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For immediate release

**Triveni Q1FY 09 net sales up 5% at Rs 3.65 billion
EBITDA up 18% at Rs 843 million with margin of 23%
PBT increases 11% to Rs 343 million and PAT at 240 million**

- ***Sugar***
 - ***Increasing sugar price realizations***
- ***Engineering Businesses***
 - ***Order book position of Rs. 7.70 billion – 25 % growth over corresponding quarter of previous year***
 - ***Performance impacted due to rescheduling of deliveries as a result of general economic slow down***

Noida, January 19, 2009: 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 quarter ended 31st December 2008 (Q1 FY 09).

PERFORMANCE OVERVIEW: Q1 FY 09 V/S Q1 FY 08

(Q1 FY 2009 – October – December 2008); (Q1 FY 08 – October – December 2007)

- Net Sales increase by 5% to Rs. 3.65 billion
- EBITDA of Rs. 843 million, increased by 18% with increase in margins by 260 basis points at 23.1%
- Profit before Interest & Tax (PBIT) has gone up by 25% during Q1 at Rs. 625 million
- Sugar operation achieved turnaround during the current quarter with a growth in sales by 36% and registering a strong PBIT of Rs. 308 million as against Rs. 47 million during the corresponding quarter of the previous year.

- Engineering business registered a decline in sales and profits on account of the overall market conditions. The deliveries to the customers depend on their financial condition and availability of funds to make the final payment before the delivery of material. The sales declined by 27% quarter over quarter and the EBITDA also declined in similar lines which indicate the margins are more or less protected.
- PBT during Q1 increased by over 11% when compared with the corresponding quarter of last year at Rs. 343 million.
- PAT for the quarter was Rs. 240 million which is a decline of 6.6% primarily on account of increased tax provisions which is higher by over 100% at Rs. 103 million.
- EPS for Q1 (not annualized) was Rs. 0.93.

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

"We are pleased to report a strong operating quarter under the given market conditions. In sugar segment, the performance has been significantly better on account of increased realization of sugar and higher volume of sugar sales. In the ongoing crushing season, the yields are much lower than our earlier estimates and the stagnant low recoveries are due to delayed onset of winters and lack of desired differential in day and night temperature. The overall sugar production is expected to be around 20% lower than the previous season, while the estimated sugar production decline in UP and country as a whole would be much higher. With the estimated decline of sugar production during the current season, the sugar prices are on the rise and are expected to increase in the coming quarters. On account of increased cane prices during the current season at the SAP announced by UP Government, the cost of production is high, but with the increasing trend in realization and with the availability of sizeable stock of opening inventories at lower cost, Triveni is well placed in this scenario.

Under the current market situation, the order book in our engineering businesses is growing in line with our expectation and as on 31st December 2008, the same has been at Rs. 7.70 billion. The quarterly performance has been impacted as many of our customers have rescheduled deliveries due to financial crunch. With various initiatives taken by both the Central Government and Reserve Bank of India for improving the

liquidity, reducing cost of borrowing and making requisite credit available to the corporates, we expect the situation to normalize in the coming quarters.”

- 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 the market leader in its engineering businesses comprising steam turbines, high speed gears, gearboxes, and water treatment solutions. Triveni currently has seven sugar mills in operation at Khatauli, Deoband, Sabitgarh, (all in western Uttar Pradesh), Chandanpur, Raninagal and Milak Narainpur (all in central Uttar Pradesh) and Ramkola (eastern Uttar Pradesh). 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 sugar crushing capacity is 61,000 TCD. The Company also has a total co-generation capacity of 68 MW located in two of its major facilities viz., Khatauli (46 MW) & Deoband (22 MW) and a 160,000 litre per day capacity distillery at Muzaffarnagar. Additionally, Triveni Khushali Bazaar, a rural and semi-urban retail store, is steadily expanding its reach with 42 stores currently in operation.

