



DEEPAK NITRITE LIMITED

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

Q4 & FY2010 INVESTOR COMMUNICATION

Pune, May 14, 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 and full year ended March 31, 2010.

Financial Highlights

- Revenues for Q4FY10 of Rs. 162.07 crore were higher by 7.4% as compared to revenues of Rs.150.93 crore in Q4FY09 and 13% higher when compared to revenues of Rs.143.55 crore in Q3FY10.
- EBITDA for Q4FY10 is Rs. 14.32 crore against Rs. 16.65 crore when compared to EBITDA of Q4 FY09. On a sequential quarter basis EBITDA for Q4FY10 of Rs. 14.32 crore was higher by 30% when compared to EBITDA of Rs. 11.01 crore in Q3FY10.
- Interest cost for Q4FY10 is lower by 57% at Rs. 1.46 crore against Rs. 3.40 crore in Q4FY09.
- PBT for Q4FY10 is Rs. 9.48 crore is higher by 13.4% against Rs. 8.36 crore in Q4FY09. On a sequential quarter basis. PBT for Q4FY10 of Rs. 9.48 crore is higher by 18% when compared to Rs. 8.02 crore in Q3FY10.
- PAT for Q4FY10 is Rs. 6.61 crore is higher by 54% against Rs. 4.29 crore in Q4FY09. On a sequential quarter basis PAT for Q4FY10 of Rs. 6.61 crore were higher by 20% when compared to Rs. 5.53 crore in Q3FY10.
- Revenues for the year FY10 of Rs. 542.21 crore were lower by 6.8% as compared to Rs. 581.78 crore for FY09. However volumes were up by more than 20%.
- PAT for the year FY10 of Rs. 20.01 crore was lower by 29 % as compared to Rs.28.28 crore for FY09.
- The Company has announced dividend of Rs 5/- per share of Rs. 10/- each for the year ended 31st March 2010.

MD's message

Commenting on the results, **Mr. Deepak C. Mehta, Vice Chairman & Managing Director**, said, *"We have been able to navigate global challenges this year by posting a second consecutive year of turnover in excess of Rs. 500 crore. Our prudent financial policies have helped us offset the impact of the unpredictable operating environment and resultant currency fluctuations. Although prices of raw materials and finished products were lower than last year, we have been able to considerably increase our volumes."*

The stabilizing macro-environment coupled with an improved demand outlook from the industries we serve, provides us good visibility of business. In addition to this, our efforts to expand our portfolio of offerings with products developed in-house also provides with opportunities. We are well placed to meet the future demand through our plan of de-bottlenecking existing facilities, expanding capacity at existing plants and a plan to set up new capacity at Dahej.”

Operating Highlights

- The company has been able to increase volumes during FY10 when compared to the corresponding period of last year. However, due to the situation prevailing in FY09, 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 FY10.
- The company has introduced a range of fuel additives products. The company expects the annualised turnover from these products in the range of Rs. 75 crore per annum .
- The year witnessed major inroads in the China & USA market. Exports to these countries more than doubled to Rs. 42 crore level and Rs. 31 crore respectively. Through this, the company is taking firm steps to participate in growing agro chemicals market in China & USA.

Outlook

- The company will be augmenting the capacity at its four existing plants at Vadodara, Taloja, Roha and Hyderabad. This will be on an on-going basis and such expansion of capacity is expected to be completed FY 2011.
- The company has expanded its hydrogenation capacity by 40%. The full year impact of this expansion will be reflected in FY 2011.
- 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

-ENDS-

Attached: Details to the announcement

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.