Suzlon Energy Limited

INVESTOR & ANALYST MEET 2016

15 JULY 2016

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Executive Board

Tulsi Tanti, CMD

- Group Strategy and Vision
- Product Strategy and Marketing
- Stakeholder Relationship

J.P. Chalasani, Group CEO

- Group Business Management
- India Business (Wind and Solar)
- Corporate Communication
- Human Resource

Kirti Vagadia, Group CFO

- Group Finance
- Investor Relations
- Group Legal
- Management Audit

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Executive Board

Vinod R. Tanti, COO - SWIL

- Supply Chain Management
- Project Execution
- Global QHSE

Rakesh Sarin, CEO - International Business and Global Service

- International Business
- Global Services
- SE Forge

Duncan Koerbel, CTO

- Innovation
- New Product Development
- Global R&D and Engineering

More than 100 man years of experience at the helm

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POWERING A GREENER TOMORROW

Agenda

Introduction Mr. Tulsi R. Tanti	India Wind Business Solar Business Mr. J.P. Chalasani	International Business Service Business SE Forge Mr. Rakesh Sarin
Technology Roadmap Mr. Duncan Koerbel	Supply Chain Mr. Vinod R. Tanti	Finance Strategy Mr. Kirti Vagadia
	Vision 2022 Mr. Tulsi R. Tanti	

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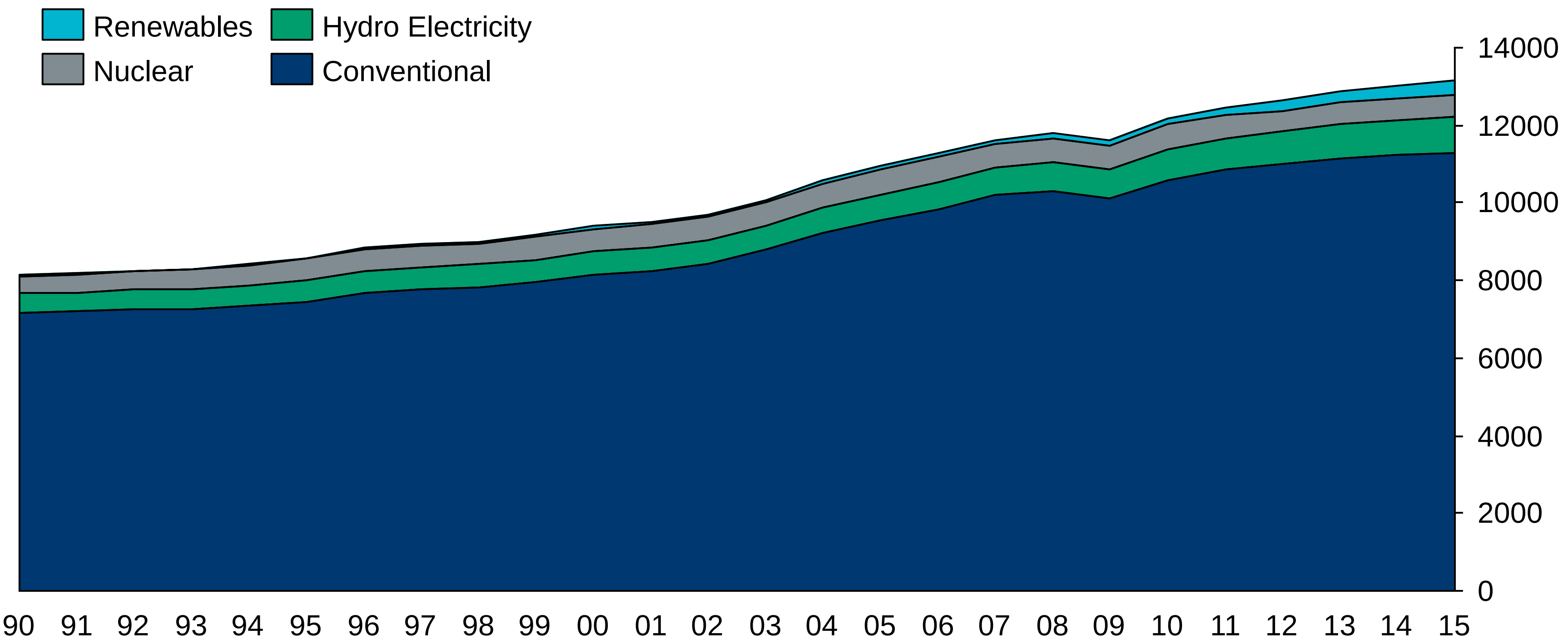
Clean Energy Demand Will Continue

(Million Tonnes Oil Equivalent)



Source: BP Statistical Review of World Energy 2016

Renewables still contribute <3% of global energy consumption – Huge Growth Potential

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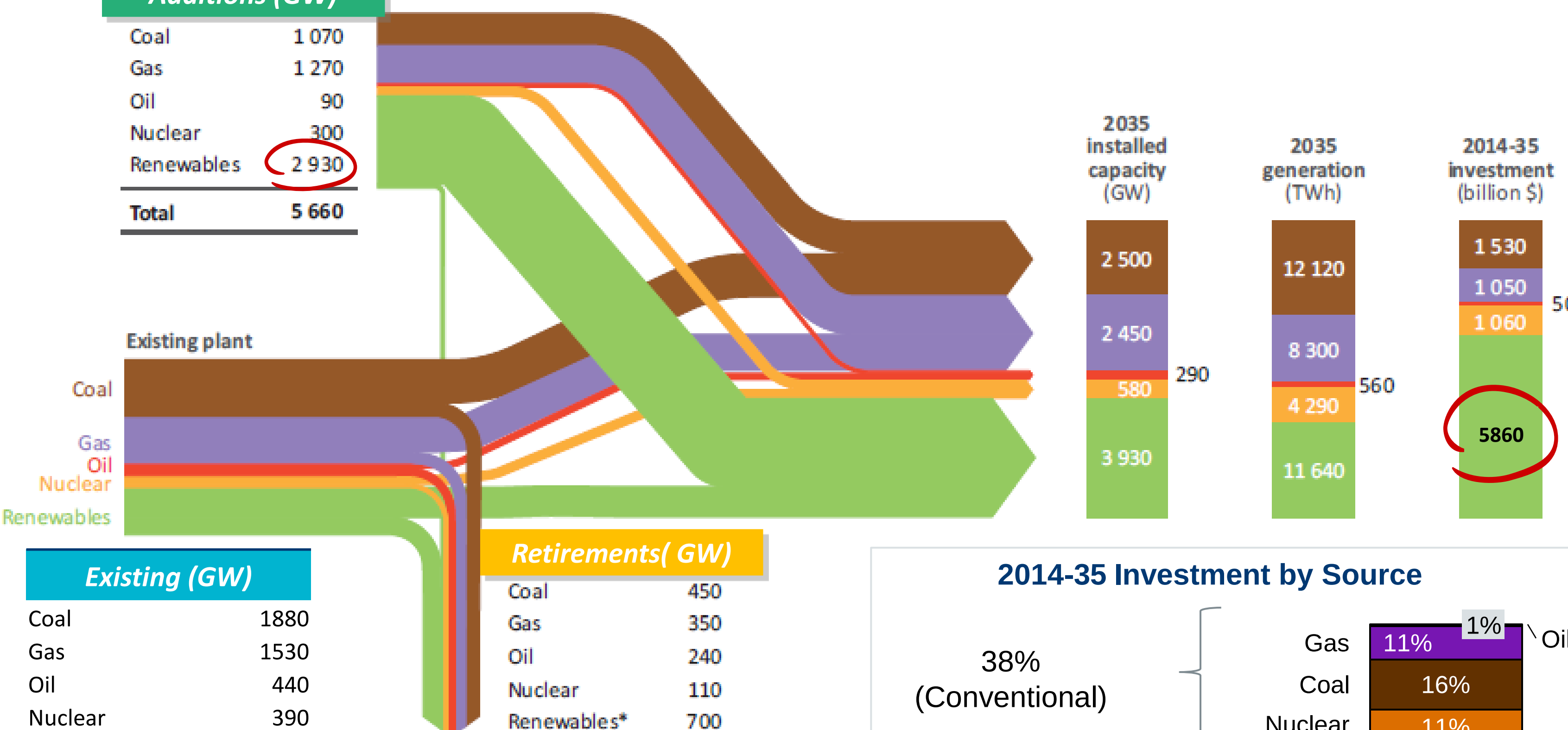
$5.86 Trillion of Investment Estimated in Renewable Energy between 2014-35

Additions (GW)

Coal	1 070
Gas	1 270
Oil	90
Nuclear	300
Renewables	2 930
Total	**5 660**



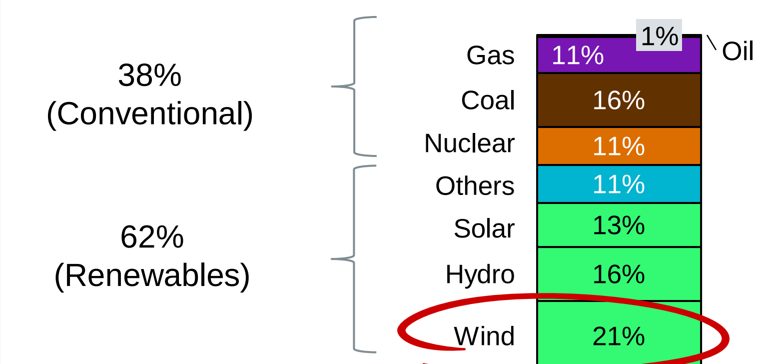
Existing (GW)

Coal	1880
Gas	1530
Oil	440
Nuclear	390
Renewables	1700
Total	**5940**

Retirements(GW)

Coal	450
Gas	350
Oil	240
Nuclear	110
Renewables*	700
Total	**1 850**

2014-35 Investment by Source



Wind is expected to be the single largest source of investment

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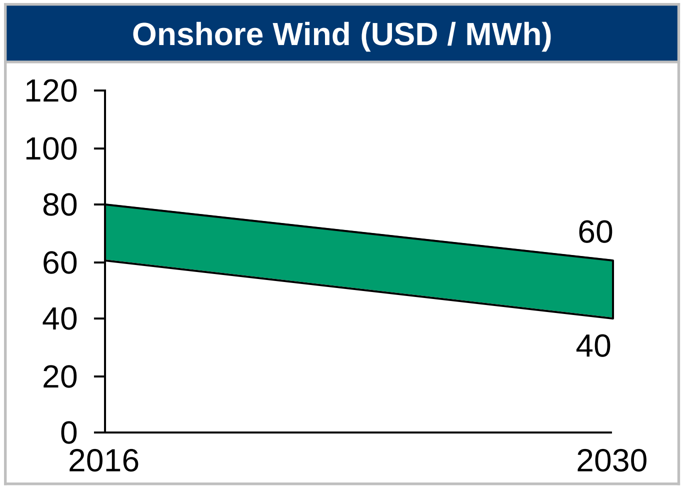
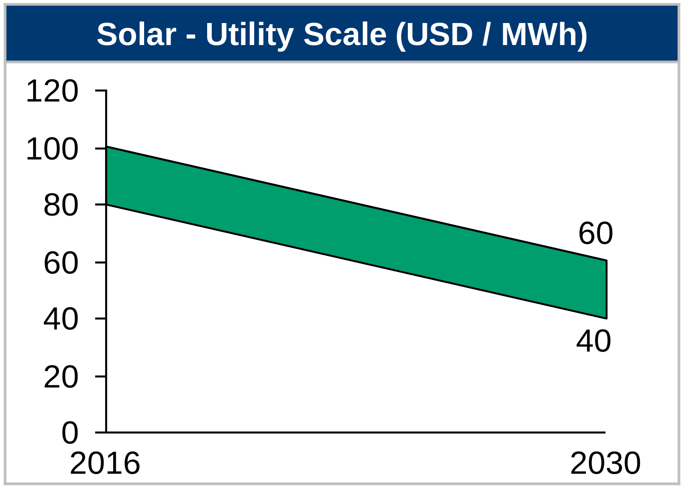
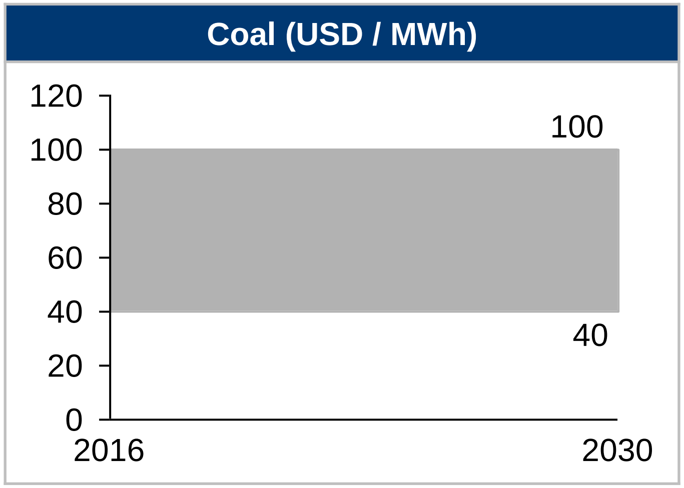
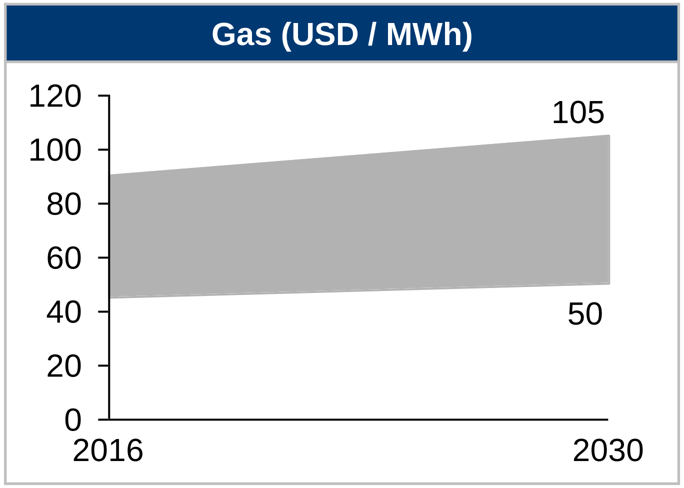
Wind to Continue to Remain Most Competitive Form of Renewable Energy









