

**CARBORUNDUM UNIVERSAL LIMITED**

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27th January 2011

6 pages (including this)

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Dear Sirs,

Further to our letter enclosing a copy of the Unaudited Financial Results for the quarter ended 31st December 2010, we are now enclosing a copy of the Press Release together with one more copy of the consolidated financial results.

Thanking you

Yours faithfully
For **Carborundum Universal Limited**


S.Dhanvanth Kumar
Company Secretary

Encl.:

**murugappa**



Press Release

Carborundum Universal's Consolidated Q3 PAT up 56%

Chennai, 27th January 2011: The Board of Directors met today and approved the results for the quarter ended 31st December 2010.

Consolidated Q 3 financial performance

Consolidated Net Sales grew by 25% to Rs.408 Crores from Rs.327 Crores. Growth was largely driven by abrasives, which grew by 62%. Ceramics registered a growth rate of around 11%. About 53% of Company's consolidated sales continue to accrue from exports & overseas operations.

EBITDA (excl other / exceptional income) grew by 20% from Rs.62 Crores to Rs.74 Crores. PBIT grew by 22% from Rs.51 Crores to Rs.62 Crores.

Profit before tax was Rs.55 Crores - an increase of 23% over the previous year figure of Rs.45 Crores. Consequently **profit after tax grew by 56% to Rs.37 Crores (previous year Rs.24 Crores).**

Consolidated YTD Financial Performance

Consolidated Net Sales during the 9 months of 2010-11 were at Rs.1168 Crores (26% growth over the same period for previous year). Profits after tax (including exceptional item of income of Rs.18 Crores post tax) was Rs.121.4 Crores as against Rs.69.3 Crores for the previous year.

Consolidated Operating Performance

Abrasives

CUMI's consolidated abrasives sales registered an increase of 62% for the quarter. Sales for the quarter were Rs.185 Crores (Rs.114 Crores for the corresponding period of last year). The strong growth, particularly in the Indian and Russian markets, made this possible.

CUMI Standalone abrasives registered a growth of 25% in sales driven by the buoyancy in the Indian markets. Both bonded abrasives and coated abrasives witnessed double growth rates. Strong off-take was witnessed for non standard products, both from the dealer segment and the direct customer segment. Presence in non urban markets was increased through intensified retail initiatives. The marketing efforts were complemented by strong support from the manufacturing teams. Efforts were continued to improve raw material consumption efficiencies.

Sterling Abrasives, which caters to certain select segments of the bonded abrasives market, registered a 17% growth in sales. Wendt India, the joint venture, which addresses the super abrasives market, registered a 50% growth in sales.

In Russia, sales for the quarter went up by 91%. Growth was driven by improved off-take from auto, auto component and steel markets.



CUMI China registered a 42% sequential growth over Q2 of current year. Apart from servicing the requirements of thin wheels and other abrasive products for the Indian and Russian operations, the Company has made good progress in developing prospective customers in other overseas markets.

Both the North American subsidiaries viz. CUMI America and CUMI Canada staged smart recovery in sales following improved off-take from various customer segments.

Aided by the strong growth in turnover, control on fixed costs, initiatives taken to improve raw material consumption efficiencies and also price corrections done in the market, profitability (PBIT) of the abrasives segment witnessed a steep three fold growth i.e. from Rs.9 Crores to Rs.28.5 Crores.

Electro Minerals

Electrominerals maintained sales at about last year levels. Sales for the quarter were Rs.145 Crores (previous year Rs.146 Crores). The domestic and international market for all ranges of fused minerals was positive driving on the growth trend registered by the user industries.

Silicon carbide sales of Volzhsky Abrasive Works, Russia, recorded an increase of 17%. The growth in turnover was primarily a result of higher price realization. Despite this, the business not able to recover fully the steep increases in costs (Power & Pet Coke) leading to a drop in profits.

In India, the electro minerals business did well registering a growth of 34%. All three major product groups viz. silicon carbide, brown fused alumina, white fused alumina did well recording higher sales. The slowdown in supplies from China helped the business to get better price realizations across product range. Good demand from domestic refractory customers helped the white fused alumina segment. The photovoltaic segment continues to show promise with more projects getting into the pipeline in India.

In South Africa, sales of Foskor Zirconia were flat. Though demand for zirconia products was firm, the appreciation in the South African currency diminished competitiveness. Profitability of the business was eroded due to increased power and fixed costs and due to sales contracts in place at previous prices.

