



For Immediate Release

November 05<sup>th</sup>, 2012

**Shree Renuka Sugars Limited  
Announces**

**Standalone Results for Quarter Ended 30<sup>th</sup> September 2012  
Quarter ended Sep 2012 Performance vs. Quarter ended Sep 2011**

Operating EBITDA for the quarter at Rs. 1,128 million; higher by 85% over previous year  
Higher sales volume and realization in the Sugar Segment  
Y-o-Y crushing during the Quarter higher by 27% in Brazil Subsidiaries

**Mumbai**, India, November 06<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 Standalone Quarter results for period ended September 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:

*“The current quarter has been good for our sugar segment especially the refineries where we saw higher utilization from our Kandla refinery year-on-year translating into increased sugar sales volume accompanied by improved sugar price realization. The domestic sugar price also rose as the production prospects for the 2012-13 season reduced due to poor monsoon in key states.*

*Our Brazilian units saw a much better performance during the quarter in terms of capacity utilization due to high number of dry days and cane availability.*

*Indian business has continued its improvement in financial results and recorded EBITDA of Rs. 1,128 million which is 85% higher than the same period last year. We are seeing rise in domestic sugar price due to reduced production estimates for 2012/13 season owing to deficient rainfall in major sugar producing states of Maharashtra and Karnataka.*

*We have restarted our Haldia refinery. Both the refineries are expected to run close to full capacity utilization over next few quarters as a result of strong demand in domestic and export markets respectively.*

*The Brazilian units had a good operating quarter with the improved crushing and higher agricultural yields as compared to last year. So far, Renuka do Brasil S/A has achieved yield of 67 tonnes per hectare as compared to 60 tonnes per hectare last year. “*



## Standalone Financial Highlights

(Rs. Millions)	Standalone				
	Quarter Ended 30-09-2012	Quarter Ended 30-09-2011	<i>y-o-y</i> Growth (%)	Quarter Ended 30-06-2012	<i>q-o-q</i> Growth (%)
Net Sales	11,648	11,363	2.5%	14,839	(21.5)%
Operating EBITDA	1,128	609	85.2%	1,798	(37.3)%
<i>EBITDA Margin (%)</i>	9.7%	5.4%		12.1%	
Foreign Exchange gain/(loss)	337	(728)	146.3%	(81)	516.0%
Net Profit	77	(573)	113.4%	133	(42.1)%
<i>Net Profit Margin (%)</i>	0.7%	(5.0)%		0.9%	
Basic EPS (Rs)	0.11	(0.85)		0.20	
Diluted EPS (Rs)	0.11	(0.85)		0.20	

## Economic Environment

Crushing season has started in India and the Indian sugar production for the 2012-13 crushing season is estimated close to 23.0 million tons. Decrease in production is a result of poor monsoon leading to lower rainfall in the key sugar producing states of Maharashtra and Karnataka. Indian sugar prices have increased during the quarter ending 30<sup>th</sup> September 2012 from Rs. 2,902/quintal to Rs. 3,628/quintal on account of estimates of lower production for the 2012-13 crushing season. Sugar prices in India are now trading at around Rs. 3,300 per quintal on account of start of crushing in the mills and increase in sales quota release of 4 million tons for the month of October and November.

White-raw sugar gross refining spreads remained above USD 120/ton for most of the last quarter. The refining spread has ranged between \$110 to \$120/ton in the month of October 2012 due to lower freight and arrival of new crop refined sugars from EU and North Brazil. Demand for refined sugar remains strong in the Asian region due to absence of Indian sugar exports for the foreseeable future.

Global raw sugar prices dropped during the quarter from USD 22 cents/lbs to USD 20 cents/lbs on account of higher production of sugar from Brazil coupled with low import demand. Sugar Prices have stabilized in the range of USD 19 cents/lbs to USD 22 cents/lbs over the last few weeks indicating strong support at those levels.

Quarter ended 30<sup>th</sup> September was the second quarter for cane crushing season in Brazil for the 2012 season. In contrast to the quarter ended 30<sup>th</sup> June 2012 where crushing was lower due to higher than historical rainfall in the months of May and June, Quarter ended 30<sup>th</sup> September 2012 witnessed higher utilization of cane crushing capacity across the mills in Centre-South Brazil. This has reduced the cumulative deficit in crushing volumes over last season to 4% as on 16<sup>th</sup> October 2012 against 28% as on 30<sup>th</sup> June 2012. Accumulated rainfall in major sugar producing state of Sao Paulo for this season has been 21% higher as compared to last year indicating favourable conditions for the recovery of yields for sugarcane crop.



On account of higher yields, UNICA has increased its last estimate of cane crushing for Centre-South Brazil from 509 million tons to 519 million tons for the 2012-13 season, 5.3% higher than previous year crushing of 493 million tons. As of 16<sup>th</sup> October, mills in Centre-South Brazil have crushed a total of 419 million tons of cane, 4.0% lower than same time last year. Sugar production and ethanol production is lower by 3.7% and 7.8% respectively as compared to last year. Brazilian Government has recently announced to restore the ethanol blend in gasoline from current 20% to 25% starting June 2013.

Source: UNICA	Units	As on 16 <sup>th</sup> October			Estimated 2012/13
		2012/13	2011/12	% Change	
<b>Cane Crushed</b>	mn tons	419.35	437.02	(4.0%)	519
<b>Sugar</b>	mn tons	26.79	27.83	(3.7%)	32.7
<b>Ethanol</b>	mn m <sup>3</sup>	16.74	18.12	(7.8%)	21.1
<b>ATR</b>	Kg/ton	135	138	(1.8%)	135
<b>% Sugar</b>		50%	49%		

### Financial Performance

Quarter ended 30<sup>th</sup> September, 2012 recorded improved operating performance by the Standalone Business as compared to the same period last year.

Net Sales for the quarter stood at Rs. 11,648 million, contributed by higher sales volume for the sugar segment and improved sugar price realisation. The revenue of sugar trading segment dropped by 75% compared to same quarter last year from Rs. 4,166 million to Rs. 1,057 million, mainly due to slowdown of exports from India.

The Y-o-Y average sales volume during the quarter for sugar has increased by 51%, largely contributed by increase in export sugar sales by 156%. Average sugar price realisation in the domestic market was Rs. 29 per kg which is 13% higher than the realisation during same period last year. Ethanol segment sales were lower on account of lower sales volume during the quarter as compared to last year. Co-generation sales were lower during the quarter mainly due to longer off-season period and lesser number of operational days during the end of the crushing season.

Operating EBITDA during the quarter was Rs. 1,128 million, which is 85% higher than the same period last year. EBIT margins has improved in the sugar segment due to higher utilization of the assets and lower cost of raw material. Cogeneration segment has lower margins due to utilization of coal as input raw material and lower sales volume result of lower availability of bagasse due to off-season period during the quarter.

Net Profit for the Quarter ending 30<sup>th</sup> September 2012 is Rs. 77 million. Company has recorded the foreign exchange gain of Rs. 337 million on account of appreciation of INR against USD. During the quarter, INR appreciated by 5% against USD.



## Operating Performance

(Tonnes, unless indicated)

	Brazil		India				
	3M Ended 30-09-2012	3M Ended 30-09-2011	3M Ended 30-09-2012	3M Ended 30-09-2011	y-o-y Growth (%)	3M Ended 30-06-2012	q-o-q Growth (%)
Sugarcane Crushed	4,569,349	3,600,790	-	-	n/a	105,662	n/a
Raw Sugar Processed	-	-	116,753	117,828	(0.9%)	113,146	3.2%
Recovery <sup>1</sup>	135.64	138.29	-	-	n/a	14.2%	n/m
<b>Sugar Production</b>							
<b>From Cane</b>	<b>379,012</b>	<b>289,075</b>	-	-	n/a	<b>14,989</b>	n/m
Raw Sugar	379,012	289,075	-	-		-	
White Sugar	-	-	-	-		14,989	n/m
Refined Sugar <sup>2</sup>	-	-	112,998	110,921	1.9%	111,613	1.2%
<b>Total Sugar Production</b>	<b>379,012</b>	<b>289,075</b>	<b>112,998</b>	<b>110,921</b>	<b>1.9%</b>	<b>126,602</b>	<b>(10.7%)</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

### Performance of Brazilian Subsidiaries

Brazilian subsidiaries have improved operating performance during the quarter on account of higher crushing. Total of 4.6 million tons of cane was crushed during the quarter by Renuka do Brasil S/A and Renuka Vale do Ivai S/A which is 139% higher than the previous quarter and 27% higher than same quarter last year. The sucrose recovery or ATR for the quarter increased to 136 kg/ton compared to last quarter ATR of 116 kg/ton.

Sugar has been the more profitable product and Company has devoted approximately 63% of total ATR towards the sugar production. Sugar production during the quarter stood at 379,012 tons compared to 289,075 tons in the same quarter last year, which is 31% higher.

### Group Performance in India

Quarter ending 30<sup>th</sup> September 2012 has been the off-season quarter for the Indian milling operations. Kandla refinery was operational during the quarter, refining 116,753 tons of raw sugar. The performance was hampered due to absence of further domestic raw material and delay in receiving raw sugar from Brazil due to heavy rain there in May and June.

