Shree Renuka Sugars Ltd

Reviewed Results for Quarter ended 30th June 2012 Earnings Presentation (updated with Brazilian Subsidiaries)

Earnings Conference Call
Tuesday October 04, 2012 at 17:00 hrs IST

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

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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.

Highlights

- Net Sales for standalone for the quarter at Rs. 14,839 million; higher by 23.4% over previous year
- EBITDA for RdB and RVdI at Rs. 700 million and Rs. 583 million respectively
- EBITDA margins for RdB and RVdI at 20.6% and 34.6% respectively
- Domestic Sugar price realisation for India higher by 8.3%
- Lower Crushing in May and June due to higher than historical rainfall in Brazil
- Net Profit of Rs. 247 million for Renuka Vale do Ivai S/A ; Net Loss of Rs. 1,167 million for Renuka do Brasil S/A

Comments from Mr. Narendra Murkumbi

Vice-Chairman and Managing Director

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

"Operations in our Brazilian subsidiaries during the quarter ended 30th June, 2012 got affected due to heavy rainfall in the months on May and June which has resulted in significantly lower crushing for the quarter (43% down Y-o-Y).

While Renuka do Brasil S/A reported an EBITDA of Rs. 700 million for the quarter with a margin of 20.6%, Renuka Vale do Ivai S/A continued its good operating performance by reporting an EBITDA of Rs. 583 million with 34.6% margin.

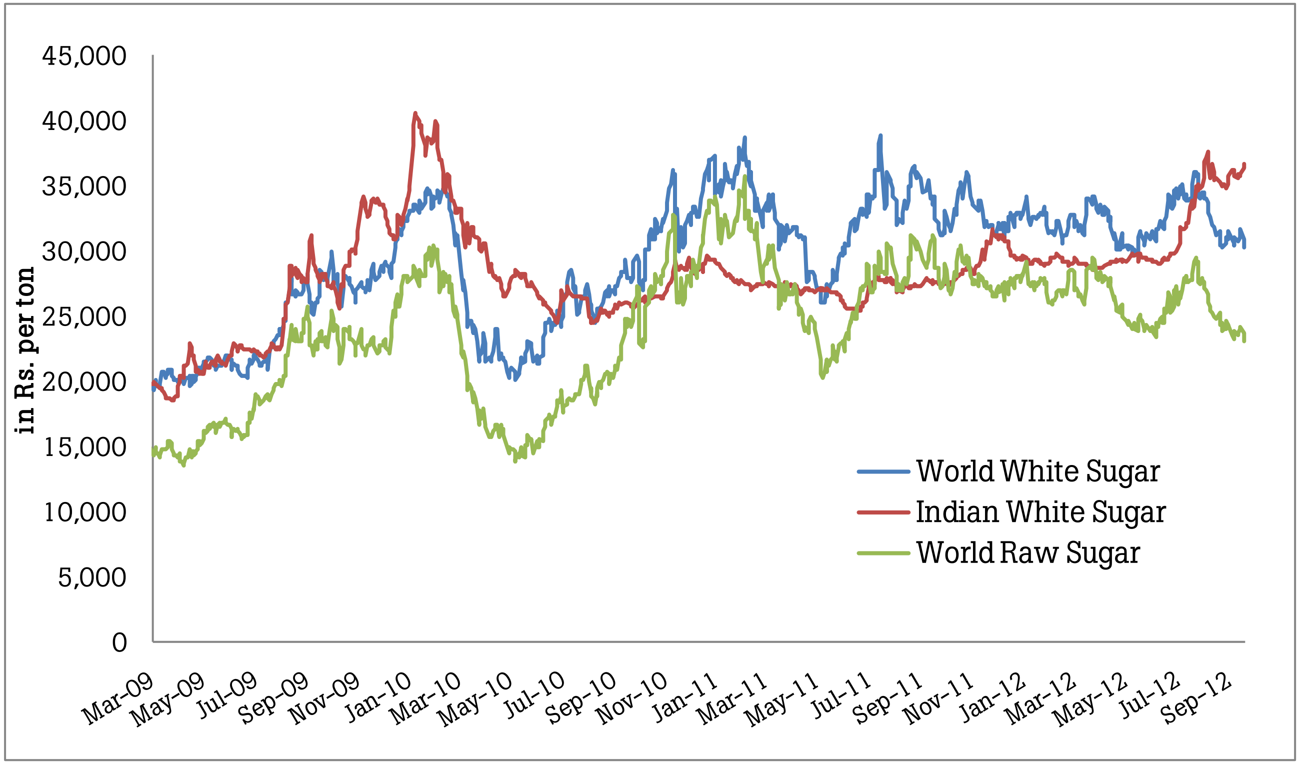
The situation has improved since then in Brazil with record crushing in the months of July and August which has enabled us to make up for a large part of the delay in operations in both Renuka do Brasil S/A and Renuka Vale do Ivai S/A. Favourable weather was complemented by improved yields and availability of cane, largely attributed to the rains in the first quarter. We are currently on course to meet our annual operational target for 2012/13 season in Brazil. Our focus in Brazil continues to be on ensuring enough sugarcane to fill our industrial capacity of 13.6 million tons at the earliest.

