

# Annual Financial Results - 2009-10



**SHREE RENUKA SUGARS LTD**

Equipav mill of Renuka do Brasi S/A

# **Shree Renuka Sugars Ltd- Consolidated Performance 2009-10**

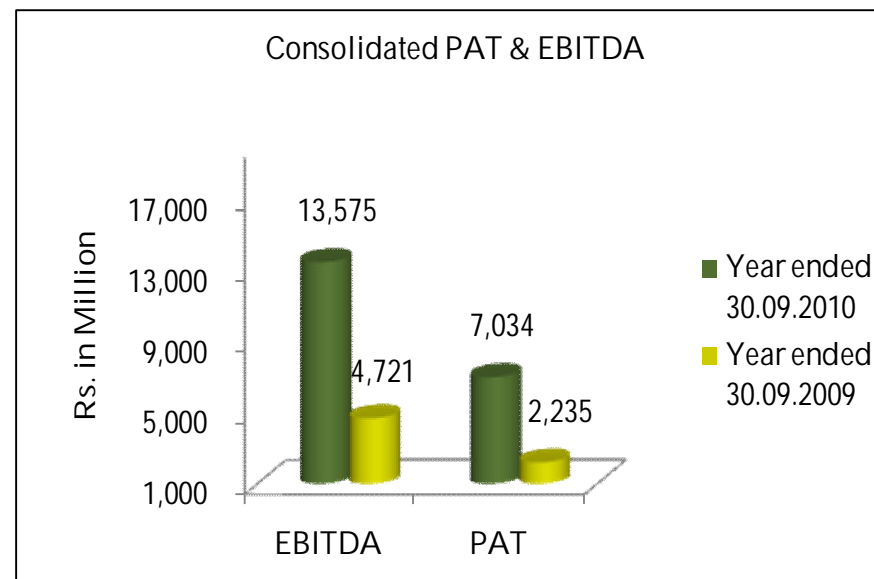
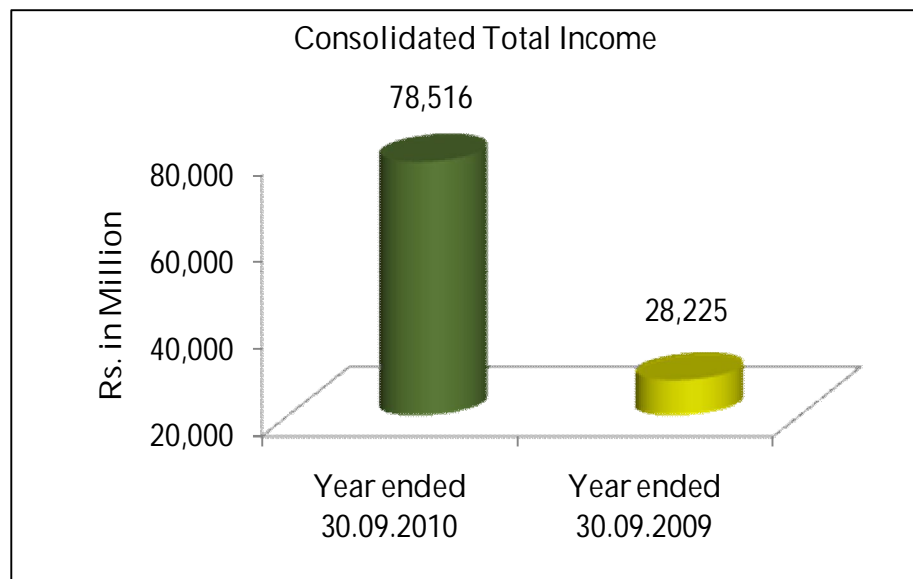
## Shree Renuka Sugars Ltd- Consolidated Performance

Particulars (Rs. in Millions)	2009-10	2008-09	% Change
Total Income	78,516	28,225	179%
EBITDA	13575	4,721	200%
PBT	8,714	2,968	193%
PAT	7034	2,235	210%
EPS	10.33	7.80	37%

### Key Ratios

Ratios	2009-10	2008 - 09
EBITDA / Total income	17.29%	16.73%
PBT / Total income	11.13%	10.52%
PAT / Total income	8.96%	7.92%

