

Earnings Release

New Delhi, January 25, 2008

1. RECORD NET PROFIT - Rs. 277 CRORE, UP 66% Y-o-Y
2. TOTAL INCOME EXCEEDS RS. 1200 CRORE IN NINE MONTHS
3. DECLARED INTERIM DIVIDEND OF 125%

Q3 FY07	Q2 FY08	Q3 FY08	YoY %	QoQ %	(In Rs. Crore)	9M FY07	9M FY08	YoY %
263	406	413	57%	2%	Gross Sales	774	1221	58%
231	355	363	57%	2%	Net Sales	688	1066	55%
288	389	459	59%	18%	Total Income	810	1263	56%
107	156	194	81%	24%	EBITDA	286	493	72%
79	107	141	78%	32%	PBT	213	348	63%
65	83	113	74%	36%	Net Profit	167	277	66%
8.26	10.56	14.27	73%	35%	FD EPS (Rs.)	21.41	35.27	65%

Dalmia Cement (Bharat) Ltd. today reported its financial performance for the nine months ended 31st December, 2007. Highlights of the un-audited financial results in comparison to the corresponding period of the previous year are:

- Net Sales increased by 55% to Rs. 1,066 crore
- EBITDA increased by 72% to Rs. 493 crore
- Net Profit increased by 66% to Rs. 277 crore

- Cement EBITDA / Tonne for the quarter Rs. 1532, up 75% Y-o-Y
- Positive EBITDA for the Integrated Sugar segment in the quarter

OTHER HIGHLIGHTS

Cement

- All India YOY Demand growth for cement stays robust at 9.05% for year to date, with the same at 9.35% in the Southern region.
- Cement prices continue to be steady in South, despite monsoon season.

Sugar

- Statutory Administered Prices for cane procurement in SS06-07 and SS07-08 under litigation.
- Procuring Cane at SAP of Rs 110/quintal as per interim order of High Court for current crushing season.
- Co-Generation power plant operations in full swing.

Corporate Action

- The Board of Directors of the Company had exercised the "call option" in respect of tradeable warrants issued on rights basis vide Letter of Offer dated 26th June, 2001. The call option was exercisable by 8th January, 2008 and the Company has made the allotment of Equity shares against the call options exercised. Action for listing of the shares allotted has been initiated.
- The Board of Directors in their meeting held on 25-1-2008 has declared an interim dividend of Rs. 2.50 per share (face value Rs. 2), payable on fully diluted Equity Capital post conversion of warrants.

Commentary on Financial Performance

For the Quarter ending December 31, 2007

Sales & Volume

- Net sales for the quarter ended 31st December 2007 was Rs. 363 cr reflecting a growth of 57 % over the corresponding period last year. Increase in revenue was on account of better realizations and volume growth.
- During the quarter ended 31st December 2007, the cement dispatched was 0.74 Mn tonnes, up from 0.66 Mn tonnes over Q3 FY07.
- Cane crushed for the quarter was 0.51 Mn tonne as against 0.32 Mn tonne over the corresponding period last year.

Costs

- Consumption of raw materials increased to Rs. 101 crore from Rs 66 crore, on account of higher production.
- Employee cost was Rs 23 crore for the period under review as against Rs. 12 crore on account of additional manpower.
- Power & Fuel cost for the period was Rs. 64 crore as against Rs. 57 crore for Q3 FY07 mainly on account of increased input prices and volumes.

Financials

- EBITDA has increased by 81% to Rs. 194 crore, up from Rs. 107 crore in the corresponding period last year. EBITDA margin is 42% for the quarter as compared to 37% in corresponding period last year.
- Interest for the quarter has increased to Rs. 29 crore from Rs. 14 crore in corresponding period last year due to increased debt.
- Depreciation charge has increased to Rs. 23 crore from Rs. 13 crore in Q3'07.
- Provision for tax has doubled at Rs. 29 crore vs. Rs. 14 crore in Q3'07.
- PAT was up at 113 crore depicting a growth of 74% over Rs. 65 crore in Q3 FY07 with diluted EPS at Rs. 14.27 up from Rs. 8.26 in the same period.

