

DALMIA BHARAT ENTERPRISES LTD.

Financial Results

for the quarter and year ended March 31, 2012



May 21, 2012

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

Efficiency improvement and sustainability related capex

- Railway siding at Kadappa to operationalise in next one month, will help in deeper market reach and cheaper logistics costs
- In our associate company OCL, a 10 km CCBC and 27 MW CPP commissioned at Rajgangpur Plant
- Another CPP of 27 MW is likely to commission by H1FY13 at Rajgangpur in OCL

Strengthening of 'Values' within the organization

- Conducted 'Annual Values Conclave' attended by middle and senior level executives

Key Highlights

Significant growth in volumes; ahead of the industry

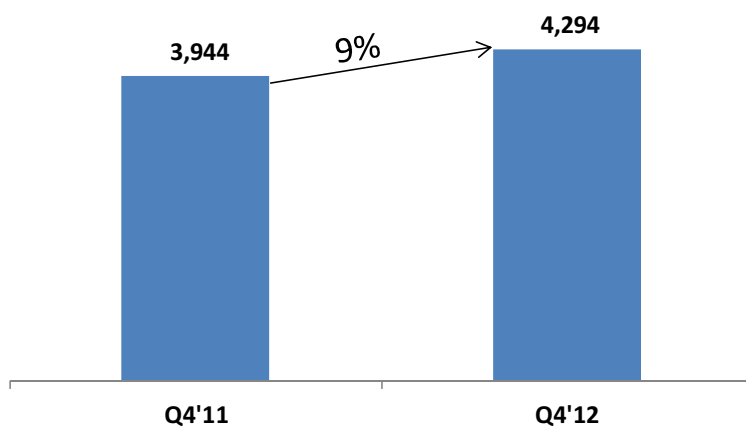
- Sales volume – 1.5 MnT for the quarter and 5.4 MnT for YTD
- Up 21% and 17% YOY respectively

Improved EBITDA & margins for the quarter and financial year

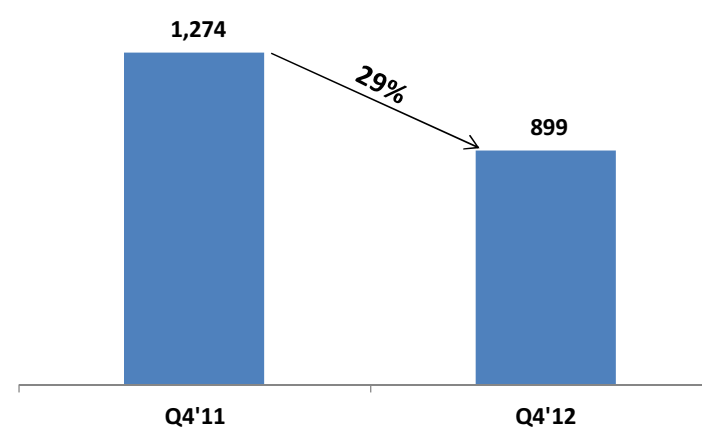
- EBITDA for the year, up 52% YOY at Rs. 588 cr, EBITDA margins 25%
- EBITDA at Rs 146 Cr, up 2% on QoQ
- Higher price realization helped recovering increased input costs

Improved profitability

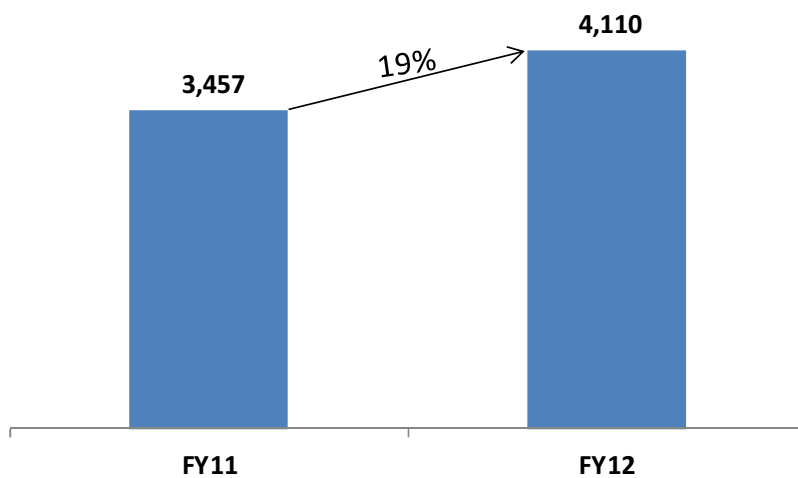
Net Sales Realization Rs./ton- Q4'11 vs Q4'12



