sugar ethanol power

For Immediate Release **August 16th, 2013**

Shree Renuka Sugars Limited
Announces
Standalone Results for Quarter Ended 30th June 2013
Quarter ended June 2012 Performance vs. Quarter ended June 2013

Standalone revenues increase by 33%
Reduction in Standalone interest cost by 55%
Higher Foreign exchange loss of INR 874 million on account of currency depreciation
Cane crushing in Brazilian units increases by 54%

Mumbai, India, August 16th, 2013 – Shree Renuka Sugars Limited (referred to as "Shree Renuka" or the "Company", NSE: RENUKA, BSE: 532670), one of the largest integrated sugar and bio-energy producers globally, announces its Standalone Quarter results for period ended June 2013, in accordance with Indian GAAP.

Commenting on the results and performance, **Mr. Narendra Murkumbi, Vice Chairman** and **Managing Director** of **Shree Renuka Sugars Limited** said:

"Profitability during the quarter for India Standalone business came under pressure due to low margins for sugar in the cane milling business on account of lower realisation in the domestic market and high cost of production which includes costs for the off-season quarter. Sales volume in the ethanol segment during the quarter was affected by the lower sales of alcohol/ethanol. We expect this trend to reverse as substantial orders of over 37 million litres of ethanol have since been received from Oil Marketing Companies (OMC's).

Last quarter we saw higher operational efficiencies in our business in India and Brazil with high quantity of sugar refined at our Indian refineries and higher cane crushing at our Brazilian subsidiaries. Quarter ended 30th June 2013 was the third consecutive quarter where we were able to run our refineries at full capacity. Our Brazilian units continued its better operating performance during the quarter compared to last year and we crushed about 2.9 million tons of cane combined in both the subsidiaries as compared to 1.9 million tons last year.

The company had reported a net loss of Rs. 636 million on account of higher foreign exchange loss of Rs. 874 million for mark-to-market variation of foreign currency denominated liabilities, especially overseas supplier credit, during the quarter. Over the past one and half years we have put a lot of focus in managing our financial operations to reduce the interest cost, the result of which can be seen during this quarter with reduction in interest cost by 55% Y-o-Y.

Finally on Brazil subsidiaries, Centre-South Brazil has witnessed better weather conditions in the current season especially in the state of Sao Paulo with more number of dry days and improved yields enabling higher crushing. The state of Parana, where our smaller unit Renuka Vale do Ivai is located, was hit by frost in the month of July. The expected reduction in cane crushing volumes at RVdI due to frost will be more than made up by increase in crushing at RdB due to higher cane yields being recorded in the region of Sao Paulo. Overall we are expecting to crush 11.0 million tons of cane in 2013/14 combined in both our subsidiaries"

Standalone Financial Highlights

(Rs. Millions)	Quarter Ended 30-06-2013	Quarter Ended 30-06-2012	*y-o-y Growth (%)*	Quarter Ended 31-03-2013	*q-o-q Growth (%)*
	Standalone Financial Performance				
Net Sales	19,742	14,839	*33.0%*	19,129	*3.2%*
EBITDA*	866	1,798	*(51.8)%*	1,330	*(34.9)%*
EBITDA Margin (%)	*4.4%*	*12.1%*		*7.0%*	
Foreign Exchange gain/(loss)	(874)	(81)	-	(88)	-
Net Profit	(636)	133	-	133	-
Less: Minority Interest	0	0		0	
Net Profit After Minority	(636)	133		133	
Net Profit Margin (%)	*(3.2)%*	*0.9%*		*0.7%*	
Basic EPS (Rs)	(0.95)	0.20		0.20	
Diluted EPS (Rs)	(0.95)	0.20		0.20	

***** *Inclusive of Other Income which includes dividend income of Rs. 336 million from Renuka DMCC***

Economic Environment

Global raw sugar prices decreased during the quarter from USD 18.03 cents/lb to USD 16.21 cents/lb on account of depreciation of currency of major producing countries i.e. Brazil and India. The gross refining spreads have been stable during the Quarter with an average of USD 120/ton.

Weather in certain parts of Brazil i.e. Parana, Matto Grosso do Sul were affected by frost in the month of July due to which cane has been affected in these states. There is no official estimate as of now but it is estimated to affect around 60 million to 80 million tons of cane depending upon the reports of various trade houses. Global surplus of sugar is disappearing and currently estimated at 3.5 million tons for season 2013/14 (ISO) because of higher conversion of sugarcane to ethanol in Brazil and strong demand from importing countries especially China.

Quarter ended 30th June 2013 marked the beginning of a new crushing season in Brazil. The quarter has seen accelerated crushing compared to last year when the crushing was affected by heavy rainfall during this period. Also, the sugarcane recovery or ATR has improved compared to the previous season. Higher amount of cane has been diverted towards production of ethanol on account of higher realization from the product. As on 1st August 2013, the Centre-South Brazil had crushed a total of 269 million tons of cane which is 24% higher compared to the previous season. The sugar and ethanol production were higher by 13% and 38% respectively compared to the previous season. The recovery in the Centre-South region of Brazil has also improved from the previous season. Almost 57% of the ATR was diverted towards production of ethanol in the current season compared to 52% in the previous season.

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		2013/14	As on 1st August 2012/13	% Change	2013/14 (P)
Cane Crushed	mn tons	269	217	24%	590
Sugar Produced	mn tons	13.8	12.3	13%	35.5
Ethanol Produced	mn m^3	11.3	8.2	38%	25.4
ATR (Recovery)	Kg/ton	126	124	2%	137
% Sugar		42.90%	48.03%	-5.1%	46.20%

Source: UNICA

During the quarter, the price of domestic white sugar remained almost flat and traded in a range bound between Rs. 28,400 per ton and Rs. 29,847 per ton for the West Coast and between Rs. 31,500 per ton to Rs. 32,220 per ton in region of Haldia. During the quarter, the domestic import duty on sugar has been increased from 10% to 15%.

