



PONNI SUGARS (ERODE) LIMITED

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Press Release

Audited Financial Results for Q2 FY 2012

Ponni Sugars handled 27% higher cane volume QoQ with stable daily rate of supply. Higher cane yield, better availability of harvest labour procured from long distance and containment of harvest charges ensured enhanced cane supply. Soil productivity improvement measures and sustainable sugarcane initiative have helped restore sugar recovery to normal level compared to depressed sugar recovery obtained in the previous year.

Cane cost was higher by 14% and employee cost by 9% while sugar prices moved up much lower by only 8%. Export realization was far higher due to buoyant global market condition. While export quota was rationed by Government, the company could get 30% higher price on its exports compared to local market.

Overall, sugar production was marginally lower due to discontinuance of raw sugar processing this year. Sugar sale volume dipped by 42% with lower available inventory. Molasses realization registered almost 50% decline.

The financial results are summed up as under:

<i>Description</i>	<i>(Rs lakhs)</i>	
	<i>QE 30.09.2011</i>	<i>QE 30.09.2010</i>
Gross sales	6129	8496
PBIDT	963	1280
PBT	870	1169
PAT	597	719

With continuing mismatch in sugar industry between input and output prices, the financial performance of the Company for the current quarter is considered commendable. With increased sugar output estimate for SS 2011-12, sugar prices would continue to face market resistance but exports must come as a welcome relief.

The Cogeneration Project is progressing per schedule. The financial outgo till September end is Rs.48 crores. Term Loan of Rs.17 crores has been drawn out of sanctioned amount of Rs.65 crores. The Project is estimated to commission before end of current fiscal year.

The Company remains sanguine of satisfactory profit performance for FY 2011-12.

Chennai
04.11.2011

N Ramanathan
Managing Director