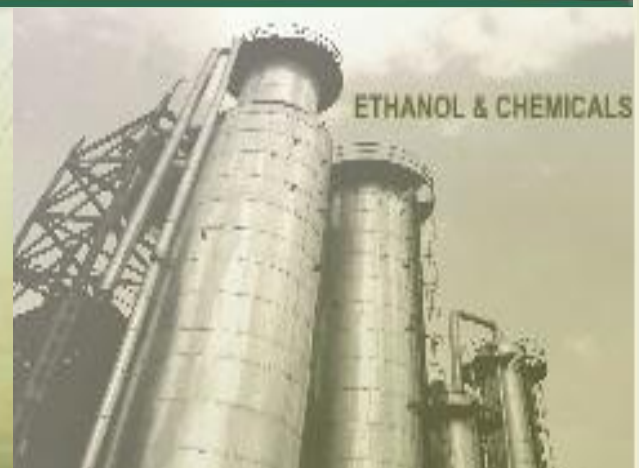


Dhampur Sugar Mills Limited

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Q3 FY13 Results Presentation
February 8, 2013

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Dhampur Sugar Mills Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

All figures are consolidated unless otherwise mentioned

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Our Strengths



Multifaceted Operations

- Integrated operations comprising sugar, co-gen power and ethanol/chemicals
- Designed to overcome cyclicalities in the sugar segment

Sugar

- Capacity of 39,500 TCD with over 1,700 TCD refined sugar capacity
- Ensure optimal mix between refined and crystallized sugar - results in higher blended realizations

Co-gen Power

- 150 MW capacity with 85 MW saleable capacity
- Highest Power-to-sugar capacity (2.15 kw per TCD)
- Multi-fuel boilers & Bagasse Dryer System ensure sustained supply of power at high PLFs resulting in competitive operating costs

Ethanol/Chemicals

- Capacity of 270 KLPD - Flexible manufacturing set-up enables switch between products – driven by prevailing margin scenario
- Molasses conversion to Rectified spirits / ENA / Chemicals / Ethanol (6.8 litres per TCD)

Healthy Balance Sheet

- Leverage strong financial position to better withstand market volatility

Financial Snapshot

Particulars (₹ million)	Q3 FY13	Q3 FY12	Shift %	9M FY13	9M FY12	Shift %
Revenues	3,156.6	4,578.3	(31.1)	10,004.8	10,987.4	(8.9)
EBIDTA	457.4	434.8	5.2	1,504.8	1,307.8	15.1
PAT	53.3	22.5	136.9	225.4	73.1	208.3
Cash Profits	263.6	220.0	19.8	775.7	528.1	46.9

Segmental Overview



Revenues (₹ million)	Q3 FY13	Q3 FY12	Shift %	9M FY13	9M FY12	Shift %
Sugar	2,897.1	4,411.8	(34.3)	8,009.4	10,052.6	(20.3)
Co-gen Power	1,046.0	1,058.2	(1.2)	1,683.5	1,528.6	10.1
Ethanol/Chemicals	465.9	403.7	15.4	2,123.5	1,012.9	109.7

PBIT (₹ million)	Q3 FY13	Q3 FY12	Shift %	9M FY13	9M FY12	Shift %
Sugar	(104.3)	(69.9)	--	402.8	541.1	(25.6)
Co-gen Power	361.4	300.7	20.2	451.8	339.4	33.1
Ethanol/Chemicals	50.9	46.1	10.4	313.1	112.1	179.3

Q3 FY13 – Performance Review



All comparisons with Q3 FY12 unless otherwise stated

- **Net Sales stood at ₹ 3,156.6 million**
 - ❑ Sugar realizations have improved in comparison to corresponding last quarters
 - ❑ Stagnant power sales volumes due to saved bagasse availability
 - ❑ Increased sales volumes combined with enhanced realizations boost Ethanol/Chemicals revenues

- **PBIT at ₹ 308.0 million as compared to ₹ 277.0 million**
 - ❑ Subdued earnings from Sugar segment as higher free sale sugar realizations did not commensurate increase in cane cost
 - ❑ Enhanced power sales volumes resulted in increase in Power segment PBIT
 - ❑ Chemical/Ethanol segment earnings augmented on the back of higher sales volumes at improved sales realizations

- **PAT at ₹ 53.3 million as compared to ₹ 22.5 million**

- **Cash Profit at ₹ 263.6 million as against 220.0 million**

Message from Management



Commenting on the performance for Q3 FY13, Mr. Gaurav Goel and Mr. Gautam Goel, Managing Directors, Dhampur Sugar Mills Limited, said:

“The performance during the quarter is a reflection of our strong, integrated and efficient business model. Testimony to this is the robust performance of our ancillary businesses, which has more than negated the impact of subdued earnings from the sugar business.

Sugar season 2012-13 has begun on an encouraging note and we expect recovery percentage and sugar production to be higher. However, we anticipate stress on sugar margins as the current realizations do not commensurate for the higher cost of production. While we expect some cushion from our ancillary businesses; government policies on import duty, removal of levy and other recommendations of the Rangarajan Committee will influence the performance for SS2012-13 and determine the return on capital employed of the business.

Overall, while the sugar sector continues to have its own set of dynamics; healthy volumes and realizations of Power and Ethanol/Chemicals will hold us in good stead to ride the sugar cycles in a relatively comfortable manner.”

