

Meghmani Organics Limited

2Q FY2006 Results Briefing

15 November 2005

Profit & Loss Highlights

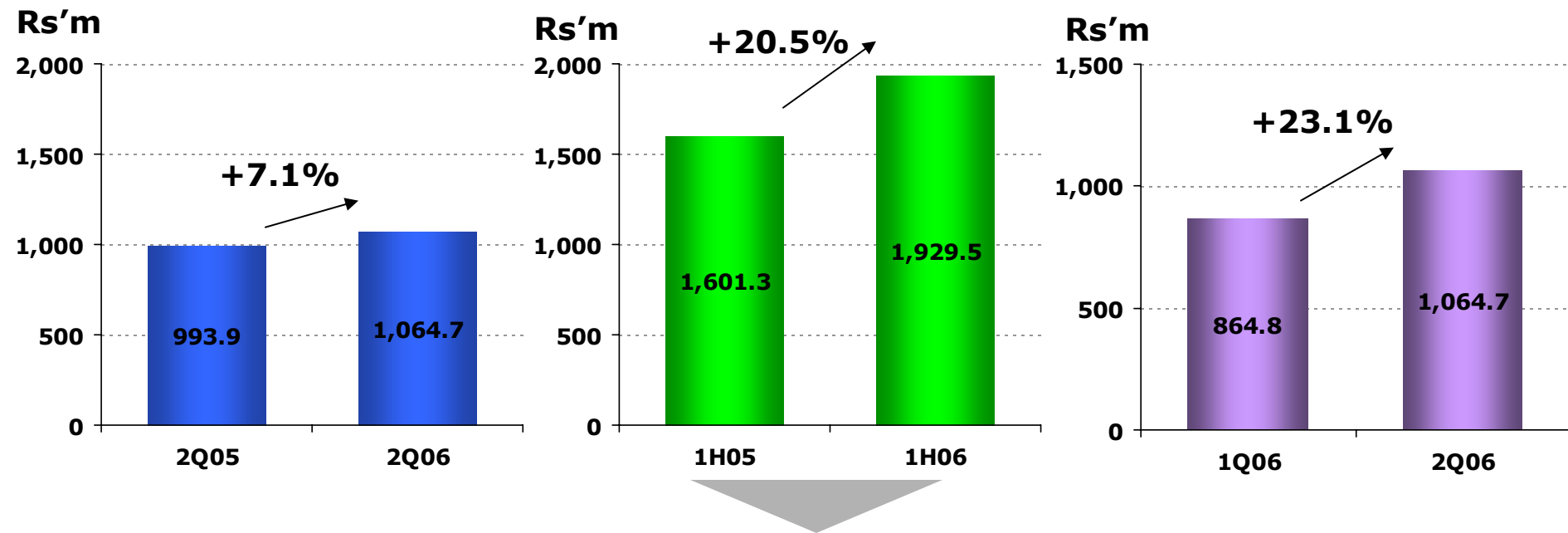
	Quarter ended 30 September					Half Year ended 30 September				
	2005		2004		Chg	2005		2004		Chg
	Rs'm	S\$m	Rs'm	S\$m	%	Rs'm	S\$m	Rs'm	S\$m	%
Revenue	1,065	40.8	994	38.1	7.1	1,929	74.0	1,601	61.4	20.5
Gross Profit	268	10.3	238	9.1	12.9	464	17.8	382	14.6	21.4
Profit from operations	160	6.1	161	6.2	(0.5)	272	10.4	249	9.5	9.5
Profit before tax	144	5.5	148	5.7	(2.6)	245	9.4	223	8.5	10.1
Income tax	(38)	(1.5)	(46)	(1.8)	(16.5)	(62)	(2.4)	(71)	(2.7)	(12.4)
Profit after tax	106	4.1	102	3.9	3.6	183	7.0	152	5.8	20.7

Conversion based on an average exchange rate of S\$1: Rs26.0752 for September 2005