On account of increased demand of sugar in domestic market, we have restarted production of refined sugar at our Haldia refinery in West Bengal after a gap of almost a year. Both the refineries are currently operating at full capacity. The Kandla refinery will be producing refined sugar for export at least for the next two quarters due to heavy demand in Asia.

### *Ethanol*

	Brazil		India				
	3M Ended 30-09-2012	3M Ended 30-09-2011	3M Ended 30-09-2012	3M Ended 30-09-2011	y-o-y Growth (%)	3M Ended 30-06-2012	q-o-q Growth (%)
Ethanol Production (KL)	136,157	118,227	1,971	8,949	(78.0%)	29,591	(93.3%)

Our Brazilian mills produced 136 million liters of ethanol in the quarter which is 15% higher compared to same quarter last year. Of the total ethanol produced, 92% was anhydrous ethanol, which is the higher remunerative product as compared to hydrous ethanol. During this quarter, we initiated our first exports of anhydrous ethanol to USA since acquisition.



Our Indian distilleries produced about 2 million liters of Ethanol, mainly from the stored molasses during the quarter. Total of 50 million liters of ethanol has been dispatched to the Oil Marketing Companies since October 2011 from our Indian distilleries against the purchase order of 73 million liters received for the period up to September 2012.

### Co-generation

	Brazil		India				
	3M Ended 30-09-2012	3M Ended 30-09-2011	3M Ended 30-09-2012	3M Ended 30-09-2011	y-o-y Growth (%)	3M Ended 30-06-2012	q-o-q Growth (%)
Power Exports (mm units)	111	76	8	16	(47.6%)	41	(79.3%)

We exported 8 million units of power in India, mainly surplus power produced from the coal based boilers in our refining operations. For our Brazilian subsidiaries, power exported for the quarter ended 30<sup>th</sup> September, 2012 was about 111 million units, 46% higher than the same period last year.

### Outlook

World raw sugar prices have been stabilized in the range of USD 19 cents/lbs to USD 22 cents/lbs. The Brazil Government has announced the increased in ethanol blending ratio from existing 20% to 25%, effective from June 2013. This will help to increase the demand for the ethanol and also provide the strong support for sugar as well. World market continues to show a surplus despite lower production estimates for India.

Expected fall in Indian sugar production for the season 2012-13 is likely to keep domestic sugar price high in the coming quarters. The initial production estimates for Indian sugar season 2012-13 indicate sugar production of about 23 million tons on account of deficient rainfall in key sugar producing states of Maharashtra and Karnataka. The outlook for cane planting for 2013-14 season is also negative. We have restarted our Haldia refinery. Currently both the refineries are running at full capacity.

We expect our Brazilian units Renuka do Brasil S/A and Renuka Vale do Ivaí S/A to show better operational performance in terms of cane crushing and capacity utilization compared to the previous year which is supported by improved weather conditions.



**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

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For further information on Shree Renuka visit [www.renukasugars.com](http://www.renukasugars.com)

**The Company will host a conference call to discuss quarter ended 30<sup>th</sup> Sep 2012 earnings at 17:00 hours IST on Tuesday, November 06<sup>th</sup>, 2012. To participate, please use the following dial-in numbers:**

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*

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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

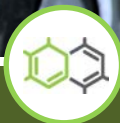
- Higher flexibility to optimize product mix between ethanol and sugar in Brazil
- Approximately 100,000 hectares of company owned sugarcane plantations in Brazil with high level of mechanization
- Significant ethanol and power co-generation capacity provide greater resilience to down cycles
- Renuka VDI stake in four logistics companies in Brazil enables competitive export costs
- KBK Chem-Engineering subsidiary provides turn-key project solutions for ethanol and alcohol industries

### Location 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 yield 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 Results for Quarter ended 30<sup>th</sup> Sep 2012 Earnings Presentation

*Earnings Conference Call  
Tuesday, November 06<sup>th</sup> 2012 at 17:00 hrs IST*

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

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<i>Singapore:</i>	<i>+65-800-101-2045</i>
<i>Hong Kong:</i>	<i>+852-800-964-448</i>



## Forward Looking Statements

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# Highlights



- ❖ Operating EBITDA for the quarter at Rs. 1,128 million; higher by 85% over previous year
- ❖ Higher sales volume and realization in the Sugar Segment
- ❖ Y-o-Y crushing during the Quarter higher by 27% in Brazil Subsidiaries

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

*"The current quarter has been good for our sugar segment especially the refineries where we saw higher utilization from our Kandla refinery year-on-year translating into increased sugar sales volume accompanied by improved sugar price realization. The domestic sugar price also rose as the production prospects for the 2012-13 season reduced due to poor monsoon in key states.*

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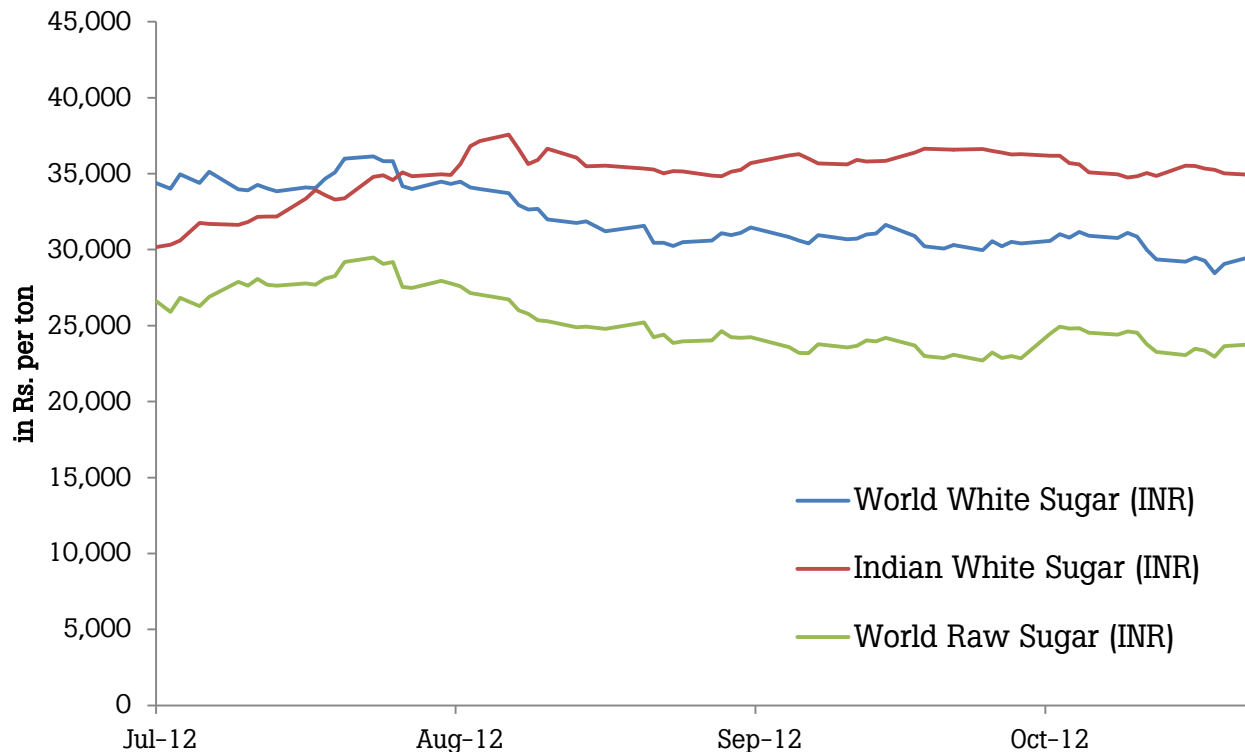
*Indian business has continued its improvement in financial results and recorded EBITDA of Rs. 1,128 million which is 85% higher than the same period last year. We are seeing rise in domestic sugar price due to reduced production estimates for 2012/13 season owing to deficient rainfall in major sugar producing states of Maharashtra and Karnataka.*

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## Global Sugar Price Trends (Rs /ton)



Source: ICE, Liffe, NCDEX

## Key Perspectives

- ❖ Cumulative rainfall deficit in Maharashtra and Karnataka has caused significant stress on the standing crop. Latest production estimate from Industry of 24 million tons for 2012-13. Government estimate is 23 million tons
- ❖ Domestic sugar price has strengthened on expectations of lower production
- ❖ World sugar prices are range bound and trading close to USD 20 cents/lbs during the quarter

# Standalone Financial Performance



(Rs. in Million)

	3M ended 30 <sup>th</sup> Sep '12	3M ended 30 <sup>th</sup> Jun '12	3M ended 30 <sup>th</sup> Sep '11	% Y-o-Y Growth	Y-o-Y Key Perspectives
Net Sales <sup>1</sup>	11,648	14,839	11,363	2.5%	<ul style="list-style-type: none"> <li>Higher sugar sales volume and higher sales realization</li> <li>Lower sales in cogeneration segment due to lower availability of raw material in off-season</li> <li>Drop in trading segment revenue by 75%</li> </ul>
Operating EBITDA <sup>2</sup>	1,128	1,798	609	85.2%	<ul style="list-style-type: none"> <li>Improved margins in domestic sugar segment due to higher selling price</li> </ul>
<i>% Margin</i>	9.7%	12.1%	5.4%		
Foreign exchange gain/ (loss)	337	(81)	(728)	146.3%	<ul style="list-style-type: none"> <li>Foreign exchange gain on account of appreciation of INR against USD</li> </ul>
Net Profit <sup>3</sup>	77	133	(573)	113.4%	<ul style="list-style-type: none"> <li>Impacted due to high interest cost</li> <li>Increase in depreciation expense</li> </ul>
<i>% Margin</i>	0.7%	0.9%	(5.0)%		
Basic EPS <sup>4</sup> (Rs.)	0.11	0.20	(0.85)		
Diluted EPS <sup>4</sup> (Rs.)	0.11	0.20	(0.85)		

