

Media Release

1) Standalone Results for January to December 2008

		Yearly Jan-Dec 2008	Yearly Jan-Dec 2007 *	Growth (%)
Sales Volume – Cement	Million Tonnes	21.01	19.97	5.2
Sales Turnover	Rs. Crore	7308.62	6990.68	4.5
Profit Before Tax	Rs. Crore	1736.59	1930.29	(-10)
Net Profit after Tax	Rs. Crore	1212.78	1438.59	(-15.7)

At 21.01 million tonnes, cement sales volumes increased by 5.2% in 2008 from the previous financial year. ACC's sales turnover during the year 2008 was Rs. 7,308.62 crore, which was 4.5% higher than it was in the previous financial year.

Profit before Tax was Rs. 1,736.59 crore, compared with Rs. 1,930.29 crore in the previous financial year. Profit after Tax for the year 2008 was Rs. 1,212.78 crore, as against Rs. 1,438.59 crore in the previous financial year. In 2008, ACC's operating EBITDA margin was 25.4%, compared with 28.2% in 2007.

2) Modernisation/Expansion Projects

The project seeking to expand the capacity of the works at Bargarh (Orissa) to 2.3 million tonnes per year, and to install a 30 MW captive power plant, made considerable progress in 2008. The project is slated to be completed by mid-2009.

The expansion of the Wadi-II plant, along with the setting up of two grinding plants, made headway during the year and these would be commissioned in phases between August 2009 and March 2010.

The Company commenced work on a new clinker line, with a capacity of 7,000 TPD, at Chanda in Maharashtra, where a new 25-MW captive power plant is also being set up. This project is expected to be completed by mid-2010.

While ACC is focusing on completing the ongoing projects, we have, for the time being, deferred new commitments on other expansion projects in the pipeline.

ACC Limited is India's largest manufacturer of cement. Formerly called "The Associated Cement Companies Limited", ACC has a countrywide network of modern cement plants, sales offices, dealers and retailers. In the 70 years of its existence, ACC has been a pioneer and trend-setter in cement technology as well as in sustainable development.

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3) Alternate Fuels, Raw Materials and Energy

The Company made a modest beginning in its AFR business, which built up a clientele in industries as diverse as chemicals, automobiles and pharmaceuticals. Furthermore, ACC demonstrated its commitment to reducing fossil-fuel dependence by setting up another Wind Farm of 7.5 MW capacity near Jodhpur in Rajasthan. This project follows the commissioning of another such farm in Tamil Nadu in 2007, bringing the Company's total renewable and green energy capacity to 16.5 MW.

4) Cement Industry Outlook

While we do not expect sharp changes in our input costs, we believe that cement prices would continue to be stable in 2009. Although urban demand growth is likely to slow down, semi-urban and rural demand for new homes is expected to grow. In the past five years, cement consumption increased by a compounded annual growth rate of 9.3%, and we expect this to grow between 6% and 8% in 2009 as well.

5) Dividend

The Board of Directors have decided to recommend a final dividend of Rs. 10/- per share aggregating to Rs. 219.58 crores (including tax on dividend). Thus, the total dividend, including interim dividend of Rs. 10/- per share paid in August 2008, would be Rs. 20/- per share. The total dividend amount for fiscal 2008 would be Rs. 439.12 crores (including tax on dividend).

Sumit Banerjee

Managing Director

Mumbai – February 5, 2009

** The turnover for 2007 includes Rs. 367 crore of sales at the ready-mix concrete business, which has been spun off into a separate entity and its performance is not included in the 2008 numbers.*

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