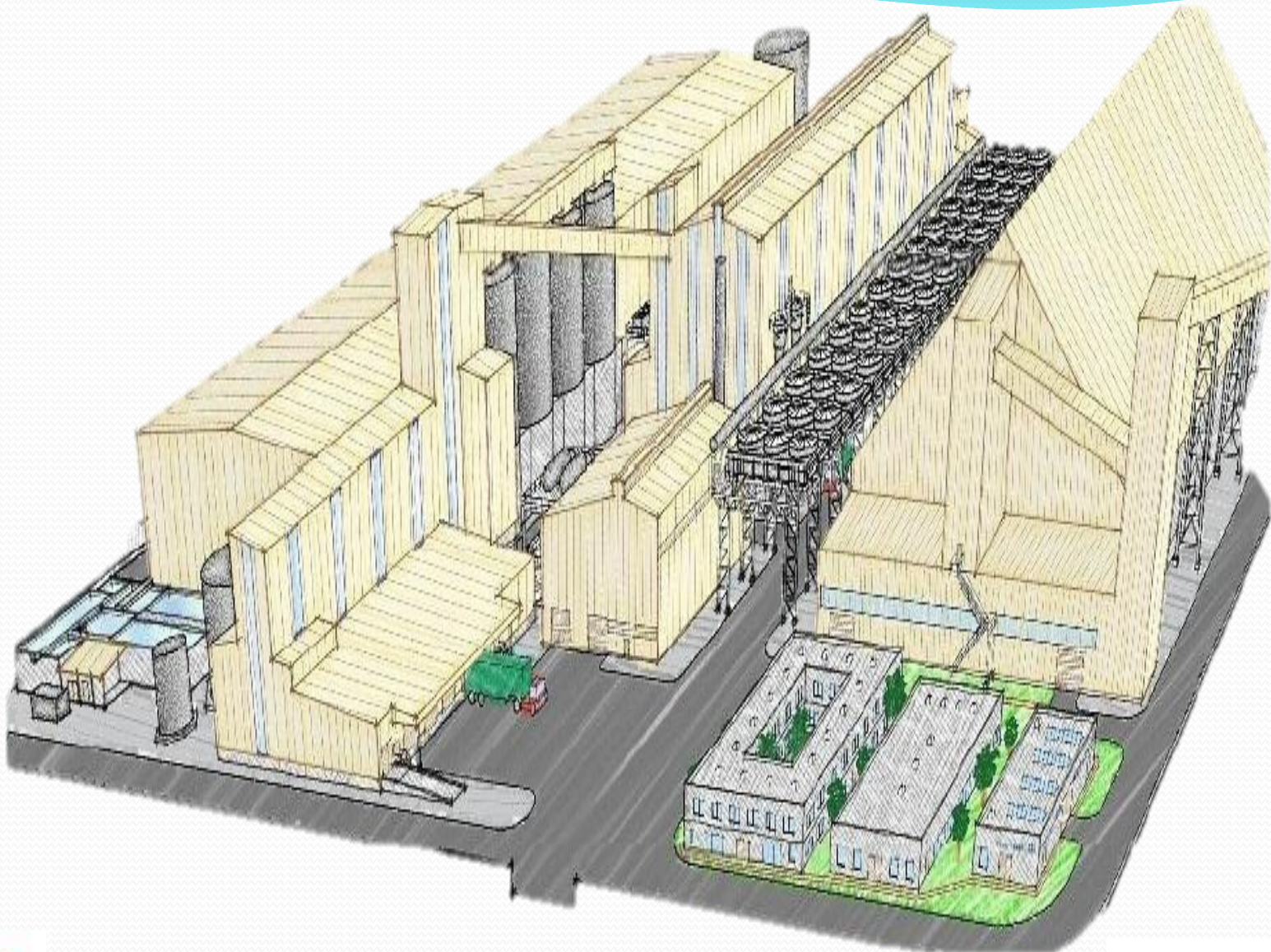
