

News Release: For immediate publication

Q1FY13 consolidated Revenue higher by 9% at ₹ 185 crore, PAT grows by 11%

Pune, August 07, 2012: 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 and other steel products catering to applications in diverse sectors such as transportation, boilers & heat exchangers, energy, oil & gas, farm equipment & general engineering has announced its financial results for the quarter ended June 30, 2012.

Consolidated Financial Highlights

Q1FY13

- Revenues grew by 9% and stood at ₹ 185 crore in comparison to Q1FY12 revenues of ₹ 170 crore. This performance was driven primarily by DOM tubes and oil & gas segments. Revenues consist of net sales and other income
- PBT of ₹ 28 crore was higher by 25% when compared to Q1FY12 EBT of ₹ 22 crore
- PAT was ₹ 17 crore compared to ₹ 15 crore in Q1FY12
- EPS stands at ₹ 2.82 per share as against Q1FY12 EPS of ₹ 2.90 per share which are not comparable due increase in number of share following IPO in May 2011

Standalone Financial Highlights

Q1FY13

- Revenues stood at ₹ 137 crore and were flat in comparison to Q1FY12 revenues of ₹ 138 crore. MV parts division led to a flat performance. Revenues comprise of net sales and other income
- EBITDA of ₹ 38 crore was higher by 6% when compared to Q1FY12 EBITDA of ₹ 36 crore and margins expanded to 28% due to an improved product mix
- PAT was ₹ 12 crore when compared to ₹ 14 crore in Q1FY12
- EPS stands at ₹ 2.04 per share as against Q1FY12 EPS of ₹ 2.58 per share which are not comparable due to the IPO in May 2011

Chairman's Message

Commenting on the results, **Mr. Chandu Chavan, Chairman** of Innoventive Industries, said:

"Revenues on a consolidated basis were at INR 184.88 crore and PAT at INR 16.84 crore. Better product profile has helped in maintaining EBITDA margin of over 25%.

We are delighted to mention that we recently received a patent for our 'Cold Pilgering' process for a period of 20 years with effect from April 24, 2009. This path breaking technology has enabled us to manufacture superior quality tubes in an energy and cost effective manner. R&D continues to remain a key focus at IIL to drive process customization and new product application discoveries.

Our integration with Salem continues to progress well and the improving synergies continue to positively impact our operations in the North American markets. Through this acquisition we are confident of enhancing our presence in this market and establishing ourselves as a meaningful player for CEW/DOM tubes in those markets.

While the business environment continues to remain challenging, we have strategically diversified our operations across products, markets and customer industries and are well positioned to deliver sustained performance in varied market conditions."

Operating Highlights

- IIL has received a patent for its 'Cold Pilgering' technology for a period of 20 years w.e.f April 24, 2009, also IIL has filed for two more new patents
- As of June 30, 2012, the company's long term consolidated Debt : Equity stands at 0.75
- Expanding customer base and value added products has led to a rise in export revenues
- New customer addition and commercialization of new developed products contributed to overall performance

Outlook

The visibility of sustained growth remains robust due to:

- Increasing market acceptance of our CEW/DOM tubes over various geographies
- Pressure on manufacturers in developed markets to identify cost effective suppliers to meet their raw material and components requirements without compromising on quality

- Improved position through strategic initiatives to increase penetration in export markets
- An increase in the demand for hydrocarbons coupled with more global certifications which has resulted in growth of demand for oil & gas products
- Large customer approvals for Oil & Gas products

-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 automobiles, boilers & heat exchangers, energy, oil & gas, farm equipment & 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 five 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.

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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.