Source: BNEF New Energy Outlook, June 2016

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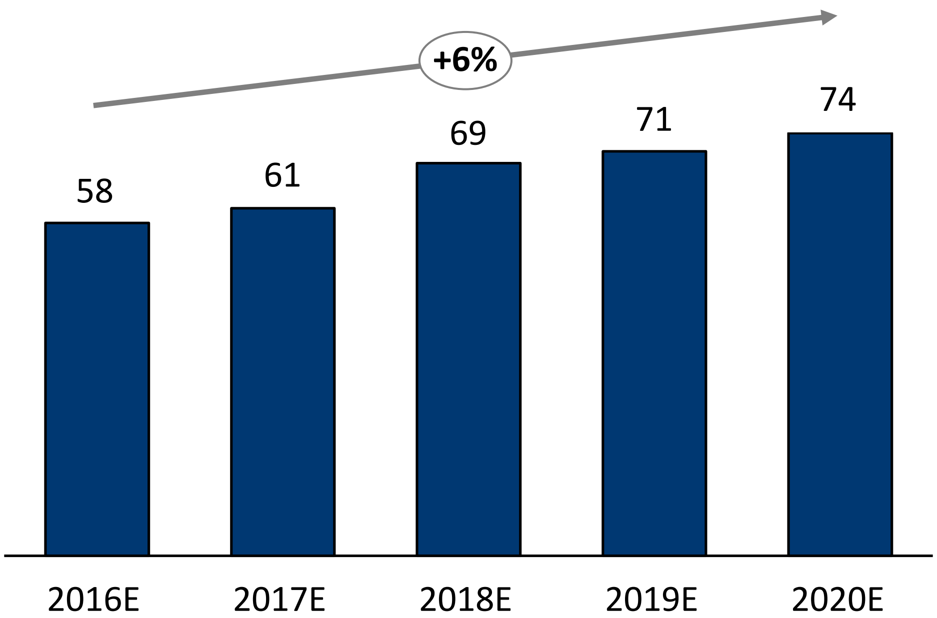
Steady Growth Expected for Wind

Global Wind Industry Outlook (GW)



Key Drivers for Global Growth

- Climate Change
- Energy security
- Increasing Energy accessibility
- Increasing Cost Competitiveness

Select Markets to grow much faster

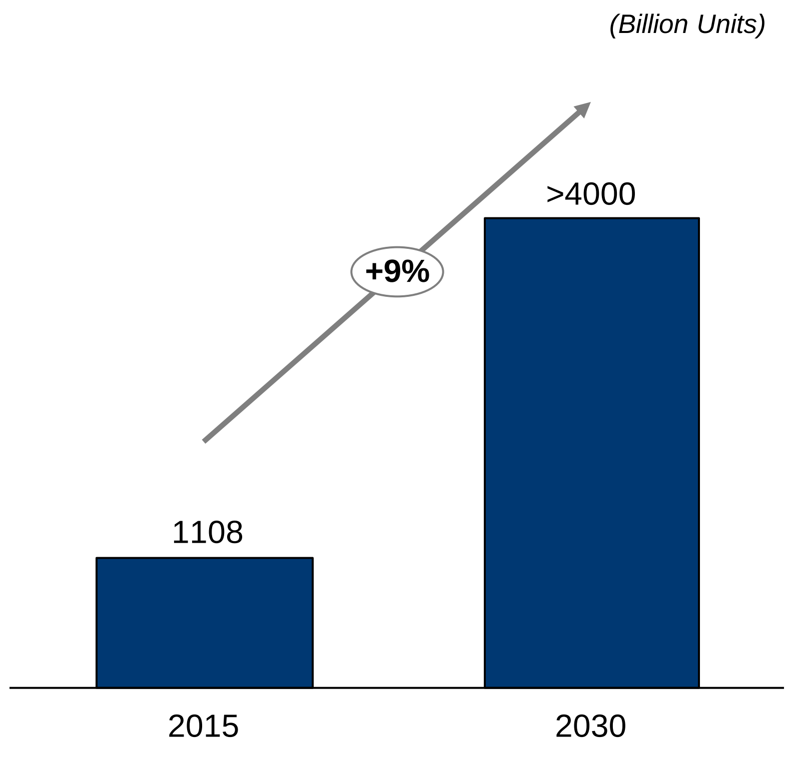
- India market expected to grow ~14+%

Source: BENF Q2 2016 Wind Market Outlook

~332 GW of additional Wind installations expected over the next 5 years

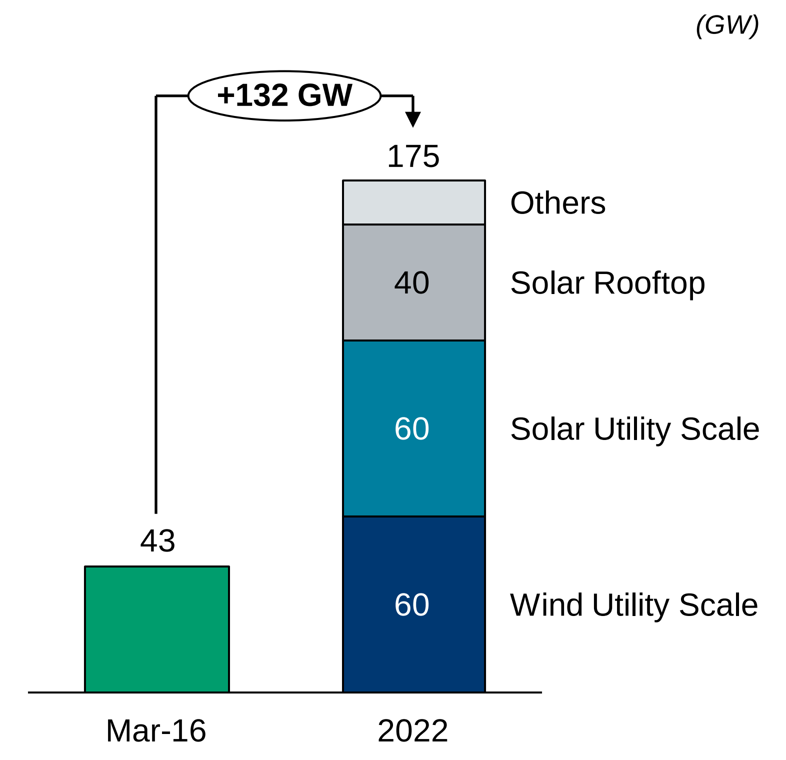
India: Strong Growth Fundamentals for Renewables

Estimated India Power Demand



Source: Ministry of Power

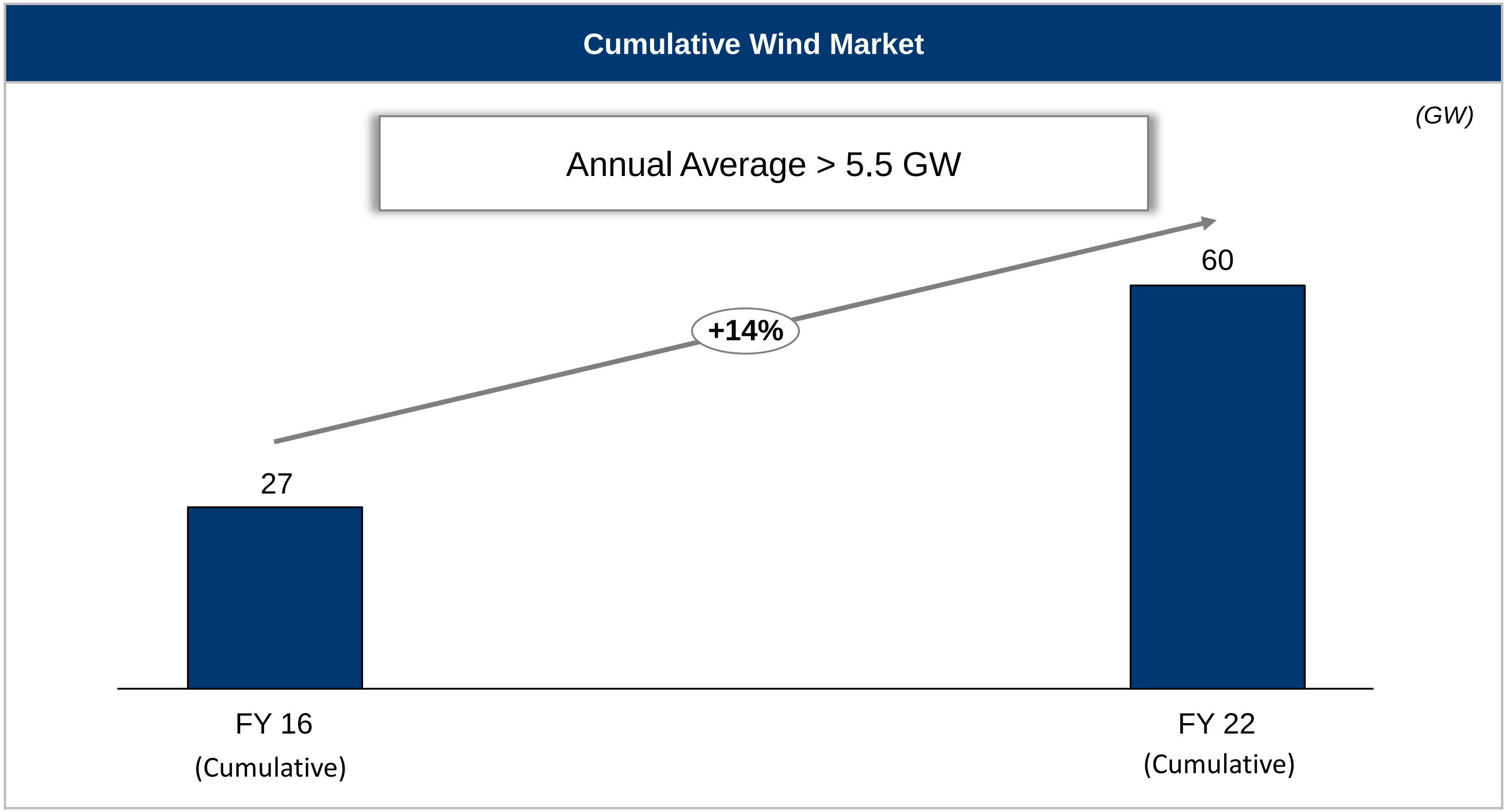
Renewables Target 2022



Source: MNRE

Renewables preferred for affordability, sustainability and security

Government Targets



Source: MNRE

Unprecedented growth potential

Perceived Industry Concerns: Impacting Market Size

Perceived Concerns	Industry Mitigants	How Suzlon Wins
Availability of Good Wind Sites	<10% Potential Tapped	Through Technology Clear Pipeline Visibility in all States
Inadequate Grid Infrastructure	Green Corridor Initiative	Building Grid Infrastructure
State Specific Uncertainties	Inter State RPO Demand Scheduling & Forecasting Repowering Opportunity	Pan India Basis presence

Suzlon will grow faster than industry

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Perceived Industry Concerns: Impacting Customer Returns

Perceived Concerns	Industry Mitigants	How Suzlon Wins
Declining Tariffs / Incentive Uncertainty	IRR Driven Market	LCOE Reduction through technology
Competitive Bidding	Incremental Market	
Weak Financial health of SEBs	Part of Working Capital Investment UDAY Scheme	

Suzlon will grow faster than industry

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Our Vision, Mission and Values - 2022

Vision

To be the Best Renewable Energy Company in the world

Work towards Social, Economic and Sustainable development to create better life for future generations

Mission

Deliver utility scale, best in class, end to end integrated renewable energy solutions to our customers

Focus on High Volume & Profitable markets	Focus on Wind-Solar Hybrid utility scale solutions	Deliver Best in Class Value Added Service Globally

Continuously reduce Levelized Cost of Energy (LCOE)

