Registered office: Deoband, District Saharanpur, Uttar Pradesh 247554.
Corporate office: Express Trade Towers, 8th floor, 15-16 Sector 16A, Noida 201301.

For immediate release

The Scheme of Arrangement involving demerger of the Steam Turbine Business to Triveni Turbine Limited (TTL) has become effective on 21.04.2011 from the appointed date on 01.10.2010. The financials of the quarter and nine months ended 30.06.2011 do not include the financials of Steam Turbine Business and are not comparable with the previous period/s.

9M FY 11 net sales at ₹ 13.27 billion
EBITDA at ₹ 1.23 billion with margin of 9.3%
PAT at ₹ 39 million

- ***Important Business Announcements:***
  - ***Triveni signed low speed Gear Technology License Agreement with Lufkin***
  - ***Triveni partners with CII in setting up CII-Triveni Water Institute***

- ***Business Performance in 9M FY 11:***
  - ***Sugar Business turnover flat year on year***
  - ***Sugar realisation remained volatile during the quarter - showing upward movement in July 2011***
  - ***Gears business turnover & profitability growth of 19% & 24% with high PBIT margins at 36%***
  - ***Modest turnover growth in Water business. Expect substantial scaling up in the Q4.***
  - ***Gears & Water order book - increase of 82% to ₹ 5.9 billion year on year***

Noida, August 1, 2011: Triveni Engineering & Industries Ltd. ('Triveni'), one of India's leading companies engaged in the manufacture of sugar together with value addition of its by-products through co-generation of power and production of Ethanol and ENA and engineered-to-order mechanical equipments, such as high speed gears and water and wastewater treatment equipment, today announced its performance for the quarter /nine-month ended 30th June 2011 (Q3 / 9M FY 11).

PERFORMANCE OVERVIEW: Q3FY 11 V/S Q3FY 10
(Q3 FY 11 – April - June 2011); (Q3 FY 10 – April - June 2010)

(Quarterly results are not comparable as the current quarter does not include the financials of Steam Turbine business, which stands demerged from 01.10.2010 to TTL).

- Net Sales at ₹ 4.15 billion
- EBITDA of ₹ 215 million
- Profit after tax (PAT) at ₹ (212) million
- The sugar businesses incurred losses due to lower sugar prices and more than proportionate sale of levy sugar and minimal operations of Co-generation and Distillery
- Engineering businesses (Gears & Water) shown a growth of 25% in turnover while the PBIT growth has been 30%. Gears business continues to maintain high PBIT margins at 31%, an increase of 5% quarter over quarter.

PERFORMANCE OVERVIEW: 9MFY 11 V/S 9MFY 10
(9M FY 2011 – October– June 2011); (9M FY 10 – October – June 2010)

(Nine month results are not comparable as the current period does not include the financials of Steam Turbine business, which stands demerged from 01.10.2010 to TTL).

- Net Sales at ₹ 13.27 billion
- EBITDA at ₹ 1.23 billion
- Profit before Interest & Tax (PBIT) at ₹ 619 million
- Profit after tax (PAT) at ₹ 39 million
- Turnover and PBIT growth of 16% and 18% for the Engineering Businesses to further improve in Q4.
- Profitability of Sugar business impacted due to mismatch between realization prices and the costs. Sugar prices, started moving upwards since July' 2011.

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

"*The Company achieved a significant break-through in our gears business. The signing of the Technology License Agreement with Lufkin for entering into niche engineered- to-order high technology low speed gear applications will enable our gears business to further expand its product portfolio, as Lufkin is one of the foremost players in this business world-wide. This association will help us launch products in many of the fastest growing segments of Indian Industry expeditiously.*

Another recent key event is Triveni partnering with CII for setting up of CII-Triveni Water institute. This is first of its kind, and is conceived to be a Centre of Excellence for the Water Sector with the active participation of all stakeholders. Triveni felt the need for supporting the mission of water management and conservation, better technology introduction and training and development of requisite technical manpower for all stakeholders of the water economy, so as to meet the growing concerns of water and waste water management.

