Suzlon Energy Limited

9M FY 12 Earnings Presentation

11th February, 2012

Suzlon windfarm at Dhule, India
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• **9M FY12**
  – Group order backlog of $7.5Bn of 5,755 MW
  – Revenues of Rs 14,383 Crs in 9M FY12 as against Rs. 10,603 Crs in 9M FY11, a growth of ~36%
  – Proceeds from Hansen sale received
  – REpower “squeeze out” registered and Suzlon now owns 100% stake of REpower

• **Outlook for the Industry**
  – Industry estimates suggests 11%+ growth over next five years
  – India and Offshore to lead growth with ~+30% growth YoY

• **Focus areas for FY12**
  – REpower “squeeze out” and cash generation driven by non core assets sale and working capital reduction
  – Increased focus on India, Canada, Germany, France, UK and Offshore
  – Suzlon Group: Guidance revised

• **Detailed financials**
Suzlon Group - Key highlights: 9M FY12

- Volumes continue to grow sequentially and YoY
- Strong order book, improving visibility for FY2012
- Robust turbine fleet performance across the globe

Outlook for the FY2012 and beyond:
- Green shoots visible in the wind industry
- Developed and emerging markets: improving regulatory environment
- Offshore market: growth momentum continues
- India: new emerging revenue models with regulatory policies materializing
- Brazil: continues to provide positive momentum
- New products: well received by customers

Detailed financials:
- Q4 FY2011 contents
9M FY12 – Key takeaways

✓ Highest ever order backlog ~$7.5Bn (5,755 MW)
  - Robust high order inflows of 2,845 MW worth ~$3.7 Bn in 9M FY12
  - Q3 Order inflow of ~US$1.9 Bn
  - International orders from North America, Europe and Brazil improve visibility of FY13

✓ Calendar Year 11 (CY11) performance*
  - Revenues ~$4.3Bn
  - EBIT of $303 Mn, a margin of 7%
  - Order intake of ~$ 5.6 Bn (~5 GW)

✓ Volumes impacted in Q3
  - Consolidated revenues of Rs 4,985 Crs in Q3FY12 and Rs 14,383 Crs in 9MFY12
  - FY12 Guidance revised downwards

✓ Collaboration process with REpower initiated and on track
  - Manufacturing of MM92 already started in Suzlon facilities in India
  - Europe and Australian operations realigned

✓ Impressive response to new product launches
  - S9X turbine suite exceeds 1 GW of order inflow across India, USA, Canada, Australia and Brazil
  - Encouraging response for 3XM in the international market with ~750MW of orders received till date

* - CY11 nos are unaudited nos and based on quarterly summations
## Financial performance snapshot

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q3 FY12 Unaudited</th>
<th>Q3 FY11 Unaudited</th>
<th>9M FY12 Unaudited</th>
<th>9M FY11&lt;sup&gt;(a)&lt;/sup&gt; Unaudited</th>
<th>Full Year FY11 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenue</td>
<td>4,985</td>
<td>4,433</td>
<td>14,383</td>
<td>10,603</td>
<td>17,879</td>
</tr>
<tr>
<td>Consolidated EBITDA</td>
<td>322</td>
<td>182</td>
<td>1,200</td>
<td>(216)</td>
<td>808</td>
</tr>
<tr>
<td>Consolidated EBIT</td>
<td>152</td>
<td>40</td>
<td>741</td>
<td>(622)</td>
<td>151</td>
</tr>
<tr>
<td>Consolidated Net Working Capital</td>
<td></td>
<td></td>
<td>5,503</td>
<td>4,449</td>
<td>3,788</td>
</tr>
<tr>
<td>Consolidated Net Debt</td>
<td>11,790</td>
<td>9,375</td>
<td>9,142</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 9M FY12 key highlights:

- 9M FY12 Revenues grew by ~36% YoY basis, while Q3 revenues grew by ~12%
- EBITDA margins improved to 8.3% from negative (2%) in corresponding period last year
- EBIT margins at 5.1% against negative (5.9%) in corresponding period last year

<sup>(a)</sup> Consolidated ex Hansen
# CY11: Improving performance

## Figures in $ Mn

<table>
<thead>
<tr>
<th>Particulars</th>
<th>CY11* (Unaudited)</th>
<th>CY10* (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenue</td>
<td>4,332</td>
<td>3,337</td>
</tr>
<tr>
<td>Consolidated GP</td>
<td>1,420</td>
<td>1,104</td>
</tr>
<tr>
<td>Consolidated EBIT</td>
<td>303</td>
<td>(46)</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>7.0%</td>
<td>(1.4%)</td>
</tr>
<tr>
<td>Order intake</td>
<td>5,565</td>
<td>4,538</td>
</tr>
</tbody>
</table>

* - Based on quarterly summation

## CY11 Key highlights:

- Revenues grew by ~30% on yoy basis
- Gross profits grew by ~29% on yoy basis
- Order intake improved by ~23%

