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E.I.D. Parry (India) Ltd.

Analysts & Brokers Meet

May 06

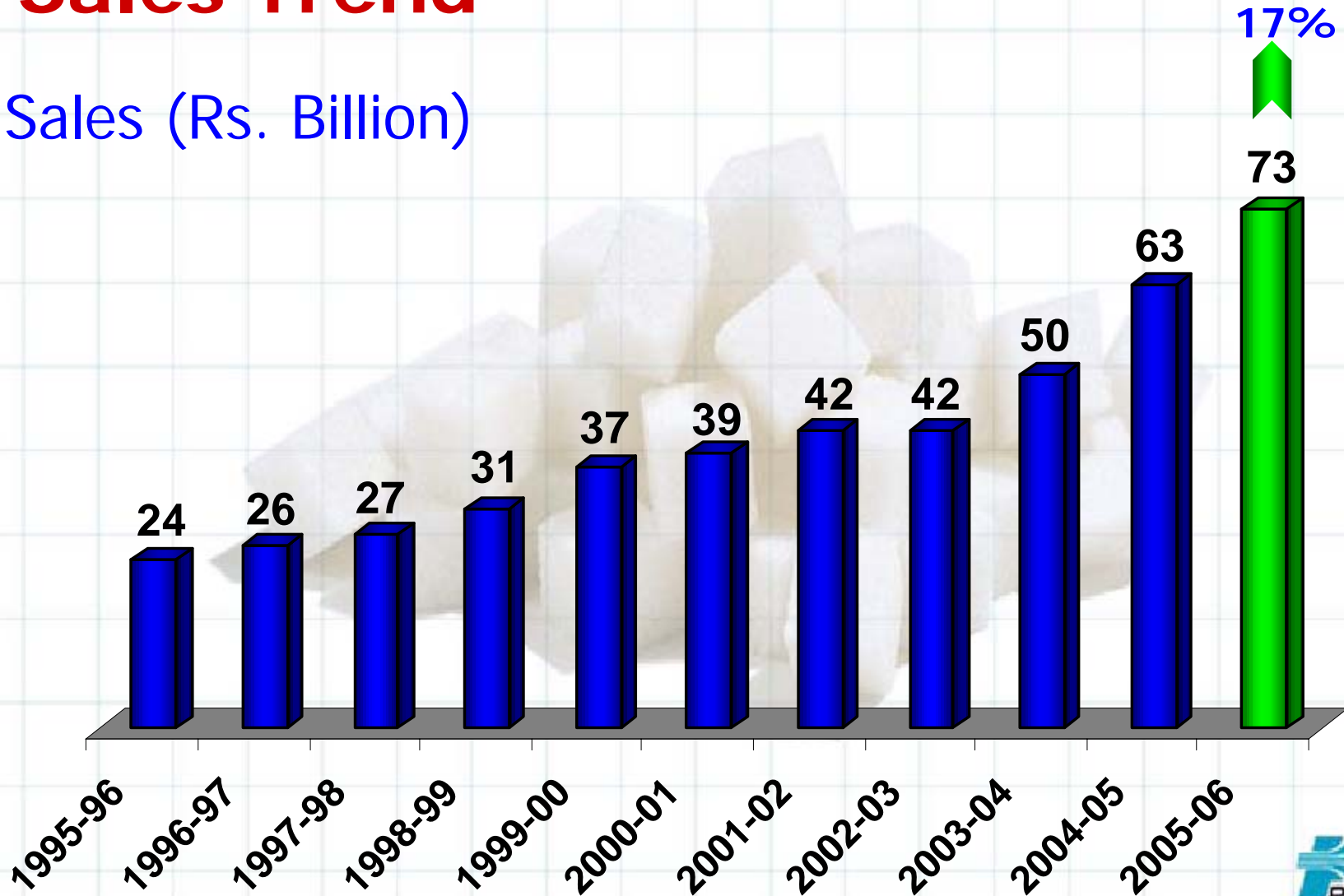
Murugappa Group Performance Highlights





Sales Trend

Sales (Rs. Billion)





PBT Trend

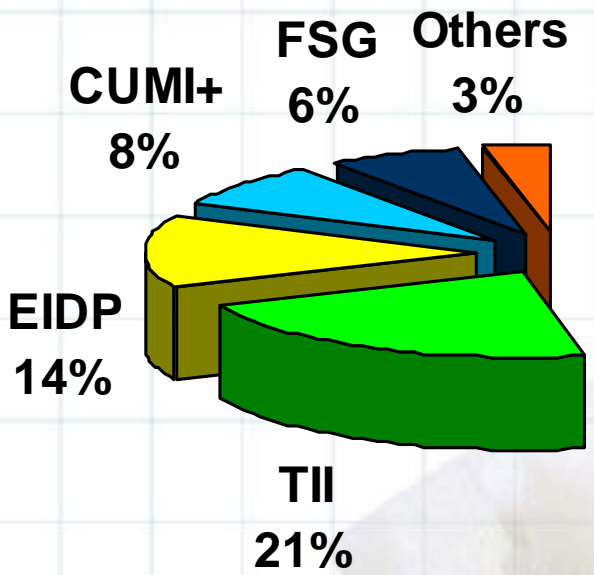
PBT (Rs. Billion)



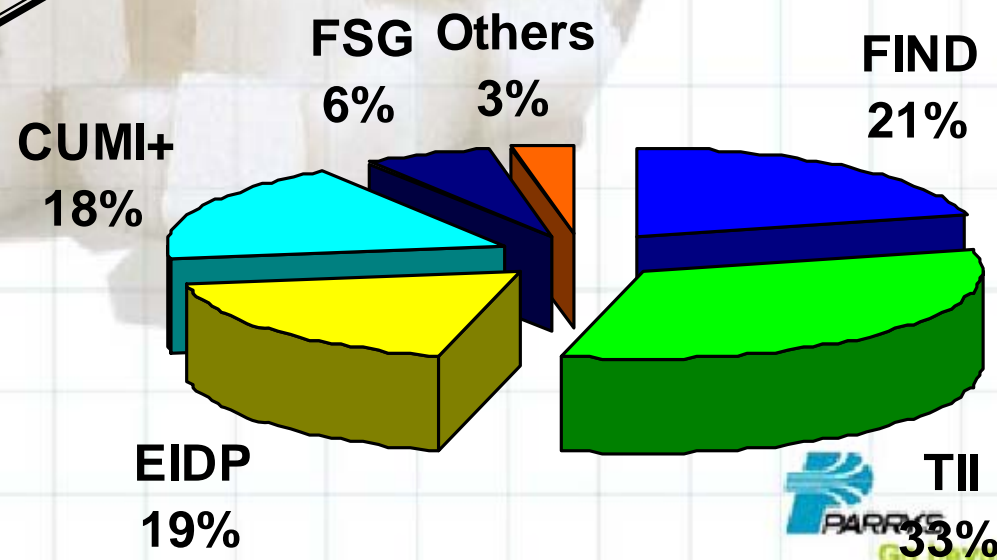
PBT has doubled in the last two years

Composition of Group Turnover and Profits

Sales Contribution



PBT Composition



EID Parry's Performance & Plans





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Vision...

To be India's No. 1 integrated
sugar complex company
with an increasing presence in Asia
and other export markets and
be a world class organization



The fast changing dynamics...

