



## **PI Industries Ltd's H1 FY2012 Net Profit rises 136% Board recommends 40% interim dividend**

**New Delhi, November 05, 2011:** PI Industries Limited (PI), a leading Indian Agri-Input and Custom Synthesis company today announced its financial results for the second quarter ended September 30, 2011.

### **Financial Highlights for the half-year ended 30th September, 2011 (Compared to H1 FY11)**

- Net Revenue at Rs. 4,516.1 million, up 42.6%
- EBITDA at Rs. 800.9 million, up 48%
- Profit Before Tax at Rs. 920.9 million (including onetime exceptional gain of ~Rs. 303 million on pre-tax basis on sale of Polymer business), up 135%
- Net Profit at Rs. 673.2 million, (including onetime exceptional gain on sale of Polymer business) up 136%
- Basic EPS increased to Rs. 27.05 per share against Rs. 12.79 last year
- Consolidated Net Profit at Rs. 679.2 million, up by 135%

### **Financial Highlights for the quarter ended 30<sup>th</sup> September, 2011 (Compared to Q2 FY11)**

- Net Revenue at Rs. 2,451.6 million, up 31.3%
- EBITDA at Rs. 373.4 million, up 13.1%.
- Net Profit at Rs. 193.6 million, up 3.3%.

### **Performance highlights for period ended 30<sup>th</sup> September, 2011**

- Agri Input business demonstrated sustained volume growth in H1 FY2012, which more appropriately reflects the results for the Kharif season
  - Major benefit of Kharif season accrued in Q1 FY2012 versus Q2 FY2012 driven by progress of monsoon, weather conditions and cropping patterns.
  - Key products maintained their expected growth trend
  - Strong distribution and marketing network combined with high-quality products and strong brands remain the key factors behind PI's success in its Agri-Input business



- Two products (One Fungicide and one Insecticide) launched to strengthen product portfolio
- Order to revenue conversion of international Custom Synthesis & manufacturing substantially improved
  - Business posts substantial revenue growth in both Q1 & Q2
  - Scale up of existing products and commercialization of new products
  - New enquiries further strengthening R&D pipeline; good progress on pipeline moving products to commercial scale
  - Encouraging progress on joint research projects
  - Business continues to benefit from strong reputation, innovator aligned no conflict model and high quality R&D and execution capabilities
- GLP Accreditation expanding service offering and opening new business opportunities
- Higher gross working capital reflects increased revenue momentum and conscious creation of inventory to meet supply schedules of Custom Synthesis business and cater to increasing demand in Agri Input segment
- Limited increase in net working capital as higher requirement met with supplier credit combined with prudent cash flow management
- Foreign exchange loss is notional as Company hedges its net foreign exchange exposure (exports minus imports) leading to limited opportunity loss (notional loss) due to depreciating Rupee, while margins remain almost intact as per business plan
- Balance Sheet remains strong and healthy with increasing net worth and debt to equity ratio at ~ 0.61
- Improved financial / risk profile leading to improved credit rating by CRISIL

## Interim dividend

The Board declared an interim dividend of 40% (Rs.2 per equity share of Rs.5 each) which will result in payout of ~Rs. 58 million including dividend distribution tax.

### **Commenting on the Company's performance Mr. Salil Singhal, Chairman, P I Industries Ltd., said:**

*"We have delivered another strong half yearly performance backed by good demand for our product line-up in domestic Agri-Input and substantial scale up of Custom Synthesis exports. A number of factors have contributed to these results including a strong distribution backbone, excellent brand building capabilities and the increased need for crop protection products. PI continues to benefit from its keen knowledge of agriculture, and its commitment to meet with the farmer needs."*



*The custom synthesis business is growing on account of scale up of existing and newly commercialized products. The revenue visibility for this business continues to remain high given PI's core competence in process research and manufacturing. Our unique no conflict business model has helped PI establish a strong credibility with its customers giving us an opportunity to work on newly patented products, which offer better opportunities of growth in the longer term."*

**Mr. Mayank Singhal, Managing Director & CEO, PI Industries Ltd., added:**

*The agri-input business has posted a growth of over 35% in H1 FY2012 on the back of a good monsoon and an increased demand for our products. Heavy rainfall in SW monsoon also ensures enough water availability for the ensuing Rabi season which gives us confidence to sustain growth throughout the year. In line with increasing farm incomes the usage of agri input products has gone up significantly. Also the industry will stand to benefit from the increasing focus on curtailing food inflation where the supply side will have to be strengthened considerably by increasing acreages and enhancing productivity. With our innovative products, strong brands and a wide marketing and distribution network, we remain well equipped to capitalize on the huge opportunities that the changing Indian agricultural landscape offers.*

*Our custom synthesis business continues to maintain its high growth trajectory recording a growth of over 140% YoY in H1 FY2012. The revenue visibility remains high. The order pipeline is robust and will help us to deliver plan in H2 FY2012. Overall the business offers excellent opportunities and we remain on track to deliver a sustainable growth performance going forward."*

**Outlook**

- Agri-Input business to deliver sustained growth on the back of:
  - PI's high-potential product line-up
  - Forecast of encouraging Rabi season
  - High food price inflation translating into farmers' increased spend on agri inputs for their higher productivity and profits.
  
- Custom Synthesis to drive revenue enhancement given:
  - Portfolio of innovator products at the early stage
  - Ramp-up in the deliveries of commercialized products
  - Order book position expected to increase with many contracts under negotiation.



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## About PI Industries Ltd. (PI)

Incorporated in 1947, PI Industries (BSE: 523642, ISIN ID: INE603J01014) 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)

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