



Registered Office: Sigapi Achi Building, 18/3 Rukmini Lakshmi pathi Road, Egmore, Chennai – 600 008.
www.orientgreenpower.com

News Release: For immediate publication

Chennai, 3rd May, 2018

OGPL ends FY18 on a strong note
Highest ever EBITDA of Rs. 302 crore
Delivers cash profit of Rs.104 crore in wind and Rs. 67 crores on consolidated level in FY18
Realised entire REC inventory

Orient Green Power Company Limited (OGPL) a leading independent renewable energy-based power generation company in India has announced its results for the quarter and year ended March 31, 2018.

Delivers Turnaround in Financial Performance (All figures in Rs. Crore)

	Wind			Biomass			TOTAL		
	FY18	FY17	%	FY18	FY17	%	FY18	FY17	%
REVENUES	394	384	3%	39	78	-49%	433	462	-6%
EBITDA	302	292	4%	(0)	1	-107%	302	293	3%
EBITDA%	77%	76%	1%	0%	2%	-114%	70%	64%	10%
EBIT	104	75	39%	(37)	(49)	25%	67	26	160%
EBIT%	26%	20%	35%	-93%	-63%	47%	38%	27%	41%
PBT	(20)	(61)	68%	(50)	(82)	-39%	(70)	(143)	-51%
PBT%	-5%	-16%	69%	-126%	-105%	21%	-16%	-31%	-48%

*Before exceptional items

Commenting on the performance, Mr. Venkatachalam Sesha Ayyar, MD - OGPL, said: “FY18 has been a landmark year for OGPL, a year wherein strategic initiatives coupled with improving macros helped to significantly accelerate the operational and financial turnaround of the business.

The revival is attributed to the disciplined execution of our strategy of optimizing performance of the wind business, rightsizing the balance sheet to reduce interest outgo while pursuing efficiencies in all areas of operations.

Performance of the wind business has been elevated and it is now performing close to its potential. We are confident of maintaining the positive momentum in the business on the back of sharp improvement in the grid availability in TN – due to structural improvement in grid infrastructure and generally positive trends in demand for power across the country.

We also completed the sale of our biomass business during the year. The biomass business was dragging the overall performance and we have used the sale proceeds to reduce debt which has helped to improve the overall leverage and cash flows of the Company.

In addition to reduced debt, we have also actively pursued refinancing at lower rates enabling us to steadily and meaningfully reduce interest cost over the last 3 years. We also extended the tenure of some of our loans enabling us to better manage repayment schedules.

It has been a fantastic year as a seller of RECs. The spike in demand and increased trading in the exchanges allowed us to completely liquidate our entire inventory yielding us Rs. 78 crore. RECs are now firmly established as a supplementary revenue stream and the improved conversion cycle will enhance the realized profitability and return metrics for renewable energy projects henceforth.

The combination of higher cash profit, extended tenure for loan repayment, liquidation of REC inventory and improved working capital has resulted in a greatly improved liquidity position as we exit FY18.

To conclude, we are confident of carrying the positive momentum of FY18 into the new financial year following the completion of the transformation phase. A leaner business model, supportive macros, interest cost rationalization coupled with improving liquidity profile will enable us to steadily grow profitability thereby create value for our shareholders going forward.”

Performance Update

- **Strong performance of Wind business coupled with improved efficiencies resulted in revenues and EBITDA growth of 3% & 4% respectively**
 - Strong performance of Wind business coupled with improved efficiencies resulted in revenues and EBITDA growth of 3% & 4% respectively
- **Exited Biomass business**
 - Completed sale of 8 biomass units to Janati Bio Power Pvt. Ltd on Dec 2017; Sale of remaining units continue to remain on track
 - Transfer of debt against assets and proceeds from sales to result in moving out of biomass related debt of Rs. 330 crore

- **Debt Management: Reduced debt, lower interest outgo elevate financial position**
 - Reduction of loans following sale of Biomass units coupled with refinancing of existing high cost debt has helped to significantly lower interest expense
 - In discussion with bankers to lower credit cost and extend loan tenure - completed refinancing for one tranche of loan amounting to Rs. 100 crore at a reduced rate of 12.75% from 18% p.a. resulting in reduction in interest cost of Rs. 5 crore p.a. In active discussions with banks for refinancing debts to the tune of Rs. 1,000 crore to a single digit interest rate from current average cost of debt of 13%.
 - Cumulative impact of the above measures to further reduce annual interest expense by Rs. 30 – Rs. 35 crore
- **Outlook remains favorable with macro tailwinds and momentum from strategic initiatives to help sustain performance**
 - Sustained grid availability to ensure consistent power generation and the company is expected to grow unit sales and revenues from power sales; has long term power supply agreements in place at attractive tariffs and is set for upward revision in tariff on agreed timelines
 - In addition to expected reduction in finance costs; lower depreciation due to sale of biomass assets coupled with recent initiatives aimed towards improving cost efficiencies will aid in delivering higher profitability.

For further information please contact:

Mr. K.V. Kasturi
Orient Green Power Company Limited
Tel: +91 44 4901 5678
Email: kasturi.kv@orientgreenpower.com

Mayank Vaswani / Suraj Digawalekar
CDR India
Tel: +91 22 6645 1230 / 1219
Email: mayank@cdr-india.com
suraj@cdr-india.com

Safe Harbour

Some of the statements in this press release that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.