

Media Release

1) Standalone Results for Quarter ended 30th. June 2010

		Qtr. Apr – Jun 2010	Qtr. Apr – Jun 2009	Growth (%)
Sales Volume – Cement	Million tonnes	5.34	4.82	10.8%
Net Sales	Rs. crore	2,048	1,847	10.8%
EBITDA	Rs. crore	644	521	23.6%
Profit Before Tax and Exceptional Items	Rs. crore	562	473	18.7%
Net Profit	Rs. crore	391	325	20.5%

Ambuja Cements Ltd (ACL) today announced that production of cement for the quarter ended 30th. June went up by 12.7%, to 5.5 million tonnes, compared to 4.9 million tonnes for the same quarter last year.

Domestic sales volumes increased by 12.6%, from 4.6 million tonnes to 5.2 million tonnes. Exports were 161 thousand tonnes compared to 219 thousand tonnes last year, a decline of 26%. Net sales increased by 10.8%, to reach Rs. 2,048 crore, as a result of the higher volumes.

Clinker purchases were minimal, following the commissioning in the previous quarter of two new kiln lines, and consequently EBITDA for the current quarter improved by 23.6% year on year, from Rs. 521 crore to Rs. 644 crore.

Profit before tax and exceptional items increased by 18.7%, to Rs. 562 crore.

The Board of Directors has decided to declare an interim dividend of Rs. 1.20 per share (60%).

2) Highlights of Quarter ended 30th. June 2010

Cement demand growth moderated during the quarter, registering 6.4% year on year, mainly as a result of a slowdown in key housing and infrastructure sectors. The East and North regions remained fairly robust, while demand softened to some extent in South and West. Export markets remained sluggish.

Clinker purchases ceased during the quarter, following commissioning of the new clinkerisation units. The consequent reduction in raw material costs contributed significantly to the EBITDA improvement.

Fuel and power costs increased 21% year on year, mainly as a result of the increased production volumes. Imported coal costs remained lower than in the same quarter last year. However, domestic coal costs, as well as petcoke costs, have been increasing.

Surplus power continued to be sold into the market, generating approximately Rs. 15 crore of revenue in the quarter (last year Rs. 19 crore), which is reported under 'other operating income'.

Freight and forwarding expenses increased 33% year on year, impacted by higher sales volumes, increased internal material transfers, and diesel price increases.

3) Projects

During the quarter, a 30 MW thermal power plant was commissioned at the Ambujanagar manufacturing unit in Gujarat.

4) Outlook

Cement demand growth began to slow in the month of June, and is expected to remain subdued through the monsoon season. By the third quarter, activity should pick up again, and the medium term demand outlook remains positive.

Onne van der Weijde

Managing Director

Mumbai, 22nd. July 2010