



## Carborundum Universal Limited

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## Carborundum Universal's Consolidated Q1 Net Sales up by 32%

### Consolidated Operating PAT up by 107%

**Chennai, 5<sup>th</sup> August 2011:** The Board of Directors met today and approved the results for the quarter ended 30<sup>th</sup> June 2011.

#### Consolidated Q 1 financial performance

**Consolidated net sales grew up by 32% to Rs.465 crores from Rs.352 crores.** PBIT (excluding exceptional income) grew up by 73% from Rs.50 crores to Rs.87 crores. Growth was driven by the strong performance of both the Indian and Overseas operations. All business segments recorded **growth rates in excess of 25%**. Profitability of all business segments as well witnessed a good increase. Overseas subsidiaries recorded strong growth in sales, particularly the entities in Russia and South Africa.

Earnings before interest, depreciation and amortisation (EBITDA) recorded an increase of 65% (i.e. from Rs.60 crores to Rs.100 crores) without considering exceptional income of last year.

**Profit before tax and exceptional income was Rs.80 crores - an increase of 86% over the previous year amount of Rs.43 crores.** However, the profit after tax represents only an increase of 20% (i.e. Rs.52 crores compared to Rs.43 crores last year) because of the impact of the exceptional income of Rs.23 crores in the previous year.

#### Consolidated Operating Performance

##### **Abrasives**

CUMI's abrasives sales on a consolidated basis registered an increase of 34%. Sales for the quarter was Rs.198 crores (Rs.148 crores for the corresponding period of last year). This growth was made possible by the continued strong off-take from user industries in India and Russia.

In India the order inflow for non-standard bonded abrasives, both from direct customers and from the trade channel was buoyant. Coated abrasive products also registered strong growth in sales compared to last year, primarily driven by the sheets and rolls segments. The manufacturing team performed creditably to support the surge in sales. The business was able to improve margins due to



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product mix and price increases. The operations in China, Middle East and Canada continued to be subdued though there were some improvements in the US operations. CUMI's subsidiary and joint venture in Indian abrasive segment, registered growth rates in excess of 25% aided by the buoyancy in the manufacturing sector.

Profit before interest and tax on a consolidated basis recorded an increase of 88% i.e. from Rs.17 crores to Rs.32 crores.

### **Electro Minerals**

The second largest business segment viz. Electro Minerals continued to ride the growth wave with a robust increase of 33% in sales (Rs.176 crores vs. Rs.133 crores). The growth in sales was made possible by the robust performance of the Indian, Russian and South African operations. In Russia, sales growth was aided by higher price realisations. The Indian operations recorded good growth in both domestic and export sales. Captive sales also showed an improvement. All product segments registered good growth. The South African operations witnessed a revival in fortunes with profits showing a marked increase.

Strong growth in revenues and also good improvement in operating margins enabled the increase in profit before interest and tax of the electro minerals business on a consolidated basis by 72% i.e. from Rs.21 Crores to Rs.36 Crores.

### **Ceramics**

The ceramics segment recorded a 27% increase in sales on a consolidated basis (Rs.101 Crores vs. Rs.79 Crores).

The high alumina ceramics business continued to perform well. Sales of metallized cylinders and wear resistant tiles registered strong growth. The growth in sales was driven more by the domestic market. Off-take was strong from the cement, material handling and ceramic tiles customer segments. Order inflow was good from the North American and Australian markets. CUMI Australia recovered from the slowdown experienced last year with sales increasing by 32%..

The super refractories and anti corrosives business on a stand alone basis recorded a significant increase of 36% in revenues. Order inflow was strong both for fired and monolithic products. Off-take from iron and steel industry and carbon black industry was extremely encouraging. The joint ventures in the refractories business registered a marginal growth on a combined basis.

Profit before interest and tax of the ceramics business segment on a consolidated basis increased by 44% i.e. from Rs.15 crores to Rs.22 crores. Operating margins also witnessed a good increase.

### **Outlook**

Order incoming is strong for all businesses. There are some indications of an impending slow down in India because of the spike in interest rates and certain other macro economic factors. Globally also there are signs of slowdown in pockets. Greater clarity will emerge as the year progresses. The Company will continue to take focused action in each business to get more volumes / market share through new products and new customers to sustain its growth trends.

### **Corporate Events**

The Board has approved a proposal to sub divide the equity shares of the Company from the current face value of Rs.2/- each to Re.1/- each. The proposal is subject to the approval of shareholders

*The consolidated unaudited financial results are enclosed.*

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### **About the Murugappa Group**

Founded in 1900, the Rs. 17051 Crores (USD 3.8 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 29 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 panning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Carborundum, CUMI 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](http://www.murugappa.com).

