



Press Release

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For Immediate Release

Suzlon registers 108% growth

Sales climb to INR 7,986 cr.; Order book of INR 9,486 cr.

Mumbai: Suzlon Energy Limited (SEL), the world's fifth largest wind turbine generator (WTG) company, and the largest WTG manufacturer in India and Asia, reported record growth for the Financial Year ended March 31, 2007.

Financial Highlights FY06-07 (INR)				
	Standalone		Consolidated	
	FY 06-07	FY 05-06	FY 06-07	FY 05-06
Sales	5,380 cr.	3,788 cr.	7,986 cr.	3,841 cr.
EBIDTA	1,194 cr.	922 cr.	1,296 cr.	865 cr.
PAT	1,061 cr.	821 cr.	864 cr.	760 cr.
EPS	36.8	30.0	30.0	27.7
Dividend	50%	50%		

Financial Performance:

Suzlon Energy Ltd. announced standalone sales of INR 5,380cr., EBIDTA of INR 1,194 cr., and PAT of INR 1,061 cr. This being first year of major internationalization of Group, about 222 MW were in transit and the profit thereon of about INR 234 Crores have been eliminated in consolidation.

The Suzlon Group reported 108% growth over the previous year, with sales climbing to INR 7,986 cr. Overseas Sales stood at INR 3,857 cr., around 48% of total sales during FY2006-07.

Profit after tax grew by 14% to INR 864 cr. and EPS stood at INR 30. EBDITA grew 50% from INR 865 cr. to 1,296 cr.

The Group's order book reflects the Company's strong position; at INR 1,408 cr. (266 MW) in domestic orders and 8,078 cr. (1692 MW) in overseas orders – making for a combined order book value of 9,486 cr. (1,958 MW), as on 11th May 2007. The Suzlon Group supplied a total of 1456 MW in the FY2006-07, including a 502 MW supplied to customers in overseas markets.

Speaking after announcing the results, Mr. Tulsu R. Tanti, Chairman and Managing Director of Suzlon Energy Ltd., said: "The past year has been an eventful one for Suzlon and all our stakeholders. This is the fourth consecutive year where we have achieved over 100% growth in a supply restricted environment. We have taken on challenges on the global stage in our strategic drive to reach all the world's key markets for wind energy, and demonstrated our deliver across global markets. Our initiatives in the past year have placed us in a very strong position to drive future growth."

Suzlon maintained a strong focus on its strategic growth drivers – accelerating plans for capacity addition, advance vertical integration, enter new markets, and drive R&D to develop the next generation of wind turbines.

Suzlon's strategic intent to establish a Group-wide management team took shape with the establishment of the Group Management Center in Amsterdam, Holland. The Group expanded and reinforced its management bandwidth with the recruitment of senior leaders for all major verticals and functions, and the appointment of Mr. Andre Horbach as CEO of the Suzlon Group.

Reaching Across the World:

The Suzlon group in FY07 expanded its presence to 14 countries covering four continents, covering Australia, Belgium, Brazil, China, Demark, Germany, Greece, Holland, India, Italy, New Zealand,



Portugal, South Korea and the United States. Suzlon's Human Capital also grew apace to cross 10,000 people across functions, group companies and geographies. The company maintained its ranking as the fifth leading wind turbine manufacturer worldwide, while increasing its previous market share by over 28%, to capture 7.7% of the global market in CY06. The company also maintained market leadership in India for the ninth consecutive year with over 50% of market share. (Source: *BTM Consult ApS: World Market Update 2006*).

Strategic Integration:

Suzlon in FY07 took major strides towards its vision of being the most integrated wind turbine manufacturer, and added significant capability to deliver wind power solutions in key markets, with manufacturing capacity going from 1,500 MW to 2,700 MW in the past year.

Suzlon's ability to meet market needs in China and the United States took a major step forward with the opening of dedicated manufacturing facilities in the region. The strategically located facilities, which will improve speed-to-market for Suzlon and its customers, and are part of the company's long term commitment to these markets and communities. New facilities in India also came on stream, with a new tower and rotor blade manufacturing unit at Dhule, Maharashtra, and a new rotor blade manufacturing facility in Bhuj, Gujarat located in close proximity to Suzlon's wind farm projects.

Suzlon-subsiary Hansen Transmissions, the world's second largest wind gearbox manufacturer, announced plans for a major capacity increase at its locations in Belgium, and new facilities planned in India. Hansen announced plans to expand its Belgian facilities to 5,800 MW and build its manufacturing facilities in India with a capacity of 3,500 MW. This capacity increase is being done in phases and with Hansen's total capacity reach 9,300 MW by the fourth quarter of FY09.

The company's vision to become the most integrated wind turbine manufacturer through increasing and manufacturing and assembly capability for components and sub-components - such as generators, gearboxes, wind turbine towers and blades, forging and foundry components - remained on track with a 1,500 MW wind turbine manufacturing facility planned in Karnataka and foundry and forging units planned in Tamil Nadu and Gujarat. Suzlon is set to reach 4,200 MW of manufacturing capacity, from the present 2,700 MW, by the end of FY08.

