sugar ethanol power

For Immediate Release **August 11th, 2011**

Shree Renuka Sugars Limited
Announces
Unaudited Consolidated and Standalone

Third Quarter Results for Fiscal 2011
Q3 FY2011 Performance vs. Q3 FY2010:
Consolidated Net Sales increased by 15.9%
Consolidated EBITDA increased by 172.1%
Consolidated Net Profit increased by 106.0%
Gujarat Refinery Commissioned on 25th July 2011

Mumbai, India, August 11th, 2011 – 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 Unaudited Consolidated and Standalone Third Quarter results for Fiscal 2011, 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:

"Shree Renuka Sugars had a strong quarter despite volatility in the global sugar market, limited exports from India and relatively low sugar prices in the Indian market.

Brazilian subsidiaries (Renuka do Brasil and Renuka Vale do Ivai) had a good start to the crushing season and benefited from higher prices of sugar and ethanol. Company capitalized on its production flexibility to take advantage of price arbitrage between Sugar and Ethanol at the start of the quarter (54.6% juice diverted towards Ethanol production). Renuka Vale do Ivai is already displaying the results of a strong turnaround with EBITDA margin at 53.4% during this quarter.

The company saw price growth across sugar, ethanol and co-generation segments in India as compared to the same period last year. Operating margins improved due to higher contribution from the renewable segment (Ethanol and Co-Generation) as well as sugar exports.

Company has commissioned its second port based refinery near Kandla in Gujarat with a refining capacity of, 3,000 tonnes per day increasing its refining capacity to 5,000 tonnes per day from the current capacity of 2,000 tonnes per day."

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Consolidated Financial Highlights

Consolidated Financial Performance								
	Q3		*y-o-y*	Q2	*q-o-q*	9 months cummulative		*y-o-y*
(Rs. Millions)	FY2011	FY2010	*Growth (%)*	FY2011	*Growth (%)*	FY2011	FY2010	*Growth (%)*
Net Sales	23,660	20,421	*15.9%*	19,305	*22.6%*	65,996	52,927	*24.7%*
EBITDA	5,583	2,052	*172.1%*	3,687	*51.4%*	12,836	9,613	*33.5%*
EBITDA Margin (%)	*23.6%*	*10.0%*		*19.1%*		*19.4%*	*18.2%*	
Net Profit	1,860	903	*106.0%*	582	*219.6%*	3,107	5,760	*(46.1)%*
Less: Minority Interest	10	(1)		12		21	(7)	
Prior Period Adjustments	-	-		-		-	-	
Net Profit After Minority	1,870	902	*107.3%*	594	*214.8%*	3,128	5,753	*(45.6)%*
Net Profit Margin (%)	*7.9%*	*4.4%*		*3.1%*		*4.7%*	*10.9%*	
Basic EPS (Rs)	2.79	1.35	*106.7%*	0.89	*213.5%*	4.66	8.86	*(47.4)%*
Diluted EPS (Rs)	2.78	1.34	*107.5%*	0.88	*215.9%*	4.65	8.55	*(45.6)%*

Standalone Financial Highlights

	India				
	Q3		*y-o-y*	Q2	*q-o-q*
(Rs. Millions)	FY2011	FY2010	*Growth (%)*	FY2011	*Growth (%)*
Net Sales	12,028	12,295	*(2.2)%*	12,347	*(2.6)%*
EBITDA	1,329	434	*206.2%*	1,351	*(1.6)%*
EBITDA Margin (%)	*11.0%*	*3.5%*		*10.9%*	
Net Profit	472	89	*430.3%*	292	*61.6%*
Net Profit Margin (%)	*3.9%*	*0.7%*		*2.4%*	
Basic EPS (Rs)	0.70	0.13	*438.5%*	0.44	*59.1%*
Diluted EPS (Rs)	0.70	0.13	*438.5%*	0.43	*62.8%*

	Brazil	
	Q3	Q2
(Rs. Millions)	FY2011	FY2011
Net Sales	10,988	5,556
EBITDA	4,169	2,098
EBITDA Margin (%)	*37.9%*	*37.8%*
Net Profit	1,385	130
Less: Minority Interest	-	-
Prior Period Adjustments	-	-
Net Profit	1,385	130
Net Profit Margin (%)	*12.6%*	*2.3%*

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Economic Environment

Global raw sugar prices showed resilience in the quarter, with price rebounding from the low of USD 21 cents/lbs in May 2011 to USD 29 cents/lbs[1] by the end of the quarter. This was due to a combination of robust international demand, limited supply of raw sugar, lower yields and unfavourable climatic conditions in the largest sugar exporter Brazil. Currently sugar prices for the October-2011 delivery are trading at USD 27.5 cents/lbs. The prices going forward are favourable for sugar production and currently trading around USD 24 cents/lbs for the year 2012. The recent rally in the price was primarily attributed to the expectation of shortfall in sugar production in Brazil. As per the recent estimate released by UNICA for 2011-12, Cane Crushing for Centre-South region of Brazil is estimated at 533.5 million tonnes, 6.2% lower than first estimate of 568.5 million tonnes. This estimate is expected to be lowered further. Sugar and ethanol production, at 32.4 million tonnes and 22,545 million litres respectively, are expected to be lower by 6% and 12% respectively, over the first estimate.

