ORIENT GREEN POWER

Leading Diversified Renewable Energy Generator

Investor Presentation

FY12 Results

Biomass

Wind

Small Hydel

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Financial Results
& Operating Highlights

FY12

Financial Highlights – Q4 FY 2012

- Operational Revenues were higher at Rs. 723.1 Millions (71% growth over PY) mainly aided by new capacities across wind and biomass and improved PLF in Biomass
- Improvement in Biomass PLF across plants with Dindugal PLF being highest at 85% for the Quarter. Also recorded highest day's average PLF of 95.17% and month's PLF of 75.30% in Feb.'12 across all Biomass Plants.
- In biomass business, fuel costs continued to harden leading to lower margins. During Q4, prices ranged between Rs. 1635 – Rs. 2589 per MT as against Rs. 1089 – Rs. 2016 per MT in the previous year
- Depreciation was higher at Rs. 205.6 Million (increase by 98% due to significant additions of fixed assets) – Capacity at year end was 366 MW (306 MW wind plus 60 MW biomass as against 220 MW as on 31.03.2011.
- Other expenses rose steeply mainly due to

➢ New levies towards transmission and distribution charges in Tamil Nadu	Rs. 70.1 Million
➢ UI charges in one unit (trading through power exchange)	Rs. 18.2 Million
➢ Stabilisation expenses of overseas plant	Rs. 15.4 Million
➢ Wheeling and REC charges	Rs. 0.52 Million

In 2012-13, the additional levies in Tamil Nadu would be more than offset through steep tariff hikes already implemented from April 2012 onwards.

Financial Highlights – Q4 FY 2012

- Interest rose steeply from Rs. 212.7 Million to Rs. 404.3 Million mainly due to following reasons :
  - Increased borrowings during Q4 2011-12
  - Increase in interest rates by about 1 -2 % p.a.
  - Foreign exchange fluctuation in overseas company

- Loss before Tax was at Rs. 561.91 Million as against PBT of Rs. 14.00 Million in Q4 2010-11
- Loss after Minority Interest was at Rs. 460.2 Cr. as against Rs. 16.6 Million PAT in Q4 2010-11
- Quarter also saw new revenue stream in the form REC aggregating to Rs.165.9 Million

Financial Highlights – FY 2012

- Operating Revenues rose to Rs. 2,510.0 Million as against Rs. 2,087.6 Million - growth of 20% despite grid drop in Tamil Nadu by about 10 – 15%
- Other expenses rose steeply from Rs. 560.2 Million to Rs. 843.2 Million In FY 2011-12 due to following reasons :
- Increase in capacities (from 220 MW to 366 MW)

➢ New levies towards transmission and distribution charges in Tamil Nadu	Rs. 73.6 Million
➢ UI charges in one unit (trading through power exchange)	Rs. 18.2 Million
➢ Stabilisation expenses of overseas plant	Rs. 15.4 Million
➢ Wheeling and REC charges	Rs. 0.61 Million

- Operational EBITDA was at Rs. 611.8 Million (24.4%) as against Rs. 890.8 Million (42.7%) mainly due to high input costs and other levies which are expected to be mitigated through price increase in FY 2013
- Overall EBITDA was at Rs. 932.7 Million (37.2%) as against Rs. 1,198.8 Million (57.4%) mainly due to extraordinary and one time incomes in the previous year.
- Loss before Tax was at Rs. 804.6 Million as against PBT of Rs. 194.9 Million.
- Loss after Minority Interest was at Rs. 692.8 Million as against PAT of Rs. 107.8 Million

