



Carborundum Universal Limited

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5th February 2013

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Total 8 pages (including covering letter)

Dear Sirs,

Further to our letter enclosing a copy of the Unaudited Financial Results for the quarter ended 31st December 2012, we are now enclosing a copy of the Press Release together with one more copy of the consolidated financial results.

Thanking you

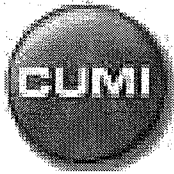
Yours faithfully
For Carborundum Universal Limited


S. Dhanvanth Kumar
Company Secretary

Encl:a.a



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Carborundum Universal's Consolidated Q3 Net Sales down by 9.5%

Consolidated Operating PBT down by 80.6%

Chennai, 5th February 2013: The Board of Directors met today and approved the results for the quarter ended 31st Dec 2012.

Consolidated Q3 financial performance

Consolidated net sales dropped by 9.5% to Rs.444 crores from Rs.490 crores, on a quarter on quarter basis. PBIT (excluding exceptional income) dropped by 72.6% from Rs.78 crores in last quarter similar period to Rs.21 crores in the current quarter.

On a sequential basis, net sales dropped by 15% and PBIT (excluding exceptional income) dropped by 66%.

The drop in sales on quarter on quarter basis and sequential basis were largely due to lower performance by Electro minerals division. The division witnessed drop in volumes in silicon carbide business in Russia and India. South African subsidiary reported the lowest volumes ever, owing to deferment of orders by customers on the hope of expected drop in raw material prices. Sales also grew for Abrasives and Ceramics segment, both on quarter on quarter basis and sequential basis.

Profitability of all businesses was under pressure. However, company managed its working capital well and repaid loans to improve consolidated debt equity.

Earnings before interest, depreciation and amortization (EBITDA) recorded a drop of 57% (i.e. from Rs.93 crores in corresponding quarter last year to Rs.39 crores current quarter) without considering exceptional income of last year.

Profit before tax and exceptional income was Rs.14 crores – a drop of 81% over the previous year amount of Rs.71 crores. The profit after tax dropped by 83% (i.e. Rs.8 crores compared to Rs.47 crores last year). On a sequential basis, Profit before tax and exceptional income, dropped by 75% and profit after tax dropped by 76%.

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis registered a drop of 4%. Sales for the quarter was Rs.198 crores (Rs.207 crores for the corresponding period of last year). On a sequential basis, this was a drop of 6%.



Profit before interest and tax on a consolidated basis recorded a drop of 36% i.e. from Rs.30.3 crores to Rs.19.3 crores, on a quarter on quarter basis. On a sequential basis, this was a drop of 15%.

The muted growth trends in India had an adverse impact on the market sentiments, thereby resulting in low off take by the channels. The manufacturing industries continued to have lower levels of production owing to weak market demand.

Electro Minerals

At a consolidated level, the net sales for Q3 were lower at Rs. 132 crores versus Rs. 168 crores for the corresponding quarter last year. On a sequential basis, this was a drop of 29%.

Profit before interest and tax on a consolidated basis recorded a drop from a profit of Rs.29.6 crores to a loss of Rs. 8.3 crores, on a quarter on quarter basis. This was largely due to volume drop in South African subsidiary owing to deferment of orders by customer on the back of expected drop in raw material prices. Russian subsidiary also had a volume de growth in this quarter, however, on a calendar year basis, the volumes were flat. Our Indian business continues to face structural challenges on the micro silicon carbide business.

Ceramics

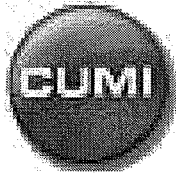
The ceramics segment recorded a 2% drop in sales on a consolidated basis (Rs.119 crores vs. Rs.121 crores last year). On a sequential basis, this was a drop of 11%.

Alumina Ceramics business from India, had challenges from market due to project postponements. Refractories sales were lower owing to delayed project orders from user industries. Australian entity registered a sales growth.

Profit before interest and tax of the ceramics business on a consolidated basis recorded a drop from Rs.23.1 crores to Rs. 13.4 crores, on a quarter on quarter basis.

Interim Dividend

The Board of Directors of the Company at its meeting held on February 5, 2013 has recommended an interim dividend of Rs. 0.50/- per share to the shareholders of the Company.



