



For Immediate Release

May 30<sup>th</sup>, 2012

**Shree Renuka Sugars Limited**  
**Announces**  
**Audited Consolidated and Standalone**  
**Results for Quarter & Financial Year Ended 31<sup>st</sup> March 2012**  
**Quarter ended Mar 2011 Performance vs. Quarter ended Mar 2012**

Consolidated EBITDA margin of 16.3% for the financial year ended March 2012  
Record recovery of 12.02% for the crushing season 2011-12 in India Business  
Crushing Season Started in Brazil

**Mumbai**, India, May 30<sup>th</sup>, 2012 – 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 Audited Consolidated and Standalone Quarter and 18 months results for period ended March 2012, 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:

*“Last 18 months have had been difficult operationally, for Shree Renuka Sugars. Company has been continuously challenged by the adverse weather conditions in Brazil and grim global macro-environment.*

*Company has reported consolidated net loss of Rs. 302 million for the 18 months period ended 31<sup>st</sup> March 2012. Our bigger Brazilian subsidiary Renuka do Brasil S/A had a difficult year due to drop in yields and has reported operating EBITDA of Rs. 7,798 million and a net loss of Rs. 3,995 million for the 18 months period. The Indian Business, International trading business and the other Brazilian subsidiary Renuka Vale do Ivai (RVDI) were profitable. Operationally on a consolidated level, Company has been profitable with consolidated EBITDA margin of 16.3% for the 18 months period as compared to 15.9% for the last financial year.*

*Recent changes in Indian export policy augur well for the domestic business. Shree Renuka Sugars benefits from the new open export policy substantially given its Refining and Milling assets close to the port which are capable of producing high quality refined sugar.*

*The company is concentrating on heavy cane planting program and cost reduction exercise at Renuka do Brasil. Operational turnaround of Renuka do Brasil will require two seasons to ensure availability of cane for full industrial capacity utilisation*

*The depreciation of Brazilian Real and Indian Rupee has created volatility in the results and balance sheet in recent quarters. However it has made both production locations more competitive in the world sugar market“*



## Consolidated Financial Highlights

Consolidated Financial Performance					
(Rs. Millions)	Quarter Ended	Quarter Ended	Quarter Ended	18M-Audited-2010/12	12M- Audited-2009/10
	31-03-2012	31-03-2011	31-12-2011	1-Oct-2010 to 31-Mar-2012	1-Oct-2009 to 30-Sep-2010
Net Sales	16,746	18,864	20,681	125,778	77,195
Operational EBITDA	2,670	3,246	3,546	20,498	12,252
<i>EBITDA Margin (%)</i>	15.9%	17.2%	17.1%	16.3%	15.9%
Foreign Exchange gain/ (loss)	(999)	441	4,293	(566)	1,321
Net Profit	(658)	582	3,434	(302)	7,038
Less: Minority Interest	61	(12)	(5)	8	4
Prior Period Adjustments	-	-	-	-	-
Net Profit After Minority	(719)	594	3,439	(310)	7,034
<i>Net Profit Margin (%)</i>	(4.3)%	3.1%	16.6%	(0.2)%	9.1%
Basic EPS (Rs)	(1.07)	0.89	5.13	(0.46)	10.75
Diluted EPS (Rs)	(1.07)	0.88	5.12	(0.46)	10.48

## Standalone Financial Highlights

Standalone					
(Rs. Millions)	Quarter Ended	Quarter Ended	Quarter Ended	18M- Audited-2010/12	12M-Audited 2009/10
	31-03-2012	31-03-2011	31-12-2011	1-Oct-2010 to 31-Mar-2012	1-Oct-2009 to 30-Sep-2010
Net Sales	9,804	12,347	6,975	63,632	55,979
Operational EBITDA	1,965	1,351	1,058	7,399	7,244
<i>EBITDA Margin (%)</i>	20.0%	10.9%	15.2%	11.6%	12.9%
Foreign Exchange gain/ (loss)	(508)	-	342	(894)	-
Net Profit	55	292	291	841	4,100
<i>Net Profit Margin (%)</i>	0.6%	2.4%	4.2%	1.3%	7.3%
Basic EPS (Rs)	0.08	0.44	0.43	1.25	6.27
Diluted EPS (Rs)	0.08	0.43	0.43	1.25	6.11

Brazil				
(Rs. Millions)	Quarter Ended	Quarter Ended	12M Ended	18M Ended
	31-03-2012	31-03-2011	31-03-2012	31-03-2012
Net Sales	5,356	4,977	33,459	47,482
Operational EBITDA	125	1,599	7,699	11,379
<i>EBITDA Margin (%)</i>	2.3%	32.1%	23.0%	24.0%
Foreign Exchange gain/ (loss)	(240)	472	(777)	(8)
Net Profit	(1,048)	127	(3,122)	(2,687)
Less: Minority Interest	-	-	-	-
Prior Period Adjustments	-	-	-	-
Net Profit	(1,048)	127	(3,122)	(2,687)
<i>Net Profit Margin (%)</i>	(19.6)%	2.5%	(9.3)%	(5.7)%



## Economic Environment

Global raw sugar prices traded between 23 cents/lbs and 26 cents/lbs during the quarter. The prices have since corrected and stabilized at the level of 20 cents/lbs due to the surplus sugar production during the year, expectation of higher cane crop in the Asia region and depreciation of currencies of major sugar exporting countries with respect to US Dollar.

Quarter ended 31<sup>st</sup> March was an off-season period for the mills in Centre-South region of Brazil. Crushing for season 2011-12 season concluded with cane crushed quantity of 493 mn tons and production of 31.3 million tons of sugar and 20.6 billion liters of ethanol. Net Brazilian import of 1.0 billion litres of ethanol from other countries mainly US along with lower blending ratio (20%) of ethanol with gasoline meant that the supply of ethanol in the spot market outpaced the demand reflecting in the lower ethanol prices for ethanol in the quarter as compared to same quarter of the previous year. Crushing for the season 2012-13 has started in the mills in Centre-South Brazil. As per the latest estimates from UNICA for 2012-13 the estimated cane crushed will be around 509 million mt, 3.2% higher than previous year. As of May 15<sup>th</sup>, mills in Centre-South Brazil crushed a total of 35.09 million mt of cane in the 2012-2013 harvest, a fall of 38.67% from last year. Sugar output to date reached 1.57 million mt, down 33.89% from a year ago while ethanol production dropped 39.28% to 1.32 billion litres. Harvesting and production has been hampered due to wet weather and rains during the month of April and May. Conversely, current rain is expected to have beneficial effect on the cane yields in the second half of the season.

