Grasim Industries Limited

Performance Review – Q1FY07

29th July 2006

Cautionary Statement

Statements in this "Presentation" describing the Company's objectives, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

GRASIM ADITYA BIRLA GROUP

Consolidated Financial Performance – Q1FY07

	Rs. Crs.	% Change
TOTAL REVENUE	3,196	↑ 29
PBIDT (including minority share)	972	↑ 52
Interest Charges	53	↓ (7)
PBT (including minority share)	778	↑ 73
Total Tax Expenses	242	↑ 102
PAT (Before Minority Share)	536	↑ 63
PAT (After Minority Share)	435	↑ 47
EPS (Rs.)	47.5	↑ 47

- Consolidated revenue up by 29%
- PBIDT higher by 52%
  - Excellent performance from Grasim's Cement Business & Cement Subsidiaries; PBIDT up by 110% YoY
  - Higher operating profits in VSF business despite plant closure
  - Corresponding Quarter (Q1FY06) included non-recurring gain of Rs.45 Crs.
- PBT up by 73%
- Tax expenses higher by Rs.122 Crs., up by 102%
  - Improved profitability in the quarter
  - Impact of lower tax exempt income in current quarter
- PAT higher by 47%

Consolidated Financial Performance

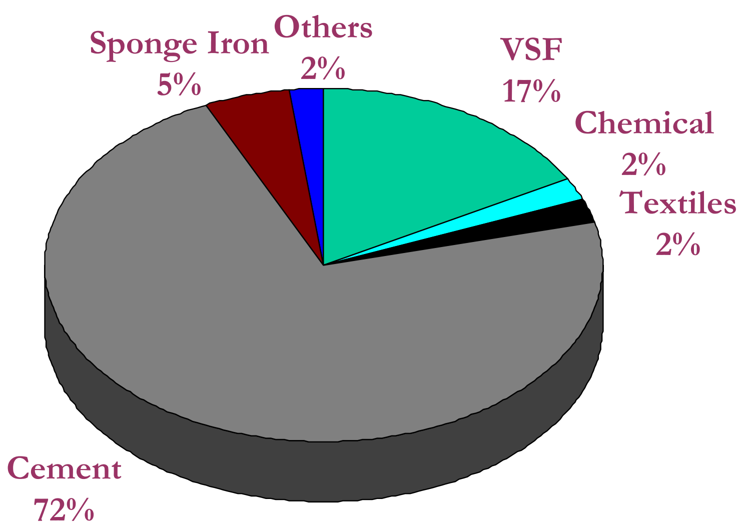
(Rs. Crores)

	Q1FY07	Q1FY06	% Chg.	FY06
Net Turnover & Op. Income	3,195.9	2,473.7	29	10,227.1
Other Income	49.2	75.5*	(35)	217.3
PBIDT	972.3	640.5	52	2,330.5
Interest	52.6	56.7	(7)	212.2
Gross Profit	919.7	583.8	58	2,118.3
Depreciation	141.7	135.4	5	563.1
Exceptional Items	--	--	--	4.1
PBT	778.0	448.4	73	1,559.3
Current Tax	247.7	133.2	86	434.9
Deferred Tax	(5.5)	(13.5)	--	(32.2)
Total Tax	242.2	119.7	102	402.7
PAT	535.8	328.7	63	1,156.6
Minority Share	100.5	32.6	--	116.0
PAT after Minority Share	435.3	296.1	47	1,040.6
Earning Per Share - Basic and Diluted (Rs.)	47.5	32.3	47	113.5

** Including non recurring income of Rs.45.4 Crs.*

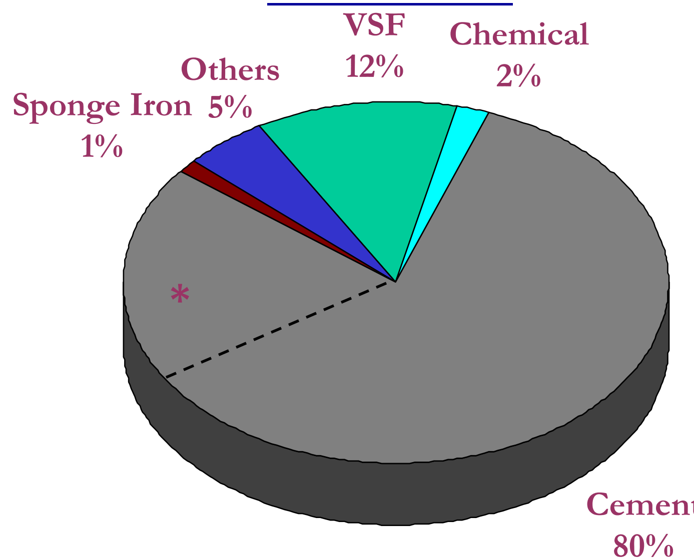
Consolidated Segmental Performance – Q1FY07

Revenue Mix



(Rs.3,196 Crs.)

PBIDT Mix



(Rs.973 Crs.)

- **VSF** (incl. Chemical) **contributed 19% (21%) to Revenue and 14% (20%) in PBIDT mix**
- **Cement contributed 72% (66%) to Revenue and 80% (58%) in PBIDT mix**

(* Minority Share 19%)

Standalone Financial Performance – Q1FY07

	Rs. Crs.		% Change
TOTAL REVENUE	1,877	↑	21
PBIDT	551	↑	25
Interest Charges	24	↓	(11)
PBT	453	↑	32
Total Tax Expenses	141	↑	54
PAT	312	↑	24
EPS (Rs.)	34	↑	24

- Revenue up by 21%
- PBIDT up by 25%
  - Excellent performance by Cement business
  - Higher operating profits in VSF business despite plant closure
  - Poor performance from Sponge Iron business
  - Corresponding Quarter (Q1FY06) included non-recurring gain of Rs.45 Crs.
- Interest cost down by 11%
- Tax expenses higher by 54%
  - Improved profitability in the quarter
  - Impact of lower tax exempt income in current quarter
- PAT up by 24%

