

PRESS RELEASE

UNITED PHOSPHORUS LIMITED ACQUIRES THE AGCHEM BUSINESS FROM JUMBO GROUP

United Phosphorus Limited (UPL) announced today that it has acquired 100% stake in SWAL Corporation Ltd. (formerly known as Shaw Wallace Agrochemicals Limited), from Dubai based Jumbo Group for a consideration of Rs.234 millions (an all cash offer). After accounting for all other items, the enterprise value amounts to Rs.280 million. UPL will finance the transaction through its cash accruals. YES Bank was the exclusive financial & strategic advisor to UPL and the Jumbo Group was exclusively advised by Singhi & Associates Advisors Pvt. Ltd. for this transaction.

SWAL is one of the oldest players in the Indian agchem industry. Its present activities consist of manufacturing, formulation and marketing of agrochemicals and fertilizer mixtures. It has a manufacturing plant located in Haldia for active ingredient. SWAL's revenues for the year ending March'05 were approximately Rs.700 million and has 109 employees.

Commenting on the transaction, Mr. R.D. Shroff, Chairman & Managing Director of UPL states "The acquisition of SWAL accelerates the consolidation within the domestic agchem industry and makes us not only the largest player in some segments but also gives us leadership position in many important products. It allows us increased access in markets in AP, Maharashtra, Kerala and TN. We are glad to have premium brands like STARTHENE, STERAMEAL etc., as part of our portfolio. We expect immediate integration of SWAL and welcome the SWAL employees as they now become a part of UPL family."

Mr. Prakash Nene, Director of Jumbo Group said that this divestiture is in line with their philosophy and global strategy to exit out of non-strategic businesses. He added that in all its divestitures the group has ensured that the company's went to their logical buyers who could properly take care of the businesses and their employees.

"With the acquisition, we continue to move forward with our goal of building a global business through acquisitions and organic growth. We recently received registration for Clodinafop Propargyl Chloride, which is the first generic registration for this product worldwide. This is our first acquisition in the Indian market and we believe that the business under our leadership will grow substantially" -Comments – Mr. Jai Shroff- Executive Director of UPL.

This is UPL's second acquisition in this financial year following its takeover of CEQUISA , a Spanish agchem company with 400 registrations worldwide and sales of Euro 19.3 m (Rs 106 Crores) . Besides, in Nov 2004, UPL has also acquired Agvalue in the USA making it third acquisition in the last 12 months.

United Phosphorus Limited (UPL) is the largest Indian agrochemical player. It is engaged in research, manufacture and distribution of agrochemicals and speciality chemicals across the globe. The Company's revenue's for the year ending March 2005 were in excess of USD 325 mm.(Rs.1422 Crores)

Through acquisitions, strategic alliances and network of over 20 subsidiaries, UPL has built a marketing network across the globe and its international revenues account for over 70% of its total revenues. It exports to over 100 countries, the primary markets being Europe and North America.

UPL has over 2100 employees and has 9 operating plants (8 in India and 1 in UK) all of them are ISO compliant to the highest standards of Quality, Safety, Environment and Occupational Health.