SUZLON
POWERING A GREENER TOMORROW

25th May, 2012 **FOR IMMEDIATE RELEASE**

Suzlon Group FY12: Guidance achieved; robust US$ 7.4 bn orderbook

- Revenues of Rs 21,082 cr (US$ 3.75 bn), a YoY growth of 18%
- Positive EBIT margin at 5.5%
- Cash profit of Rs 418 cr (US$ 74.26 mn)
- Rs 41,500 cr (US$ 7.4 bn) orderbook
- FY13 Guidance: Revenues of Rs 27,000 cr to Rs 28,000 cr; EBIT margin of 6%

Pune: Suzlon Group, the world's fifth largest wind turbine maker, on Friday announced its results for financial year 2011-12.

Speaking after the announcement, **Mr Tulsi Tanti, Chairman – Suzlon Group** said: "Our stated plan was to return the business to a position of strength during FY12, and I am pleased to report that we achieved our guidance. Despite an extremely challenging business environment we as a Group continue to be extremely well positioned in the market place, as evidenced by our positive EBIT margin.

"Our order backlog is now an impressive Rs 41,500 cr, giving us strong visibility through FY13 and beyond. In addition, we are now realizing significant revenues from operations and service offerings for our global fleet approaching 20,000 MW, giving us secured annuity income over a 15 year horizon. With this strong performance, robust orderbook, strategic positioning in high growth / high margin markets, and the global market independently projected** to grow at over 20 per cent in 2012, we have a secure foundation to maintain our growth trajectory. Our guidance for FY13 is a revenue target of Rs 27,000 cr to Rs 28,000 cr – growth of approximately 30 per cent – and an EBIT margin of six per cent."

Speaking on the Group's performance **Mr Kirti Vagadia – CFO, Suzlon Group** said: "We have delivered a strong improvement in our Group performance with a gross profit margin of 33.3 per cent, and an operating profit (EBIT) margin of 5.5 per cent against 2.2 per cent a year ago. We achieved a cash profit of Rs 418 cr for the full year. The net loss (PAT) for the period stood at Rs 479 cr primarily due to high interest rates, notional forex impact and non-cash tax items.

"Our key priorities as a company in FY13 are: addressing our near-term repayment obligations; balancing our debt appropriately across the Group; reducing our interest burden; reducing our working capital intensity; and, strengthening our balance sheet. I am confident that our improved business situation is sustainable and that we will realize significant growth over the fiscal."

Key Updates:

- **Board updates:** Mr. Vinod R. Tanti takes over the position of COO at the Group's wholly-owned subsidiary REpower Systems SE from 1st June 2012, and therefore resigns as an Executive Director of the Company while continuing to serve as a Non-Executive Director on the Board. Mr. Ashish Dhawan, Independent Director, also resigns from the directorship of the Company with effect from 25th May 2012.

- **Orders:** The Suzlon Group orderbook stood at 5.7 GW (~Rs. 41,500 cr, ~US$ 7.4 bn) as on 25th May, 2012, with an order inflow of 3,817 MW in FY12. The orderbook saw strong contributions from high growth / high margin markets, and a financially robust investor base. Additionally, the Group also built up its long-term service agreements for its global fleet approaching 20,000 MW, creating a secured annuity income of approximately US$ 2 bn over a 15 year horizon.

- **Financial:** Suzlon successfully secured an incremental increase of ~US$ 350 mn in working capital facilities for Suzlon Wind in the last quarter based on future growth plans of the company. The facility will enable the smooth execution of the company's robust order book.

  REpower banking facilities were also increased to EUR 750 mn, a 25 per cent increase, with participation from large European banks despite a volatile European market.

- **REpower:** Collaboration between Suzlon and REpower grew significantly in FY12. The companies combined operations in Australia and realigned European marketing operations, unlocking operational efficiencies. Additionally, initiatives were launched to reduce cost of goods through joint sourcing and by utilizing the Group's manufacturing facilities in Asia. Production in India of REpower's MM92 also commenced at the Group's manufacturing facilities in Padubidri, Karnataka.

- **Offshore:** The Group installed nearly 200 MW of capacity in offshore projects in FY12. In March, REpower completed installation of the first 6.15 MW turbine in an offshore project, which will feature 48 6M turbines and is scheduled for completion in mid-2013.

  The Group has an offshore order book of 1,038 MW valued at US$ 1.8 bn, with several large orders signed in FY12, including the largest ever offshore project for 332 MW in Germany and a contract with PNE Wind AG to deliver 54 offshore turbines to projects in the North Sea.

- **Technology:** Suzlon Group introduced several new products over the course of the fiscal aimed at higher efficiencies and lowering cost of generation: the Suzlon S9X – 2.1 MW and S8X – 1.5 MW, as well as the REpower MM100 – 1.8 MW and 3XM – 3.2/3.4 MW turbines. The S9X turbine suite exceeded 1.2 GW of order inflow across India, USA, Canada, Australia and Brazil and 3XM secured over 900 MW of orders.

- **Fleet performance:** Suzlon's Group fleet approached 20,000 MW across 28 countries and delivered availability (uptime) levels consistently above the industry average of 97 per cent.

- **Markets update:** The wind market is independently projected to grow by over 20 per cent in 2013. The share of wind power in global electricity generation is estimated to go up to ~8 per cent by 2020, from current ~2.3 per cent**.

  - **Mature markets:** The US market is about to experience the biggest year for wind energy installations. However, visibility beyond 2012 is poor due to expiry of cash grants and PTC. The Canadian wind market is expected to have an annual size of more than 1 GW, with Ontario and Quebec having established wind energy targets of 10 GW and 4 GW respectively by 2015. Germany, France and UK remain top markets in Europe.

  - **Emerging markets:** In India, volumes traded in the REC market have steadily increased giving an additional boost to the industry, especially in the wind IPP segment. Currently, the development pipeline for major IPPs in India is estimated to be about 9,200 MW**. Brazil's estimated wind potential of 143 GW is projected to increase up to 300 GW with the use of modern wind turbines. The Brazilian Government projects wind installations will exceed 11.5 GW by 2019, compared to current capacity of around 1.5 GW. In South Africa, the total wind potential is pegged at more than 70 GW with the South Africa Wind Association targeting 30 per cent of total generation from wind by 2025, with more than 10 GW of wind projects already in the pipeline.

Conversion rate:
US$ 1 = Re. 56.29

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 28 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

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