*Exchange rate: 1 USD = 50 INR*
Strong momentum in order inflow continues

Significant visibility for FY13

Order inflow size of ~1.49 GW in this quarter alone, compared to 1.35GW over the past 2 quarters

~53% of orders are repeat orders, strengthening our position as the partner of choice

New products: 3XM and S9X widely accepted:

- More than 1 GW order flowing in for S9X suite since introduction in April 2011, from across the globe including India, Brazil, North America
- ~750 MW of 3XM orders till date, most of them from Germany

* - based on Jan-Dec period, ^ - based on orders received between two successive order book announcement dates every quarter

Yearly Order inflow (MW)*

Quarterly Order inflow (MW)^
Diversified Order inflow in CY11 – 4,961 MW
Total value of $5.6 Bn

**Emerging Markets**
- India – 2,647 MW
- Brazil - 24 MW

**Europe**
- Germany – 384 MW
- Italy - 169 MW
- Netherlands – 145 MW
- France – 120 MW
- UK – 111 MW
- Others – 86 MW

**North America**
- USA – 618 MW
- Canada - 657 MW

Total: 2,671 MW
Value: $2.8 Bn

Total: 1,015 MW
Value: $1.3 Bn

Total: 1,275 MW
Value: $1.4 Bn
Group Order book at Peak – ~5.7GW / ~$7.5Bn

Strong Long term Visibility

Order book in MW – 5,755 MW

- **Suzlon India**
  - Value: $1.5Bn

- **Suzlon International**
  - Value: $1.3 Bn

- **REpower**
  - Value: $4.7Bn

Order book Value

- **Suzlon India**
  - Value: $1.5Bn

- **Suzlon International**
  - Value: $1.3 Bn

- **REpower**
  - Value: $4.7Bn

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- Exchange rate: 1 EUR = 1.326 USD, 1 USD = 49.625 INR
- Order book as on 10 February 2011
Announced framework contracts of ~4.1 GW

1. **RWE Innogy for up to 250 units of 5 MW / 6 MW offshore turbines**
   - 295 MW already confirmed for 6M turbines announced in Jan’10

2. **Frame contract with EDF Energies Nouvelles for onshore turbines**
   - 300 MW & 80 MW already confirmed announced in Jan’11 and Apr’11 respectively

3. **Framework agreement with Juwi to be commissioned between H2 CY11 and CY14**

4. **Frame agreement for up to 200 WTGs in South Africa with ‘African Clean Energy Developments’**
   - South African Dept of Energy has already awarded PPA for 135 MW to the client in December 11

5. **Business agreement with Techno Electric in India**

6. **Framework agreement with EUFER in Spain**

**Total Frame agreements of ~4.1GW, of which ~16% already converted into firm orders**
Order book has well balanced exposure to strong markets and large utilities

Order book of ~5.7GW (As on 10th February 2012)

...with majority orders from large utilities

Presence across all high growth geographies

Order backlog largely based on large customers
Synergy realization and consolidation with REpower on accelerated track

Key initiatives being executed/targeted

✓ Markets
• Streamline market SBUs – One Organization, One Team & One product portfolio
• Suzlon Australia and Europe operations realigned with REpower
• Create regional back offices for markets
• Leverage Suzlon infrastructure to increase sales for the Group

✓ Supply chain synergies
• Realign vendor base to Asia
• Drive joint strategic procurement
• Supply of components, to start from FY13 in full fledge
• Leverage Suzlon manufacturing facilities for REpower

✓ Overheads
• Consolidate organization in over-lapping functions/geographies
• Realign organization capacity to optimize fixed costs
• Align technology efforts across both companies
• Establish integrated highly efficient OMS

Key Outcomes in FY13:
• Increase global market share
• Improve gross margins
• Rationalise Group fixed costs
SE Forge – Stabilizing performance

SE Forge – Revenues (Rs Crs)

- Recently signed Rs 600 Crs frame order with a major bearing manufacturer
- Signed two major third party agreements from two large wind players worth Rs 200 Crs cumulatively
- Marquee client profile, from both wind and non-wind industries
- Volumes continue to improve
  - Proportion of non-Suzlon business increasing
  - Oil & Gas sector in North America to contribute 15-20% of forging division’s revenue by FY13

SE Forge – EBITDA (Rs Crs)

Developing trends
Outlook for the FY12 and beyond
Annual installations grew by 8% in 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>CY10 (MW)</th>
<th>CY11 (MW)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>6,508</td>
<td>9,283</td>
<td>+84%</td>
</tr>
<tr>
<td>Europe</td>
<td>9,918</td>
<td>3,019</td>
<td>+41%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>38,265</td>
<td>41,235</td>
<td>+8%</td>
</tr>
<tr>
<td>Asia</td>
<td>21,450</td>
<td>10,281</td>
<td>-53%</td>
</tr>
</tbody>
</table>

