



News Release

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For Immediate Release

Suzlon Group revenues Rs. 20,620 cr. (\$4.3 bn) for FY2009-10

- Group EBIDTA: Q4 Rs. 535 crore (\$112 mn)*; FY10 Rs. 943 crore (\$197 mn)*
- REpower Revenues up 8% to €1.3 billion, EBIDTA up 31% to €119 million
- Group Orderbook approx. Rs. 18,400 crore (\$3.9 bn)
- Net Debt reduction of 17% by Rs. 2,036 crore (\$453 mn)**
- Debt refinancing of Rs. 10,624 crore (\$2.4 bn), \$480 mn FCCB restructuring achieved
- Announced Rights Issue to reduce debt further
- New product / variants launched: Suzlon S97 2.1 MW turbine; REpower 3.XM turbines

Mumbai: Suzlon Energy Limited, the world's third largest[@] wind turbine supplier, reported consolidated revenues of Rs. 20,620 crore (\$4,319 mn)* and EBITDA of Rs. 943 crore (\$197 mn)* for FY2009-10.

The Suzlon Group orderbook stood at approximately Rs. 18,400 crore (\$3.9 bn). The Suzlon Wind (excluding REpower) orderbook stood at 1,126 MW (Rs. 6,174 cr., \$1.3 bn) as on 26th May, 2010. REpower reported an order backlog, including purchase agreements, with a potential sales volume of approximately €2.1 billion as on 31st March 2010, compared to ~€1.5 billion as of 31st March 2009 - an increase of 40 per cent, and accompanied by a major increase in orders of large-size wind turbines in the 3 MW to 6 MW class.

Mr. Tulsi Tanti, Chairman and Managing Director - Suzlon Energy Limited, said: "This has been a difficult year for the wind industry. While market conditions continue to be challenging, we have made encouraging progress. We are working on improving order pipelines the world over."

"To compete in an increasingly dynamic global marketplace we are focusing on developing group synergies with our portfolio of onshore and offshore turbines and market strengths; with our new product additions designed specially for low wind speeds we now have the industry's most comprehensive product portfolio helping us to push into promising new markets while building on our position in key markets like the Americas, Australia, Europe, India, China and other parts of the world."

Mr. Robin Banerjee, Chief Financial Officer - Suzlon Energy Limited, said: "We have maintained a strong focus on improving operating efficiencies and optimizing our capital structure in the face of a challenging external environment. Over the year, we have made progress on many fronts including reduction of net debt and net operating working capital, as well as bringing down cost at various levels. We have greatly improved the capital structure of the company by successfully achieving refinancing to the tune of Rs. 10,624 crore (\$2.4 bn), including a holiday of two years in principal repayments and removal of covenants, completing repayment of acquisition loans, and monetizing part of our stake in Hansen Transmissions."

Key Updates:

- **New products / variants:** With the growing development of wind markets worldwide, harnessing low wind speed (i.e IEC[#] Class II and III) sites presents a significant opportunity in both mature and new markets. With the introduction of new wind turbines specially designed to perform at low-wind speeds, the Suzlon Group brings to the market the most comprehensive product portfolio in the industry, allowing the company to meet diverse needs across all geographies, customer profiles and offshore & onshore markets. The new Suzlon and REpower offerings are designed with larger rotor diameters, increased hub heights, improved aerodynamic efficiency, and grid-friendly characteristics for delivering higher project performance.
 - **Suzlon S97:** The S97 – 2.1 MW platform, with a 97 meter rotor diameter, is specially designed for optimized aerodynamic efficiency to harness widely available lower wind speed (Class-III) sites.
 - **REpower 3.XM:** REpower launched product variants to its 3.XM platform – the 3.2 MW with a 114 meter rotor diameter for Class-III wind sites, and the 3.4 MW with a 104 meter rotor diameter for Class-II wind sites.
- **Management updates:**
 - Mr. Andreas Nauen was appointed as CEO of REpower; he is scheduled to take on the role on 1st October, 2010. Mr. Nauen was previously CEO of Siemens Wind Power A/S.
 - Mr. Derrick Noe was appointed as CFO of REpower. Mr. Noe was previously a Senior Partner at Droege International AG. Before this, he worked with Pfeleiderer AG and with Kloeckner & Co AG as CFO.
 - Mr. Ashok D'Sa was appointed as President South East Asia and Middle East. Mr. D'Sa was previously leading the Global Services business of Siemens Building Technology.
 - Mr. Stephan Mey was appointed as CEO of Suzlon Europe. Mr. Mey was previously Senior Vice President in charge of the global Power Plants Business Unit of Man Diesel.
 - Mr. Duncan Koerbel moved to take the position of President Global Services of Suzlon, Mr. Koerbel previously was Chief Reliability Officer of Suzlon USA.
 - Mr. Sumant Sinha has decided to step down from the position of COO, and the company, from 1st June 2010 to pursue his entrepreneurial interests and set up his own financial advisory consultancy. His first signed-up client is Suzlon, to provide high level strategic advice and counsel to the Board and management team.

Mr. Sinha commented: "It has been a privilege to work for such a dynamic and agenda-setting company like Suzlon. I have wanted to pursue my own entrepreneurial path for some time now and a financial advisory firm allows me to launch off on my own and deeper dive into many interesting areas. I look

forward to my continued association with Suzlon and I am delighted that it will be my first client."