Financial Performance

The India standalone business recorded total revenues of Rs. 19,742 million for the quarter ended 30th June 2013 which is an increase of 33% compared to last year. The increase in revenues was majorly on account of higher sugar sales volumes and power exports from the refineries which were operating at almost full capacity during the quarter. During the quarter, other income includes a dividend of Rs. 336 million from Renuka DMCC.

The total sugar sales volume for the quarter stood at 598,530 tons which is an increase of 66% compared to the same quarter last year. The sugar sales volume from the refineries for the quarter increased by 140% compared to last year due to higher utilization of the refineries. The realization for sugar sold domestically stood at Rs. 30,500/ton for the quarter, an increase of 11% Y-o-Y. The realization for export sugar stood at Rs. 28,790/ton for the quarter, a decrease of 18% Y-o-Y due to weak global sugar prices compared to domestic prices. However costs of the main raw material i.e. raw sugar also declined proportionally.

The ethanol sales volume for the quarter ended 30th June 2013 were low as compared to last year but the realization improved by 17%. The power export quantity for the quarter from Indian mills and refineries was 76 million units which is an increase of 103% compared to last year due to high power sales from the refineries. The power export realization for the quarter was Rs. 5.30/unit compared to Rs. 4.64/unit last year which is an increase of 14%.

The standalone EBITDA for the quarter ended 30th June 2013 was Rs. 866 million. The reduction in EBITDA was primarily due to lower realization in sugar segment in the milling business and high cost of production of sugar from cane. Company had recorded stable margins in the refining segment and benefitted from the higher amount of sales from refining. Ethanol segment has also impacted due to lower sales of alcohol/ethanol during the quarter.

Company has been able to reduce the standalone interest cost by 55% Y-o-Y and 23% Q-o-Q to Rs. 506 million. Also, during the quarter the INR depreciated by 8.3% which has led to mark-to-market loss of Rs. 874 million on foreign currency denominated liabilities. Company has reported net loss for the quarter for the standalone business of Rs. 636 million.

Operating Performance

Sugar

(Tonnes, unless indicated)	Brazil		India				
	3M ended 30-06-2013	3M ended 30-06-2012	3M ended 30-06-2013	3M ended 30-06-2012	*y-o-y Growth (%)*	3M ended 31-03-2013	*q-o-q Growth (%)*
Sugarcane Crushed	2,927,493	1,903,250	-	105,662	*(100.0%)*	2,182,223	*(100.0%)*
Raw Sugar Processed	-	-	417,668	113,146	*269.1%*	393,710	*6.1%*
Recovery[1]	120.1	116.7	-	-	-	11.6%	-
Sugar Production							
From Cane	110,820	126,442	-	14,989	*(100.0%)*	252,195	*(100.0%)*
Raw Sugar	110,820	126,442	-	-		-	
White Sugar	-	-	-	14,989	*(100.0%)*	252,195	*(100.0%)*
Refined Sugar[2]	-	-	409,792	111,613	*267.2%*	381,375	*7.5%*
Total Sugar Production	110,820	126,442	409,792	126,602	*223.7%*	633,571	*(35.3%)*

Notes:

1 Recovery calculated as % in India and as ATR in Brazil

2 Refined sugar can be obtained from raw sugar and is produced from refineries

Performance of Brazilian Subsidiaries

The 2013/14 crushing season started during the last quarter. The Centre-South region in Brazil saw higher number of dry days in the April-June quarter compared to the previous season due to which we witnessed higher cane crushing Y-o-Y in our Brazilian units. Our mills in Renuka do Brasil S/A and Renuka Vale do Ivai S/A crushed a total of 2.9 million tons in the quarter ended on 30th June 2013 compared to 1.9 million tons of cane crushed last year which is an increase of 54%.

About 35% of the total sucrose was diverted into production of sugar during the quarter as compared to 63% previous year. This was on account of ethanol being a more remunerative product as compared to raw sugar. We produced 110,820 tons of raw sugar in the quarter ended 30th June 2013 as compared to 126,442 tons in the same quarter last year.

Group Performance in India

In India, crushing for the season ended in the month of March with a total crushing of 4.8 million tons compared to 4.9 million tons in the previous season. Our Indian sugar mills began their off-season period in the month of April. Sugar cane recovery dropped from 12.02% for the season 2011/12 to 10.85% for the season 2012/13 due to drought stress on cane.

Both our refineries in Kandla and Haldia were operational during the quarter. Our Kandla unit processed 238,213 tons of raw sugar producing 236,028 tons of refined sugar. Our Haldia unit processed 179,455 tons of raw sugar producing 173,764 tons of refined sugar. The raw sugar volumes processed at both our refineries during the quarter increased by 269% compared to last year due to higher capacity utilization.

Ethanol

	Brazil		India				
	3M ended 30-06-2013	3M ended 30-06-2012	3M ended 30-06-2013	3M ended 30-06-2012	*y-o-y Growth (%)*	3M ended 31-03-2013	*q-o-q Growth (%)*
Ethanol Production (KL)	139,393	48,095	19,031	33,895	*(43.9%)*	33,627	*(43.4%)*

Our mills in Brazil produced a total of 140 million liters of ethanol during the quarter which is an increase of 190% compared to the same quarter last year. This was due to increase in crushing volumes and higher diversion of cane towards production of ethanol. Approximately 55% of the ethanol produced was anhydrous ethanol.

Our Indian distilleries produced about 19 million liters of ethanol, mainly from the stored molasses during the quarter. The ethanol production was lower by 44% compared to the same quarter last year due to lower availability of molasses and uncertain off-take from OMCs leading to higher inventory of finished product.

