

Quarter I Financial Results - 2008-09

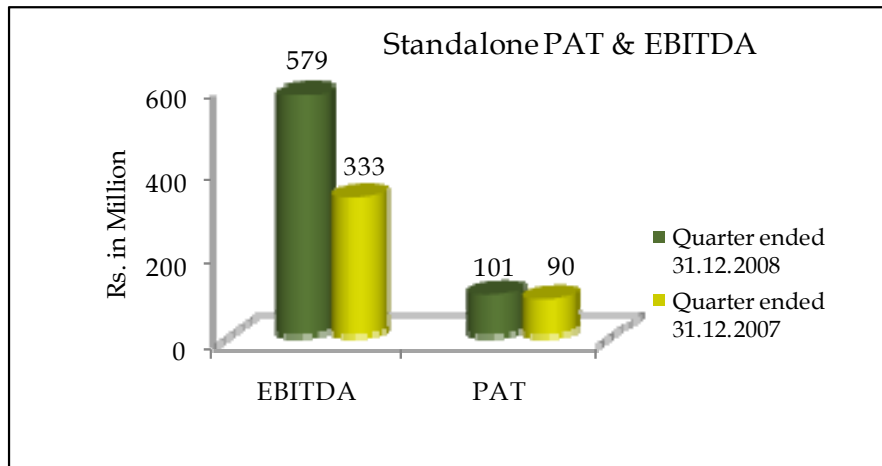
SUGAR ● POWER ● ETHANOL

Energy
for the future



Shree Renuka Sugars Limited

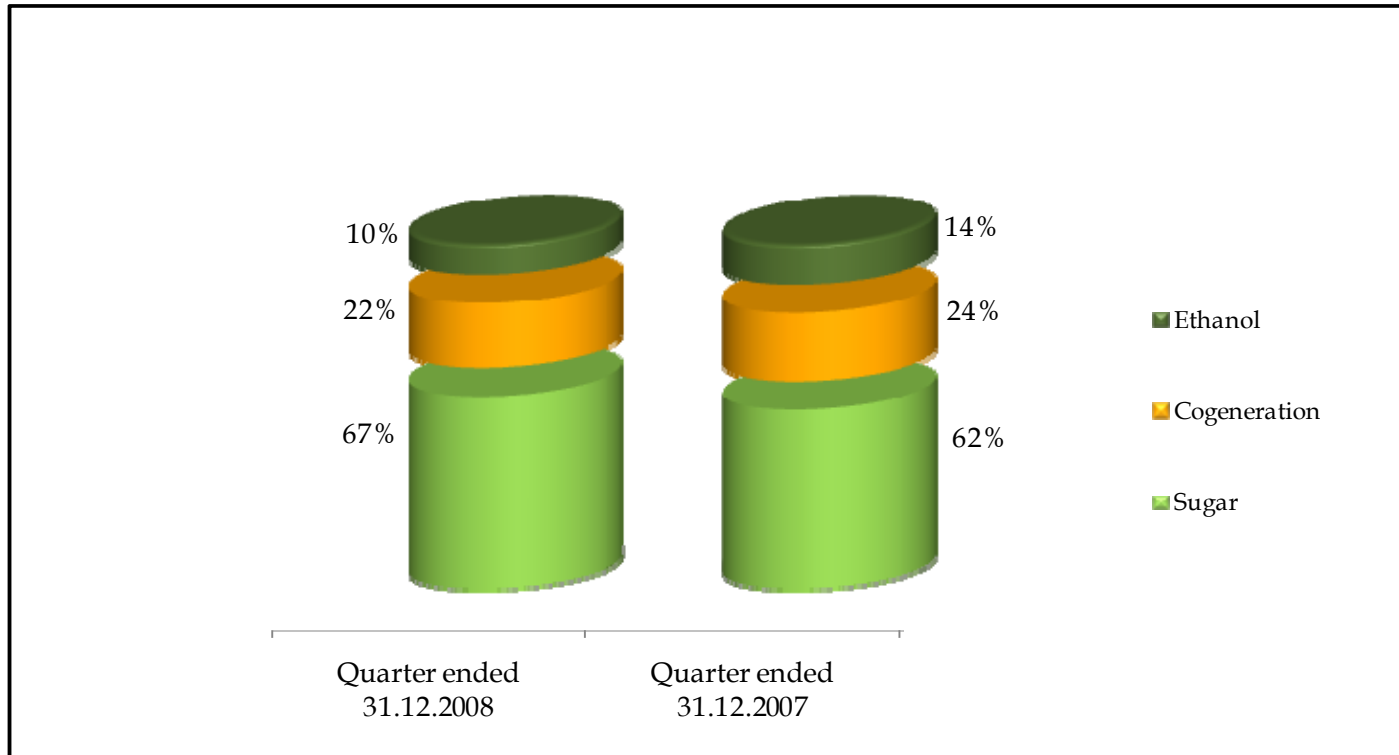
Quarter I- Standalone Results



Comments:

- ✓ Increase in EBITDA by 74%
- ✓ 77% increase in net sales in Q1 2009 as compared to Q1 2008
- ✓ 49% Increase in Ethanol Volume sales from 11.3 million liters to 16.85 million liters
- ✓ 100% Increase in Power exported from 36 million units to 72 million units

Segment wise Comparison - Revenue



General Comments:

- ✓ Increase in contribution of Sugar from 62% to 67% of the total revenues driven by increased volumes and higher prices.

MANAGEMENT AND DISCUSSION ANALYSIS - QUARTER ENDED DECEMBER 31, 2008 WITH THE QUARTER ENDED DECEMBER 31, 2007

Revenues

Our total turnover including total revenues net of excise duty and including other income, for the 1st quarter ending December 31, 2008 was Rs. 3,395 million as compared to Rs. 1,895 million in the 1st quarter ending December 31, 2007, which is an increase by 79.19%.

Our total turnover increased mainly due to increase in the segment sales of sugar to Rs. 2,682 million in quarter ending December 31, 2008 from Rs. 1,190 million in quarter ending December 31, 2007, which is an increase of 125.38 %; increase in segment sale of power to Rs.898 million from Rs.454 million, which has increased by 97.80%; an increase in segment sales of Ethanol and other products to Rs. 412 million in the quarter ending December 31, 2008 from Rs. 261 million in quarter ending December 31, 2007, which is an increase of 57.85%.

The segment sales of Manufactured Sugar increased by 71.98% from 76,892 MT to 132,237 MT of sugar sold in quarter ending December 31, 2008 and average net realization increased by 29.15% from Rs. 12,456/- to Rs. 16,483/- per MT (including exports). Revenue from cogeneration plant increased due to higher export of power to the Grid from 36 million KWH to 72 million KWH. There has been an increase in net realization from Rs. 5.38/- to Rs. 7.23/- for per unit export of power, which is an increase by 34%.

Sales from Ethanol plant in the quarter ending December 31, 2008 have increased by 58.24% as compared to the sales for the quarter ending December 31, 2007 due to increase in distillation capacity which has resulted in higher production during the quarter and hence there is an increase in sales from 11,300 KL to 16,845 KL with average realization from Rs. 23,127/- to Rs. 24,500/- which is an increase of 5.94%.

The revenues from Renewable Segment (Ethanol & Power) have increased from Rs.715 million in Q1 2007-08 to Rs. 1310 million in Q1 2008-09 which is an increase of 83%.

The profit (PBIT) from Renewables (Ethanol & Power) has increased from Rs. 357 million in Q1 2007-08 to Rs. 552 million in Q1 2008-09 which is an increase of 54%.

Other Income

There is an increase in Other Income to Rs. 12 million in quarter ending December 31, 2008 as against loss of Rs. 19 million in quarter ending December 31, 2007.

Production

As there has been an increase in the efficiency of all the new plants, which were a part of recent Capital Expenditure Program of the Company, the cane crushing at all the plants totaled 1,994,580 MT in the quarter December 31, 2008, as compared to 1,476,422 MT in the quarter ending December 31, 2007. The refinery at Haldia in West Bengal has also become operational and has achieved refining of 37,340 MT of raw-sugar with an output of 37,003 MT of refined sugar. The production was less relative to installed capacity due to a long technical stoppage for modifications. The production in the current month to-date is 29,812 MT.

Sugar bagged rose to 212,145 MT from 166,829 MT, an increase of 27.16 %.

However, sugar yield [recovery] per ton of cane from has slightly decreased to 10.64% from 10.82%.

Expenditure

Our total expenditure net of increase/(decrease) in stock and excluding provisions for tax, interest & depreciation was Rs. 2,816 million in quarter ending December 31, 2008 which is an increase by 80.26%, as compared to Rs. 1,562 million in quarter ending December 31, 2007.

