



For Immediate Release

May 30th, 2012

Shree Renuka Sugars Limited
Announces
Audited Consolidated and Standalone
Results for Quarter & Financial Year Ended 31st March 2012
Quarter ended Mar 2011 Performance vs. Quarter ended Mar 2012

Consolidated EBITDA margin of 16.3% for the financial year ended March 2012
Record recovery of 12.02% for the crushing season 2011-12 in India Business
Crushing Season Started in Brazil

Mumbai, India, May 30th, 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 Audited Consolidated and Standalone Quarter and 18 months results for period ended March 2012, 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:

“Last 18 months have had been difficult operationally, for Shree Renuka Sugars. Company has been continuously challenged by the adverse weather conditions in Brazil and grim global macro-environment.

Company has reported consolidated net loss of Rs. 302 million for the 18 months period ended 31st March 2012. Our bigger Brazilian subsidiary Renuka do Brasil S/A had a difficult year due to drop in yields and has reported operating EBITDA of Rs. 7,798 million and a net loss of Rs. 3,995 million for the 18 months period. The Indian Business, International trading business and the other Brazilian subsidiary Renuka Vale do Ivaí (RVDI) were profitable. Operationally on a consolidated level, Company has been profitable with consolidated EBITDA margin of 16.3% for the 18 months period as compared to 15.9% for the last financial year.

Recent changes in Indian export policy augur well for the domestic business. Shree Renuka Sugars benefits from the new open export policy substantially given its Refining and Milling assets close to the port which are capable of producing high quality refined sugar.

The company is concentrating on heavy cane planting program and cost reduction exercise at Renuka do Brasil. Operational turnaround of Renuka do Brasil will require two seasons to ensure availability of cane for full industrial capacity utilisation

The depreciation of Brazilian Real and Indian Rupee has created volatility in the results and balance sheet in recent quarters. However it has made both production locations more competitive in the world sugar market“



Consolidated Financial Highlights

Consolidated Financial Performance					
(Rs. Millions)	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 31-12-2011	18M-Audited-2010/12 1-Oct-2010 to 31-Mar-2012	12M- Audited-2009/10 1-Oct-2009 to 30-Sep-2010
Net Sales	16,746	18,864	20,681	125,778	77,195
Operational EBITDA	2,670	3,246	3,546	20,498	12,252
EBITDA Margin (%)	15.9%	17.2%	17.1%	16.3%	15.9%
Foreign Exchange gain/ (loss)	(999)	441	4,293	(566)	1,321
Net Profit	(658)	582	3,434	(302)	7,038
Less: Minority Interest	61	(12)	(5)	8	4
Prior Period Adjustments	-	-	-	-	-
Net Profit After Minority	(719)	594	3,439	(310)	7,034
Net Profit Margin (%)	(4.3)%	3.1%	16.6%	(0.2)%	9.1%
Basic EPS (Rs)	(1.07)	0.89	5.13	(0.46)	10.75
Diluted EPS (Rs)	(1.07)	0.88	5.12	(0.46)	10.48

Standalone Financial Highlights

Standalone					
(Rs. Millions)	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 31-12-2011	18M- Audited-2010/12 1-Oct-2010 to 31-Mar-2012	12M-Audited 2009/10 1-Oct-2009 to 30-Sep-2010
Net Sales	9,804	12,347	6,975	63,632	55,979
Operational EBITDA	1,965	1,351	1,058	7,399	7,244
EBITDA Margin (%)	20.0%	10.9%	15.2%	11.6%	12.9%
Foreign Exchange gain/ (loss)	(508)	-	342	(894)	-
Net Profit	55	292	291	841	4,100
Net Profit Margin (%)	0.6%	2.4%	4.2%	1.3%	7.3%
Basic EPS (Rs)	0.08	0.44	0.43	1.25	6.27
Diluted EPS (Rs)	0.08	0.43	0.43	1.25	6.11

Brazil				
(Rs. Millions)	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	12M Ended 31-03-2012	18M Ended 31-03-2012
Net Sales	5,356	4,977	33,459	47,482
Operational EBITDA	125	1,599	7,699	11,379
EBITDA Margin (%)	2.3%	32.1%	23.0%	24.0%
Foreign Exchange gain/ (loss)	(240)	472	(777)	(8)
Net Profit	(1,048)	127	(3,122)	(2,687)
Less: Minority Interest	-	-	-	-
Prior Period Adjustments	-	-	-	-
Net Profit	(1,048)	127	(3,122)	(2,687)
Net Profit Margin (%)	(19.6)%	2.5%	(9.3)%	(5.7)%

Economic Environment

Global raw sugar prices traded between 23 cents/lbs and 26 cents/lbs during the quarter. The prices have since corrected and stabilized at the level of 20 cents/lbs due to the surplus sugar production during the year, expectation of higher cane crop in the Asia region and depreciation of currencies of major sugar exporting countries with respect to US Dollar.