	Units	As on 15 <sup>th</sup> May		%	Estimated
		2012/13	2011/12	Change	2012/13
Cane Crushed	mn tons	35.09	57.22	(38.7%)	509
Sugar	mn tons	1.57	2.37	(33.9%)	33.1
Ethanol	mn m <sup>3</sup>	1.32	2.17	(39.2%)	21.5
ATR	Kg/ton	110	108		140
Sugar %age	%	43%	40%		49%

Source: UNICA

White-raw sugar refining spreads remained comparatively stable during the quarter at around USD 100 per ton. After the drop in raw sugar prices to 20 cents/lbs, the refining spreads have improved to USD 125 per ton.

Crushing in most parts of India was in full swing during the Quarter ended March 2012 with mills gradually closing their operations for the season by the end of the quarter. The total sugar production<sup>1</sup> for the 2011-12 crushing season is estimated to be around 26 million tons, 7.5% higher over last year. Government already announced 2 million tons of exports under Open General License with mill-wise quotas initially. On 12<sup>th</sup> May 2012, the Government lifted quantity restrictions on sugar exports. From April onwards, Government has also changed the release mechanism of sugar for the domestic market to Quarterly Release from Monthly Release earlier. A high powered committee headed by Dr. C. Rangarajan, Chairman Economic Advisory Council to the Prime Minister Office is currently preparing its report on decontrol of sugar sector. We expect this report to be presented to Prime Minister next quarter.

Domestic sugar prices have been supported by recent changes in export policy and the conclusion of the crushing season. With the depreciation in the rupee over the last quarter, the prices in export markets are still favourable for Indian Sugar. Cumulative exports out of India since October 2011 are in the range of 2.2 million tonnes till date.

<sup>1</sup> ISMA estimate



## Group Financial Performance

Consolidated Net Sales for the quarter ended 31st March, 2012 decreased by 11.2% as compared to quarter ended 31st March, 2011. Export sales in the Indian standalone business were impacted by the uncertain export policy during the quarter. The new export policy augurs well for the business and will help in increased revenue and margins going forward.

Y-o-Y, sugar segment in India during the quarter ended 31st March has benefited from higher prices and higher sales volume. Average Sales volume during the quarter for domestic sugar has increased by 37.5% as compared to same quarter last year. Y-o-Y renewable segments (ethanol and power) has benefited on account of lower input price due to larger availability of raw material. Y-o-Y, EBIT margin in ethanol segment has increased to 35.4% as compared to 26.0% primarily on account of increase in realization as compared to same quarter last year. Co-generation sales volumes in India for the quarter ended 31st March were in line with last year but with a drop in average realization by 12%. Y-o-Y, Net sales in Brazil have increased by 7.6% on account of higher sales volume across the sugar and ethanol segment in both the subsidiaries i.e. Renuka do Brasil (RDB) and Renuka Vale do Ivai (RVDI). For the season 2011-12, the price realisation at Brazilian Subsidiaries has been significantly better as compared to 2010-11 with increase in realized prices by 30% for sugar segment and 42% for ethanol segment.

Consolidated Operating EBITDA during the quarter has decreased by 17.7% compared to last year. Improved profitability in the Renewable segment i.e Ethanol and Cogeneration were offset by the lower sales volume in the export sugar segment. Y-o-Y, EBITDA growth in the Co-generation segment in the quarter ended 31st March was due to lower raw material prices as well as sustained volumes as compared to the previous quarter. RVDI, continued to show strong performance and has recorded EBITDA margin of 32.3% during the quarter ended 31st March, 2012. For the Apr-2011 to Mar-2012 season, RVDI recorded EBITDA margin of 41%. RDB performance was affected due to the bad weather conditions and drop in yields. For the season 2011-12, RDB recorded EBITDA margin of 21%, much lower than the potential of the business.

Consolidated Net loss for the quarter ended 31st March, 2012 was Rs. 719 million on account of loss in Renuka do Brasil S/A due to lower productivity of cane fields. Brazil foreign exchange loss is due to the amortization of losses of previous quarters carried forward as foreign exchange translation reserves after the adoption of revised AS-11 standard in December 2011.

Total debt consists of Rs. 43,281 million in standalone India entity. Increase in debt in India since September 2011 is related to increase in current assets of Rs. 6,215 million due to seasonal peak of sugar inventories and depreciation of INR against USD by 4% which has increased the value of foreign currency denominated debt in rupees. In Brazil, the increase in debt is marginal with repayments during six month period being offset by the depreciation of Rupee against Brazilian Real.

TOTAL DEBT (Rs. million)	31.03.2012	30.09.2011
India	43,281	33,590
Brazil	50,022	48,530
Other Subsidiaries	7,481	4,000
<b>Consolidated Debt</b>	<b>100,784</b>	<b>86,120</b>



## Segment Operating Performance

### Sugar

(Tonnes, unless indicated)

	Brazil		India		y-o-y Growth (%)	Consolidated
	3M Ended 31-03-2012	3M Ended 31-03-2012	3M Ended 31-03-2011			Q4 FY2011
Sugarcane Crushed	42,535	3,038,845	2,803,472		8.4%	3,081,380
Raw Sugar Processed <sup>1</sup>	-	169,018	69,770		142.3%	169,018
Recovery <sup>2</sup>	134.2	12.4%	12.2%		1.8%	n/m
<b>Sugar Production</b>						
<b>From Cane</b>	<b>2,830</b>	<b>378,158</b>	<b>343,051</b>		<b>10.2%</b>	<b>380,988</b>
Raw Sugar	2,830	-	-			2,830
White Sugar	-	378,158	343,051		10.2%	378,158
Refined Sugar <sup>3</sup>	-	164,310	67,080		144.9%	164,310
<b>Total Production</b>	<b>2,830</b>	<b>542,468</b>	<b>410,131</b>		<b>32.3%</b>	<b>545,298</b>

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

Total sugarcane crushed in India standalone business was higher by 8.4% and sugar produced increased by 10.3%. Y-o-Y, recovery has increased by 1.8%. The crushing for the season concluded in the month of April with total cane crushing of 4.9 million tonnes and production of 589,363 tonnes of sugar at an average recovery of 12.02% (4% higher as compared to last season). Y-o-Y, volume from refineries has increased from 69,770 tonnes to 169,018 tonnes of raw sugar refined during the quarter.

Last quarter was the offseason (non-crushing) quarter in Brazil. Crushing started at one of the mills in Renuka Vale do Ivai on 20th March 2012 and had crushed 42,535 tonnes of cane.

