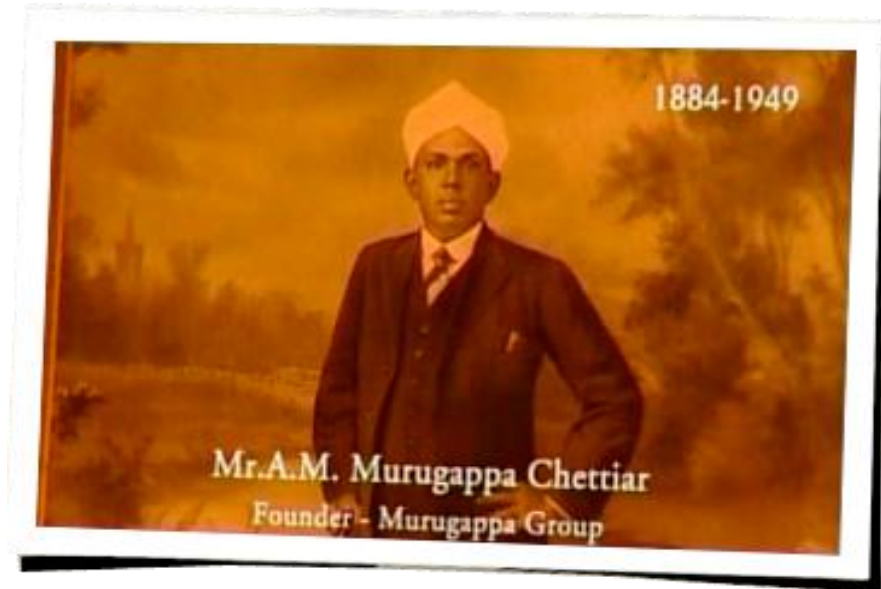


E.I.D.- Parry (India) Limited

Investor Presentation

24th November 2014

The Philosophy We Cherish



***The fundamental principle of economic activity is that
No man you transact with will lose; then you shall not.***

-Arthashastra

The Spirit of the Murugappa Group



Integrity

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

Passion

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

Quality

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

Respect

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

Responsibility

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.



Be the energy



Our Vision

“Enriching and Energizing Lives through a Sustainable Eco System”

- **Company Overview**
- **Sugar Business**
- **Bio Products Business**
 - ▶ **Nutraceuticals**
 - ▶ **Bio Pesticides**
- **Company Financials**

→ **Company Overview**

→ Sugar Business

→ Bio Products Business

▶ Nutraceuticals

▶ Bio Pesticides

→ Company Financials



- **Thomas Parry** arrived in Madras to establish the House of Parry
- The firm became “**Parry & Co**” in 1839



- 1956: East India Distilleries & Sugar factories Ltd. bought **100% stake** in Parry & Co.
- 1975: EID Parry **incorporated**
- 1981: EID becomes part of **Murugappa group**



- 2003: **Hived off farm inputs** in to Coromandel Fertilizers
- 2004: **Divests confectionary** business to Lotte; Pioneering launch of **branded retail sugar**
- 2006: Divests Parryware to Roca
- 2008: Sugar refinery at Kakinada
- 2010: Acquired 4 Sugar factories in KN & AP.

1788

19th Century

20th Century

1990s

2000s

Present (2014)



- 1842: Set-up the **country's first sugar plant** at Nellikuppam
- 1848: Start of **distillery** operations



- EID was in varied biz. such as sugar, fertilizers, chemicals, sanitary ware etc
- 1995: Start of **bio pesticides**
- 1997: Start of algal based **Nutraceuticals**



- One of the **leading sugar producers** in India with presence in the promising fields of Bio-pesticides and Nutraceuticals

EID Parry is a ~Rs. 22 Billion company in revenues; ~Rs. 124 Billion including Coromandel



Sugar

- Among the **top five leading** sugar producers in India
- **9 sugar factories** spread across South India
- 1 Sugar refinery in Kakinada (AP)
- Consolidated segmental revenues of **Rs. 19 Billion**
- SBU has been at the forefront of leveraging technology; with strong backward linkages with the farmers



Nutraceuticals

- Manufactures **health supplements** for human wellness
- **Market leader** in micro-algae; Leading producer of Organic Spirulina
- Consolidated segmental revenues of **Rs. 1.9 Billion**



Bio-Products

- Leading **eco-friendly agri inputs** business providing safe crop protection solutions
- **'Neemazal'** brand of products, has leadership in Azadirachtin with registrations in many other countries
- Consolidated segmental revenues of **Rs. 1 Billion**