Profitability Statement – Q4 FY 2012

Rs. Million

Particulars	Q4 FY 2012			Q4 FY 2011		
	BIOMASS	WIND	TOTAL		WIND	TOTAL
Revenue from Operations	338.94	198.59	537.54	208.67	188.05	396.72
Other Operating Income	166.09	19.48	185.57	26.05	0.22	26.27
Sub-total	**505.03**	**218.07**	**723.10**	**234.72**	**188.27**	**422.99**
Cost of fuel and consumables	374.61	30.25	404.85	158.04	12.74	170.78
O & M and Other Costs	186.19	192.05	378.24	106.60	43.62	122.80
Sub-total	**560.80**	**222.30**	**783.09**	**264.64**	**56.36**	**293.58**
EBITDA	**-55.77**	**-4.23**	**-59.99**	**-29.92**	**131.91**	**129.41**
EBITDA %	**-11.0%**	**-1.9%**	**-8.3%**	**-12.7%**	**70.1%**	**30.6%**
Other Income	70.01	37.93	107.94	196.73	5.67	202.40
Interest	110.72	293.58	404.30	44.54	168.19	212.73
Depreciation	49.17	156.39	205.56	31.19	72.90	104.09
PBT	**-145.65**	**-416.27**	**-561.91**	**118.50**	**-103.51**	**14.99**
PAT	**-147.35**	**-423.79**	**-571.14**	**84.47**	**-84.92**	**-0.45**
PAT after Minority Interest			**(460.22)**			**16.59**

Profitability Statement – FY 2012

					Rs. Million	
Particulars	**FY 2012**			**FY 2011**		
	BIOMASS	**WIND**	**TOTAL**		**WIND**	**TOTAL**
Revenue from Operations	1,033.67	1,194.06	2,227.74	801.28	1,005.98	1,807.26
Other Operating Income	244.98	37.33	282.31	251.94	28.39	280.32
Sub-total	**1,278.65**	**1,231.39**	**2,510.04**	**1,053.22**	**1,034.37**	**2,087.58**
Cost of fuel and consumables	900.07	85.65	985.72	522.79	80.18	602.98
O & M and Other Costs	520.65	391.85	912.50	376.03	217.72	593.74
Sub-total	**1,420.72**	**477.50**	**1,898.22**	**898.82**	**297.90**	**1,196.72**
EBITDA	**-142.07**	**753.89**	**611.82**	**154.40**	**736.47**	**890.86**
EBITDA %	**-11.1%**	**61.2%**	**24.4%**	**14.7%**	**71.2%**	**42.7%**
Other Income	234.08	86.77	320.85	169.01	138.91	307.92
Interest	267.50	808.90	1,076.40	149.29	434.30	583.60
Depreciation	166.48	494.35	660.83	125.53	294.80	420.33
PBT	**-341.97**	**-462.59**	**-804.56**	**48.58**	**146.27**	**194.85**
PAT	**-353.52**	**-465.00**	**-818.52**	**2.60**	**88.92**	**91.52**
PAT after Minority Interest			**(692.78)**			**107.80**

Balance sheet as at March 31, 2012

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs. Million	
EQUITY AND LIABILITIES		
Shareholde``		
(a) Share capital	4,681	4,681
(b) Reserves and surplus	7,206	7,897
Minority Interest	403	360
Non-current liabilities		
(a) Long-term borrowings	10,012	6,767
(b) Deferred tax liabilities (net)	84	58
(c) Other long-term liabilities	264	109
(d) Long-term provisions	6	4
Current liabilities		
(a) Short term borrowings	1,761	192
(b) Trade payables	497	252
(c) Other current liabilities	10,636	4,196
(d) Short term provisions	19	37
TOTAL	**35,569**	**24,553**

Current Liabilities includes Rs. 6,680 Million towards Letters of Credit discounted by suppliers for wind mills supplied under 300 MW project. These amounts shall be retired from out of term loan proceeds not yet availed, in the future. It also includes Rs. 1,684 Million being current maturities of long term loans

Balance sheet as at March 31, 2012 (contd.)