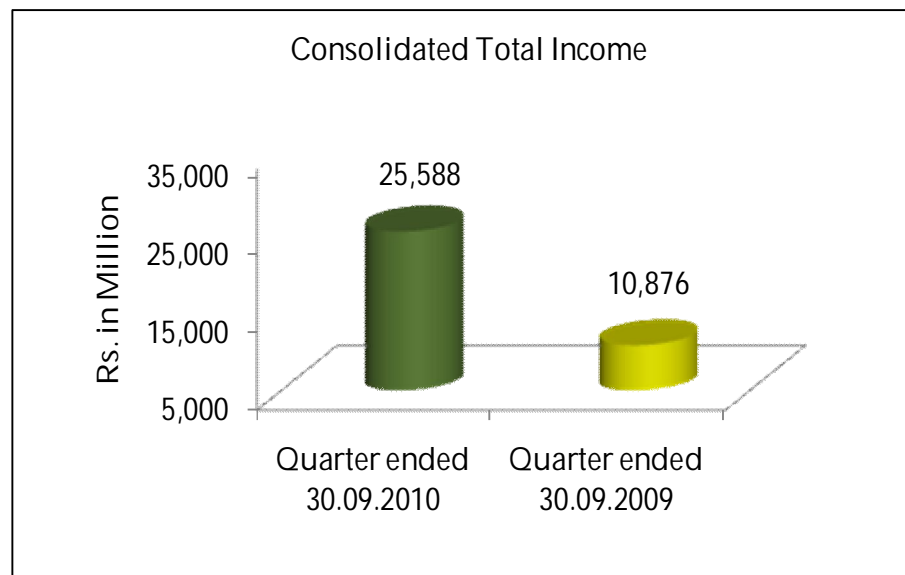
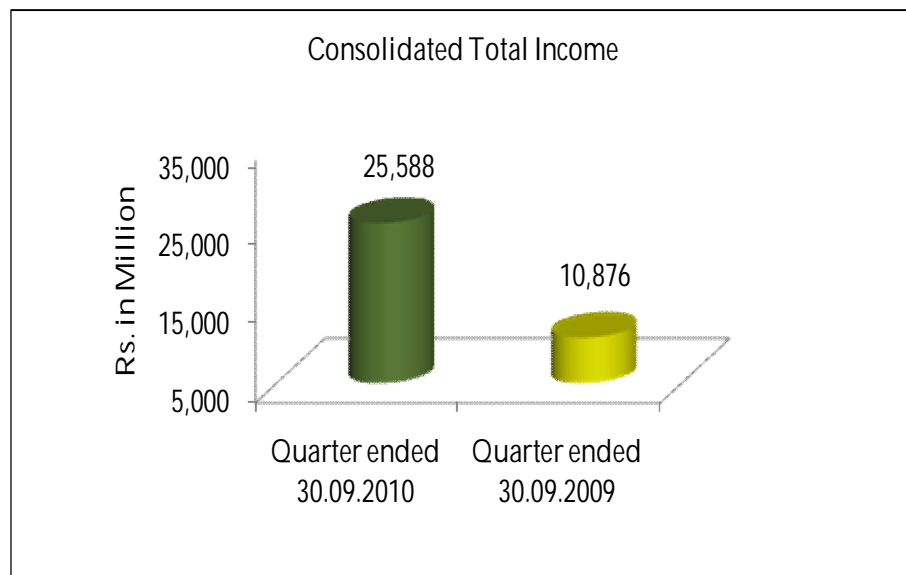
### Consolidated Analysis



### Comments

- ✓ Consolidated Net Revenues increased by 178% in 2010 as compared to 2009
- ✓ Consolidated EBITDA increased by 188% in 2010 as compared to 2009
- ✓ Consolidated PAT increased by 215% in 2010 as compared to 2009

### Quarter IV- Consolidated Analysis



### Comments

- ✓ Net Revenues increased by 135% in Q4 2010 as compared to Q4 2009
- ✓ EBITDA increased by 142% in Q4 2010 as compared to Q4 2009
- ✓ PAT increased by 27% in Q4 2010 as compared to Q4 2009

# **Shree Renuka Sugars Ltd.**

## **Annual Results**

### **2009-10**

### **(India Operations)**



**MANAGEMENT DISCUSSION AND ANALYSIS – 2009-10****Shree Renuka Sugars Ltd (Standalone - India)****Revenues**

Our total turnover including total revenues net of excise duty and including other income, for the year ending September 30, 2010 was Rs. 55,979 million as compared to Rs. 22,398 million in the year ending September 30<sup>th</sup>, 2009, which is an increase of 150%.

Our total turnover increased mainly due to increase in the segment sales of Sugar to Rs. 36,683 million in year ending September 30, 2010 from Rs. 18,616 million in year ending September 30, 2009, increase in segment sale of power generation to Rs. 3,944 million from Rs. 2,955 million, a decrease in segment sales of Ethanol to Rs. 1,419 million in the year ending September 30, 2010 from Rs. 1,686 million in year ending September 30, 2009 and an increase in revenues of Trading to Rs. 16,646 million in the year ending September 30, 2010 from Rs. 1,703 million in year ending September 30, 2009.

The segment sales of Manufactured Sugar increased by 52% from 802,485 MT to 1,217,425 MT of sugar sold in year ending September 30, 2010 with an average net realization of Rs. 28,606/- per MT for the year as compared to Rs. 21,398/- per MT last year. The Manufactured Sugar sales in Q4 2010 increased by 36% from 285,270 MT in Q4 2009 to 384,591 MT of sugar with an average net realization of Rs. 26,670/- per MT for the quarter as compared to Rs. 24,762/- per MT for corresponding quarter for the last year.

Revenue from cogeneration plant was Rs. 1,894 Mn, due to increase in export of power to Grid by 71% from 232 million units to 397 million units. There has been a decrease in net realization from Rs. 6.45 to Rs. 4.78 per unit export of power. There was an increase in export of power to Grid by 67 % from 33 million units in Q4 2009 to 55 million units in Q4 2010.

Sales from Ethanol division in the year ending September 30, 2010 have decreased by 26% as compared to the year ending September 30, 2009 due to lower sales during the year from 65,025 KL to 51,149 KL with average realization of Rs. 27,744 in 2010 as compared to Rs. 25,924 in 2009. Sales from Ethanol plant in Q4 2010 have decreased by 44% from 16,950 KL to 9,551 KL as compared to the sales for Q4 2009 with average realization from Rs. 30,441/- to Rs. 24,272/- which is a decrease of 20%.

### **Production**

Cane crushed at all the plants totaled 4,030,068 MT in the year ending September 30, 2010, as compared to 3,519,953 MT in the year ending September 30, 2009. Sugar bagged increased to 449,263 MT from 377,750 MT, an increase of 19%. Sugar yield [recovery] per ton of cane from has increased to 11.15% for 2010 from 10.73% for 2009.

Total sugar produced in the refineries from raw sugar has increased from 637,089 MT to 829,000 MT. Total sugar produced for the year has increased to 1,278,263 MT as compared to 1,014,794 MT in 2009 which is an increase of 26%.

As on 30<sup>th</sup> September 2010, we had closing stock of Sugar of 359,451 MT including 244,153 MT of White sugar, 26,733 MT of Imported white sugar and 88,565 MT of Raw sugar. Inventory of Ethanol and Molasses was 30,716 KL and 64,733 MT respectively.

### **Expenditure**

Our total expenditure excluding provisions for tax, interest & depreciation was Rs. 48,733 million in year ending September 30, 2010 which is an increase by 160%, as compared to Rs. 18,713 million in year ending September 30, 2009.