For Nine Month Period ending 31st December 2007

Sales & Volume

- Net sales for the nine months period ended 31st December 2007 was Rs. 1066 cr reflecting a growth of 55% over the corresponding period of the previous year. Increase in revenue was on account of better realizations and volume growth.
- During the nine months period ended 31st December 2007, the cement despatches were to the tune of 2.4 Mn tonnes, up from 1.9 Mn tonnes corresponding period of last year.
- Cane crushed for the nine months period was 0.94 Mn tonne as against 0.34 Mn tonne for the corresponding period last year.

Costs

- Consumption of raw materials increased to Rs. 234 crore from Rs 120 crore corresponding period last year.
- Increased manpower, at all plants and corporate locations led to the higher Employee cost of Rs 74 crore for the period under review as against Rs. 31 crore in the corresponding period last year.
- Power & Fuel cost for the period was Rs. 195 crore as against Rs. 153 crore for the corresponding period of previous year mainly on account of increased volumes and prices.
- Other expenditure at Rs. 178 crore; mainly includes Packing cost, Repair & Maintenance and Consumption of stores & spares besides miscellaneous expenses.

Financials

- EBITDA has increased by 72% to Rs. 493 crore, up from Rs. 286 crore in the corresponding period last year. EBITDA margin is 39% for the nine month FY08 as compared to 35% corresponding period last year.
- Interest charged for the nine month period was Rs. 77 crore up from Rs. 35 crore in corresponding period last year due to increased debt component in books.
- Depreciation charge has increased to Rs. 68 crore from Rs. 39 crore in the corresponding period last year.

- Provision for tax was up 54% at Rs. 70 crore as compared to Rs. 46 crore corresponding period last year.
- PAT for nine month period at Rs. 277 crore depicting a growth of 66% over Rs. 167 crore corresponding period last year with diluted EPS increased to Rs. 35.27 from Rs. 21.41 in the same period.

The Company has an A1+ credit rating from ICRA for its short term papers/ CPs and retains LAA- rating for Debentures/ Term Loans.

Management Discussion and Analysis

Founded in 1935 by Jaidayal Dalmia; the cement operations were started in 1939 and enjoy a heritage of 70 years of expertise and experience. The company is headquartered in New Delhi with cement, sugar, travel agency, magnesite, refractory and electronic operations spread across the country.

In 1993, DCBL became the first company in South India to obtain ISO 9002 certification and second in the country among the Indian Cement Plants. It has been an ISO 14001 Certified company since 2004. The organization has won many notable awards for Energy Conservation & Efficiency, Safety, Health & Environment issues from Government and other reputed agencies.

The Company has two major business segments of Cement and Sugar. It has cement plant in the southern state of Tamil Nadu with a capacity of 3.5Mn tonne per annum. The Company has expanded its sugar business from the single unit operation to the three Integrated Sugar plants in Uttar Pradesh, a major cane growing state.

For the purposes of segmental analysis cement segment also includes revenue and costs from its 16 MW wind farm business operating in Tamil Nadu. Power generated from the wind farm is used for consumption at the cement unit by wheeling through the state electricity grid. Sugar segment being an integrated model includes revenue and costs of Sugar, Co-Generation and Ethanol units. Other business segments have revenue and cost streams from Refractory, Electronics, Travel Agency and Corporate office.

Segmental Sales and Profitability for the current quarter along with comparison for corresponding quarter last year is given below.

