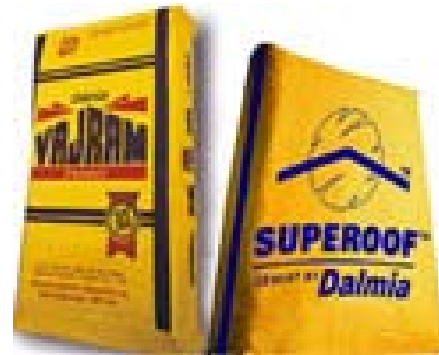


# **DALMIA BHARAT ENTERPRISES LTD.**

## **Financial Results**

**for quarter ended June 30, 2011**



August 10, 2011

## Disclaimer

Certain statements in this presentation describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements.

Although our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

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## Strategic Initiatives Update

### Railway siding at Kadapa, Andhra Pradesh under way

- Expected to be completed by end of FY12

### Cross Country Belt Conveyor (CCBC) commissioned in OCL

- Transportation of limestone from mines to plant
- Length – 10 km
- Possess high capacity – 1200 TPH

### Cost effective procurement of gypsum

- Shifted procurement to a relatively cheaper source
- Cost efficiency of over 150/T of gypsum

## Railway siding and CCBC

Limestone conveyed through CCBC at OCL



Railway siding at Kadapa under construction



CCBC from mines at OCL



## Key Highlights

### Significant growth in volumes; ahead of the industry

- Sales volume – 1.2 MnT for the quarter
- Up 21% YoY for the quarter

### Turnaround in sales to Andhra Pradesh

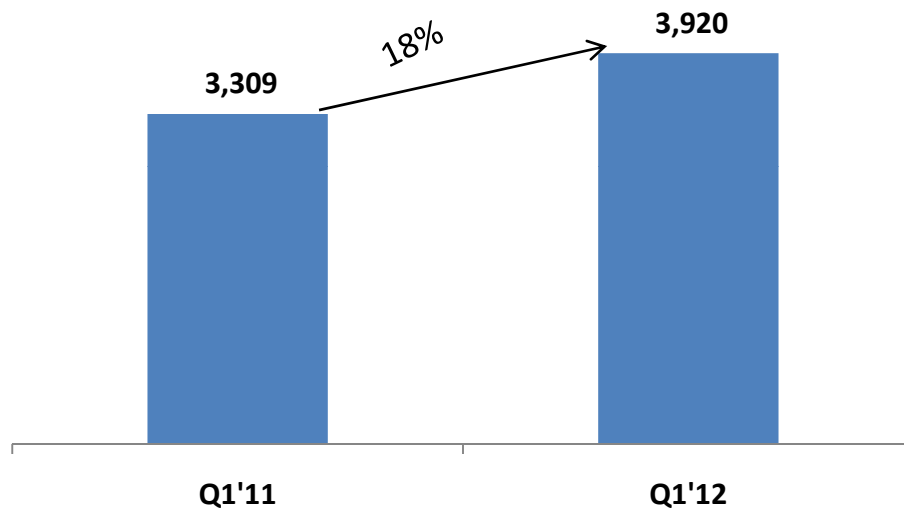
- AP contribution to the total sales volume increased to 13% from 9% in Q1 FY11
- State market share has improved to 5% from 2% in Q1 FY11

### Improved EBITDA & margins for the quarter

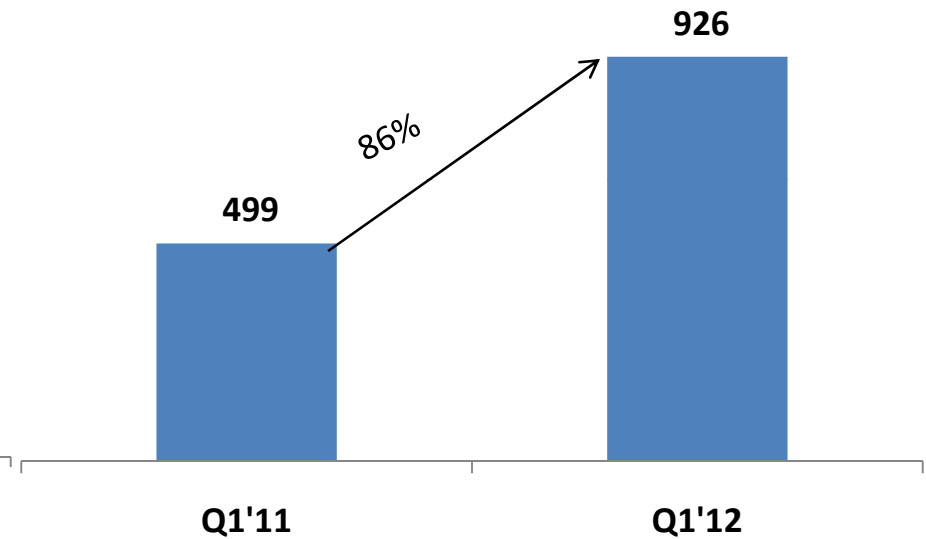
- EBITDA for the quarter at Rs. 129 cr grew significantly as compared to Rs. 66 cr in Q1 FY11
- EBITDA margins at 24% in Q1 FY12 vs 17% in Q1 FY11

