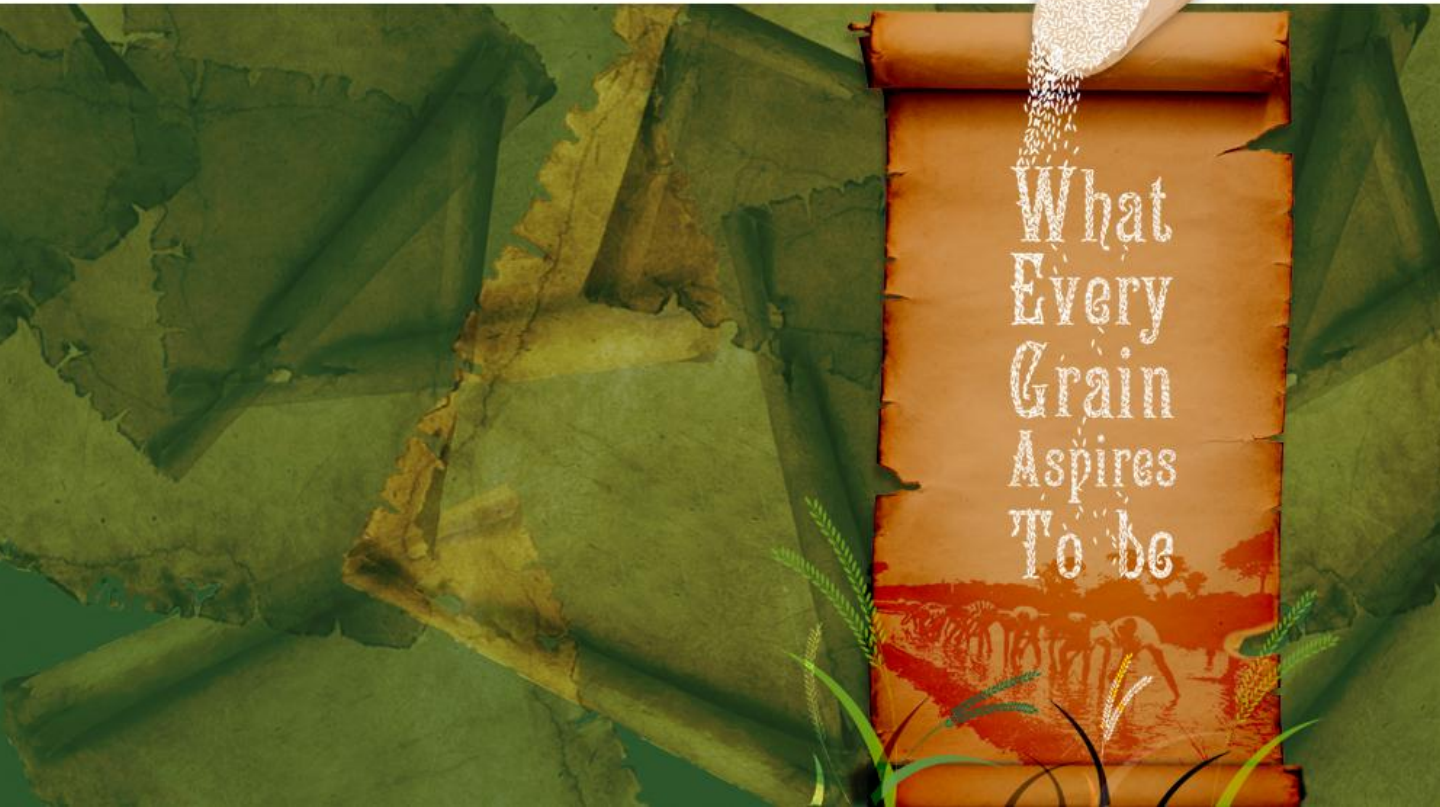




WORLD'S LARGEST RICE MILLERS & BASMATI RICE EXPORTERS



# Q4 and Full Year FY2012 Market Update



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New Delhi, May 24, 2012 – KRBL Limited (referred to as “KRBL” or the “Company”, NSE: KRBL, BSE: 530813), the world’s largest rice millers and Basmati rice exporters, presents its Fourth Quarter and Full Year FY2012 Market Update.

