BALRAMPUR CHINI MILLS LIMITED

Q3 & 9M FY2012
RESULTS PRESENTATION

Contents

A Leading Integrated Sugar Player in India

Large Capacities	Sugarcane crushing capacity at 76,500 TCD, Distillery and Co-generation operations of 320 KLPD and 126 MW (Saleable) respectively
Focus on Value Maximization	One of the pioneers of Integrated Business Model in India Stabilizes revenue streams along with providing a hedge against the sugar cycle
Management expertize	Strong management team with years of sugar industry experience
Operational efficiencies	Employ latest technology to achieve highest operational results Leveraging inter-plant synergies to maximize by-product utilization
Healthy Balance sheet	One of the strongest balance sheet in the industry

Performance Highlights

Q3 FY2012 Financial Performance highlights

- Net Revenue grew by 24.9% to ₹ 6,637.4 million
- EBITDA stood at ₹ (113.0) million
- Net Profit stood at ₹ (640.1) million
- Diluted EPS at ₹ (2.62) per share

9M FY2012 Financial Performance highlights

- Net Revenue at ₹ 17,425.5 million
- EBITDA at ₹ 521.8 million
- Net Profit at ₹ (1,233.1) million
- Diluted EPS at ₹ (5.00) per share

Management's Message

Commenting on the performance for Q3 & 9M FY2012, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited, said:

"We have registered healthy revenue growth primarily on the back of improved volumes witnessed across our operations. Earnings in the sugar segment were subdued on account of rising cane costs and lower recoveries, which adversely impacted cost of production apart from one time hit due to accounting of differential sugarcane price amounting to ₹92 crores for the sugar season 2007-2008 on account of Supreme Court verdict. However, we registered robust contribution to profitability from co-generation and distillery segments owing to higher production in cogeneration and better realizations in distillery segments.

The sugar industry has welcomed our Honorable Prime Minister Dr. Manmohan Singh's decision to set-up an expert committee to examine de-regulation of the sugar sector on a priority basis. De-regulation will lead to increased capital flows, augment industry scale and bring in efficiency. We sincerely hope that the Government takes adequate steps to address the issues plaguing the sugar industry.

Our integrated operations have remained core to the Company's business model and we are certain of excelling in a conducive operating environment ."

Company Highlights

- As per the Supreme Court order on 17 January 2012, payment of differential sugarcane dues in the state of Uttar Pradesh for the season 2006-07 and 2007-08 to be paid within a period of 3 months
  - ✓ BCML's outstanding principal amount of differential sugarcane price (₹ 7/- per qntl.) for the season 2006-07 is about ₹ 235 million for which necessary provision had already been made in the books and outstanding liability of about ₹ 920 million for the season 2007-2008 (₹15/- per qntl.) which has now been provided during this December quarter results
  - ✓ In the said order, the Supreme Court also said that the power of the State Government to fix the cane prices to be referred to larger Bench, so that controversy which arises almost every year is settled by an authoritative judgment.
- BCML reported 39% higher sugarcane crushing on account of improved cane availability due to higher acreage during this period. This is also owing to early start of the crushing season.
  - ✓ Crushing target for the season 2011-12 is at 8.0 crore quintal
- Sugar production for the quarter increased by 32% to 24.8 lakh quintals, again owing to early start of crushing.
  - ✓ State of Uttar Pradesh (U.P.) witnessed lower recoveries on account of quality of sugarcane variety
  - ✓ During the quarter, the Company witnessed recoveries of 8.84% as compared to 9.05% in the corresponding quarter last year.

