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**Triveni H1FY2007 Total Income up by 6% at Rs 5.91 billion
EBITDA of 19% at Rs 1.12 billion and PAT of Rs. 631 million
Interim Dividend of 35% announced**

Robust outlook driven by

- ***Sugar and co-generation Businesses***
 - ***A 50% further capacity addition in FY 07***
 - ***Projects implementation on Track***
- ***Engineering Businesses***
 - ***Total outstanding Order book of Rs. 5.7 billion***

Noida, October 16, 2006: Triveni Engineering & Industries Ltd. ('Triveni'), one of India's leading companies engaged in the manufacture of sugar and engineered-to-order mechanical equipment, such as steam turbines, high speed gears and water and wastewater treatment equipment, today announced its performance for the half year ended 30th September 2006.

PERFORMANCE OVERVIEW: H1 FY2007 V/S H1 FY2006

During the H1 FY 07, the net sales was higher by 6% at Rs. 5.88 billion; The sugar dispatches were 24% lower than the previous half year in view of lower opening stock and the contribution per bag was also lower due to increased cost of production in the season 2005-06 which could not be fully compensated by increased sugar realization price. The lower contribution from sugar operations was largely compensated by enormous growth in the engineering business. Overall, the EBITDA was lower by 1% at Rs. 1124 million and PAT was lower by 10% at Rs. 631 million.

The increase in net sales for H1 FY 07 was primarily on account of substantial increase of 59% in the net sales of Engineering businesses while the sugar business sales

declined by 12%. Similarly, at the EBITDA levels, while the sugar business recorded a decline by 39% primarily on account of lower volume of dispatches and higher cost of production, engineering business showed a substantial growth of 163% which eventually enabled the company to achieve an EBITDA level similar to levels of last year.

The finance cost was lower by 4% during the first half of current fiscal over the same period last year but depreciation was high by 106% during H1 FY 07 compared with corresponding period last year, on account of substantial capitalization of last year projects. This has resulted in lower profit before tax by about 10%.

In Q2 FY 07, the overall net sales were lower by 6% at Rs. 2.9 billion with the EBITDA at Rs. 536 million which was lower by 23.4% than the corresponding quarter of the previous year. The lower sales and EBITDA were on account of lower sugar dispatches by 31% due to lower opening inventory. In the Engineering business, sales were up by 60% during Q2 FY 07 with 113% rise in EBITDA.

Commenting on the Company's financial performance, Mr Dhruv M. Sawhney, Chairman and Managing Director, Triveni Engineering & Industries Ltd, said:

"The overall performance of the first half of current financial year has been a mixed bag. While our engineering business registered a robust top-line and bottom-line growth, sugar business, on account of lower inventory and reduced margins, recorded lower sales and profits.

We remain focused on our strategy to maximize contribution from our sugar and related operations while capitalizing upon the immense potential of our engineering business. The implementation of our expansion initiatives is on track and the order book for our engineering business is robust. Our performance in sugar business should show a noticeable progression as our expansions, scheduled for completion in the current year,

go on stream while on the engineering side, accrued order book should result in substantial growth in both top and bottom lines.

With the new crushing season round the corner and all our expansion programmes are expected to be commissioned as per schedule, the management expects the current fiscal to be robust on account of capacity enhancement by around 50% in sugar and cogeneration. The engineering businesses have been extremely encouraging and the current outstanding order book is at Rs. 5.7 billion.”

- ENDS -

Attached: Details to the Announcement and Results Table

About Triveni Engineering & Industries Limited

Triveni Engineering & Industries Limited is a focused, growing corporation having core competencies in the areas of sugar and engineering. The Company is among the three largest sugar manufacturers in India, and is also the market leader in its engineering businesses comprising steam turbines, high speed gears, gearboxes, and water treatment solutions. Triveni has currently four sugar mills in operation at Khatauli, Deoband, Sabitgarh, (all in western Uttar Pradesh), and Ramkola (eastern Uttar Pradesh), and is in the process of further enhancing sugar capacity by setting up three new mills and through expanding the capacity of an existing mill. It also is implementing further expansion of cogeneration capacities and setting up of a distillery. The Company's turbine manufacturing and gear manufacturing facilities are located at Bangalore and Mysore respectively while the Water & Waste water treatment business is located at Noida. Triveni's present sugar crushing capacity is 40,500 TCD, which being expanded to 61,000 TCD. The Company also has a co generation capacity of 45 MW, which too is being augmented to 68MW. The Company's turbine business is also expanding its capacity to meet the increasing demand. Triveni Khushali Bazaar made a foray into rural and semi-urban retail through its wholly owned subsidiary, with over 20 stores currently operational and expected to have about 70 stores by the end of the financial year.

