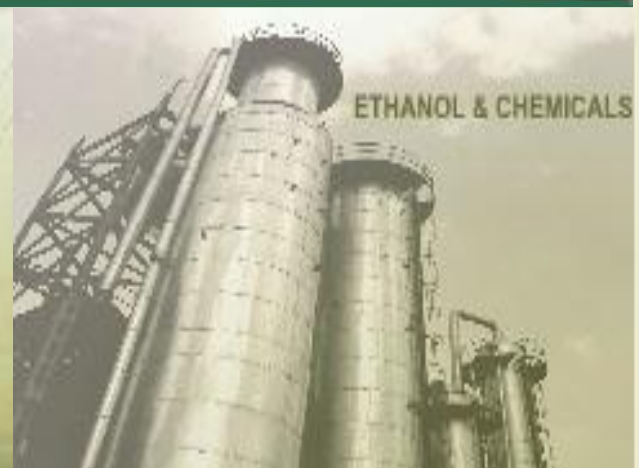


Dhampur Sugar Mills Limited

241, Okhla Industrial Estate Phase III, New Delhi – 110 020

www.dhampur.com



Q2 FY13 Results Presentation
October 30, 2012

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

Table of Content

<u>Title</u>	<u>Slide No.</u>
Our Strengths	4
Financial Snapshot	5
Q2 FY13 - Performance Review	6
Message from Management	7
Overview	
- Sector	8
- Dhampur	9
Segmental Performance	
- Sugar	10
- Power	11
- Chemical/Ethanol	12
About Us	13

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 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)	Q2 FY13	Q2 FY12	Shift %	H1 FY13	H1 FY12	Shift %
Revenues	3,405.0	4,066.7	(16.3)	7,034.1	6,577.0	6.9
EBIDTA	512.6	453.8	13.0	1,047.4	873.0	20.0
PAT	108.0	40.1	169.6	172.2	50.6	240.4
Cash Profits	236.8	173.5	36.5	512.1	308.1	66.2

Q2 FY13 – Performance Review



All comparisons with Q2 FY12 unless otherwise stated

- **Net Sales stood at ₹ 3,405.0 million**
 - ❑ Revenues from sugar division stood at ₹ 2,524.9 million
 - ❑ Higher power sales volumes due to increased bagasse availability resulted in 64.8% growth in revenues to ₹ 258.5 million compared to ₹ 156.9 million
 - ❑ Chemical/Ethanol revenues enhanced by 111.3% at ₹ 776.5 million compared to ₹ 367.5 million due to increased sales volumes combined with stable realizations
- **PBIT up 12.9% at ₹ 426.6 million vis-a-vis ₹ 377.8 million**
 - ❑ Stable sugar sales volumes at better realizations resulted in Sugar segment PBIT at ₹ 304.4 million – growth moderated on account of increase in cane cost
 - ❑ Power segment PBIT increased from ₹ 20.0 million to ₹ 24.8 million consequent to higher power sales volumes
 - ❑ Chemical/Ethanol segment earnings higher on the back of enhanced sales volumes – PBIT at ₹ 97.3 million from ₹ 43.3 million
- **PAT at ₹ 108.0 million compared to ₹ 40.1 million**
- **Cash Profits at ₹ 236.8 million compared to ₹ 173.5 million**

Message from Management



Commenting on the performance for Q2 FY13, Mr. Gaurav Goel and Mr. Gautam Goel, Managing Directors, Dhampur Sugar Mills Limited, said:

“We are enthused to report a robust operational and financial performance led by higher sugarcane availability in SS 2011-12 combined with improving realizations. All our business segments reported positive margins considering the higher cost of cane substantiating the fact of having built an integrated and efficient business model.

We are also happy with the well balanced recommendations made by the Rangarajan Committee which takes into account the benefits to the farmers, consumers and stability to the millers. Going forward, rational development on de-regulation will determine the return on capital employed of the business which currently remains below expectations.

Overall, we believe that we are one of the most efficient and integrated mills in the country with a strong balance sheet. This makes us well poised to take advantage of the macro environment and enable us to ride the sugar cycles in a relatively comfortable manner.”

