

Quarter III Financial Results - 2009-10

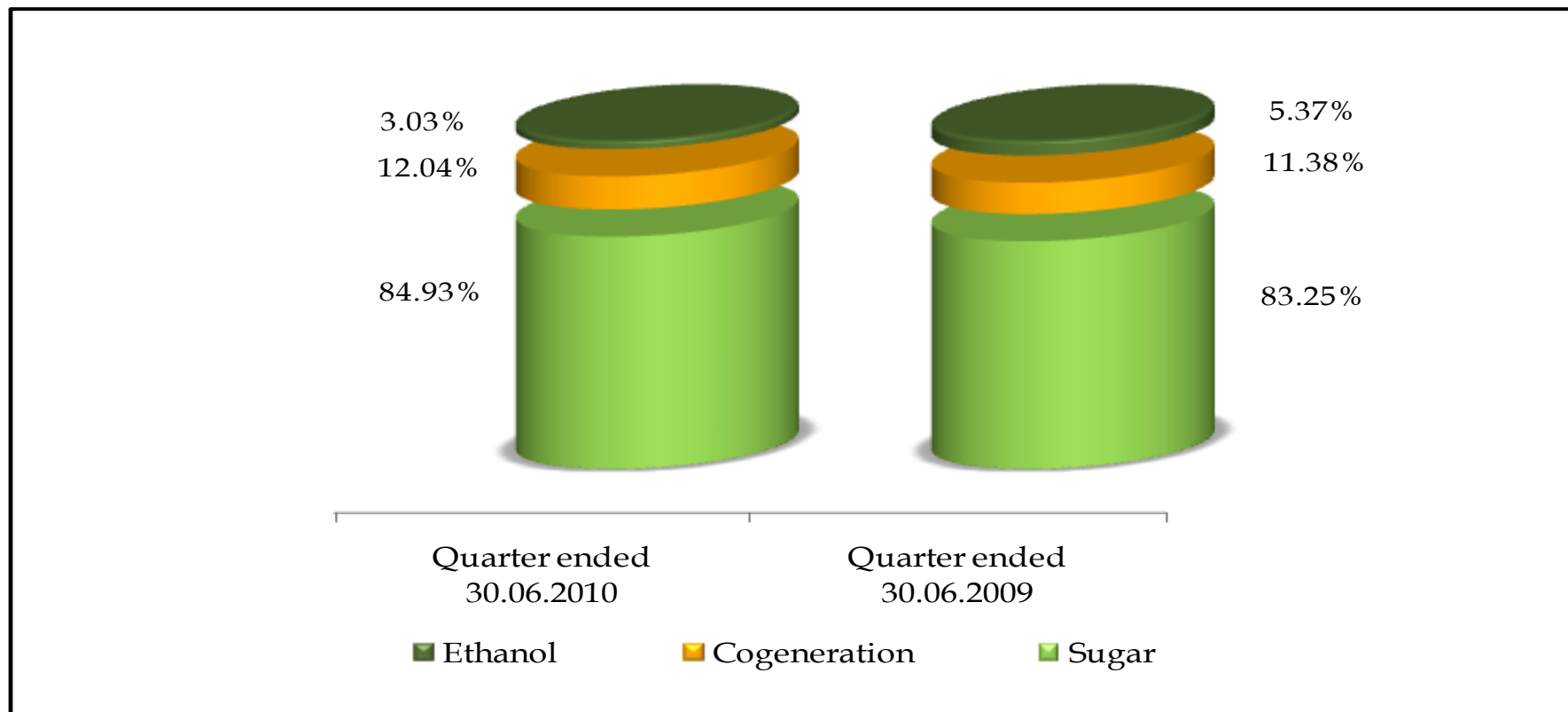
SUGAR ● POWER ● ETHANOL

Energy
for the future



Shree Renuka Sugars Limited

Segment wise Comparison- Manufacturing



General Comments:

- ✓ Contribution of Sugar in Manufacturing Revenue increased from 83.25% to 84.93% of the total revenues

MANAGEMENT AND DISCUSSION ANALYSIS - QUARTER ENDED June 30, 2010 WITH THE QUARTER ENDED June 30, 2009**Revenues - Standalone**

Our total turnover including total revenues net of excise duty and including other income, for the quarter ending June 30, 2010 (Q3 2010) was Rs 12,295 million as compared to Rs 7,248 million in the quarter ending June 30, 2009 (Q3 2009).

