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Press Release

Q1 FY15 Revenues grow 16%, Net Profit records 48% growth

- *Domestic business delivers well and momentum remains anchored by the health of present monsoons*
- *Capacity utilisation in custom synthesis remains high and sustainable due to forward visibility*

Gurgaon, July 24, 2014: PI Industries Limited (PI), a leading Indian Agri-Input and Custom Synthesis company announced its financial results for the quarter ended June 30, 2014.

Financial and Operational Commentary for the quarter ended 30th June, 2014

	Q1 FY15 (Rs. in Crore)	Growth (%) (Y-o-Y)
Revenues	471.20	16%
EBIDTA	107.95	37%
PAT	71.74	48%

Net Revenue

The growth during the quarter stood at 16%. The compact portfolio of niche, high-potential products domestically has worked in PI's favour though less than conducive agro-climatic conditions in parts of the country have moderated the performance expectations. Growth in the domestic business stood at 26% YoY.

Custom synthesis exports have delivered on trend (7% growth YoY) on top of the larger upside achieved in the previous year. There continues to be sustained momentum from commercialised molecules which is translating into higher topline



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EBITDA

EBITDA showed 37% improvement on a larger base (stood at Rs. 107.95 crore in Q1 FY15) as the model gets fine-tuned for sustainable growth. Margins were stronger than trend at 23% (up 400 bps) due to better all round performance.

Pre-tax Earnings

Pre-tax earnings growth at 38% mirrors the buoyant mood of topline growth with PI's usual focus on tight operations. The working capital cycle has maintained direction despite the intervening adverse monsoon momentum.

Post-tax Earnings

Profit After Tax demonstrated a robust 48% increase over last year at Rs. 71.74 crore in line with better operating profit and lower finance costs. This resulted in a Basic EPS of Rs. 5.27 per share from Rs. 3.58 per share in Q1 FY14.

Strong balance sheet

Consistent gains in performance while maintaining healthy cash flows has translated into a stronger balance sheet. Total debt stood at Rs. 54.89 crore as on June 30, 2014 from Rs. 86.01 crore on June 30, 2013.

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

"PI continues to march ahead with yet another solid operating performance characterized by good traction in the domestic operation and consistency of growth in the exports business. We believe that we have a business model that is focused on accelerated growth in revenues while recording improvement in margins.

The quality and distribution of rainfall this season will determine both the pace of the sowing activity and the quantum of acreages being brought under cultivation. In the existing circumstances our model has displayed flexibility of optimal inventory while letting us focus on the targeted product mix. There is a portfolio of products that we continue to benefit from in the domestic business. Whereas the benefit from the introductions made in the recent past is giving us good upsides we are equally excited about the portfolio of new products that are slated for launch.

We are pleased with how custom synthesis exports have scaled up. Utilisation levels across our plants at Panoli and Jambusar will continue to be strong given business visibility. As per our stated time table, we are on schedule to commercialise 2-3 molecules during the present year.



The build-up in the existing line-up is heartening and is a testament to our capabilities in meeting global requirements for the supplies of innovator products. While we have the benefit of a strong, rolling order book, capacity expansion work continues on expanding our SEZ facility at Jambusar. The new plants will lend further boost to our revenues and profit."

Outlook

- Growth expectations for Kharif have scaled back in view of the pattern of the SW monsoon this season and could moderately temper PI's momentum in the domestic business. The outlook stands to improve should the quantum and pattern of rainfall remains favourable to sowing activity
 - Launch of 1 new broad spectrum insecticide on anvil. This is expected to be followed by another introduction in the ensuing cropping season
- Custom synthesis exports are expected to deliver to plan in keeping with the visibility given by the commercialised molecules and incremental gains from the Jambusar operations
 - Commissioning of new capacities at Jambusar will serve to accelerate the volume and value growth in the business



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About PI Industries Ltd. (PI)

Incorporated in 1947, PI Industries (BSE: 523642, NSE: PIIND, ISIN ID: INE603J01030) focuses on Agri-Input and Custom Synthesis with strength of over 1,400 employees, PI Industries currently operates three formulation and two manufacturing facilities as well as five multi-product plants under its three manufacturing locations across Jammu and Gujarat. These state-of-art facilities have integrated process development teams with in-house engineering capabilities. PI Industries is into the following segments:

Domestic Agri-Input

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 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 Exports

Here 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. Custom Synthesis is expected to be the primary growth driver with strong revenue visibility for P I 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 segment is poised for great success. For further information please visit: www.piindustries.com

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