UNICA Estimates		*2010/11*	*2011/12*	*2011/12*
		Actual	*1st Estimate*	*2nd Estimate*
Cane Crush	Million tons	557	569	534
Sugar	('000) tons	33,501	34,580	32,380
Anhydrous Ethanol	*('000) m^3*	7,413	8,300	8,550
Hydrous Ethanol	('000) m^3	17,971	17,207	13,995
Total Ethanol	*('000) m^3*	25,385	25,507	22,545
ATR	Kg/ton	140.5	140.1	135.7
Production Mix				
% Sugar		45%	46%	47%
% Ethanol		55%	54%	53%

Q3 FY2011 was the first quarter for Cane Crushing in Centre-South Brazil. As on 30th June 2011, Centre-South Brazil has crushed 177.0 million tonnes of cane, 18% down as compared to same time in 2010-11. Yields in the Centre-South region of Brazil have also been down by approximately 18%. This decline in yield is due to the advanced age of cane-fields, drought in 2010-11 and other factors like Frost and Flowering in the present crop.

The shortfall in Centre-South Brazil sugar production, whose effects could begin to be felt in October, is being reflected in the market prices. White-raw sugar refining spread improved during the quarter, and was above $ 120/tonnes for the second-half of the Quarter.

Indian sugar production[2] for the 2010-11 crushing season is estimated to close at 24.2 million tonnes, up 29% over previous year. Increase in production is a result of increased cane acreage, well distributed monsoon rains and favourable weather conditions in the key sugar producing states of Uttar Pradesh, Maharashtra and Karnataka. Indian sugar prices[3] steadily declined during the first two months of the quarter from approximately Rs. 2,700/quintal in April 2011 to Rs. 2,550/quintal in May 2011 before stabilizing at 2,700/quintal in the end of June 2011.

[1] Sugar No. 11 Futures
[2] Indian Sugar Mills Association (ISMA)
[3] Refers to Sugar M futures traded on NCDEX, Kolhapur

Group Financial Performance

Q3 FY2011 Consolidated Net Sales increased by 15.9% as compared to Q3 FY2010. This increase was primarily driven by a combination of strong turnaround of Renuka Vale do Ivai, contribution from Renuka do Brasil and strong growth in the Indian Sugar and Ethanol businesses.

The sugar segment in India witnessed growth in Q3 FY2011 of 6.7% due to a combination of higher exports leading to improved realization and lower cost of production compared to Q3 FY2010. Average realization for Sugar Sold is higher by 12.1% from Rs 27/kg in Q3 FY2010 to Rs. 30/kg in Q3 FY2011. Despatches for the fuel blending programme continued to be strong during the quarter. A total of 19,223 KL of ethanol was despatched to Oil Marketing companies during Q3 FY 2011. Co-generation sales volumes were lower than last year partially offset by higher price realization per unit during the quarter. Merchant power rates increased by 24% y-o-y, as a result of higher spot rates during Q3 FY2011. Sales volumes in India Standalone in Q3 FY2011 Indian decreased marginally from the same period last year.

As part of other income, Company had a foreign exchange gain of Rs. 105 crores in Q3 FY 2011 on account of currency appreciation of Reais (R$) versus Indian Rupees (INR).

Q2 FY2011 Consolidated EBITDA increased by 172.1% compared to Q3 FY2010. EBITDA growth is due to higher contribution from the Brazilian Subsidiaries and improved profitability from Sugar and Ethanol segment in India Standalone business.

Y-o-Y, Q3 FY2011 EBITDA growth in the ethanol segment was due to lower raw material prices as well as continued strong volume growth through the ethanol blending program in India. Co-generation segment margins benefited from the higher realization during the quarter and usage of low cost bagasse in Q3 FY2011 compared to usage of coal in Q3 FY2010.

Q3 FY2011 Consolidated Net Profit increased by 107.3% compared to Q2 FY2010. The increase in profitability was largely contributed by the Brazilian subsidiaries helped by the Ethanol and Co-generation segments in India.

Segment Operating Performance

Sugar

(Tonnes, unless indicated)	Brazil	India					Consolidated
	Q3 FY2011	Q3 FY2011	Q3 FY2010	*y-o-y Growth (%)*	Q2 FY2011	*q-o-q Growth (%)*	Q3 FY2011
Sugarcane Crushed	3,359,838	748,680	145,608	*414.2%*	2,803,472	*(73.3%)*	4,108,518
Raw Sugar Processed[1]	-	70,750	291,654	*(75.7%)*	69,770	*1.4%*	70,750
Recovery from Sugarcane[2]	116.6	12.12%	12.29%	*(1.4%)*	12.23%	*(0.9%)*	n/m
Sugar Production							
From Cane	**167,124**	**90,758**	**17,892**	***407.3%***	**342,958**	***(73.5%)***	**257,882**
Raw Sugar	113,336	-	-		-		113,336
White Sugar	53,788	90,758	17,892	*407.3%*	342,958	*(73.5%)*	144,546
Refined Sugar[3]	-	66,980	278,449	*(75.9%)*	67,080	*(0.1%)*	66,980
Total Production	**167,124**	**157,738**	**296,341**	***(46.8%)***	**410,038**	***(61.5%)***	**324,862**

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

Cane Crushed volumes for 2010-11 for Shree Renuka's Standalone India business increased by 30% to 5.23 million tonnes. Total Sugar produced is 605,883 tonnes, with an average recovery of 11.6%. Average landed cane prices during this season have been approximately Rs. 2,400/tonnes in Maharashtra and Karnataka, Shree Renuka's key producing states. Brazilian subsidiaries crushed 3.36 million tonnes of cane in Q3 FY2011; Recovery (ATR) per tonne of cane was lower in the first quarter but expected to improve as the season progresses. Production in Brazilian units is impacted by the effect of drought in 2010-11 and other factors like Frost and Flowering of the crops. Cane yields are down by 17~18% compared to long-term average yields.

