



For Immediate Release

SRF's Q3 PAT at Rs.34 Crore, revenue Rs.413 Crore

Gurgaon, 23rd January 2008: SRF Limited, market leader in tyre cord and refrigerant gases and a preferred supplier of polyester films, posted PAT of Rs.34 crore on a revenue of Rs.413 crore during Q3 of 2007-08. On a year on year (YOY) basis the company's revenue declined by 9% from Rs.453 crore and net profit by 51% from Rs.70 crore. The company's results were taken on record by the Board of Directors this afternoon.

The company's PAT for the first nine months of 2007-08 was down by 42% to Rs.138 crore as against Rs.240 crore during corresponding period last year (CPLY). The revenue was lower by 11% at Rs.1,235 crore from Rs.1391 crore during CPLY.

The decline in profitability is mainly because last year's numbers included effect of higher Sales of accumulated CERs (Certified Emission Reductions). Appreciation of Indian Rupee against US Dollar from an average of Rs.44.95 during Q3 of 2006-07 to Rs.39.44 during Q3 of 2007-08, an appreciation of about 12%, has also affected both the revenue and the profits adversely.

During Q3 of 2007-08, the company has recorded significant improvement in sales due to increased operational and marketing efficiencies. SRF's Technical Textile Business (TTB), which accounts for more than 50% of the total revenue, registered 9.8% growth in sales of its products, from 12,241 metric tones (MT) in Q3 of 2006-07 to 13,445 MT in Q3 of 2007-08. This should enable the company to increase its market leadership share from 36% to around 39% by the end of the current financial year.

In Packaging Film Business (PFB), SRF's renewed focus on producing value-added products led to an increase of 9.7% in the total sales of its products, which grew from 5,818 MT in October-December 2006 to 6,384 MT during the same period of 2007. The exports of the company's PFB products increased from 2,989 MT to 3,548 MT showing a growth of 18.7% during the period.

A project for Holographic Film with annual capacity of 1,190 tonnes was commissioned during the quarter at a total cost of Rs.10 crore. The company also accorded approval to invest Rs.257 crore in two separate projects. One of the projects entails setting up of a second line of Biaxially Oriented Polyester

(BOPET) Films with a capacity of 27,000 MT and the second project pertains to setting up of a 15 MW wind energy project to produce 'green power' in Tamil Nadu. Currently, projects worth of around Rs.700 crore are at various stages of implementation in SRF.

Elaborating further on the results, **Mr. Ashish Bharat Ram, Managing Director, SRF Limited**, said, "As a company, we have not only shown the resilience to withstand the onslaught of tough market scenario but have also displayed our resolve to effect improvements in internal efficiencies. The cost structure of our TTB plants has improved significantly and very soon, with the possible upturn in the market, this business will see significant improvement in its profitability. Secondly, with the implementation of some of the key ongoing projects, our Chemicals Business will be consolidating gains by way of maximising capacity utilisation especially in its 134a plant for refrigerant gases. And finally, having established its turnaround, our Packaging Film Business has reoriented its strategy towards growth."

About SRF Limited

SRF Ltd, a leading industrial group, manufactures Technical Textiles, Fluorochemicals, Packaging Films and Fluoro Specialities. Commencing operations in 1974, SRF today operates from eight plant locations in India and abroad and has attained market leadership position in Nylon Tyre Cord Fabric (3rd largest manufacturer of Nylon6 tyre cord in the world & approx 36 per cent market share in India), Belting Fabrics (3rd largest in the world & approx 60 per cent market share in India), Refrigerant Gases (approx 40 per cent market share in India) and Chloromethane. Currently, SRF's products cater to industrial customers in more than 60 countries globally. SRF's relentless focus on TQM techniques has resulted in the company winning the prestigious Deming Application Prize in 2004 for the erstwhile Industrial Synthetics Business of SRF (now integrated with Technical Textiles business), the first nylon tyre cord company outside Japan to be awarded this prize.

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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