



SHREE CEMENT, NORTH INDIA'S LEADING CEMENT PRODUCER

**Q1 Net Profit jumps 348% to Rs. 90 Crore,
Turnover more than doubles to Rs. 309 Crore**

Financial Highlights

(Rs. Cr.)

	Q1 FY06	Q1 FY05	% Change
Net Sales	309.39	142.52	217%
Operating Profit (EBITDA)	140.50	44.73	314%
Interest	5.38	3.90	38%
Gross Profit	135.12	40.83	331%
Depreciation & Pre-Op. Exp	26.29	12.27	214%
Taxes	18.44	2.57	-
Net Profit	90.39	26.00	348%
Cash EPS	33.49	10.98	305%
EPS	25.94	7.46	348%

The Board of Directors of Shree Cement met today for approving the Results of June, 2006 Quarter. Company has posted excellent results during the quarter showing 348% jump in net profit to Rs. 90.39 crore against Rs. 26.00 crore recorded in the corresponding quarter of previous year. The net sales more than doubled to Rs. 309.39 crore against Rs. 142.52 crore.

The operating profit increased from Rs.44.73 crore to Rs. 140.50 crore resulting in operating margin going up from 31.38% in Q1 of last year to 45.41% in the current quarter. The operating margin of the Company is the highest in Cement Industry. The excellent performance is a result of good market conditions and cost containment exercise regularly undertaken by the Company. In the face of rising fuel prices, Company has well managed its energy and transportation costs. The Power and fuel cost of the Company is one of the lowest in the Indian Cement industry.

The all India cement demand grew by 8% during Q106. North India, where the Company markets its production, has shown strong growth of 15%. With growth in housing construction continuing and infrastructure & private capita expenditure increasing, the outlook for cement demand appears positive.

Company has undertaken a capital expenditure program to raise its production capacity to 9.1 Million Tonne by 2007-08 with 100% captive power capacity. The implementation Work is running as per schedule. The 1.5 Million Tonne per annum capacity is expected to be completed by end of the current financial year.

Company held its Annual General meeting also today for approval of its annual accounts for financial year 2005-06. Company declared a higher dividend of Rs.5/- per share for 2005-06 against Rs.4 per share paid in the previous year.