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

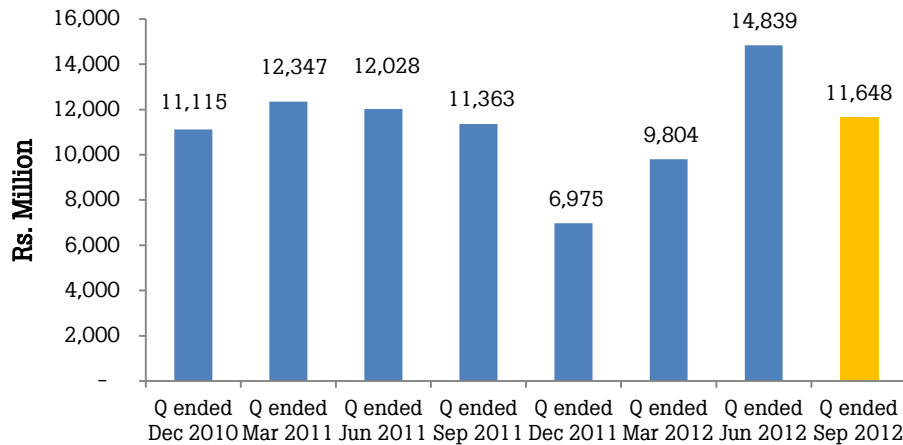
3 Net Profit is after minority interest and prior period adjustments

4 Non annualized

# Standalone Quarterly Financial Performance



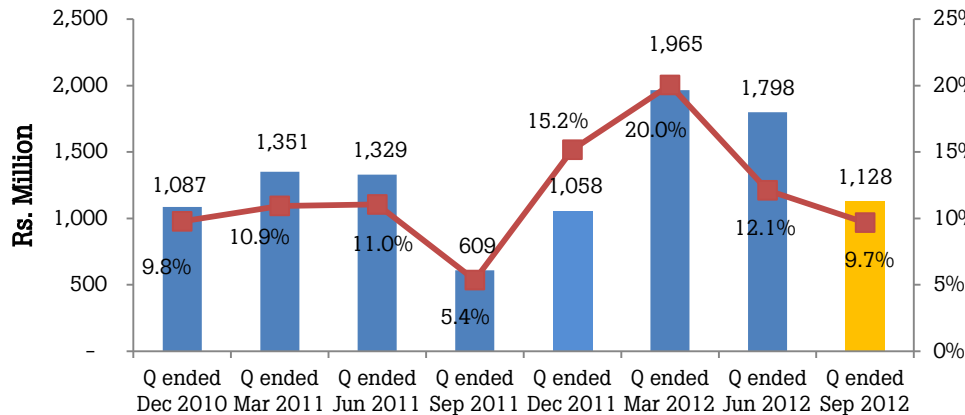
## Net Sales<sup>1</sup>



## Trends

- ❖ Higher sugar sales in Q2 FY2013 with the higher utilization of refinery operations
- ❖ Higher price realization in the domestic sugar segment
- ❖ Lower sales in ethanol and Cogeneration segment due to off-season period for crushing operations in India

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



## Trends

- ❖ Sugar segment profitability has been better in the current quarter
- ❖ Increased sales and lower operating costs resulting in high EBITDA margins compared to same quarter last year

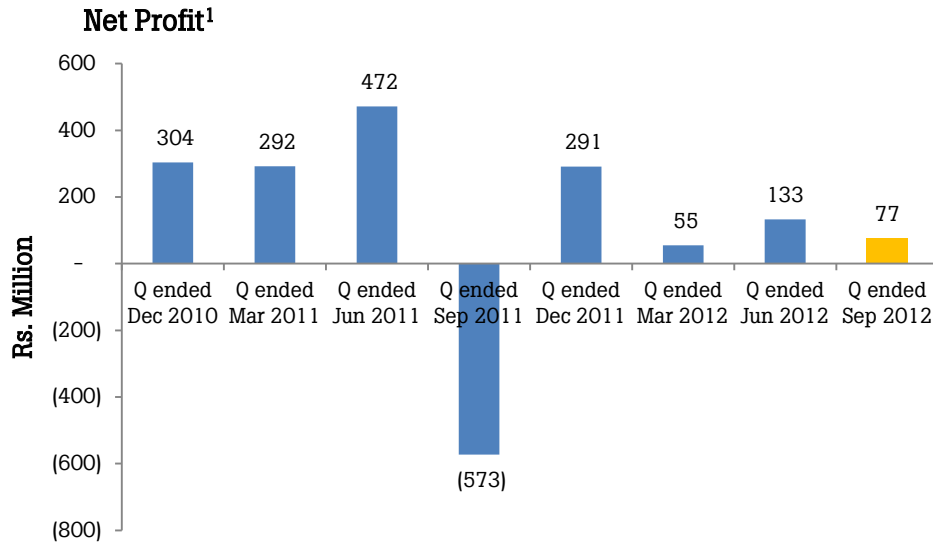
Notes:

■ EBITDA ■ Margin (%)

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

# Standalone Quarterly Financial Performance



## Trends

- ❖ Higher depreciation and interest expense affecting Net Profit in the current quarter
- ❖ Unrealized Foreign exchange loss of Rs. 728 million during the quarter ended 30 Sep 2011 affecting the profitability. This quarter, Forex gain was Rs. 337 million due to appreciation of Rupee v/s US Dollar

### Notes:

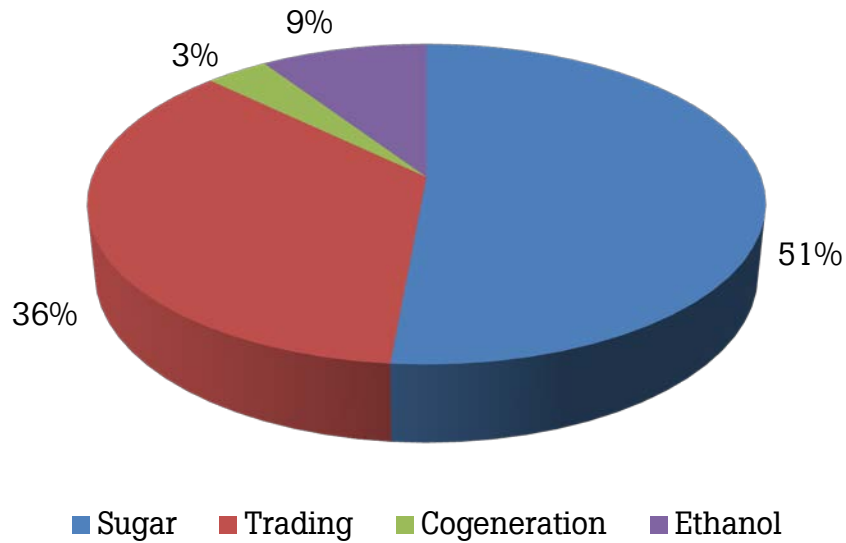
1 Net Profit is after minority interest and prior period adjustments

# Standalone Performance – Quarter Ended 30 Sep, 2012

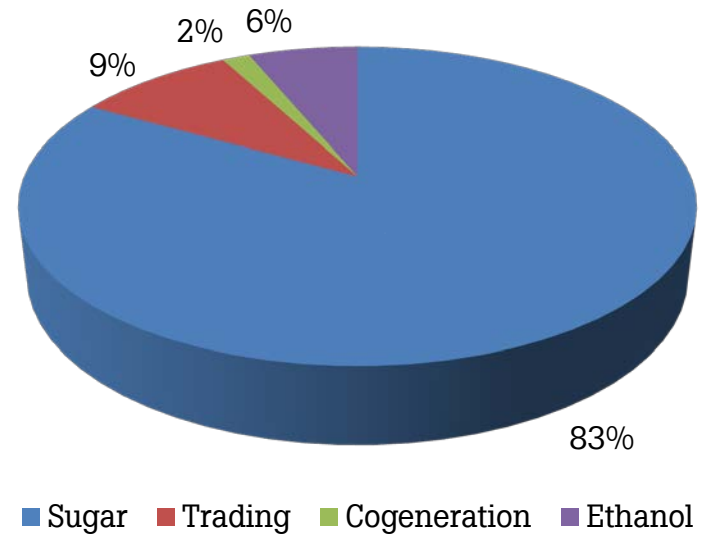


## Net Sales<sup>1</sup> Breakdown – India

Quarter ended Sep 2011



Quarter ended Sep 2012



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

# Closing stock as on 30<sup>th</sup> September 2012 - India



## Standalone

	Unit of Measure	As on 30 <sup>th</sup> Sep 2012
Sugar	MT	296,084
White Sugar	MT	107,442
Raw Sugar	MT	188,642
Ethanol	KL	10,297
Molasses	MT	80,252