Co-generation

	Brazil		**India**				
	3M ended 30-06-2013	3M ended 30-06-2012	3M ended 30-06-2013	3M ended 30-06-2012	*y-o-y Growth (%)*	3M ended 31-03-2013	*q-o-q Growth (%)*
Power Exports (mn units)	87	40	76	38	*100.7%*	161	*(52.5%)*

Our Brazilian units exported 87 million units of power during the quarter which is 117% higher than the same quarter last year mainly due to higher crushing volumes. The power exported from our mills and refineries for the quarter ended 30th June 2013 stood at 76 million units compared to 38 million units due to higher utilization of the refineries.

Outlook

The global raw sugar prices traded at an average of USD 17.11 cents/lb during the quarter ended 30th June 2013. The raw sugar prices decreased to USD 16.00 cents/lb in the month of July coupled by dry weather in month of July and depreciating Brazilian Real. In Brazil, the states of Parana and Mato Grosso do Sul were affected by frost occurring during latter part of July. The impact of frost will result in decrease in cane crushing estimate for the Centre-South Brazil and also drop in recovery in the regions affected by frost.

With the partial decontrol of the Indian sugar sector and restart of the national ethanol blending program, the domestic sugar and ethanol scenario going forward is looking more positive. The profitability of the domestic sugar milling business will depend largely on the sugar cane prices. In Karnataka a new law has already been passed to decide cane prices based on a revenue sharing mechanism and Maharashtra government has also proposed similar mechanism. This new system will lead to cane pricing fully linked to market prices of sugar for our mill based processing business. For Ethanol, Oil Marketing Companies (OMC's) have floated a fresh domestic tender for season 2013/14 to procure 1,330 million litres of ethanol which will further improve the marketability of domestic ethanol. In the previous tender floated in January 2013 a total order of 400 million litres of ethanol was finalized out of which Shree Renuka has got orders to supply 37.3 million litres of ethanol.

Renuka do Brasil S/A has shown significant operational improvements in the current season in term of capacity utilization and yields. We expect a better season in terms of cane crushing and capacity utilization for our Brazilian mills supported by improved weather conditions in Brazil. The reduction in sugar cane volumes at Renuka Vale do Ivai S/A due to frost in the state of Parana is expected to be more than offset by higher crushing at Renuka do Brasil S/A on account of better yields in the region of Sao Paulo.

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Notes:

1. Net Sales: Includes other operating income and is after excise duties
2. EBITDA: Earnings before interest, taxes and depreciation; includes other income and excludes foreign exchange gain/loss
3. Net Profit: Includes extraordinary items and after minority interest
4. All financial margins are calculated based on Net Sales
5. Net Worth: Share Capital and Reserves and Surplus
6. Basic EPS: Each share face value of Rs. 1.00; Based on 671 million shares outstanding on a weighted average basis

Analyst / Investor / Media Enquiries:

Vishesh Kathuria, Shree Renuka Sugars Limited +91 22 4001 1400

For further information on Shree Renuka visit www.renukasugars.com

The Company will host a conference call to discuss quarter ended 30th June 2013 earnings at 1730 hours IST on Monday, August 19th, 2013. To participate, please use the following dial-in numbers:

Primary Number	*+91-22-3065 0060*
Secondary Number	*+91-22-6629 0019*

The numbers listed above are universally accessible from all networks and all countries

Toll Free Numbers

USA:	+1 866 746 2133
UK:	+0 808 101 1573
Singapore:	+800 101 2045
Hong Kong:	+800 964 448

Safe Harbour

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Shree Renuka's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Shree Renuka undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

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Shree Renuka Business Snapshot

Global Market Position

- One of the largest sugar producers in the world with eleven cane mills globally and total crushing capacity of 22 million tons of cane per annum
- One of the largest sugar refiners globally with capacity of 2.3 MTPA
- Leading manufacturer of sugar in India, the world's largest consumer market
- Highly integrated with ethanol capacity of 4,160 KL per day and Co-Generation capacity of 271 MW, in India and 313 MW in Brazil

Best-in-Class Operations

- Higher flexibility to optimize product mix between Ethanol and Sugar in Brazil
- Approximately 100,000 hectares of company owned sugarcane plantations in Brazil with high level of mechanization
- Significant ethanol and power co-generation capacity provide greater resilience to down cycles
- Renuka VDI stake in four logistics companies in Brazil enables competitive export costs
- KBK Chem-Engineering subsidiary provides optimal solutions for fermentation and distillation industries

Location Advantage

- Only sugar/ethanol producer globally with cane crushing operations year round due to complementary seasons in India and Brazil
- Presence in largest sugar producing and consuming regions globally provides better access to commodity price and production information
- Large operations in Brazil, where sugar/ethanol manufacture has low operating cost, high scalability and highly conducive climatic conditions
- Approximately 65% of sugarcane used in Brazil operations comes from owned cane plantations, enabling higher margins and assurance of raw materials
- Flexible cane pricing and sugarcane with higher recovery through presence in South and West India
- Strategically located port-based sugar refineries in India able to cover Indian, South Asian and Middle-Eastern markets competitively.

Shree Renuka Sugars Ltd

Audited Results for Quarter ended 30th Jun 2013 Earnings Presentation

Earnings Conference Call
Monday, August 19th 2013 at 17:30 hrs IST

Primary Number	*+91-22-3065 0060*
Secondary Number	*+91-22-6629 0019*

The numbers listed above are universally accessible from all networks and all countries

Toll Free Numbers

USA:	*+1-866-746-2133*
UK:	*+0-808-101-1573*
Singapore:	*+800-101-2045*
Hong Kong:	*+800-964-448*

Important Notice

Forward Looking Statements

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These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Shree Renuka undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Highlights

- Standalone revenues increase by 33%
- Reduction in Standalone interest cost by 55%
- Higher Foreign exchange loss of INR 874 million on account of currency depreciation
- Cane crushing at Brazilian units increases by 54%

Commenting on the results and performance, Mr. Narendra Murkumbi, Vice Chairman and Managing Director of Shree Renuka Sugars said:

"Profitability during the quarter for India Standalone business came under pressure due to low margins for sugar in the cane milling business on account of lower realisation in the domestic market and high cost of production which includes costs for the off-season quarter. Sales volume in the ethanol segment during the quarter was affected by the lower sales of alcohol/ethanol. We expect this trend to reverse as substantial orders of over 37 million litres of ethanol have since been received from Oil Marketing Companies (OMC's).