Quarter ended 31st March was an off-season period for the mills in Centre-South region of Brazil. Crushing for season 2011-12 season concluded with cane crushed quantity of 493 mn tons and production of 31.3 million tons of sugar and 20.6 billion liters of ethanol. Net Brazilian import of 1.0 billion litres of ethanol from other countries mainly US along with lower blending ratio (20%) of ethanol with gasoline meant that the supply of ethanol in the spot market outpaced the demand reflecting in the lower ethanol prices for ethanol in the quarter as compared to same quarter of the previous year. Crushing for the season 2012-13 has started in the mills in Centre-South Brazil. As per the latest estimates from UNICA for 2012-13 the estimated cane crushed will be around 509 million mt, 3.2% higher than previous year. As of May 15th, mills in Centre-South Brazil crushed a total of 35.09 million mt of cane in the 2012-2013 harvest, a fall of 38.67% from last year. Sugar output to date reached 1.57 million mt, down 33.89% from a year ago while ethanol production dropped 39.28% to 1.32 billion litres. Harvesting and production has been hampered due to wet weather and rains during the month of April and May. Conversely, current rain is expected to have beneficial effect on the cane yields in the second half of the season.

		As on 15 th May		%	Estimated
Units		2012/13	2011/12	Change	2012/13
Cane Crushed	mn tons	35.09	57.22	(38.7%)	509
Sugar	mn tons	1.57	2.37	(33.9%)	33.1
Ethanol	mn m ³	1.32	2.17	(39.2%)	21.5
ATR	Kg/ton	110	108		140
Sugar %age	%	43%	40%		49%

Source: UNICA

White-raw sugar refining spreads remained comparatively stable during the quarter at around USD 100 per ton. After the drop in raw sugar prices to 20 cents/lbs, the refining spreads have improved to USD 125 per ton.

Crushing in most parts of India was in full swing during the Quarter ended March 2012 with mills gradually closing their operations for the season by the end of the quarter. The total sugar production¹ for the 2011-12 crushing season is estimated to be around 26 million tons, 7.5% higher over last year. Government already announced 2 million tons of exports under Open General License with mill-wise quotas initially. On 12th May 2012, the Government lifted quantity restrictions on sugar exports. From April onwards, Government has also changed the release mechanism of sugar for the domestic market to Quarterly Release from Monthly Release earlier. A high powered committee headed by Dr. C. Rangarajan, Chairman Economic Advisory Council to the Prime Minister Office is currently preparing its report on decontrol of sugar sector. We expect this report to be presented to Prime Minister next quarter.

Domestic sugar prices have been supported by recent changes in export policy and the conclusion of the crushing season. With the depreciation in the rupee over the last quarter, the prices in export markets are still favourable for Indian Sugar. Cumulative exports out of India since October 2011 are in the range of 2.2 million tonnes till date.

¹ ISMA estimate

Group Financial Performance

Consolidated Net Sales for the quarter ended 31st March, 2012 decreased by 11.2% as compared to quarter ended 31st March, 2011. Export sales in the Indian standalone business were impacted by the uncertain export policy during the quarter. The new export policy augurs well for the business and will help in increased revenue and margins going forward.

Y-o-Y, sugar segment in India during the quarter ended 31st March has benefited from higher prices and higher sales volume. Average Sales volume during the quarter for domestic sugar has increased by 37.5% as compared to same quarter last year. Y-o-Y renewable segments (ethanol and power) has benefited on account of lower input price due to larger availability of raw material. Y-o-Y, EBIT margin in ethanol segment has increased to 35.4% as compared to 26.0% primarily on account of increase in realization as compared to same quarter last year. Co-generation sales volumes in India for the quarter ended 31st March were in line with last year but with a drop in average realization by 12%. Y-o-Y, Net sales in Brazil have increased by 7.6% on account of higher sales volume across the sugar and ethanol segment in both the subsidiaries i.e. Renuka do Brasil (RDB) and Renuka Vale do Ivaí (RVDI). For the season 2011-12, the price realisation at Brazilian Subsidiaries has been significantly better as compared to 2010-11 with increase in realized prices by 30% for sugar segment and 42% for ethanol segment.