About the Murugappa Group

Founded in 1900, the Rs. 22314 Crores (USD 4.4 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 28 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, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies like Groupe Chimique Tunisien, Foskor, Cargill, Mitsui Sumitomo, Morgan Crucible and Sociedad Química y Minera de Chile (SQM). The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Chola, 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

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CARBORUNDUM UNIVERSAL LIMITED

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

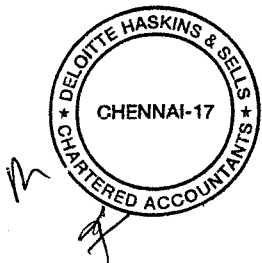
**CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2012 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**



(Rs. In Lakhs)

Sl.no	Particulars	Quarter ended			Nine months ended		Year ended
		(Unaudited)			(Unaudited)		(Audited)
		31.12.12	30.09.12	31.12.11	31.12.12	31.12.11	31.03.12
1	Income from operations						
	a) Gross Sales / Income from operations	46816	54775	51114	153793	151720	205740
	Less: Excise duty recovered	2438	2556	2080	7400	6250	8887
	Net Sales / Income from operations	44378	52219	49034	146393	145470	196853
	b) Other operating income	523	615	698	1650	3290	2647
	Total Income from operations (net)	44901	52834	49732	148043	148760	199500
2	Expenses						
	a) Cost of materials consumed	13088	15966	17858	48117	48682	63287
	b) Purchase of stock-in-trade	2115	2348	1679	6120	5882	7665
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2008	1347	(2550)	709	(3872)	(6449)
	d) Employee benefits expense	7355	7573	6827	22772	20214	23436
	e) Depreciation and amortization expense	1813	1781	1489	5268	4422	5693
	f) Power & fuel	6355	7493	6099	20581	18662	26048
	g) Other expenses	10213	10299	10607	30755	28650	45843
	Total expenses	42947	46807	42009	134322	122640	165523
3	Profit from Operations before Other Income, finance costs and exceptional items (1-2)	1954	6027	7723	13721	26120	33977
4a	Other Income	359	179	355	790	719	519
4b	Exchange gain / (loss) (net)	(186)	(8)	(311)	100	147	31
5	Profit before finance costs and exceptional items (3+4a+4b)	2127	6198	7767	14611	26986	34527
6	Finance costs	743	711	627	2063	1915	2500
7	Profit after finance costs but before exceptional items (5-6)	1384	5487	7140	12548	25071	32027
8	Exceptional Items (Refer Note No.6)	-	-	175	-	175	243
9	Profit from ordinary activities before tax (7+8)	1384	5487	7315	12548	25246	32270
10	Tax expense	785	1820	2303	4440	7610	9079
11	Net Profit from ordinary activities after tax (9-10)	599	3667	5012	8108	17636	23191
12	Share of Profit / (Loss) from Associate	-	-	-	-	112	112
13	Minority Interest	213	(292)	(272)	(332)	(1222)	(1373)
14	Net Profit after tax, minority interest and share of profit from associate (11+12+13)	812	3375	4740	7776	16526	21930
15	Paid up Equity Share Capital (Face value- Re.1 per share)	1874	1874	1874	1874	1874	1874
16	Reserves excluding revaluation reserve						92571
17	Earnings per share (Rs.) not annualized						
	- Basic	0.43	1.80	2.53	4.15	8.83	11.71
	- Diluted	0.43	1.80	2.52	4.14	8.80	11.67

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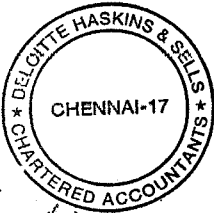


CARBORUNDUM UNIVERSAL LIMITED
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CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2012 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT

Sl.no	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.12	30.09.12	31.12.11	31.12.12	31.12.11	31.03.12
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of Shares	108338608	108531258	108489786	108338608	108489786	108503826
	- Percentage of shareholding	57.79%	57.91%	57.90%	57.79%	57.90%	57.90%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- No of shares	1407800	1407800	1752800	1407800	1752800	1752800
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	1.78%	1.78%	2.22%	1.78%	2.22%	2.22%
	- Percentage of shares (as a % of the total share capital of the company)	0.75%	0.75%	0.94%	0.75%	0.94%	0.94%
	b) Non-encumbered						
	- No of shares	77721936	77483936	77131976	77721936	77131976	77138936
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	98.22%	98.22%	97.78%	98.22%	97.78%	97.78%
	- Percentage of shares (as a % of the total share capital of the company)	41.46%	41.34%	41.16%	41.46%	41.16%	41.16%

