

11<sup>th</sup> December 2015.

**National Stock Exchange of India Limited,**  
“Exchange Plaza”,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai-400051.

**BSE Limited,**  
P.J. Towers,  
Dalal Street,  
Mumbai-400001.

Dear Sirs,

**Sub.: Participation in Investor Conference and presentation on financial results for H1 FY16.**

**Ref.: Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).**

This is to inform that the Company would be participating in Kotak Midcap Conference 2015 on 11<sup>th</sup> December 2015 at Mumbai.

This is to further inform that the copy of the presentation on the financial results for H1 FY16 as has since long been uploaded on the website of the Company [www.suzlon.com](http://www.suzlon.com) is enclosed herewith for your information as also for the information of your members and the public at large.

Thanking you,

Yours faithfully,

**For Suzlon Energy Limited**



**Hemal A.Kanuga,**  
**Company Secretary.**  
**M. No. F4126.**

Encl.: As above.



# **Suzlon Energy Limited**

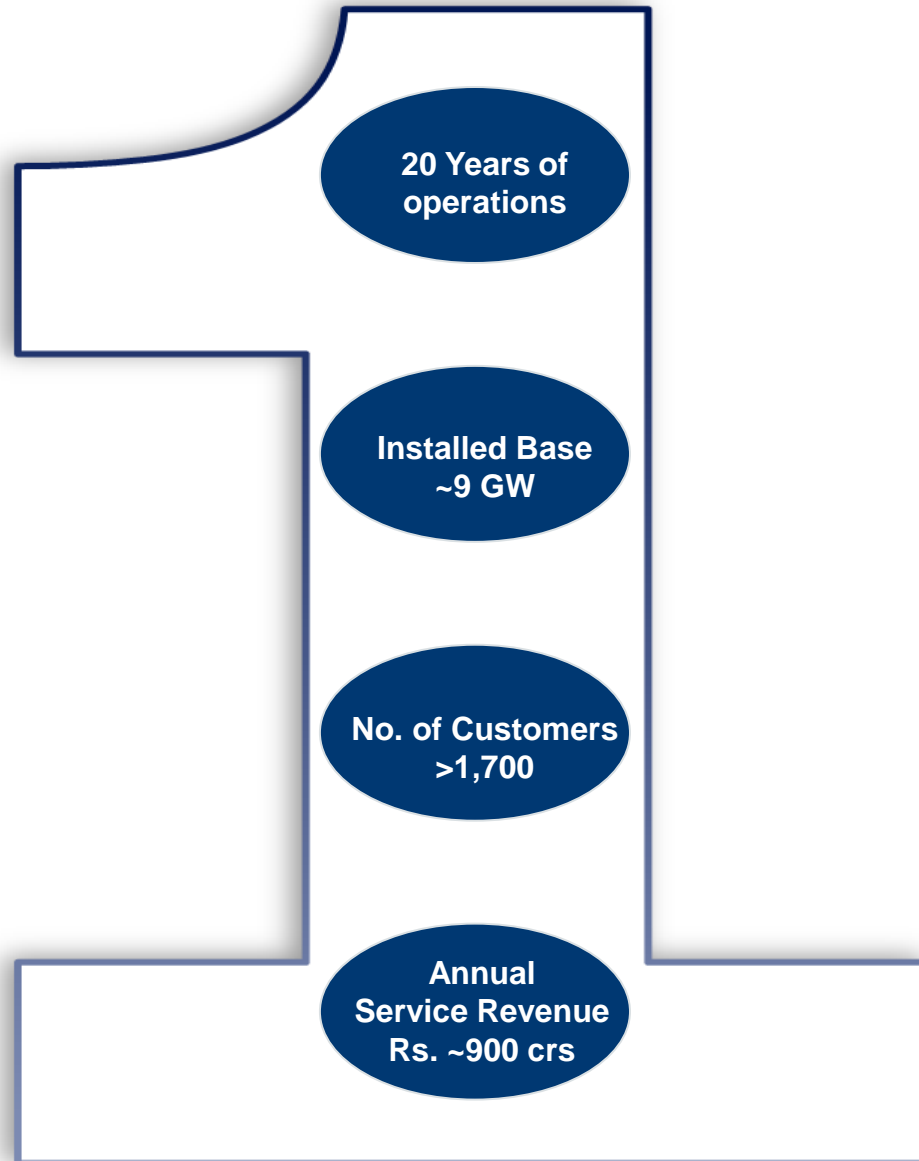
## **H1 FY16 Earnings Presentation**

**30<sup>th</sup> October 2015**

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# Suzlon in India



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## Key Performance Highlights

Debt and Interest

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## Q2 FY16 – Delivers Another Strong Quarter