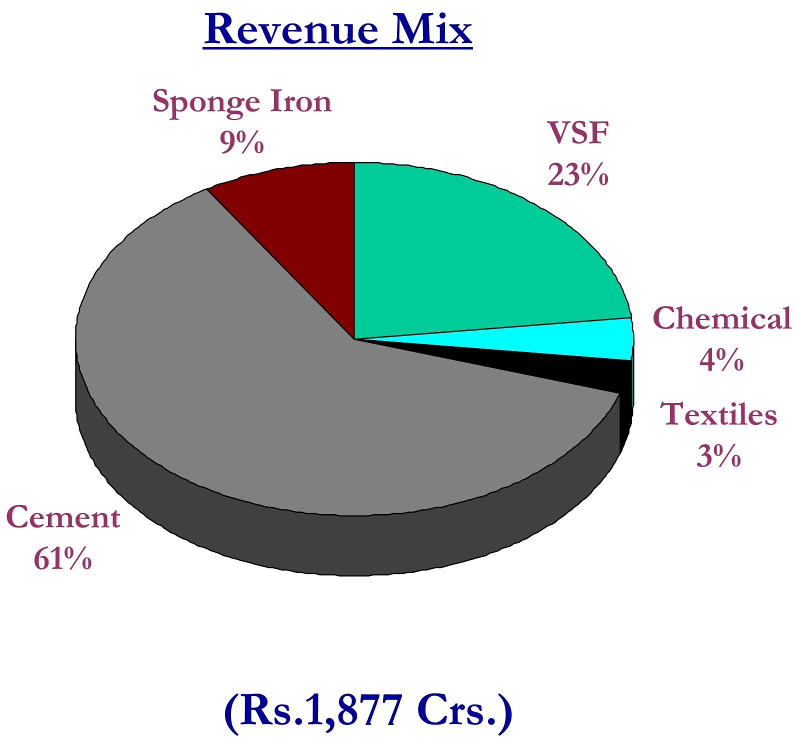
Standalone Financial Performance

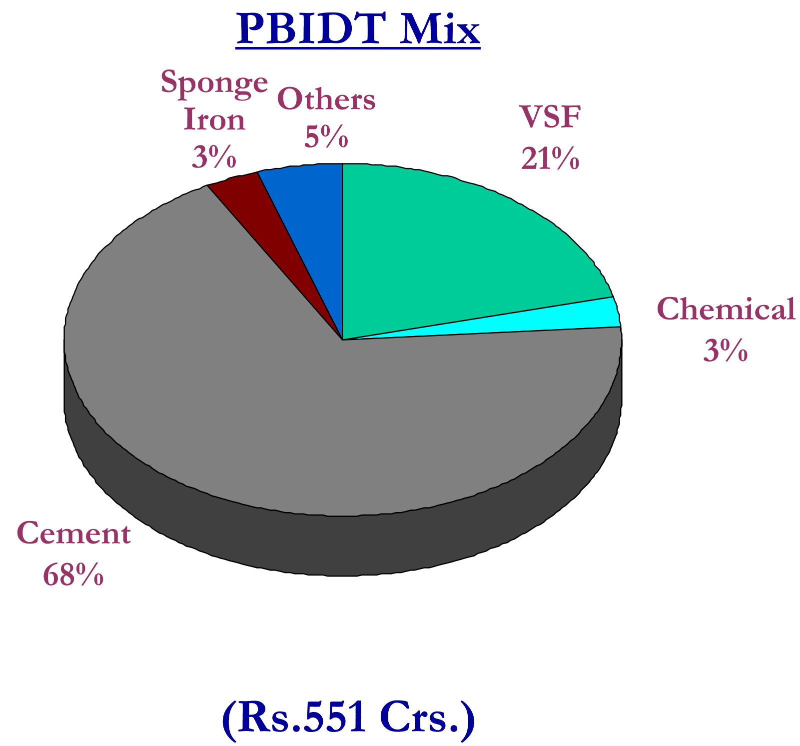
(Rs. Crores)

	Q1FY07	Q1FY06	% Chg.	FY06
Net Turnover & Op. Income	1,877.0	1,553.3	21	6,655.7
Other Income	37.5	65.5*	(43)	169.1
PBIDT	550.7	439.9	25	1,590.9
Interest	23.5	26.6	(11)	97.4
Gross Profit	527.2	413.3	28	1,493.5
Depreciation	74.0	70.4	5	291.6
Exceptional Items (net)	--	--	--	4.1
PBT	453.2	342.9	32	1,206.0
Current Tax	139.1	97.3	43	369.8
Deferred Tax	2.2	(5.4)	--	(27.0)
Total Tax	141.3	91.9	54	342.8
PAT	311.9	251.0	24	863.2
Earning Per Share - Basic and Diluted (Rs.)	34.0	27.4	24	94.1

** Including non recurring income of Rs.45.4 Crs.*

Standalone Segmental Performance– Q1FY07





- VSF (incl. Chemical) contributed 27% (33%) to Revenue and 24% (29%) in PBIDT mix
- Cement contributed 61% (50%) to Revenue and 68% (43%) in PBIDT mix

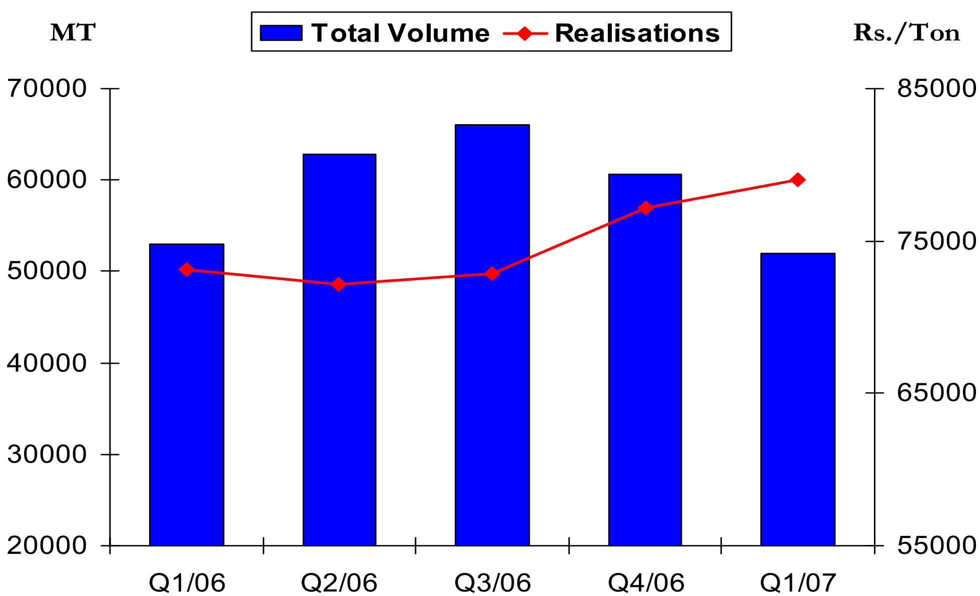
Business Review – Q1FY07

- VSF
- Chemicals
- Cement
- Sponge Iron
- Textiles

Viscose Staple Fibre : Q1FY07 Highlights

	Q1FY07	Q1FY06	% Chg.
Capacity (TPA)	@ 266,450	253,675	5
Production (MT)	45,194	52,282	(14)
Sales Volumes (MT)	51,957	52,962	(2)
Net Turnover (Rs Crs.)	441.1	417.8	6
Realisation (Rs./MT)	78,983	73,092	8
PBIDT (Rs. Crs.)	114.3	91.8	25
PBIDT Margin (%)	25.9%	22.0%	--
PBIT (Rs. Crs.)	97.9	76.7	28

@ 9,125 Tonnes increased towards end of Q1FY07



- Operations at Nagda plant suspended for 45 days due to water shortage
  - Lower production and sales volumes as a result
  - Additional reservoir equivalent to 45 days' water requirement constructed
- Realisations up 8% YoY
  - Increasing trend in line with other textile fibres
  - Higher demand, both domestic and exports
- Operating margins higher on better realisations (Despite suspension of production at Nagda)

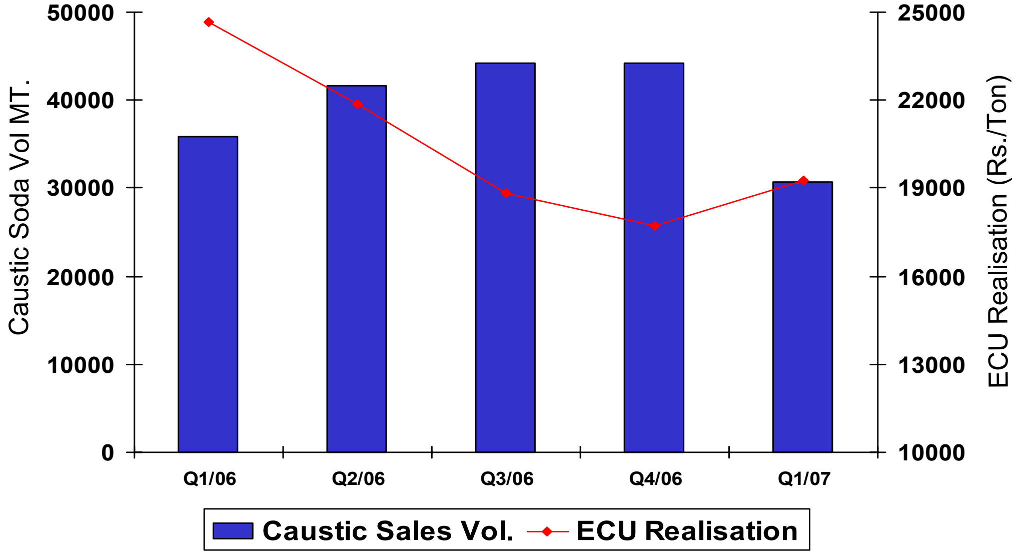
Viscose Staple Fibre : Outlook

- Operations at Nagda normalised from 2nd week of July
- Volumes outlook remains positive
  - Strong demand from India and South Asian Textile hubs
  - Capacity increased at Harihar by 9,125 tons thru' debottlenecking
- Price outlook encouraging
  - Backed by strong demand
  - Aided by increase in prices of competing fibres
  - Sales realisation up by Rs. 5 per kg from July
- Margins expected to improve despite rise in pulp prices
- Long term outlook remains positive
  - VSF consumption to grow, driven by increase in Fabrics and Garments exports
  - Efforts to introduce VSF based non-woven products in domestic markets
    - Nascent segment of consumer products anticipated to grow rapidly
- Backward integration in pulp being strengthened
  - AV Nackawick to produce Rayon grade pulp from December 07
  - Plantation-cum-Pulp project at Laos progressing as per plan

