

Significant operating turnaround in Q1 FY12

**EBIT up YoY to Rs. 349 cr / USD 79 mn
from Rs. (672) cr / USD (152) mn**

- 80% YoY growth in revenues to Rs. 4,326 crore / US\$ 980 million
- FY12 guidance maintained
- PAT Rs. 60 crore / US\$ 14 million, against loss of Rs. 912 crore / US\$ 206 million of Q1 FY11
- EBITDA Rs. 490 crore / US\$ 111 million, against negative EBITDA of Rs. 546 crore / US\$ 124 million of Q1 FY11
- Gross profit margins improved to 35%; from 30% in FY11
- Strong order book of ~Rs. 29,291 crore / ~US\$ 6.63 billion
- Order intake of 580 MW

Pune: Suzlon Energy Limited, the world's fifth largest* wind turbine supplier, reported its earnings today for the quarter ended June 30, 2011.

Mr. Tulsi R. Tanti, founder, Chairman and Managing Director – Suzlon Group, said: "We are pleased to report a strong first quarter on all operational parameters with an EBIT margin of 8.1 per cent. Our performance is in line with our full year guidance, and we have maintained a very strong order book at US\$ 6.63 billion.

"In addition, we have taken important steps regarding our long-term strategy – we have entered into an irrevocable agreement with ZF Friedrichshafen AG to sell our 26 per cent stake in Hansen for approximately US\$ 187 million, and the REpower "squeeze-out" process continues as planned."

Mr. Robin Banerjee, Chief Financial Officer – Suzlon Energy Limited, said: "We have reported a profitable first quarter, with a major turnaround from a loss of Rs. 912 crore in Q1 FY11 to a profit of Rs. 60 crore in Q1 FY12. We have improved our gross profit levels to 35 per cent despite a very competitive market environment and rising commodity prices. We have maintained our focus on consistently improving operational efficiency, managing our debt profile, and securing orders."

Key Updates

- **Market Outlook:** Despite the challenges in developed markets, the wind industry continues to grow with strong momentum in emerging markets and the offshore segment. Recent policy developments on energy security and safety concerns, such as the planned phase out of nuclear in Germany and carbon pricing being introduced in Australia, have placed an increased emphasis on renewables, particularly wind, translating to a positive outlook even in developed markets over the mid-to long-term.

- **Offshore:** REpower has established a current installed offshore base of over 171 MW, with over 91 MW added in the first quarter of the fiscal. Worldwide offshore installations grew by 96 per cent in 2010 and, as per MAKE consulting, the market is projected to grow by over 37 per cent annually and to reach eight per cent of all new global wind power installations by 2015.
- **Orders:** The Suzlon Group order book stood at 4,739 MW (~Rs. 29,291 crore / ~US\$ 6.63 billion) in value as on 29th July, 2011; with an order intake of 580 MW since the last announcement.
- **New products:** There has been strong interest in the new Suzlon S9X-2.1 MW suite, specially designed for medium-to-low wind regimes, with over 450 MW in new orders for projects in Australia, Europe, India, and North and South America. Prototypes of the S9X class turbines are now running in Australia and India, with more due to be commissioned later this fiscal. REpower's new 3XM turbine – designed for low wind speed sites – has also seen a strong market response, with over 300 MW in new orders already booked.
- **Availability:** Suzlon Group's global fleet of over 17,000 MW is consistently delivering availability (uptime) levels of over 97 per cent.
- **REpower:** Under the "squeeze-out" proceedings, with reference to REpower's minority shareholders, the compensation value was set at EUR 142.77 per no-par value share, putting the total value at approximately EUR 63 million / ~Rs. 398 crore / US\$ 90 million. A resolution on the "squeeze-out" is to be tabled at REpower's annual general meeting, scheduled for 21st September 2011.
- **Hansen stake sale:** An irrevocable undertaking was signed to accept the offer from ZF Friedrichshafen AG for Suzlon's current holding of 26.06 per cent equity interest in Hansen Transmissions, for a value of approximately GBP 115 million / ~Rs. 828 crore / US\$ 187 million. The Offer represents a premium of approximately 95 per cent, over the closing price of (GBP) 33.75 pence per Hansen share on 22 July 2011. This is in line with Company's strategy to de-leverage and strengthen the balance sheet.

Notes to Editors:

Conversion rate: US\$ 1 = Rs. 44.165
 EUR 1 = Rs. 63.29
 GBP 1 = Rs. 72

1 crore = 10 million

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 2010. The company's global spread extends across Asia, Australia, Europe, Africa and North and South America with over 17,000 MW of wind energy capacity installed in 28 countries, operations across 32 countries, a workforce of over 13,000 and revenues of approximately US\$ 4 billion. 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 comprises of Suzlon Energy Limited and its subsidiaries, including REpower Systems SE in which the company currently holds ~95 per cent share.

The Suzlon Group is headquartered at One Earth, a 10.13-acre campus in Pune, India, powered a 100 percent by renewable energy. One Earth has achieved Platinum-level LEED certification, the highest level of green-building certification. Visit us at www.suzlon.com

Source: *BTM Consult ApS – A part of Navigant Consulting – World Market Update 2010.

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