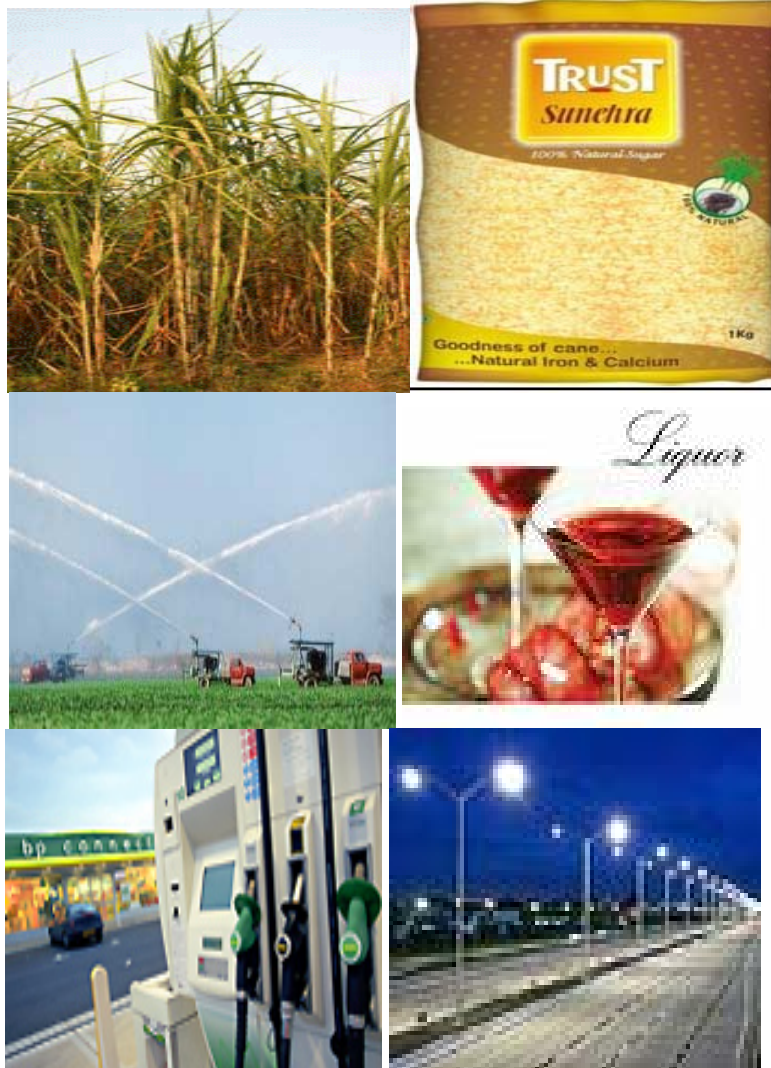




Simbhaoli Sugars Limited

Investors Update

For the Quarter ended December 2007



Sugar * Bio-manure * Liquor * Ethanol * Bio-electricity

Financial performance- Quarter ended December 2007

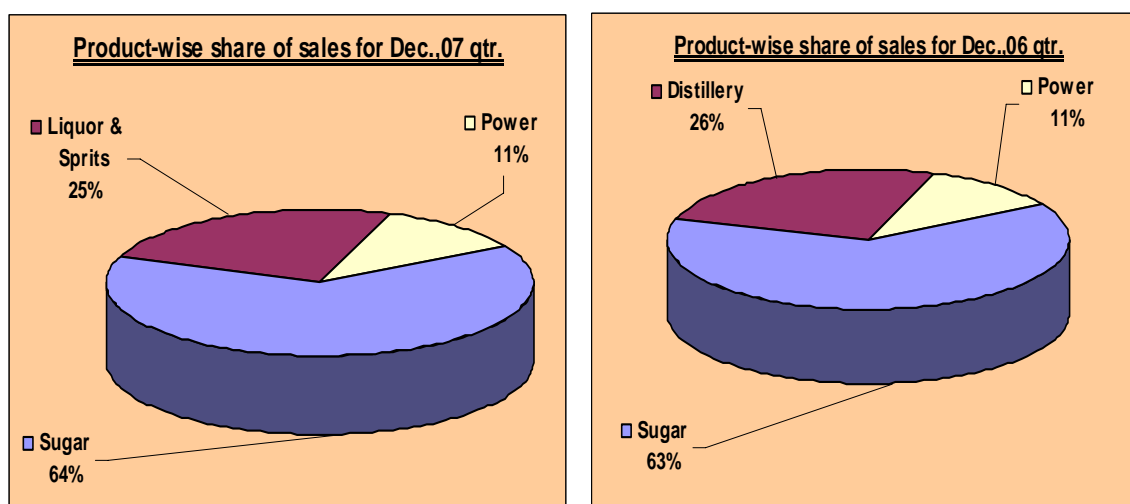
New Delhi, Jan 30, 2008: Simbhaoli Sugars Limited, one of the largest integrated sugar Company, announces its financial results for the quarter ended Dec 2007 (Q1 FY07) {financial year changed to Oct- Sept}

Gross Revenues at Rs. 1540.89 million

Highlights of the Q1 ended December 2007 viz a viz December 2006:

- The financial results continue to be adversely affected on account of lower sugar prices and delayed start of sugar season 2007-08 by one month.
- Gross Sales/Income from operations at Rs.1540.89 mn up from Rs.1398.97 mn.
- Excise Duty at Rs. 515.63 mn from Rs. 525.78 mn.
- Net Sales/ Income from operations increase to Rs. 1025.26 mn from Rs. 873.19 mn on account of higher quantity of sugar sold and sale from Chilwaria Ethanol plant.
- Total Income (net of excise) at Rs. 1060.90 mn up from Rs. 886.38 mn.
- Alcohol segment net revenue at Rs. 314.07 mn from 288.52 mn on account of higher country liquor sales.
- Segment profit from alcohol has gone up to Rs. 41.44 mn from Rs. 30.59 mn.
- Commercial Cogeneration of power commenced at Chilwaria and Simbhaoli power plants during the quarter.
- Separate power segment identified and started making profit since inception. The previous quarter figures have been re-cast to this effect.

Financial break up