Chemical : Q1FY07 Highlights

	Q1FY07	Q1FY06	% Chg.
Caustic Capacity (TPA)	190,800	190,800	--
Caustic Production (MT)	30,738	36,017	(15)
Caustic Sales Volumes (MT)	30,712	35,849	(14)
Net Turnover (Rs. Crs.)	71.5	99.3	(28)
ECU Realisation (Rs./MT)	19,252	24,669	(22)
PBIDT (Rs. Crs.)	17.9	37.5	(52)
PBIDT Margin (%)	25.0%	37.7%	--
PBIT (Rs. Crs.)	13.4	33.1	(60)

Caustic Volumes & ECU Realisation



- Production declined by 15%
  - Water shortage impacted operations
- Sales volumes down by 14% on lower production
- ECU realisation down by 22% due to lower prices of caustic and allied products
  - New capacity additions and lower international prices
- Operating margins lower
  - Lower realisations and volumes

Outlook

- Pressure on domestic prices due to capacity additions and expected softening in prices globally
- Volumes will be impacted in Q2FY07 due to maintenance shutdown of captive power plant for about a month

Cement : Q1FY07 Highlights

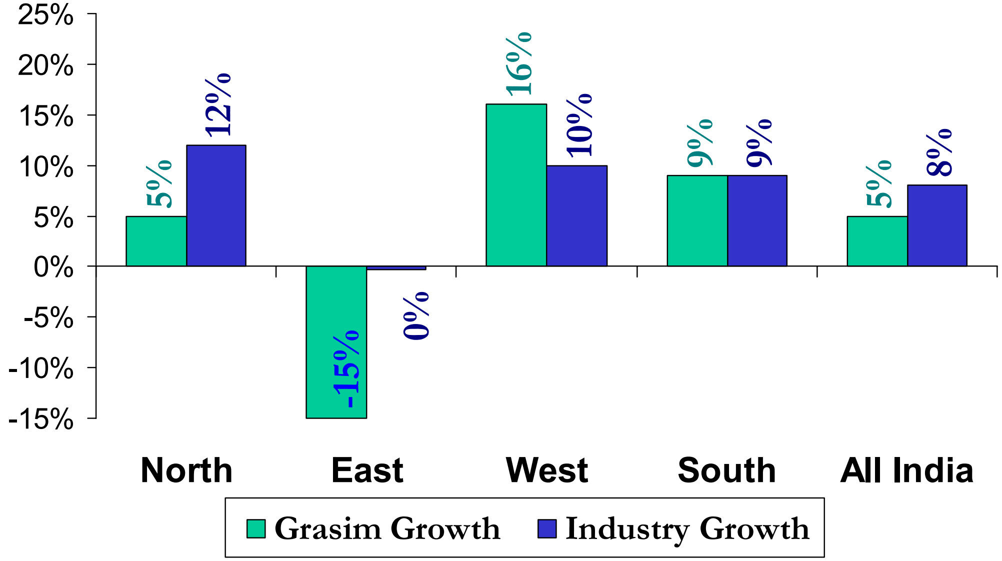
	Q1FY07	Q1FY06	% Chg.
Grey Cement			
Capacity (Mn. TPA)	13.12	13.12	--
Production (Mn. MT)	3.56	3.35	6
Sales Volumes* (Mn. MT)	3.50	3.33	5
Net Turnover* (Rs. Crs.)	1,021.4	723.1	41
Realisation* (Rs./MT)	2,731	2,008	36
White Cement			
Capacity (TPA)	475,000	475,000	--
Production (MT)	83,045	78,774	5
Sales Volumes (MT)	81,143	79,871	2
Net Turnover (Rs.Crs.)	75.4	62.3	21
Realisation (Rs./MT)	6,213	5,870	6
PBIDT (Rs. Crs.)	376.5	187.2	101
PBIDT Margin (%)	34.3%	23.8%	--
PBIT (Rs. Crs.)	334.2	147.3	127

** Excludes traded volumes*

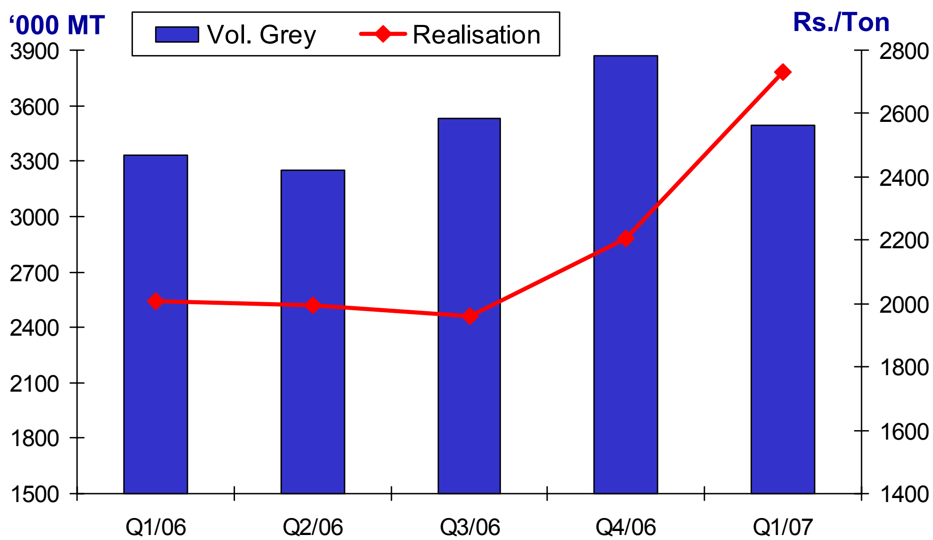
- Excellent performance
- High capacity utilisation at 109%
- Sales volume up by 5% on continued demand growth
- Realisation surged by 36%
  - Increase in Prices across regions
  - Rise in Freight cost passed through
- Revenue up by 41% on back of higher realisations
- White Cement
  - Net Turnover up 21% with healthy growth in value added products
- Significant improvement in margins from 24% to 34% due to increase in realisation
- Operating profit doubled

Cement : Q1FY07 Highlights contd..

Q1FY07 – Zone wise Growth



Grey Cement Sales volume and Realisation /Tonne



- Continued thrust on cost control
  - Optimising rail-road mix; despatches thru' rail increased from 36% to 47%
  - Blended cement proportion increased from 50% to 63%

Cement : Outlook

- Robust demand growth of 9% in Q1FY07
- Demand outlook positive, expected to grow by 8-9% in the long term
  - Strong demand from housing and infrastructure
  - Industrial investment to provide further impetus
- Industry capacity utilisation to remain at higher levels
  - Demand – supply balanced across regions
  - Capacity additions of 23-25 mn. tons expected by end FY08
  - Strong demand growth to absorb additional supplies
- Cement prices expected to sustain
- To embark upon capacity addition through greenfield and brownfield projects
  - 1.3 Mn. Ton Dadri Grinding unit to be commissioned by June 07
  - 8 Mn. TPA by early FY09 thru' greenfield project at Kotputli and expansion at Shambhupura

Sponge Iron : Q1FY07 Highlights

	Q1FY07	Q1FY06	% Chg.
Capacity (TPA)	900,000	900,000	--
Production (MT)	126,941	179,816	(29)
Sales Volumes (MT)	140,912	143,627	(2)
Net Turnover (Rs. Crs.)	175.4	220.5	(20)
Realisation (Rs./MT)	12,054	14,075	(14)
PBIDT (Rs. Crs.)	14.2	69.2	(80)
PBIDT Margin (%)	8.1%	31.4%	--
PBIT (Rs. Crs.)	5.6	60.7	(91)

