

PRESS RELEASE

Coromandel International acquires 'Liberty Phosphate Group'

Secunderabad, January 24, 2013: Coromandel International Limited, amongst India's leading manufacturer of a wide range of fertilizers, Crop protection products and Specialty Nutrient products, has signed a definitive share purchase agreement to acquire promoters' stake upto a maximum of 56.28% in Liberty Phosphate Limited (LPL) at Rs.241 per share.

Coromandel will also make an Open Offer to acquire a further 26% stake from all Public Shareholders of LPL at a price of Rs. 241 per share in accordance with the SEBI (Substantial Acquisition Shares and Takeover Regulations) 2011.

Additionally, under a separate agreement, Coromandel has agreed to acquire 100% stake in Liberty Urvarak Limited (LUL) and has also executed a Term Sheet for acquiring the business undertaking of Tungabhadra Fertilizers & Chemicals Company Limited (TFCCL Business) through a slump sale.

The total cost of the above transactions is likely to be in the range of Rs.348 cr to Rs.375 cr which includes purchase of promoters' stakes of upto 56.28% and open offer of 26% in LPL, 100% stake in LUL and the TFCCL Business as mentioned above. All these transactions will be entirely funded through internal accruals of Coromandel.

Liberty group is amongst India's largest manufacturer of powdered and granulated SSP with ~14% market share. The group has 6 existing plants located in Baroda, Udaipur, Pali, Kota, Nimrani and Hospet and is expected to close the year with a combined installed capacity of 9.6 lac MT and combined licensed capacity of 8.09 lac MT. LPL is also setting up a 1.32 lac Mt green field SSP unit at Rae Bareli. For the Financial year 2011-12 LPL reported a turnover of Rs.489 Cr and net profit of Rs.54 Cr. Combined Revenues & Net Profits for all 3 entities for 2011-12 was Rs.645 cr and Rs. 68 Crs respectively. LUL also has a holding of 5.01% in LPL.

Combined with Coromandel's existing SSP plant in Ranipet with a capacity of 1.3 lakh MT, the acquisition will make Coromandel amongst India's leading SSP manufacturer with a total capacity of over **One Million MT**

Announcing the acquisition, Mr. A Vellayan, Executive Chairman, Murugappa Group, stated that, "The transaction is part of the strategic plan of the Company to expand its product range." He further said, "This acquisition not only expands our product portfolio but is also consistent with our constant

endeavor to provide the farmers with the right fertilizers for the right crops.” He further added “SSP with higher indigenous raw material content provides a hedge against foreign exchange fluctuation”

Commenting on the synergistic fit of this acquisition, Mr.Kapil Mehan, Managing Director, Coromandel International Limited, stated that, “Post acquisition, Coromandel with more than one Million Mt of SSP capacity will further strengthen its position in Phosphate fertiliser segment. SSP with its low per bag price also provides a unique opportunity to make phosphate fertilisers affordable to all categories of farmers”

Axis Capital Limited & SMC Capitals Limited acted as financial advisers and AZB & Partners acted as legal advisors to the transaction.

About Coromandel International Limited

Coromandel International Limited, India’s second largest Phosphatic fertilizer player, is in the business segments of Fertilizers, Specialty Nutrients, Crop Protection and Retail. The Company manufactures a wide range of fertilizers and markets around 2.9 million tons making it a leader in its addressable markets.

In its endeavor to be a complete plant nutrition solutions Company, Coromandel has also introduced a range of Specialty Nutrient products including Organic Fertilizers. The Crop Protection business produces insecticides, fungicides and herbicides and markets these products in India and across the globe. Coromandel is the second largest manufacturer of Malathion and only the second manufacturer of Phenthoate. Coromandel has also ventured into the retail business setting up more than 640 rural retail centers in the States of Andhra Pradesh and Karnataka.

The Company clocked a turnover of Rs.9,823 crore during FY 2011-12. It was ranked among the top 20 best companies to work for by Business Today and was also voted as one of the ten greenest companies in India by TERI, reflecting its commitment to the environment and society. Coromandel is a part of the Rs.22,314 Cr Murugappa Group. For more details, please visit www.coromandel.biz.

About Murugappa Group

Founded in 1900, the Rs. 22,314 Crores (USD 4.4 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eight listed Companies actively traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies like Groupe Chimique Tunisien, Foskor, Cargill, Mitsui Sumitomo,

Morgan Crucible and Sociedad Química y Minera de Chile (SQM). The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Chola, Gromor and Paramfos are from the Murugappa stable. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees. For more details, visit www.murugappa.com

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