

ELECTROTHERM (INDIA) LTD.



Ref : EIL/SD/2011-2012/1412

Date : 14th December, 2011

To,
General Manager
Corporate Relations Department
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

To
Vice President
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra – Kurla Complex,
Bandra (East), Mumbai – 400 051

Company Code : 526608

Company Code : ELECTHERM

Dear Sir,

Sub : Sale of Ductile Iron Pipes business of the Company

With reference to the above and in accordance with the approval of shareholders of the Company through Postal Ballot under section 293(1)(a) of the Companies Act, 1956, Electrotherm (India) Limited (the "Company") has today executed binding Agreements pursuant to which Saint-Gobain Produits Pour La Construction SAS, France ("Saint Gobain") will acquire the Ductile Iron Pipes ("DI Pipes") business and 100% stake in a subsidiary of the Company for Rs.950 crores plus the value of working capital at closing. The transaction will be subject to the terms and conditions as set out in the binding Agreements entered into by the parties.

You are requested to take the above information on record.

Thanking You,

Yours faithfully,

For Electrotherm (India) Limited

A handwritten signature in black ink, appearing to read 'Shailesh Bhandari', written over a horizontal line.



Shailesh Bhandari
Managing Director

ELECTROTHERM (India) Limited
HEAD OFFICE & WORKS:

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REGD. OFFICE

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PRESS RELEASE**Electrotherm to sell its Ductile Iron Pipes business to Saint-Gobain****Ahmedabad, December 14, 2011**

Electrotherm (India) Limited (the "Company") has today executed binding Agreements pursuant to which Saint-Gobain Produits Pour La Construction SAS, France ("Saint Gobain") will acquire the Ductile Iron Pipes ("DI Pipes") business and 100% stake in a subsidiary of the Company for Rs.950 crores plus the value of working capital at closing. The transaction will be subject to the terms and conditions as set out in the binding Agreements entered into by the parties.

"We are pleased that our ductile iron pipe business will be transferred to one of the world's leading building materials companies and the global leader in Ductile Iron Pipes. This transaction will enable Electrotherm to focus on its core businesses of Engineering and Steel and also to reduce debt. This Transaction signifies the growing importance of India for global players. Our facilities will allow Saint Gobain to cater to domestic and international markets." said Avinash Bhandari, Jt. Managing Director, Electrotherm (India) Limited.

KPMG Corporate Finance was the exclusive financial advisor to Electrotherm (India) Limited.

About Electrotherm

Electrotherm (India) Limited, founded in 1986, is today India's largest manufacturer of Induction Melting Furnaces & Refining equipments. More than 18 million tons of steel is produced on equipment supplied by Electrotherm every year. The company diversified into Steel manufacturing (long steel products & ductile iron pipe manufacturing) in the year 2005. Since then it has not only grown rapidly to achieve a sales of over Rs. 2300 crores in FY 10-11 but has also emerged as one of the leading long steel producers in Gujarat. The company is also a leader in the country in the electric two wheelers manufacturing segment.

About Saint - Gobain

Located in 64 countries with nearly 190,000 employees, Saint-Gobain, the world leader in the habitat and construction markets, designs, manufactures and distributes building materials, providing innovative solutions to meet growing demand for energy efficiency and for environmental protection.

For any queries in this regard please contact:

Mr. Avinash Bhandari, Jt. Managing Director, Electrotherm (India) Limited at
+91 (2717) 660600 or by email at avinash.bhandari@electrotherm.com.