Consolidated Operating EBITDA during the quarter has decreased by 17.7% compared to last year. Improved profitability in the Renewable segment i.e Ethanol and Cogeneration were offset by the lower sales volume in the export sugar segment. Y-o-Y, EBITDA growth in the Co-generation segment in the quarter ended 31st March was due to lower raw material prices as well as sustained volumes as compared to the previous quarter. RVDI, continued to show strong performance and has recorded EBITDA margin of 32.3% during the quarter ended 31st March, 2012. For the Apr-2011 to Mar-2012 season, RVDI recorded EBITDA margin of 41%. RDB performance was affected due to the bad weather conditions and drop in yields. For the season 2011-12, RDB recorded EBITDA margin of 21%, much lower than the potential of the business.

Consolidated Net loss for the quarter ended 31st March, 2012 was Rs. 719 million on account of loss in Renuka do Brasil S/A due to lower productivity of cane fields. Brazil foreign exchange loss is due to the amortization of losses of previous quarters carried forward as foreign exchange translation reserves after the adoption of revised AS-11 standard in December 2011.

Total debt consists of Rs. 43,281 million in standalone India entity. Increase in debt in India since September 2011 is related to increase in current assets of Rs. 6,215 million due to seasonal peak of sugar inventories and depreciation of INR against USD by 4% which has increased the value of foreign currency denominated debt in rupees. In Brazil, the increase in debt is marginal with repayments during six month period being offset by the depreciation of Rupee against Brazilian Real.

TOTAL DEBT (Rs. million)	31.03.2012	30.09.2011
India	43,281	33,590
Brazil	50,022	48,530
Other Subsidiaries	7,481	4,000
Consolidated Debt	100,784	86,120

Segment Operating Performance

Sugar

(Tonnes, unless indicated)

	Brazil	India			Consolidated
	3M Ended 31-03-2012	3M Ended 31-03-2012	3M Ended 31-03-2011	y-o-y Growth (%)	Q4 FY2011
Sugarcane Crushed	42,535	3,038,845	2,803,472	8.4%	3,081,380
Raw Sugar Processed ¹	-	169,018	69,770	142.3%	169,018
Recovery ²	134.2	12.4%	12.2%	1.8%	n/m
Sugar Production					
From Cane	2,830	378,158	343,051	10.2%	380,988
Raw Sugar	2,830	-	-		2,830
White Sugar	-	378,158	343,051	10.2%	378,158
Refined Sugar ³	-	164,310	67,080	144.9%	164,310
Total Production	2,830	542,468	410,131	32.3%	545,298

Notes:

1 Recovery calculated as % in India and as ATR in Brazil

2 Refined sugar can be obtained from raw sugar and is produced from refineries

Total sugarcane crushed in India standalone business was higher by 8.4% and sugar produced increased by 10.3%. Y-o-Y, recovery has increased by 1.8%. The crushing for the season concluded in the month of April with total cane crushing of 4.9 million tonnes and production of 589,363 tonnes of sugar at an average recovery of 12.02% (4% higher as compared to last season). Y-o-Y, volume from refineries has increased from 69,770 tonnes to 169,018 tonnes of raw sugar refined during the quarter.

Last quarter was the offseason (non-crushing) quarter in Brazil. Crushing started at one of the mills in Renuka Vale do Ivai on 20th March 2012 and had crushed 42,535 tonnes of cane.

Ethanol

	Brazil		India			Consolidated
	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	q-o-q Growth (%)	Quarter Ended 31-03-2012
Production (KL)	1,018	8,548	49,312	43,852	446.8%	50,330
Price / Litre (Rs)	34.44 (R\$ 1.23)	38.08 (R\$ 1.25)	28.22	27.58	(3.2%)	32.73

Dispatches of Ethanol to the Oil Marketing Companies (OMC) picked up during the quarter and 30 million liters of ethanol was sold to OMCs. For the year Oct-2011 to Sep-2012, company has received purchase order of 75 million liters from OMC's.