...but our key markets witnessed huge growth

<table>
<thead>
<tr>
<th>Region</th>
<th>CY10 (MW)</th>
<th>CY11 (MW)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>2,139</td>
<td>3,019</td>
<td>+41%</td>
</tr>
<tr>
<td>Germany</td>
<td>1,493</td>
<td>2,086</td>
<td>+40%</td>
</tr>
<tr>
<td>Brazil</td>
<td>326</td>
<td>583</td>
<td>+79%</td>
</tr>
<tr>
<td>Canada</td>
<td>690</td>
<td>1,267</td>
<td>+84%</td>
</tr>
</tbody>
</table>

Source: GWEC
The share of wind power in global electricity generation is estimated to go up to ~9% by 2020 from current ~2%

- Developed markets, such as US and Europe, are expected to grow at CAGR of ~12-13% pa
- Higher growth is expected in emerging markets like India, Brazil and South Africa
Offshore : Next Big Growth Story

- Offshore market’s global share in total installations will increase from ~4% in CY10 to ~11% in CY16, driven by Northern Europe and Asia
- UK, Germany, France, Belgium and China to be the main growth drivers
- Huge offshore installation targets by UK (~18GW) and Germany (~10GW), key markets of Suzlon Group
- However, insufficient transmission infrastructure may impede the offshore growth potential in the short term

Source: MAKE Consulting, 2011
India: 2011 is a record year of growth for Wind

Analysts estimates market to touch ~5 GW by 2015

- Investment in clean energy projects in India grew faster than any other major economy in 2011, rising by 52% to $10.3Bn

- Going forward, widespread adoption of REC and GBI are expected to drive continued growth
  - RECs trading at ~Rs 3,051/REC and volumes also growing fast.
  - GBI registrations increased by ~50% YoY in 2011 with total 1,304 MW registered so far as on 4th Jan 12*


* - Crisil Regulatory and policy newsletter December 2011
Improving momentum in Indian REC market –

*Strong driver for Wind*

- Growing demand of RECs to meet RPO requirements from the obligated entities
- Long term certainty over the pricing range (Floor / Cap) is a positive development
- Significant demand potential for RECs as the volume currently traded is only 1% of the overall RE requirement
- With prices of REC moving northwards, it is becoming more remunerative for the IPPs than preferential tariff route

### Trading Volumes (000’s)

<table>
<thead>
<tr>
<th>Month</th>
<th>Buy Bids</th>
<th>Sell Bids</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 11</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Jan 12</td>
<td>172</td>
<td></td>
</tr>
</tbody>
</table>

### Price (Rs/REC)

<table>
<thead>
<tr>
<th>Month</th>
<th>Buy Bids</th>
<th>Sell Bids</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 11</td>
<td>2,300</td>
<td></td>
</tr>
<tr>
<td>Jan 12</td>
<td>3,051</td>
<td></td>
</tr>
</tbody>
</table>

### No. of Sell / Buy bids

<table>
<thead>
<tr>
<th>Month</th>
<th>Buy Bids</th>
<th>Sell Bids</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 11</td>
<td>234,260</td>
<td>84,181</td>
</tr>
<tr>
<td>Jan 12</td>
<td>432,500</td>
<td>192,682</td>
</tr>
</tbody>
</table>

Source: IEX, PXIL
Western Markets making a comeback

**Americas – Reviving US market coupled with strong growth in Canada**

**USA:**
- Market size is expected to double in CY12 due to expiry of PTC and ITC benefits

**Canada:**
- Most of the provinces established wind energy targets - Ontario and Quebec expect WTG installations of 10GW and 4GW respectively by 2015
- Market is expected to have an annual size of more than 1GW

**Europe – Holding turf through targets**

**Onshore:**
- Onshore market continue to hold ground
- Germany, France, UK, Italy are top contributors in Europe
- German nuclear shut down is likely to boost demand for new wind
- Growth seen in countries like Poland and Romania

**Offshore:**
- UK dominated offshore wind installations in 2010 with ~40% of new installed capacity
- France is expected to conduct a second tender for 3,000 MW of offshore wind power projects in April 2012 along with declaration of results for the first tender
- Going forward, UK and Germany are expected to account for 80% of European offshore market
Huge potential unlocking in emerging markets

Brazil:
- In recent auction in Brazil, 39 wind farm projects were awarded with a total installed capacity of ~1 GW, in addition to the 2GW projects announced in the last auctions in August
- Contracted wind projects posted some of the most competitive pricing, even undercutting hydroelectricity in a parallel auction
- Brazilian wind potential is estimated at 143GW with ability to reach up to 300GW with the use of modern generators

South Africa:
- Total wind potential in South Africa is estimated at 70GW+
- South Africa Wind Association targets 30% of total generation from wind by 2025
- 10 GW+ of wind projects are in pipeline
- 633 MW already awarded, about 1.2 GW to be contracted in FY12-13
- Two more auctions are expected, in March 2012 and November 2012
Mr. Tulsi Tanti, Chairman and Managing Director – Suzlon Group, said:

“I am pleased to report that our Group performance is steadily improving. Emerging, offshore and key matured markets are showing sustained momentum. Our strategy to focus on these markets is delivering for us, as evidenced by our steady inflow of major orders over the past few months in India, Brazil, Canada and Belgium.