→ Company Overview

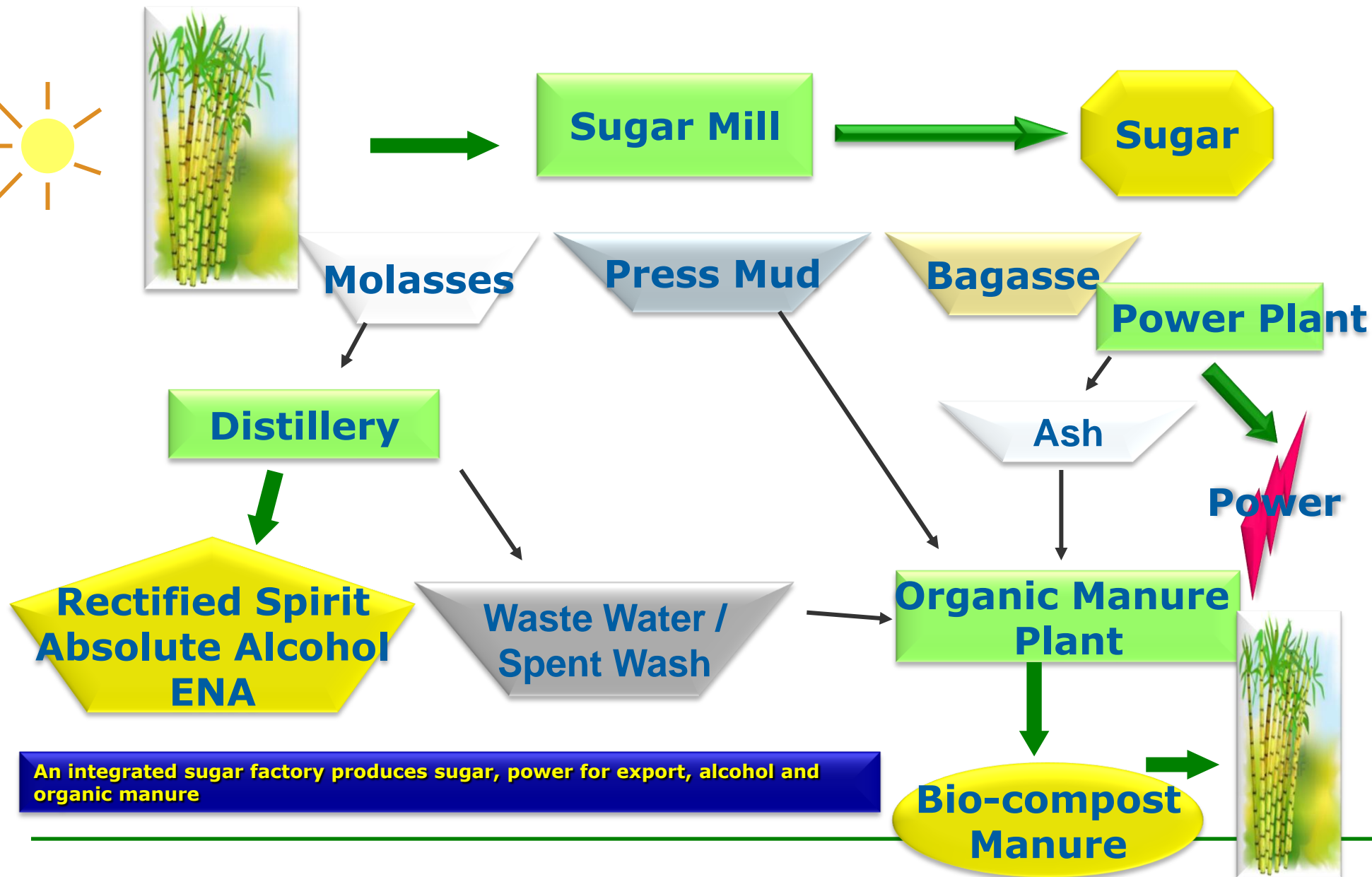
→ **Sugar Business**

→ Bio Products Business

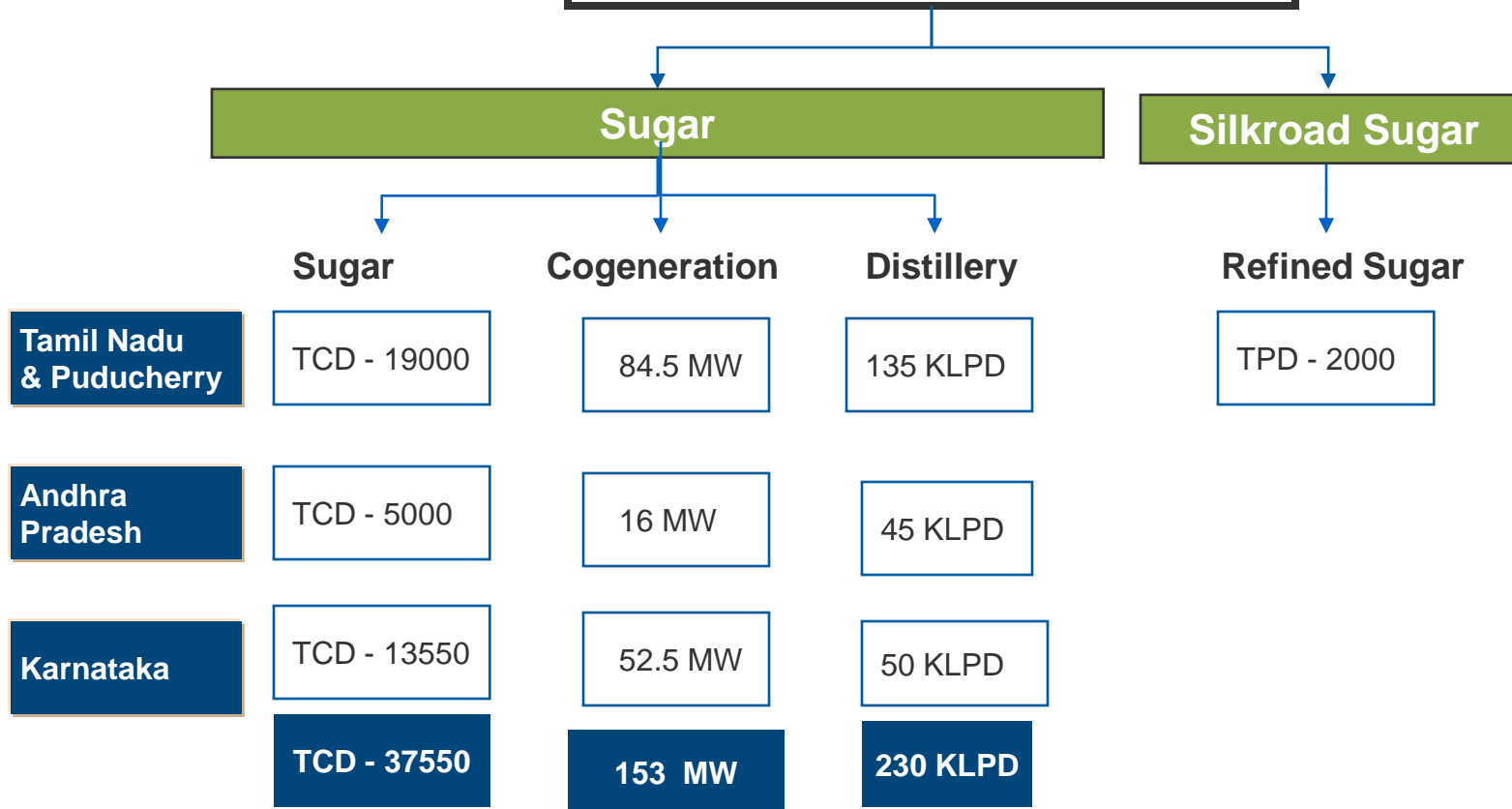
▶ Nutraceuticals

▶ Bio Pesticides

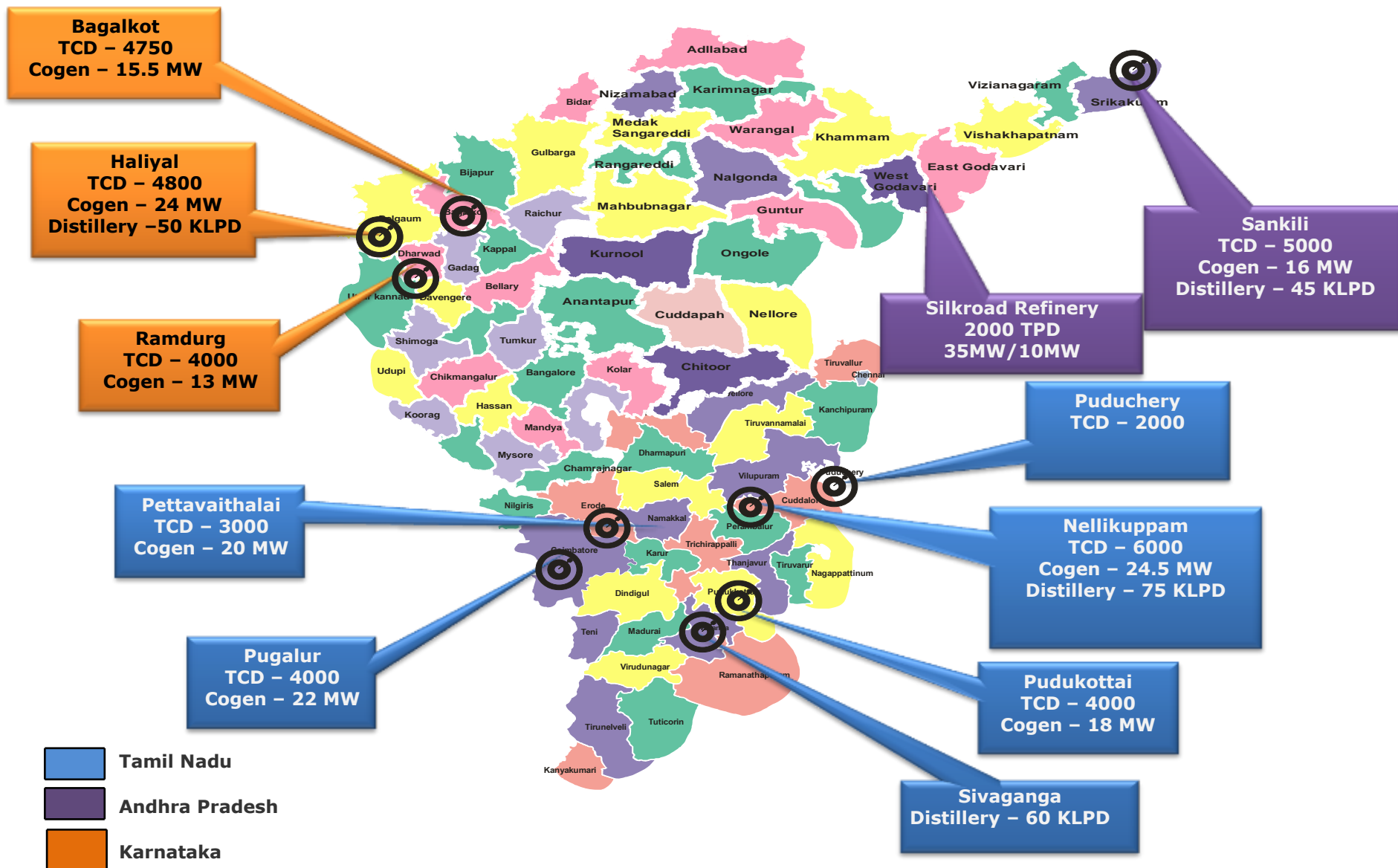
→ Company Financials



Sugar Capacities in EID



- TCD - Tons Crushed per day
- MW - Mega Watt
- KLPD - Kilo Litres per day
- TPD - Tons Produced per day



World Sugar (million MT)

Particulars	SY2013-14	SY 2014-15
Opening stock	40	45
Production	180	178
Consumption	175	179
Closing stock	45	44
Stock to Consumption Ratio %	26%	24%

India's Sugar Balance (million MT)

Particulars	SY2013-14	SY 2014-15
Opening stock	9.3	7.5
Production	24.3	25.3
Imports	0.5	-
Consumption-Domestic	24.3	24.8
Exports	2.3	1.5
Closing stock	7.5	6.5
Stock to Consumption Ratio %	31%	26%

Description	10-11	11-12	12-13	13-14	Rs. In Mn	
					H1 13-14	H1 14-15
<u>EID Standalone</u>						
Sales	13265	14550	19669	16586	7860	11307
EBIT	-494	580	1581	-2	-532	204
Capital Employed	9927	11187	13209	20199	17998	20549
<u>PSIL</u>						
Sales	2643	6010	1309	1788	841	1344
EBIT	139	300	14	-130	-288	-86
<u>SSL</u>						
Sales	676	1810	1358	-	870	-
EBIT	-53	50	9	-	-294	-
<u>Silkroad</u>						
Sales	1108	1620	-	-	-	24
EBIT	-	-430	-201	-206	-11	-484
<u>Consolidated</u>						
Sales Value	17652	23910	22336	18374	9571	12675
EBIT	-407	500	1403	-338	-1126	-365
Capital Employed	17685	18564	18906	26633	26867	29178

- ❖ Release mechanism abolished but Cane pricing under Govt. purview
 - Karnataka moving to revenue based price for Cane from SY 14-15
 - AP on FRP / individually negotiated prices for cane
 - TN position on SAP for SY 14-15 not known.
- ❖ Sugar Prices depressed as supply exceeds demand in India and globally prices down due to continuous surplus over 4 years
- ❖ VAT in Tamilnadu and Andhra Pradesh
- ❖ Power Purchase Agreement (PPA) still in force in TN / AP
- ❖ Decreasing sugarcane planting (acreage) in TN due to continuous droughts

- ❖ Moving to Revenue based pricing in TN / Karnataka
- ❖ Moving to open access on power sales in TN / AP
- ❖ Sugar recovery increase particularly in TN

❖ **R & D Focus**

- Development of Parry Varietals (High Sugar / High Yielding)
- Nursery Program for supply of clean seed cane
- Production / Release of Bio control agents