Ethanol

	Brazil	India					Consolidated
	Q3 FY2011	Q3 FY2011	Q3 FY2010	*y-o-y Growth (%)*	Q2 FY2011	*q-o-q Growth (%)*	Q3 FY2011
Production (KL)	129,519	40,852	16,776	*143.5%*	42,952	*(4.9%)*	170,371
Price / Litre (in Rs.)	46.55 (R$ 1.63)	26.52	25.78	*2.9%*	27.58	*(3.8%)*	

Significant increase in ethanol production in SRSL Standalone India business of 144 % over last year in Q3 FY2011 was backed by increased cane crushing during the quarter and the demand due to the ethanol blending program. During the Quarter, company has supplied 19.2 million liters of Ethanol to Oil Marketing Companies under the Ethanol Blending Program. In Brazil, to capitalize on the higher prices of ethanol during the start of the season, company diverted maximum juice toward production of ethanol leading to production mix 54.2% towards ethanol during the Quarter.

Co-generation

	Brazil	India					Consolidated
	Q3	Q3		*y-o-y*	Q2	*q-o-q*	Q3
	FY2011	FY2011	FY2010	*Growth (%)*	FY2011	*Growth (%)*	FY2011
Exports (mm units)	95	81	124	*(34.4%)*	150	*(45.8%)*	176
Average Price/Unit (Rs)	4.07	6.41	5.13	*25.0%*	5.40	*18.7%*	

During the Q3 FY2011 power generation was lower compared to Q2 FY 2011 due to low utilization of refineries and low utilization of coal as alternative means of fuel.

Outlook

Outlook

Estimated global sugar surplus for the sugar season 2010-11 is 1.0 million tonnes[4]. Continued strong demand growth, low global stocks, tight supply and uncertain weather in key sugar producing regions are holding the current sugar prices in the 2011-12 season.

The Indian 2010-11 sugar season is expected to close at 24.2 million tonnes of sugar production. For next year, initial estimates indicate sugar production of 26.0 million tonnes, the rise mainly resulting from the 5% growth in the sugarcane area. The recent approval of additional sugar exports by the Government of India under OGL, will positively benefit the Company in the coming quarters. A rebound in the raw-white spread is also expected to boost the bottom line as the Company plans to ramp up production through its refineries. Net Sales will benefit from the new refinery near Kandla in Gujarat which was commissioned in the last week of July.

The 2011-12 Centre-South Brazil sugar season is expected to be lower than last year. UNICA estimates the sugarcane production to be approximately 533.5 million tonnes, down 4.5% compared to the 2010-11 season. Cane crushing is undergoing at a good pace in both Renuka VDI and Renuka do Brasil, and 10.0 – 10.4 million tonnes of cane is expected to be crushed in the 2011-12 season. Profitability of the Brazilian subsidiaries is expected to benefit from the higher prices of ethanol in Brazil and sugar globally despite lower crushing. Year-on-Year, Ethanol prices are higher by 55%, which is expected to be remain the same considering the tight supply-demand situation of Brazilian ethanol.

Change in Accounting Year:

Over the past one and half year, our organization has expanded its operations globally. About 50% of our revenue comes from our Brazilian subsidiaries which have an April-March year. The Indian refining business is non-seasonal. Hence, Shree Renuka Sugars is proposing to change its financial year from 1st October- 30th September to 1st April - 31st March. Board of the company has approved the change in Accounting year subject to regulatory approvals. As a result, Current Financial year will be of 18 months starting from 1st October 2010 to 31st March 2012.

[4] International Sugar Organisation (ISO), July Estimate

Notes:

1. Net Sales: Includes other operating income and is after excise duties
2. EBITDA: Earnings before interest, taxes and depreciation; includes other income
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 667 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 Q2 FY2011 earnings at 1700 hours IST on May 11th, 2011. To participate, please use the following dial-in numbers:

Primary Number	+91 22 6629 0305
Secondary Number	+91 22 4039 2605

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

Toll Free Numbers

USA:	+1 866 746 2133
UK:	+44 808 101 1573
Singapore:	+65 800 101 2045
Hong Kong:	+852 800 964 448

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.

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 20.7 million tonnes of cane per annum
- One of the largest sugar refiners globally with capacity of 1.7 MTPA
- Leading manufacturer of sugar in India, the world's largest consumer market
- Highly integrated with ethanol capacity of 7,840 KL per day and Co-Generation capacity of 242 MW, in India and 221MW (under expansion to 313MW) in Brazil

Best-in-Class Operations

- Higher flexibility to optimize product mix between Ethanol and Sugar in Brazil
- Approximately 110,000 hectares of company owned sugarcane plantations in Brazil with high level of mechanization
- Significant ethanol and power co-generation capacity provide greater resilience to downcycles
- 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

Locational 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.

Strong Financial Performance

- Strong Revenue and Net Profit CAGRs of 63% and 56% respectively, from FY2006 to FY2010
- Efficient utilization of assets with average Return on Assets[5] of approximately 20% from FY2006 to FY2010
- Cost management resulted in EBITDA margin expansion from 15% in FY2006 to 18% in FY2010
- Improved commodity risk management globally through trading operations
- Management team with strong track record of completing and successfully integrating strategic acquisitions

Shree Renuka Sugars Ltd

Q3 FY2011
Earnings Presentation

Earnings Conference Call
Thursday, August11th 2011 at 17:30 hrs IST

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

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

Toll Free Numbers

USA:	*+1-866-746-2133*
UK:	*+44-808-101-1573*
Singapore:	*+65-800-101-2045*
Hong Kong:	*+852-800-964-448*

Important Notice

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Highlights

- Consolidated Net Sales increased by 15.9%
- Consolidated EBITDA increased by 172.1%
- Consolidated Net Profit increased by 106.0%
- Gujarat Refinery Commissioned on 25th July 2011

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

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The company saw price growth across sugar, ethanol and co-generation segments in India as compared to the same period last year. Operating margins improved due to higher contribution from the renewable segment (Ethanol and Co-Generation) as well as sugar exports.