### Ethanol

	Brazil		India		q-o-q Growth (%)	Consolidated
	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011		Quarter Ended 31-03-2012
Production (KL)	1,018	8,548	49,312	43,852	446.8%	50,330
Price / Litre (Rs)	34.44 (R\$ 1.23)	38.08 (R\$ 1.25)	28.22	27.58	(3.2%)	32.73

Dispatches of Ethanol to the Oil Marketing Companies (OMC) picked up during the quarter and 30 million liters of ethanol was sold to OMCs. For the year Oct-2011 to Sep-2012, company has received purchase order of 75 million liters from OMC's.

The Central Government has not decided the final price of ethanol despite a delay of over one year since the submission of report of committee headed by Dr. Saumitra Chaudhari. The open market price of alcohol continues to be firm with realisation of around Rs. 34 per litre and export prices of about Rs. 38.0 per litre.



### Co-generation

	Brazil		India			Consolidated
	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 30-09-2011	Quarter Ended 31-03-2012
Exports (mm units)	49	78	154	155	19	204
Average Price/Unit (Rs)	2.64	4.01	4.77	5.41	3.48	4.25

Power exported for the quarter ended 31st March, 2012 in India was in line with the power exported during the same quarter last year. In our Brazilian Subsidiaries, power exported for the quarter ended 31st March, 2012 were about 49 million units, lower as compared during the last year due to the shorter crushing season.

### Outlook

The estimated global sugar surplus between 6 – 8 million tons due to increase in production from countries such as India, Russia, EU and Thailand have put the global sugar prices under pressure. However we see restocking demand from importing countries who had run down the stocks to bare minimum during the last two years of deficit. Flex fuel car fleet in Brazil is only partially using ethanol today due to relative price versus gasoline. There is a potential for significant increase in demand of ethanol if sugar falls below 19 cents/lbs and mills in Brazil will shift to produce more ethanol and less sugar thus reducing the surplus. Despite a moderate near-term global sugar price environment, Shree Renuka is well positioned to deliver an improved performance in its Brazilian Subsidiaries for the current year having hedged approximately 75% of its Brazilian sugar production capacity at prices higher than current market price.

Our India Cane Milling division has had its best of operating performance ever in this season with record sugar recovery, higher industrial crushing rate and robust production of power and ethanol.

Refining volumes have improved during the quarter with the pioneering use of domestic raw sugar in our Kandla refinery. Refining spreads have also significantly improved with the drop in world raw sugar prices. Given weak rupee we believe exports will be viable even in the next sugar season.

With the commencement of new season in Brazil, we expect our operational performance in both the companies to improve with higher utilization of our assets supported by successful completion of our cane plantation program (more than 25,000 Ha) last year.



**Notes:**

1. Net Sales: Includes other operating income and is after excise duties
2. Operating 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 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](http://www.renukasugars.com)

**The Company will host a conference call to discuss Quarter and 18 Months period ended 31<sup>st</sup> March 2012 earnings at 1730 hours IST on Thursday May 31<sup>st</sup>, 2012. 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: +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 tons 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 6,120 KL per day and Co-Generation capacity of 242 MW, in India and 295MW 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

### 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.

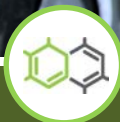




Sugar



power



ethanol



## Shree Renuka Sugars Ltd Audited Results for Financial Year (18 Months) ended 31<sup>st</sup> Mar 2012 Earnings Presentation

*Earnings Conference Call  
Thursday, May 31<sup>st</sup> 2012 at 17:30 hrs IST*

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

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<i>Hong Kong:</i>	<i>+852-800-964-448</i>

## Forward Looking Statements

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# Highlights



- ❖ Consolidated EBITDA margin of 16.3% for the financial year ended March 2012
- ❖ Record recovery of 12.02% for the crushing season 2011-12 in India Business
- ❖ Crushing Season Started in Brazil

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

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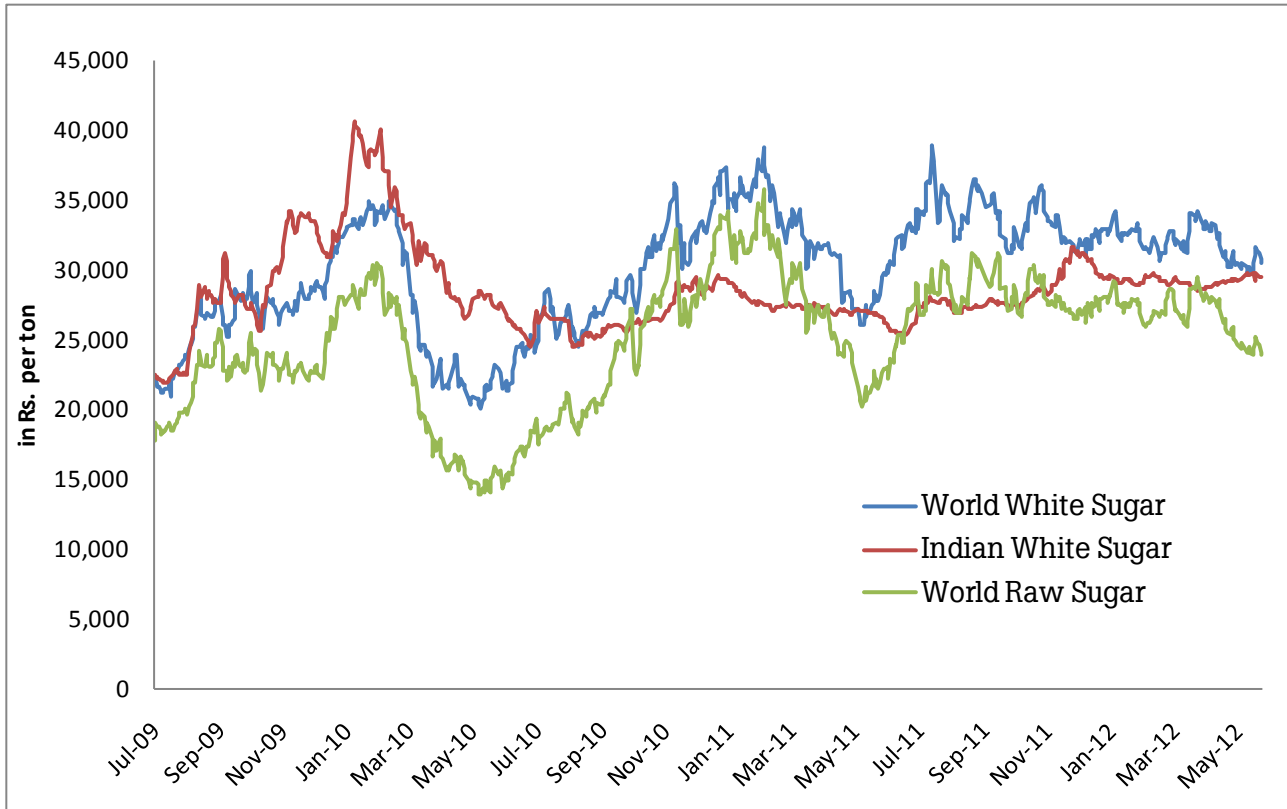
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*The depreciation of Brazilian Real and Indian Rupee has created volatility in the results and balance sheet in recent quarters. However it has made both production locations more competitive in the world sugar market"*