Our ~US $7 billion orderbook (~5,000 MW) is one of the best in the industry, and gives us strong visibility for future growth.

While the business environment remains challenging, particularly in the US and parts of Europe, our competitive position remains strong with a global sales and service organization – spanning 32 countries and 15 GW operating wind capacity worldwide – which is delivering in excess of 97 per cent availability.

Our customer focus, comprehensive product portfolio and low cost supply chain has allowed us in just 15 years to build a base of over 1,200 customers, including 11 out of 15 of the largest wind customers worldwide.”
Focus areas

FY12: Turnaround year

1. Markets
   - Increased focus on India, emerging markets, select developed markets and Offshore
   - Higher revenues and strong margins

2. Products
   - High penetration of new products in various markets
   - New products for low wind regimes with higher hub heights

3. Operational Efficiency
   - Reduction in COGS
   - Focus on cash generation
   - Lower Working Capital intensity & lower CAPEX

4. Strategic
   - Strengthening Group’s competitive positioning
   - Completion of “Squeeze out” process in REpower
   - Sale of Hansen stake
Strengthening our position in emerging markets through end-to-end business model

- Support to customers for all ancillary activities
- Wind resources mapping
- Land and site identification
- Supply of WTG & accessories
- Site infrastructure development
- Installation & commissioning
- Power evacuation
- Life time O&M

End-to-End Solutions

Key to emerging markets

End to end solution provider –

- Allows customers to benefit from cost-efficiencies and economies of scale in wind farms
- Avoids need for customers to undertake cumbersome wind farm development process
- Provides greater control over execution timeline
- Control on value chain from planning to maintenance stages
- Leverages Suzlon’s deep experience across wind energy value chain
- Best partner for IPP customers
...backed by successful track record of executing large end-to-end projects in India

Some of our largest wind farms in India

- **Installed base of 6,800+ MW in India (>1,000 MW sites in four states)**
- **Capacity to deliver large scale projects** (Four mega size windfarms of >700 MW each)
- **More than 100 project sites across 8 states**
  - Rajasthan, Gujarat, MP, Maharashtra, Karnataka, AP, Tamil Nadu & Kerala
- **Suzlon is well placed to cater to the growing market due to its**
  - Unique business model of concept to commissioning,
  - Strong EPC execution capabilities and
  - Access to large wind sites

- **Asia’s largest wind park at Kutch, Gujarat Over 890 MW & expanding...**
- **Jaisalmer Windpark in Rajasthan with a total capacity of 950 MW+**
- **Dhule wind farm in Maharashtra 800+ MW & expanding...**
- **3 Farms in Madhya Pradesh with total capacity of 132 MW**
- **6 Farms in Karnataka; total capacity – 688 MW**
- **Tirupati wind farm in A.P. with a capacity of 10 MW**
- **Sankaneri wind farm in Tamil Nadu totaling 715 MW & expanding...**
- **19 MW facility at Agali in Kerala**

Illustrative map, not as per scale
Focus on executing offshore projects

Some of our large operational offshore projects

**Alpha Ventus Project, Germany**
Customer: Consortium of EWE, E.ON & Vattenfall
- 6 WTGs of 5M
- Installed in 2009
- >4,000 load hrs per WTG

**Thornton Bank Project, Belgium**
Customer: C-Power
- 6 WTGs of 5M (Phase I)
- Installed in 2008
- Next phase order of 295 MW already received

Other projects under development (>700 MW)

<table>
<thead>
<tr>
<th>Thornton Bank Project, Belgium</th>
<th>Nordsee OST Project, Germany</th>
<th>Ormonde Project, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer: C-Power</td>
<td>Customer: RWE Innogy</td>
<td>Customer: Vattenfall</td>
</tr>
<tr>
<td>- 295 MW in Phase II &amp; III (48 WTGs of 6M)</td>
<td>- 295 MW (48 WTGs of 6M)</td>
<td>- 150 MW (30 WTGs of 5M)</td>
</tr>
<tr>
<td>- Largest non recourse financed project (€ 1.3bn)</td>
<td>- Part of the frame contract of 1.2-1.5GW</td>
<td>- Installation of WTGs finished in August 2011 (3 weeks ahead of schedule)</td>
</tr>
<tr>
<td>- Installation by 2012 &amp; 2013</td>
<td>- Co funded by European Commission under EEPR programme</td>
<td>- Grid connection still due (responsibility of customer)</td>
</tr>
<tr>
<td></td>
<td>- Installation by 2012/2013</td>
<td></td>
</tr>
</tbody>
</table>
High penetration of new products in various markets

- New products backed by proven performance and efficient processes, as well as customer-focused team: a global company with local reach

- Enhancements, innovation and comprehensive design driven through the entire technology platform for even better reliability and higher power yield in low-wind sites

**New products launched**

- **Suzlon S9X for low-wind sites**
  - Suzlon S97: 2.1 MW platform, with a 97 meter rotor diameter
  - Suzlon S95: 2.1 MW platform, with a 95 meter rotor diameter

