

Dalmia Cement (Bharat) Ltd

Annual Financial Results 2008

May 22, 2008

☞ Industry Environment

☞ Company Performance- Stand Alone

- Results Highlights
- Financial Highlights
- Segmental Financials & Mix
 - ◆ For FY08
 - ◆ For Q4 FY08
- Business Review
 - ◆ Cement Segment
 - ◆ Integrated Sugar Segment

☞ Shareholding Pattern

☞ Cement

- All India and Southern region demand stays robust at 10%
- Prices steady in Tamil Nadu, major market of DCBL
- Escalating coal and freight costs pose margin challenges

☞ Sugar

- Delayed start of crushing season affects production
- SC affirms interim price of Rs 110/qtl for SS07-08
 - ◆ Thorat Commission set up to look into industry issues
- Interest free loan against excise duty availed
- Ethanol blending to be raised to 10% from Oct 2008, opportunity for DCBL

- ❧ EPS grows 138% at Rs.69.5 on expanded capital base
- ❧ Record Net Profit of Rs.347 crore, up 51% YoY
- ❧ Gross Sales grow to Rs.1691 crore in FY08, up 51% YoY
- ❧ EBITDA for the company up 56% at Rs 633 crore
 - Cement EBITDA / T for the year Rs.1519, up 51% YoY
 - 81% growth in Integrated sugar segment EBITDA for FY08
- ❧ Propose final dividend of 75%, Rs. 1.50 per share of FV Rs.2, taking full year dividend to 200%.

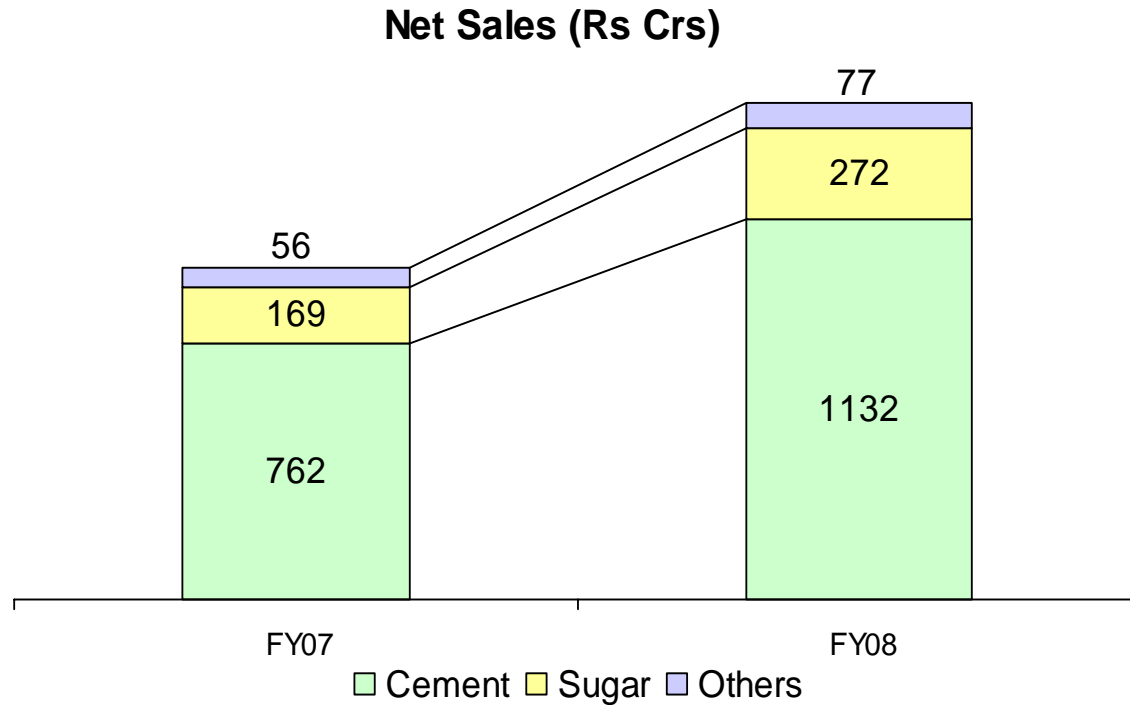
Q4 FY07	Q3 FY08	Q4 FY08	% YoY	% QoQ	(In Rs. Crore)	FY07	FY08	% YoY
343	413	469	37%	14%	Gross Sales	1,118	1,691	51%
298	363	415	39%	14%	Net Sales	986	1,481	50%
332	459	382	15%	-17%	Total Income	1,143	1,645	44%
119	194	140	18%	-28%	EBITDA	406	633	56%
84	141	86	3%	-39%	PBT	297	434	46%
62	113	70	13%	-38%	Net Profit	229	347	51%
7.85	14.27	9.81	25%	-31%	FD EPS (Rs.)	29.20	69.50	138%