# Market Overview



## Global Sugar Price Trends (Rs / ton)

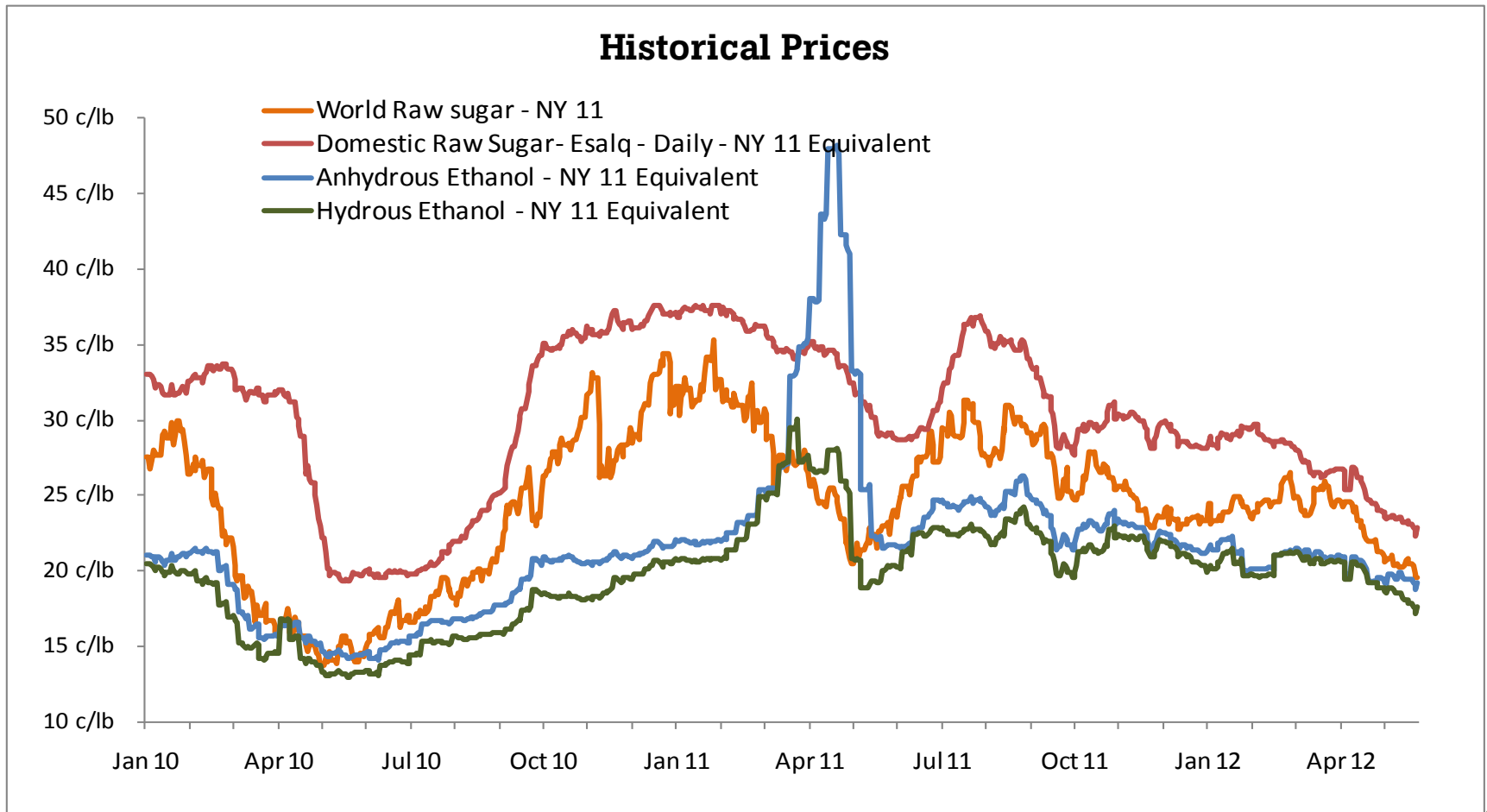


Source: ICE, Liffe, NCDEX

## Key Perspectives

- ❖ World Raw Sugar prices dipped below 23 c/lb due to the expected global sugar surplus and weak currencies in India and Brazil
- ❖ Despite surplus sugar production, sugar exports from India during the last quarter helped to stabilize domestic sugar prices
- ❖ Weaker rupee & favourable white premium has made the refining business viable

## Brazil Product Price Trends



# Consolidated Financial Performance



(Rs. in Million)

	3M ended 31 <sup>st</sup> Mar '12	3M ended 31 <sup>st</sup> Mar '11	% Y-o-Y Growth	Y-o-Y Key Perspectives	18M ended 31 <sup>st</sup> Mar '12	12M ended 30 <sup>th</sup> Sep '10
Net Sales <sup>1</sup>	16,746	18,864	(11.2)%	<ul style="list-style-type: none"> <li>• Low sugar export volumes in India</li> <li>• Higher realisation and volumes across sugar and ethanol segment in Brazil</li> </ul>	125,778	77,195
Operating EBITDA <sup>2</sup>	2,670	3,246	(17.7)%	<ul style="list-style-type: none"> <li>• Lower margins in the sugar segment</li> <li>• Negative margins at Renuka do Brasil due to lower productivity and higher fixed costs</li> </ul>	20,498	12,252
<i>% Margin</i>	<i>15.9%</i>	<i>17.2%</i>			<i>16.3%</i>	<i>15.9%</i>
Foreign exchange gain/ (loss)	(999)	441	(326.5)%	<ul style="list-style-type: none"> <li>• Unrealized foreign exchange loss in Brazil on Short term liabilities</li> <li>• Higher loss in India business on account of matured hedges against the future export shipments</li> </ul>	(566)	1,321
Net Profit <sup>3</sup>	(719)	594	(221.0)%	<ul style="list-style-type: none"> <li>• Higher Interest cost in India due to peak working capital requirement</li> </ul>	(310)	7,034
<i>% Margin</i>	<i>(4.3%)</i>	<i>3.1%</i>			<i>(0.2%)</i>	<i>9.1%</i>
Basic EPS <sup>4</sup> (Rs.)	(1.07)	0.89	(220.4)%		(0.46)	10.75
Diluted EPS <sup>4</sup> (Rs.)	(1.07)	0.88	(221.8)%		(0.46)	10.48

