



ORIENT GREEN POWER

Leading Diversified Renewable Energy Generator

Investor Presentation

Q1 FY12 Results

June 2011



Biomass



Wind



Small Hydel



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Financial Results & Operating Highlights

Q1 FY12



Financial Highlights – Q1 FY 2012

- Both Wind and Biomass posted improved results due to increased capacity of Wind as compared to Q1 FY 11 and better PLF achieved in Biomass business.
- Sales revenue increased to Rs. 597.1 Million as compared to Rs. 483.6 Million (growth of 23%)
- EBIDTA rises to Rs. 270.1 Million in Q1 FY12 as against Rs. 184.3 Million in Q1 FY 11 (growth of 47%)
- PBT was at Rs. 85.5 Million as against Loss of Rs. 10.3 Million.
- PAT after Minority Interest grew to Rs. 34.9 Million as against Loss of Rs. 45.8 Million in Q1 FY 11



Profitability Statement – Q1 FY 2012

	Rs. Million					
	Q1 FY 2012			Q1 FY 2011		
	Biomass	Wind	Total	Biomass	Wind	Total
Sale of Power	296.89	300.19	597.08	249.27	234.35	483.62
Other Operating Income	21.29	3.90	25.19	19.37	3.83	23.20
Total Income	318.18	304.09	622.27	268.64	238.18	506.82
Expenditure						
Cost of fuel and Consumables	186.90	12.81	199.71	165.40	9.03	174.44
O&M and other costs	106.46	46.00	152.46	106.43	41.70	148.13
Total Expenditure	293.36	58.81	352.17	271.83	50.73	322.57
EBITDA	24.82	245.28	270.10	-3.19	187.44	184.25
EBITDA (%)	7.8%	80.7%	43.4%	-1.2%	78.7%	36.4%
Depreciation	32.95	78.69	111.64	30.07	67.11	97.18
Finance charges	39.39	136.83	176.22	37.37	62.07	99.43
Other Income	79.51	23.70	103.21	1.32	0.71	2.03
PBT	31.99	53.46	85.45	-69.31	58.97	-10.34
PAT (before Minority Interest)	7.54	35.96	43.50	-72.07	41.95	-30.12
PAT (after Minority Interest)	8.62	26.28	34.90	-78.23	32.44	-45.79

EBITDA for Biomass includes corporate and other unallocable overheads. Without considering such overheads, EBITDA for Biomass for Q1 FY 2012 would 18.8% (6.7% in Q1 FY 2011)



Balance sheet as at June 30, 2011

	Rs. in Million		
	June 30, 2011	June 30, 2010	March 31, 2011
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	4,680.78	2,765.89	4,680.78
Reserves & Surplus (net of debit balance in P&L Ac	7,943.01	1,034.18	7,883.02
Minority Interest	460.79	261.85	359.54
Loan Funds	8,198.64	5,592.82	8,025.50
Total	21,283.22	9,654.74	20,948.85
APPLICATION OF FUNDS			
Fixed Assets including Capital work in progress	21,521.63	11,513.74	17,751.26
Goodwill on Consolidation	484.36	486.28	484.46
Current Assets	-	-	-
Inventories	430.66	181.56	450.61
Receivables	629.54	563.16	428.03
Cash and cash equivalents	2,619.39	229.64	4,755.37
Other Current Assets, Loans and Advances	3,103.08	764.19	1,297.39
Less : Current Liabilities and Provisions	-7,505.44	-4,083.83	-4,218.28
Net Current Assets	-722.77	-2,345.28	2,713.12
Total	21,283.22	9,654.74	20,948.85

Wind Operations



Existing Wind Operations

Particulars	Units of Measurement	Q1 FY 2012	Q1 FY 2011
Capacity	MW	179.5	152.6
Units Generated	Mn	73.56	68.05
Annualized PLF	%	18.90%	19.57%
Average Realisation	Rs./ Unit	4.28	3.54

