

News Release: For immediate publication

Q2&H1 FY2014 Performance Update

Pune, November 16, 2013: Innoventive Industries Limited (IIL) a multi-product engineering company which manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints, high voltage soft starters and other steel products catering to applications in diverse sectors such as transportation, power, oil & gas and general engineering has announced its financial results for the quarter and half year ended September 30, 2013.

Standalone Financial Highlights

Q2FY14

- Revenues of ₹ 84 crore compared to Q2FY13 revenues of ₹ 179 crore. Weak demand for high value products in tubes segment has led to reduced revenue momentum. Revenues comprise net sales and other income
- EBITDA loss at ₹ 8 crore in comparison to Q2FY13 positive EBITDA of ₹ 51 crore: Drop in EBITDA is primarily due to reduced sales of high value products leading to, non-absorption of fixed costs
- Loss before Tax of ₹ 48 crore as compared to Profit before Tax of ₹ 24 crore during Q2FY13: Apart from reduced volume and changed revenue mix, PBT was impacted by non-absorption of fixed costs, currency fluctuation and increased finance cost.
- At the net level, the Company posted a Loss after Tax of ₹ 48 crore as against Profit after Tax of ₹ 19 crore in Q2FY13

H1FY14

- Revenues were at ₹ 238 crore in comparison to H1FY13 revenues of ₹ 315 crore. Weak demand for high value tubes and Oil & Gas components has resulted in moderation of growth rate in consolidated sales
- Loss before Tax of ₹ 88 crore as compared to Profit before Tax of ₹ 41 crore during H1FY13. Increase in fixed costs due to increased capacities, reduced volumes and changed product mix has impacted the profitability of the Company
- Net Loss after taxes & minority interest is ₹ 89 crore as compared to profit of ₹ 31 crore in FY13

PLANNED INITIATIVES – Q2 & H1 FY2014

- Negotiating with lenders to restructure borrowings and repayment schedule
- Addressing cash flow pressure through liquidation of inventories, incentivizing debtors for rapid payment and in discussion with creditors to enhance payment terms
- Rehabilitation of financial position envisaged through sale of non-core assets and potential divestment of one or more subsidiaries

The Company believes that the combination of the above initiatives will facilitate infusion of funds required to support operations till a meaningful revival in the macro-economic environment.

-ENDS

About Innoventive Industries Ltd (IIL)

Innoventive Industries Limited (BSE:INNOIND, NSE:INNOIND, Reuters: INNV.BO, Bloomberg: IIL:IN) is a multi-product engineering company which manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints and other steel products catering to applications in diverse sectors such as transportation, power, oil & gas and general engineering.

It specializes in processing various types of steel, has a capability to make tubular transformations, enjoys flexible production systems and is able to undertake faster development cycles and effective supply chain management for efficient delivery. IIL has a well developed in-house R&D setup which has led to innovation in the manufacturing process leading to significant savings in resources and heightened competitiveness. The company has received a patent for its unique manufacturing process and is in the process of filing additional patents for some of its other innovations.

IIL has seven manufacturing facilities spread across Pune District and Silvassa. Its manufacturing facility at Pimple Jagtap was granted the 'Mega Project' status by the Govt. of Maharashtra under the 'Package Scheme of Incentives 2007 which entitles the company to relief from certain duties and benefit of Industrial Promotion Subsidy. IIL markets its products in the domestic as well as export markets and its customer list includes some of the leading names in their industries.

For further details, please contact:

Investor Relations
Innoventive Industries Ltd
ir@innoventive.in

Rabindra Basu / Mayank Vaswani
Citigate Dewe Rogerson
Tel: +91 22 6645 1248 / 6645 1230
rabindra@cdr-india.com /
mayank@cdr-india.com

Safe Harbour

Some of the statements in this press release 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.