



Press Release

For immediate circulation

**Graphite India Limited Announces
Audited Consolidated and Standalone Full Year Results FY2012
And Standalone Fourth Quarter Results for FY2012**

Consolidated Performance FY2012 vs. FY2011

Electrode sales volume increased by 33%
Average capacity utilization increased from 73% in FY2011 to 90% in FY2012
Dividend per share of Rs. 3.50

Editor Synopsis

FY12 vs. FY11 (Consolidated) performance

- Gross Sales at Rs 1,943 crore against Rs 1,471 crore; up 32.1%
- EBITDA stood at Rs 361 crore against Rs 344 crore; a jump of 5.1%
- Net Profit at Rs 212 crore vs. Rs 189 crore, an increase of 12.4%

FY12 vs. FY11 (Standalone) performance

- Gross Sales at Rs 1,696 crore against Rs 1,249 crore; up 35.8%
- EBITDA stood at Rs 346 crore against Rs 313 crore; 10.3% increase
- Net Profit at Rs 238 crore vs. Rs 172 crore, 38.1% increase

Q4FY12 vs. Q4FY11 (Standalone) performance

- Gross Sales at Rs 463 crore against Rs 312 crore; up 48.4%
- EBITDA stood at Rs 105 crore against Rs 76 crore; 38.1% increase
- Net Profit at Rs 103 crore vs. Rs 45 crore, 131.2% increase

KOLKATA, India, May 11, 2012 – Graphite India Limited, the largest Indian graphite electrode producer (referred to as “Graphite India” or the “Company”), announces its Standalone Fourth Quarter and Full Year Results, as well as Consolidated Full Year Results for FY 2012, in accordance with Indian GAAP.

Commenting on the results and performance, **Mr. K. K. Bangur, Chairman of Graphite India** said:

“Overall I am delighted to report a very respectable set of results for another financial year. This has been achieved in a year which has continued to experience global economic uncertainties and volatility. Graphite India has delivered robust top line growth and steady operating margins, which are in line with our expectations. Although the pricing environment will most likely remain stable, volume growth in both India and export markets are expected to be encouraging. Medium term industry dynamics are attractive and we are better positioned with the additional 20,000 MT capacity at Durgapur coming on line. Furthermore, as a

management team we remain focused on implementing operating efficiencies and optimizing our capacity utilization levels."

Operational Highlights

Consolidated FY2012 Highlights

FY2012 Gross Sales increased by 32.1% compared to FY2011. This performance was primarily due to increased graphite electrode volumes. Electrode sales volumes during the year increased by 33% compared to the previous year. This increase was driven by both the domestic market as well as exports.

FY2012 Operating Profits increased by 5.1% compared to FY2011. Margins during the year were impacted by an increase in raw material costs, power & fuel and other expenses. Graphite electrode production in FY2012 increased by 23% compared to the last year. Average capacity utilization increased from 73% in FY2011 to 90% in FY2012. Net Profit in FY2012 increased by 12.4% compared to FY2011. Finance Costs increased from Rs. 8.6 Crore in FY2011 to Rs. 18.6 Crore in FY2012 due to an increase in working capital requirement and a higher interest rate environment.

Balance Sheet

As of March 31, 2012, the Company had Total Debt of Rs. 593 Crore, Cash and Cash Equivalents of Rs. 263 Crore, Net Debt of Rs. 330 Crore and Net Worth of Rs. 1,656 Crore. Total Debt consisted of Rs. 468 Crore of Secured Loans and Rs. 125 Crore of Unsecured Loans. Graphite India continues to maintain a conservative leverage position in order to preserve balance sheet flexibility.

Standalone Q4 FY2012 Highlights

Q4 FY2012 Gross Sales increased by 48.4% compared to Q4 FY2011 primarily due to increased electrode volumes. Electrode sales volumes during the quarter increased by 51% compared to last year.

Q4 FY2012 Operating Profits increased by 38.1% compared to Q4 FY2011. This growth was primarily due to higher volumes, offset to some extent by an increase in input costs. Average capacity utilization increased from 91% in Q4 FY2011 to 105% in Q4 FY2012. Graphite electrode production in Q4 FY2012 increased by 16% compared to Q4 FY2011.

Q4 FY2012 Net Profit increased by 131.2% as compared to Q4 FY2011. This was primarily due to higher Operating Profits and a Rs. 29.6 Crore gain on disposal of its entire shareholding in Carbon International Holdings NV. This was offset to some extent by an increase in finance costs. Finance Costs increased from Rs. 3.3 Crore in Q4 FY2011 to Rs. 5.8 Crore in Q4 FY2012, as a result of an increase in working capital requirements and higher cost of borrowings.

Performance Outlook

Global steel consumption (according to worldsteel.org) is expected to increase by 3.6% to 1,422 million MT in 2012 and by 4.5% to 1,486 million MT in 2013. India is expected to perform well in the near future. With continued urbanisation along with the heavy infrastructure investments in the country, India is expected to grow by 6.9% to reach 72.5 million MT in 2012 and by 9.4% in

2013. The emerging and developing economies are expected to account for 73% of the world total steel demand by 2013.

Europe is expected to remain under pressure due to the current slowdown of economic activity. In contrast to Europe, steel demand in the US is expected to grow by 5.7% in 2012 and by 5.6% in 2013. This is a reflection of the underlying economic recovery anticipated in the US. In context of these forecasts, global steel capacity utilization is expected to remain relatively high in the near term. The higher capacity utilization level is coupled with an increasing contribution of EAF share to total crude steel production, which will directly benefit the graphite electrode industry. This will be particularly significant for China that accounts for 46% of global steel production of which only ~8% is through the EAF route. A small increase in share of production via the EAF route will provide strong upside to the graphite electrode industry demand.

Graphite India remains well positioned to capitalize on these industry dynamics. The electrode capacity expansion at the Durgapur Plant by 20,000 MT is progressing well. Part of the facility has already been commissioned and the balance is likely to be commissioned in phases during the first half of FY2013 in synchronization with the manufacturing cycle. Management remains focused on cost efficiency, productivity and optimum capacity utilization. The Company has secured needle coke supplies until the end of FY2013 at increased but competitive prices. However, the increase in Graphite electrode prices is expected to offset the higher input costs.

About Graphite India Ltd.

Graphite India Ltd (GIL) is the largest Indian producer of graphite electrodes and one of the largest globally, by total capacity. Its manufacturing capacity of approximately 1,00,000 MT per annum is spread over four plants at Durgapur, Bangalore, Nasik and Nurnberg (Germany).

The Company accounts for approximately 6.5% of global electrode capacity and has over 40 years of technical expertise in the industry. With its corporate office in Kolkata, the Company services its clients in over 50 countries.

The Company also has facilities designed for the manufacture of impervious graphite equipment and glass reinforced plastic pipes and tanks. It has an installed capacity of 33 MW of power generation through hydel and multi-fuel routes.

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