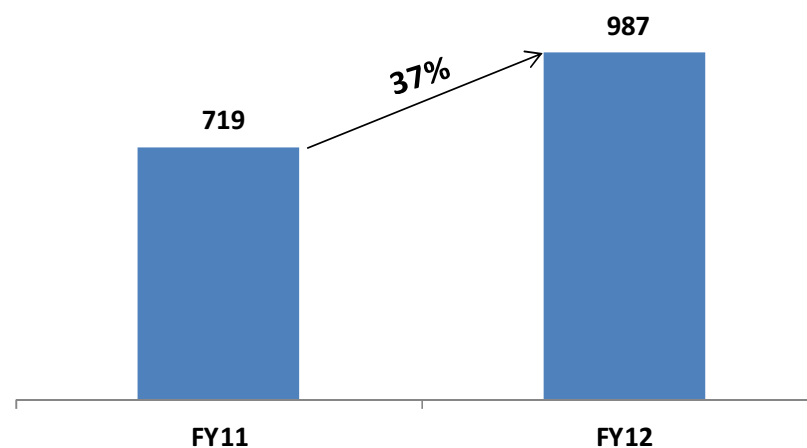
EBITDA Rs./ton- Q4'11 vs Q4'12



Net Sales Realization Rs./ton- FY11 vs FY12



EBITDA Rs./ton- FY11 vs FY12



Dalmia's growth ahead of the industry

	Q4 FY12	Q4 FY12	FY12	FY12
State	Market Demand Growth YoY (%)	Dalmia Sales Growth YoY (%)	Market Demand Growth YoY (%)	Dalmia Sales Growth YoY (%)
Tamil Nadu	14%	15%	4%	21%
Kerala	8%	3%	2%	1%
Karnataka	17%	26%	6%	29%
Andhra Pradesh	-1.3%	2%	-9%	44%
South	14.7%	11%	6%	19%

* Excluding other markets

Corporate Social Responsibility

Improved education infrastructure and inputs in schools benefited more than 2000 children, 103 children benefited directly from the basic amenities such as furniture and utensils, at 4 Anganwadi centers. **178 people, received basic computer education and training. 150 adults brought under Adult Literary Programme.**

Village empowerment and institutional strengthening – more than **1300 people benefited**, through Microcredit Loans, Vocational Skills, Animal Husbandry programme. **Increased income in the range of Rs 500 to Rs 4000/Month**

Corporate Citizenship

Health Intervention camps, immunization and post/pre natal care, collaboration with primary health care and state departments improved **health status of more than 4000 people.**

Dalmia Hospital at Dalmiapuram - Surrounding **20 villages** are assured of medical care at hospital, **5249 people, treated free of cost last year**

Supported 189 Women in Self Help Groups, helped getting financial support from NABARD of **Rs. 3.10 lakhs**

Corporate Social Responsibility Initiatives – FY12

Partnership and Locations

- Trichy District (Hope Foundation) – 6 villages covering about 15,000 people.
- Ariyalur District (Hope Foundation) – 6 villages covering nearly 3000 people
- Kadapa District (CARE) - 4 villages, 6191 people
- Rajgangpur – (Odisha District) - Covers a population of 90,000 in two blocks
- Gulbarga District (Dr. Reddy's Foundation) – Covering 1382 families across 5 villages

Energy Conservation and Environmental Management

- Created Value from waste and many innovative ideas and techniques were used to conserve water and manage environmental hazards.
- Used Alternate fuel extensively to save energy.
- Planted Trees extensively to promote green cover and healthier environment.
- Innovative ideas and well planned project execution, conceived to manage energy more efficiently, yielded results, contributed remarkably in reduction of power and heat consumption

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Consolidated Result Highlights

Income

Q4 FY12 (YoY%)

FY12 (YoY%)

- Net Sales : Rs. 659 cr; ↑ 19% Rs. 2,330 cr; ↑ 33%
- Total Income : Rs. 669 cr; ↑ 21% Rs. 2,363 cr; ↑ 34%

Profits

Q4 FY12 (YoY%)

FY12 (YoY%)

- EBITDA : Rs. 147 cr; ↓ 20% Rs. 588 cr; ↑ 52%
- Consol Net Profit : Rs. 11 cr; ↓ 85% Rs. 143 cr; ↑ 188%

Margins

Q4 FY12

FY12

- EBITDA : 22% 25%
- PAT : 3% 6%

- Improved profitability on account of higher realizations in Financial Year.
- OCL contributed Rs 14.4 cr to the consolidated profits of the Financial Year.
- Net Debt-Equity ratio further reduced to 0.39x in FY12 from 0.46x in FY11.

