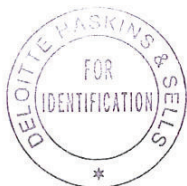


STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31.12.2012

All amounts in Indian Rupees lakhs

Sl. No	Particulars	Three months ended			Twelve months ended		Previous financial year ended
		31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	
	(Refer Notes Below)				(Refer Note 9)	(Refer Note 9)	(Refer Note 10)
1	Income from operations						
	(a) Net sales / Income from operations (Net of excise duty)	24,420.89	23,901.11	19,178.02	96,893.93	83,936.44	58,856.01
	(b) Other operating income	188.39	295.95	220.81	1,071.01	1,561.90	906.04
	Total income from operations (net)	24,609.28	24,197.06	19,398.83	97,964.94	85,498.34	59,762.05
2	Expenses						
	(a) Cost of materials consumed	8,684.79	7,882.13	7,592.75	29,918.10	26,981.47	20,816.87
	(b) Purchase of stock-in-trade	234.50	26.54	37.19	565.94	76.75	76.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,080.34	93.83	(3,017.72)	7,751.83	(3,681.15)	(7,991.61)
	(d) Stores and spares consumed	5,230.40	5,155.33	5,876.83	19,987.02	19,209.67	15,196.21
	(e) Power and fuel expense	2,451.08	2,597.14	2,424.41	9,534.88	10,473.60	7,783.64
	(f) Employee benefits expense	2,408.18	2,215.65	2,299.53	8,886.00	8,948.73	6,566.08
	(g) Depreciation and amortisation expense	1,833.66	1,750.02	1,654.24	6,896.55	6,747.99	5,062.13
	(h) Loss on discarded assets	24.78	11.72	461.40	271.14	3,189.76	3,112.02
	(i) Other expenses (Refer Note 4)	4,114.93	2,541.16	2,991.00	11,535.91	9,663.53	7,167.33
	Total expenses	26,062.66	22,273.52	20,319.63	95,347.37	81,610.35	57,789.42
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,453.38)	1,923.54	(920.80)	2,617.57	3,887.99	1,972.63
4	Other income	254.85	343.78	172.45	891.87	581.63	321.46
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,198.53)	2,267.32	(748.35)	3,509.44	4,469.62	2,294.09
6	Finance costs	1,043.06	1,056.34	1,574.64	4,634.98	4,652.67	3,610.34
7	Profit/(Loss) from ordinary activities after finance costs but before Exceptional items & Tax expense (5-6)	(2,241.59)	1,210.98	(2,322.99)	(1,125.54)	(183.05)	(1,316.25)
8	Exceptional items (Refer Note 3)	1,619.32	-	-	1,619.32	-	-
9	Profit/(Loss) from ordinary activities before tax (7-8)	(3,860.91)	1,210.98	(2,322.99)	(2,744.86)	(183.05)	(1,316.25)
10	Tax expense	(1,046.24)	456.14	(179.87)	(676.25)	8,756.35	8,464.97
11	Net Profit/(Loss) for the period (9-10)	(2,814.67)	754.84	(2,143.12)	(2,068.61)	(8,939.40)	(9,781.22)
12	Paid - up equity share capital (face value Rs. 10/- each)	3,977.00	3,977.00	3,977.00	3,977.00	3,977.00	3,977.00
13	Reserves excluding revaluation reserve	-	-	-	-	-	44,074.51
14	Earnings per share (Basic & Diluted) of Rs 10/- each	(7.08)	1.90	(5.39)	(5.20)	(22.48)	(24.59)
	See accompanying notes to the financial results	(Not annualised)	(Not annualised)	(Not annualised)			(Not annualised)



THE ANDHRA PRADESH PAPER MILLS LIMITED

(A subsidiary of IP Holding Asia Singapore Pte Ltd)

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An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company

INTERNATIONAL PAPER

Part II SELECT INFORMATION FOR THE QUARTER AND TWELVE MONTHS ENDED 31.12.2012

Sl. No	Particulars	Three months ended			Twelve months ended		Previous financial year ended
		31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2011
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	9,942,510	9,942,510	9,942,510	9,942,510	9,942,510	9,942,510
	- Percentage of share holding	25.00	25.00	25.00	25.00	25.00	25.00
2	Promoters and Promoter Group Shareholding						
	Non-encumbered						
	- Number of shares	29,827,529	29,827,529	29,827,529	29,827,529	29,827,529	29,827,529
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	75.00	75.00	75.00	75.00	75.00	75.00

	Particulars	Three months ended 31.12.2012
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	9
	Disposed of during the quarter	9
	Remaining unresolved at the end of the quarter	-

Notes:

- The above Unaudited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 22.01.2013.
- The above Unaudited Financial Results have been subjected to Limited Review by the Statutory Auditors of the Company.
- Exceptional Items:
As per the assessment of the Management with regard to certain disputed matters relating to prior years and the information available at this stage, provision of Rs. 1,561.31 lakhs is made towards Interest and Rs.58.01 lakhs towards taxes aggregating to Rs.1,619.32 lakhs in books of accounts and is shown under Exceptional Items.
- The Company has entered into an arrangement with a fellow subsidiary, pursuant to which professional services were rendered. The Company has made an application on 03.07.2012 to the Regional Director, Ministry of Corporate Affairs for approval. Pending receipt of the same, the Company has made a provision of Rs. 1,400.00 lakhs and has included the same under "Other expenses".
- The previous statutory auditors for the previous financial year ended 31.12.2011 have included an emphasis of matter paragraphs:
(a) In Audit report on the financial statements for the previous financial year ended 31.12.2011:
- Deferred Tax Liability of Rs.8,046.00 lakhs
- Provision for impairment/write off Rs.3,112.02 lakhs
(b) Management Response:
These have been accounted and included in the results of respective periods.
- (i) The previous statutory auditors in their audit report on the financial statements for the previous financial year ended 31.12.2011 have issued a qualification, with regard to the payment of managerial remuneration in excess of the limits specified in the schedule XIII of the Companies Act, 1956 to the extent of Rs.194.64 lakhs.
(ii) Management Response:
The shareholder of the Company at the Annual General Meeting held on 22.03.2012 have passed a special resolution according their approval subject to consent of Central Government for waiver of recovery of excess remuneration of Rs.194.64 lakhs paid to the erstwhile Promoter, Directors and Director(Operations). The Company made necessary application to the Central on 17.04.2012 and await approval.
- (i) The statutory auditors have included an emphasis of matter paragraph:
In Limited Review Report for the three and twelve months ended 31.12.2012 with regard to:
- Exceptions items: Rs.1,619.32 lakhs
- Provision made towards professional services of Rs.1,400.00 lakhs pending approval by the Central Government.
(ii) Management Response:
- Refer Note:3, above, the provision is based on an internal management assessment of various disputed matters relating to prior year on a prudent basis.
- Refer Note:4, above, the Company has made necessary application to the Central Government and await approval.
- The Company in the business of manufacture and sale of pulp, paper and paperboards. The Management views manufacture and sale of pulp, paper and paperboards as a single reportable business segment.
- The Board of Directors have approved the change of the current financial year from "01.01.2012 to 31.12.2012" to "01.01.2012 to 31.03.2013" for a period of 15 months. Hence, the results for the twelve months period ended 31.12.2012 are Unaudited Financial Results. The figures for the twelve months ended 31.12.2011 are derived by aggregating the audited financial results for the nine months ended 31.12.2011 and unaudited results for the three months ended 31.03.2011.
- The Board of Directors of the Company, during their meeting held on 06.12.2011 have approved for the change of the financial year ending from 31.03, to 31.12 every year. Pursuant to the change, the previous financial year is for a period of 9 months ended 31.12.2011.
- The figures for the previous periods/year have been re-grouped/re-classified, wherever necessary, to confirm to the current period presentation.

Place : Hyderabad
Date: 22.01.2013



By order of the Board
For The Andhra Pradesh Paper Mills Limited

Rampraveen Swaminathan
Managing Director & CEO

THE ANDHRA PRADESH PAPER MILLS LIMITED
(A subsidiary of IP Holding Asia Singapore Pte Ltd)
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An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company



**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
THE ANDHRA PRADESH PAPER MILLS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results for the quarter and twelve months ended 31.12.2012 ("the Statement") of **THE ANDHRA PRADESH PAPER MILLS LIMITED** ("the Company"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Our review of Statement of Unaudited Financial Results has been restricted to the figures shown in the columns headed "Three months ended 31.12.2012", "Three months ended 30.09.2012" and "Twelve months ended 31.12.2012". The figures shown in the columns headed "Three months ended 31.12.2011", "Twelve months ended 31.12.2011" and "Previous financial year ended 31.12.2011" have been traced from the respective results reviewed/audited by previous statutory auditor.
4. Without qualifying our opinion, we invite attention to
 - a. Note 3 forming part of the Unaudited Financial Results, wherein the Company had made a provision of Rs. 1,619.32 lakhs towards certain disputed matters relating to prior years, based on internal assessment.
 - b. Note 4 forming part of the Unaudited Financial Results, wherein the Company has made a provision for Rs. 1,400.00 lakhs, towards professional services, pending receipt of approval from the Central Government under the provisions of the Companies Act, 1956.
5. Based on our review conducted as stated in paragraphs 2 and 3 above and further to our comments in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Contd.,

Deloitte Haskins & Sells

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Registrar.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)



GANESH BALAKRISHNAN
Partner
(Membership No. 201193)

HYDERABAD, January 22, 2013