The performance of the business during the quarter and the nine month period has been below our expectations, owing to the sugar losses. Sugar prices had been lower than anyone's forecast despite the fundamentals being strong and international prices being much higher, for the first time in the past few decades. However, we are pleased that sugar prices have improved subsequent to the quarter ending and cane planting has been much higher than last year, which augers well for the viability of this sector in the coming year. The engineering businesses during the quarter showed better performance both in terms of turnover and profitability and are expected to also show improved results in Q4.

For the information of our shareholders who have been allotted shares in Triveni Turbine Limited (TTL) pursuant to the Scheme of arrangements, TTL has received in-principle approval from BSE and NSE and is awaiting permission of SEBI for the listing of the equity shares of TTL.

- 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 one amongst the largest sugar manufacturers in India, and the market leader in its engineering businesses comprising 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 Narayanpur (all in central Uttar Pradesh) and Ramkola (eastern Uttar Pradesh). While the Company's Gears manufacturing facility is located at Mysore, 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.

The turbine business of the company, located at Bengaluru has been demerged through a scheme of arrangement into Triveni Turbine Limited (TTL) from the appointed date on 1st October 2010, and the same has become effective w.e.f. 21st April, 2011.

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

9M & Q3 FY2011: FINANCIAL RESULTS REVIEW

(all figures in ₹ million, unless otherwise mentioned)

(Nine monthly results are not comparable as the current period does not include the financials of Steam Turbine business, which stands demerged from 01.10.2010 to TTL).

Net sales

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Net sales	4,146	5,911	13,268	16,722
Change	(30%)		(21%)	

During the quarter and nine months period, the overall sales were lower by 30% and 21% primarily on account of steam turbine demerger. While the sales from engineering businesses (Gears & Water) in the quarter have been higher by 25%, the turnover from sugar businesses were lower by 17% due to lower volume of despatches of sugar and lower contribution from allied businesses during off-season. Co-generation operations based on coal was not viable. During the nine month period, the engineering businesses turnover increased by 16% while the sugar businesses turnover was lower by only 4%.

EBITDA

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
EBITDA	215	121	1,227	2,060
Growth	78%		(40%)	

EBITDA Margin	5%	2%	9%	12%

The EBITDA of previous periods includes the operations of steam turbines. The EBITDA during corresponding quarter of the previous year was impacted by higher losses in the sugar business. Even though, the contributions from the allied businesses has been lower in the quarter due to non-operation during the off-season, over the nine month period, it was higher by 10%. The growth in EBITDA for the Engineering Businesses is 32% and 20% for the quarter and nine months period.

Finance Cost & Depreciation

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Finance Cost	286	244	692	618
Depreciation & Amortisation	202	236	607	691

The finance cost for the quarter and nine months under review has been higher on account of higher cost of funds owing to increasing interest rates scenario. The total borrowing as on 30th June 2011 was ₹ 9.88 billion as against ₹ 11.30 billion (including steam turbines business) as on 30th June 2010. The decline in debt levels has been due to repayment of debt during the period and allocation of some debt to the Demerged Undertaking. Working capital borrowings form 57% of the total borrowing and is expected to reduce substantially by the year end on the liquidation of sugar inventories.

The depreciation and amortisation charges are reflective of lower charge on account of demerger of Steam Turbine business.

Profit before Tax and Profit after Tax

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Profit before Tax (PBT) *(after exceptional items)*	(273)	(206)	(31)	1,077
Profit after Tax (PAT)	(212)	(142)	39	736

The losses are mainly attributed to the sugar operations. Previous periods include the operations of steam turbine business and exceptional gains aggregating to ₹1,126 million.

9M/ Q3 FY 11: BUSINESS-WISE PERFORMANCE REVIEW

(all figures in ₹ millions, unless otherwise mentioned)

Sugar Business

Triveni is one of the largest players in the Indian sugar sector, with a cane crushing capacity of 61,000 TCD. Triveni's seven units put together manufactured approx. 420,056 tonnes of sugar.