- India can become a global sugar powerhouse –
 - Largest consumer
 - 2nd largest producer
 - WTO opening up opportunities and India is well positioned to participate
- EID is strategically placed to take advantage of the emerging scenario.



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Dozen Units in 3 States

We envision...

Today

- TN Units – Maximize Sugar production
- Only 1 Integrated Complex
- Commodity market in TN and Kerala (mainly)
- Sugar in Factory Godowns

4 Units in 1 State

Vision 2015

- Units all over South India - Maximize Profitability from multiple product lines
- All Units as Integrated Complex
- Commodity markets of South and Central India
- Sugar near the markets

An illustrative list only....



And Focus 2009 ...

Focus 2009

- Targeted Turnover: Rs 1500 Cr
 - Sugar production: 0.8 Million MT
 - Crushing capacity: 24500 TCD
 - Distillery: 720 KL per annum
 - Cogen – 127 MW power
-
- World class Refinery -JV with Cargill - 1 mn MT at Kakinanda - for Global markets



Strong Business Processes

- Manufacturing - managing Multi Product Units to
 - Maximize profits and not sugar production alone
 - Be a low cost producer
- Cane operations & Extension services
 - First private sector R&D with own Cane varieties
- Trading - leverage international trading partners for imports and exports as and when required
- People
 - For growth
 - Multi-cultural diversity to have International Outlook



Business Processes that are being strengthened...

- Distribution – near the market than at the factory gate - like fertilizers and cement
- Selling - new channels
- Market Info System – develop to maximize opportunities and stay ahead of competitors
- New Products Development – as Consumers want more choices



Building on the foundations...

- **A few Building Blocks:**

- Nellikuppam – India's first Integrated Complex
- Trading Desk selling in N & NE markets
- Trading Desk Exports – India's largest for 2 years
- R&D – tissue culture for rapid multiplication

- **And some Pilots:**

- India's first and only own Cane Varieties
- Parrys Corners and Electronic Clearing Systems for farmer payments



And Competencies that will be leveraged...

- Project Management
- Acquisitions & Turnaround skills
- Absorption of new technologies
- Managing in good and difficult times and staying ahead

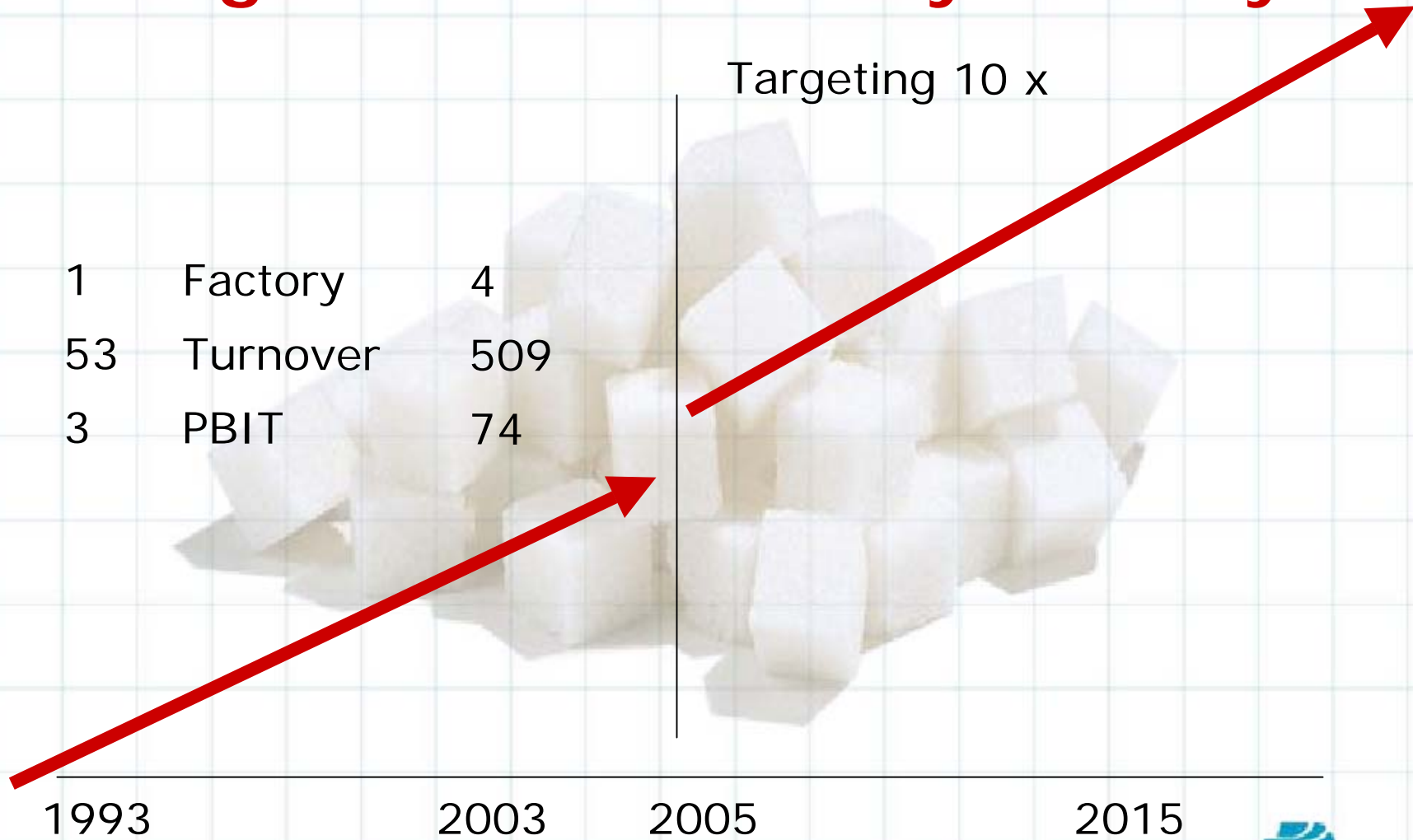


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Our Competencies have been proven....

**55% CAGR on profits
over the past 4 years –
despite unprecedented drought and floods**

Looking Ahead – The Parry Journey





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In 1993, we envisioned

1993

- 180 days of crushing
- Water savings
- Energy conservation
- Manual processes
- Batch operations
- Commodity market in
- TN and Kerala

2003

- ✓ 240 days of crushing
- ✓ Water export
- ✓ Energy export
- ✓ Automated processes
- ✓ Continuous operations
- ✓ National and global market
- ✓ Commence Branding





