



LAKSHMI ENERGY AND FOODS LIMITED

Sco 18-19, 1st Floor, Sector 9-D, Madhya Marg, Chandigarh 160017, India

Q3 FY2008 REVENUES INCREASES 36% at Rs. 2,466 million

PAT UP 17% To Rs. 330 million

Chandigarh, India, 23 January 2008: Lakshmi Energy and Foods Limited (LEAF), the leading manufacturer of long grain non-basmati white rice and other products in India, today announced its unaudited financial results for the quarter ended 31 December 2007.

Commenting on the Company's performance for Q3 FY2008, **Mr. Balbir Singh Uppal, Chairman and Managing Director, Lakshmi Energy and Foods Limited**, said,

"The results in this quarter continued the momentum that we had built in the last two quarters and I am happy to announce a 36% increase in revenues and a 17% increase in profits at net level. Volumes moved up substantially across different product categories and average realizations have also shown a marked increase. We expect the growth momentum to be sustained in the next quarter on the back of diversified product launches."

Performance Highlights

Corresponding Quarter Review

Q3 FY2008 (October - December 2007) v/s. Q3 FY2007 (October - December 2006)

- Net sales increased by 35.51% to Rs. 2,466.39 million from Rs. 1,820.04 million
- Profit Before Tax was up by 21.19% to Rs. 380.02 million from Rs. 313.57 million
- Net Profit After Tax was Rs. 329.60 million up 16.79% compared to Rs. 282.21 million
- Earnings Per Share increased to Rs. 5.58 from Rs. 4.94

Sequential Quarter Review

Q3 FY2008 (October - December 2007) v/s. Q2 FY2008 (July - September 2007)

- Net sales increased by 20.10% from Rs. 2,053.59 million
- Profit Before Tax rose by 11.44% compared to Rs. 341.02 million
- Net Profit After Tax increased by 9.00% from Rs. 302.38 million
- Earnings Per Share stood at Rs. 5.58 compared to Rs. 5.12

Financial Highlights

Profit and Loss account for the quarter ended

Particulars (Rs. Million)	December		YOY	September	QOQ
	2007	2006	Shift (%)	2007	Shift (%)
Net Sales	2,466.39	1,820.04	35.51	2,053.59	20.10
Other Income	2.80	3.01	(6.98)	1.83	53.01
Total Income	2,469.19	1,823.05	35.44	2,055.42	20.13
Expenditure					
(a) (-)Inc/(+) Dec. in Stock	274.46	(1,721.57)	(115.94)	(87.61)	(413.27)
(b) Raw Material Consumed	1,620.20	3,173.66	(48.95)	1,454.95	11.36
(c) Personnel Expenses	10.33	7.88	31.09	10.01	3.20
(d) Depreciation	58.30	12.29	374.37	67.84	(14.06)
(e) Other Expenditure	14.62	25.45	(42.55)	49.55	(70.49)
Total Expenditure	(1,977.91)	(1,497.71)	32.06	(1,669.96)	18.44
Interest	(111.26)	(11.77)	845.28	44.44	(350.36)
Profit before Tax	380.02	313.57	21.19	341.02	11.44
Provision for Tax	(50.42)	(31.36)	60.78	38.64	(230.49)
Net Profit	329.60	282.21	16.79	302.38	9.00
Equity Capital	120.08	114.33	5.03	120.08	-
Basic/Diluted EPS (Rs.)*	5.58	4.94	12.96	5.12	8.98
Nos. of Shares – Non Promoters*	34,774,270	34,774,270		34,774,270	
% of Shares – Non Promoters	57.92%	60.83%		57.92%	

*adjusted for stock split 1:5 on December 2006

Balance Sheet as on

Particulars (Rs. Million)	December 2007	December 2006	September 2007
Sources of Funds			
Shareholder's Funds			
Capital	179.08	210.70	179.08
Reserves and Surplus	3,603.92	2,452.21	3,272.47
Loan Funds			
Secured Loans	4,961.87	2,919.74	2,736.27
Unsecured Loans	439.27	179.45	85.00
Deferred Tax Liabilities	358.36	94.08	358.36
Capital Employed	9,542.52	5,856.18	6,631.18
Application of Funds			
Fixed Assets			
Gross Block	2,641.65	1,798.05	2,627.66
Less Depreciation	779.54	500.15	721.24
Net Block	1,862.11	1,297.90	1,906.42
Capital Work in Progress	1,240.03	52.85	1,083.09
Investments	500.92	1.98	500.92
Current Assets, Loans and Advances			
A) Current Assets			
Inventories	5,404.63	3,739.81	2,719.07
Sundry Debtors	75.99	21.52	27.87
Cash and Bank Balances	283.00	1,854.78	99.29
B) Loans, Advances & Other Current Assets	1,181.10	868.98	1,367.34
Less Current Liabilities & Provisions	1,005.27	1,981.64	1,072.82
Net Current Assets	5,939.45	4,503.45	3,140.75
Capital Employed	9,542.52	5,856.18	6,631.18