Our total turnover increased mainly due to increase in the segment sales of Sugar to Rs 7,963 million in Q3 2010 from Rs 5,859 million in Q3 2009 and an increase in trading segment revenue to Rs 3,450 million from Rs 671 million.

The segment sales of Manufactured Sugar (including that of Indian subsidiaries viz. Ratnaprabha Sugars and Gokak Sugars) increased by 16% from 263,518 MT for Q3 2009 to 306,710 MT of sugar sold in Q3 2010 with an average net realization of Rs 26,951 per MT as compared to Rs 21,366 per MT for the corresponding quarter in the last year which is an increase of 26% and Rs 33,626 in the earlier quarter Jan-Mar 2010.

Revenue from cogeneration plant increased to Rs 1,129 million for Q3 2010 as compared to Rs 801 million for Q3 2009 which is an increase of 41%. The net realization of power decreased from Rs 6.21 for Q3 2009 to about Rs 5.14 for Q3 2010 per unit export of power; however the total power exported to the grid increased from 68 million units for Q3 2009 to 124 million units for the Q3 2010. Out of total power exported, the BOOT project at Panchganga SSK exported 44 million units for Q3 2010.

Sales from Ethanol division in Q3 2010 were at Rs 284 million as compared to Rs 378 million for Q3 2009. The sales in terms of quantity decreased by 27% from 15,453 KL for Q3 2009 to 11,194 KL in Q3 2010 with an average net realization of Rs 25,360 per KL as compared to Rs 24,479 per KL for the corresponding quarter in the last year which is an increase of 4%.

The revenues from Renewable Segment (Ethanol & Power) as a percentage of Manufacturing Revenues have decreased from 17% to 15% largely due to an increased contribution from sugar segment even though there is an increase in absolute terms from Rs 1,179 million in Q3 2009 to Rs 1,413 million in Q3 2010.

Production & Inventory

The cane crushing at all the plants totaled 145,608 MT in the Q3 2010 as compared to Nil in Q3 2009. Sugar produced increased to 17,892 MT from Nil in Q3 2009. Sugar yield [recovery] per ton of cane is 12.29% for Q3 2010. The YTD recovery is 11.15%.

Total raw sugar processed in the refineries for the quarter has increased from 262,317 MT for Q3 2009 to 291,654 MT for Q3 2010. Total refined sugar produced in the refineries from raw sugar has increased from 251,446 MT to 278,449 MT for the Q3 2010.

As on 30th June 2010, we had a closing stock of white sugar (including inventory of subsidiaries viz. Ratnaprabha Sugars and Gokak Sugars) of 525,400 MT including 77,909 MT of imported white sugar. We also had 187,798 MT of raw sugar. As of 30th June 2010, inventory of Ethanol and molasses was 38,770 KL and 58,536 MT respectively.

Expenditure

Our total expenditure excluding provisions for tax, interest & depreciation was Rs 11,861 million in Q3 2010 as compared to Rs 5,934 million in Q3 2009.

Raw materials

The total consumption of raw materials in Q3 2010 was Rs 12,094 million as compared to Rs 5,824 million in Q3 2009. The increase is on account of increase in the prices of sugarcane and imported raw sugar.

Interest

The interest cost in Q3 2010 decreased to Rs 200 million from Rs 226 million in Q3 2009, which is a decrease by 11.5%. This was due to lower working capital utilisation.