Revenue

Y-o-Y Comparison

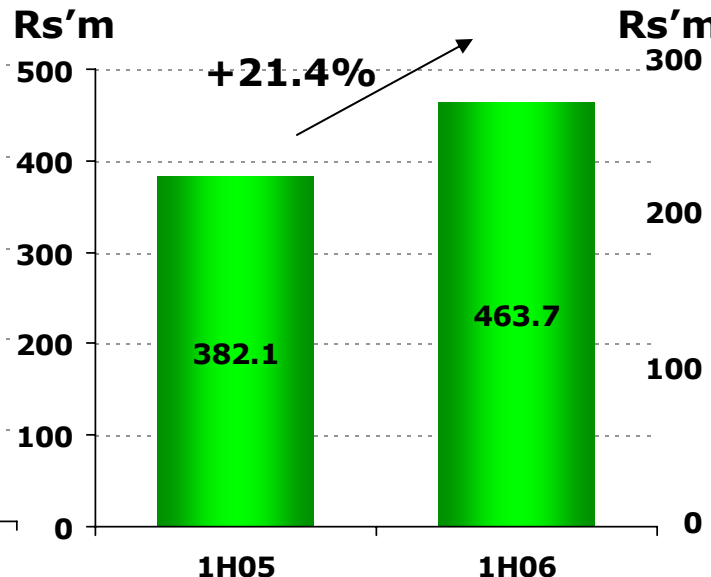
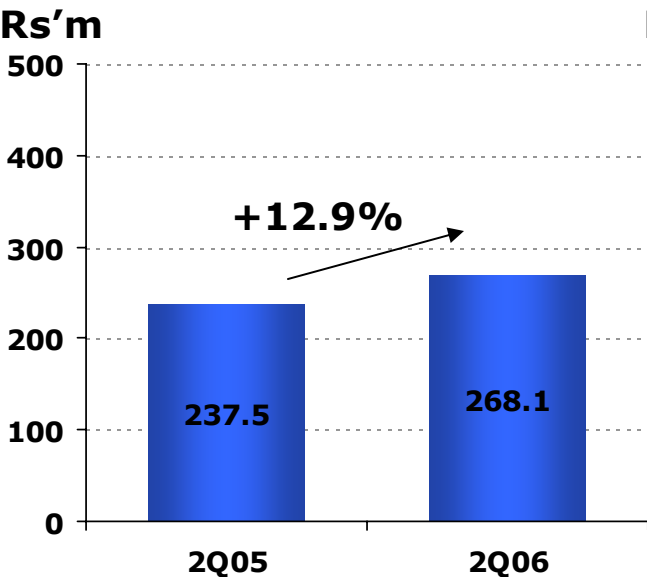
Q-o-Q Comparison



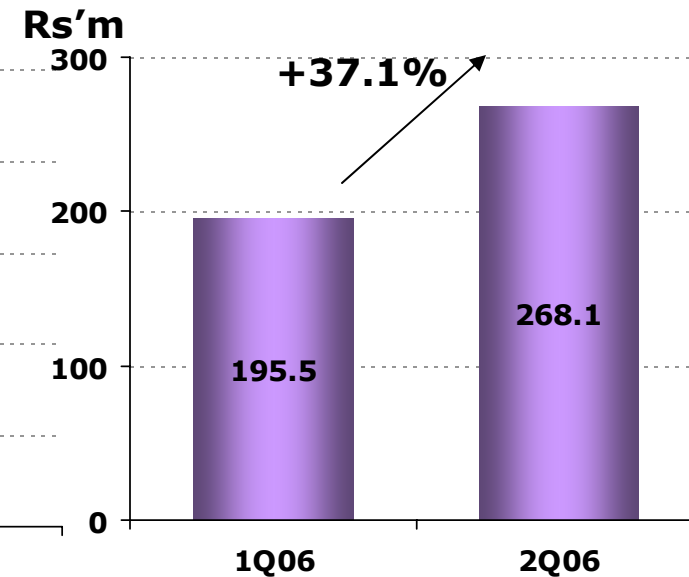
- Revenue growth in 1HFY06 primarily driven by export sales of Agrochemicals products