Regional Manufacturing with global sourcing

End to End Integrated Renewable Energy Solutions provider

Asset Light, Debt Light Business Model

Create customer centric and performance oriented organization

Values

Integrity | *Agility* | *Creativity* | *Adding Value* | *Commitment*

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Solar Business

Mr. J.P. Chalasani

International Business

Service Business

SE Forge

Mr. Rakesh Sarin

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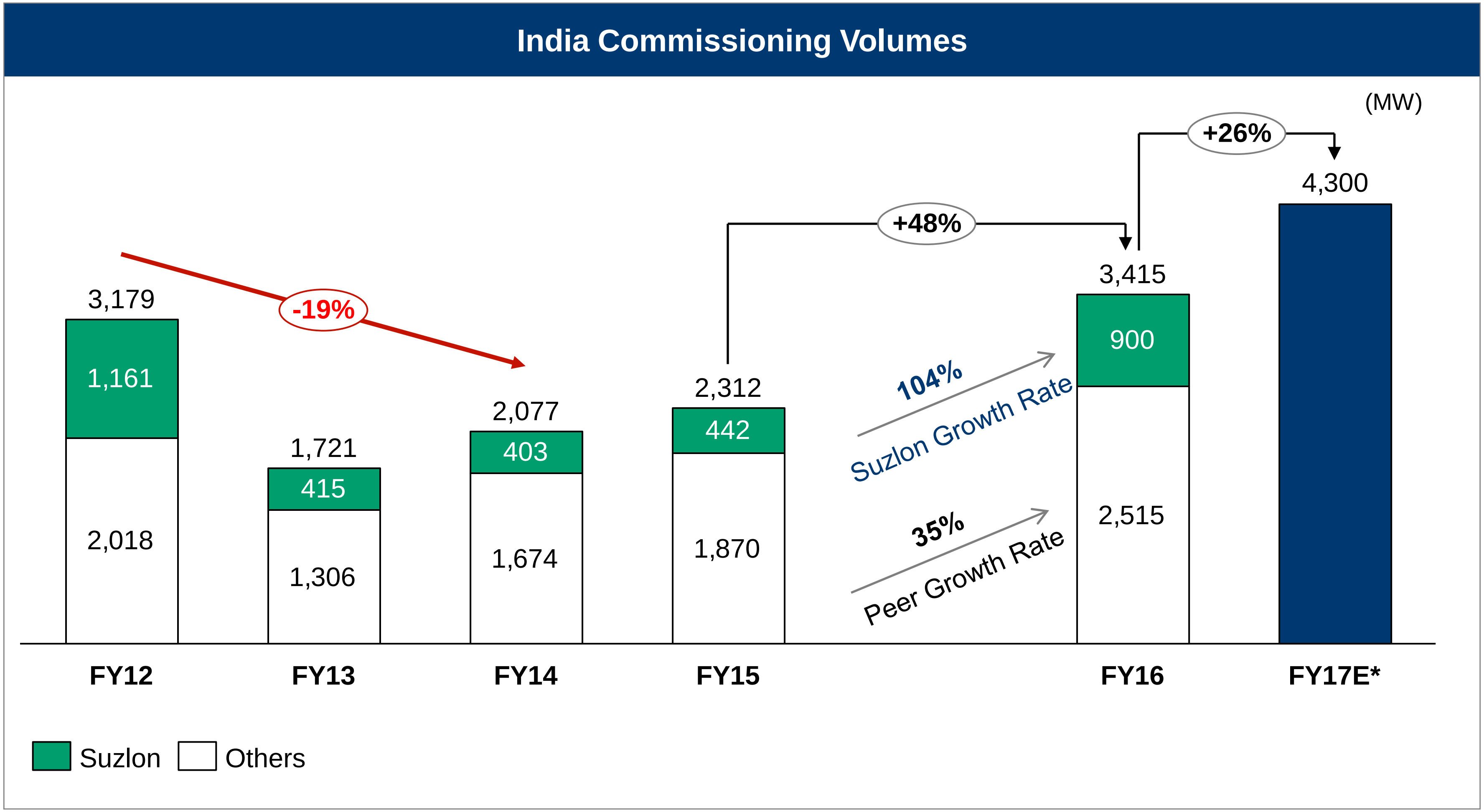
FY16 Saw Highest Annual Wind Capacity Addition in Two Decades



**FY17 E – Source: Internal Estimates*

On a strong growth trajectory…

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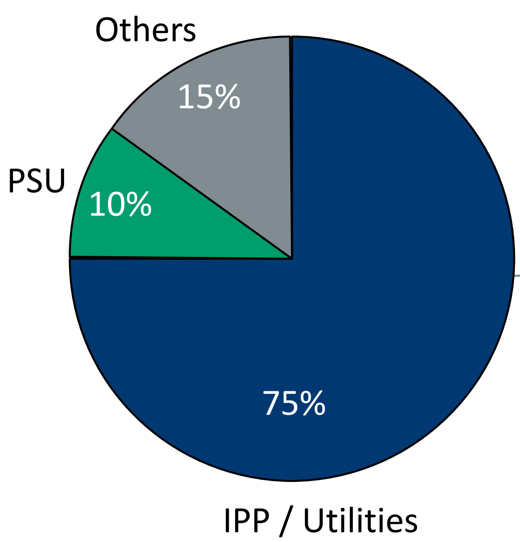
Increasing Comfort of Global Institutional Customers in India Wind



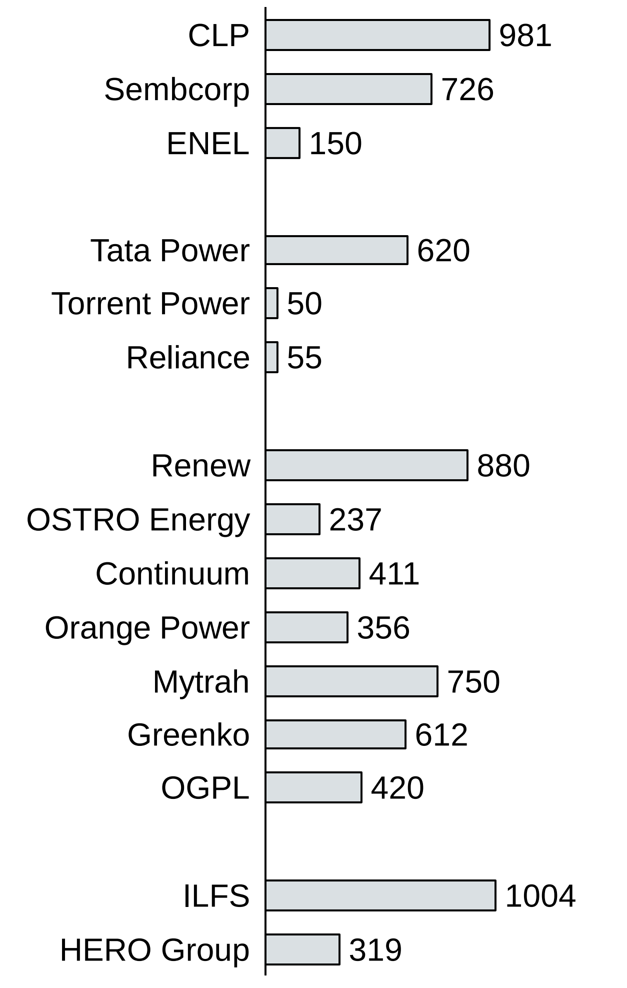
Foreign Diversified Utility

Domestic Diversified Utility

India Renewable Focussed IPP (PE Backed / Listed)

Part of Diversified Corporate Group

Installed Capacity in India (Fig in MW)



Source: Internal Estimates; as on 31st March 2016

>75% of 10 GW added since FY12

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State Specific Uncertainties Averages Out on Pan India Basis

Top 3 State Ranking in Terms of Wind Capacity Addition

Rank	FY12	FY13	FY14	FY15	FY16
1	TN	RJ	MH	RJ	MP
2	GJ	MH	AP	MP	RJ
3	RJ	GJ	GJ	MH	AP

Top States for Next 5 years
AP, GJ, KN, TN, RJ

- Top 3 out of 9 states contribute 60-80% of the total annual capacity addition
- There is always a flip flop among top 3 depending on policy environment
- Historically, in every year 3-4 states will go though a slow down phase, while only 2-3 state contribute majorly to wind capacity addition

Our pan India presence is a natural hedge

Large Untapped Potential in India

Fig. in MW	Potential measured at 100m hub height	Current Installed	Government Target 2022
Andhra Pradesh	44,229	1,431	8,100
Gujarat	84,431	3,949	8,800
Karnataka	55,857	2,869	6,200
Madhya Pradesh	10,484	2,141	6,200
Maharashtra	45,394	4,654	7,600
Rajasthan	18,770	3,994	8,600
Tamil Nadu	33,800	7,614	11,900
Telangana	4,244	78	2,000
Others	5,042	48	600
Total	**302 GW**	**27 GW (9%)**	**60 GW (20%)**

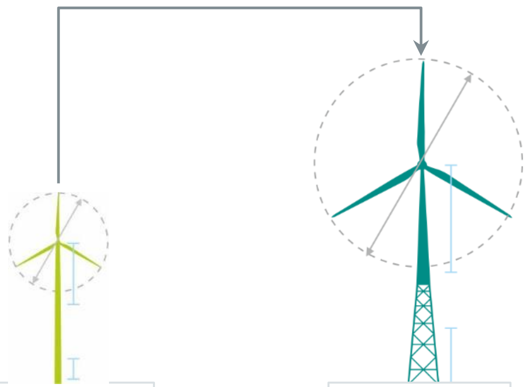
Source: MNRE

- Different wind potential measured at different hub height
- Higher the hub height, better the potential
- 302 GW wind potential estimated at 100m hub height
- Suzlon latest commercialized turbine is at 120M Hub Height (largest in India)

Less than 10% of the current industry potential tapped

Technology & Innovation is Unlocking Market

Technology leads to substantial reduction in LCOE



350 kW

Early 2000

2100 kW

2016

Increase in PLFs

+

Negligible increase in capital cost

+

Decrease in Operating Cost

=

Cost Competitiveness

Enables to counter

- Declining Tariff / Incentive Uncertainty
- Low Wind Sites Availability

Protect returns in declining tariff regime; also helped by declining interest rate

Key Government Initiatives: Preparing India for Renewable Growth

Strengthening Demand Environment

- Introducing Renewable Generation Obligation (RGO)
- Enforcing Renewable Purchase Obligation (RPO)
- Creation of demand from non renewable rich states
- Waiver of Inter State transmission charges & losses
- UDAY scheme to improve DISCOM financial health

Strengthening Grid and transmission systems

- Green Corridor
- Scheduling and Forecasting
- Inter State Transmission

Future Growth Drivers (Policy Under Draft)

- Wind Solar Hybrid Farms
- Repowering
- Offshore
- National Renewable Energy, Act

Potential for huge capacity unlocking for the industry

Government Focus on Both Wind and Solar

Sources of Renewable Power	Target 2022
Grid Connected Wind	60 GW
Grid Connected Solar	60 GW
Rooftop Solar	40 GW
Others	15 GW
Total	**175 GW**

Both Wind and Solar are needed

- Complementary generation profile
- Better grid utilization
- Evens out intermittency

	Wind	Solar
LCOE	Wind is more cost competitive	
Peak hour Generation	50% of Generation	25% of Generation
Make in India	Manufacturing Hub	Import Dependent
Usage of Water	Water Free	Water Dependent
Technology	Proven Technology	Nascent Technology

Focus is “Wind and Solar” and not “Wind vs Solar”

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Suzlon Strengths in India Wind Market