In continuation to the de-risking exercise of the Company, sugar contributed 64% of the revenue at Rs. 817.97 mn as against 63% at Rs. 705.78 mn in the previous corresponding quarter. Distillery segment has a share of Rs. 314.07 mn against Rs. 288.52 mn in the previous corresponding quarter.

The Company has identified Power as separate segment in accordance with Accounting Standard (AS -17) issued by ICAI. The segment has generated a net revenue of Rs. 145.25 mn as compared to previous corresponding quarter of Rs. 128.39 mn. The segment has earned profit of Rs. 30.46 mn (21%).

Net Loss before tax at Rs. 120.08 millions

Out of the aggregate loss for the Q1, sugar contributed Rs. 94.55 mn, whereas distillery and power segment has shown a profit of Rs. 41.44 mn and 30.46mn. Net loss (post tax) is at Rs. 124.35 mn as against a loss of Rs 51.86 mn in previous quarter. Cash loss has been at Rs. 59.86 mn as against Rs. 42.62 mn.

Sugar Cane price issues (as applicable to sugar industry of Uttar Pradesh):

The Hon'ble High Court of Allahabad, Uttar Pradesh, India has quashed the State Advice Price (SAP) of Sugar cane for the crushing season 2006-07 notified by the State Government and has directed the Government to reassess the SAP within a period of three months against a writ petition filed by the Company along with the other sugar Companies of the State. The Hon'ble Supreme Court, while considering a review petition, stayed this operation of judgment till February 12, 2008. The Company has accounted for the sugar cane liability for the sugar season 2006-07 in its accounts based upon SAP as applicable.

