



PRESS RELEASE

Atul Ltd., a member of Lalbhai Group, declared unaudited results for the quarter ended June 30, 2007.

During the quarter ended June 30, 2007 the net sales at Rs205 crores remained the same as in the previous year; however, the profit before tax and non-recurring/exceptional items showed a loss for the first time since 12 quarters at Rs(316) lacs as compared to Rs538 lacs in the previous year.

Commenting on the performance, Mr. Sunil S Lalbhai, Managing Director & CEO, said that the deterioration in performance occurred mainly due to the abrupt strengthening of Rupee (from Rs45.47 per USD in the previous year to Rs41.23) and higher costs which could not be passed on. He also stated that the Company is now geared to address the deleterious effects of the rising Rupee; it had vigorously initiated corrective actions like ramping up volumes, improving efficiencies, increasing imports particularly from cheaper sources, initiating price increases on finished goods and bringing down certain costs.

On a positive note he stated that he expected the net sales during Q2 to be of the order of Rs240 to Rs250 crores as compared to only Rs205 crores in Q1 of the current year, mainly resulting from the assiduous efforts made by the Company to increase its market shares in certain product groups.

He further mentioned that the Company is crystallizing specific strategies for each of its businesses revolving around its core strengths and the opportunity set. A few major projects are under evaluation coupled with several initiatives relating to new product development and market development for the existing categories of products.

He concluded by saying that the loss made in Q1 was expected to be wiped out and the Company would, barring unforeseen circumstances, make a profit for the whole of the current fiscal.