Company Highlights

- The Company's landed sugarcane cost for the quarter stood at ₹252.0 per quintal
  - ✓ U.P. government declared a State Advised Price (SAP) of ₹ 240 per quintal of sugarcane for the 2011-12 sugar season
  - ✓ U.P. Sugar Mills Association has filed a writ petition in the Lucknow Bench of Allahabad High Court against fixation of ₹ 240.00 per qntl of sugar cane price by the State Government.
  - ✓ Higher sugarcane and lower recoveries to adversely impact performance of U.P. based millers at current sugar realization levels
- Co-generation and Distillery businesses delivered strong revenue and earnings performance due to higher production and better realizations
  - ✓ Increase in sugarcane crushing will improve volumes in allied businesses
  - ✓ Firm price realizations seen in Rectified Spirit (RS) and Extra Neutral Alcohol (ENA)

Sector Perspectives

- Domestic sugar realization remain steady
  - ✓ First tranche of 1 million tonne export allowed during the period under review out of the current seasons production. Further Exports are expected in the ongoing sugar season which will improve the demand-supply balance
- Lower yields witnessed in the country to marginally impact sugar production in the current season
  - ✓ Sugar production in India is estimated to be in the range of 25 million tonnes approx
- Global sugar prices expected to stabilize as a result of overall demand – supply scenario
  - ✓ Brazil, world's top sugar producer, production expected to be lower
  - ✓ Higher production in India, the European Union, Thailand and Russia leading to sugar surplus
  - ✓ Increasing imports from China, the world's second-largest sugar consumer after India, absorbing the surplus in the international markets

Financial Overview

Profit & Loss Statement

(₹ million)	Q3 FY2012	Q5 FY2011	% Y-o-Y Growth	9M FY2012
Net Operating Revenue	6,637.4	5,315.1	*24.88*	*17,425.5*
EBITDA	(113.0)	723.7	-	*521.8*
EBITDA Margin (%)	*(1.70)*	*13.62*		*2.99*
Depreciation	276.6	281.4	*-1.71*	*828.1*
Interest	*257.7*	*173.6*	*48.44*	*952.3*
Profit Before Tax	*(640.1)*	*278.5*	-	*(1,233.1)*
Profit After Tax	(640.1)	233.7	-	*(1,233.1)*
Profit After Tax Margin (%)	*(9.64)*	*4.40*	-	*(7.08)*
Diluted EPS (₹)	(2.62)	0.90	-	*(5.00)*

Financial Discussion

Q3 FY2012 Operating overview (Compared with Q5 FY2011)

- Net Operating Revenues at Rs. 6,637.4 million marked an improvement of 24.88% over the corresponding quarter of the previous year
  - ✓ Strong volumes growth registered by all the business segments (sugar, distillery and co-generation)
  - ✓ Sugar realizations remained stable; higher realizations reported by the distillery and the co-generation segment
- PBIDT was negative during the quarter on account of
  - ✓ Provision made for differential sugarcane price for sugar season 2007-2008 amounting to ₹ 920 million
  - ✓ Higher landed cane cost and lower recovery rate resulting in a decline in operating profits

Financial Discussion

Q3 FY2012 Operating overview (Compared with Q5 FY2011)

- Q3 FY2012 interest costs at ₹ 257.7 million as compared to ₹ 173.6 million in Q5 FY2011
  - ✓ Higher working capital requirements during the crushing season along with a high interest rate scenario culminated into increased finance cost for the quarter
  - ✓ As on 31 December 2011, BCML's long-term loan stood at ₹ 711 crore and working capital was at ₹ 549 crore

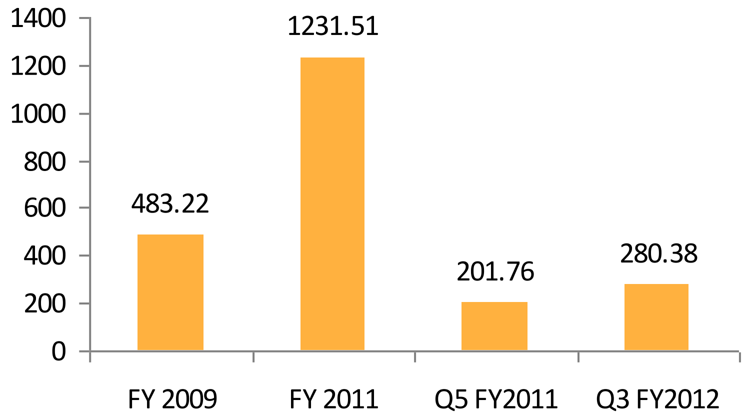
Segmental Overview – Sugar

(₹ million)	*Segment Revenues*	*% contribution to Revenues*	*PBIT*	*% contribution to PBIT*
Q3 FY2012	6,144.6	85.07	*(821.4)*	-
Q5 FY2011	4,926.3	85.10	*247.2*	-
% Shift	24.73		-	
9M FY2012	15,551.5	84.90	*(1,024.0)*	-

