

DALMIA BHARAT SUGAR AND INDUSTRIES LTD.

Financial Results for quarter and nine months ended Dec 31, 2010



January 27, 2011

Presentation Plan

Corporate Highlights

Financial Results

Integrated Sugar Business

Sugar Industry Highlights

Contact Us

Corporate Highlights

Key Strategic Initiatives

Continued focus on reducing greenhouse emissions

- Submitted application for Clean Development Mechanism (CDM) registration for Jawaharpur unit

Installing Bio-methanation plant at distillery

- To be operational from SY12

Expanding footprint in the Renewable Energy space

- **Solar incubation of 10 MW in Rajasthan at advanced stages**
- Land possession and all other statutory approvals have been received
- PPA signed with NVVN for 25 years (NTPC Vidyut Vyapar Nigam) at an average tariff for Solar Thermal Technology is Rs 15.31/kwh
- The company presently has capacity of 95.5 MW of renewable energy

Corporate Social Responsibility

Supporting **School children**

156 children benefitted through remedial centres- zero drop out during intervention period and improvement in school performance observed

Income generation - 30
youth trained - **16**
beneficiaries earning Rs. 500-Rs. 6000 a month.
30 women will be trained on cutting and tailoring this month.

Corporate Citizenship

Health Services

1,602 beneficiaries from health camps, ante-natal and post-natal treatment and care – improved health indices

Long Term Livelihood Development –
Partnership with NABARD for livelihood project and with L&T for construction skills

Village empowerment and institutional strengthening – 5
Self Help Groups formed with 54 members are already savings have started forming

Financial Results

Financial Results Highlights

Income			Q3'11	9M'11 (YoY)
• Gross Sales			: Rs. 188 cr	Rs. 522 cr ; ↑ 9%
• Net Sales			: Rs. 182 cr	Rs. 504 cr ; ↑ 9%
• Total Income			: Rs. 185 cr	Rs. 516 cr ; ↑ 10%

Profits			Q3'11	9M'11
• EBITDA			: Rs. 39 cr	Rs. 10 cr
• Net Profit			: Rs. 12 cr	Rs. (38) cr

Margins			Q3'11
• EBITDA			: 21%
• PAT			: 6%

- Improved sales on YOY basis due to higher volumes in 9M'11
- Repaid Rs. 289 cr of debt in HY1'11 leading to lower Debt Equity ratio of 1.1 x and lower interest cost, down 12% YOY in Q3'11
- Sugar spot prices higher at Rs.30/kg

Q3'11 Results – Business wise

Period ending (Rs in crore)	Q3'10			Q3'11			YoY%		
	Sugar	Others	Total	Sugar	Others	Total	Sugar	Others	Total
Gross Sales	180	9	189	174	15	188	-4%	71%	0%
Net Sales	174	8	182	168	14	182	-4%	74%	0%
Operating Other Income	2	2	4	2	2	3			
Total Income	176	10	186	169	16	185	-4%	51%	-1%
Operating Expenses	137	9	146	136	10	146			
EBITDA	39	2	40	33	6	39	-14%	209%	-4%
EBITDA Margins %	22%	17%	22%	20%	35%	21%			
Other Income			0			1			
Depreciation			10			11			
Interest			11			9			
Profit Before Tax			20			19			
Tax			7			8			
PAT			12			12			
PAT Margin %			7%			6%			

➤ Sugar volumes up 9% YoY for the qtr on account of higher sugar inventory sales

* Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite and miscellaneous businesses

** Previous period numbers have been reclassified/regrouped as per current quarter groupings

9M'11 Results – Business wise

Period ending (Rs In crore)	Nine Months'10			Nine Months'11			YoY%		
	Sugar	Others	Total	Sugar	Others	Total	Sugar	Others	Total
Gross Sales	441	37	478	481	40	522	9%	10%	9%
Net Sales	424	36	460	464	39	504	9%	10%	9%
Other Operating Income	3	5	8	8	4	12			
Total Income	428	41	469	472	44	516	10%	7%	10%
Operating Expenses	354	27	381	478	28	506			
EBITDA	73	14	88	(6)	16	10			
EBITDA Margins %	17%	35%	19%	-1%	36%	2%			
Other Income			0			2			
Depreciation			31			31			
Interest			37			35			
Profit Before Tax			21			(54)			
Tax			6			(16)			
PAT			14			(38)			
PAT Margin %			3%			-7%			

Net Sales grows 9% ...