Profit before Tax

Our Profit before Tax in Q3 2010 is Rs 27 million as compared to Rs 924 million in Q3 2009.

Provision for Income Tax

Company has availed the MAT credit of Rs 148 million, due to which company shows tax gain of Rs 62 million in Q3 2010 as compared to tax expense of Rs 313 in Q3 2009.

Profit after Tax

Our Profit after Tax in Q3 2010 was Rs 89 million as compared to Rs 611 million in Q3 2009.

Vale do Ivaí (VDI)

Revenues

VDI total turnover net of taxes and including other income, for the quarter ending June 30, 2010 (Q3 2010) was Rs 1,429 million. Total expenditure for the quarter Q3 2010 was Rs 713 million. EBITDA for the quarter Q3 2010 was Rs 717 million. Net profit for the quarter Q3 2010 was Rs 81 million.

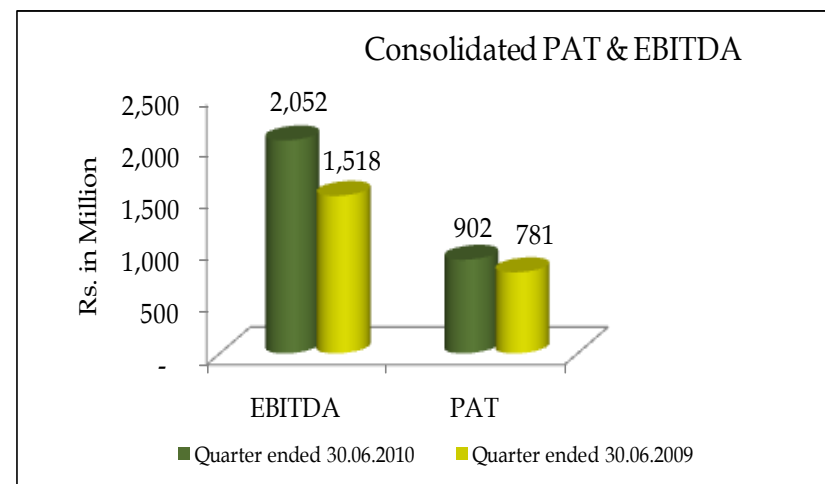
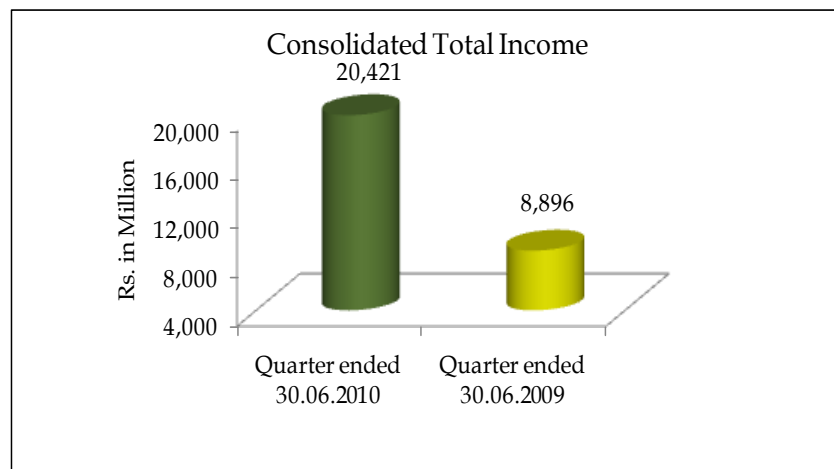
Revenue from sugar sales was Rs 662 million in the quarter ending June 30, 2010 (Q3 2010). Ethanol sales accounted for the revenue of Rs 241 million. Revenue from Molasses, Yeast and other products was Rs 526 million for the quarter Q3 2010.

Production:

The cane crushed at the mill totaled 566,082 MT in the Q3 2010. Raw sugar produced was 41,586 MT, ethanol produced 14,873 KL and molasses produced 3,747 MT in the quarter ended June-2010 (Q3 2010). The ATR in Q3 2010 was 122 kg/ton.