### **Raw materials**

The total consumption of raw materials in year ending September 30, 2010 was Rs. 45,061 million as compared to Rs. 16,035 million in year ending September 30, 2009. The increase is on account of increase in crushing and increase in cane price.



### **Interest**

As a percentage of total revenues the interest cost has marginally increased to 1.47% in year ending September 30, 2010 from 3.95% in year ending September 30, 2009. The interest cost in year ending September 30, 2010 decreased to Rs. 825 million from Rs. 884 million in year ending September 30, 2009, which is a decrease by 7%. This was primarily due to better management of working capital and interest cost.

The long term debt outstanding as on 30<sup>th</sup> September 2010 is Rs. 12,924 million.

### **Profit before Tax**

Our Profit before Tax in year ending September 30, 2010 was Rs. 5,606 million as compared to Rs. 2,176 million in year ending September 30, 2009. This represents an increase of 158%. 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. 1,504 million in year ending September 30, 2009 from Rs. 741 million in year ending September 30, 2009 – an increase of 103%. This is primarily due to increase in taxable income.

### **Profit after Tax**

Our Profit after Tax in year ending September 30, 2010 was Rs. 4,102 million as compared to Rs. 1,435 million in year ending September 30, 2009. This represents an increase of 186%. This increase is due to the changes in various revenue and cost items as discussed above.

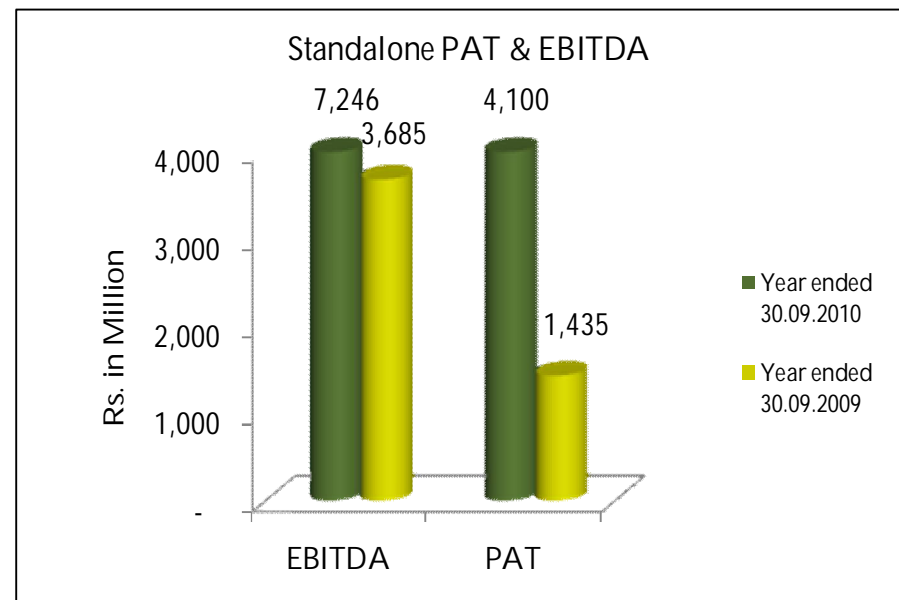
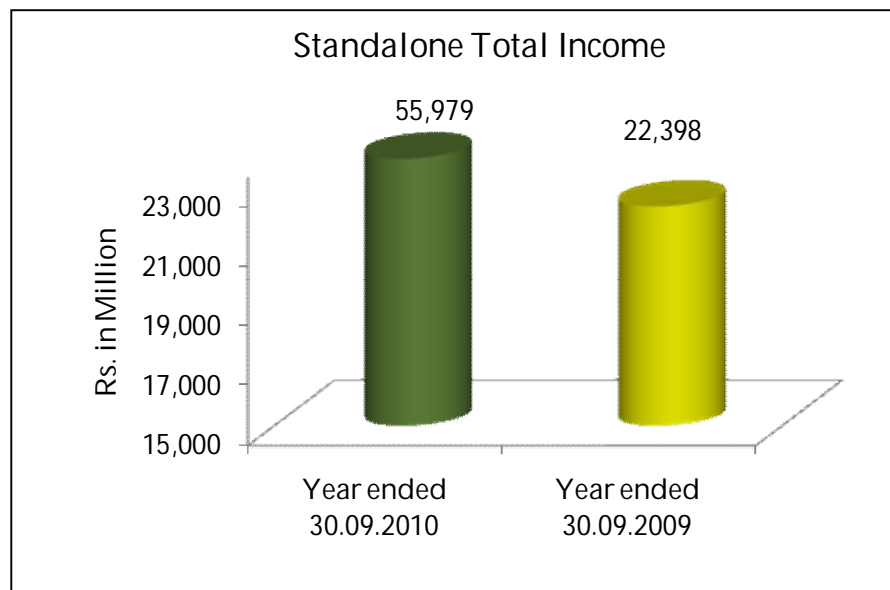
Operational Performance

KEY OPERATIONAL PARAMETERS CUMULATIVE	2009-10	2008-09
<b>(A) Sugar Plant</b>		
Sugarcane Crushed (Tons)	4,030,068	3,519,953
Raw Sugar Processed (Tons)	876,157	663,032
Recovery (weighted average)	11.15%	10.73%
<b>Sugar Produced</b>		
From Cane (Tons)	449,263	377,705
From Raw Sugar (Tons)	829,000	637,089
Total Sugar produced (Tons)	1,278,263	1,014,780
<b>(B) Cogeneration Plant</b>		
Generation of Power (Million kwh)	634	373
Captive Consumption (Million kwh)	237	141
Power Exported (Million kwh)	397	232
<b>(C) Ethanol Plant</b>		
Total Spirit Produced (Kiloliters)	76,738	77,508

Key Financials (Standalone)