Challenges overcome

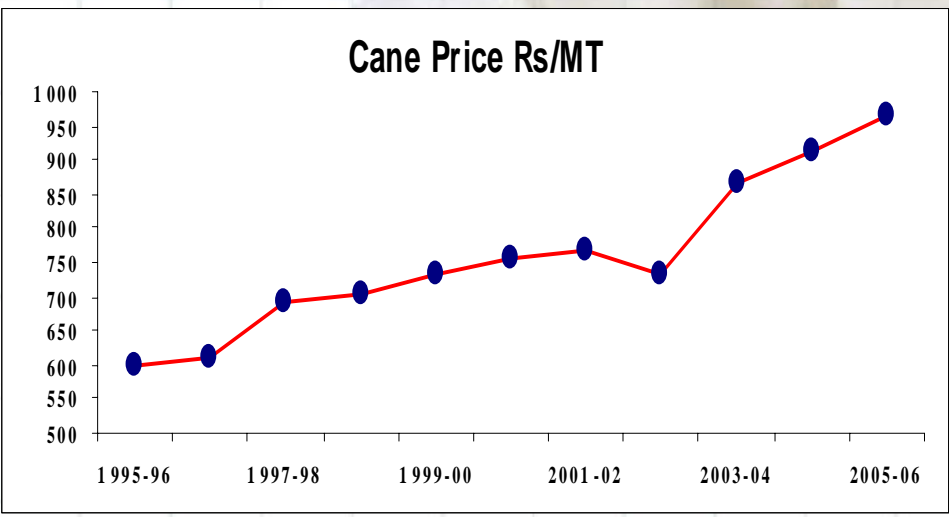
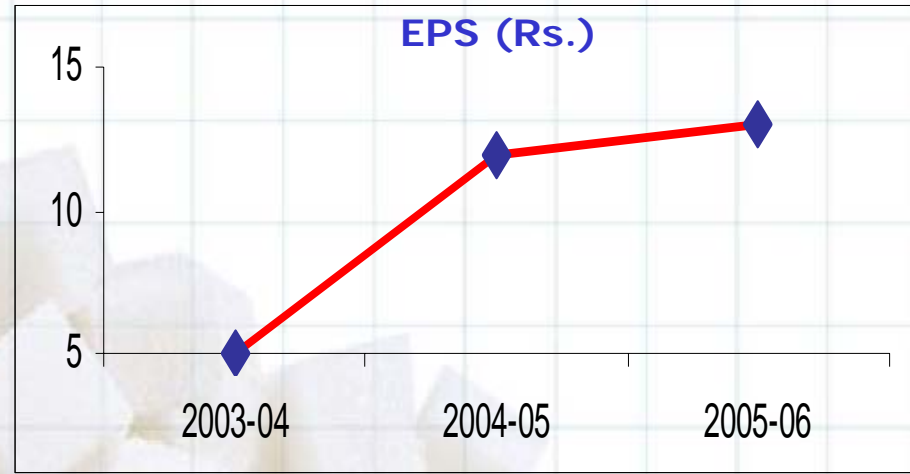
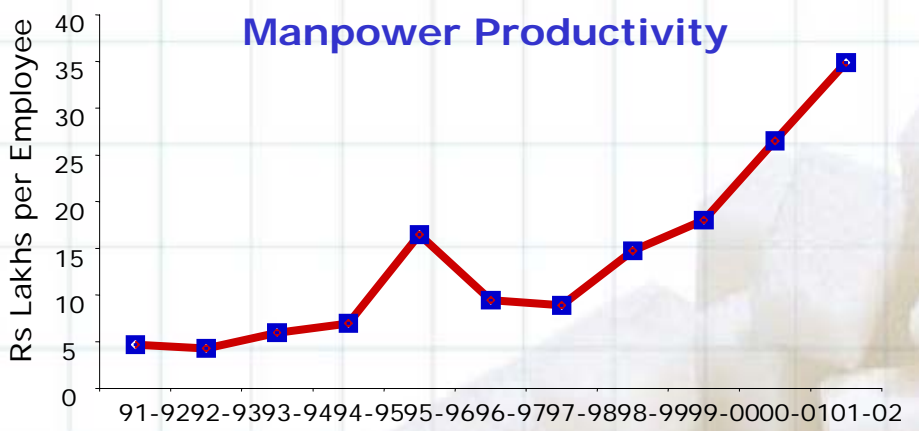
1. Acquiring and turning around – sick units
Pugalur (Sec 25FF), Pettavaithalai coming out of
BIFR, managing 7 Unions etc.
2. Diversification into power generation
3. Pudukottai Greenfield – 270 days: An industry
record! –and now a Cogen in 11 months
4. Extended downturn followed by two years of
unprecedented drought at a time when
investments were made in Greenfield unit



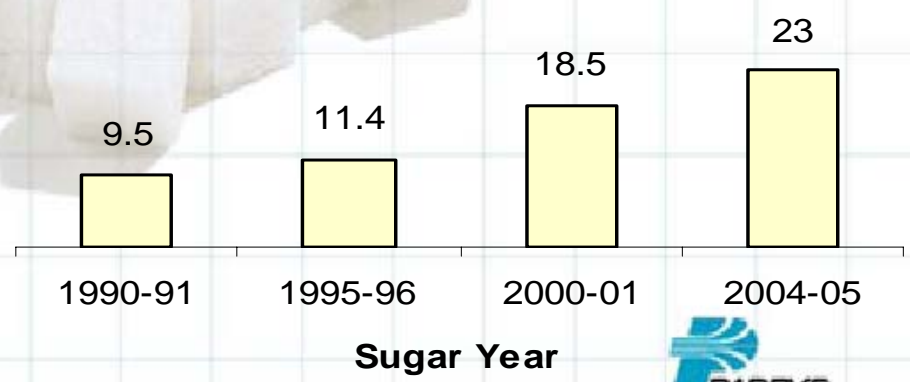
Challenges overcome

1. Meeting international sugar quality for exports since 2001
2. Changing the mindsets: slow and old fashioned to dynamic. From 180 day-season to all-round-the-year
3. Contesting ad-hoc cane pricing policy – Negotiated unit based Mill Affordable Prices
4. Managing stakeholder expectations through the downturns in the sugar cycle

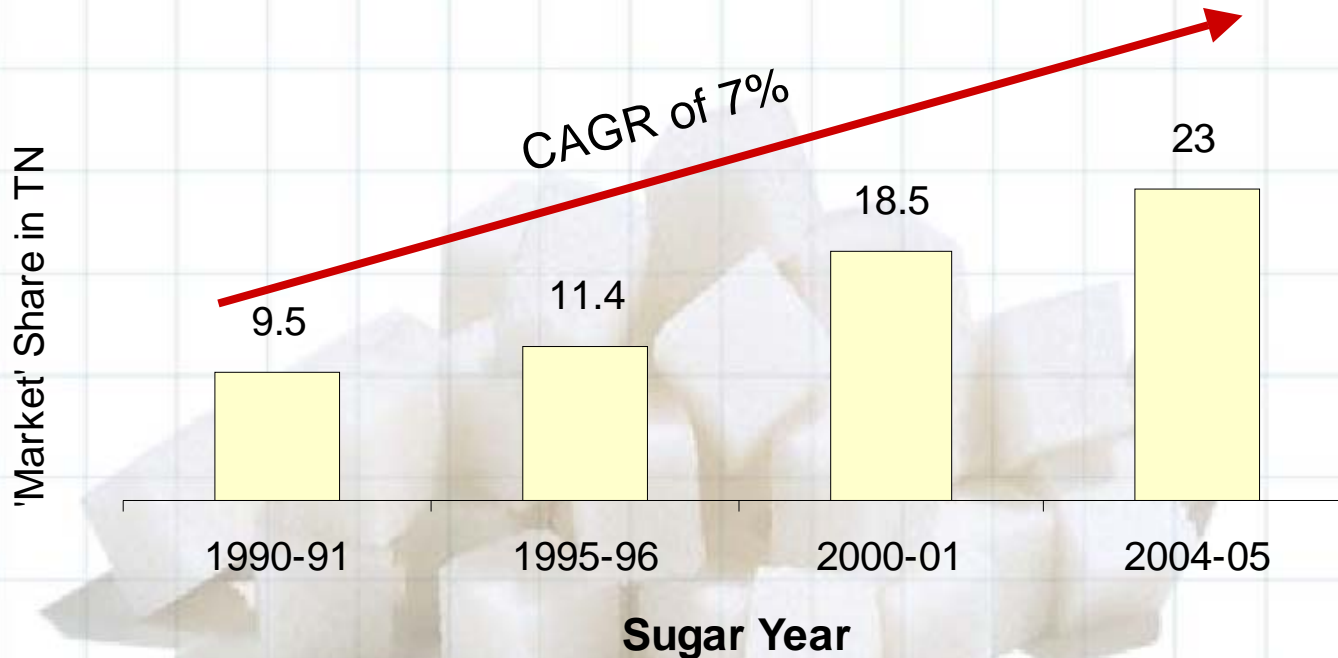
“Value creation for all”