The cane crushed till 9th of August 2010 was 836,725 MT and accumulated ATR was 124 kg/ton.

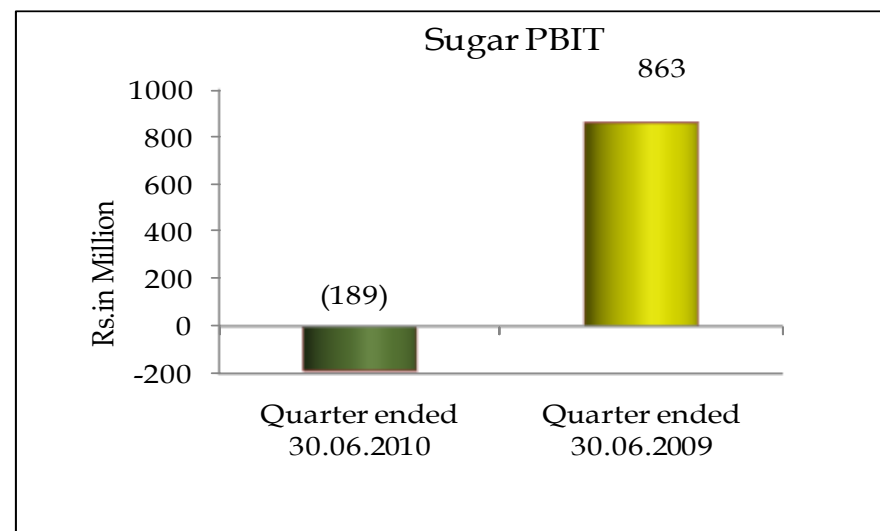
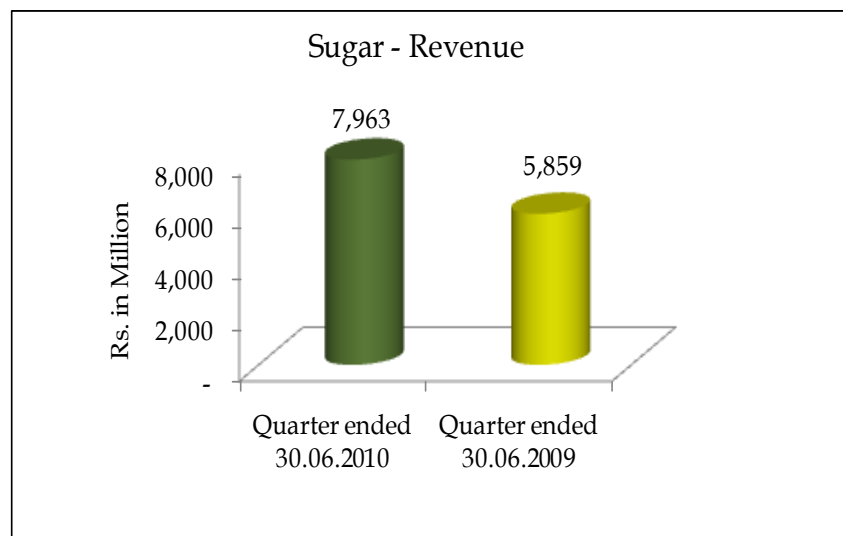
Quarter II- Condsolidated Analysis