Performance

	2010-11 season	2009-10 season
Cane Crush (Million Tonnes)	4.56	4.59
Recovery (%)	9.21%	9.10%
Sugar Production (from Cane) (000 Tonnes)	420.06	417.8
Sugar Production (raw sugar) (000 Tonnes)	-	86.70

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Sugar despatches (000 MT)	122.59	130.79	350.13	317.66
Average Free Sugar Realisation price (₹ /MT)	27,882	28,255	27,929	30,968
Net sales	3376	3806	10826	11011
PBIT	(150.2)	(573.4)	(83.1)	(216.0)

The sugar prices were not sufficient to meet the average cost of production resulting in loss at PBIT level. It may be noted that in accordance with the accounting followed by the Company, the cost of production is inclusive of all costs (including off-season expenses) and is, therefore, final. There has been good improvement in the sugar prices in July' 2011.

Outlook

The sugar cane crushing for 2010-11 is more or less over and the estimated production for the country is little over 24 million tonnes. During the current quarter, the Government also allowed further exports of 0.5 million tonnes aggregating the total exports from the country including ALS to 2.2 million tonnes. With an estimated consumption of approximately 23 million tonnes, the closing inventory as on 30th Sept

2011 will not be higher than the opening level. This fundamentally should keep the sugar prices firm and based on the pricing trend in July, 2011, we expect the prices in the coming two months should be higher by at least ₹ 1/kg.

As per the preliminary estimates, the sugar cane planting in the country has been higher by 10% from 4.98 million hectares to 5.47 million hectares. In the state of Uttar Pradesh also, the planting has been good. The preliminary estimates from Sugarcane Commissioner's office indicate that the overall area under sugar cane during 2011-12 is at 2.32 million hectares as against 2.10 million hectare in 2010-11, resulting in an increase of 10.5%. The increase in ratoon crop in UP is estimated at 15%, while the plant cane increase at only 5%. However, the sugar cane availability for crushing would depend on the yield, monsoons / floods, and diversion of cane to alternate users. However, the preliminary estimates of sugar production based on the health of the crop, climatic conditions etc., is around 26 million tonnes. In view of substantial increase in production next year, the industry has strongly taken up with the Government to allow further exports so that surplus stocks could be disposed off at attractive international prices. We expect announcement of exports in the due course.

The international sugar scenario currently indicates firm sugar prices. The current high sugar prices internationally is driven by the logistics issues in Brazil as well as the estimates of year–on-year lower production in Brazil. Brazil being the dominant exporter of sugar, any impact on its production will have an impact on the global sugar balance sheet. As per the current estimates, Brazilian may crush 535 million tonnes, which is lower than the earlier estimates by 40 million tonnes and also lower by ~5% than the previous year. The cane quality and agricultural productivity in Brazil are also coming down due to climatic conditions and poor financial positions of many of the Brazilian sugar companies.

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

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Operational details				
Power Generated – 000 KWH	18,891	46,250	194,904	199,897
Power exported – '000 KWH	12,151	33,491	127,610	133,325
Financial details				
Net sales (₹ million)	89	293	1143	1364
PBIT (₹ million)	9.6	76.4	366.2	295.5
PBIT margin (%)	11%	26%	32%	22%

Due to paucity of raw materials, there were minimal operations during the quarter. Operation on coal was found unviable due to appreciable increase in prices of coal and the same tariff. Request for issuance of 87,860 CERs pertaining to Deoband have been made to UNFCCC while for Khatuli, verification of around 51,000 CERs is under progress and expected to be completed in next few weeks.

Distillery Business

Triveni's 160 KLPD distillery is operating at high capacity utilization and is currently producing special denatured spirit, rectified spirit, extra neutral spirit and absolute alcohol (Ethanol).

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Operational details				
Production (000 ltr)	2,925	10,622	22,254	26,303
Sales (000 ltr)	3,469	8,195	19,832	24,064
Avg. realization (₹/ ltr)	28.91	25.71	28.29	27.38
Financial details				
Net sales (₹ million)	104	212	572	667
PBIT (₹ million)	4.7	39.8	87.6	107.1

The distillery operated for about 17 days during the quarter. It is now proposed to start the operations of the distillery in the next few weeks and the operations will then continue into the season 2011-12.