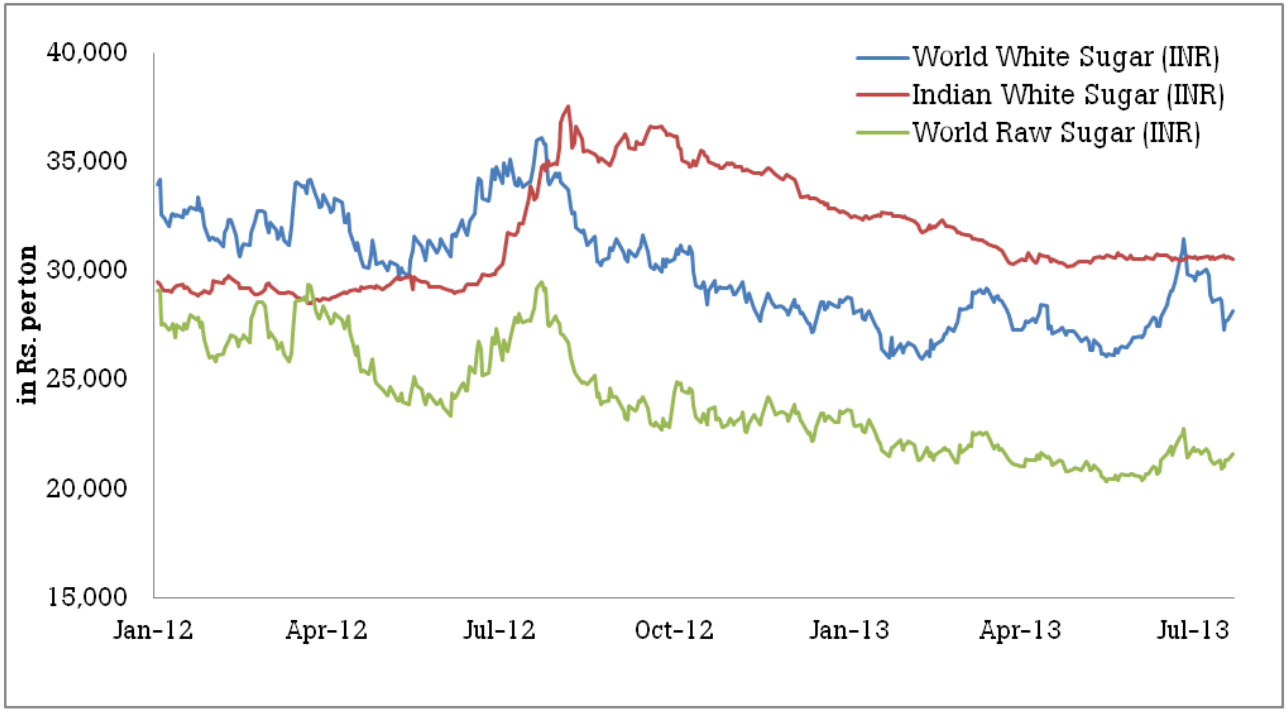
Last quarter we saw higher operational efficiencies in our business in India and Brazil with high quantity of sugar refined at our Indian refineries and higher cane crushing at our Brazilian subsidiaries. Quarter ended 30th June 2013 was the third consecutive quarter where we were able to run our refineries at full capacity. Our Brazilian units continued its better operating performance during the quarter compared to last year and we crushed about 2.9 million tons of cane combined in both the subsidiaries as compared to 1.9 million tons last year.

The company had reported a net loss of Rs. 636 million on account of higher foreign exchange loss of Rs. 874 million for mark-to-market variation of foreign currency denominated liabilities, especially overseas supplier credit, during the quarter. Over the past one and half years we have put a lot of focus in managing our financial operations to reduce the interest cost, the result of which can be seen during this quarter with reduction in interest cost by 55% Y-o-Y.

Finally on Brazil subsidiaries, Centre-South Brazil has witnessed better weather conditions in the current season especially in the state of Sao Paulo with more number of dry days and improved yields enabling higher crushing. The state of Parana, where our smaller unit Renuka Vale do Ivai is located, was hit by frost in the month of July. The expected reduction in cane crushing volumes at RVdI due to frost will be more than made up by increase in crushing at RdB due to higher cane yields being recorded in the region of Sao Paulo. Overall we are expecting to crush 11.0 million tons of cane in 2013/14 combined in both our subsidiaries"

Market Overview

Global Sugar Price Trends (Rs / ton)