Particulars	2009-10	2008-09	% Change
Total Income	55,979	22,398	147%
EBITDA	7,246	3,685	95%
PBT	5,606	2,176	158%
PAT	4,100	1,435	186%
EPS	6.27	4.99	27%

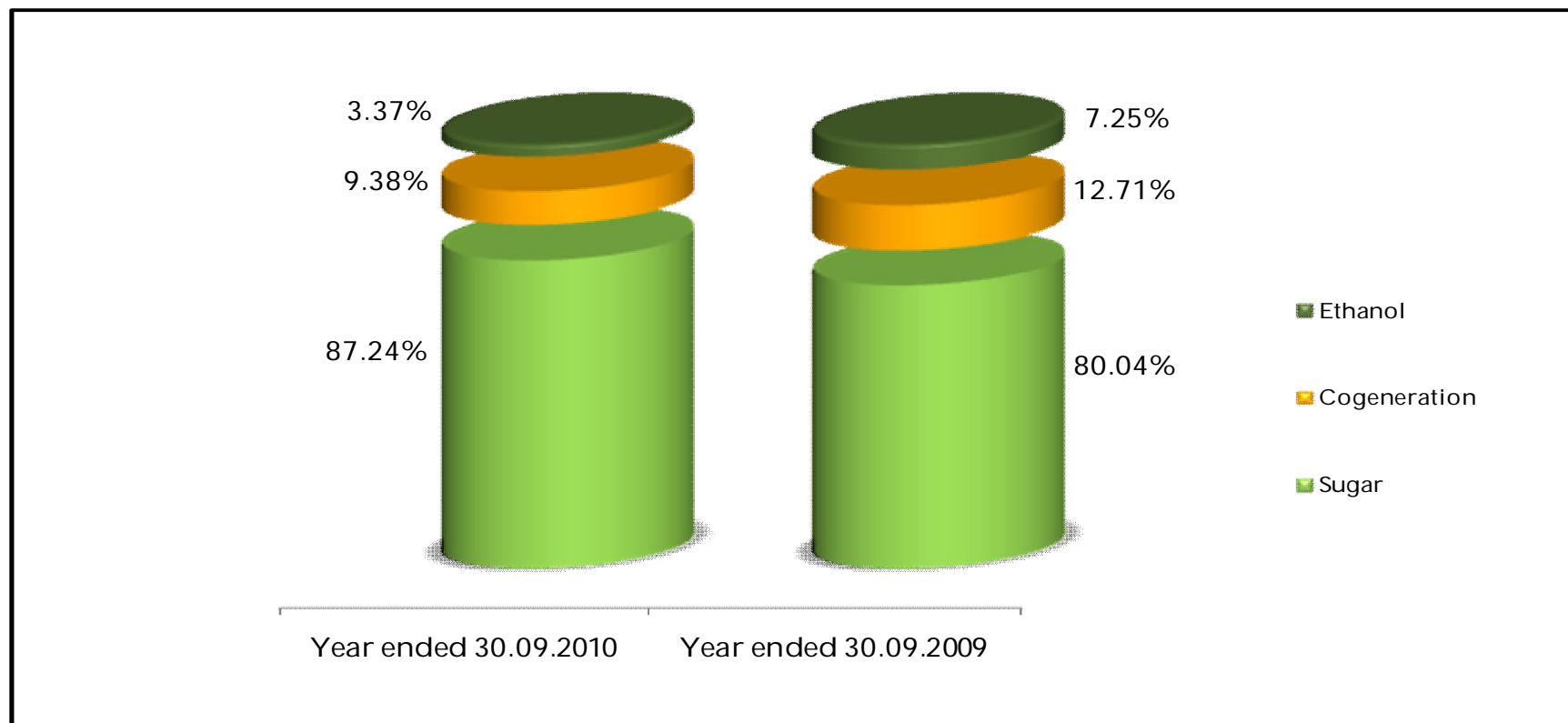
### Standalone Analysis



### Comments

- ✓ Net Revenues increased by 150% in 2010 as compared to 2009
- ✓ EBITDA increased by 97% in 2010 as compared to 2009
- ✓ PAT increased by 186% in 2010 as compared to 2009

