



DEEPAK NITRITE LIMITED

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Q1FY2012 INVESTOR COMMUNICATION

Revenues grow 7 % to Rs. 165 crore, PAT higher by 4 % at Rs. 6 crore

Pune, August 05, 2011: Deepak Nitrite Ltd. (DNL), a leading manufacturer of organic, inorganic, fine & specialty chemicals and preferred business partner of global chemical companies, has announced its financial results for the first quarter ended June 30, 2011.

Financial Highlights

- Revenues for Q1FY12 of Rs. 164.62 crore were higher by 7% when compared to revenues of Rs. 154.09 crore in Q1FY11. This was driven by an increase in volumes and realisation.
- EBITDA for Q1FY12 of Rs. 13.33 crore is higher by 0.37% when compared to EBITDA of Rs. 13.28 crore in Q1FY11.
- Interest cost for Q1FY12 is lower by 26% at Rs. 1.34 crore against Rs. 1.81 crore in Q1FY11.
- PBT for Q1FY12 of Rs. 8.28 crore is higher by 1% when compared to Rs. 8.22 crore in Q1FY11.
- PAT for Q1FY12 of Rs. 6.09 crore is higher by 4% when compared to Rs. 5.88 crore in Q1FY11.

MD's message

Commenting on the results, **Mr. Deepak C. Mehta, Vice Chairman & Managing Director**, said, *"Our results demonstrate continued momentum in our business. Fuel additives continue to be one of our top performing products with around 47% growth in revenues. Our plan to diversify our export markets is also progressing well with good growth in China and the U.S. Margins came under pressure due to increase in commodity prices globally."*

Despite the challenges on account of rising input costs and a weakening dollar, the outlook remains strong due to a healthy demand environment. The end user industries that we cater to continue to grow appreciably and our presence in several key markets provides abundant opportunity for growth."

Operating Highlights

- Revenue growth has been driven by a mix of volume growth and price increases. For the quarter, volumes are higher by 2%.
- The Company has achieved revenue of Rs. 24 crore in the fuel additives business. Revenues are higher by around 47% than Q1FY11.
- Traction in the USA and China markets continues to be good.
- Exports accounted 40% of the total revenue. Due to the company's prudent exchange management it has ensured in negating the effect of volatility in exchange rates, on profitability.

Outlook

- The Company had announced a greenfield expansion at Dahej in Gujarat and a brown field expansion in its production capacity for Inorganic Intermediates. Both the projects are going as per schedule and are likely to be completed before September 2012. Financial closure for the projects is expected by this month end.

-ENDS-

Attached: Details to the announcement

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About Deepak Nitrite Limited

Deepak Nitrite Limited [NSE - DEEPAKNITR, BSE - 506401] is a leading manufacturer of organic, inorganic, fine and speciality chemicals and is the partner of choice for several global chemical majors. Headquartered at Pune, DNL is a multi-division and multi-product company with manufacturing facilities at Nandesari & Dahej in Gujarat, Roha and Taloja in Maharashtra, and at Hyderabad in Andhra Pradesh.

The organic intermediates segment consists of Nitro Aromatic plants and Multi Purpose Aromatic Amines Plant based on Catalytic Hydrogenation Technology. The inorganic intermediates segment consists of manufacture of Sodium Nitrite and Sodium Nitrate by the ammonia oxidation process, where DNL is the largest on purpose manufacturer. The Fine & Speciality Chemicals segment produces a broad and innovative range of Effect Chemicals meeting customized needs of Speciality Producers.

The end user industries for DNL range from agro-chemicals, dyestuffs, pigments, inks, whiteners, pharmaceuticals to fuel additives. DNL prioritises R&D activities and invests over 1% of its annual revenues in this area. It has a government approved central R&D facility in Pune which has a sophisticated analytical laboratory, state-of-the-art equipment and advanced facilities. The company expects to launch new products through its R&D efforts. As a part of its growth strategy, the company anticipates that it will be able to add around 15% of its revenue through new products.

Safe Harbour

Some of the statements in this document that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.