Commenting on the results and performance, **Mr. Anoop Kumar Gupta, Joint Managing Director** of KRBL said:

*“Our financial performance has been satisfactory considering the ongoing inflationary and seasonality pressures. We remain focused on strengthening our customer relationships, which have translated into strong new business order intakes. Going forward, we are well positioned to capitalize on the growing export opportunities in the rice industry, lower paddy prices during the season and consistent rupee depreciation. Our strategic objectives are to enhance capacity utilization levels, meet the increasing demand of Basmati rice and strengthen our brand position worldwide. We are pleased to recommend a consistent dividend as our ongoing commitment to enhance shareholder value.”*

## 1. Fourth Quarter and Full Year FY2012 Financial Results

### Key Highlights Consolidated FY2012 vs. FY2011

- Sales increased by 5.6%
- Export volumes increased by 66.9%
- Export sales increased by 33.2%
- Dividend per share of Rs. 0.30

### Consolidated Financial Highlights

(Rs. Crore)	Q4		y-o-y	Q3	
	FY2012	FY2011	Growth (%)	FY2012	q-o-q Growth (%)
Net Sales (incl other operating income)	472.8	448.2	5.5%	453.2	4.3%
EBITDA	64.0	70.5	(9.1)%	72.2	(11.3)%
EBITDA Margin (%)	13.5%	15.7%		15.9%	
Net Profit	47.3	30.0	57.7%	23.8	98.5%
Net Profit Margin (%)	10.0%	6.7%		5.3%	
Basic EPS (Rs)	1.95	1.23	58.5%	0.98	99.0%

(Rs. Crore)	Full Year			(Rs. Crore)	Full Year	
	FY2012	FY2011	Growth (%)		FY2012	FY2011
Net Sales	1,631.4	1,544.6	5.6%	Total Debt	875	839
EBITDA	235.5	233.1	1.0%	Cash and Cash Equivalent	24	14
EBITDA Margin (%)	14.4%	15.1%		Net Debt	851	825
Net Profit	73.0	120.3	(39.3)%	Net Worth	717	647
Net Profit Margin (%)	4.5%	7.8%		Dividend per Share	0.30	0.30
Basic EPS (Rs)	3.00	4.95	(39.4)%			

Net Profit (adjusted for foreign exchange gains /	98.7	111.9	(11.8)%
Net Profit Margin (%)	6.0%	7.2%	

## Q4 FY2012 Business Performance

Q4 FY2012 consolidated Net Sales increased 5.5% primarily due to a strong volume growth of 27.7%. Q4 FY2012 export sales increased by 5.9% and domestic sales increased by 4.6% compared to the last year. This growth is primarily due to the Company's presence in the entire value chain of Basmati farming and increasing export markets. Moderation in price realisation continues to impact revenue growth during the quarter.

The growth in the Agri business was mainly driven by export sales. Q4 FY2012 Net Sales in the Energy business increased by 80.4% as compared to Q4 FY2011.

Q4 FY2012 consolidated EBITDA decreased by 9.1%. This is primarily a result of the increase in average cost of goods sold due to high cost inventories. Paddy purchased during the last year at higher prices were consumed during the period resulting in lower margins. Employee costs increased marginally due to higher milling activity during the quarter.

Q4 FY2012 consolidated Net Profit increased by 57.7% as compared to Q4 FY2011. Consolidated Net Profit includes a notional gain on account of exchange rate fluctuation. Finance Costs increased from Rs. 17.9 Crore in Q4 FY2011 to Rs. 22.5 Crore in Q4 FY2012 as a result of an increase in working capital requirements and higher cost of borrowings.

## Full Year FY2012 Business Performance

FY2012 consolidated Net Sales increased 5.6%. This was primarily due to a strong sales volume of 66.9% in the export markets. There has been a significant increase in the demand of Basmati rice in the Middle East regions. Lifting of ban on the Non Basmati rice export by the government has resulted in enhanced presence in newer exports markets and improved export volumes. Although, moderation in price realisation continues to impact revenue growth.

The growth in the Agri business was mainly driven by export sales. Export sales have contributed ~54% of Agri Sales in FY2012. FY2012 Net Sales in the Energy business increased by 70.8% as compared to FY2011.

FY2012 consolidated EBITDA remained flat as compared to FY2011. This is mainly due to a significant increase in average cost of goods sold.

