



5<sup>th</sup> July, 2012

**Bombay Stock Exchange Limited**  
**Department of Corporate Services**  
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Rotunda Building,  
P J Towers, Dalal Street,  
Fort, Mumbai - 400 001  
Fax: 022-22723121/ 3719/ 2037/ 2039/  
2041/ 2061

**The Secretary**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza  
Bandra-Kurla Complex, Bandra ( East)  
Mumbai - 400 051  
Fax: 022-26598237/8238

Dear Sirs,

This is to inform you that the Company has signed an agreement through AV Terrace Bay Inc., Canada, a Special Purpose Vehicle (SPV), to acquire the assets of the Terrace Bay Pulp Inc., a paper grade pulp mill in North America. Grasim will be holding 40% interest in the proposed SPV while Thai Rayon Public Co. Ltd., Thailand will be holding the balance.

The transaction is subject to Court approvals in Canada and other Regulatory approvals in Canada, Thailand and India.

A Note on the acquisition is enclosed which is proposed to be released as Press Release.

Thanking you,

Yours faithfully,

**Ashok Malu**  
**Company Secretary**

encl: as above

**ADITYA BIRLA GROUP****Aditya Birla Group to acquire Terrace Bay Pulp Mill in North America**

The Aditya Birla Group today announced that it has signed an agreement in-principle to purchase the assets of the Terrace Bay Pulp Mill in North Western Ontario. Says Mr. Kumar Mangalam Birla, Chairman, Aditya Birla Group, *"The acquisition of the Terrace Bay Mill and its subsequent conversion into a dissolving grade pulp mill is a major strategic move. In the VSF business, we enjoy global leadership. To sustain ongoing growth, we have an integrated business model, spanning the entire value chain from plantation to pulp to fibre. The Terrance Bay Mill, upon conversion, will be geared to provide superior quality pulp for our VSF plants worldwide"*.

The Terrace Bay Mill was placed under CCAA (Companies Creditors Arrangement Act) in January, 2012. The Aditya Birla Group is to make this acquisition through a Special Purpose Vehicle (SPV), AV Terrace Bay Inc. (Canada). Grasim Industries Ltd., proposes to hold a 40% stake in AV Terrace Bay Inc. and the remaining 60% is proposed to be held by Thai Rayon Public Co. Ltd., Thailand. Over a period of the next 3 years, Grasim would be contributing \$ 44 million, out of the total equity contribution of \$ 110 million.

The Group will be investing more than \$ 250 million in a phased manner to convert the mill to produce Dissolving grade pulp with a capacity of 2,80,000 tpa. Until the conversion, which is likely to happen in FY 16, the mill will produce and sell Paper grade pulp. The Paper Grade Pulp mill should restart by October 2012. The Terrace Bay Mill is considered an anchor mill due to its location and its significant consumption of residual chips produced by the regional sawmills.

The transaction is subject to Court approvals in Canada and other Regulatory approvals in Canada, Thailand and India. It is expected to close by July 31, 2012.

The Aditya Birla Group has a significant presence in Canada. Its major companies – AV Nackawic, AV Cell in the pulp & fibre business, Aditya Birla Novelis in the metals business, Aditya Birla Minacs in the ITES business and Columbian Chemicals in Carbon Black business have highly successful operations in Canada. The Aditya Birla Group has a 6000 strong workforce operating in the country. The Group enjoys a strong relationship with the Government and with the Community at large.

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