Q4 FY12 Results-Businesswise

Period ending (Rs In crores)	Q4 FY11				Q4 FY12			
	Cement	Others	Inter Segment	Total	Cement	Others	Inter Segment	Total
Net Sales	549	(2)	7	553	648	49	(39)	659
Operating Other Income	3	31	(35)	(1)	10	(0)	(0)	10
Total Income	552	29	(28)	553	658	49	(39)	669
Operating Expenses	380	19	(28)	370	524	37	(39)	522
EBITDA	173	10	-	182	134	12	-	147
EBITDA Margins %	31%	34%	0%	33%	20%	25%	0%	22%
Other Income				15				21
Depreciation				43				50
EBIT				155				118
Interest				38				29
Exceptional Items				-				40
Tax Provision				51				29
Net Profit/(Loss)				66				21
Share of Profit in Associates				15				(12)
Minority Interest				11				(2)
Consolidated Net Profit/(Loss)				71				11
PAT Margin %				12%				2%

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

FY12 Results-Businesswise

Period ending (Rs In crores)	FY11				FY12			
	Cement	Others	Inter Segment	Total	Cement	Others	Inter Segment	Total
Net Sales	1,676	135	(64)	1,746	2,252	194	(116)	2,330
Other Operating Income	19	44	(41)	22	32	0	(0)	33
Total Income	1,694	179	(106)	1,768	2,284	195	(116)	2,363
Operating Expenses	1,362	125	(106)	1,381	1,752	139	(116)	1,775
EBITDA	333	54	-	386	532	56	-	588
EBITDA Margins %	20%	30%	0%	22%	23%	29%	-	25%
Other Income				33				55
Depreciation				175				182
EBIT				244				461
Interest				172				151
Exceptional Items				-				40
Tax Provision				61				123
Net Profit/(Loss)				10				147
Share of Profit in Associates				52				14
Minority Interest				12				19
Consolidated Net Profit/(Loss)				50				143
PAT Margin %				3%				6%

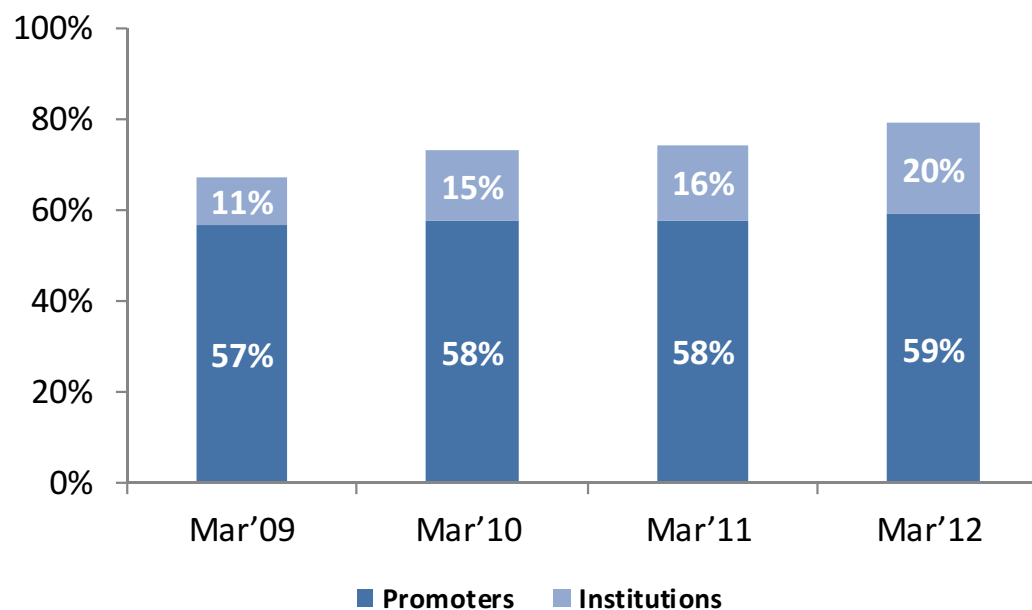
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Consolidated Positional Statement- FY12

(Rs./Crs.)

Particulars	31-Mar-11	31-Mar-12
Net Worth	2,778	2,891
Minority Interest	409	428
Non-current liabilities	1,941	1,693
Current liabilities	394	631
Total	5522	5642
Non-current assets	4299	4521
(a) Fixed assets	3,752	3,571
(b) Other Non-current assets	547	949
Current Assets	1224	1122
Total	5522	5642
Debt to Equity	0.67	0.66
Net Debt to Equity	0.46	0.39

Shareholding Pattern- FY12



Institutional Shareholding	Mar'09	Mar'10	Mar'11	Mar'12
Promoters	57%	58%	58%	59%
Institutions	11%	15%	16%	20%
Actis	7%	7%	7%	7%
DIIIs	3%	5%	5%	2%
FIIIs	0%	4%	5%	11%
Others	33%	27%	26%	21%
Total	100%	100%	100%	100%