- Lower capacity utilisation due to poor availability of Natural Gas
- Realisation lower by 14% YoY due to lower global scrap prices
- Operating margins declined due to higher input prices and lower realisations
  - Iron ore prices up by 35%
  - Steep rise in Natural Gas prices by 170%
- Moderate improvement in sequential profitability with increase in realisations

Sponge Iron : Outlook

- Volumes to remain depressed due to inadequate Natural Gas supplies
- Realisations may improve marginally with upswing in scrap prices
  - But competition from coal based sponge iron continues to be a threat
- Profitability to remain under pressure
  - High input costs and lower utilisation due to gas shortage
- Business prospects expected to improve in the long term with adequate gas availability, likely by end of CY 2007

Textiles : Q1FY07 Highlights and Outlook

	Q1 FY07	Q1 FY06	% Chg.
Sales Volumes			
- Fabrics (lac Mtrs.)	33	28	18
- Synthetic Yarn (MT)	1,413	1,643	(14)
Net Turnover (Rs. Crs.)	52.8	50.5	4
Fabric Realisation (Rs./Mtr.)	107	99	8
Synth. Yarn Realisation (Rs./Kg)	128	120	7
PBIDT (Rs. Crs.)	1.2	0.9	26
PBIDT Margin (%)	2.2%	1.8%	--
PBIT (Rs. Crs.)	(0.1)	(0.6)	--

Grasim SUITING the power of fashion

GRAVIERA SUITING ANDAAZ ZARA HAT KE!

- Fabric volumes up by 18%
  - Increased supplies to Ready-made Garment (RMG) segment
  - Healthy growth in domestic OTC business
- Increased realisations offset by higher raw material and power cost
- Outlook
  - Growth in RMG exports to increase fabric demand
  - Plans to set up 8 MW thermal power plant and modernise the plant to improve profitability

Capex

Capex plans

- Capex Summary

Rs. Crores

	Total	Cash Outflow	
		FY07	FY08
Cement	3,641	1,519	2,021
- 4 Mn. TPA Greenfield Project at Kotputli, Rajasthan	1,275		
- 4 Mn. TPA Brownfield Project at Shambhupura, Rajasthan	1,200		
- Thermal Power plants (4 Nos, 102 MW, Project Cost Rs.455 Crs.)	390		
- Grinding unit - North (1.3 Mn. MT, Project Cost Rs.137 Crs.)	116		
- De-bottlenecking/Blending	165		
- RMC's (16 Nos, Capacity 33 lac cum. p.a.)	67		
- Modernization	309		
- Upgradation of production facilities	119		
VSF	617	381	236
- Capacity expansion (40,150 Tons, Project Cost Rs.327 Crs.)	309		
- Modernization	308		
Chemical	178	166	12
Textiles	79	71	8
Others	16	16	-
TOTAL	4,531	2,153	2,277

- Q1FY07 Capex spent - Rs.239 Crs.
  - Cement Rs.143 Crs., VSF Rs.28 Crs., Others Rs.68 Crs.
- Separate Capex plan of Rs.2,700 Crs. for UltraTech
  - 4 Mn. Ton Brownfield project at Tadpatri with split grinding unit, Outlay Rs.1,275 Crs.
  - 2 Thermal power plants, capacity 142 MW, Outlay Rs.810 Crs.
  - RMC's – Outlay Rs.62 Crs. (Nos.14, Capacity 30 lac cum. p.a.)

UltraTech Cement Limited (Consolidated)

Performance Review

UltraTech: Consolidated Financial Performance – Q1FY07

(Rs. Crores)

	Q1 FY07	Q1 FY06	% Inc.
Net Turnover* and Other Income	1,178.5	822.2	43
PBIDT	388.2	169.1	130
PBIDT Margin (%)	33.2%	20.8%	--
Interest	22.6	22.3	1
Depreciation	55.0	57.6	(4)
PBT	310.6	89.2	248
Current Tax	108.7	35.9	203
Deferred Tax	(7.7)	(8.1)	(4)
PAT	209.6	61.4	241
Minority Share	0.5	0.4	--
PAT after Minority share	209.1	61.0	243

* *Adjusted for traded volumes*

- Turnover * up by 43%
- Operating profit increased by 130%
- Significant improvement in margins from 21% to 33%
  - Substantial increase in domestic realisations
  - Higher volumes
- Energy Cost increased by 8% due to rising Naptha and Furnace oil prices
- Net Profit increased from Rs.61 Crs. in Q1FY06 to Rs.209 Crs. in Q1FY07
- Plans to add capacity by 4 Mn. MT thru' expansion at Tadpatri with split grinding unit

UltraTech Consolidated: Highlights

	Q1 FY07	Q1 FY06	FY06
Production (Mn. MT)			
Clinker	0.54	0.36	1.32
Cement	3.88	3.66	13.71
Sales volumes (Mn. MT)			
Clinker	0.54	0.36	1.32
Cement – Domestic *	3.48	3.17	12.20
- Exports	0.36	0.46	1.51
	4.38	3.99	15.03
Realisation (Rs./Ton)			
Cement (Domestic)	2,800	2,049	2,113
Cement (Exports)	2,704	2,206	2,480
Clinker	1,518	1,506	1,577

** Excludes traded volumes*

- Capacity utilisation at 104% (95%)
- Volumes up by 10% at 4.4 Mn. MT
  - Domestic despatches up by 10% against sector average of 8%
- Domestic cement realisation up 37%
- Exports prices continue to remain firm, likely to sustain during the year

Shree Digvijay Cement Company Limited (SDCC)

Performance Review

SDCC Financial Performance - Q1FY07

(Rs. Crores)

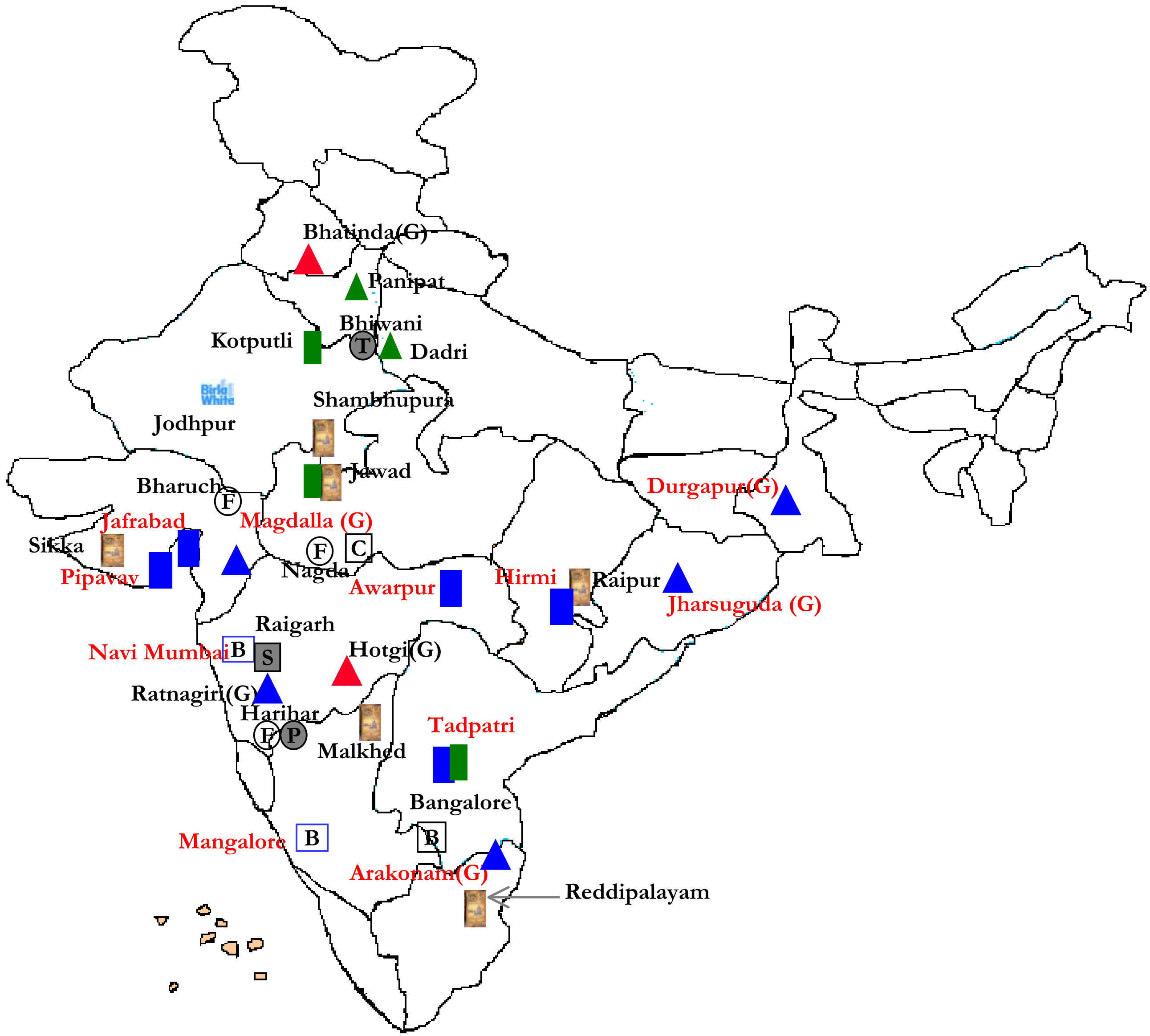
(Lac MT)	Q1 FY07	Q1 FY06	% Chg.
Cement Production	2.36	2.15	10
Sales Volumes			
- Cement	2.27	2.15	(19)
- Clinker	--	0.67	
Realisation (Rs./MT)-Cement	2,669	2,057	30
-Clinker	--	1,406	--
Net Revenues	60.6	53.6	13
PBIDT	12.8	12.4	3
PBIDT Margin	21.1%	23.1%	
Interest *	0.3	1.3	--
Depreciation	1.6	2.7	(43)
Profit before EIs	10.9	8.3	31
Exceptional Items	0.2	1.7	--
Profit after EIs	11.1	10.0	--

