

Quarter II Financial Results - 2009-10

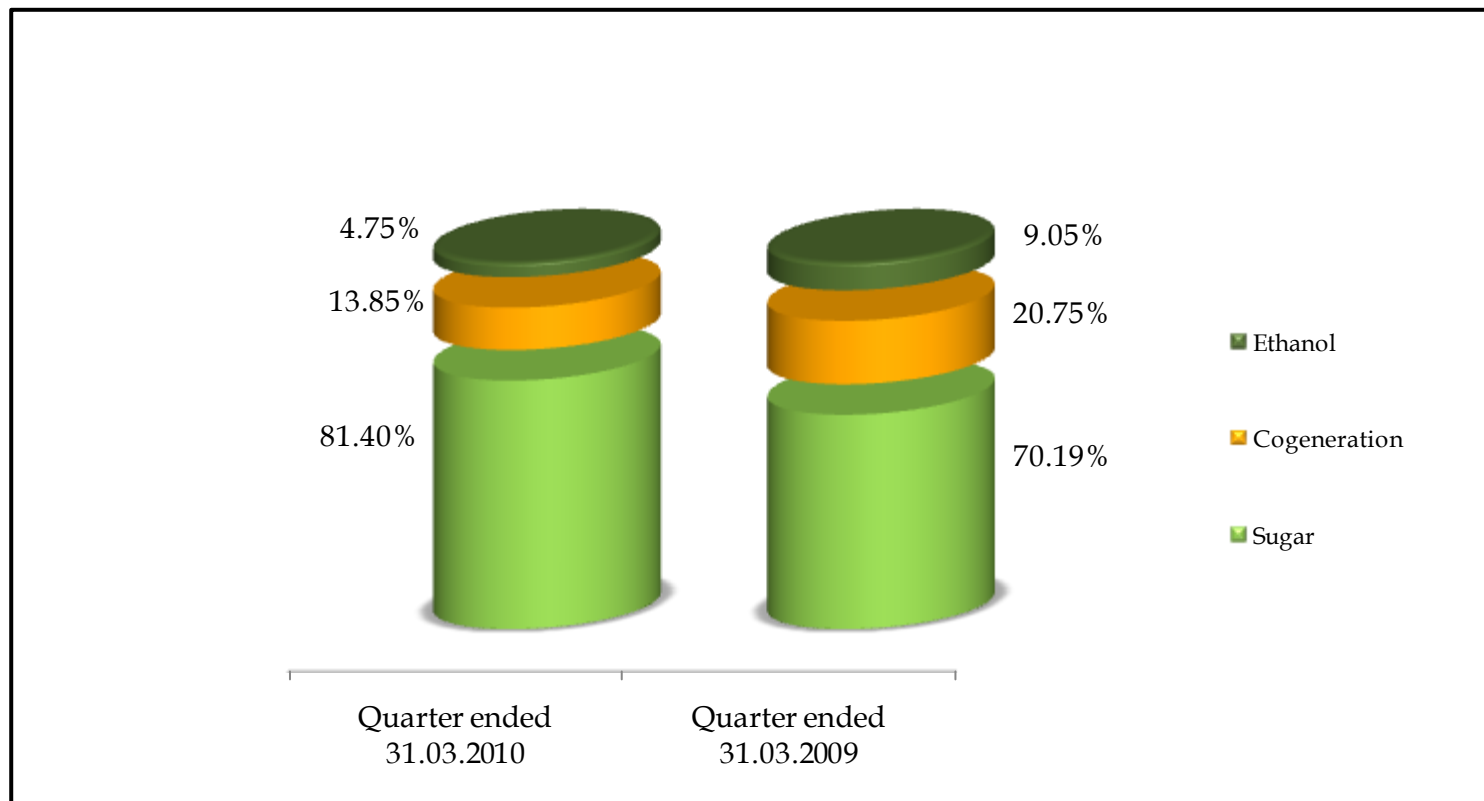
SUGAR ● POWER ● ETHANOL

Energy
for the future



Shree Renuka Sugars Limited

Segment wise Comparison- Manufacturing



General Comments:

- ✓ Contribution of Sugar in Manufacturing Revenue increased from 70.19% to 81.40% of the total revenues

MANAGEMENT AND DISCUSSION ANALYSIS - QUARTER ENDED MARCH 31, 2010 WITH THE QUARTER ENDED MARCH 31, 2009**Revenues - Standalone**

Our total turnover including total revenues net of excise duty and including other income, for the quarter ending March 31, 2010 (Q2 2010) was Rs. 16,017 million as compared to Rs. 3,265 million in the quarter ending March 31, 2009 (Q2 2009).

Our total turnover increased mainly due to increase in the segment sales of Sugar to Rs. 8,466 million in Q2 2010 from Rs. 2,939 million in Q2 2009.

The segment sales of Manufactured Sugar (including that of subsidiaries viz. Ratnaprabha Sugars and Gokak Sugars) increased by 97% from 121,459 MT for Q2 2009 to 238,815 MT of sugar sold in Q2 2010 with an average net realization of Rs. 33,626/-per MT as compared to Rs. 18,869/- per MT for the corresponding quarter in the last year which is an increase of 78%.

Revenue from cogeneration plant increased to Rs. 1,441 million for Q2 2010 as compared to Rs 869 million for Q2 2009 which is an increase of 66%. The net realization of power decreased from Rs. 6.5 for Q2 2009 to about Rs. 4.9 for Q2 2010 per unit export of power; however the total power exported to the grid increased from 59 million units for Q2 2009 to 138 million units for the Q2 2010.

Sales from Ethanol division in Q2 2010 were at Rs 494 million as compared to Rs 379 million for Q2 2009. The sales in terms of quantity increased by 5% from 15,777 KL for Q2 2009 to 16,625 KL in Q2 2010 with an average net realization of Rs. 29,664/-per KL as compared to Rs. 23,991/- per KL for the corresponding quarter in the last year which is an increase of 24%.

The revenues from Renewable Segment (Ethanol & Power) as a percentage of Manufacturing Revenues have decreased from 30% to 19% largely due to an increased contribution from sugar segment even though there is an increase in absolute terms from Rs. 1,248 million in Q2 2009 to Rs.1,935 million in Q2 2010.

Production

The cane crushing at all the plants totaled 2,254,870 MT in the Q2 2010 as compared to 1,371,225 MT in Q2 2009. Sugar bagged increased to 265,088 MT from 133,319 MT, an increase of 99%. Sugar yield [recovery] per ton of cane increased to 11.76% for Q2 2010 from 10.19% for Q2 2009. The YTD recovery is 11.18%.

Total refined sugar produced in the refineries from raw sugar has increased from 162,742 MT to 177,676 MT for the Q2 2010.

As on 31st March 2010, we had a closing stock of white sugar (including inventory of subsidiaries viz. Ratnaprabha Sugars and Gokak Sugars) of 592,446 MT including 146,720 MT of imported white sugar. As of 31st March 2010, inventory of Ethanol and molasses was 33,628 KL and 105,583 MT respectively.

Expenditure

Our total expenditure excluding provisions for tax, interest & depreciation was Rs. 12,676 million in Q2 2010 as compared to Rs. 2,453 million in Q2 2009.

Raw materials

The total consumption of raw materials in Q2 2010 was Rs. 16,212 million as compared to Rs. 5,066 million in Q2 2009. The increase is on account of increase in the prices of sugarcane and imported raw sugar.

Interest

The interest cost in Q2 2010 decreased to Rs. 160 million from Rs. 292 million in Q2 2009, which is a decrease by 45%. This was due to lower interest rates and working capital borrowings for the current quarter.

Profit before Tax

Our Profit before Tax in Q2 2010 was Rs. 2,987 million as compared to Rs. 365 million in Q2 2009. This increase is due to the changes in various revenue and cost items as discussed above.