Profit before interest and tax of the consolidated electrominerals business, was Rs.23 Crores (previous year Rs.32 Crores).

Ceramics

The ceramics business recorded a 11% increase in sales (Rs.85 Crores vs. Rs.77 Crores).

In India, both the high alumina ceramics business and the super refractories businesses registered double digit growth rates. Off take from cement, material handling, mineral processing industries, iron and steel and carbon black industries was strong driving the top line for this business.

Sales of metalized cylinders registered a sequential growth of 20%. The commissioning of some balancing equipment was completed towards the end of the quarter which will yield benefits in terms of higher supply capability in the forthcoming quarters.



Exports of wear resistant tiles to the North America more than doubled. However sales to the Australian markets were dented due to stiff competition from Chinese products and also the floods in Australia.

The Company's joint ventures, in the refractory business, viz. Murugappa Morgan Thermal Ceramics Ltd. and Ciria India Limited continued to perform well registering a 8% growth in turnover.

Profit before interest and tax of the Ceramics business segment, was lower at Rs.14.4 Crores (previous year Rs.17 Crores) primarily because of the drop in profitability of the Australian operations and also to some extent pricing pressures, increase in input costs, product mix issues in the Indian refractory business.

Outlook

With the mood in the domestic economy being positive and the served global market showing momentum, the Company expects the buoyancy in revenues to continue during the 4th quarter. The main challenge however will be in form of spiraling raw material prices which will be addressed through price corrections and improved efficiencies.

The consolidated unaudited financial results are enclosed.

About Murugappa Group: Founded in 1900, the Rs.13617 Crores (USD 3.03 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including seven 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, EID 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 Mitsui Sumitomo, Foscok, Cargill, Groupe Chimique Tunisien, Winterthur Technology Group and Morgan Crucible. The Group has a wide geographical presence panning 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. Visit www.murugappa.com for more details

For any clarifications please contact Mr. V Ramesh CFO, Carborundum Universal Ltd. Ph No 044 42216132 / 9940057663

For further information, please contact:

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CARBORUNDUM UNIVERSAL LIMITED

Registered Office: 'PARRY HOUSE', No.43, Moore Street, Chennai - 600 001

CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 31st DECEMBER 2010 UNDER CLAUSE 41 OF THE LISTING AGREEMENT



(Rs. In Lakhs)

Sl.no	Particulars	Quarter ended		Nine months ended		Year ended
		(Unaudited)		(Unaudited)		(Audited)
		31.12.10	31.12.09	31.12.10	31.12.09	31.03.10
1	Gross Sales/Income from Operations	42630	34007	122003	96301	133082
	Less: Excise duty recovered	1868	1271	5230	3464	5107
	Net Sales/Income from Operations	40762	32736	116773	92837	127975
2	Other Operating Income	1391	439	4210	1295	2692
	Total Income (1+2)	42153	33175	120983	94132	130667
3	Expenditure					
	a) (Increase)/decrease in stock in trade & Work in progress	(1179)	399	(1741)	1608	613
	b) Consumption of raw materials	13174	7895	36384	25032	36994
	c) Purchase of traded goods	1421	949	4903	3153	3571
	d) Employees cost	4867	4103	13933	11623	18078
	e) Power & Fuel	5750	4506	16567	11245	16476
	f) Depreciation	1318	1172	3835	3434	4448
	g) Other expenditure	10695	9132	28935	24099	31059
	h) Total	36046	28156	102816	80194	111239
4	Profit from Operations before Other Income, Interest & Exceptional Item	6107	5019	18167	13938	19428
5	Other Income	124	100	257	392	728
6	Profit before Interest & Exceptional Item	6231	5119	18424	14330	20156
7	Interest	683	690	1981	2440	3083
8	Profit after Interest but before Exceptional Item	5548	4429	16443	11890	17073
9	Exceptional Item (Refer Note No.2)	0	70	2349	70	70
10	Profit from ordinary activities before tax	5548	4499	18792	11960	17143
11	Tax expense	1608	1670	5673	4231	5604
12	Net Profit from ordinary activities after tax	3940	2829	13119	7729	11539
	Add: Share of Profit / (Loss) from Associate	(79)	(111)	(204)	(181)	29
	Less: Minority Interest	182	355	779	619	1395
13	Net Profit after tax	3679	2363	12136	6929	10173
14	Paid up Capital (Face value-Rs 2 per share)	1867	1867	1867	1867	1867
15	Reserves excluding revaluation reserve					57149
16	Basic & Diluted Earnings per share (Rs.) not annualised	3.94	2.53	13.00	7.42	10.90
17	Aggregate of public shareholding					
	- Number of Shares	53898844	53101661	53898844	53101661	53113577
	- Percentage of shareholding	57.73%	56.88%	57.73%	56.88%	56.89%
18	Promoters and Promoter group Shareholding					
	a) Pledged/Encumbered					
	- No of shares	876400	876400	876400	876400	876400
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	2.22%	2.18%	2.22%	2.18%	2.18%
	- Percentage of shares (as a % of the total share capital of the company)	0.94%	0.94%	0.94%	0.94%	0.94%
	b) Non-encumbered					
	- No of shares	38592988	39375939	38592988	39375939	39366255
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	97.78%	97.82%	97.78%	97.82%	97.82%
	- Percentage of shares (as a % of the total share capital of the company)	41.33%	42.18%	41.33%	42.18%	42.17%