Notes:

1 Net Sales excludes excise duties, foreign exchange gains and includes other income

2 Operating EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income and excludes foreign exchange gain/loss

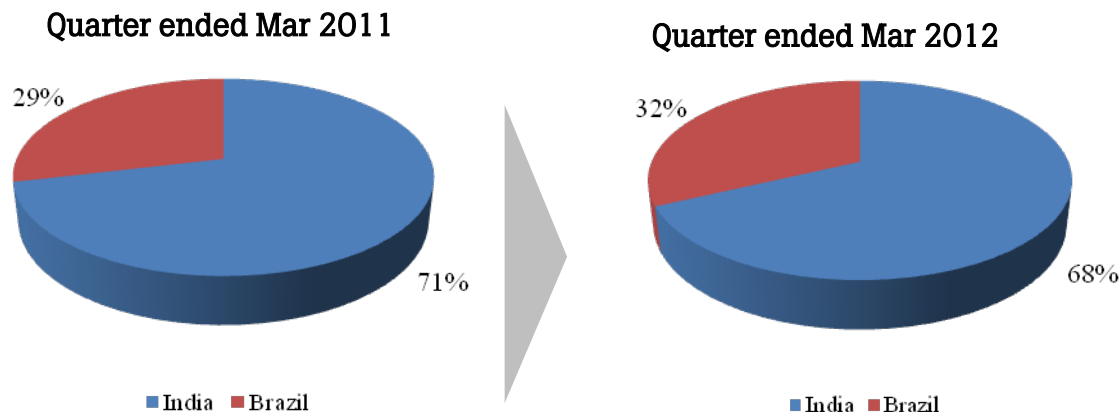
3 Net Profit is after minority interest and prior period adjustments

4 Non annualized

# Consolidated Performance – Quarter Ended 31.03.2012



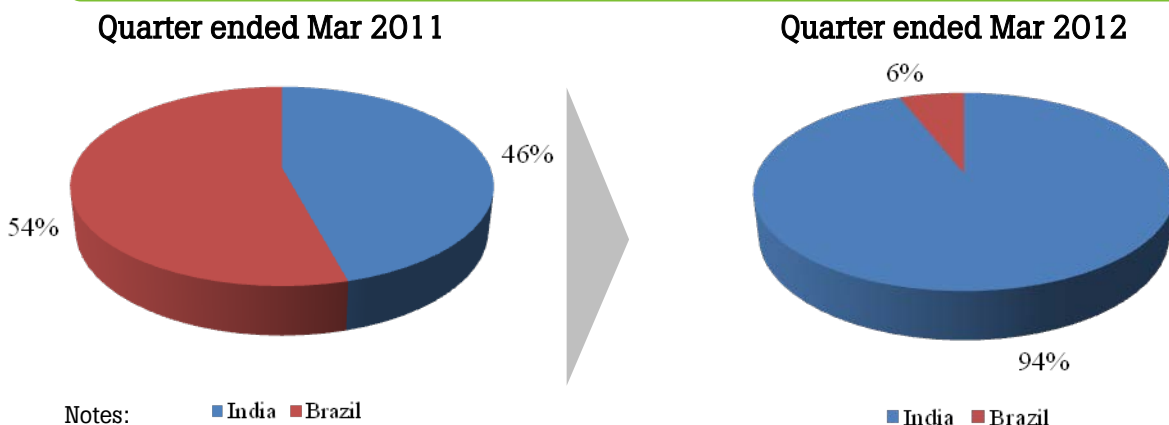
## Geographic Net Sales<sup>1</sup> Breakdown



## Key Perspectives

- ❖ Offseason in Brazil resulting into lower contribution
- ❖ Higher price realization for domestic sugar and ethanol sales in India
- ❖ Improved profitability in renewable segments due to lower raw material prices and strong volumes growth
- ❖ Lower margins at Renuka do Brasil due to lower productivity during the year

## Geographic EBITDA<sup>2</sup> Breakdown



Notes:

■ India ■ Brazil

■ India ■ Brazil

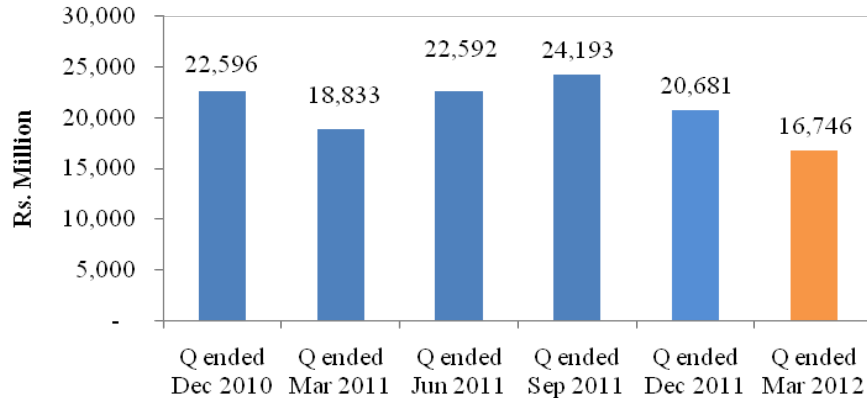
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# Consolidated Quarterly Financial Performance



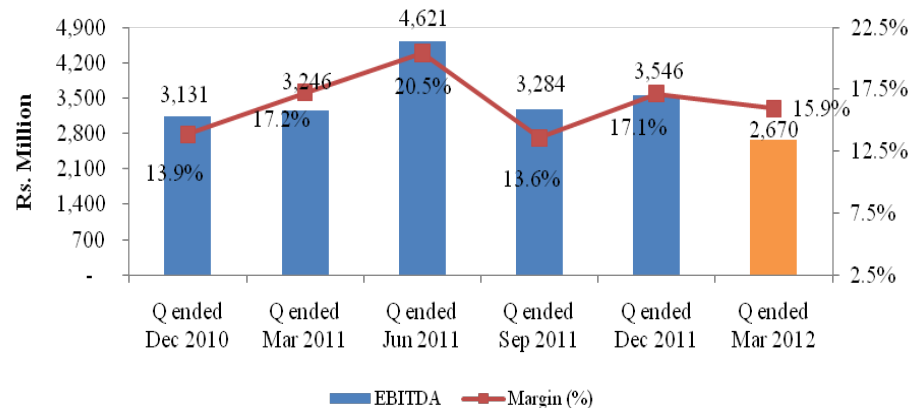
## Net Sales<sup>1</sup>



## Trends

- ❖ Delayed sugar export volumes
- ❖ Improved price realization for the domestic sugar and ethanol segment in India
- ❖ Higher Sales in September-2011 quarter on account of peak crushing season in Brazil