- The closing inventory level in sugar season (SS) 11-12 is expected to be largely unchanged at ~5-6 MTs
 - ❑ Total sugar production in SS 2011-12 stood at around at ~26 million tonnes
 - ❑ Consumption growing at a sustained rate of 3% at ~22-23 million tonnes
 - ❑ Export of 3 million tonnes of sugar done during SS 2011-12
- For SS 2012-13, initial estimates suggest cane crushing to be lower by ~5-7 % to ~ 24 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, improved cane acreage and increased availability of cane is expected to result in sugar production in U.P. to be higher at ~8 million tonnes from 7 million tonnes in SS 2011-12
 - ❑ Better clarity on sugar production to be closer to the end of the season
- Given expectations of lower sugar production in the country, domestic sugar prices are witnessing an upward trend; current realizations stable at ~ ₹ 35,000 per tonne (ex-mill)
- Cane prices for the next season is yet to be announced
- Recent recommendation of Dr. C Rangarajan Committee expected to improve sugar scenario
- Higher sugarcane availability 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 – any rational development in the Saumitra Chaudhuri committee with regards to hike in ENA prices likely to improve performance

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%
 - ❑ Better sucrose content to enable higher recoveries compared to last year
- PBIT growth dependent on cost of cane for SS 2012-13 and subsequently free sale sugar realizations

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

Financial initiatives and Interest cost

- The term debt as on September 30, 2012 stood at ₹ 4,902.1 million
- Current SDF loan (Rate of Interest - 4%) stands at ₹ 1,442.3 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. Permission from Competition Commission of India for merger is received. Pending such other approvals, no accounting adjustment has been made in respect thereof

Financial				Operational	
Particulars	Revenues (₹ mn)	Revenue Contribution %	PBIT (₹ mn)	Sugar Sales (Free+Levy)	Free Sugar Realizations (₹/kg)
Q2 FY13	2,524.9	70.9	304.4	0.71	35.52
Q2 FY12	3,571.8	87.2	314.4	0.98	28.76
<i>Y-o-Y Shift %</i>	<i>(29.3)</i>	--	<i>(3.2)</i>	<i>(27.6)</i>	<i>23.5</i>
H1 FY13	5,298.2	69.8	507.2	1.48	32.81
H1 FY12	5,808.6	84.3	611.0	1.62	28.73
<i>Y-o-Y Shift %</i>	<i>(8.8)</i>	--	<i>(17.0)</i>	<i>(8.6)</i>	<i>14.2</i>

- Sustainability of PBIT and revenues due to improved realizations despite higher cane cost
- Earnings growth moderated due to higher cost of production on account of higher landed cost of cane
- Refined sugar 'Dhampure', which has a premium, contributed to 43.3% of the total quantitative Sugar sales

Power Segment



Financial				Operational			* crore units
Particulars	Revenues (₹ mn)	Revenue Contribution %	PBIT (₹ mn)	Power Generation*	Power Export to UPPCL*	Realizations (₹/unit)	
Q2 FY13	258.5	7.3	24.8	5.47	4.34	4.31	
Q2 FY12	156.9	3.8	20.0	2.39	1.84	4.67	
<i>Y-o-Y Shift %</i>	<i>64.8</i>	<i>--</i>	<i>24.0</i>	<i>128.9</i>	<i>135.9</i>	<i>(7.7)</i>	
H1 FY13	637.6	8.4	90.3	13.05	9.97	4.27	
H1 FY12	470.5	6.8	38.6	8.12	6.22	4.62	
<i>Y-o-Y Shift %</i>	<i>35.5</i>	<i>--</i>	<i>133.9</i>	<i>60.7</i>	<i>60.3</i>	<i>(7.6)</i>	

- Higher revenues were primarily driven by healthy sales volume enabled by improved bagasse availability
- The segment continues to be a healthy profit contributor 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)	Chemicals (Lac KG)		RS/ Ethanol (lac BL)	
				Production	Sales	Production	Sales
Q2 FY13	776.5	21.8	97.3	68.06	82.07	73.76	108.22
Q2 FY12	367.5	9.0	43.3	22.36	25.84	51.57	85.76
Y-o-Y Shift %	111.3	--	124.7	204.4	217.6	43.0	26.2
H1 FY13	1,657.6	21.8	262.2	176.78	201.87	147.96	201.75
H1 FY12	609.2	8.8	66.1	48.36	52.58	114.15	123.14
Y-o-Y Shift %	172.1	--	296.7	265.6	283.9	29.6	63.8

- Higher sales volume combined with stable realizations improved performance
- Average realizations for Chemicals stood at ₹ 49,160 per tonne in Q2 FY13
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at ₹ 29,480 per KL compared to ₹ 26,390 per KL in Q2 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:

Arhant Jain

Dhampur Sugar Mills Limited

Tel: +91 11 3065 9418 / 9400

Fax: +91 11 2693 5697

Email: arhantjain@dhampur.com

Ishan Selarka

CDR India

Tel: +91 22 6645 1232

Fax: +91 22 6645 1213

Email: ishan@cdr-india.com