



Carborundum Universal Limited

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Carborundum Universal's Consolidated Q3 Net Sales up by 21%

Consolidated Operating PBT up by 29%

Chennai, 4th February 2012: The Board of Directors met today and approved the results for the quarter ended 31st December 2011.

Consolidated Q3 financial performance

Consolidated net sales grew up by 21% to Rs.494 crores from Rs.408 crores. PBIT (excluding exceptional income) grew up by 24.6% from Rs.62 crores to Rs.78 crores. Growth was driven by the performance of both the Indian and Overseas operations. The Electrominerals and Ceramics business segments recorded a growth rates in excess of 15% and 40% respectively. Abrasives business grew by 13%. Profitability of all business segments witnessed good increase. Overseas subsidiaries recorded strong growth in sales, particularly the entities in Russia and Australia.

Earnings before interest, depreciation and amortisation (EBITDA) recorded an increase of 22% (i.e. from Rs.76 crores to Rs.92 crores) without considering exceptional income of last year.

Profit before tax and exceptional income was Rs.71 crores - an increase of 29% over the previous year amount of Rs.55 crores. The profit after tax increased by 29% (i.e. Rs.47 crores compared to Rs.37 crores last year)

Consolidated Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis registered an increase of 13%. Sales for the quarter was Rs.209 crores (Rs.185 crores for the corresponding period of last year). Off-take from user industries in India and Russia continued to be encouraging.

Profit before interest and tax on a consolidated basis recorded an increase of 6% i.e. from Rs.28.6 crores to Rs.30.2 crores.

Electro Minerals

The second largest business segment viz. Electro Minerals recorded an increase of 17% in sales (Rs.170 crores vs. Rs.145 crores). Growth in sales was made possible by the robust performance of the Russian and Indian operations.

Growth in revenues and also improvement in operating margins led to increase in profit before interest and tax of the electro minerals business on a consolidated basis by 36% i.e. from Rs.21.9 Crores to Rs.29.7 Crores.

Ceramics

The ceramics segment recorded a robust 42% increase in sales on a consolidated basis (Rs.121 Crores vs. Rs.85 Crores).

Alumina Ceramics, particularly Metalized, did well in terms of registering higher sales in all product segments. Refractory business ran at full capacity to service the surge in orders. The operations in Australia registered higher growth.

Profit before interest and tax of the ceramics business segment on a consolidated basis increased by 61% i.e. from Rs.14 crores to Rs.23 crores.

Corporate Events

The Company had sub divided the equity shares from the current face value of Rs.2/- each to Re.1/- each with effect from 7th October 2011. The Company has sold its 44.53% shareholding in Laserwords Private Limited for a consideration of Rs.50 Crores in November 2011.

The Board of Directors of the Company at its meeting held on February 4, 2012 has approved interim dividend of Re.1/- per share (100%) to the shareholders of the Company.

The consolidated unaudited financial results are enclosed.

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.

For further details please contact:

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AUDITORS' REPORT

To the Board of Directors of Carborundum Universal Limited on Limited Review of Unaudited Consolidated Financial Results for the quarter / nine months ended 31st December, 2011

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("the Statement") of Carborundum Universal Limited ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") for the quarter / nine months ended 31st December, 2011. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.
3. The Statement includes the results of the following entities.

Subsidiaries (Direct holding and holding through Subsidiaries)

- i CUMI America Inc.
- ii CUMI Australia Pty Ltd.
- iii CUMI Canada Inc.
- iv CUMI Middle East FZE.
- v Volzhsky Abrasive Works.
- vi Foskar Zirconia (Pty) Limited.
- vii CUMI International Ltd.
- viii Net Access (India) Ltd.
- ix Sterling Abrasives Ltd.
- x Southern Energy Development Corporation Ltd.
- xi Cellaris Refractories India Limited.
- xii CUMI Abrasives & Ceramics Company Limited.