Major Raw materials

The total consumption of raw materials for the sugar plant in quarter ending December 31, 2008 was Rs. 3,977 million as compared to Rs. 1,649 million in quarter ending December 31, 2007. The increase is on account of increase in cane crushing and includes the raw sugar cost at Haldia.

Interest

Interest cost in quarter ending December 31, 2008 increased to Rs. 290 million from Rs. 117 million in quarter ending December 31, 2007, which is an increase by 147.86 %. This was primarily due to increase in term borrowings for Capital Expenditure programs, hedging costs for forex loans and increased working capital borrowings for the additional manufacturing output. As a percentage of total revenues the interest cost has marginally increased to 8.54 % in quarter ending December 31, 2008 from 6.18 % in quarter ending December 31, 2007.

Profit before Tax

Our Profit before Tax in quarter ending December 31, 2008 was Rs. 155 million as compared to Rs. 136 million in quarter ending December 31, 2007. This represents an increase of 13.97 %. This increase is due to the changes in various revenue and cost items as discussed above.

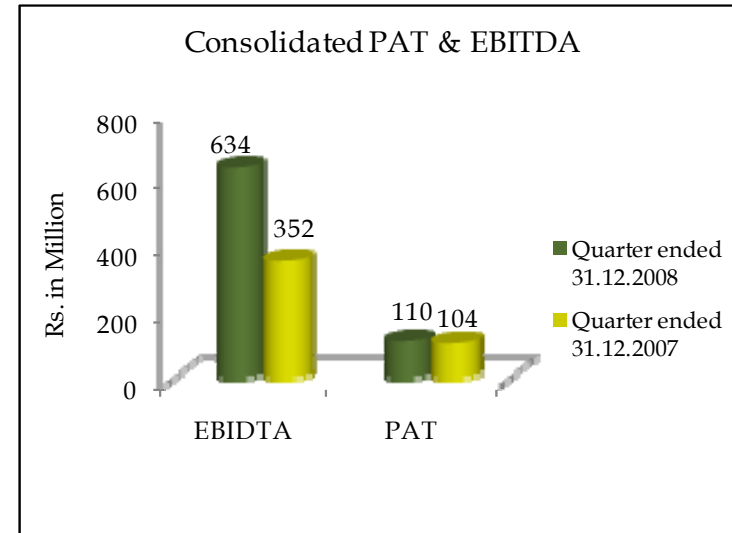
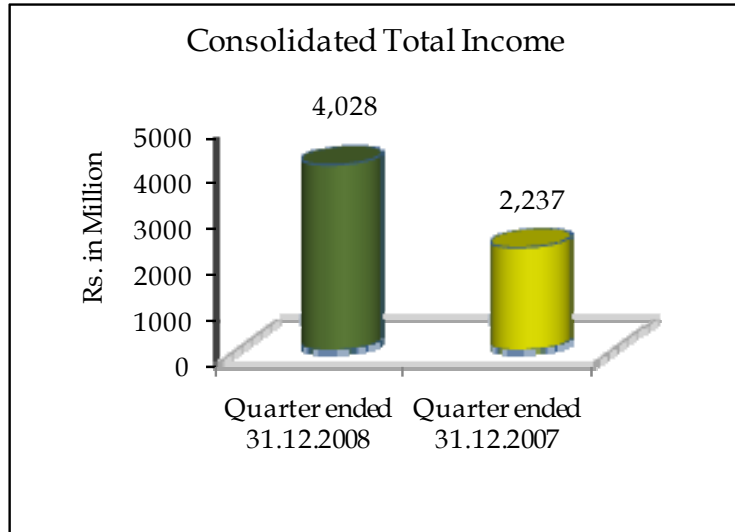
Provision for Income Tax

Provision for Income Tax increased to Rs54 million in quarter ending December 31, 2008 from Rs. 46 million in quarter ending December 31, 2007 - an increase of 17.39%. This is primarily due to increase in net taxable income.

Profit after Tax

Our Profit after Tax in quarter ending December 31, 2008 was Rs. 101 million as compared to Rs. 90 million in quarter ending December 31, 2007. This represents an increase of 12.22%. This increase is due to the changes in various revenue and cost items as discussed above.

