

14th February, 2014

For immediate release

Suzlon Group 9M FY14: Performance Update

- Total revenues at Rs 13,631 cr / ~US\$ 2,188 mn for 9M FY14
 - o Rs. 5,010 cr / ~US\$ 804 mn in Q3 FY14, 25% YoY growth
- Net working capital reduced to 8.3% of sales at Q3 14
- Strong order momentum: Rs 8,611 cr in new orders over Q3 14
- Suzlon Group reaches ~23.5 GW in cumulative installed capacity
 - o Suzlon India installations cross 8 GW
 - o Senvion installations cross 10 GW worldwide
- India OMS to be reorganized into separate company within Group
- Group-subsiary REpower Systems SE rebranded Senvion SE
- Strengthening offshore portfolio, launched 6.2M152 turbine

Pune: Suzlon Group, the world's fifth largest* wind turbine maker, on Friday, February 14th 2014, announced its results for the third quarter (Q3) of financial year 2013-14.

Mr Tulsi Tanti, Chairman – Suzlon Group, said: “While we have made important progress on some fronts, this has been a disappointing quarter in terms of operating performance, and there remains much work to be done.

“We are strategically positioning the business to take advantage of new opportunities, and as part of this, we are reorganizing our India ‘Operations and Maintenance Services’ vertical into a separate company. The step will help build on our long track record of best-in-class service, value added services and focus on customer excellence; and also be able to independently scale to respond to new growth opportunities in this space. With the global wind market independently projected to come back strongly over the next year, particularly with India expected to achieve over 30 per cent growth with the reinstatement of GBI, we see a strong outlook for the sector and for the Group.”

Mr Kirti Vagadia, Group Head of Finance, said: “This has been another very challenging year for the Group, with difficult external conditions acting as a constraint on performance. However, key indicators have started to move in the right direction. We have booked 913 MW of new orders over the quarter, aggregating

nearly 1.7 GW over the first nine months, underscoring customers' confidence in the company, and giving us good visibility into the near and medium term."

Key updates

- **New equity issuance:** The Board approved preferential issue of equity shares to Promoters to an extent of Rs 45 cr.

Additionally, the Board approved the preferential issue of equity shares up to an extent of Rs 80 cr.

The Board also approved an Employee Stock Purchase Scheme (ESPS 2014) for up to 1.5 cr shares, and the Employee Stock Option Plan (ESOP 2014) for up to 4.5 cr shares, for employees of the Company and its subsidiaries.

The new shares issued will be subject to approval by shareholders, and subject to lock-in in terms of SEBI Regulations.

- **Performance:** Suzlon Wind achieved aggregate volumes of 546 MW for 9M FY14 – a 128% per cent growth year-on-year, and crossed 8 GW of installations in India. Servion achieved revenues of ~EUR 1.2 bn over 9M FY14, and crossed 10 GW and 5,000 turbines in cumulative global installations.

The company continued to work towards optimizing its Working Capital ratio, with a focus on realizations, leaner inventory cycles, and expediting order execution, taking the ratio down to 8.3 per cent of sales as at December '13, compared to 13.6 per cent as at March '13. Consolidated Operating Expenses were reduced by 17 per cent for the 9M FY14 period with stringent cost control measures in place. Manpower optimization also continued under Project Transformation, with a Group-wide reduction of ~1,900 employees in 9M FY14, in addition to reductions of over ~1,500 employees in FY13.

- **Orderbook:** The consolidated Group orderbook stood at 5.5 GW, approximately Rs 47,393 cr / US\$ 7.7 bn in value, with an intake of 913 MW over Q3 FY14, valued at approximately Rs 8611 cr / US\$ 1,382 cr.
- **Exceptional / One-time costs:** One time exceptional stood at Rs 455 cr / US\$ 73 mn (after EBITDA), and losses due to unfavourable currency fluctuations added Rs 316 cr / US\$ 50.7 mn. during 9M FY 14
- **FCCB:** The Company continues to be in active, solution-oriented dialogue with FCCB-holders, their advisors, and our senior secured lenders.

- **REpower is now Senvion:** Suzlon Group-subsidary REpower Systems SE changed its name to Senvion SE. The Hamburg-based wind turbine manufacturer will now identify itself worldwide using the new brand. The company has been using the name REpower under license from a Swiss company since 2001.
- **New product:** Senvion unveiled its latest offshore turbine, the 6.2M152, featuring a rotor diameter of 152 metres. The larger rotor diameter compared to the last generation – the 6.2M126 (126 metres) – achieves an increase in energy yield by up to 20 per cent at wind speeds of 9.5 m/s. With a rated power of 6.15 megawatts, each Senvion 6.2M152 turbine can supply around 4,000 homes with electricity.

Notes to the Editor:

- **BTM Consult ApS – A part of Navigant Consulting – World Market Update*
- US\$ 1 = INR 62.31

About Suzlon Group:

The Suzlon Group is ranked as the world's fifth largest* wind turbine supplier, in terms of cumulative installed capacity and marketshare, at the end of 2012. The company's global spread extends across Asia, Australia, Europe, Africa and North and South America with approximately 23,500 MW of wind energy capacity installed, operations across over 30 countries. The Group offers one of the most comprehensive product portfolios – ranging from sub-megawatt onshore turbines at 600 Kilowatts (KW), to the 6.2 MW 6.2M152 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 Senvion SE. Visit us at www.suzlon.com

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