



News Release

August 13, 2010

For Immediate Release

Suzlon Result: Weak Q1, strong USD 4.9 bn orderbook

- Suzlon consolidated revenues of Rs. 2,399 cr. for Q1 FY 2010-11
- Gross margin (excluding notional forex loss) maintained at ~30%
- Loss of Rs. 912 cr. due to lower volumes and notional forex loss of Rs. 250 cr.
- Group orderbook of approximately USD 4.9 billion (~Rs. 22,700 cr.)
- Highest ever India orderbook at Q1 results – 580 MW; strong FY11 visibility
- Working capital reduction of ~Rs. 950 cr. in Q1 at consolidated level
- Financial closure of debt refinancing of Rs. 10,690 cr. completed

Ahmedabad: Suzlon Energy Limited, the world's third largest* wind turbine supplier, reported consolidated revenues of Rs. 2,399 crore and EBITDA of Rs. (546) crore for the first quarter of FY 2010-11.

The Suzlon Group orderbook stood at approximately USD 4.9 billion (~Rs. 22,700 cr.). The Suzlon Wind (excluding REpower) orderbook stood at Rs. 7,938 crore (1,458 MW), as on August 11, 2010. The REpower orderbook stood at EUR 2.42 billion as on June 30, 2010.

Mr. Tulsi Tanti, Chairman and Managing Director - Suzlon Energy Limited, said: "This has been a challenging quarter for us. However, we see strong momentum for the wind sector led out of emerging economies – particularly India, China, Brazil and western Europe, while the US and selective European markets remain difficult. We are, as a group, focused on improving efficiency and reducing costs and at the same time bringing the best technology, products and service offerings to take advantage of opportunities in key growth markets and in the rapidly growing offshore segment."

Mr. Robin Banerjee, Chief Financial Officer - Suzlon Energy Limited, said: "We have booked a loss in the first quarter mainly due to lower volumes and a significant, but effectively notional, forex loss. However, it is important to recognize that we have made significant progress in many areas, including reduction of working capital, as well as a major increase in our orderbook. This is significant particularly for India where we have the highest ever orderbook, with 580 MW as of date."

"Historically Q1 has contributed about 10 per cent of annual volume and this quarter has been no exception. We expect volumes to increase in the second half of FY11 and remain focused on reducing fixed cost as a priority and finding opportunities to improve the Group's performance at every step."

Key Updates

- **Debt:** Completed financial closure of debt refinancing and consolidation of Rs. 10,690 crore including a holiday of two years in principal repayments and removal of covenants.
- **Rights Issue:** Successfully completed a rights issue of Rs. 1,188 crore towards reduction of debt.
- **New Products:** With mature and emerging markets leading the growth for the wind sector, low and moderate wind speed (i.e. IEC# Class II and III) sites present a significant opportunity. The group's latest offerings – the Suzlon S97 and the REpower 3.XM – are designed with larger rotor diameters, increased hub heights, improved aerodynamic efficiency, and grid-friendly characteristics for delivering higher project performance.
- **Key Markets:**
 - **India:** India has seen accelerating policy support at both State and Central government levels, with new guidelines for wind power tariff calculation and Renewable Energy Certificates (REC) trading mechanism. Recommendations for State Commissions to specify a minimum Renewable Purchase Obligation (RPO) of five per cent by 2010 are also in place.
Suzlon continues to be the market leader with approximately 60 per cent market share built on the unique concept to commissioning business model, strong engineering, procurement and construction (EPC) execution capabilities and robust project development pipeline.
 - **Brazil:** The market is expected to grow from approximately 700 MW to 6 GW of cumulative installations by 2019. The country's first wind auction results for 1.8 GW were delivered in December 2009, and two more wind tenders expected resulting in an additional 3 GW of capacity by September 2013. Suzlon is currently the market leader with half of all installations in Brazil.
 - **China:** The China market has seen competitive changes over the past year with removal of local content requirement for turbine manufactures, amendments to the RE law to ensure compliance by grid companies to purchase renewable power, and also removal of import duties and VAT on wind and hydro equipment. China also recently announced a USD 700 billion commitment to develop cleaner sources of energy over the next decade.

Notes:

Conversion rate: USD 1 = INR 46.47; EUR 1 = USD 1.31

* 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 9.8 per cent is derived from BTM Consult ApS World Market Update 2009, ranking Suzlon with 6.4 per cent of global market share and REpower with 3.4 per cent of global market share.

The International Electrotechnical Commission (IEC) international standards organization

About Suzlon Energy Limited

Suzlon ranked as the world's third* leading wind turbine supplier in terms of market share in 2009. Suzlon has its corporate office in Pune, India. The company's global spread reflects 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. Please visit www.suzlon.com.

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