## Improved profitability

Net Sales Realization [ ₹/ton]- Q1'11 vs Q1'12



EBITDA [ ₹/ton]- Q1'11 vs Q1'12



Significant improvement in Net Sales Realizations/tonne and EBITDA/tonne



## Improved Market Share in Key Markets

	Q1 FY11	Q1 FY12	Q1 FY11	Q1 FY12
<b>State</b>	<b>Market Share (%)</b>	<b>Market Share (%)</b>	<b>Sales Mix (%)</b>	<b>Sales Mix (%)</b>
Tamil Nadu	10.3%	13.7%	43%	52%
Kerala	13.3%	12.0%	27%	20%
Karnataka	4.3%	4.7%	13%	12%
Andhra Pradesh	2.4%	4.8%	9%	13%
Others			8%	3%
<b>South</b>	<b>6.9%</b>	<b>9.0%</b>	<b>100%</b>	<b>100%</b>

## Corporate Social Responsibility Initiatives

- **Education** - Computer education to 49 students in DPM . Establishing 5 learning centres that will extend adult literacy to 150 women started in Kadapa. Work started on bringing drop out children back in school across the locations
- **Income generation** – 15 youth identified for construction skills training in Kadapa, 117 men and women under training for jobs/self employment in Dalmiapuram and Gulbarga, 10 micro loans extended in Kadapa. Tie up with a garment factory under discussion for women trained in tailoring in Kadapa.
- **Health** - 1807 treatments, counselling and referral provided to people in Ariyalur, DPM and Kadapa
- **Environment** – An RO plant is proposed to be built in Kadapa for safe drinking water.
- **Partners in Progress** – Schemes under work with government in Kadapa – loan cards to all marginal farmers , with DRDA and NAC on skills training.

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## Consolidated Result Highlights

Income	Q1 FY12 (YoY%)	Q1 FY11
• Gross Sales :	₹ 591 cr; ↑ 37%	₹ 431 cr
• Net Sales :	₹ 525 cr; ↑ 38%	₹ 381 cr
• Total Income :	₹ 533 cr; ↑ 38%	₹ 386 cr

Profits	Q1 FY12 (YoY%)	Q1 FY11
• EBITDA :	₹ 129 cr; ↑ 94%	₹ 66 cr
• Consol Net Profit:	₹ 39 cr; ↑ 125%	₹ 17 cr

Margins	Q1 FY12	Q1 FY11
• EBITDA :	24%	17%

- Improved profitability on account of higher realizations
- OCL contributes ₹ 11 cr to the consolidated profits of the quarter

## Q1 FY12 Results-Businesswise

Period ending (Rs in crores)	Q1 FY11				Q1 FY12			
	Cement	Others	Inter Segment	Total	Cement	Others	Inter Segment	Total
Gross Sales	408	46	(24)	431	570	45	(24)	591
Net Sales	359	46	(24)	381	504	45	(24)	525
Operating Other Income	4	2	(1)	5	7	1	-	8
<b>Total Income</b>	363	48	(12)	<b>386</b>	510	46	(24)	<b>533</b>
Operating Expenses	312	32	(25)	319	396	32	(24)	404
<b>EBITDA</b>	51	15	12.69	<b>66</b>	115	14	-	<b>129</b>
<b>EBITDA Margins %</b>	14%	32%	(1.03)	<b>17%</b>	22%	31%	0%	<b>24%</b>
Other Income				15				13
Depreciation				44				44
EBIT				37				98
Interest				46				38
Tax Provision				(7)				28
<b>Net Profit/(Loss)</b>				<b>(2)</b>				<b>32</b>
Share of Profit in Associates				19				11
Minority Interest								(5)
<b>Consolidated Net Profit/(Loss)</b>				<b>17</b>				<b>39</b>
<b>PAT Margin %</b>				<b>4%</b>				<b>7%</b>

