

Camson Biotechnologies Ltd. : Q2 & H1 FY12 Results Release

Camson Biotech delivers 13.8% sales growth and 19.2% PAT growth during H1 of 2012

The shift in preference for natural farming products has increased demand for Hybrid Seeds, Biocides & Bio-fertilizers

Financial Performance Highlights:

H1 FY12 results compared with H1 FY11 results:

Revenues up 13.8% to Rs 49.8 crore from Rs 43.8 crore
Net profits increased by 19.1% to 10.2 crore from Rs 8.5 crore
EPS stands at Rs 5.62 from Rs 5.33

Q2 FY12 results compared with Q2 FY11 results:

Revenues increase by 2.8 % to Rs 23.7 crore from Rs 23.1 crore
PAT increased 1.6% to Rs 3.2 crore from Rs 3.1 crore
EPS stands at Rs 1.77 from Rs 1.96

1. **Bengaluru, November 14th, 2011:** Camson Biotechnologies Limited declared a total income of Rs 49.8 crore in the first half of 2012, a rise of 13.8% from Rs 43.8 crore in first half of 2011. The net profit during the period climbed by 19.1 % to Rs 10.2 crore from Rs 8.5 crore in the corresponding period of last year. Camson's revenues during the quarter ended 30th September 2011 increased to Rs 23.7 crore from Rs 23.1 crore in the same quarter of previous year. Net profit in the 2nd quarter stood at Rs 3.2 crore in comparison to Rs.3.1 crore in the same quarter last year.

The country had a good monsoon season this year and Camson Biotech has been able to achieve 15-20% growth in its key markets during the Kharif season. However, the overall growth in sales is less at 2.5% on account of severe drop in sales in our markets of Eastern U.P. and Bihar, which were adversely affected by floods during the September 2011 quarter.

The company has started seed production facility at Hyderabad (A.P.), Aligarh (U.P.) and commenced production of Biocides at its Gwalthai plant, (H.P.). We expect these efforts to bear results in the coming quarter in terms of increase in manufacturing capacity and better availability of its new range of seeds.

2. Commenting on the results, **Dhirendra Kumar, Founder and Managing Director, Camson Biotech** said, "We performed well during the first half of 2012 and clocked sales of almost Rs 50 crore

and a PAT of more than Rs 10 crore. This is inspite of battling challenging times during the September quarter when our large markets of Eastern U.P. and Bihar were hit by floods and reported miniscule sales. However, sales growth from other areas made up for this adversity. This reposes my faith in our technology and products. In the last 2 quarters we have initiated performance monitoring and improvement exercises with the marketing team and the results have been lower selling and distribution overheads. Overall, we are confident of better times ahead as Camson's products not only have the potential to bring about meaningful change in the life our farmers but also, has the potential to change the way agriculture is practiced in the country."

3. The company reported higher inventory compared to last year due to change in accounting practice of treating foundation seeds as part of working capital instead of fixed assets to the tune of Rs 15 crores. This change was effected as per the guidelines set by a recent government notification. The company has brought in changes to its production processes and raw material formulations resulting in production efficiencies and lower raw material costs in comparison to last year.

Mr. Kumar further added that, "Camson has begun to get some of its fair share of recognition as were recognised by **Forbes magazine** as one of the **Best companies** in Asia (under a billion). Deloitte has also recognized our progress by including us in its list of **50 fastest growing companies** of India. However, our real recognition is when our customers, the **farmers** inform us of the benefits they have reaped by using our products in terms lower cost of inputs, reduction in manpower and increase in overall profits and we see them return to agriculture more optimistically than ever".

The farming trend indicates a noticeable shift towards environment-friendly inputs. Camson Biotechnologies' with its commitment to producing zero-residue biocides and bio-fertilizers hopes to strengthen this trend further.

Hybrid Seeds – Camson's hybrid seeds have shown a continuously high commercial performance. With huge demand for the seeds, Camson's 5 premium varieties of freezer watermelons, like Netravati and Vedavati, distinguish themselves from the competition. Their deep-red, non-leaky, crispy and crunchy content, with TSS (Total Soluble Solids) of over 12-14%, set them apart from the others. The plant matures in 75-80 days and has thick foliage with fewer seeds. More recently, the company has launched a Sonmati variety of watermelon, which is the **yellow/ golden skin** water melon and is set to launch a multi-colour flesh watermelon in the next season.

Biocides and bio-fertilizers – The continuously increasing demand for biocides and bio-fertilisers in India, in lieu of chemical fertilisers, indicates that there is a significant shift taking place in Indian agriculture. By developing and providing economic, sustainable, safe and effective agricultural solutions, Camson Bio-technologies has placed itself at the forefront of this movement. It intends to aggressively pursue the opportunities in this space.



R&D & Projects

Camson Biotechnologies has built up its position on innovation-led R&D, for developing better quality agro-products for crop protection and higher yield hybrid seeds. It remains focussed on this approach. Our research and production station at Hyderabad has commenced production of seeds besides the research being conducted by our team of scientist and breeders. The research centre at Aligarh in Uttar Pradesh has been focusing on geo-climatic testing. The new building being constructed at our mother plant in Dodballapur will house a new state-of-the art laboratory & research centre. While, the production facility at Dodaballapur services the markets of southern and western India, the company is currently beefing up the manufacturing & production facilities at it's Nangal plant in Himachal Pradesh to cater the increasing demand from its strategic and key markets of Northern and Eastern India.

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About Camson Biotech- Established in 1993, Camson Biotechnologies combines the latest knowledge in breeding, molecular genetics and metagenomics in agriculture with the latest practices in environmental safety and protection, to market a wide range of products spanning hybrid seeds, bio-fertilizers and biocides. These are non-poisonous, eco-friendly and residue-free. Headquartered in Bangalore, Camson Biotechnologies employs the best talent in the industry to bring innovative biotechnology products to the farmers. Partnering with farming communities, government agencies and corporate houses in India, Camson Biotechnologies aims at empowering farming communities by focussing its R&D to their needs.

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