Provision for Income Tax

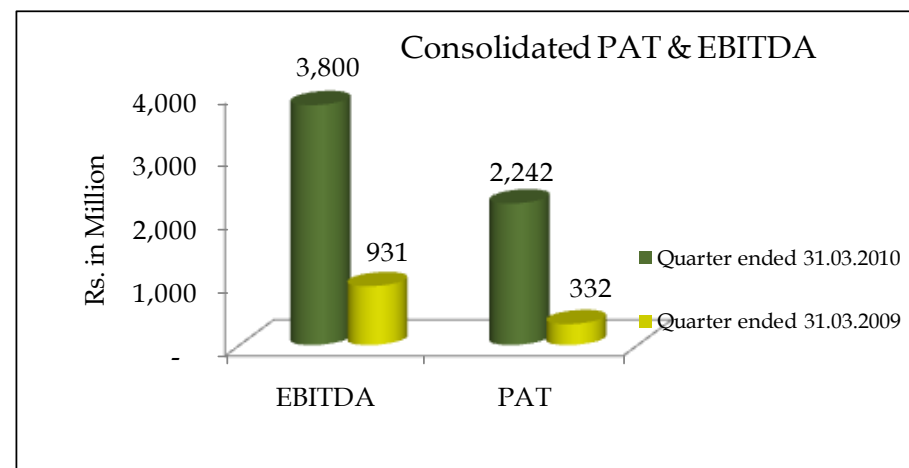
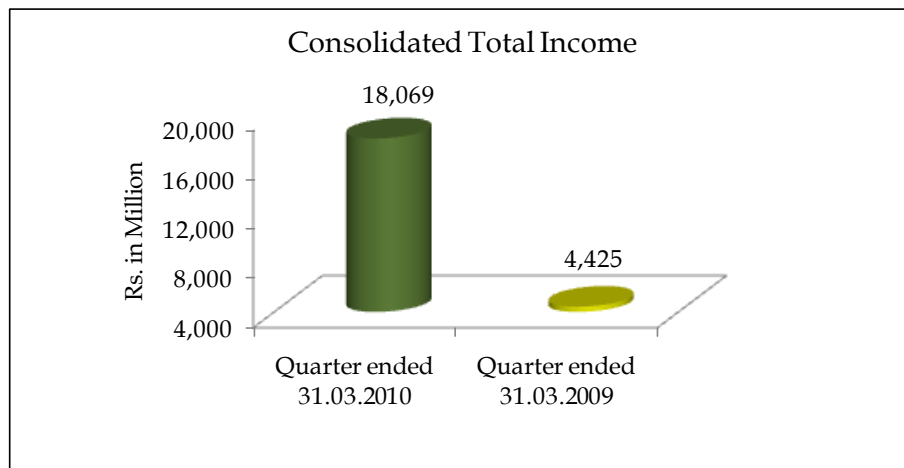
Provision for Income Tax increased to Rs. 1,028 million in Q2 2010 from Rs. 124 million in Q2 2009. This is primarily due to increase in taxable income.