Company has commissioned its second port based refinery near Kandla in Gujarat with a refining capacity of, 3,000 tonnes per day increasing its refining capacity to 5,000 tonnes per day from the current capacity of 2,000 tonnes per day."

Market Overview

Global Sugar Price Trends (Rs / Quintal)

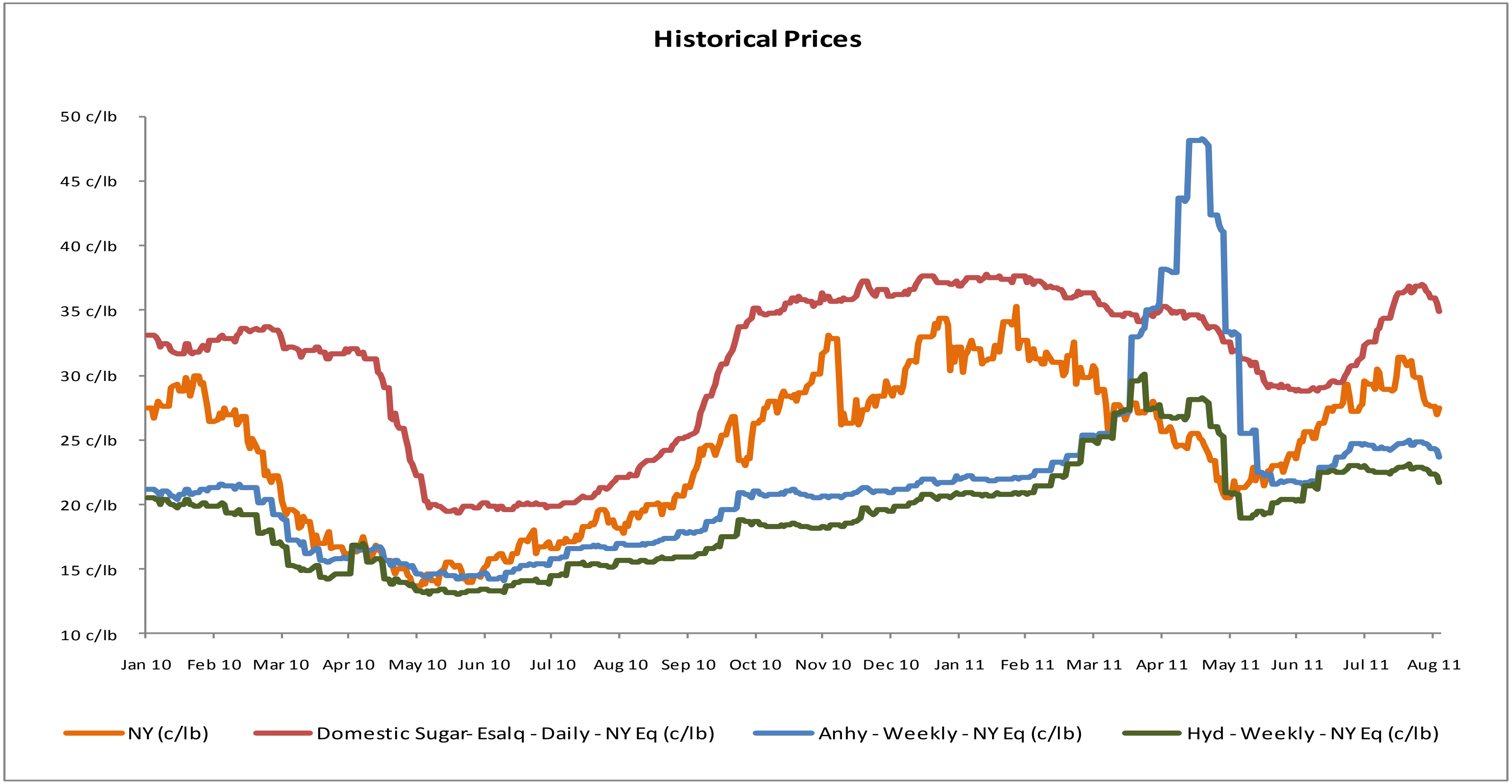
Source: ICE, Liffe, NCDEX

Key Perspectives

- ❖ Price have peaked during Feb-11
- ❖ Higher than expected production in Thailand, coupled with exports from India, during the 2010-11 sugar season have contributed to this decline
- ❖ Indian sugar prices have declined since Feb 2010 due to lack of export opportunities and continued stock limits on traders
- ❖ Recent rally in sugar prices due to unfavourable climatic conditions in Brazil leading to lower crushing estimates in 2010-11
- ❖ Deficit in world sugar expected to last atleast till end of Q1 2012

Market Overview (Sugar & Ethanol (Brazil) Sector)

Brazil Product Price Trends



Consolidated Q3 FY2011 Performance

(Rs. in Million)