Period ending (Rs In crores)	Q3 FY07				Q3 FY08			
	Cement	Sugar	Others	Total	Cement	Sugar	Others	Total
Gross Sales YoY%	207	41	15	263	304 47%	88 116%	21 42%	413 57%
Net Sales YoY%	181	37	13	231	263 45%	82 122%	19 43%	363 57%
Other Income	1	1	56	57	4	1	90	95
Total Income YoY%	182	37	69	288	267 46%	83 121%	109 58%	459 59%
Operating Expenses	121	30	31	182	152	75	38	265
EBITDA YoY%	61	8	38	107	115 89%	8 -1%	72 86%	194 82%
EBITDA Margins %	33%	21%	56%	37%	43%	9%	66%	42%

Segmental Mix

Period ending (Rs In crores)	Q3 FY07			Q3 FY08		
	Cement	Sugar	Others	Cement	Sugar	Others
Gross Sales	79%	15%	6%	74%	21%	5%
Net Sales	78%	16%	6%	72%	23%	5%
Other Income	2%	1%	97%	4%	1%	95%
Total Income	63%	13%	24%	58%	18%	24%
EBITDA	57%	7%	36%	59%	4%	37%

For the quarter, Cement business contributed 72% of the net sales for the company at Rs 263 cr, up 45% YoY with EBITDA at Rs 115 cr, up from Rs 61 cr last year same quarter. EBITDA Margins for the Cement segment are at a high 43% for the quarter, up from 33% last year, same period. The margins are amongst the highest in the industry with EBITDA per tonne at Rs 1532 for the quarter despite it being a seasonally weak period with planned plant shutdowns.

Net Sales in Sugar segment also increased by 122% Y-o-Y at Rs 82 cr for the quarter with a positive Rs 8 cr EBITDA. Sugar Segment including Cogeneration and Ethanol business contributed 22% to the total Net Sales during the quarter.

Cement Business

Established in 1939, Dalmia Cement (Bharat) Limited, (DCBL) enjoys a heritage of 70 years of expertise, with a proven track record of excellence based on the bedrock of strong values. It has several notable achievements including technological firsts and capital efficient project implementations to its credit.

The Company has cement plant in Southern State of Tamil Nadu with a cement capacity of 3.5 Mn tonnes per annum at single location, Dalmiapuram, Distt. Tiruchirapalli. It manufactures Ordinary Portland Cement, Blended Cement and Super Specialty Cements catering to infrastructure use namely oil wells, air strips and railway sleepers.

Operational Metrics for the quarter	Units	Q3 FY07	Q3 FY08
Production Volumes	'000 T	655	744
Sales Volumes	'000 T	663	743
Geographic Mix (Sales Volume)			
Tamil Nadu	%	53%	60%
Kerala	%	33%	28%
Karnataka	%	8%	8%
Others	%	6%	4%
Cement: Clinker ratio	x	1.31	1.37
EBITDA per tonne	Rs/T	875	1,532

Production Volume in Cement has gone up by 14% for the current quarter on Y-o-Y basis. The business had dispatches to the tune of 0.74 Mn tonne in the current quarter of which 60% were within the home state of Tamil Nadu. 28% of dispatches were to Kerala and the balance to Karnataka and other areas. On account of higher dispatches to home state the company has been able to improve its margins on Y-o-Y basis.

Cement clinker ratio too has improved over last year. On account of volume growth, higher realizations and operational efficiencies, the Company has been able to report higher EBITDA per tonne at Rs. 1532 against Rs. 875 per tonne last year same quarter.

Greenfield Projects

The two Greenfield cement projects of 2.25 MN TONNES cement capacity each, in Andhra Pradesh and Tamil Nadu are on schedule .The company has acquired majority of the land for the two projects in Andhra Pradesh and Tamil Nadu. Parts of the equipments have already been received at the Kadapa plant in Andhra. Civil construction and erection work has commenced as per timelines. With both these projects, capacity of the company would get enhanced to 8 Mn Tonnes by end of FY 2009.

Sugar Business

The Company has expanded its Sugar business from a single unit operation at Ramgarh to three Integrated Sugar Mills in the State of Uttar Pradesh at Ramgarh, Jawaharpur and Nigohi in FY 2007. With cogeneration capacity of 79 MW & distillery capacity of 80KL per day being commissioned, it is now an integrated manufacturing set up.

