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## **PI's 9M FY2012 EBITDA grows strongly at 40%**

**Agri-Input shows solid growth of 30% YoY**

**Custom Synthesis scales-up along expected lines, revenues up 65% YoY**

**New Delhi, February 12, 2012:** PI Industries Limited (PI), a leading Indian Agri-Input and Custom Synthesis company today announced its financial results for the third quarter ended December 31, 2011.

### **Financial Highlights for the nine-months ended 31<sup>st</sup> December, 2011 (Compared to 9M FY11; which includes results of Polymer Compounding business)**

#### **Net Revenue**

Net Revenue stood at Rs. 6418.2 million, up 26.8% (~41% YoY without Polymer Compounding revenue); Agri-Input saw growth of 30% whereas Custom Synthesis grew by 65%. Growth in the Agri-Input business is ahead of the sector growth rate while the Custom Synthesis business continues to deliver strong revenue momentum.

#### **EBITDA**

EBITDA was at Rs. 1,106.4 million, up 40%. Margins saw 160 bps expansion to 17.2% given the robust all-round performance.

#### **Pre-tax Earnings**

Profit Before Tax at Rs. 1,080.5 million with an increase of 81.3% and considering the effect of:

- Pre-tax gain of ~Rs. 303 million on sale of the Company's Polymer business to Rhodia SA in the beginning of current fiscal.
- Exchange Fluctuation Loss of Rs. 64.7 million as compared to Exchange Fluctuation Gain of Rs. 47 million in the same period last year.

#### **Post-tax Earnings**

The Net Profit including exceptional gains was at Rs. 787.6 million, up 80.1%. The Basic EPS increased to Rs. 31.65 per share against Rs. 19.6 per share last year.



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## **Financial Highlights for the quarter ended 31<sup>st</sup> December, 2011 (Compared to Q3 FY11; which includes results of Polymer Compounding business)**

### **Net Revenue**

Net Revenue was stable at Rs. 1,902.1 million (~11% growth YoY without Polymer Compounding revenue); Agri-Inputs showed 16% increase in Revenues to Rs. 1,022 million despite the inclement conditions in the Rabi season where deficiency in the N-E monsoon affected the regular cropping pattern. The contribution from Custom Synthesis was Rs. 880 million; 5% increase on higher base of last year.

### **EBITDA**

EBITDA was at Rs. 307.1 million and showed 18.3% growth with a margin improvement of 250 bps to 16.2%.

### **Pre-tax Earnings**

Profit Before Tax at Rs. 160 million considers the effect of:

- Exchange Fluctuation Loss of Rs. 64.6 million, which includes Unrealized Foreign Exchange fluctuation loss of Rs. 58.5 million (net basis) arising out of the restatement of foreign currency exposure on the reporting date. Against this, there was a Exchange Fluctuation Gain of Rs. 39 million in the same period last year.

### **Post-tax Earnings**

The Net Profit was at Rs. 114.4 million with a Basic EPS of Rs. 4.60 per share.

### **Commenting on the performance Mr. Mayank Singhal, Managing Director & CEO, PI Industries Ltd., said;**

*“We have reported a revenue growth of ~11% during the quarter after excluding the contribution of the Polymer Compounding business which we divested in the beginning of the year. Despite the adverse impact of the erratic N-E monsoon on the domestic business, we have continued with a good pace of growth. We are constantly identifying products, which can be placed in the niche areas to fuel the future growth. We have a few exciting product launches ahead of us.*”

*In Custom Synthesis we have shown strong growth in revenues on account of ramp up of existing products. We are also commercializing new products in the next few quarters which will further enhance our growth trajectory.”*



## **Outlook**

- Agri-Input business in the long-term remains very strong, may see some moderation in the immediate term:
  - The Rabi season is off to a subdued start given the erratic nature of the N-E monsoon. However PI continues to show growth based on its strong line-up of products
  - PI's relationships with innovators and its strengths in product development, registration and product trial remains key to sustained growth. Forthcoming Kharif season to see introduction of some new products
- Custom Synthesis to see healthy growth in revenue and margins based on:
  - Robust order book position
  - Portfolio of early stage patented molecules which are expected
  - Progressive build-up in existing commercialized molecules
  - Enhancement of manufacturing facilities



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Press Release

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## About PI Industries Ltd. (PI)

Incorporated in 1947, PI Industries (BSE: 523642, NSE: PIIND, ISIN ID: INE 603J01022) focuses on Agri-Input and Custom Synthesis with strength of over 1,100 employees, PI Industries currently operates three formulation and two manufacturing facilities as well as four multi product plants under its three business units across Jammu and Gujarat. These state-of-art facilities have integrated process development teams with in-house engineering capabilities.

PI Industries is into following business areas:

### Agri-Input Business

PI is one of India's leading players in the Agri-Input industry, primarily dealing in agro-chemicals, specialty fertilizers, plant nutrients and seeds. This venture is the flagship business (unit) for which PI enjoys tremendous brand recognition across several industry leading products. The Company has exclusive rights with several global Corporations for distribution in India and is constantly evaluating prospects to further expand its product portfolio. Given the inevitable surge in demand for food grain production in the agriculture sector, the opportunities for Agro-Chem Companies are innumerable. PI Industries is favorably positioned to contribute to the growth in this space by leveraging its long-standing association with business partners and intensive network of distributors across India.

### Custom Synthesis Business

The Fine Chemicals business unit of PI focuses on Custom Synthesis which entails dealing in custom synthesis and contract manufacturing of chemicals including techno commercial evaluation of chemical processes, process development, lab & pilot scale up as well as commercial production. The Company has an impressive product portfolio as result of exclusive tie-ups with leading agro-chemical, pharmaceutical and fine chemical companies around the world. PI has made substantial investments in building state of art process research and manufacturing facilities of chemical intermediates and active ingredients with special focus on strong process R&D capabilities. This business unit is expected to be the primary growth driver with strong revenue visibility as India continues to be a preferred destination for outsourcing Custom Synthesis and contract manufacturing related projects. With exceptional growth opportunities in the offing this business segment is poised for great success.

For further information please visit: [www.piindustries.com](http://www.piindustries.com)

### **For further information, please contact:**

#### Mayur Maniyar/Siddharth Rangnekar

Citigate Dewe Rogerson

Tel: +9122 6645 1220

Tel: +9122 6645 1209

Email: [mayur@cdr-india.com](mailto:mayur@cdr-india.com)

[siddharth@cdr-india.com](mailto:siddharth@cdr-india.com)

#### Rajnish Sarna

PI Industries Limited

Tel: +91 124 6790000

Fax: +91 124 4081247

Email: [r.sarna@piind.com](mailto:r.sarna@piind.com)

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