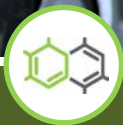


sugar



power



ethanol



Shree Renuka Sugars Ltd

**Presentation on
BRAZIL OPERATIONS**

Important Notice



Forward Looking Statements

This presentation 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.

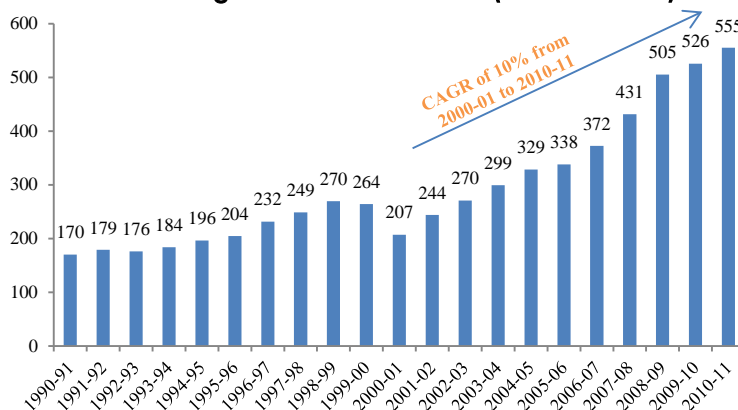
Industry Overview – Brazil



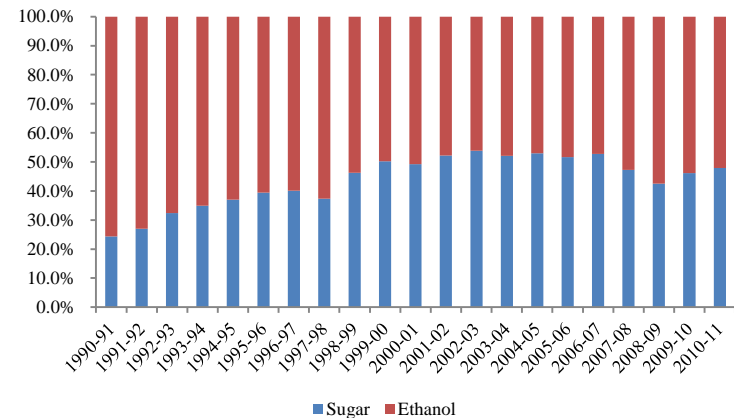
Brazilian Sugar Industry Dynamics

- ❖ Largest and lowest-cost producer of sugar in the world with significant potential to expand in the medium and long-term
- ❖ High demand for ethanol in Brazil led by flex-fuel car technology, resulted in expansion in cane crushing capacity in the last decade (CAGR of 10.8% between 2001 to 2011)
- ❖ Largest exporter of raw sugar in the global market, accounting for approximately 70% of the world market flows and 50% of all sugar (raw + white)
- ❖ Second largest producer of ethanol, after the US, with 25.3 billion liters in the 2010/11 season, growing at a CAGR of 10.8% between 2001 to 2011
- ❖ Sao Paulo and Parana regions in Brazil account for 70% of sugar production and 57% of ethanol production

Brazil Sugarcane Production (million tons)



Sugar Production Breakdown



- ❖ Three phases of the Brazilian sugar Industry
 - **1970-1990:** Government support to replace gasoline
 - **1991-2000:** Global decrease in oil prices leading to increase in sugar production
 - **2001-2011:** Sugar boom and flex-fuel vehicles