\* Previous period numbers have been reclassified/regrouped as per current period groupings

## Key Balance Sheet Parameters

(Rs. in Crore)	31-Mar-11	30-Jun-11
Share Capital	16	17
Reserves & Surplus	2,761	2,801
Minority Interest	409	413
Debt	1,931	1,762
Term Loans	1,542	1,374
Soft Loans	335	332
Working Capital	26	33
Others	28	23
Deferred Tax	53	61
<b>Total</b>	<b>5,170</b>	<b>5,053</b>
Net Fixed Assets*	3,753	3,702
Investments	462	488
Cash and equivalents	651	476
Net Current Assets	304	387
<b>Total</b>	<b>5,170</b>	<b>5,053</b>
Net Debt to Equity (x)	0.4	0.4

\* including CWIP

- Repayment of Term Loan of ~ Rs. 170 cr
- Net worth of the company at Rs. 3,231 cr
- Net Debt at year end is Rs. 1,286 cr

## Strategic and Other Investments

<b>Strategic Investments* (₹ crore)</b>	<b>488</b>
– OCL India Ltd	461
– Others	27

<b>Liquidity Summary* (₹ crore)</b>	<b>476</b>
– Debt MFs	329
– Cash & Bank	147

\* As on Jun 30, 2011

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Standalone Financial Results

**Cement Business**

OCL Financial Results

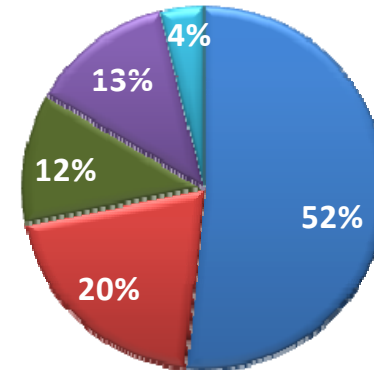
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## Cement Operating Metrics

Volumes ('000 T)	Q1 FY11	Q1 FY12	YoY%
Production	1,059	1,239	17%
Sales	1,022	1,237	21%

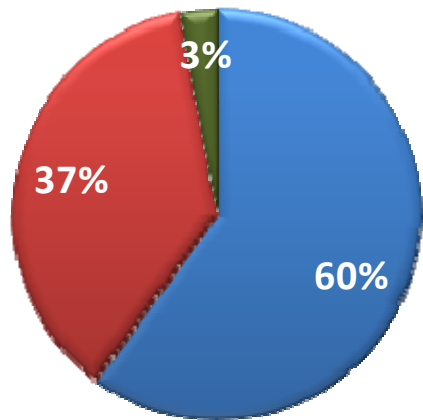
### Geographic Mix Q1 FY12



■ Tamil Nadu ■ Kerala ■ Karnataka ■ AP ■ Others

C:C ratio at 1.28

### Product Mix for Q1 FY12



■ PPC ■ OPC ■ Others

Per Tonne Analysis (Rs/T)	Q1 FY11	Q1 FY12	YoY%
Net Sales Realization	3,309	3,920	18%
EBITDA	499	926	86%

Significant growth in realizations & EBITDA

## Capacity Additions & Pricing



### Installed Capacity (MnT) FY11

• All India	:	300
• South	:	113
• East	:	44

Estimated Capacity additions for FY 12 - 24 MnT, No capacity addition in Q1 FY 12.



