



**News Release**

Saturday, October 31, 2009

**For Immediate Release**

## **Suzlon Energy - Q2 Results**

- Suzlon orderbook: 1,488 MW, with 1,365 MW in international orders and 123 MW in domestic orders
- Suzlon Energy consolidated revenues of INR 4,793 cr. for Q2 FY2009-10; net loss of INR 356 cr. due to lower volumes
- Suzlon H1 FY2009-10 Gross Profit per-MW increase by 8.4 per cent over H1 FY2009-09
- Market conditions remain challenging in the short-term, long-term outlook remains positive as policy changes in key markets give strong impetus for growth
- FY2009-10: Suzlon full year guidance revised to 1,900 MW to 2,100 MW; REpower guidance sales of EUR 1.4 billion and EBIT margin of 7.5 per cent; Hansen revenues flat to last year
- Comprehensive debt refinancing to improve capital structure and increase financial flexibility in advanced stages
- Discussions on divestment in Hansen continue
- Boston Consulting Group (BCG) advising on business strategies to adapt to evolving marketplace; strong focus on operational efficiency improvements

**Mumbai:** Suzlon Energy Limited, the world's third largest\* wind turbine supplier, with a joint market share of 12.3 per cent, reported consolidated revenues of INR 4,793 cr. for the second quarter of FY2009-10, compared with INR 6,921 cr. for Q2 FY2008-09. Profit/(Loss) After Tax for the quarter stood at INR (356) cr.

Consolidated revenues for the first half of FY2009-10 stood at INR 8,946 cr. while Profit/(Loss) After Tax for the first half was INR (808) cr.

The Suzlon orderbook (excluding Hansen and REpower) stood at 1,488 MW (INR 8,285 cr.), with 1,365 MW (INR 7,600 cr.) in international orders and 123 MW (INR 685 cr.) in domestic orders as on October 30, 2009. REpower reported a contractually confirmed order volume of EUR 1.6 billion, as of September 30, 2009.

Suzlon expects to achieve 1,900 MW to 2,100 MW by the end of the current fiscal.

**Mr. Tulsi Tanti, Chairman and Managing Director of Suzlon Energy Limited, said:** "We are starting to see a recovery across global markets with finance returning. New energy policies and stimulus packages in the EU, US, China, Australia, India and emerging markets, indicate rising acceptance of the challenges of climate change and a growing appetite for renewable energy solutions. Our wide range of onshore and offshore solutions, for virtually any market, puts the Suzlon Group in a position to take advantage of the next phase of growth. As the global economy picks up, our priority is



to ensure that we are well positioned to win and capitalise on new opportunities around the world.”

**Mr. Sumant Sinha, COO – Suzlon Energy Limited, said:** “During the first half of FY2009-10, conversion of booked orders to revenue showed some slowing down. Potential new orders were postponed due to the weak global macroeconomic and financing environment. We believe sales will likely be skewed towards the end of the fiscal.”

**Mr. Sinha added,** “We are undertaking a series of cost and operational improvement initiatives. We continue our tight focus on cost control to achieve better liquidity and debt management. We have undertaken a comprehensive debt refinancing exercise to improve the capital structure and increase financial flexibility. We are also working with Boston Consulting Group to optimise our end-to-end delivery capability to adapt to a rapidly evolving marketplace.”

#### **Highlights:**

- **Project ACE (Achieving Collective Excellence):** We have embarked upon a major program to help the company scale effectively as market conditions improve. Project ACE is a comprehensive exercise assisted by BCG aimed at optimizing our operational efficiencies to achieve excellence across our value chain. We have mapped more than 100 processes, and have identified 12 critical processes with improvements across several operating parameters. Phase I of this initiative is complete and Phase II is underway.
- **Repeat Order:** Ayen Enerji of Turkey signed a repeat order for 57 MW with Suzlon. The order will be supplied with 27 units of Suzlon S88 – 2.1 MW turbines, which will be installed at the Seferihisar and Mordogan projects in east Turkey.
- **Wind Farm Project:** Suzlon completed and commissioned a 19.5 MW wind farm project for the Gujarat Mineral Development Corporation (GMDC) in Rajkot, Gujarat. The project comprises 13 units of Suzlon's SS82-1.5 MW wind turbines and was commissioned in record time, ahead of the contractual commissioning period.
- **Blade Retrofit Program Complete:** The S88-V2 blade retrofit program was completed in September 2009. All costs associated with the blade retrofit program have already been accounted for. No further provisioning was required.
- **Operating Efficiencies:** NOWC reduced by INR 800 cr. in H1.

#### **Senior Hires**

Suzlon continues to strengthen its senior team. Recent senior hires include:

- **Mr. John O'Halloran, President – Technology,** has over 30 years of experience across various senior management roles with Caterpillar, Schlumberger & Cummins. He created the Cummins Research & Technology Centre in Pune as its CEO, and served as CTO for Cummins India and comes to Suzlon from his role as Executive Director – Engineering at Cummins Inc.
- **Mr. Arvind Mathew, President – Nacelle Manufacturing,** comes to Suzlon with over 25 years of experience with Ford Motors. He also served as President and Managing Director of Ford Motors in India.
- **Mr. Frans Visscher, Chief Human Resources Officer,** was previously Managing Director at Korn/Ferry International. During his career spanning over 30 years, he has held senior management positions globally at Reed Elsevier



and Shell International. He started his working life as a career officer with the Royal Netherlands Marine Corps.

- **Mr. Nicholas Archer, Global Head of Public Relations**, joins Suzlon from PR firm Edelman, where he was Executive Vice President and Head of Risk & Crisis. He has over 16 years experience in issues and crisis management, public affairs and corporate positioning.
- **Dr Ishwar Hegde, Chief Economist**, joined the Suzlon after 14 years experience in various sectors including energy, steel, metals, and oil having specialized in international trade and business, WTO and trade policies. He leads Suzlon's market intelligence and research team.

### **Industry Update**

As macro-economic pressures started to ease, banks have begun to assess lending opportunities giving our customers better access to loans. This trend, combined with new global policy regimes that spur investments in renewables.

- The U.S. announced new measures under the stimulus program with provisions for cash grants in lieu of tax credit supports, opening up the market to newer investors.
- In India, the recent CERC tariff guidelines and generation based incentives (GBI) will encourage investments in renewable energy.
- China's new feed-in-tariffs have encouraged competitive bidding in the energy market and are expected to rapidly expand its wind power development footprint.
- Australia recently passed legislation to achieve a target of 20 per cent electricity from renewable sources by 2020.

All these trends point towards a sustainable growth story for wind, which Suzlon, as a leading provider in the industry, will benefit from.

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### **About Suzlon Energy Limited**

Suzlon ranked as the world's third\* leading wind turbine supplier in terms of market share in 2008. Suzlon has ranked as the leading manufacturer in the Indian market for ten consecutive years, maintaining over 50 per cent market share. Suzlon has its corporate offices in Pune, India and the company's global spread is reflected in its projects and markets portfolio - extending across Asia, Australia, Europe and North and South America. Suzlon is a highly vertically integrated wind turbine manufacturer with manufacturing capability along the full value chain – from components to complete wind turbine systems. For more information on Suzlon, please visit: [www.suzlon.com](http://www.suzlon.com).

#### NOTES:

\* Suzlon and REpower, if taken together, stand as the world's third leading wind turbine supplier group in terms of market share. Market share of 12.3 per cent is derived from BTM Consult ApS World Market Update 2008, ranking Suzlon with 9 per cent of global market share and REpower with 3.3 per cent of global market share.

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