- **REpower MM100**: MM100-1.8 MW developed for low wind sites

- **REpower 3.XM**:
  - 3.2M with a 114 meter rotor diameter for Class-III wind sites, with a hub height of 100m, 123m & 143m
  - 3.4M with a 104 meter rotor diameter for Class-II wind sites

**Status update**

- **S9X**
  - Already launched for all geographies
  - Prototypes already installed
  - GL certification received
  - 1 GW orders already received for S9X

- **REpower MM100/3XM**:
  - Already launched for relevant geographies
  - Cold climate version to follow
  - Large sized orders received for new products
S9X: Focus on providing higher yields at a lower cost from low wind sites

- 2 MW-class turbines, designed for moderate to low wind regimes
- Robust, reliable design optimized to deliver higher yields at a lower cost per-kW/h
- Extends proven technology platform to meet specific market, wind regime and operating conditions

Key features in the S9X design are:

- Power yield up by ~14-19%
- Tower weight less by 15%
- Larger swept area with rotor diameters; 95 and 97 meters
- DFIG convertor featuring variable speed
- 80-meter, 90-meter and 100-meter hub heights

Suzlon has received a solid response from the market for its new products.

A few of the large orders which also include delivery of new products:

- 1000 MW order from Mytra Energy, India
- 218 MW order from Martifer, Brazil
- 202 MW order from Techno Electric, India
- 100 MW order from Orient Green Power, India
- 120 MW order in Western USA
With new products, Suzlon Group boasts a complete commercially proven portfolio

- Products spanning all capacities - sub-MW to multi-MW turbines
- Products spanning technologies - variable, semi-variable and fixed speeds
- Product variants spanning climatic conditions, all wind class sites and grid requirements
- Ability to supply large volumes across various geographies

- 0.60 – 1.25MW
- 1.25 – 1.5MW
- 1.5 – 2.5MW
- 2.5 – 3.0MW
- 5.0 – 6.15MW

India

China

USA / Australia / Brazil / Europe

Offshore
Focus on cash generation

• Operations to be cash generating
  - Maximise volumes, focus on key markets, improvement in margins, optimisation of costs
  - Endeavours to generate cash from operations, while keeping investments into balance sheet at a minimum

• Focused efforts to reduce working capital intensity
  - Reduce debtor days, with efforts to recover slow moving debtors in USA
  - Structurally reduce inventories tied up in overseas markets for executing ex-Asia orders
  - Optimise suppliers credit

• Continued policy of incurring only ‘MUST HAVE’ CAPEX
  - Suzlon wind to incur minimal new CAPEX
  - REpower to incur CAPEX only for offshore/multi MW turbine manufacturing
Suzlon owns 100% stake in REpower with successful completion of “squeeze out”

**Squeeze out process:**

- Squeeze out initiated by Suzlon’s wholly owned subsidiary
- Cash compensation offered at Euro 142.77/share, validated by Valuation auditor appointed by Court
- Resolution passed at the AGM for REpower on 21st September, 2011
- Squeeze out registered in commercial register on 27th October, 2011
- Suzlon holds 100% stake in REpower

**Possible benefits that can accrue:**

- **Supply chain synergies to drive down costs**
  - Manufacturing and Sourcing in Low cost countries of Asia
  - Significant reduction in COGS
  - REpower products to become more price competitive

- **Collaboration of Sales & Service organization:**
  - Leveraging Group Sales and Service infrastructure across the globe to boost sales

- Enhanced technical collaboration to maximize benefits and optimize R&D spend

- Stronger balance sheet and effective utilization of Group resources
Group well positioned in current market environment

1. Emerging markets
   - India: high growth market
   - Entrenched in China, Brazil
   - Early entrant in South Africa, Chile, Argentina and Mexico

2. Offshore & key stable developed markets
   - Comprehensive product portfolio for Offshore
   - Performing well in Germany, Canada, France, UK and Turkey

3. Global Sales & Service Organisation
   - Relationship with 11 clients out of Top 15 global customers
   - Robust global sales infrastructure ensuring excellent service with higher machine availability and reliability

4. Product portfolio
   - Covering all wind classes I, II, III and all customer and market segments
   - Product range from 600 KW to 6.15 MW delivering competitive cost / kWh
   - End-to-end business solution provider with strong execution skills

5. Low cost manufacturing & sourcing
   - Majority of the manufacturing in the low cost countries already established
   - Additional capacity creation requires low capex
   - Fully developed Asia centric supply chain
   - Healthy gross profit margins
Suzlon Group: Revised Guidance for FY12

Original Guidance

- Revenues: Rs 24,000 – 26,000 Crs
- EBIT Margin: 7% - 8%

Revised Guidance

- Revenues: Rs 21,000 – 22,000 Crs
- EBIT Margin: 5% - 6%

Guidance revision due to:
- Volumes impacted in Q3
  - Slow grid infrastructure ramp up in China
  - Extended monsoons in India
  - Procedural delays in enhancement of working capital facilities due to volatility in financial markets
- Incremental working capital facilities of Rs. 1,100 Crs now sanctioned

