



SAGAR CEMENTS LIMITED

Fax Nos. 66418125 / 66418126

SCL:SEC:NSE:2010-11

7th August, 2010

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

Symbol: SAGCEM

Series: EQ

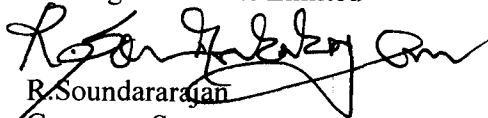
Dear Sirs

Press Release regarding quarterly 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 un-audited financial results for the first quarter ended 30th June, 2010.

Thanking you

Yours faithfully
For Sagar Cements Limited


R. Soundararajan
Company Secretary

Encl: a.a.



SAGAR CEMENTS LIMITED

Regd. Office: 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad - 500 034, India

For immediate release

Hyderabad, 07 August, 2010

Q1 FY2011 Standalone Net sales decreased by 6% to Rs 1,304 million

EBITDA decreased by 61% to Rs 140 million

PAT at Rs. 5.2 million, decreased by 96%

Hyderabad, 7th August, 2010: Sagar Cements Limited announced its financial results for the quarter ended 30th June 2010.

Financial Performance Perspective

Q1 FY2011 Standalone Performance Review:

(All comparisons with Q1 FY2010 Standalone figures)

- Net income from operations lesser by 6% at Rs.1,304 million from Rs. 1,384.1 million
- Profit before Interest Depreciation and Tax (PBIDT) at Rs. 140 million compared to Rs. 357 million in the corresponding quarter last year.
- PBIDT margins on net turnover at 10.71%
- Profit Before Tax (PBT) at Rs. 3.8 million compared to Rs. 215 million
- Profit After Tax (PAT) at Rs. 5.3 million from Rs. 142 million
- EPS (Not Annualized): Rs. 0.35 per equity share of Rs. 10/-

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

"We are happy to mark the beginning of 2011 on a strong note. Despite the recent pressure on the cement sector, we are able to report good top line numbers for the quarter under review. The cement sector faces challenges of oversupply and lower realizations but I am confident that our strong balance sheet and efficient operations will enable us to compete and continue to grow."



During the quarter the company has divested a part of its holdings in its erstwhile subsidiary, Sagar Power Limited and realized a sum of Rs. 28 Million. With this divestment, Sagar Power ceases to be a subsidiary of Sagar Cements.

Construction at the Vicat Sagar plant has commenced during the quarter. Going forward we remain hopeful of delivering performance that will enable continued value creation for all our stakeholders."

Operations Overview

Production	April (in tonnes)	May (in tonnes)	June (in tonnes)
Clinker	140300	125600	111140
Cement	140350	120305	96980

Description	Sales ('000 MT)		Value (Rs million)	Realization (Rs/ MT)
Q1 FY2011	Clinker	69	192	2,779
	Cement	386	1,256	3,251
Q1 FY2010	Clinker	133	351	2,645
	Cement	293	1,149	3,916
% Shift	Clinker	(48)	(45)	5
	Cement	32	9	(17)

Andhra Pradesh Plant:

During the quarter, the plant operated at higher utilization levels producing 377040 tonnes of clinker and 357635 tonnes of cement. Volumes of cement production in Q1 FY2011 were higher by about 55% as compared to the corresponding quarter in the previous year. Apart from catering to markets in AP, Orissa and Karnataka, Tamil Nadu, the Company has also established markets in Maharashtra. Around 23% of cement dispatches are now to various markets outside the home state.



Dispatches in Q1FY2011:

Markets	Quantity (in tonnes)	% of Total Sales
Andhra Pradesh	296972	76.9
Karnataka	20480	5.3
Tamil Nadu	10299	2.67
Maharashtra	36969	9.57
Orissa	10129	2.62
Others	11347	2.94
Total	386196	100

Cost Overview

The average fuel cost per tonne of clinker production during the quarter was at Rs. 655 as compared to Rs. 709 per tonne in the previous corresponding quarter.

The total freight cost for the quarter stood at Rs.164 million, an increase of 75% over the previous corresponding quarter.

The increase of freight is mainly on account of higher dispatch of cement when we compared with corresponding quarter in the previous year and also the increase of freight rate on account of increased price of diesel.

Finished Goods prices have fallen during the quarter. This is mainly due to increase in capacities across the country and also specifically in to Andhra Pradesh leading to increased competition. The onset of the monsoon has also suppressed demand leading to lower prices.



Key Balance sheet Items

The total debt as on 30th June, 2010 stood at Rs. 2,206 million out of which Rs. 1,441 is long term debt and the remaining constitutes working capital of the company. The Net Worth of the Company as on 30th June, 2010 is at Rs. 2,059 million and the cash and bank balances held by the company at the Balance sheet date was Rs 30 million.