Source: ICE, Liffe, NCDEX

Key Perspectives

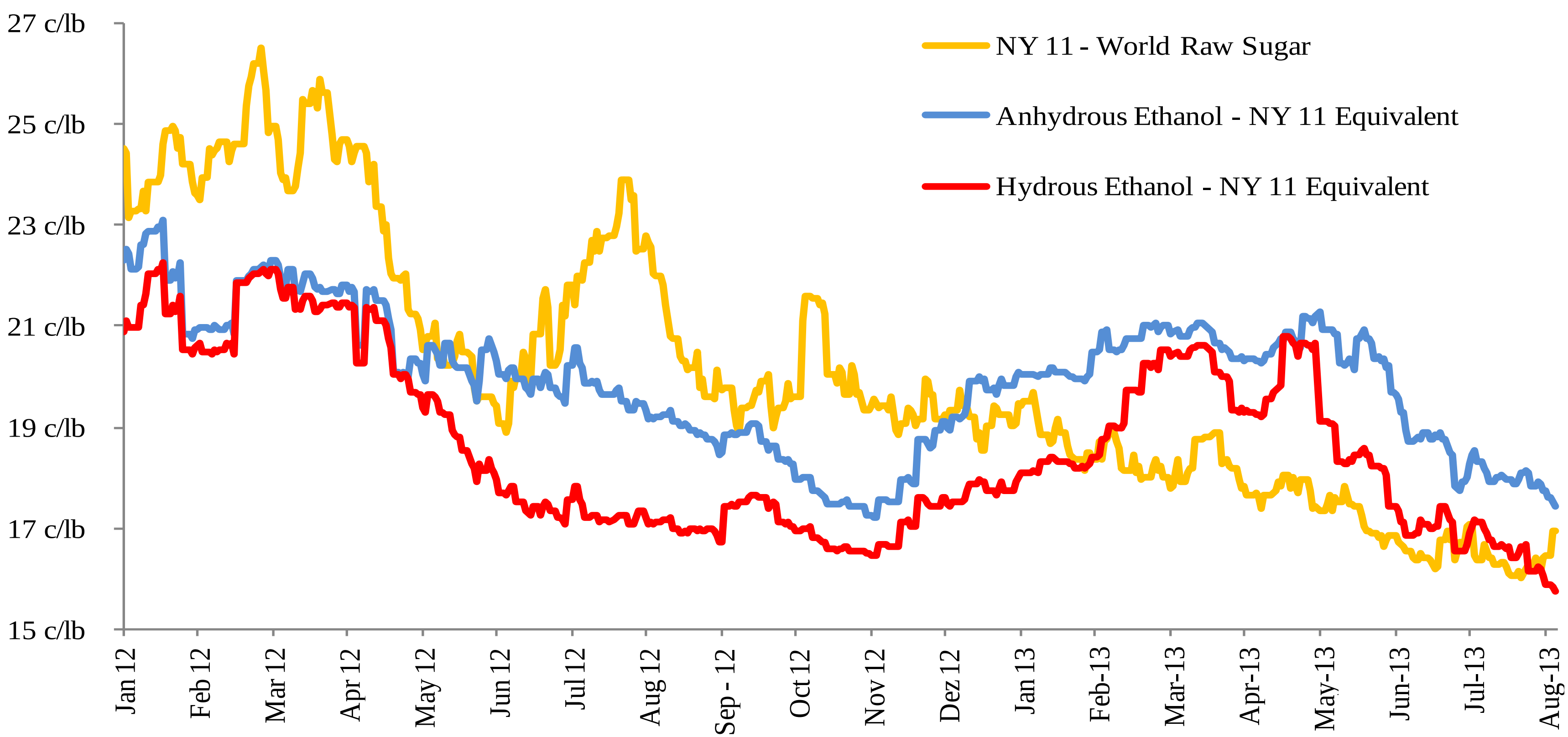
- World Raw Sugar prices have been lower in USD c/lb on account of improved crushing in Brazil and depreciating Brazilian Real

- Domestic Sugar Prices has remained flat during the quarter

- Acreage of sugar cane growing areas in Maharashtra and Karnataka reduced. The sugar production for 2013/14 season expected to be ~23 million tons

Brazil Market Overview

Brazil Product Price Trends



Standalone Financial Performance

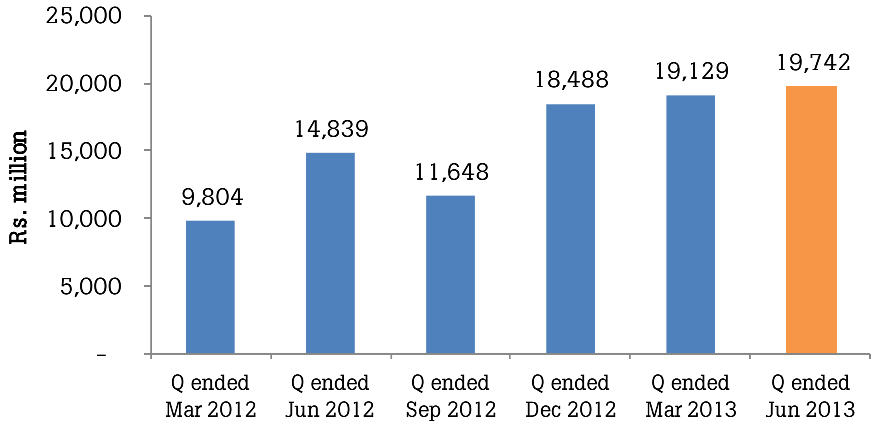
(Rs. in Million)

	3M ended 30-06-2013	3M ended 30-06-2012	*% Y-o-Y Growth*	Y-o-Y Key Perspectives
Net Sales[1,3]	19,742	14,839	*33.0%*	• Higher sugar sales contribution from the refineries
EBITDA[2]	866	1,798	*(51.8)%*	• Low margin and off-season costs in sugar segment for cane milling business • Lower sales volume from ethanol
% Margin	*4.4%*	*12.1%*		
Foreign exchange gain/ (loss)	(874)	(81)		• Mark-to-Market loss due to depreciation of INR against USD (9% during Q1 FY2013)
Net Profit[4]	(636)	133		
% Margin	*(3.2)%*	*0.9%*		
Basic EPS[5] (Rs.)	(0.95)	0.20		
Diluted EPS[5] (Rs.)	(0.95)	0.20		

Notes:
1 Net Sales excludes excise duties, foreign exchange gains and includes other income
2 EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income and excludes foreign exchange gain/loss
3 Other Income for Quarter ended June 13 include dividend income of Rs. 336 million
4 Net Profit is after minority interest and prior period adjustments
5 Non annualized