Engineering Business

High Speed Gears and Gearboxes Business

This business manufactures high-speed gears and gearboxes upto 70 MW capacity and speeds of 70,000 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 the below 25 MW segment.

Performance

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Net Sales (₹ million)	232	200	798	671
-Increase/(decrease)	16%		19%	
PBIT (₹ Million)	72.4	52.5	285.2	232.0
-Increase/(decrease)	38%		23%	
PBIT margin (%)	31%	26%	36%	35%

This business continues to perform as per our estimates maintaining high PBIT margin, which it has been able to achieve on account of its after-market operations. The after-market business showed an increase by 52% and 34% respectively during Q3 & 9M FY 11.

The order book position of this business remains encouraging at ₹ 800 million as on 30th June 2011 which is an increase of 22% over the order book position as on 30th June 2010. The renewal of Technology License Agreement with Lufkin on the high speed gears segment, with increased scope in terms of products and geographies, is yielding good response and expected to result in accelerated growth in this business going forward.

LOW SPEED GEAR TECHNOLOGY LICENSE AGREEMENT

On 22nd July 2011, the company signed the Technology License Agreement for manufacture of niche engineered-to-order high technology low speed gear applications with Lufkin.

Triveni has signed the agreement with Lufkin for transfer of technology in the low speed gearbox manufacturing for four industrial segments viz., Rubber & Plastics, Metals and Steel, Marine and Coal pulverizer application in the thermal power plants. The company will be undertaking the marketing of these products and its after-market operations in India and other major SAARC countries and several countries in Africa. The total market opportunities for the low speed gears applications in these countries are estimated at around ₹ 5 billion, with an annual growth of ~ 15%. The agreement is for a period for seven years and has provisions for expanding products and markets in the future.

This will enable the gears business to expand its product portfolio significantly by catering to the needs of low speed gear applications in four growing industrial segments. The association with Lufkin, an established brand in these segments, will help us to launch these products into Indian market quite expeditiously and successfully.

Outlook

The industrial market of steel, cement and thermal power continue to show good movements in terms of investment. Hydel segment, where Triveni has a dominant position, is also looking buoyant and is expected to have more closures of projects in Southern states. Further, the business is expected to get orders in the expanded range and markets in the coming quarters.

Unit's focus on high margin refurbishment, spares and services business apart from the new products for other than power application should enable the business to achieve higher turnover and consistently high and strong margins in the business going forward.

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. In line with growth in the Company's overall revenues, this business is gaining faster momentum and is getting recognition in a high potential market as a supplier of superior quality products and services at competitive costs.

Performance

	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10
Net Sales (₹ million)	401	307	1,218	1,071
-Increase/(decrease)	30%		14%	
PBIT (₹ Million)	46	39	138	126
-Increase/(decrease)	18%		10%	
PBIT margin (%)	11.4%	12.6%	11.4%	11.8%

During the quarter, the sales have been higher by 30% with an increase in PBIT by 18%. In view of improved results expected in the fourth quarter, the growth in turnover and PBIT is expected to be significant for the year. The unevenness in the results would be largely mitigated when a strong and continuous pipeline is built up.

The business is carrying forward a healthy order book of ₹ 5.07 billion as on 30th June 2011, which is 97% higher in comparison to same period last year. The company has a strong enquiry book and is bidding for most of the major projects in the high technology areas, both for industrial and municipal applications. It is estimated that the business will achieve healthy growth rates both in terms of its current year performance as well as in the order intake.

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 world's leading technology providers. 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 post order book and sales growth. The unit's latest successes of getting into large projects, once executed, will enable to get pre-qualified for even larger projects in the future.

CII-Triveni Water Institute

Triveni has partnered with CII for setting up of Water Institute. This is first of its kind in the world where the Government, Industry and society would collectively set up a centre of excellence to transform water conservation and management involving all stakeholders. The Institute will be focusing on water and waste water management in Municipal, industry, agriculture and domestic segments. The activities of Institute amongst others, would primarily focus on education, creation & development of technical manpower, performance rating of companies on water management and also facilitate policy formulation at both Central and State Government levels.

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