'Market' Share in TN

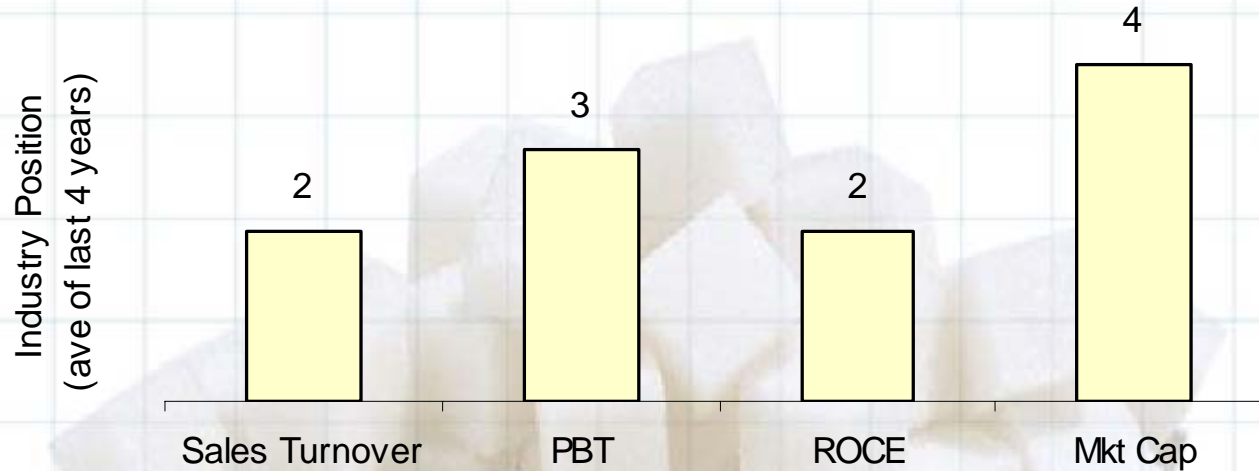


In Tamil Nadu we have achieved...



- Number 1 in Tamil Nadu (The 3rd largest Sugar producing state in India)
- At almost double the Market growth rate – which is about 4 % only
- And TN production growing at 2%

Across India we have achieved...



Consistently in the top 5 across Indian Sugar Industry
(The 2nd largest in the world)



Through Continuous Improvement...

- Increasing land productivity by
 - Better Water management
 - Yield improvement - Vertical & horizontal growth
 - Adoption of latest agricultural and harvesting technologies
- Breeding right varieties – high sucrose, high fibre etc.
- Better Ratoon management
- Cane crushing using efficient technologies –happening only in some parts of India



Strategy for Growth in the Future

- All 4 units to be Integrated Complexes
- Nellikuppam Refinery for the Value added products in sugar
 - Meeting specific institutional needs
 - Becoming a household name by building the brand
- Dominate TN – Expansions and acquisitions within TamilNadu
- Expand in southern India
 - Acquire mills in Karnataka / AP
- Reach out to addressable overseas markets through Cargill JV



Performance 2005-06

	2004-05	2005-06	Y o Y (%)
Sugar Production (LMT)	2.33	3.06	31%
Sugar Sales volume (LMT)	3.03	3.81	26%
Sales Realisation (Rs / MT)	15237	16291	7%
Raws Processed (MT)	79782	76525	-4%
Cane Planting (Acres)	94816	108310	14%



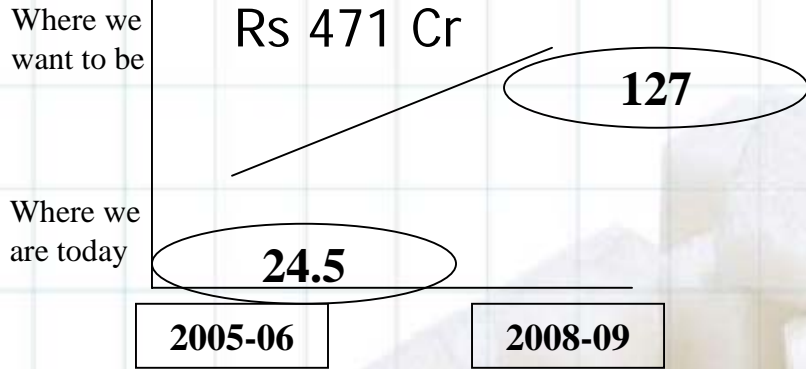
Sugar Business Financials

(Rs in Mn)

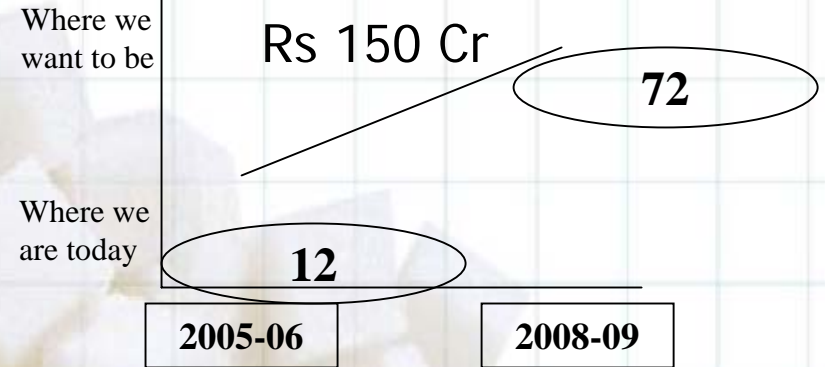
	FY 2004	FY 2005	FY 2006	CAGR
Revenue	4200	5563	7291	32%
EBITDA	551	893	991	34%
EBIT	346	701	797	52%
Capital Employed	3391	3463	4008	
EBITDA Margin	13%	16%	14%	
ROCE	10%	20%	24%	