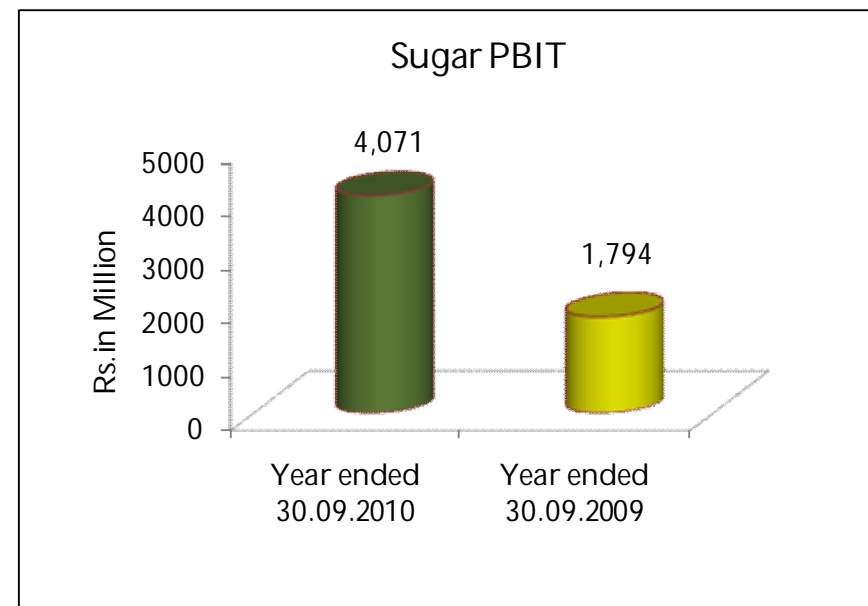
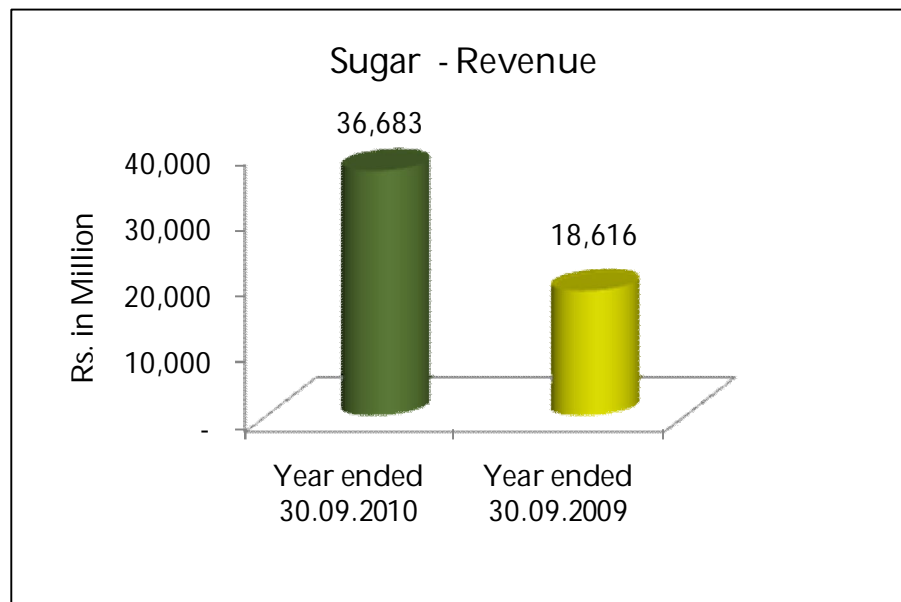
### Segment wise Comparison- Manufacturing



### General Comments:

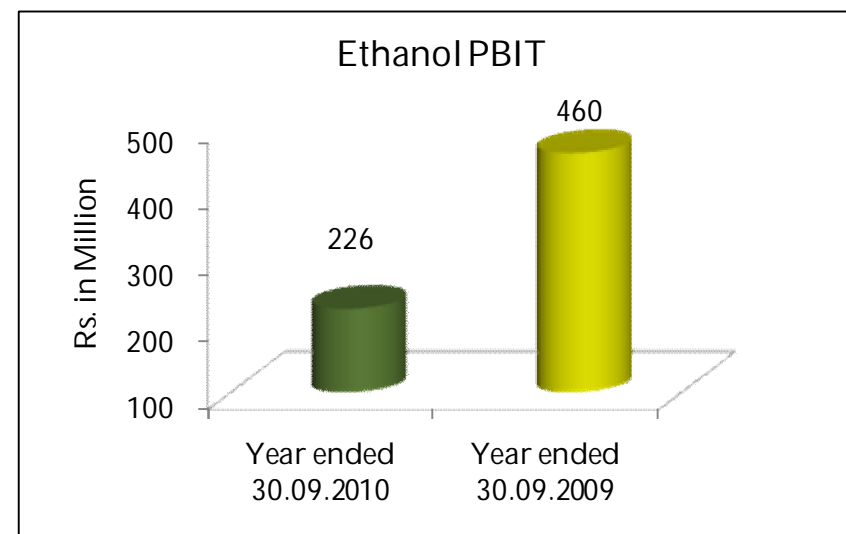
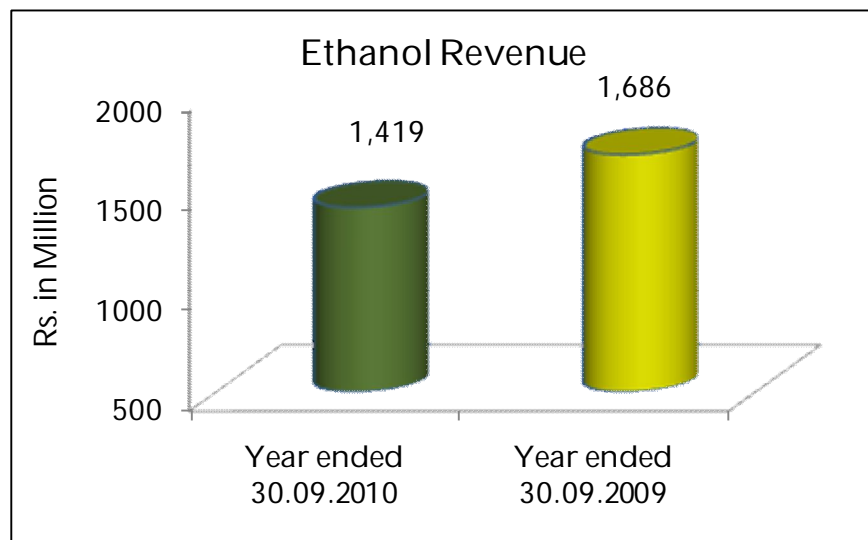
- ✓ Contribution of Sugar increased from 80.04% to 87.24% of the total revenues in 2010