- Monitoring of soil health and recommendation on sound agronomic practices

❖ **Mechanised Harvesting**

- ❖ Cane Extension Team works with farmer to **improve yield**

❖ Farmer support program for **sustainable agriculture**

- Solidaridad / IFC on water use efficiency, women entrepreneurs, financial literacy
- Water management program with HUL
- Water & Carbon footprint with Rabobank / WWFI
- Strong I-cane / CMS systems for monitoring and support
- Loan Facilities through Banks
- Bonsucro Certification

Registered Cane from 200000 + farmers across Karnataka / AP / TN / Pondy

- ❖ Institutional Business constitutes 25% of Total sales
 - Moved from standards to specifications
 - Customised solutions in terms of Grades, Packing & Service
 - FSSC / SGP certifications

- ❖ Retail accounts 4% of Total sales
 - Presence limited to Chennai, Cochin and Bengaluru
 - Way forward
 - New products under test
 - Progressively build distribution
 - Focus on Modern Trade

Focus on Value Added Products

- ❖ Alcohol
 - ❖ RS / ENA / Ethanol
- ❖ Farm Products
 - ❖ Farmboon / K-ash
- ❖ CO2 Bottling

Operational efficiencies:

- ❖ Drive Operational efficiencies through TPM and target annual 0.5% EBITDA improvement over next 3 years

Disposal of Surplus Properties

- ❖ Target Rs.1000 Million over 3 years to reduce debt

Confectioner's sugar



Baker's sugar



Beverage sugar



Biscuits



Sugar for Indian Sweets



Pharma sugar



Our Valued Customers





"Parry's" has been selected and has been awarded prestigious the consumer Superbrand for 2011-12 by popular consensus among both Consumers and Industry Experts.

Parry's Sugar is THE ONLY SUGAR BRAND in India to be conferred Superbrand status.



FSSC 22000



ISO 9001-2008



ISO 14001-2004



European Pharmacopoeia



Indian Pharmacopoeia



US Pharmacopoeia



British Pharmacopoeia

Silkroad Sugar Pvt Ltd

(a wholly owned subsidiary of EID Parry)

KEY HIGHLIGHTS

- Plant started operations in July'14 and stabilized around 1000 TPD in September'14
- Factory achieved 100% < 45 ICUMSA Quality since 2nd week of September'14
- Process loss reduced from 10% levels in July'14 to 4% in September'14
- Long term high cost rupee Borrowings swapped into lower cost dollar loans

PERFORMANCE

- No production in Q1
- No sales in Q1/Q2
- H1 Loss of Rs. 715 Mn.