# Sales Quantity – India



## Standalone

	3M ended Sep 2012	3M ended Sep 2011	% Y-o-Y Growth
Total Sugar Sold(MT)	299,344	198,130	51%
Export (in MT)	216,353	84,436	156%
Domestic (in MT)	82,991	113,694	(27%)
Ethanol (in KL)	25,101	37,319	(33%)
Co-gen (in million units)	7	19	(61%)

# Net Price Realization - India



## Standalone

	3M ended Sep 2012	3M ended Sep 2011	% Y-o-Y Growth
Average Manufactured Sugar (in Rs./MT)	32,502	30,002	8%
Export <sup>1</sup> (in Rs./MT)	33,817	35,703	(5%)
Domestic (in Rs./MT)	29,072	25,768	13%
Ethanol (in Rs./KL)	29,049	29,141	(0.3%)
Co-gen (in Rs. per unit)	2.70	3.52	(23%)

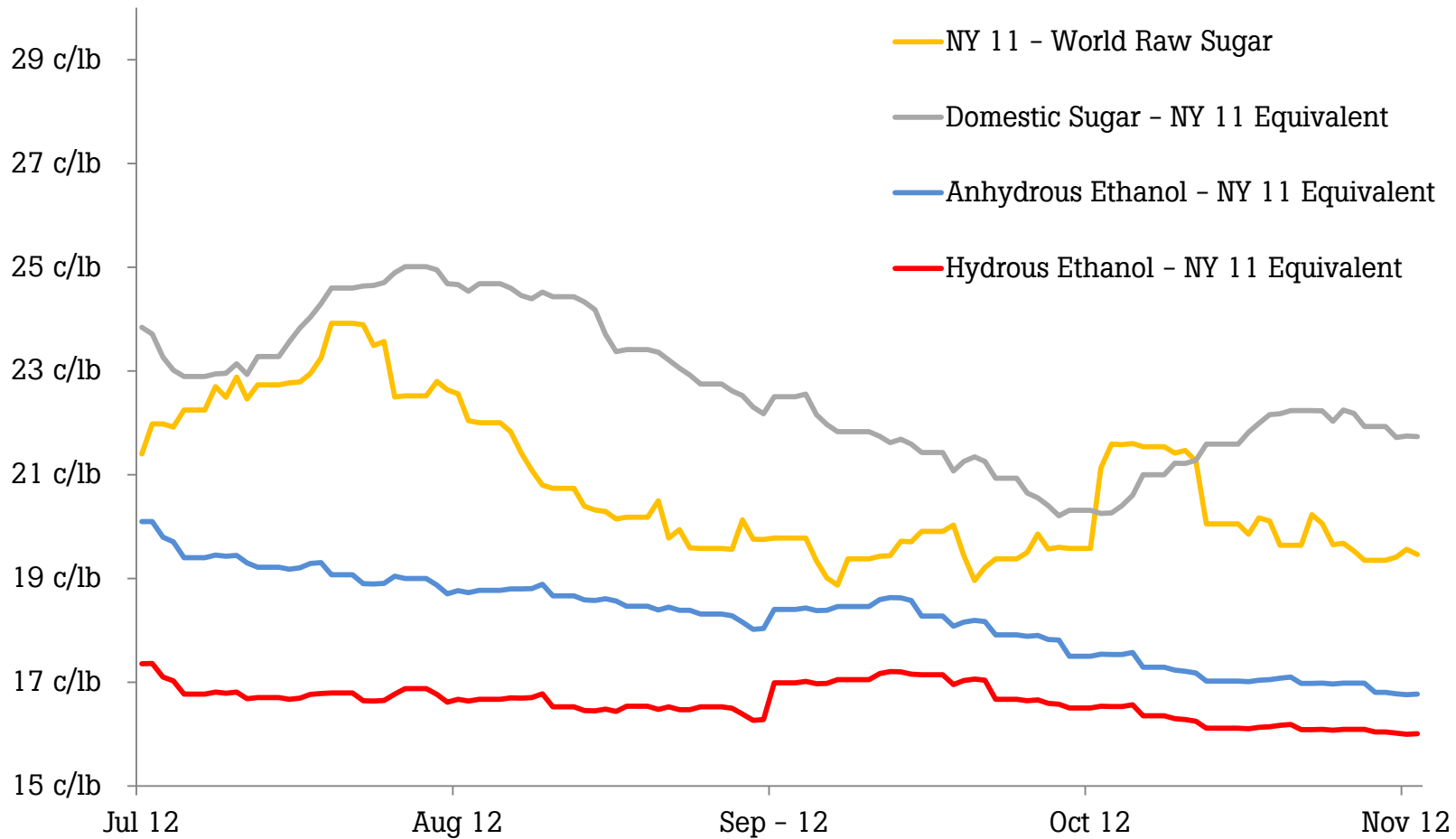
Notes:

1. Export Sugar realizations are FOB prices net of taxes

# Brazil Market Overview



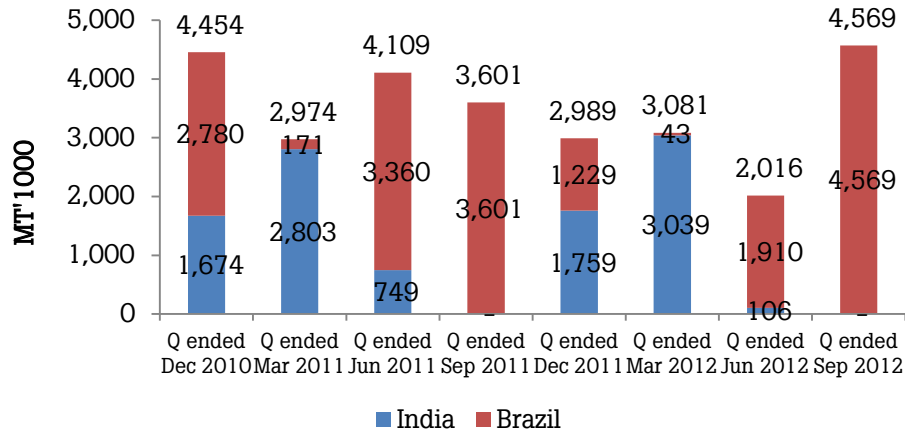
## Brazil Product Price Trends



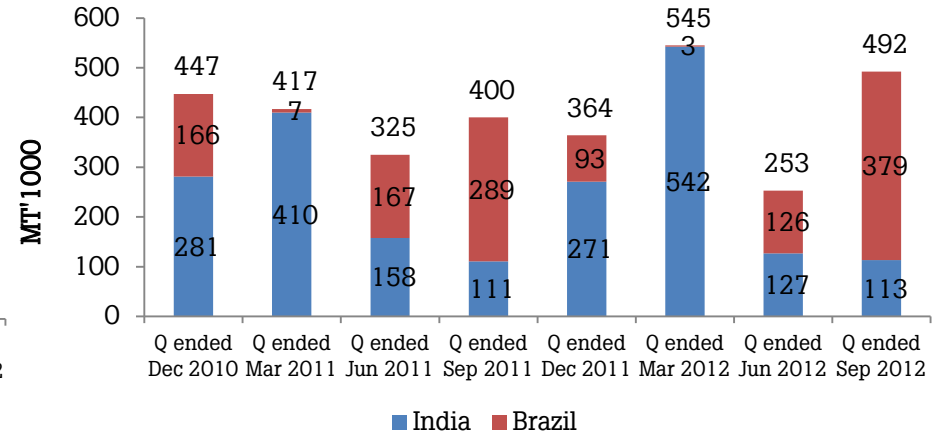
# Sugar: Quarterly Operating Performance



## Sugarcane Crushed



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



- ❖ Off-season quarter for crushing in India
- ❖ Accelerated cane crushing in Brazil this quarter saw 27% increase in cane crushed compared to same quarter last year

- ❖ Sugar production in India for from Kandla Refinery
- ❖ Sugar Production in Brazilian subsidiaries increased by 31% compared to last year due to higher cane availability & product mix
- ❖ Higher recovery (ATR) in Brazil of 136 kg/ton in Q2 FY13 compared to 116 kg in Q1 FY13

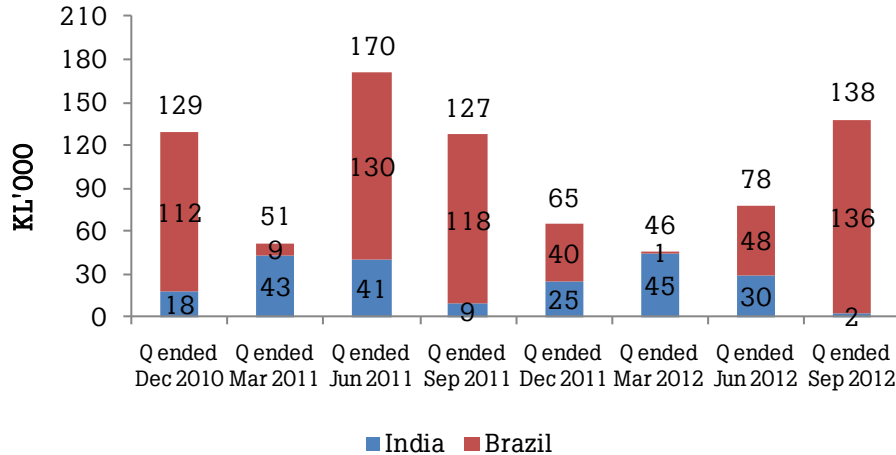
Note:

<sup>1</sup> Sugar produced includes raw sugar and white sugar produced from cane, as well as refined sugar produced from raw sugar

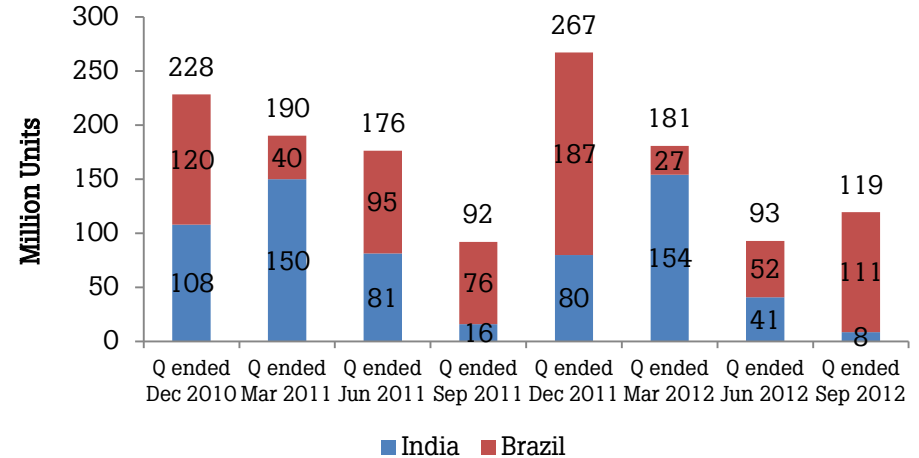
# Ethanol & CoGen: Quarterly Operating Performance



## Ethanol Production



## Co-Gen Power Exports



- ❖ During the quarter, 37% of juice diverted for ethanol production at Brazilian mills
- ❖ Higher production of Anhydrous ethanol at Brazilian mills (92% Anhydrous: 8% Hydrous)

- ❖ Sales of energy from our Brazilian cogen units increased 46% compared to last quarter
- ❖ Lower energy sales from India due to the off-season period for the milling operations

# Standalone Balance Sheet



	<i>(Rs. in Million)</i>	
	30.09.2012 (Unaudited)	31.03.2012 (Audited)
<b>SOURCES OF FUNDS</b>		
Net Worth	18,093	17,883
Loan Funds	35,961	43,281
Deferred Tax Liability	1,697	1,648
Other Non-Current Liabilities	312	356
<b>TOTAL</b>	<b>56,063</b>	<b>63,168</b>
<b>APPLICATION OF FUNDS</b>		
Fixed Assets	28,068	28,035
Investments	20,129	20,135
Other Long Term Assets	2,767	2,918
Net Current Assets	5,099	12,080
<b>TOTAL</b>	<b>56,063</b>	<b>63,168</b>

## 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.

Reduction in estimates in Brazil have been off-set by higher production estimates from Asian countries mainly India and Thailand. India had a 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

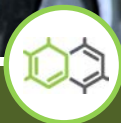
After two years of being a major net importer, India has been a net exporter since the last two seasons backed by robust sugarcane cultivation and favorable weather. With Indian sugar season 2010-11 producing 24.2 million tonnes, India became a sugar surplus country in the 2010-11 sugarcane season. India is expected to produce 26.0 million tonnes in 2011-12 season. Having approved exports of up to 3.2 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.

Source: UNICA, Kingsman, ISO, Company Research

sugar



power



ethanol



## Shree Renuka Sugars Ltd

Corporate Office

7th Floor, Devchand House

Shiv Sagar Estate, Dr. Annie Besant Road,

Worli, Mumbai-400 018.

[www.renukasugars.com](http://www.renukasugars.com)

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For Immediate Release

January 29<sup>th</sup>, 2013

**Shree Renuka Sugars Limited  
Announces**

**Performance for the Quarter ended 30<sup>th</sup> September 2012 for Subsidiaries**

Y-o-Y crushing for the quarter increased by 27% to 4.6 million tons  
Crushing for the season 2012-13 in Brazil units concluded with combined crushing of 9.5 million tons, 15% higher as compared to last season 2011-12  
EBITDA for RdB and RVDI at Rs. 2,104 million and Rs. 1,375 million respectively

**Mumbai**, India, January 29<sup>th</sup>, 2013 – 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 performance for quarter ended 30<sup>th</sup> September 2012 for its Brazilian subsidiaries, 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:

*“Our Brazilian units saw a much better performance during the quarter ending 30<sup>th</sup> September 2012 in terms of capacity utilization due to high number of dry days and higher cane availability. Y-o-Y yields achieved at Renuka do Brasil S/A has been higher by 12% at around 67 tonnes per hectare.*

*Our Brazilian mills have ended the crushing season for 2012-13 in early January 2013 with total cane crushing number of 9.5 million tons for Renuka do Brasil S/A and Renuka Vale do Ivaí S/A combined which is an improvement of 15% from the previous season. Additionally 350,000 tons of cane has been carried forward to the start of crushing season 2013-14.*

*Financially as well, the quarter ending 30<sup>th</sup> September 2012 has shown improved performance from both the subsidiaries with reported EBITDA margins of 22% and 42% at Renuka do Brasil S/A and Renuka Vale do Ivaí S/A respectively.*

*We have been continuously focussing on increasing the availability of cane at both the subsidiaries and effect of the same will be seen in coming seasons.*

*As published earlier, the company has reported a net profit of Rs.77 million for its standalone business for the quarter ended 30<sup>th</sup> September 2012 with an EBITDA of Rs. 1,128 million.”*



### Financial Highlights of Brazilian Subsidiaries

(Rs. Million)	Renuka do Brasil S/A		Renuka Vale do Ivai S/A	
	Quarter ended 30-09-2012	Quarter ended 30-09-2011	Quarter ended 30-09-2012	Quarter ended 30-09-2011
Net Sales	9,425	6,883	3,267	2,214
Operational EBITDA	2,104	1,197	1,375	1,009
EBITDA Margin (%)	22%	17%	42%	46%
Net Profit	(422)	(6,116)	312	(284)
Net Profit Margin (%)	-	-	10%	-
Forex Gain/(loss)	(484)	(4,457)	(241)	(1,101)
Net Profit w/o Forex variation	62	(1,659)	553	817

Our trading subsidiary Renuka DMCC, which is based out of Dubai, has reported Net sales of Rs. 6,281 million and Net profit of Rs. 13 million.

### Economic Environment

Global raw sugar prices dropped during the quarter ending 30<sup>th</sup> September 2012 from USD 22 cents/lbs to USD 20 cents/lbs on account of higher production of sugar from Brazil coupled with low import demand. The domestic ethanol price remained stable for the quarter ended September 2012. The Brazil anhydrous ethanol price (FOB) for exports has traded in the range USD 680/m<sup>3</sup> to USD 730/m<sup>3</sup> during the quarter ended September 2012.

The 2012/13 sugarcane crush in Brazil's Centre-South region surpassed the 519 million tons that UNICA estimated in September. Better weather conditions and greater availability of sugarcane allowed mills to postpone the end of the season. As of 1<sup>st</sup> January, mills in Centre-South Brazil have crushed a total of 531 million tons of cane, 7.7% higher than same time last year. Crushing is practically concluded in Center-South Brazil with just 10 units in operation. Sugar production increased by 8.8% to 34 million tons and ethanol production increased by 3.6% to 21 billion litres compared to last year. 49.6% of the juice was diverted towards sugar production compared to 48.4% last season. The early estimate for the Centre-South 2013-14 cane crop is pegged at 585 million tons by UNICA.

Source: UNICA	Units	As on 1 <sup>st</sup> January		
		2012/13	2011/12	% Change
<b>Cane Crushed</b>	mn tons	531	493	7.7%
<b>Sugar</b>	mn tons	34.1	31.3	8.8%
<b>Ethanol</b>	mn m <sup>3</sup>	21.3	20.5	3.6%
<b>ATR</b>	Kg/ton	136	138	(1.5%)
<b>% Sugar</b>		49.6%	48.4%	



### Operating Performance of Brazilian Subsidiaries

Brazilian subsidiaries have improved operating performance during the quarter ended 30<sup>th</sup> September 2012 on account of higher crushing. Total of 4.6 million tons of cane was crushed during the quarter ended 30<sup>th</sup> September 2012 by Renuka do Brasil S/A and Renuka Vale do Ivai S/A which is 139% higher than the previous quarter and 27% higher than same quarter last year. The sucrose recovery or ATR for the quarter increased to 136 kg/ton compared to last quarter ATR of 116 kg/ton.

RdB and RVdI	Units	July - September		October - December		For the Season	
		2012	2011	2012	2011	2012	2011
Cane Crushed	mn tons	4.6	3.6	2.9	1.2	9.5	8.3
Sugar	'000 tons	379	289	214	93	725	553
Ethanol	'000 m <sup>3</sup>	136	118	96	40	272	287
ATR	Kg/ton	136	138	131	134	130	129
Energy Exported	Mn units	110	76	118	40	314	205
Sugar Mix	%	65%	62%	59%	59%	63%	56%

We have completed the 2012-13 crushing season at our Brazilian units. Our mills crushed a total of 9.5 million tons of cane this season compared to 8.3 million tons last season which is an increase of 15%. Sugar has been the more profitable product and the company has devoted approximately 63% of total ATR towards the sugar production viz-a-viz 56% compared to last season. Sugar production during the season stood at 725,054 tons compared to 553,612 tons last season, which is 31% higher.

