Exide declares results for Q1 2011-12

Kolkata, July 20, 2011: Exide Industries Ltd, the country's largest lead acid storage battery manufacturer and stored energy solutions provider, today declared its first quarter results for the year 2010-11 (April to June). While net turnover during the 3-month period rose 8 per cent to Rs 1244 crore, net profit during the same period was Rs 163.20 crore, only as compared to Rs. 165.34 crores in the corresponding period of the previous fiscal.

The company's board of directors met in the city on Wednesday to approve the financial results for the quarter April to June of 2011-12.

The slower growth in the automotive vehicle segment and the lower demand for inverter batteries is now reflected in the company's financial performance for the quarter under review.

Talking about the performance of the company, the **Managing Director and CEO** of Exide Industries Ltd, **Mr T.V. Ramanathan** said, "the demand growth that was seen in the country's automotive industry over the last several quarters has not been sustained, resulting in lower OE demand. The prevalent power supply situation and pleasant weather conditions in the north Indian markets also resulted in a lower inverter battery sales during the Quarter.

Whilst the demand in the key high volume segments were subdued, the Lead prices remained high resulting in a drop of 300 basis points in the operating margins - at PBIDT level. Nevertheless, the current PBIDT (Profit before Interest, Depreciation and Tax) which is 20.3% for the Quarter, is much above the Industry average.

The demand contraction reduced the Company's ability to pass on, in full, the cost of Lead – 21% increase on YOY basis. These factors dampened sales and profitability".

"However, we feel these setbacks are short term and our faith and confidence in the vibrancy of the Indian economy is very strong and there is no reason to worry about the longer term growth prospects of the Company," Mr Ramanathan added.

In the interim the Company continue to make its planned investments aimed at augmenting capacities in all its plants across the country to benefit when the economy regains the robust growth. Capacity enhancement in the new Ahmednagar plant is on schedule and capital expenditure of Rs. 370 crores is budgeted for this financial year.

Various Brand building and related marketing initiatives have been undertaken since June 2011 and the favourable impact of these initiatives will be reflected by Q3 of this year.

The Company is a debt free Company. The Return On capital Employed (R.O.C.E) is healthy at 32%.

EXIDE INDUSTRIES LIMITED

T. V. RAMANATHAN
Managing Director &
Chief Executive Officer