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Press Release

Q1 FY'13 EBITDA grows robustly by ~21% to Rs.493.3 million

Q1 FY'13 Revenues show healthy growth of ~16% at Rs.2391.4 million

New Delhi, July26, 2012: PI Industries Limited (PI), a leading Indian Agri-Input and Custom Synthesis company yesterday announced its financial results for the first quarter ended June 30, 2012.

Financial Highlights for the quarter ended 30th June, 2012

Net Revenue

Net Revenue was at Rs. 2391.4 million, up 15.8% YoY based on combination of healthy domestic sales and sustained rise in exports. Growth is expected to be maintained at these levels given healthy improvement in the volumes of domestic sales, the upsides from the new launches and the growing scale in Custom Synthesis exports.

EBITDA

EBITDA was at Rs. 493.3 million, growing 20.8%YoY. The margins showed a 80 bps improvement. Both domestic and exports business delivered improved margins.

Pre-tax Earnings

Profit Before Tax stood at Rs.338.9 million. It includes an Exchange Fluctuation loss of Rs. 67.8 million (Including unrealized loss of Rs. 55 million) as compared to a gain last year of Rs. 15.4 million.

Post-tax Earnings

Net Profit stood at Rs. 234.5 million translating into a Basic EPS of Rs. 9.36 per share.

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

"I am glad to report a good set of numbers for the first quarter of the current financial year. On the domestic business, our focus has been on improving the quality of revenue rather than the size. Given the overall market sentiments and uncertainty of Monsoon, we have been very cautious in positioning the product according to end consumer appetite so as not to create unnecessary inventories in the channel. As a result we have been able to maintain revenues while improving earnings, which we believe is reassuring in the current market conditions.

Our Custom Synthesis exports have been delivering as per projections with volumes showing an increase of ~55% y-o-y and the outlook remaining equally promising. There are adequate capacities



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available to deliver strong upsides and furthermore we have the new site coming up in Jambusar SEZ where the focus will exclusively be on exports.

PI operates a differentiated model based on respect for IPR and has benefitted from maintaining a very niche portfolio of products in the domestic market. It is our intention to keep growing the share of in-licensed and co-marketing products where we are able to harness our entrenched capabilities in brand building, pan India distribution and understanding of end consumer needs. Exports will always remain complementary to domestic growth and provide us the opportunity to leverage our strength in chemical process development and large scale manufacturing of newly discovered molecules.”

Outlook

- The progress of Southwest monsoon has not been satisfactory so far. While the Indian Meteorological department (IMD) still is forecasting good recovery in the remaining two months, Company’s focus in the domestic business will remain on improving the margins while delivering reasonable revenue growth, as guided by:
 - Optimizing the product mix
 - Good traction expected from planned introduction of new products.
 - Sharp rise in MSPs in key crops, which is expected to spur cultivation in the later part of the kharif season or in the second season and keep consumption of agri inputs at healthy levels.
 - Maintain a cautious approach on working capital
 - Our focus on innovative products remains central to our growth plan.

- Export business is benefiting from ramp-up in execution, as envisaged. The factors driving further acceleration in the scope of the business include:
 - Rise in volumes of newly commercialized products
 - Higher proportion of patented molecules getting outsourced driving a natural growth in the volume of business. Company’s focus to remain on early-stage associations with innovators.
 - New facility at the Jambusar SEZ to provide additional capacities going forward.



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About PI Industries Ltd. (PI)

Incorporated on 31st December, 1946, PI Industries Ltd. (BSE: 523642, NSE: PIIND; ISIN No: INE603J01022) 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

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