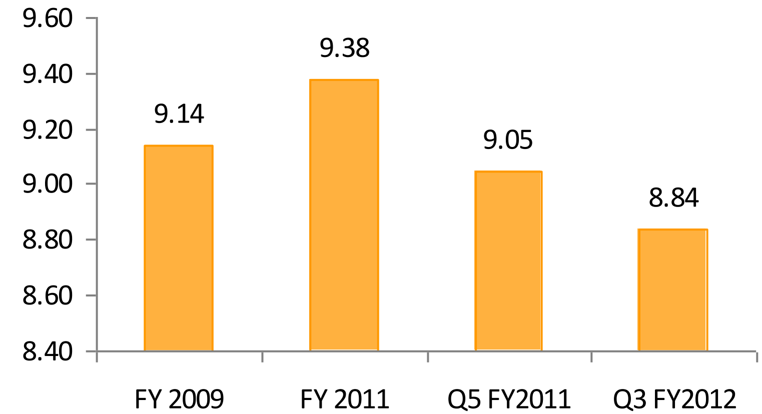
- Sugar sales during the quarter stood at 19.60 lakh quintals as compared to 14.86 lakh quintals in Q5 FY2011
- Operating performance remained muted as
  - ✓ Landed cane costs for the quarter at Rs. 252 per quintal were significantly higher as compared to Rs. 217 per quintal during the corresponding period of the previous year
  - ✓ Recoveries for the quarter were lower at 8.84% as compared to 9.05% in Q5 FY2011

Segmental Overview – Sugar

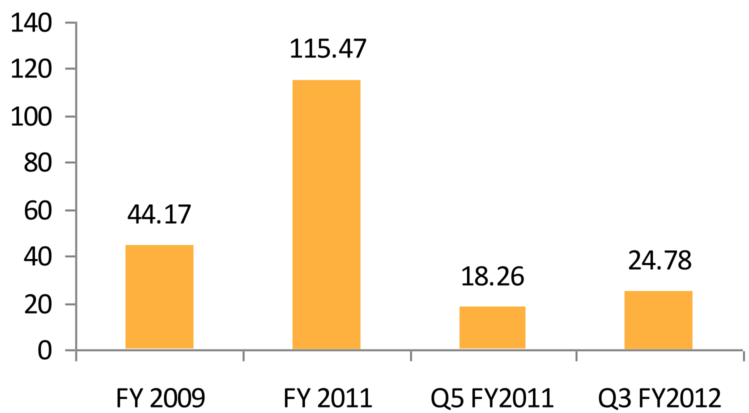
Cane Crushed (Lakh Quintals)



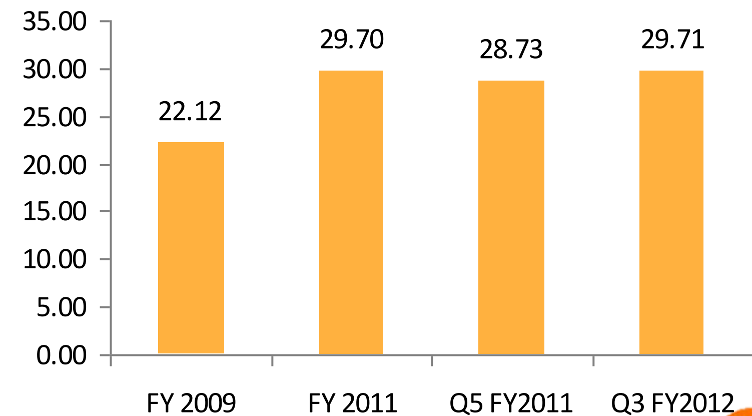
Recovery (%)