Gross Profit

Y-o-Y Comparison



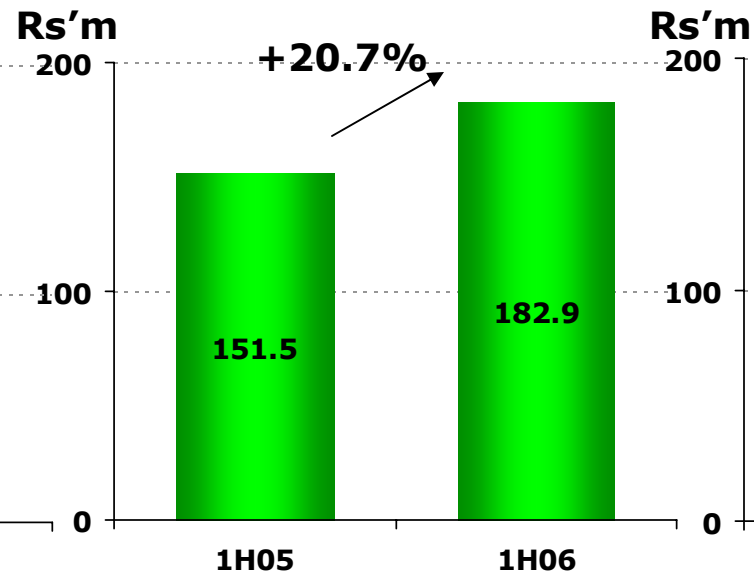
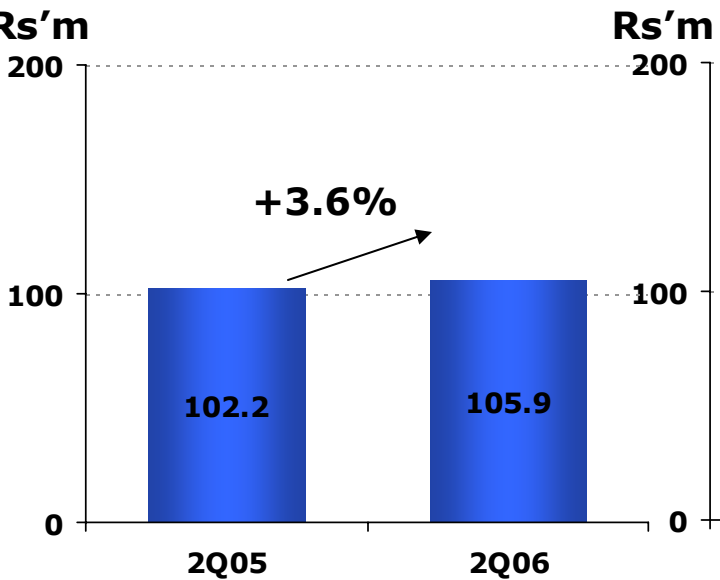
Q-o-Q Comparison



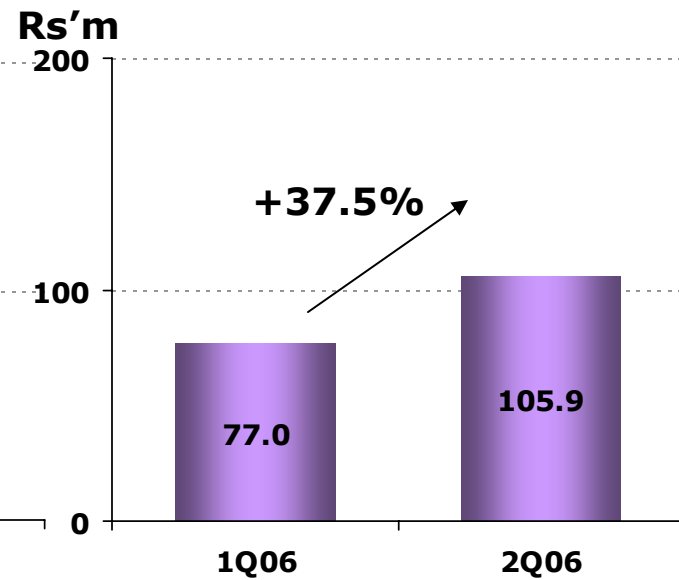
- Group continues to enjoy healthy gross profit margin in spite of increase in crude oil and metal prices.

