

Media Release

1) Standalone Results for Quarter ended 31st. March 2009

		Qtr. Jan – Mar 2009	Qtr. Jan – Mar 2008	Growth (%)
Sales Volume – Cement	Million Tonnes	5.1	4.8	5.8%
Net Sales	Rs. crore	1,848	1,655	11.6%
Profit Before Tax	Rs. crore	491	483	1.5%
Net Profit	Rs. crore	334	326	2.4%

Ambuja Cements Ltd (ACL) today announced that the production of cement in the quarter ended 31st. March went up by 5.7%, to 5 million tonnes, compared to 4.7 million tonnes in the same quarter last year.

Net sales increased by 11.6%, to reach Rs. 1,848 crore, on the back of the higher volumes as well as marginally improved realisations over the same quarter in 2008. Exports also increased and, at 0.28 million tonnes, were 44% higher on YoY basis.

Power and fuel costs remained relatively high during this period, as a result of higher cost of coal in opening inventory. However, this impact was to some extent mitigated by improved productivity of our operations, and strict control of other input costs.

2) Highlights of Quarter ended 31st. March 2009

Cement demand growth remained robust during the quarter, at around 9% YoY at the national level. In particular, rural and semi-urban markets appear to have been less affected, and government stimulus measures have also had some impact.

Our manufacturing units have been working at full capacity throughout the period. Despite this, it was also necessary to source a certain amount of clinker externally, including imports, in order to increase supplies in the market.

3) Projects update

Approved Capex projects totalling around Rs. 5,000 crore are in progress at various locations, and are on track.

During the quarter, a 15 MW captive power unit was commissioned at the Bhatapara plant, in Chattisgarh. The bulk cement terminal at Kochi is commencing operation this month, and the first cement shipment has arrived in the past few days.

The major expansion projects at Bhatapara, and Rauri in Himachal Pradesh, continue to make good progress, and remain on track for completion around mid 2009 and end of 2009 respectively. These plants will increase our annual clinkerisation capacity by 4.4 million tonnes.

Two new 1.5 million tonne grinding facilities, at Dadri and Nalagarh, are also under construction, and will be commissioned during the second half 2009, and first quarter 2010, respectively.

Further captive power projects are in progress, at the Ambujanagar and Chandrapur plants, which will add another 75 MW of power generating capacity. Work is also continuing on the expansion of the coastal fleet, with three new ships in the pipeline.

4) Current Outlook

The current buoyant market conditions may be sustained for some time, With many capacities in the pipeline, leading to increased supplies, prices may come under pressure in the second half. Efforts to improve productivity and efficiency in operating parameters will drive future profitability improvements.

A L. Kapur

Managing Director

Mumbai, 22nd. April 2009