- **Realizations:**

- Sugar 1%↑;

- **Volume:**

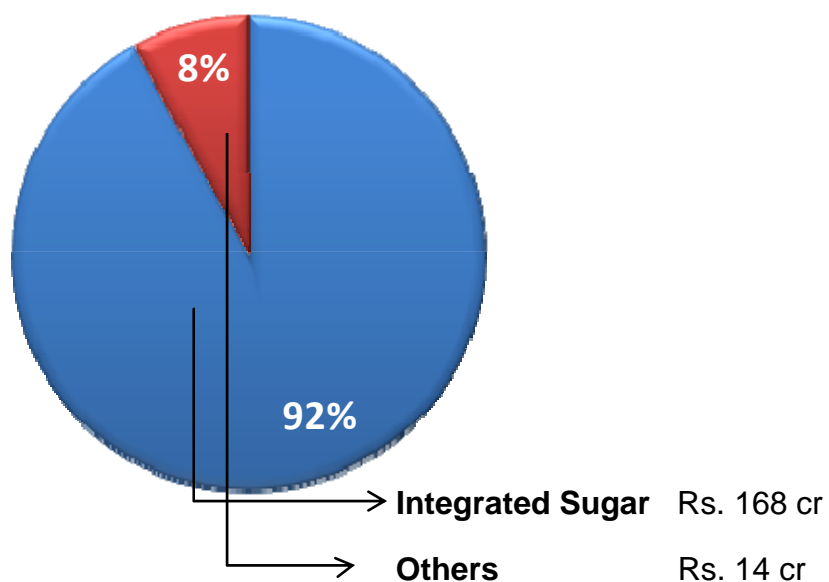
- Sugar 6%↑

* Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite and miscellaneous businesses

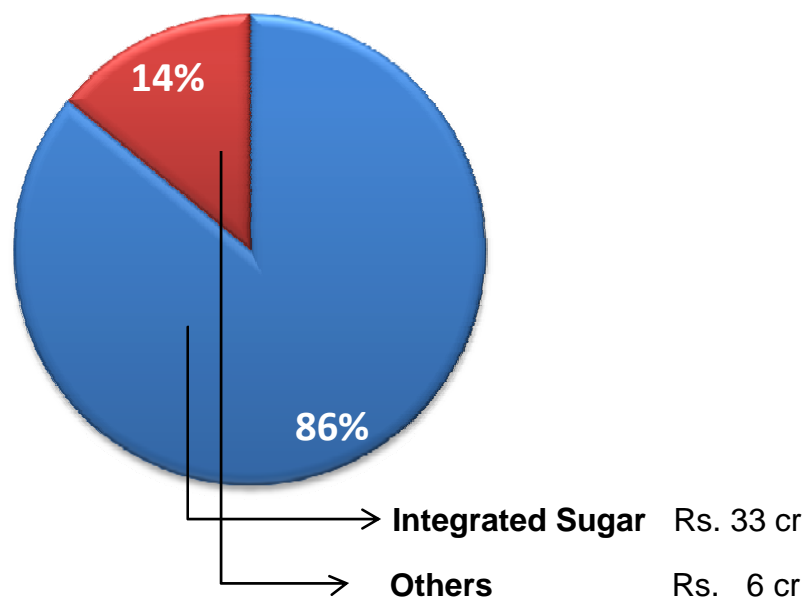
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Q3'11 Business Mix