 **227 MW** – Sales Volume; *11% QoQ growth; 64% YoY Growth*

 **18.0%** - Normalized EBITDA Margin; *increase by 262 bps QoQ\**

 **Rs. 233 crs** – Net Interest Cost; *21% QoQ decline\*, 47% YoY decline\**

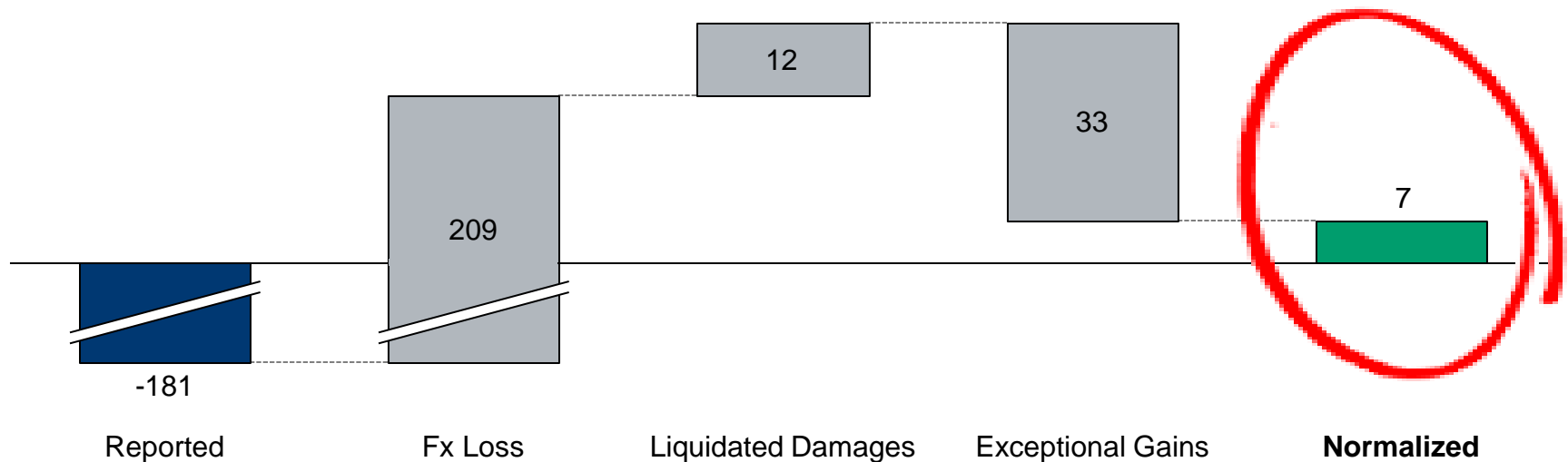
 **Rs. 963 Crs.** – QoQ Consolidated Gross Debt Reduction

**Note (\*):** 1. Q2 FY16 Consolidated numbers are compared against Suzlon Wind numbers for prior periods  
2. Prior quarters consolidated results include Senvion performance, hence not comparable  
3. Suzlon Wind for Prior quarters equals Consolidated minus Senvion and SE Forge  
4. Normalised EBITDA refers to reported EBITDA adjusted for FX loss and Liquidated Damages

**Momentum continues**

## Q2 FY16 – Back to Profit

### Consolidated Net Profit (Rs. Crs.)



- **Fx Loss (Rs. 209 crs) – Primarily Notional (Non Cash) in nature;**
  - Primarily due to \$ denominated debt
  - FCCBs - Loss reversals upon conversions
  - Others – Non cash / notional in nature until maturity;