Profit after Tax

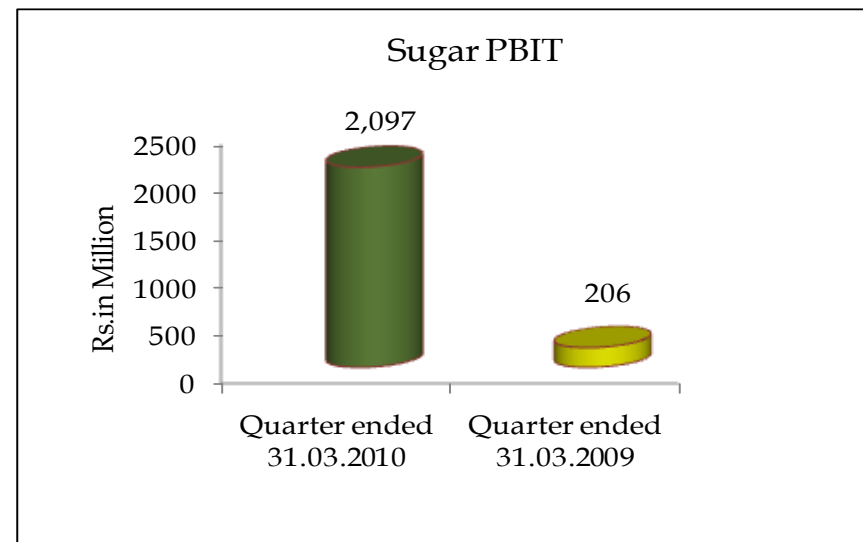
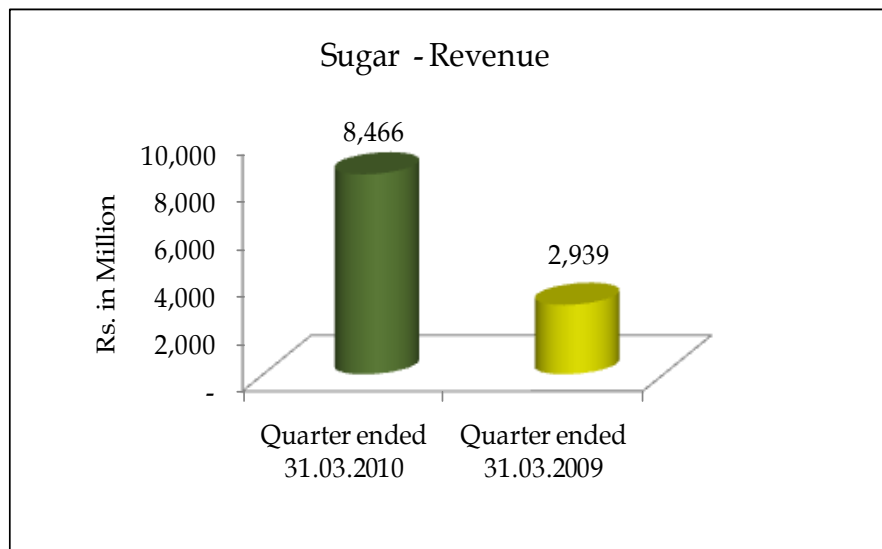
Our Profit after Tax in Q2 2010 was Rs. 1,959 million as compared to Rs. 241 million in Q2 2009. This increase is due to the changes in various revenue and cost items as discussed above.

VALE DO IVAÍ S/A AÇÚCAR E ÁLCOOL

Shree Renuka Sugars Limited completed the acquisition of VDI located in the Southern State of Parana with a combined crushing capacity of 3.1 million tons per annum on 19th March. VDI numbers have been consolidated from the date of acquisition.