FY2012 consolidated Net Profit adjusted for the foreign exchange losses have decreased by 11.8% compared to the prior year. Foreign exchange losses / gains are a result of depreciation of the Rupee. The exchange fluctuations are due to mark-to-market (MTM) which is notional in nature and may get reversed.

## Balance Sheet

KRBL remains focused on maintaining a conservative balance sheet in order to preserve strategic and operational flexibility. As of March 31, 2012, total debt is Rs. 875 Crore, cash and cash equivalents are Rs. 24 Crore and the resulting net debt is Rs. 851 Crore. Total debt consists of Rs. 769 Crore of short term borrowings and Rs. 106 Crore of long term borrowings. Net Worth at the end of Q4 FY2012 was Rs. 717 Crore.

## Segment Analysis

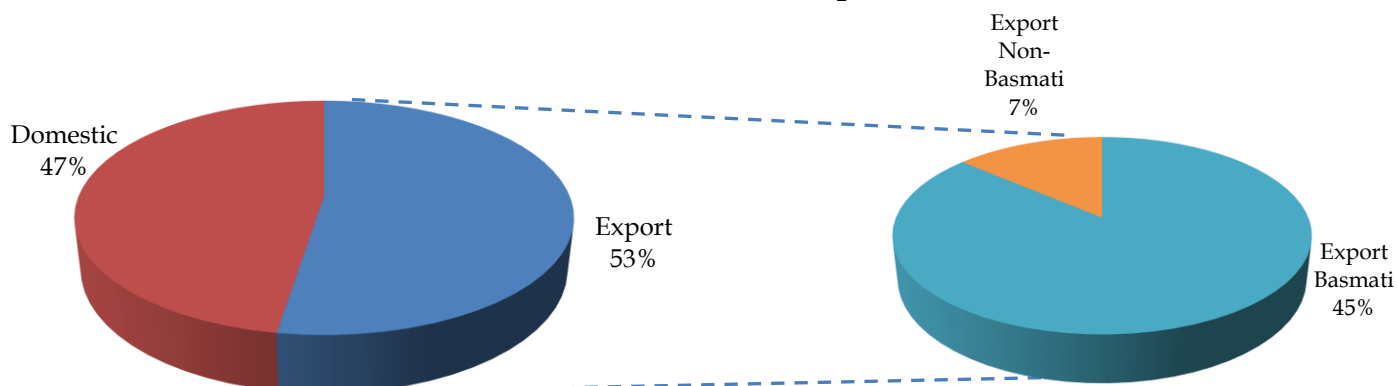
(Rs. Crore)	Sales (excl other operating income)			Operating Income		
	Q4		y-o-y	Q4		y-o-y
	FY2012	FY2011	Growth (%)	FY2012	FY2011	Growth (%)
Agri Business	468.5	445.0	5.3%	88.0	64.0	37.5%
Energy Business	18.9	10.5	80.4%	(1.2)	(2.5)	n/m
	487.5	455.5	7.0%	86.9	61.5	41.2%
Less: Intercompany Adj	14.9	7.5				
<b>Total</b>	<b>472.6</b>	<b>448.0</b>	<b>5.5%</b>	<b>86.9</b>	<b>61.5</b>	<b>41.2%</b>

(Rs. Crore)	Sales (excl other operating income)			Operating Income		
	Full Year		y-o-y	Full Year		y-o-y
	FY2012	FY2011	Growth (%)	FY2012	FY2011	Growth (%)
Agri Business	1,601.9	1,522.0	5.2%	160.3	207.9	(22.9)%
Energy Business	76.3	44.7	70.8%	7.3	(0.0)	n/m
	1,678.2	1,566.7	7.1%	167.6	207.9	(19.4)%
Less: Intercompany Adj	47.2	22.7				
<b>Total</b>	<b>1,631.0</b>	<b>1,544.0</b>	<b>5.6%</b>	<b>167.6</b>	<b>207.9</b>	<b>(19.4)%</b>

## Sales Breakup by Geography

Rs. Crore	Q4 FY2012	Q4 FY2011	Y-o-Y Growth (%)	Q3 FY2012	Q-o-Q Growth (%)
Domestic	222.1	218.6	1.6%	209.1	6.2%
Export: Basmati	239.5	229.4	4.4%	137.6	74.1%
Export: Non Basmati	11.0	-	-	106.4	(89.7)%
<b>Total</b>	<b>472.6</b>	<b>448.0</b>		<b>453.1</b>	