**Improved profitability and operational leverage enabled robust financial performance**

# H1FY16 Performance Highlights

**431** MW

*20.2% y-o-y*

**Volume**



Rs. **3,251** Cr

*5.0% y-o-y*

**Revenues**



Rs. **1,467** Cr

*Margin 45.1%*

**Gross Profit**



Rs. **530** Cr

*Margin 16.3%*

**EBITDA<sup>(2)</sup>**



Rs. **508** Cr

*(44.2%) y-o-y*

**Net Interest**



Rs. **7,597** Cr

*30th Sep (YoY)*

**Net Debt Reduction**

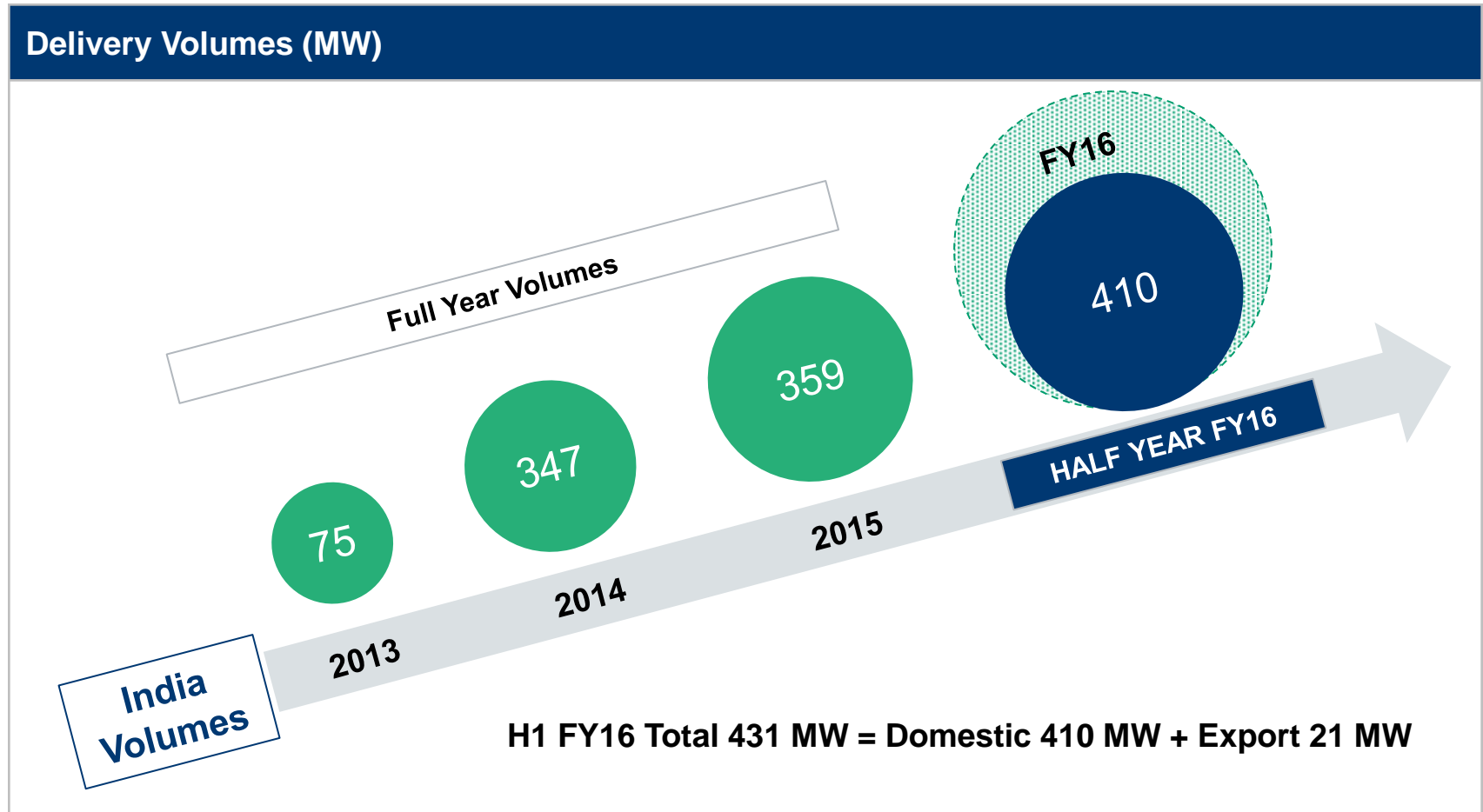


**Note:** 1. All Information pertains to Suzlon Wind

2. Refers to Normalised EBITDA i.e. after adjusting Reported EBITDA for FX loss and Liquidated Damages



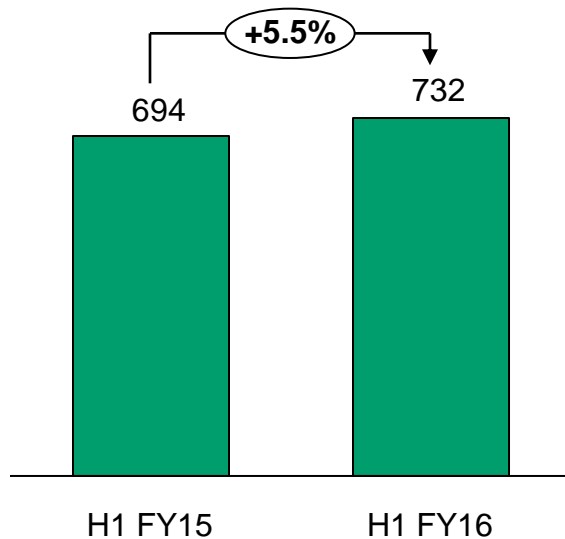
# India Volume Continues Traction



India Half Year volume higher than annual domestic volume of past 3 years

# Service Business

## External Service Revenues (Rs. Crs.)



- **Growing into a sizeable & highly profitable business**
  - Reduces turbine volume break even level
- **Annuity like cash flows**
  - Non cyclical business in nature
  - ~100% renewal track record
- **100% track record in India**
  - Every turbine sold in India is under our Service Business
  - Custodian of >8.6 GW of Assets
  - 20 years of track record in India

**Annuity like business with cash generation**

# Result Snapshot

Rs Crs	Consol.	Suzlon Wind	Suzlon Wind			
	Q2 FY16		Q1 FY16	Q2 FY15	H1 FY16	H1 FY15
MW Sales	227	227	205	138	431	359
Revenue	1,768	1,709	1,542	1,397	3,251	3,095
Gross Profit	827	773	694	499	1,467	1,098
<i>Gross Margin</i>	<i>46.8%</i>	<i>45.2%</i>	<i>45.0%</i>	<i>35.7%</i>	<i>45.1%</i>	<i>35.5%</i>
Normalized EBITDA	318	293	237	-23	530	34
<i>EBITDA Margin</i>	<i>18.0%</i>	<i>17.2%</i>	<i>15.3%</i>	<i>-1.6%</i>	<i>16.3%</i>	<i>1.1%</i>
Normalized EBIT	240	230	175	-112	405	-137
<i>EBIT Margin</i>	<i>13.6%</i>	<i>13.4%</i>	<i>11.3%</i>	<i>-8.0%</i>	<i>12.4%</i>	<i>-4.4%</i>

## Gross Profit

- India volume ramp up
- Improved service profitability
- Execution of current orders primarily
- Favorable product mix and scope

## Operating Profit

- After considering provisions ~3-4%
- Operating Leverage
- Lower freight
- Fixed cost optimization

**Note:** For Q2 FY16, Consolidated Results equals Suzlon Wind and SE Forge

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# Reinstatement of Investment Grade Rating

Facilities	Amount (Rs Crs)	CARE Rating
<b>Long Term Facilities</b>		
Rupee Term Loans	2,744	
Fund Based Working Capital	2,192	BBB-
SBLC (Non Fund Based)	3,928	
<b>Short Term Facilities</b>		
Non Fund Based	5,622	A3
<b>Total Facilities</b>	<b>14,486</b>	
Proposed Commercial Paper	1,000	A3

## Rationale for Investment Grade

- Reduced debt
- Improved liquidity position
- Turnaround in operations
- Robust industry outlook

**Big credibility boost in front of stakeholders**

# Current Debt Profile and Interest Costs

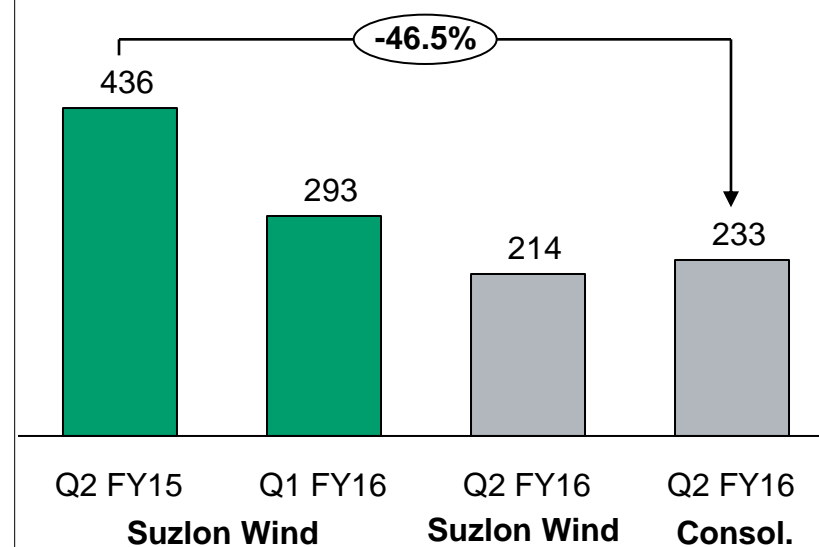
As on 30<sup>th</sup> Sep 2015

## Suzlon Consolidated Debt Overview

Particulars	Q2 FY16	Q1 FY16	Maturity
Rupee Term Debt (Rs. Crs)	3,305	3,322	Back Ended Next 3 years - Nil
\$ Term Debt	688	689	
Credit Enhanced Bonds	647	647	Mar'18 (Bullet)
Others	41	42	Until FY21
FCCBs (\$M)	278*	299	Jul'19 (Bullet)
	28.8	28.8	Apr'16 (Bullet)
Working Capital (Rs. Crs)	1,377	2,375	Annual Renewal