### Pricing (Y-o-Y)

- All India
- South
- East

### Q1 FY12 (Q-O-Q)

- 6% ↑
- 6% ↑
- 5% ↑

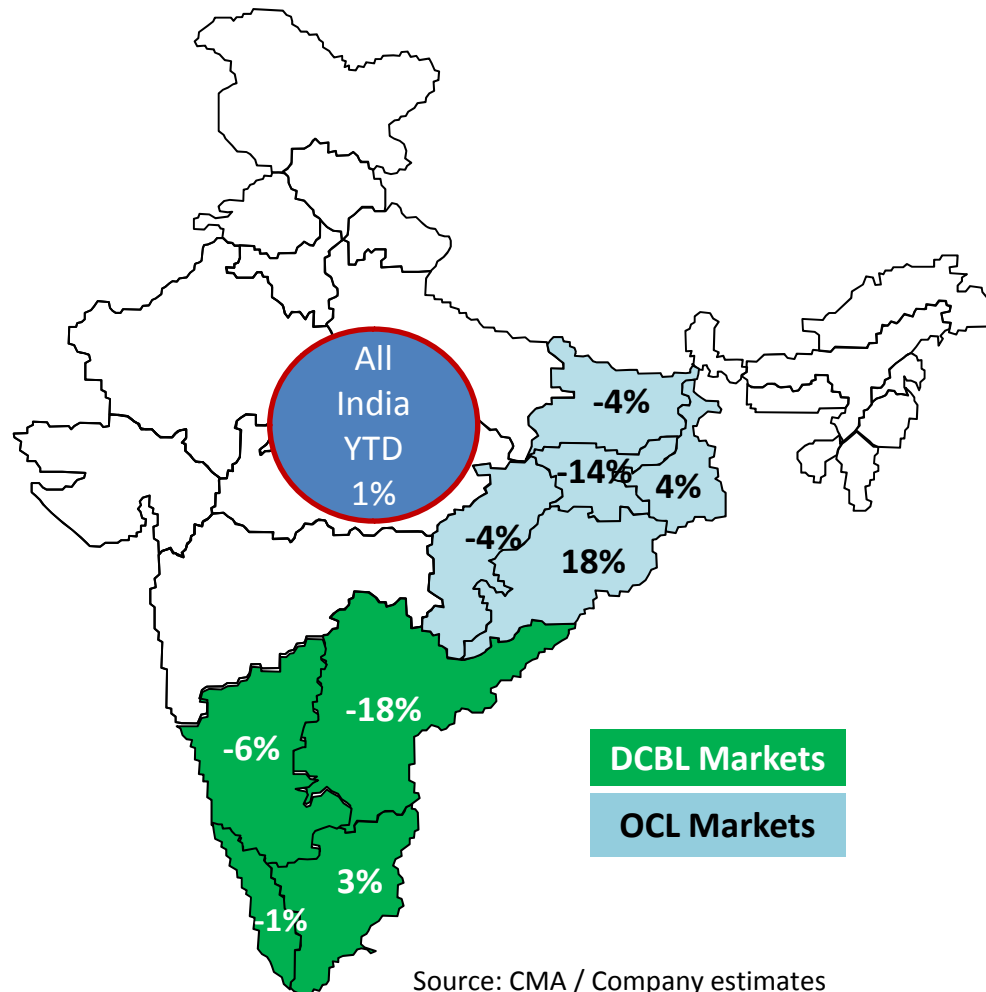
### Q1 FY12 (Y-O-Y)