Outlook for FY13

- Revenues likely to grow by 40%, backed by
  - Strong order inflows in Q3 of 1.49 GW, order backlog of $7.5Bn and strong order pipeline
  - Spill-over of unexecuted orders to be executed in FY13
Mr. Tulsi Tanti, Chairman and Managing Director – Suzlon Group, said: “I am pleased to report that our Group performance is steadily improving. Emerging, offshore and key matured markets are showing sustained momentum. Our strategy to focus on these markets is delivering for us, as evidenced by our steady inflow of major orders over the past few months in India, Brazil, Canada and Belgium. Our ~US $7 billion orderbook (~5,000 MW) is one of the best in the industry, and gives us strong visibility for future growth. "While the business environment remains challenging, particularly in the US and parts of Europe, our competitive position remains strong with a global sales and service organization – spanning 32 countries and 15 GW operating wind capacity worldwide – which is delivering in excess of 97 per cent availability. Our customer focus, comprehensive product portfolio and low cost supply chain has allowed us in just 15 years to build a base of over 1,260 customers, including 11 out of 15 of the largest wind customers worldwide.”

Detailed financials – Q3 FY2012
## Consolidated financial results

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q3 FY12 Unaudited</th>
<th>Q3 FY11 Unaudited</th>
<th>9M FY12 Unaudited</th>
<th>9M FY11 Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>4,986</td>
<td>4,433</td>
<td>14,383</td>
<td>10,603</td>
</tr>
<tr>
<td>Raw material cost</td>
<td>3,335</td>
<td>3,031</td>
<td>9,452</td>
<td>7,344</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td><strong>1,651</strong></td>
<td><strong>1,402</strong></td>
<td><strong>4,931</strong></td>
<td><strong>3,259</strong></td>
</tr>
<tr>
<td>Gross Profit margin</td>
<td>33.1%</td>
<td>32.0%</td>
<td>34.3%</td>
<td>31.0%</td>
</tr>
<tr>
<td>Manpower cost</td>
<td>528</td>
<td>415</td>
<td>1,479</td>
<td>1,220</td>
</tr>
<tr>
<td>Operating income</td>
<td>48</td>
<td>61</td>
<td>161</td>
<td>115</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>803</td>
<td>804</td>
<td>2,334</td>
<td>2,172</td>
</tr>
<tr>
<td>Forex loss / (Gain)</td>
<td>45</td>
<td>63</td>
<td>80</td>
<td>198</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>322</strong></td>
<td><strong>182</strong></td>
<td><strong>1,200</strong></td>
<td>(216)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>6.5%</td>
<td>4.0%</td>
<td>8.3%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>170</td>
<td>142</td>
<td>459</td>
<td>406</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><strong>152</strong></td>
<td><strong>40</strong></td>
<td><strong>741</strong></td>
<td>(622)</td>
</tr>
<tr>
<td>Interest</td>
<td>322</td>
<td>252</td>
<td>908</td>
<td>726</td>
</tr>
<tr>
<td>Interest on acquisition loans</td>
<td>35</td>
<td>43</td>
<td>105</td>
<td>97</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(8)</td>
<td>--</td>
<td>(227)</td>
<td>37</td>
</tr>
<tr>
<td>Other non-operating Income</td>
<td>30</td>
<td>34</td>
<td>86</td>
<td>77</td>
</tr>
<tr>
<td>Taxes</td>
<td>134</td>
<td>31</td>
<td>214</td>
<td>139</td>
</tr>
<tr>
<td>Add/(Less): Share in associate’s PAT</td>
<td>-</td>
<td>(3)</td>
<td>(33)</td>
<td>(19)</td>
</tr>
<tr>
<td>Add/(Less): Share of profit of minority</td>
<td>15</td>
<td>2</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>(286)</td>
<td>(254)</td>
<td>(178)</td>
<td>(1,535)</td>
</tr>
</tbody>
</table>