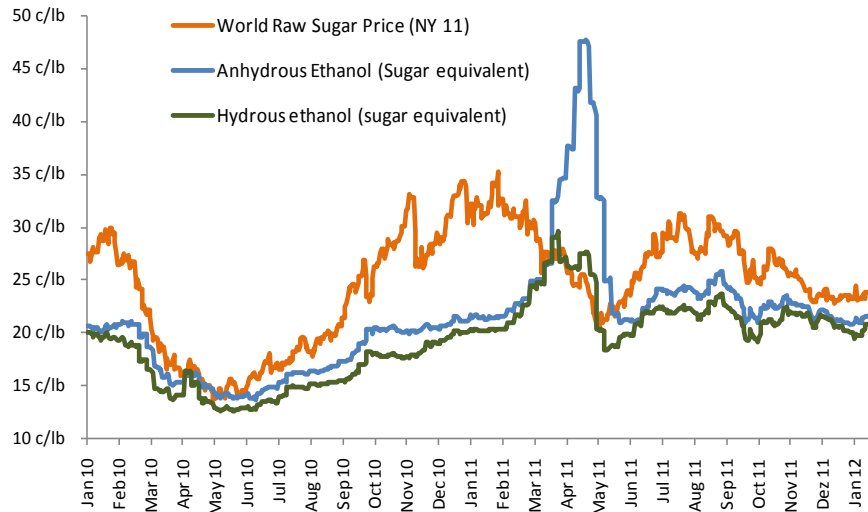
- ❖ Mix of sugar was 45% of total ATR in 2010-11
- ❖ Most new projects start at 100% ethanol
- ❖ High prices drive mix towards sugar, but share is limited by lack of capacity

Industry Overview – Brazil

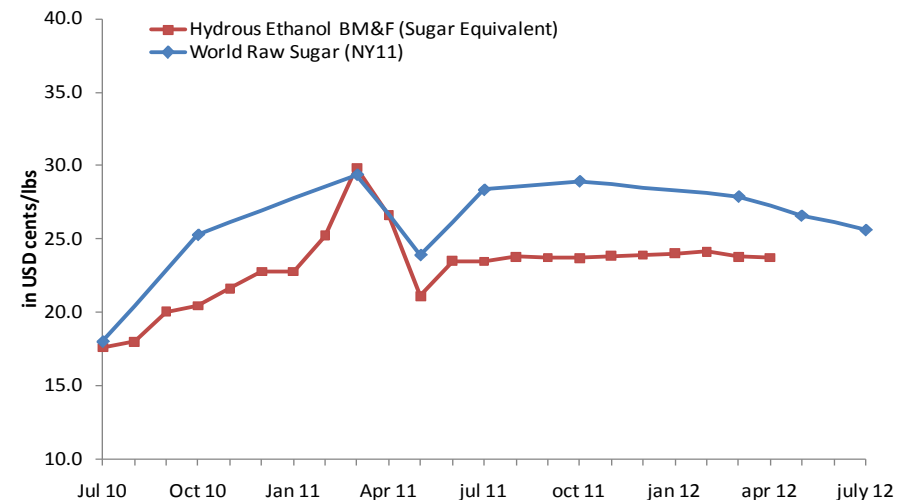


Sugar –Ethanol Parity

Historical Prices



Futures Market Sugar Equivalent Prices*



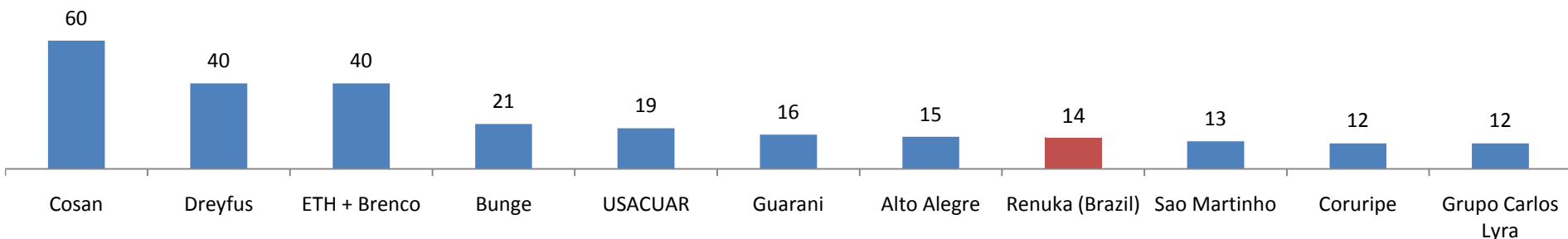
- ❖ Surge in ethanol consumption due to growth of flex-fuel cars
- ❖ April-2011 saw record high prices for ethanol, as Brazil was short of ethanol in off-season due to
 - ❖ Higher deviation of juice for Sugar in 2010-11 season
 - ❖ No increase in the cane crushing in 2010-11 over previous year
 - ❖ Domestic demand growth of 2 billion litres over 2009-10
- ❖ Ethanol providing a strong floor for sugar prices at 22~24 USD cents/lbs, due to strong demand from flex-fuel cars in Brazil as the gasoline price is fixed at R\$ 2.6~2.8 per litre