- 13% ↑
- 26% ↑
- 2% ↓

Prices in Southern region outperformed the prices at All India level

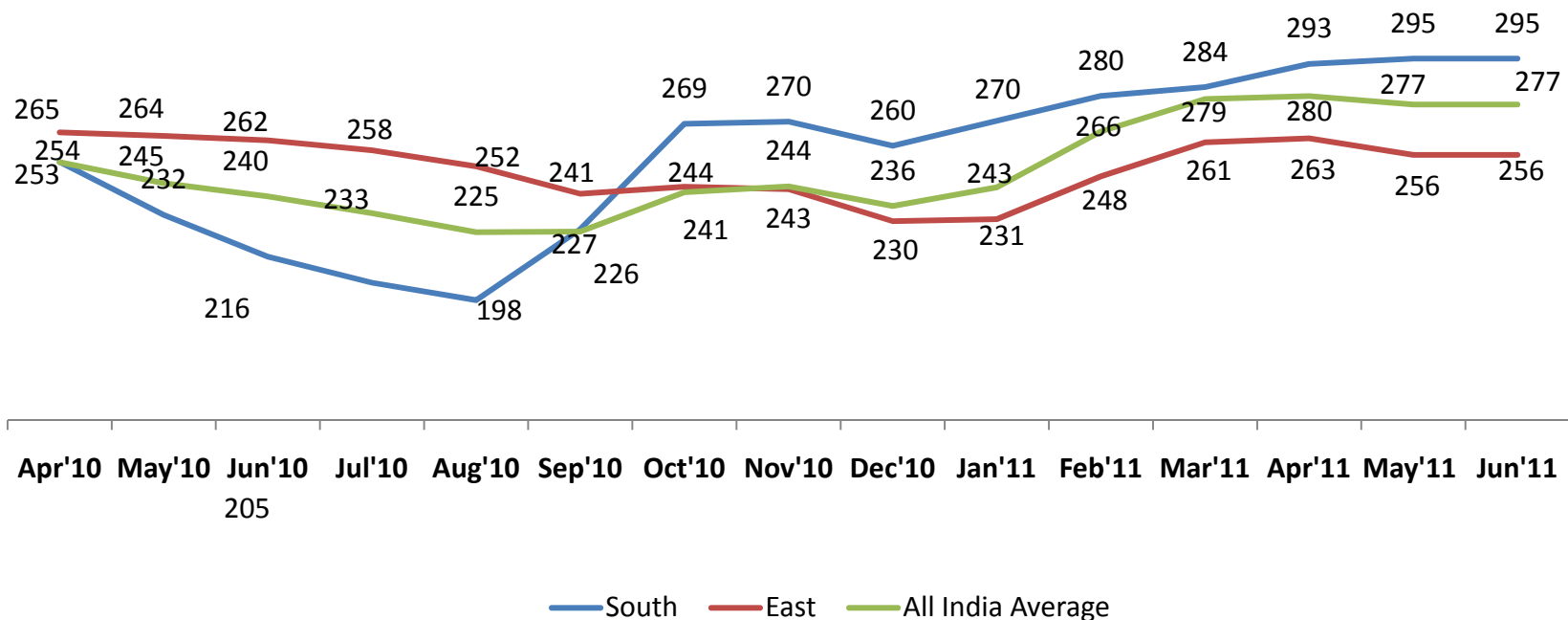
Note: CMA prices are not available for June'11; May'11 figures have been extrapolated for June'11