*Rs Crs.*
## Consolidated Net Working Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31st Dec’11</th>
<th>As on 30th Sept’11</th>
<th>As on 30th June’11</th>
<th>As on 31st Mar’11</th>
<th>As on 31st Dec. ’10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>6,152</td>
<td>5,907</td>
<td>5,755</td>
<td>5,352</td>
<td>6,907</td>
</tr>
<tr>
<td>Receivables</td>
<td>7,323</td>
<td>6,332</td>
<td>6,131</td>
<td>5,915</td>
<td>5,010</td>
</tr>
<tr>
<td>Advances</td>
<td>2,533</td>
<td>2,229</td>
<td>2,145</td>
<td>1,956</td>
<td>1,915</td>
</tr>
<tr>
<td>Deposit / Advance Tax</td>
<td>479</td>
<td>475</td>
<td>409</td>
<td>393</td>
<td>370</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td><strong>16,487</strong></td>
<td><strong>14,943</strong></td>
<td><strong>14,439</strong></td>
<td><strong>13,615</strong></td>
<td><strong>14,202</strong></td>
</tr>
<tr>
<td>Prepayment from customers (including dues to customers)</td>
<td>3,473</td>
<td>2,776</td>
<td>2,656</td>
<td>2,728</td>
<td>4,352</td>
</tr>
<tr>
<td>Trade payables</td>
<td>4,641</td>
<td>4,245</td>
<td>3,797</td>
<td>4,537</td>
<td>3,312</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>1,533</td>
<td>1,497</td>
<td>1,529</td>
<td>1,230</td>
<td>927</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,338</td>
<td>1,383</td>
<td>1,325</td>
<td>1,333</td>
<td>1,163</td>
</tr>
<tr>
<td><strong>Total (B)</strong></td>
<td><strong>10,985</strong></td>
<td><strong>9,900</strong></td>
<td><strong>9,307</strong></td>
<td><strong>9,827</strong></td>
<td><strong>9,753</strong></td>
</tr>
<tr>
<td>Net Working Capital (A-B)</td>
<td><strong>5,503</strong></td>
<td><strong>5,043</strong></td>
<td><strong>5,132</strong></td>
<td><strong>3,788</strong></td>
<td><strong>4,449</strong></td>
</tr>
</tbody>
</table>
## Group Financial Leverage \(^{(a)}\)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SEL Wind (^{(a)})</td>
<td>Consol. Group (^{(a)})</td>
<td>SEL Wind (^{(a)})</td>
<td>Consol. Group (^{(a)})</td>
<td>SEL Wind (^{(a)})</td>
</tr>
<tr>
<td>Gross Debt (A)</td>
<td>12,750</td>
<td>13,705</td>
<td>12,406</td>
<td>13,357</td>
<td>11,836</td>
</tr>
<tr>
<td>Cash (B)</td>
<td>678</td>
<td>1,915</td>
<td>846</td>
<td>2,257</td>
<td>955</td>
</tr>
<tr>
<td>Net Debt (A-B)</td>
<td>12,072</td>
<td>11,790</td>
<td>11,560</td>
<td>11,101</td>
<td>10,881</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Unaudited

Net debt to equity – 2.1x as on 31st December 2011*

* - Increase due to adjustment of FCCB redemption premium of Rs. 898 Crs in net worth
### FCCBs: Post restructuring & new issuance

<table>
<thead>
<tr>
<th>Dates</th>
<th>FCCBs</th>
<th>Outstanding amount (USD Mn)</th>
<th>Conversion price (Rs.)</th>
<th>Maturity date</th>
<th>Coupon rate</th>
<th>Maturity value with Redemption premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2012 - Old</td>
<td>211.3</td>
<td>97.26</td>
<td>June 2012</td>
<td>0%</td>
<td>145.23%</td>
<td></td>
</tr>
<tr>
<td>October 2012 - Old</td>
<td>121.4</td>
<td>97.26</td>
<td>October 2012</td>
<td>0%</td>
<td>144.88%</td>
<td></td>
</tr>
<tr>
<td>June 2012 - Exchange</td>
<td>35.6</td>
<td>76.68</td>
<td>June 2012</td>
<td>7.5%</td>
<td>150.24%</td>
<td></td>
</tr>
<tr>
<td>October 2012 – Exchange</td>
<td>20.8</td>
<td>76.68</td>
<td>October 2012</td>
<td>7.5%</td>
<td>157.72%</td>
<td></td>
</tr>
<tr>
<td>July 2014 – New Issuance</td>
<td>90.0</td>
<td>90.38</td>
<td>July 2014</td>
<td>0%</td>
<td>134.20%</td>
<td></td>
</tr>
<tr>
<td>April 2016 - New Issuance</td>
<td>175.0</td>
<td>54.01</td>
<td>April 2016</td>
<td>5.0%</td>
<td>108.70%</td>
<td></td>
</tr>
</tbody>
</table>

**Total number of shares to be issued on conversion: ~381.6 Mn**

**No financial covenants till maturity**
## Consolidated financial results: Q3 FY12

### Rs Crs.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q3 FY12 (unaudited) (Rs Crs.)</th>
<th>Q3 FY11 (unaudited) (Rs Crs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Suzlon</td>
<td>SE Forge</td>
</tr>
<tr>
<td>Sales</td>
<td>1,955</td>
<td>45</td>
</tr>
<tr>
<td>EBITDA</td>
<td>6</td>
<td>(2)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>0.3%</td>
<td>(4.2)%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>98</td>
<td>13</td>
</tr>
<tr>
<td>EBIT</td>
<td>(92)</td>
<td>(15)</td>
</tr>
<tr>
<td>Interest</td>
<td>291</td>
<td>23</td>
</tr>
<tr>
<td>Interest on acquisition loans</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(8)</td>
<td>--</td>
</tr>
<tr>
<td>Other non-operating Income</td>
<td>22</td>
<td>--</td>
</tr>
<tr>
<td>Taxes</td>
<td>55</td>
<td>--</td>
</tr>
<tr>
<td>Add/(Less): Share in associate’s PAT</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Add/(Less): Share of profit of minority</td>
<td>7</td>
<td>--</td>
</tr>
<tr>
<td>PAT</td>
<td>(400)</td>
<td>(37)</td>
</tr>
</tbody>
</table>
# Consolidated financial results: 9M FY12