The Lucknow bench of the Allahabad High Court has given the order for interim payment of Sugar cane for the sugar season @ Rs. 110/- per quintal on November 15, 2007 and accordingly the Company has accounted for the sugar cane price in the books of the quarter at Rs. 110/- per quintal. The final adjustment in this regards shall be made on final judgment from Hon'ble Court.

Industry Update

- The free sale price of sugar has shown an upward trend from December 2007 in the domestic as well as international market.
- Raw sugar price at New York commodity market shown at Rs. 12.30 cents / pound which is a 15% improvement in last two months.
- The sugar production in the Country estimated at 27 MMT as against earlier estimation of 30 MMT due to fall in per hectare yield. The U P production is estimated at 7.5 MMT
- The exports estimates revised to at 3 MMT due to appreciation in rupee and improved domestic price.
- Ethanol blending program, became mandatory in most of the States from October 2007 onwards.

Industry, going ahead.....

- **Simbhaoli Sugars Limited** believes that situation may improve after 2007-08 season as the production is expected to be lower as compared to previous season.
- Sugar prices are stable and rising from last two months. Current year cost of production is lower than last season because of cost of sugar cane is accounted for at Rs. 1100 PMT.
- Ethanol penetration to increase with more and more states going to blending plans.
- World sugar production will not show substantial increase because of rise in ethanol production and demand.
- Increase in demand of sugar in India/Asian/African Countries.
- Indian Government, being aware of the situation, is taking steps to improve the situation e.g. creation of buffer stock, encouraging alternate usage of cane i.e. ethanol from cane juice etc, subsidy for export of sugar and soft loans. These measures will revitalize the industry and sugar prices should improve.

SSL: Segment wise performance Quarter ending Dec 2007

Sugar Segment

(Rs. in millions)

Particulars	Q1FY07	Q3FY06
Net Sales	783.67	694.08
Other Income	34.30	11.7
Total Income	817.97	705.78
Expenditure	872.66	766.85
EBDITA	(54.69)	(61.07)
EBDITA %	(6.98)	(8.80)
Depreciation	39.86	24.66
PBIT	(94.55)	(85.73)

Sale of the sugar has increased by 13% because of 1.40 lacs qtls. more quantity of sugar sold in current quarter. Other income has also gone up by Rs. 22.60 mn. on account of subsidy on buffer stock and export incentives. EBDITA margins are affected on account of lower realization of free sale sugar in first two months of the quarter. The Company continued to increase its market share in specialty sugar segment.

Alcohol/ Ethanol Segment

(Rs. in millions)

Particulars	Q1FY07	Q3Y06
Net Sales	313.16	287.02
Other Income	1.30	1.50
Total Income	314.07	288.52
Expenditure	263.03	253.60
EBDITA	51.04	34.92
EBDITA %	16.30	12.17
Depreciation	9.60	4.33
PBIT	41.44	30.59

The turnover has gone up by 9% with improved sales by Rs. 26.14 mn. EBDITA margin has also increased by 4.13% . The sale of ethanol from chilwaria ethanol division is at full stream and it has got orders form petroleum Companies. Quality of ethanol is being appreciated and demand is increasing. IMFL sales have also gone up.

Power Segment

Particulars	Q1FY07	Q3Y06
Net Sales	145.25	127.39
Other Income	-	-
Total Income	145.25	127.39
Expenditure	103.02	106.31
EBDITA	42.23	21.08
EBDITA %	29.08	16.55
Depreciation	11.77	6.14
PBIT	30.46	14.94

The turnover has gone up by 14% with improved sales by Rs. 17.86 mn. EBDITA margin has also increased by 12.53%. The sale of power has started from Chilwaria and Simbhaoli Co-generation units.

Projects update

Simbhaoli Sugar Cogeneration



The Simbhaoli cogeneration plant involving a budgeted project cost of Rs. 770 mn has commenced the commercial generation of power in November 2007 and started to supply power to the utility Company. The project has also got approval for registration from UNFCCC and will generate CER and generate additional revenue of Rs. 40.00 mn p. a. through sale of carbon credits. (CER).