Figures in Rs. Million

Description	H1 (14-15)
Interest	-231
Fixed Cost	-246
Stock Write Down	-51
Process loss	-74
Currency Exchange loss (incl.MTM)	-113
Total Loss	-715

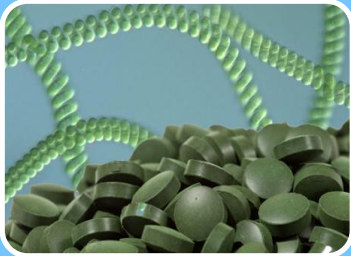
- **Ramp up of plant to 1500 TPD**
- **Lock spreads in the market thereby securing business profitability**
- **Develop container capability at Kakinada to avail addl. premiums**
- **Export of Power to grid**
- **Factory certification for ISO 9000 systems**

- Company Overview
- Sugar Business
- **Bio Products Business**
 - ▶ **Nutraceuticals**
 - ▶ Bio Pesticides
- Company Financials

Our Vision

Parry Nutraceuticals will focus on the business of natural products for human wellness through Health Supplement and Functional Foods by offering high quality products backed by Science, addressing the global market.





Pioneers in Micro Algae Technology

- Strong basic and applied research for last 3 decades
- Market leaders in Premium Organic Spirulina and other algae supplements



Sizeable presence in Carotenoids & Omega Fatty acids

- Major segment of growth in Nutraceuticals industry
- Astaxanthin , Lycopene , Lutein , and Natural Mixed Carotenoids

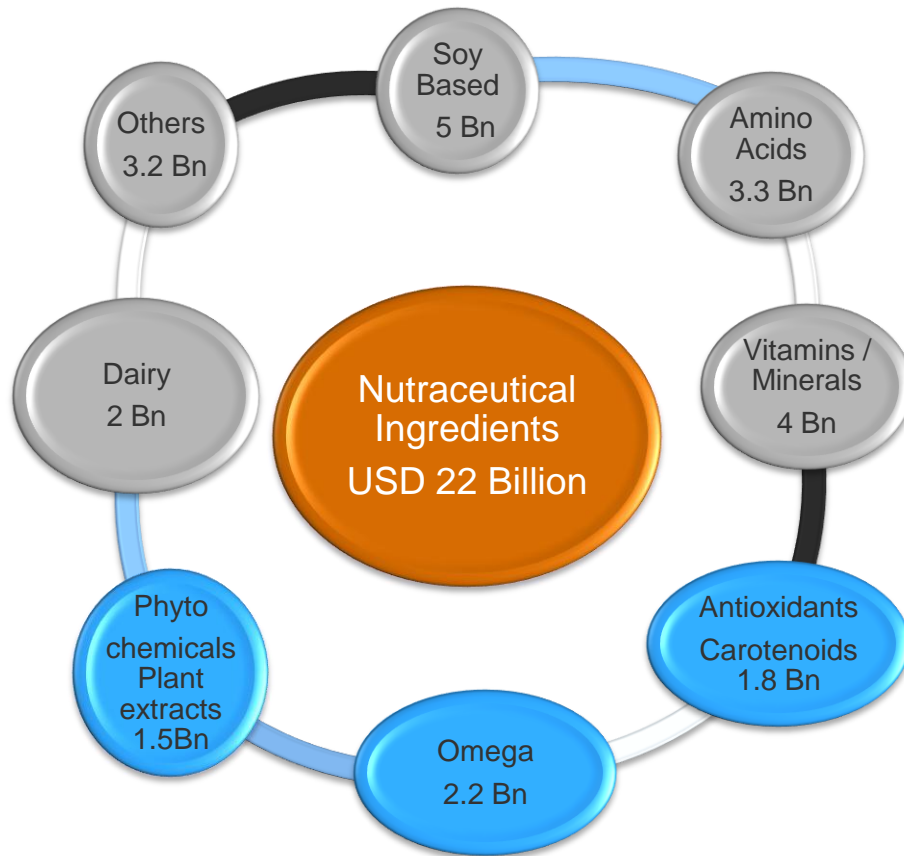


Global presence

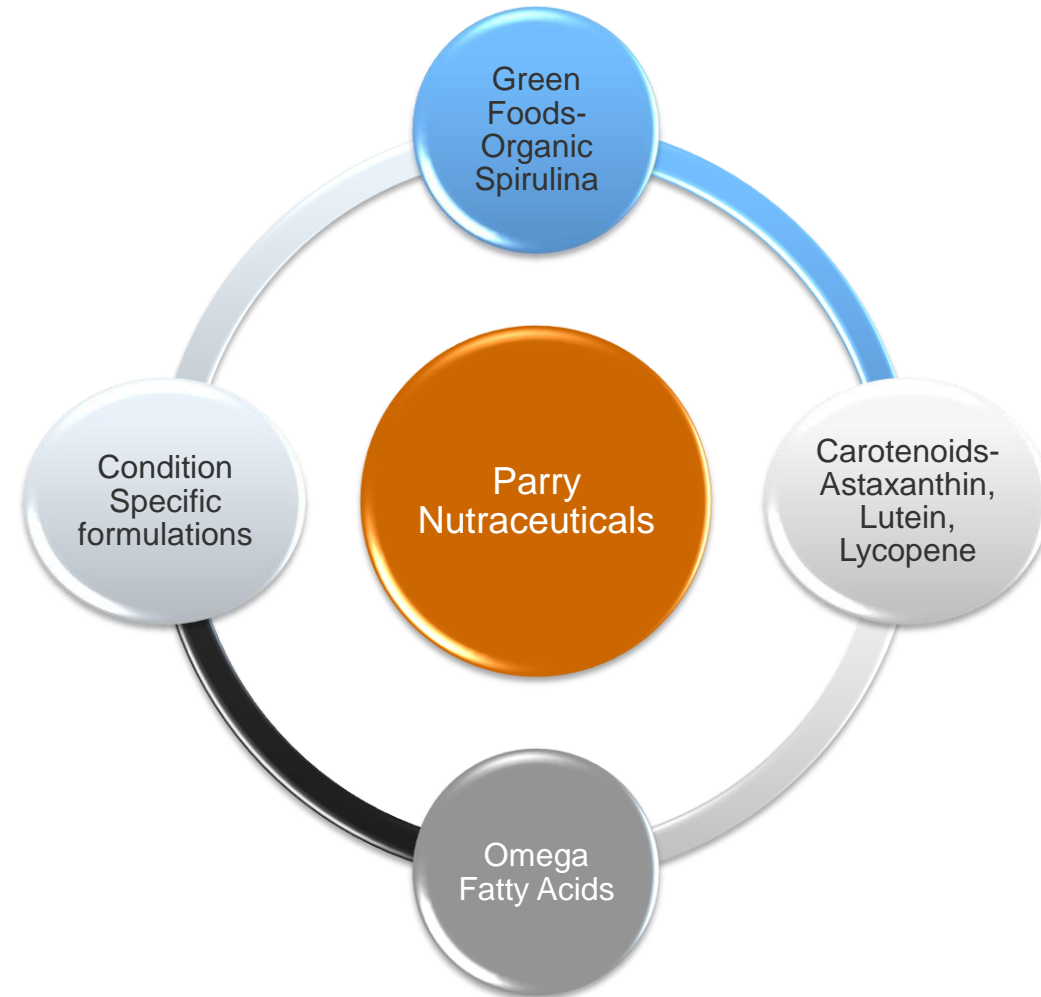
- Exporting to 40 countries
- Ingredients and Advanced Extraction processes and condition specific formulations
- Global presence having manufacturing sites in India, USA and Chile

Global Nutraceutical Segments

Figures in USD



Parry Nutraceuticals "Product portfolio"





