

*For immediate release*

**9M FY2008 Net sales up 15% at Rs 11.65 billion**  
**EBITDA up by 200% at Rs 2.35 billion**  
**PAT at Rs. 846 million – a growth of over 10 times**

- **Engineering Businesses**
  - **Order book grows 24% to Rs. 6.68 billion**
  - **Break-through single order of over Rs. 600 million for Water Business**
- **Sugar**
  - **Improved sugar fundamentals owing to lower production estimates. Sugar prices on rise**
  - **Two-third of current year production as inventory - well positioned to take advantage of rising sugar prices.**

**New Delhi, July 30, 2008:** 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 Nine months and third quarter ended 30<sup>th</sup> June 2008.

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**PERFORMANCE OVERVIEW: 9M FY2008 V/S 9M FY2007**  
*(9M FY 2008 – October – June 2008); (9M FY 2007 – October – June 2007)*

Net sales increased 15% to Rs 11.65 billion in the nine months, EBITDA was 200% higher at Rs 2.35 billion with an improvement in EBITDA margin by over 12% and PAT grew ten times to Rs 846 million. EPS for the nine months was Rs 3.28 (not annualized).

The sugar business (including cogeneration and distillery) achieved a net turnover of Rs 8.17 billion, 11% higher than the corresponding previous period owing to higher sugar volumes, better sugar realizations and higher contribution from the distillery operations while the engineering businesses also achieved a similar growth of 11% during this period.

Overall PBIT increased 418% to Rs 1.72 billion, with PBIT margin expanded to 14.8 % from 3.3 % last year. This has primarily been driven by better margins in engineering businesses and improved financials of sugar business. During the nine months ending 30<sup>th</sup> June 2008, the total engineering business PBIT has gone up by 29% at Rs. 1195 million while for the sugar

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business, the PBIT for last nine months was a loss of 424 million which for this nine months have turned positive at Rs. 772 million.

The issue of cane pricing still remains unresolved and the decision of the Supreme Court is awaited in respect of two conflicting High Court Judgments – one relating to 2006-07, in which State Advised Price (SAP) declared by UP government was quashed and another relating to 2007-08, in which SAP declared was upheld. Pending final verdict in this matter, cane price of Rs 1100 per tonne has been considered for the season 2007-08 subject to final adjustments based on the developments in the Supreme Court. As regards the sugar cane pricing for the 2006-07 sugar season, as against the interim order of Supreme Court for making payment at Rs 1180 per tonne, the company had paid and accounted for cane price at SAP of Rs 1250 per tonne.

The performance of the engineering businesses continues to be in line with the expectations and the PBIT margins showed an improvement of over 350 basis points year on year and is expected to continue at this levels in the coming quarters as well. The order book for the engineering business grew by 24% year on year with Water Business achieving significant increase in order book. During the quarter, water business bagged the single largest order of over Rs. 600 million. This order is for setting up of a sewage treatment plant including tertiary treatment for a municipal client. This project is being funded by an international agency and the order has been secured under ICB bidding norms.

For 9M FY 08, depreciation & amortization went up by 39% to Rs. 628 million on account of new projects implemented both in sugar & engineering. The total finance cost also increased to Rs. 698 million from Rs. 398 million due to the debts contracted to fund the new projects as well as due to increased working capital requirements including payment of cane dues. Net profit before tax (PBT) increased to Rs. 1.03 billion while Profit after Tax (PAT) went up ten times to Rs. 846 million.

**PERFORMANCE OVERVIEW: Q3 FY2008 V/S Q3 FY2007**  
*(Q3 FY 2008 – April – June 2008); (Q3 FY 2007 – April – June 2007)*

- Net Sales increased by 28% to Rs. 4.40 billion with an EBITDA margin of 17%. The growth in EBITDA has been over 800% at Rs. 753 million.

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- Sugar business (including cogeneration and distillery) achieved an EBITDA margin of 14% during this quarter as against an operating loss during the corresponding quarter of previous year.
- Sales turnover of engineering businesses increased by 5 %
- Depreciation (including amortization) cost increased by 4% while the finance cost increased by 25% to Rs. 275 million.
- PBT and PAT were at Rs. 275 million and Rs. 246 million respectively as against Rs. 334 million (loss) and Rs. 200 million (loss) respectively for the previous period .

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

*"The overall performance of Triveni during the period under review recognizes the improved outlook in the sugar business and robust contribution from growing engineering business. With lower than estimated production in 2007-08 season and estimated lower sugar cane production for 2008-09, both on account of reduced area under cane planting and climatic factors in certain cane growing areas of Central and Southern India, the sugar prices, in accordance with our earlier forecast, have already started firming up and under these scenario, we believe that the current upward rally of sugar prices will be sustained in future. We hope that the issue of cane pricing, which is currently sub-judice, would be resolved keeping the long term interest of all stakeholders in mind. As a result of our assessment of the sugar scenario, we are fortunate to be left with substantial sugar inventories which could now be liquidated at remunerative sugar prices. Under this scenario, sugar operations coupled with the co-generation and distillery should provide substantial upside potential for the profitability of the company.*

*The engineering businesses are performing in line with our expectations and have an aggregate order book of Rs. 6.7 billion, a growth of 24% year on year. While we have visibility in the near term through our order book, but given the current domestic economic scenario, there may be some postponement in finalization of orders or rescheduling of deliveries in respect of our turbine business. However, by expanding the market reach and getting into higher MW & high pressure range which has a larger market, we expect the turbine business to register strong growth both in terms of revenue and profits in the coming quarters. Further, the scaling up of operations of our water business gives us enough confidence in getting further high value orders in future and also in achieving excellent growth prospects for this business."*

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**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](http://www.trivenigroup.com)

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**Attached: Details to the Announcement and Results Table**

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