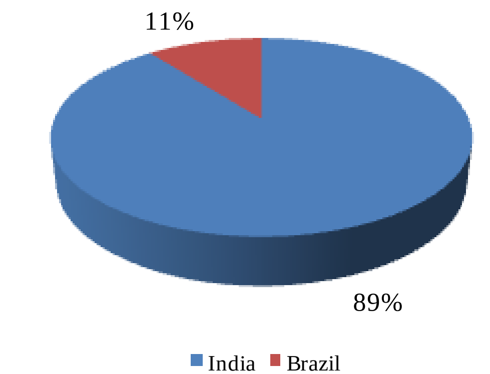
	Q3 FY2011	Q3 FY2010	*% Y-o-Y Growth*	Y-o-Y Key Perspectives
Net Sales[1]	23,660	20,421	*15.9%*	• Improved prices in Brazilian Subsidiary • High Ethanol Sales growth in India • Higher exports of Sugar in India
EBITDA[2]	5,583	2,052	*172.1%*	• Higher Contribution from Brazilian Subsidiaries • Higher merchant power rates and lower raw materials cost in Co-Gen • Increase volume sales and operating profit margins in Ethanol
% Margin	*23.6%*	*10.0%*		
Net Profit[3]	1,870	902	*107.3%*	
% Margin	*7.9%*	*4.4%*		
Basic EPS[4] (Rs.)	2.79	1.35	*106.7%*	
Diluted EPS[4] (Rs.)	2.78	1.34	*107.5%*	

Notes:
1 Net Sales excludes excise duties and includes other income
2 EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income
3 Net Profit is after minority interest and prior period adjustments
4 Non annualized

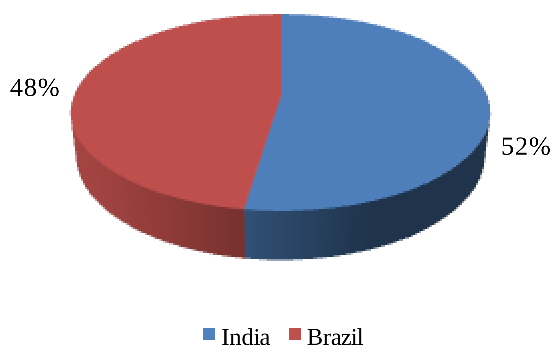
Consolidated Q3 FY2011 Financial Performance

Geographic Net Sales[1] Breakdown

Q3 FY2010

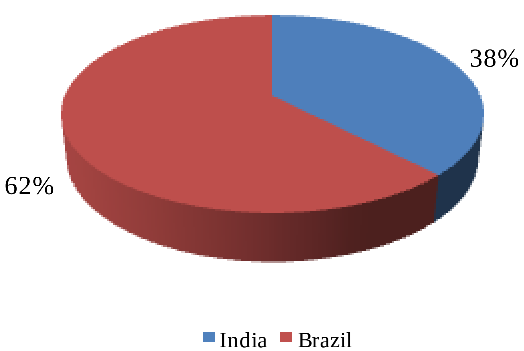


Q3 FY2011

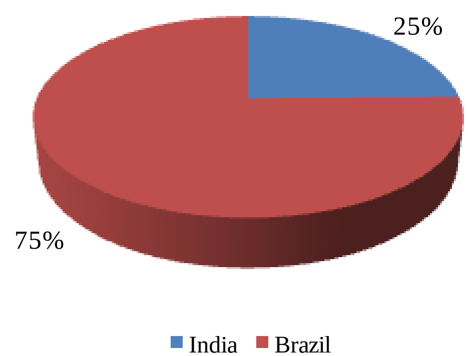


Geographic EBITDA[2] Breakdown

Q3 FY2010



Q3 FY2011



Notes:
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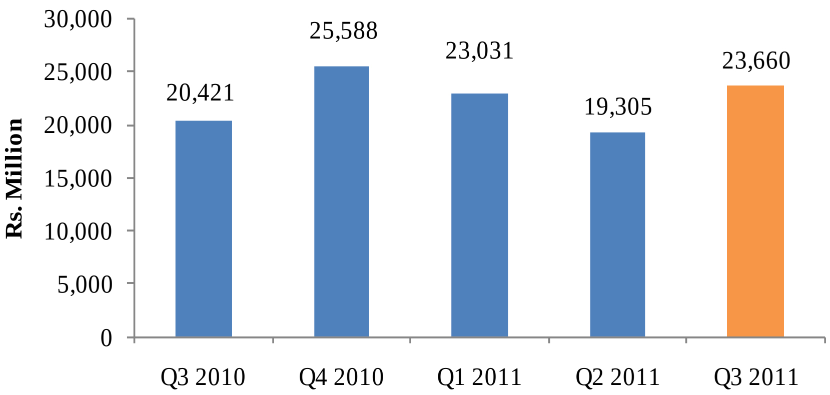
Key Perspectives

- Marginal sugar cane crushing in India due to end of season
- Higher EBITDA margins for Brazilian Subsidiaries
- Q4 FY2011 includes the consolidated results from Renuka do Brasil (RdB)
- Improved profitability in renewable segments due to higher raw material supply as a result of a strong cane crushing season

Consolidated Quarterly Financial Performance

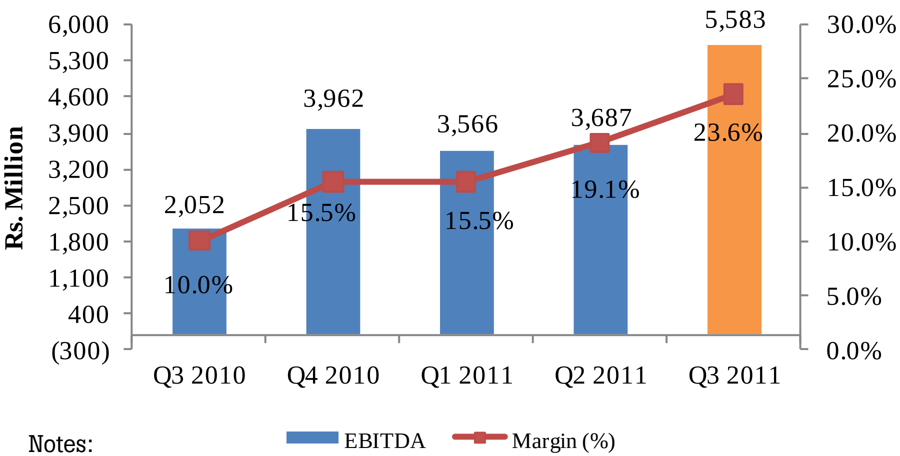
Net Sales[1]



