

Media Release

1) Standalone Results for Quarter ended 30th. June 2009

		Qtr. Apr – Jun 2009	Qtr. Apr – Jun 2008	Growth (%)
Sales Volume – Cement	Million Tonnes	4.8	4.4	10.3%
Net Sales	Rs. crore	1,847	1,564	18.1%
EBITDA	Rs. crore	521	485	7.4%
Profit Before Tax and Exceptional Items	Rs. crore	473	442	7.1%
Net Profit	Rs. crore	325	577	(43.7%)

Ambuja Cements Ltd (ACL) today announced that production of cement for the quarter ended 30th. June went up by 8.2%, to 4.9 million tonnes, compared to 4.5 million tonnes for the same quarter last year.

Sales volumes increased by 10.3%, from 4.4 to 4.8 million tonnes, of which exports were 0.22 million tonnes compared to 0.08 million tonnes last year. Net sales increased by 18.1%, to reach Rs. 1,847 crore, on the back of the higher volumes and improved realisations.

Major input costs grew more slowly, and consequently, EBITDA improved by 7.4%, from Rs. 485 crore to 521 crore year on year.

Profit before tax and exceptional items also increased, by 7.1%, to Rs. 473 crore.

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

2) Highlights of Quarter ended 30th. June 2009

Cement demand growth remained buoyant during the quarter, registering around 12% year-on-year at the national level. The main drivers have been solid demand in the rural and semi-urban markets, and the boost to infrastructure projects from the various government stimulus packages, as well as the late arrival of the monsoon.

Fuel and power costs have further moderated during the quarter, due to the reduction in imported coal costs. We have also sold surplus power from two of our plants, generating Rs. 19 crore of revenue in the quarter, which is reported under other operating income.

As our clinkerisation plant in Maharashtra was shut down for part of this period for repairs, we increased our external clinker sourcing during the quarter.

We continue to reap benefits from our ongoing drive to improve productivity, with many initiatives at the plants, as well as strict controls on overhead costs.

3) Projects update

The second phase of the captive power expansion at our Ambujanagar plant is near completion; the turbine has been commissioned during this quarter and the work will be fully completed in the next quarter.

The new bulk terminal at Kochi was commissioned towards the end of April.

The major expansion projects, at Bhatapara in Chattisgarh, and Rauri in Himachal Pradesh, are on track for completion around September 2009 and end of 2009 respectively. These plants will increase our clinkerisation capacity by 4.4 million tonnes per annum.

Two 1.5 million tonne grinding facilities for the North region, at Dadri and Nalagarh, are also on track, and will be commissioned during the second half 2009, and first quarter 2010, respectively. This will increase our cement capacity to 25 million tonnes.

Other projects, including additional captive power at our Maratha plant in Maharashtra, and three new ships to support increased coastal transportation, are progressing according to plan and will be completed by mid-2010.

4) Current Outlook

Construction activity is likely to slow to some extent during the monsoon season, but could pick up strongly again in the December quarter, assuming the economic recovery maintains positive momentum.

A L. Kapur

Managing Director

Mumbai, 23rd. July 2009