



SAGAR CEMENTS LIMITED

Fax Nos. 66418125 / 66418126

SCL:SEC:NSE:2011-12

12th July, 2011

The National Stock Exchange of India Ltd
"Exchange Plaza"
5th Floor
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Symbol: SAGCEM
Series: EQ

Dear Sirs

Press Release regarding quarterly / yearly financial results

Further to our letter of date, we are sending herewith a copy of the Press Release being issued by us in connection with the audited financial results for the first quarter ended 30th June, 2011.

Thanking you

Yours faithfully
For Sagar Cements Limited


R. Soundararajan
Company Secretary

Encl: a.a.



Sagar Cements Limited

Investor / Analyst Presentation

Q1FY2012

July 12, 2011



Highlights

Performance Highlights (Q1FY12)

- Q1FY2012 Net sales increased by 32.23% to Rs. 1,724.96 million
- EBITDA increased by 191.34% to Rs. 407.18 million
- PAT at Rs. 181.8 million

Industry Outlook

Industry Outlook

- Industry utilization levels continue to be at appx. 75% and are expected to be in the same range in the coming quarters
- Due to lower demand, realizations margins continue to be under pressure
- Impact of monsoons during Q2 FY12 to soften prices.
- As construction activities in infrastructure and residential segments have slowed down demand in these continues to be muted
- Hyderabad and Chennai have shown marginal decrease in realizations of Rs. 3-5 per bag

Executive Director's Comment

Commenting on the performance, Mr. Sreekanth Reddy, Executive Director of the Company said,

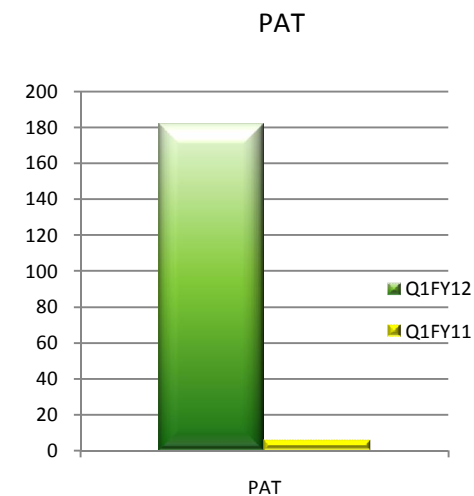
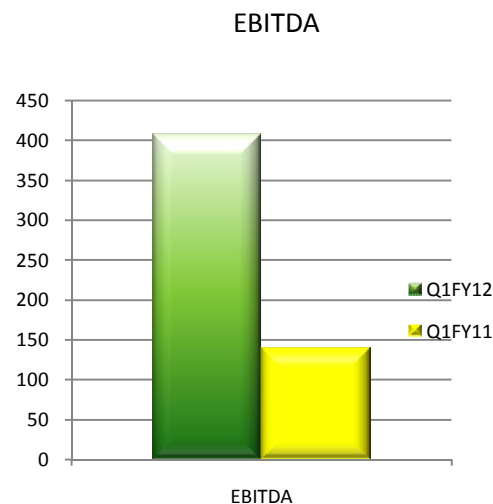
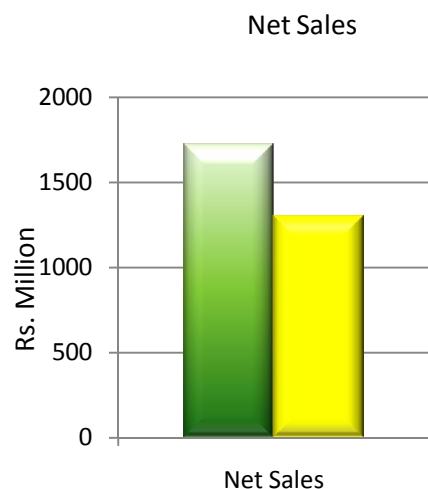
"We are glad to announce that despite a challenging first quarter, we have been able to deliver healthy top line and bottom line numbers. The South remains slightly better off than other regions in the country.

As oversupply position continuous, the increase in fuel, freight and interest cost is a cause for concern. However I am positive that with our strong balance sheet and efficient operations management we will continue to grow.

We are pleased with the progress at our Vicat-Sagar project, which is ahead of schedule. In a continuing challenging environment I look forward to a stable performance in the near term."



Y2012 Performance Review



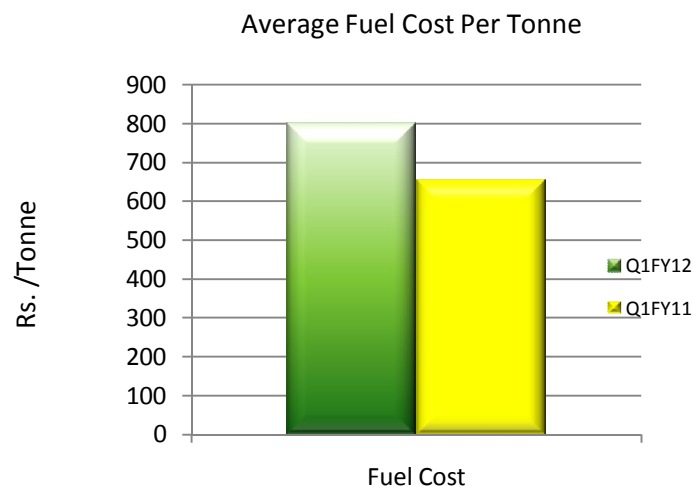
- Net Sales grew 32.23% YoY to ` 1,725 million from ` 1,304 million compared to Q1FY11
- EBITDA grew 191.34% to ` 407.18 million from ` 140 million. Operating margins for the quarter at 24%
- Net Profit stood at ` 181.8 million compared to ` 5.3 million on a corresponding quarter basis
- EPS (not annualized) at ` 12.89 for Q1FY2012

