



DEEPAK NITRITE LIMITED

Registered Office: 9/10, Kunj Society, Alkapuri, Vadodara – 390 007.
Tel: +91 265 2351013, www.deepaknitrite.com

Q3 FY2010 RESULTS RELEASE

Pune, January 27, 2010: 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 December 31, 2009.

Financial Highlights

- Revenues for Q3 FY10 of Rs. 143.55 crore were higher by 12% when compared to revenues of Rs.127.83 crore in Q2FY10. On a corresponding quarter basis, revenues for Q3FY10 of Rs. 143.55 crore were lower by 5% when compared to revenues of Rs. 150.42 crore in Q3FY09.
- EBITDA for Q3FY10 is Rs. 11.01 crore against Rs. 11.90 crore in Q3FY09.
- Interest cost for Q3 FY10 is lower by 63% at Rs.1.55 crore against Rs. 4.17 crore in Q3 FY09.
- The company reported a PBT of Rs. 8.02 crore for Q3FY10 when compared to Rs. 4.10 crore in Q3FY09. PBT for the quarter includes a one time income of Rs. 1.90 crore on sale of premises. Excluding this gain, PBT for Q3FY10 was higher by 49.2% at Rs. 6.12 crore.

MD's message

Commenting on the results, **Mr. Deepak C. Mehta, Vice Chairman & Managing Director**, said, *"Our results reflect the steady progress that we have made in our business over the last few quarters. We have increased volumes over the last year, introduced some new products, improved efficiencies in operations and have managed cash flows better. All of this has led to improved profitability.*

We remain confident in our prospects over the longer term as we expand our product portfolio with products developed in-house, deepen our engagement with customers and suppliers and endeavour to enter new markets."

Operating Highlights

- The company has been able to increase volumes during 9MFY10 when compared to the corresponding period of last year. However, due to the situation prevailing in 9MFY09, selling prices for the company's products were markedly higher owing to global supply disruptions. This has resulted in a situation of lower absolute revenues despite higher volumes in 9MFY10.

- The company has introduced a range of fuel additives products. The company expects the annualised turnover from these products will be in the range of Rs. 75-100 crore per annum after the operations are stabilised.

Outlook

- The company is expanding its hydrogenation capacity by 50%. The full year impact of this expansion will be reflected in FY 11.
- DNL has taken effective steps in the Nitro Toluidines (NT) segment to increase its market share in the export market & have accordingly enhanced production capabilities, the effect of which will be realised in the near future

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For further information please contact:

Sanjay Deshpande
Deepak Nitrite Limited
Tel: 020 6609 0206
Fax: 020 2668 5760
Email: sdeshpande@deepaknitrite.com

Diana Fernandes / Rishab Barar
Citigate Dewe Rogerson
Tel: +91 22 4007 5035 / 5040
Fax: +91 22 2284 4561
Email: diana@cdr-india.com /
rishab@cdr-india.com

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 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. This will help the company to broad base its presence in the market segment.

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.