Trends

- Higher realizations in Brazil in Q3 FY2011
- Strong performance by ethanol in India
- Strong export-based sales growth in sugar segment in India in Q3 FY2011
- Indian sugar price declined from historical high in Q2 FY2010 to Q2 FY2011

EBITDA[2] & Margin (%)



Trends

- Improved margins in ethanol and co-gen segments due to higher availability of raw material in Q3 FY2011
- Higher margins in Brazil in Q3 FY2010

Notes:

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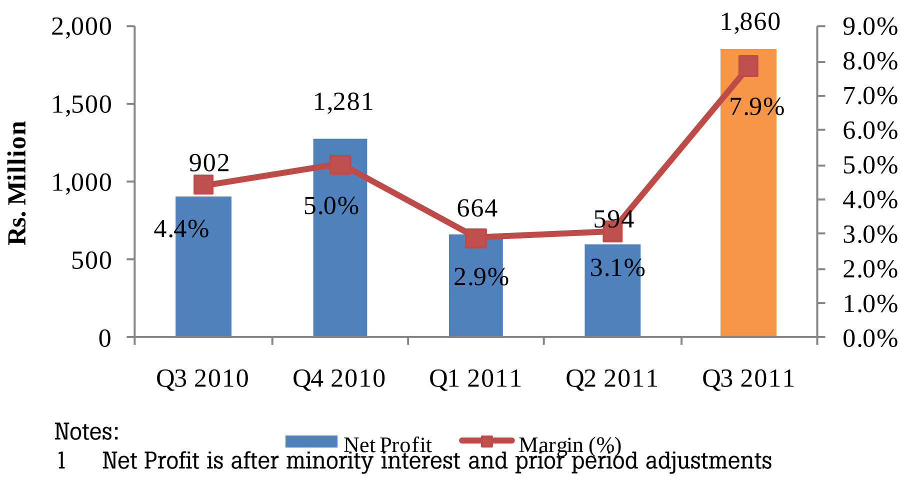
Consolidated Quarterly Financial Performance

Net Profit[1] & Margin (%)



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

Foreign Exchange Gain (Rs. Million)	Q3 FY 2011	Q3 FY 2010
Brazil Subsidiary	1,047	98
India	-44	592
Total	**1,003**	**690**

* To be updated

Trends

- Higher operating margins in Q3 FY 2011
- Assumption of debt post-Brazil acquisitions in Q2 and Q4 FY2010 resulting in higher interest expenses

Trends

- Foreign exchange gain in Brazil Subsidiary due to appreciation of Reais (R$) against Indian Rupees (INR)

Standalone Q3 FY2011 Performance

India

(Rs. in Million)

	Q3 FY2011	Q3 FY2010	*% Y-o-Y Growth*
Net Sales[1]	12,028	12,295	*(2.2)%*
EBITDA[2]	1,329	434	*206.2%*
% Margin	*11.0%*	*3.5%*	
Net Profit[3]	472	89	*430.3%*
% Margin	*3.9%*	*0.7%*	
Basic EPS[4] (Rs.)	0.70	0.13	*438.5%*
Diluted EPS[4] (Rs.)	0.70	0.13	*438.5%*

Notes:
1 Net Sales excludes excise duties and includes other income
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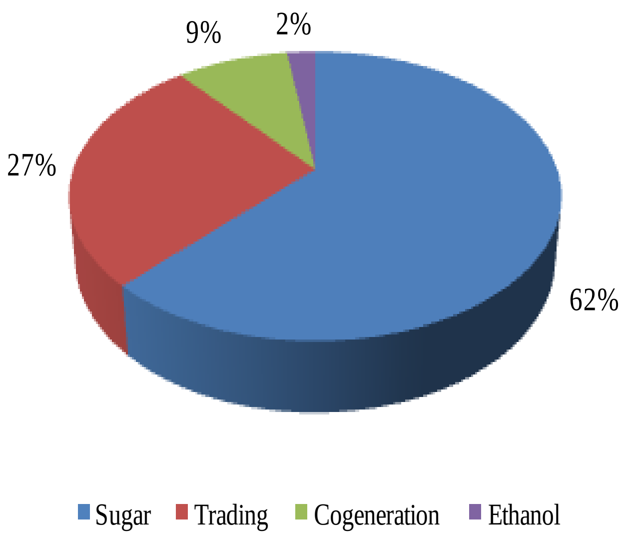
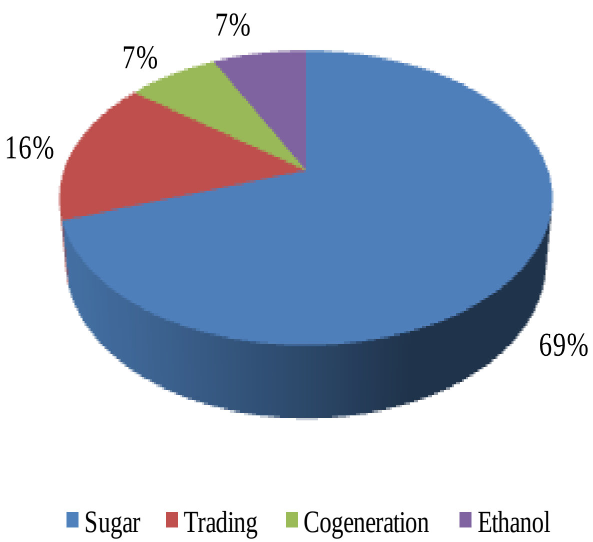
Standalone Q3 FY2011 Performance