Standalone Quarterly Financial Performance

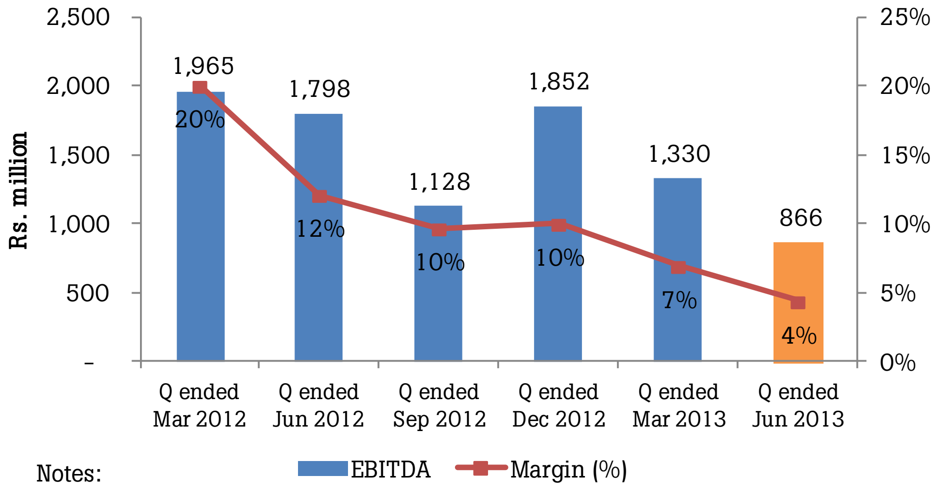
Net Sales[1]



Trends

- Higher Sales volumes from the refineries
- Higher power sales volume and realization
- Lower sales volume from the Ethanol Segment

EBITDA[2] **& Margin (%)**



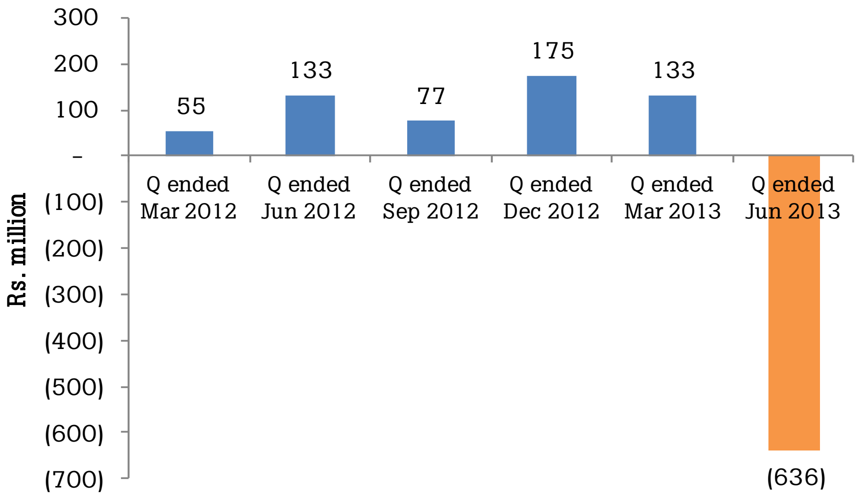
Trends

- Low margin in sugar for cane milling business
- Offseason Quarter for the Cogeneration Business with unavailability of bagasse

Notes:
1 Net Sales excludes excise duties, foreign exchange gains and includes other income
2. EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income; excludes foreign exchange gain / loss

Standalone Quarterly Financial Performance

Net Profit[1]



Notes:
1 Net Profit is after minority interest and prior period adjustments

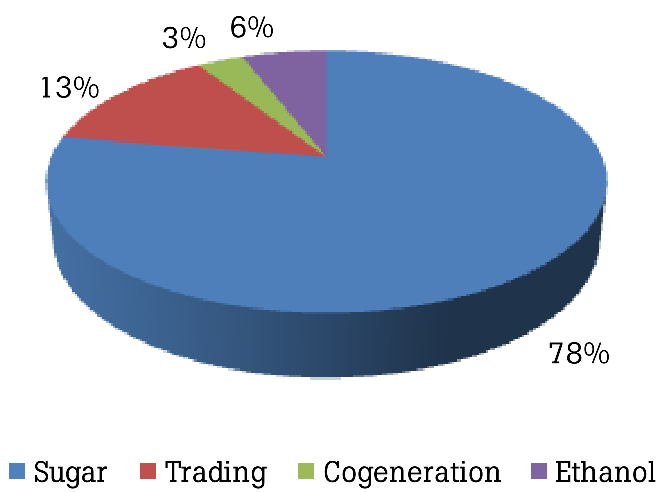
Trends

- Y-o-Y Interest cost is reduced by 55%
- Depreciation of INR against USD leading to foreign exchange loss of Rs. 874 million during the quarter

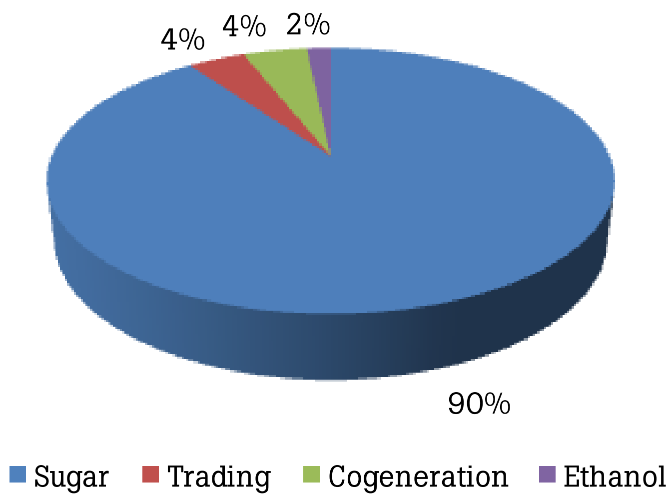
Standalone Performance – Quarter Ended 30th June, 2013

