



Performance Update
for the half-year ended 30th September, 2006

UltraTech Cement Limited

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

Dear Shareholder,

We are pleased to present the performance of your Company for the half-year ended 30th September, 2006 (H1FY07).

BUSINESS PERFORMANCE

	H1FY 07	# H1FY 06	% Change
Installed capacity (Lmt):			
Clinker	145	145	—
Cement	170	170	—
Production (Lmt) :			
Clinker	67.76	63.62	7
- Clinker capacity utilisation	93%	88%	
Cement	68.74	63.75	8
- Effective capacity utilisation*	94%	82%	
Sales Volume (Lmt) :			
Domestic	65.91	59.98	
- Cement	62.82	56.51	11
- Clinker	1.51	0.95	
Trading	1.58	2.53	
Exports	15.45	11.42	
- Cement	5.70	6.66	(14)
- Clinker	9.75	4.76	105
Total	81.36	71.41	14
Average Realisation (Rs./MT) :			
Domestic - Cement	2,878	2,050	40
Exports - Cement	2,421	2,006	21
- Clinker	1,581	1,556	2

Figures for H1FY06 includes those of the erstwhile Narmada Cement Company Limited

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

H1FY07 witnessed improved plant performance. Clinker production increased by 7% from 63.62 lmt in H1FY06 to 67.76 lmt in H1FY07, while cement production registered a growth of 8% from 63.75 lmt to 68.74 lmt. Effective capacity utilisation improved from 88% in H1FY06 to 93% in H1FY07 for clinker and from 82% to 94%, for cement over the same period. The share of blended cement in your Company's product mix increased from 51% in H1FY06 to 61 % in H1FY07 for the domestic market.

Domestic volumes registered a growth of 11%, which is on par with industry. Export of cement and clinker surged by 35%. Domestic Realisation rose by 40% from Rs.2,050 in H1FY06 to Rs.2,878 in H1FY07 on the back of improved pricing scenario due to better demand. Cement export realisation too improved by 21%.

Net Sales at Rs.2,185 crores in H1FY07 was 52% higher compared to the corresponding period in FY06 (Rs.1,433 crores). Profit before Interest – Rs. 46 crores (Rs. 44 crores), Depreciation – Rs.109 crores (Rs.103 crores) and Tax – Rs. 161 crores (Rs.26 crores) was Rs. 654 crores (Rs.233 crores). Profit After Tax stood at Rs. 338 crores (Rs. 60 crores).

Variable costs increased by 7% mainly on account of higher fuel prices (coal and oil), coupled with a rise in inward freight due to restrictions on load traditionally carried by trucks.

CAPEX

Your Company has earmarked a Capex of around Rs.2,698 crores to be spent over the next three years. Of this, Rs.1,088 crores will be utilised towards the setting up of Captive Power Plants aggregating to 192 MWs at its Units in Gujarat, Chhattisgarh and Andhra Pradesh. To meet the growing demand of cement and also to maintain its market share in the South India market, your Company will spend approximately Rs. 1,053 crores towards expansion of cement capacity by 4 mtpa at its Unit in Andhra Pradesh.

Additionally Rs.62 crores will be spent on setting up of Ready Mix Concrete (RMC) plants and the balance on de-bottlenecking and towards better cost efficiencies.

As you are aware, cement is an energy intensive industry. The investments in the captive power plants, work on which is underway and expected to be completed on schedule, should result in substantial savings in your Company's energy cost.

DIRECTORS

During H1FY07, Messrs.A.R.Gandhi and Y.P.Gupta stepped down from the Board of your Company. Mr.G.M.Dave and Mr.N.J.Jhaveri were inducted onto the Board. Mr. Saurabh Misra, CEO of your Company was also inducted onto the Board and appointed Managing Director for a period of three years with effect from 16th October, 2006.

OUTLOOK

Your Company will maintain its focus on improving plant performance, customer service standards and the timely commissioning of its Capex initiatives.