		Rs. Million	
B	**ASSETS**		
	Non-current assets		
	(a) Goodwill on consolidation	480	484
	(b) Fixed assets	27,721	15,920
	(c) Non-current investments	0	0
	(d) Long-term loans and advances	4,976	2,365
	Current assets		
	(a) Current investments	1	2,925
	(b) Inventories	219	214
	(c) Trade receivables	719	419
	(d) Cash and cash equivalents	865	1,830
	(e) Short-term loans and advances	177	98
	(f) Other current assets	410	300
	TOTAL	**35,569**	**24,553**

Wind Operations

Existing Wind Operations - India

Particulars	Unit of Measurement	Q4 FY 2012	Q4 FY 2011	FY 2012	FY 2011
Capacity	MW	306.58	179.5	306.58	179.5
Units Generated (old assets)	Mn	22.06	5.23	220.61	211.00
Annualized PLF (old assets)	%	5.69	1.35	13.67	14.26
Average Realisation (all assets without REC)	Rs./ Unit	4.28	3.62	4.32	3.96

- Old assets of 179.5 MW constitute operating assets acquired at low capital cost (approx. Rs. 35.5 Mn. Per MW)
- New wind assets of 33.83 MW in India had been commissioned during the quarter
- Performance continued to be impacted due to off season / lower wind availability during the quarter and this situation is expected to continue for part of Q1 FY13 also
- Realisation was higher as compared to previous year due to more sales to Customer mix which is expected to continue in the future as well
- Besides above tariff, REC benefit has accrued for new assets aggregating to Rs. 25.2 Million with average REC realisation of Rs. 2,700 per REC. The total blended realisation including REC for the year was at Rs. 4.76 per unit with Beta project alone having average realisation of Rs. 5.46 per unit. This trend is expected to continue in coming quarters with more capacity being registered and more compliance by buyers entering the market
- Levy of Transmission and Distribution charges and O&M charges by TNEB on sub-stations have resulted in erosion of margins

Capacity Expansion Strategy – Wind

- Capacity Addition of 28.48 Mw completed in Q4
- 73 Mw of Capacity will be added in Tamil Nadu, and Gujarat in Q1 FY 13
- Site activities in full swing in AP for Capacity additions for 2012 wind season -- 36 Mw
- Current Capacity is 306 Mw and is expected to reach about 416 Mw by the Wind Season 2012
- REC Registration is expected for all new capacities except for 32 Mw

Capacity Expansion – Wind

States	Capacity (MW)	Original Estimated date of completion	Revised Capacity (MW)	Revised Estimated date of completion
Tamil Nadu	120	Q4 FY 11/Q1 FY12	107.35	64.85 MW by Q2 FY 12 18.0 MW by Q3 FY12 24.5 MW by Q4 FY 12
Gujarat / Karnataka / Tamil Nadu	20	Q1 FY12	7.98	4.0 MW operational in Q3 FY 2012 and 3.98 MW operational IN Q4 FY12
Croatia	10.5	Q4 FY 11/Q1 FY12	10.5	Commissioned in Q2 FY 12
Addition for FY 2012	**151**		**125.83**	
Tamil Nadu	48.25	Q4 FY 12	48.25	23.4 MW commissioned in Q1 FY 13 and balance before end of Q1 FY13
Sri Lanka	10.5	Q1 FY12	10.5	Q1 FY 13
Karnataka	50		-	Dropped
Maharashtra	80	Q1 FY13	-	Dropped
Andhra Pradesh	100	Q1 FY13	94	Q1/Q3 FY 13
Gujarat	50	Q1 FY13	50	Q1 / Q2 FY 13
Addition for FY 2013	**338.75**		**202.75**	

Finalised order on Wind- Turbine suppliers

VENDOR	Turbine	Capacity (MW)
Vestas	V82/1.65 MW	33
Vestas	V100/1.8 MW	31
Gamesa	G58/850 KW	68
Leitner Shriram	LTW77/1.5 MW/1.8 MW	94
GE Wind	1.6xle	24
Suzlon	S 95 _ 80 2.1 MW	50
Kenersys	K82 – 2.0 MW	4