Total Net Revenue Mix



Total EBITDA Mix



* Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite and miscellaneous businesses

** Previous period numbers have been reclassified/regrouped as per current quarter groupings

Key Balance Sheet Parameters

(Rs. In Crore)	30-Sep-10	31-Dec-10
Net Worth	374	386
Debt	460	418
Term Loans	300	300
Soft Loans	108	118
Working Capital	52	-
Deferred Tax	73	80
Total	906	884
Net Fixed Assets*	623	617
Investments	5	5
Cash and equivalents	69	67
Net Current Assets	209	195
Total	906	884
Debt to Equity	1.2	1.1
Net Term Debt to Equity	0.6	0.6

* including CWIP

- Repayment of term loan from internal accruals leading to **improved Debt to Equity**
- Lower Debt Equity Ratio as compared to peers
- Investments in **mutual funds** to the tune of **Rs. 18 cr** as on Dec 31'10

Integrated Sugar Business

Integrated Sugar Highlights – Q3'11

Power exported up 22% YoY

- Due to availability of higher bagasse

Higher cane area allocation

- Increased 16% to 48,500 hectares

Improvement in cane recoveries

- Up 20 bps to 8.97% YoY

Integrated Sugar Metrics

Operational Metrics Sugar	Units	Q3'10	Q3'11	Growth%/bps	9M'10	9M'11	Growth%/bps
Crushed cane	T	552,385	573,180	4%	552,385	573,180	
Recovery	%	8.8%	9.0%	20	8.8%	9.0%	20
Production Volume	T	60,570	57,603	-5%	75,001	67,609	-10%
Sales Volumes	T	49,723	54,311	9%	146,735	155,132	6%
Sales Realizations	Rs/T	30,328	27,286	-10%	26,280	26,480	1%

- YTD sugar realizations up 1% YoY
- Most high cost sugar inventory out of the system
- Going forward, performance to be mapped to current production costs and inventories
- White Sugar inventory as on Dec 31'10 stood at 55,640 T @ Rs. 27,080/T

Integrated Sugar - Cogen Metrics

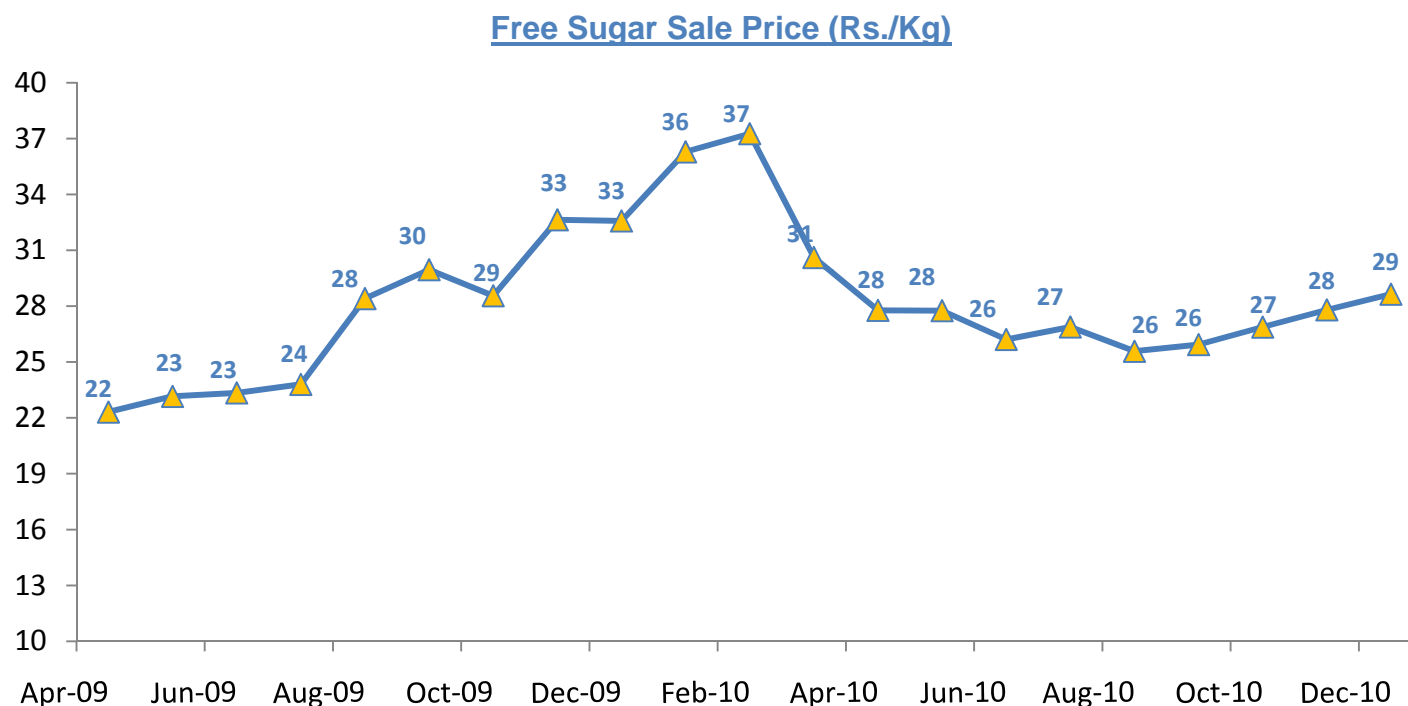
Cogeneration Units	Units	Q3'10	Q3'11	Growth%	9M'10	9M'11	Growth%
Installed Capacity	MW	79	79	-	79	79	-
Power generated	lakh kwh	542	629	16%	817	1,255	54%
Power Exported	lakh kwh	339	415	22%	574	974	70%
Power Realization	Rs/Kwh	4	4	1%	3.8	4.7	25%