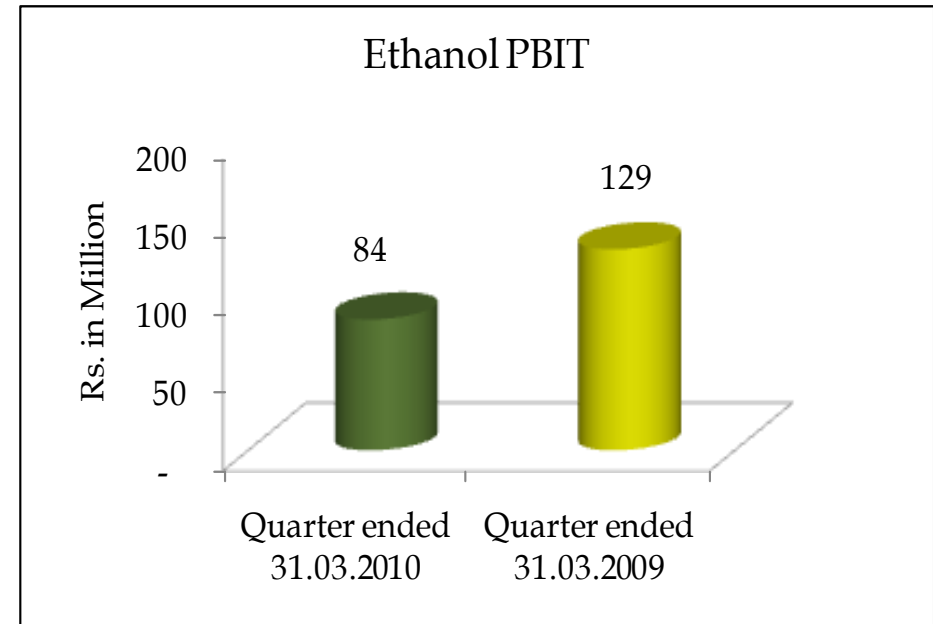
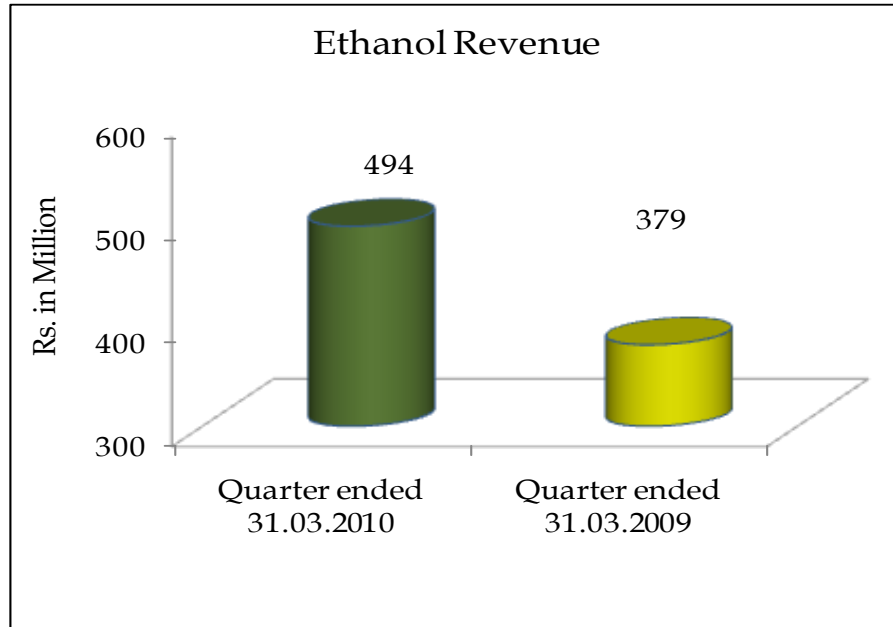
Quarter II- Condsolidated Analysis**Comments**

- ✓ Consolidated Net Revenues increased from Rs. 4,425 million in Q2 2009 to Rs. 18,069 million in Q2 2010
- ✓ Consolidated EBITDA increased from 931 million in Q2 2009 to Rs. 3,800 million in Q2 2010
- ✓ Consolidated PAT increased from Rs. 332 million in Q2 2009 to Rs. 2,242 million in Q2 2010

Segmental Analysis - SugarComments

- ✓ Sugar Revenues increased from Rs. 2,939 million in Q2 2009 to Rs. 8,466 million in Q2 2010
- ✓ Sugar PBIT increased from Rs. 206 million in Q2 2009 to Rs. 2,097 million in Q2 2010