Full Turnkey Solution Provider

Pan India Presence

Technology Leadership

REGAIN
50%+ MARKET SHARE

Strong Customer Relationship

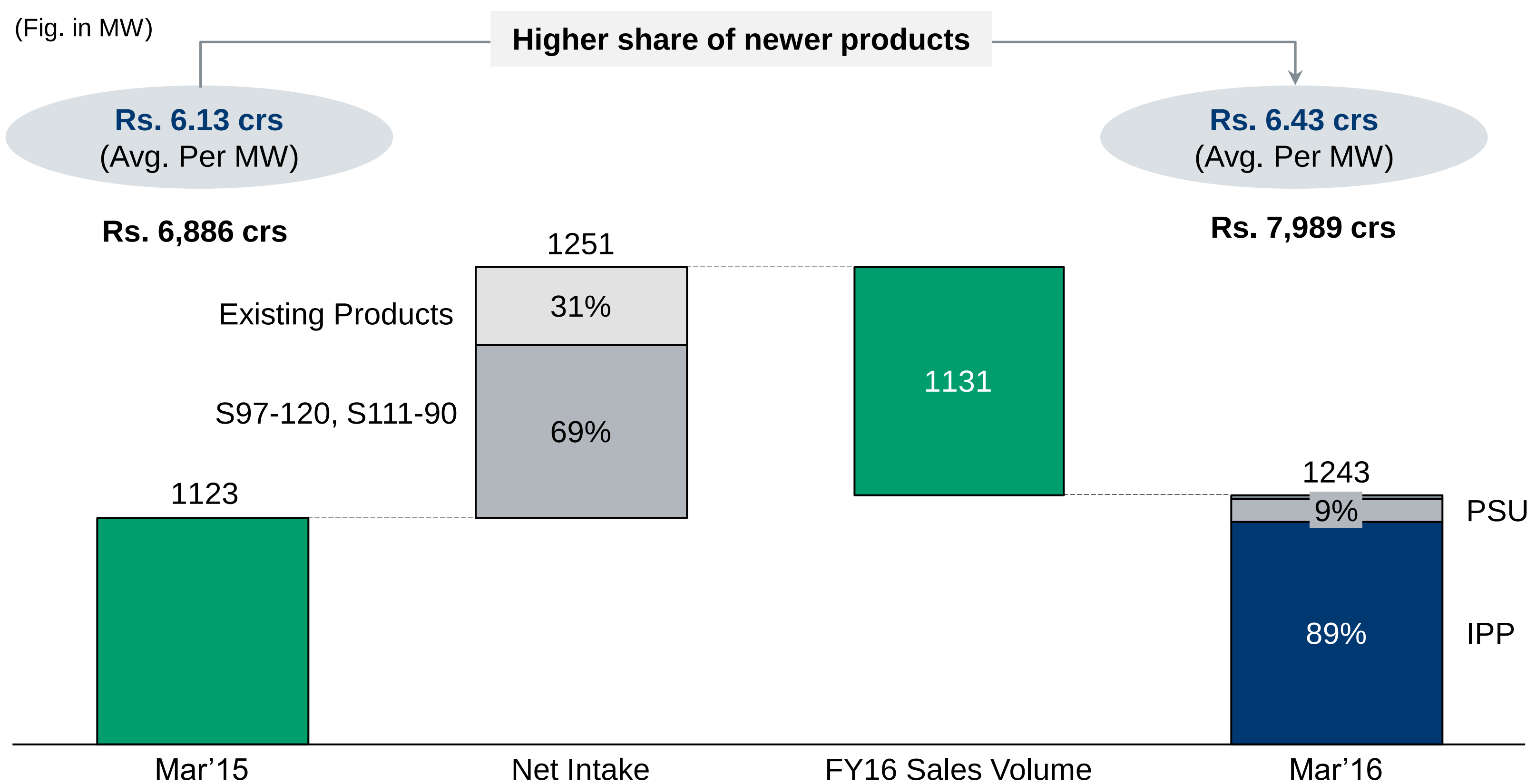
Best In Class Service Capabilities

20+ Years Track Record

End-to-end service provider with strong presence across value chain & customer segments

Strong Visibility for FY17

Order Book



Backlog for Service, SE Forge and Solar is over and above

Strong pipeline discussions

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Solar Foray: Turnkey Solution Provider

Leveraging Common Strengths in Wind for Solar

Technical Strength

- ✓ Site Development Process
- ✓ EPC – Wind more complex than Solar
- ✓ O&M – Wind more complex than solar
- ✓ System Integration

Relationship Strength

- ✓ Regulatory Approvals
- ✓ Customers
- ✓ Project Financing assistance to customers

Business Model: Turnkey Solution Provider

Own Direct Bidding + Divestment

- ✓ To establish initial track record
- ✓ To be divested in full

Third Party Order

- ✓ Focus going forward

Business Strategy

Minimal Capital Investment → **Low Fixed Cost** → **Turnkey + O&M Margin**

Minimal Capital Investment

- ✓ Zero Manufacturing
- ✓ Outsourcing Model
- ✓ Low Working Capital intensive

Low Fixed Cost

- ✓ Lean management team
- ✓ Leveraging the existing EPC & O&M team

Turnkey + O&M Margin

- ✓ High Volume potential

From “Wind Player” to “Renewable Player”

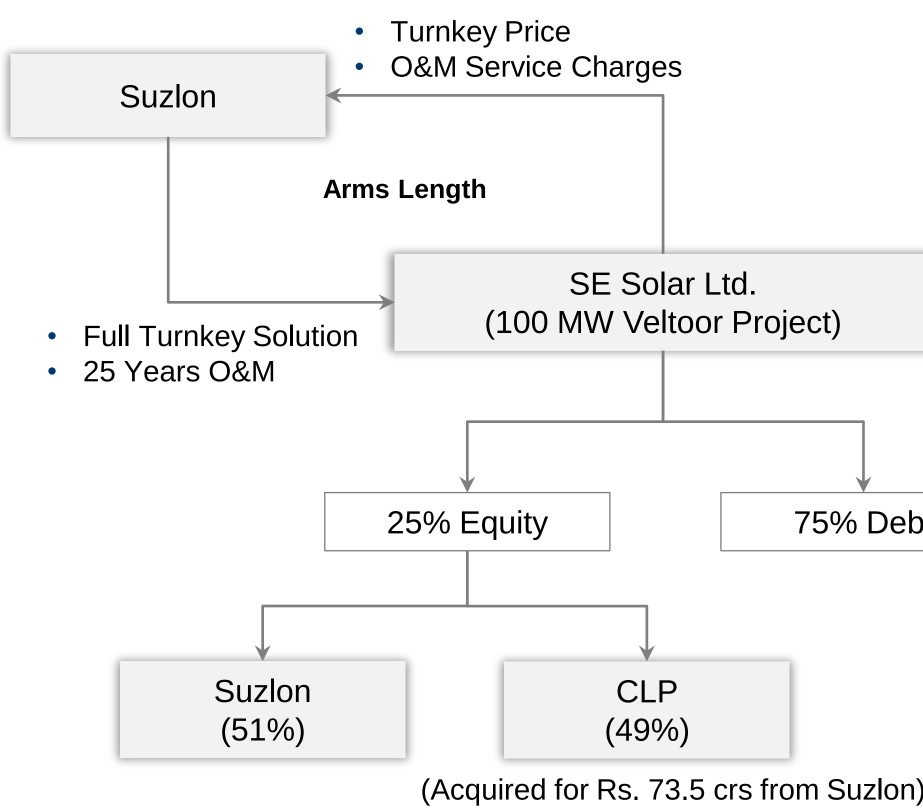
Solar Bidding Status Update

280 MW
Bids Won and PPA Signed

Rs. 5.38
Per unit average tariff

100 MW
Divestment achieved

100 MW CLP Deal Synopsis

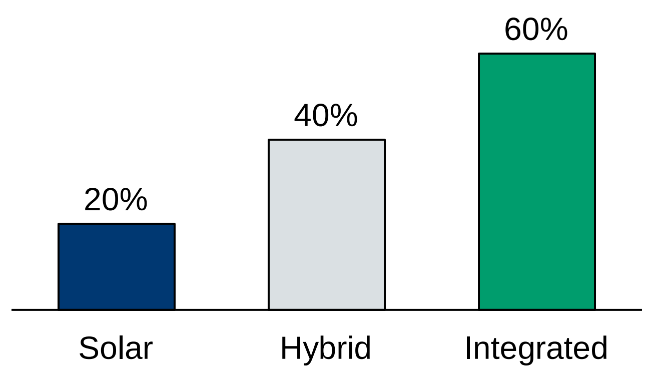


CLP to acquire balance 51% from Suzlon 1 year Post COD

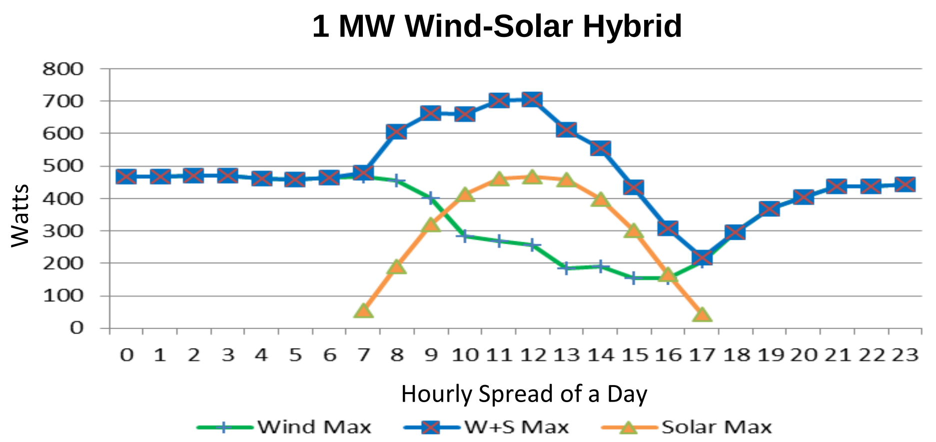
Minimizing capital risk under bidding route

Wind Solar Hybrid is the Future

Improve Grid Utilization



Complimentary Generation profile



Key benefits of Hybrid Power (Wind and Solar)

Better Grid Management

- Improved Grid Utilization
- Smoothing of intermittency
- Better accuracy in Combined forecasting / scheduling

Limited Investments

- Reduced per MW land requirement
- 20% Capex reduction in pooling substations and EHV lines

Offers better utilization and stability to grid

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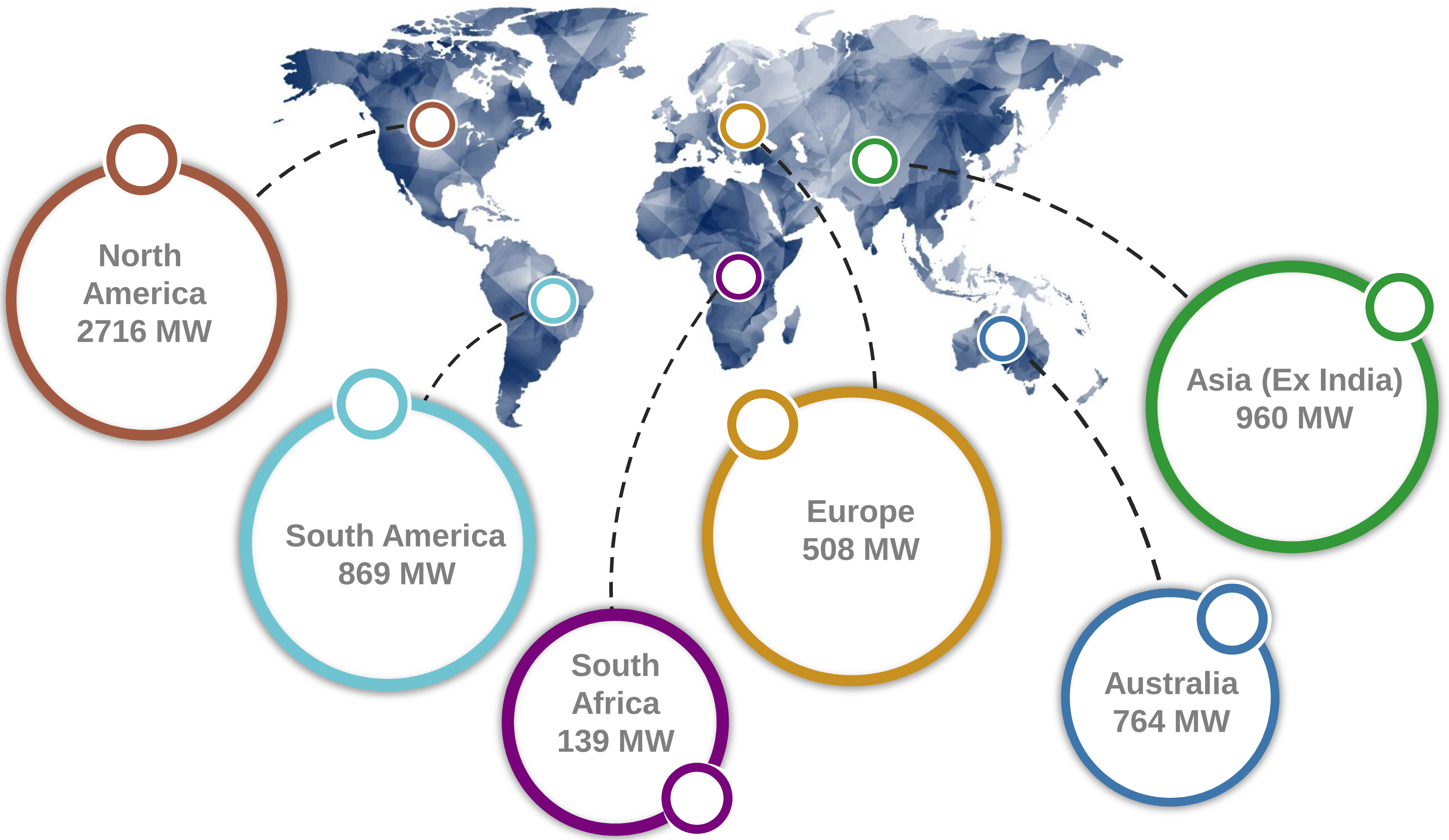
~6 GW of Cumulative Worldwide Wind Installations Till Date



Strong track record in overseas markets

International Business Strength & Strategy

Globally Proven Technology

Low Cost Supply Chain and Manufacturing

Established Customer Relationships

- Equipment Supply and Supervision
- Cost effective manufacturing from India
- Lean Management; Minimal Fixed Cost
- Market with established service base
- Optimize logistics cost through make vs buy

