



**UltraTech Cement Announces Results
for the Quarter ended 31st December, 2010**

	Quarter ended			₹ crores
	31 st Dec, 2010	31 st Dec, 2009 (LFL#)	31 st Dec, 2009	
Net Sales	3,715	3,682	1,652	
PBIDT	768	1,019	414	
PAT	319	499	196	

LFL = like for like

UltraTech Cement Limited, an Aditya Birla Group Company, today announced its unaudited financial results for the quarter ended 31st December, 2010. The results for the corresponding Quarter of FY10 have been re-cast to include Samruddhi Cement Limited's performance for a like-for-like comparison. In that sense this quarter numbers are strictly not comparable with the corresponding period of the previous year.

Financials

Net Sales stood at ₹ 3,715 crores as compared to ₹ 3,682 crores in the corresponding period of the previous year. Profit before Interest, Depreciation and Tax is ₹ 768 crores vis-a-vis ₹ 1,019 crores. Profit after Tax is ₹ 319 crores vis-a-vis ₹ 499 crores in the corresponding period of the previous year and ₹ 116 crores in Q2FY11.

The Company produced 9.30MMT (8.99 MMT) of grey cement. The combined domestic cement and clinker sales of grey cement was 9.16 MMT (9.05 MMT).

White Cement – During the quarter the Company produced 1.47 LMT (1.38 LMT) of white cement. It sold 1.44 LMT (1.30 LMT) white cement and 0.81 LMT (0.60 LMT) wall care putty.

During Q3FY11 Industry demand growth was significantly lower than the expected growth of over 8%. This was mainly on account of the prolonged monsoon, non-availability of resources, lower realty and infrastructure spending and de-growth in the markets of South India where the Company has a significant presence.

During the nine month period ended 31st December, 2010 Industry witnessed a capacity addition of around 14 MMT over and above the capacity addition of more than 60 MMT in FY10. These factors have resulted in Industry capacity utilisation remaining at 75%.

On the cost front, there was continuous pressure with prices of imported coal rising from US\$ 92/Mt in Q3FY10 to US\$ 125/Mt, an increase of around 36%.

Collectively, these aspects have affected the Company's performance. While domestic cement volume rose by 1% YoY and by 4% sequentially, realisation was lower by 3% as compared to Q3FY10 though on a sequential basis it improved by around 12%. Despite improved realisation compared to Q2FY11, margins remained under pressure.

Capex

The Company has a capital outlay of around Rs.10,000 crores to be spent over the next three years. These include setting up of additional clinkerisation plants at Chhattisgarh and Karnataka alongwith grinding units and bulk packaging terminals across various states. To take these projects forward, orders for major equipment have been placed. Consequent to these expansions, the total cement capacity addition will be 9.2 mtpa, which will be operational from early FY14.

Outlook

Cement demand is expected to grow around 8% - 10% from FY12 on the back of the government's initiatives to boost rural development, infrastructure and housing. These aspects augur well for the Company. The pricing environment is likely to remain challenging coupled with rising energy costs due to greater reliance on imports, which will continue to squeeze margins.

UltraTech Cement Limited

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