



DEEPAK NITRITE LIMITED

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Q1FY2013 INVESTOR COMMUNICATION

Revenues grow by 25% at Rs. 207 crore, Exports grow 56% to Rs. 95 crore

Vadodara, August 04, 2012: 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 quarter ended June 30, 2012.

Financial Highlights

- Revenues for Q1FY13 of Rs. 206.57 crore were higher by 25% compared to revenues of Rs. 164.62 crore in Q1FY12. Revenue growth was driven by higher volumes and improvement in realisations.
- EBITDA for Q1FY13 of Rs. 16.36 crore is higher by 23% compared to EBITDA of Rs.13.33 crore in Q1FY12.
- PBT for Q1FY13 (excluding exceptional item of Rs. 8.58 crore) of Rs. 9.33 crore is higher by 13% when compared to Rs. 8.28 crore in Q1FY12.
- PAT for Q1FY13 (excluding exceptional item of Rs.5.80 crore, net of tax) of Rs. 6.30 crore is marginally higher when compared to Rs. 6.09 crore in Q1FY12.
- EPS for the quarter stands at Rs. 11.56

MD's message

Commenting on the results, **Mr. Deepak C. Mehta, Vice Chairman & Managing Director**, said, *"Our results for the first quarter of FY13 are indicative of the improved trajectory of operations. Volumes have grown steadily with improved export realisations leading to an increase in blended pricing. Fuel additives and Xylidines continue to flourish.*

Our export for this quarter is our key highlight; marking a 56% increase over the previous year. Apart from our good track record in Europe, expanding presence in the US market is helping growth.

We are particularly excited about our expansion plans in Dahej and Nandesari which are nearing completion and should be operational in the current financial year . Although margins are under pressure due to increase in raw material prices, we believe enhanced volumes and optimum pricing can lead to higher growth in FY13."

Operating Highlights

- Increase in volumes and better realisations, facilitated by a depreciating rupee has led to good contribution from exports which constituted 56% of sales in Q1FY13. Revenues from exports were Rs. 95 crore for the quarter.
- Our major exports are to Europe & USA. In Europe visibility of business is stable despite turmoil as some of the leading transnationals companies are our customers.
- The Company has achieved revenue of Rs. 36 crore in the fuel additives business. Revenues are higher by around 50% than Q1FY12. In FY12, fuel additives contributed a revenue of Rs. 98 crore and we anticipate this segment to grow 20-25% in FY13.
- Q1FY13 certain key raw material prices have firmed up and it is the endeavour of the company to pass on the increase to customers.

Outlook

- The company has already commissioned part of the Nandesari expansion project and it expects to commission the rest of the project by September 2012.
- The Greenfield project in Dahej is on schedule and is expected to be commissioned by December 2012.

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 & speciality chemicals and is the partner of choice for several global chemical majors. Headquartered at Vadodara, Gujarat, DNL is a multi-division and multi-product company with manufacturing facilities at Nandesari & Dahej in Gujarat (under implementation), 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, textiles, paper, detergent and solar industry. DNL prioritises R&D activities and invests around 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.

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.