As published earlier, Company has reported a net profit of Rs.133 million for its standalone business for the quarter ended 30th June 2012 with an improved EBITDA of Rs. 1,798 million on the back of strong performance by the sugar segment.

Lower world raw sugar price, sustained white sugar premium and high domestic sugar price are encouraging for our Indian Business, especially our refineries. We expect to run our port based refineries at high capacity utilisation in the second half of the financial year."

Market Overview

Global Sugar Price Trends (Rs / ton)



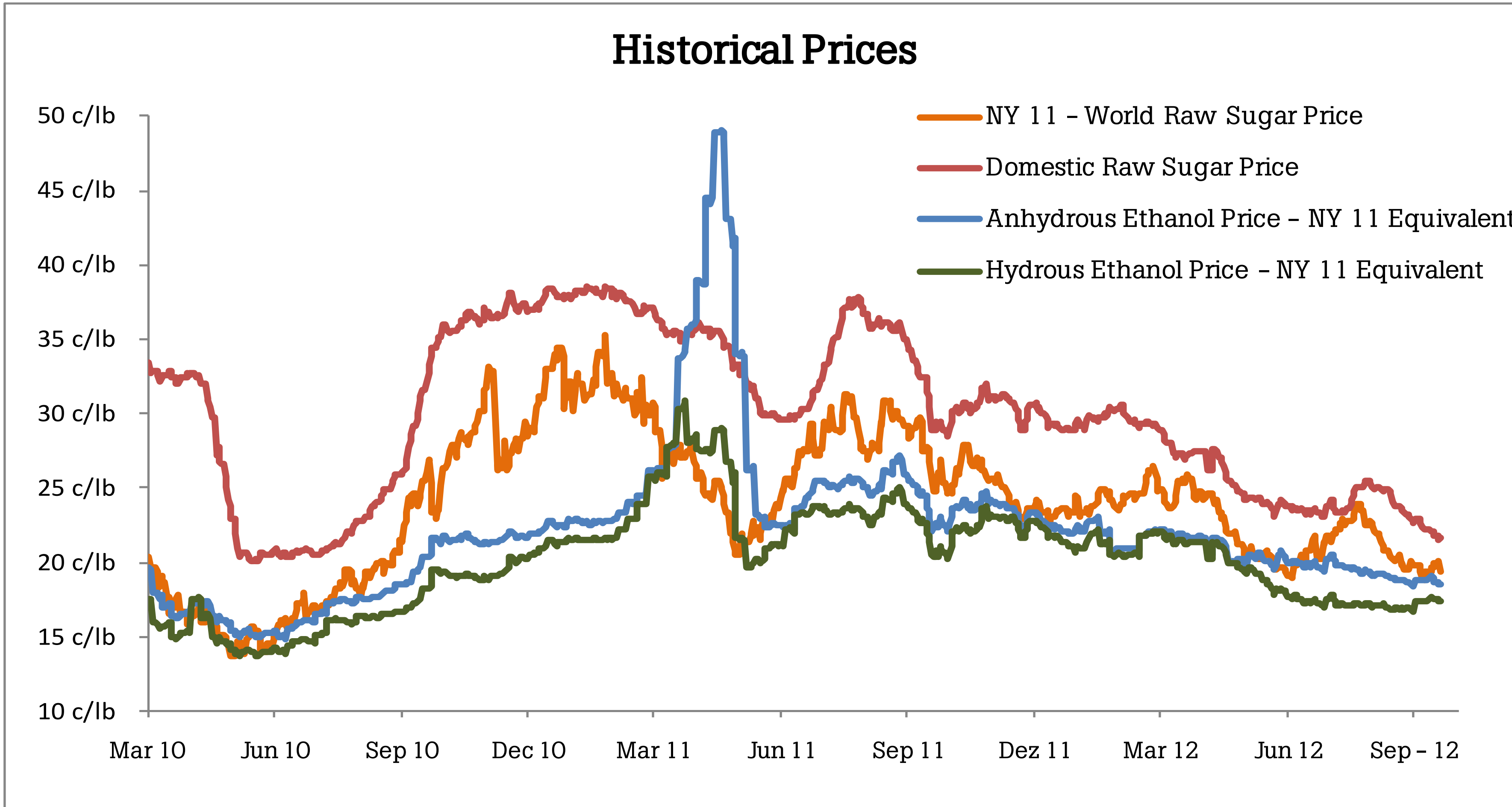
Source: ICE, Liffe, NCDEX

Key Perspectives

- World Raw Sugar prices have corrected lower on account of improved crushing in Brazil and expected Global surplus for 2012/13
- Strong Indian domestic sugar prices due to expectations of lower production and low opening inventories
- Improvement in rainfall has bypassed Karnataka and Maharashtra. Significant stress in the standing crop. Latest production estimate of 23.1 million tons

Brazil Market Overview

Brazil Product Price Trends



BRAZILIAN SUBSIDIARIES

Brazilian Subsidiaries Financial Performance

April '12 – June '12

(Rs. in Million)	Renuka do Brasil	Renuka Vale do Ivai
Net Sales[1]	**3,402**	**1,687**
Cost of Good Sold	(1,599)	(878)
G&A Expenses	(878)	(142)
Sales Expenses	(224)	(84)
Operating EBITDA	**700**	**583**
Interest	(912)	(247)
