

## **PRESS RELEASE**

### **UNITED PHOSPHORUS LIMITED (“UPL”) AGREES TO BUY CEREXAGRI FROM ARKEMA**

UPL a leading crop-science Company today announced that its has agreed to buy Arkema’s shareholding in Cerexagri Group of companies. This is subject to the prior information and consultation process of Arkema and Cerexagri Works Council and anti-trust approvals in certain countries. The size of the acquisition is expected to be EUR 111 million subject to closing adjustments.

Cerexagri is the crop-science business unit of Arkema with annual revenues of about EUR 200 million. The company specializes in plant protection products, mainly fungicides (which account for about 75% of the sales) and post-harvest treatment products for fruits and vegetables where it is market leader. Cerexagri has over 70 years of experience in the global market. The company has a strong distribution presence in Europe and US which together account for about 80% of the annual sales revenues. The company has manufacturing sites mainly in Europe and employs about 630 personnel overall.

We believe that UPL’s strong product offering of insecticides, herbicides and fumigants fits very well with the complimentary range in fungicides of Cerexagri. Moreover the selling platform provided by the broad and deep distribution capabilities of Cerexagri would create a truly global and competitive combined entity. This positioning would be further enhanced by UPL’s strong manufacturing and R&D capabilities based in India.

This would be UPL’s fifth acquisition in this calendar year following the acquisitions of Advanta BV, Crop Serve, products from Bayer Cropscience and Bensulfuron from Dupont. This acquisition, when completed, would make UPL the 3<sup>rd</sup> largest generic agrochemical company in the world.

UPL is the largest Indian agrochemical company and is engaged in research, manufacturing and distribution of agrochemicals and specialty chemicals across the world.

UPL Group’s sales revenues for the year ended 31<sup>st</sup> March, 2006 were about USD 410 million.

In this transaction UPL is being represented by YES Bank Limited and Close Brothers.