Operational Metrics for the quarter	Units	Q3 FY07	Q3 FY08
Crushed cane	T	314,750	511,090
Recovery	%	10.19%	9.79%
Production Volume	T	32,080	50,052
Sales Volumes	T	21,237	43,890
Sales Realizations	Rs/T	16,900	13,375

Crushed Cane during the quarter has gone up by 62% at 0.5 Mn tonne compared to 0.32 Mn tonne last year same quarter, despite a delay of 3 weeks in the commencement of sugar crushing season across all plants in Uttar Pradesh. Recovery rate has been relatively lower at 9.79% on account of lower quality yields.

Sales volume for sugar has been higher at 43,890 tonnes (107% improvements) although realization has been lower in the current quarter at Rs. 13,375 per tonne. The future outlook on the sugar prices appears better as the overall production estimates for the country have been revised downwards.

Meanwhile, SAP for procurement of cane for the Uttar Pradesh sugar mills in the current and previous crushing season are under litigation.

DCBL does not just have pure sugar mills but an integrated business model with investments in Cogeneration plants and distillery of 80KL per day.

The three co-generation plants at each of the sugar unit together have an installed capacity of 79 MW. The plants commissioned in FY07 have stabilized and generated 818 lakh kwh units of power during the quarter.

Co-Generation	Units	Q3 FY07	Q3 FY08
Installed Capacity	MW	Not operational	79
Power generated	lakh kwh		818
Power Exported	lakh kwh		583

The Company's Distillery operations have stabilized. With Government regulation of enhanced share of ethanol to be procured by the petroleum companies, future outlook for the segment is positive.

DALMIA CEMENT (BHARAT) LIMITED						
Regd. Office: Dalmiapuram - 621 651, Distt. Tiruchirapalli (Tamil Nadu)						
Unaudited Standalone Financial Results for the Quarter Ended 31st December 2007						
Rs. in Crore						
S.No.	Particulars	For the Quarter ended		For Nine Months ended		For the Year ended 31-03-07 (Audited)
		31-12-07 (Unaudited)	31-12-06 (Unaudited)	31-12-07 (Unaudited)	31-12-06 (Unaudited)	
1	Income					
	(a) Gross Sales	413.11	262.76	1,221.42	774.25	1,117.59
	Less: Excise Duty	49.79	31.71	155.28	85.84	131.12
	(b) Net Sales	363.32	231.05	1,066.14	688.41	986.47
	(c) Other Income	95.22	57.41	196.83	121.74	156.09
	Total Income	458.54	288.46	1,262.97	810.15	1,142.56
2	Expenditure					
	(a) (Increase) / Decrease in Stock in trade and work in progress	(12.67)	(23.57)	(1.98)	39.95	(17.88)
	(b) Consumption of Raw Materials	100.55	66.42	233.81	120.26	240.35
	(c) Purchase of traded goods	1.46	-	2.45	-	1.22
	(d) Employees Cost	23.39	11.56	73.99	31.30	48.63
	(e) Power and Fuel	64.13	57.11	195.10	153.27	206.17
	(f) Freight Charges	26.84	19.44	88.86	49.74	81.48
	(g) Depreciation	23.29	13.33	67.89	38.77	55.08
	(h) Other Expenditure	60.89	50.68	177.77	129.16	177.17
	Total Expenditure	287.88	194.97	837.89	562.45	792.22
3	Interest	29.44	14.17	77.47	34.70	53.96
4	Earnings before Tax (1-2-3)	141.22	79.32	347.61	213.00	296.38
5	Tax expense					
	Current tax	15.97	10.76	39.24	32.27	33.01
	Deferred tax	12.26	3.42	30.20	12.96	33.31
	Fringe Benefit tax	0.45	0.30	1.02	0.65	1.13
6	Profit after Tax (4-5)	112.54	64.84	277.15	167.12	228.93
7	Paid-up Equity Share Capital-Face Value Rs. 2/- each	8.55	8.55	8.55	8.55	8.55
8	Reserves excluding Revaluation Reserves					666.40
9	Earning per Share					
	Basic (Rupees)	26.34	15.17	64.86	39.47	53.95
	Diluted (Rupees)	14.27	8.26	35.27	21.41	29.18
10	Public Share Holdings					
	Number of Shares	2,54,42,068	2,54,39,376	2,54,42,068	2,54,39,376	2,54,39,376
	Percentage of Shareholding	59.54%	59.54%	59.54%	59.54%	59.54%

