



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

For immediate release

**Triveni Q1FY2008 net sales up 13% at Rs 3.47 billion
EBITDA up 63% at Rs 711 million
PAT increases 17% to Rs 257 million**

- ***Sugar***
*Sugar cane crushing currently on
Outlook appears positive with improved
realizations, higher recoveries and expected
rational cane pricing*
- ***Engineering Businesses***
*Order book position of over 6 billion – 11% growth
over previous quarter*

Noida, January 29, 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 quarter ended 31st December 2007 (Q1 FY2008).

PERFORMANCE OVERVIEW: Q1FY2008 V/S Q1FY2007

(Q1 FY 2008 – October – December 2007); (Q1 FY 2007 – October – December 2006)

Net sales increased 13% to Rs 3.47 billion in the quarter, EBITDA was 63% higher at Rs 711 million and PAT grew 17% to Rs 257 million. EPS for the quarter was Rs 1.00 (not annualized).

The overall sugar businesses' revenue grew 1% while the engineering businesses' revenue increased by 12%. The sugar operations achieved a net turnover of Rs 1.81 billion, 6% lower than the corresponding previous quarter on account of lower realization, while the cogeneration operations achieved a turnover of Rs. 284 million,

lower by 3% on account of the late crushing start during this season. For the quarter, the distillery business achieved a turnover of Rs. 155 million. For the engineering business, the overall sales turnover went up by 12% with turbines growing 4% and gears and water businesses growing 32% and 79% respectively.

The issue of sugar cane pricing for the 2006-07 and 2007-08 seasons is before the Supreme Court and High Court respectively. For FY07, the company provided cane prices at the State Advised Price (SAP) of Rs. 1,250 per tonne while for the current season, based on the Lucknow Bench's interim order, cane prices have been taken at Rs. 1,100 per tonne.

Overall PBIT increased 52% to Rs 499 million, with PBIT margin expanded to 14.4% from 10.7% last year. This has primarily been driven by better margins in engineering businesses.

For Q1FY08, depreciation & amortization nearly doubled to Rs. 212 million as against Rs. 108 million during the corresponding previous quarter on account of capitalizing sugar manufacturing, cogeneration and distillery capacities. The total finance cost also increased to Rs. 191 million from Rs. 44 million primarily due to the commissioning of all projects. Net profit before tax (PBT) increased 8% to Rs. 308 million while Profit after Tax (PAT) went up by 17% to Rs. 257 million.

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 result for the quarter which is better than the corresponding quarter of the previous year. The engineering businesses are performing in line with our expectations and are having an aggregate order book in excess of Rs. 6 billion. With foray into new product lines in water business (desalination) and gears business (hydel and niche low speed gears) and on account of our continual efforts towards product improvement and range enhancement in our turbine business, complimented by increased refurbishment business and collaborative tie-ups, we believe that the engineering business is poised for consistent growth in future as well.

In the sugar segment, after a gap of three quarters, the company has registered a profit before interest and tax. Sugar prices currently are ruling firm on the back of the country's estimated lower production for the current season. With consistent performance of our co-generation units coupled with carbon credits accruing, the co-generation operations should provide good support to the overall profitability of the company. We believe the issue of rational sugar cane pricing, which is currently before the Courts, will be resolved in the best interest of all stakeholders, thus bringing stability in sugar operations in the long run."

- 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

C N Narayanan
Triveni Engineering & Industries Ltd
Ph: +91 120 4308000
Fax: +91 120 4311010, 4311011
E-mail: cnnarayanan@trivenigroup.com

Gavin Desa/ Jigar Dave
Citigate Dewe Rogerson
Ph: +91 22 4007 5037
Fax: +91 22 22844561
E-mail: gavin@cdr-india.com
jigar@cdr-india.com

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 FY2008 : FINANCIAL RESULTS REVIEW

(all figures in Rs million, unless otherwise mentioned)

Net sales

	Q1 FY2008	Q1 FY2007	(%) Change
Net sales	3,468	3,070	13%

Net sales improved to Rs. 3.47 billion registering an increase of 13%. The increase would have been higher if not for the shut down of turbine unit for 26 days owing to a strike. The matter stands fully resolved now. Sugar and related businesses turnover marginally increased 1% to Rs. 2.25 billion. Sugar turnover was lower by 6% at Rs. 1.81 billion, primarily on account of lower sales price realization when compared with the corresponding quarter of the previous year while sales from co-generation units were down 3% because of operating for lesser days due to a late season start. The company's distillery achieved sales of Rs. 155 million. The company's engineering businesses' turnover increased 12% to Rs. 1.55 billion. The Turbines business registered a growth of 4% while Gears and Water Businesses grew 32% and 79% respectively.