## Operating EBITDA<sup>2</sup> & Margin (%)



## Trends

- ❖ Better margins from renewable segment in India
- ❖ Off-season quarter in Brazil resulting in lower margins
- ❖ Higher sales realisation in Renuka do Brasil offset by higher fixed costs due to lower productivity

### Notes:

1 Net Sales excludes excise duties, foreign exchange gains and includes other income

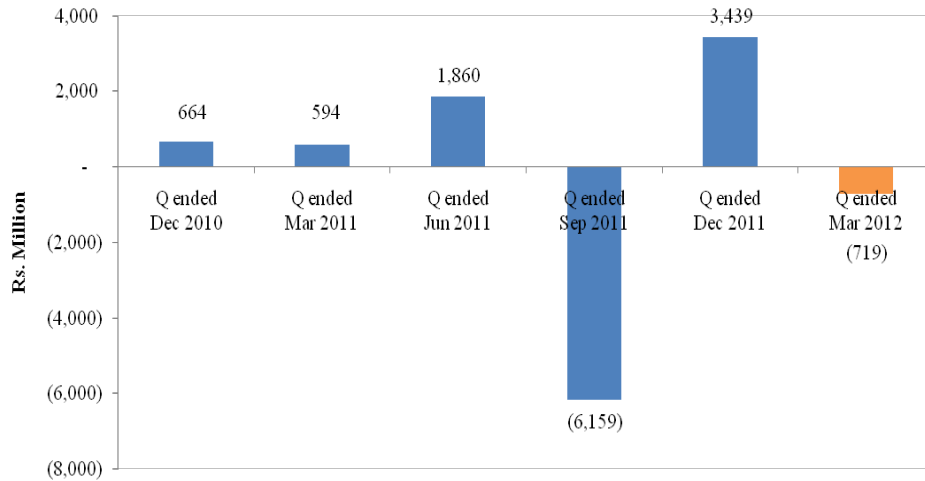
2. Operating EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income; excludes foreign exchange gain / loss



# Consolidated Quarterly Financial Performance



## Net Profit<sup>1</sup>



### Notes:

1 Net Profit is after minority interest and prior period adjustments

## Trends

- ❖ Higher Interest cost in the Indian subsidiary due to peak working capital requirement for crushing season in India
- ❖ Lower depreciation in Brazilian subsidiary on account of credit of higher depreciation booked in previous quarters

# Consolidated Balance Sheet



*(Rs. in Million)*

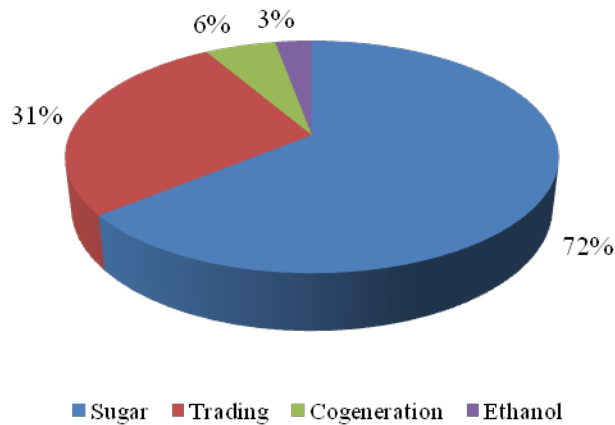
	31.03.2012 (Audited)	30.09.2010 (Audited)
<b>SOURCES OF FUNDS</b>		
Net Worth	21,771	23,478
Minority Interest	36	151
Loan Funds	100,783	65,080
Deferred Tax Liability	984	1,383
<b>TOTAL</b>	<b>123,574</b>	<b>90,092</b>
<b>APPLICATION OF FUNDS</b>		
Net Assets (including CWIP)	105,603	79,848
Investments	1,935	1,189
Net Current Assets	15,970	8,947
Total Current Assets	48,624	47,179
Less: Current Liabilities and Provisions	32,654	38,232
Miscellaneous expenditure (written off/adjusted)	66	108
<b>TOTAL</b>	<b>123,574</b>	<b>90,092</b>

# Standalone Performance – Quarter Ended 31.03.2012

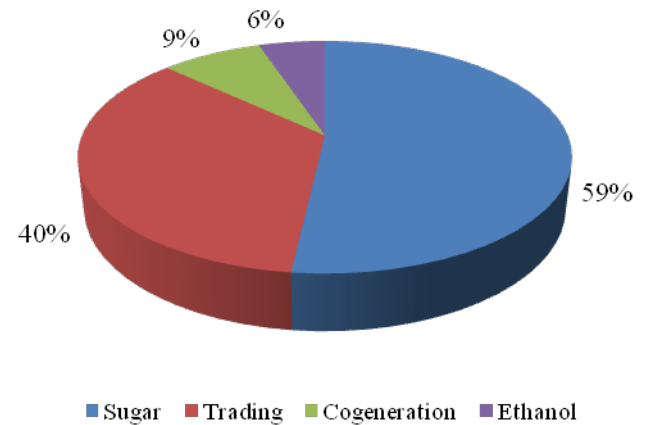


## Net Sales<sup>1</sup> Breakdown – India

Quarter ended Mar 2011



Quarter ended Mar 2012



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

# Closing stock as on 31<sup>st</sup> March 2012 - India



## India

	Unit of Measure	As on 31 <sup>st</sup> March 2012
Sugar	MT	556,709
White Sugar	MT	533,207
Raw Sugar	MT	23,502
Ethanol	KL	33,139
Molasses	MT	174,882

Notes: Includes stock from the standalone India business and Gokak Sugars Limited

# Sales Quantity – India



## India

	3M ended Mar 2011	3M ended Mar 2010	% Y-o-Y Growth	18 M ended Mar 2012	12 M ended Sep 2010
Total Sugar Sold(MT)	186,898	231,978	(19.4)%	1,375,317	1,251,688
Export (in MT)	43,246	115,083	(62.4)%	574,265	68,397
Domestic (in MT)	143,653	116,895	22.9%	801,051	1,183,291
Ethanol (in KL)	30,905	32,988	(6.3)%	164,240	51,149
Co-gen (in million units)	155	159	(2.5)%	599	397

Notes: Includes sales from the standalone India business and Gokak Sugars Limited

