



VALE DO IVAÍ S.A. AÇÚCAR E ALCOOL

Shree Renuka Sugars Ltd.-Acquisition in Brazil

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Acquisition Target: Vale do Ivaí

- Acquisition of a sugar-ethanol company called Vale do Ivaí, in the state of Parana , Brazil
- Vale do Ivaí is located close to the ports and owns logistic assets
- Installed crushing capacity of 3.1 million tons in two mills: São Pedro do Ivaí & Cambuí
- Enterprise Value of the company = USD 240 mn
- Approximately USD 82 Million outgo for SRS and the rest debt in the acquired company
- Debt Terms: 3 yrs moratorium +5 yrs principal repayment

About Vale do Ivaí

- Established in 1981 by the Longo family
- One of the main sugar and ethanol players in the state of Paraná
- Cane cultivation on over 18,000 ha of land on long lease
- Currently the company has an installed crushing capacity of 3.1 million tons in two mills: São Pedro do Ivaí (PR) & Cambuí (PR)
- Part ownership of common logistics infrastructure including port terminal and rail-side storage terminal





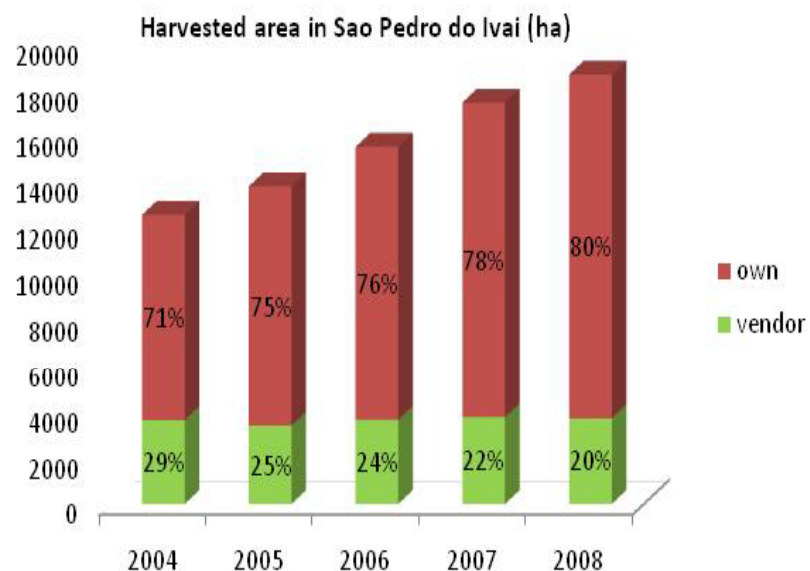
About Vale do Ivaí

Manufacturing Facilities

- **São Pedro do Ivaí :** Main facility since the group was established
- **Cambuí:** Ethanol distillery located in Marialva and is the 2nd Grupo Vale do Ivaí manufacturing facility in Paraná. It was acquired in 2008 from Cooperativa Agroindustrial Cocari
- **Fronteira:** This ethanol plant located in Fronteira, in the state of Minas Gerais is **excluded from the sale**

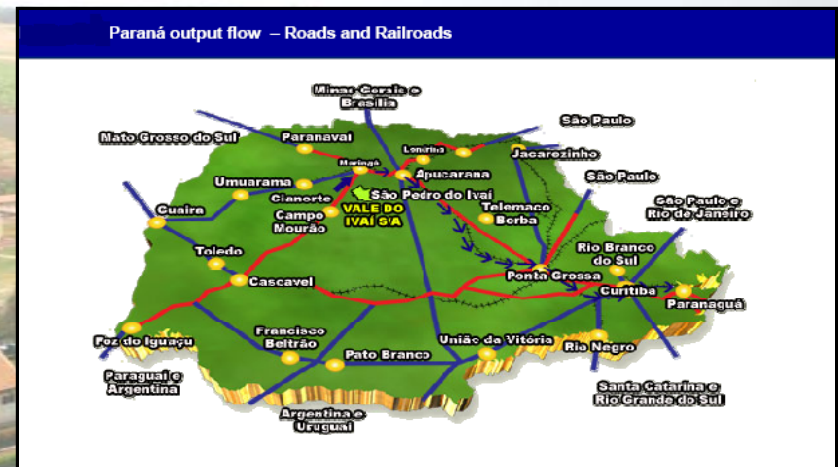
About Vale do Ivaí: Strengths

- **High percentage of Owned cane:**
VDI has over 18,000 hectares of its own land on long lease (72% own cane compared to 50% average for Center-South Brazil)
- **Export oriented location with proximity to port:**
VDI holds strategic stakes in several logistics assets including terminals for storage and transportation of sugar and ethanol at the port of Paranaguá