Comments

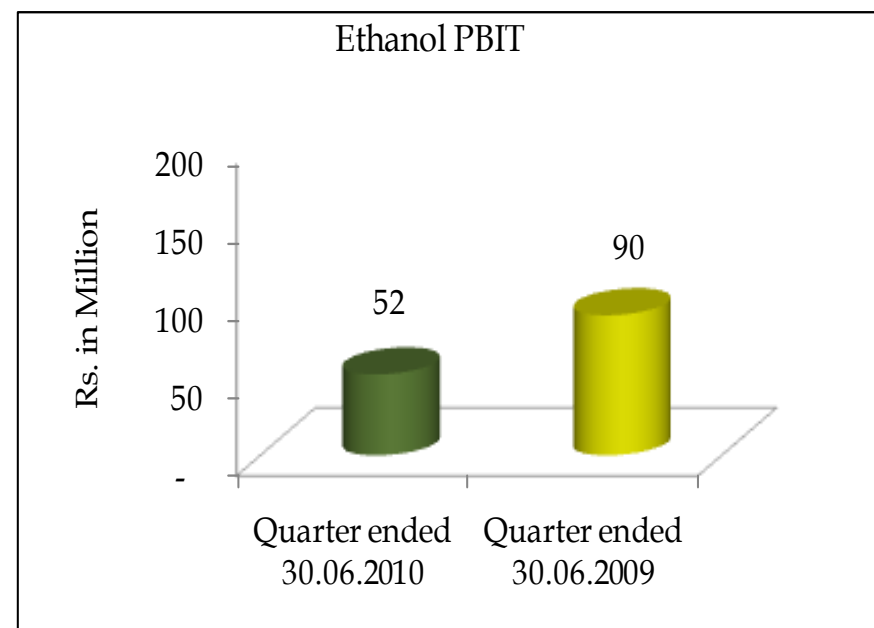
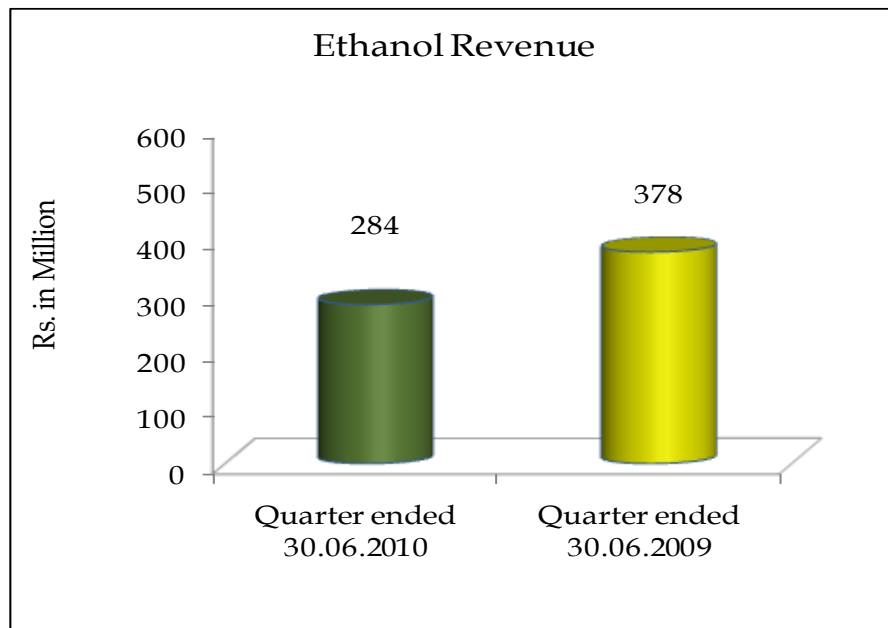
Consolidated Net Revenues increased from Rs 8,896 million in Q3 2009 to Rs 20,421 million in Q3 2010

- ✓ Consolidated EBITDA increased from 1,518 million in Q3 2009 to Rs 2,052 million in Q3 2010
- ✓ Consolidated PAT increased from Rs 781 million in Q3 2009 to Rs 902 million in Q3 2010

Segmental Analysis - SugarComments

- ✓ Sugar Revenues increased from Rs 5,859 million in Q3 2009 to Rs 7,963 million in Q3 2010
- ✓ Sugar PBIT decreased from Rs 863 million in Q3 2009 to loss of Rs 189 million in Q3 2010 on account of suppressed domestic sugar prices