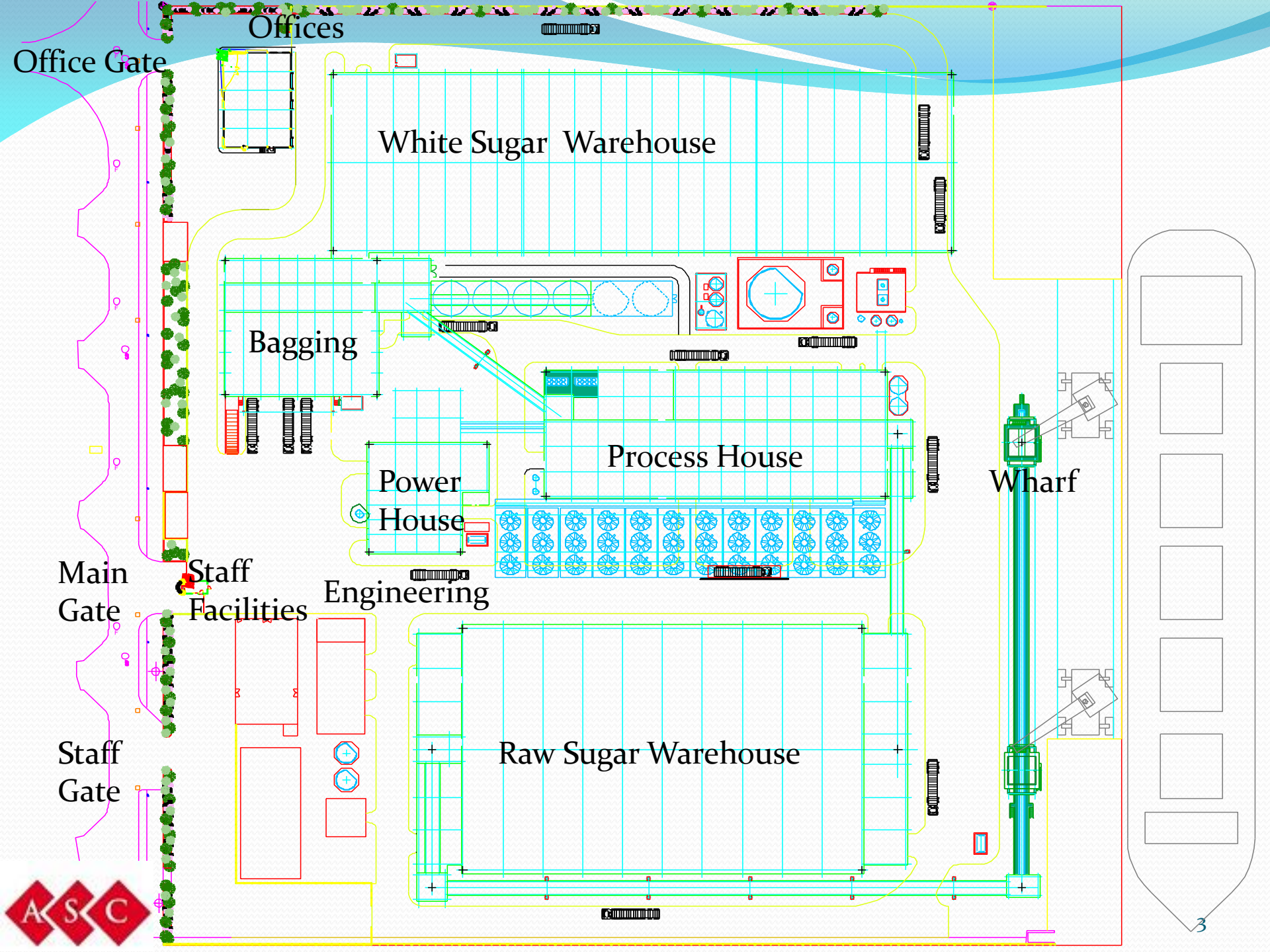