- The closing inventory level in sugar season (SS) 11-12 stood at ~6.5 million tonnes
- Consumption growing at a sustained rate of 3% at ~22-23 million tonnes
- For SS 2012-13, initial estimates suggest cane crushing to be lower by ~6% at ~24.3 million tonnes
 - ❑ Drought like situation in western and southern India likely to result in 20-30% decline in sugar production to ~ 7 million tons from 9 million tons in Maharashtra
 - ❑ On the other hand, sugar production in U.P. to be higher at ~8.1 million tonnes from 7 million tonnes in SS 2011-12 on the back of improved cane acreage, increased availability of cane and better yields
 - ❑ Better clarity on sugar production closer to the end of the season
- Further, the country has imported ~ 1 million tonne of white and raw sugar to take advantage of lower international prices
- Despite lower sugar production expected in SS 2012-13, domestic sugar realizations have mirrored international prices and are now trading at ~ ₹ 32,500 per tonne (ex-mill)
- SAP at ₹ 280 per quintal against ₹ 240 per quintal for last year
- Any rational development on de-regulation expected to improve sugar scenario
- Higher sugarcane availability in U.P. to facilitate increased volumes in ancillary businesses - reduce volatility and augment earnings
 - ❑ Stable power prices to further improve earnings from co-gen power segment
 - ❑ Chemical/Ethanol business expected to contribute positively – fresh tenders for Ethanol invited – prices likely to be higher

Sugar Segment

- Higher cane availability in SS 2012-13 likely to improve utilization levels
 - ❑ Total cane crushing expected to be higher by 12 to 15%
 - ❑ Improved recoveries compared to last year
- Expect stress in margins as current free sale sugar margins do not commensurate cost of production

Power Segment

- The Company's exportable co-gen capacity is at 85 MW available for full year
 - ❑ Realizations expected to continue above ₹ 4.0 per unit in the sugar season
 - ❑ The Company will continue with power sales even during the off-season given improved bagasse availability due to higher cane crush

Chemicals/Ethanol Segment

- Supply of Ethyl Acetate at stable realization of ~ ₹ 50 per kg and enhanced RS realizations of ₹ 32 per BL

Financial initiatives and Interest cost

- The term debt as on December 31, 2012 stood at ₹ 4,621 million
- Current SDF loan (Rate of Interest - 4%) stands at ₹ 1,449 million
- JK Sugar Ltd. is being merged with the Company through scheme of amalgamation w.e.f. 1st April, 2012, in accordance with the provisions of section 391 and 394 of the Companies Act, 1956, subject to necessary statutory approvals. Court convened meetings for Shareholders, Lenders and Creditors have recommended for such merger. Pending such approvals, no accounting adjustment has been made in respect thereof

Sugar Segment



Financial

Operational

* Lac tonnes

Particulars	Revenues (₹ mn)	Revenue Contribution %	PBIT (₹ mn)	Cane Crushed*	Recovery %	Sugar Production*	Sugar Sales*	Free Sugar Realizations (₹/kg)
Q3 FY12	2,897.1	65.7	(104.3)	12.3	9.13	1.12	0.68	35.45
Q3 FY12	4,411.8	75.1	(69.9)	13.3	8.65	1.11	1.08	30.69
9M FY13	8,009.4	67.8	402.8	12.7	9.17	1.16	2.16	33.56
9M FY12	10,052.6	79.8	541.1	13.9	8.76	1.21	2.70	29.51

- Better realizations compared to previous quarter
- Earnings subdued due to higher production cost compared to realizations
- Higher Sugar recoveries expected in SS 2012-13
- Refined sugar '*Dhampure*', which has a premium, contributed to 41% of the total quantitative Sugar sales during 9M FY 13

Financial

Particulars	Revenues (₹ mn)	Revenue Contribution %	PBIT (₹ mn)
Q3 FY13	1,046.2	23.7	361.4
Q3 FY12	1,058.2	17.8	300.7
9M FY13	1,683.5	14.3	451.8
9M FY12	1,528.6	11.9	339.4

Operational

* crore units

Power Generation*	Power Export to UPPCL*	Realizations (₹/unit)
15.33	10.43	4.24
14.27	9.26	4.25
28.38	20.39	4.26
22.39	15.48	4.40

- Higher revenue contribution driven by improved bagasse availability
- This segment continues to be a healthy contributor to profitability in a cyclical sugar business
- Dhampur continues to focus on this division to offset the cyclicity of the sugar business and expect this division to provide an earnings cushion during a down-cycle

Chemical/Ethanol Segment



Financial

Operational

Particulars	Revenues (₹ mn)	Revenue Contribution %	PBIT (₹ mn)
Q3 FY13	465.9	10.6	50.9
Q3 FY12	403.7	6.8	46.1
9M FY13	2,123.5	18.0	313.1
9M FY12	1,012.9	7.9	112.1

Chemicals (Lac KG)		RS/ Ethanol (lac BL)	
Production	Sales	Production	Sales
98.32	75.41	57.52	35.97
48.06	44.26	56.66	57.88
275.10	277.28	205.48	237.72
96.42	96.84	170.78	181.02

- Higher sales volume combined with stable realizations improved performance
- Average realizations for Chemicals stood at ₹ 49,393 per tonne in Q3 FY13KL
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at ₹ 31,730 per KL compared to ₹ 30,783 per KL in Q3 FY12

Dhampur Sugar Mills Limited (Dhampur) is a focused Company having core competencies of being one of the largest and most integrated sugar companies in India. This has been built on a record of accomplishment of continuous value additions, process optimizations and innovations. The allied businesses of the Company comprise distillery operations, cogeneration of power and manufacturing of bio-compost. The Company has four sugar factories located in Central & Western Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 39,500 TCD, of which 43% is refined sugar capacity, i.e. 1,700 MT of refinery capacity, Co-generation and distillery operations of 150 MW (85 MW Saleable) and 270 KLPD respectively.

Over the years, Dhampur has become the most integrated company.

For more information on the Company, please log on to www.dhampur.com or contact:

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