## Net Interest Cost

(Rs. Crs)



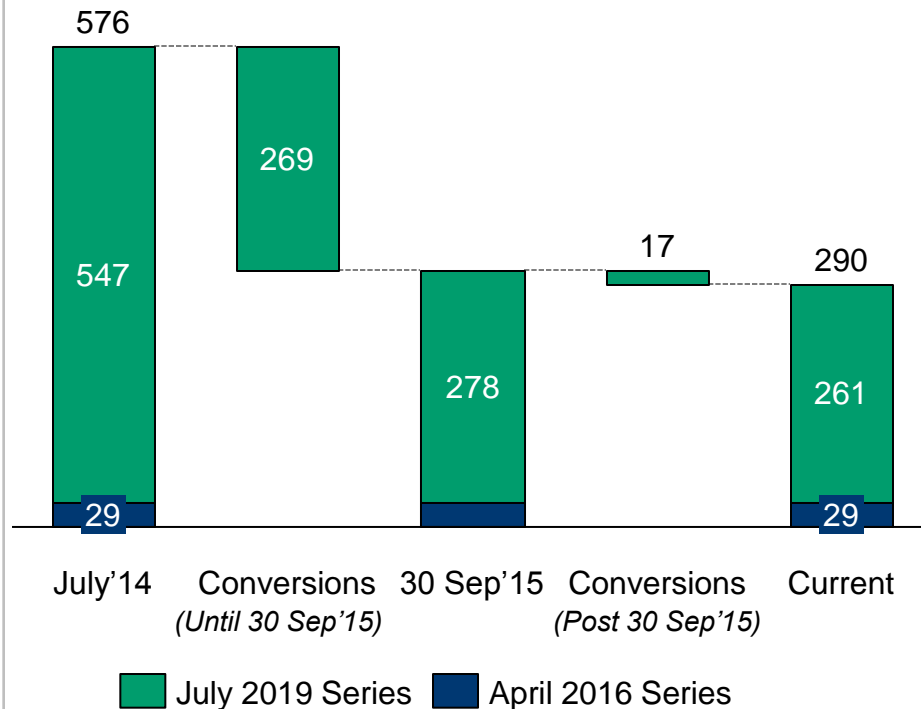
\*The value is as on 30<sup>th</sup> Sep'15. Does not take into account \$16.75M worth of conversions post 30<sup>th</sup> Sep'15

## Substantial savings in Interest Cost

**Note:** For Q2 FY16, Consolidated Results equals Suzlon Wind and SE Forge

# FCCB Overview

## FCCB Principal Value\* (US\$ Mn)



### Current and Diluted No. of Shares (Cr)

Current Outstanding	497
Pending Conversion (Jul'19 series)	102
Post Full Conversion	599

### Jul'19 Series Conversion Details

Price (Per Share)	Rs. 15.46
Exchange Rate	Rs. 60.225

Assuming full conversion, debt to further reduce by ~Rs1,700 crs

# FCCB - Mandatory Conversion / Redemption Option

## Key Terms of July 2019 Bonds

- **Option 1: Dependant on Share Price Performance**
  - Up to \$~183M Bonds can be converted in a single tranche
  - Can be exercised post 16 July 2016
  - Subject to meeting with Share Price Performance Criteria
  
- **Option 2: If Bonds Outstanding is < \$54.7M**
  - i.e. < 10% of the Original Issue Size
  - Bonds can be redeemed at par value subject to RBI approval
  
- **Current Outstanding \$261M**

FCCBs likely to be converted into equity sooner than later



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**Order Book**

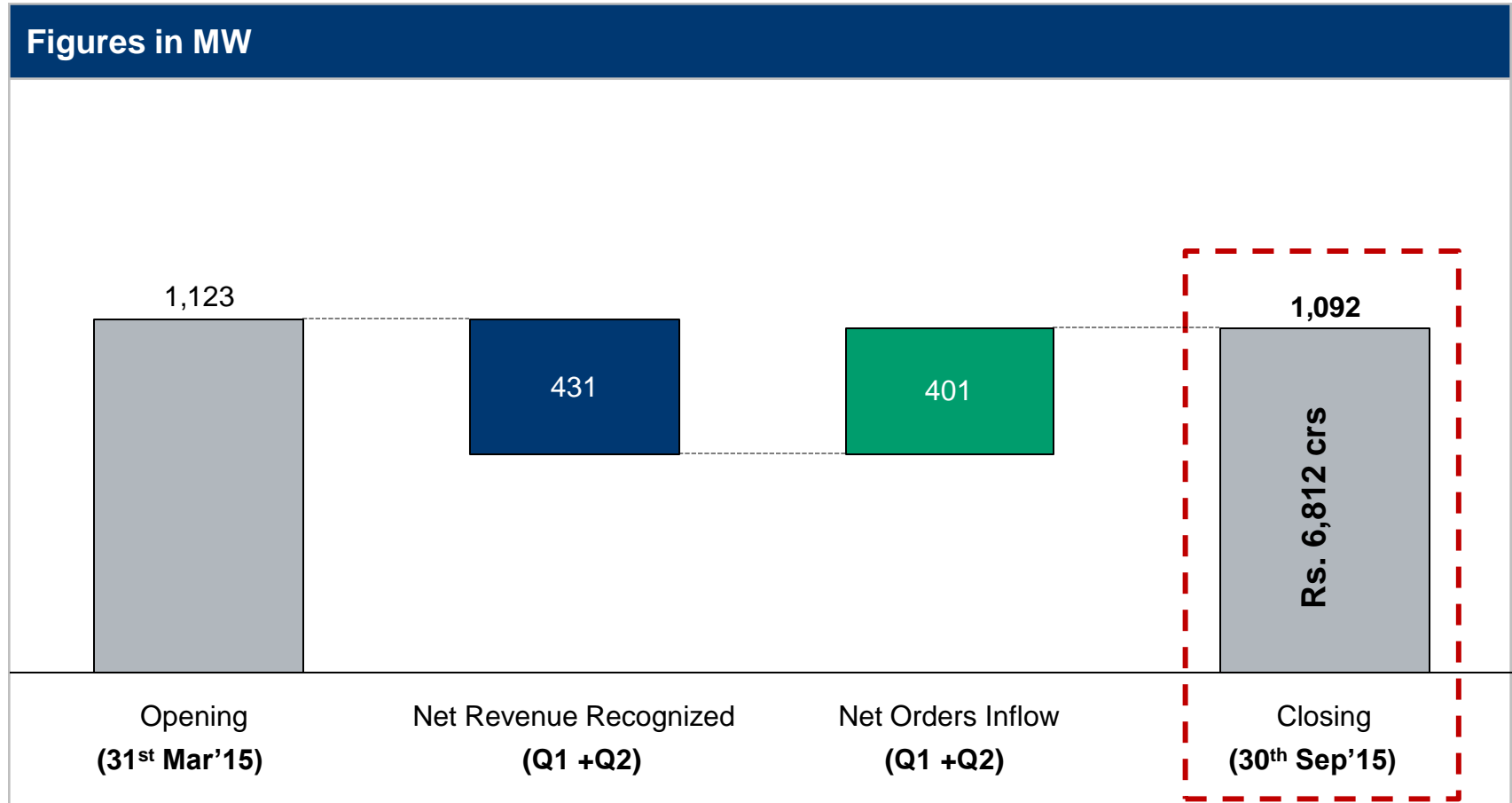
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# Order Book