Map not to scale. All data, information, and map are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Prepared to tap 332 GW global opportunity, incremental to India business volumes

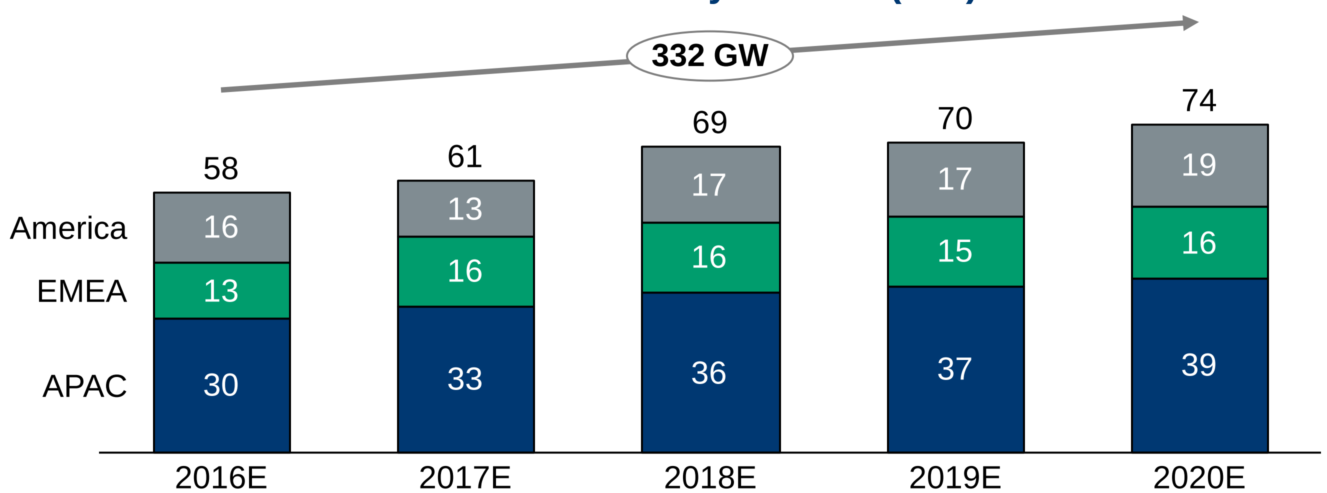
International Market Roadmap

FY18
Europe
North America

FY19
Latin America
APAC

FY20
EMEA

Global Wind Industry Outlook (GW)



Source: BENF Q2 2016 Wind Market Outlook

Prioritizing markets based on opportunity, sustainability and ease of access

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Best In Class Service Capabilities

Custodian of
Rs. 90,000 Cr
asset base
worldwide
(US$ 13.5 bn)

~15 GW
Under Service fold

~100%
Renewal Track
Record

19.8%
5 year Revenue
CAGR
(FY16 Rs. 1,474 crs)

2022 Target

Revenue Growth > 2x

**Improve Margins
By >5%**

Best in class asset management

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Addressing Customer Needs

Machine Availability and Enhancing Energy Output

External Stakeholder Relationship

24X7 SCADA Monitoring Going Digital

Single Window Offering Full Wrap Services

Value Added Services and Retrofits

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Forging & Foundry Business

42,000 Rings
P.A. forging
capacity

1,20,000
MTPA
Melting Capacity

55,000 MTPA
Machined Casting
Capacity

Wind Energy

Bearings

Oil & Gas

Power

Defence

Transportation

Others

Well diversified clientele

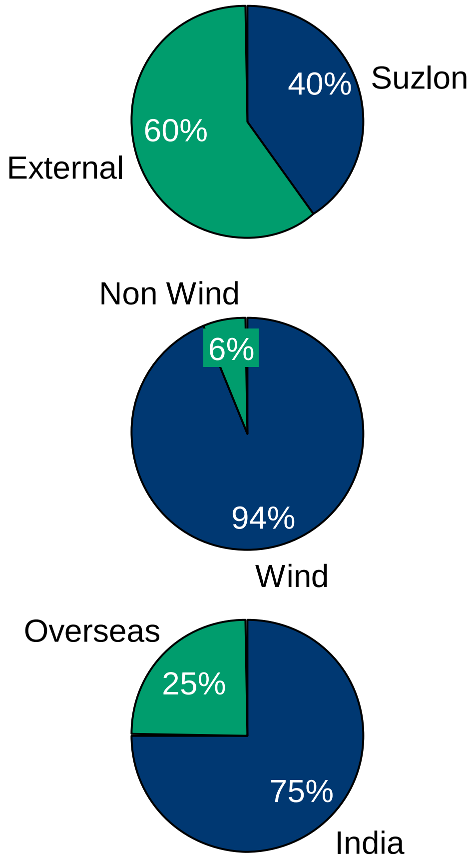
Growth Profile

Revenue Diversification

Customer

Sector

Geography



Future Performance

Volume Growth Drivers

- Growing Wind Sector
- Growing share of Non Wind Sectors
- Imposition of Anti Dumping duty

Operating leverage

- Low EBITDA break-even at 20% capacity level

Growth without major Capex requirement

- Current Utilization at ~40%

Efficiency

- Unique axial profiling technology
- Improved process flow

Strong value creation potential

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100,000,000 Operating Hours

- **Suzlon 2.1 MW Family of Turbines**
- **S88, S85, S97, S111**
- **~3500 turbines across 15 Countries**

Tech 2020- Pune January 2016

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400 Technology Employees – Where We Are

Suzlon Technology Locations:		
Germany	Hamburg	- Development & Integration - Certification
	Rostock	- Development & Integration - Design & Product Engineering - Innovation & Strategic Research
The Netherlands	Hengelo	- Blade Design and Integration
India	Pune	- Design & Product Engineering - Turbine Testing & Measurement - Technical Field Support - Blade Engineering
	Vadodara	- Blade Testing Center
	Hyderabad	- Design & Product Engineering (BOP team)
	Chennai	- Design & Product Engineering (Gear Box Team)
Denmark	Aarhus Vejle	- SCADA - Blade Science Center

Hamburg

Rostock

Hengelo

Pune

Aarhus

Vejle

Best match between skills & location – Efficient leverage of R&D spending

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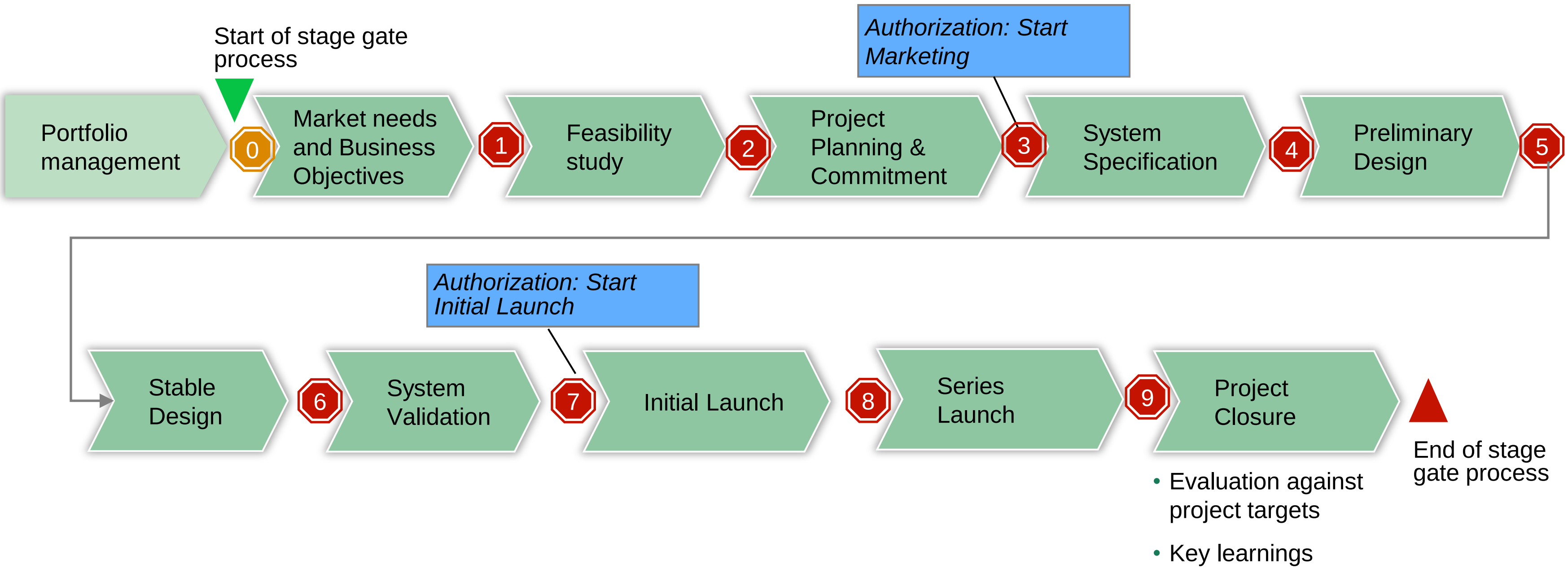
Disciplined New Product Development Process

Developed post S88 and continuously improved on S95, S97, S111 and 120M Hybrid Lattice Tower Program

If your business doesn't use something similar to this – call Suzlon – it works



Moving to < 18 month launch to certification cycle time – Aligned with team footprint

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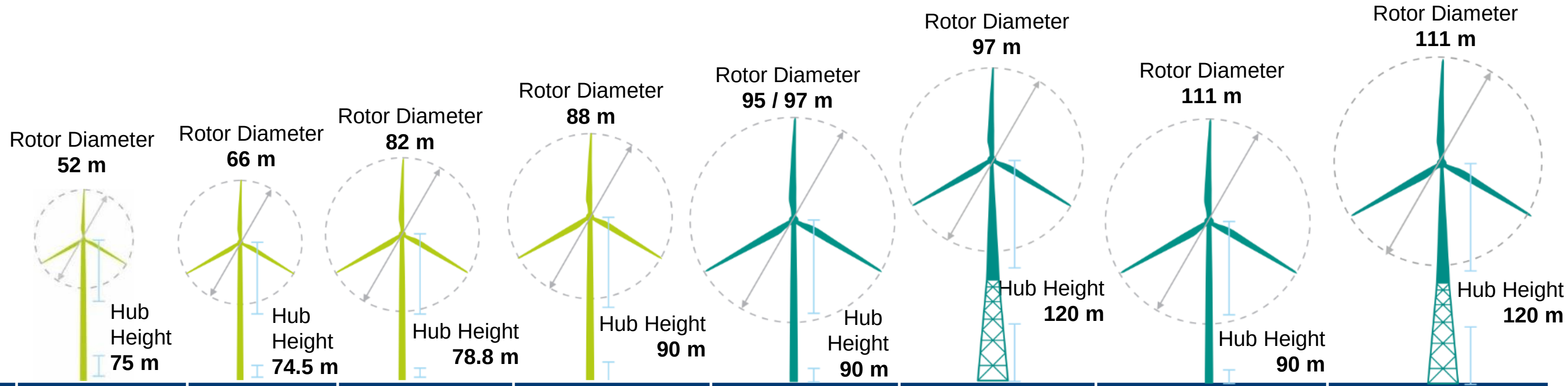
Technology Evolution - 600 kW to 2.1 MW



	S52	S66	S82	S88	S9X	S97 – 120	S111 – 90	S111 – 120
MW Rating	600 kW	1.25 MW	1.5 MW	2.1 MW	2.1 MW	2.1 MW	2.1 MW	2.1 MW
Rotor Diameter	52m	66m	82m	88m	95 / 97m	97m	111m	111m
Tower Height Available	75m	74.5m	78.8m	80/90/100m	80/90m	120m	90m	120m
Wind Class	IEC II A	IEC III A	IEC III A	IEC II A	IEC II A	IEC III A	IEC III A	IEC III A
Global Installation				5.5 GW	>1.8 GW	>325 MW	>500 MW Sold	Prototype Installed

Current market offerings

R&D Objective: Enabling 20-22% LCOE Reduction

Increasing PLF

- **Rotor**
  - Advanced Aerodynamics
  - Larger Rotors
- **Turbine**
  - Efficient Drive Trains
  - Taller Towers