The Central Government has not decided the final price of ethanol despite a delay of over one year since the submission of report of committee headed by Dr. Saumitra Chaudhari. The open market price of alcohol continues to be firm with realisation of around Rs. 34 per litre and export prices of about Rs. 38.0 per litre.

Co-generation

	Brazil		India			Consolidated
	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 31-03-2012	Quarter Ended 31-03-2011	Quarter Ended 30-09-2011	Quarter Ended 31-03-2012
Exports (mm units)	49	78	154	155	19	204
Average Price/Unit (Rs)	2.64	4.01	4.77	5.41	3.48	4.25

Power exported for the quarter ended 31st March, 2012 in India was in line with the power exported during the same quarter last year. In our Brazilian Subsidiaries, power exported for the quarter ended 31st March, 2012 were about 49 million units, lower as compared during the last year due to the shorter crushing season.

Outlook

The estimated global sugar surplus between 6 – 8 million tons due to increase in production from countries such as India, Russia, EU and Thailand have put the global sugar prices under pressure. However we see restocking demand from importing countries who had run down the stocks to bare minimum during the last two years of deficit. Flex fuel car fleet in Brazil is only partially using ethanol today due to relative price versus gasoline. There is a potential for significant increase in demand of ethanol if sugar falls below 19 cents/lbs and mills in Brazil will shift to produce more ethanol and less sugar thus reducing the surplus. Despite a moderate near-term global sugar price environment, Shree Renuka is well positioned to deliver an improved performance in its Brazilian Subsidiaries for the current year having hedged approximately 75% of its Brazilian sugar production capacity at prices higher than current market price.

Our India Cane Milling division has had its best of operating performance ever in this season with record sugar recovery, higher industrial crushing rate and robust production of power and ethanol.

Refining volumes have improved during the quarter with the pioneering use of domestic raw sugar in our Kandla refinery. Refining spreads have also significantly improved with the drop in world raw sugar prices. Given weak rupee we believe exports will be viable even in the next sugar season.

With the commencement of new season in Brazil, we expect our operational performance in both the companies to improve with higher utilization of our assets supported by successful completion of our cane plantation program (more than 25,000 Ha) last year.



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:

Vishesh Kathuria, Shree Renuka Sugars Limited +91 22 4001 1400

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

The Company will host a conference call to discuss Quarter and 18 Months period ended 31st March 2012 earnings at 1730 hours IST on Thursday May 31st, 2012. To participate, please use the following dial-in numbers:

Primary Number +91-22-3065 0060

Secondary Number +91-22-6629 0019

The numbers listed above are universally accessible from all networks and all countries

Toll Free Numbers

USA: +1 866 746 2133

UK: +44 808 101 1573

Singapore: +65 800 101 2045

Hong Kong: +852 800 964 448

Safe Harbour

This release 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.



Shree Renuka Business Snapshot

Global Market Position

- One of the largest sugar producers in the world with eleven cane mills globally and total crushing capacity of 20.7 million tons of cane per annum
- One of the largest sugar refiners globally with capacity of 1.7 MTPA
- Leading manufacturer of sugar in India, the world's largest consumer market
- Highly integrated with ethanol capacity of 6,120 KL per day and Co-Generation capacity of 242 MW, in India and 295MW in Brazil

Best-in-Class Operations

- Higher flexibility to optimize product mix between Ethanol and Sugar in Brazil
- Approximately 100,000 hectares of company owned sugarcane plantations in Brazil with high level of mechanization
- Significant ethanol and power co-generation capacity provide greater resilience to down cycles
- Renuka VDI stake in four logistics companies in Brazil enables competitive export costs
- KBK Chem-Engineering subsidiary provides optimal solutions for fermentation and distillation industries

Locational Advantage

- Only sugar/ethanol producer globally with cane crushing operations year round due to complementary seasons in India and Brazil
- Presence in largest sugar producing and consuming regions globally provides better access to commodity price and production information
- Large operations in Brazil, where sugar/ethanol manufacture has low operating cost, high scalability and highly conducive climatic conditions
- Approximately 65% of sugarcane used in Brazil operations comes from owned cane plantations, enabling higher margins and assurance of raw materials
- Flexible cane pricing and sugarcane with higher recovery through presence in South and West India
- Strategically located port-based sugar refineries in India able to cover Indian, South Asian and Middle-Eastern markets competitively.