



## **Press Release**

Sunday, June 28, 2009

## **For Immediate Release**

# **Suzlon Group Consolidated Revenues up 91% in FY09**

- **Suzlon Wind** grows 21% to 2,790 MW from 2,311 MW, FY09-vs-FY08\*\*
- **Suzlon Group** consolidated revenues grew 91% to INR 26,082 cr. from INR 13,679 cr., FY09-vs-FY08\*\*
- **Suzlon Group** consolidated EBIDTA grew 37% to INR 2,816 cr. from INR 2,051 cr., FY09-vs-FY08\*\*
- **Suzlon Group** consolidated PBT (before exceptional items) grew 10% to INR 1,613 cr. from INR 1,466 cr., FY09-vs-FY08\*\*
- **Blade retrofit** program 80% complete, full completion by mid-August, 2009
- **Suzlon Orderbook:** 1,463 MW and INR 7,901 cr. as on 25<sup>th</sup> June, 2009
- "The wind sector installed over 27,000 MW worldwide in CY2008 and the long term outlook for wind remains strong with renewed government mandate and regulatory supports. Suzlon and REpower have complementary strengths that will allow us to reach on-shore and off-shore wind markets around the world and build on this resurgence," **said Mr. Tulsi Tanti, CMD – Suzlon Energy Ltd.**
- "Despite a challenging year, we have registered strong topline growth in FY2008-09, with sales growing to INR 26,082 cr. With the changing environment we have focused on consolidating the business. While there is an industry wide slowdown in the immediate-term, we see a rebound in CY2010 with long-term drivers gaining momentum." **said Mr. Sumant Sinha, COO - Suzlon Energy Ltd.**

**Mumbai:** Suzlon Energy Limited (SEL), the world's fifth leading\* and India's largest wind turbine manufacturer, reported consolidated revenues of INR 26,082 cr for FY2008-09, a 91% growth over the previous year. Profit Before Tax for the year (before exceptional items) stood at INR 1,613 cr.

<b>Consolidated Audited Results Highlights for year ended March 31, 2009 (INR Cr.)</b>		
	<b>FY 09</b>	<b>FY 08**</b>
<b>Revenues</b>	26,082	13,679
<b>EBIDTA</b>	2,816	2,051
<b>PBT (pre exceptional items)</b>	1,613	1,466
<b>PAT (post exceptional items)</b>	236	1,030

The Suzlon orderbook (excluding Hansen and REpower) stood at 1,463 MW and INR

7,901 cr., as on June 25, 2009.

**Speaking on the industry Mr. Tulsi Tanti, Chairman and Managing Director of Suzlon Energy Limited, said:** "FY2008-09 has been a challenging year for all industries, and the wind sector is no exception. However, despite a drastically changed business landscape the past year, the wind sector installed over 27,000 MW worldwide in CY2008 and the long term outlook for wind remains strong with renewed government mandate and regulatory supports. Suzlon and REpower have complementary strengths that will allow us to reach new on-shore and off-shore wind markets around the world and build on this resurgence."



**Speaking on the company's performance, Mr. Sumant Sinha, COO – Suzlon Energy Limited, said:** "Despite a challenging year, we have registered good growth at a consolidated level with sales growing to INR 26,082 cr. With the changing environment we have focused on consolidating the business after a period of very high growth. We have undertaken several strategic initiatives to make our business more efficient, competitive and financially healthy in the long term – and have started delivering results. While there is an industry wide slowdown in the immediate term, we see a rebound in CY2010 with long-term drivers gaining momentum.

"The current environment is changing the shape of the industry with more focus on new markets, flexible supply chains, more near-horizon orders. With our highly integrated supply chain, and concept to commissioning capabilities we are well positioned to meet the changing needs of investors in wind."

### **Strategic Priorities**

With the challenging business environment, the company undertook several key initiatives focusing on consolidation of the business. Key among them –

- **S88 Program**

The planned retrofit program to strengthen all V2 blades is underway with 80% of the project completed as on date. The program, previously scheduled for completion in June, 2009, faced some overruns and is now scheduled for completion in mid-August, 2009.

The S88 V2 retrofit program and other continuous improvement upgrades have resulted in a steady improvement of availability and performance levels. The S88 V3, introduced in early 2008, is consistently delivering targeted performance at a fleet level. This reflects an overall stabilization of Suzlon's S88 – 2.1 MW turbine platform, and becoming the base-platform for future product development.

- **Financial Management/Liability Management**

The company recently undertook a liability management exercise for Foreign Currency Convertible Bonds (FCCB) of USD 500 mn issued in 2007. The company successfully renegotiated the liability, reducing the debt by USD 111 mn through buy-back and exchange mechanisms. The exercise simultaneously achieved a successful relaxation and modification of financial covenants for its acquisition loan facility and FCCB – resulting in an improved financial flexibility.

Going into FY2009-10, the company has adopted very stringent policies on debt management, working capital reduction, increasing operating efficiencies: freeze on fresh capex, continuous performance monitoring and operating cost rationalization. As a result of this, we have seen a gradual improvement in working capital intensity, rationalized debt levels and increase operating efficiency.

- **Order Outlook**

With funding uncertainties and change in short and medium-term market dynamics slowing down the order uptake in the wind sector, the company achieved an orderbook of 1,463 MW.



## Group Updates

Suzlon achieved the completion of the acquisition of 91% stake in REpower, marking in a major step in harnessing group-wide synergies. Hansen Transmissions' new facilities in India and China commenced commercial manufacture.

SE Forge achieved commercial production, supplying components to Suzlon and SKF Bearings.

All group companies demonstrated strong performance, with REpower reporting EUR 1,209 mn in revenues, EUR 76.9 mn EBIT, PAT of EUR 51.9 mn; and Hansen Transmissions reporting EUR 609 mn in revenues, EUR 93.7 mn EBITDA, PAT of EUR 45 mn for FY2008-09.

## Market Landscape

Changed market dynamics are projected to reshape wind sector growth in the medium term, with a rebound expected in the second half of FY2009-10. Industry forecasts project a de-growth in the sector in CY2009, followed by a rebound in CY2010 as more government mandates and stimulus spending measures take ground. The long term forecast for the industry is on track with government mandates, targets and regulatory support, alongside stimulus spending commitments to the renewable energy industry. Investment interest in the sector remains strong, despite the current financial climate.

"Looking ahead - the changing market landscape also presents exciting opportunities as we are one of the few wind power companies with resources across development, manufacturing and deployment – allowing us to be more responsive and flexible to the market, and continue being exceptionally customer centric in all areas of our operations," **added Mr. Sumant Sinha:**

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### NOTES:

\* BTM Consult ApS – World Market Update 2008

\*\* REpower Systems AG results were not consolidated in FY2007-08.

### About Suzlon Energy Limited

Suzlon ranked as the world's fifth leading wind turbine manufacturer with over 10.5 % of global market share in 2007. The company has ranked as the leading manufacturer in the Indian market for nine consecutive years, maintaining over 50% market share. Suzlon has its corporate offices in Pune, India and 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. The company currently has a combined manufacturing base of 2,700 MW of annual capacity, and has a further 3,000 MW of capacity coming on stream. Please visit [www.suzlon.com](http://www.suzlon.com)

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