الشركة العربية للسكر ش.م.ب (مقفلة)
ARABIAN SUGAR COMPANY B.S.C. (C)

ARABIAN SUGAR REFINERY AN INTRODUCTION





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PROJECT DESCRIPTION

- The refinery will be a state of the art autonomous processing facility provided with all the necessary equipment to unload raw sugar delivered to site, to refine it and to pack the refined sugar as finished product in 50 kg and Jumbo (1 ton) bags
- The plant will produce its own energy required from an installed power plant.
- The plant is currently 78% complete based on the Project Consultants verification.
- The refinery is built on a 58,000 square meter site and ASC has recently secured another 30,000 square meter adjacent to the existing land thus having a total area of 88,000 square meters.

PROJECT DESCRIPTION

- The refinery in the first stage has a design daily capacity of 1,800 tonnes of raw sugar per day which can produce 600,000 tonnes of refined sugar per annum.
- In the second stage, ASC plans to double the production of the plant to 1.2M tpa which has become possible due to the increase in allotted land.
- Sugar knowledge International Limited (SKIL), an internationally reputable UK based Sugar Engineering group is the technical consultant for the project.
- All equipment and engineering has been approved by SKIL

CONSTRUCTION IN PROGRESS

No.	Investment	Design	Approval	Construction & Finishing
1	White Sugar Warehouse	√	√	85%
2	Raw Sugar Store	√	√	53%
3	Process Building	√	√	55%
4	Bagging Building	√	√	65%

HIGHLIGHTS OF THE PROJECT

- Project at a very advanced stage with 78% of the project value at site.
- Procurement for 100% of the project is complete.
- Off-takes for 70% of the first phase production is currently being finalized with two large groups from the GCC.
- Interest in ASC's production so far exceeds ASC's first phase capacity by more than 2.5 times.
- Supply Agreement for Raw Sugar is currently being finalized with the 2nd largest Sugar Group globally.
- Full Hedging and Risk Management is being undertaken with a major Sugar Group.
- Sugar Price Dynamics have moved in ASC's favour from the time the equity was raised for the project.

HIGHLIGHTS OF THE MARKET DYNAMICS

- MENA area imported US\$2.96bn worth of REFINED SUGAR in 2010 from outside the MENA countries. ASC in phase one will produce a value of around US\$400M (13% of the gap).
- In ASC's initial study, it was estimated the White Sugar Premium (the most important factor to any refiner) as US\$100. In 2010 it averaged US\$124 and in 2011 it has averaged US\$117 till now.
- The White Sugar Premium is expected to remain above US\$115 according to the top three Sugar Trading companies globally.
- A premium of US\$115 leads to a direct additional annual Profit to ASC of US\$9M (in the first stage) on top of the earlier projections of a profit level of US\$40-\$55M per annum.

FUNDING

- ASC has a paid up equity of US\$83.478M.
- ASC requires US\$63M of debt finance, of which US\$47.25M has been secured from two local banks.
- In order to keep the project on track while finalizing the debt finance and to have some funds towards future working capital required for the running of the plant, ASC has opted to raise its capital by US\$15.75M to US\$99.228M (an 18% increase in paid up capital).
- This will allow ASC to secure the US\$47.25M and complete the plant without any delays while finalizing the balance financing and keep ASC's debt/equity ratio within limits towards the second stage.

PROJECTED PROFITABILITY IN VARIOUS SCENARIOS

Various Scenarios	Initial Scenario (Premium of US\$100), 585,000 tpa production AS PER PPM	Today's Scenario (Premium of US\$115), 600,000 tpa production TODAY's PRICES	Future Scenario (premium level of US\$115 and 1.2M production
REVENUES Y2 of oper. Y3 of oper.	\$247M \$265M	\$432M \$463M	> \$900M
EBITDA Y2 of oper. Y3 of oper.	\$60M \$66M	\$67M \$74M	
Net INCOME Y2 of oper. Y3 of oper.	\$46M \$53M	\$52M \$61M	> \$110M
CASH FLOW Y2 of oper. Y3 of oper.	\$29M \$41M	\$26M \$37M	



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THANK – YOU