Jointly controlled Entities

- xiii Wendt (India) Ltd.
- xiv Murugappa Morgan Thermal Ceramics Limited.
- xv Ciria India Ltd

Associate company

- xvii Laserwords Private Limited (up to September 30, 2011)

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Deloitte Haskins & Sells

4. The Statement reflects the Group's share of,

(i) revenues of Rs. 19,289 lacs and 58,196 lacs and loss of Rs. 755 lacs and profit after Tax of Rs. 2,895 lacs for the quarter and nine months ended December 31, 2011 respectively relating to subsidiaries and

(ii) revenues of Rs. 1,885 lacs and 5,676 lacs and profit after Tax of Rs. 242 lacs and Rs. 878 lacs for the quarter and nine months ended December 31, 2011 respectively relating to Joint venture (xiv) and (xv) above,

whose results have been reviewed by other auditors. Accordingly, our opinion on the Statement in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of such other auditors which have been furnished to us.

5. Based on our review and read with our comments in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged/encumbered in respect of the aggregate amount of promoter and promoter group in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints from the details furnished by the Registrars.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.008072S)

B. Ramaratnam

B. Ramaratnam
Partner
(Membership No.21209)

Place: Chennai
Date: 4th February, 2012



CARBORUNDUM UNIVERSAL LIMITED

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

**CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 31st DECEMBER 2011 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**



(Rs. In Lakhs)

Sl.no	Particulars	Quarter ended			Nine months ended		Year ended
		(Unaudited)			(Unaudited)		(Audited)
		31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
1	Gross Sales/Income from Operations	51438	52618	42630	152638	122003	167585
	Less: Excise duty recovered	2080	2117	1868	6250	5230	7511
	Net Sales/Income from Operations	49358	50501	40762	146388	116773	160074
2	Other Operating Income	849	1972	1391	4092	4210	4351
	Total Income (1+2)	50207	52473	42153	150480	120983	164425
3	Expenditure						
	a) (Increase)/decrease in stock in trade & Work in progress	(2552)	(978)	(1179)	(3875)	(1741)	(3656)
	b) Consumption of raw materials	16437	15159	12634	46126	35604	47163
	c) Purchase of traded goods	1679	2277	1961	5882	5683	5858
	d) Employees cost	5553	5486	4867	16077	13933	24014
	e) Power & Fuel	6144	6466	5750	18794	16567	22312
	f) Depreciation	1447	1443	1318	4294	3835	5045
	g) Other expenditure	13990	12210	10695	36717	28935	37864
	h) Total	42698	42063	36046	124015	102816	138600
4	Profit from Operations before Other Income, Interest & Exceptional Items	7509	10410	6107	26465	18167	25825
5	Other Income	258	132	124	521	257	339
6	Profit before Interest & Exceptional Items	7767	10542	6231	26986	18424	26164
7	Interest	627	630	683	1915	1981	2710
8	Profit after Interest but before Exceptional Items	7140	9912	5548	25071	16443	23454
9	Exceptional Items (Refer Note No. 7)	175	-	-	175	2349	2349
10	Profit from ordinary activities before tax	7315	9912	5548	25246	18792	25803
11	Tax expense	2303	2841	1608	7610	5673	7417
12	Net Profit from ordinary activities after tax	5012	7071	3940	17636	13119	18386
	Add: Share of Profit / (Loss) from Associate	-	30	(79)	112	(204)	(21)
	Less: Minority Interest	272	541	182	1222	779	1286
13	Net Profit after tax	4740	6560	3679	16526	12136	17079
14	Paid up Capital (Face value- Re.1 per share)	1874	1873	1867	1874	1867	1869
15	Reserves excluding revaluation reserve						72420
16	Face value per share (Rs.)	1	2	2	1	2	2
17	Basic & Diluted Earnings per share (Rs.) not annualised	2.53	7.01	3.94	8.83	13.00	18.27
18	Aggregate of public shareholding						
	- Number of Shares	108489786	54184627	53898844	108489786	53898844	54028605
	- Percentage of shareholding	57.90%	57.87%	57.73%	57.90%	57.73%	57.80%
19	Promoters and Promoter group Shareholding						
	a) Pledged / Encumbered						
	- No of shares	1752800	876400	876400	1752800	876400	876400
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%
	- Percentage of shares (as a % of the total share capital of the company)	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
	b) Non-encumbered						
	- No of shares	77131976	38565988	38592988	77131976	38592988	38565988
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	97.78%	97.78%	97.78%	97.78%	97.78%	97.78%
	- Percentage of shares (as a % of the total share capital of the company)	41.16%	41.19%	41.33%	41.16%	41.33%	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)			Nine months ended (Unaudited)		Year ended (Audited)
		31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
1	Segment Revenue						
	Abrasives	20864	20760	18543	61406	51360	69901
	Ceramics	12130	11724	8527	33957	25074	34761
	Electrominerals	16964	19049	14497	53647	43033	59788
	Others	795	785	726	2329	1924	2664
	Total	50753	52318	42293	151339	121391	167114
	Less: Inter-Segment Revenue	1395	1817	1531	4951	4618	7040
	Net Sales/Income from operations	49358	50501	40762	146388	116773	160074
2	Segment Results (Profit (+) / Loss (-) before interest and tax)						
	Abrasives	3019	3024	2857	9247	7017	9578
	Ceramics	2322	2688	1443	7236	4479	6114
	Electrominerals	2966	5503	2187	12067	8105	11016
	Others	224	204	208	663	379	519
	Total	8531	11419	6695	29213	19980	27227
	Less: (i) Interest	627	630	683	1915	1981	2710
	(ii) Other un-allocable expenditure / (income) net	764	877	464	2227	1556	1063
	Add: Exceptional Items (Refer Note No.7)	175	-	-	175	2349	2349
	Total Profit before Tax	7315	9912	5548	25246	18792	25803
3	Capital Employed (Segment Assets - Segment Liabilities)						
	Abrasives	43189	42066	37220	43189	37220	44604
	Ceramics	37054	34267	29658	37054	29658	31135
	Electrominerals	48305	43569	34192	48305	34192	34387
	Others (including unallocable)	11009	15127	16642	11009	16642	11218
	Total	139557	135029	117712	139557	117712	121344