Biomass Operations

Existing Biomass Operations

Particulars	Unit of measurement	Q4 FY 12	Q4 FY 11	FY 12	FY 11
Capacity	MW	60.5	40.5	60.5	40.5
Units exported	Mn.	72.60	39.77	210.79	153.54
PLF	%	61.74%	51.24%	53.13%	48.97%
Average realization	Rs. Per unit	4.70	5.21	4.84	5.21
Specific fuel consumption per unit	Kg./Unit	1.91	1.74	1.79	1.75
Fuel Cost	Rs. Per unit	4.62	3.29	4.09	3.45
O & M and other costs	Rs. Per unit	2.26	3.72	1.77	2.64

- Performance in Q4 FY12 was positively impacted due to better PLF in seven out of eight operating plants
- In Tamil Nadu, realisation across all units improved due to switch over from grid to third parties
- Three units in Tamil Nadu and Sanjog in Rajasthan started getting REC benefits during the quarter. Total REC income realised was Rs. 144.3 Million with average price of Rs. 2,700 per REC. This trend is expected to continue further with one more unit in Tamil Nadu also opting out of grid PPA in Q1 FY 13
- Fuel Cost was high at Rs. 4.62 per unit (Rs. 3.20 per unit in Q4 FY 11) mainly due to further hardening of fuel prices across all locations. Fuel prices are expected to remain high for some more time

Existing Projects – Bio-mass power plants

Name	Capacity	Location	Fuel	Customer Details	Blended tariff Q4 FY 12	Blended tariff FY 12
Kopargaon	2.0	Maharashtra	Co-generation biogas	Captive	3.50	3.50
Dindigul	7.5	Tamil Nadu	Plywood wastes, Julieflora, corn stalks and other agri-residues	Merchant	5.33	5.23
Pattukottai	7.5	Tamil Nadu	Sugarcane residue, coconut residues, Julieflora and other agri-residues	Merchant	5.09	5.21
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, Julieflora, sugarcane waste, and groundnut stalks	Merchant	5.58	5.34
Pollachi	10.0	Tamil Nadu	Julieflora, coconut residue, and saw mill waste	Merchant	4.50	4.50
Kotputli	8.0	Rajasthan	Mustard husk	Grid 100%	5.19	5.19
Chippabarod	8.0	Rajasthan	Mustard husk	Grid 100%	4.87	4.45
Sanjog	10.0	Rajasthan	Mustard husk, cotton stalk, paddy straw and wheat straw.	Merchant	2.85	3.22

Biomass Performance review

- Biomass plants in north suffered due to the monsoon during Q2 and part of Q3 and operation improved subsequently in Q4 in two plants with Sanjog recording PLF of 89%.

- Exited from Grid PPA in Dindugal / Pattukottai / Vandavasi in Q3/ Q4--all under 3rd party & REC registered. Consequently, tariffs have gone up besides REC benefits

- The fuel costs were high due to the non availability of bulk sourcing in TN Plants. Have commenced bulk sourcing of Fuel thru Contract for Wood Bark , Bagassee, RDF and deployment of the crawler for Juliflora harvest at the source in Q4.

- Operational Efficiency has improved due to the bulk sourcing partly in Q3 and further in Q4 in TN Plants and will have full impact in FY 2013

- Sale from new plant at Hanumangarh presently through power exchange resulting in low tariff. Plan to go bilateral in order to improve on tariff in FY 2013. However, in the short term, the concern of low tariff shall continue in this unit

Capacity Expansion – Biomass

Project	Capacity (MW)	Original Estimated date of completion	Revised Estimated date of completion
Maraikal	7.5	Q4 FY 11	Q1 FY 13
Narsinghpur	10.0	Q4 FY 11	Q2 FY 13
Kolhapur	20.0	Q1 FY 12	Q2 FY 13
Kishanganj	8.0	Q2 FY 12	Q2 FY 13
Total	**45.5**		

- Projects have been delayed mainly due to issues associated with connectivity to the grid coupled with ongoing monsoon season and resistance of States in allowing units to opt for REC Mechanism
- Sale Model for new projects
    - Sales shall be by way of merchant sale through Trading Companies
    - REC eligibility confirmed for Kolhapur plant. REC eligibility likely to be confirmed for Andhra Pradesh in Q1 FY 13.

