



21st January, 2012

Press Release

Financial Results for the Quarter ended 31st December, 2011

UltraTech Cement Limited, an Aditya Birla Group Company, today announced its unaudited financial results for the quarter ended 31st December, 2011.

(₹ in crores)

	Quarter ended			Nine month ended
	31.12.11	31.12.10	30.09.11	31.12.11
Net Sales	4,572	3,715	3,910	12,847
PBIDT	1,120	768	685	3,059
PAT	617	319	279	1,579

Financials – Q3FY'12

Net Sales stood at ₹ 4,572 crores as compared to ₹ 3,715 crores in the corresponding period of the previous year. Profit before Interest, Depreciation and Tax is ₹ 1,120 crores and Profit after Tax is ₹ 617 crores vis-a-vis ₹ 768 crores and ₹ 319 crores respectively, in the corresponding period of the earlier year.

The combined domestic cement and clinker sales of grey cement was 9.72 MnT (9.16 MnT) while it was 2.49 LmT (2.25 LmT) for white cement and wall care putty.

The quarter witnessed improved demand growth of around 10% on account of a lower base effect in the corresponding period of the previous year. The sector capacity utilisation during the quarter improved to 73% as compared to 68% in the preceding quarter. Although post monsoon, the pricing scenario indicated some improvement, the uncertain price scenario is expected to continue.

Variable cost rose by 16%, mainly on account of increase in energy cost. This is attributable to the 30% rise in the price of domestic coal by Coal India during Q4FY11; continuous spike in prices of imported coal as also the rupee devaluation by approximately 14%. Energy cost is expected to escalate with the change in pricing mechanism from Useful Heat Value (UHV) to Gross Calorific Value (GCV) implemented by Coal India with effect from 1st January, 2012. All of these will put pressure on the Company's margins.

Capex

The Company has a capital outlay of over ₹ 11,000 crores to be spent on various projects. These include, among others – clinkerisation plants through brownfield expansion at Chhattisgarh and Karnataka together with additional grinding units – installing waste-heat recovery systems – instituting bulk packaging terminals – setting up of readymix concrete plants. The progress on expansion of capacity at Chhattisgarh and Karnataka are almost in line with the schedule. These are expected to be operational by Q1FY14, and will augment the Company's cement capacity by 9.2 mtpa bringing it to a total of 59 mtpa.

These projects are being funded through a judicious mix of internal accruals and borrowings.

Outlook

Demand is likely to grow around 8%. However, the surplus scenario is likely to continue over the next 3 years. At the same time, growing input costs will result in a squeeze in margins.

UltraTech Cement Limited

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