On- going Projects

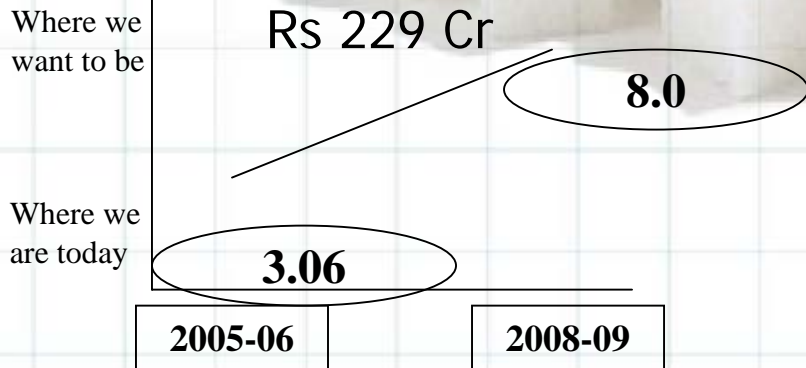
CoGeneration of Power MW



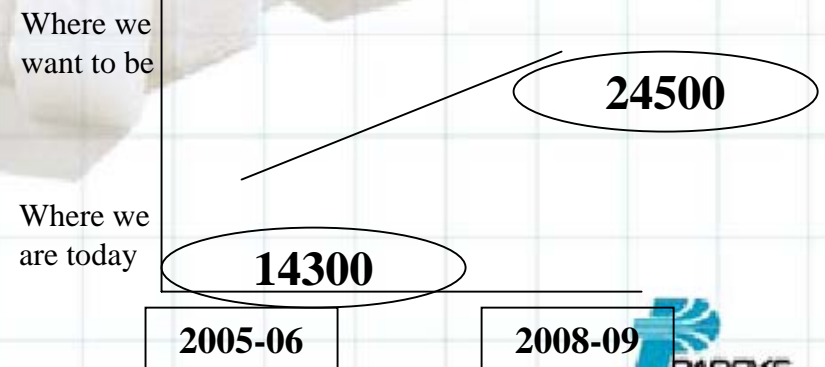
Alcohol/Ethanol Prod (mn Lt)



Sugar Production LMT



Crushing capacity TCD



Progressing on schedule



Summary of Financing Plan

		Capacity			Invt Rs Cr
		Existing	Proposed	Incremental	
Sugar	TCD	14300	24500	10200	229
Cogen	MW	24.5	127	103	471
Distillery	KLDPD	40	240	200	150
Total					850

On Incremental Investment... estimated

- Normal Payback period around 5 Yrs
- ROCE around 20%
- IRR around 25%

Banks *	280
SDF	150
Internal Accruals**	420
Total	850

*Already availed 125 cr
 **includes Cash from dilution in Parryware JV



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Additional Benefits Estimated from Proposed Projects

- Sugar Development Fund :
 - Financial Assistance at attractive terms
 - Estimated Eligible Loan Amount : Rs.150 Cr.
 - Interest savings estimated p.a : Rs.7 cr
 - Total estimated interest savings Rs 50 cr
- Green Credit:
 - Available for Bagasse based Cogeneration Projects.
 - Green Credit p.a estimated at Rs 8 cr at CER of euro 8
 - Total Estimated Credit : Rs.40 Cr till 2011-12



Additional Benefits Estimated from Proposed Projects

Sec 80 IA (Income Tax) Benefit :

- Tax Holiday for Infrastructure Projects
- Earnings from Cogeneration Projects are eligible under this section.
- Estimated Tax Benefit p.a Rs.18 Cr.
- Total estimated tax savings Rs 180 cr

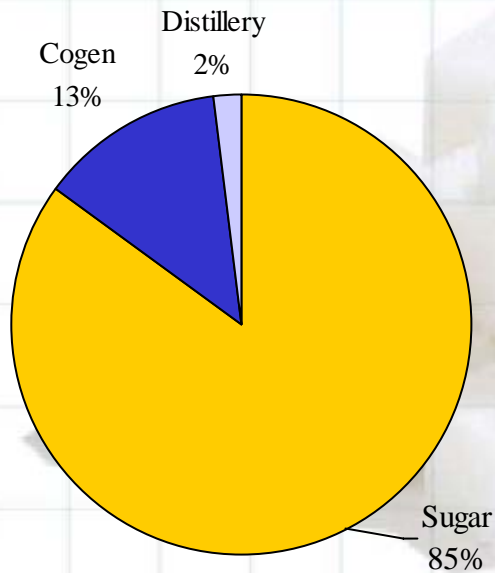


Additional benefits of above projects...Total savings estimated

	Rs Cr
SDF Loan interest savings on borrowings (till 2018-19)	50
Green Credit (upto 2011-12)	40
80IA Benefit on Cogen profits (10 Years)	180
Total	270

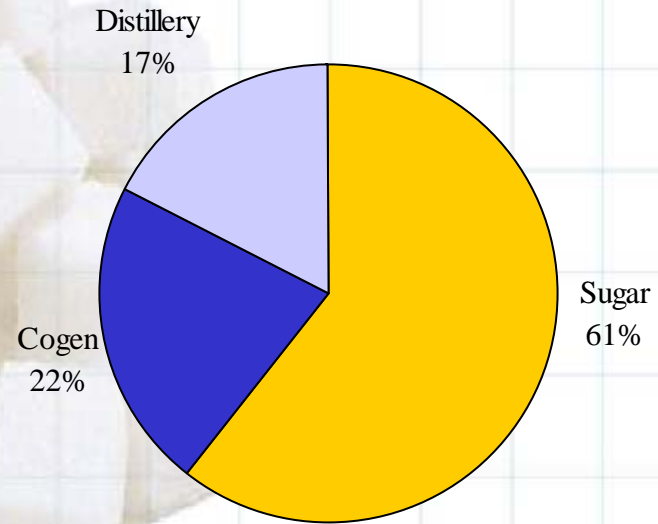
Sugar Business ... De-risked

EBIT Mix -2005-06



■ Sugar ■ Cogen ■ Distillery

EBIT Mix –Post implementation



■ Sugar ■ Cogen ■ Distillery



Parrys Sugars Refineries Summary

- EID Parry and Cargill JV - 51:49
- Debt: Equity – ~ 1:1
- Total Investment – ~ Rs 300 Cr
- Capacity – 2000 TPD initially; internal power and steam generation
- Processing imported Raw sugar and exporting Refined Whites to Indian Ocean Rim markets
- Expected ROCE - ~26%
- Expected IRR - ~24%



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*We have pride in where we've been
Confidence in where we are and
Conviction in where we are going.*

*We have a clear vision
of where we want to be
and the strength in execution to get there.*