Regulatory Environment

Renewable Energy Certificates (REC)

- REC Mechanism set in place since Feb.'11 has gained momentum over the past few months and reached its peak in Q4
- Company had been able to realise the benefits of the scheme from its projects registered with NLDC significantly. During the Quarter 66,426 RECs have been generated by both the Wind and Biomass businesses and out of this, 62,793 have been sold at an average price of Rs. 2,700 per REC.
- While the impact of the Scheme is yet to be fully in place – since State Utilities are not yet in to the market significantly– the current year has started of well with significant demand for RECs in April/May'12. Also the REC realisation has been higher compared to same period last year at Rs.2,200 / 2,400 per REC (LY Rs. 1,500 per REC)
- Orissa State Regulatory Commission has directed the nodal agency to monitor the RPO compliance and enforce RPO commitments and it is expected other States also will accelerate implementation of RPO.
- Market feedback on demand side for RECs is encouraging and can expect a better realisations for RECs around Rs. 2,500 / 2,700 against average of Rs. 2,300 last year.

Regulatory Impact –Opportunities and Concerns

Biomass

- Tariff revision from TNERC is still pending from April'11 and Public Hearing fixed on 8th June'12. General Tariff revision is effective from 1st April'12 and implemented by TNEB. Since all our TN Plants have exited PPA since Q4 realisation on sale of power has improved. Also all these plants have been registered under REC.

- Transmission and Distribution charges have been increased significantly from April'12 by TNEB – an impact of Rs. 0.34 Per kwh additional cost.

Wind

- Tariff revision of TNEB had positive impact on realisation per Kwh.

- Petition filed with Appellate Tribunal seeking reduction in T&D Costs

Wind Business Outlook

- Post Mar.’12 have added 24 Mw of Wind capacity in Tamil Nadu. Further 24 Mw will get added in June’12 in Tamilnadu and 97 Mw by June/July’12 in AP/Gujarat/ Sri Lanka taking over all capacity to 452 Mw by Q1
- Transmission inadequacy continues to be an issue in Tamilnadu. It is expected that grid back down will impact to the tune of 10-15% in this season also as in last year
- Company is in the process of reducing interest costs thru ECB and other refinancing avenues and same will impact business positively in the current year
- Though GBI and Accelerated Depreciation have been with drawn from April’12 , Industry expects that GBI continuation for this year also
- Resistance seen in some States like AP/Gujarat for REC Projects

Biomass Business Outlook

- With all Tamilnadu based plants on Third Party sale of power (32.5 Mw) and with REC eligibility significant improvements in revenues expected

- Biomass plant performance has improved in Q4 to 62.6% compared to Q3 37.2% (as some plants were stopped for switch over to 3rd part sale)

- Additional capacities planned 45.5 Mw in Q1/Q2 will take the total Capacity to 105.5 Mw by Q2

- Energy plantations commenced in some of our Wind Farm lands and plans are on to extend the same in other areas also by encouraging contract farming in unused lands available in neighboring villages

Overall Business Outlook

- While short term challenges in terms of fuel cost and availability are likely to continue, revenue optimisation measures (moving out of PPA, increase in REC revenues, etc.) would lead to improved margins

- New capacities being added consistently would lead to better economies of scale resulting in lower cost of generation

- Tariff increase for Wind business in Tamil Nadu and Biomass business in Rajasthan would provide good upside to revenues and margins

- Sourcing of lower cost fuel through various initiatives is expected to start yielding positive results in coming quarters

- Refinancing through low cost rupee as ell as ECB loans with more staggered tenors would lead to improved cash flows

- The company expects to pursue further deleveraging measures to improve the financial health and cash flows in the coming quarters


Thank you