Net Profit

Y-o-Y Comparison

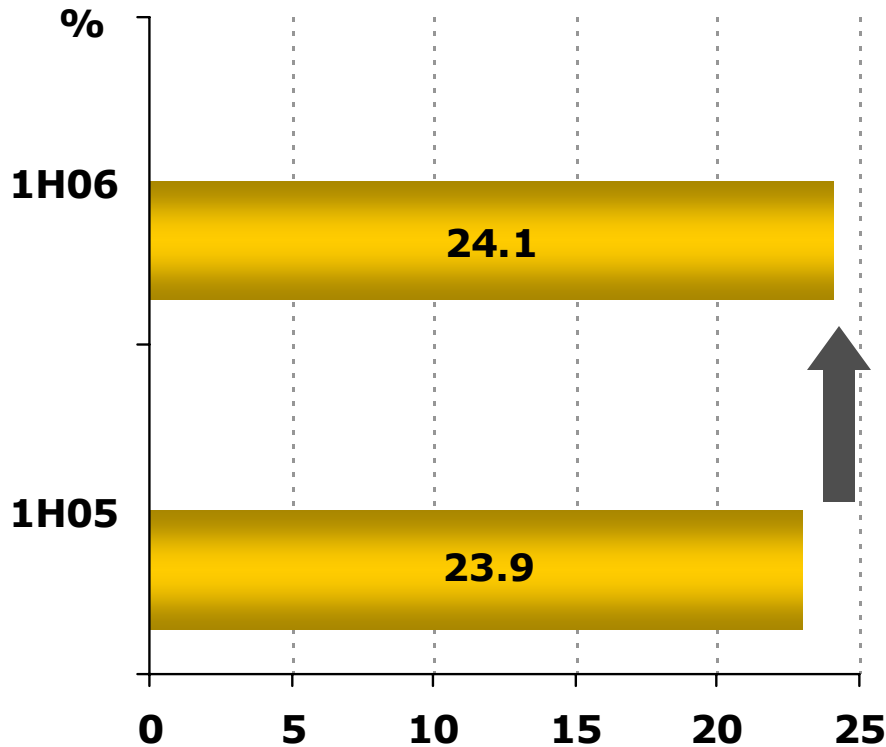


Q-o-Q Comparison



- The Group enjoyed a 12.4% dip in income tax
 - Increase in exempted profits at Panoli EOU plant
 - Conversion of Ankleshwar plant as EOU
 - Reduction in tax rate to 33.7% from 36.6%

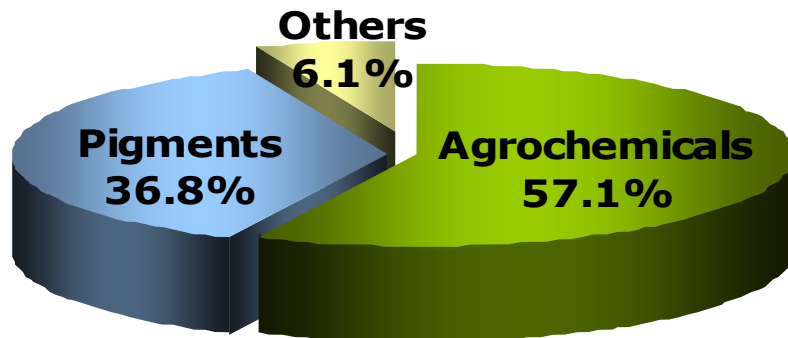
Profit Margins 1H-o-1H Comparison



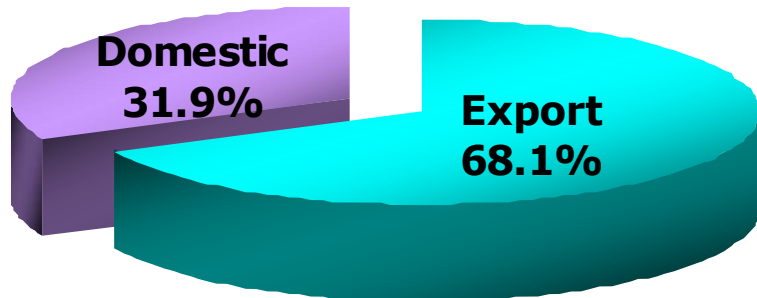
- Overall **Gross Profit** margin increased despite rise in costs of raw materials
 - Success in passing on raw material costs to customers due to consistent high quality and brand loyalty
- Overall, **Net Profit** margin remained stable at 9.5%

Revenue Breakdown (1H2006)

By Business Divisions



By Geographical Markets



- Pigments sales +5.7%
 - 47.5% rise in domestic sale from continued expansion in customer base

- Agrochemicals sales +25.8%
 - 71.7% rise in export sales of certain products
 - 7.8% dip in domestic sales due to delay in start of monsoon season

- Export sales +32.1%

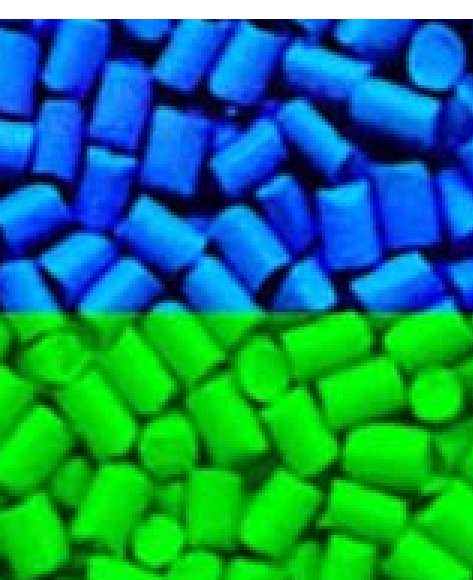
- Domestic sales +1.5%

Balance Sheet Highlights

	30 Sep 05 (1HFY06)		30 Sep 04 (1HFY05)	
	Rs'm	S\$m	Rs'm	S\$m
Trade receivables	1,595.2	61.2	1373.4	52.7
Inventories	711.0	27.3	489.9	18.8
Cash & bank balances	53.7	2.1	71.6	2.7
Shareholders' equity	2,286.7	87.7	2030.8	77.9
NTA per share	Rs11.40	S\$0.44	Rs10.81	S\$0.41
Inventory turnover	86 days		74 days	
Debtors Holding	151 days		157 days	

