



SRF Limited

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For Immediate Release

SRF posts PAT of Rs. 139 crore

- Board approved final dividend of 20% in addition to an interim dividend of 30%
- Board approved buy back of shares at Rs. 160/- per share

Gurgaon, 25th April 2008: SRF Limited, market leader in tyre cord and refrigerant gases and a preferred supplier of other fluorochemical products, fluorospecialities and polyester films, reported profit after tax (PAT) of Rs. 139 crore on a revenue of Rs. 1,615 crore during 2007-08. The company's revenue declined by 10.4% from Rs. 1,802 crore and net profit by 52% from Rs. 289 crore recorded during the last financial year. SRF's audited results for 2007-08 were taken on record by the Board of Directors this afternoon.

The Board approved a final dividend at the rate of 20% amounting to Rs. 2 per share. Earlier, the board had approved an interim dividend at the rate of 30% amounting to Rs. 3 per share. The company's EPS stood at 20.44 for the year.

The Board also approved buy back of shares of the company upto Rs. 70 crore at a price not exceeding Rs. 160/- per share from open market. Buy back can remain open for the period upto 24th April 2009 or such earlier date as may be determined by the Board.

SRF's financial performance has been adversely impacted as compared to the last year mainly because the 2006-07 figures included exceptionally higher sales of accumulated carbon emission reductions (CER's). The company's profitability further declined due to the lower realisation in rupee terms as a result of strengthening of rupee against US Dollar during the year.

Reflecting on the results, **Mr. Ashish Bharat Ram, Managing Director, SRF Limited**, said, "The company has been through a very tough phase over the past year. The silver lining is that it has made us even more efficient than before and with clear signs that demand supply parameters are changing in both Technical Textiles and Packaging Films, we expect to have a substantially better year ahead. CER income has also been on the lower side in the last quarter; this is because of commercial strategies. Our project, however, continues to generate CERs as per plan.

The company recorded 23% growth in the production of yarns, chips & fabrics for its Technical Textiles Business (TTB), which accounts for more than 50% of the company's revenue. The sales of TTB products grew by 14% during the year. The production of polyester films from the company's Packaging Films Business (PFB) recorded a growth of 6.3% along with 5.7% growth in sales during the same period. Exports of polyester films grew by 28% during the period.

SRF's Chemical Business increased the capacity of its Chloromethanes plant from 82.5 tonnes per day (TPD) to 102 TPD through debottlenecking during the year. The company's PFB increased the capacity of its Indore Plant through debottlenecking from 20,500 MT in FY 06-07 to 23,000 MT in FY 07-08.

The company's PAT for the last quarter of 2007-08 was down by 98% to Rs. 1 crore as against Rs. 49 crore recorded during corresponding period last year (CPLY). The revenue was lower by 6.7% at Rs. 392 crore from Rs. 420 crore during CPLY. The bottomline for Q4 was also affected by the negative impact of Rs. 21 crore on account of foreign currency rates on the 'mark to market' of the company's trade and other outstanding foreign currency transactions.

The company obtained approval for investment in several projects aggregating around Rs. 550 crore during the year. These projects are expected to start yielding benefits within next two years. The company successfully commissioned six of the nine Wind Turbine Generators of wind energy project to produce 15 MW of 'green power' in Tamil Nadu in March this year. The balance three wind power units are scheduled to be commissioned within a month. The project is being implemented at a total investment of around Rs. 90 crore. Besides, the wind power project will also have the potential to earn CERs under Clean Development Mechanism of UNFCCC.

Among other ongoing key projects which are in various stages of completion include a new 27,000 MT line for the manufacture of PET films in PFB ; a 14,400 MT plant for producing Polyester Industrial Yarn (PIY) used in radial tyres, conveyer belts and coated fabrics; and expansion of capacities in various production lines in the Chemical Business.

The company was conferred with the prestigious 'Greentech Environment Excellence Platinum Award 2007' for its Chemical Business during the year. The company further expanded its scope of work under CSR, and obtained a formal approval from the government for adoption of a primary school in a village called Banban near its Bhiwadi Plant in Rajasthan. SRF for the first time also published a sustainability report for its Chemical Business for the year 2006-07 during the year.

Note:

Statements in this release relating to future status, events, or circumstances, including but not limited to statements about plans and objectives are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. SRF cannot be held responsible in any way for such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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