Production (Lakh Quintals)



Avg. Realization – Free Sugar (₹ per kg)



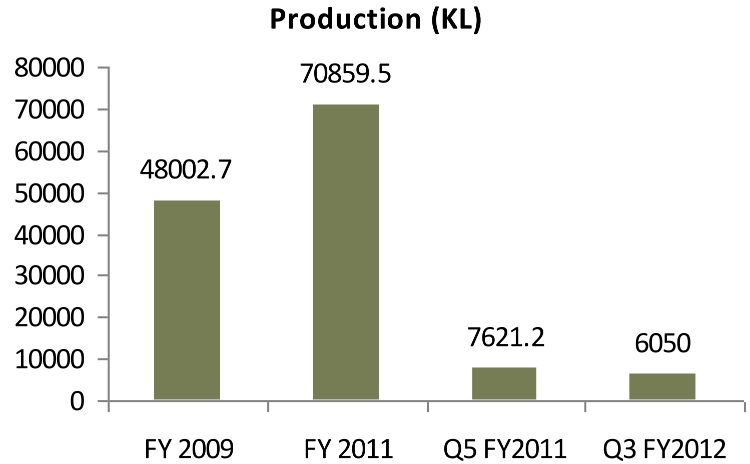
*FY 2011 was for a period of 18 months

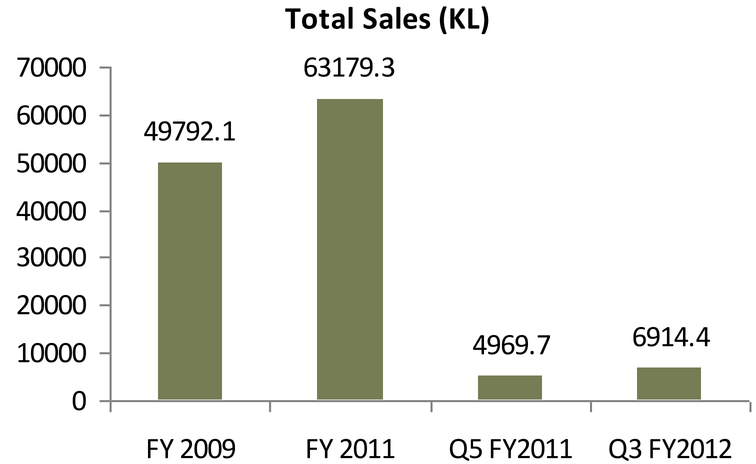
Segmental Overview – Distillery

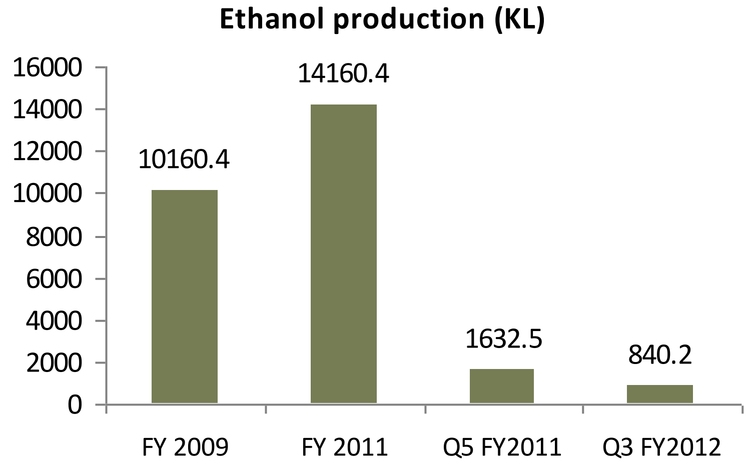
(₹ million)	*Segment Revenues*	*% contribution to Revenues*	*PBIT*	*% contribution to PBIT*
Q3 FY2012	236.0	3.27	*68.3*	-
Q5 FY2011	136.3	2.35	*12.8*	-
% Shift	73.15		*433.59*	
9M FY2012	1,023.9	5.59	*320.1*	-