Operations Overview

Production (MT)	April	May	June	Total
Clinker	59,240	146,940	94,910	301,090
Cement	141,285	126,991	142,975	411,251

Description	Sales ('000'MT)		Value Rs. Millions	Realization Rs. Mt
Q1 FY2012	Clinker	-	-	-
	Cement	411	1915	4,659
Q1 FY2011	Clinker	69	192	2,779
	Cement	386	1,256	3,251
% Shift	Clinker	-	-	-
	Cement	6.48	52.47	43.32

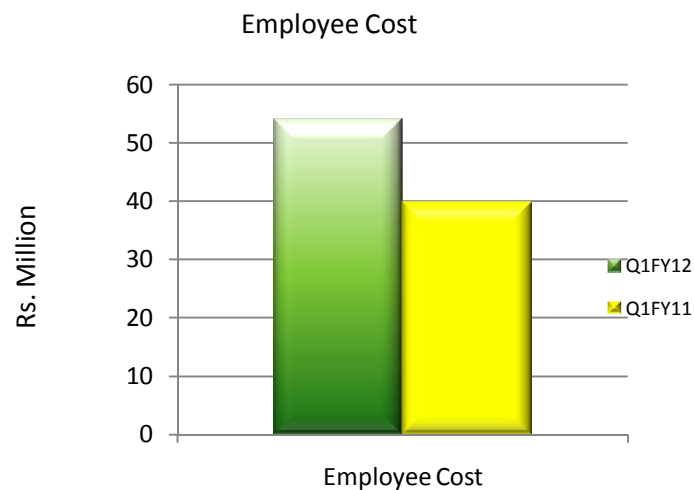
Cost Overview



Cost Overview

- Å Average fuel cost per tonne of clinker production during the year was at Rs. 801 as compared to Rs. 655 per tonne in the previous corresponding quarter, due to increase in cost of coal.
- Å Total freight cost for the quarter stood at Rs. 233 million as compared to Rs. 164 million in the previous corresponding quarter, an increase of 42% due to increase in cost of freight on account of increase in diesel prices and also increase in lead distance.

Cost Overview



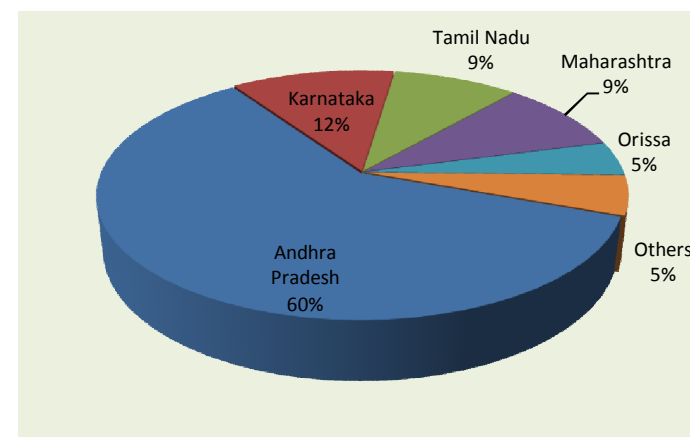
Cost Overview

- Å Raw material costs increase by 5.48% is mainly on account of increase in the cost of raw materials.
- Å Employee costs increased by 35% over the corresponding quarter last year, mainly on account of annual increments and other benefits.

Andhra Pradesh Plant Highlights

- During the quarter, the plant operated at reasonable utilization levels, producing 301,090 tons of clinker and 411,251 tons of cement.
- Volumes of cement production in Q1FY2012 were higher by about 15% as compared to the corresponding quarter in the previous year.
- The company continues to have a presence in the established markets of Orissa, Karnataka, Tamil Nadu and Maharashtra as well as Andhra Pradesh. During the Quarter approximately 40% of cement dispatches were to various markets outside the home state.

Total Sales



Markets in Q1FY12 vs Q1FY11

Markets	Q1 FY 2012		Q1 FY 2011	
	Quantity	% of Total Sales	Quantity	% of Total Sales
	(in Tonnes)		(in Tonnes)	
Andhra Pradesh	245,720	59.83	296,972	76.9
Karnataka	49,133	11.96	20,480	5.3
Tamil Nadu	37,560	9.15	10,299	2.67
Maharashtra	38,780	9.44	36,969	9.57
Orissa	18,283	4.45	10,129	2.62
Others	21,225	5.17	11,347	2.94
Total	410,701	100	386,196	100



Key Balance Sheet Items

- Gross debt as on 30th June, 2011 stood at Rs. 2,275 million out of which Rs. 1,499 is long term debt and the remaining constitutes working capital of the company.
- The Net Worth of the Company as on 30th June, 2011 is at Rs. 2,438 million.
- Cash & Bank Balances held by the company at the Balance sheet date was Rs. 41 million.
- Investments stood at Rs. 860 million
- Debt Equity as on June 30, 2011 stood at 0.61 : 1.



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Progress on Vicat-Sagar

- Progress on the Vicat-Sagar facility is on course and in line with the planned schedule.
- The facility is expected to be completed and operational in mid-2012 and will conform to International environmental standards.



Sagar Cements Limited

Q1 FY 2012 Investor / Analyst Presentation

For further information contact

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