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

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Note: *Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Triveni Engineering & Industries Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

DETAILS TO THE ANNOUNCEMENT

- Financial results review
- Business-wise performance review and outlook

Q1 FY 09: FINANCIAL RESULTS REVIEW

(all figures in Rs million, unless otherwise mentioned)

Net sales

	Q1 FY 09	Q1 FY 08	(%) Change
Net sales	3655	3467	5%

Net sales in Q1 FY 09 improved to Rs 3.65 billion registering an increase of 5%. The sugar business including co-generation and distillery business registered a growth of 28%, while the engineering businesses showed a decline in turnover of 27% primarily on account of deferment of deliveries.

EBITDA

	Q1 FY 09	Q1 FY 08	% change
EBITDA	843	711	18%
EBITDA Margin	23.1%	20.5%	

The Company achieved an EBITDA of Rs. 843 million, an increase of 18% over the corresponding quarter of last year with the EBITDA margins showing a strong improvement of over 260 basis points at 23.1%. Sugar operations showed a significant growth in EBITDA on account of improved realizations of sugar and distillery products. However, the overall EBITDA of engineering businesses declined in line with the net sales with the margins remaining at 25.6%.

Finance cost & Depreciation

	Q1 FY 09	Q1 FY 08	% change
Finance cost	282.6	191.4	48%
Depreciation & Amortisation	217.4	211.9	3%

During the current quarter, the depreciation & amortization remained more or less at the same levels as the corresponding quarter of last year. The finance cost has shown an increase of 48% at Rs. 283 million primarily on account of higher value of sugar inventory which resulted in increased working capital utilization apart from increase in the cost of funds for working capital. Further, during the 1st quarter of the previous year, the finance cost was lower on account of the interest subsidy on the buffer stock.

Profit before Tax and Profit after Tax

	Q1 FY 09	Q1 FY 08	% change
Profit before Tax (PBT)	342.6	307.8	11%
PBT Margin (%)	9.4%	8.9%	
Profit after tax (PAT)	239.8	256.8	(7%)
PAT Margin (%)	6.6	7.4	

During Q1 FY 09, PBT registered a growth of 11% over the corresponding period last year with an improvement in margin by 50 basis points, while PAT declined by 7% at Rs. 240 million on account of higher provisioning of taxes.

Q1 FY 09: 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 61,000 TCD.

Performance

	2008-09 (Oct -Dec 08)	2007-08 (Oct - Dec 07)
Cane Crush (Million Tonnes)	1.80	1.56
Recovery (%)	8.90	9.68
Sugar Production (000 Tonnes)	160.1	151.3

	Q1FY 09	Q1 FY 08
Sugar despatches (000 MT)	126.3	111.2
Realization price (Rs /MT)		
Free	17700	13950
Average (Levy + Free)	17370	13910
Net sales	2462.1	1810.0
PBIT	308.1	47.1

During the current quarter company dispatched higher volume of sugar by 14% when compared with the corresponding period of last year while the realizations increased by 25%. This has resulted in the company achieving increased sales of 36% during the quarter at Rs. 2.46 billion. During the current quarter, PBIT went up by 6.5 times at Rs. 308 million. In line with the increase in PBIT, the margins also went up from 2.6% to 12.5% during Q1 FY 09.

The company started sugar cane crushing for SY 2009 from the third/ last week of November 2008 which was earlier by week to ten days when compared with the previous season. The total sugar cane crush up to 31st December 2008 was 1.80 million tonnes. However, the recoveries were far lower than the previous season. Based on the current trend in both yields and recoveries, the decline in sugar cane crushes and sugar production could be around 20% when compared with the last sugar season.

The company is currently paying the sugar cane price at SAP of Rs. 1400 per tonne for normal variety cane and Rs. 1450 per tonne for early maturing variety. The SAP for 2008-09 declared by the State Government has been challenged before the UP High court which dismissed the petition of the Industry. In view of the likely lower sugar production in the country and expected better sugar realizations, it is necessary to pay appropriate cane price to the growers matching the returns from alternate crops so that farmers are persuaded to plant adequate sugarcane.

