

**15MFY2007* Net Sales – 1603 crore
EBITDA of 12% at Rs 191 crore
PAT at Rs 70.4 crore**

Editor's synopsis

For 15MFY07

- ❖ Net Sales of Rs 1603 crore with EBITDA margin of 12% at Rs 191 crore
- ❖ Profit after tax of Rs 70.4 crore

For Quarter – April to June 2007

- ❖ Net Sales increased by 15% to Rs 344 crore
- ❖ Net sales of Engineering Business up by 21%; EBITDA up by 41%
- ❖ The order book of the engineering business as at 30th June 2007 at Rs 537 crore

New Delhi, July 25, 2007: 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 5th quarter and fifteen months ended 30th June 2007.

* The current accounting year has been extended for six months. The financial year 2006-07 will be for a period of 18 months from April 1, 2006.

PERFORMANCE OVERVIEW: 15M FY 07

Achieved Net Sales of Rs 1603 crore with EBITDA margin of 12% at Rs 191 crore. The decline in EBITDA from FY 2005-06 is on account of lower sugar contribution resulting from steep decline in sugar prices. The lower sugar prices have also resulted in write down of inventory to market price, which has impacted the profitability by Rs 54.7 crore. The engineering businesses continue to show strong growth and provide insulation from volatility in sugar earnings. After adjusting depreciation and amortization of Rs 65 crore and Finance cost of Rs 53 crore, the company achieved a profit after tax of Rs 70.4 crore during the 15 months under review.

PERFORMANCE OVERVIEW: April-June 2007 V/S April – June 2006

Net Sales increased by 15% to Rs 344 crore while EBITDA registered a decline of 86%, primarily on account of write down of sugar inventories by Rs 38.6 crore. The sugar inventories have been valued at net realizable value, instead of cost of production, which was higher. Before considering impact of Rs 38.6 crore towards write down of the sugar inventories to market price, EBITDA is lower by 20% at Rs 46.9 crore. Further, through writing down of the inventories to the market price, future losses have been recognized.

The net sales of Engineering Business rose by 21% while there has been a significant growth of 41% in EBITDA. The order book of the engineering business as at 30th June 2007 was Rs 454 crore for Turbine, Rs 43.4 crore for high speed gears and Rs 40 crore for water & waste water business.

- The sales and EBITDA for the cogeneration business jumped by 131% and 176% respectively.
- Depreciation (including amortization) cost increased by 96% on account of capitalization of the new projects.
- Finance cost increased to Rs 22.1 crore due to higher borrowings for projects and increased requirement of working capital finance.
- Net loss before tax and net loss after tax were at Rs 33.4 crore and Rs 20 crore respectively.

Commenting on the Company's financial performance, Mr Dhruv M. Sawhney, Chairman and Managing Director, Triveni Engineering & Industries Ltd, said, "After witnessing record production of sugar during the current year both domestically and globally, sugar business continues to witness volatility in domestic and global sugar prices. The steep decline in sugar prices vis-à-vis the cost further necessitated the downward correction in inventory valuation, which in turn resulted in additional losses. However, having brought down the inventory valuations to the current market prices, we believe much of the losses have been recognized as we expect the sugar prices to stabilize at these levels in the near term. Further, based on the current alarming scenario, several States have announced subsidies / incentives to sugar mills to tide over the difficult time. We hope that the UP Government will also rise to the occasion to mitigate the hardships of sugar industry and evolve a comprehensive policy so to safeguard the interest of all the stakeholders. The engineering businesses continue to register growth in line with the expectation. Our focus on engineering business in terms of higher exports, higher contributions of spares and services and also to move into higher ranges are progressing as per the plan. This has enabled the company to hedge against the negative impact of sugar operations to a very large extent."

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 over 40 stores currently in operation. For further information on the Company, its products and services please visit www.trivenigroup.com

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