** Interest on certain loans not provided and in certain cases at restructured / reduced rates; thus, figures are not comparable*

- Capacity utilisation declined to 87% (104%) due to plant breakdown
- Resultant fall in sales volumes by 19%
- Cement realisations up by 30%
- Margins declined due to lower volumes and higher power cost
  - Furnace oil prices higher by 48%
- Rights Issue of Rs.134 Crs. completed

Plant Locations– Grasim & its subsidiaries

- Proposed Cement Projects
- Proposed Grinding Units
- Grey cement plants
- Grinding Units (G)
- B Bulk Cement Terminal
- UltraTech Cement Plants
- UltraTech Grinding Units (G)
- B UltraTech Bulk Cement Terminals
- F Fibre plants
- P Pulp plant
- C Chemical plant
- T Textiles units
- S Sponge Iron plant



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Thank You

Grasim Industries Limited

Annexure

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GRASIM ADITYA BIRLA GROUP

Profitability Snapshot

(Rs. Crores)	Standalone FY99	Standalone FY05	Standalone FY06	Standalone Q1 FY07	Consolidated FY04	Consolidated FY05	Consolidated FY06	Consolidated Q1 FY07
Gross Turnover	4,325	7,201	7,607	2,094	9,189	10,776	11,715	3,564
Net Turnover	3,757	6,229	6,621	1,866	7,782	9,292	10,192	3,185
PBIDT	674	1,785	1,591	551	1,909	2,272	2,331	972
PBIDT Margin (%)	17.9	28.7	24.0	29.5	16.4	24.5	22.9	30.5
Int. & Fin. Charges	292	139	97	24	313	285	212	53
PBDT	381	1,646	1,494	527	1,596	1,988	2,118	920
Total Tax Expenses	67	418	343	141	286	442	403	242
PAT (After Minority Share)	* 105	886	863	312	761	880	1,041	435
EPS (Rs.)	* 12.5	96.6	94.1	34.0	83.0	96.0	113.5	47.5
DPS (Rs.)	6.8	16.0	20.0	--	--	--	--	--
ROAvCE (PBIT Basis)(%)	$ 10.3	$ 36.1	$ 27.9	$ 38.9	15.2	18.5	18.4	33.6
RONW (%)					22.7	23.7	23.4	34.5
Interest Cover (x)	2.3	9.6	12.5	17.5	5.1	6.3	8.9	13.6

** Adjusted for deferred Tax*

$ Excluding investment in subsidiary companies

Financial Snapshot

(Rs. Crores)	Standalone FY99	FY05	FY06	Q1FY07	Consolidated FY04	FY05	FY06	Q1FY07
Gross Block	4,937	6,052	6,417	6,677	10,702	11,317	11,932	12,298
Net Block	3,354	3,204	3,307	3,499	6,394	6,299	6,416	6,717
Goodwill	-	-	-	-	2,037	1,958	1,773	1,860
Cement Subs. Investment	56	2,362	2,352	2,428	-	-	-	-
Investments	624	939	1,422	1,780	270	769	1,352	1,951
Net Current Assets	1,003	426	461	163	475	673	652	302
Capital Employed	5,037	6,931	7,542	7,870	9,176	9,699	10,193	10,830
Net Worth	2,142	4,324	4,978	5,290	3,348	4,086	4,838	5,268
Minority Interest	-	-	-	-	515	500	514	601
Debts	2,421	2,008	1,980	1,993	4,108	3,934	3,683	3,809
Deferred Tax	474	599	584	587	1,205	1,179	1,158	1,152
Debt: Equity (x)	1.13	0.46	0.40	0.38	1.06	0.86	0.69	0.65
Book Value (Rs.)	234	472	543	577	365	446	528	575

- Strong Balance Sheet
- Leveraging in real terms even lower, to be viewed in the context of
  - Cash surplus
  - Debts include long term interest free Sales-tax Loans

Segmental Performance-Q1FY07

Standalone

(Rs. Crores)

Business	Revenue		PBIDT		PBIDT Margin (%)		PBIT		Capital Employed		ROAvCE (%) (PBIT basis)	
	Q1FY07	Q1FY06	Q1FY07	Q1FY06	Q1FY07	Q1FY06	Q1FY07	Q1FY06	Q1FY07	Q1FY06	Q1FY07	Q1FY06
VSF	446.4	418.3	114.3	91.8	25.9	22.0	97.9	76.7	1,048	1,047	41.2	31.2
Chemical	71.8	99.5	17.9	37.5	25.0	37.7	13.4	33.1	268	197	28.6	65.7
Cement	1,152.3	801.8	376.5	187.2	34.3	23.8	334.2	147.3	2,122	2,039	72.8	29.0
Sponge Iron	175.4	220.5	14.2	69.2	8.1	31.4	5.6	60.7	567	479	4.1	49.2
Textile	56.8	52.8	1.2	0.9	2.2	1.8	(0.1)	(0.6)	95	103	(0.6)	(2.3)
Direct Operations			524.1	386.6			451.0	317.2	4,100	3,865	50.0	33.3
Cement subsidiaries									2,319	2,215		
Company as a whole	@1,877.0	@1,553.3	550.7	439.9	29.5	28.4	476.7	369.4	7,870	6,991	26.2	21.7

Consolidated

VSF	525.0	433.6	112.3	91.1	21.6	21.0	95.4	75.6	1,182	1,075	37.3	30.0
Cement $	2,324.5	1,652.4	777.4	369.5	33.5	22.4	678.4	274.0	7,139	6,735	41.6	16.4
Company as a whole$	3,195.9	2,473.7	972.3	640.5	30.5	25.9	830.6	505.1	10,830	9,707	33.6	21.3