## FY2012 Sales Breakup





## 2. Performance Outlook

India's rice production in 2011-12 has increased by ~7% to 103.4 million MT. India's total rice export in 2011-12 is expected to range between 6.5-7.0 million tonnes. Primary reasons for increased exports include 1) strong international demand, 2) highly competitive price of Indian rice and 3) continuation of the Government policy to allow export of non-basmati rice. China has recently announced the opening of import channels for basmati rice from Indian markets. Increasing trade opportunities with Iran and Iraq are expected to benefit Indian rice exporter in coming months. Rice exports account for ~7% of the India's total production. Going forward, Indian rice exporters are expected to reap benefits due to lower paddy prices during the season, growing exports opportunities and recent depreciation of rupee.

KRBL's share in India's Basmati production is 25% and it is expected to process 900,000 MT of Basmati rice at capacity utilization levels of 80-85% by 2015-16. The Company is well positioned to capitalize on the expected growth in the rice industry due its presence in the entire value chain of Basmati farming. Management continue to focus on rural markets to capture a larger share of the domestic market and enhance margins from higher realizations from byproducts.

## 3. Investment Highlights

Leading Market Position	Best-in-Class Operations	Leading Brands	Strong Financial Performance
<ul style="list-style-type: none"> <li>• World's largest rice millers and Basmati rice exporters</li> <li>• India's largest selling Branded Basmati Rice company</li> <li>• Strong Brand presence through collaborations with global retail chains</li> <li>• Leading position in Saudi Arabia's market - world's largest Basmati Rice market</li> <li>• Largest contract farming basmati rice in the world</li> </ul>	<ul style="list-style-type: none"> <li>• India's first fully integrated and scalable rice company</li> <li>• Rice manufacturing capacities of 195 MT/per hour</li> <li>• Good realizations - export price per MT commands a premium of more than 20% over the Industry average</li> <li>• Wide marketing network with presence at 4,52,000 retail outlets spread over all towns and cities of the country</li> <li>• 35% basmati seeds in India are provided by KRBL</li> </ul>	<ul style="list-style-type: none"> <li>• "India Gate", the flagship brand of Company, is the topmost selling rice in the Branded Rice segment, both in India and Overseas market</li> <li>• Brands include – India Gate, Taj Mahal, Doon, Nur Jahan and many more</li> <li>• 25% share in the Branded Basmati exports from India</li> <li>• 30% share in the branded Basmati sale in domestic market</li> </ul>	<ul style="list-style-type: none"> <li>• 4-year net sales growth CAGR of 13.1% and EBITDA growth CAGR of 11.2%</li> <li>• 4-year average return on capital employed of 12.7%</li> <li>• Strong balance sheet to support organic and inorganic growth plans</li> <li>• Short-term loan of the company rated A1+ by ICRA, indicating highest credit quality</li> </ul>

## 4. Company Background

KRBL is the world's largest rice millers and Basmati rice exporters. The Company is a branded Basmati rice company, with manufacturing capacities of 195 MT/per hour. It has established a leading position in the Indian rice industry. It is backed by integrated and scalable operations and comprehensive downstream product chain, which is the first in the country. The Company has also set up a seed farm and a 4 MT per hour seed grading plant for its R&D activities and new products testing. With a legacy spanning over 120 years, the Company enjoys unparalleled domain knowledge, with generations perfecting the Basmati grain over the years. Along with its proven operational excellence, the Company also enjoys both global and domestic market leadership. It holds a ~25% market share in the branded Basmati exports from India and a ~30% share in the branded Basmati sale in the domestic market.