Intelligent Controls and Sophisticated Wind Resource Management

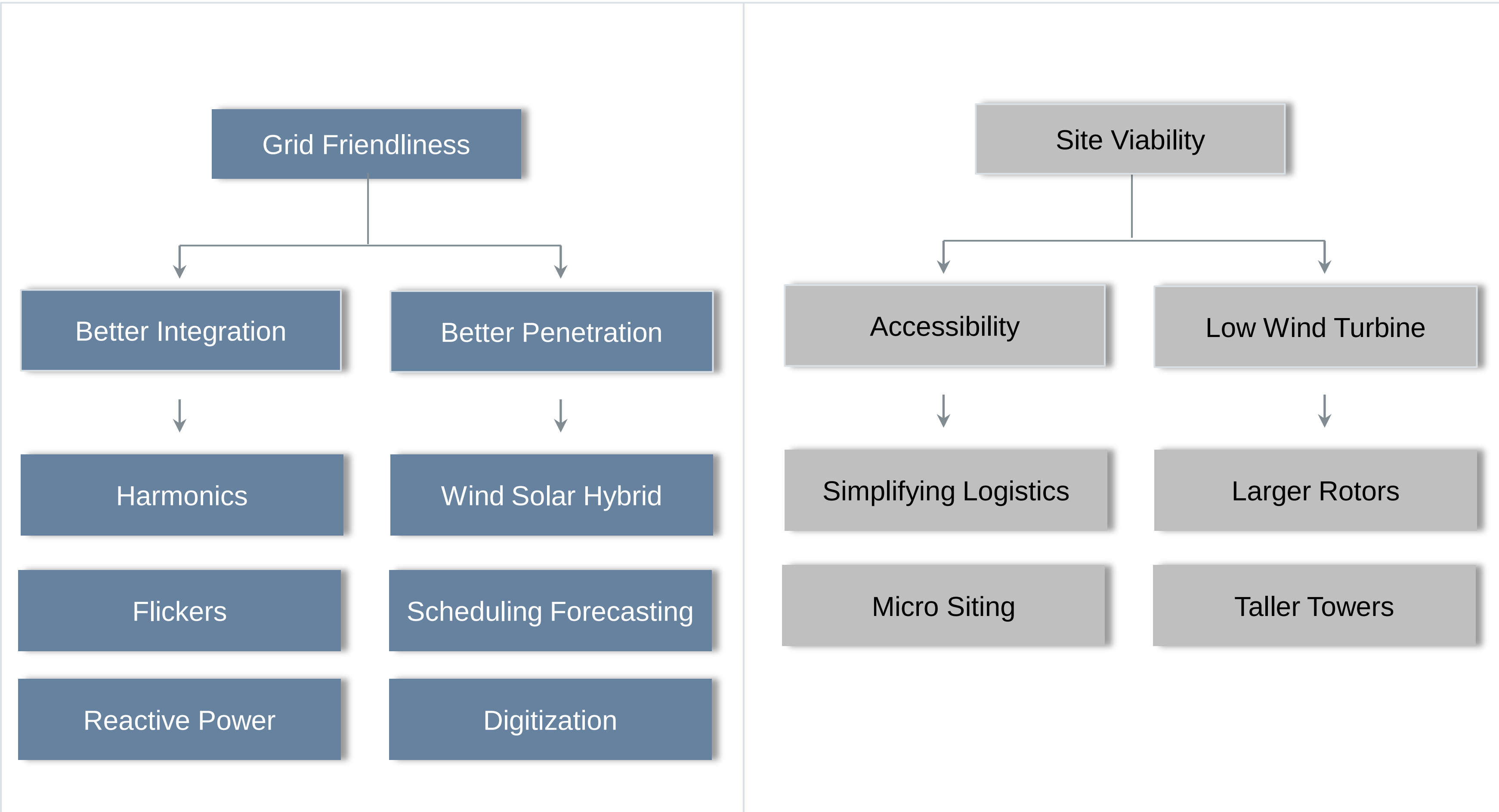
Reducing Costs

- **Material Cost**
  - Alternate Materials
  - Better Designs
- **EPC & Opex Cost**
  - Simplifying Installation & Logistics
  - Reliable Components

External Factor: Finance Cost

End-to-end focus on lower LCOE

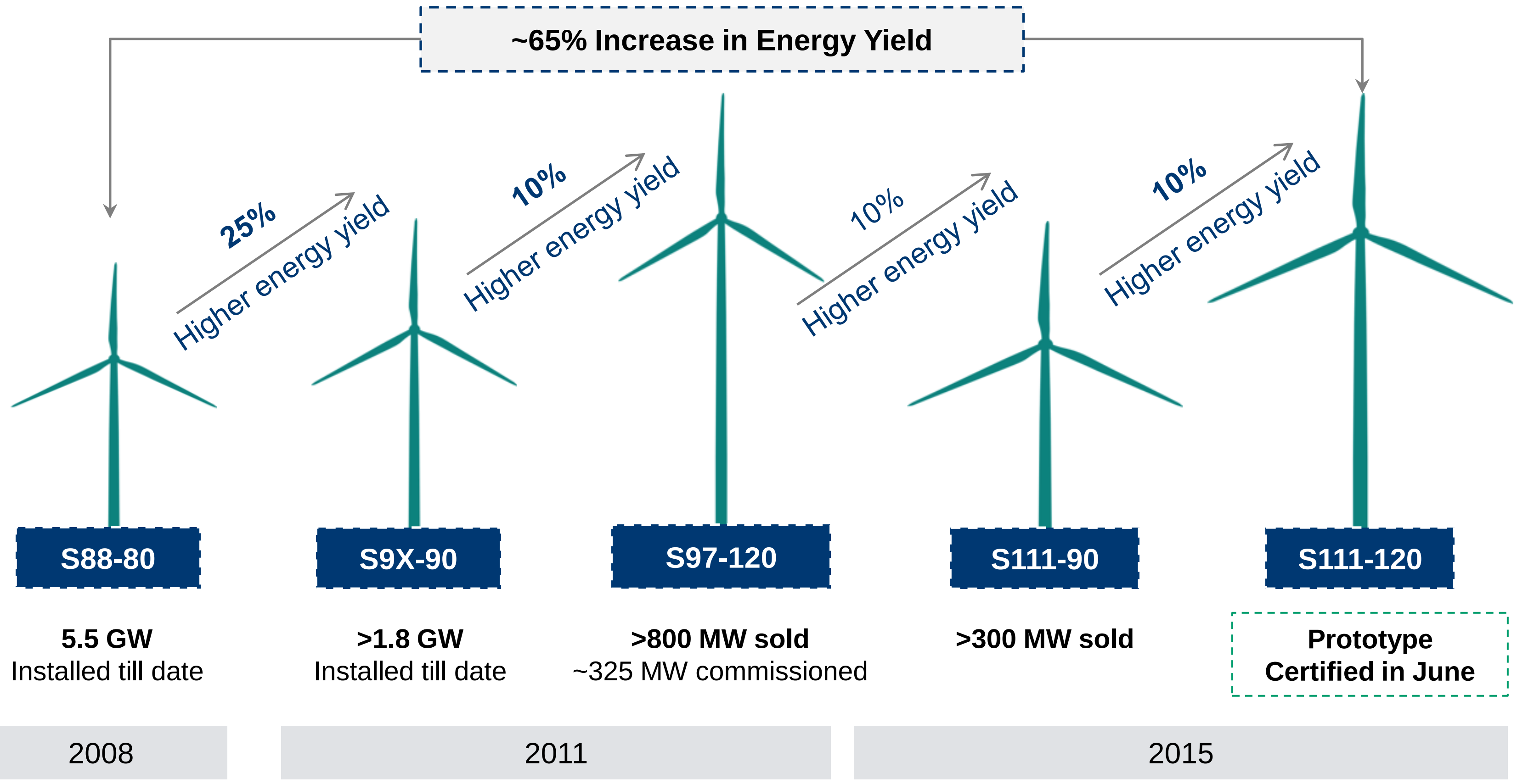
R&D Objective: Enabling 20-22 GW Volume



Unlocking potential – 300GW of profitable wind energy 100M above the ground in India

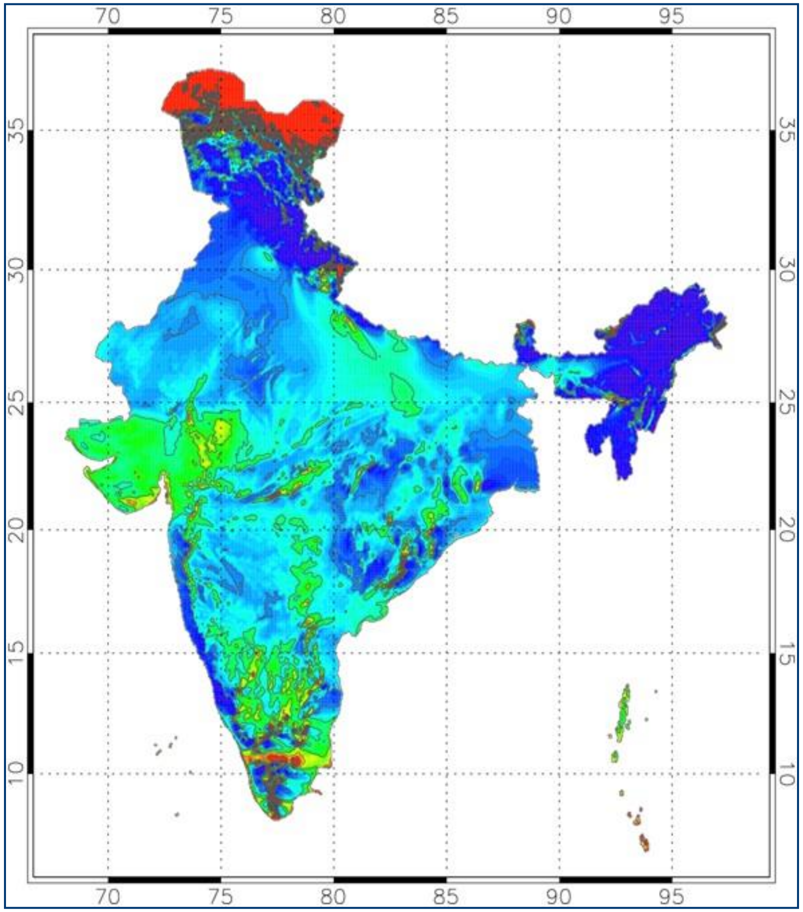
2.1 MW Series: Proven Platform with 100,000,000 Operating Hours

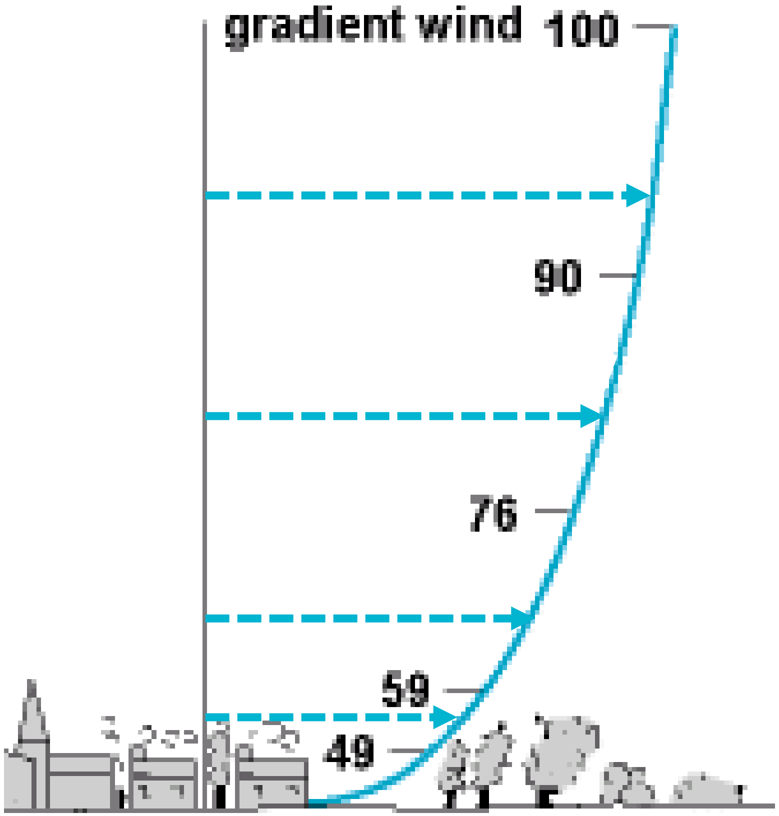
Higher energy yield → Lower cost of energy → Higher returns



Foundation for Our Next Generation Turbines

India Market: Wind Power Potential of 300GW at 100M Above the Ground





Source: NIWE 100M+

Map not to scale. All data, information, and map are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Taller towers required to 'Climb Into' higher wind energy