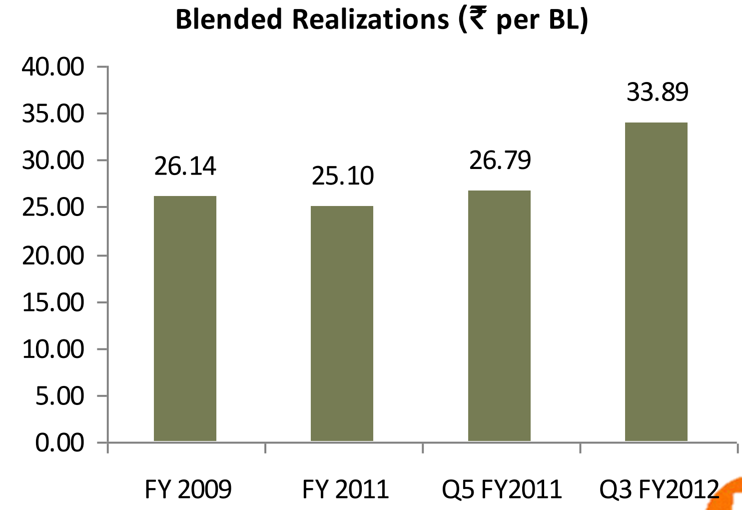
- Revenues improved substantially as volumes were higher by 39.13% and blended realizations improved by 26.49% over the corresponding quarter last year
  - ✓ Increased RS and ENA volumes at 6,120.4 KL in Q3 FY2012 as compared to 3,814.7 KL in Q5 FY2011; blended realizations for RS and ENA stood at ₹ 34.77 per BL as compared to ₹ 26.73 per BL
  - ✓ Ethanol sales for the quarter stood at 794 KL compared to 1,155 KL in the corresponding quarter last year; average realizations for ethanol stood at ₹ 27.00 per BL

Segmental Overview – Distillery









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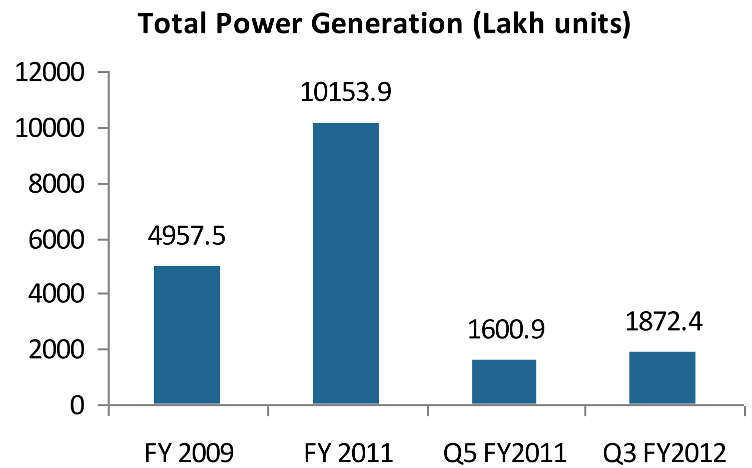
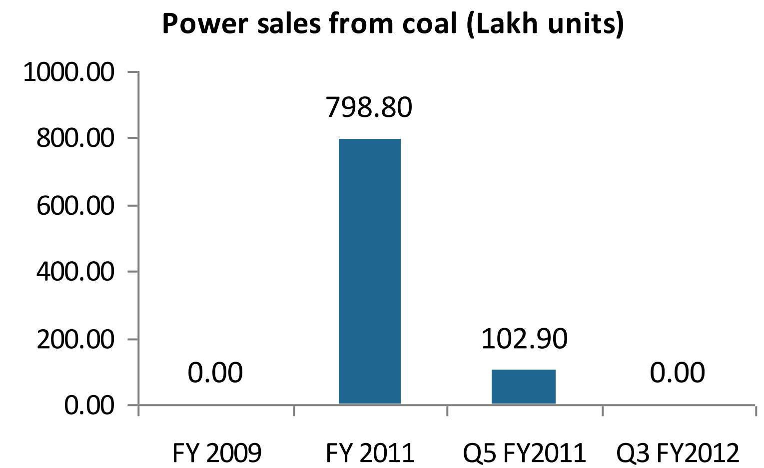
Segmental Overview – Co-generation