# Net Price Realization - India



## India

	3M ended Mar 2012	3M ended Mar 2011	% Y-o-Y Growth	18 M ended Mar 2012	12 M ended Sep 2010
Average Manufactured Sugar (in Rs./MT)	26,998	28,870	(6.5)%	28,860	28,608
Export (in Rs./MT)	32,086	34,104	(5.9)%	33,545	30,429
Domestic (in Rs./MT)	25,466	23,717	7.4%	25,501	28,503
Ethanol (in Rs./KL)	28,220	27,578	2.3%	27,972	27,822
Co-gen (in Rs. per unit)	4.77	5.41	(12)%	4.89	4.78

Notes:

1. Includes sales from the standalone India business and Gokak Sugars Limited
2. Export Sugar realisations are FOB prices net of taxes

# Standalone Balance Sheet



	<i>(Rs. in Million)</i>	
	31.03.2012 (Audited)	30.09.2010 (Audited)
<b>SOURCES OF FUNDS</b>		
Net Worth	17,883	17,795
Loan Funds	43,281	17,159
Deferred Tax Liability	1,648	1,404
<b>TOTAL</b>	<b>62,812</b>	<b>36,358</b>
<b>APPLICATION OF FUNDS</b>		
Net Assets (including CWIP)	28,307	19,815
Investments	20,135	16,393
Net Current Assets	14,308	50
Total Current Assets	<i>26,439</i>	<i>19,875</i>
Less: Current Liabilities and Provisions	<i>12,131</i>	<i>19,825</i>
Miscellaneous expenditure (written off/adjusted)	62	100
<b>TOTAL</b>	<b>62,812</b>	<b>36,358</b>

# BRAZILIAN SUBSIDIARIES



# Brazilian Subsidiaries Financial Performance



## Brazil

(Rs. in Million)	Renuka do Brasil	Renuka Vale do Ivaí
	Jan '12 - Mar '12	Jan '12 - Mar '12
Net Sales	4,600	836
Cost of Good Sold	(3,568)	(432)
G&A Expenses	(942)	(92)
Sales Expenses	(191)	(42)
<b>Operating EBITDA</b>	<b>(101)</b>	<b>270</b>
Interest	(1,002)	(82)
Depreciation & Amortisation	(569)	52
<i>Depreciation</i>	<i>(57)</i>	320
<i>Amortisation of Off-season Maintenance</i>	<i>(280)</i>	(6)
<i>Amortisation of Cane Planting Expenditure</i>	<i>(232)</i>	(262)
<b>PBT (before Forex Variation)</b>	<b>(1,672)</b>	<b>240</b>
Foreign Exchange Gain/(loss)	177	(366)
<b>Profit Before Tax</b>	<b>(1,494)</b>	<b>(125)</b>
<b>Net Profit after Tax</b>	<b>(1,056)</b>	<b>142</b>

### Notes:

- 1 Net Sales excludes excise duties, foreign exchange gains and includes other income
- 2 Operating EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income and excludes foreign exchange gain/loss
- 3 Net Profit is after minority interest and prior period adjustments
- 4 Non annualized

# Balance Sheet



As on 31<sup>st</sup> March 2012

*(Rs. in Million)*

	Renuka do Brasil	Renuka Vale do Ivai
<b>SOURCES OF FUNDS</b>		
Net Worth	12,098	5,183
Loan Funds	40,419	9,603
<b>TOTAL</b>	<b>52,516</b>	<b>14,785</b>
<b>APPLICATION OF FUNDS</b>		
Net Assets (including CWIP)	53,782	15,885
Investments	341	597
Deferred Tax (Net)	611	6
Net Current Assets	(2,217)	(1,703)
Total Current Assets	12,002	2,123
Less: Current Liabilities and Provisions	(14,219)	(3,826)
<b>TOTAL</b>	<b>52,516</b>	<b>14,785</b>

# Sales and Price Summary



Jan 2012 – Mar 2012

Renuka do Brasil	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	59,975	24.2 c/lbs
Ethanol	m <sup>3</sup>	71,123	1,236 R\$/m <sup>3</sup>
Cogen Exports	mn units	49	101 R\$/unit
By-products/Utilities*	('000 R\$)	6,034	

Renuka Vale do Ivai	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	11,000	24.9 c/lbs
Ethanol	m <sup>3</sup>	15,506	1,277 R\$/m <sup>3</sup>
By-products/Utilities*	('000 R\$)	705	

\*By-products/utilities include yeast, molasses and steam

\*\*USD/BRL exchange rate: 1.7663 BRL/USD

# Closing stock as of 31<sup>st</sup> March 2012 - Brazil



## Renuka do Brasil

	Unit of Measure	As on 31 <sup>st</sup> March 2012
Sugar	MT	17,782
Ethanol	KL	3,673

## Renuka Vale do Ivai

	Unit of Measure	As on 31 <sup>st</sup> March 2012
Sugar	MT	3,754
Ethanol	KL	1,054

# Loan Funds – Brazil



	Unit	Renuka do Brasil		Renuka VDI		TOTAL BRAZIL	
		Sep-10	Mar-12	Sep-10	Mar-12	Sep-10	Mar-12
Brazilian R\$ denominated	mn R\$	851	650	149	139	1,000	789
USD denominated	mn USD	347	373	81	109	428	482
REFIS	mn R\$	96	95	-	-	96	95
Debt w/o forex variation*	mn INR	40,467	36,308	7,562	8,541	48,029	44,849
Variation due to Foreign Exchange	mn INR	-	4,111	-	1,062	-	5,173
Reported Debt	mn INR	40,467	40,419	7,562	9,603	48,029	50,022

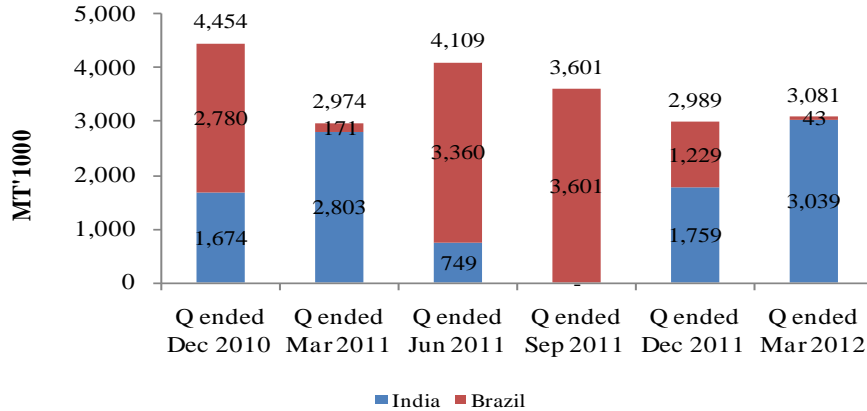
Exchange Rates	Sep-10	Mar-12
BRL / USD	1.6942	1.8221
INR / BRL	26.3568	28.4070