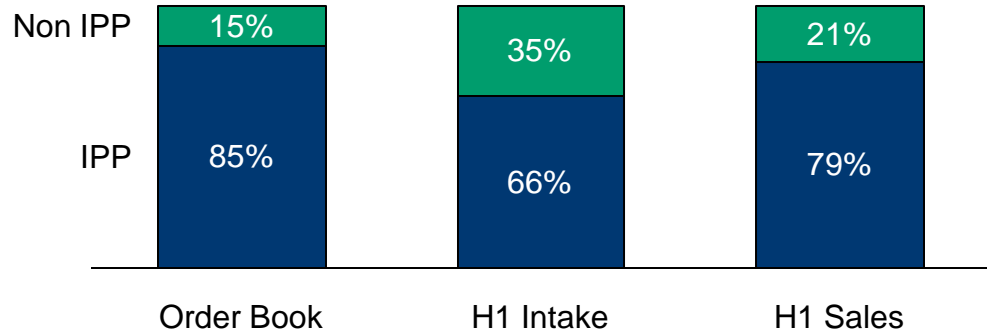
**Strong pipeline to drive future performance**

# Strong Momentum Across Customer Segments

## Customer Segment Wise Break-up - Order Book, H1 Order Intake and H1 Sales

### Our Key Strength in India

- >20 years of operating history
- Strong & diversified customer base
- Pan India presence
- Proven & reliable technology
- Land sites and execution expertise
- Best in class service capabilities



### Customer Segment wise seasonality analysis

	H1		H2	
	IPP	NON IPP	IPP	NON IPP
<b>Order Intake</b>	Moderate	Low	High	High
<b>Execution</b>	Moderate	Low	High	High

- H2 typically High Order Inflow and High execution

**Suzlon strongly positioned in all customer segments; Poised to gain market share**

# Only Player with Pan India Presence



## States with Dominant IPP demand

### Key Drivers of Demand

- Remunerative FiTs
- Conducive state policies

### Reason for Low Non IPP Demand

- Low level of industrialization

## States with Dominant Non IPP demand

### Key Drivers for Non IPP Demand

- Moderate FiTs
- Good Industrialization Level
- Conducive Captive Policy
- TN / KN (Group Captive)

### Reasons for Low IPP Demand

- Low FiT in GJ / TN
- Lack of conducive policy in MH

As on 31<sup>st</sup> Mar' 15

	States with Dominant IPP Demand	States with Dominant Non IPP demand	Total India
Total Installation (MW)	7,773	15,582	23,355
Suzlon Share (%)	36%	37%	37%

**Pan India presence key to cater across customer segments**

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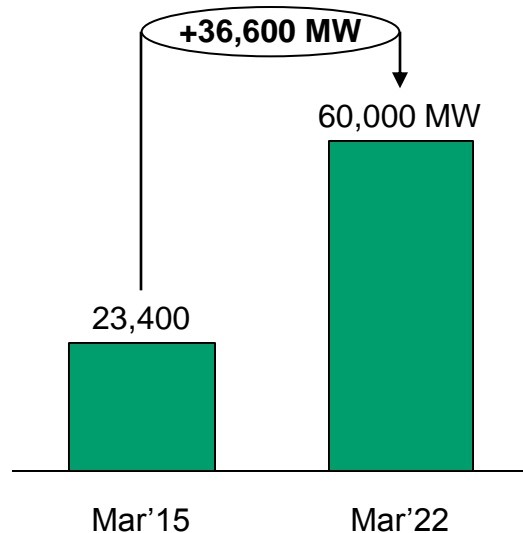
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# India Market: Government Target

## India Plans to Increase Wind Capacity to 60,000 MW by March 2022



- **Translates into > 5,000 MW of annual market size**
  - More than double the size of FY15 market (~2,300 MW)
- **Key Initiatives taken:**
  - Reinstatement of key incentives (AD, GBI)
  - Green Corridor initiative in key states
  - Clean energy classified as Priority Sector Lending
  - Renewable energy is an eligible investment under CSR
  - Proposed amendment in EA 2003; Recent supreme court judgment
    - to lead to RGO and better RPO compliance
    - increased market for REC and captive/open access
  - Proposed Renewable Energy Act ; Priority to renewables;
  - CERC to finalize forecasting & scheduling of wind projects for inter-state transactions