Cash Flow for the period ended

Particulars (Rs. Million)	December 2007	December 2006	September 2007
A. Cash flow from Operating Activities			
Net Profit before Tax	379.75	282.10	700.44
Adjustments for			
Interest Paid	111.26	11.77	68.33
Depreciation	58.30	12.29	98.31
Interest Income	-	-	-
Dividend Income	-	-	-
Operating Profit before Working Capital Changes			
Adjustments for			
Trade and Other Receivables	138.12	(118.01)	(437.40)
Inventories	(2,683.44)	(1,640.56)	84.52
Trade Payable and Other Liabilities	83.23	1,089.06	(699.52)
Cash Generated from Operations	(1,912.77)	(363.34)	(185.32)
Interest Paid	(111.26)	(11.77)	(68.33)
Income Tax Paid	(144.92)		0.00
Net Cash flow from Operating Activities	(2,168.09)	(375.11)	(253.65)
B. Cash flow from Financing Activities			
Additions to Fixed Assets	(227.23)	(147.61)	(668.19)
Investments	-	-	(489.54)
Dividend Income	-	-	-
Interest Income	-	-	-
Net Cash flow Used in Investing Activities	(227.23)	(147.61)	(1,157.73)
Sub Total (A+B)			(1,411.38)
C. Cash flow from Financing Activities			
Increase in Share Capital	-	59.00	(31.63)
Increase in Share Premium	-	-	368.00
Increase in Long Term Loans (Net)	2,225.6	2,447.69	588.30
Increase in Short Term Borrowings	354.28	(277.80)	(0.45)
Dividend Paid	-	-	-
Cash flow from Financing Activities	2,579.88	2,228.89	924.22
Net Increase in Cash and Cash Equivalents	183.69	1,706.17	(487.16)
Cash and Cash Equivalents at the Beginning of the Year	99.31	148.61	586.47
Cash and Cash Equivalents at the End of the Year	283.00	1,854.78	99.31

Revenue Analysis

Product and By-Products Revenue Volume Break-Up

Particulars (MT)	December	December	YOY	September	QOQ
	2007	2006	Shift (%)	2007	Shift (%)
Rice					
Rice	156,836	124,071	26.41	135,485	15.76
Small Broken Rice (Nakku)	3,459	269	1,185.87	6,500	(46.78)
Oils					
Rice Bran Oil	2,710	4,837	(43.97)	3,067	(11.64)
De-Oiled Cakes					
De-Oiled Cake	14,009	13,457	4.10	8,438	66.02
Others					
Cattle Feed	10,008	12,683	(21.09)	6,920	44.62
Paddy Husk	2,816	425	562.59	6,088	(53.75)
Cotton	532	-	-	-	-
Total	190,370	155,742	22.23	166,498	14.34

Average Realizations

Particulars (Rs/MT)	December	December	YOY	September	QOQ
	2007	2006	Shift (%)	2007	Shift (%)
Rice					
Rice	13,861	11,940	16.09	13,154	5.37
Small Broken Rice (Nakku)	7,530	7,526	0.05	7,524	0.08
Oils					
Rice Bran Oil	43,325	35,736	21.24	44,073	(1.70)
De-Oiled Cakes					
De-Oiled Cake	3,912	3,417	14.49	4,060	(3.65)
Others					
Cattle Feed	5,733	5,001	14.64	5,600	2.38
Paddy Husk	1,275	1,176	8.42	1,202	6.07
Cotton	58,800	-	-	-	-
Total	134,436	54,050	148.73	75,613	77.79

Product Revenue Share

Particulars (%)	December	December	YOY	September	QOQ
	2007	2006	Shift (%)	2007	Shift (%)
Rice					
Rice	86.14	81.40	5.82	87.64	(1.71)
Small Broken Rice (Nakku)	1.06	0.11	863.64	2.38	(55.46)
Oils					
Rice Bran Oil	4.76	9.50	(49.89)	5.72	(16.78)
De-Oiled Cakes					
De-Oiled Cake	2.22	2.53	(12.25)	1.52	46.05
Others					
Cattle Feed	2.33	3.49	(33.24)	2.30	1.30
Paddy Husk	0.15	0.03	400.00	0.36	(58.33)
Others	3.34	2.94	13.61	0.08	1,575.00

Human resources

Particulars	December 2007	December 2006	September 2007
Number of Employees	361	269	318

About Lakshmi Energy and Foods Limited

Lakshmi Energy and Foods Limited (BSE: 519570, NSE: LAKSHMIEFL) is the leading manufacturer of long grain non-basmati white rice in India. The Company has integrated plants of solvent extraction, refinery, cattle feed mill as well as recently installed colour sortex and packaging plants.

The Company has also implemented India's largest husk fueled power plant with 30 MW capacity. It has approval to set up a total of 105 MW under Mega Project Policy of the State Government.

Lakshmi Energy and Foods believes in eco-friendly plants. All by-products of the Company are further processed to produce value added products like rice bran oil, de-oiled cake, boiler fuel, cattle feed, ash bricks (proposed) etc. The Company follows international standards of packaging applicable to fast moving consumer goods. Lakshmi Energy and Foods has a registered and corporate office at Chandigarh, India.

For further information on the Company and its products, please visit: www.lakshmienergy.com

For further information, please contact:

I. S. Gumber
Lakshmi Energy and Foods Limited
Tel.: +91 98925 04311
Email: isgumber@lakshmigroup.in

Diwakar Pingle
Christensen Investor Relations
Tel.: +91 98490 04971
Email: dpingle@christensenir.com

Anu Kapur
Christensen Investor Relations
Tel.: +1 917 338 1434
Email: akapur@christensenir.com

Certain statements in this document that are not historical facts are 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 actual results to differ materially from those contemplated by the relevant forward-looking statements. Lakshmi Energy and Foods Limited will not be in any way be 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.