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CARBORUNDUM UNIVERSAL LIMITED

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

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2011 UNDER  
CLAUSE 41 OF THE LISTING AGREEMENT



(Rs. In Lakhs)

Sl.no	Particulars	Quarter ended		Year ended
		(Unaudited)		(Audited)
		30.06.11	30.06.10	31.03.11
1	Gross Sales/Income from Operations	48582	36691	167585
	Less: Excise duty recovered	2053	1524	7511
	Net Sales/Income from Operations	46529	35167	160074
2	Other Operating Income	1271	829	4351
	<b>Total Income (1+2)</b>	<b>47800</b>	<b>35996</b>	<b>164425</b>
3	Expenditure			
	a) (Increase)/decrease in stock in trade & Work in progress	(345)	(384)	(3656)
	b) Consumption of raw materials	14512	11337	47553
	c) Purchase of traded goods	1944	1134	5468
	d) Employees cost	5038	4462	24014
	e) Power & Fuel	6184	4982	22312
	f) Depreciation	1404	1238	5045
	g) Other expenditure	10517	8446	37864
	h) Total	39254	31215	138600
4	Profit from Operations before Other Income, Interest & Exceptional Items	8546	4781	25825
5	Other Income	131	226	339
6	Profit before Interest & Exceptional Items	8677	5007	26164
7	Interest	658	687	2710
8	Profit after Interest but before Exceptional Items	8019	4320	23454
9	Exceptional Items ( Refer Note No. 4)	-	2349	2349
10	Profit from ordinary activities before tax	8019	6669	25803
11	Tax expense	2465	1949	7417
12	Net Profit from ordinary activities after tax	5554	4720	18386
	Add: Share of Profit / (Loss) from Associate	82	(134)	(21)
	Less: Minority Interest	409	239	1286
13	Net Profit after tax	5227	4347	17079
14	Paid up Capital ( Face value-Rs 2 per share)	1871	1867	1869
15	Reserves excluding revaluation reserve			72420
16	Basic & Diluted Earnings per share (Rs.) not annualised	5.59	4.66	18.27
17	Aggregate of public shareholding			
	- Number of Shares	54125311	53173189	54028605
	- Percentage of shareholding	57.85%	56.96%	57.80%
18	Promoters and Promoter group Shareholding			
	a) Pledged / Encumbered			
	- No of shares	876400	876400	876400
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	2.22%	2.18%	2.22%
	- Percentage of shares (as a % of the total share capital of the company)	0.94%	0.94%	0.94%
	b) Non-encumbered			
	- No of shares	38565988	39306643	38565988
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	97.78%	97.82%	97.78%
	- Percentage of shares (as a % of the total share capital of the company)	41.21%	42.10%	41.26%

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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 (Unaudited)		Year ended (Audited)
		30.06.11	30.06.10	31.03.11
1	<b>Segment Revenue</b>			
	Abrasives	19785	14820	69901
	Ceramics	10104	7926	34761
	Electrominerals	17630	13267	59788
	Others	748	598	2664
	<b>Total</b>	<b>48267</b>	<b>36611</b>	<b>167114</b>
	<b>Less: Inter-Segment Revenue</b>	1738	1444	7040
	<b>Net Sales/Income from operations</b>	<b>46529</b>	<b>35167</b>	<b>160074</b>
2	<b>Segment Results (Profit (+) / Loss (-) before interest and tax)</b>			
	Abrasives	3204	1707	9578
	Ceramics	2225	1545	6114
	Electrominerals	3572	2071	11016
	Others	236	115	519
	<b>Total</b>	<b>9237</b>	<b>5438</b>	<b>27227</b>
	<b>Less: (i) Interest</b>	658	687	2710
	<b>(ii) Other un-allocable expenditure / (income) net</b>	560	431	1063
	<b>Add: Exceptional Income (Refer Note No.4)</b>	-	2349	2349
	<b>Total Profit before Tax</b>	<b>8019</b>	<b>6669</b>	<b>25803</b>
3	<b>Capital Employed ( Segment Assets - Segment Liabilities )</b>			
	Abrasives	39743	36031	44604
	Ceramics	32627	27532	31135
	Electrominerals	37498	30250	34387
	Others ( including unallocable)	16179	14865	11217
	<b>Total</b>	<b>126047</b>	<b>108678</b>	<b>121343</b>

*M.M. Murugappa*



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**CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2011 UNDER**  
**CLAUSE 41 OF THE LISTING AGREEMENT**



**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on 5th August 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 During the current quarter , the Company has allotted 96,706 Equity Shares pursuant to exercise of Employee Stock Options.
- 3 During the current quarter , the Company received 4 complaints relating to investor services , which were resolved. No complaint was pending at the beginning or at the end of the quarter.
- 4 Exceptional item represents Profit on sale of land and building.
- 5 Figures for the previous periods have been regrouped and reclassified, wherever considered necessary.

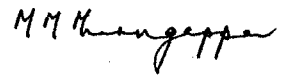
- 6 Summary of Key Standalone Financial Results of Carborundum Universal Limited is as follows: (Rs. In Lakhs)

Particulars	Quarter ended		Year ended
	30.06.11	30.06.10	31.03.11
Total Income	26325	19606	93625
Profit before Tax and Exceptional Items	4775	2483	13985
Add : Exceptional Items	-	2349	2448
Profit before Tax	4775	4832	16433
Net Profit After Tax	3497	3574	12425

- 7 The Company has opted to publish the Consolidated financial results from the last financial year. Standalone financial results are available at the website of the Company: [www.cumi.murugappa.com](http://www.cumi.murugappa.com) and Stock Exchanges: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

For Carborundum Universal Limited

Chennai  
5th August, 2011

  
M.M. Murugappan  
Chairman