- ☞ Capacity expansions and improved realizations help drive up revenues
- ☞ Higher EBITDA margins at 38%, up 312 bps, Net margins up at 21% for FY08
- ☞ Net Debt of Rs 1296 crs as on Mar 31, 2008, Capex for the year Rs. 576 cr.

Period ending (Rs In crores)	FY07				FY08			
	Cement	Sugar	Others	Total	Cement	Sugar	Others	Total
Gross Sales	877	179	61	1118	1315	293	83	1691
YoY%					50%	63%	36%	37%
Net Sales	762	169	56	986	1132	272	77	1481
YoY%					49%	61%	38%	50%
Other Income	8	4	149	160	10	7	147	165
Total Income	770	173	204	1147	1143	279	224	1645
YoY%					48%	62%	10%	43%
Operating Expenses	487	152	102	741	636	241	134	1012
EBITDA	283	21	102	405	506	37	90	633
YoY%					79%	81%	-12%	56%
EBITDA Margins %	37%	12%	50%	35%	44%	13%	40%	39%

Cement includes Wind Farm business; Sugar includes Cogeneration and Ethanol businesses

- ☞ Cement EBITDA grows 79% YoY
- ☞ Sugar sales show 61% growth for the year



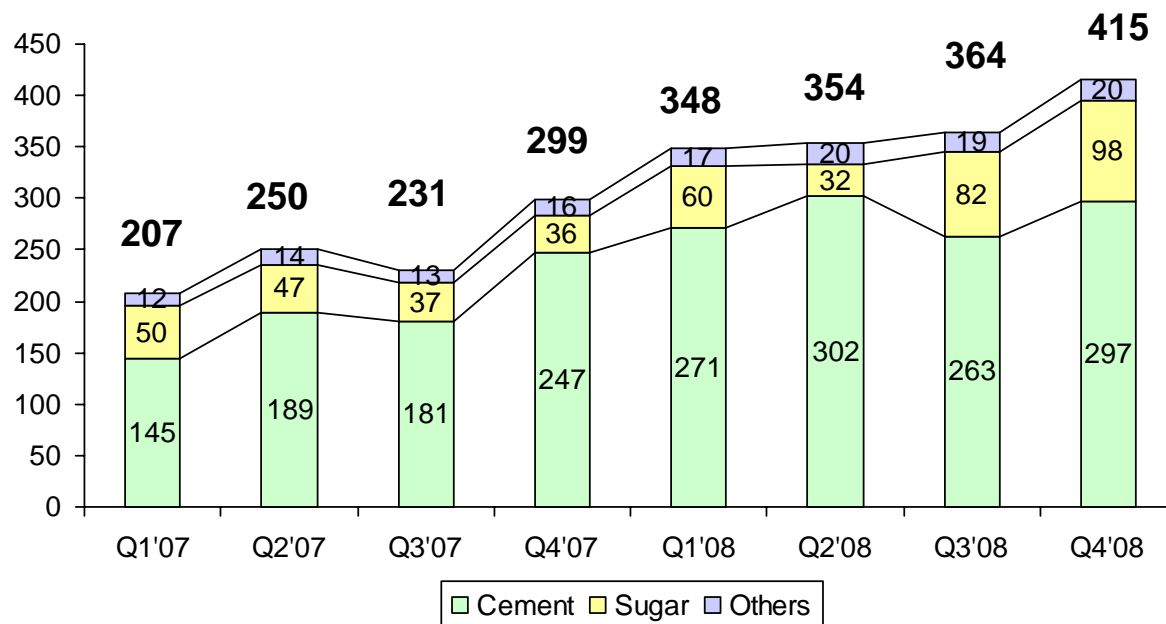
Mix (%)	Cement		Sugar		Others	
	FY07	FY08	FY07	FY08	FY07	FY08
Net Sales	77%	76%	17%	18%	6%	5%
EBITDA	70%	80%	5%	6%	25%	14%

