

For Immediate Release November 11th, 2011

Shree Renuka Sugars Limited Announces

Unaudited Consolidated and Standalone Fourth Quarter Results for Fiscal 2010-12 Q4 FY2011 Performance vs. Q4 FY2010:

Consolidated Net Sales decreased by 2.8%
Standalone Operational EBITDA increased by 63%
Brazil Subsidiary Consolidated EBITDA decreased by 6.7 %
Large negative impact on Consolidated Net Profit due to Rs. 5,698 million of Unrealised Foreign Exchange Loss

Mumbai, India, November 11th, 2011 – 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 Unaudited Consolidated and Standalone Fourth Quarter results for Fiscal 2011, 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:

"Shree Renuka Sugars had a difficult quarter due to a challenging operating environment in Brazil, especially in Sao Paulo state, due to bad weather severely affecting the sugarcane.

The Aracatuba region of Sao Paulo state, where our larger subsidiary Renuka do Brasil is located, had maximum impact of the drought-like conditions and frost and flowering of crops during this season. Cane yields were down 31% year on year. Renuka Vale do Ivai displayed strong operational results and has posted good growth in output and the EBITDA margin.

The company has shown price growth across the sugar and ethanol segment in India as compared to the last year. However, Indian sugar prices remained flat during the quarter. The volatile global scenario and unavailability of raw material has resulted in lower utilisation of the sugar refineries during this quarter."

Besides a consolidated loss at PAT level of Rs 461 million, the company suffered a forex loss of Rs 5698 million due to unrealised variation on foreign exchange monetary items, primarily in our Brazilian subsidiaries.

Renuka Vale do Ivai results showcase the effects of a full management turnaround and the company is focused on effecting a similar turnaround in Renuka do Brasil quickly. This primarily involves boosting the planted area of cane substantially over the next two seasons.

The domestic sugar cycle in India appears to be at a turning point with an undercapitalized industry being forced to run-up large cane arrears in order to crush a big crop in sugar season 2011-12"



Consolidated Financial Highlights

Consolidated Financial Performance								
	Q4		<i>y-o-y</i>	Q3	12 m	onths		
			ľ		Period ended	Period ended		
(Rs. Millions)	FY2011	FY2010	Growth (%)	FY2011	30-09-2011	30-09-2010		
Net Sales	24,193	24,899	(2.8)%	22,607	88,351	76,694		
Operational EBITDA	3,284	3,271	0.4%	4,530	14,282	11,751		
EBITDA Margin (%)	13.6%	13.1%		20.0%	16.2%	15.3%		
Foreign Exchange gain/loss	(5,698)	689	(927.0)%	1,053	(3,860)	1,321		
Net Profit	(6,186)	1,278	(584.0)%	1,860	(3,078)	7,038		
Less: Minority Interest	(27)	(3)		(10)	(48)			
Prior Period Adjustments				-		(4.00)		
Net Profit After Minority	(6,159)	1,281	(580.8)%	1,870	(3,030)	7,034		
Net Profit Margin (%)	(25.5)%	5.1%		8.3%	(3.4)%	9.2%		
Basic EPS (Rs)	(9.18)	1.91	(580.6)%	2.79	(4.52)	10.75		
Diluted EPS (Rs)	(9.17)	1.91	(580.1)%	2.78	(4.51)	10.75		

Standalone Financial Highlights

	Standalone						
	Q4		у-о-у	Q3	12 m	onths	
(Rs. Millions)	FY2011	FY2010	Growth (%)	FY2011	Period ended 30-09-2011	Period ended 30-09-2010	
Net Sales	11,363	14,437	(21.3)%	12,073	46,853	55,979	
Operational EBITDA	609	374	62.8%	1,374	4,376	7,244	
EBITDA Margin (%)	5.4%	2.6%		11.4%	9.3%	12.9%	
Foreign Exchange gain/loss	(728)	0	[•]	(45)	(734)	751	
Net Profit	(573)	81	(807.4)%	472	495	4,100	
Net Profit Margin (%)	(5.0)%	0.6%		3.9%	1.1%	7.3%	
Basic EPS (Rs)	(0.85)	0.12	(808.3)%	0.70	0.74	6.27	
Diluted EPS (Rs)	(0.85)	0.12	(808.3)%	0.70	0.74	6.11	