Registered Office: Dalmiapuram – 621 651, Distt. Tiruchirapalli (Tamil Nadu)
 Investor Relations Contact: 011 23465135; 011 23465142

Quarterly Reporting on Segment Wise Revenues, Results and Capital Employed under Clause 41 of the Listing Agreement						
						Rs. in Crore
S.No.	Particulars	For the Quarter ended		For Nine Months ended		For the Year ended 31-03-07 (Audited)
		31-12-07 (Unaudited)	31-12-06 (Unaudited)	31-12-07 (Unaudited)	31-12-06 (Unaudited)	
1	Segment Revenues (net of Excise Duty)					
	(a) Cement	260.87	178.60	826.88	505.93	750.81
	(b) Sugar	63.81	36.83	142.89	133.41	165.15
	(c) Power	31.42	2.38	60.87	9.22	19.27
	(d) Others	20.24	13.24	59.48	39.85	55.60
		376.34	231.05	1,090.12	688.41	990.83
	Less: Inter Segment Revenue	13.02	-	23.98	-	4.36
	Net Segment Revenue	363.32	231.05	1,066.14	688.41	986.47
2	Segment Results					
	(a) Cement	103.34	48.21	357.62	153.92	233.84
	(b) Sugar	(8.61)	6.48	(28.58)	17.83	23.81
	Less: Write down of inventories to market value	-	-	12.97	-	14.30
		(8.61)	6.48	(41.55)	17.83	9.51
	(c) Power	9.20	1.22	9.44	5.65	8.43
	(d) Others	(0.64)	(1.37)	4.92	(3.21)	(2.20)
		103.29	54.54	330.43	174.19	249.58
	Add : Other unallocable income net of unallocable expenditure	67.37	38.95	94.65	73.51	100.76
	Less : Interest	29.44	14.17	77.47	34.70	53.96
	Total Profit before Tax	141.22	79.32	347.61	213.00	296.38
3	Segment Capital Employed					
	(a) Cement	675.83	624.85	675.83	624.85	622.04
	(b) Sugar	351.60	152.19	351.60	152.19	324.90
	(c) Power	303.79	35.97	303.79	35.97	217.25
	(d) Others	207.23	115.81	207.23	115.81	199.82
	Total	1,538.45	928.82	1,538.45	928.82	1,364.01

Notes

- 1 The above results have been taken on record by the Board of Directors in their meeting held on 25-01-2008 and have been reviewed by the Statutory Auditors of the Company.
- 2 The Board of Directors of the Company had exercised the call option in respect of 76,51,621 tradeable warrants issued on rights basis vide Letter of Offer dated 26th June, 2001. The call option was exercisable by 8th January, 2008 and the Company has made the allotment of 3,81,14,950 Equity shares against the call options exercised. Action for listing of the shares allotted has been initiated.
- 3 The Board of Directors in their meeting held on 25-1-2008 has declared an interim dividend of Rs. 2.50/- per share payable to those shareholders whose names are on the register of members as on record date, i.e. 15-2-2008. The interim dividend shall also be paid on Equity shares allotted on conversion of warrants.
- 4 Figures for corresponding previous year/periods have been regrouped and rearranged wherever considered necessary.
- 5 No. of Investors complaints:
 - (a) At the beginning of the quarter: Nil
 - (b) Received and Resolved during the quarter: 25
 - (c) At the end of the quarter: Nil

For Dalmia Cement (Bharat) Ltd.

New Delhi
25th January, 2008

P.K. Khaitan
Director