Before start of the season, the forecast for the current year's production was far lower than the previous year at an estimate of 22 million tonne. However, with much lower than the estimated yield and recoveries across the country, the country's sugar production for 2008-09 could be in the range of 17 – 18 million tonne which is a decline of 30 -35%. This will even impact next year's production. With the estimated decline in sugar production to 17-18 million tonne during the current season, the sugar inventory at the end of September 09 is estimated to be much lower. Due to all these factors, the sugar prices started increasing and we witnessed an increase of 6% in sugar realization on a quarter over quarter basis. The current realizations are even higher by 10-12% from the average of the last quarter.

The imports at some point of time could be announced by the Government and most likely, it will be in the form of raw sugar under ALS. As the season is nearing completion in most of the states, it is not likely to have significant impact in the current year. The Central government is also considering a proposal to substantially increase the Statutory Minimum Price (SMP) in 2009-10 from Rs 81 per quintal in 2008-09 and to centralize with itself the cane fixation powers. This is a welcome step as it is likely to bring in rationality in the cane pricing. We strongly believe that farmers' interests need to be protected well along with those of sugar mills for the industry to grow.

The global sugar prices are also showing an improvement and with the estimated deficit in global sugar position by 7-8 million, the prices for both raw and whites are estimated to go up as more and more cross border demand will emerge from various markets globally. However, with the falling crude prices, what proportion of crop Brazil diverts for sugar is quite important as it would then decide the sugar available for world trade. It is felt that the ethanol programme in Brazil is fairly sound and the diversion of crop to

sugar can not be more than 5% over previous year. Thus, additional exports from Brazil may only substitute the exports from India in the previous year. This, in the backdrop of deficit, will ensure firm international prices.

Co-generation business

Triveni's co-generation operation at Khatauli and Deoband supplies (exports) surplus power to the state grid after meeting its own captive requirements.

Performance

	Q1FY 09	Q1FY 08
Operational details		
Power Generated – 000 KWH	54905	58116
Power exported – '000 KWH	36287	38390
Financial details		
Net sales (Rs. million)	235.5	284.3
-Increase/(decrease)	(17%)	
PBIT (Rs. million)	65.4	138.3
-Increase/(decrease)	(53%)	
PBIT margin (%)	27.8	48.6

Lower turnover and profitability of co-generation business has been due to late start of crushing at Khatauli sugar unit. Further, during Q1 FY 08, the co-generation turnover and profitability included carbon credit income of Rs. 42.2 million. In line with the estimated decline in sugar cane crush, the number of days' operations of co-generation facilities during the season and off-season is also estimated to be lower.

Distillery Business

Triveni's 160 KLPD distillery is operating at very high capacity utilization and is currently producing rectified spirit, extra-neutral alcohol.

	Q1FY 09	Q1FY 08
Operational details		
Production (000 ltr)	5872	7983

Sales (000 ltr)	5596	9001
Avg. realization (ltr)	31.56	17.14
Financial details		
Net sales (Rs. million)	178	155
PBIT (Rs. million)	59	10
PBIT margin (%)	33	6.5

The performance of the distillery during current quarter has been significantly better with increase in sales by 15%. The PBIT increase has been almost six times at Rs. 59 million with the recording of a healthy margin of 33%. This could be achieved on account of improved realization of distillery products. The average realization for the quarter has been Rs. 31.56 per litre which when compared with the corresponding quarter of previous year is higher by 84%. Similarly, the average realization on a quarter over quarter basis has also been higher by 24%. With the decline in overall sugar cane crush, the molasses production is also expected to be lower which in turn could result in improved realizations for the distillery products during the current financial year. Even though the sugar cane crush estimates for the sugar season 2008-09 is lower than previous year, we estimate to produce more distillery products by optimally utilizing the captive molasses based on the economic viability of the operation.

