

**Kanoria Chemicals announces THREE-FOLD jump in net profit in H1 2008
Board approves stock split and bonus shares Net Sales for H1FY08 at Rs
209 crore and net profit at Rs 21 crore Net Sales for Q2FY08 at Rs 104
crore and net profit at Rs 11 crore**

New Delhi, October 26, 2007: Kanoria Chemicals & Industries Limited (KCI), India's leading manufacturer of chemical intermediates, has registered a spectacular performance for the second quarter and half year ended September 30, 2007. EBIDTA for H1FY08 was at Rs 55 crore, while net profit for H1FY08 stood at Rs 21 crore, a three-fold jump over the same recorded in the previous half-year in financial 2006 07.

New Delhi, Delhi, IND, 2007-10-29 10:06:20 (IndiaPRwire.com)

Kanoria Chemicals & Industries Limited (KCI), India's leading manufacturer of chemical intermediates, has registered a spectacular performance for the second quarter and half year ended September 30, 2007. EBIDTA for H1FY08 was at Rs 55 crore, while net profit for H1FY08 stood at Rs 21 crore, a three-fold jump over the same recorded in the previous half-year in financial 2006â€™07.

The economies of expanded capacity were realized in the form of lower input costs and operational efficiencies which led to increases in operating margins.

'We have a clear strategy and well-defined priorities. We are executing our plans with discipline to deliver strong financial results for the Company. We are also now focussing on export markets for some value-added products', said Mr. R.V. Kanoria, Chairman & Managing Director, Kanoria Chemicals & Industries Limited.

Q2FY08 Highlights

For the second quarter ended September 30, 2007 net revenues from sales stood at Rs 104 crore, EBIDTA was at Rs 28 crore while net profit for Q2FY08 stood at Rs 11 crore. The operating margin for the quarter stood at 27%, registering an increase from the previous quarter's 19%. The non-annualized basic and diluted EPS at the end of H1FY'08 stood at Rs 11.49 and Rs 8.75 (for Rs 10 paid up share) respectively.

'With a diverse product base catering to a wide range of applications, our strong focus continues to be on ensuring a low cost structure through operational efficiencies. We are pleased with the Company's performance during the first six months of fiscal 2007-08. Our next expansion programme is on schedule and we expect to reap even higher benefits from the next financial year,' added Mr. Kanoria.

STOCK SPLIT

The board took decision to split stocks of the company - a ten rupee share now will be split into two shares of Rs five each. This will increase the number of shares of the company to 37,531,000 from current 18,765,500 after the shareholders approve the proposal.

"Today's announcement of a stock split reflects the confidence of our Board of Directors in KCI's

growth strategies combined with the long-term business opportunities that lie ahead. We believe that the split will make our stock more attractive to a broader investor base,' added Mr. Kanoria.

BONUS SHARES

The Board of Directors of the Company also approved issue of bonus shares - one share for every two shares held to be issued after clearance of the shareholders.

Mr. Kanoria, said 'The company has strong reserves and since the company is on a growth trajectory which can support an expanded capital, the Board felt the need to share the benefits with its shareholders.'

Editor's Synopsis
Financial Highlights H1FY08
Net Sales at Rs 209 crore
EBIDTA at Rs 55 crore, an increase of 50%
Net profit at Rs 21 crore, more than trebles from last half year
Operating margins at 26% as compared to 18% in the corresponding previous half

Financial Highlights Q2FY08
Net Sales at Rs 104 crore
EBIDTA at Rs 28 crore, an increase of 36%
Net profit at Rs 11 crore, an increase of 127%
Operating margins at 27% as compared to 19% in the corresponding previous quarter

Other Highlights
Stock Split - From Current face value of Rs. 10 to Rs. 5
Bonus Shares - One Equity Share for every two Equity Shares

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About Kanoria Chemicals

Kanoria Chemicals & Industries Limited (KCI) (BSE:506525; NSE:KANORICHEM) is a leading manufacturer of chemical intermediates in India. Recently KCI has been conferred with Gold Award for Outstanding Achievement in Environment Management in Chemicals Sector by the Greentech. KCI has two manufacturing facilities, one at Renukoot in Uttar Pradesh, which manufactures Caustic Soda, Chlorine and Chlorine derivatives including water treatment chemicals; and the second at Ankleshwar in Gujarat, which manufactures Alcohol based intermediates. KCI operates two 25MW thermal power plants in Renukoot, and enjoys cost advantage as a result of backward and forward integration. The company's portfolio comprises of over twenty products, with a market leadership in six and substantial shares in all others. More information about the company is available at www.kanoriachem.com.

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