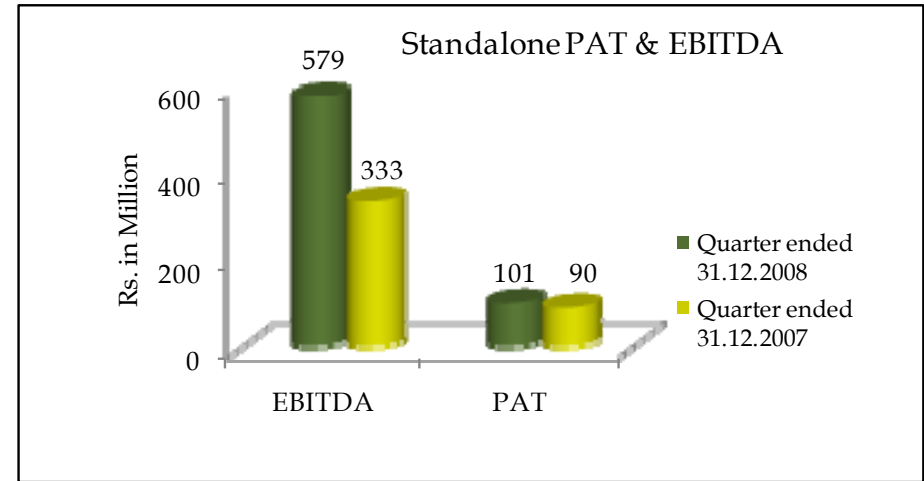
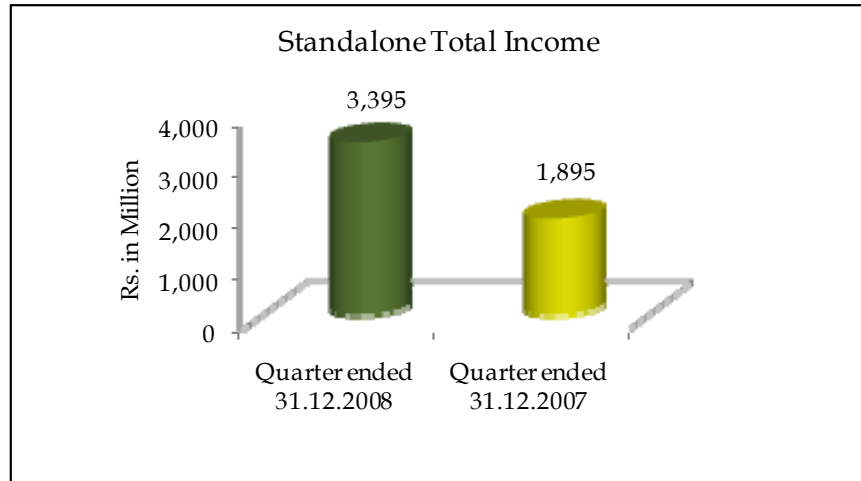
Quarter I - Condsolidated Analysis



Comments

- ✓ Consolidated Net Revenues increased by 80% in the year Q1 2009 as compared to year Q1 2008
- ✓ Consolidated PAT increased by 6% in year Q1 2009 as compared to year Q1 2008
- ✓ Consolidated EBITDA increased by 80% in year Q1 2009 as compared to year Q1 2008

