Others	Total
Gross Sales	349.22	35	22	406	409	74	30	513
YoY%					17%	113%	34%	26%
Net Sales	302	33	20	355	353	69	27	449
YoY%					17%	111%	34%	26%
Operating Other Income	4	3	1	9	3	0	3	6
Total Income	306	36	22	364	355	69	30	455
YoY%					16%	92%	37%	25%
Operating Expenses	151	44	37	233	221	73	44	338
EBIDTA	154	-8	-15	131	134	-3	-14	117
YoY%					-13%	60%	-8%	-11%
EBIDTA Margins %	50%	-22%	-70%	36%	38%	-5%	-47%	26%
Other Income			25	25			-2	-2
Depreciation				23				21
EBIT				132				93

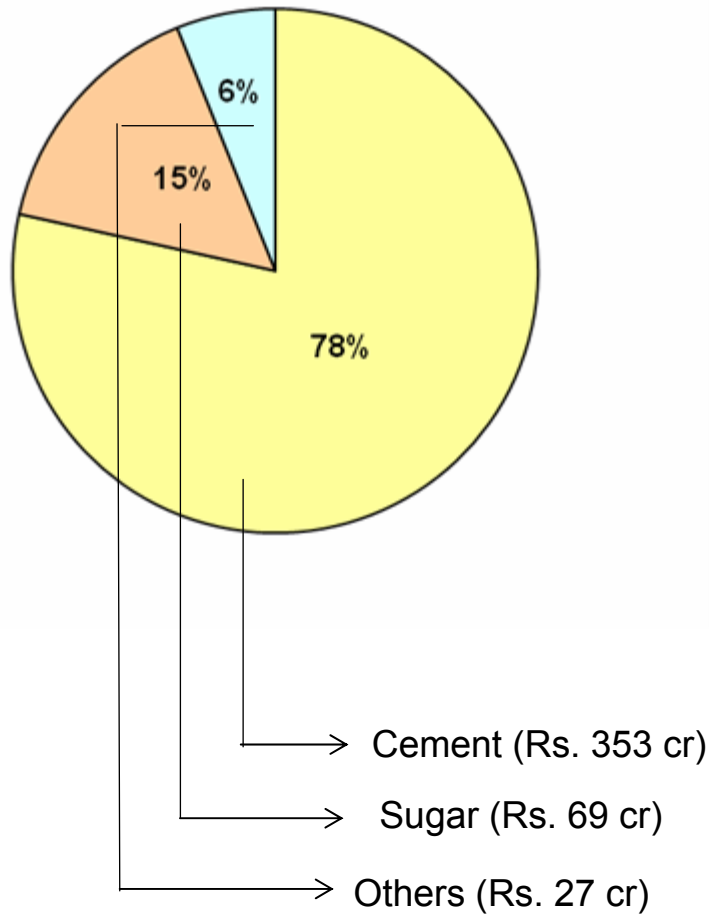
Cement includes windfarm business; Sugar includes Cogeneration and Ethanol businesses

- Cement Net Sales grow 17% YoY at Rs. 353 crs
- Cement EBIDTA at Rs 134 crs, Margins at 38%
- Integrated Sugar Sales grow 111% at Rs 69 crs

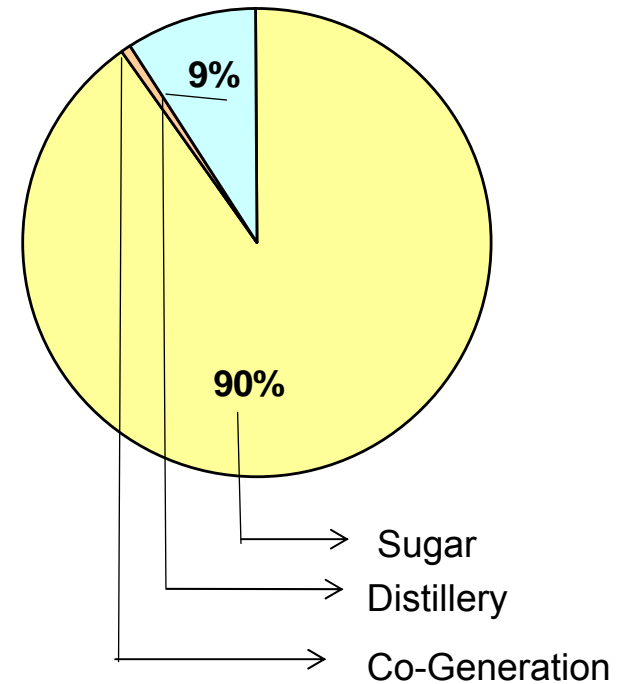
Period ending (Rs In crores)	HY1'08				HY1'09			
	Cement	Sugar	Others	Total	Cement	Sugar	Others	Total
Gross Sales	667	100	41	808	785	148	55	989
YoY%					18%	48%	34%	22%
Net Sales	573	93	37	703	676	138	50	864
YoY%					18%	48%	34%	23%
Operating Other Income	5	4	5	14	5	4	3	13
Total Income	578	98	42	717	681	141	53	877
YoY%					18%	45%	27%	22%
Operating Expenses	298	114	95	506	412	140	78	631
EBIDTA	280	-16	-53	212	268	1	-24	246
YoY%					-4%	109%	-55%	16%
EBIDTA Margins %	48%	-16%	-125%	29%	39%	1%	-44%	28%
Other Income			87	87			(1)	-1
Depreciation				45				42
EBIT				254				203