	Brazil					
	Q4	:	Q3			
(Rs. Millions)	FY2011	FY 2010	FY2011			
Net Sales	9,098	7,769	9,941			
Operational EBITDA	2,157	2,311	3,122			
EBITDA Margin (%)	23.7%	29.7%	31.4%			
Foreign Exchange gain/loss	(5,558)	1,119	1,047			
Net Profit	(6,452)	664	1,385			
Less: Minority Interest			-			
Prior Period Adjustments			-			
Net Profit	(6,452)	664	1,385			



Economic Environment

Global raw sugar prices remained strong throughout the quarter with the price ranging, falling only at the end of the quarter on account of the difficult macroeconomic environment. The strong prices reflected a strong combination of factors such as robust international demand, limited supply of raw sugar, lower yields and unfavourable climatic conditions in the largest sugar exporter, Brazil. Currently, sugar prices for the March-2012 delivery are trading at USD 25.4 cents/lbs. The prices going forward are favourable for sugar production and are currently trading around USD 24 cents/lbs for the year 2012.

Quarter ended 30th September was the second quarter for Cane Crushing in Centre-South Brazil. As on 30th September 2011, Centre-South Brazil has crushed 412.0 million tons of cane, 8% down as compared to same time in 2010-11. As per the recent revised crushing estimates by UNICA for 2011-12, Center-South Brazil is expected to crush 488.5 million tons of cane, 14% lower than the initial estimate of 568.5 million tons. Sugar and Ethanol production, at 30.8 million tons and 20,389 million litres respectively, are expected to be lower by 11% and 20% respectively, over the first estimate.

UNICA Estimates		2010/11	2011/12	2011/12	2011/12
		Actual	Initial Estimate	July Estimate	Nov Estimate
Cane Crush	Million tons	557	569	534	489
Sugar	('000) tons	33,501	34,580	32,380	30,800
Anhydrous Ethanol	('000) m ³	7,413	8,300	8,550	7,830
Hydrous Ethanol	('000) m ³	17,971	17,207	13,995	12,559
Total Ethanol	('000) m ³	25,385	25,507	22,545	20,389
ATR	Kg/ton	140.5	140.1	135.7	137.0
Production Mix					
% Sugar		45%	46%	47%	48%
% Ethanol		55%	54%	53%	52%

White-raw sugar refining spread was above USD \$ 120/tons for most of the Quarter, which fell to USD \$ 80/tonne for a short duration towards the end of the quarter due to Indian exports. The refining spreads have bounced back from there on currently trading around USD \$ 110/tons.

Crushing season has started in India, Indian sugar production² for the 2011-12 crushing season is estimated close to 26.0 million tons, up 7.5% over previous year. Increase in production is a result of well distributed monsoon rains and favourable weather conditions in the key sugar producing states of Uttar Pradesh, Maharashtra and Karnataka. Indian Government has announced third export tranche of 500,000 tons under OGL-III in last quarter. Total quantity of sugar exports allowed under OGL announced under the three tranches was 1.5 million tons. Indian sugar prices³ remained steady during the quarter between Rs. 2,700/quintal and Rs. 2,800/quintal. Prices have been shown improvement and currently around Rs. 2,850/quintal on the basis of strong demand for the festive season in October and November in India.

³ Refers to Sugar M futures traded on NCDEX, Kolhapur

² ISMA estimate



Group Financial Performance

Q4 FY2011 Consolidated Net Sales decreased by 2.8% as compared to Q4 FY2010. Higher sales in the Brazilian subsidiaries are off-set by the lower sales in the Indian standalone business due to challenging global environment leading to lower utilization of refineries.