- Power export up 70% YoY for 9M'11 due to
 - Significant coal based power generation during offseason
 - Higher cane crushed in Q3'11
- YTD Co-gen Realizations up 25% YoY

Update on Cane Pricing

- SAP of Cane for SY11 fixed at Rs.2,050/MT
- Landed cost of cane stood at ~ Rs.2,150-2,200 levels in Q3'11
- No significant change expected in cane prices in the early part of Q4'11
- Any further downside of more than 1 MnT to All India production estimates may provide some upside to cane prices

Free Sugar Pricing



- Sugar prices recover from the lows of Rs. 25-26/kg to ~Rs.29/kg in Dec'10
- Spot prices at Rs. 30/Kg in our markets
- Higher international raw sugar prices (@32-33 cent/lb) to help domestic prices

Regulatory Update

Decontrol of Sugar

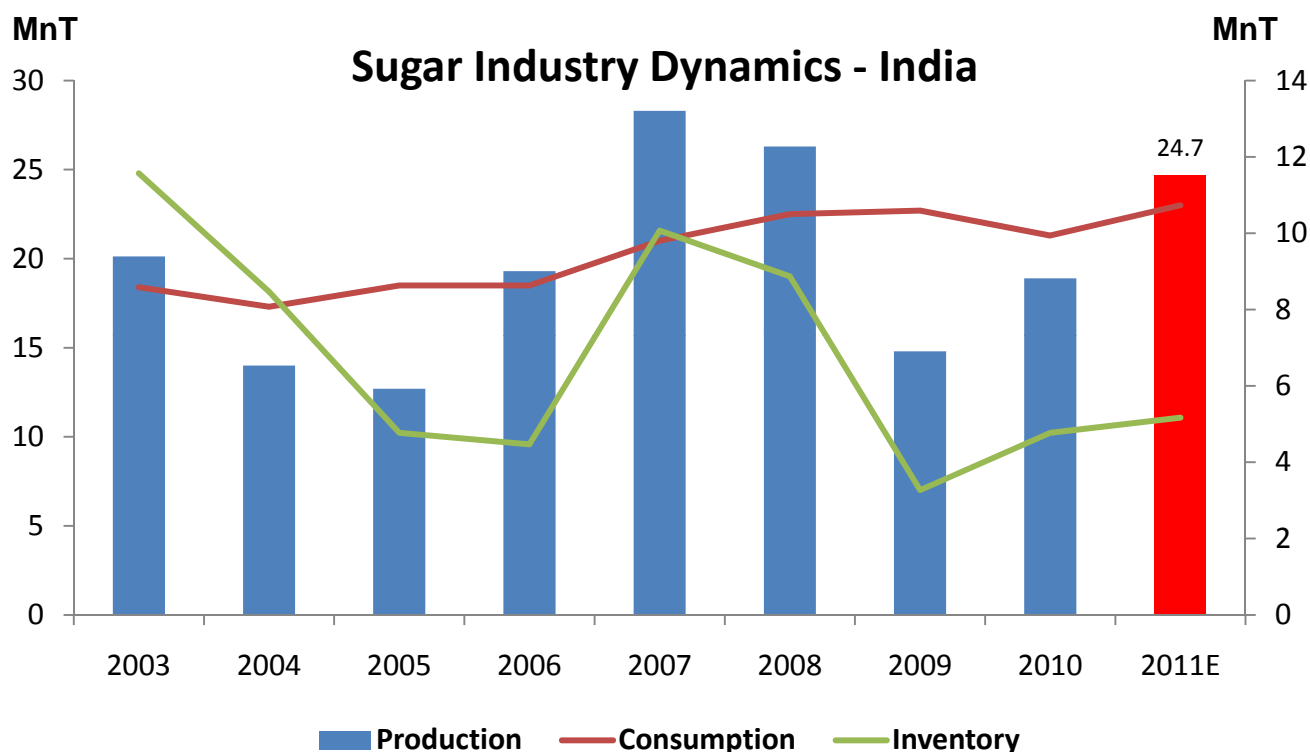
- Agriculture Ministry has ruled out deregulation in the near term owing to inflationary pressure on other Agro commodities

Other Matters:

- Levy quota for 2010-11 season has been reduced to 10 % w.e.f Oct 1'11
- Ban on Future Trading lifted on 1st October 2010, trading re-started on 27th December 2010
- Restoration of 0% import duty up to Mar 31'11 to keep prices under control
- Permission of export of sugar up to 5 lac tonnes under OGL has been brought under review in view of the inflationary pressure on the economy