For further information on the Company, its products and services please visit www.trivenigroup.com or contact:

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DETAILS TO THE ANNOUNCEMENT

- Financial results review
- Business-wise performance review
- Overall Business Outlook for FY2007 and FY2008

H1 & Q2 FY2007: FINANCIAL RESULTS REVIEW

(all figures in Rs. million, unless otherwise mentioned)

Net Sales

	Q2 FY 07	Q2 FY 06	H1 FY07	H1 FY 06
Net Sales	2883.1	3056.3	5882.9	5570.6
% change	(-) 5.7%		5.6%	

Net sales in H1 FY2007 registered a growth of 6% at Rs 5.88 billion over the corresponding period last year. However, on a quarterly basis, the same has shown a decline of 6%. The company's engineering business continues to register excellent growth while the sugar sales declined primarily on account of lower quantity of sugar dispatches due to reduced opening inventory. Revenues from the sugar business are expected to increase in Q3/Q4 FY 2007 when the enhanced capacity of 61,000 TCD becomes operational. During the first half, engineering business recorded a sales growth of 59% when compared with same period last year.

Earnings Before Interest, Depreciation, Amortisation & Tax (EBIDTA)

	Q2 FY 07	Q2 FY 06	H1 FY07	H1 FY 06
EBITDA	535.5	699.2	1123.8	1137.7
% change	(-) 23.4%		(-) 1.2%	
EBITDA Margin	18.6%	22.9%	19.1%	20.4%

The Company's EBITDA for the first half is marginally lower compared with the previous half year whereas the Q2 EBITDA has shown a decline of 23% when compared with the corresponding quarter of the previous year. The decline in EBITDA in Q2 was primarily on account of 31 % lower quantity of sugar dispatches which is in line with the overall

inventory position. The decline in EBITDA margins during the periods under review compared with corresponding periods of previous year is on account of reduction in margins in sugar business owing to increased cost of production in 2005-06 season. However, in the engineering business, EBITDA increased by 113% and 163% % in the Q2 and H1 of 2007 respectively due to economies of scale, better margins and cost rationalisation.

Interest and Depreciation

During the H1 FY 07, the depreciation & amortization are higher at Rs.198 million which is an increase of 72% over the corresponding period last year while the finance cost has shown a decline of 4% at Rs. 132 million on account of lower working capital utilization. The increased depreciation was on account of new projects commissioned in the second half of FY 06.

Net Profit

	Q2 FY 07	Q2 FY 06	H1 FY07	H1 FY 06
Profit before Tax (PBT)	384.0	587.4	794.4	885.4
% change	(-) 34.6%		(-) 10.3%	
PBT Margin	13.3%	19.2%	13.5%	15.9%
Profit after Tax (PAT)	307.1	446.8	631.1	700.8
% change	(-) 31.3%		(-) 9.9%	
PAT Margin	10.7%	14.6%	10.7%	12.6%

The decline in PBT and PAT is accentuated on account of higher depreciation & amortization charges during the quarter as well as the half year ended September 2006. The earnings per share for the first half of FY 07 stood at Rs. 2.45.

Capital expenditure and Project Implementation

The company's capital expenditure programmes is progressing as per schedule and have incurred a total capital expenditure of Rs. 3.75 billion on all the projects which are under implementation. Likewise all the projects are expected to be implemented on schedule.

It is estimated that brown field expansion in one of the sugar units will be ready by the start of the season, two new sugar units and cogeneration plant will be commissioned by end November, 2006, the third sugar unit in December 2006/January 2007 and the distillery in February 2007. The expansion of the turbine unit is also proceeding satisfactorily and is expected to be commissioned as per schedule.

H1 / Q2 FY2007: BUSINESS-WISE PERFORMANCE REVIEW

(all figures in Rs. million, unless otherwise mentioned)

Sugar business

Triveni is among the three largest players in the Indian sugar sector, with a present capacity of 40,500 TCD which is being further expanded to 61,000 TCD during the current year.