Average realization for Sugar segment in India in Q4 FY2011 is higher by 10% year-on-year, on account of higher sales price realized for the export sugar. Y-o-Y, Q4 FY2011 ethanol segment has benefited from the higher prices and higher sales volume during the quarter. Average realization during the quarter for ethanol sales is Rs. 29.1 per litre, which is 18% higher as compared to same quarter last year. Co-generation sales volumes in India in Q4 FY 2011 were lower than last year due to the low utilization of coal as alternative fuel. Y-o-Y, Q4 FY 2011 Net Sales in Brazilian subsidiaries is higher by 14%, owing to higher price realization in both the companies. Average realization for Sugar in Brazilian subsidiaries is higher by 50% and Ethanol realization is higher by 65% as compared to last year.

Q4 FY2011 Consolidated Operational EBITDA increased by 0.4% compared to Q3 FY2010. EBITDA growth in India Standalone business is due to the improved profitability from Ethanol segment in India Standalone business. Y-o-Y, Q4 FY2011 EBITDA growth in the ethanol segment was due to lower raw material prices as well as continued strong volume growth through the ethanol blending program in India.

EBITDA in Brazilian subsidiaries in Q4 FY2011 is affected by drop in yield leading to higher appropriation of fixed costs during the quarter. Although the yields have been lower than historic yields, Renuka Vale do Ivai, has shown a growth in EBITDA of more than 100% due to higher sales realization and higher utilization of the plant as compared to last year.

Consolidated Net loss for Q4 FY2011 is Rs. 6,159 million mainly due to the foreign exchange loss reported during the quarter.

Although we report our financial performance in INR, the functional currency for accounting purposes of Brazilian companies is the BRL.

Given this accounting rule, a depreciation of the BRL against the USD produces a non-cash balance sheet effect on earnings before taxes through its impact on net financial liabilities – USD denominated debt minus cash available in USD and accounts receivable in USD. This is recorded in the financial statements as "Foreign Exchange gain/ (loss)" and amounted to Rs. 5,558 million. During the quarter, R\$ depreciated 19% against USD and INR depreciated 10% against USD.

Foreign Exchange Gain / (Loss) (Rs. Million)	Q4 FY 2011	Q4 FY 2011 (As per current exchange rate*)	Q4 FY 2010
Brazil Subsidiary	(5,558)	(3,825)	1,119
India Standalone	(728)	(932)	-
Total	(6,286)	(4,758)	1,119

^{*} At the closing exchange rate of 10th November 2011



Segment Operating Performance

Sugar

Sugar

(Tonnes, unless indicated)	Brazil		India		Consolidated
	Q4	Q4		Q3	Q4
	FY2011	FY2011_	FY2010	FY2011	FY2011
Sugarcane Crushed	3,600,790	-		748,680	3,600,790
Raw Sugar Processed ¹	-	117,828	229,259	70,750	117,828
Recovery ²	138.3	n/m	n/m	11.60%	n/m
Sugar Production					
From Cane	289,075	-	-	90,758	289,075
Refined Sugar ³	-	110,921	223,713	66,980	110,921
Total Production	289,075	110,921	223,713	157,738	399,996

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

Brazilian subsidiaries crushed 3.60 million tons of cane in quarter ended September 2011; Recovery (ATR) per tonne of cane improved in the last quarter to 138.2kg/tons. Production in Brazilian units is impacted by the effect of drought in 2010-11, lower rains in 2011-12 and other factors like frost and flowering of the cane. Cane yields are down by 15~20% compared to long-term average yields in Center-South Brazil. Yields in Renuka do Brasil were affected more than expected as the Aracatuba region where the mill is located has been affected maximum with yield drop ranging from 20-25%. In Renuka Vale do Ivai yields were affected by 8%.