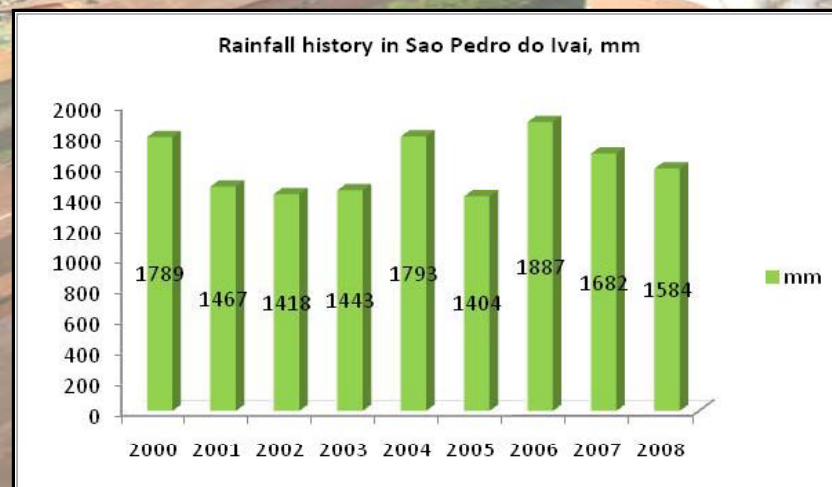
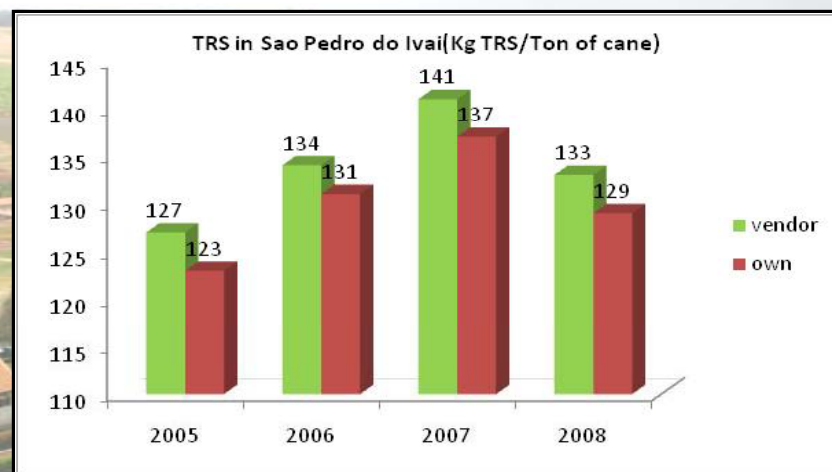
Vale do Ivaí: Logistics

- The average distance between VDI processing plants and sugarcane farms is around 14 km, a decided logistics advantage
- Vale do Ivaí owns equity in four logistics organizations that contribute to make it very competitive for export logistics
- Located close to ethanol distributors and the Port of Paranaguá (551 km) , VDI can ship out goods by road or rail (with numerous transfer and storage options)
- Port of Paranaguá ranks 2nd in terms of the volume of sugar handled, behind Santos
- VDI holds a key strategic stake in PASA - the automated sugar storage and shiploading terminal at Paranaguá port



About the State of Parana

- **State of Parana is the 2nd largest contributor to sugar exports after Sao Paulo State**
- **10 Year Cane Cycle** – Better productivity per cut in Parana enables up to 10 cuts per planting (9 ratoons) compared to 6 year cycle in most of Centre-South Brazil
- **Significant potential** to expand farm output: Large amount of land potentially available for sugarcane by switching from soya, wheat and corn
- High average rainfall of 1540mm leads to better crop yields but lower capacity utilization of crushing capacity (around 75%)
- Average ATR (recovery) of 130 kg per ton of cane
- Average yield of 95 tons/ha over 10 year cycle