Performance

	Q2 FY 07	Q2 FY 06	H1 FY07	H1 FY 06
Sales dispatches (000 MT)	81.4	118.5	173.5	228.5
% change	(-) 31%		(-)24%	
Realisation price (Rs /MT)				
Levy	13060	12770	13000	12890
Free	18180	17290	18610	16840
Average	17810	17250	18110	16580
Net sales	1540.7	2184.6	3376.2	3998.3
% change	(-) 29.5%		(-) 15.6%	
PBIT	145.4	532.0	379.4	884.5
% change	(-)73%		(-)57%	
PBIT Margins	9.4%	24.4%	11.2%	22.1%

This business reported net sales of Rs 1.54 billion and Rs. 3.38 billion respectively during Q2 FY 07 and H1 FY 07 respectively which was lower by about 30% and 16% when compared to corresponding period last year. The decline in sales was primarily on account of lower volumes. The company sold lower quantity of sugar (81400 tonnes) during the current quarter which is lower by 31% when compared with Q2 FY06. However, average realization was marginally higher by 3%. During the half year ended Sept, 06, the quantity sold was lower by 24% when compared with the corresponding period of the previous year while the average realizations were higher by 9%.

Lower despatches were attributed to lower inventory the company was holding since the beginning of the financial year. The shortfall in dispatches in the first half would be made up in Q3/Q4 once the enhanced capacity of 61,000 TCD becomes operational.

The decline in PBIT margins during the current quarter and first half year when compared with the corresponding period last year was primarily on account of lower quantity of sugar sold and lower contribution per ton of sugar sold. The cost of sugar in the season 2005-06 increased due to higher cane price and lower recovery and it could not be fully off-set by 3% and 9% increase in average realization price of the sugar in Q2 and H1 respectively. Based on the sugar cane sampling, it is expected that the recovery should be around 10% as against last year's average recovery of 9.6%. Based on the prevailing economics of the producers of alternate sweeteners, it is expected that diversion may be much lower than the last year, in which case, we may not need to pay the incentives as were paid last year. Due to the combined impact of the aforesaid factors, there may not be significant impact on the cost of production during season 2006--07, even after absorbing increase in cane price (SAP).

The company would have incurred total amount of around Rs. 10 billion under UP sugar Promotion Policy 2004 and the company would also be eligible for prescribed incentives including capital subsidy. The incentives will be applicable to the production of the new sugar units and on the incremental production where brown field expansion has taken place.

Capex plans update and implementation

The Company is expanding its crushing capacity to 61,000 TCD from the existing 40,500 TCD by adding three new sugar mills at Chandanpur, Raninagal and Narainpur (all in central Uttar Pradesh) apart from expanding the existing capacity at Ramkola. The company's co-generation capacity would also be augmented by commissioning of 23 MW power plant at Khatauli. The Company is also establishing a new distillery at

Muzaffarnagar (western Uttar Pradesh) which, with a capacity of 160 KLPD, will be one of the country's largest distilleries.

The Company's present and planned capacities are summarized in the table below:

Unit	Present capacity	Expanded/new capacity, to be completed in
Khatauli (west UP)	<ul style="list-style-type: none"> Sugar: 16,000 TCD Branded suagar "Shagun" Co-gen power: 23MW 	<ul style="list-style-type: none"> Co-generation power to increase to 46MW by end of November 2006
Deoband (west UP)	<ul style="list-style-type: none"> Sugar: 14,000 TCD Co-gen power: 22MW 	
Sabitgarh (west UP)	<ul style="list-style-type: none"> Sugar: 7,000 TCD 	
Ramkola (east UP)	<ul style="list-style-type: none"> Sugar: 3,500 TCD 	<ul style="list-style-type: none"> Sugar crushing to be expanded to 6,500 TCD by the beginning of the current sugar season
Narainpur (central UP)		<ul style="list-style-type: none"> Sugar: 6,000 TCD - to be commissioned by the end of December 2006/early January 07
Chandanpur (central UP)		<ul style="list-style-type: none"> Sugar: 6,000 TCD to be commissioned towards the end of November 2006
Raninagal (central UP)		<ul style="list-style-type: none"> Sugar: 5,500 TCD - to be commissioned towards the end of November 2006
Muzaffarnagar (west UP)		<ul style="list-style-type: none"> Distillery: 160 KLPD - to be commissioned by the fourth quarter of FY2007

Work on these capacity additions is progressing and is on the final stages and these plants are expected to be commissioned as per schedule. The Company will be completing its sugar expansions at an investment of approximately Rs 4.97 billion while the cogeneration and distillery will entail an investment of Rs 750 million and 900 million respectively.