Financials and Future Plans



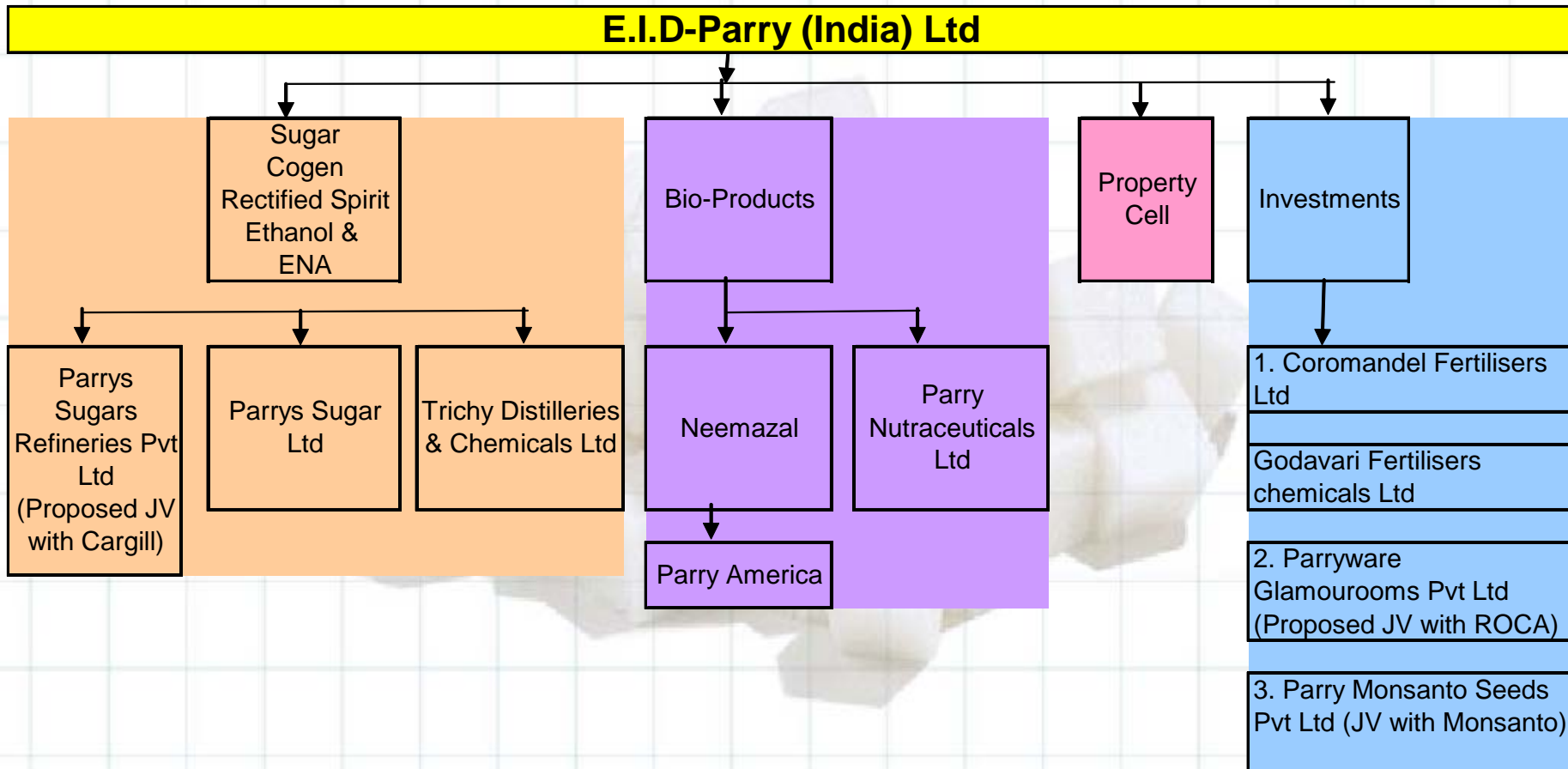


Value creation Journey so far ...

- Demerger of FIND business into Coromandel Fertilisers Ltd
- Divestment of Parrys Confectionery Ltd
- Joint Venture Agreement with ROCA Sanitario, SA for Parryware business
- MoU with Cargill International for Sugar Refinery



Structure





Financials at a Glance: Income Statement

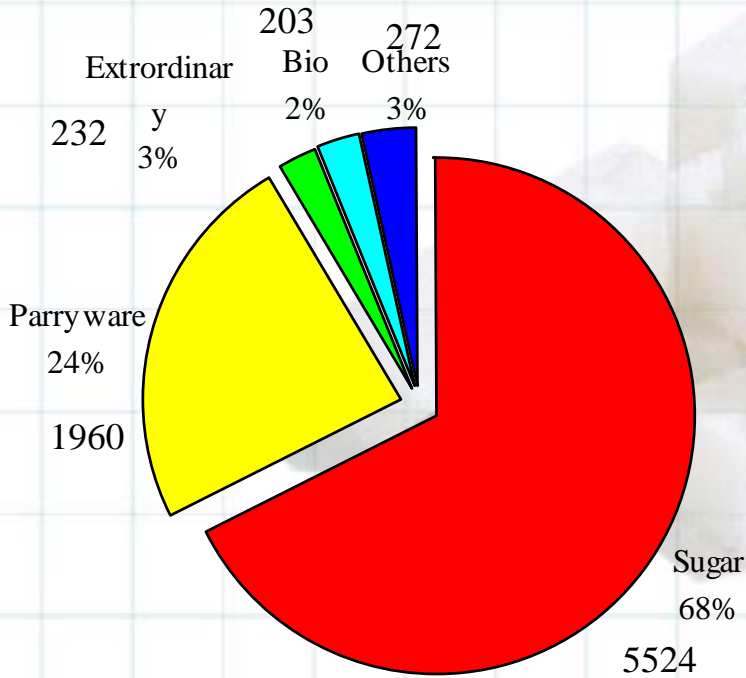
(Rs in Millions)

Description	FY 2004	FY 2005	FY 2006	CAGR
Sales	5607	7172	9262	29%
EBITDA	814	1358	1548	38%
EBIT	511	1076	1257	57%
Interest	75	35	74	
PBT	435	1041	1183	65%
Extra ordinary Items	98	232	229	
Net PBT	533	1273	1411	63%
PAT	432	1043	+ 1158	64%

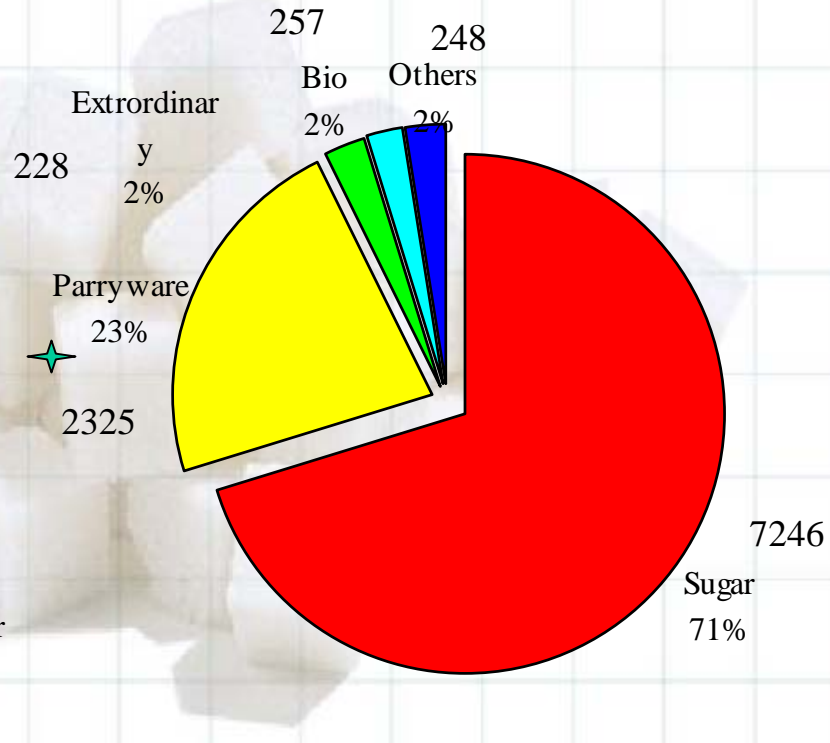
+ Includes PAT of Rs 174 mn of Parryware business