Net Sales[1] Breakdown – India

Quarter ended June 2012



Quarter ended June 2013



Notes: Net Sales excludes excise duties, foreign exghange gain/loss and includes other income

Closing stock as on 30th June 2013 – India

Standalone

	Unit of Measure	As on 30.06.2013
Sugar	MT	356,812
White Sugar	MT	278,847
Raw Sugar	MT	77,965
Ethanol	KL	69,086
Molasses	MT	60,801

Sales Quantity – India

Standalone

	3M ended Jun-13	3M ended Jun-12	*% Y-o-Y Growth*
Total Sugar Sold(MT)	598,530	359,779	*66.4%*
Export (in MT)	240,732	240,990	*-0.1%*
Domestic (in MT)	357,798	118,790	*201.2%*
Ethanol (in KL)	9,677	31,137	*-68.9%*
Co-gen (in million units)	76	38	*103.3%*

Net Price Realization - India

Standalone

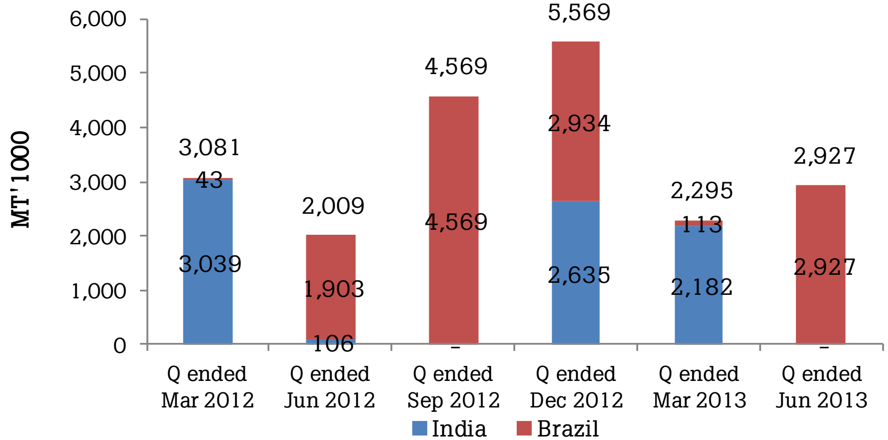
	3M ended Jun-13	3M ended Jun-12	*% Y-o-Y Growth*
Average Manufactured Sugar (in Rs./MT)	29,812	32,536	*-8.4%*
Export (in Rs./MT)	28,790	35,052	*-17.9%*
Domestic (in Rs./MT)	30,500	27,433	*11.2%*
Ethanol (in Rs./KL)	33,553	28,720	*16.8%*
Co-gen (in Rs. per unit)	5.30	4.64	*14.1%*

Notes:

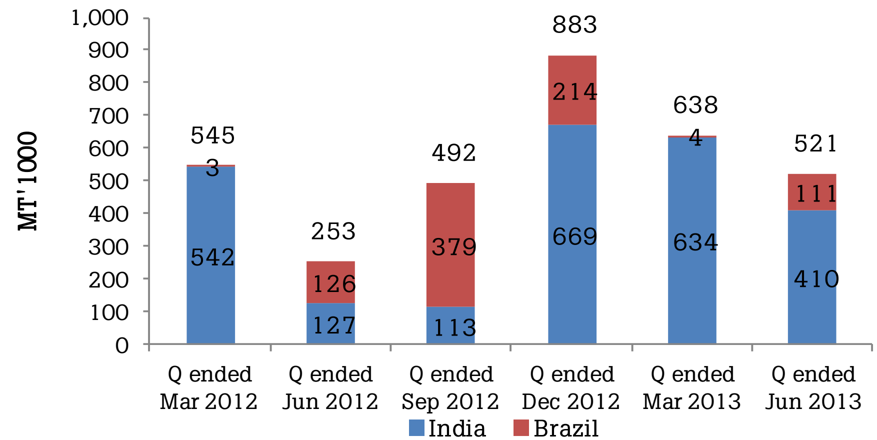
1. Export Sugar realizations are FOB prices net of taxes

Sugar: Quarterly Operating Performance

Sugarcane Crushed



Sugar Production[1]



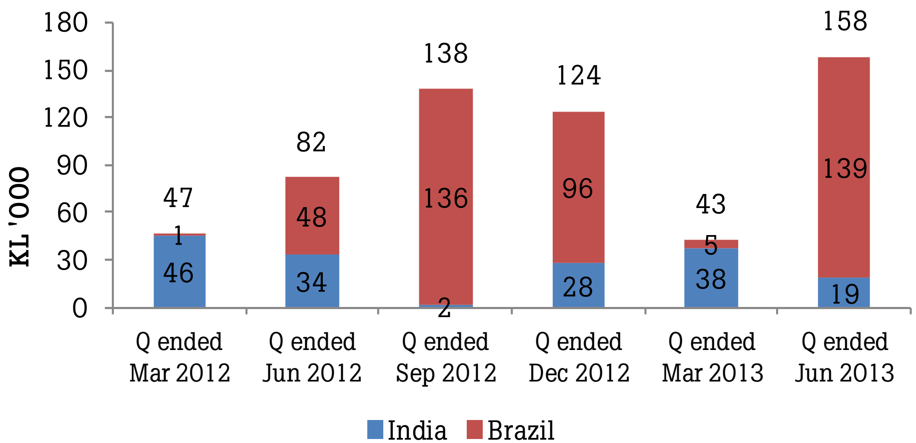
- Crushing for the new season began in Brazil during the quarter and off-season period for our mills in India
- During the Quarter, crushing at Brazilian units increased by 54% Y-o-Y due to higher number of dry days and higher availability of cane