@ Net of Inter and Intra segment sales

$ including minority share

Viscose Staple Fibre : Summary

		Q1 FY07	Q1 FY06	% Chg.	FY06
Capacity	TPA	266,450	253,675	5	257,325
Production	MT	45,194	52,282	(14)	228,981
Sales Volumes	MT	51,957	52,962	(2)	242,399
Net Turnover	Rs. Crs.	441.1	417.8	6	1,918.8
Avg. Realisation	Rs./MT	78,983	73,092	8	73,786
PBIDT	Rs. Crs.	114.3	91.8	25	495.0
PBIDT Margin	%	25.9%	22.0%	--	25.8%
PBIT	Rs. Crs.	97.9	76.7	28	429.6
Capital Employed	Rs. Crs.	1,048	1,047	--	999
ROAvCE(PBIT basis)	%	41.2%	31.2%	--	45.4%

Chemical : Summary

		Q1 FY07	Q1 FY06	% Chg.	FY06
Capacity (Caustic)	MT	190,800	190,800	--	190,800
Production (Caustic)	MT	30,738	36,017	(15)	165,509
Sales Volume(Caustic)	MT	30,712	35,849	(14)	165,853
Net Turnover	Rs. Crs.	71.5	99.3	(28)	385.0
Avg. ECU Realisation	Rs./MT	19,252	24,669	(22)	20,594
PBIDT	Rs. Crs.	17.9	37.5	(52)	125.1
PBIDT Margin	%	25.0%	37.7%	--	32.5%
PBIT	Rs. Crs.	13.4	33.1	(60)	107.5
Capital Employed	Rs. Crs.	268	197	36	211
ROAvCE (PBIT basis)	%	28.6%	65.7%	--	54.2%

Cement : Summary

		Q1 FY07	Q1 FY06	% Chg.	FY06
Grey Cement					
Capacity	Mn. MT	13.12	13.12	--	13.12
Production	Mn. MT	3.56	3.35	6	13.83
Sales Volumes *	Mn. MT	3.50	3.33	5	13.99
Net Turnover *	Rs. Crs.	1,021.4	723.1	41	3,092.7
Avg. Realisation	Rs./MT	2,731	2,008	36	2,046
White Cement					
Capacity	TPA	475,000	475,000	--	475,000
Production	MT	83,045	78,774	5	350,174
Sales Volumes	MT	81,143	79,871	2	347,500
Net Turnover	Rs. Crs.	75.4	62.3	21	291.8
Avg. Realisation	Rs./MT	6,213	5,870	6	5,984
PBIDT	Rs. Crs.	376.5	187.2	101	799.6
PBIDT Margin	%	34.3%	23.8%	--	23.6%
PBIT	Rs. Crs.	334.2	147.3	127	636.4
Capital Employed	Rs. Crs.	2,122	2,039	4	2,079
ROAvCE (PBIT basis)	%	72.8%	29.0%	--	32.0%

** Excludes traded volumes*

Sponge Iron : Summary

		Q1 FY07	Q1 FY06	% Chg.	FY06
Capacity	TPA	900,000	900,000	--	900,000
Production	MT	126,941	179,816	(29)	505,825
Sales Volumes	MT	140,912	143,627	(2)	478,291
Net Turnover	Rs. Crs.	175.4	220.5	(20)	633.6
Avg. Realisation	Rs./MT	12,054	14,075	(14)	12,323
PBIDT	Rs. Crs.	14.2	69.2	(80)	67.9
PBIDT Margin	%	8.1%	31.4%	--	10.7%
PBIT	Rs. Crs.	5.6	60.7	(91)	33.7
Capital Employed	Rs. Crs.	567	479	18	530
ROAvCE (PBIT basis)	%	4.1%	49.2%	--	6.5%

Textiles : Summary

		Q1 FY07	Q1 FY06	% Chg.	FY06
Net Turnover	Rs. Crs.	52.8	50.5	4	236.9
PBIDT	Rs. Crs.	1.2	0.9	26	3.4
PBIDT Margin	%	2.2%	1.8%	--	1.4%
PBIT	Rs. Crs.	(0.1)	(0.6)	--	(3.0)
Capital Employed	Rs. Crs.	95	103	(8)	93
ROAvCE (PBIT basis)	%	(0.6)%	(2.3)%	--	(3.2)%

Production Data (MT)

	Q1FY07			Q1FY06			FY06		
	Capacity TPA	Production	%	Capacity TPA	Production	%	Capacity TPA	Production	%
VSF	@ 266,450	45,194	70	253,675	52,282	82	257,325	228,981	90
Caustic Soda	190,800	30,738	64	190,800	36,017	76	190,800	165,509	87
Grey Cement *	13.12	3.56	109	13.12	3.35	102	13.12	13.83	105
White Cement	475,000	83,045	70	475,000	78,774	66	475,000	350,174	74
Sponge Iron	900,000	126,941	56	900,000	179,816	80	900,000	505,825	56

* *Grey Cement numbers are in Mn. MT*

@ 9,125 Tonnes increased towards end of Q1FY07

Divisional Turnover (Qty.) & Realisation

Product	Quantity (MT)			Realisation (Rs. /MT)		
	Q1 FY07	Q1 FY06	FY06	Q1 FY07	Q1 FY06	FY06
VSF	51,957	52,962	242,399	78,983	73,092	73,786
Caustic Soda *	30,712	35,849	165,853	19,252	24,669	20,594
Grey Cement #	3.50	3.33	13.99	2,731	2,008	2,046
White Cement	81,143	79,871	347,500	6,213	5,870	5,984
Sponge Iron	140,912	143,627	478,291	12,054	14,075	12,323

** ECU Realisation*

 # Numbers are in Mn. MT.

GRASIM
ADITYA BIRLA GROUP

UltraTech: Consolidated Financial Performance

(Rs. Crores)

	Q1 FY07	Q1 FY06	% Inc.	FY06
Net Turnover * & Other Income	1,178.5	822.1	43	3,288.0
PBIDT	388.2	169.1	130	606.6
PBIDT Margin (%)	33.2%	20.8%	--	19.0%
Interest	22.6	22.3	1	90.1
Depreciation	55.0	57.6	(4)	230.5
PBT	310.6	89.2	248	286.0
Current Tax	108.7	35.9	203	63.4
Deferred Tax	(7.7)	(8.1)	(4)	(4.2)
PAT	209.6	61.4	241	226.7
Minority Share	0.5	0.4	--	1.6
PAT after Minority share	209.1	61.0	243	225.1
Earning Per Share, Basic and Diluted (Rs.)	16.8	4.9	243	18.1

** Adjusted for traded volumes*

SDCC : Financial Performance

(Rs. Crores)

	Q1 FY07	Q1 FY06	% Chg.	FY06
Net Turnover & Op. Income	60.6	53.6	13	214.4
Other Income	1.9	0.4	356	4.8
PBIDT	12.8	12.4	3	44.4
PBIDT Margin	21.1%	23.1%		20.7%
Interest	0.3	1.3	--	3.2
Depreciation	1.6	2.7	(43)	7.4
Profit before EIs	10.9	8.3	31	33.8
Exceptional Items	0.2	1.7	--	15.0
Profit after EIs	11.1	10.0	--	48.8

** Interest on certain loans not provided and in certain cases at restructured / reduced rates; thus, figures are not comparable*

Press Release **Mumbai, July 29, 2006**

GRASIM, THE ADITYA BIRLA GROUP's FLAGSHIP COMPANY
REPORTS EXCELLENT ALL-ROUND PERFORMANCE FOR Q1FY 2007

Consolidated Net Revenue at Rs.3,196 Crs., up by 29%
Consolidated Net Profit at Rs.435 Crs., up by 47%

Rs. Crores

	Consolidated			Stand-alone		
	Q1 FY07	Q1 FY06	% Change	Q1 FY07	Q1 FY06	% Change
Net Revenue	**3,195.9**	**2,473.7**	**29.2**	**1,877.0**	**1,553.3**	**20.8**
Gross Profit	**919.7**	**583.8**	**57.5**	**527.2**	**413.3**	**27.6**
Depreciation	141.7	135.4	4.7	74.1	70.5	5.1
Total Tax Expenses	242.2	119.7	102.3	141.2	91.9	53.7
Profit after Taxes	**535.8**	**328.7**	**63.0**	**311.9**	**250.9**	**24.3**
Less: Minority Share	**100.5**	**32.6**		**-**	**-**	
Net Profit	**435.3**	**296.1**	**47.0**	**311.9**	**250.9**	**24.3**
EPS (Rs.)	**47.5**	**32.3**	**47.0**	**34.0**	**27.4**	**24.3**

Grasim, the flagship Company of the Aditya Birla Group, has posted a commendable performance for the quarter ended 30th June, 2006. Consolidated revenues at Rs.3,196 crores (Rs.2,474 crores) reflected an increase of 29%. Despite a substantially higher provision for tax expense, which was up by 102% at Rs.242 crores (Rs.120 crores), Net Profit surged by 47% from Rs.296 crores to Rs.435 crores. The major growth driver has been the Cement business. The performance of Viscose Staple Fibre business too was significant. The Sponge Iron business, however, suffered due to lower capacity utilisation, a steep rise in input costs and lower global scrap prices.