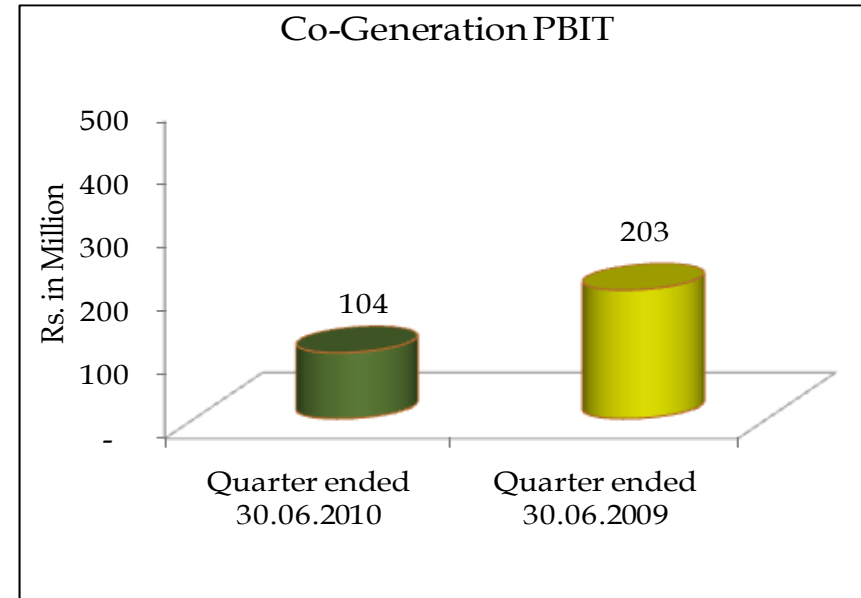
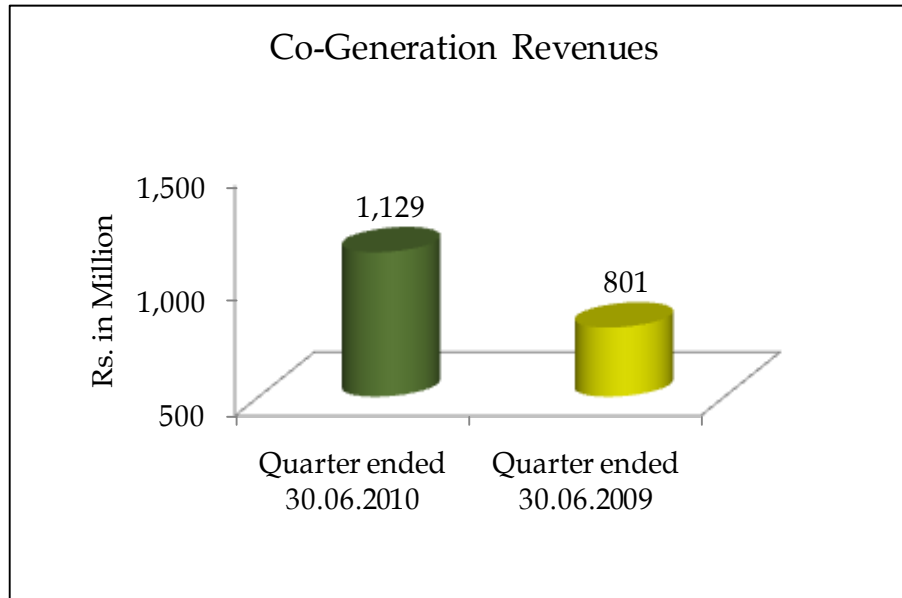
Ethanol



Comments

- ✓ Ethanol Revenues decreased by 25% from Rs 378 million in Q3 2009 to Rs 284 million in Q3 2010 because of stoppage in blending contract.

Cogeneration



Comments

- ✓ Cogeneration Revenues increased by 41% from Rs 801 million in Q3 2009 to Rs 1,129 million in Q3 2010