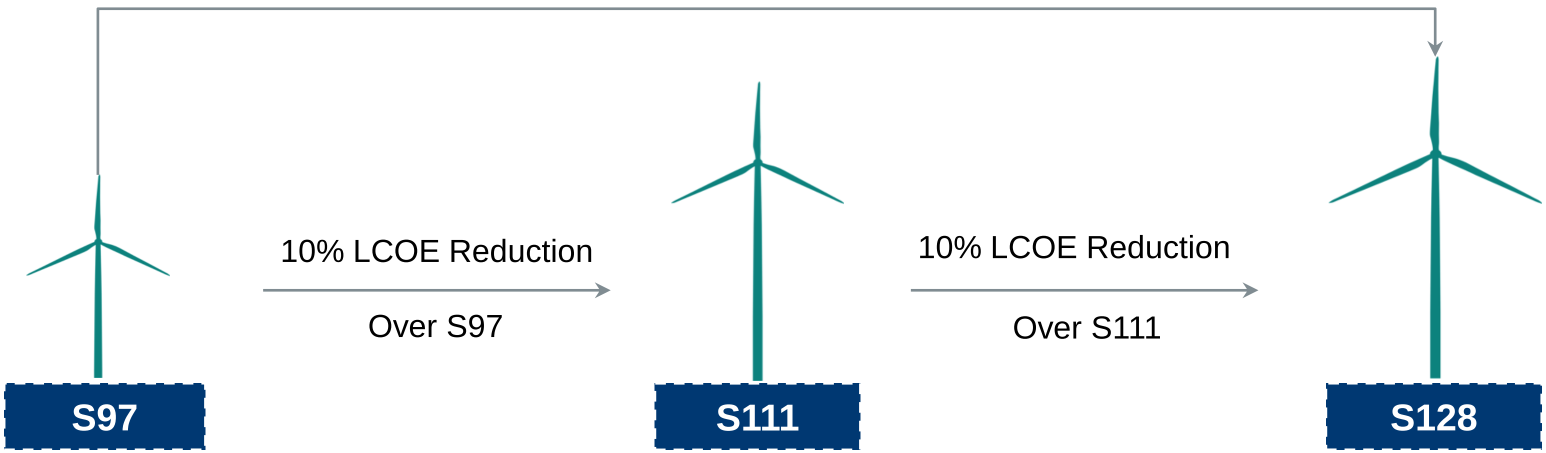
Hybrid Towers – Innovation at Work

Hybrid Tower - Combination of lattice and tubular

- **Higher hub height (120 M) at optimized cost**
  - Reduced LOCE due to higher AEP
  - Reduced steel requirement
  - Lower foundation cost
  - Logistic friendly – access to sites that were earlier logistically challenging
- **Available in S97 and S111 product suite**
- **S97 – 120 Prototype achieved 35% PLF**
  - Installed in Jan’14; At Nani Ber District of Kutch, Gujarat
  - Generated 64.28 lacs units (kWh) over 12 months
- **S111-120: Prototype Certified**
  - Targets over 40% PLF

Global Coverage - Next Generation Products

~20% reduction in Wind Levelized Cost Of Electricity (LCOE)



Product	S128 – 2.6 MW	S128 – 3.0 MW
MW Rating	2,600 kW	3,000 kW
Rotor Diameter	128 meters	128 meters
Tower Height	120 m - 140 m	120 m - 140 m
Wind Class	IEC III (Low Wind)	IEC II (Medium Wind)
Focus Markets	Domestic	International
Time to Market	2018	2018

Committed to lower LCOE

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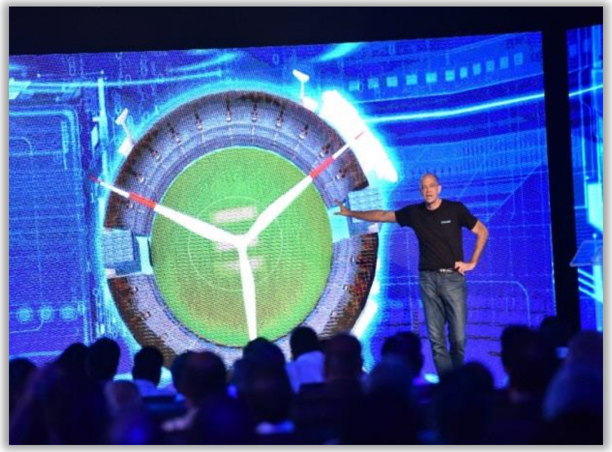
S128 2.6MW Class III and 3.0 MW Class II

- **Suzlon's largest rotor to date**
  - Approaching the size of cricket field
  - 63M long – employing carbon technology
  - Allows for lighter weight and stiffer blades
  - Strength of carbon allows for thinner airfoils the tip with high lift and low drag where rotor speed is 270 KM/hr

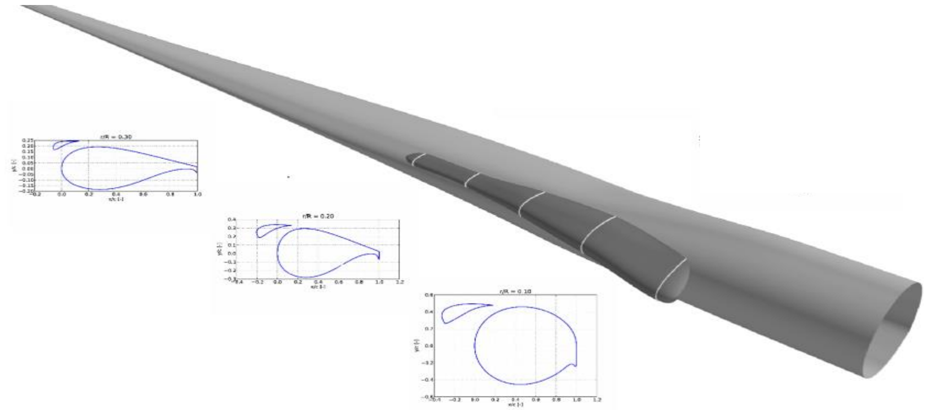
- **Will use 120 M and 140M hybrid lattice towers**
- **Common rotor allows for lower cost to improve LCOE for global market**
- **Tower concepts improve logistics and 'climb' into better wind regimes**
- **Smart Pitch Control Systems to manage loads and increase AEP**



Optimizing cost and generation for low wind sites

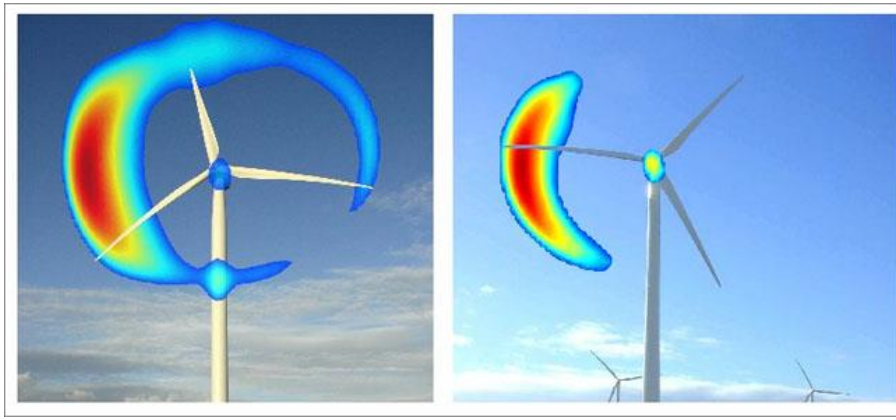
2016 Opening of Blade Sciences Center in Vejle, Denmark

- **Lead by Dr. Thomas Buhl**
  - 15 years experience in Wind R&D
  - most recently at DTU Wind Energy



- **Growing to 15 engineers and scientist**
  - to further advance reduction in LCOE

- **Focus on :**
  - Aerodynamics & Wind Tunnel testing
  - Blade & Rotor Optimization
  - Smart Pitch Control
  - Park Control to Optimize complete wind farm
  - After Market Improvements
  - Structural Configurations
  - Wake management and acoustics



Agenda

Introduction

Mr. Tulsi R. Tanti

India Wind Business
Solar Business

Mr. J.P. Chalasani

International Business
Service Business
SE Forge

Mr. Rakesh Sarin

Technology Roadmap

Mr. Duncan Koerbel

Supply Chain

Mr. Vinod R. Tanti

Finance Strategy

Mr. Kirti Vagadia

Vision 2022

Mr. Tulsi R. Tanti

Our Vision, Mission and Values - 2022

Vision

To be the Best Renewable Energy Company in the world

Work towards Social, Economic and Sustainable development to create better life for future generations

Mission

Deliver utility scale, best in class, end to end integrated renewable energy solutions to our customers

Focus on High Volume & Profitable market	Focus on Wind-Solar Hybrid utility scale solutions	Deliver Best in Class Value Added Service Globally

Continuously reduce Levelized Cost of Energy (LCOE)

Regional Manufacturing with global sourcing

End to End Integrated Renewable Energy Solutions provider

Asset Light, Debt Light Business Model

Create customer centric and performance oriented organization

Values

Integrity | *Agility* | *Creativity* | *Adding Value* | *Commitment*

Vertically Integrated Low Cost Supply Chain

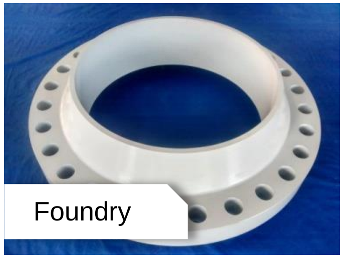
Installed Capacity (MW) - spread across 20 manufacturing & testing locations in India

Manufacturing Capacity	
India based	~3,600 MW
China JV*	~600 MW
Total	~4,200 MW

**Holds 25% stake in China JV*
Calculated based on Nacelle assembly capacity


Nacelle and Hub


Generator

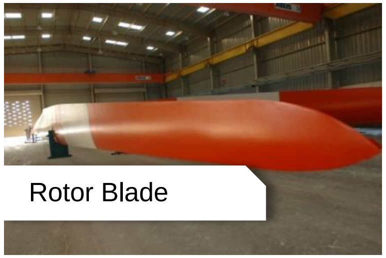

Foundry


Tubular Tower


Control Panel


Forging


Blade Testing


Rotor Blade


Transformer


Mould

Competitive edge 'Against Imports' and 'For Exports'

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Pan India Manufacturing Footprint

	Blade	Tower	Nacelle
Andhra Pradesh	✓	✓ *	
Gujarat	✓	✓	✓ (Daman)
Karnataka	✓		✓
Madhya Pradesh	✓		
Maharashtra	✓	✓ *	
Rajasthan	✓		
Tamil Nadu	✓	✓ *	✓ (Puducherry)

*Contract Manufacturing

Reduced Logistic Time → **Lower Cost** → **Lower Working Capital Days**

- Blade Logistics is most costly, complex and time consuming
- Only player to have blade capacity in every wind state
- To translate into huge savings in logistics costs

Optimized logistics cost

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Benefitting from Scale and Strong Financial Position

Supplier Selection Criteria

- Technical Capability
- Low Cost Country
- Lower Lead Time
- Financial Strength

NO SINGLE SUPPLIER DEPENDANCY

Current Supplier Perception

- **LARGE VOLUME OFFTAKE POTENTIAL**
  - India's largest wind energy player
  - Huge growth potential in the sector
- **MINIMAL CREDIT RISK**
  - Restored financial position and credibility
  - ZERO overdue position

Strong negotiation standpoint

Strategies and Objectives

Strategies	Objectives	Target
Lean Manufacturing Commercial Negotiations Simplifying Logistics	Cost Optimization	Operational Excellence
Asset Light Approach In-Sourcing Vs Out-sourcing	Minimizing Capex	
Make to Order Negotiate Supplier's terms	Minimizing Working Capital	

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	Vision 2022 Mr. Tulsi R. Tanti	

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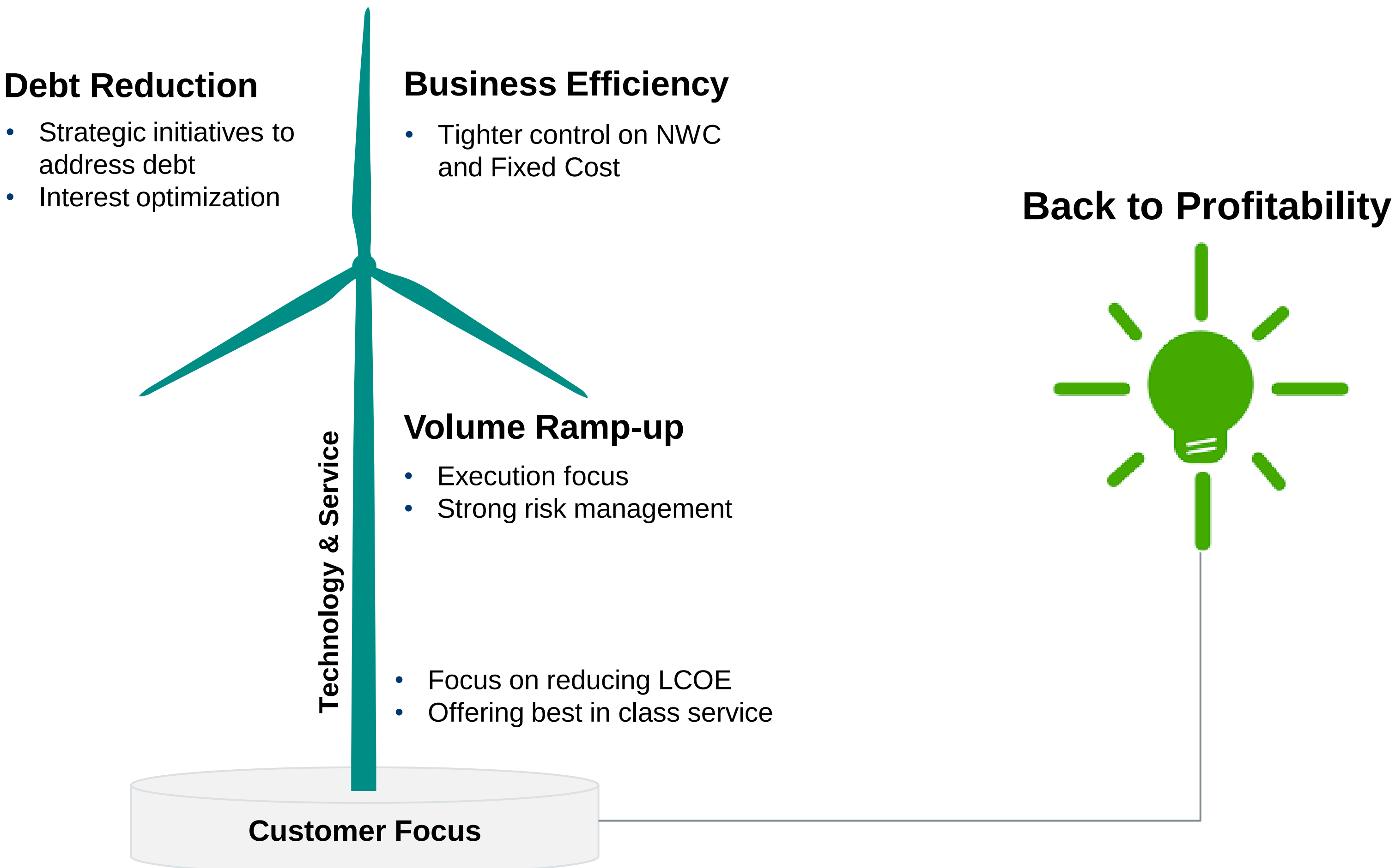
Sustainable Turnaround Achieved