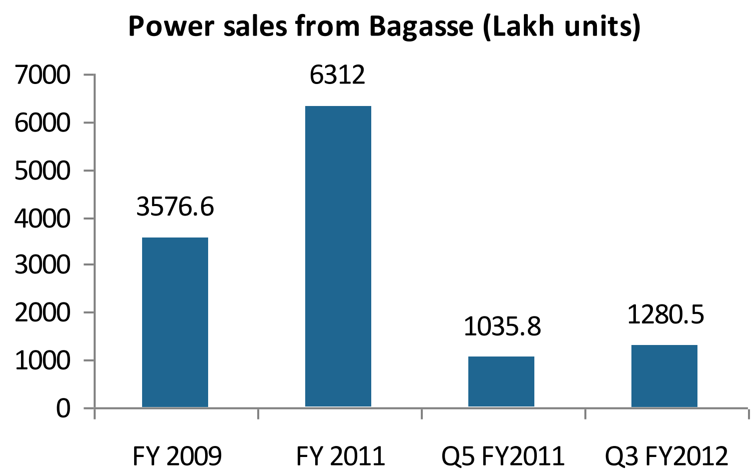
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q3 FY2012	828.6	11.47	*453.9*	-
Q5 FY2011	717.0	12.39	*244.7*	-
% Shift	15.56		*85.49*	
9M FY2012	1,721.7	9.40	*670.20*	-

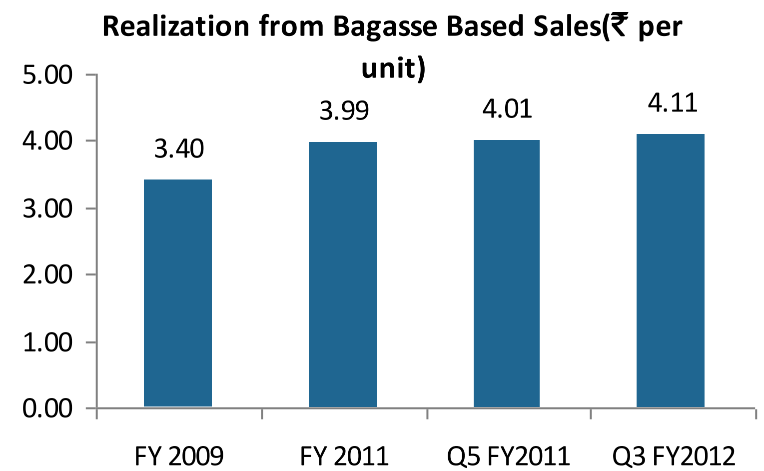
- Segment delivered healthy performance on the back of enhanced volumes and realizations
- Early start of operations enabled the Company to improve sales by 12.46% to 1,280.5 lakh units compared to 1,138.7 lakh units in the corresponding quarter
- Co-generation segment is integral to the Company's business model and is anticipated to deliver significant contribution to overall profitability

Segmental Overview – Co-generation









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About Balrampur Chini Mills Limited

Balrampur Chini Mills Limited (BCML) is one of the largest integrated sugar companies in India. The allied businesses of the Company comprise distillery operations, cogeneration of power and manufacturing of bio-compost. The Company presently has ten sugar factories located in Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 76,500 TCD, distillery and co-generation operations of 320 KLPD and 126 MW (Saleable) respectively.

BCML is one of the most efficient integrated sugar producers in the country. The Company has grown its capacity by well-planned capacity expansion projects and the acquisition of existing companies over recent years.

For more information on the Company, please log on to www.chini.com.

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