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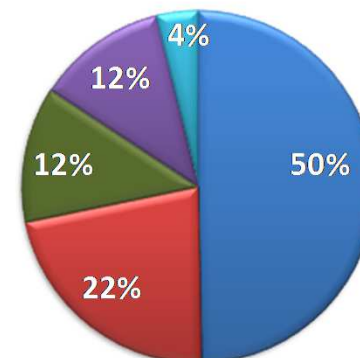
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Cement Operating Metrics

Volumes ('000 T)	Q4 FY11	Q4 FY12	YoY%
Production	1,379	1,474	7%
Sales	1,356	1,497	10%

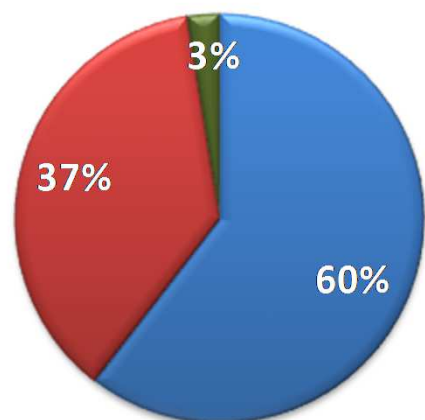
Volumes ('000 T)	FY11	FY12	YoY%
Production	4,666	5,379	15%
Sales	4,624	5,392	17%

Geographic Mix FY12



■ Tamil Nadu ■ Kerala ■ Karnataka ■ AP ■ Others

Product Mix FY12



■ PPC ■ OPC ■ Others

C:C ratio at 1.25

Per Tonne Analysis (Rs/T)	Q4 FY11	Q4 FY12
Net Sales Realization	3,944	4,294
EBITDA	1,274	899

Per Tonne Analysis (Rs/T)	FY11	FY12
Net Sales Realization	3,457	4,110
EBITDA	719	987

Significant growth in realizations & EBITDA

Capacity Additions & Pricing



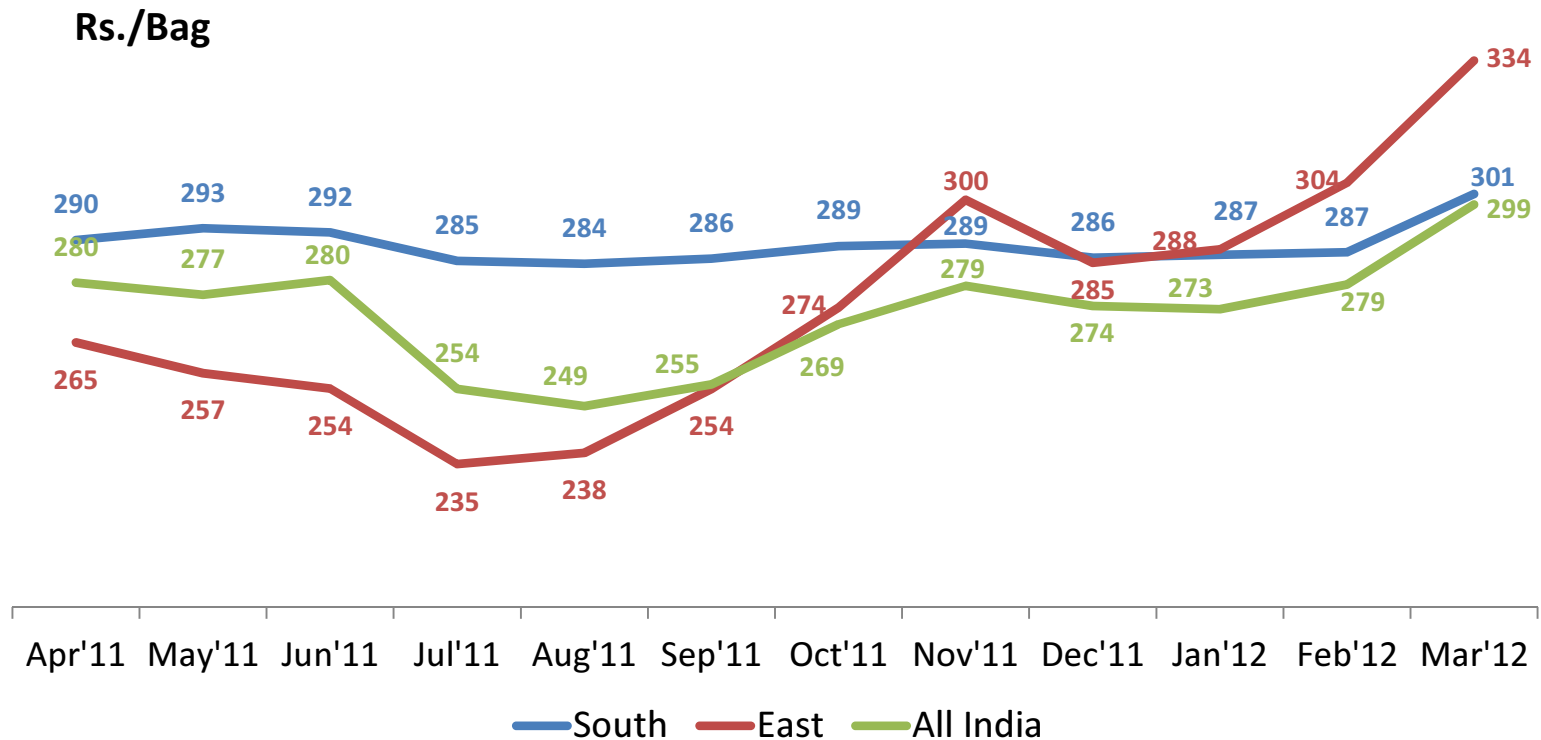
Installed Capacity (MnT)	FY 12	Commissioned during FY12
• All India	: 331	23
• South	: 128	10
• East	: 47	8

