Performance Update

for the half year ended 30th September 2005

UltraTech Cement Limited

Registered Office : 'B' Wing, Ahura Centre, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093.

8th November 2005

Dear Shareholders,

We take this opportunity to share with you the performance of your Company for the half year ended 30th September 2005 (H1FY06).

Business highlights are as indicated:

	H1FY 06	H1FY 05	% Change
Installed capacity (Mn.TPA) :			
Clinker	6.52	6.52	—
Cement	7.75	7.75	—
Production (Mn. Ton) :			
Clinker	5.73	6.44	(-) 11%
Cement	6.00	5.59	7%
- clinker capacity utilisation	88%	99%	
- effective capacity utilisation	@82%	88%	
Sales Volume (Mn. Ton) :			
Domestic - Cement	5.75	5.41	6%
- Clinker	0.10	0.02	
Exports - Cement	0.67	0.31	116%
- Clinker	0.48	1.48	(-)68%
Total	7.00	7.22	(-) 3%
Average Realisation (Rs./MT) :			
Domestic - Cement	$1,883	1,788	5%
Exports - Cement	2,006	1,946	3%
- Clinker	1,531	1,209	27%

@ Effective capacity utilisation is based on cement production + clinker sold

$ Recasted for differential in freight paid sales

Q1FY06 took off on a positive note. However, performance in Q2FY06 adversely affected the overall performance for H1FY06, due to the following factors:

1. Lower capacity utilisation on account of annual maintenance shut down *(average number of days of kiln shutdown during first half - 33 days per kiln as against 17 days in the corresponding period last year)* of all your Company's plant, coupled with floods in Western and Central India,

   As a result, clinker capacity utilisation in H1FY06 was 88% compared to 99% in H1FY05. Consequently the cement capacity utilisation was also lower at 82% as against 88% in H1FY05.

2. Increase in Power and Fuel cost on account of a rise in prices of Coal, FO and Naphtha, more particularly at GCW which accounts for 43% of your Company's production capacity and is run on Captive Power Plant (CPP) based on Naphtha where Naphtha prices increased by 32% and

3. Higher maintenance cost due to annual shutdown.

Although realisation improved by 5% from Rs.1,788 MT in H1FY05 to Rs.1,883 MT in H1FY06, this benefit was offset as sales volume declined by 3% and the increase in operating cost.

To avail of the benefit of prevailing cement export prices, your Company preferred to export more cement compared to clinker. Accordingly cement exports were up 116% at 6.66 Lac MTs as compared to 3.09 Lac MTs in the corresponding second half of the previous year.

The total operating costs at your Company's plants during H1FY06 were significantly up by 10% on the back of increase in maintenance cost, coal and petroleum product prices.

Necessary steps are being taken to address these concerns for reducing costs and improving efficiencies.

Work on the TPP at GCW is underway and the plant is expected to be commissioned by July 2007. This would result in substantial savings in cost. Apart from setting up the TPP, your Company has planned for a Capex of around Rs.400 crores for necessary maintenance and de-bottlenecking. This will improve the operating efficiencies in terms of better productivity and reduction of power and fuel cost.

With continuing prudent financial management practices and restructuring of debts and effective utilisation of working capital facilities the interest cost has been reduced by 20% at Rs.44 crores against Rs.55 crores during the previous half.

The financial results for H1FY06 are as follows:

Rs. in Crores

Particulars	Three months ended Sept. 30, 2005	Three months ended Sept. 30, 2004	Six months ended Sept. 30, 2005	Six months ended Sept. 30, 2004	Year ended March 31, 2005 (Audited)
Net Sales	**634.51**	**571.08**	**1422.40**	**1228.12**	**2586.09**
Other Income	8.12	4.91	19.21	12.38	21.24
Total Expenditure:·					
• Decrease / (Increase) in stock	(23.52)	(36.68)	(37.06)	(50.78)	(20.90)
• Raw Material Consumed	55.53	57.62	125.59	127.02	265.34
• Purchase of Finished Goods	88.79	33.57	152.43	74.26	193.93
• Payment to & provision for Employees	18.91	21.41	34.44	42.45	72.96
• Power & Fuel	181.21	211.27	391.53	417.17	823.12
• Freight & Handling expenses	144.10	102.74	322.91	219.53	478.93
• Other expenditure	104.55	86.84	218.38	209.82	422.05
Total Expenditure	**569.57**	**476.77**	**1208.22**	**1039.47**	**2235.43**
Interest	22.40	26.88	44.45	55.26	106.88
Profit Before Depreciation and Tax	**50.66**	**72.35**	**188.94**	**145.77**	**265.02**
Depreciation	52.12	64.89	103.05	119.08	221.78
Profit before Tax & Diminution	**(1.46)**	**7.46**	**85.89**	**26.69**	**43.24**
Provision for diminution in value of investment	—	—	—	—	76.84
Profit / (Loss) before Tax Expenses	**(1.46)**	**7.46**	**85.89**	**26.69**	**(33.60)**
Income Tax Expenses					
• Current Tax	5.24	12.06	40.28	21.06	31.55
• Deferred Tax	(7.67)	(2.30)	(15.78)	(3.30)	(68.00)
•· Fringe Benefit Tax	0.89	—	1.29	—	—
Net Profit	**0.08**	**(2.29)**	**60.10**	**8.93**	**2.85**
Paid up equity share capital (Face Value of Rs.10/- per share)	124.40	124.40	124.40	124.40	124.40
Reserves					942.73
Basic & Diluted EPS for the period (Rupees)	**0.01**	**(0.18)**	**4.83**	**0.72**	**0.23**
Aggregate of Non-Promoter Shareholding:					
• Number of Shares ('000s)	60,856	60,856	60,856	60,856	60,856
• Percentage of Shareholding	48.92%	48.92%	48.92%	48.92%	48.92%

Notes:

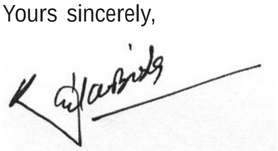
1. The Operations of the Company's Plant at Kovaya had to be shut down from June 29, 2005 till July 5, 2005 due to heavy rains and flood in Gujarat. Consequently, additional cost incurred for repairs, maintenance, raw materials, stores and spares totalling to Rs.10.48 crores was included under the respective head of accounts in three months ended June 30, 2005 and six months ended September 30, 2005 figures.
2. The Company had charged off the unamortised balance of deferred revenue expenses to profit & loss account in the previous year. The additional charge on this account in six months ended September 30, 2004 was Rs.14.74 crores.
3. Depreciation for three months and six months ended September 30, 2004 included Rs.18.34 crores related to earlier years.
4. The Company is engaged in one primary segment viz. Cement Business.
5. The figures of the previous year / period have been regrouped wherever necessary.
6. During the quarter ended September 30, 2005, 12 investor complaints were received, all of which have been attended by the Company. No complaints were pending at the beginning or at the end of the quarter.
7. The above results have been taken on record by the Board of Directors at the meeting held on October 22, 2005. The statutory auditors have performed a limited review of the financial results for the six months ended September 30, 2005.

Outlook:

The cement sector appears to be on a sustainable growth path considering the robust outlook for the housing sector and momentum in infrastructure spending. We are hopeful that cement demand is likely to grow on an average of 8% for the current year. Domestic selling price and international prices of cement is likely to sustain during H2FY06. Your Company's focus will be to enhance cement export so as to have better realisation to compensate for increase in operating cost.

With Seasons' Greetings,

Yours sincerely,



K. C. BIRLA
Executive President & CFO

Cautionary Statement