<table>
<thead>
<tr>
<th>Particulars</th>
<th>9M FY12 (unaudited) (Rs Crs)</th>
<th>9M FY11 (unaudited) (Rs Crs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Suzlon</td>
<td>SE Forge</td>
</tr>
<tr>
<td>Sales</td>
<td>7,221</td>
<td>262</td>
</tr>
<tr>
<td>EBITDA</td>
<td>456</td>
<td>31</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>6.3%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>265</td>
<td>50</td>
</tr>
<tr>
<td>EBIT</td>
<td>191</td>
<td>(20)</td>
</tr>
<tr>
<td>Interest</td>
<td>823</td>
<td>63</td>
</tr>
<tr>
<td>Interest on acquisition loans</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(227)</td>
<td>--</td>
</tr>
<tr>
<td>Other non-operating Income</td>
<td>70</td>
<td>1</td>
</tr>
<tr>
<td>Taxes</td>
<td>64</td>
<td>--</td>
</tr>
<tr>
<td>Add/(Less): Share in associate’s PAT</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Add/(Less): Share of profit of minority</td>
<td>6</td>
<td>--</td>
</tr>
<tr>
<td>PAT</td>
<td>(394)</td>
<td>(81)</td>
</tr>
</tbody>
</table>
## Suzlon Wind: Volumes by geography

<table>
<thead>
<tr>
<th>Region</th>
<th>Q3 FY12 (MW)</th>
<th>Q3 FY11 (MW)</th>
<th>9M FY12 (MW)</th>
<th>9M FY11 (MW)</th>
<th>FY 11 Sales (MW)</th>
<th>FY 10 Sales (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>275</td>
<td>325</td>
<td>974</td>
<td>754</td>
<td>1,169</td>
<td>688</td>
</tr>
<tr>
<td>USA</td>
<td>32</td>
<td>-</td>
<td>32</td>
<td>27</td>
<td>27</td>
<td>410</td>
</tr>
<tr>
<td>China</td>
<td>-</td>
<td>73</td>
<td>64</td>
<td>181</td>
<td>201</td>
<td>182</td>
</tr>
<tr>
<td>ANZ</td>
<td>-</td>
<td>57</td>
<td>4</td>
<td>57</td>
<td>57</td>
<td>128</td>
</tr>
<tr>
<td>Europe &amp; ROW</td>
<td>-</td>
<td>6</td>
<td>90</td>
<td>10</td>
<td>67</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>307</strong></td>
<td><strong>461</strong></td>
<td><strong>1164</strong></td>
<td><strong>1029</strong></td>
<td><strong>1,521</strong></td>
<td><strong>1,460</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 11 Sales</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>FY 10 Sales</td>
<td>70%</td>
<td>30%</td>
</tr>
</tbody>
</table>
## Suzlon Wind: Financial leverage (a)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition loans</td>
<td>2,004</td>
<td>2,277</td>
<td>2,079</td>
<td>2,074</td>
<td>2,073</td>
</tr>
<tr>
<td>FCCBs</td>
<td>3,473</td>
<td>3,203</td>
<td>2,924</td>
<td>2,136</td>
<td>2,141</td>
</tr>
<tr>
<td>W.Cap, Capex and other loans</td>
<td>7,273</td>
<td>6,925</td>
<td>6,833</td>
<td>7,023</td>
<td>6,898</td>
</tr>
<tr>
<td>Gross debt (A)</td>
<td>12,750</td>
<td>12,406</td>
<td>11,836</td>
<td>11,233</td>
<td>11,112</td>
</tr>
<tr>
<td>Cash (B)</td>
<td>678</td>
<td>846</td>
<td>955</td>
<td>1,023</td>
<td>945</td>
</tr>
<tr>
<td><strong>Net Debt (A-B)</strong></td>
<td><strong>12,072</strong></td>
<td><strong>11,560</strong></td>
<td><strong>10,881</strong></td>
<td><strong>10,210</strong></td>
<td><strong>10,167</strong></td>
</tr>
</tbody>
</table>

(a) Unaudited
Profit / (loss) as per REpower books

<table>
<thead>
<tr>
<th></th>
<th>9m FY 2011</th>
<th>Q4 FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUROS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INR Crs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit / (loss)</td>
<td>42</td>
<td>158</td>
</tr>
<tr>
<td>Less: Policy alignment impact</td>
<td>(6)</td>
<td>(12)</td>
</tr>
<tr>
<td>Profit / (loss) before translation loss</td>
<td>36</td>
<td>171</td>
</tr>
<tr>
<td>Less: FX loss on translation of COGS</td>
<td>55</td>
<td>332</td>
</tr>
<tr>
<td>Profit / (loss) as per Suzlon Books</td>
<td>(41)</td>
<td>(162)</td>
</tr>
</tbody>
</table>

Total Delta

(au) Unaudited

Thank You