Steam turbines business

Triveni is the domestic market leader, with a market share of over 75% for range upto 20 MW in FY 08, and is one of the largest manufacturers worldwide in high and low pressure turbines upto 18MW. The company currently produces upto 30 MW range. 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

	Q1FY 09	Q1FY 08
Net Sales (Rs. million)	872	1186
-Increase/(decrease)	(27%)	
PBIT (Rs Million)	211	291
-Increase/(decrease)	(27%)	
PBIT margin (%)	24.2	24.5

The net sales for the quarter have been lower by 27% with corresponding decrease in PBIT. The export turnover during the quarter has been quite significant at 27% of the total turnover. The decline in sales and profitability has been primarily on account of deferment of deliveries by some of the customers who are facing financial crunch. As the overall economic scenario during the quarter ended December 2008 has been at its lowest ebb, its impact has also been felt by our Turbine Business in the form of deferment of deliveries. With various policy initiatives taken by both Central Government and Reserve Bank of India, the overall liquidity position is easing out which should reflect in improving the liquidity position of the customers. The improved outlook is demonstrated by the fact that despite fears of slow down and financial crunch, our order intake during the quarter was encouraging.

The outstanding order book as at 31st December 2008 has been Rs. 5.28 billion, for 686 MW. The thrust on exports started yielding results as 17% of the outstanding order book is from international market.

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, with 50-55% overall market share and 78% market share in below 25MW segment.

Performance

	Q1FY 09	Q1FY 08
Net Sales (Rs million)	115	190
-Increase/(decrease)	(40%)	
PBIT (Rs million)	38	56

-Increase/(decrease)	(32%)	
PBIT margin (%)	33.0	29.5

The Gears Business has also shown decline in both turnover and PBIT. However, the margins have shown improvement at 33%. The decline in sales turnover was primarily on account of the reschedulement of supplies to OEMs while the servicing, spares, retrofitting showed an increase of 20% when compared with the corresponding quarter of the previous year, which also led to improvement in margins. Similar to the scenario in our Turbine Business, we believe with the easing of liquidity, the situation would improve.

The order book position of this business as on 31st December 2008 remains encouraging at Rs 647 million. When compared to the position at the end of previous quarter this was higher by over 20% and when compared with the corresponding period of the last year higher by 60%.

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. This business is growing fast and has achieved a growth of 67% during FY 08 and also is ramping up its order book by getting into larger, high value and high technology projects and solutions. This business is gaining recognition in a high potential market as a supplier of superior quality products and services at competitive costs.

Performance

	Q1FY 09	Q1FY 08
Net Sales (Rs. Million)	147	173
-Increase/(decrease)	(15%)	
PBIT (Rs million)	17	26
-Increase/(decrease)	(35%)	
PBIT margin (%)	11.6%	15%

Net sales for the quarter have shown a decline of 15% when compared with the corresponding quarter of the previous year. This has been primarily on account of booking of sales which depends on the extent of completion of major high value projects

which the company is currently undertaking. This will get evened out once we complete the projects and as such the turnover on a quarter to quarter basis could be lumpy. Hence, the quarterly performance of these businesses is not comparable because of its very nature of execution of order book.

The outstanding order book as on 31st December 2008 was Rs. 1767 million which when compared with the previous quarter is higher by 25% and when compared with the corresponding quarter of the previous year, the increase has been over 120%. The company continues to get high value orders under international competitive bidding.

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 has access to sophisticated technologies for high technology micro-filtration solutions and equipment for drinking water, process water and reuse applications. The company's foray in desalination projects, initiation into product development for Tertiary Filtration in waste water recycling jobs etc., would further enable the unit to show growth in its order book and sales.

Note: Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Triveni Engineering & Industries Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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**UNAUDITED FINANCIAL RESULTS
 FOR THE FIRST QUARTER ENDED 31ST DECEMBER 2008**