Segment-wise Revenue

FY 2004-05



FY 2005-06



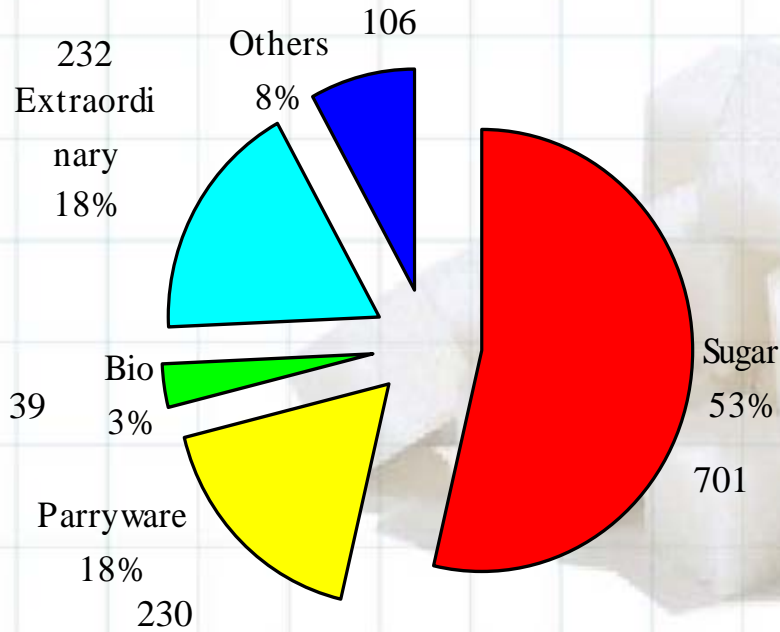
Total Revenue: Rs.8191 millions.

Total Revenue: Rs.10304 millions.

★ For 11 months ended 28.2.06

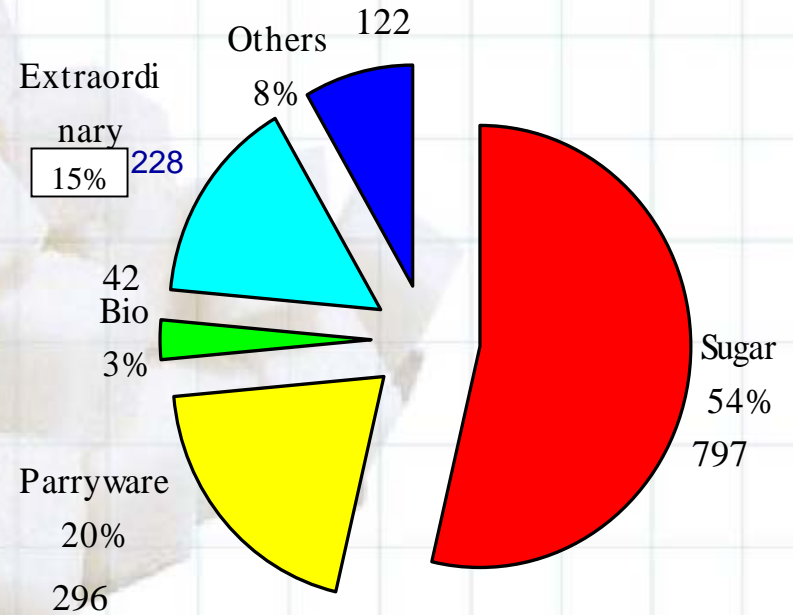
Segment-wise EBIT

FY 2004-05



Total EBIT: Rs.1308 millions

FY 2005-06



Total EBIT: Rs.1485 millions



Financials at a Glance: Balance Sheet

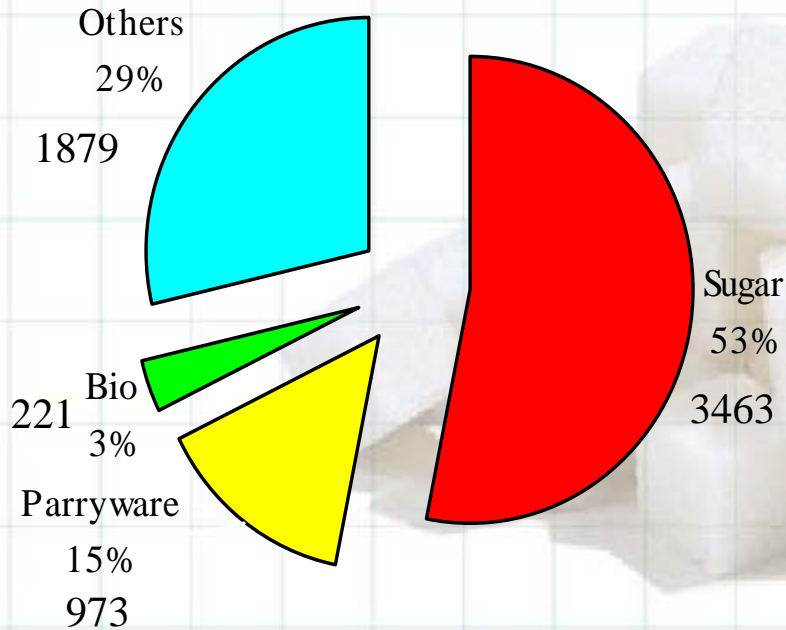
(Rs in Millions)

Particulars	FY04	FY05	FY06
NFA	3030	3230	3395
NCA	1942	2268	3313
Investments	1101	1013	1117
Capital employed	6073	6510	7824
Networth	3375	4169	4856
D.Tax Liability	482	508	480
Long Term Borrowing	654	916	2155
Other Borrowing	1562	918	333
Total	6073	6510	7824

Segment-wise :Capital Employed EIDP

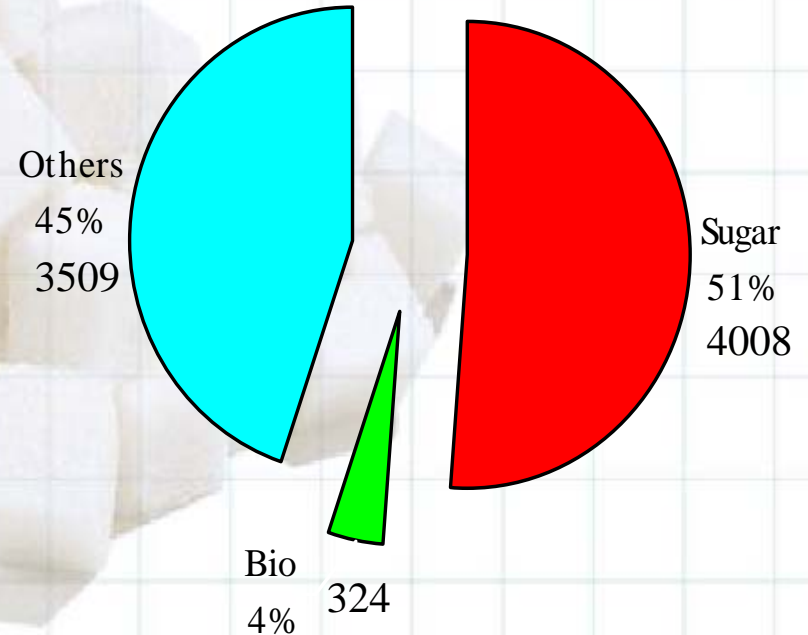
Rs in Millions

FY 2004-05



Total Cap Employed: Rs.6536 millions

FY 2005-06



Total Cap Employed: Rs.7841 millions



Financials at a Glance: Key Ratios

Particulars	FY 2004	FY 2005	FY 2006
EBITDA Margin %	14.5%	18.9%	16.7%
ROCE %	8.4%	16.5%	26.4%
RONW %	12.8%	25.0%	23.9%
EPS (Rs)	5	12	13
PE Multiple	8.88	9.13	22.04
Dividend %	75%	125%	225%
Dividend Payout %	35%	31%	40%
Book Value/Share	38	47	54