Conversion based on an average exchange rate of S\$1: Rs26.0752 for September 2005



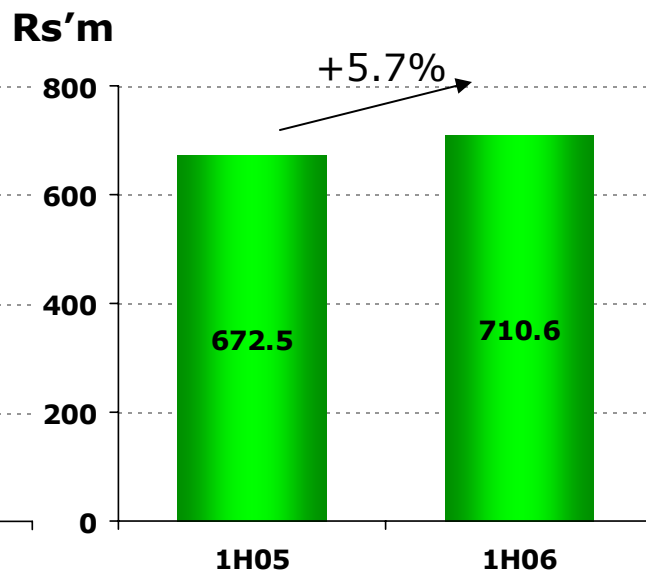
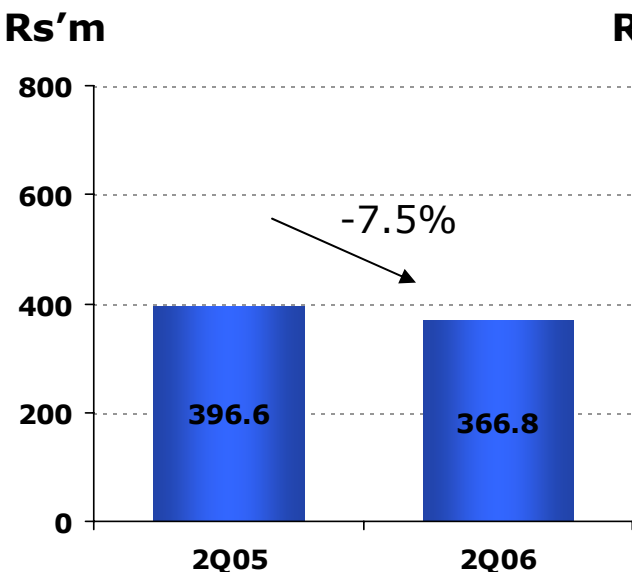