**Targets ~36,600 MW of incremental capacity in 7 years**

# India Market: Revised Estimate of Wind Power Potential

at 50 m level  
CWET 2004

at 80 m level  
CWET 2010

at 100 m level  
NIWE 2015



Potential: 48000+ MW

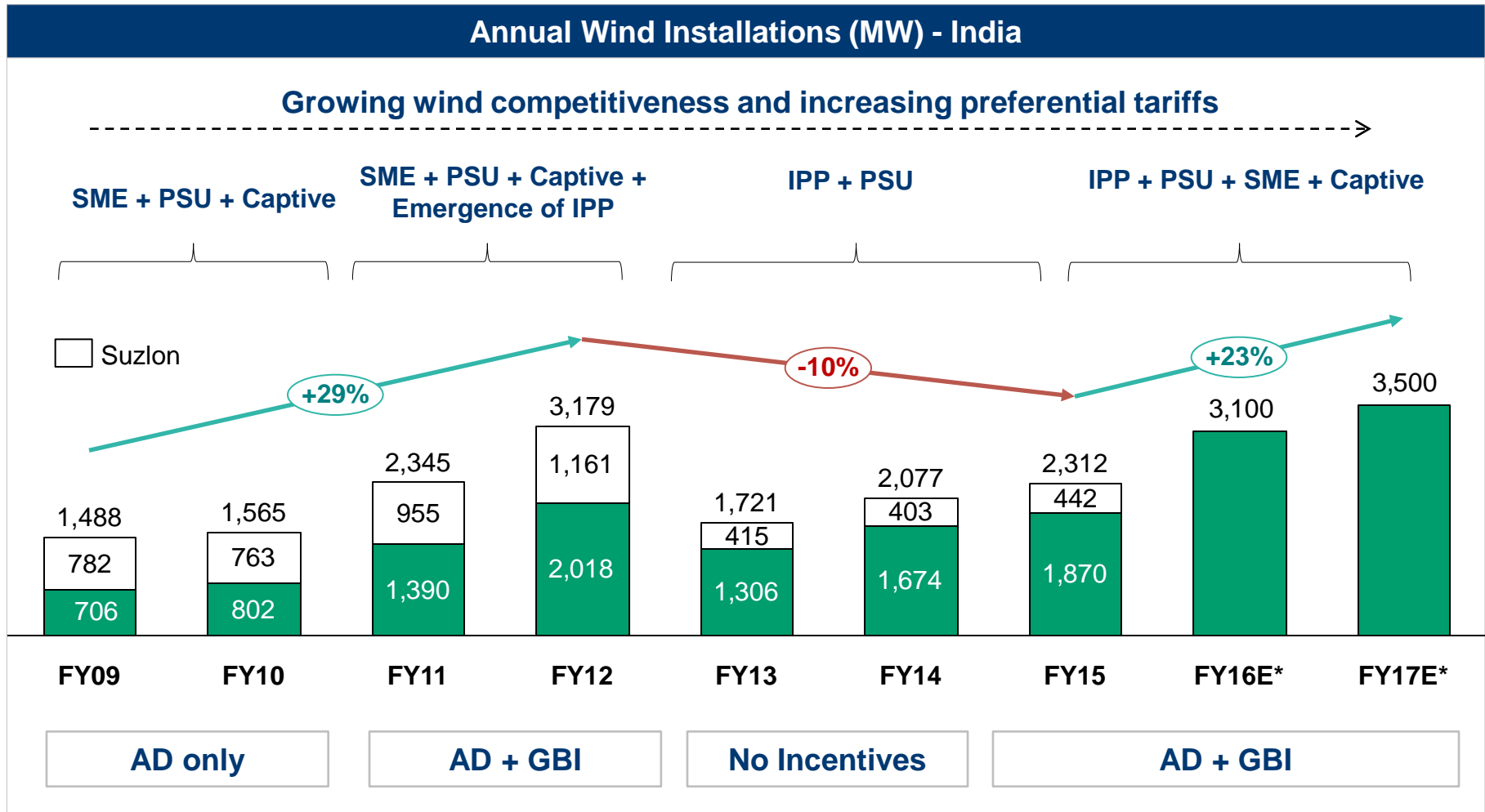
102,000+ MW

302,000+ MW

- Recent mapping done by NIWE at 100 meter reference height
- India's estimated wind power potential revised from earlier 102+ GW to 302+ GW
- More than 92% of this potential is still untapped

Source: NIWE

# India Market: A Huge Opportunity



**Favorable incentive structure for all customer segments**

Source: Crisil



# Key Strengths in India: Unique Leadership Position

01

## Pan India Presence

- Large project pipeline across states
- Presence across customer segments
- **>1,700 satisfied customer base**
- High repeat business potential

02

## Technology Leadership

- In-house R&D team since 2000
- Enables competitive edge

03

## End-to-End Solution Provider

- One stop total solution for customers

04

## Best in Class Service

- Custodian of ~9 GW assets
- 24X7 online tracking system

05

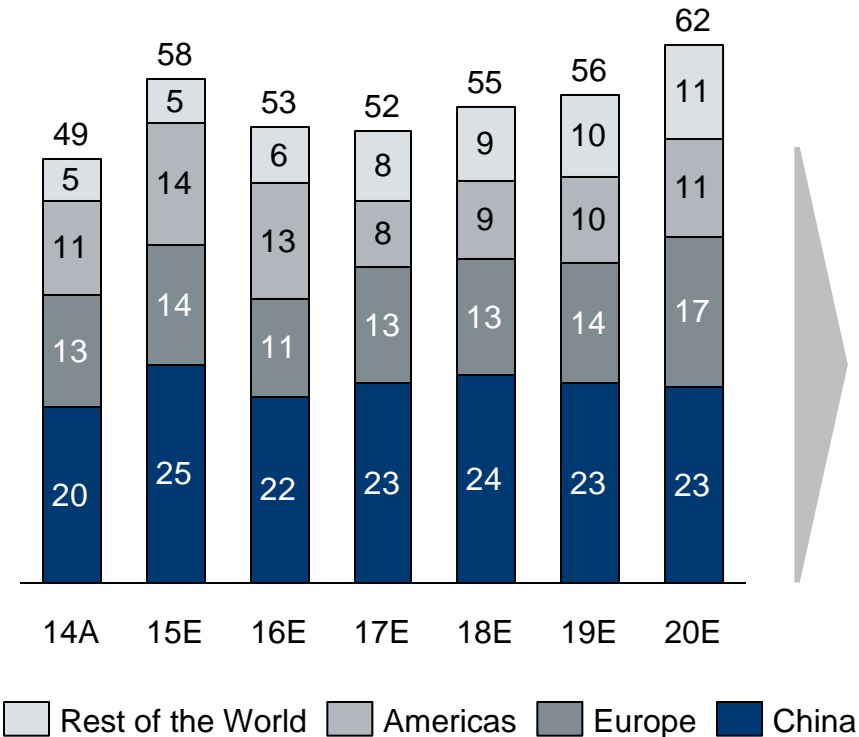
## Strong Track Record

- 18+ years of leadership in India
- Proven execution capabilities
- ~9 GW cumulative installations