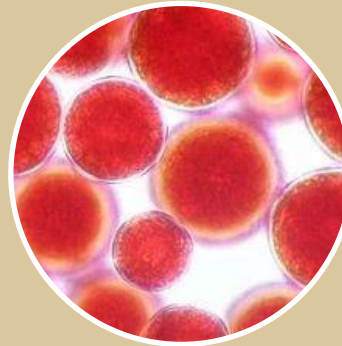
Spirulina

- Consumed as green food in developed countries
- A wholesome supplement having 56% Protein and a complex of vitamins & minerals
- Improves Immunity & general health

\$ 30 Mn Market

No 1 player in Organic Spirulina with market share - 30%

International Certifications



Astaxanthin

- Super Antioxidant
- Joint and tendon health
- Brain and Eye health
- Cardiovascular health

\$ 50 Mn Market

Market Share - 10 %

Acquired Alimtec, Chile

Value Generation through condition specific formulations



Lycopene

- Prostate Health
- Cardio Vascular Health
- Skin care

\$ 52 Mn Market

No 2 player in Tomato Lycopene

- Certified Organic Spirulina according to USDA – NOP, Naturland (Germany), ECOCERT (France) Standards (Certifying agency is the IMO in Switzerland)
- Only Spirulina that is US Pharmacopeia certified for ingredient claims.
- GRASS Affirmation for organic spirulina
- 100% vegetarian inputs in production
- Meets stringent standards like the California prop 65
- Microalgal facility certified as follows:
 - ▶ ISO 9001 for Quality management systems
 - ▶ ISO 14001 for Environmental management
 - ▶ HACCP and cGMP
 - ▶ Kosher and Halal



Developer and provider of high quality nature-sourced ingredients and specialises in clinically proven and patented condition specific products/formulations for human health

Branded
Ingredients
(40%)

- Zanthin® Brand Astaxanthin
- USPlus® Saw Palmetto extract
- Tresalbio® & Verilla® Plant based Omega 3 oil
- ChiaMax™ and VerillaMax™ superfoods

Conditional Specific
formulations
(60%)

- Eye Health (*EyeProMD™*)
- Joint Health (*FlexProMD™* & *Flex Pro ES™*)
- Cardiovascular Health (*DeepOceanKrill™* & *ZanthinXP-3*)
- GI Health (*GoEasy™*)
- Men's Health (*USPlus® Saw Palmetto*)
- Women's Health (*Cran-Gyn®*, *Pink Factor™*)
- General Health – *Pur Blu™* *SpiruZAN™*



- Consolidate the leadership position in premium Organic Spirulina and other algae supplements by leveraging on our strong equity with major consumer brands.
- Expand manufacturing capacity of Astaxanthin for maximum value generation through condition specific formulations.
- Scaling up the capabilities for enhancing the Global presence.

Description	10-11	11-12	12-13	13-14	Rs in. Mn	
					H1 13-14	H1 14-15
<u>Standalone</u>						
Sales	439	436	568	690	366	422
EBIT	12	-10	-14	35	19	90
Capital Employed	510	533	670	652	734	706
<u>US Nutraceuticals</u>						
Sales	427	737	868	1252	584	737
EBIT	-75	-28	8	46	29	-30*
<u>Phyto</u>						
Sales	96	39	52	126	70	37
EBIT	-10	-26	-34	-54	11	-5
<u>Alimtec</u>						
Sales						19
EBIT						-8
<u>Consolidated</u>						
Sales Value	962	1212	1488	1865	962	1216
EBIT	-73	-64	-40	27	59	48
Capital Employed	1055	821	962	1029	1448	1475

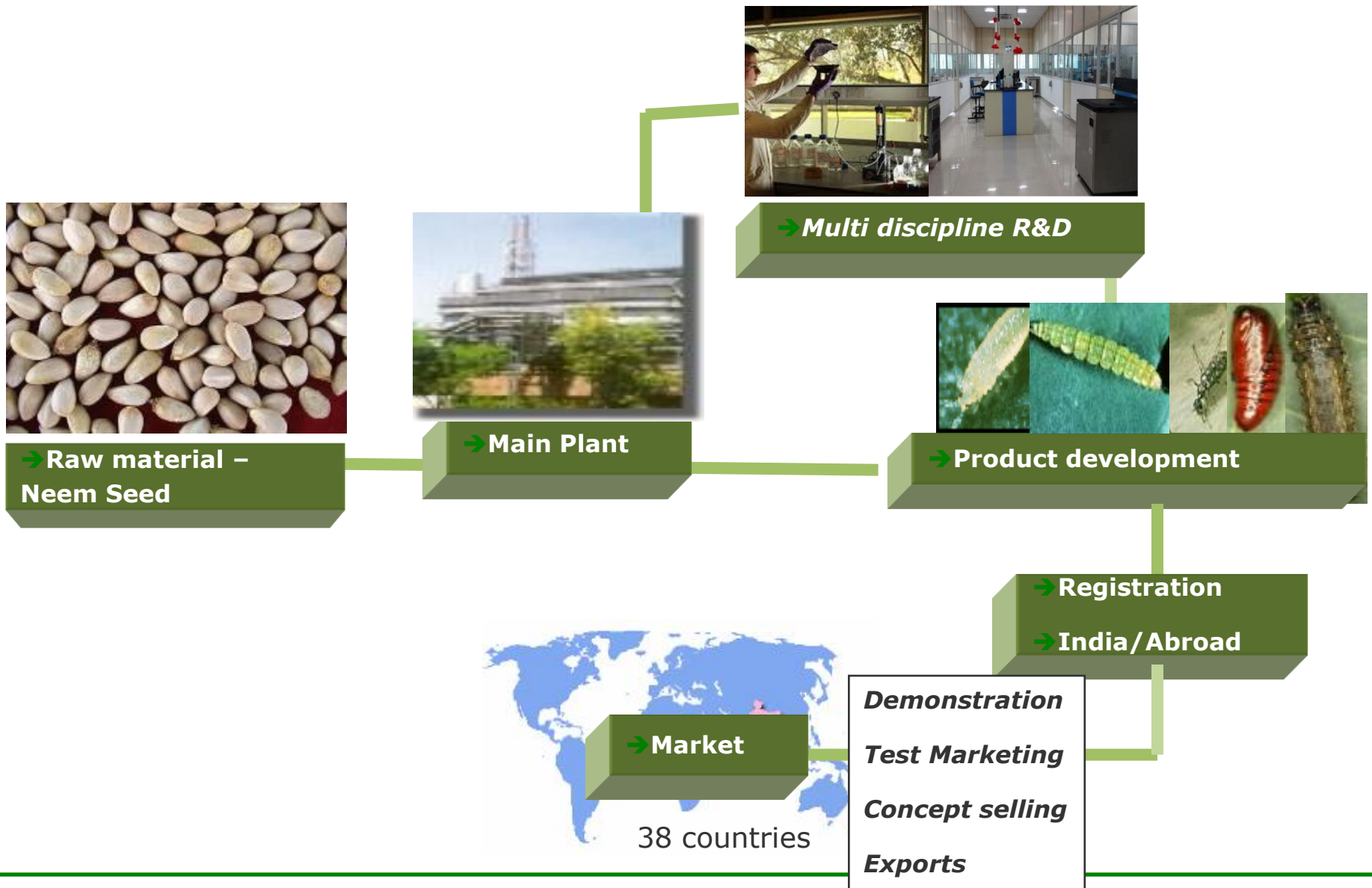
*Includes exceptional item

- Company Overview
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- **Bio Products Business**
 - ▶ Nutraceuticals
 - ▶ **Bio Pesticides**
- Company Financials

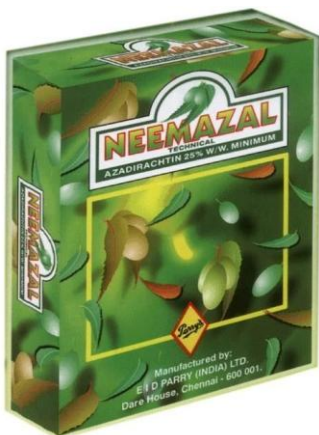
Our Vision

We shall strive to be a leading ecofriendly agri input company providing safe and sustainable crop protection and crop production solutions with a global presence.

