

1st December 2005
Delhi

Press Release

On 1st December 2005, Grindwell Norton Ltd. (GNO) and Orient Abrasives Ltd. (OAL) have signed a Memorandum of Understanding (MOU), in terms of which, GNO will acquire the Bonded Abrasives business of OAL. The acquisition is subject to due diligence reviews and to regulatory and other approvals.

OAL, a company listed on the Mumbai Stock Exchange, is engaged in the manufacture of Calcined and Fused Alumina Products, Refractories and Monolithics (primarily for the Steel industry), and Bonded Abrasives. In the financial year ended 31st March, 2005, OAL registered gross sales of Rs.168.50 crores. Of this, gross sales of the Bonded Abrasives business were Rs.25.10 crores (14.9% of the total sales).

Consequent to the sale of the Bonded Abrasives business, OAL will focus on its core businesses; namely, Calcined and Fused Alumina Products (where OAL is the largest producer in India) and Refractories and Monolithics (where there is significant potential for growth). OAL intends to utilize a part of the sale proceeds to invest in a captive thermal power plant in its Fused Alumina Products facility in Gujarat.

GNO, a company listed on the Mumbai Stock Exchange and a 51% owned subsidiary of Compagnie de Saint-Gobain, is a leading manufacturer and supplier of Abrasives (Bonded, Coated, and Superabrasives), Silicon Carbide, High Performance Refractories and Performance Plastics. In the financial year ended 31st December 2004, GNO registered gross sales of Rs.301.35 crores. The acquisition will enable GNO to strengthen its presence in the Abrasives market, while benefiting from synergies of scale.

GNO is a member of the Saint-Gobain group of companies in India. Besides GNO, the other major companies in India are: Saint-Gobain Glass India Ltd. (Glass), Saint-Gobain Sekurit India Ltd. (Automotive Glass), Saint-Gobain Vetrotex India Ltd. (Glass Fibre Reinforcements), Saint-Gobain Weber India

Ltd. (Building Materials) and SEPR Refractories India Ltd. (Fused Refractories).

Compagnie de Saint-Gobain is one of the largest industrial companies in the world. With sales of €32 billion in 2004, Saint-Gobain is ranked 106 in the Fortune Global 500 list. Saint-Gobain's businesses fall into 5 broad sectors: Flat Glass, Glass Packaging, Construction Products (Building Materials, Insulation and Pipes), Building Materials Distribution and High Performance Materials (Reinforcements, Ceramics & Plastics and Abrasives). Saint-Gobain has a world leadership position in all its businesses.

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