



Press Release

Carborundum Universal's Consolidated Full Year Net Sales up by 24% Consolidated Operating PBT up by 37%

Chennai, 2nd May 2012: The Board of Directors met today and approved the results for the Quarter and Year ended 31st March 2012.

Consolidated Full year and Q4 Financial performance

Consolidated net sales for the full year, grew up by 24% to Rs.1969 crores from Rs.1592 crores. For the Quarter, sales were up by 21%. Growth was driven by the performance of both the Indian and Overseas operations. The Ceramics segment recorded a growth rate in excess of 30% for the full year. The Abrasives and Electrominerals business segments, both recorded growth rates in excess of 20%. Profitability of all business segments witnessed good increase. Overseas subsidiaries recorded strong growth in sales, particularly the entities in Russia, South Africa and Australia.

PBIT (excluding exceptional income) grew up by 32.0% from Rs.262 crores to Rs.345 crores. Earnings before interest, depreciation and amortisation (EBITDA) recorded an increase of 29% (i.e. from Rs.312 crores to Rs.402 crores) without considering exceptional income of last year.

Profit before tax and exceptional income was Rs.320 crores - an increase of 37% over the previous year amount of Rs.235 crores. The profit after tax increased by 28% (i.e. Rs.219 crores compared to Rs.171 crores last year)

With a view to rationalize the holding structure, the company transferred its holdings in CUMI Abrasives and Ceramics Company Limited, China, to its wholly owned subsidiary in Cyprus.

Consolidated Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis registered an increase of 20% on a full year basis. Sales for the year was Rs.831 crores (Rs.690 crores for the last year). Off-take from user industries in India and Russia continued to be encouraging.

Profit before interest and tax on a consolidated basis recorded an increase of 30% i.e. from Rs.95.8 crores to Rs.124.8 crores.

Electro Minerals

The second largest business segment viz. Electro Minerals recorded an increase of 22% in sales (Rs.727 crores vs. Rs.598 crores). Growth in sales was made possible by the robust performance of the Russian and Indian operations.

Growth in revenues and also improvement in operating margins led to increase in profit before interest and tax of the electro minerals business on a consolidated basis by 27% i.e. from Rs.110.2 crores to Rs.139.9 crores.



Ceramics

The ceramics segment recorded a robust 31% increase in sales on a consolidated basis (Rs.348 Crores vs. Rs.456 Crores).

Both the high alumina ceramics business and the super refractories businesses performed well during the year. The operations in Australia registered higher growth.

Profit before interest and tax of the ceramics business segment on a consolidated basis increased by 47% i.e. from Rs.61 crores to Rs.90 crores.

Plans for Expansion

The Company plans to keep the growth momentum by investing about Rs. 200 crores towards capital expenditure in FY 12-13. For its domestic business, the Company has lined up capacity expansion plans in Abrasive Thin Wheels, Converted coated products, Sintered Alumina grains, Alumina zirconia grains and Lined equipment fabrication facility. The Company is pursuing opportunities to set up a Greenfield project in a new location to meet the additional requirement of Fired and Castable Refractories. For its overseas business, expansion of capacity in Russia and South Africa will be completed this year.

Corporate Events

The Board of Directors of the Company at its meeting held on May 2, 2012 has recommended final dividend of Re. 1/- per share (100%) to the shareholders of the Company. The Company has earlier paid an interim dividend of Re. 1 per share (100%) on February 4, 2012.

About the Murugappa Group

Founded in 1900, the Rs. 17051 Crores (USD 3.8 billion) (as of 31 March 2011) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eight listed Companies actively traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Construction, Bio-products and Nutraceuticals, the Group has forged strong joint venture alliances with leading international companies like Groupe Chimique Tunisien, Foskor, Cargill, Mitsui Sumitomo and Morgan Crucible. The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Gromor and Paramfos are from the Murugappa stable. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees. For more details, visit www.murugappa.com.

For further queries please contact:

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