Net Sales[1] Breakdown – India

Q3 FY2010



Q3 FY2011



Notes: Net Sales excludes excise duties and includes other income

Closing stock as of 30th June 2011 - India

India

	Unit of Measure	Q3 FY2011
Sugar		
White Sugar	MT	260,821
Raw Sugar	MT	75,026
Ethanol	KL	52,618
Molasses	MT	138,660

Sales Quantity Q3 FY2011 – India

India

	Q3 FY 2011	Q3 FY2010	*% Y-o-Y Growth*
Total Manufactured Sugar (MT)	288,113	306,710	*(6.1)%*
Export (in MT)	195,244	-	
Domestic (in MT)	97,144	306,710	*(68.3)%*
Ethanol (in KL)	33,741	11,194	*201.4%*
Co-gen (in million units)	80	124	*(35.5)%*

Net Price Realization for Q3 FY2011 – India

India

	Q3 FY 2011	Q3 FY2010	*% Y-o-Y Growth*
Average Manufactured Sugar (in Rs./MT)	29,966	26,722	*12.1%*
Export (in Rs./MT)	33,170	-	
Domestic (in Rs./MT)	23,526	26,722	*(12.1)%*
Ethanol (in Rs./KL)	26,518	25,575	*3.7%*
Co-gen (in Rs. per unit)	6.37	5.13	*24.2%*

Brazilian Subsidiaries Q3 FY2011 Performance

Brazil

(Rs. in Million)

	Renuka do Brasil		Renuka Vale do Ivai	
	Q3 FY2011	Q2 FY2011	Q3 FY2011	Q2 FY2011
Net Sales[1]	*8,862*	5,257	*2,123*	271
EBITDA[2]	*3,037*	1,966	*1,133*	162
% Margin	*34.3%*	*37.4%*	*53.4%*	*59.6%*
Net Profit[3]	*956*	51	*431*	103
% Margin	*10.8%*	*1.0%*	*20.3%*	*38.1%*

Notes:

1 Net Sales excludes excise duties and includes other income

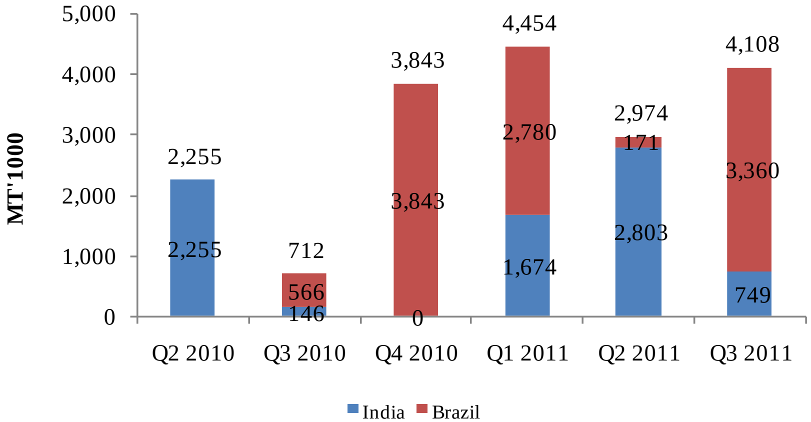
2 EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income

3 Net Profit is after minority interest and prior period adjustments

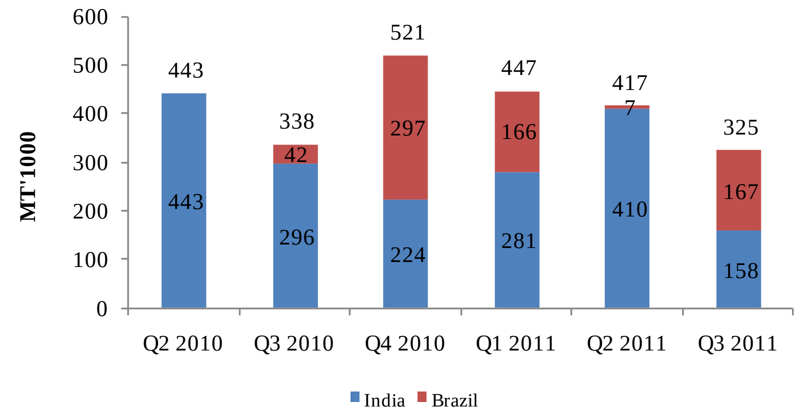
4 Comparisons are not meaningful due to off season

Sugar: Quarterly Operating Performance

Sugarcane Crushed



Sugar Production[1]



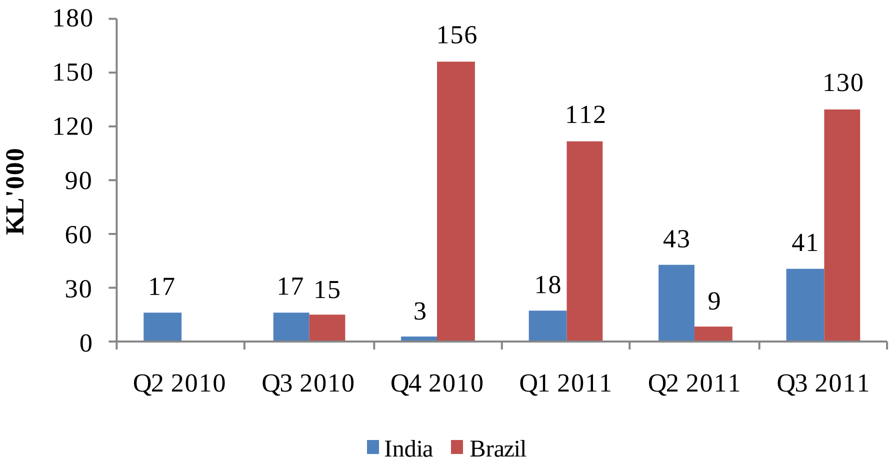
- Low crushing in India in Q3 FY2011 due to the end of season 2010-11. Y-o-Y Cane crushed during 2010-11 is 30% higher than 2009-10
- Complementary crushing season in India and Brazil.
- Crushing commenced in Renuka do Brasil on April 18, 2011 and Renuka Vale do Ivai on 15th March 2011

