

UNITED PHOSPHORUS LIMITED



Company Background

United Phosphorus Limited (UPL) was established in 1969. The company is engaged in the research, manufacture and distribution of crop protection products, speciality chemicals and other industrial chemicals and seeds. UPL is one of the top-five companies in the world under the generic agrochemical domain. Within India, the company is the largest producer of crop protection products.

The company's agrochemical products are exported to more than 100 countries. The company has built a strong distribution network through acquisitions, strategic alliances and subsidiaries in various parts of the world such as Europe, Asia Pacific, Australia, Africa and the USA. It has wholly owned subsidiaries in Argentina, Australia, China, Denmark, Hong Kong, Japan, Mauritius, Mexico, Russia, South Africa, the USA, the UK, Zambia, Zimbabwe, and representative offices in Vietnam, France and Germany.

For 2005-06, the company posted revenue of EUR 234.48 million and had an employee strength of over 2400 as on 31 March 2006.

UPL in the EU

UPL has followed the inorganic route of expansion in the EU. It has also entered into alliances with other major players in the region. The company has fully owned subsidiaries in Denmark, the UK and Spain. It has marketing offices in Poland, France and Germany.

United Phosphorus offers a comprehensive product portfolio in the EU and aims to meet market needs through the development and introduction of existing and new products, which are both branded and generic.

UPL in the UK

UPL UK is a fully owned subsidiary of UPL India. The company produces high-quality products adhering to international quality standards. It offers a comprehensive range of products in the UK. A majority of the products are manufactured at the production facilities in their own plant at Cheshire, UK. It markets products through the brand and generic routes. The company also helps farmers by encouraging them to use pesticides efficiently.

UPL in Spain

UPL entered the Spanish market in June 2005 through the acquisition of CEQUISA, a Barcelona-based distributor and registrant of crop-protection products. The acquisition includes all stock and related entities, including the company's assets, products, registrations, and property and rights associated with the business of CEQUISA and its subsidiaries. This acquisition has provided UPL with a strong platform to expand and strengthen its presence in Southern Europe and Northern Africa.

UPL in Other EU Countries

Apart from the UK and Spain, UPL has subsidiaries in following EU countries:

- **Denmark:** UPL UK has a majority stake in AgroDan, a Danish company with expertise in formulation technology. The acquisition was

primarily aimed at augmenting UPL's formulation facility in the UK.

- **The Netherlands:** UPL's subsidiary, Biowin Corporation Limited, Mauritius, has acquired Advanta Netherlands Holdings BV, based in the Netherlands. The transaction has made UPL the largest player in some segments.

Factors for Success

Growth through Inorganic Route

The company is pursuing mergers and acquisitions across the globe to gain a foothold in the global market. It has acquired some niche players in the chemical industry such as CEQUISA, a Spanish agro-chemical company. These mergers and acquisitions helped the company to gain a market presence, particularly in Southern Europe and Northern America. UPL UK acquired REPOSO, which deals in crop protection products. This gave the company access to approximately 30 registrations in Argentina. The company has also forged alliances with some of the established names in the EU market. This has been a major aspect of UPL's growth and the company plans to follow a similar path of inorganic growth in the future to expand its foothold in the EU.

Focus on Research and Development

UPL has been enhancing its research and development capabilities to maintain its competitive edge. It has invested extensively on R&D to develop innovative products and chemicals that are both environment and user friendly. Considerable investment has also been focussed on the regulatory requirements for registration support. UPL's R&D team works closely with its customers and helps in researching, developing and registering its products across the globe.

Synergy between Different Operations

The company's manufacturing plants, located in India and other parts of the globe, work in close

collaboration with their on-site technical and quality control teams. These interactions enable UPL to translate quality inputs gathered from its customers into better-quality products.

Future Plans

Diversify Product Offerings

UPL plans to diversify its product portfolio and offer complete solutions for the agricultural sector, including crop protection chemicals, herbicides, weedicides, rodenticides, insecticides and fumigants. The company plans to penetrate the EU by registering its products, thereby facilitating their marketing and distribution in the region.

Enhance Market Penetration

The company is planning to extend its foothold in the EU. It is planning to acquire companies with broad product registrations to enter new markets and expand its product.

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