Depreciation & Amortisation	(1,418)	(313)
Depreciation	*(598)*	*(144)*
Amortisation of Off-season Maintenance	*(461)*	*(80)*
Amortisation of Cane Planting Expenditure	*(359)*	*(89)*
PBT (before Forex Variation)	**(1,630)**	**22**
Foreign Exchange Gain/(loss)	(212)	(81)
Profit Before Tax	**(1,842)**	**(58)**
Net Profit after Tax[2]	**(1,167)**	**247**

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

Sales and Price Summary

April '12 – June '12

Renuka do Brasil	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	75,275	20.5 c/lbs
Ethanol	m^3	33,139	1,252 R$/$m^3$
Cogen Exports	mn units	40	117 R$/unit
By-products/Utilities*	('000 R$)	7,517	

Renuka Vale do Ivai	Unit of Measure	Sales Quantity	Average Prices
Sugar	tons	39,250	22.5 c/lbs
Ethanol	m^3	12,086	1,309 R$/m3
By-products/Utilities*	('000 R$)	5,567	

*By-products/utilities include yeast, molasses and steam
**USD/BRL exchange rate: 1.9552 BRL/USD

Closing stock as of 30th June 2012 - Brazil

Renuka do Brasil

	Unit of Measure	As on 30th June 2012
Sugar	MT	24,591
Ethanol	KL	7,703

Renuka Vale do Ivai

	Unit of Measure	As on 30th June 2012
Sugar	MT	8,407
Ethanol	KL	420

RENUKA DMCC

Renuka DMCC Financial Performance

(Rs. in Million)	3M ended 30th Jun '12
Net Sales[1]	1,917
Net Profit	20

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

RENUKA STANDALONE

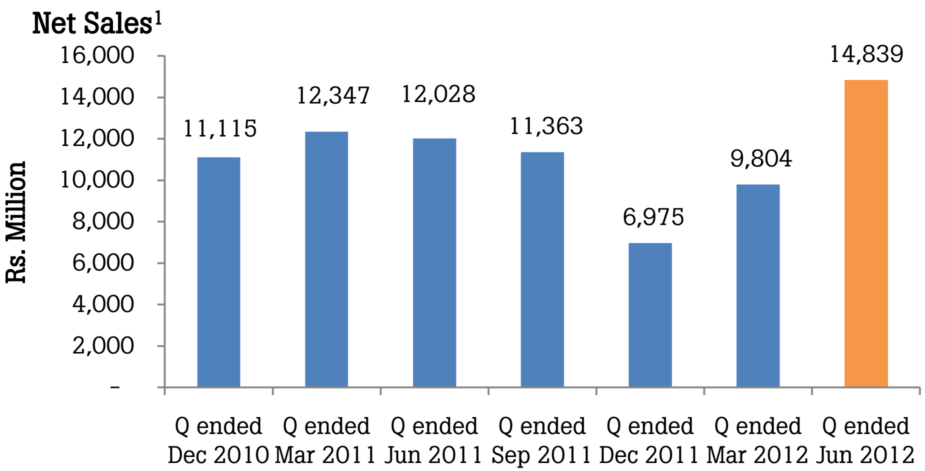
Standalone Financial Performance

(Rs. in Million)