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**CONSOLIDATED SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF THE LISTING AGREEMENT**



(Rs.in lakhs)

Sl.no	Particulars	Quarter ended		Nine months ended		Year ended
		(Unaudited)		(Unaudited)		(Audited)
		31.12.10	31.12.09	31.12.10	31.12.09	31.03.10
1	Segment Revenue					
	Abrasives	18547	11437	51371	38285	55073
	Ceramics	8527	7708	25075	20949	28571
	Electrominerals	14494	14558	43021	35951	47891
	Others	725	617	1924	1762	2412
	Total	42293	34320	121391	96947	133947
	Less: Inter-Segment Revenue	1531	1584	4618	4110	5972
	Net Sales/Income from operations	40762	32736	116773	92837	127975
2	Segment Results					
	(Profit (+) / Loss (-) before interest and tax)					
	Abrasives	2857	906	7017	3770	5170
	Ceramics	1443	1708	4479	4196	5553
	Electrominerals	2270	3194	7916	7769	10276
	Others	208	160	379	477	660
	Total	6778	5968	19791	16212	21659
	Less: (i) Interest	683	690	1981	2440	3083
	(ii) Other un-allocable expenditure / (income) net	628	849	1448	1882	1503
	Add:Exceptional Item (Refer Note No.2)	81	70	2430	70	70
	Total Profit Before Tax	5548	4499	18792	11960	17143
3	Capital Employed (Segment Assets - Segment Liabilities)					
	Abrasives	35859	34858	35859	34858	41204
	Ceramics	29522	27208	29522	27208	28446
	Electrominerals	28168	20697	28168	20697	26651
	Others (including unallocable)	24163	23604	24163	23604	11793
	Total	117712	106367	117712	106367	108094

For Carborundum Universal Limited

M.M. Murugappan

**M.M. Murugappan
Chairman**

Chennai
January 27, 2011



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**CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 31st DECEMBER 2010 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on 27th January 2011 and has been subjected to limited review by the Statutory Auditors of the Company. The limited review of the financial results of Subsidiaries, Joint Ventures and an Associate for the quarter has been carried out by the Statutory auditors of the respective Companies.
- 2 Exceptional item comprises of profit on sale of land and building amounting to Rs. 2349 Lakhs.
- 3 Figures for the previous periods have been regrouped and reclassified, wherever considered necessary.
- 4 There was one investor services complaint pending at the beginning of the quarter. The Company had received 4 complaints during the quarter. No complaint was pending at the end of the quarter.
- 5 Summary of Key Standalone Financial Results of Carborundum Universal Limited is as follows:

Particulars	Quarter ended		Nine months ended		Rs. in Lakhs
	31.12.10	31.12.09	31.12.10	31.12.09	Year ended 31.03.10
Total Income	24302	19340	67724	54286	75100
Profit Before Tax	3233	2212	11868	6373	8417
Net Profit After Tax	2362	1468	8623	4347	5801

- 6 The Company has opted to publish the Consolidated financial results from the current financial year. Standalone financial results are available at the website of the Company: www.cumi.murugappa.com and Stock Exchanges: www.bseindia.com, www.nseindia.com & www.madrasstockexchange.in

For Carborundum Universal Limited

Chennai
January 27, 2011


M M Murugappan
Chairman