Our Brazilian mills produced 272 million liters of ethanol in the season compared to 287 million litres last season. Of the total ethanol produced, 96% was anhydrous ethanol, a higher remunerative product as compared to hydrous ethanol during the season. Energy sales during the season stood at 314 million units, which is 53% higher than the last season.



**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 ended 30<sup>th</sup> September 2012 earnings for Brazil subsidiaries at 17:30 hours IST on Friday, February 1<sup>st</sup>, 2013. 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

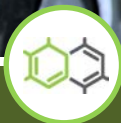
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***Safe Harbour***

*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.*

Sugar

power



ethanol



## Shree Renuka Sugars Ltd Performance Quarter ended 30<sup>th</sup> Sep 2012 Earnings Presentation (updated with Brazilian Subsidiaries)

*Earnings Conference Call  
Friday February 1<sup>st</sup>, 2013 at 17:30 hrs IST*

*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*

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<i>UK:</i>	<i>+44-808-101-1573</i>
<i>Singapore:</i>	<i>+65-800-101-2045</i>
<i>Hong Kong:</i>	<i>+852-800-964-448</i>



## Forward Looking Statements

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# Highlights



- ❖ Y-o-Y crushing for the quarter increased by 27% to 4.6 million tons
- ❖ Crushing for the season 2012-13 in Brazil units concluded with combined crushing of 9.5 million tons, 15% higher as compared to last season 2011-12
- ❖ EBITDA for RdB and RVDI at Rs. 2,104 million and Rs. 1,375 million respectively

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

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# BRAZILIAN SUBSIDIARIES



# Profit and Loss Statement – Renuka do Brasil S/A



(Rs. in Million)	3M ended Sep 2012	6M ended Sep 2012
<b>Net Sales<sup>1</sup></b>	<b>9,425</b>	<b>12,827</b>
Cost of Good Sold	(6,030)	(7,629)
G&A Expenses	(781)	(1,659)
Sales Expenses	(509)	(733)
<b>Operating EBITDA</b>	<b>2,104</b>	<b>2,806</b>
Interest	(1,015)	(1,927)
Depreciation & Amortisation	(2,123)	(3,541)
<i>Depreciation</i>	<i>(496)</i>	<i>(1,094)</i>
<i>Amortisation of Off-season Maintenance</i>	<i>(940)</i>	<i>(1,401)</i>
<i>Amortisation of Cane Planting Expenditure</i>	<i>(687)</i>	<i>(1,046)</i>
<b>PBT (before Forex Variation)</b>	<b>(1,034)</b>	<b>(2,662)</b>
Foreign Exchange Gain/(loss)	(484)	(696)
<b>Profit Before Tax</b>	<b>(1,518)</b>	<b>(3,358)</b>
<b>Net Profit after Tax<sup>2</sup></b>	<b>(422)</b>	<b>(1,589)</b>

Notes:

- 1 Net Sales excludes excise duties, foreign exchange gains and includes other income
- 2 Net Profit after tax is after minority interest and prior period adjustments

# Balance Sheet – Renuka do Brasil S/A



*(Rs. in Million)*

	30.09.2012	31.03.2012
<b>SOURCES OF FUNDS</b>		
Net Worth	9,198	12,097
Loan Funds	39,196	40,419
<b>TOTAL</b>	<b>48,394</b>	<b>52,516</b>
<b>APPLICATION OF FUNDS</b>		
Fixed Assets	48,296	53,781
Investments	46	341
Deferred Tax Asset (Net)	2,235	611
Net Current Assets	(2,183)	(2,217)
<b>TOTAL</b>	<b>48,394</b>	<b>52,516</b>

**Exchange Rates**    Sep-12    Mar-12

INR / BRL    25.8758    28.4070

# Profit and Loss Statement – Renuka Vale do Ivai S/A



(Rs. in Million)	3M ended Sep 2012	6M ended Sep 2012
<b>Net Sales<sup>1</sup></b>	<b>3,267</b>	<b>4,954</b>
Cost of Good Sold	(1,514)	(2,392)
G&A Expenses	(168)	(310)
Sales Expenses	(210)	(294)
<b>Operating EBITDA</b>	<b>1,375</b>	<b>1,958</b>
Interest	(219)	(466)
Depreciation & Amortisation	(469)	(782)
<i>Depreciation</i>	<i>(145)</i>	<i>(289)</i>
<i>Amortisation of Off-season Maintenance</i>	<i>(176)</i>	<i>(256)</i>
<i>Amortisation of Cane Planting Expenditure</i>	<i>(148)</i>	<i>(237)</i>
<b>PBT (before Forex Variation)</b>	<b>687</b>	<b>710</b>
Foreign Exchange Gain/(loss)	(241)	(322)
<b>Profit Before Tax</b>	<b>446</b>	<b>388</b>
<b>Net Profit after Tax<sup>2</sup></b>	<b>312</b>	<b>559</b>

Notes:

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

2 Net Profit after tax is after minority interest and prior period adjustments

# Balance Sheet – Renuka Vale do Ivai S/A



*(Rs. in Million)*

	30.09.2012	31.03.2012
<b>SOURCES OF FUNDS</b>		
Net Worth	5,014	5,182
Loan Funds	9,177	9,603
<b>TOTAL</b>	<b>14,191</b>	<b>14,785</b>
<b>APPLICATION OF FUNDS</b>		
Fixed Assets	13,878	15,885
Investments	589	597
Deferred Tax Asset (Net)	217	6
Net Current Assets	(493)	(1,703)
<b>TOTAL</b>	<b>14,191</b>	<b>14,785</b>

**Exchange Rates**    Sep-12    Mar-12

INR / BRL        25.8758    28.4070

# Sales and Price Summary



July '12 – September '12

Renuka do Brasil	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	217,986	20.1 c/lbs
Ethanol	m <sup>3</sup>	97,976	1,207 R\$/m <sup>3</sup>
Cogen Exports	mn units	68	113 R\$/unit
By-products/Utilities*	('000 R\$)		19,270

Renuka Vale do Ivai	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	91,374	21.9 c/lbs
Ethanol	m <sup>3</sup>	10,087	1,278 R\$/m <sup>3</sup>
By-products/Utilities*	('000 R\$)		14,744

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

\*\*USD/BRL exchange rate: 2.02 BRL/USD

## Closing stock as of 30<sup>th</sup> September 2012 - Brazil



### Renuka do Brasil

	Unit of Measure	As on 30 <sup>th</sup> Sep 2012
Sugar	MT	75,864
Ethanol	KL	23,905

### Renuka Vale do Ivai

	Unit of Measure	As on 30 <sup>th</sup> Sep 2012
Sugar	MT	24,138
Ethanol	KL	7,973

## Loan Funds - Brazil



	Unit	Renuka do Brasil		Renuka VDI		TOTAL BRAZIL	
		Sep-12	Mar-12	Sep-12	Mar-12	Sep-12	Mar-12
Brazilian R\$ denominated	mn R\$	594	642	138	139	732	781
USD denominated	mn USD	386	373	107	109	493	482
REFIS	mn R\$	82	95	-	-	82	95
Financial Lease	mn R\$	58	8	-	-	58	8
Debt w/o forex variation	mn INR	38,806	40,419	9,074	9,603	47,880	50,022
Variation due to Foreign Exchange	mn INR	390	-	103	-	493	-
Reported Debt	mn INR	39,196	40,419	9,177	9,603	48,373	50,022

Exchange Rates	Sep-12	Mar-12
BRL / USD	2.0226	1.8221
INR / BRL	25.8758	28.4070

# RENUKA DMCC





(Rs. in Million)	3M ended 30 <sup>th</sup> Sep '12
<b>Net Sales<sup>1</sup></b>	6,281
<b>Net Profit</b>	13

Notes:

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

# RENUKA STANDALONE

# Standalone Financial Performance



(Rs. in Million)

	3M ended 30 <sup>th</sup> Sep '12	3M ended 30 <sup>th</sup> Jun '12	3M ended 30 <sup>th</sup> Sep '11	% Y-o-Y Growth	Y-o-Y Key Perspectives
Net Sales <sup>1</sup>	11,648	14,839	11,363	2.5%	<ul style="list-style-type: none"> <li>Higher sugar sales volume and higher sales realization</li> <li>Lower sales in cogeneration segment due to lower availability of raw material in off-season</li> <li>Drop in trading segment revenue by 75%</li> </ul>
Operating EBITDA <sup>2</sup>	1,128	1,798	609	85.2%	<ul style="list-style-type: none"> <li>Improved margins in domestic sugar segment due to higher selling price</li> </ul>
<i>% Margin</i>	9.7%	12.1%	5.4%		
Foreign exchange gain/ (loss)	337	(81)	(728)	146.3%	<ul style="list-style-type: none"> <li>Foreign exchange gain on account of appreciation of INR against USD</li> </ul>
Net Profit <sup>3</sup>	77	133	(573)	113.4%	<ul style="list-style-type: none"> <li>Impacted due to high interest cost</li> <li>Increase in depreciation expense</li> </ul>
<i>% Margin</i>	0.7%	0.9%	(5.0)%		
Basic EPS <sup>4</sup> (Rs.)	0.11	0.20	(0.85)		
Diluted EPS <sup>4</sup> (Rs.)	0.11	0.20	(0.85)		