## Demand Scenario in Key Markets



# Price Recovery in Southern & Eastern Region

## Trade Cement Price (Rs/bag)

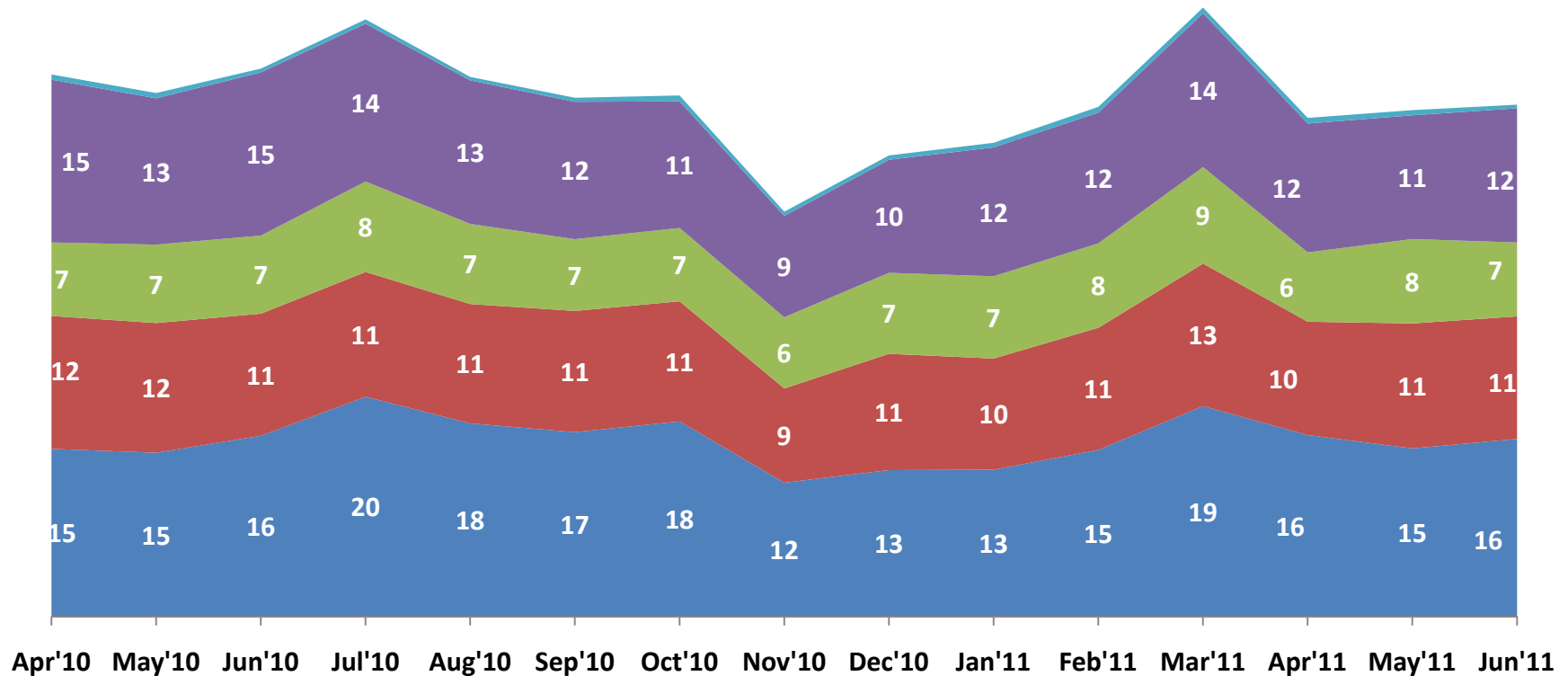


Source: CMA

Note: CMA prices are not available for June'11; May'11 figures have been extrapolated for June'11

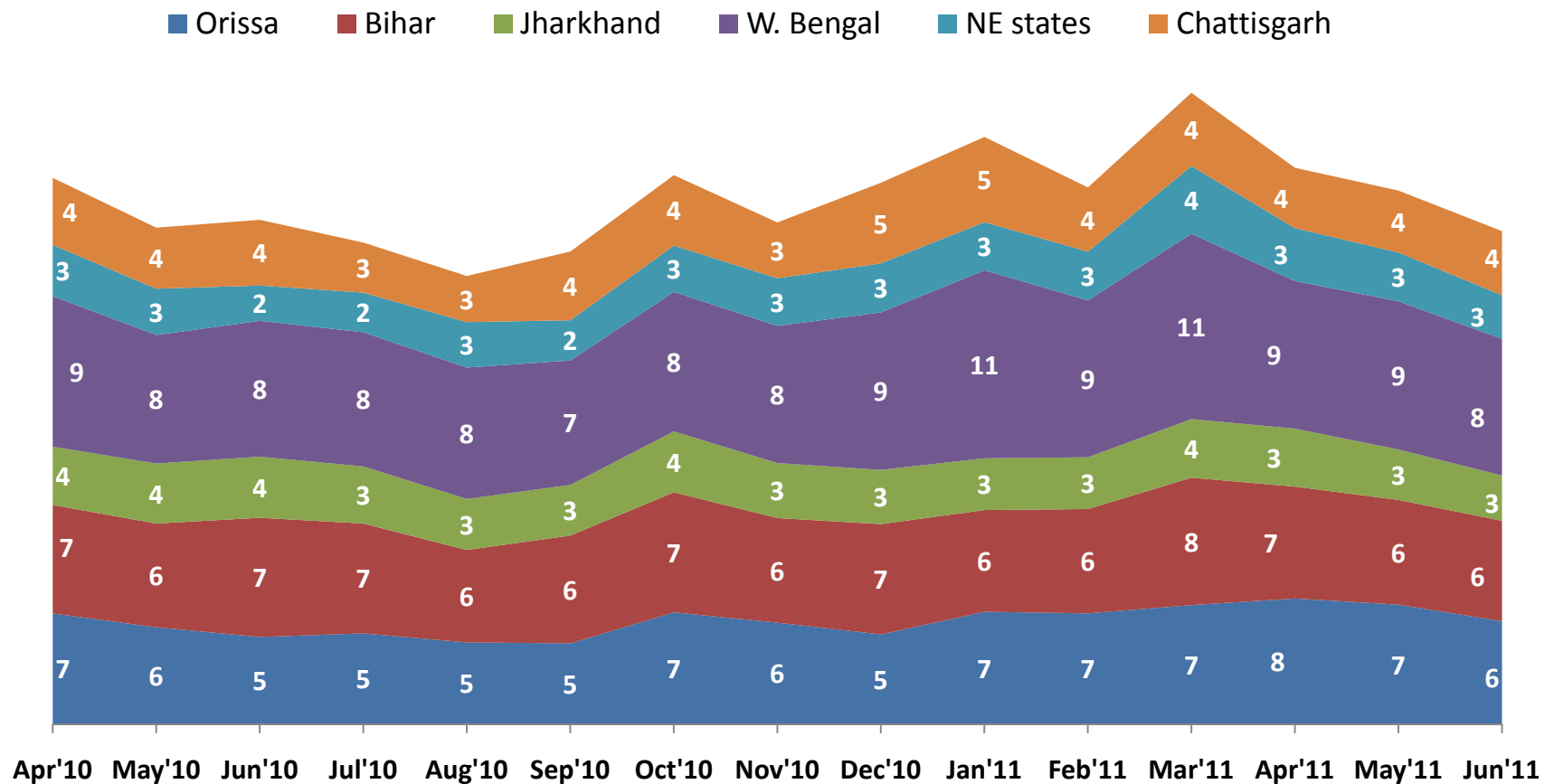
## Southern Region- Monthly cement demand