	3M ended 30th Jun '12	3M ended 30th Jun '11	*% Y-o-Y Growth*	Y-o-Y Key Perspectives
Net Sales[1]	14,839	12,028	*23.4%*	• Higher domestic and export sugar sales volume • Improved price realization in Sugar and Ethanol
Operating EBITDA[2]	1,798	1,329	*35.3%*	• Better recovery during the season resulting into lower relative cost of production
% Margin	*12.1%*	*11.05%*		
Foreign exchange gain/ (loss)	(81)	-	*n/a*	• Non-materialized Foreign exchange loss on account of 8% Depreciation of INR against USD
Net Profit[3]	133	472	*(71.8)%*	• Higher Depreciation due to commissioning of Kandla Refinery • Higher Interest expense
% Margin	*0.9%*	*3.9%*		
Basic EPS[4] (Rs.)	0.20	0.70		
Diluted EPS[4] (Rs.)	0.20	0.70		

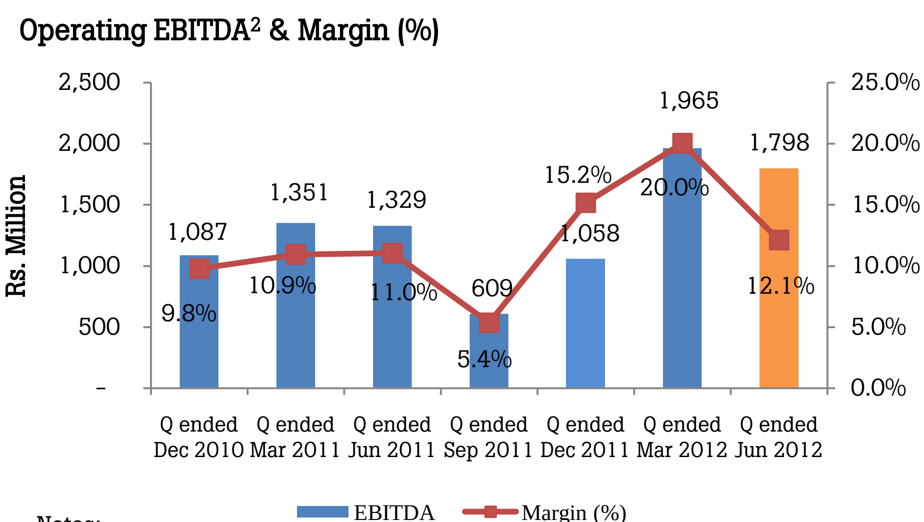
Notes:
1 Net Sales excludes excise duties, foreign exchange gains and includes other income
2 Operating EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income and excludes foreign exchange gain/loss
3 Net Profit is after minority interest and prior period adjustments
4 Non annualized

Standalone Quarterly Financial Performance



Trends

- Higher sales in Q1 FY2013 with the higher utilization from Kandla refinery
- Better price realization in sugar segment for the Q1 FY2013 due to increase in export volumes



Trends

- Profitability of Sugar and Ethanol segment has been better in the current quarter
- Improved recovery contributing towards better EBITDA margins over last 2 quarters as compared to same quarters last year

Notes:

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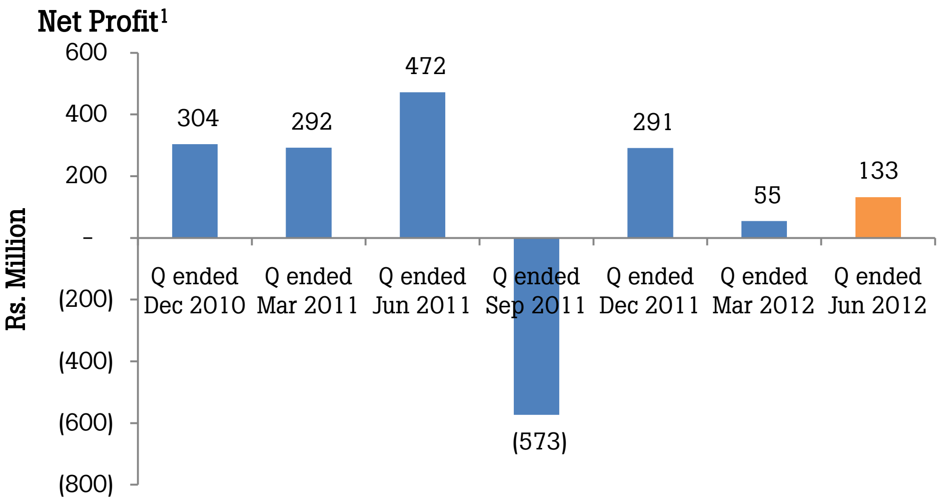
2. Operating EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income; excludes foreign exchange gain / loss