### Segmental Analysis - Sugar



### Comments

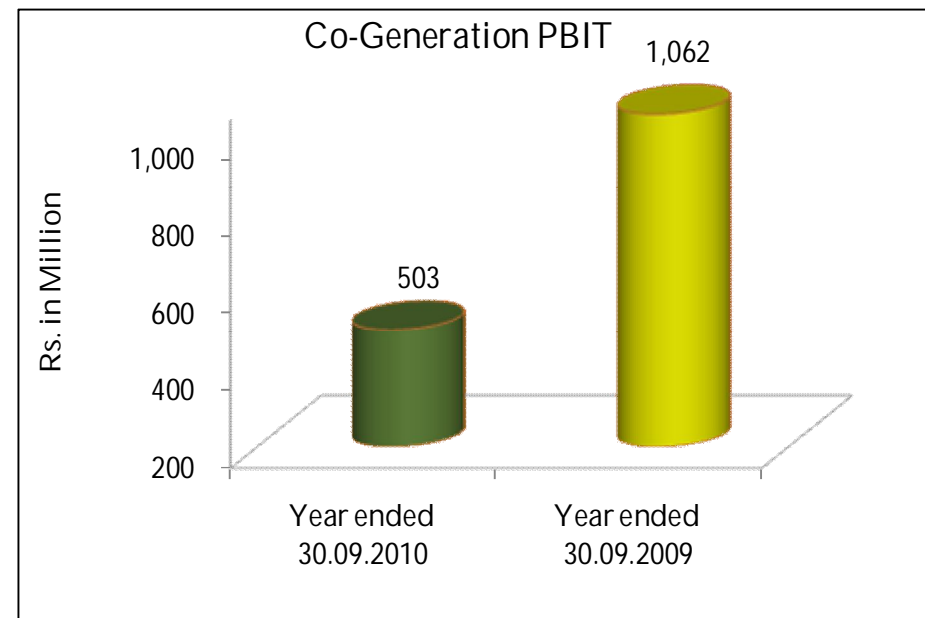
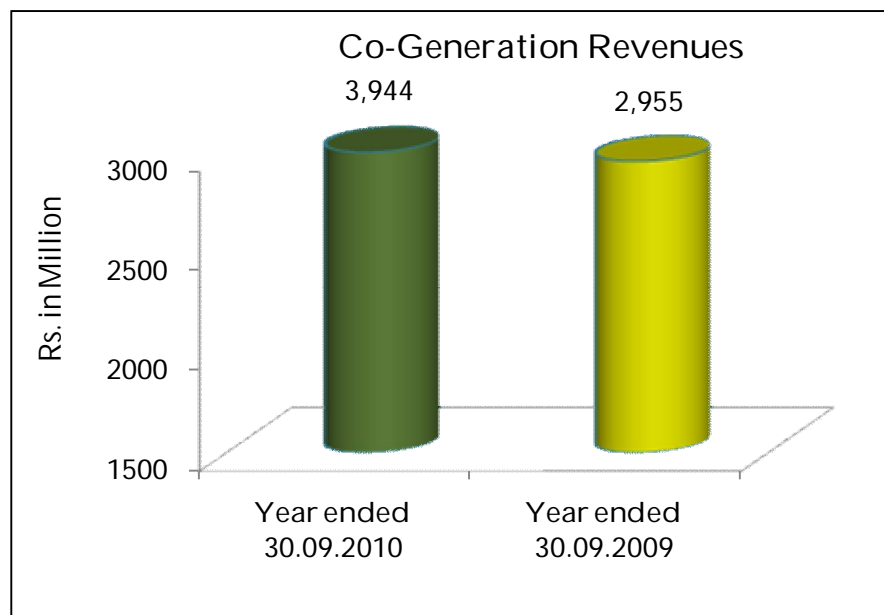
- ✓ Sugar Revenues increased by 97% in 2010 as compared to 2009
- ✓ Sugar PBIT increased by 127% in 2010 as compared to 2009

Segmental Analysis - EthanolComments

- ✓ 16% decrease in Ethanol revenues in 2010 as compared to 2009
- ✓ 51% decrease in Ethanol PBIT in 2010 as compared to 2009



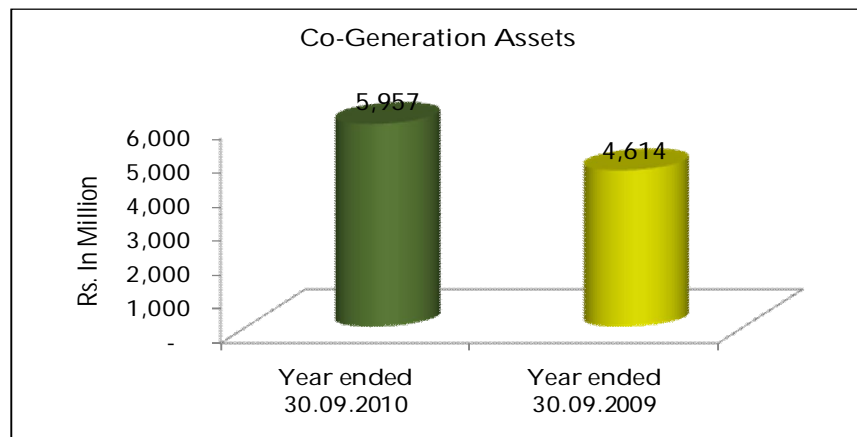
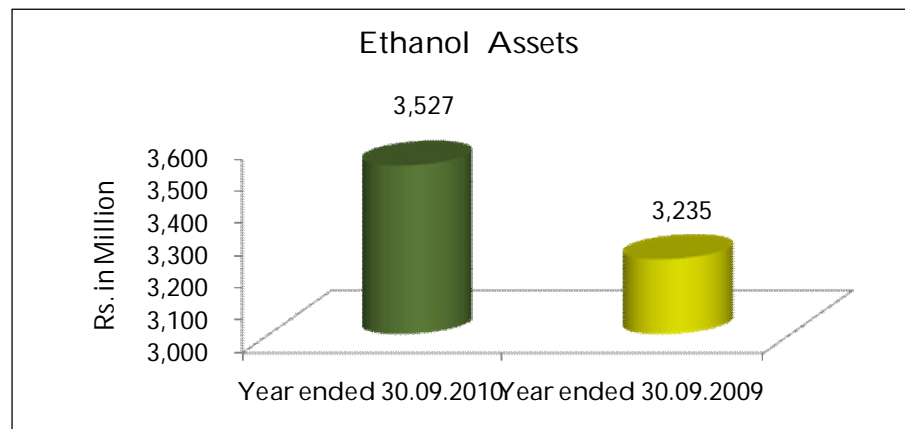
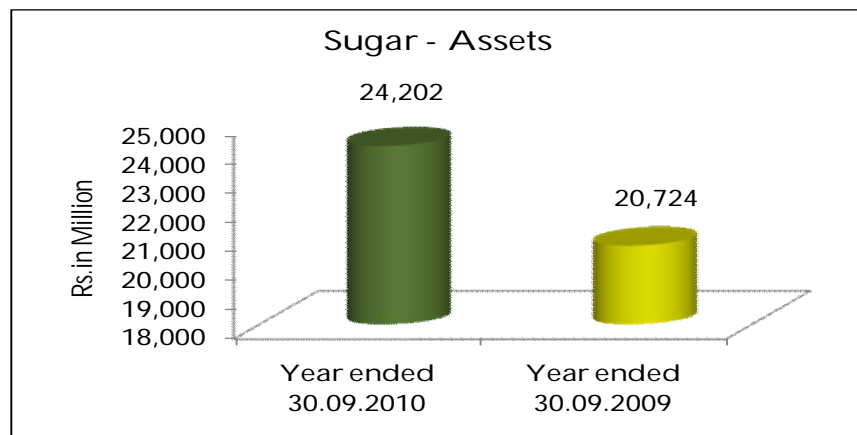
### Cogeneration