■ T.N (Pondy & A.N) ■ Karnataka ■ Kerala ■ Andhra Pradesh ■ Goa



Source: CMA, Company estimates

## Eastern Region- Monthly cement demand



Source: CMA, Company estimates

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## OCL Q1 FY12 Results – Business wise

Period ending (Rs In crores)	Q1'11			Q1'12			YoY%		
	Cement	Refractory	Total	Cement	Refractory	Total	Cement	Refractory	Total
Gross Sales	340	69	409	343	64	407	1%	-6%	-1%
Net Sales	298	63	361	298	59	357	0%	-7%	-1%
Other Operating Income	2	1	3	2	1	3	42%	15%	32%
<b>Total Income</b>	299	64	<b>364</b>	300	60	<b>360</b>	0%	-7%	<b>-1%</b>
Operating Expenses	200	60	260	227	60	287	13%	1%	10%
<b>EBITDA</b>	100	4	<b>104</b>	74	(0)	<b>73</b>	-26%	-108%	<b>-30%</b>
<b>EBITDA Margins %</b>	33%	7%	<b>29%</b>	25%	-1%	<b>20%</b>	-26%	-108%	
Other Income			3			6			86%
Depreciation			29			27			-6%
EBIT			78			52			-33%
Interest			15			17			10%
Tax Provision			21			11			-48%
<b>Net Profit/(Loss)</b>			<b>42</b>			<b>25</b>			<b>-41%</b>
<b>PAT Margin %</b>			<b>12%</b>			<b>7%</b>			

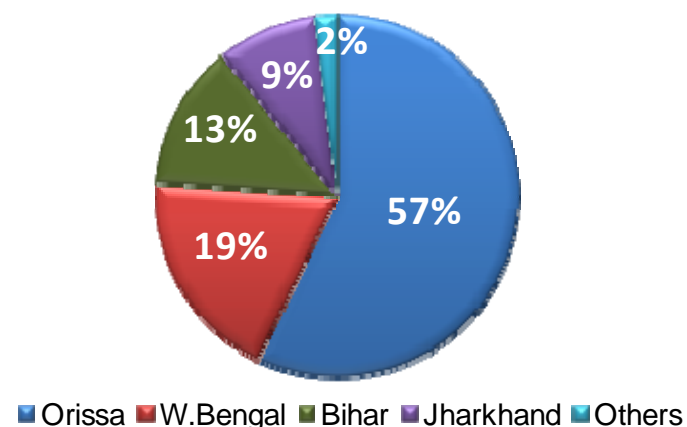


## OCL – Operating Metrics – Q1 FY12

Volumes ('000 T)	Q1'11	Q1'12	YoY%
<b>Cement</b>			
Production	829	834	1%
Sales	757	835	10%
<b>Refractory</b>			
Production	18	17	-5%
Sales	19	18	-6%

Per Tonne Analysis (Rs./T)	Q1'11	Q1'12	YoY%
<b>Cement</b>			
Sales Realizations	3,935	3,568	-9%
EBITDA	1,316	882	-33%
<b>Refractory</b>			
Sales Realizations	33,374	33,137	-1%
EBITDA	2,334	(189)	-108%

**Geographic Mix Q1 FY12**



C:C ratio at 1.9

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### For Queries and Comments

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