Standalone Quarterly Financial Performance



Notes:

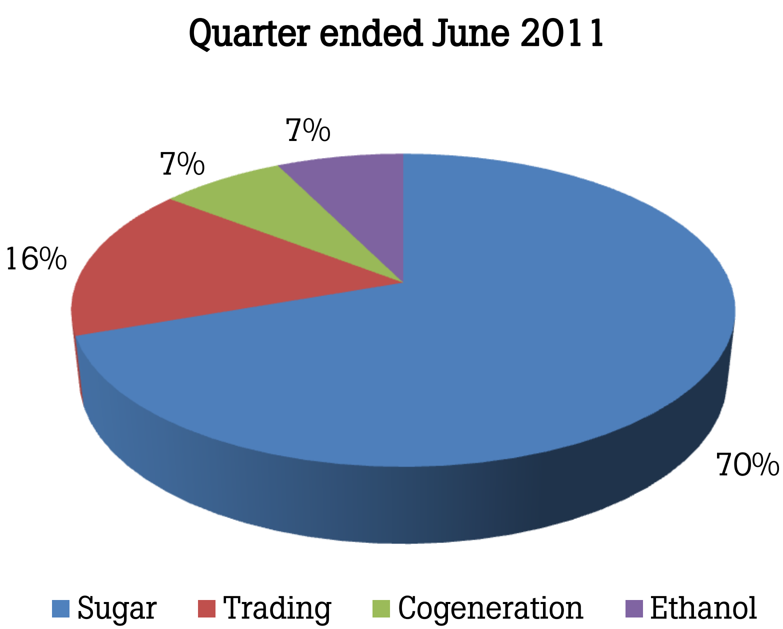
1 Net Profit is after minority interest and prior period adjustments

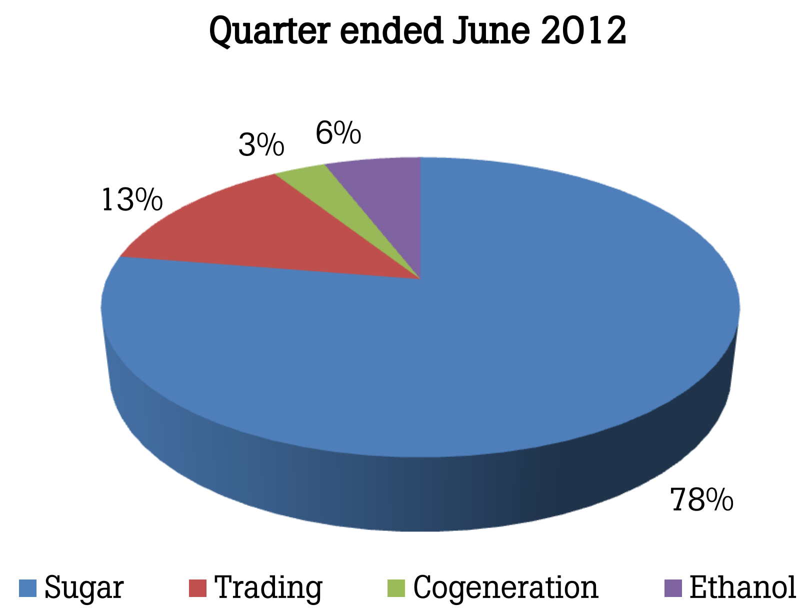
Trends

- Higher depreciation and effect of exchange rate variation affecting Net Profit in the current quarter

Standalone Performance – Quarter Ended 30.06.2012

Net Sales[1] Breakdown – India





Notes:

1. Net Sales excludes excise duties, foreign exghange gain/loss and includes other income

Closing stock as on 30th June 2012 – India

Standalone

	Unit of Measure	As on 30th June 2012
Sugar	MT	322,828
White Sugar	MT	292,787
Raw Sugar	MT	30,041
Ethanol	KL	33,294
Molasses	MT	87,101