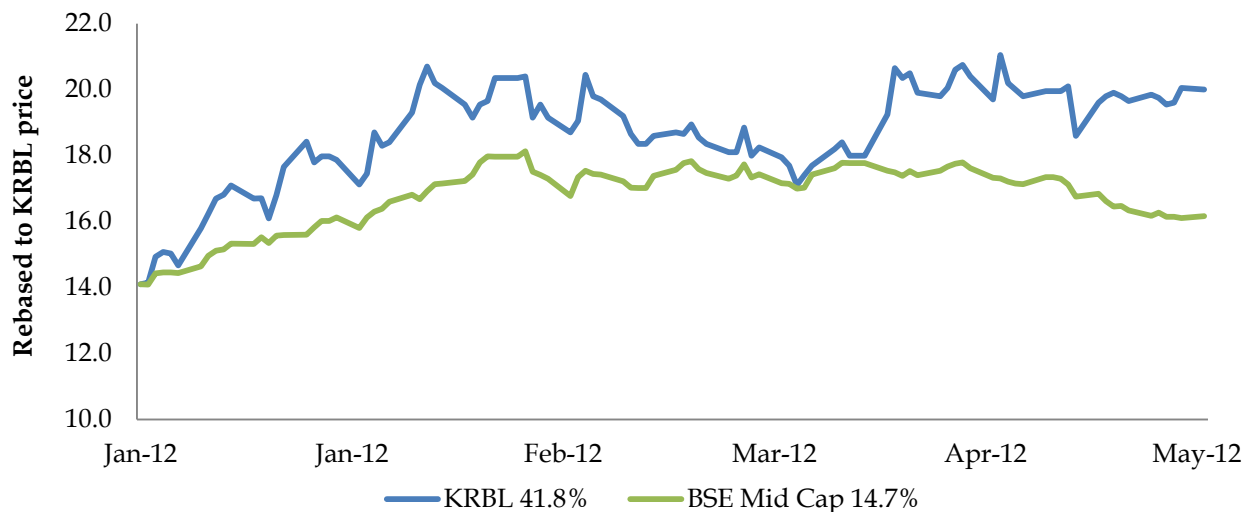
Operates in two business segments: Agri business, which includes sale of Basmati and non-Basmati rice, along with by-products - rice bran oil, de-oiled cake and furfural oil. Energy business, which generates power from wind turbine and husk based power plant. The Company's wind power generation capacity was 39.8 MW and its bio mass power generation capacity was 15.8 MW.

The Company's domestic and international brand portfolio includes India Gate, Taj Mahal, Doon, Unity, Nur Jahan, Al Wisam. KRBL's branded Basmati rice has strong demand in countries like Saudi Arabia, Kuwait, USA and the Middle East. It holds a leading position in the Middle East, the world's largest Basmati market.

### Key Brands



## YTD Share Price Performance



Source: FactSet, as of May 21, 2012

### Other Information

Share Price (₹)	20.00*	12 Months ADT (₹ mn)	22
Market Cap (₹ mn)	4,862	Free Float	35%
Outstanding Shares (mn)	243.1	Book Value Per Share (₹)	29.50
52 Week High / Low (₹)	33.90 / 12.75	BSE Ticker	530813
% of 52 Week High	59%	NSE Ticker	KRBL

\*As of May 21, 2012

## 5. Industry Overview

Indian Agriculture industry contributes about 31% of the GDP and also about 25% of India's exports are agricultural products. Basmati rice exports in India are valued at ~US\$2,321 million per year. Over 80% of the full length rice grown in India are produced for export. The Government recently allowed additional export of 2 million MT non-Basmati rice and agreed to lower the minimum export price (MEP) from US\$900 per tonne to US\$700 per tonne for Basmati rice. These measures are expected to enhance international trade for Basmati as well non-Basmati rice from India. The global demand for Basmati rice has risen steadily over the years, with consumption growing at a CAGR of around 22% over the period of FY 2008-11.



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### Notes:

1. Net Sales: Sales/Income from Operations, excluding excise duty
2. EBITDA: Earnings before interest, depreciation, exceptional items and tax, and includes Other Income
3. All financial margins are calculated based on Net Sales
4. Net Worth: Share Capital and Reserves and Surplus
5. Basic EPS: Face value of Rs. 1.00; Calculated based on 24.31 Crore shares as of March 31, 2012
6. Exchange loss/gain is due to mark-to-market (MTM) forex fluctuations on its Packing Credit in Foreign Currency loans as the Rupee depreciated against the US Dollar. The exchange loss is notional in nature and may get reversed considering recent appreciation in the Rupee and / or execution of orders in hands

### Forward Looking Statements

*This presentation contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to KRBL's future business developments and economic performance.*

*While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.*

*These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.*

*KRBL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.*