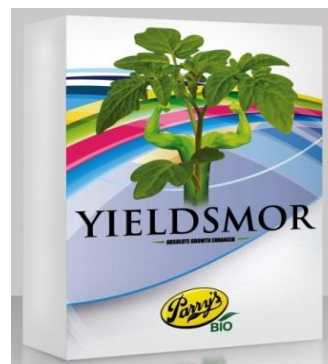




Plant protection



Plant growth



- The global pesticide market valued at ~\$49 billion in 2013.
- Total pesticide market value is expected to reach nearly \$65 billion in 2017 with a compound annual growth rate (CAGR) of 7.2%.
- Bio pesticides getting increased market acceptance. Market valued at ~\$ 1.7 billion in 2013, and surpass \$3.2 billion in 2017, a CAGR of 16%.

- ➔ Recorded a consolidated turnover of Rs. 1039 Mn in 2013-14.
- ➔ Obtained registrations in 38 countries besides 25 product & process patents Japan, Canada, Australia, U.S.A, India, New Zealand, Argentina, Mexico, China, Hong Kong and South Africa.
- ➔ Highest ever profitability achieved in 2013-14

- Expansion to new geographies - overseas and domestic
 - Domestic – Punjab, Gujarat, UP, MP
 - Exports – Central America, Saudi Arabia, Kenya, Zambia, Cameroon + Asian markets
- New products
 - Ready To Use (RTU) launch in US market by H1 of 2015-16
 - Parry Grand in domestic market



Rs. In Mn

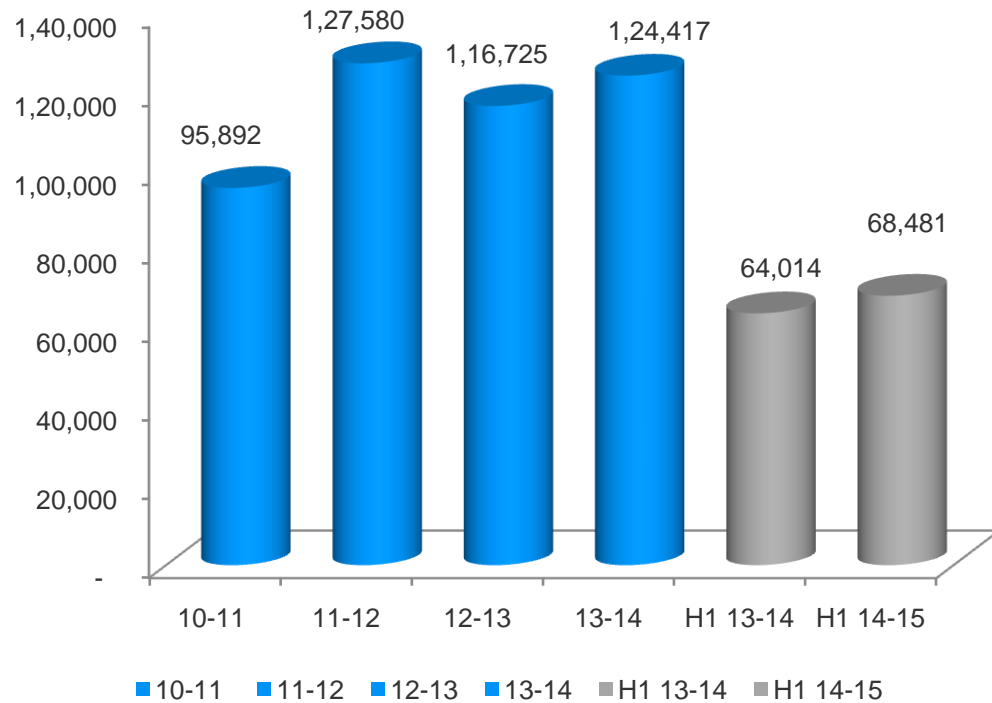
Description	10-11	11-12	12-13	13-14	H1 13-14	H1 14-15
<u>Stand alone</u>						
Sales Value	553	770	706	934	449	335
EBIT	113	130	156	228	67	27
Capital Employed	553	578	731	985	887	842
<u>Parry America</u>						
Sales Value	249	302	409	463	212	129
EBIT	19	27	41	46	26	19
<u>Consolidated</u>						
Sales Value	665	882	830	1039	488	339
EBIT	132	157	197	274	93	46
Capital Employed	610	707	893	1115	1078	1051

- **Company Overview**
- **Sugar Business**
 - ▶ **World and Indian Sugar Balance**
 - ▶ **EID – Sugar Business**
- **Bio Products Business**
 - ▶ **Nutraceuticals**
 - ▶ **Bio Pesticides**
- **Company - Financials**