* PE multiple for FY2006 is based on corresponding market price on 31 March, 2006



Future Plans



Proposed Investments till 2008-09

	Rs Cr
	Total
Sugar Business	
Sugar	229
Cogen	471
Distillery	150
Total	850
Sugar Refinery Project	73
Invnt in Parry Nutraceuticals	30
Total Investments	953

	Rs Cr
Funding Proposal	Total
Internal Accrual**	420
Debt	
- SDF	150
- Banks/Institutions*	280
Total	850

*Already availed 125 cr

**includes Cash from dilution in Parryware JV

	2005-06	2006-07	2007-08	2008-09
	Actual	Est	Est	Est
Debt Equity Ratio	0.35	0.70	0.74	0.57



Consolidated Financials



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Consolidated Financials Income Statement

Rs in Millions

Description	FY 2004	FY 2005	FY 2006
Sales	17132	22367	28924
EBITDA	1942	2604	3232
EBIT	1311	1970	2564
Interest	369	98	220
PBT	942	1872	2344
Extra ordinary Items	164	348	229
Net PBT	1106	2221	2573
PAT	747	1693	1867
PAT (less minority interest + Profits from associate companies)	636	1547	1715



Consolidated Financials Balance Sheet

Rs in Millions

Particulars	FY04	FY05	FY06
NFA	6949	7057	8094
NCA	4288	5079	6527
Investments	1678	1710	2091
Capital employed	12915	13846	16713
Networth	4724	6018	7152
Minority Interest	1078	1243	1426
D.Tax Liability	1322	1375	1351
Long Term Borrowing	2963	3290	3655
Other Borrowing	2828	1919	3130
Total	12915	13846	16713



Consolidated Financials Key Ratios

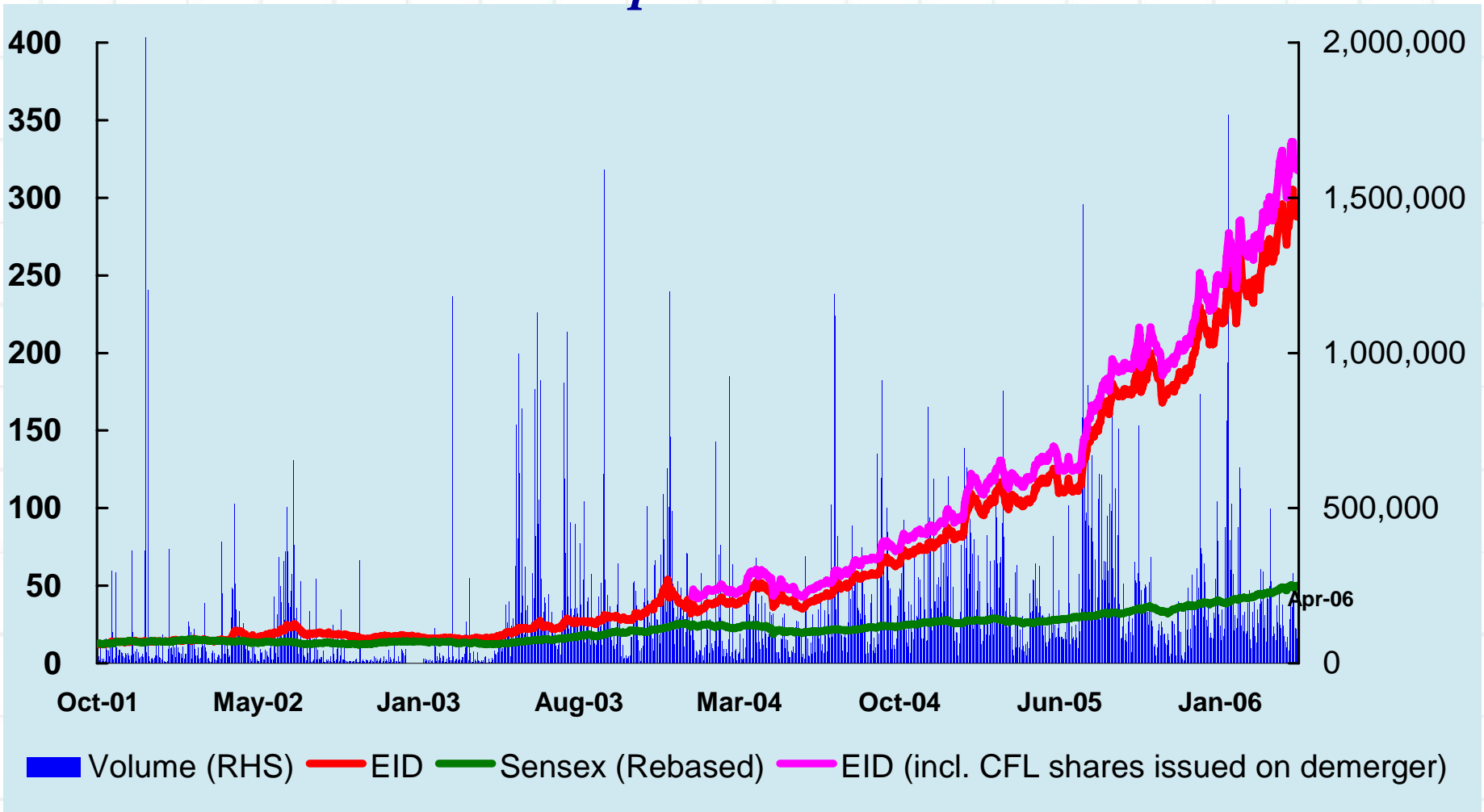
Particulars	FY 2004	FY 2005	FY 2006
EBITDA Margin %	11.6%	12.5%	11.4%
ROCE %	10.5%	15.7%	15.8%
RONW %	13.4%	25.6%	23.9%
EPS (Rs 2 /share paidup)	7	17	19
PE Multiple	5.63	6.15	14.89
Book Value/Share	53	68	80

EID's Share Price Performance



Indexed Stock Performance

Market Cap – 25547 Millions



Financial Calendar



Annual General Meeting	3rd Week July
Q1 Results	3rd Week July
Q2 Results	3rd Week Oct
Q3 Results	3rd Week Jan



Thank you