



***PI Industries divests Polymer Compounding business to Rhodia
Custom Synthesis & Agri-Inputs: Demonstrable upside***

New Delhi, December 21, 2010: PI Industries Limited (PI), a leading Indian Agri-Input & Custom Synthesis company announced the signing of a binding agreement to sell its Polymer Compounding business to French multinational Rhodia SA, an Euro 4-billion (US\$5.25 billion) specialty chemicals major.

The transaction includes the transfer of all the assets used and people employed by PI Polymer, primarily one industrial facility that employs more than 80 people, R&D capabilities, customer base and logistics network in India. Subject to various customary closing conditions, the transaction is expected to complete by the end of March 2011.

This transaction is part of the PI's strategy to concentrate on its Agri-Inputs and Custom Synthesis businesses where performance momentum continues to build, given the pipeline of new products in Agri-Inputs as also a large order-book in the Custom Synthesis business.

Commenting on the transaction Mr. Salil Singhal, Chairman, PI Industries Ltd., said:

"We are pleased to divest our polymer compounding business to a world leader M/s. Rhodia in this field. We are confident that our customers and the employees of this business would greatly benefit from the knowledge, expertise and technology edge of a global player like Rhodia. We are therefore very happy to have found the right corporate to take over this business.

For PI, this would free resources for our Agri Inputs & Custom Synthesis businesses, which are witnessing strong sustained growth."



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Commenting on PI's business prospects, Mr. Mayank Singhal, Managing Director & CEO, PI Industries Ltd. added:

“Within Agri-Inputs we continue to build on our relationship—with innovators and offer our strongly nurtured delivery platform for their products within India. Given the buoyancy in the agri sector, the govt. policy focus and favourable weather conditions, the business sees excellent opportunities going forward.

For Custom Synthesis, we have the benefit of excellent portfolio of products at different stages of development and commercial scale. Thanks to our model of partnering with innovators right from the process development stage of the product, there is clear visibility of a sustainable ramp-up in the coming years.

We believe we have created the right mix of business infrastructure and products line-up that will drive growth for the benefit of all our stakeholders.”



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About PI Industries Ltd. (PI)

Incorporated in 1947, PI Industries (BSE: 523642, ISIN ID: INE603J01014) focuses on Agri-Input, Custom Synthesis & Polymer Compounding 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.

Polymer Compounding Business

This business focuses on manufacturing of various engineering plastic compounds from Polycarbonate (PC), Poly Phenylene Ether (PPE), and Poly Butylene Pteraphthalate (PBT) Poly Amides (PA6 & 66), Polypropylene (PP) to name a few. These compounds find application in Automotive, Appliances (White goods), Electrical and Electronics, Submersible Pumps, Light & Heavy Engineering industries.

For further information please visit: www.piindustries.com

For further information, please contact:

Mayur Maniyar/Siddharth Rangnekar

Citigate Dewe Rogerson
Tel: +9122 66451220
Tel: +9122 66451209
Email: mayur@cdr-india.com
siddharth@cdr-india.com

Rajnish Sarna

PI Industries Limited
Tel: +91 124 6790000
Fax: +91 124 4081247
Email: r.sarna@piind.com

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