- Sugar production in India increased by 224% due to higher utilization of the refineries
- Lower sugar production in Brazil due to lower sugar mix of 35% as compared to Ethanol
- Y-o-Y, 3% increase in recovery at Brazilian units

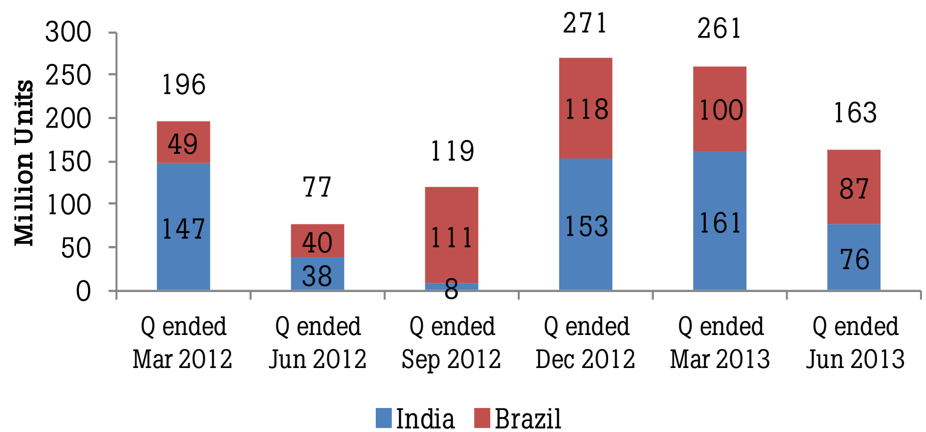
Note:
1 Sugar produced includes raw sugar and white sugar produced from cane, as well as refined sugar produced from raw sugar

Ethanol & CoGen: Quarterly Operating Performance

Ethanol Production



Co-Gen Power Exports



- Ethanol production reduced in India by 44% due to lower stock of molasses at start of the quarter
- Ethanol production in Brazil increased by 189% due to higher crushing and greater diversion of sucrose towards ethanol
- Of the total ethanol produced in Brazil, 55% was anhydrous and 45% hydrous

- Energy sales in India increased by 101% on account of higher utilization of the refineries
- Energy sales in Brazilian units increased by 117% due to higher bagasse availability on account of increase in crushing volumes

Fact Sheet

COMPANY BACKGROUND

Shree Renuka Sugars is a global agribusiness and bio-energy corporation. The Company is one of the largest sugar producers in the world, the leading manufacturer of sugar in India, and one of the largest sugar refiners in the world. Shree Renuka operates in three segments:

Sugar: The Company operates eleven mills globally with a total crushing capacity of 22 million tonnes per annum (MTPA) or 101,520 tonnes crushed per day (TCD). The Company operates seven sugar mills in India with a total crushing capacity of 8.4 MTPA or 42,000 TCD and two port based sugar refineries with capacity of 2.3 MTPA.

The Company also has significant presence in South Brazil, through acquisitions of Renuka Vale do Ivai on 19 March 2010 (100% owned) and Renuka do Brazil on 7 July 2010 (formerly Equipav Acucar e Alcool – 50.34% stake for USD 250 million). The company has exercised its option to increase its stake to 59.4% at the same valuation by a further investment of USD 115 million. The combined crushing capacity of the Brazilian subsidiary companies is 13.6 MTPA.

Trading: Operates a trading hub in Dubai to capitalize on trade opportunities in the Asian region.

Power: Shree Renuka produces power from bagasse (a sugar cane by product) for captive consumption and sale to the state grid in India and Brazil. Total Cogeneration capacity increased to 583.5MW with exportable surplus of 371.4MW. The Indian operations produce 271MW with exportable surplus of 135MW and the Brazilian operations produce 313MW with exportable surplus of 221 MW.

Ethanol: Shree Renuka manufactures fuel grade ethanol that can be blended with petrol. Global distillery capacity is 4,160 KL per day (KLPD) with Indian distillery capacity at 930 KLPD (630 KLPD from molasses to ethanol and 300 KLPD from rectified spirit to ethanol) and Brazil distillery capacity at 3,230 KLPD.

The acquisition of a stake in KBK Chem-Engineering facilitates turnkey distillery, ethanol and bio-fuel plant solutions.

INDUSTRY

The top 5 sugar producing countries are Brazil, India, China, Thailand and USA. The total sugar production was approximately 174mn tonnes in 2012-13.

Improved weather conditions globally especially in Brazil have resulted in a good 2012-13 season across major producers. Estimated global surplus of sugar as per the latest estimate of ISO is close to 3.5 mn tonnes of sugar for 2013-14. Brazil has produced close to 38 mn tonnes of sugar while India is expected to produce 25 mn tonnes of sugar in 2012-13. Other key producing countries are Thailand, Australia etc.

India, the world's largest sugar consumer and second largest producer, is a key player in the global sugar supply/demand dynamics. The sugar industry in India is highly fragmented. There are 624 sugar factories, dispersed over UP, Maharashtra and other states, with average crushing capacity of approximately 3,500 TCD. While co-operative societies and government-owned entities own ~50% of India's sugar capacity, the rest is owned by the private sector.

Brazil is the leading producer and exporter of sugarcane, sugar and ethanol. It is among the most efficient major sugar producers in the world. During the 2012/13 harvest, Center-South Brazil had crushed 533 million tonnes of cane , producing 34.1 million tonnes of sugar and 21 bn liters of ethanol.

After two years of being a major net importer, India has been a net exporter since the last two seasons backed by robust sugarcane cultivation and favorable weather. With Indian sugar season 2012-13 producing close to 24.0 million tonnes, India will became a net marginal importer of sugar for the season. The Government has partially decontrolled the Indian Sugar sector with removing levy obligations and release quota mechanism as per the suggestions of Dr. C. Rangarajan to consider decontrol of the sugar industry.

Source: UNICA, Kingsman, ISO, Company Research

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