Grasim's Stand-alone Financial Performance

The stand-alone results for the quarter have been impressive as well. Notwithstanding the setback faced by its Sponge Iron business, the Company clocked a substantially improved performance on all the three major parameters – Revenues, Gross Profit and Net Profit. While Revenues rose appreciably by 21% from Rs.1,553 crores to Rs.1,877 crores, Net Profit recorded a growth of 24% at Rs.312 crores (Rs.251 crores).

Highlights of Grasim's operations:

		Q1FY07	Q1FY06	% Change
Production -				
Viscose Staple Fibre	M.T.	45,194	52,282	-14%
Cement	Mn. M.T.	3.56	3.35	6%
White Cement	M.T.	83,045	78,774	5%
Sponge Iron	M.T.	126,941	179,816	-29%
Caustic Soda	M.T.	30,738	36,017	-15%
Sales Volumes -				
Viscose Staple Fibre	M.T.	51,957	52,962	-2%
Cement	Mn. M.T.	3.50	3.33	5%
White Cement	M.T.	81,143	79,871	2%
Sponge Iron	M.T.	140,912	143,627	-2%
Caustic Soda	M.T.	30,712	35,849	-14%
Net Realisation -				
Viscose Staple Fibre	Rs./M.T.	78,983	73,092	8%
Cement	Rs./M.T.	2,731	2,008	36%
White Cement	Rs./M.T.	6,213	5,870	6%
Sponge Iron	Rs./M.T.	12,054	14,075	-14%
Chemical Products	Rs./M.T.	19,252	24,669	-22%

Viscose Staple Fibre (VSF) Business

The performance of VSF business was good. Realisations were higher by 8% at Rs.78,983 per ton in line with other textile fibres. Capacity utilization, however, was lower at 70% as against 82% in the corresponding quarter due to shut down of VSF Plant at Nagda for 45 days on account of water shortage. With the onset of monsoon, the production has resumed at the Nagda plant. To further minimize the effect of water shortage in future, the Company has built an additional reservoir at Nagda to cater to the Company's requirement of water for about 45 days.

The capacity at the Company's plant at Harihar was expanded by 9,125 tons towards the end of the quarter, thereby increasing the overall VSF capacity from 257,325 tons to 266,450 tons per annum. Capacity expansion and modernization at its VSF plants at an outlay of Rs.617 crores will ramp up the VSF capacity to 306,600 tons per annum by FY08.

Production of Rayon grade pulp at the newly acquired St. Anne Nackawic Pulp Mill is expected to begin in the 3rd quarter of FY08. This would help in augmenting the supply of quality pulp.

The integrated plantation-cum-pulp plant planned by the Company at Laos is on track. This project with a long-term horizon of 7 years will enable the Company to source its requirement of quality pulp in adequate quantities upon implementation. The Company's investment in the project over a period of 7 years, is estimated at US$ 50 mn. (Rs.235 crores).

The increase in exports of garments and fabrics should translate into increased demand for VSF. Besides, the efforts to introduce VSF based non-woven products in the domestic markets, coupled with the increase in prices of competing fibres, bode well for the VSF business. The outlook for the business continues to be positive.

Cement Business

Increased volumes and a strong growth in realizations helped the Cement business post an admirable performance. Capacity utilisation was higher at 109% (102%). Sales volumes rose by 5% at 3.50 Mn. tons. Realisations surged by 36% at Rs.2,731 per ton leading to a significant improvement in operating margins. The share of blended cement increased from 50% to 63%. Optimisation of rail-road mix helped minimize the impact of the increase in freight costs.

The White Cement business has done well. Production was higher by 5% at 83,045 tons. Sales volumes were up by 2% at 81,143 tons. Realisations too grew by 6% at Rs.6,213 per ton.

Cement Subsidiaries

UltraTech Cement Limited (UltraTech), a subsidiary of Grasim, posted an outstanding performance. Its sale of cement stood at 3.84 Mn. tons and clinker at 0.54 Mn. tons. Domestic cement realizations recorded a healthy growth of 37% at Rs.2,800 per ton.

Shree Digvijay Cement Company Limited, another subsidiary, has reported a satisfactory performance. Production was affected for about a fortnight due to a breakdown at its Plant. As a result, the combined sales volumes declined by 19%. Realisations were higher by 30% over the corresponding quarter.

Cement Capex plan

The Cement business has planned a total capital outlay of Rs.3,641 crores. Out of this, an amount of Rs.2,475 crores is proposed to be spent on augmenting the capacity by 8 Mn. TPA and setting up of thermal power plants at these locations. This entails the setting up of a Greenfield cement plant at Kotputli in Rajasthan (with a split grinding unit at Panipat in Haryana), of a total capacity of 4 Mn. TPA and expanding its capacity at Shambhupura in Rajasthan (with a split grinding unit) of a total capacity of 4 Mn. TPA.

This would enable the Company cater to the increasing demand in the northern region.

Furthermore, the Company will invest Rs.1,166 crores over the next 2 years on modernization, de-bottlenecking, setting up of grinding unit at Dadri, RMC plants and captive power plants.

Additionally, a capex of Rs.2,700 crores is planned at UltraTech, of which Rs.1,275 crores would be on capacity expansion at its Tadpatri plant (with a split grinding unit) by 4 Mn. TPA and the balance towards setting up of a new power plant, de-bottlenecking and modernization. The amount is proposed to be spent over the next 3 years.

The Company feels buoyant about its Cement business. The expected strong growth in the housing sector and increased spending on the infrastructure sector by the Government portend well for the Company's Cement business.

Sponge Iron Business

Sponge Iron business continued to remain under severe pressure due to non-availability of natural gas and a steep increase in the prices of inputs, viz., natural gas, iron ore and pellets. Though on a sequential basis, realisations did show some improvement, it was lower by 14% as compared to the corresponding quarter.

Volumes are expected to remain depressed on account of inadequate gas supplies. Its pricing too will remain an area of concern in the short to medium term. The prospects for the business are expected to improve in the long term with adequate gas availability expected by December, 2007.

Chemical Business

The Chemical business' performance was impacted due to water shortage. Production of caustic soda and consequently sales volumes, declined as a result. Realisations were affected due to lower caustic and allied product prices globally.

The Company is in the process of converting its remaining Caustic soda plant based on mercury cell technology into the new energy efficient membrane cell technology at a cost of Rs.148 crores. The converted plant is expected to go on stream by Q3FY07.

The Company's thrust will continue to be on optimum utilization of the plant capacity. Prices are expected to move upwards with rising energy costs.

Outlook

Grasim is poised for a significant growth in the years ahead. This optimism emanates from capacity expansion plans, its leadership status in its key business segments, cost optimization measures, strategic planning and prudent financial management.