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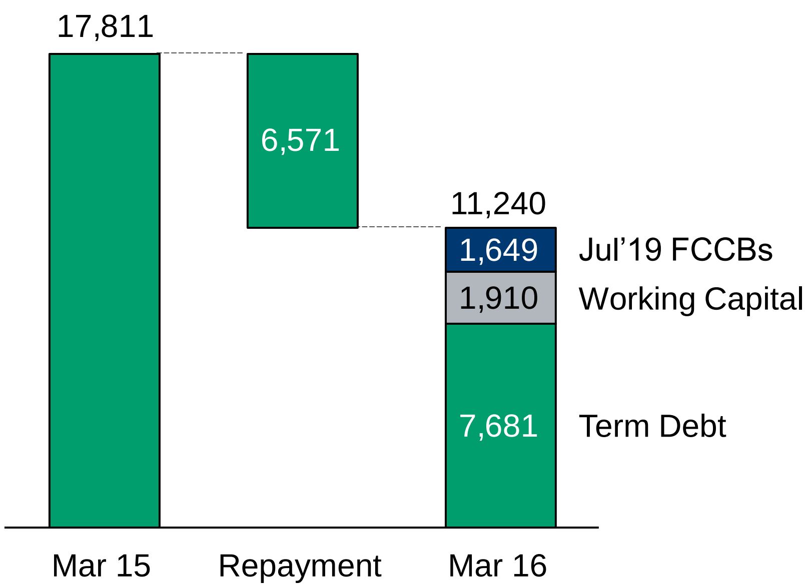
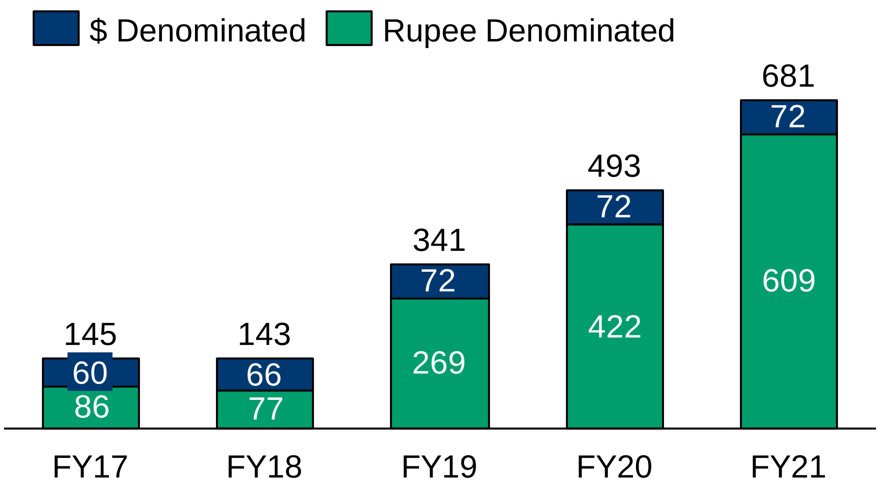
Significant Debt Reduction Achieved

Consolidated Gross Debt (Rs. Crs)



5 Year's Term Debt Maturity Profile (Rs. Crs.)



- 5 year Scheduled Repayments: Rs 1,803 Crs
- Balance Term Debt (Post 5 years): Rs. 5,878

*Assuming Jul'19 series FCCB conversion; After considering the repayment of 28.8M FCCB series in April'16 (already paid)
**SBLC Backed Debt of $647M assumed to be refinanced till FY23 (already in progress)
***Exchange Rate $1 = Rs. 66

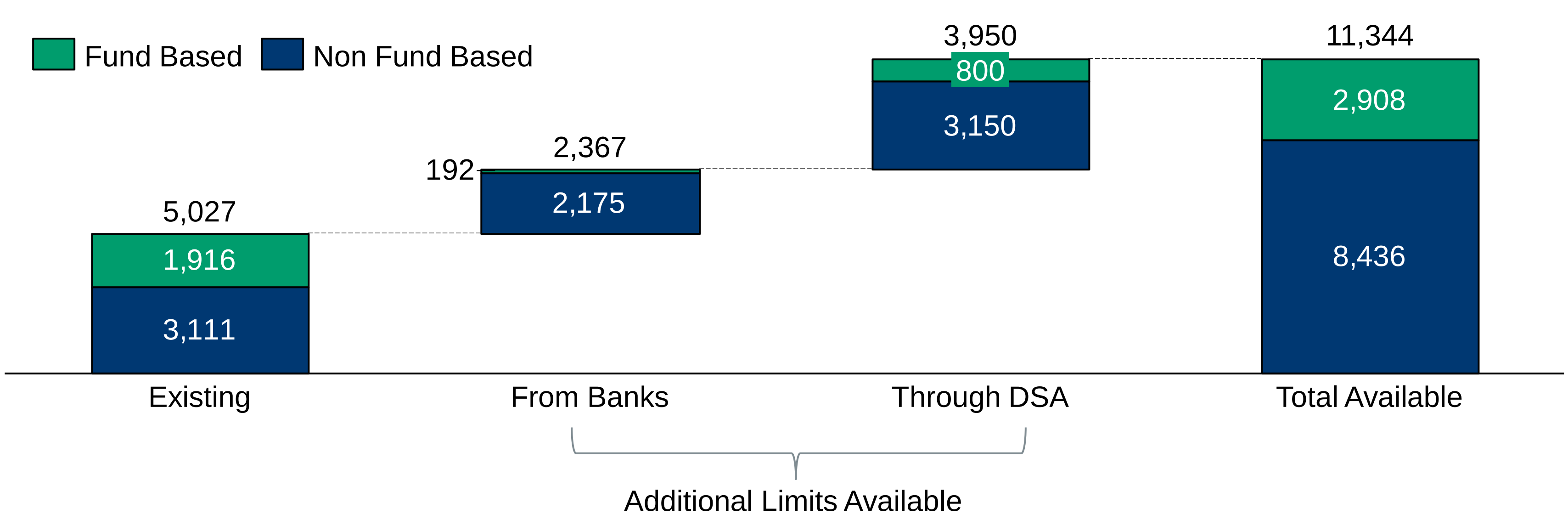
Back ended repayment scheduled

Substantial Financial Backing for Growth

- **Restored Investment Grade Credit Rating**
- **Strong lenders support for growth**

Suzlon & Domestic Subsidiaries (other than SE Forge)	**CARE Rating**
Long Term Facilities	BBB-
Short Term Facilities	A3

Domestic Working Capital Facilities (Rs. Crs.)



Strong liquidity availability to back growth

Strong Risk Management Practices in Place

SALES

- Cash flow over margins
- Profitability over volume
- Strong customer credit evaluation process

EXECUTION COMMITMENT

- Conservative timeline commitments
- Strictly based on ability to execute
- Control LDs and penalties

CASHFLOW

- Strict control on capital outlay
- Used primarily for working capital and debt reduction

SUPPLY CHAIN DEVELOPMENT

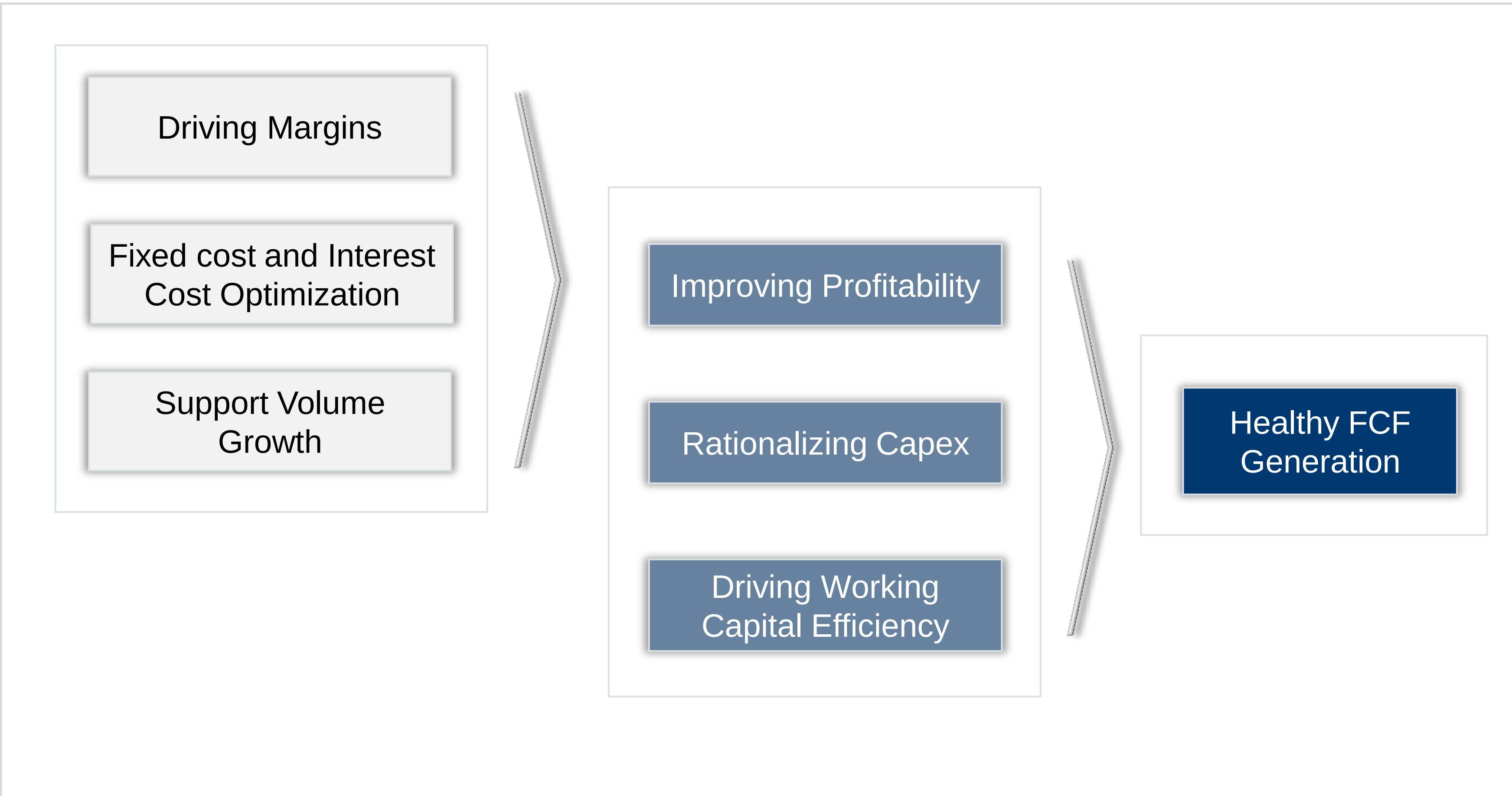
- Securing volume by ensuring availability
- Reducing reliance on single supplier

NEW PRODUCT DEVELOPMENT

- Techno-commercial analysis in NPD
- Robust Stage Gate model for NPD
- Strong focus on testing and quality

Disciplined approach while maintaining growth momentum

Finance Priorities: Operational



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Finance Priorities: Strategic

Strong FCF Generation from Operations

Monetizing Business Verticals

FCCB Conversion

Strengthening Capital Base

ZERO Net Term Debt by 2022

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Vision 2022

Best Renewable Energy Company In the World

20 - 22 GW	20 - 22 %	10 %	ZERO
Renewable Installations	LCOE Reduction	Working Capital	Net Term Debt

- India Market CAGR: 14%+
- Wind to remain competitive Vs Solar
- Suzlon to exceed market growth

Suzlon Campus - One Earth, Pune

Q & A

Suzlon One Earth is **LEED** Platinum and **GRIHA** certified campus
This campus has received the prestigious **Asia Pacific Property Award in 2011**