EBITDA

	Q1 FY 2008	Q1 FY 2007	% change
EBITDA	711	436	63%
EBITDA Margin	20.5	14.2	

Overall EBITDA increased 63% with margins improving by over 6% Y-o-Y. All three engineering businesses registered substantial improvements in operating profit with overall EBITDA going up by 35% along with substantial expansion of EBITDA margins.

The sugar business also achieved 55% higher EBITDA at Rs 166.5 million. EBITDA of co-generation grew by 56%.

Finance cost & Depreciation

	Q1 FY 2008	Q1 FY 2007	% change
Finance cost	191.4	44.0	335
Depreciation & Amortisation	211.9	107.6	97

The increase in depreciation and finance costs is primarily on account of the capitalization of new capacities in sugar, co-generation, and distillery.

Profit before Tax and Profit after Tax

	Q1 FY 2008	Q1 FY 2007	% change
Profit before Tax (PBT)	308	284	8
PBT Margin (%)	8.9	9.3	
Profit after tax (PAT)	257	219	17
PAT Margin (%)	7.4	7.1	

PBT and PAT have risen by only 8% and 17% respectively on account of high depreciation and finance charges. The margins are almost at the same level as the previous corresponding quarter.

Q1 FY2008: 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. The sugar crushing season is currently on and all sugar units are crushing with improved recoveries compared with corresponding period of previous year.

Performance

	Q1 FY 2008	Q1 FY 2007
Net Sales (Rs. million)	1,810	1,931
-Increase/(decrease)	(6%)	
PBIT (Rs Million)	47	69
-Increase/(decrease)	(32%)	
PBIT margin (%)	2.6	3.6
Sale dispatches – (Million Tonne)	0.111	0.095
Average realization price –Rs /MT	13,910	16,980

Most of the sugar sold in the quarter pertains to the season 2006-07 which was marked to market value as at the end of the quarter ended September 30, 2007. The current sugar prices are better than those achieved in the quarter under review. The issue of cane pricing is sub-judice and in view of the uncertainty and pending final outcome of the matter, cane price of Rs 1,100 per tonne has been considered for the quarterly results. In respect of the season 2006-07, the company had considered full SAP of Rs 1,250 per tonne in the accounts for the FY 2006-07.

Outlook

Sugar cane crushing in all our seven units is underway and we expect the overall crushing for the season to be higher by 25% - 30% over the previous season. Looking at the current trend of recoveries, which is better than the same period of last season, it appears that the overall recoveries for the season may be better than last season and is expected to be around 9.9%.

The issue of cane pricing for the seasons 2006-07 and 2007-08 is presently sub-judice. In respect of cane Price for the season 2006-07, the Allahabad Court, on December 19, 2007, had quashed the SAP declared by the State Government and directed the Government to reassess the price within three months in consultation with stakeholders and experts. In the SLPs filed against the High Court judgement, the Supreme Court in an interim order has stayed the operation of the High Court judgment till February 12, 2008. While the issue of cane price of 2006-07 was pending in the High Court, the State Government had announced SAP for the season 2007-08 at Rs 1,250 per tonne, at the same level as in 2006-07. This price was also challenged in the Lucknow bench of the Allahabad High Court and the Court, in its interim order, has directed payment of cane price of Rs. 1,100 per tonne. Hearing on the case is in progress. SLP's have also been filed in respect of the interim order.

Cane Pricing is an important issue which can be either resolved through judicial process or through the reforms brought in by legislature. Once satisfactorily resolved, it will pave the path for the industry to fully exploit the potential and simultaneously, the farmers will also reap the benefit of better purchasing power of the financially strong sugar mills. There is a need to create an environment wherein the farmers are assured of remunerative payment which will enable them to continue growing sugar cane, failing which, there is likelihood of farmers switching to alternate crops.

Before the start of the season, the forecast for the current sugar season was a bumper crop with country's production expected to exceed 30 million tonnes. However, of late there are various news/views stating that the production for the 2007-08 season would be far lower than the earlier estimate. The estimates range from 26 million tonnes to 27 million tonnes on account of lower yields, diversion, late starting of crushing etc. Lower production for the current season coupled with expected much lower production of 2008-09 season is seen as encouraging news for sugar prices. Current sugar prices are sustained in spite of sugar production possibly on account of this view. Similarly, on the exports front, the country is currently exporting raw sugar and white sugar, which are expected to be between 3 – 3.5 million tonnes upto September 2008.

