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Suzlon Group announces formal approval of Corporate Debt Restructuring (CDR) proposal

- 10 year door-to-door back-ended repayment plan
- Interest rates reduced by three per cent
- Two year moratorium on principal and term-debt interest payments
- Enhancement of working capital facilities by ~Rs 1,800 cr / US\$ 350 mn
- Rs 1,500 cr / US\$ 270 mn interest during moratorium to be converted into equity over two years

Pune: Suzlon Group today announced the formal approval of its proposal for the restructuring of its domestic debt by the Empowered Group of Corporate Debt Restructuring (CDR) Cell.

The company's domestic lenders, a consortium of 19 banks, approved the company's CDR package of ~Rs 9,500 cr / US\$ 1.8 bn.

The package includes a two year moratorium on principal and term-debt interest payments; a three per cent reduction in interest rates; six month moratorium on working capital interest; as part of the package Rs 1,500 cr / US\$ 270 mn (two year's interest payment during moratorium) will be converted into equity / equity linked instrument over the next two years to bring stronger financial stability; and, a 10 year door-to-door back-ended repayment plan.

The package also includes an enhancement of working capital facilities, by approximately Rs 1,800 cr / US\$ 350 mn, allowing the company to accelerate the execution of its strong orderbook.

The Group's Promoters will also bring in equity to the extent of Rs 250 cr / US\$ 50 mn into the Company in stipulated time frame, of which Rs 62 cr has already been infused.

Speaking on the development, **Mr Kirti Vagadia, Chief Financial Officer – Suzlon Group** said: "This approval clearly underscores the fundamental viability of our business.

"This is a major step forward in our efforts to achieve a sustainable capital structure. The terms of the package include enhanced working capital facilities, a reduction of interest rates of nearly three per cent, and conversion of interest costs into equity, are key enablers towards normalizing our business. I am confident that by this CDR package, we will quickly return to a position of stability and confidence for our customers, vendors and employees.

“Additionally, we continue to be in constructive dialogue with majority of our Bond holders across all the four series, and this development will help provide further visibility towards finding a consensual solution at the earliest.”

The Group’s long-term strategic plan of realising deep synergies from its REpower remains unchanged.

Notes to editors:

- The promoter group infused approximately Rs 62 cr via share sale in December, 2012 as part of the capital infusion requirement
- The CDR is effective from 1st October 2012

About Suzlon Group:

The Suzlon Group is ranked as the world’s fifth largest* wind turbine supplier, in terms of cumulative installed capacity, at the end of 2011. The company’s global spread extends across Asia, Australia, Europe, Africa and North and South America with installations of over 20,000 MW and operations across 32 countries and a workforce of approximately 13,000. The Group offers one of the most comprehensive product portfolios – ranging from sub-megawatt on-shore turbines at 600 Kilowatts (KW), to the world’s largest commercially-available offshore turbine at 6.15 MW – with a vertically integrated, low-cost, manufacturing base. The Group – headquartered at Suzlon One Earth in Pune, India – comprises Suzlon Energy Limited and its subsidiaries, including REpower Systems SE. Visit us at www.suzlon.com

Source: *BTM Consult ApS – A part of Navigant Consulting – World Market Update 2012.

Contact:

Press contact Suzlon Group:

Kashmira Powale, Edelman PR
Mobile: +91 98675 20721
Tel.: +91 (22) 4353 0227
E-mail: kashmira.powale@edelman.com

Investor Relations contact:

Dhaval Vakil, Suzlon Energy Limited
Investor Relations, Mumbai
Tel.: +91 (22) 6639 3252
E-mail: dhaval.vakil@suzlon.com