Industry Overview – Brazil



Brazil Competitive Landscape

2010-11 Crushing Capacity (Million MT)



Industry Consolidation

- ❖ Recent investments of seven strong players in Brazil has led to consolidation in the sector
- ❖ Management of current assets, logistics of sugarcane production and financial prudence will be the main challenges for new investors in Brazil
- ❖ M&A activity across both sugar and fuel sectors

Global Sugar Players	P	T	D
Shree Renuka Sugars, Renuka do Brasil, Renuka Vale do Ivai	✓	✓	✓
BR Petrobras, Guarani, Sao Martinho	✓	✓	
LouisDreyfus Commodities, Santelisa Vale	✓	✓	
Bunge, Usina Moema Açúcar e Álcool	✓	✓	

Fuel Companies	P	T	D
Cosan, Shell, Esso	✓		✓
British Petroleum, Tropical BioEnergia	✓		✓
Brenco, ETH Bioenergia	✓		

Shree Renuka Sugars – Brazil Operations



- ❖ Shree Renuka has acquired two companies in Brazil:
 - Renuka Vale do Ivai S/A is a wholly owned subsidiary of SRSL bought in 2010
 - SRSL owns 50.34% stake in Renuka do Brasil S/A (currently being raised to 59.4%)
 - Combined crushing capacity of 13.6 mn tons
- ❖ Total inward investment in Brazil for the two companies is around USD 460 mn



Synergy of Brazil Investment With Asia



❖ Asian demand

- India, South Asia and the Middle East emerging as the largest sugar import markets in the world with increasing challenges of land and water availability

❖ Efficient farming and manufacturing in Brazil

- Sugar/ ethanol sector in Brazil has low operating cost, high scalability and highly conducive climatic conditions
- Higher flexibility with option to produce up to 70% of either sugar or ethanol in Brazil
- Ability to cultivate significant portion of cane supply allows capture of value of the agricultural part of the business



Centrifugal machine

Shree Renuka Sugars – Brazil Production Capacities



2012

Cane Crushing

59,520 (tcd)
13.6 mn tons/yr

Ethanol

5,310 KLPD
1,437 mn litres/yr

Raw Sugar

1,160,000 tons/yr
(Raw Sugar)

Power

313 MW (221MW Surplus)

N.B.: tcd = tons crushed per day; klpd = kiloliters per day; tpd = tons per day; MW = Megawatt

