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PRESS RELEASE

5 May 2012

Grasim reports improved performance for FY12

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Consolidated net revenue crossed Rs. 25,000 crore mark

Consolidated net profit

Capacity addition planned by FY14

VSF

Cement

Rs. in crore

25,244 ↑ 17%

2,647 ↑ 16%

156KTPA ↑ 50%

10.2 Mn. TPA ↑ 20%

Consolidated financial performance

Grasim Industries Limited, an Aditya Birla Group company, today announced its results for the full year and 4th quarter ended 31st March 2012.

The company has reported higher revenue and net profit for the year. Revenue was higher by 17 per cent at Rs. 25,244 crore (Rs. 21,550 crore). PBIDT for the year was at Rs. 6,320 crore as against Rs. 5,395 crore in the previous year, reflecting a growth of 17 per cent.

Net profit increased by 16 per cent from Rs. 2,279 crore to Rs. 2,647 crore.

During the 4th quarter, revenue rose by 12 per cent at Rs. 7,289 crore (Rs. 6,482 crore). PBIDT grew by 6 per cent from Rs. 1,780 crore to Rs. 1,883 crore.

Net profit for the quarter improved from Rs. 669 crore in the last quarter to Rs. 809 crore in this quarter. However, the same was lower as compared to the corresponding quarter when prices of VSF and other competing fibres were at their peak.

Dividend

The Board of Directors of Grasim has recommended a dividend of Rs. 22.50 per share (Rs. 20 per share in FY 2010-11). The total outflow on account of the dividend would be Rs. 218 crore (Including corporate tax on dividend).

Viscose Staple Fibre (VSF)

Sales volumes for the quarter at 94,904 tonnes, increased by 11 per cent led by higher exports. This was despite slowdown in the Eurozone, which impacted textile demand and addition of new capacities in China. Average realisations for the 4th

quarter were lower by 16 per cent on Y-o-Y basis as prices were at their peak, in line with competing fibres' prices in the corresponding quarter of last year. Lower realisations coupled with increase in the prices of caustic soda and coal, resulted in lower profitability. The impact of rising caustic prices was offset by higher profitability of Chemical business.

Cement subsidiary (UltraTech Cement)

UltraTech reported improved performance for the quarter led by volume growth post November 2011. It's revenue at Rs. 5,659 crore was up by 19 per cent and PAT at Rs. 872 crore was up by 22 per cent. Cement sales volume for the quarter at 12.06 million tonnes was higher by 9 per cent.

Variable cost was higher by 10 per cent, mainly on account of increase in energy cost. This is attributable to 30 -150 per cent rise in the price of domestic coal during Q4 FY10 -11. Logistics cost also rose due to increase in the railway freight.

Chemical business

The Chemical business delivered another quarter of good performance. Caustic prices remained firm as industry capacity utilisation was affected due to the low chlorine offtake. Sales volumes for the quarter rose by 7 per cent to 72,839 tonnes.

Stand-alone financial performance

The stand-alone performance for the year was maintained despite the VSF business constrained performance owing to market condition.

	Rs. crore		
	Year ended		
	31.03.12	31.03.11	Per cent change
Net Revenue	4,970	4,640	7
Net Profit	1,177	1,182	-

VSF and Chemical Capex

The VSF (120,000 TPA) and Chemical (182,500 TPA) greenfield projects at Vilayat, Gujarat and brownfield expansion (36,500 TPA) of VSF at Harihar, Karnataka are progressing in line with the schedule. The Vilayat project is slated for commissioning towards the end of the current financial year. The Harihar project is expected to be commissioned in two phases during the current year.

Cement capex

The Chhattisgarh and Karnataka brownfield expansion projects together with the grinding units and bulk packaging terminals are on track and are expected to be operational by Q1 FY13-14. Consequently, UltraTech's cement capacity will be enhanced by 10.2 million TPA at 62 million TPA.

Outlook

In VSF, stability in Euro Zone and macro-economic policies will influence demand. In Cement, despite 8 per cent projected growth in demand, the surplus scenario is likely to continue for three years. In the present context, rising energy costs pose a challenge to both the businesses.

Capacity expansions under implementation in both VSF and Cement will provide additional volumes leading to rapid growth and further consolidate its leadership.

Cautionary statement

Statements in this "Press Release" describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those express or implied. Important factors that could make a difference to the company's operations include global and Indian demand supply

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