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

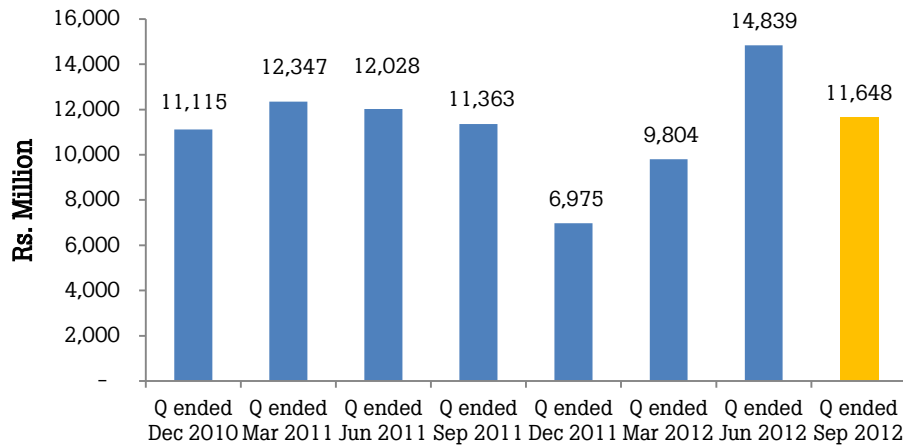
3 Net Profit is after minority interest and prior period adjustments

4 Non annualized

# Standalone Quarterly Financial Performance



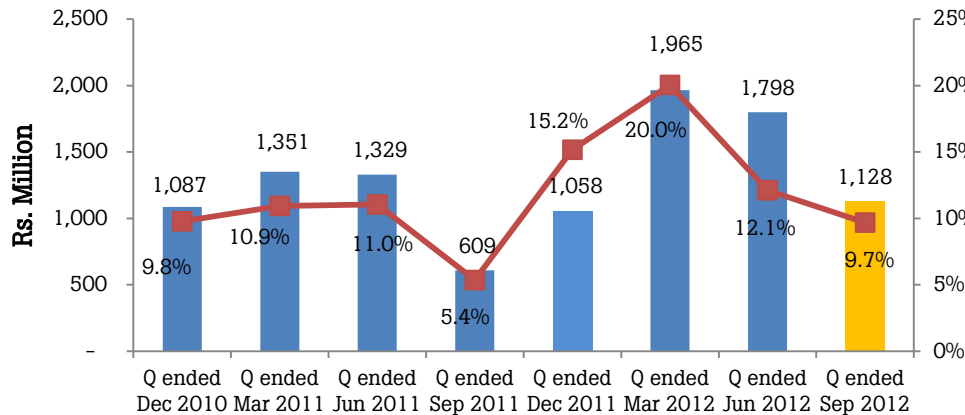
## Net Sales<sup>1</sup>



## Trends

- ❖ Higher sugar sales in Q2 FY2013 with the higher utilization of refinery operations
- ❖ Higher price realization in the domestic sugar segment
- ❖ Lower sales in ethanol and Cogeneration segment due to off-season period for crushing operations in India

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



## Trends

- ❖ Sugar segment profitability has been better in the current quarter
- ❖ Increased sales and lower operating costs resulting in high EBITDA margins compared to same quarter last year

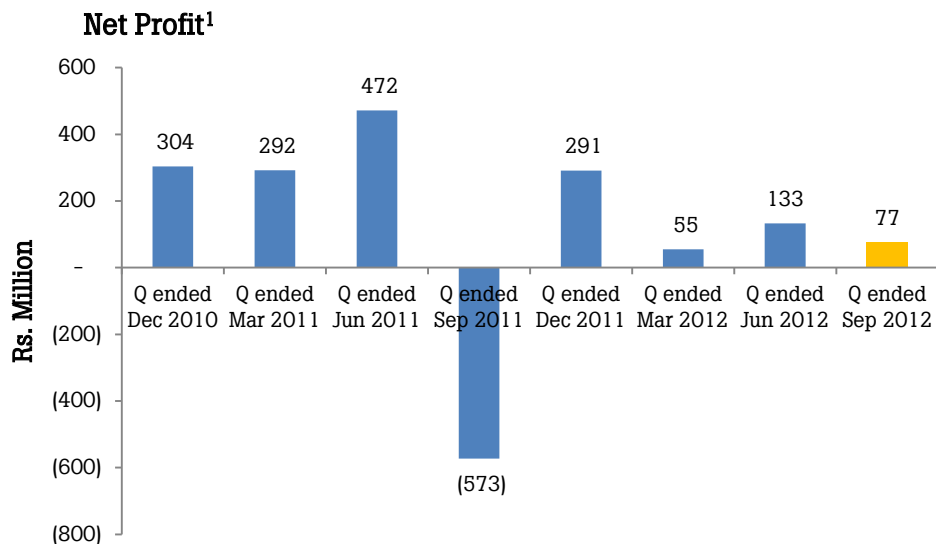
Notes:

■ EBITDA ■ Margin (%)

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

# Standalone Quarterly Financial Performance



## Trends

- ❖ Higher depreciation and interest expense affecting Net Profit in the current quarter
- ❖ Unrealized Foreign exchange loss of Rs. 728 million during the quarter ended 30 Sep 2011 affecting the profitability. This quarter, Forex gain was Rs. 337 million due to appreciation of Rupee v/s US Dollar

### Notes:

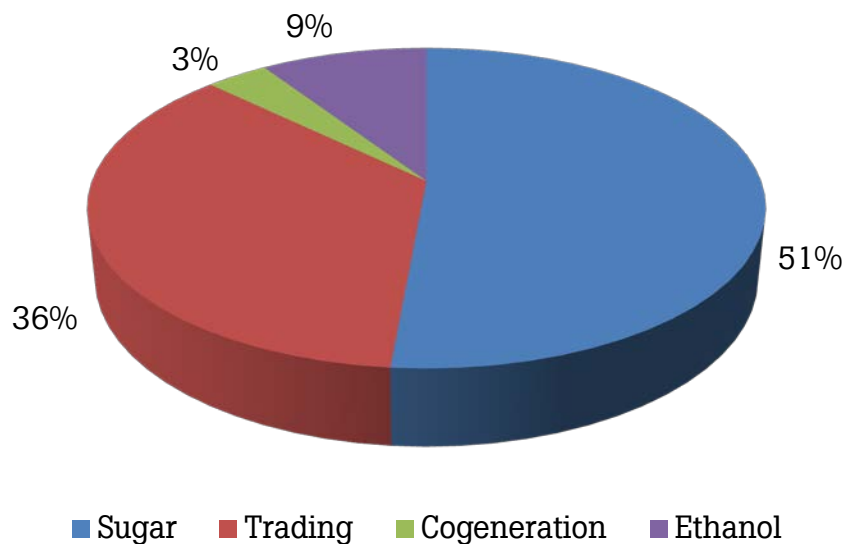
- 1 Net Profit is after minority interest and prior period adjustments

# Standalone Performance – Quarter Ended 30<sup>th</sup> September, 2012

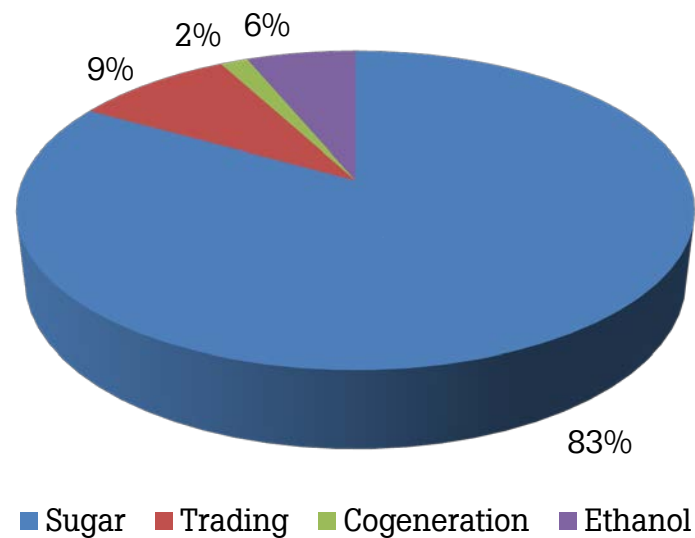


## Net Sales<sup>1</sup> Breakdown – India

Quarter ended Sep 2011



Quarter ended Sep 2012



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

## Closing stock as on 30<sup>th</sup> September 2012 - India



### Standalone

	Unit of Measure	As on 30 <sup>th</sup> Sep 2012
Sugar	MT	296,084
White Sugar	MT	107,442
Raw Sugar	MT	188,642
Ethanol	KL	10,297
Molasses	MT	80,252

## Sales Quantity - India



### Standalone

	3M ended Sep 2012	3M ended Sep 2011	% Y-o-Y Growth
Total Sugar Sold(MT)	299,344	198,130	51%
Export (in MT)	216,353	84,436	156%
Domestic (in MT)	82,991	113,694	(27%)
Ethanol (in KL)	25,101	37,319	(33%)
Co-gen (in million units)	7	19	(61%)