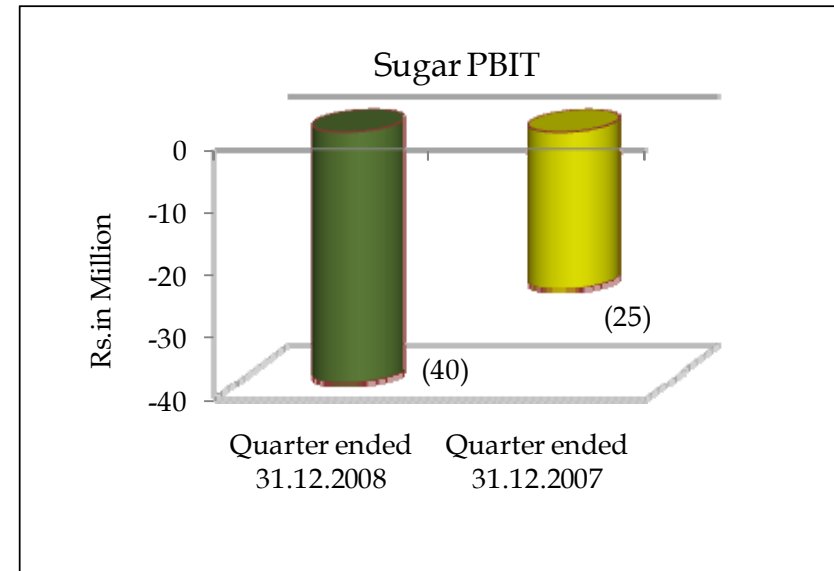
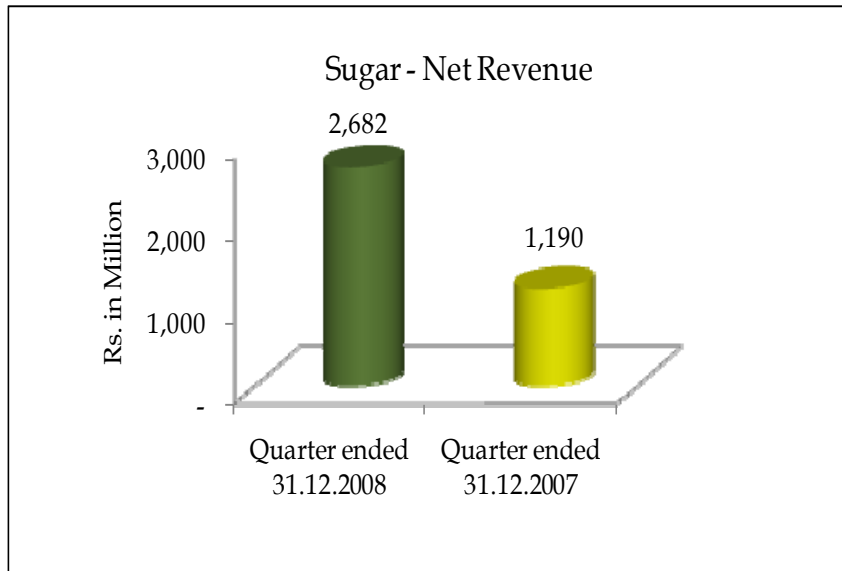
Quarter I -Standalone Analysis



Comments

- ✓ Net Revenues increased by 79% in Q1 2009 as compared to Q1 2008
- ✓ EBITDA increased by 74% in Q1 2009 as compared to Q1 2008

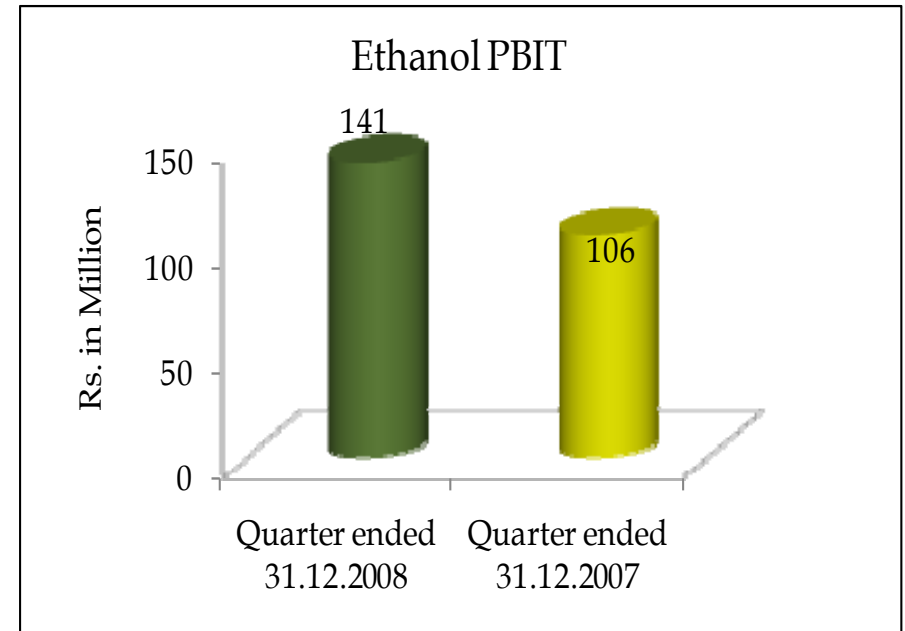
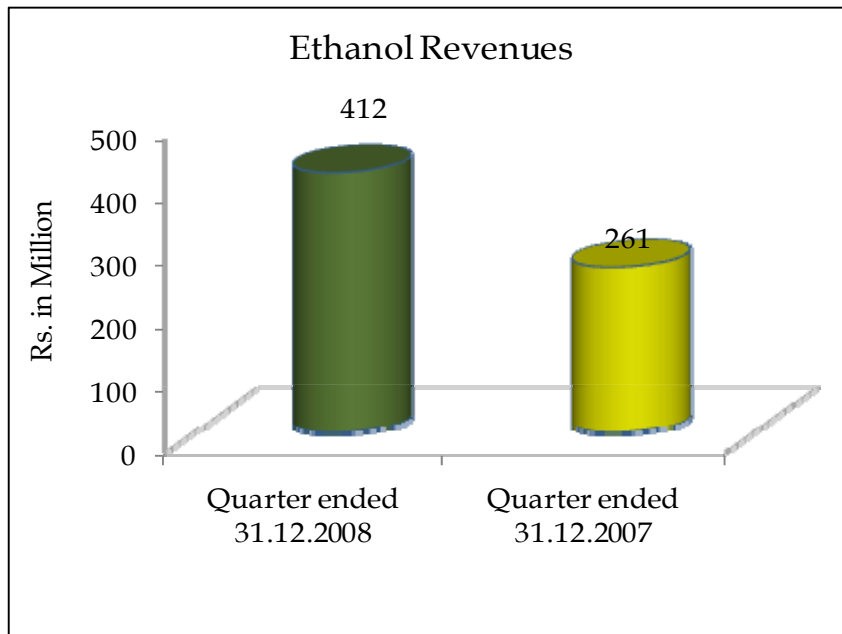
Segmental Analysis - Sugar