	Particulars	Quarter ended 31.12.12
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	-
	Disposed off during the quarter	-
	Remaining unsolved at the end of the quarter	-

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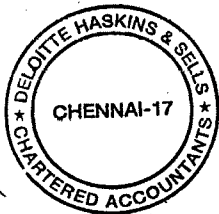


CARBORUNDUM UNIVERSAL LIMITED
Registered Office: 'PARRY HOUSE', No.43, Moore Street, Chennai - 600 001
CONSOLIDATED SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF THE LISTING AGREEMENT



(Rs. In Lakhs)

Sl.no	Particulars	Quarter ended			Nine months ended		Year ended
		(Unaudited)			(Unaudited)		(Audited)
		31.12.12	30.09.12	31.12.11	31.12.12	31.12.11	31.03.12
1	Segment Revenue						
	Abrasives	19755	21005	20660	60972	60634	83042
	Ceramics	11926	13329	12130	37091	33957	45647
	Electrominerals	13224	18521	16844	50099	53500	72728
	Others	948	1022	795	2970	2330	3101
	Total	45853	53877	50429	151138	150421	204578
	Less: Inter-Segment Revenue	1475	1658	1395	4745	4951	7725
	Net Sales/Income from operations	44378	52219	49034	146393	145470	196853
2	Segment Results						
	(Profit (+) / Loss (-) before finance costs and tax)						
	Abrasives	1930	2264	3030	6339	9262	12484
	Ceramics	1335	2466	2311	6272	7225	8979
	Electrominerals	(831)	1943	2963	3117	12062	13987
	Others	272	320	224	897	664	701
	Total	2706	6993	8528	16625	29213	36151
	Less: (i) Finance Costs	743	711	627	2063	1915	2500
	(ii) Other un-allocable expenditure / (income) net	579	795	761	2014	2227	1624
	Add: Exceptional Items (Refer Note No.6)	-	-	175	-	175	243
	Total Profit before Tax	1384	5487	7315	12548	25246	32270
3	Capital Employed (Segment Assets - Segment Liabilities)						
	Abrasives	57570	57116	43189	57570	43189	46061
	Ceramics	40827	40304	37054	40827	37054	35885
	Electrominerals	55760	55710	48305	55760	48305	49454
	Others (including unallocable)	11121	9482	11009	11121	11009	10970
	Total	165278	162612	139557	165278	139557	142370



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CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED December 31, 2012 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 February 5, 2013 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.
- 2 The Board of Directors have recommended an interim dividend of Re.0.50/- per share (on face value of Re.1/- each per share).
- 3 During the current quarter, the Company has allotted 45,350 equity shares pursuant to exercise of Employee Stock Options.
- 4 Figures for the previous periods have been regrouped and reclassified where considered necessary. The figures are not comparable due to the inclusion of the result of a subsidiary added during the previous quarter.
- 5 Summary of Key Standalone Financial Results of Carborundum Universal Limited is as follows: (Rs. In Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.12	30.09.12	31.12.11	31.12.12	31.12.11	31.03.12
Total Income	25813	28727	28590	81905	82819	112537
Profit before Tax and Exceptional Items	1553	2935	3845	7942	13365	17440
Add : Exceptional Items	-	-	2515	-	2515	1499
Profit before Tax	1553	2935	6360	7942	15880	18939
Net Profit After Tax	1010	2152	5064	5772	12026	14667

6 **Exceptional Items :**
Consolidated

(Rs. In Lakhs)

	Quarter ended			Nine months ended		Year ended
	31.12.12	30.09.12	31.12.11	31.12.12	31.12.11	31.03.12
Profit on sale of land and building	-	-	-	-	-	106
Profit on sale of investments in Associate Company	-	-	175	-	175	137
Total Exceptional Income	-	-	175	-	175	243

Standalone

(Rs. In Lakhs)

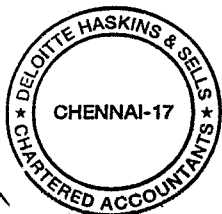
	Quarter ended			Nine months ended		Year ended
	31.12.12	30.09.12	31.12.11	31.12.12	31.12.11	31.03.12
Profit on sale of land and building	-	-	-	-	-	106
Profit/(Loss) on sale of investments (net)	-	-	2,515	-	2,515	1393
Total Exceptional Income	-	-	2,515	-	2,515	1499

- 7 The Company has opted to publish the Consolidated financial results from the financial year 2010-11. 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

M.M. Murugappan
M.M. Murugappan
Chairman

Chennai
February 5, 2013



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