### Comments

- ✓ 33% increase in Cogeneration revenues in 2010 as compared to 2009
- ✓ 53% decrease in Cogeneration PBIT in 2010 as compared to 2009

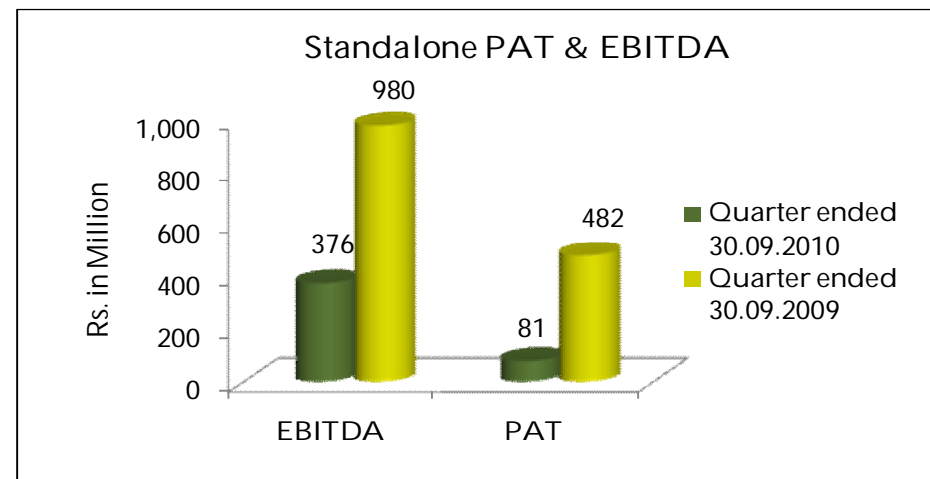
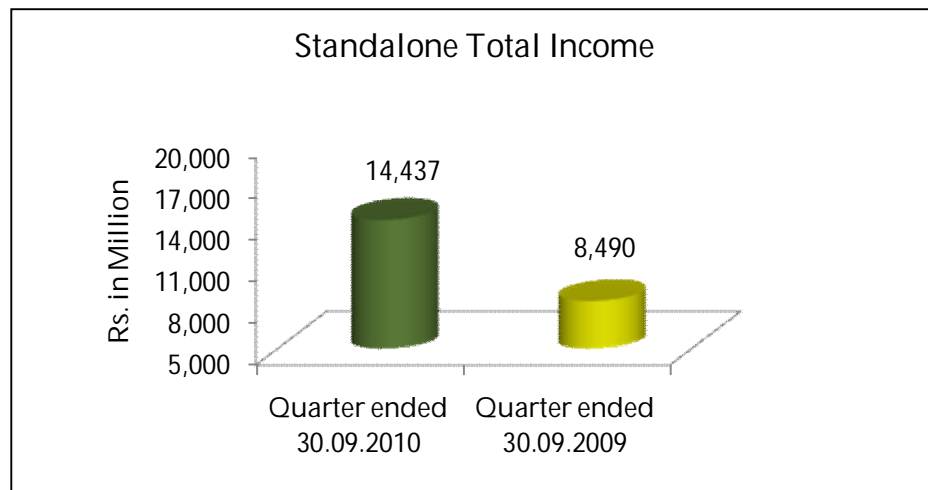
### Assets



### Comments

- ✓ Sugar Assets have increased by 17% in 2010 as compared to 2009
- ✓ Ethanol Assets have increased by 9% in 2010 as compared to 2009
- ✓ Cogeneration Assets have increased by 29% in 2010 as compared to 2009

### Quarter IV- Standalone Analysis



### Comments

- ✓ Total Income increased by 70% in Q4 2010 as compared to Q4 2009
- ✓ EBITDA decreased by 62% in Q4 2010 as compared to Q4 2009
- ✓ PAT decreased by 83% in Q4 2010 as compared to Q4 2009

# Brazil Operations

# **Vale do Ivai**

## **Financial Results**

### **Quarter ended Sep 2010**

## **Vale do Ivai – Updates**

1. Sao Pedro do Ivai mill - Expansion of the Sugar Production Capacity from 60% to 70%.
  - Total Investment made R\$ (Brazilian Real BRL)14 mn
  - Increase in sugar production capacity by 41,500 tons per annum
  - The expansion completed in July 2010
  
2. Cambui mill Expansion: To expand sugar production capacity to 70%
  - Total investment made R\$ 30 mn
  - Increase in sugar production capacity by 76,000 tons per annum
  - Expected completion date: March, 2011
  
3. Bank Loan:
  - Availed loan of USD 24 mn for the repayment of high cost loans and expansion of Cambui mill
  - No net increase in debt.
  