Segmental Financial Review

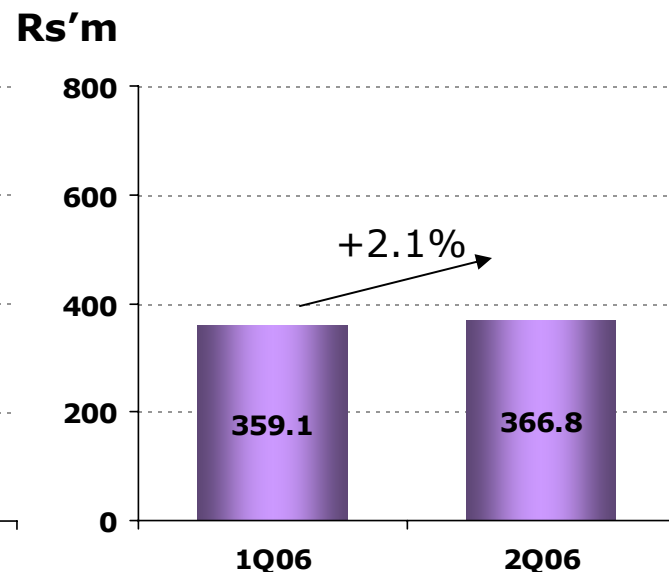
Pigments Division

Revenue: Pigments

Y-o-Y Comparison



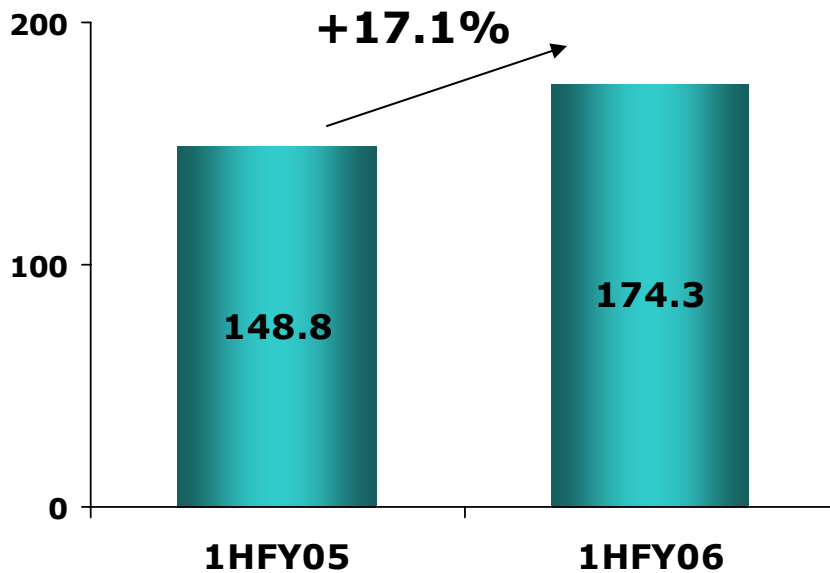
Q-o-Q Comparison



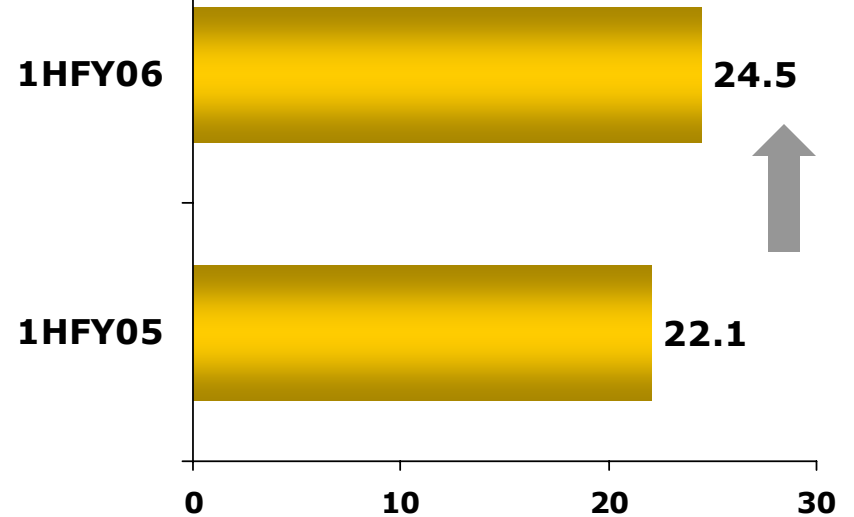
- ❑ 1H pigment revenue : 78.9% from Export sales and 21.1% from Domestic sales.
- ❑ Decline in 1 H Export sales by 1.8% due to sales in Europe by Subsidiary.
- ❑ Significant increase in 1 H Domestic sales by 47.5% - Pigment Panoli Division. This is due to demand for Copper Phthelocynine Crude and Alpha Blue, and an expanded customer base.

Gross Profit: Pigments

Rs'm



%



- Despite increase in cost of raw materials, improved margins from better sales price realisation



Capacity Utilisation: Pigments

	Installed Capacity (MT per annum)	1HFY06
PG 7	1200	76%
CPC Blue	7200	*116%
Alpha Blue	600	74%
Beta Blue [#]	3600	94%
Hysol-P	3000	0%
Pigment Additives and Pigment Blue 60	600	25%