- Stockholding limits of dealers (200 MT per dealer in sugar producing state and 1,000 MT per dealer in non sugar producing state) has been extended up to 31st Mar'11

Sugar Industry Highlights

Sugar Production Estimates Revised Downwards



Source: ISMA

- ISMA revises the sugar production estimates to 24.7 MnT from 25.5 MnT earlier
- No significant change expected in year end inventory – likely to help prices

Domestic Production Outlook for SY11

State	SY07	SY08	SY09	SY10	SY11e
UP	8.5	7.3	4.1	5.2	6.6
Maharashtra	9.1	9.1	4.6	7.1	9.2
Karnataka	2.7	2.9	1.7	2.5	3.3
TN	2.5	2.1	1.7	1.2	1.5
Others	5.6	5.0	2.6	2.8	4.1
India Total	28.4	26.4	14.7	18.8	24.7

Source: ISMA

- ISMA lowers production estimates for SY11 to 24.7 MnT
- Demand likely to be in the range of 23-23.5 MnT

Ethanol Blending Programme Finally Takes Off

- Interim price fixed at Rs. 27/litre for blending with petrol, up from Rs. 21/litre
- Update on ethanol pricing is expected soon with no significant change anticipated
- Ethanol blending programme (5% blending with petrol) has been re-introduced from Nov 2010

Ethanol blending programme will help us in sustaining margins in years of down cycle

Contact Us



For Queries and Comments

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THANK YOU

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