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Grasim Industries Limited

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UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER ENDED 30th JUNE 2006

Rs in Crores

	Consolidated			Standalone		
	Three Months ended 30th June 2006	Three Months ended 30th June 2005	Full Year ended 31st March 2006 (Audited)	Three Months ended 30th June 2006	Three Months ended 30th June 2005	Full Year ended 31st March 2006 (Audited)
Net Sales / Income from Operations	**3,195.94**	**2,473.66**	**10,227.05**	**1,876.99**	**1,553.28**	**6,655.67**
Other Income	49.19	75.50	217.27	37.47	65.49	169.07
Expenditure :						
- Decrease / (Increase) in Stock	5.08	(59.68)	6.30	15.11	(42.89)	43.49
- Raw Material Consumed	595.41	577.54	2,212.43	463.84	469.32	1,822.68
- Purchases of Finished Goods	25.89	13.16	109.93	68.17	28.13	240.15
- Payment to & Provision for Employees	161.15	123.02	543.31	113.03	96.38	407.63
- Power & Fuel	579.74	513.44	2,129.12	264.50	249.91	1,074.81
- Freight , Handling & Other Expenses	496.59	372.99	1,552.22	230.26	180.18	750.02
- Other Expenditure	408.97	368.22	1,560.49	208.81	197.88	895.10
Total Expenditure	**2,272.83**	**1,908.69**	**8,113.80**	**1,363.72**	**1,178.91**	**5,233.88**
Interest	52.60	56.65	212.23	23.50	26.53	97.32
Gross Profit	**919.70**	**583.82**	**2,118.29**	**527.24**	**413.33**	**1,493.54**
Depreciation	141.75	135.41	563.10	74.09	70.48	291.64
Profit before Exceptional Items and Tax Expenses	**777.95**	**448.41**	**1,555.19**	**453.15**	**342.85**	**1,201.90**
Surplus on pre-payment of sales tax loan	-	-	4.13	-	-	4.13
Profit before Tax Expenses	**777.95**	**448.41**	**1,559.32**	**453.15**	**342.85**	**1,206.03**
Provision for Current Tax	(247.72)	(133.22)	(434.88)	(139.05)	(97.30)	(369.82)
Provision for Deferred Tax	5.55	13.50	32.18	(2.20)	5.40	27.00
Net Profit	**535.78**	**328.69**	**1,156.62**	**311.90**	**250.95**	**863.21**
Less : Minority Share	100.53	32.61	115.98			
Net Profit (After Minority Share)	**435.25**	**296.08**	**1,040.64**	**311.90**	**250.95**	**863.21**
Paid up Equity Share Capital (Face Value Rs. 10 per share)	91.69	91.69	91.69	91.69	91.69	91.69
Reserves excluding Revaluation Reserve			*4,698.79*			*4,886.11*
Basic & Diluted EPS for the period (Rupees)	**47.47**	**32.29**	**113.50**	**34.02**	**27.37**	**94.14**

Contd … … 2

SEGMENT REPORTING :

Rs. in Crores

	Consolidated			Standalone		
	Three Months ended 30th June 2006	**Three Months ended 30th June 2005**	**Full Year ended 31st March 2006 (Audited)**	**Three Months ended 30th June 2006**	**Three Months ended 30th June 2005**	**Full Year ended 31st March 2006 (Audited)**
1. SEGMENT REVENUE						
a Fibre & Pulp	525.02	433.56	1,990.05	446.36	418.28	1,935.37
b Cement	2,324.52	1,652.40	6,890.49	1,152.34	801.81	3,607.60
c Sponge Iron	175.36	220.46	634.78	175.36	220.46	634.78
d Chemicals	71.80	99.46	386.35	71.80	99.46	386.35
e Textiles	56.83	52.79	247.14	56.83	52.79	247.14
f Others	68.11	54.51	233.81	-		
TOTAL	3,221.64	2,513.18	10,382.62	1,902.69	1,592.80	6,811.24
(Less) : Inter Segment Revenue	(25.70)	(39.52)	(155.57)	(25.70)	(39.52)	(155.57)
Net Sales / Income from Operations	**3,195.94**	**2,473.66**	**10,227.05**	**1,876.99**	**1,553.28**	**6,655.67**
2. SEGMENT RESULTS						
a Fibre & Pulp	95.36	75.62	425.93	97.92	76.67	429.62
b Cement	678.40	274.04	1,074.76	334.15	147.31	636.40
c Sponge Iron	5.58	60.70	33.69	5.58	60.70	33.69
d Chemicals	13.39	33.14	107.51	13.39	33.14	107.51
e Textiles	(0.13)	(0.58)	(3.04)	(0.13)	(0.58)	(3.04)
f Others	12.18	8.68	39.06	(0.03)	(1.32)	(1.39)
TOTAL	804.78	451.60	1,677.91	450.88	315.92	1,202.79
Add / (Less) :						
Interest	**(52.60)**	**(56.65)**	**(212.23)**	**(23.50)**	**(26.53)**	**(97.32)**
Net Unallocable Income / (Expenditure)	25.77	53.46	89.51	25.77	53.46	96.43
Profit before Exceptional Items and Tax Expenses	**777.95**	**448.41**	**1,555.19**	**453.15**	**342.85**	**1,201.90**
Surplus on pre-payment of sales tax loan	-	-	4.13	-	-	4.13
Profit Before Tax Expenses	**777.95**	**448.41**	**1,559.32**	**453.15**	**342.85**	**1,206.03**
3. CAPITAL EMPLOYED						
a Fibre & Pulp	1,181.90	1,074.65	1,025.98	1,047.89	1,046.93	999.03
b Cement	7,138.59	6,735.27	6,804.09	2,121.91	2,038.50	2,079.08
c Sponge Iron	566.53	478.72	530.19	566.53	478.72	530.19
d Chemicals	268.07	197.29	210.75	268.07	197.29	210.75
e Textiles	95.22	103.42	92.55	95.22	103.42	92.55
f Others	349.15	354.39	339.95	1.06	1.78	1.12
TOTAL	9,599.46	8,943.74	9,003.51	4,100.68	3,866.64	3,912.72
g Unallocated Corporate Capital Employed	1,230.40	762.76	1,189.19	3,773.41	3,128.56	3,633.40
TOTAL CAPITAL EMPLOYED	**10,829.86**	**9,706.50**	**10,192.70**	**7,874.09**	**6,995.20**	**7,546.12**

Contd … … 3

V. NOTES

1 Consolidated Results have been prepared in accordance with Accounting Standard on Consolidated Financial Statements (AS-21), Accounting Standard on Accounting for Investments in Associates (AS-23), and Accounting Standard on Financial Reporting of Interest in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India (ICAI).

2 During the quarter ended 30th June 2006, due to water shortage, the operations at the Company's Viscose Staple Fibre plant at Nagda were suspended for forty five days and Chemical plant at Nagda operated at about thirty five percent of its capacity during the same period. With the onset of monsoon, the operations at Staple Fibre plant at Nagda were restarted from 4th July 2006.

The operations at Chemical plant at Nagda, which were also gradually increased, have been again curtailed to about fifty percent of its capacity with effect from 21st July 2006 for about four weeks, on account of shut-down of captive power plant for major repairs.

3 The revised Accounting Standard on Employee Benefits (AS-15) issued by the ICAI effective from 1st April 2006, has been complied with and there is no significant impact of the same on the results of the quarter ended 30th June 2006. The adjustment to opening revenue reserves required under the transitional provisions of AS-15 will be made at the year end.

4 In July 2006, the Company has acquired 720.5 lac shares of Rs. 10 each, at par, for an aggregate amount of Rs. 72.05 crores persuant to the rights issue made by its subsidiary, Shree Digvijay Cement Company Limited (SDCCL). Post rights issue, shareholding of the Company in SDCCL is 53.66%.

5 Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risks and return of these segments. Details of products included in each of the above segments are as under:

Fibre & Pulp	- Viscose Staple Fibre & Rayon Grade Pulp
Cement	- Grey & White Cement
Sponge Iron	- Sponge Iron
Chemicals	- Caustic Soda & Allied Chemicals
Textiles	- Fabric & Yarn
Others	- Mainly Telecom (in consolidated results)

6 One investor complaint was pending at the beginning of the quarter. During the quarter, seven complaints were received. All the eight complaints have been attended by the Company and no complaints were pending at the end of the quarter.

7 Previous period's figures have been regrouped / rearranged wherever necessary to conform to the current period's classification.

8 The above Unaudited results for the quarter ended 30th June 2006 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 29th July 2006. The limited review, as required under Clause 41 of Listing Agreement has been completed by the auditors of the Company and the related report is being submitted to the concerned Stock Exchanges.

For and on behalf of Board of Directors

Place : Mumbai
Date : 29th July 2006

D. D. Rathi
Whole-time Director