Consolidated Gross Income

Rs Million

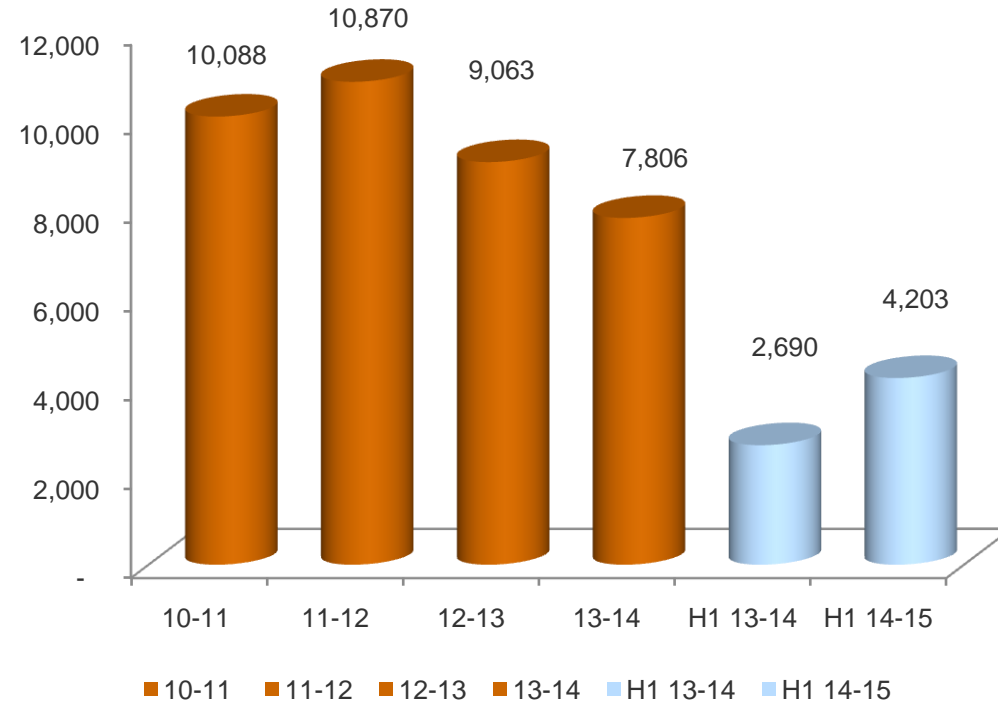
Gross Income



Consolidated EBIT

Rs Million

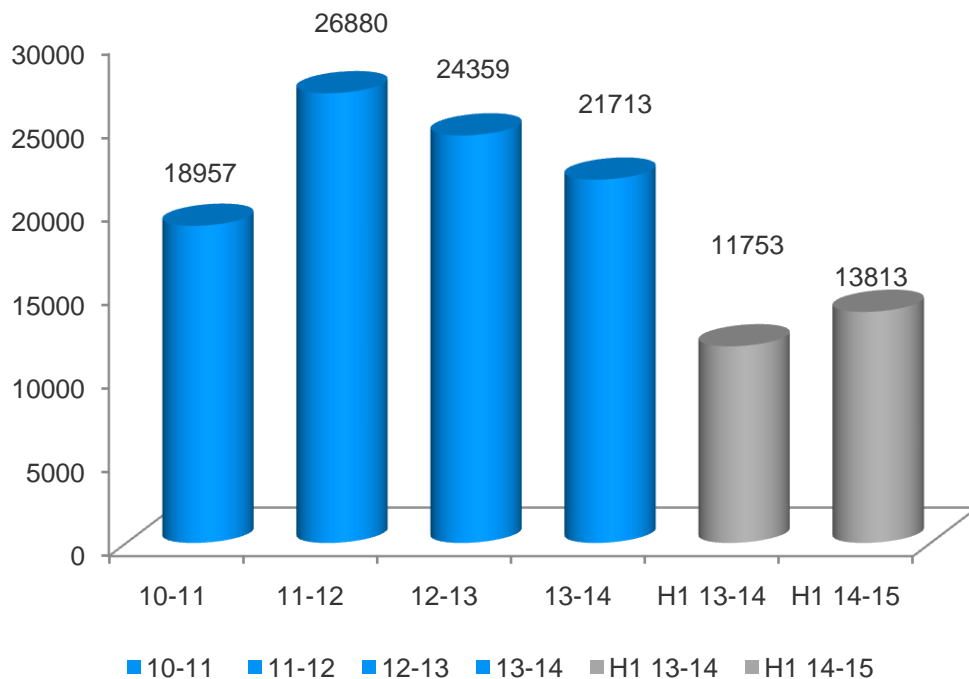
EBIT



Consolidated Gross Income

Rs Million

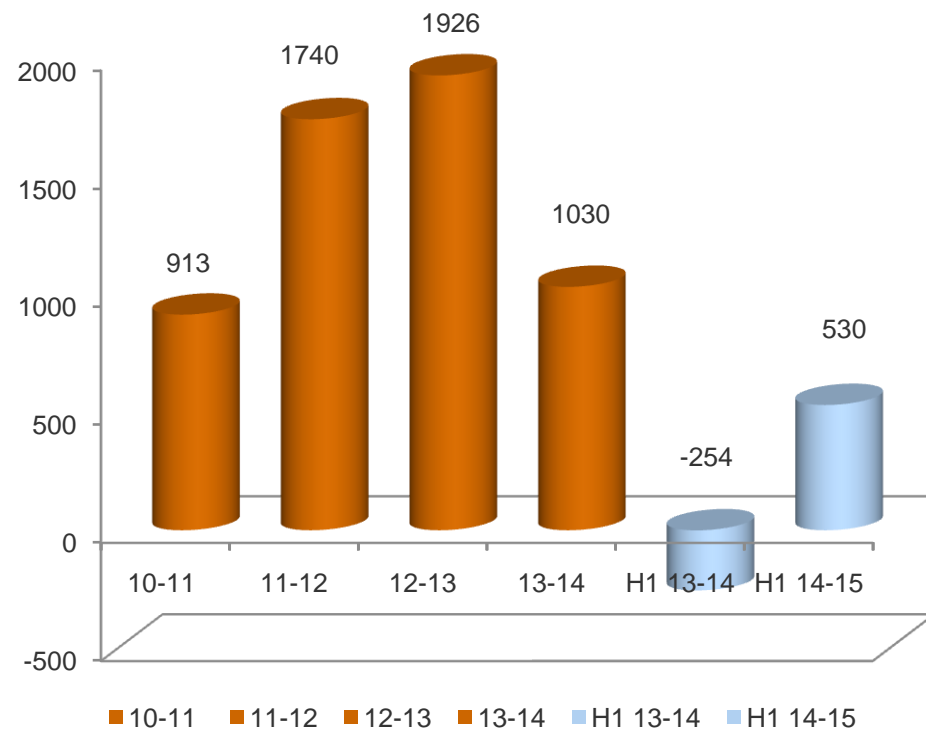
Gross Income



Consolidated EBIT

Rs Million

EBIT



Key Balance Sheet Items

	Rs. In Mn				
Balance Sheet items	2010-11	2011-12	2012-13	2013-14	H1 2014-15
Net Fixed Assets	17150	17611	20103	21028	21256
Investment	1326	1263	4053	1359	2796
Goodwill	1068	1290	529	395	404
Net Current Assets	9804	5815	11398	10659	10636
Total Capital Employed	29348	25980	36083	33442	35091
Shareholders Funds	11314	9706	10984	10292	9663
Minority Interest	45	0	50	38	24
Borrowings	16596	15018	23711	22411	24701
Deferred tax Liability	1393	1256	1338	702	702
Total	29348	25980	36083	33442	35091