**Usage of hysol-P capacity to manufacture the additional CPC blue orders*



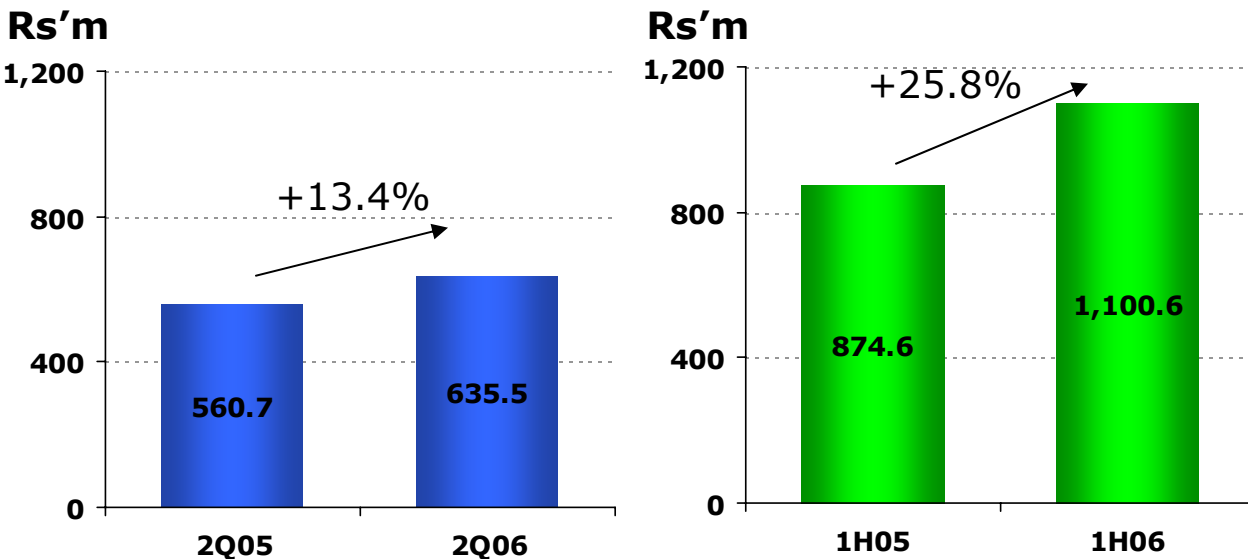


Segmental Financial Review

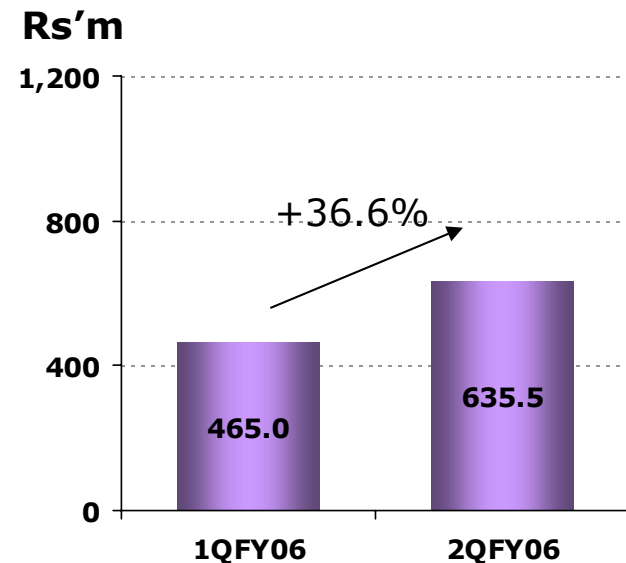
Agrochemicals Division

Revenue: Agrochemicals

Y-o-Y Comparison



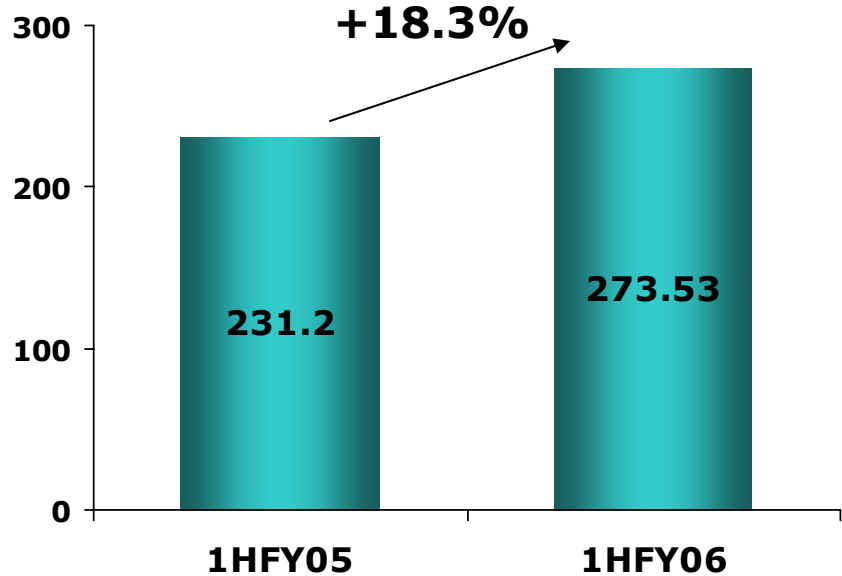
Q-o-Q Comparison



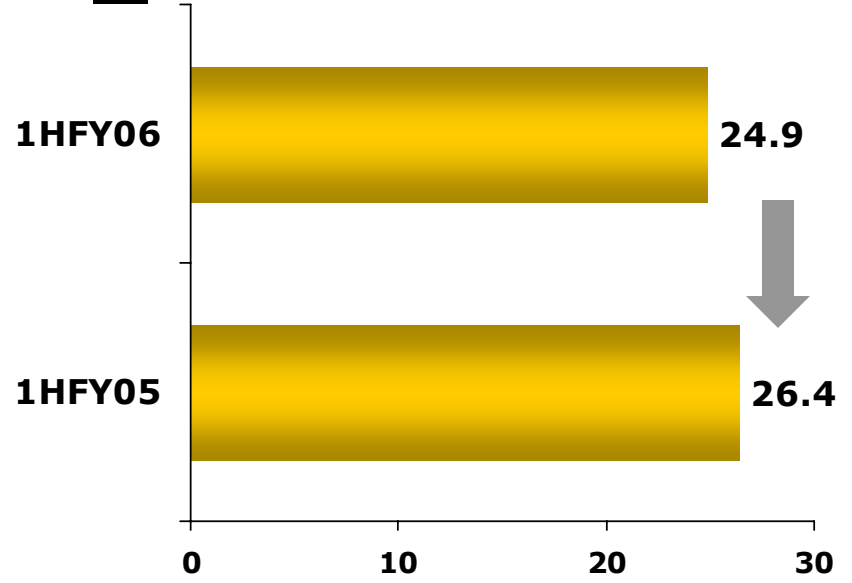
- ❑ **1H Agrochemicals revenue : 57.7% from Export sales & 42.3% from Domestic sales**
- ❑ **Significant increase in Export sales by 71.7%**
 - ❑ **Acephate Technical (USA),**
 - ❑ **Chlorpyriphos Technical (Belgium, Brazil, Paraguay, USA and Thailand)**
 - ❑ **Permethrin and Alpha Cypermethrin**
- ❑ **Marginal decline in Domestic sales by 7.8%**
 - ❑ **Delayed domestic season**

Gross Profit: Agrochemicals

Rs'm



%



□ Lower margin was due to increase in raw material prices



Capacity Utilisation: Agrochemicals

	Installed Capacity (MT per annum)	1HFY06	Additional Capacity (MT per annum)	Date of commercial production
Agro I unit : Chharodi				
MPB / MPBA*	750	86%		
CMAC/CMA*	750	97%		
Acephate	1200	177%		
Cypermethrin	900	121%		
Permethrin	1000	21%^		
Alpha Cypermethrin	60	52%		
Agro II unit : Ankleshwar				
Chlorpyriphos	1500#	78%		
CMAC*			1000	1 January 2006

^ Part of production capacity used to manufacture Acephate

Includes additional capacity of 700MT per annum following completion of trial production in Nov 2004. First full-year contribution expected to have positive financial impact in FY2006

*Intermediates used as captive consumption to manufacture value-added products such as Cypermethrin, Permethrin etc....



Outlook & Business Strategies



Industry Prospects

**US\$5.5
billion**

Global **pigments** market

- Demand est. to grow at 6.4% pa
- By 2006

- Key markets increasing supply from India
- India's Ink industry consumption to increase
- Trend towards pigments with higher loadings to create brighter colours
- Outsourcing opportunities

- Outsourcing opportunities
- Latin America, Asia and Europe seen as key markets