Comments

- ✓ Sugar Revenues increased by 125% in Q1 2009 as compared to Q1 2008

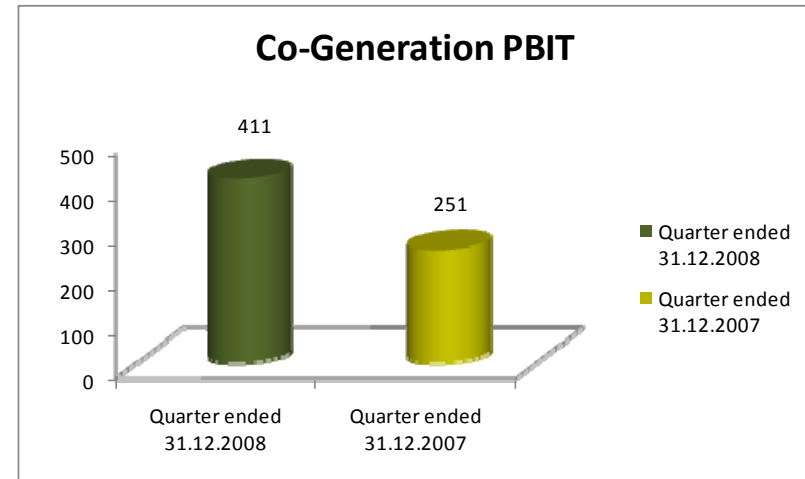
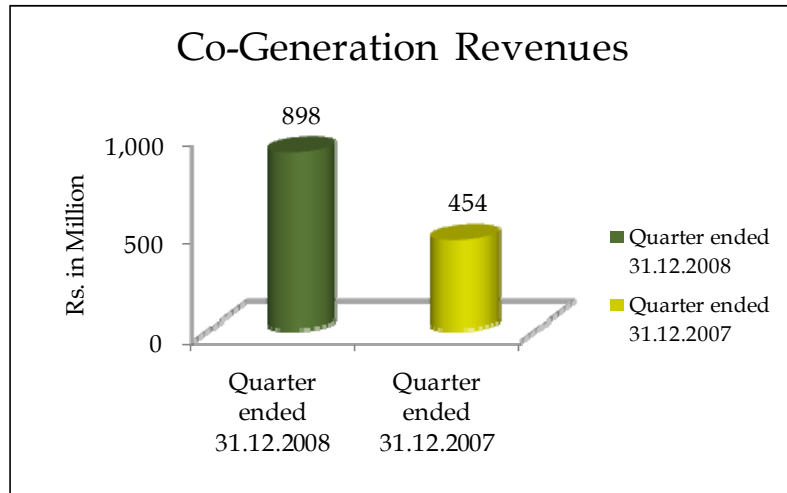
Ethanol



