

News Release: For immediate publication

FY12 Revenue higher by 10%, PAT expands 26%

Pune, May 30, 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, oil & gas, boilers & heat exchangers, farm equipment & general engineering has announced its financial results for the quarter and full year ended March 31, 2012.

Standalone Financial Highlights

FY12

- Revenues were ₹ 648.75 crore resulting in growth of 9.66% in comparison to revenues of ₹ 591.6 crore in FY11. Revenues comprise of net sales and other operating income
- EBITDA of ₹ 168.42 crore was higher by 21.55% when compared to FY11 EBITDA of ₹ 138.56 crore
- PAT was ₹ 70.9 crore is higher by 25.5% when compared to ₹ 56.6 crore in FY11 includes reversal of excess tax provision of earlier period
- EPS stands at ₹ 12.27 per share on enhanced capital base following IPO in April, 2011 as against FY11 EPS of ₹ 15.59 per share
- Our Board of Directors has recommended a final dividend of ₹ 3 per equity share of ₹ 10/- each

Chairman's Message

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

"We are delighted to end FY2012 on a positive note with a 9.66% increase in revenues and a 25.5% rise in PAT. Despite pressure on raw material costs we continue to maintain a robust EBITDA margin of over 25%. In light of the healthy performance, our Board has recommended a dividend of ₹ 3 per share.

I must highlight that our acquisition of Salem Steel North America is already contributing to business growth and the integration is progressing well. This acquisition is in line with our strategy to augment our position in developed markets and will support us to strengthen our relationships with our end-customers and expand our customer base.

The business outlook remains positive as demand for products like membrane panel strips, CEW tubes and oil well couplings continues to expand. Traction in new product categories, approvals from global customers and our enhanced distribution network are driving visibility in FY13."

Operating Highlights

- In January 2012, IIL has acquired a substantial stake in the business of US based Salem Steel North America, LLC ("Salem Steel"). This acquisition enables it to forward integrate in the large and lucrative US Market for CEW/DOM tubes
- As of March 31, 2012, the company's Debt : Equity stands at 0.78
- During FY12, Innoventive Industries raised ₹ 217.41 crore through its IPO.
- Innoventive has recently received an approval from GoM to raise the eligible investment limit at its Pimple Jagtap facility to ` 562 Crore under IPS. GoM has increased the tenure for receiving VAT refunds under IPS to 9 years from previous 7 years. Now the company is eligible to receive the refund from December 1, 2008 to November 30, 2017 (as against November 30, 2015 earlier).

Outlook

The visibility of sustained growth remains robust due to:

- Increasing market acceptance of CEW/DOM tubes over conventional seamless & non-ferrous tubes in India and overseas
- 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
- Approvals from global customers like Alstom and Arcelor-Mittal for long-term supply arrangement will lead to an off take of production of some key 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's patent for its unique manufacturing process has passed public domain and has filed additional patents for some of its other innovations.

IIL has six manufacturing facilities spread across Pune 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.