Global **Agrochem** market

- Continued robust demand expected

**US\$32.2
billion**

Outlook for FY2006

- ❑ **Higher raw materials prices - Crude Oil & Metal**
 - Impact on oil derivatives such as Phathlic, Ortho Nitro Toluene (ONT) and solvents
 - Copper and Aluminum Prices are all time high

- ❑ **Market prices**
 - Recovering sales price of certain pigments & agro products

- ❑ **Measures to protect profit margins**
 - Continuous efforts to pass on increase in raw material costs to customers
 - Improve management of raw materials
 - Manage currency exposure to retain benefits of increase in selling prices

Growth Strategies: Pigments

- **Continue to expand production capacity**
 - Shifting from blue crude supplier to a high margin and technology oriented pigments like alpha blue or beta blue
 - Enhanced focus on Asian Markets especially Indian Ink and Paint companies.

- **Continue to expand product range**
 - Started production of Activated Blue Crude at Hysol-P facility
 - New production line for Pigment Additives commenced in 1Q FY2006
 - First High Performance Pigments PB60 and PG36 successfully introduced in the market



Growth Strategies: Agrochemicals

- **Continue to expand production capacity**
 - Ankleshwar plant:
 - ↳ Increased production capacity of Chlorpyrifos
 - ↳ Increased total production of CMAC by 1,000 MT per annum
(Commercial production expected to commence in January 2006)
- **Registration of agrochemical products in overseas markets**
 - Obtained a total of 16 registrations for agrochemical products during the 1 H of 2005 in 9 countries including China
 - Has a total of 44 registrations worldwide and 89 CIB registrations in India till date.
 - 226 registrations are under process at various stages in 55 countries
- **Continue to expand product range**
 - Develop manufacturing processes for off-patent generic pesticides
- **Continue building our global sales and distribution network**



Thank You

Question and Answer Session