Sales Quantity - India

Standalone

	3M ended Jun 2012	3M ended Jun 2011	*% Y-o-Y Growth*
Total Sugar Sold(MT)	359,780	287,723	25.04%
Export (in MT)	240,990	195,243	23.43%
Domestic (in MT)	118,790	92,480	28.45%
Ethanol (in KL)	31,137	33,741	(7.72)%
Co-gen (in million units)	38	79	(51.90)%

Net Price Realization – India

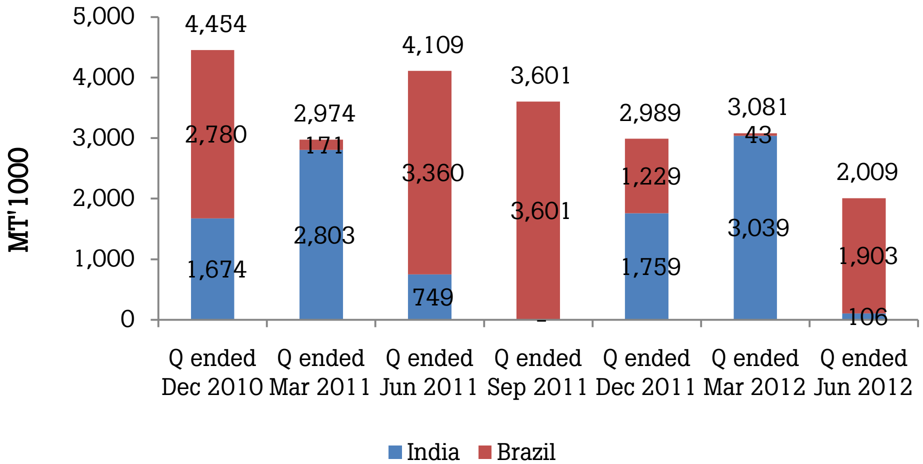
Standalone

	3M ended Jun 2012	3M ended Jun 2011	*% Y-o-Y Growth*
Average Manufactured Sugar (in Rs./MT)	32,536	30,038	8.32%
Export[1] (in Rs./MT)	35,052	33,170	5.67%
Domestic (in Rs./MT)	27,433	23,427	17.10%
Ethanol (in Rs./KL)	28,720	26,518	8.30%
Co-gen (in Rs. per unit)	4.61	6.41	(28.08)%

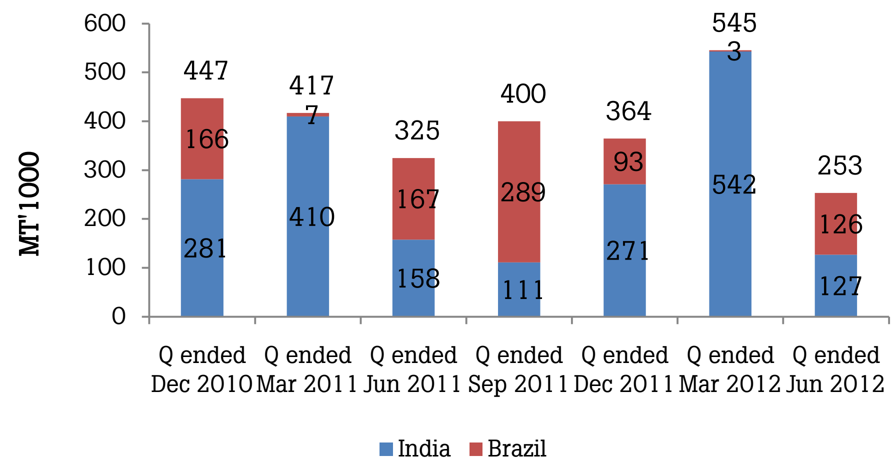
Notes:
1. Export Sugar realizations are FOB prices net of taxes

Sugar: Quarterly Operating Performance

Sugarcane Crushed



Sugar Production[1]



