Dalmia
BHARAT LIMITED

newthink! cement! sugar! refractories! power!

Delhi, 13th August, 2013

Press Release-Q1 FY14

Sales – Volume – 1.6 MnT
Total Income From Operations – Rs. 735 crore
EBITDA – Rs. 128 crore

Dalmia Bharat Limited, today announced its unaudited results for the quarter ending 30th June, 2013.

Snapshot of Financial Performance - DBL Consolidated (Rs. Crore)		
Particulars	**Q1 FY14**	**Q1 FY13**
Volume (MnT)	1.6	1.4
Total Income From Operations	**735**	**650**
Total Expenses	(606)	(480)
EBITDA	**130**	**170**
PAT	**35**	**72**

Total Income from operations was **Rs. 735 crore** for the period under review as against Rs. 650 crore for the corresponding quarter ending June 30, 2012, an increase of **13%** driven by increase in sales volume by 15%.

EBITDA decreased by 24% to Rs. 130 crore in Q1 FY14 from Rs. 170 crore in Q1 FY13 while EBITDA margin after excluding exchange fluctuation, reduced from 26% to 20% for the same period. This contraction of EBITDA margin was mainly on account of lower margin in our North East operations, foreign exchange fluctuation on fuel imports and marginal volume & price contraction in South operations.

Addition of North East assets through acquisition increased the interest and depreciation costs for the period under review as compared to corresponding quarter of the previous year, thereby impacting the bottom line for the quarter. .

North East profitability has been impacted by softening of prices on the back of surplus supply coupled together with unforeseen breakdown of clinker unit at Meghalaya for about a month.

We continue to improvise further on our efficiency parameters. Our coal procurement cost for North East operations are lower by around 20% during the quarter. Our efficiency enhancements in power and fuel costs have been extended to Southern operations also. Moreover we have increased the usage of lignite in our Captive Power Plants. This has resulted in decline in Variable Cost per ton for Southern operations by 5% YoY.

Dalmia Bharat Limited
11th/12th Floors, Hansalaya Building
15, Barakhamba Road
New Delhi - 110 001
INDIA

t 91 11 2346 5100 f 91 11 2331 3303
e info@dalmiabharat.com
w www.dalmiabharat.com

Registered Office : Dalmiapuram - 621 651 (Tamil Nadu)

The Company is further implementing number of initiatives to improve product quality. In July, the company launched **HALC** (High Alite Low Celite); a defining element in cement. HALC enhances cement quality, compactness and compressive strength of concrete.

The industry continues to face challenging scenario with low demand and volatile prices. The Company continues to implement focused initiatives to ramp up sales volumes.

All our upcoming projects are progressing as per schedule.

OCL India Ltd. Quarterly Performance

Snapshot of Financial Performance – OCL (Rs. Crore)		
Particulars	**Q1 FY14**	**Q1 FY13**
Volume (MnT)	0.9	0.9
Total Income From Operations	**473**	**479**
Total Expenses	(374)	(335)
EBITDA	**99**	**144**
PAT	**42**	**66**

Outlook on Cement

With an addition of approximately 9 MnTPA of capacity during first quarter of FY14, the Indian Cement Industry has a total capacity of around 370 MnTPA (ending June 2013) and is operating at around 70% utilization. The industry is expected to further add around 19 MnTPA of capacity in FY14. We expect Dalmia to grow higher than the industry average growth rate.

Cement Demand is expected to improve in the second half of the financial year backed by improved consumer spending supported by good monsoons. We expect the cement demand growth to be around 6% for FY14.

For Dalmia Bharat Limited

Jayesh Doshi
Executive Director
Finance & Strategy

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