Added Mr. Tanti: "Sumant has worked tirelessly for Suzlon since he came on board a couple of years ago. He has been instrumental in steering the company through this difficult economic environment. His contribution in building relationships with important stakeholders has been very valuable in getting Suzlon back on a track where it is now well positioned to ride through the current turbulence in the global environment and to rediscover success once again. We are very happy that through his new consultancy, he will continue to work with us in our quest for a position of global leadership."

- **REpower:** REpower Systems reported its most profitable year in FY2009-10 with the highest revenues in the history of the company to date. For FY10, REpower increased its overall performance and turnover in a challenging market environment. Revenues rose to €1,324.5 million, compared to €1,220.5 million in the previous year. EBIDTA rose to €119 million, compared to €91 million in the preceding year. REpower also projected a 10 - 20 per cent increase in the overall performance in FY2010-11, corresponding to revenues of approximately €1.5 to 1.6 billion and an increase in the EBIT margin to 7.5 - 8.5 per cent.
- **Orders and Projects:**
 - During the year Suzlon secured repeat and new orders in India from customers such as ACC, GACL, GAIL, ITC and SBI; and internationally with Infigen Energy in Australia, Al Yel Elektrik in Turkey, Triventus AB in Sweden and Technomash in Bulgaria. Suzlon also completed key projects for customers such as Gujarat State Petroleum Corporation, L&T, GreenInfra Limited and SBI in India, Huaneng in China, Uniwindet Prague Eolico in Spain, Iberdola in the US, and SIIF in Brazil among others.
 - Over the year, REpower announced major orders from leading players such as enXco, EDF Energies Nouvelles Company, RES Canada and E.ON Climate and Renewables, with several more orders secured across Italy, Poland, France, Germany and Turkey. Germany's first offshore windfarm 'Alpha Ventus' featuring six units of the REpower 5M turbine also became operational in April.
- **Sales Agency Agreement:** To leverage complementary strengths, Suzlon and REpower entered into an agreement where Suzlon will support REpower as sales agent in the U.S. and Australian/New Zealand markets providing both companies with a major competitive advantage.
- **Rights Issue:** Suzlon Board approved a Rights Issue, subject to any regulatory or governmental approval if required, to non-U.S. persons who are outside the United States and formed a Committee of Directors for implementation of the issue.
- **Net Debt Reduction:** Achieved a total reduction of net debt of Rs. 2,036 crore (\$453 mn)** to Rs. 9,765 crore (\$2,175 mn)** from Rs. 11,800 crore (\$2,628 mn)**.
- **Refinancing Update:** The Company achieved a broad-based refinancing and consolidation of its debt facilities and solidifying a long-term sustainable capital structure. The repayment and refinancing of acquisition loans aggregating ~\$780 million was completed in December 2009. The consolidation and refinancing of existing Rupee denominated term loans and working capital loans was achieved

through new facilities from a syndicate of 22 banks, achieving a total quantum of Rs. 10,624 crore (\$2.4 bn).

- **Fundraising:** Suzlon successfully undertook strategic fund raising of \$198 million, issued Global Depository Receipts (GDRs) of \$108 million, and secured \$90 million through an issue of Zero Coupon Convertible Bonds.
- **FCCB:** In addition, Suzlon completed the restructuring of its Foreign Currency Convertible Bonds aggregating \$480 million, removing financial covenants and reducing the conversion price in \$333 million of bonds issued in June and October 2007.
- **Hansen Divestment:** Suzlon completed a divestment of 35.22 per cent of its holding in Hansen, realizing ~\$370 million. Suzlon continues to hold 26.06 per cent stake in Hansen and remains the largest shareholder in the company with two board positions.
- **Operating Efficiency:** A continuous focus on improving operating efficiency and financial management has resulted in absolute reduction in Net Operating Working Capital of Rs. 1,050 crore (\$234 mn)** from March, 2009 levels. Project ACE (Achieving Collective Excellence), aimed at implementation of processes for improving product development and design, lowering cost of procurement, streamlining project execution, improving order fulfillment and reducing manufacturing time have resulted in growing efficiency across the board.
- **Stock Options:** Suzlon on 1st April, 2010, granted 1,500 stock options each to over 9,400 employees aggregating to 14 million shares.
- **Suzlon HQ recognized as world's greenest:** Suzlon was awarded the Leadership in Energy and Environment Design (LEED) Platinum award for its new Corporate headquarters – 'Suzlon One Earth' - powered 100 percent by renewable energy. This makes the facility the highest rated LEED Platinum Certified building in the world in the new construction category with respect to its area, and the first LEED - Platinum rated headquarters in the wind energy sector.

NOTES:

[@] Suzlon and REpower, if taken together, stand as the world's third largest 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 (March, 2010), 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

* Converted at average rate for 2009-10 \$1 = Rs. 47.74

** Converted at closing rate for 2009-10 \$1 = Rs. 44.90

About Suzlon Energy Limited

Suzlon ranked as the world's third[®] largest wind turbine supplier in terms of global 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

Suzlon Energy Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, a rights issue of the equity shares of the Company in the near future.

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