



Sundram Fasteners Limited

Registered and Corporate Office:

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PRESS RELEASE

Sundram Fasteners Limited recorded total sales and other income of Rs. 1063.35 crores for the year ended March 31, 2006 as against Rs. 930.93 crores achieved during the previous year.

Export sales during the year were higher at Rs. 323.33 crores compared to Rs. 261.11 crores in the previous year, an increase of 24%. Export sales constituted over 30% of the total sales as against 28% in the previous year. Domestic sales, net of excise duties, increased to Rs. 738.67 crores as against Rs. 668.44 crores in the previous year. All segments of customers performed better than in recent years.

Operating expenses were at Rs. 910.23 crores compared to Rs. 798.95 crores during the previous year. Cost of raw materials and other inputs rose continuously touching new highs.

The higher volume of sales, both domestic and exports, resulted in improved operating profits. With customers unwilling to concede any price increases even to cover increase in costs of basic inputs, margins continued to be under pressure. Gross Profit before interest, depreciation, extra-ordinary items and provision for taxation increased by 16% to Rs. 153.12 crores during the year as against Rs. 131.97 crores in the previous year, an increase of Rs. 21.15 crores.

Repeated hikes in interest rates, increase working capital requirements on account higher sales and investments in acquisitions resulted in Interest charges being higher at Rs. 17.01 cores as against Rs. 7.83 crores in the previous year. Foreign exchange fluctuations resulted in a loss of Rs. 12.57 crores as against a gain of Rs. 1.97 crores in the previous year.

Depreciation for the year was Rs. 27.39 crores (Rs. 23.33 crores). The provision for taxes, inclusive of Fringe Benefit Tax and deferred taxes, was at Rs. 34.22 crores (Rs. 34.32 crores).

The net profit after tax was lower at Rs. 62.24 crores as against Rs. 69.40 crores for the previous year. Earning per share for the year 2005-2006 amounted to Rs. 5.92 (on face value of Re 1 per share) as against Rs. 6.60 for the previous year.

The Board of Directors has decided to pay a second interim dividend of Re 0.85 per share for the year 2005-06. The company has already paid Re. 0.85 per share. The total dividend payout for the year, excluding tax on dividends of Rs. 2.51 crores (Rs. 2.46 crores), amounts to Rs. 17.86 crores (Rs. 17.86 crores). A sum of Rs. 40 crores has been transferred to the General Reserve.