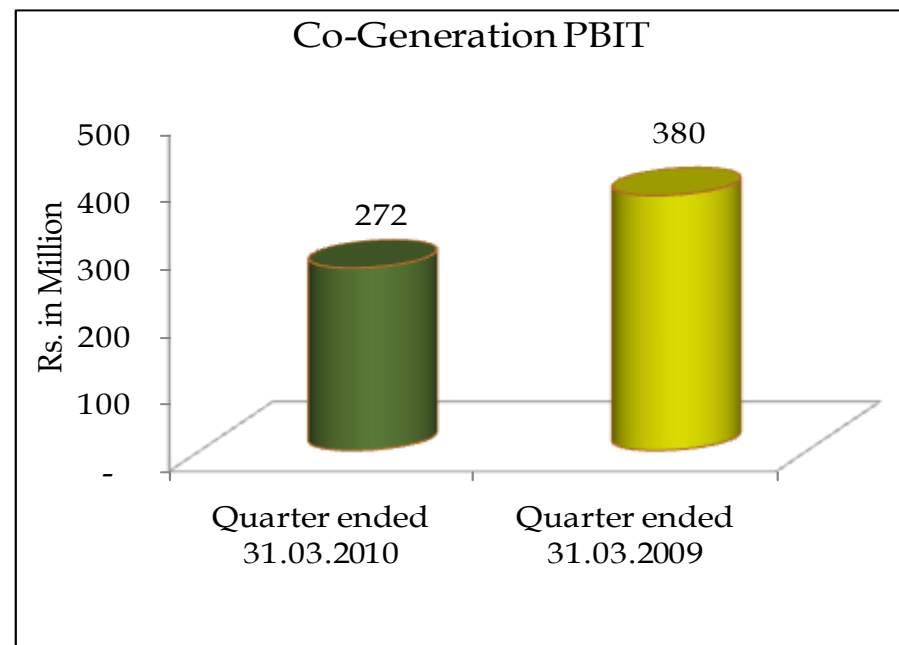
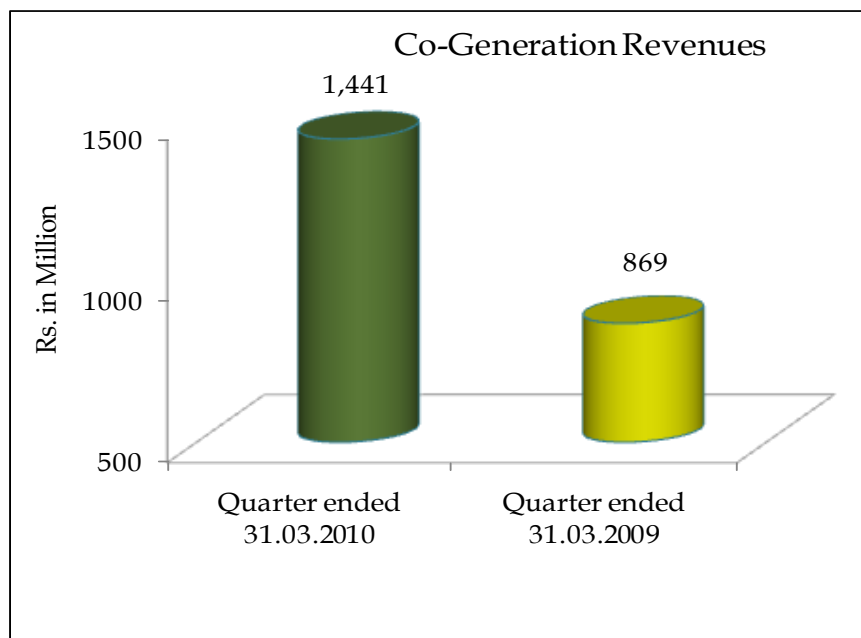
Ethanol



Comments

- ✓ Ethanol Revenues increased by 30% from Rs. 379 million in Q2 2009 to Rs. 494 million in Q2 2010

