



MAWANA SUGARS LIMITED

MAWANA SUGARS LIMITED, P.O. Box 106, Meerut, Noida, India 201 225

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Q2 FY2010 Net Sales at Rs. 2319 million

Q2 FY2010 Sugar contribution at 59%

Q2 FY2010 Allied Products contribution at 41%

Co-gen. realisations show improvement

Company continues to focus on debt management

New Delhi, May 3, 2010

Mawana Sugars Limited – a producer of sugar/co-generated power and ethanol in Uttar Pradesh, India – announced its results for the quarter ended March 31, 2010.

Q2 FY2010 Performance review

Sales

Net Sales stood at Rs. 2319 million as compared to Rs. 1939 million. Sugar showed Net Revenues of Rs. 2915 million from Rs. 2057 million in FY2009 primarily driven by higher sugar realizations. Nevertheless, given the improved cane procurement, the average cane crushing has stood better as compared to last year's figure. Average realisations of sugar have stood at Rs. 33.3/Kg from Rs. 20.6/Kg last year. The review period has seen a decline in sugar realisations progressively.

Distillery revenues were at Rs. 41 million in Q2 FY2010 from Rs. 60 million previously due to lower sales of Industrial Alcohol.

Revenues related to export of power were at Rs. 283 million. On average the realisation from co-generation stood 29% higher at Rs. 3.84/unit. The total number of units also sold stood higher at 69.1 million units in Q2 FY2010 as compared to 40.4 million units in Q2 FY2009.

Revenues in Chemicals were at Rs. 319 million from Rs. 432 million in Q2 FY2009 given the prevailing operating conditions.

Operating Cost

Raw material cost grew to Rs. 5767 million from Rs. 2268 million last year as the average cost of cane has moved up sharply since last season. Employee Cost stood at Rs. 211 million in Q2 FY2010 from Rs. 175 million previously. Power and Fuel consumption was at Rs. 182 million from Rs. 202 million in Q2 FY2009. The Total Expenditure was therefore at Rs. 2531 million from Rs. 1782 million a year ago.

EBIDTA

EBIDTA stood to Rs. (23) million from Rs. 321 million last year, given the decision to optimise to lower levels of sale of sugar, higher cane procurement cost and the decline in realisations of sugar.

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Other Income, Interest Cost & Depreciation

Other income stood at Rs. 58 million from Rs. 36 million and was mainly composed of rental income and forex gains. The Interest cost for the Company was at Rs. 187 million in Q2 FY2010 from Rs. 189 million a year earlier. The Company remains committed to early retirement of existing debt. The Depreciation charged stood at Rs. 131 million from Rs. 128 million in Q2 FY2009.

PBT

The PBT stood at Rs. (341) million in Q2 FY2010. This compared to Rs. 4 million in Q2 FY2009.

PAT

Net Profits were at Rs. (341) million in Q2 FY2010 from Rs. 3 million last year. EPS was at Rs. (9.76) & Rs. 0.09 respectively.

Commenting on Mawana Sugars' results Mr. Sunil Kakria, Managing Director – Mawana Sugars said:

"Mawana Sugars has delivered a healthy performance given the operating conditions presented to us. On a y-t-d basis we have benefited from the increase in sugar realisations. Some benefit has also come in from higher sales of allied products viz co-generation, molasses and alcohol sales. The performance in the Chemicals business is more characteristic of the realities of the sector.

In view of the positive bias in prices, it has been our endeavour to increase the cane sourcing across our three locations and in that we have been especially successful. Through the intervening years we have really focused on cane development efforts so that our procurement remains streamlined, although we have not been immune to the increase in the overall cost of cane. We continue to regard cane dynamics as a market driven phenomenon.

At the corporate level we are committed to driving down debt levels and continue to comfortably meet our repayment obligations under an accelerated plan of repayment."

Key highlight/developments:

- The average Sugar realisation in Q2 FY2010 was at Rs. 33.3/Kg.
- Sale of sugar stood at 4.4 lakh quintals in Q2 FY2010 as compared to 5.9 lakh quintals previously.
- Quantities of industrial alcohol sold in Q2 FY2010 and Q2 FY2009 were 15.55 lakh BL & 21.52 lakh BL respectively.
- The sales of Caustic soda were 13134 MT in Q2 FY2010 as against 11751 MT in the corresponding Qtr last year.