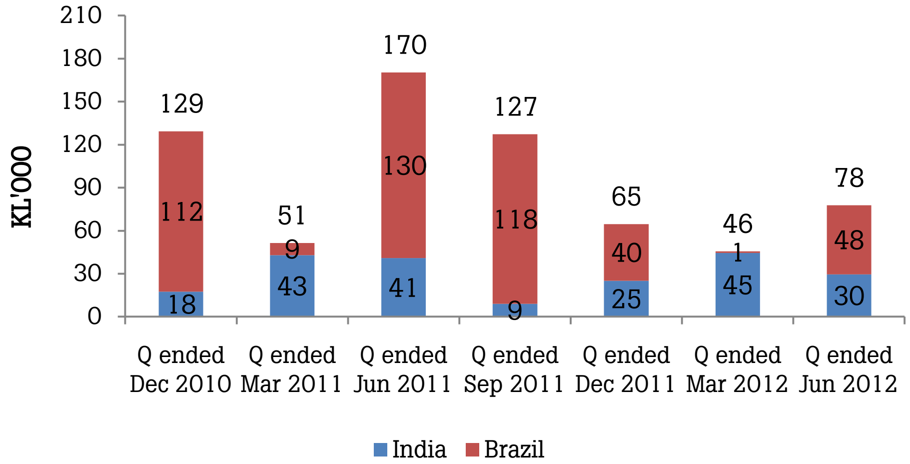
- Crushing for the new season began in Brazil during the quarter while it was an off-season period for our mills in India
- Lower crushing in Brazil during the period due to higher stoppages because of rainfall as compared to same period last year

- Higher contribution from refineries to the sugar production in India
- Sugar mix percentage in Brazilian units was approximately 64.4% during the quarter
- Lower ATR in Brazil due to the wetter season

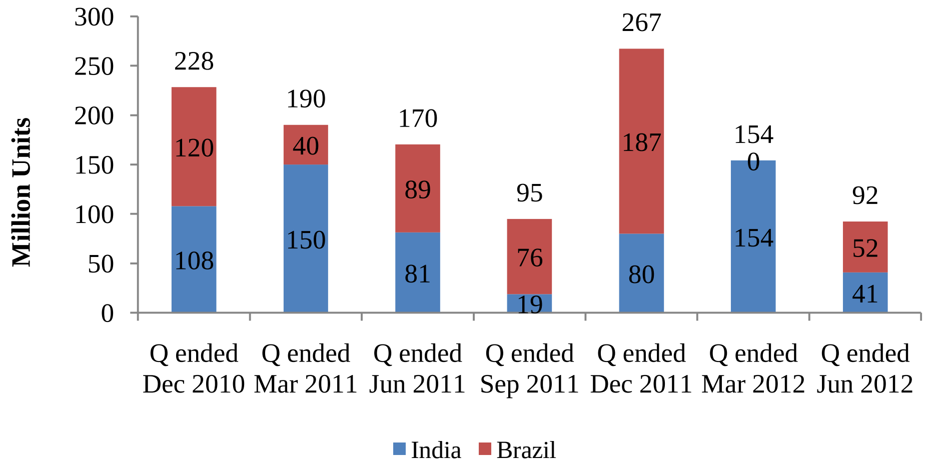
Note:
1 Sugar produced includes raw sugar and white sugar produced from cane, as well as refined sugar produced from raw sugar

Ethanol & CoGen: Quarterly Operating Performance

Ethanol Production



Co-Gen Power Exports



- Higher production of Anhydrous ethanol (94% Anhydrous: 6% Hydrous)
- 39 million liters of ethanol has been dispatched from Oct-11 to Oil Manufacturing Companies in India

- Lower energy exported from Brazilian units due to lesser crushing and loss of time due to rainfall
- Lower exports from India due to the off-season

Fact Sheet

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

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For Immediate Release **October 04th, 2012**

Shree Renuka Sugars Limited
Announces
Reviewed Results for the Quarter ended 30th June 2012 for Brazilian Subsidiaries

EBITDA margins for RdB and RVdI at 20.6% and 34.6% respectively
Lower Crushing in May and June due to higher than historical rainfall in Brazil
Net Profit for RVdI of Rs. 247 million and Net Loss for RdB of Rs. 1,167 million

Mumbai, India, October 4th, 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 Quarter results for period ended June 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:

"Operations in our Brazilian subsidiaries during the quarter ended 30th June, 2012 got affected due to heavy rainfall in the months on May and June which has resulted in significantly lower crushing for the quarter (43% down Y-o-Y).

While Renuka do Brasil S/A reported an EBITDA of Rs. 700 million for the quarter with a margin of 20.6%, Renuka Vale do Ivai S/A continued its good operating performance by reporting an EBITDA of Rs. 583 million with 34.6% margin.

The situation has improved since then in Brazil with record crushing in the months of July and August which has enabled us to make up for a large part of the delay in operations in both Renuka do Brasil S/A and Renuka Vale do Ivai S/A. Favourable weather was complemented by improved yields and availability of cane, largely attributed to the rains in the first quarter. We are currently on course to meet our annual operational target for 2012/13 season in Brazil. Our focus in Brazil continues to be on ensuring enough sugarcane to fill our industrial capacity of 13.6 million tons at the earliest.