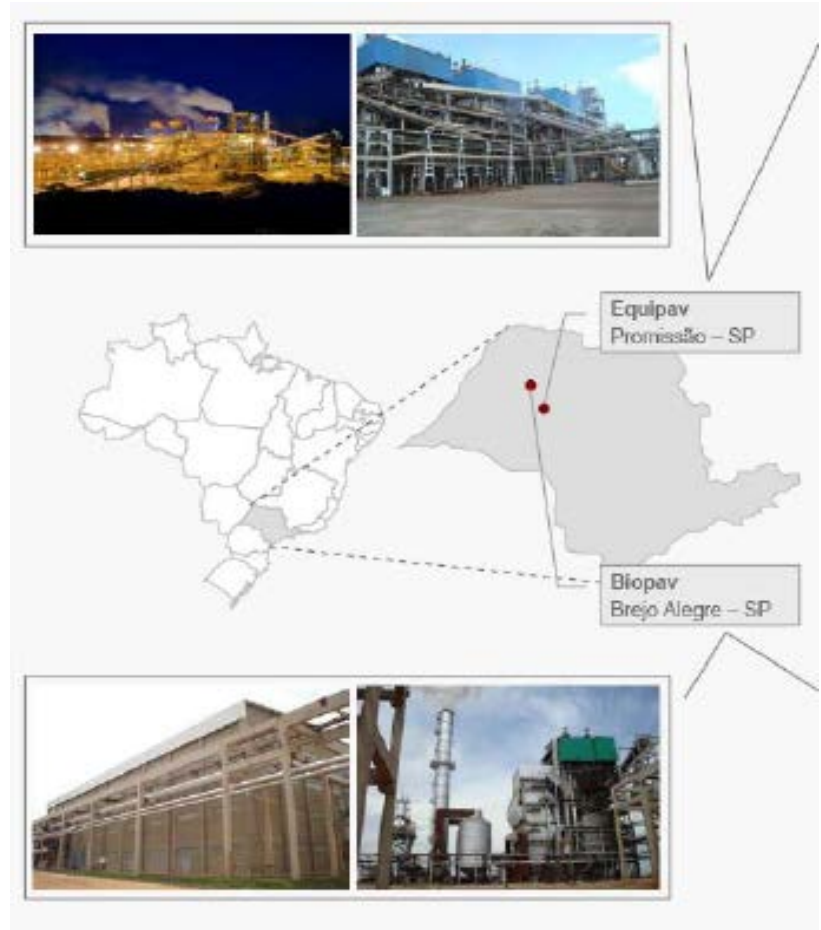


Aerial view of Equipav Mill

About Renuka do Brasil S/A



- ❖ Renuka Sugars owns a controlling equity stake of 50.34% (currently being raised to 59.4%) in Renuka do Brasil S/A with a total investment of R\$ 650 mn (USD 360 mn)
- ❖ Renuka do Brasil S/A is one of the largest sugar/ethanol companies in Sao Paulo state in Southeast Brazil with two very large mills: Equipav and Revati
- ❖ Combined cane crushing capacity of 10.5 mn tons of cane per annum (44,400 tcd) & a co-generation capacity of 295 MW
- ❖ Mills are modern and highly integrated with flexibility of producing 70% sugar or ethanol





About Renuka Vale do Ivaí S/A



- ❖ Renuka Vale do Ivaí S/A has two mills in the state of Parana, Brazil with surrounding cane plantations
- ❖ The company has an installed crushing capacity of 3.1 mn tons in two mills: São Pedro do Ivaí (PR) & Cambuí (PR)
- ❖ Renuka Vale do Ivaí S/A is located close to ethanol distributors and the Port of Paranagua (551 km)
- ❖ The company has 14.3% stake in the sugar loading port terminal (PASA) at Paranagua port making export sugar logistics cost-effective



Income Statement



July 2011 – Sept 2011

(Rs. in Million)

	Renuka do Brasil	Renuka Vale do Ivaí
Net Sales	6,883	2,214
Cost of Good Sold	(4,425)	(921)
G&A Expenses	(858)	(135)
Sales Expenses	(403)	(150)
EBITDA	1,197	1,009
Interest	(1,164)	(97)
Depreciation & Amortisation	(1,692)	(311)
<i>Depreciation</i>	<i>(448)</i>	<i>(98)</i>
<i>Amortisation of Off-season Maintenance</i>	<i>(695)</i>	<i>(115)</i>
<i>Amortisation of Cane Planting Expenditure</i>	<i>(549)</i>	<i>(98)</i>
PBT (before Forex Variation)	(1,659)	601
Foreign Exchange Gain/(loss)	(4,457)	(1,101)
Profit Before Tax	(6,116)	(500)
Net Profit after Tax	(6,116)	(284)

Income Statement



July 2011 – Sept 2011

Notes:

- ❖ Given results are as per Indian Accounting Standards (IGAAP)
- ❖ Net Sales excludes taxes on sales like ICMS, PIS/COFINS and includes other income
- ❖ Selling expenses include expenses related to logistics of final products mainly sugar exports EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income; excludes foreign exchange gain/loss
- ❖ Amortisation of Cane Plantation – Initial Capital expenditure incurred for own cane plantation is expensed over the life of the crop (i.e. 6 to 9 years)
- ❖ Amortisation of off-season maintenance –Maintenance expenses on factory and agricultural equipments incurred during the off-season period

Sales and Price Summary



July 2011 – Sept 2011

Renuka do Brasil	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	138,340	25.0 c/lb
Ethanol	m ³	64,290	1,302 R\$/m ³
Cogen Exports	mn MWh	116	146 R\$/MWh
By-products/Utilities*	('000 R\$)	2,605	

Renuka Vale do Ivai	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	54,400	26.4 c/lb
Ethanol	m ³	11,511	1,362 R\$/m ³
By-products/Utilities*	('000 R\$)	8,692	

*By-products/utilities include yeast, molasses & steam

**USD/BRL exchange rate: 1.6 BRL/USD

Balance Sheet



As on 30th Sept 2011

(Rs. in Million)

	Renuka do Brasil	Renuka Vale do Ivaí
SOURCES OF FUNDS		
Net Worth	4,915	3,112
Loan Funds	40,035	8,495
TOTAL	44,950	11,607
APPLICATION OF FUNDS		
Net Assets (including CWIP)	42,602	12,102
Investments	–	415
Deferred Tax (Net)	–	142
Net Current Assets	2,348	(1,052)
Total Current Assets	18,302	3,584
Less: Current Liabilities and Provisions	15,954	4,635
TOTAL	44,950	11,607

Inventory



As on 30th Sept 2011

Renuka do Brasil	Unit of Measure	Opening Inventory	Production	Sales	Closing Inventory
Sugar	tons	44,739	226,735	138,340	133,134
Ethanol	m ³	44,015	94,434	64,290	74,159

Renuka Vale do Ivai	Unit of Measure	Opening Inventory	Production	Sales	Closing Inventory
Sugar	tons	25,432	62,339	54,400	33,371
Ethanol	m ³	1,509	23,794	11,511	13,792

Loan Funds



As on 30th Sept 2011

	Unit of measure	Renuka do Brasil	Renuka Vale do Ivai	TOTAL
Bank Borrowings				
USD denominated	mn USD	374	93	467
Brazilian R\$ denominated	mn R\$	685	140	825
Total Bank Borrowings	mn USD	743	169	912
Refinanced Taxes (REFIS)	mn R\$	99	-	99
Total Loans	mn USD	796	169	965
	mn INR	40,035	8,495	48,530

* Converted at 30th Sept 2011 closing exchange rate of 1.8544 R\$/USD and 27.1149 INR/R\$

Agricultural Data



Brazil

	Unit of measure	Renuka Vale do Ivai		Renuka do Brasil	
		2010/11	2011/12*	2010/11	2011/12*
Own Cane Harvest Area	ha	19,896	23,439	62,772	62,570
Yield	tons/ha	69.8	74.8	88.0	60.1
Own Cane	mn tons	1.39	1.75	5.50	3.77
Supplier Cane	mn tons	0.16	0.50	3.37	2.24
Total Cane Crushed	mn tons	1.55	2.25	8.87	6.01
Reform Area	ha	6,678	3,880	3,257	13,081
Expansion Area	ha	3,084	1,256	395	6,919
Total Planting	ha	9,762	5,136	3,652	20,000
Total Available Area for Next Crushing Season**	ha	22,980	24,695	63,167	69,489

* Upto December 2011

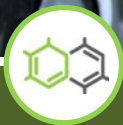
**Difference between Available Area and Harvest Area is due to increased/decreased requirement of seed-cane for plantation

Please refer our earnings release and presentation for more information on Brazilian subsidiaries

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

Vishesh Kathuria

+91 22 4001 1400

vishesh.kathuria@renukasugars.com