

13th August 2012

For Immediate Release

**Suzlon Group Q1 FY13: Robust ~US\$ 7.2 bn orderbook;
emphasis on balance sheet strengthening**

- Revenues of Rs 4,747 cr / US\$ 859 mn; 10% revenue growth YoY
- Orderbook remains strong at ~Rs Rs 39,700 cr / ~US\$ 7.2 bn
- 'Project Transformation' launched to reduce annual Opex and manpower cost by 20%
- Key priorities include managing near-term liabilities, balance sheet optimization, realizing Group synergy benefits

Ahmedabad: Suzlon Group, the world's fifth largest wind turbine maker, on Monday announced its results for the first quarter of the financial year 2012-13.

Speaking after the announcement, **Mr Tulsi Tanti, Chairman – Suzlon Group** said: "This has been a disappointing first quarter. The macroeconomic environment, policy uncertainties in some markets, along with other external factors such as the depreciating Rupee continue to impact us. Although we met our June FCCB liability in full – as we had committed to do – this absorbed a lot of management time and attention.

"However, our core business fundamentals remain sound – high gross margins, strong and firm orderbook, and high turbine availability – and we are embarking on a robust program, Project Transformation, to reduce annual Opex and manpower cost by 20 per cent by the end of the year. We have also made it a priority to strengthen our balance sheet significantly by deleveraging in India. This will be a defining year for Suzlon Group, even as our sector continues to face a number of challenges. I remain cautiously optimistic that we will end the fiscal in a satisfactory position."

Speaking on the Group's performance **Mr Kirti Vagadia – CFO, Suzlon Group** said: "At the start of this fiscal I set out our key priorities as a company, and I am pleased to report solid progress on a number of them. We have disposed of non-critical assets, such as wind farm assets here in India along with our manufacturing assets in China. We raised US\$ 300 million in new credit facilities and met our June FCCB liability of US\$ 360 million in full, as we had committed to do. However, first quarter volumes were significantly constrained by a shortfall in working capital facilities. Additionally, our profitability was impacted by an adverse market mix, a high interest burden and notional forex losses.

"We are in the process of enhancing our working capital facilities to execute our order pipeline and achieve our targeted 30 per cent growth. We are working toward reducing our overall interest burden and are happy to report that some of our senior secured lenders have reduced our interest rates by 2.5 per cent.

“Our clear priorities for the fiscal are now to reduce fixed costs; drive volume execution; realize Group synergies; improve working capital management and optimize our balance sheet.”

Key Updates:

- **Market outlook:** Independent estimates project 2012 to be a record year for wind installations despite macroeconomic headwinds and policy uncertainties. The offshore segment continued to demonstrate strong growth with 50 per cent year-on-year growth in installations in the first half of 2012, with the market expected to continue strong growth – projected at 46 per cent CAGR between 2011 and 2016. The Group's market share for offshore installations in Europe for the first half of CY2012 stood at approximately 22 per cent. **
- **Orders:** The Suzlon Group orderbook stood at 5.6 GW (~Rs. 39,700 cr / ~US\$ 7.2 bn) as on 13th August, 2012; with new firm orders of 456 MW and frame agreements of 200 MW signed over Q1 FY13.
- **Technology:** The Group launched its latest offering, the Suzlon S111, a 2.1 MW turbine with a 111 meter rotor diameter. The design, optimized for low wind regimes, makes it one of the highest yielding IEC Class III wind turbines in a comparable class. Phase two installations were completed at the Thornton Bank offshore wind project off the coast of Belgium featuring REpower 6M turbine, the world's largest commercially available offshore wind turbines. REpower also successfully commissioned its tallest wind turbine till date – the turbine, with a rated power of 3.2 MW, rotor diameter of 114 meters, and a 143 meter hybrid concrete and steel tower, stands a total height of 200 meters.
- **Fleet performance:** The Group operating turbine fleet approached 20,000 MW across 30 countries and delivered availability (uptime) levels at between 97 and 99 per cent, consistently above the industry average. The growing S9X – 2.1 MW fleet continued its strong performance with installations in Canada, USA, and India delivering availability levels of over 97 per cent 'out of the box'.
- **Financials:** The Group met its commitments around its June series of FCCBs, fully redeeming the bonds through a combination of new credit facilities; internal accruals and the sale of windfarm assets in India. The Group also announced an agreement for the sale of its China manufacturing asset for US\$ 60 mn; the sale is expected to conclude during the September-October, 2012, period.
The Group announced a target of reducing annual fixed operating expenses and manpower costs by 20 per cent by the end of FY13.
- **Debt:** The Group made a repayment of debt by ~Rs 250 cr in Q1 FY13; raised new debt facilities for US\$ 300 mn in July, the lowest interest bearing facility in the Group's debt basket; and achieved an interest rate reduction of 2.5 per cent from key senior lenders.
- **Board update:** Ms Bharati Rao, former Deputy Managing Director – State Bank of India, joined the Board of the company as an independent director and nominee of SBI on behalf of consortium of lenders.

- **AGM update:** Suzlon Energy concluded its 17th Annual General Meeting in Ahmedabad (Gujarat), India on Monday, 13th August 2012. Apart from the agenda items of ordinary business, shareholders also approved the appointment of Mr Marc Desaedeleer as Director, and an enabling (omnibus) resolution to issue Securities to an extent of Rs 5,000 cr, to facilitate raising of funds to meet business requirements should they arise.

Notes to the Editor:

US\$ 1 = Rs 55.29

Sources:

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

** *MAKE Consulting*

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 approaching 20,000 MW of wind energy capacity installed in 30 countries, operations across 33 countries and a workforce of over 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 commercial 6.15 MW offshore turbine – 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

Press Contact:

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