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## PI Industries Ltd's Q1 FY2012 Net Profit rises 391%

**New Delhi, July 27, 2011:** PI Industries Limited (PI), a leading Indian Agri-Input and Custom Synthesis company today announced its financial results for the first quarter ended June 30, 2011.

### Financial Highlights for the quarter ended 30<sup>th</sup> June, 2011 (Compared to Q1 FY11)

- Net Revenue at Rs. 2064 million, up by 59%
- EBITDA at Rs. 432 million, up by 122%. EBITDA margin at 21% as against 15% last year.
- Profit Before Tax at Rs. 643 million (including exceptional item of ~Rs. 303 million of gain on sale of Polymer business), up by 421%.
- Net Profit at Rs. 480 million, up by 391%.

### Performance highlights for the quarter ended 30<sup>th</sup> June, 2011

- Agri-Input business posted excellent growth on the back of increased demand for existing products and healthy uptake of recently launched products; Margin expansion anchored by volume growth of key brands, lower average cost of key inputs & enhanced realizations.
- Robust execution keeping momentum strong in Custom Synthesis. High capacity utilization supporting revenue ramp-up & margin acceleration of Custom Synthesis.
- Completion of Polymer Compounding divestiture to Rhodia SA and conversion of outstanding debentures into equity further augments the strength of the balance sheet. Secured & unsecured debts reduced from Rs. 2484 million in March, 2011 to Rs. 1331 million on 30<sup>th</sup> June, 2011.
- Enhanced working capital turn adding to improved operating cash flow.

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

"We have indeed started the year on a very strong note resulting in an extremely good set of results based on solid operating performances in both our core businesses. The Agri-Input business continues to grow, given signs of an encouraging monsoon and our excellent field-work amongst the farming community and the growing popularity of our products.



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Our Custom Synthesis business has also witnessed significant growth as we begin reaping the benefits of operating leverage and is also driven by our trusted relationships built over the years with innovator companies.”

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

“Our Agri Input business witnessed solid growth of over 80% driven by an increase in the volumes of existing as well as newly launched products. The business has also delivered healthy expansion in margins on account of favourable product mix and intelligent input costs management.

The Custom Synthesis business also reported strong growth again in excess of 80% -on account of scale-up of existing and newly commercialized products. The revenue visibility of this business continues to be high in the long-term.”

We have also successfully closed the sale of our Polymer Compounding business to Rhodia SA freeing substantial resources, which we are deploying in our scalable businesses.

**Outlook**

- Agri-Input growth momentum to continue on account of:
  - A good consistent monsoon and increased crop acreages driving higher demand
  - Leadership position in existing & newly launched products
  - Strong pipeline of in-licensed products under different stages
  
- Custom Synthesis to deliver sustained revenue improvement and margin enhancement:
  - Attractive portfolio of products; focus on patented and early stage molecules
  - Stabilization of newly commercialized products
  - Current year business fully tied up. Long term order book position building up
  - Robust pipeline of molecules under different stages of development
  - New opportunities in niche chemicals areas expected to add to growth momentum



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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)

## **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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