- ☞ Cement remains major business segment
- ☞ Contributes 76% to sales and 80% to EBITDA

Segmental Financials for Quarter

Period ending (Rs In crores)	Q4 FY07				Q4 FY08			
	Cement	Sugar	Others	Total	Cement	Sugar	Others	Total
Gross Sales	285	42	17	343	343	104	22	469
YoY%					21%	151%	27%	37%
Net Sales	247	36	16	298	297	98	20	415
YoY%					20%	175%	28%	39%
Other Income	4	1	29	34	1	1	-34	-32
Total Income	251	36	45	332	298	99	-14	382
YoY%					19%	170%	-129%	15%
Operating Expenses	160	37	20	218	189	56	-3	242
EBITDA	91	-1	29	119	109	42	-11	140
YoY%					21%	6059%	-139%	18%
EBITDA Margins %	36%	-2%	65%	36%	37%	43%	81%	37%

Net Sales (Rs crs)



Mix (%)	Cement		Sugar		Others	
	Q4 FY07	Q4 FY08	Q4 FY07	Q4 FY08	Q4 FY07	Q4 FY08
Net Sales	83%	72%	12%	24%	5%	5%
EBITDA	76%	78%	-1%	30%	24%	-8%

Operational Metrics	Units	Q4 FY07	Q4 FY08	FY07	FY08
Production Volumes	'000 T	830	845	2737	3294
Sales Volumes	'000 T	823	834	2712	3265
Geographic Mix (Sales Volume)	%				
Tamil Nadu		54%	55%	57%	60%
Kerala		32%	31%	30%	27%
Karnataka		10%	10%	7%	9%
Others		5%	5%	5%	4%
Cement: Clinker ratio	x	1.29	1.36	1.30	1.39
EBITDA per tonne	Rs/T	1103	1344	1007	1519

- 🔗 Sales volumes witness growth of 21% for the year
- 🔗 EBITDA/T grows 51% YoY

- ❧ Two green-field projects underway
 - One in new geography, Cadapa in Southern Andhra Pradesh
 - expected commissioning in Second half of CY2008
 - Second in Ariyalur, Tamil Nadu
 - commissioning by March 2009
- ❧ Cement capacity of 2.25 MTPA each,
- ❧ Full DCBL capacity to reach 8 MTPA, post commissioning
- ❧ Acquired major land areas; plant and equipment supplies received
- ❧ Civil construction and erection work commenced as per timelines
- ❧ Incurred Rs 476 crore as Capex for the cement business in FY08

Sugar

Operational Metrics Sugar	Units	Q4 FY07	Q4 FY08	FY07	FY08
Crushed cane	000 T	691	1,503	1,009	2,445
Recovery	%	10.56%	10.23%	10.48%	10.06%
Production Volume	T	72,921	153,767	107,914	245,935
Sales Volumes	T	21,903	39,592	92,482	141,151
Sales Realizations	Rs/T	14,393	14,072	16,766	13,460

- ☞ Cane crushed during the year up 137%
- ☞ Sales volume witness 53% growth in FY 2008, 81% for the quarter
- ☞ FY08 realizations down 20% YoY