Rs in lacs

Particulars	Quarter Ended		Year Ended
	31.12.08 Unaudited	31.12.07 Unaudited	30.09.08 Audited
1(a) . Net Sales / Income from Operations	36545	34694	159301
1(b) . Other Operating Income	26	48	351
2.Expenditure			
a) (Increase)/Decrease in stock in trade and work in progress	(15035)	(5450)	(10211)
b) Consumption of raw materials	33501	26505	106435
c) Purchase of traded goods	58	106	458
d) Employees Cost	3421	2904	11935
e) Depreciation	2051	2011	7969
f) Other expenditure	5412	5041	21983
g) Off-Season expenses (Net)	953	(1153)	(1818)
h) Total	30361	29964	136751
3.Profit from Operations before Other Income & Interest (1-2)	6210	4778	22901
4.Other Income	42	214	371
5. Profit before Interest (3+4)	6252	4992	23272
6. Interest (Net)	2826	1914	9816
7. Profit after Interest (5-6)	3426	3078	13456
8.Profit (+)/ Loss(-) from Ordinary Activities before Tax	3426	3078	13456
9.Tax Expenses (Net of MAT credit entitlement)	1028	510	2304
10.Net Profit(+)/ Loss (-) from Ordinary Activities after Taxation (8-9)	2398	2568	11152
11.Paid up Equity Share Capital (face value Rs.1/-)	2579	2579	2579
12.Reserves excluding Revaluation Reserves as per Balance Sheet of of previous accounting year.			74106
13.Earning per share-Basic/Diluted (not annualised) as per - Accounting Standard (AS) 20 - Rs.	0.93	1.00	4.32
14. Public Shareholding			
Number of shares	82207458	85255267	85255267
Percentage of shareholding	31.88	33.06	33.06

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs in lacs

Particulars	Quarter Ended		Year Ended
	31.12.08 Unaudited	31.12.07 Unaudited	30.09.08 Audited
1. Segment Revenue			
[Net Sale/Income from each segment]			
(a) Sugar			
Sugar	24621	18100	88680
Co-Generation	2355	2843	11736
Distillery	1781	1549	7371
	28757	22492	107787
(b) Engineering			
Steam Turbine	8718	11856	50916
Gears	1146	1904	7693
Water	1466	1734	6676
	11330	15494	65285
(c) Others	328	291	1260
Total	40415	38277	174332
Less : Inter segment revenue	3870	3583	15031
Net Sales	36545	34694	159301
2. Segment Results			
[Profit (+) / Loss (-) before tax and interest]			
(a) Sugar			
Sugar	3081	471	3588
Co-Generation	654	1383	4757
Distillery	589	100	1769
	4324	1954	10114
(b) Engineering			
Steam Turbine	2112	2910	12801
Gears	378	559	2197
Water	172	264	1054
	2662	3733	16052
(c) Others	(107)	(10)	(194)
Total	6879	5677	25972
Less : i) Interest (Net)	2826	1914	9816
ii) Other un-allocable expenditure	627	685	2700
[Net off un-allocable income]			
Total Profit Before Tax	3426	3078	13456
3. Capital Employed			
[Segment Assets - Segment Liabilities]			
(a) Sugar			
Sugar	142425	102154	133863
Co-Generation	21623	24354	20797
Distillery	12020	10637	11242
	176068	137145	165902
(b) Engineering			
Steam Turbine	10732	6930	10440
Gears	3933	3563	3890
Water	2978	1722	2979
	17643	12215	17309
(c) Others	2068	2499	2224
Capital Employed in Segments	195779	151859	185435
Add : Unallocable Assets less Liabilities	(115205)	(80325)	(107256)
[including investments]			
Total	80574	71534	78179

Notes

1. In view of the seasonal nature of company's businesses including cyclicity in turbine despatches, the performance results of the quarter may vary.
2. The results of the quarter consider State Advised cane price (SAP) of Rs 140 per quintal for the season 2008-09.
3. The figures of previous periods under various heads have been regrouped to the extent necessary.
4. The above results were reviewed and recommended for adoption by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on January 18, 2009 and January 19,2009 respectively. The statutory auditors have carried out a limited review of the financial results.
5. There were no investor complaints pending at the beginning of the quarter. The Company received 19 investor complaints during the quarter and all the complaints were resolved.

Place : Sabitgarh

for TRIVENI ENGINEERING & INDUSTRIES LTD

Date : January 19, 2009

Dhruv M Sawhney
Chairman & Managing Director