Cement includes windfarm business; Sugar includes Cogeneration and Ethanol businesses

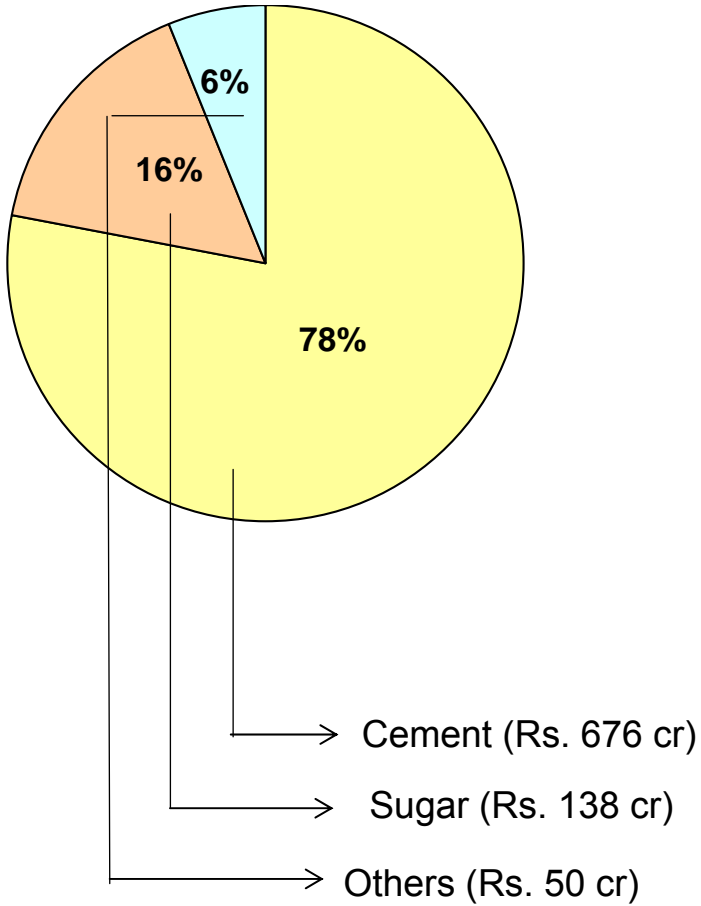
- Cement Net Sales grow 18% YoY at Rs. 785 crs
- Cement EBIDTA at Rs 268 crs, Margins at 39%
- Integrated Sugar Sales grow 48% at Rs 148 crs