Outlook

The Company expects its green field capacities to begin contributing to overall performance from the upcoming crushing season, reaching optimal levels in the following year (FY2008). The Company expects to crush over 6 million MT during the 2006-07 season which would be ramped up by about 25-30% during 2007-08. The Company is likely to manufacture about 760,000 MT of sugar annually by FY2008, which would be almost double when compared with FY2006. Triveni's investment in Uttar Pradesh will also allow it to avail of incentives, on a capital expenditure of about Rs.10 billion, under the UP Government Sugar Promotion Policy 2004 for a period of 10 years starting from the current fiscal year. The company is in the process of completing various regulatory compliance requirements for availing the benefits under the Incentive Policy and is expected to complete the same during Q3 2007.

Triveni is also synchronizing its sugar capacity expansion program with focused cane procurement initiatives. The Company has been making investment towards cane development in the command areas of its green field units, where there is limited or low competition to ensure increased supply of cane in the subsequent years.

The global sugar sector, in the recent months has shown some downward correction of prices for both white and raw sugar. It is believed to be on account of substantial dumping by EU prior to its deadline, expected surplus of around 2 million tons during 2006-07 and due to softening of the crude prices. However, given the current crude prices and outlook of crude going forward on the back of news about OPEC cutting supplies of crude to maintain prices and higher requirement of oil during the winter season, the sugar prices are expected to remain stable.

Domestically also, sugar prices witnessed some decline in the second quarter of the current financial year which was primarily due to various measures taken by the Government such as banning of exports upto 31st March 2007 and relaxation of import of sugar up to September 30, 2006 without payment of duty. In respect of exports, as per various statements made in the recent past, the Government may reconsider the

decision to lift the ban on exports after the festival season. We believe that the prices of sugar would remain stable at the current levels and the export of sugar is likely to gain momentum in view of traditionally lower prices in the South/West India.

We believe that, in Triveni, with the sugar production expected to rise by over 50% in 2006-07 season, the increased volumes would enhance the profitability of the sugar operations, even at reduced margins. The diversification into co-generation and distillery, are also likely to contribute significantly.

Co-generation business

Triveni's co-generation operation at Khatauli and Deoband exports surplus power to the state grid after meeting its own captive requirements. We are in the process of setting up another co-generation capacity of 23 MW at Khatauli which should be commissioned by end November 2006. The new capacity will generate and export power only during the sugar crushing season. As the saved bagasse was adequate to run only during the first quarter of the current financial year, there has not been any power generation and marginal sale during the current quarter was on account of the power banked.

Outlook

The company expects the off-season operation period in the next financial year to be significantly more than this year due to various steam saving measures taken in the sugar factories.

The co-generation business provides a long term and sustainable source of incremental revenues while diversifying and de-risking the Company's operating profile. In addition to that, the Company will also derive financial benefits following the completion of this project due to a tax holiday for a period of 10 years and reduction of deferred tax charges.

Triveni's co-generation facilities are also eligible for carbon credits under the Kyoto Protocol's Clean Development Mechanism (CDM) and are expected to generate approx. 200,000 carbon credits annually from all the three units put together. The registration formalities of the first unit at Deoband are expected to be completed by November 2006, which will be followed by verification of CERs, which is expected by end December 2006, before it is available for sale. Similarly, the 1st co-generation unit at Khatauli is under validation stage, after which the unit will go for registration which is expected to be by end November 2006. The expected time line for getting registration and verification of CERs for this unit would be in the fourth quarter of FY 07. The second co-generation unit under implementation at Khatuali is preparing documentation for validation and is expected to be complete by end November 2006.

Steam turbines business

Triveni is the domestic market leader, with 68% market share in FY 06, and one of the largest manufacturers worldwide in high and low pressure turbines upto 18MW. The Company's ability to provide high-tech precision engineered-to-order solutions has made it one of the most trusted names within the sector.

