

## PRESS RELEASE

20<sup>th</sup> October 2006

### Quarter ended September 30, 2006

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- ❑ **Net sales higher at Rs. 1006 crores, up 50%**
  - ❑ **EBIDTA at Rs. 417 crores, up 102%**
  - ❑ **Profit After Tax at Rs. 280 crores, up 159%**
  - ❑ **Interim Dividend of 75%**
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Gujarat Ambuja Cements Limited has performed exceedingly well during the quarter ended September 2006. Profit After Tax witnessed a quantum jump of 159% at Rs.279.95 crores as against Rs.108.06 crores in the corresponding previous quarter.

The Turnover for the quarter saw a 50% increase at Rs. 1006.23 crores as against Rs. 669.81 crores in the September quarter of the previous year.

After providing for Interest of Rs.8.32 crores (Rs.22.02 crores) and Depreciation of Rs.50.07 crores (Rs.49.54 crores), the Profit Before Tax is Rs.358.29 crores. This is an increase of 166% as compared to the corresponding quarter of the previous year.

	(Rs. Crores)		
<b>Gujarat Ambuja (consolidated)</b>	<b>Sept '06</b>	<b>Sept '05</b>	<b>+/- (%)</b>
Net Sales	1006.23	669.81	50
EBIDTA	416.68	206.22	102
Interest	8.32	22.02	(62)
Depreciation	50.07	49.54	1
Net Income Before Tax	358.29	134.66	166
Tax	78.34	26.51	196
Net Income After Tax	279.95	108.06	159

Despite the severe floods in Gujarat, Maharashtra and Rajasthan, the company sold 3.21 million tonnes of cement for the reporting quarter. This is 9% more than the cement sold in the September quarter last year.

Overall efficiencies and better cement prices helped the company post an impressive result. After providing for higher tax of Rs.78.34 crores as against Rs.26.51 crores, the Net Profit After Tax is Rs. 279.95 crores. This is against Rs. 108.06 crores, an increase of 159%.

## **Ambuja Cement Eastern Limited**

Ambuja Cement Eastern Limited has performed well during the quarter. The results are as under:

	<b>Rs. Crores</b>	
	<b>Sept '06</b>	<b>Sept '05</b>
Turnover	147	98
Profit Before Tax	36	10
Profit After Tax	33	6

The process of merger with the company is progressing well and is expected to be completed by end November 2006.

### **2<sup>nd</sup> Interim Dividend**

Encouraged by a commendable performance, the Board of Directors in its meeting today, has announced 2<sup>nd</sup> Interim Dividend for the 18 months period ending December 2006 of 75% (Rs.1.50 per share of Rs. 2/- each).

This is in addition to the Interim Dividend of 50% announced in April 2006 on the equity share capital of Rs 271.02 crores.

### **Capex**

The company alongwith ACEL have planned a total capital outlay of Rs.950 crores. This is for augmenting cement capacity by setting up a clinker unit of 2.3 million tonnes in Chattisgarh and setting up 3 power plants of 81 MW at various locations.

The first phase of the 60 MW power plant at Ambujanagar in Gujarat would be operational by the 1<sup>st</sup> Quarter of 2007. The second phase would be ready by the 2<sup>nd</sup> Quarter of 2007.

Meanwhile, the work on the upgradation of the cement plant at Rajasthan and two grinding units at Uttaranchal and West Bengal is progressing very fast.

### **Outlook**

Indian economy is growing very well and construction industry is witnessing rapid growth. Demand for cement is expected to be over 10 % on the back of very sound GDP growth.

**MANISH AGARWAL**  
**GENERAL MANAGER**  
**(TREASURY & CORPORATE STRATEGIES)**