# Net Price Realization - India



## Standalone

	3M ended Sep 2012	3M ended Sep 2011	% Y-o-Y Growth
Average Manufactured Sugar (in Rs./MT)	32,502	30,002	8%
Export <sup>1</sup> (in Rs./MT)	33,817	35,703	(5%)
Domestic (in Rs./MT)	29,072	25,768	13%
Ethanol (in Rs./KL)	29,049	29,141	(0.3%)
Co-gen (in Rs. per unit)	2.70	3.52	(23%)

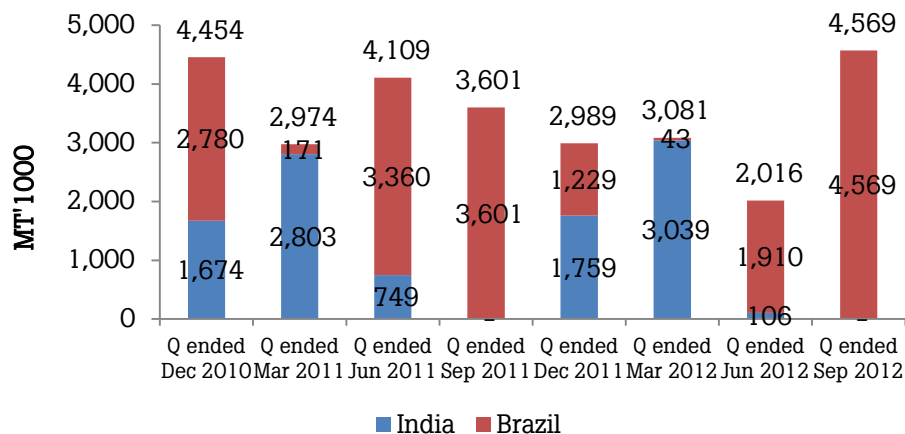
Notes:

1. Export Sugar realizations are FOB prices net of taxes

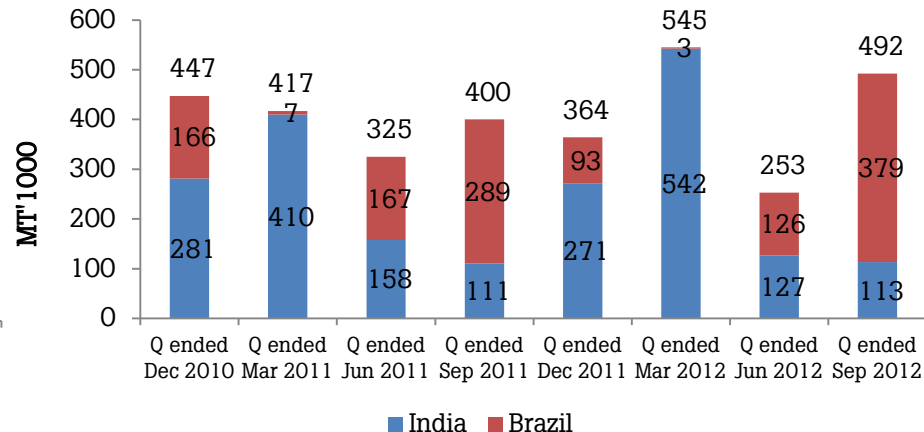
# Sugar: Quarterly Operating Performance



## Sugarcane Crushed



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



- ❖ Off-season quarter for crushing in India
- ❖ Accelerated cane crushing in Brazil this quarter saw 27% increase in cane crushed compared to same quarter last year

- ❖ Sugar production in India for from Kandla Refinery
- ❖ Sugar Production in Brazilian subsidiaries increased by 31% compared to last year due to higher cane availability & product mix
- ❖ Higher recovery (ATR) in Brazil of 136 kg/ton in Q2 FY13 compared to 116 kg in Q1 FY13

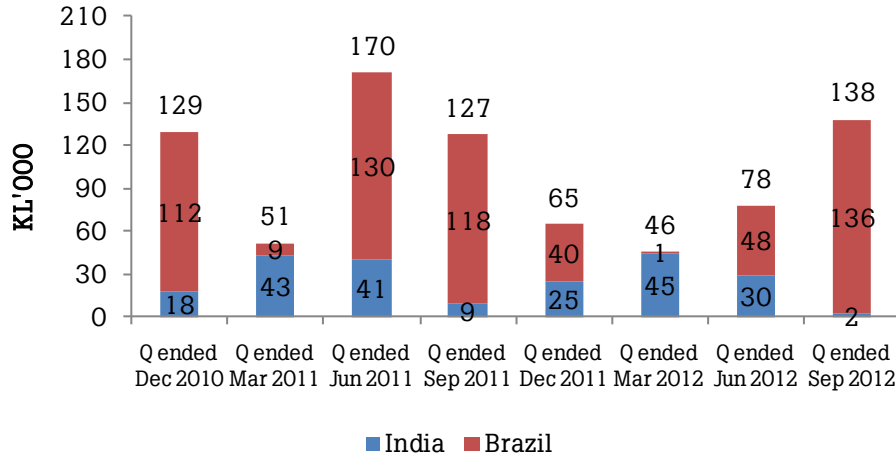
Note:

<sup>1</sup> Sugar produced includes raw sugar and white sugar produced from cane, as well as refined sugar produced from raw sugar

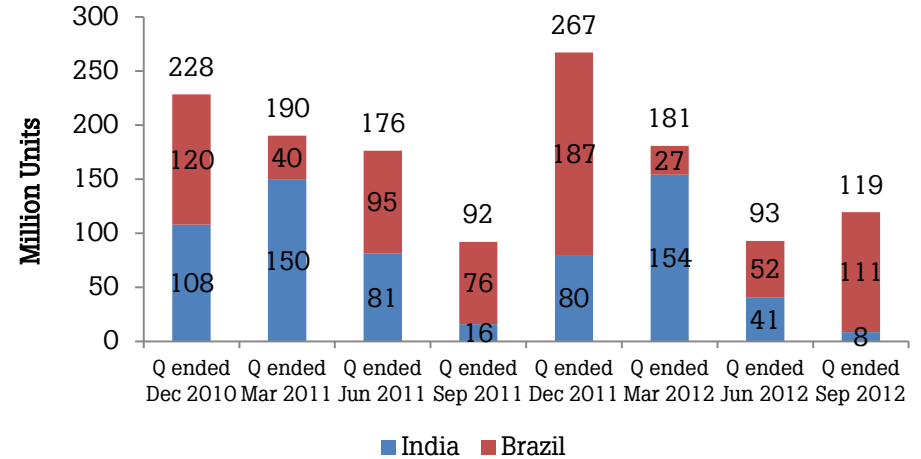
# Ethanol & CoGen: Quarterly Operating Performance



## Ethanol Production



## Co-Gen Power Exports



- ❖ During the quarter, 37% of juice diverted for ethanol production at Brazilian mills
- ❖ Higher production of Anhydrous ethanol at Brazilian mills (92% Anhydrous: 8% Hydrous)

- ❖ Sales of energy from our Brazilian cogen units increased 46% compared to last quarter
- ❖ Lower energy sales from India due to the off-season period for the milling operations

# Standalone Balance Sheet



	<i>(Rs. in Million)</i>	
	30.09.2012 (Unaudited)	31.03.2012 (Audited)
<b>SOURCES OF FUNDS</b>		
Net Worth	18,093	17,883
Loan Funds	35,961	43,281
Deferred Tax Liability	1,697	1,648
Other Non-Current Liabilities	312	356
<b>TOTAL</b>	<b>56,063</b>	<b>63,168</b>
<b>APPLICATION OF FUNDS</b>		
Fixed Assets	28,068	28,035
Investments	20,129	20,135
Other Long Term Assets	2,767	2,918
Net Current Assets	5,099	12,080
<b>TOTAL</b>	<b>56,063</b>	<b>63,168</b>

## 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. Indian sugarcane is primarily converted to white sugar for domestic consumption

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 – 59.4% stake). The combined crushing capacity of the Brazilian subsidiary companies is 13.6 MTPA. Brazilian raw sugar is primarily exported

**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 KBK Chem-Engineering (100% owned) facilitates turnkey distillery, ethanol and bio-

fuel plant solutions.

**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 221MW exportable surplus.

### INDUSTRY

The top 5 sugar producing countries are Brazil, India, China, Thailand and USA.

**Brazil** is the leading producer and exporter of 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 crushed a record 556.5 million tonnes of sugarcane. However, due to the effect of drought, bad weather and unpredicted frost in 2011/12, it crushed approximately 493 million tonnes and produced 31.3 million tons of sugar and 20.7 million m3 of ethanol. After unusually heavy rainfall in the months of May and June, the rains have subsided indicating an extended 2012-13 season with improved yields. UNICA has revised its estimates for cane crushing upwards from 509 million tons to 519 million tons for the 2012-13 season, which is 5.2% higher than previous year. Sugar production is estimated at 33 million tonnes with ethanol production at 21 million m3 in 2012-13 season.

**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. 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 producing 24.2 million tonnes, India became a sugar surplus country in the 2010-11 sugarcane season. India produced 26.0 million tonnes in 2011-12 season. Having approved exports of up to 3.2 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 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.

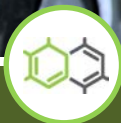
In 2012/13 season due to deficient rains in India, the sugar output is estimated to be lower than 24 million tonnes from 26 million tonnes in previous year.

Source: UNICA, Kingsman, ISO, Company Research

sugar



power



ethanol



## Shree Renuka Sugars Ltd

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