There was no crushing in the Indian mills as last quarter was the off-season for the Indian Crushing units. Gujarat (Kandla) refinery which is currently under trial production is in process of ramping up the capacity utilization and stabilizing the daily output at the refinery.

Ethanol

Ethanol

	Brazil		India			Consolidated
	Q4		Q4		Q3	Q4
	FY2011	FY2010	FY2011	FY2010	FY2011	FY2011
Production (KL)	118,210	118,210	9,019	3,000	40,852	127,229
Price / Litre (Rs)	37.00 (R\$1.32)	21.38 (R\$ 0.80)	29.14	24.62	26.52	

Significant increase in ethanol production in SRSL Standalone India business of 200 % over last year in Q4 FY2010 was backed by increased cane crushing during the year and the demand due to the ethanol blending program. During the Quarter, company has supplied 18.8 million liters of Ethanol to Oil Marketing Companies under the Ethanol Blending Program. In Brazil, more juice was diverted (approximately 62%) towards sugar production as the price of sugar is higher than the ethanol during the quarter.



Co-generation

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	Brazil			Consolidated		
	Q4		Q4		Q3	Q4
	FY 2011	FY2010	FY2011	FY2010	FY2011	FY2011
Exports (mm units)	123	149	19	55	81	168
Average Price/Unit (Rs)	4.11	2.95	3.48	3.53	6.41	

Higher power generation in Q4 FY2012 in Brazil was partially off-set by lower power generation at India mills due to offseason and low utilization of coal as alternative means of fuel.

Outlook

Outlook

Global sugar surplus for the sugar season 2011-12 is expected to be 4.2 million tons⁴. The ISO projected global sugar production will rise by 4.0 percent to 172.4 million tons in 2011-12. At the same time the consumption will rise by 2 percent to 168.2 million tons. However, the Reductions in estimates in Brazil are off-set by higher production estimates from India and Thailand.

For next year, initial estimates indicate sugar production of 26.0 million tons, the rise mainly resulting from the 5% growth in the sugarcane area coupled with strong monsoon season. Challenging global economic scenario and volatile refining spreads remain challenge to the refining operations. Company will continue to focus on increasing the asset utilization of refineries and increasing the profit margin through effective risk mitigation strategies.

Cane crushing is entering at its last phase in both Renuka VDI and Renuka do Brasil, and $8.3 \sim 8.5$ million tons of cane is expected to be crushed in the 2011-12 season. The drop in cane crushing estimates is due to the prolonged unusual dry period during the year 2011-12 and frost during the season affecting the yields per hectare of the land.

Cogen Spinoff

We have an existing power co-generation capacity of 138 MW at the Equipav mill and 65 MW at Revati mill. The capacity at the Revati mill is being expanded by another 92 MW.

The power generation from 138 MW cogeneration plant at Equipav has been very steady, supported by stable cane/crushing level at the Equipav mill. We have received interest from leading energy players in Brazil for acquisition of the power plant at Equipav mill entailing long term bagasse supply and steam exchange contract with the Equipav mill of Renuka do Brasil. There are valid commercial and business synergy reasons for us to explore this possibility and we have launched a formal process to pursue this spinoff in a definitive manner.

⁴ International Sugar Organisation (ISO), July Estimate



Notes:

- 1. Net Sales: Includes other operating income and is after excise duties
- 2. Operational 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

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

The Company will host a conference call to discuss Q2 FY2011 earnings at 1700 hours IST on May 11th, 2011. To participate, please use the following dial-in numbers:

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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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 7,840 KL per day and Co-Generation capacity of 242 MW, in India and 221MW (under expansion to 313MW) in Brazil

Best-in-Class Operations

- Higher flexibility to optimize product mix between Ethanol and Sugar in Brazil
- Approximately 110,000 hectares of company owned sugarcane plantations in Brazil with high level of mechanization
- Significant ethanol and power co-generation capacity provide greater resilience to downcycles
- 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.