

Media Release

Consolidated Results for the Year ended December 31, 2009

		Year Jan-Dec 2009	Year Jan-Dec 2008	Growth (%)
Sales Volume – Cement	Million Tonnes	21.52	21.01	2.4
Sales Turnover	Rs. Crore	8479.55	7693.94	10.2
Profit before Tax	Rs. Crore	2250.70	1624.82	38.5
Net Profit after Tax	Rs. Crore	1563.91	1099.65	42.2

Sales turnover increased by 10.2% to Rs 8479.55 crore in 2009 from Rs 7693.94 crore in 2008 due to better realisations. There was nominal growth of 2.4 per cent in total cement sales volumes.

Consolidated Profit before Tax in 2009 was Rs. 2250.7 crore, up 38.5% from Rs. 1,624.82 crore in the previous fiscal, despite a weak fourth quarter where Profit before Tax dropped 1.6% quarter on quarter. The Company posted a Profit after Tax of Rs. 1563.91 Crore in 2009, as against Rs. 1099.65 crore in the previous financial year. ACC's operating EBITDA margin in 2009 was 30.4%, compared with 23.3% in 2008. Better prices, exacting control on production, distribution and other costs together enabled ACC to achieve these results.

2. Modernisation and Expansion

- a) The major part of Bargarh expansion project, together with a 15 MW captive power plant, was completed in the third quarter of 2009 and the plant went into production. The balance equipment is expected to be commissioned in the first quarter of 2010. The expanded capacity of Bargarh will be 2.1 million tonnes per annum.
- b) The first phase of the programme to add 3 million tonnes per annum of capacity in Karnataka was completed with the launch of two new satellite plants. These are the Thondebhavi grinding plant near Bangalore with a capacity of 1.6 million tonnes per annum and the Kudithini grinding plant near Bellary with a capacity of 1.1 million tonnes per annum. The remaining phase of the Karnataka programme including additional captive power generation capacity of 50 MW is expected to be completed by mid 2010.
- c) The new clinkering line at Chanda in Maharashtra and its new 25 MW captive power plant, being built at a cost of Rs 1,450 crores, will add 3 million tonnes per annum of cement and is expected to be completed in third quarter of 2010.
- d) The total capacity of ACC now stands increased to about 26 million tonnes per annum. After completion of the Chanda and balance of Wadi expansion work ACC's installed capacity is set to reach 30 million tonnes per annum.

3. Coal Projects

During the year, ACC was successful in getting allotments of coal blocks in Madhya Pradesh and West Bengal. These include four coal blocks in Madhya Pradesh, exclusively for ACC, which the company will develop in a joint venture with MP State Mining Corporation Ltd. Initial exploratory and preparatory work has already commenced. The company has also been allotted a 14% stake in a coal block in West Bengal which would be developed along with other co-allottees.

4. Investments

In December 2009, the company entered into an agreement with the promoters of Asian Concrete & Cement Private Limited (Asian Cement) to acquire a 45% equity stake in that company. Asian Cement has a cement grinding plant of capacity 0.3 million tonnes in the Solan District of Himachal Pradesh and is setting up an additional 1 million tonne grinding facility adjacent to it. The company expects to conclude the transaction in the first quarter of 2010.

5. Alternative Fuels and Raw Materials

The company's AFR business registered a substantial increase in the usage of alternative fuels and raw materials through the co-processing of industrial waste at all our plants. The business has also increased its portfolio and has successfully co-processed 27 different types of industrial waste streams at our plants.

6. Energy

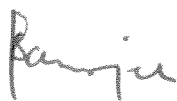
Captive power plants played an important role in providing quality power and in improving our cost competitiveness. Captive power generation increased by about 15 per cent during the year. The share of our power requirement met from captive sources in 2009 was 71% as against 66% in 2008. Our wind energy farms in Tamil Nadu and Rajasthan also performed well. The company is setting up a new 2.5 MW wind energy farm in Maharashtra at a cost of Rs. 13 crore which would be commissioned in the first half of 2010.

7. Cement Industry Outlook

Government's continued thrust on infrastructure and its stimulus packages to boost the rural and other sectors are likely to accelerate construction activity. Consequently, the company expects the cement industry to maintain a steady growth impetus of 8-10% in 2010. The industry has considerably increased its capacity and more projects are under implementation. Despite growing demand, these are likely to create some surpluses in some parts of the country. The company also foresees some hardening of prices of critical inputs like coal and gypsum.

8. Dividend

The Board of Directors has recommended a final dividend of Rs.13/- per share aggregating to Rs.285.54 crores (including tax on dividend). Thus, the total dividend, including interim dividend of Rs. 10/- per share paid in August 2009, would be Rs. 23/- per share. The total dividend amount for fiscal 2009 would be Rs. 505.14 crores (including tax on dividend).



Sumit Banerjee
Managing Director

Mumbai, February 4, 2010

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

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