



For Immediate Release

May 13th, 2010

**Graphite India Limited Announces
Audited Standalone and Consolidated Full Year Results for Fiscal 2010
Audited Standalone Fourth Quarter Results for Fiscal 2010**

FY 2010 Standalone Net Profit increased by 20%
FY 2010 Standalone Operating Profit increased by 57%
Durgapur capacity expansion enhanced to 20,000 MT per annum

KOLKATA, India, May 13th, 2010 – Graphite India Limited, the largest Indian electrode producer, (referred to as “Graphite India” or the “Company”, NSE: GRAPHITE, BSE: 509488) announces its Audited Standalone Fourth Quarter and Full Year Results, as well as Consolidated Full Year Results for Fiscal 2010.

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

“Graphite India displayed strong growth and profitability over the last year, despite a challenging environment. Global macroeconomic indicators continued to show signs of improvement in the fourth quarter and we expect this trend to continue. We are well positioned for a recovery in the steel industry. Furthermore our capacity expansion plan has been enhanced from 10,500 MT to 20,000 MT at a competitive capital cost. As a group, we will be close to being self sufficient after the commissioning of our 50 MW power plant. These plans, coupled with an ongoing focus on improving our cost base have positioned Graphite India as one of the most profitable graphite electrode manufacturers.”

STANDALONE FULL YEAR FY 2010 FINANCIAL HIGHLIGHTS
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- FY 2010 Gross Revenue of Rs. 1178 Crore
 - Almost flat as compared with FY 2009 (Rs. 1183 Crore)
- FY 2010 Operating Profit of Rs. 409 Crore
 - Increased by 57% compared with FY 2009 (Rs. 261 Crore)
 - Operating Profit margin up from 23% to 36% over the same period
- FY 2010 Net Profit of Rs. 232 Crore
 - Increased by 20% compared with FY 2009 (Rs. 194 Crore)
 - Net Profit margin up from 17% to 21% over the same period
- FY 2010 Basic Earnings per Share Rs. 13.58
 - Increased by 8% compared with FY 2009 (Rs. 12.55 per share)





CONSOLIDATED FULL YEAR FY 2010 FINANCIAL HIGHLIGHTS

- FY 2010 Gross Revenue of Rs. 1394 Crore
 - Decreased by 11% compared with FY 2009 (Rs. 1558 Crore)
- FY 2010 Operating Profit of Rs. 428 Crore
 - Increased by 29% compared with FY 2009 (Rs. 333 Crore)
 - Operating Profit margin up from 22% to 32% over the same period
- FY 2010 Net Profit of Rs. 235 Crore
 - Almost flat as compared with FY 2009 (Rs. 236 Crore)
 - Net Profit margin up from 16% to 17% over the same period
- FY 2010 Basic Earnings per Share Rs. 13.73
 - Decreased by 10% compared with FY 2009 (Rs. 15.26 per share)
- As of March 31, 2010, total debt is Rs. 324 Crore, cash and cash equivalent is Rs. 264 Crore, net debt is Rs. 60 Crore and Net Worth is Rs. 1357 Crore
 - Total debt consists of Rs. 136 Crore of FCCBs, Rs. 156 Crore of secured loans and Rs. 32 Crore of unsecured loans
- Declared dividend/share of Rs. 3.50 for full year FY 2010 (Rs. 3.00 for FY 2009)

STANDALONE 4Q 2010 FINANCIAL HIGHLIGHTS

- 4Q 2010 Gross Revenue of Rs. 351 Crore
 - Increased by 21% compared with 3Q 2010 (Rs. 291 Crore)
- 4Q 2010 Operating Profit of Rs. 100 Crore
 - Decreased by 8% compared with 3Q 2010 (Rs. 109 Crore)
 - Operating Profit margin down from 39% to 30% compared with 3Q 2010
- 4Q 2010 Profit Before Tax of Rs. 88 Crore
 - Decreased by 9% compared with 3Q 2010 (Rs. 97 Crore)
 - Profit Before Tax margin down from 35% to 26% compared with 3Q 2010
- 4Q 2010 Net Profit of Rs. 56 Crore
 - Net Profit margin of 16%
- 4Q 2010 Basic Earnings per Share Rs. 3.25
 - Decreased by 12% compared with 3Q 2010 (Rs. 3.68 per share)





OPERATIONAL HIGHLIGHTS

Economic Environment

The global steel industry continued to show signs of revival in some continents during 4Q FY 2010, with steel production rising to 342 million MT, an increase of 4.4% over 3Q FY 2010. Global steel production in FY 2010 was 1,296 million MT, an increase of 3.3% over the preceding year. Recent economic stimulus packages implemented by the major economies of the world have resulted in this increase in demand for steel. This improvement in steel production has benefited the graphite electrode industry. However, graphite electrode production volume is expected to remain below pre-recession levels.

Business Performance

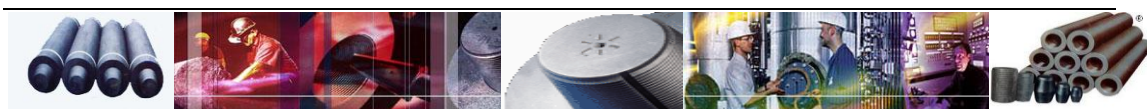
The Company experienced a year-over-year improvement in Operating Profit margins for FY 2010 primarily as a result of ongoing cost optimization efforts across all functions and increased price realization. However, moderating electrode prices in Q4 2010 resulted in lower margins. In line with the global graphite electrode industry, Graphite India operated at sub-optimal capacities during the last quarter and the fiscal year. Average capacity utilization was 63% during the fourth quarter and 52% for the year.