# Global Industry Overview

## Global Wind Industry Installations (GW)



- **Long term growth story remains intact**
  - Climate change mitigation
  - Energy security
  - Lower cost of energy and
  - Energy accessibility for all
- **Wind approaching grid parity**
  - Wind energy not linked to oil
  - Oil contributes only 4% of world power
- **Installations to reach record high in 2015**
  - US, China and India to drive the growth

**Our focus is on markets like India, North America, China, Brazil etc.**

Source: MAKE, Q3/2015 Total Market Outlook, 2012-2024e

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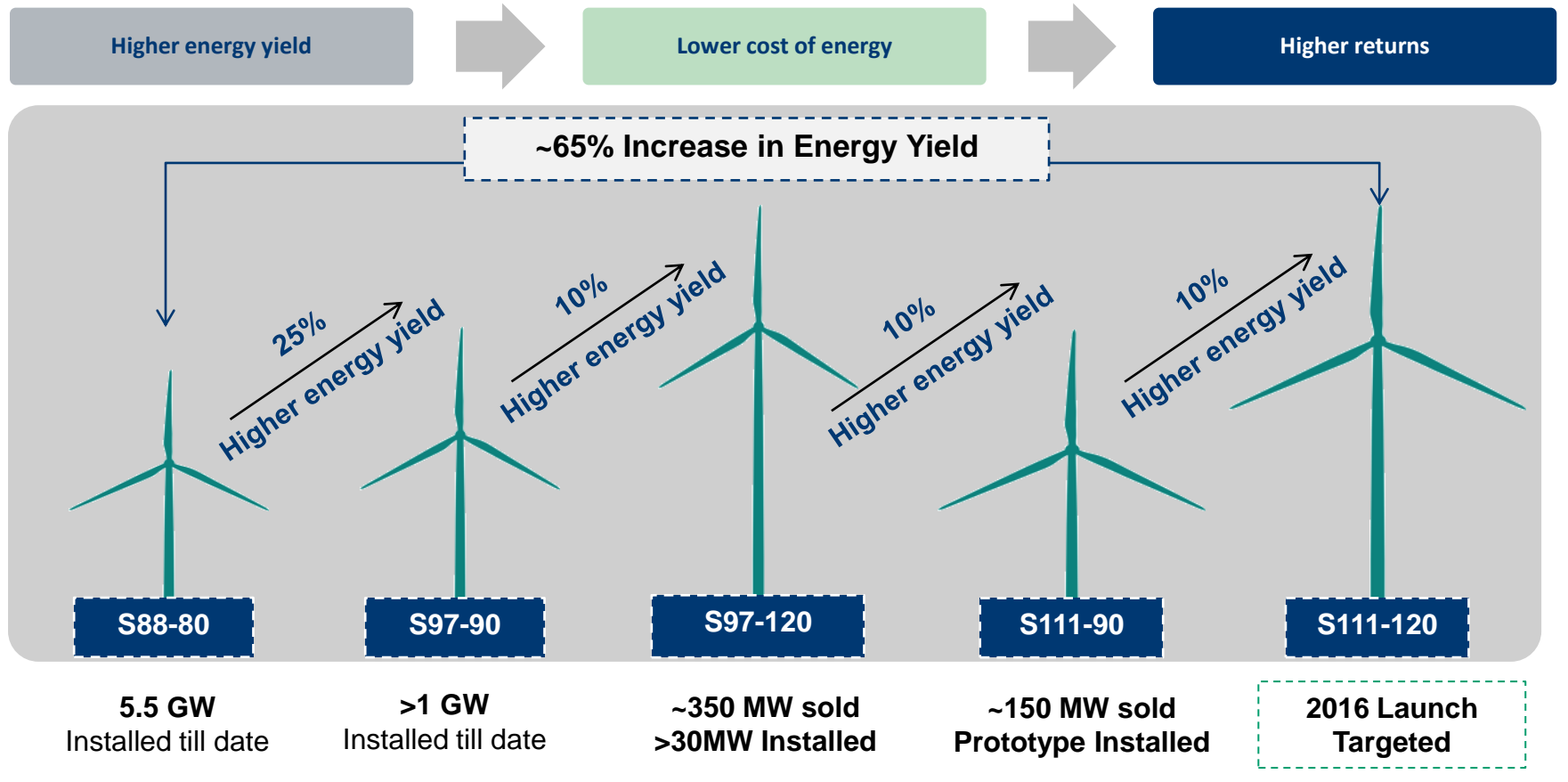
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# S111: Moving Towards Bigger Turbines and Better Yields

## 2MW Series Evolution



Maximizes energy output for low wind sites in India and abroad

Note: AEP increase are approximate and under certain conditions

# Hybrid Tower: First of its Kind

## Hybrid Tower: Combination of lattice and tubular



- Higher hub height (120 M) at optimized cost
- 10-12% increase in annual generation
- Optimized logistical solution
- Available in S97 and S111 product suite
- Over 350MW orders already received

- Prototype installed in Jan'14
- >1 year of operational performance
- 3-4 years of head start in this technology

**Optimizing cost and generation for low wind sites**

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# Strategic Focus

## High growth, High volume, Better margin markets only

- Focus on the Indian market as well as North America, China and Brazil



## Reliable Technology

- Continued focus on R&D aimed at reducing cost of energy



## Best in Class Service; Growing Service business

- Aimed at maximising energy yield



## Asset Light / Debt Light

- Minimize fixed expenses
- Reduction in interest cost
- Optimization of facility and resources



**Increasing  
Market  
Competitiveness**

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# Income Statement

Rs Crs.