Performance

	Q2 FY 07	Q2 FY 06	H1 FY07	H1 FY 06
Net sales	1361.2	818.5	2295.6	1331.0
% change	66.3%		72.5%	
PBIT	273.6	119.1	469.2	161.5
% change	130%		191%	
PBIT Margins	20.1%	14.6%	20.4%	12.1%

This business continued its unabated growth and has recorded an increase of 66% and 72% in net sales during the quarter and half year compared with the corresponding period last year. Even compared with Q1 FY 07, the growth in net sales for Turbines Business Unit is 46%. PBIT has also registered significant improvement when compared

with corresponding periods of previous year. Similarly, PBIT margins remained over 20% during the quarter as well as the first half which, again in line with the first quarter. This continued growth performance is driven by robust demand and enhanced capacity. PBIT margins in H1 FY 07 showed significant growth to 20.4% from 12.1% last year on the back of better margins, economies of scale, higher productivity, cost rationalization and improved product mix. The Company's order book continued to grow during the quarter and as on 30th September, 2006, the outstanding order book stood at Rs. 5.12 billion for supplying 713 MW capacity turbines.

The business continued its foray into higher MW turbines by booking more orders in the above 20 MW capacities and is internally developing requisite technological capabilities for delivery of such orders which will be in the Q1/Q2 of FY 08.

Capex plans update

The Company views this business as a key growth driver and is accordingly dedicating resources to enable rapid enhancement of its technological capabilities and manufacturing capacities. In view of continued strong demand from customers, the Company had doubled its manufacturing capacity during FY2006 and is implementing a further capacity enhancement to meet the burgeoning demand. This capacity expansion is planned keeping in view of the company's long term plan to get into higher MW turbine manufacturing and also to meet the increasing demand/order book in the coming years. The expansion programme is going as per schedule and is expected to complete on schedule. In order to realize better prices and margins, the Company is also planning to enter the higher-value segment of turbines rated above 18MW. Triveni's R&D team has successfully developed 18 to 27 MW turbines using twisted tapered blades and backed with this technology, company is getting more orders in the higher ranges. The Company plans to make further investment in acquiring and installing world class manufacturing and design technologies that are critical from the quality perspective and available with only a few select players worldwide. Installation of High

speed vacuum Balancing machine is under implementation which will facilitate the company to get into the refurbishment and retrofitting segment.

The Company is also in dialogue with some potential strategic partners in order to upgrade its capabilities for manufacturing turbines upto 45 - 50 MW.

Outlook

The outlook for this business is very strong, as reflected by a rapidly growing order book, which in turn is driven by two factors: (i) growing economic activity and a buoyant capital goods sector, and (ii) Triveni's ability to deliver world-class products at competitive cost.

Demand for the Company's turbines comes from a variety of sectors such as Sugar, Sponge Iron, Textiles, paper, Independent Power Producers, and Sugar Cogeneration plants. This business is therefore widely spread over several sectors and is not dependant on a few sectors for its revenues. The Company is also increasing its presence in the international markets and expects exports to contribute over 20% of order book from this business by 2008-09.

The order book in this business, which was about Rs 4 billion at the beginning of the current year, has now increased to about Rs. 5.12 billion as on 30 September, 2006. Going forward, as the Company widens its product portfolio by including higher-rated turbines, this order book is likely to show a significant expansion with a positive impact on both earnings and margins. Further, with the increased number of installations, the revenue from services and spares would also significantly increase in the coming years apart from getting into the business of refurbishing and retro-fittings.

High speed gears and gearboxes business

This business manufactures high-speed gears and gearboxes upto 70MW capacity and speeds of 50,000 rpm. Triveni is the country's largest one-stop solutions provider in this

sector, and currently enjoys over 60% overall market share with about 85% market share in sub 7.5 MW segment.

Performance

The results of gear operations are included in the business segment "Others".