Graphite electrode production in FY 2010 decreased by 39% compared to the previous year. This decrease was primarily a result of Graphite India rationalizing its production plans in line with market demand. Graphite electrode sales in volume terms in FY 2010 were lower by 27% year over year.

Production and sales volumes are expected to increase in the current fiscal year in line with improving steel production. Capacity utilization is expected to increase to 70% to 80% during FY 2011. However, further moderation of prices and the rising cost of certain inputs may result in a downward pressure on margins in the short term. In response to this, Graphite India continues its efforts to further improve operational efficiency, contain costs and carefully monitor maintenance capital expenditure. The Company is fully covered for its needle coke requirements for FY 2011.

During the year Graphite India signaled its international debut in 750 mm (30") diameter electrodes by receiving trial orders from two overseas customers.

Non-electrode businesses performed well during the year compared with the previous year and are expected to post improved performance during the current fiscal year.





Durgapur Plant Expansion

Graphite India has revised its electrode capacity expansion plan at its Durgapur Plant from 10,500 MT to 20,000 MT per annum given the competitive capital cost and anticipated improvement in electrode demand in the medium term. The additional capacity of 9,500 MT will be installed at a very low capex of Rs. 67.50 Crore. The focus of the expansion plan is to provide facilities with eco-friendly advanced technology and greater energy efficiency. The total cost of expansion is now expected to be Rs. 255 Crore, to be funded through internal accruals and debt. The expansion is expected to be completed by 3Q FY 2011-12.

Investment in Power

Power constitutes one of the major costs of electrode production. In order to attain self-sufficiency and uninterrupted availability of quality power at economical rate, the Company has decided to set up a coal based thermal power plant of 50 MW capacity at Durgapur. This is at an investment of Rs. 214 Crore. Power generation capacity will increase from the current 33 MW to 83 MW and will enable Graphite India to further optimise its cost of production and increase its global competitiveness. The Company is currently in the process of obtaining various statutory clearances. The project is expected to be commissioned by 4Q FY 2011-12.

Notes:

1. Gross Revenue: Sales/Income from Operations, including excise duty
2. Operating Profit: Earnings before interest, depreciation and tax, and includes Other Income
3. Net Worth: Share capital and Reserves and Surplus
4. Basic Earnings per Share: Each share face value of Rs. 2; 17.10 crore shares over the period calculated on a weighted average basis

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For further information on Graphite India see www.graphiteindia.com





GRAPHITE INDIA FACT SHEET

1. Company Background

Graphite India is the largest Indian producer of graphite electrodes and one of the largest globally, by total capacity. Its manufacturing capacity of approximately 78,000 tonnes per annum is spread over four plants at Durgapur (34,000 MT), Bangalore (13,000 MT), Nashik (13,000 MT) and Nurnberg in Germany (18,000 MT). 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, India, the Company services its clients in over fifty countries, with no client accounting for over 6% of revenues. Exports account for approximately 60% of revenues and export volumes increased over 3 times from 2000 to 2007. Graphite India manufactures the full range of graphite electrodes but stays focused on the higher margin, large diameter, ultra-high power ("UHP") electrodes. Approximately 85% of the Company's total capacity is currently UHP.

Graphite India is well poised in the global graphite electrode industry through its quality, scale of operations and low cost production base. The Company's competitive edge was particularly evident during the last decade, when low prices for graphite electrodes resulted in many of the leading players generating losses, but Graphite India however remained consistently profitable and declared dividends. The Company experienced steady double digit revenue growth over the past five years despite a global slowdown. Graphite India currently has a conservative leverage profile, with significant financial capacity for organic or inorganic expansion.

The Company's strategy is to become further vertically integrated, continue its penetration of new markets and clients as well as pursue value enhancing inorganic growth opportunities. Graphite India currently manufactures Calcined Petroleum Coke ("CPC") for use in electrode manufacturing. It is also enhancing its presence in value added graphite products for the auto,

aerospace, chemical, pharmaceutical, metallurgical and machine tool industries.

The Company is further targeting focused reductions in its manufacturing costs. A capacity expansion plan has been initiated in its Durgapur (West Bengal) plant, to increase capacity by 20,000 MT per annum, taking the total capacity towards 100,000 MT per annum.

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, which will be enhanced to 83 MW with installation of a 50 MW thermal power plant.

2. Industry

Graphite electrodes are used in electric arc furnace ("EAF") based steel mills and is a consumable item for the steel industry. The graphite electrode industry is highly consolidated with the top five major global players accounting for 75% of the high end UHP electrode capacity. Majority of this capacity however, is currently located in high cost regions like US, Europe and Japan. The manufacturing process, for the high end UHP electrodes is technology intensive and is a significant barrier for the entry of new players.

Due to the global economic recession, demand for electrodes is currently less than total installed capacity of 1.2 million MT, of which UHP capacity is 0.9 million MT. Global steel production continues to recover post-recession.

The EAF method of manufacturing steel is becoming increasingly attractive due to its low capital costs, lower breakeven tonnage, flexibility in locating plants closer to consumption points and significantly lower pollution levels than in the blast furnace steel plants. As a result, EAF production capacity has increased from 180 million tonnes or 25% of total steel production capacity in 1985 to an estimated 418 million MT or 34% of total steel production capacity in 2010.





This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Graphite India’s future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Graphite India undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

