

TCI Sanmar Chemicals LLC

PRESS RELEASE

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USD 868 million world scale VCM/PVC facilities at Port Said in Egypt - the first ever major international project loan wholly financed by Indian banks

TCI Sanmar Chemicals LLC ("TCI")'s USD 868 million project to establish world scale VCM/PVC production facilities, achieved financial close today. TCI Sanmar is part of The Sanmar Group, a leading Indian Group with a presence in Chemicals, Engineering, Metals, Shipping and Speciality Chemicals.

The TCI Sanmar production facilities, located at Port Said, will be Egypt's largest chlor-alkali plant with a VCM capacity of 400,000 tonnes per annum ("**tpa**"), half of which will be converted into downstream PVC (200,000 tpa) for sale in the local and regional markets. Caustic soda production capacity will also be increased to 275,000 tpa.

The transaction is the first substantial international project loan which is wholly financed by Indian banks. The syndicate is a who's who of leading Indian banks and involves State Bank of India, Bank of India, ICICI Bank, Indian Overseas Bank, Axis Bank, Export-Import Bank of India, Bank of Baroda, Indian Bank, Syndicate Bank and Union Bank of India. State Bank of India, Bahrain branch also acts as facility agent, offshore account bank and offshore security agent.

These banks have together provided a long term loan facility of USD 565 million. Arab African International Bank is providing a separate USD 70 million working capital facility and acts as onshore security agent and onshore account bank.

Commenting on this, Mr N Sankar, Chairman, The Sanmar Group said, “We are thankful to all the banks for their support in closing this landmark financing transaction. The fact that they have been able to close this deal in the difficult financial situation prevailing in the wake of the global melt-down, reflects their inherent strength and their confidence in Indian business in general, and The Sanmar Group and its management in particular. The Group has enjoyed excellent long-term relationships with most of these banks, in some cases, for over four decades”. Mr Sankar added that once TCI Sanmar Chemicals comes on stream in early 2010, The Sanmar Group will be one of the significant global players in PVC.