As published earlier, Company has reported a net profit of Rs.133 million for its standalone business for the quarter ended 30th June 2012 with an improved EBITDA of Rs. 1,798 million on the back of strong performance by the sugar segment.

Lower world raw sugar price, sustained white sugar premium and high domestic sugar price are encouraging for our Indian Business, especially our refineries. We expect to run our port-based refineries at high capacity utilisation in the second half of the financial year."

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Financial Highlights of Brazilian Subsidiaries

(Rs. Million)	Renuka do Brasil Quarter ended 30-06-2012	Renuka Vale do Ivai Quarter ended 30-06-2012
Net Sales	3,402	1,687
Operational EBITDA	700	583
EBITDA Margin (%)	*20.6%*	*34.6%*
Net Profit	(1,167)	247
Net Profit Margin (%)	*(34.3)%*	*14.6%*

Our trading subsidiary Renuka DMCC, which is based out of Dubai, has reported Net sales of Rs. 1,917 million and Net profit of Rs. 20 million.

Economic Environment

World raw sugar prices have been trading in the range between 19 cent/lbs and 23 cents/lbs since mid-April. The record crushing in the months of July and August coupled with prospects of higher cane availability for crushing in Centre-South Brazil has kept the sugar prices under check. They have been trading under 20 cents/lbs since mid-August until the expiry of the October futures contract last week. Prices have since recovered to 21 cents/lbs as the bulk of the current surplus has been delivered on the exchange.

The new crushing season in Brazil has seen consistent rainfall in the first quarter followed by bright sunny days in the months of July and August. Although heavy rainfall during the months of May and June had resulted in relatively lower crushing till June, Brazil made up for the loss of non-operational days by crushing at full capacity in the subsequent months. Centre-South Brazil crushed 7% and 9% higher in the months of July and August respectively as compared to the respective months last year. Also, the rainfall in the first quarter is showing a positive impact on the yields in the second half of the season. 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. As on 16th September, mills in Centre-South Brazil had crushed a total of 350 million tons of cane, 7.2% lower than till same period last year. The crushing season is expected to continue for a longer duration this year.

	Units	As on 16th September			Estimated
		2012/13	2011/12	% Change	2012/13
Cane Crushed	mn tons	349.53	376.71	(7.2%)	519
Sugar	mn tons	21.79	23.21	(6.1%)	32.7
Ethanol	mn m^3	13.69	15.44	(11.3%)	21.1
ATR	Kg/ton	132	134	(2.7%)	136
% Sugar		49.5%	48.1%	n/a	48.9%

Source: UNICA

Operating Performance of Brazilian Subsidiaries

With crushing for the season 2012-13 having started during the quarter ended June 2012, Brazil experienced more than average rainfall during April to June quarter leading to higher stoppages in agriculture operations which affected the crushing during the quarter. Only 1.9 million tons of cane was crushed during the quarter by Renuka do Brasil S/A and Renuka Vale do Ivai S/A as against 3.36 million tons crushed during the same period last year.

However, crushing rate has improved significantly since then and Renuka do Brasil S/A and Renuka Vale do Ivai S/A have crushed 4.6 million tons between July and September, which is 2.4 times higher than the April to June quarter and almost 1 million tons more than the same period last year.

RdB and RVdI	**Units**	**April – June**		**July - September**	
		2012	**2011**	**2012**	**2011**
Cane Crushed	mn tons	1.91	3.36	4.57	3.60
Sugar	'000 tons	126.4	167.1	379.0	289.1
Ethanol	'000 m^3	48.1	129.5	133.6	118.6
ATR	Kg/ton	116	117	136	138
Energy Exported	Mn units	52	89	110	76

Of the total ethanol produced by our subsidiaries, 94% has been anhydrous. Hydrous ethanol prices at the pumps have been relatively higher than gasoline leading to muted demand for hydrous ethanol and higher demand for anhydrous ethanol to meet the mandatory blending with petrol. The product mix for our mills stood at 65% sugar for the season up to 30th September 2012.

sugar ethanol power

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:

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For further information on Shree Renuka visit www.renukasugars.com

The Company will host a conference call to discuss quarter ended 30th June 2012 earnings at 1700 hours IST on Thursday, October 04th, 2012. To participate, please use the following dial-in numbers:

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

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UK:	+44 808 101 1573
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Hong Kong:	+852 800 964 448

Safe Harbour

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