4. Investment in planting achieved 7,347 ha, out of which 2,651 ha is newly contracted area. Target for the year is 9,700 ha



### **Revenues**

VDI total turnover net of taxes for the quarter ending September 30, 2010 was Rs. 1,960 million.

Revenue from sugar sales was Rs 979 million in the quarter ending September 30, 2010 (Q4 2010). Ethanol sales accounted for the revenue of Rs 398 million. Revenue from Molasses, Yeast and other products was Rs 455 million for the quarter Q4 2010.

### **Production**

Cane crushed at the mill totaled 676,865 MT in the Q4 2010. Sugar produced was 68,494 MT, Ethanol produced was 16,788 KL and Molasses produced was 7,552 MT in the quarter ended September-2010 (Q4 2010). The ATR in cane Q4 2010 was 135.9 kg/ton. (ATR – Sucrose + Other fermentable sugars / ton of cane)

### **Other Income**

The other income for the quarter is Rs 296 mn which consist of the foreign exchange gain on the long term debt.

### **Expenditure**

Total expenditure for the quarter Q4 2010 was Rs 1,161 million.

### **EBITDA**

EBITDA for the quarter Q4 2010 was Rs 799 million.

### **Raw materials**

The total consumption of raw materials in quarter ending September 30, 2010 was Rs. 812 million.

### Interest

As a percentage of total revenues, the interest for quarter ending September 30, 2010 was 11%. The interest cost in quarter ending September 30, 2010 was Rs. 222 million. The net debt as on 30<sup>th</sup> September 2010 is Rs. 6,118 million.

### Profit before Tax

Profit before Tax in quarter ending September 30, 2010 was Rs. 267 million.

### Provision for Income Tax

Provision for Income Tax was Rs. 38 million for ending September 30, 2010

### Profit after Tax

Net Profit after Tax for quarter ending September 30, 2010 was Rs. 229 million.

### Operational Performance

KEY OPERATIONAL PARAMETERS CUMULATIVE	Quarter ended 30-9-2010
<b>(A) Sugar Plant</b>	
Sugarcane Crushed (Tons)	676,865
Raw Sugar Produced (Tons)	68,494
ATR (kg/Tons)	135.9
<b>(B) Ethanol Plant</b>	
Hydrous Ethanol Produced (Kiloliters)	16,788

# **Renuka do Brasil (Formerly Equipav) Financial Results Quarter ended Sep 2010\***

\* Renuka do Brasil (Equipav) financial results are accounted for the period from 8<sup>th</sup> July, 2010 to 30<sup>th</sup> September, 2010

**Shree Renuka Sugars Ltd.**

**Sugar . Ethanol . Power 23**

## Renuka do Brasil – Updates

### 1. Debt –

- Restructuring with the major banks concluded on the 1<sup>st</sup> October , 2010; down-payments made to the banks
- Final Net Debt as on 11<sup>th</sup> October – R\$ 1,30 bn (USD denominated 327 mn; R\$ denominated 782 mn)
- Part of the Brazilian Real based loans swapped with the USD loans. Current debt is 60% USD linked loans

### 2. Cane –

- New Initiatives for additional sugarcane plantation by giving soft loans for the plantation of new cane and incentive for the farmers bringing new cane
- Debottlenecking of Agri-Equipment
- 

### 3. Important Appointments -

- CEO – Mr. Humberto Junqueira de Farias
- Agriculture Director, Legal Director, Logistics and Supply Chain Director, HR Manager

### **Revenues**

Renuka do Brasil (Equipav) total turnover net of taxes, for the quarter ending September 30, 2010 was Rs. 6,928 million.

Revenue from sugar sales was Rs 2,702 million in the quarter ending September 30, 2010 (Q4 2010). Ethanol sales accounted for the revenue of Rs 2,314 million. Cogeneration sales accounted for Rs 599 million. Revenue from Yeast and other products was Rs 1,313 million for the quarter Q4 2010.

### **Production**

Cane crushed at the mill totaled 3,165,870 MT in the Q4 2010. Sugar produced was 228,662 MT, Ethanol produced was 139,139 KL and Power exported was 177 million units in the quarter ended September-2010 (Q4 2010). The ATR in Q4 2010 was 147.9 kg/ton.

### **Other Income**

The other income for the quarter is Rs 827 Mn which consist of the foreign exchange gain on the long term debt.

### **Expenditure**

Total expenditure for the quarter Q4 2010 was Rs. 4,297 million. EBITDA for the quarter Q4 2010 was Rs. 2,631 million.

### **Raw materials**

The total consumption of raw materials in quarter ending September 30, 2010 was Rs. 3,257 million.

### Interest

As a percentage of total revenues the interest for quarter ending September 30, 2010 was 17%. The interest cost in quarter ending September 30, 2010 was Rs. 1,155 million. The net debt as on 30<sup>th</sup> September 2010 is Rs. 34,806 million. During this quarter interest was charged at old rates. The restructuring scheme was closed on 1<sup>st</sup> October 2010 and interest rates will be lower in subsequent quarters.

### Profit before Tax

Profit before Tax in quarter ending September 30, 2010 was Rs. 420 million.

### Profit after Tax

Net Profit after Tax for quarter ending September 30, 2010 was Rs. 420 million.

### Operational Performance

Particulars	Quarter ended 30-09-2010
<b>(A) Sugar Plant</b>	
Sugarcane Crushed (Tons)	3,165,870
Raw Sugar Produced (Tons)	133,177
White Sugar Produced (Tons)	95,485
ATR (kg/Tons)	147.9
<b>(B) Cogeneration Plant</b>	
Power Exported (MWh)	138,735
<b>(C) Ethanol Plant</b>	
Hydrous Ethanol Produced (Kiloliters)	46,549
Anhydrous Ethanol Produced (Kiloliters)	92,589