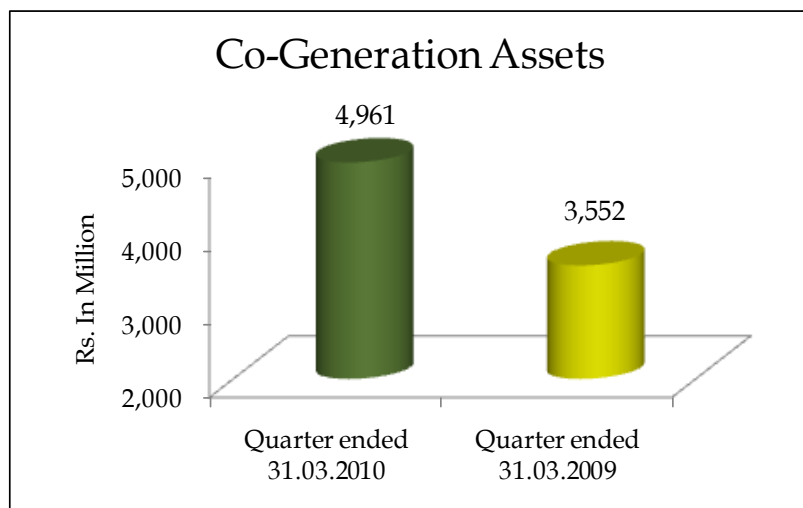
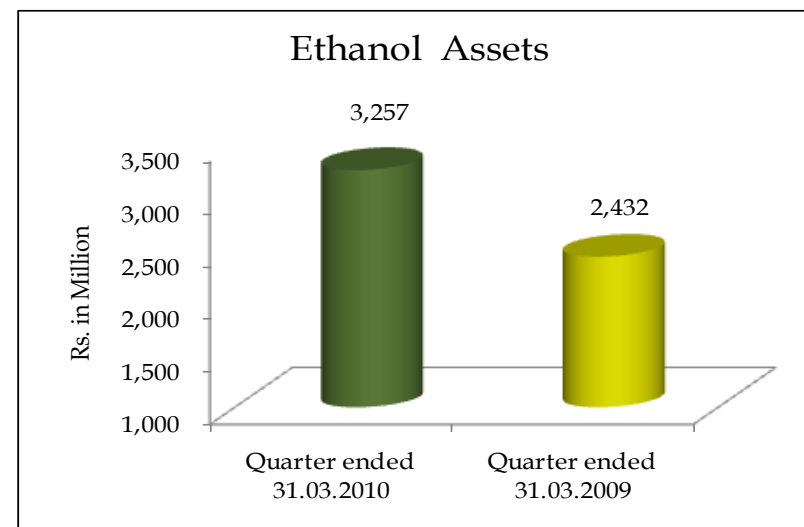
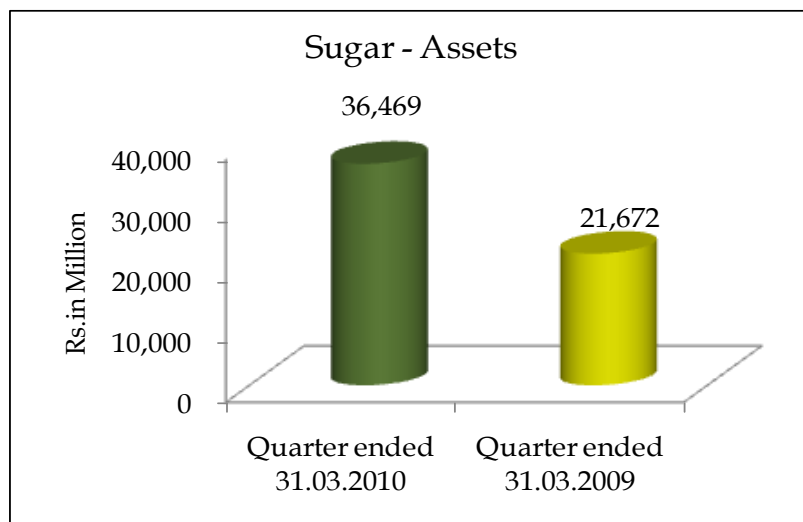
Cogeneration



Comments

- ✓ Cogeneration Revenues increased by 66% from Rs. 869 million in Q2 2009 to Rs. 1,441 million in Q2 2010

Assets



Comments

- ✓ Sugar Assets have increased by 68% in Q2 2010 as compared to Q2 2009
- ✓ Distillery Assets have increased by 34% in Q2 2010 as compared to Q2 2009
- ✓ Cogen Assets have increased by 40% in Q2 2010 as compared to Q2 2009