Strengthening Balance Sheet

Mawana Sugars is actively pursuing measures to reduce the incidence of debt on books. As on March 31, 2010 the Net Debt (net of Cash and Cash Equivalents) was at Rs. 8 billion. The management remains committed to balancing the Interest Cost through revenue optimisation measures –including rationalising assets & fresh promoter equity infusion. The cash flows from operation are expected to improve on the back of higher expected sales of sugar and its allied products.

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Sugar outlook

Sugar output for season 2009-10 is likely at 18 Million M.T. Higher cane realisation and better cane crop are expected to contribute to a bumper production in the ensuing season. There are expectations of possibly 30% increment in cane production. The sector will continue to be driven by policies aimed at improving the overall level of compensation to the farmer and balancing the cost of sugar borne by the end consumer. The Company will seek to optimise the quantum of cane procured and crushed in any operating environment so as to benefit from higher production and its allied products.

Included: Details to the announcement

About Mawana Sugars Limited

Mawana Sugars is a multi-product company with business interests in Sugar, Power, Chemicals and Edible Oils. Formed as a result of the amalgamation of MSL – one of India's largest sugar manufacturers with SIEL Ltd., the Company has operations spread across the following locations:

Mawana, U.P.: (13,000 TCD sugar & 15 MW co-gen.)

Titawi, U.P.: (10,500 TCD sugar & 17 MW co-gen.)

Nanglamal, U.P.: (6,000 TCD sugar, 11 MW co-gen. & 120 Kltrs. per day distillery)

Rajpura, Punjab: (250 TPD caustic soda, 200 MT/day HCl, 222 MT/day Chlorine.)

At its integrated chemicals complex situated at Rajpura, Punjab, the Company makes use of environmentally-sound 'Membrane Cell' process to produce Caustic Soda, Liquid Chlorine, Hydrochloric Acid, Sodium Hypochlorite, Hydrogen, SHRIRAM Stable Bleaching Power and STB.

Operational Subsidiary Companies

Siel Industrial Estate Limited

This company owns about 455 acres of land in Rajpura for development of Industrial Estate.

Siel Edible Oils Limited

This company is a wholly owned subsidiary engaged in the business of marketing Vanaspati, Edible Oils and Soap on third party manufacturing basis. This company owns some strong brands in Northern India: Panghat in Vanaspati and Ruby, Sunbeam, Cornola, Kohinoor in Refined Oils segment. It also distributes consumer pack "Mawana" sugar.

To learn more about Mawana Sugars Limited and its products log on to: www.mawanasugars.com

Contacts for further information:

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Note: Some of the statements made in this document may be forward-looking. These statements remain subject to various contingencies and risks. Mawana Sugars would not in any way be responsible for action taken based on these forward-looking statements. Moreover, the Company does not undertake to update them publicly to reflect changed eventualities.

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New Delhi, May 3, 2010

Details to the announcement

- Results table
- Segmental table
- Operational overview table

Q2 FY2010 Results table:

(Rs. In Million)

Description	Qtr ended Mar 31, 2010	Qtr ended Mar 31, 2009
Net Sales	2319	1939
EBIDTA	(23)	321
Depreciation	131	128
Interest	187	189
PBT	(341)	4
Tax – FBT		1
PAT	(341)	3
EPS –Basic & Diluted (Rs.)	(9.76)	0.09
Equity Share Capital (face value of each share – Rs. 10/-)	350	306

Q2 FY2010 Net Segment (External) Revenue / Results

(Rs. In Million)

Description	Qtr ended Mar 31, 2010
Revenues	
<u>Sugar</u>	1711
<u>Power</u>	283
<u>Chemicals</u>	319
<u>Other</u>	41
EBIDTA	
<u>Sugar</u>	(105)
<u>Power</u>	91
<u>Chemicals</u>	(16)
<u>Other</u>	7

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Q2 FY2010 Operational overview table (Sugar):

Mawana Sugars Ltd.	Qtr ended Mar 31, 2010	Qtr ended Mar 31, 2009
Cane crushed (Lakh/Qtr.)	199	137
Sugar production (M.T.)	203614	123386
Average recoveries (%)	9.33	8.99
Average realisations (Rs./Qtr.)	3334	2061