Dear Shareholders

I take this opportunity to share with you our maiden update on the performance of your Company for the half-year ended 30th September 2004 (H1FY05).

Your Company's Net Sales at Rs. 1267.5 crores have registered a growth of 24%. Profit before Interest, Depreciation and Tax stood at Rs. 201 crores. After providing for Interest at Rs. 55.3 crores, depreciation at Rs. 119.10 crores and tax at Rs. 17.75 crores, the Profit for the half-year stood at Rs. 8.93 crores.

Before I move on to the operational performance, let me present the Unaudited Financial Results for the quarter ended on 30th September, 2004:

Particulars	**Three Months Ended 30th September 2004**	**Half Year Ended 30th September, 2004**	**Year Ended 31st March 2004 (Audited)**
Net Sales	**587.78**	**1267.49**	**2251.14**
Other Income	4.91	12.73	59.59
Total Expenditure			
- Decrease / (Increase) in stock	(35.37)	(52.19)	8.27
- Raw Material Consumed	42.24	87.23	163.78
- Purchases of Finished Goods	33.57	74.26	105.08
- Payment to & Provision for Employees	21.49	42.53	66.67
- Power & Fuel	199.72	400.64	630.59
- Freight & Handling Expenses	102.66	219.85	433.66
- Other Expenditure	129.17	306.89	524.00
Total Expenditure	**493.46**	**1079.20**	**1932.05**
Interest	26.88	55.26	115.01
Gross Profit	**72.35**	**145.77**	**263.67**
Depreciation	64.89	119.08	214.47
Profit before Tax Expenses	**7.46**	**26.69**	**49.20**
Provision for Current tax	12.06	21.06	19.65
Provision for Deferred tax	(2.30)	(3.30)	(9.28)
Net Profit	**(2.29)**	**8.93**	**38.83**
Paid-up equity share capital	124.40	124.40	124.40
(Face Value Rs.10 per share)			
Reserves			950.54
Basic & diluted EPS for the period (Rupees)	**(0.18)**	**0.72**	**3.12**
Aggregate of Non-Promoter Shareholding:			
- Number of Shares ('000s)		60.856	124.398
- Percentage of Shareholding		48.92%	100%

UltraTech Cement Limited
(Formerly UltraTech CemCo Limited)
Regd. Office: 'A' Wing, Ahura Centre, 1st Floor, Mahakali Caves Road, Andheri (E), Mumbai 400093.
Tel: 022 56917360, Fax: 022 56917361.

Notes:

1. Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Bombay on April 22, 2004 and declared effective on May 14, 2004, the cement business of Larsen & Toubro Limited (demerged company) was demerged into the Company with effect from April 1, 2003. The cement business, were then regarded as part of demerged company, separate figures for the corresponding period of the previous year are not available.
2. Hitherto, the company was amortising deferred revenue expenses over a period of 5 years. The outstanding amount as on April 1, 2004 and expenditure incurred during the half year amounting to Rs. 15.52 Crore & Rs. 2.51 Crore respectively, has been charged to profit & loss account in this half year to align the accounting policy in this regard with the holding company. Additional charge on this account is Rs. 14.74 Crore.
3. Depreciation include Rs. 18.34 Crore related to earlier years.
4. Company has acquired 4,00,00,000 equity shares of Larsen & Toubro Ceylinco (Private) Limited (LTCL) at par of Sri Lankan Rupee 10 each fully paid up from Larsen & Toubro Limited at an aggregate consideration of Rs. 23.03 Crore on May 14, 2004 representing 80% of the Share Capital of LTCL.
5. The Company's equity shares were admitted for trading in The Stock Exchange, Mumbai and the National Stock Exchange with effect from August 24, 2004.
6. Dividend @ 5% being Rs. 0.50 per equity share of Rs. 10/- each for the financial year 2003-04 has been paid on October 11, 2004.
7. The name of the Company was changed from UltraTech CemCo Limited to UltraTech Cement Limited with effect from October 14, 2004.
8. The Company is engaged in only one segment i.e. Cement business.
9. During the quarter ended September 30, 2004 no investor complaints were received. There were no complaints pending at the beginning & end of the quarter.
10. The figures of the previous year have been regrouped wherever necessary.
11. The above results have been taken on record by the Board of Directors at the meeting held on October 26, 2004. The statutory auditors have performed a limited review of the financial results for the quarter & half year ended September 30, 2004.

Operationally, your Company has recorded considerable improvement over the corresponding period of the earlier year.

Your Company enhanced it's capacity utilisation levels across all its plants. Overall the aggregate utilisation reached 88% *vis-a-vis* 83% for the corresponding period of the last year. Consequently, production grew by 6% to 6.81 mn tonnes.

Aggregate Sales Volumes grew by 5% to 7.22 mn tonnes. The domestic market share has been maintained at 9.7%. I would like to add that we have made a strategic shift in focus towards cement and clinker exports. This enables us to capitalise on profitable opportunities arising with the unprecedented demand from the Middle East. During H1FY05 exports sored by 26.8% YoY to 1.81 mn tonnes, complemented by 28.28% higher clinker exports at 1.48 mn tonnes in H1FY05.

Net domestic realisation rallied from Rs. 1606/MT to Rs. 1866/MT. Clinker export realisation jumped from Rs.964/MT to Rs.1209/MT reflecting a growth of 25.40% YoY.

Power and fuel remain the key concern areas. The cost of power has gone up substantially at your Company's Gujarat plant due to the increase in naptha prices which is used in the captive power plant. Fuel costs were also affected with domestic coal prices raising by 16% and imported coal price up by over 80%. To reduce the fuel cost, your Company is considering the use of alternative fuels. Steps have been initiated to reduce logistics costs and derive synergy benefits with Grasim.

Going forward, your Company will focus on:

(i) improving capacity utilisation

(ii) enhancing efficiencies and lowering costs, especially that of energy and logistics.

(iii) reducing debt levels and interest costs and finally

(iv) realising synergies with Grasim Industries Limited. Focused teams with specific action plans have been set up towards realisation of synergies in various areas of operations. Your Management expects benefits of synergies to start flowing from the 4th quarter and more prominently from FY06 onwards.

Your Company's launch of "UltraTech Cement", which as you know is the new name for the L&T Cement - in markets across the country, has been exceedingly well received. I hope you also found our communication innovative and effective.

Outlook:

The cement sector appears to be on a sustainable growth path, given the robust outlook for the housing sector and regaining momentum in infrastructure spending. We see an 8% average growth in the long run, though demand growth for the current year could settle in the region of 6-7%, reflecting the slow start in FY05. Against this backdrop, given forecast slow growth in capacity additions, your Company expects to see gradual demand-supply balance over the next two years. The North and the East would be balanced during CY2005 and equilibrium is likely in the West by CY2006. The South could however take a bit more time, possibly beyond CY2006.

Prices have remained firm even during the traditionally weak monsoon periods. We expect full year averages to be higher than that of the previous year.

The business outlook is further strengthened by a favourable outlook for exports, thanks to strong construction activity in the Middle East, likely to be sustained for a couple of years. Your Company will capitalise on this opportunity by taking advantage of its coastal location and its strong presence in the export markets.

Your Company's outlook's for the full year is indeed positive. In what appears to be an exciting value journey, we look forward to your valued support, at all times.

Best regards,

Yours sincerely

K.C.Birla

Executive President &

Chief Financial Officer

Mumbai

11 November 2004

Cautionary Statement

Statements 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. The 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 development within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibilities to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.