



DEEPAK NITRITE LIMITED

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Q4 & FY2012 INVESTOR COMMUNICATION

PAT rises by 108% at Rs. 9.58 crore, revenues grow 7 % on sequential basis to Rs. 224 crore in Q4FY12

Pune, May 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 and twelve months ended March 31, 2012.

Financial Highlights

- PAT of Rs. 9.58 crore was higher by 108% on sequential basis. Revenues for Q4FY12 were higher by 7% as compared to Q3 FY12. EBITDA for Q4FY12 of Rs. 19.23 crore was higher by 48% when compared to EBITDA of Rs. 12.98 crore for Q3FY12.
- Similarly, performance perked for Q4FY12 as compared to Q4FY11. Revenues for Q4FY12 of Rs. 223.53 crore were higher by 18% compared to revenues of Rs. 189.79 crore in Q4FY11. Revenue growth was driven by volume growth and improvement in realisations as INR depreciation has led to improved realisation from exports.
- EBITDA for Q4FY12 of Rs.19.23 crore is higher by 20% compared to EBITDA of Rs.16.05 crore in Q4FY11. PAT for Q4FY12 was Rs. 9.58 crore compared to Rs. 7.81 crore in Q4FY11.
- For the full year ended March 31, 2012 the Company has reported revenues of Rs. 776.91 crore resulting in growth of 18% when compared to the revenues of Rs. 661.08 crore in FY12.
- PAT for FY12 of Rs. 23.08 crore is lower by 11% when compared to Rs. 25.80 crore in FY11. PAT was impacted owing to lag in passing on hike in rise in price of key raw materials.
- Exchange loss for FY12 is more or less EBITDA neutral since the loss is compensated by increase in export realisation.

MD's message

Commenting on the results, **Mr. Deepak C. Mehta, Vice Chairman & Managing Director**, said, *"We are glad to report continued business momentum driven by firmer volumes as well as improved realisations. On a Y-o-Y basis, our product lines of fuel additives & agro intermediates continue to show strong growth."*

We conveyed in the last quarter that, input prices of key raw materials have peaked and would start moderating; in fact, as guided, input prices of key raw materials have moderated in the current quarter. The company has been able to retain margins by increasing volumes and increase in realisation of finished products in later half of the quarter since there was a time lag before cost increases could be passed on; this is visible from the operating results of Q4FY12

The demand scenario remains healthy and we are focused on growth and managing our cost to drive a robust performance in the coming quarters.”

Operating Highlights

- Rupee depreciation has resulted in better realisations from exports which constituted 51% of sales in Q4FY12.
- The Company has achieved revenue of Rs. 98 crore in the fuel additives business, which was the expectation expressed in previous quarter. For FY12 revenue from fuel additives was higher by 56%, compared to Rs 63 crore in FY11.
- Despite challenges to global economies the Company continues to see healthy demand for its products in export markets. Exports turnover has grown by 25% in 12MFY12 through a mix of improved realisations and higher volumes as compared to 12MFY11.

Outlook

- The company has commissioned part of the Nandesari expansion during the current quarter and it expects to commission the rest of this project before September 2012. As informed earlier, we are on target in completing the Dahej Greenfield project by September 2012.

Attached: Details to the announcement

For further information please contact:

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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 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. 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.