Total Capacity additions for FY 12 : 23 MnT



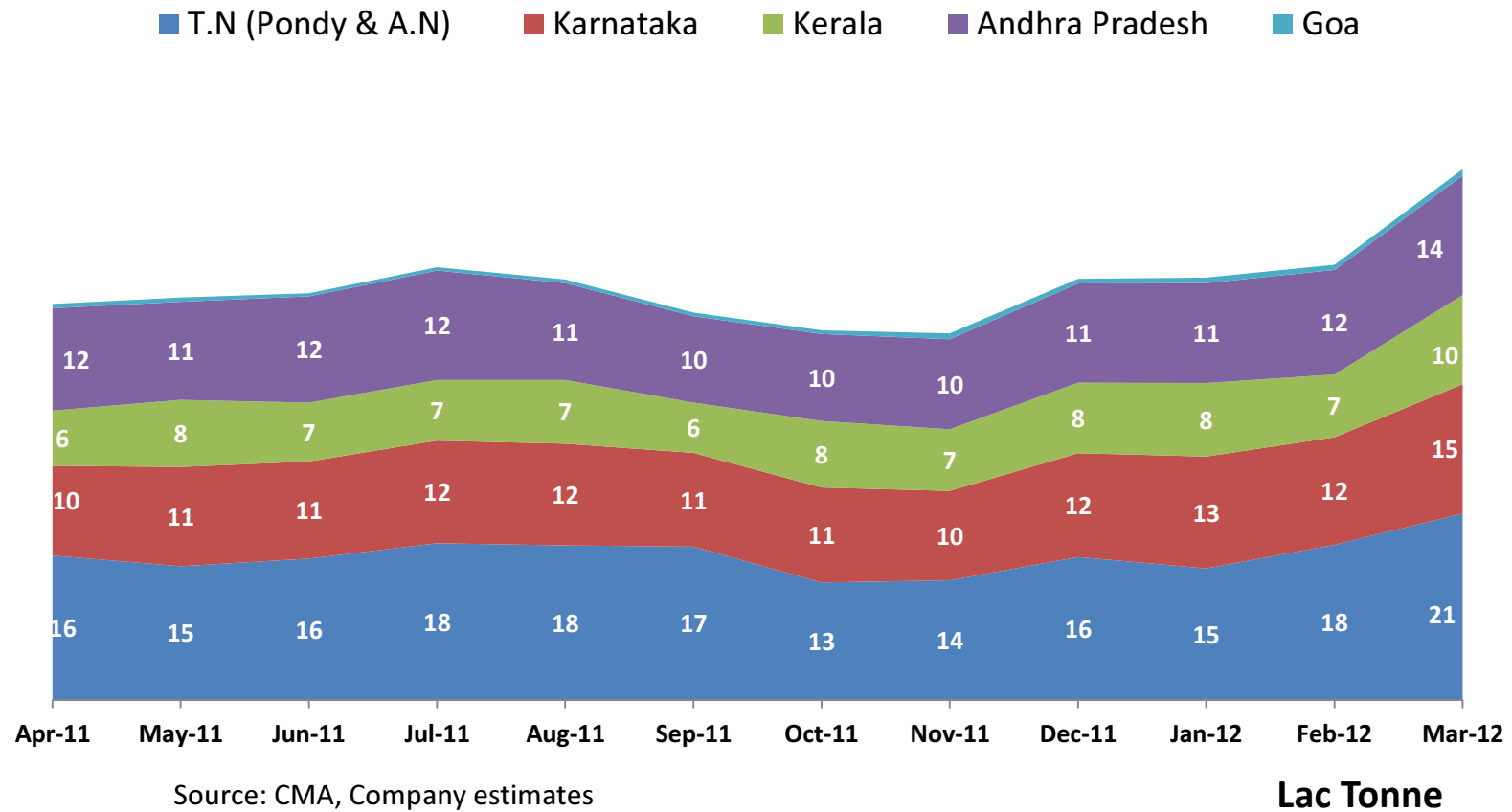
Pricing (Y-o-Y)	Q4 FY12 (Q-O-Q)	Q4 FY12 (Y-O-Y)	FY12 (Y-O-Y)
• All India	4% ↑	11% ↑	15% ↑
• South	1% ↑	18% ↑	17% ↑
• East	8% ↑	26% ↑	10% ↑