Inorganic Growth:

The Suzlon Group undertook a major endeavor in the last quarter of FY07, launching a bid to acquire German turbine manufacturer REpower Systems AG. The friendly public offer is made in partnership with the Martifer Group of Portugal – REpower's second largest shareholder, and in competition with an offer by the Areva Group of France.

The offer was made in recognition of the considerable potential synergies a combination of Suzlon and REpower has to offer. The combined entity would be uniquely positioned to establish sustainable global market leadership in the wind energy industry through best-in-class products, outstanding R&D capabilities and an integrated supply chain. The acquisition would accelerate Suzlon's drive into the European market, and is a major step forward in our drive to rank among the top three wind energy players.

Speaking on the bid, CMD Tulsi R. Tanti stated: "Joining forces with REpower is a compelling value-enhancing proposition for all our stakeholders. The combination will bring together two highly complementary brands, competencies and market positions. We believe the business models of REpower and Suzlon to be highly complementary – allowing for both entities to leverage the others strengths to derive exponential benefits in a short period of time."

The bid cleared all regulatory requirements and processes and is currently open for REpower shareholders to tender their shares.

Driving R&D and Innovation:

Suzlon furthering its 'best of all worlds' R&D strategy announced plans to set up an integrated R&D facility in the German city of Hamburg. The facility, envisioned as a Center of Excellence, will function as a hub and integrator for Suzlon's R&D efforts around the world. The center, in addition to building on the expertise of our people, will forge relationships with universities and research institutes, certifying agencies, suppliers' et al. The extensive capabilities planned will reinforce and build on specialized competencies through a Technology Center, Knowledge Management Center, Training Center, and Prototype Test facilities. The company also announced plans to set up an Innovation Center in Denmark to drive product and technology innovation.



The Road Ahead:

Suzlon demonstrated continuing strong sales growth in the opening days of FY08, securing major orders, to the tune of nearly 500 MW, and diversifying its customer mix in the important North American market. With a strong order book position and annual manufacturing capacity set to reach 4,200 MW by the end of FY08, Suzlon is well poised on the road of continued high growth.

Andre Horbach – CEO, Suzlon Group, stated: “The wind energy industry is growing rapidly and the fundamentals of the industry are very strong. Suzlon is today in a very strong position with sophisticated R&D capabilities, strong manufacturing base, a fully integrated value chain and a strong presence in all key wind energy markets worldwide. Suzlon is set to play in increasing role in propagating wind energy around the world.”

Added Mr. Tanti: “Mankind is rapidly waking up to the greatest threat we have ever faced - Climate Change and Global Warming. With undeniable scientific evidence staring us in the face, there is growing global consensus to face this challenge. We believe wind energy can and will play one of the most important roles in saving the world of tomorrow, today. At Suzlon our vision goes beyond mere numbers, we drive our business as a cause, one where we power a greener tomorrow.”

About Suzlon Group

Suzlon is one of the pioneers in the wind energy industry. The company has come to the fore of the business by strategically focusing on innovation and research, an integrated value chain, and entering into emerging and high growth markets to drive sustainable growth.

Given the truly global nature of its business, Suzlon has established a Group management center in Amsterdam, Netherlands, and manages its overseas marketing effort out of Aarhus, Denmark, while runs its India operations out of Pune, India. The company’s global spread reflects in its projects portfolio - extending across Australia, Brazil, China, India, Italy, Portugal, South Korea and the United States.

Suzlon’s R&D effort also leverages this reach, in a highly successful practice of leveraging skill and knowledge pools in the industry and allied areas the world over. This has resulted in a research and development network located across geographies known for their leadership in the field – Suzlon today drives component R&D from Belgium, turbine development from India and Germany, and aerodynamics research in the Netherlands. Suzlon matches innovation with quality, with systems certified by Det Norske Veritas (DNV) to ISO 9001:2000 standards.

Suzlon is one of the most integrated wind turbine manufacturers – with manufacturing capacity ranging from components to complete wind turbine systems, the entire value chain. The company has established manufacturing facilities around the world, to support the global spread of its operations. Suzlon today has manufacturing facilities in Belgium, China, India and the United States – covering the entire value chain from wind turbine components to complete wind turbine systems. Suzlon has a combined manufacturing base of 2,700 MW of annual capacity, and is undertaking an aggressive expansion program to expand its base to 4,200 MW of capacity by end of FY08.

The success of the company’s strategy is seen in its growing market share, repeat orders, and breakthroughs into new markets. Suzlon ranked as the world’s fifth leading wind turbine manufacturer with over 7.7% of global market share in 2006. The company has ranked as the leading manufacturer in the Indian market for nine consecutive years, maintaining over 50% market share.

Suzlon’s true strength is seen not only in its technology, quality and market share – but also its people. The company boasts one of the largest teams in the wind energy business, totaling over 10,000 people from over a dozen nationalities in operations around the world. Suzlon in its vision for future growth aims to rank among the top three wind turbine manufacturers worldwide, maximizing growth while maintaining margins for the benefit of all stakeholders.

You can view more information on Suzlon at www.suzlon.com

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