	Consolidated	Suzlon Wind	Suzlon Wind				
	Q2 FY16		Q1 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
Revenue from operations	1,768	1,709	1,542	1,397	3,251	3,095	4,883
Less: COGS	941	936	848	898	1,784	1,998	3,138
<b>Gross Profit</b>	<b>827</b>	<b>773</b>	<b>694</b>	<b>499</b>	<b>1,467</b>	<b>1,098</b>	<b>1,745</b>
<b>Margin %</b>	<b>46.8%</b>	<b>45.2%</b>	<b>45.0%</b>	<b>35.7%</b>	<b>45.1%</b>	<b>35.5%</b>	<b>35.7%</b>
Employee benefits expense	199	194	192	199	387	398	747
Other expenses (net)	322	297	289	417	586	828	1,336
Exchange Loss / (Gain)	209	210	66	80	276	52	495
<b>EBITDA</b>	<b>97</b>	<b>72</b>	<b>146</b>	<b>-198</b>	<b>218</b>	<b>-180</b>	<b>-833</b>
<b>Normalized EBITDA</b>	<b>318</b>	<b>293</b>	<b>237</b>	<b>-23</b>	<b>530</b>	<b>34</b>	<b>-166</b>
<b>Margin %</b>	<b>18.0%</b>	<b>17.2%</b>	<b>15.3%</b>	<b>-1.6%</b>	<b>16.3%</b>	<b>1.1%</b>	<b>-3.4%</b>
Less: Depreciation	78	64	62	90	126	171	376
<b>EBIT</b>	<b>19</b>	<b>8</b>	<b>85</b>	<b>-287</b>	<b>93</b>	<b>-351</b>	<b>-1,209</b>
<b>Normalized EBIT</b>	<b>240</b>	<b>230</b>	<b>175</b>	<b>-112</b>	<b>405</b>	<b>-137</b>	<b>-542</b>
<b>Margin %</b>	<b>13.6%</b>	<b>13.4%</b>	<b>11.3%</b>	<b>-8.0%</b>	<b>12.4%</b>	<b>-4.4%</b>	<b>-11.1%</b>
Net Finance costs	233	214	293	436	508	910	1,766
<b>Profit / (Loss) before tax</b>	<b>-214</b>	<b>-206</b>	<b>-208</b>	<b>-723</b>	<b>-415</b>	<b>-1,261</b>	<b>-2,976</b>
Less: Exceptional (Gain) / Loss	-33	-33	-1,289	0	-1,322	103	6,312
Less: Taxes and Minority	0	0	2	3	2	23	68
<b>Net Profit / (Loss) after tax</b>	<b>-181</b>	<b>-173</b>	<b>1,079</b>	<b>-726</b>	<b>905</b>	<b>-1,387</b>	<b>-9,355</b>

**Note:** For Q2 FY16, Consolidated Results equals Suzlon Wind and SE Forge

# Working Capital

Rs Crs.

Particulars	Consolidated	Suzlon Wind	Suzlon Wind			
	30 <sup>th</sup> Sep 2015		30 <sup>th</sup> Jun 2015	31st Mar 2015	31st Dec 2014	30th Sep 2014
Inventories	2,088	2,000	1,699	1,639	1,630	1,683
Trade receivables	2,030	1,989	1,665	1,614	1,796	1,928
Loans & Advances and Others	1,679	1,765	1,630	1,809	1,897	2,184
<b>Total (A)</b>	<b>5,797</b>	<b>5,754</b>	<b>4,995</b>	<b>5,061</b>	<b>5,323</b>	<b>5,795</b>
Sundry Creditors	2,447	2,384	2,169	2,469	2,672	2,931
Advances from Customers	1,045	1,044	879	1,125	1,179	784
Provisions and other liabilities	1,759	1,734	1,838	2,125	2,305	2,260
<b>Total (B)</b>	<b>5,251</b>	<b>5,162</b>	<b>4,885</b>	<b>5,719</b>	<b>6,156</b>	<b>5,975</b>
<b>Net Working Capital (A-B)</b>	<b>546</b>	<b>592</b>	<b>109</b>	<b>-658</b>	<b>-833</b>	<b>-180</b>
<b>NWC as % of sales</b>	<b>10.3%</b>	<b>11.7%</b>	<b>2.3%</b>	<b>-13.5%</b>	<b>-15.3%</b>	<b>-3.2%</b>

**Note:** For Q2 FY16, Consolidated Results equals Suzlon Wind and SE Forge

# Consolidated Balance Sheet

Rs Crs.

Liabilities	Sep-15	Mar-15	Assets	Sep-15	Mar-15
<b>Shareholders' Fund</b>	<b>-7,191</b>	<b>-7,322*</b>	<b>Non Current Assets</b>		
Preference Shares	6	6	a) Fixed Assets	1,878	6,200
Minority Interest	18	64	b) Non Current Investments	13	15
	<b>-7,167</b>	<b>-7,253</b>	c) Long Term Loans & Advances	281	368
			d) Other Non Current Assets	702	463
<b>Non Current Liabilities</b>				<b>2,874</b>	<b>7,046</b>
a) Long Term Borrowings	9,424	10,787	<b>Current Assets</b>		
b) Other Non Current Liabilities & Provisions	357	1,040	a) Current Investments	539	250
	<b>9,781</b>	<b>11,827</b>	b) Inventories	2,088	3,361
<b>Current Liabilities</b>			c) Trade Receivables	2,030	2,754
a) Short Term Borrowings	1,377	4,576	d) Cash and bank balances	718	2,543
b) Trade Payables	2,447	4,556	e) Short Term Loans & Advances	838	1,392
c) Other Current Liabilities	2,195	6,321	f) Due from customers	0	2,091
d) Due to customers	14	131	g) Other Current Assets	226	2,294
e) Short Term Provisions	666	1,574		<b>6,439</b>	<b>14,685</b>
	<b>6,699</b>	<b>17,158</b>			
<b>Total Equity and Liabilities</b>	<b>9,313</b>	<b>21,731</b>	<b>Total Assets</b>	<b>9,313</b>	<b>21,731</b>

**Note (\*)** Includes Share Application Money from DSA group, against which the shares were allotted in May'15

**THANK YOU**

**S111 Turbine, USA**

**S-111** | One of the largest commercially available rotor diameters in India