Karnataka Plant

Vicat Group from France had penned a JV with Sagar Cements in 2008 to set up a 5.5 million cement plant in Gulbarga, Karnataka.

The cement plant will be based on two clinker production lines, each with a daily capacity of 6,000 tonnes. The first production line of 2.75 million tonnes of cement is expected to commence in June 2012. Construction in plant has commenced during the quarter.

Cement Industry Outlook

- The cement sector is expected to remain under pressure over the next few months and the prices have started moderating in almost all the parts of the country.
- Cement Industry is set to add ~54 MT of new Capacities during FY11E and FY12E, which accounts for ~21% of FY10 end installed capacity.
- The Industry has already commissioned 42 MT new capacities (~20% of FY09 end installed capacities) during FY10.
- Prices across regions have started tempering after touching the previous peak during April'10 due to balance in demand growth coupled with incremental supply from new capacities. Realizations are also expected to be lower.
- Demand has also got moderated during the past few months due to the monsoon.



For further information contact:

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Safe harbour:

Certain matters discussed in this communication may contain statements regarding the company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the cement industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the company's market preferences and its exposure to market risks, as well as other risks. The company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The company assumes no obligation to update any forward-looking information contained in this communication. Any forward-looking statements and projections made by third parties included in this communication are not adopted by the company and the company is not responsible for such third party statements and projections.



SAGAR CEMENTS LIMITED

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE , 2010

(Rs. In Lakhs)

Particulars	Quarter ended		Year ended
	30.06.2010 (Un-audited)	30.06.2009 (Un-audited)	31.03.2010 (Audited)
1 a) Net Sales/Income from Operations	13044.71	13840.59	47957.33
b) Other Operating Income	0.00	0.00	0.00
2 Expenditure			
a) Increase/decrease in stock in trade and work in progress	55.02	306.89	-210.43
b) Consumption of raw materials	1151.82	898.48	4183.97
c) Power & Fuel	3847.94	3418.72	13827.05
d) Purchase of traded goods	1052.02	1636.48	4645.06
e) Employees cost	398.82	281.66	1382.48
f) Depreciation	662.97	679.69	2768.85
g) Other expenditure	5265.30	3741.43	16162.07
h) Total	12433.89	10963.35	42759.05
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	610.82	2877.24	5198.28
4 Other Income	123.81	12.45	678.78
5 Profit before Interest and Exceptional Items (3+4)	734.63	2889.69	5877.06
6 Interest	696.77	738.97	2895.07
7 Profit after Interest but before Exceptional Items (5-6)	37.86	2150.72	2981.99
8 Exceptional items	0.00	0.00	0.00
9 Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	37.86	2150.72	2981.99
10 Tax expense	(15.00)	731.26	1069.64
11 Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	52.86	1419.46	1912.35
12 Extraordinary Item (net of tax expense)	0.00	0.00	0.00
13 Minority Share-holders Interest	0.00	0.00	0.00
14 Net Profit(+)/ Loss(-) for the period (11-12)	52.86	1419.46	1912.35
15 Paid-up equity share capital (Face value per share Rs.10/ per share)	1500.23	1500.23	1500.23
16 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	19209.68
17 Earnings Per Share (EPS)			
a) Basic and diluted EPS before Extraordinary-nary items for the period, for the year to date and for the previous year (not annualized)	0.35	9.46	12.75
b) Basic and diluted EPS after Extra-ordinary items for the period, for the year to date and for the previous year (not annualized)	0.35	9.46	12.75
18 Public Shareholding			
- No. of shares	8377405	8377405	8377405
- Percentage of shareholding	56%	56%	56%
19 Promoters and Promoter Group Shareholding			
a) Pledged/ Encumbered			
- Number of shares	Nil	Nil	Nil
- Percentage of shares (As a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil
- Percentage of shares (As a % of the total share capital of the company)	Nil	Nil	Nil
b) Non-Encumbered			
- Number of shares	6624895	6624895	6624895
- Percentage of shares (As a % of the total shareholding of promoters and promoter group)	100.00	100.00	100.00
- Percentage of shares (As a % of the total share capital of the company)	44.00	44.00	44.00

- Note:**
- The above results were reviewed by the Audit Committee of the Board and taken on record by the Board of Directors at their adjourned meeting held on 7th August, 2010.
 - The Statutory Auditors of the Company have carried out a Limited Review of the above results.
 - The 'Other Income' for the quarter includes a sum of Rs.122.50 lakhs earned by the company through partial divestment of its stake in its erstwhile subsidiary company Sagar Power Ltd.
 - Details of Investor Grievances: Company had received 9 complaints during the quarter and solved them during the quarter itself. No complaints were pending either at the beginning or at the end of the quarter.

Place: Hyderabad
Date : 07.08.2010

S. Veera Reddy
S. Veera Reddy
Managing Director

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