- Higher recovery of 12.1% in Q3 FY2011 in Shree Renuka's India operations
- Lower utilization of refinery assets due to unfavorable margins in the refining business during part of the quarter
- Refining volumes to increase with the commissioning of Gujarat Refinery on the West Coast

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

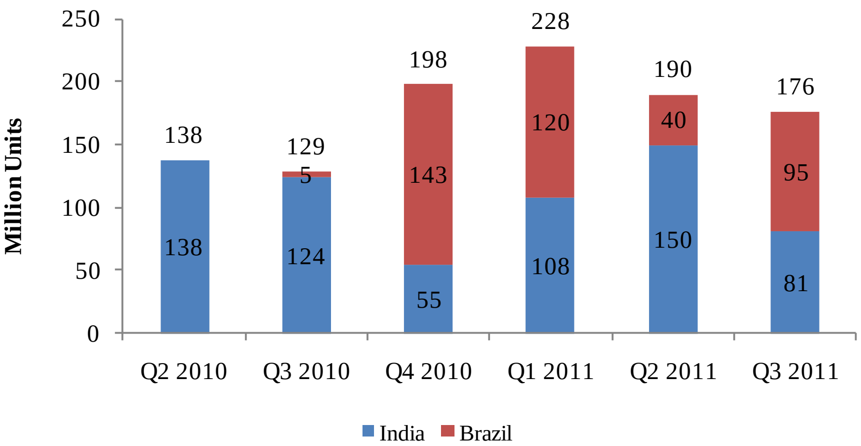
Ethanol & CoGen: Quarterly Operating Performance

Ethanol Production



- Capitalized on higher flexibility to produce maximum ethanol to take advantage of higher ethanol prices during the Quarter in RVDI and RdB.
- Q3 FY2011, ethanol volumes in India driven by the ethanol blending program

Co-Gen Power Exports



- Q3 FY2011, power exports in India lower due to end of season in India
- Q-o-Q, Lower power exports in India complemented by strong volumes from Brazilian Subsidiaries

Outlook

Sales	❖ Improved profitability in Brazilian subsidiaries coupled with strong price for Ethanol ❖ Majority of Brazil sugar production is hedged at minimum price of 23 cents/lbs with upside given current prices ❖ Robust margins in renewable segment providing stability to the overall earnings ❖ Increase in refinery volumes with the commissioning of Gujarat Refinery ❖ Strong export growth expected leading to higher realization ❖ Long-term contracts in co-generation segment provide price visibility
Costs	❖ Ongoing operational improvements in Brazil to improve consolidated margins and production costs per pound ❖ Increased proportion of owned cane expected to be used in Brazil enabling margin expansion ❖ Higher Asset Utilization will lead to spreading of fixed costs over larger base

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 20.7 million tonnes per annum (MTPA) or 94,520 tonnes crushed per day (TCD). The Company operates seven sugar mills in India with a total crushing capacity of 7.1 MTPA or 35,000 TCD and two port based sugar refineries with capacity of 1.7 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 combined crushing capacity of the Brazilian subsidiary companies is 13.6 MTPA which is under expansion to 15.5 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 394MW with exportable surplus of 234MW Indian operations produce 173MW with exportable surplus of 95MW and Brazilian operations produce 221MW with 139MW exportable surplus.

Ethanol: Shree Renuka manufactures fuel grade ethanol that can be blended with petrol. Global distillery capacity is 6,240 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 5,310 KLPD.

The acquisition of a majority stake in KBK Chem-Engineering (80.28% owned) 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 production stands at approximately 165.7 million metric tonnes (MT).

Improving weather conditions globally apart from Brazil have resulted in a good 2010-11 sugar season across most major producers globally. Thailand is expected to produce 9.5 million tonnes of sugar, 46% higher than estimated at the beginning of the season. India too has had stronger than expected 2010-11 season with 24.2 million tonnes of sugar production making India sugar exporter from importer as seen in the last couple of years. However, with lower than estimated production in Brazil, the largest sugar exporter in the world, current estimates of sugar balance globally indicate a production/consumption surplus of 1.0 million tonnes.

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 2010/11 harvest, Brazil crushed a record 556.5 million tonnes of sugarcane. However, due to the effect of drought, bad weather and unpredicted frost, this year, it is expected to crush approximately 533.5 million tonnes. About two-thirds of the sugar produced in Brazil is exported with raw sugar from Brazil accounting for more than 65% of global sugar.

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

After two years of being a major net importer, India currently has a large supply backed by robust sugarcane cultivation and favorable weather. Sugarcane cultivation area in Indian 2010-11 season increased by 15% with normal or above average rainfall recorded in major sugar producing areas. India became a sugar surplus country in the 2010-11 sugarcane season. The Government of India has approved exports of up to 1.0 million tonnes of sugar through the Open General License ("OGL"). The Government has also reduced levy sugar quota from 20% of production to 10% of production for sugar season 2011/12.

Source: UNICA, Kingsman, ISO, Company Research

power

sugar

ethanol

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