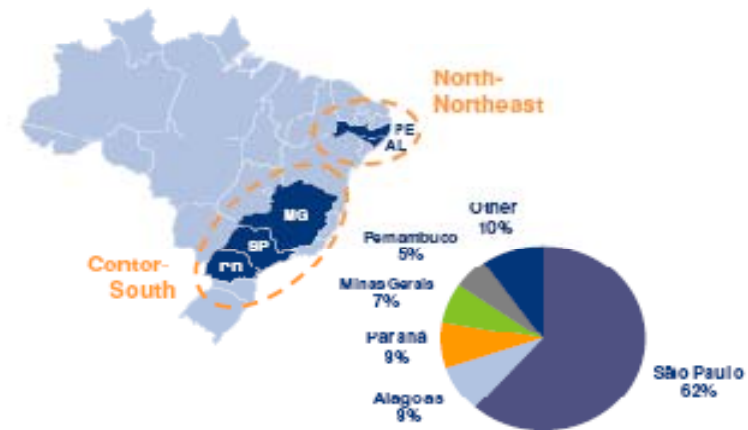


Centre South: Sugar & Ethanol Dynamics

Centre South: Brazilian Sugar Production

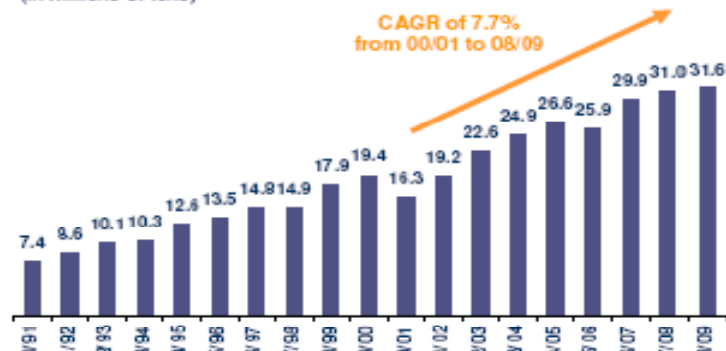
- Brazilian sugar production is concentrated in two regions: **Centre-South** and **North-Northeast** contributing 85% and 15% of production respectively
- Brazil is the largest sugar producing nation with 19%(31 Mn Tons) of the global production
- Brazil consumes only 7% of the global sugar production and majority of its production is exported
- About 63% of the Brazilian sugar output is exported, representing 19.5 million tons in 2008 (44% of the global sugar exports)

Sugar Production Geographic Breakdown



Sugar Output – Brazil

(in millions of tons)