	Q2 FY 07	Q2 FY 06	H1 FY07	H1 FY 06
Net sales	173.9	132.6	336.5	206.5
% change	31.2%		63.0%	
PBIT	42.3	21.8	87.1	35.0
% change	94.0%		148.9%	
PBIT Margins	24.3%	16.4%	25.9%	16.9%

Net sales from the Gears division have risen by 63% & 31% during H1 FY07 and Q2 FY07 respectively, when compared with corresponding period last year. PBIT has also shown even significant growth rates at 149% and 94% respectively during H1 FY 07 and Q2 FY 07 when compared with corresponding period last year. Another significant feature is the margin expansion which it achieved during the current financial year is continuing in the second quarter as well. Like the other engineering operations of Triveni, the performance of this business too echoes the overall economic and industrial growth in the country. Sales during the quarter were led by the growing economic activity including the growth in capital goods sector. The order book position of this business remains highly encouraging at Rs. 395 million as on 30 September 2006.

Capex plans update

The Company is implementing multiple initiatives to continue its leadership status in this business and also enhancing the share of retrofitting service in the overall sales. Further, the Company has enough capacity to meet anticipated demand and no major capital expenditure is planned at this time except for a small capital outlay of Rs. 100 million, which will allow the unit to focus on exports and manufacture of large gearboxes.

Outlook

This business has an optimistic outlook, as the economy remains robust and industrial activity remains healthy. In addition to fresh sales, this business also derives a large portion of its revenues from replacement requirements and refurbishment services, which is a stable revenue stream. An increase in demand from turbine OEMs, including Triveni’s own turbines business too, is seen to be driving growth in this business. This business has an order book of Rs. 395 million comprising wide range of end-user industries and multiple customer profile.

Water business

This business is focused on providing world-class solutions in water and waste-water treatment to customers in industry as well as the municipal segment. Relative to the Company’s overall revenues, this business is small but is gaining recognition in a high potential market as a supplier of superior quality products and services at competitive costs.

Performance

The performance of this business is reflected in the “Others” section of the Company’s segment reporting.

	Q2 FY 07	Q2 FY 06	H1 FY07	H1 FY 06
Net sales	66.5	31.0	111.8	50.8
% change	114.5%		120.0%	
PBIT	8.2	4.4	11.9	4.9
% change	86%		142.9%	
PBIT Margins	12.3%	14.2%	10.6%	9.6%

This business also showed robust growth in its sales in line with other Engineering businesses. Net sales recorded a growth of 115% and 120% during Q2 FY 07 and H1 FY 07 respectively when compared with corresponding periods of last year. PBIT for the quarter was higher at Rs 8.2 million, translating into a PBIT margin of 12.3%.

Capex plans update implementation

The Company fabricates and assembles equipment based on proprietary or licensed designs. As planned, the company has undertaken a capital expenditure programme to establish a dedicated workshop and office at Noida. This will entail an investment of about Rs 150 million and after completion it will enable better control over the quality of the end-product and also result in cost advantages.

Outlook

Treated water is increasingly becoming a critical resource in large-sized industries and stringent environmental regulations are also mandating industries to treat waste water. At the same time, rising health consciousness is creating a demand for water treatment equipment in housing complexes and municipalities. These developments offer an attractive opportunity for the Company's water business which already has the necessary technological capability and know-how. The Company has been working in association with US Filter Wastewater Group Inc., part of Siemens AG. It recently enhanced its access to sophisticated technologies by entering into a licence agreement with Memcor for high technology micro-filtration solutions and equipment for drinking water, process water and reuse applications. As on 30 September 2006, this business had an order book of about Rs 170 million. This order book is likely to grow during the course of the year, resulting in continued upsides in both revenues and earnings from this business.

POSITIVE OVERALL BUSINESS OUTLOOK

FY2007

The Company's overall business outlook for FY2007 is robust, with all its businesses expected to deliver strong growth during the year. The sugar business, in the first half of the current financial year recorded lower sales and profits primarily on account of lower volumes of sugar dispatches. However, with the start of crushing from November 06 onwards, both at the existing facilities and at the new green field sugar units, we expect the sugar business to record higher production, turnover and profits in the second half of the financial year. Engineering businesses are expected to continue its growth, which it recorded in the first half, on the back of large confirmed order books and launch of higher value products.

FY2008

The outlook for FY2008 is expected to be even better, as the optimal utilization of expanded capacities and added capabilities will reflect in that year's operating performance. In addition to the sugar and engineering businesses, the Company stands to benefit from the contribution of its enhanced co-generation capacities and the new distillery. Going forward, revenues from carbon credits and its new retail business are likely to further strengthen the Company's operating and financial position.

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