Comments

- ✓ 58% increase in revenues in Q1 2009 as compared to Q1 2008
- ✓ 33% increase in PBIT in Q1 2009 as compared to Q1 2008

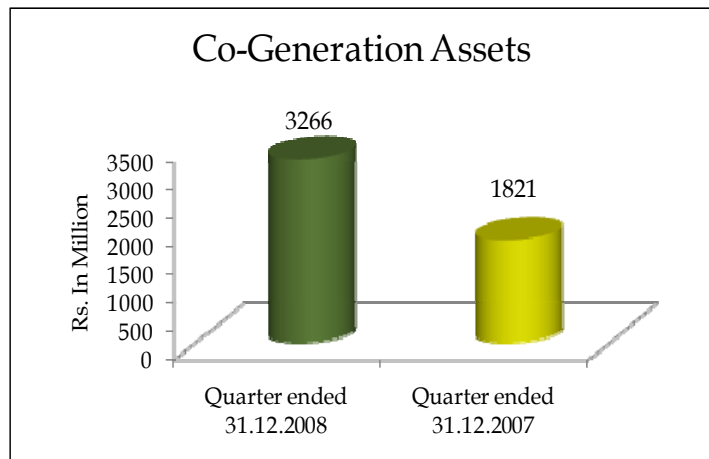
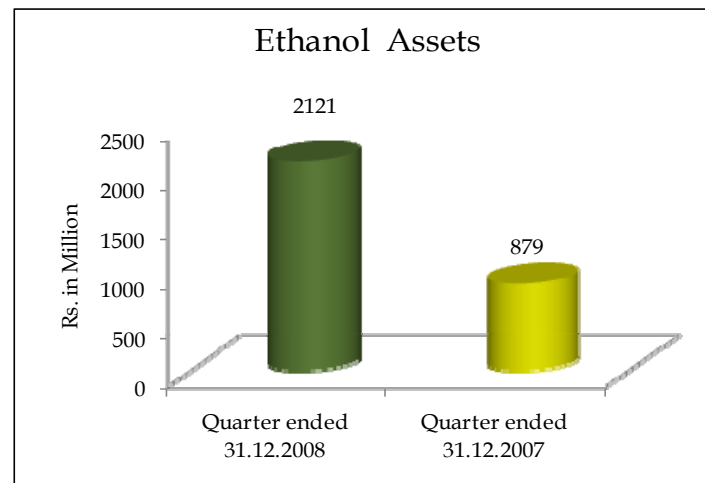
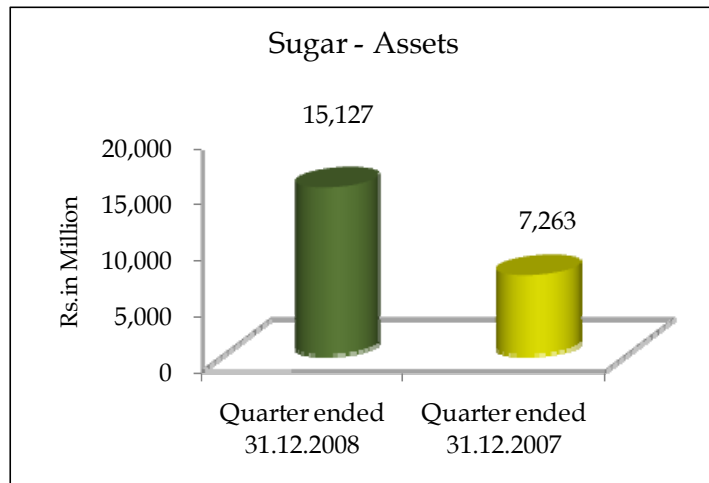
Cogeneration



Comments

- ✓ 98% increase in revenues in Q1 2009 as compared to Q1 2008
- ✓ 64% increase in PBIT in Q1 2009 as compared to Q1 2008

Assets



Comments

- ✓ Sugar Assets have increased by 108% in Q1 2009 as compared to Q1 2008
- ✓ Distillery Assets have increased by 141% in Q1 2009 as compared to Q1 2008
- ✓ Cogen Assets have increased by 79% in Q1 2009 as compared to Q1 2008