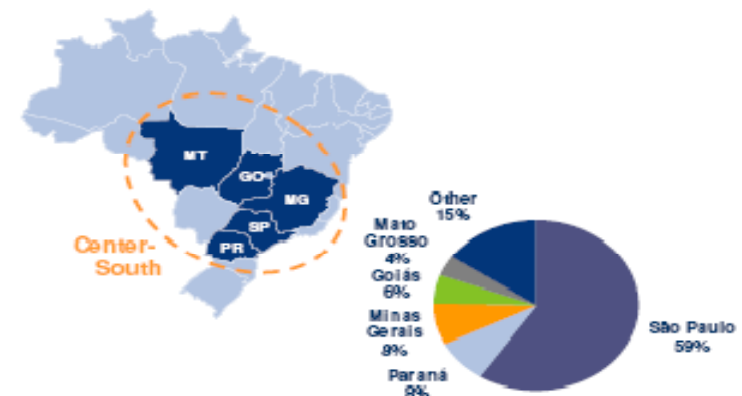


Source: UNICA

Centre South: Brazilian Ethanol Production

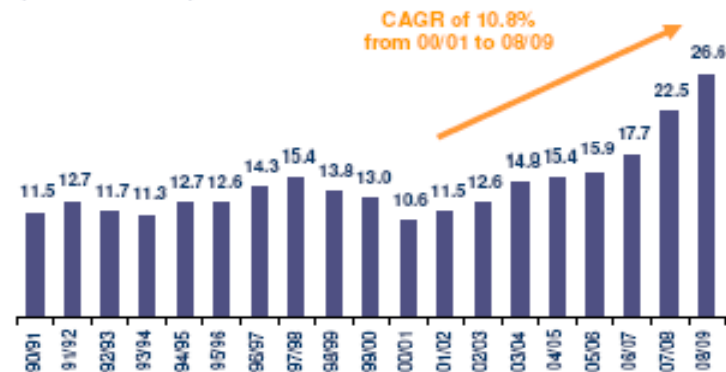
- Ethanol output is concentrated in the **Centre-South** region, where São Paulo is responsible for about 60% of the Brazilian production. However, new locations have gained in importance, specially Goiás and Mato Grasso do Sul
- Brazil produced 26.6 billion litres of ethanol in the 2008/09 harvest
- State of Sao Paulo and Parana are strategically located for export being close to the main ports of Santos and Paranagua respectively
- The Brazilian domestic market consumes more than 80% of the local ethanol production
- About 85% of the ethanol production is traded by the five main distribution companies in Brazil

Ethanol Production Geographic Breakdown



Ethanol Output – Brazil

(in billions of liters)



Source: UNICA

Shree Renuka Sugars Ltd.



Shree Renuka Sugars Ltd.(SRS): Overview

Fully integrated company focused on manufacturing & marketing of sugar, power and ethanol

One of the largest raw sugar refining companies in the world

Large Fuel Ethanol & Renewable Energy capacities

Operates 8 sugar mills (5 owned and 3 leased) – Total Capacity of 35,000 tons cane a day

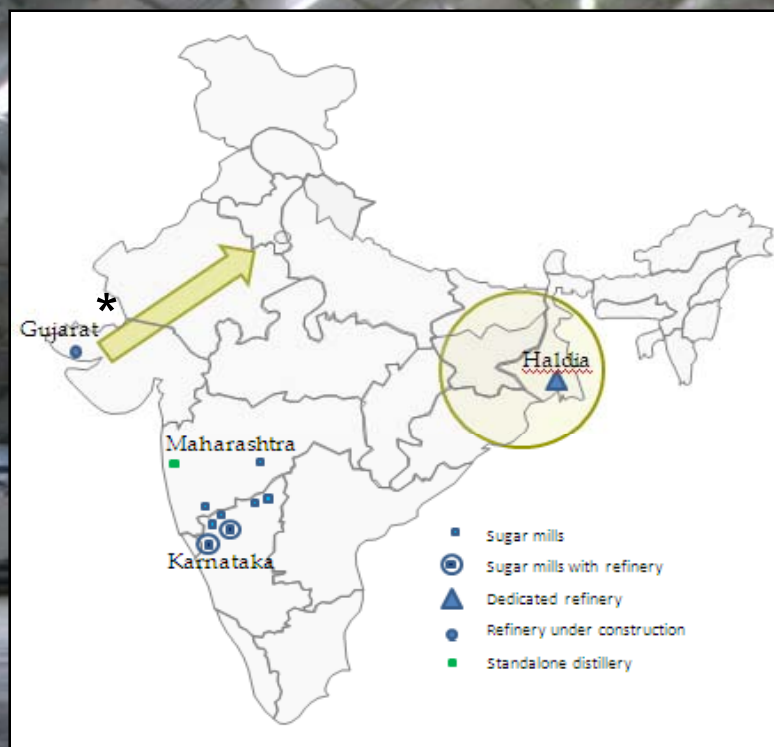
Leadership in India's international sugar trade

CAGR of 167% in Revenues and 198% in Net Profits over 2003-2008

Market capitalization of USD 1.45 billion as on Nov 10, 2009

Net Worth and consolidated debt of USD 193 million and USD 188 million as on March 31,2009

SRSL: Nation-wide/Asia-wide Coverage



* 3,000 TPD refinery coming up in Dec-2010

SRSL: Production Capacities

2010

Cane Crushing
35,000 (TCD)



Ethanol
930 KLPD



Sugar Refining
6,000 TPD



Power
173MW (95MW Surplus)



2011

Cane Crushing
35,000 (TCD)

Ethanol
1200 KLPD

Sugar Refining
9,000 TPD

Power
233MW (135 MW(E) Surplus)

Thank You