Press Release For immediate Publication

Simbhaoli Sugar Mills announces results for Q2 FY08
Revenue at Rs 115.19 crore

Mar 2008 performance overview (all comparisons with Mar 2007)

- Net sales at Rs 112.24 crore, an increase of 12% from Rs 100.14 crore
- Net Profit before tax at Rs 4.2 crore, against loss
- Revenue segmentation: Sugar: Rs 108.7 crore, 61% of the total revenue during the quarter. Distillery and power, 39% of the total revenues

New Delhi; April 29, 2008: Simbhaoli Sugars Limited (BSE SCRIP CODE: SIMBHALS; NSE SYMBOL: SIMBHSUGAR), one of the largest integrated sugar refinery in India, has posted a net profit before tax at Rs 4.2 crore for the second quarter of the FY 2008 (Q2 FY08) ended March 31, 2008 as against a loss of Rs 20.69 crore for the quarter ended March 31, 2007 (Q4 FY07). The company registered net sales of Rs 112.24 crore, up by 12% over the corresponding quarter of the last fiscal. This was despite the lower realisation of sugar (by Rs. 65 per quintal) in Q2 of the current fiscal, high interest costs, carrying costs and depreciation. The EPS for the quarter was at Rs. 1.57.

The increase in revenue was on account of higher power produced and exported, from Simbhaoli and Chilwaria sugar complexes during qtr. A higher earning is expected in future under this segment, once all the projects are completed. The revenue from sugar business also registered a growth of 13.4% to Rs 108.7 crore in the quarter ended March 31, 2008.

Commenting on the results, Dr. G.S.C Rao, Executive Director, Simbhaoli Sugars Limited said, "The Company has attained a profitable financial position after a gap of 5 quarters as industry cycle is turning back to normal within a short span. During last crushing season, the Simbhaoli plant has achieved a recovery of over 12% and peaked at a record 12.35% with an average of 11.14% for the quarter. This resulted in a lower cost of production in the plant. We see ethanol as an important area for the future of the company with prevailing high prices of crude and the mandate of 10% blending of ethanol in petrol being applicable in all states from October 2008 onwards."

Commenting on the results, Mr. Sanjay Tapriya, Director- Finance, Simbhaoli Sugars, added, "The high carryover stocks and high margins are locked therein. SSL has completed most of its planned growth. The power projects have operated at 20 MW/ hr surplus capacity and have been major contributors to the margins this quarter. Full capacity utilization of power and alcohol capacities and earnings under segments will be reflected in the next sugar year onwards. Sugar revenues of the Company are at 61% for this quarter and shall further reduce in future. These efforts will reduce the reliance on sugar segment which is in line with the derisking approach of the Company. "

With a product portfolio diversified into a wide range of speciality sugar, potable alcohol, and bio-manure, apart from standard sugar, cogeneration and ethanol, the company expects revenues from several segments and thereby foresees a better future for itself and for the industry.

About SSL: Simbhaoli Sugars Limited (SSL) is one of India's leading producers of high quality sugar and operates one of the largest integrated sugar complexes in India. It produces and sells international standard refined, pharmaceutical-grade and specialty sugars to the retail and bulk institutional consumer segments. Its sugar brand, Trust, commands a significant share of the north Indian market. SSL is a major supplier to a multinational and domestic customer base that includes Coca-Cola, Heinz, PepsiCo, GlaxoSmithKline, Haldiram's, Oberoi Hotels, Taj Group of Hotels, Indian Railways and all Airlines. Currently, SSL operates three technologically advanced sugar-manufacturing facilities in Simbhaoli, Brijnathpur and Chilwaria, all located in Uttar Pradesh. The Company's facilities have a total installed sugarcane crushing capacity of 20,100 TCD and are capable of manufacturing up to 300,000 MTPA of sugar. The Company also utilizes a significant proportion of the by-products from the sugar production process to co-generate power and manufacture ethanol, high quality alcohol and bio-manure for sale to third parties. It is creating additional capacity to produce 210 KLPD of alcohol/ ENA, and 30 MW/hr of exportable surplus power.

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