Cement Price Trend- FY12

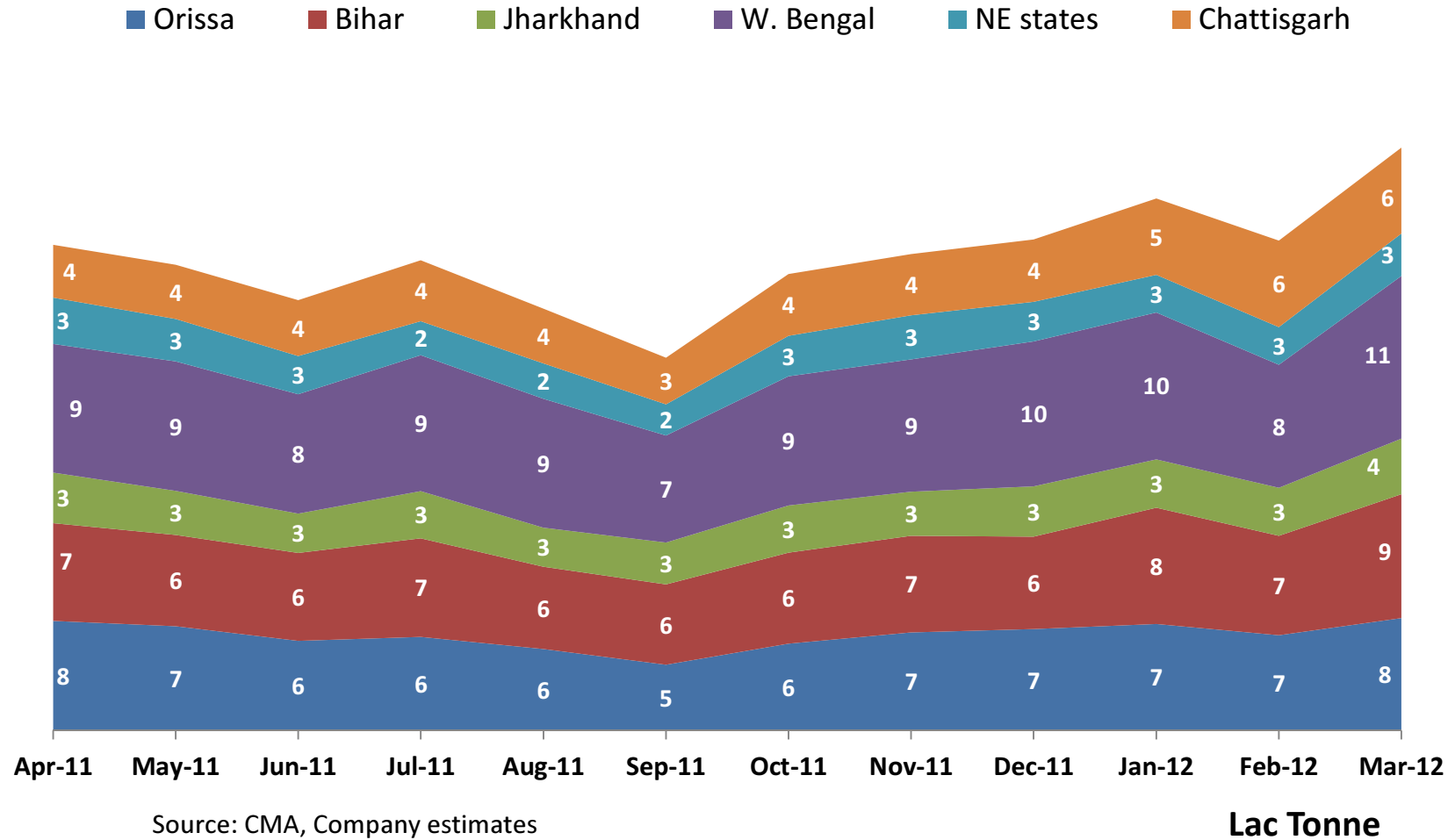


- Despite mid year volatility, prices in Southern & Eastern markets recovered and outstripped all India Prices by March'12.