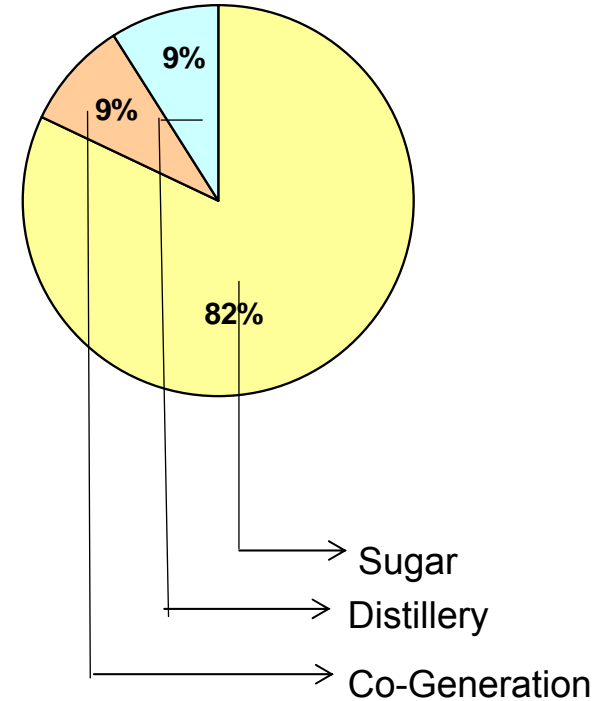
Sugar Net Revenue Mix



Due to off season, Cogeneration unit reported negligible sales



Sugar Net Revenue Mix



Cement Metrics

- **Installed Capacity**
 - All India : 204.3 MnT
 - South : 66.9 MnT
- **Expected Annual Capacity Additions**
 - All India : 40 MnT
 - South : 16 MnT
- **Q2'09 Demand growth (Y-o-Y)**
 - All India : 7.1%
 - Tamil Nadu : 10.2%
 - Kerala : 23.5%
 - West Bengal : 9.3%
 - Orissa : 6.0%
- **Q2'09 Pricing (Y-o-Y)**
 - All India Cement : 3.1%
 - South Cement : 4.3%
 - Coal : 61%
 - Gypsum : 11%
 - Fly ash : 19%

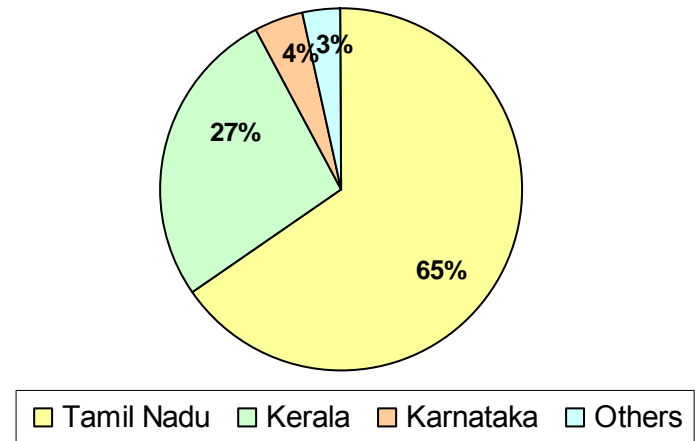
- HY1'09 Demand growth (Y-o-Y)
 - All India : 7.6%
 - Tamil Nadu : 9.8%
 - Kerala : 14.2%
 - West Bengal : 1.0%
 - Orissa : 7.4%

- HY1'09 Pricing (Y-o-Y)
 - All India Cement : 2.4%
 - South Cement : 2.5%
 - Coal : 57%
 - Gypsum : 65%
 - Fly Ash : 25%

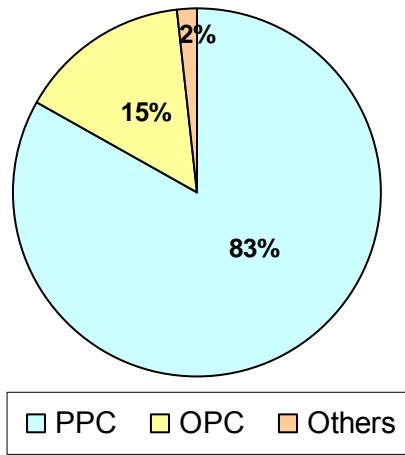
Volumes	Units	Q2'08	Q2'09
Production Volumes	'000 T	880	933
Sales Volumes	'000 T	852	927
Volumes	Units	HY1'08	HY1'09
Production Volumes	'000 T	1,705	1,791
Sales Volumes	'000 T	1,690	1,805

- Highest ever Sales volume for the quarter.
- Capacity utilization for cement at over 100%

Cement Geographic Mix for Q2'09



Product Mix for Q2'09



Cement Clinker Ratio 1.36

Per Tonne Analysis (Rs/T)	Q2'08	Q2'09
Net Sales Realization	3,499	3,767
EBITDA	1,771	1,398

Per Tonne Analysis (Rs/T)	HY1'08	HY1'09
Net Sales Realization	3,349	3,708
EBITDA	1,622	1,460