Global sugar prices are currently moving significantly upwards. It has been observed that the current surge in sugar prices (both for raw and whites), is on account of

expected lower production in India during the current season and substantial decline in production for the next season and also on account of participation of financial investors. With very high crude prices, ethanol usage would remain high as a fuel and Brazil would be diverting more cane into production of ethanol which will result in having less sugar for the international market.

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 2008	Q1FY 2007
Operational details		
Power Generated – 000 KWH	58116	63544
Power exported – '000 KWH	38304	31818
Financial details		
Net sales (Rs. million)	284.3	292.3
-Increase/(decrease)	(3%)	
PBIT (Rs. million)	138.3	83.5
-Increase/(decrease)	66%	
PBIT margin (%)	48.6	28.6

On account of late start of crushing during this season, the total number of days of operations of power plants were significantly lower by over 20 days during this quarter compared with the corresponding previous quarter. Based on the approval of UNFCCC of the CERs of Deoband co-generation unit upto March 2007, additional income of Rs. 42.2 million has been included in the turnover of co-generation units. Income from carbon credit for the period from April, 1 2007 for both Deoband and Khatauli co-generation plants will be accounted for after verification.

Outlook

The co-generation business provides a long term and sustainable source of incremental revenue while diversifying and de-risking the Company's operating profile. In addition to

that, the Company will also derive financial benefits due to a tax holiday for a period of 10 years and reduction of deferred tax charges.

The regulatory and tariff environment is encouraging, in view of the National Electricity Policy, the Electricity Act 2003, and measures taken by the UP Electricity Regulatory Commission to mitigate commercial and regulatory uncertainties.

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 on an on-going basis.

Steam turbines business

Triveni is the domestic market leader, with a market share of 78% for range upto 20 MW in FY 07, and is 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

	Q1FY 2008	Q1FY 2007
Net Sales (Rs. million)	1,184	1,140
-Increase/(decrease)	4%	
PBIT (Rs Million)	291.0	245.5
-Increase/(decrease)	19%	
PBIT margin (%)	24.6	21.5

The results are commendable as these were impacted by shut down for 26 days in the quarter on account of a strike by workmen which had affected both production and dispatches. The matter stands fully resolved now. PBIT margins showed significant growth of over 300 basis points to 24.6%. The improvement in margins was achieved on account of improved efficiencies coupled with cost reduction and value engineering. The outstanding order book as on 31st December 2007 has been Rs. 4.93 billion for 734 MW.

During the quarter, the Company's order booking has been higher by over 50% compared to Q1FY07. The company booked four high value orders during the quarter.

Outlook

The outlook for this business is strong, as reflected by a growing order book, which in turn is driven by two factors: (i) growing economic activity coupled with a strong 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.

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 the below 25 MW Segment.

Performance

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

	Q1FY 2008	Q1FY 2007
Net Sales (Rs million)	190.4	143.8
-Increase/(decrease)	32%	
PBIT (Rs million)	55.9	30.0
-Increase/(decrease)	86%	
PBIT margin (%)	29.3	20.8

PBIT margins increase by of over 800 basis points y-o-y. 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 growing economic / industrial activity including the growth in the capital goods sector. The order book position of this business remains encouraging at Rs 406 million as on 31st

December 2007. The unit could execute few high profit retro-fitting orders which has enabled in increasing the PBIT margins. Further, the unit received high value orders from both within and outside India.

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, is driving growth in this business. Further, the foray into hydel gears and niche low speed gears segment is underway.

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 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.

	Q1FY 2008	Q1FY 2007
Net Sales (Rs. Million)	173.4	97.1
-Increase/(decrease)	79%	
PBIT (Rs million)	26.4	7.9
-Increase/(decrease)	234%	
PBIT margin (%)	15.2	8.2

The Company continued to successfully leverage its existing engineering relationships with industrial sector customers. PBIT margins also showed significant improvement of 700 basis points, reflecting the Company's technology-led operating efficiencies.

During the quarter, the unit achieved a break-through order of Rs. 275 million for a sea water desalination plant, the largest desalination order for a power plant to date in India. This job, once completed, will provide pre-qualification credentials to take up similar and even higher value orders. The unit has an outstanding order book of Rs. 795 million which is almost 100% higher than the previous four quarter sales.

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 Siemens Water Technologies. 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.

***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.*