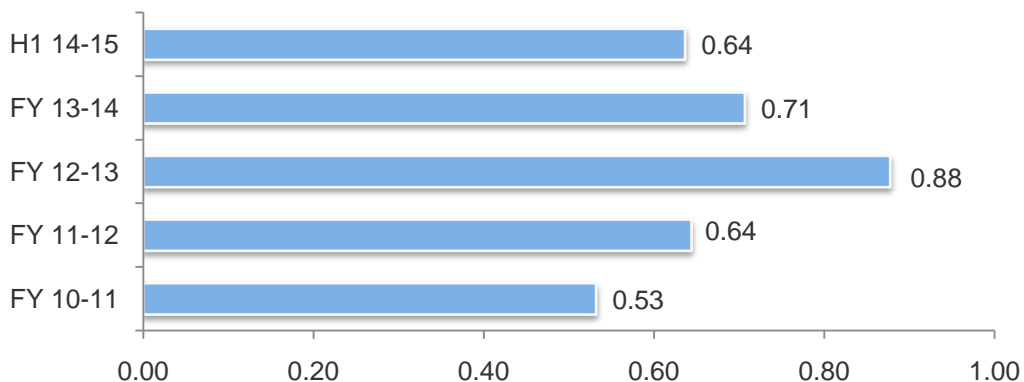
Ratings- Ex CIL

→ CRISIL

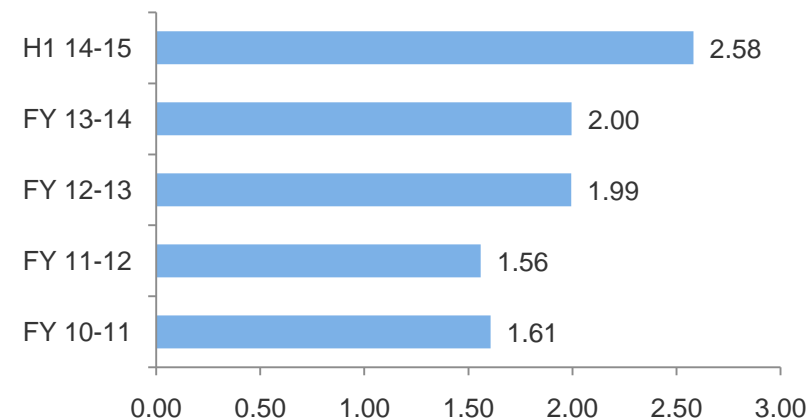
- Long Term Debt rating : CRISIL AA-/
Stable Outlook

- Short Term Debt rating : A1+

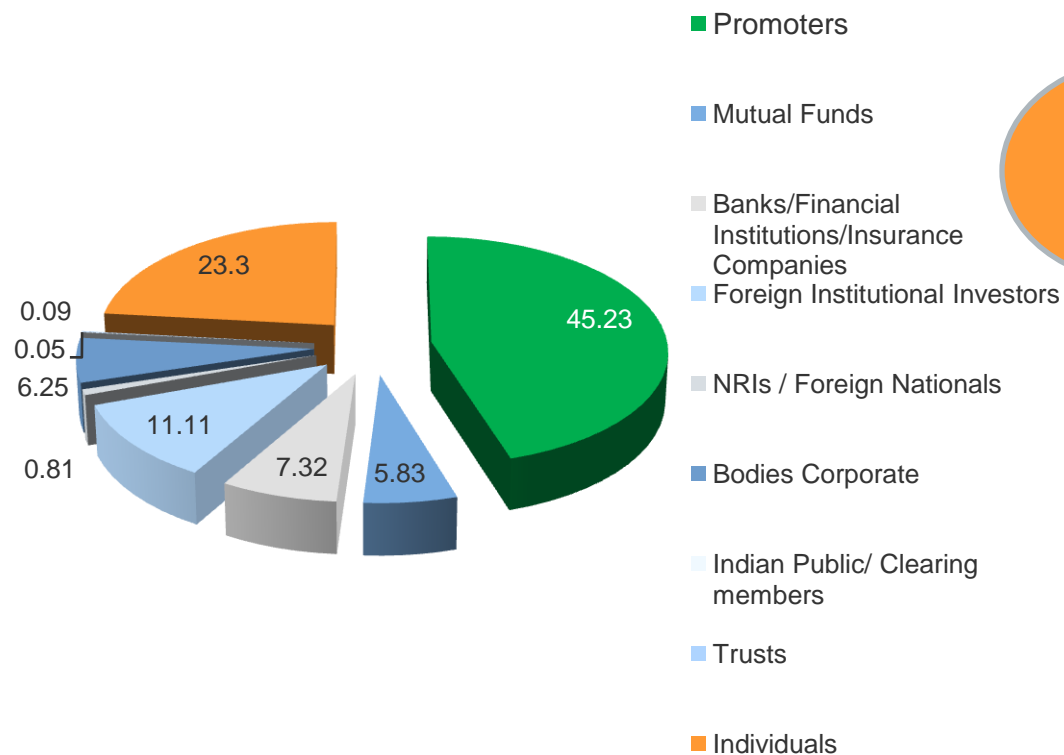
Long Term Debt Equity Ratio



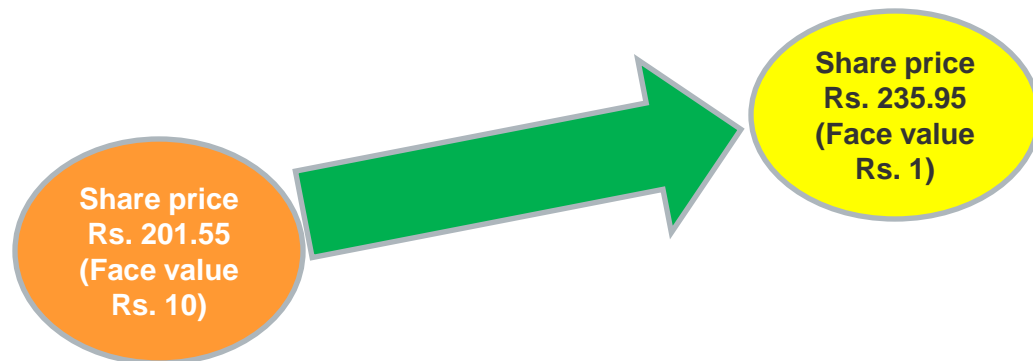
Total Debt Equity Ratio



Shareholding as a %

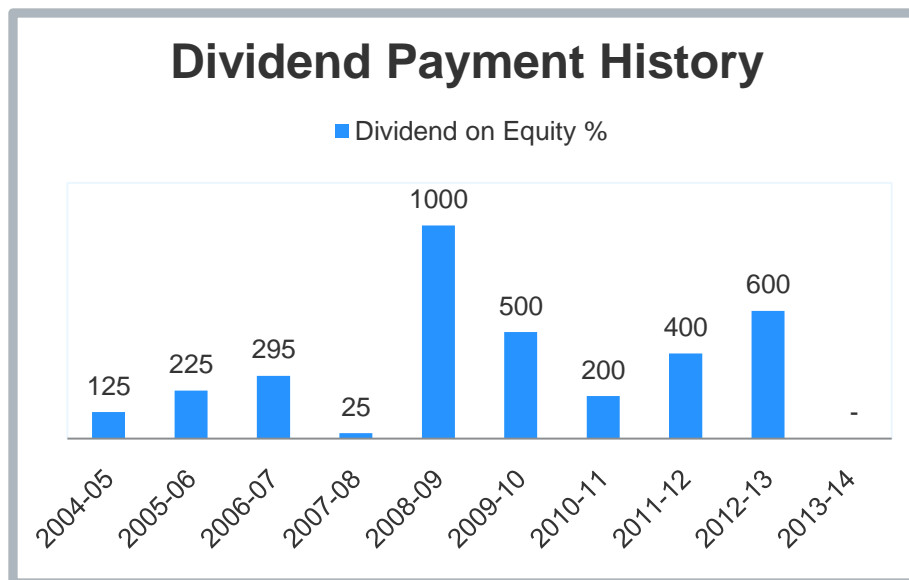


Return to Investor



TSR- 1338% over 10 years (CAGR- 30 %)

Dividend Payment History



- EID Parry awarded India's best managed board by AON Hewitt –Mint - 2012



Won Award for Best Corporate Social Responsibility Practices from Asia Pacific HRM Congress, 2014 held at Bangalore on 11th Sep 2014



Investor Co-ordinator :

For further information, please contact:

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Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

Thank You