The Government's initiative on infrastructure, rising housing demand and industrial investment is expected to result in over 9 % growth in the industry. Thus the outlook for your Company is promising.

Your Company looks forward to your continued commitment and support in its onward march.

With Season's Greetings,

Yours sincerely



K.C.Birla
Executive President & CFO

CAUTIONARY STATEMENT

Statement in this "Update" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

FINANCIAL RESULTS FOR H1FY07

Rs. in crores

Sr. No.		Three Months ended Sept. 30, 2006.	Three Months ended Sept. 30, 2005.	Six Months ended Sept. 30, 2006 (Reviewed)	Six months ended Sept. 30, 2005 (Reviewed)	Year ended March 31, 2006 (Audited)
1.	Net Sales	1004.54	639.98	2184.86	1433.42	3299.45
2.	Other Income	11.90	8.03	25.30	19.12	37.00
3.	Total Expenditure:					
	• Decrease/(Increase) in stock	(1.11)	(23.50)	(11.01)	(37.04)	(39.12)
	• Raw Materials Consumed	84.17	55.53	175.07	125.59	282.25
	• Purchases of Finished Goods	24.16	88.79	49.93	152.43	265.32
	• Payment to & provision for Employees	29.42	18.91	56.92	34.44	92.26
	• Power & Fuel	248.48	181.92	534.03	391.53	910.11
	• Freight & Handling expenses	206.21	144.26	451.75	323.25	763.08
	• Other expenditure	158.72	109.04	299.10	228.95	471.29
	Total Expenditure	750.05	574.95	1555.79	1219.15	2745.19
4.	Interest	23.74	22.40	46.33	44.45	89.64
5.	Profit/(Loss) Before Depreciation and Tax	242.65	50.66	608.04	188.94	501.62
6.	Depreciation	54.74	52.12	109.09	103.05	216.03
7.	Profit/(Loss) before Tax Expenses	187.91	(1.46)	498.95	85.89	285.59
8.	Income Tax Expenses					
	• Current Tax	66.97	5.24	174.00	40.28	57.00
	• Deferred Tax	(7.18)	(7.67)	(14.93)	(15.78)	(4.75)
	• Fringe Benefit Tax	0.68	0.89	1.60	1.29	3.58
9.	Net Profit/(Loss)	127.44	0.08	338.28	60.10	229.76
10.	Paid up equity share capital (Face Value of Rs.10/- per share)	124.49	124.40	124.49	124.40	124.49
11.	Reserves					913.78
12.	Basic & Diluted EPS for the period (Rupees)	10.24	0.01	27.17	4.83	18.46
	Aggregate of Public Shareholding:					
	• Number of Shares ('000s)	59,405	60,856	59,405	60,856	60,944
	• Percentage of Shareholding	47.72%	48.92%	47.72%	48.92%	48.96%

Notes:

- The Board for Industrial & Financial Reconstruction (BIFR), at its meeting held on May 15, 2006 has approved the Scheme of Amalgamation (the Scheme) of Narmada Cement Company Limited (NCCL) with the Company, with effect from October 1, 2005.
In view of the aforesaid amalgamation, the figures for the three months and six months ended September 30, 2006 are not comparable with those of the corresponding period of the previous year.
- Pursuant to the Accounting Standard 15 (Revised) on 'Employee Benefits' (AS-15) issued by the Institute of Chartered Accountants of India being mandatory with effect from April 1, 2006, the Company has debited an additional amount of Rs. 0.01 crore for three months and Rs. 0.39 crore for the six months ended September 30, 2006 in respect of provision for employee benefits. The adjustments on account of transitional provisions will be dealt with in the General Reserves at the year end.
- The Company is engaged in one primary segment viz. Cement Business. The Company's operations are solely situated in India.
- The figures of the previous year / period have been regrouped wherever necessary.
- During the three months ended September 30, 2006, 7 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.
- The above results have been reviewed by Audit Committee and thereafter approved by Board of Directors at the meeting held on October 16, 2006. The statutory auditors have performed a limited review of the financial results for the six months ended September 30, 2006.