Chilwaria Sugar Cogeneration



The first phase of project has been commissioned on commercial basis and started the export of power to UPPCL from September, 2007 onwards. The second phase of cogeneration (21 MW/hr) will be completed in March/April 2008.

Brijnathpur Sugar Division



Brijnathpur Sugar plant is one of the most modern state of the art unit, capable to produce high quality premium refined sugar. It is being developed to cater the export supplies of the Company. The plant has commenced on trial basis in 2006-07 season, and started the commercial production of season 2007-08. It will emerge as the hub for the EU grade sugar to be expected by the Company.

Chilwaria Sugar Division



Chilwaria sugar division started working at its increased capacity at 6600 TCD.

Chilwaria Ethanol Division



The commercial production of the plant started on February 1, 2007. The gross turnover during the quarter being Rs. 52 mn resulted in a comfortable EBIDTA margin. The quality of the products being manufactured is appreciated.

Brijnathpur Ethanol Division



Targeted to be commissioned in March/April 2008, the Rs. 360 mn Brijnathpur ethanol plant is set up to produce 108 lacs BL of ethanol, rectified spirit (RS), and ENA. The plant will have compact layout design, fully automatic distillation, and economic structural design. Distillation plant is designed to produce the best quality of ethanol, RS, and ENA.

Results at a glance
Synopsis of financial results for
the quarter ended December 2007

(Rs. in mn)

Sl. No.	Particulars	Quarter ended December 31, 2007	Corresponding Quarter ended December 31, 2006
		Unaudited	Unaudited
1	Gross Sales/Income from operations	1,540.89	1,398.97
2	Less: Excise duty	515.63	525.78
3	Net Sales/Income from operations	1,025.26	873.19
4	Other Income	35.64	13.19
5	Total Income	1,060.90	886.38
6	Expenditure		
	a) Decrease/(Increase) in stock in trade	165.95	(222.21)
	b) Consumption of raw materials	562.18	813.03
	c) Purchase of traded goods	2.75	3.01
	d) Employees cost	67.67	67.24
	e) Depreciation (net of revaluation reserve)	61.32	35.13
	f) Other expenditure	245.27	238.36
	Total	1,105.14	934.55
7	Interest	75.84	28.69
8	Profit/(Loss) before tax	(120.08)	(76.85)
9	Tax expense		
	- Deferred	3.17	(25.89)
	- FBT	1.10	0.90
10	Profit/(Loss) after tax	(124.35)	(51.86)
11	Paid up equity share capital (face value Rs.10/- each)	1,989.54	1,989.54
12	Earnings Per Share (Basic & diluted) (Rs.)	(6.34)	(2.67)
13	Aggregate of public shareholding		
	- Number of shares	11,818,546	12,138,708
	- Percentage of shareholding	59.79	61.41

About Simbhaoli Sugars Limited

Simbhaoli Sugars Limited (SSL) (BSE SCRIP ID: SIMBHALS, NSE SYMBOL: SIMBHSUGAR), is one of India's leading producers of high quality sugar, alcohol, ethanol, co-generated power and bio manure; 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 Indian railways and Indian Airlines, Coca-Cola, PepsiCo, GlaxoSmithKline, Haldiram's, ITC, Taj Group of Hotels, Jet Airways and Kingfisher Airlines. Currently, SSL operates three technologically advanced sugar-manufacturing facilities in Simbhaoli, Brijnathpur and Chilwaria, all of them 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, alcohol and bio-manure for sale to third parties. Simbhaoli Sugars Ltd (SSL) successfully commissioned its new Ethanol plant at Chilwaria (District Bahraich, UP) with an installed capacity of 60 KL/D in February 2007 on commercial basis. With the starting of commercial generation of power, the cogeneration capacity of the Company has gone to 24 MW/hr and will go further upto 34 MW/ hr from March 2008 onwards. For more information, visit <http://www.simbhaolisugars.com> .

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Forward Looking Statement

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward-looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The industry figures are based on management estimates. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.