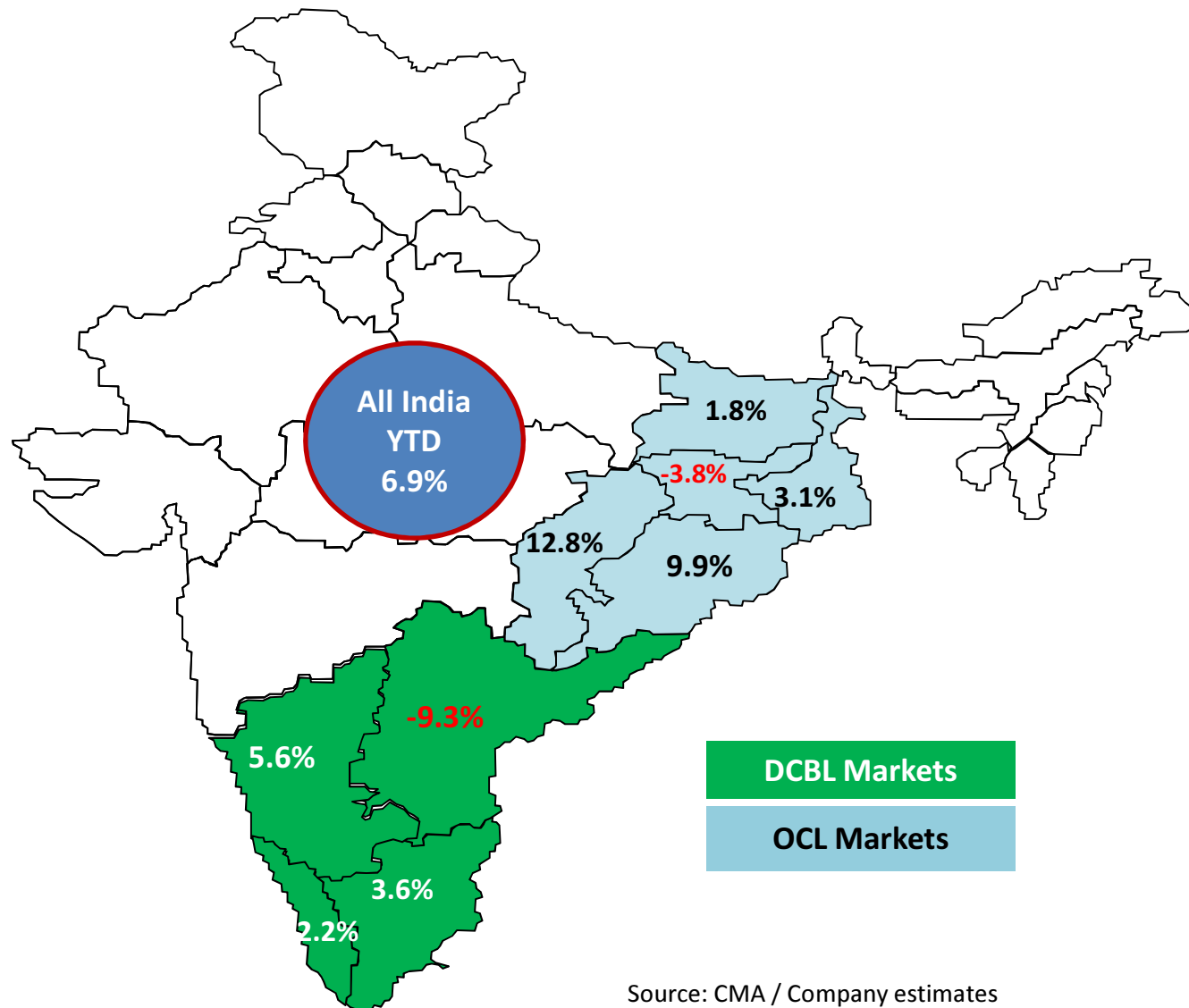
Southern Region- Monthly cement demand



Eastern Region- Monthly cement demand



Demand Scenario in Key South Markets



Source: CMA / Company estimates

Capacity Addition in Key Markets

Capacity Addition during FY'12

States	Opening	Additions	Closing
TN	35	4	39
Karnataka	25	0	25
AP	57	7	64
Total South	118	10	128
East	39	8	47
All India	308	23	331

Capacity Addition- FY'13-FY'15

States	Opening	Additions	Closing	% of Additions
TN	39	-	39	
Karnataka	25	15	40	23%
AP	64	6	70	10%
Total South	128	21	149	33%
East	47	14	61	22%
All India	331	63	394	100%
Out of 6.3 MnT upcoming capacity in AP, 4.5 MnT of JP Cement capacity already commission in Apr'12				

Source: Company Estimates

Peer Comparison

	Sales Volumes		
	FY11	FY12	YoY %
Ultratech	33,639	40,723	21%
Dalmia	4,625	5,383	16%
OCL	3,344	3,172	-5%
ACC	21,900	24,340	11%
Ambuja	20,375	21,320	5%
Shree Cement	9,952	11,380	14%
India Cement	10,124	9,555	-6%
Madras Cement	7,113	7,358	3%
Chettinad	4,569	5,109	12%

Achieved significant volume growth, Outperformed amongst South India players.