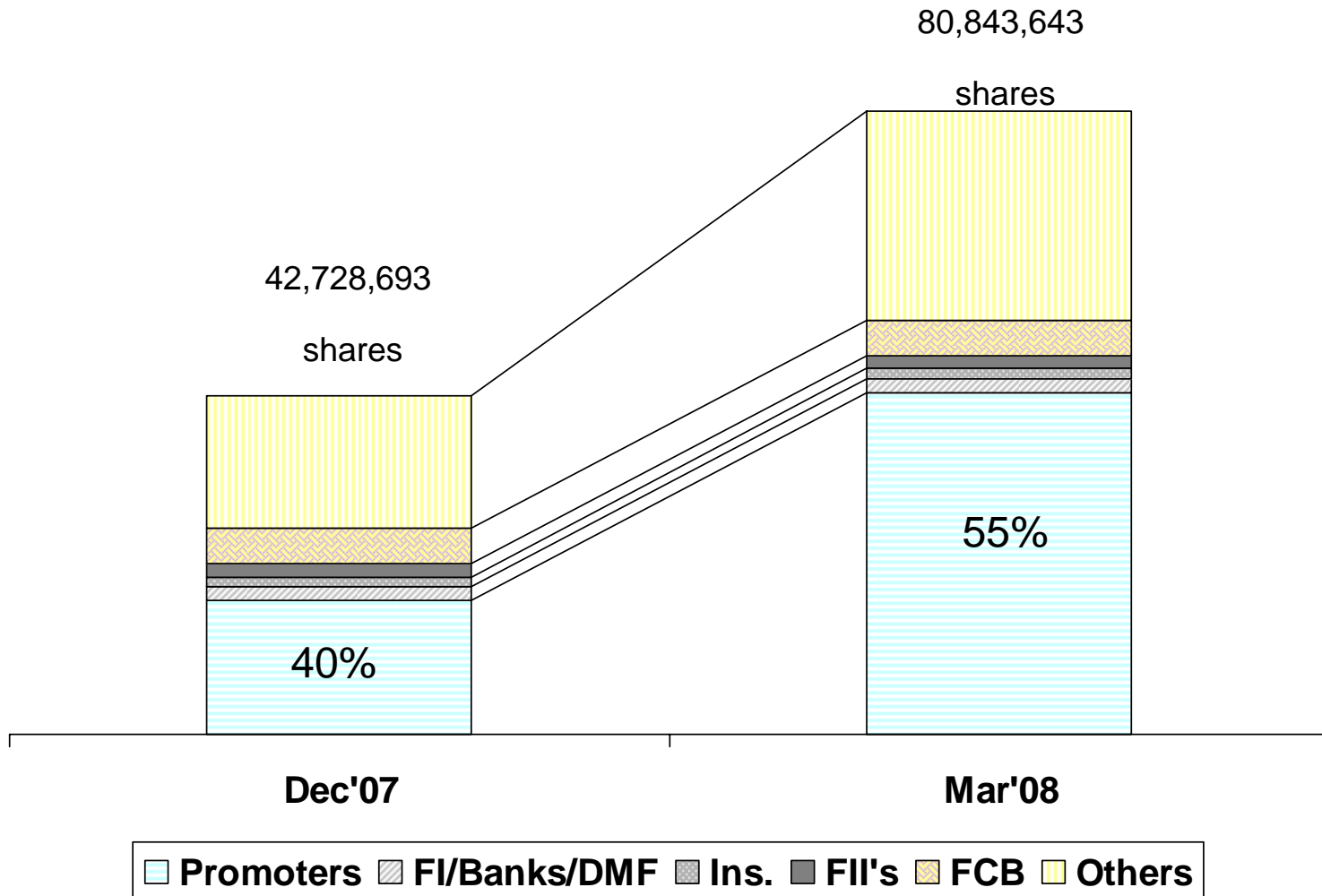
Co-generation Unit

Cogen	Units	Q4 FY07	Q4 FY08	FY07	FY08
Installed Capacity	MW		79		79
Power generated	lakh kwh	41	1,509	41	3,049
Power Exported	lakh kwh	128	893	128	1,952

- ☞ Major EBITDA contribution in Sugar business from Co-generation Unit
- ☞ Helps mitigate sugar down cycle risks

Distillery Unit

Distillery	Units	Q4 FY07	Q4 FY08	FY07	FY08
Installed Capacity	KLPD	Not operational	80	Not operational	80
Production Volumes	KL		5,314		9,557
Sales Volumes	KL		5,680		7,490



- 🌀 2001 Rights Warrant Conversion completed last quarter
- 🌀 Holding of promoters goes up to 55% on expanded capital base

For queries and comments please contact us at

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