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**CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 31st DECEMBER 2011 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**



Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on 4th February 2012 and has been subjected to limited review by the Statutory Auditors of the Company. The limited review of the financial results of Subsidiaries and Joint Ventures for the quarter has been carried out by the Statutory Auditors of the respective Companies.
- The Board of Directors have recommended an interim dividend of Re.1/- per share (100%) (on face value of Re.1/- each per share).
- During the current quarter, the Company has allotted 120,532 equity shares pursuant to exercise of Employee Stock Options. Further the Company has received share application money for 2000 shares under Employee Stock Options and the same were allotted during January 2012.
- During the current quarter, the Company received 3 complaints relating to investor services, which were resolved. No complaint was pending at the beginning or at the end of the quarter.
- 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			Nine months ended		Year ended
	31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
Total Income	28577	28380	24302	83282	67724	93625
Profit before Tax and Exceptional Items	3845	4745	3233	13365	9438	13985
Add : Exceptional Items	2515	-	-	2515	2430	2448
Profit before Tax	6360	4745	3233	15880	11868	16433
Net Profit After Tax	5064	3465	2362	12026	8623	12425

Exceptional Items :

7 Consolidated (Rs. In Lakhs)

	Quarter ended			Nine months ended		Year ended
	31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
Profit on sale of land and building	-	-	-	-	2,349	2,349
Profit on sale of investments in Associate Company	175	-	-	175	-	-
Total Exceptional Income	175	-	-	175	2,349	2,349

Standalone

(Rs. In Lakhs)

	Quarter ended			Nine months ended		Year ended
	31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
Profit on sale of land and building	-	-	-	-	2,349	2,349
Profit on sale of investments in Associate / Subsidiary Company	2,515	-	-	2,515	81	99
Total	2,515	-	-	2,515	2,430	2,448

Profit on sale of Investments during the current quarter represents the profit on sale of its entire shareholding held in the Associate company, M/s.Laserwords Pvt Ltd. Consequent to the sale, the entity ceases to be an Associate of the Company.

- The Company has subdivided its equity shares of Rs.2/- each into equity shares of Re.1/- each on 7th October 2011.
- 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 and Stock Exchanges: www.bseindia.com & www.nseindia.com

For Carborundum Universal Limited

Chennai
4th February, 2012

M.M. Murugappan
M.M. Murugappan
Chairman