\* Exchange rates used as on 30<sup>th</sup> September, 2010

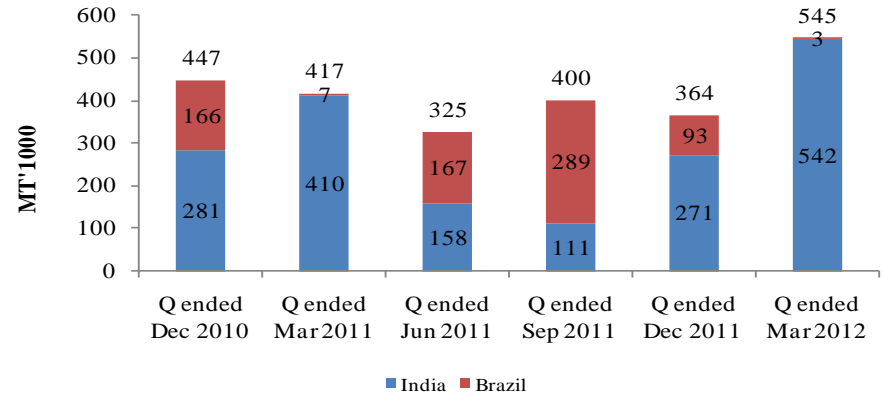
# Sugar: Quarterly Operating Performance



## Sugarcane Crushed



## Sugar Production<sup>1</sup>



- ❖ Indian mills crushed at the average rate of more than 38,000 tons per day ( much higher than rated capacity of 35,000 tpd)
- ❖ Off-season period for Brazilian mills
- ❖ 4.9 million tons cane crushed at Indian mills during the season 2011-12

- ❖ Higher sugar production in India Y-o-Y, due to record recovery and improved refining operations
- ❖ Record recovery in the mills of about 12.44% during the quarter and 12.02% for the season

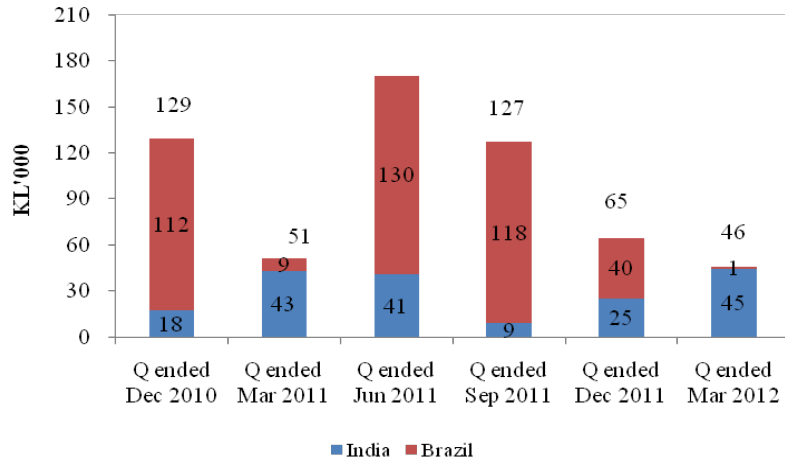
Note:

<sup>1</sup> 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

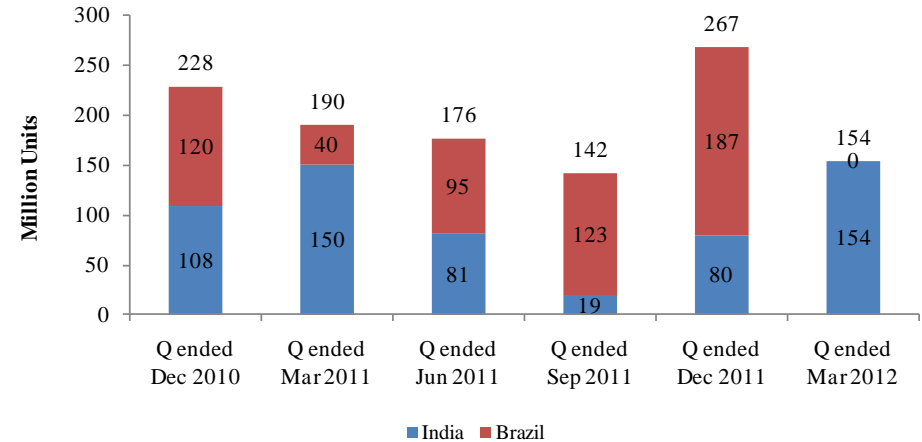


## Ethanol Production



- ❖ Q-o-Q higher ethanol production in India due to higher cane crushing
- ❖ Dispatch of 19 million liters during the quarter to Oil Manufacturing Companies

## Co-Gen Power Exports



- ❖ Power Exports lower in Brazil during the quarter due to end of crushing season in Brazil
- ❖ Q-o-Q lower power exports in Brazil complemented by strong volumes in India

## 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 Ivaí 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 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 537MW with exportable surplus of 356MW Indian operations produce 242MW with exportable surplus of 135MW and Brazilian operations produce 295MW with

crushed a record 556.5 million tonnes of sugarcane. However, due to the effect of drought, bad weather and unpredicted frost, this year, it has crushed approximately 493 million tonnes and produced 31.3 million tons of sugar and 20.7 million m3 of ethanol.

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 221MW 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 sugar production for 2011-12 stands at 177.0 million metric tonnes (MT).

Reduction in estimates in Brazil have been off-set by higher production estimates from Asian countries mainly India and Thailand. Thailand is expected to complete its season having produced 10.4 million

tonnes of sugar this year. India too has had stronger crushing 2011-12 season with estimated production of 26.0 million tonnes of sugar. This has off-set the adverse affects on yields in Brazil (largest produced/exporter) by the effect of drought in 2010-11, lower rains in 2011-12 and other factors like frost and flowering of the cane.

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 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

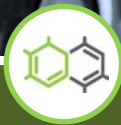
After two years of being a major net importer, India has been a net exporter since the last two seasons backed by robust sugarcane cultivation and favorable weather. With Indian sugar season 2010-11 producing 24.2 million tonnes, India became a sugar surplus country in the 2010-11 sugarcane season. India is expected to produce 26.0 million tonnes in 2011-12 season. Having approved exports of up to 3.0 million tonnes of sugar in 2010-11, the government further announced 2.0 million tonnes of sugar exports in 2011-12 through the Open General License ("OGL") before recently lifting the restriction on sugar exports and allotment of licenses in proportion of the sugar production. The Government has also replaced the monthly Free Sugar Sales quota with Quarterly Free Sales Quota system and have set up a committee under Dr. C. Rangarajan to consider decontrol of the sugar industry.



sugar



power



ethanol



## Shree Renuka Sugars Ltd

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