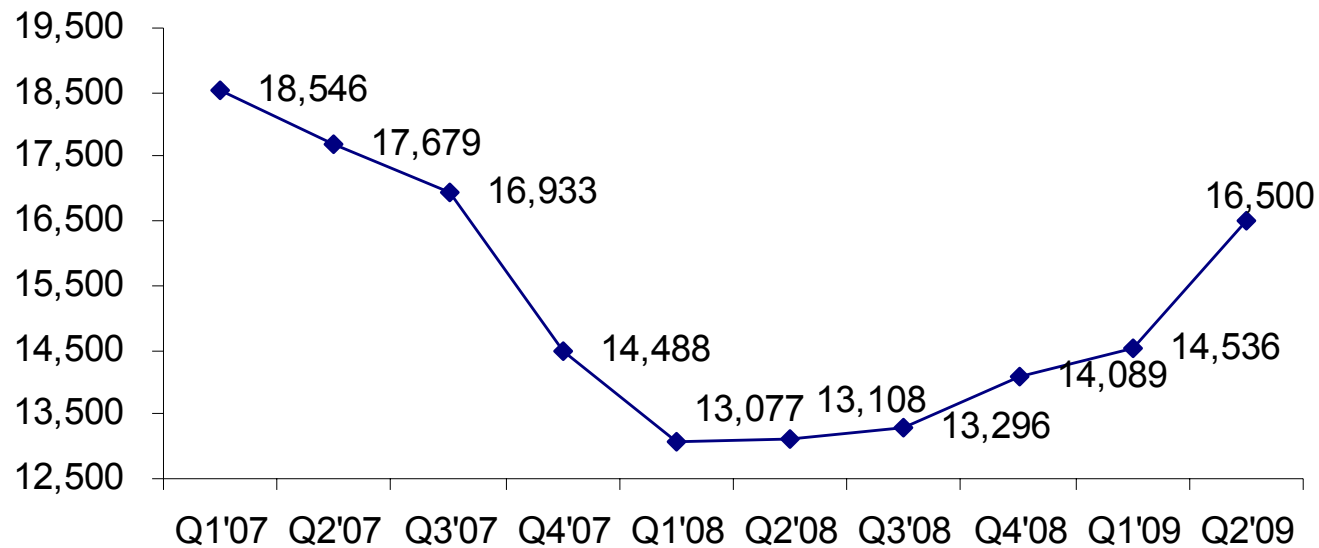
- Won CII National Award for “Excellent Energy Efficient Unit – 2008”, Aug ‘08
- Won Green Tech “Environment Excellence Gold Award – 2008” – Sep’08

Integrated Sugar Metrics

■ Sugar

- Annual All India production estimated to be approximately 20% lower
- SAP for the season announced at Rs 140/ qtl
- Realizations improve, current rates around Rs 17500 /MT

Free Sugar Price (Rs/MT)



Operational Metrics Sugar	Units	Q2'08	Q2'09	HY1'08	HY1'09
Crushed cane	T	-	-	431,247	15,136
Production Volume	T	-	-	42,116	1,690
Sales Volumes	T	19,265	36,049	57,669	67,229
Sales Realizations	Rs/T	13,030	16,456	13,042	15,558

- Realizations improve for sugar business
 - 26% YoY for the quarter
 - 19% YoY for half year

- Volumes up with enhanced sales
 - 87% YoY for the quarter
 - 17% YoY for HY1'09

- No crushing activity due to off season

Co-generation Unit

Cogen	Units	Q2'08	Q2'09	HY1'08	HY1'09
Installed Capacity	MW	79	79	79	79
Power generated	lakh kwh	265	8	726	483
Power Exported	lakh kwh	204	7	495	408

Distillery Unit

Distillery	Units	Q2'08	Q2'09	HY1'08	HY1'09
Installed Capacity	KLPD	80	80	80	80
Production Volumes	KL	923	-	1,903	3,762
Sales Volumes	KL	1,086	2,360	1,086	5,165

Minimal operations in the quarter due to off season

Projects Update

- Two green-field projects underway
 - One in new geography, Kadapa in Southern Andhra Pradesh
 - expected commissioning in Dec'08
 - Second in Ariyalur, Tamil Nadu
 - commissioning in Jun, 2009

- Full DCBL capacity to reach 8 MnTPA, post commissioning
 - Cement capacity of 2.25 MnTPA in each of the projects above

- Progress
 - Ordering, Engineering and major civil work completed for AP
 - All major Ordering & Engineering works completed
 - Civil work progress in advanced stage for TN project
 - Incurred over Rs 1000 crore as Capex for the above projects till Sep'08

Jun'08



Sep'08



Kadapa, Andhra Pradesh Cement Plant

Jun'08



Sep'08



Ariyalur, Tamil Nadu Cement Plant

Please join for **Investor Conference Call** to be chaired by
the Managing Director, Mr. Puneet Dalmia on

Nov 3, 2008 at 1200 hrs

Call in numbers:

Mumbai Main Access :022 2781 3222

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For queries and comments please contact us at

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