Press Release **Mumbai, 29th October, 2015**

Grasim Reports Financial Results for Quarter 2 FY 2015-16

EBITDA up 16%, Net Profit up 17% reaping benefits of Investments made across businesses

Volumes up : VSF 13%, Caustic Soda 20%, Epoxy 68%, Cement 5%

Consolidated Financial Performance

₹ Crore

Half Year ended			Quarter ended		
30.09.2015	30.09.2014		30.09.2015	30.09.2014	
16,991	15,986	Net Revenue	8,393	7,943	6%
3,016	2,765	EBITDA	1,485	1,277	16%
973	904	Net Profit	489	416	17%
6%	9%	8%			

Grasim has reported a robust performance for quarter 2 ended 30th September, 2015. Its consolidated revenue has grown by 6% at ₹ 8,393 Cr. and EBITDA by 16% at ₹ 1,485 Cr. PAT was up by 17% from Rs.416 Cr. to Rs.489 Cr.

Viscose Staple Fibre (VSF)

VSF revenue increased by 13% driven by higher sales volume at 114K MT, with additional volumes from Vilayat, and aided by business development activities. During the quarter, the Vilayat plant reached 100% capacity utilization. EBITDA soared by 40% at ₹ 211 Cr. with volume expansion and the decline in pulp and other input costs. Though realisation was maintained on YoY basis, it was higher by 3% sequentially with the upward trend in global prices.

Chemical Business

In the Chemical business, revenue was up by 26% with a volume growth of 20% in Caustic Soda and 68% in Epoxy. EBITDA was higher by 17% at ₹ 93 Cr. with the ramping up of production. ECU realisation remained stable in line with international markets.

The merger scheme of Aditya Birla Chemicals India Ltd. (ABCIL) with the Company has been approved by Competition Commission of India and the High Court of Madhya Pradesh. The sanction from High court of Jharkhand is expected in Q3 FY15-16. Upon receiving the requisite approvals, the scheme will be effective from 1st April, 2015 (the appointed date). The Company's results do not include an EBITDA of ₹ 77 Cr. and PAT of ₹ 20 Cr. reported by ABCIL for quarter 2, pending the remaining approvals.

Cement Subsidiary (UltraTech Cement)

UltraTech Cement has reported better performance despite subdued demand growth in the industry. Revenue for the quarter at ₹ 6,013 Cr. was up by 4%. The Cement sales volume was 11.4 Mn. tons against 10.9 Mn. tons last year. EBITDA was up by 12% at ₹ 1,103 Cr. The operating cost was lower compared to the previous year with the benefit of lower energy cost partially offset by the District Mineral Foundation levy imposed by the Government. Net profit for the quarter stood at ₹ 427 Cr. (₹ 414 Cr.).

With commissioning of grinding units of 1.6 Mn. TPA each in Haryana and West Bengal, the Cement capacity has now increased to 67.7 Mn. TPA.

Outlook

In the VSF business, prices are likely to be influenced by the developments in the industry such as the resumption of operations at some of the shut capacities in China and prices of competing fibres.

The Company will continue to focus on expanding its domestic market through product development activities, working closely with brands, designers and retailers. A better customer connect through Brand Liva is leading to growth in demand for VSF based products in the textile value chain.

In the Chemical business, the scale of operations will rise significantly post the merger of ABCIL with the Company.

In Cement, the demand is expected to be higher with the Government's focus on infrastructure development, housing sector, smart cities etc. and the softening of interest rates. The Company is well positioned across the country to cater to the growth in demand.

Grasim enjoys a leadership position in all its businesses: Cement, VSF, Chemical and continues to strengthen the same. The Company is well poised to reap the benefits of the investments made in the capacity expansions and acquisitions with the ramping up of utilisation and the expected upturn in the business cycle backed by improvement in economic environment.

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