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OCL Q4 FY12 Results – Business wise

Period ending (Rs In crores)	Q4'11			Q4'12			YoY%		
	Cement	Refractory	Total	Cement	Refractory	Total	Cement	Refractory	Total
Net Sales	340	93	433	250	84	334	-26%	-10%	-23%
Other Operating Income	1	2	3	2	5	7	199%	140%	158%
Total Income	341	95	436	253	89	341	-26%	-7%	-22%
Operating Expenses	268	88	356	253	82	335	-6%	-7%	-6%
EBITDA	73	7	80	(0.31)	6.70	6.39	-100%	-6%	-92%
EBITDA Margins %	21%	8%	0	0%	8%	2%	-101%	1%	
Other Income			9			8			-9%
Depreciation			33			37			10%
EBIT			56			(22)			-139%
Interest			15			20			31%
Tax Provision			7			(15)			-326%
Net Profit/(Loss)			34			(27)			-178%
PAT Margin %			8%			-8%			

OCL FY12 Results – Business wise

Period ending (Rs In crores)	FY11			FY12			YoY%		
	Cement	Refractory	Total	Cement	Refractory	Total	Cement	Refractory	Total
Net Sales	1,182	295	1,477	1,146	313	1,458.56	-3%	6%	-1%
Other Operating Income	5	2	7.78	5	6	12			
Total Income	1,187	298	1,485	1,151	319	1,470	-3%	7%	-1%
Operating Expenses	891	280	1,171	965	298	1,263	8%	7%	8%
EBITDA	296	18	314	186	21	207	-37%	16%	-34%
EBITDA Margins %	25%	6%	21%	16%	7%	14%			
Other Income			24			33			36%
Depreciation			123			128			4%
EBIT			216			113			-48%
Interest			64			75			17%
Tax Provision			37			6			-83%
Net Profit/(Loss)			114			32			-72%
PAT Margin %			8%			2%			

OCL – Operating Metrics

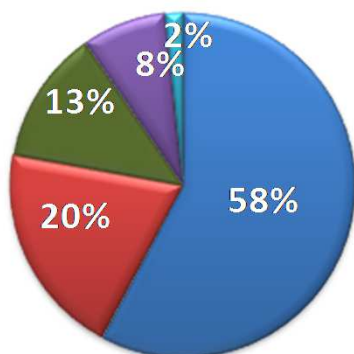
Volumes ('000 T)	Q4'11	Q4'12	YoY%
Cement			
Production	976	592	-39%
Sales	954	631	-34%
Refractory			
Production	19	15	-19%
Sales	26	19	-25%

Volumes ('000 T)	FY11	FY12	YoY%
Cement			
Production	3,408	3,079	-10%
Sales	3,344	3,170	-5%
Refractory			
Production	77	68	-11%
Sales	81	83	2%

Per Tonne Analysis (Rs./T)	Q4'11	Q4'12	YoY%
Cement			
Sales Realizations	3,555	3,969	12%
EBITDA	793	(5)	-
Refractory			
Sales Realizations	36,809	43,580	18%
EBITDA	3,692	4,917	33%

Per Tonne Analysis (Rs./T)	FY11	FY12	YoY%
Cement			
Sales Realizations	3,533	3,614	2%
EBITDA	899	596	-34%
Refractory			
Sales Realizations	36,460	37,699	3%
EBITDA	2,984	3,475	16%

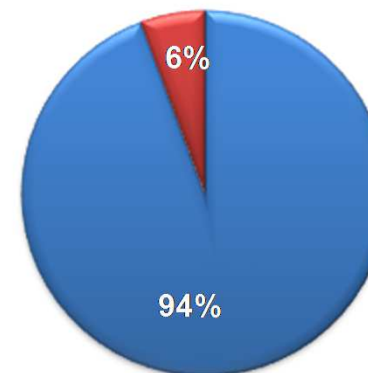
Geographic Mix FY12



■ Orissa ■ W.Bengal ■ Bihar ■ Jharkhand ■ Others

FY12 C:C ratio : 1.99

Product Mix for FY11



■ PPS ■ Others

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