- Existing assets constitute operating assets acquired at low capital cost (approx. Rs. 35.5 Mn. Per MW)
- Performance could have been better but for about 10-15% drop in grid availability during the quarter and this situation is expected to continue in Q2 as well
- Realisation was much higher during the quarter due to more sales to Group Captive consumers which is expected to continue in the future as well



Capacity Expansion Strategy – Wind

- Capacity additions of 32.3 MW already commissioned in Tamil Nadu in July 2011 (38 Gamesa machines of 850 KW each). The delay in commissioning was mainly due to delay on the part of TNERC in announcing REC implementation guidelines . In view of the inordinate delay, decision was taken to commission machines without REC benefit in the interest of not missing the season. New assets generating power with PLF at expected levels for the season.
- Further addition in capacity by 60.2 MW by Q2 FY 2012 and 63.1 Mw in H2 FY 2012 in Tamil Nadu
- Due to infrastructure and evacuation issues associated with TNEB, the company has not committed funds for projects beyond 155.6 MW in Tamil Nadu
- Finalised turnkey contract with Suzlon for 50 MW in Gujarat which would be commissioned in Q1 FY 2013 and 50 Mw in Karnataka by Q2 FY 2013.
- Further capacities to come up in Andhra Pradesh 46.8 MW each in Q1 / Q3 of FY 2013.
- Higher PLFs expected on new assets (29-34%)
- Sale model for new assets
 - Tamil Nadu - Group Captive – eligible for REC
 - Gujarat and Andhra Pradesh projects expected to be on PPA with APPC pricing and hence, shall also eligible for REC and GBI



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	155.6	92.5 MW by Q2 FY 12 63.1 MW by Q4 FY12
Gujarat / Karnataka	20	Q1 FY12	10.0	Planned Potential acquisition of 10MW Q2 /Q3FY 12
Sri Lanka	10.5	Q1 FY12	10.5	Q3 FY 12
Croatia	10.5	Q4 FY 11/Q1 FY12	10.5	Commissioned in Q2 FY 12
Addition for FY 2012	151		186.6	
Tamil Nadu	50	Q1 FY13	50	To be reviewed based on grid availability
Maharashtra	80	Q1 FY13	80	Q3 FY 13
Karnataka	-	-	50	Q2 FY 13
Andhra Pradesh	100	Q1 FY13	94	Q1/Q3 FY 13
Gujarat	50	Q1 FY13	50	Q1 FY 13
Addition for FY 2013	280		324	



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	100

Under discussions with other WEG suppliers like Suzlon., Regen Powertech, Siemens and Kenersys

Biomass Operations



Existing Biomass Operations

Particulars	Unit of Measurement	Q1 FY 12	Q1 FY 11
Capacity	MW	40.5	40.5
Units Exported	Mn	54.3	47.6
PLF	%	61.4	53.9
Average Realisation	Rs. / Unit	5.46	5.23
Specific Fuel Consumption per unit	Kg/ Unit	1.64	1.76
Fuel Cost	Rs./ Unit	3.27	3.17
O&M and other Costs	Rs./ Unit	1.96	2.23

- Performance in Q1 FY12 was positively impacted with improved operations and PLF in Rajasthan plants with growth of 69% over Q1 FY11
- Overall improvement in PLF resulted in growth of 14% over Q1 FY11
- Realisation was higher due to increased sale to third parties during the quarter
- Fuel Cost was higher at Rs. 3.27 per unit (Rs. 3.17 per unit in Q1 FY 11) mainly due to increase in procurement cost
- The increased procurement cost was somewhat offset by improvement in specific fuel consumption as a result of improved plant utilisation and maintenance



Existing Projects – Bio-mass power plants

Name	Capacity	Location	Fuel	Customer Details	Tariff (PPA)	Blended Tariff – FY 2011	Blended Tariff – Q1 FY 12
BG – 02 Kopargaon	2.0	Maharashtra	Co –generation biogas	Captive	3.50	3.50	3.50
BM – 7.5 Dindugal *	7.5	Tamil Nadu	Plywood wastes, Juliflora, corn stalks and other agri-residues	Grid approx. 40% (TNB); Merchant approx . 60%	4.29	5.39	6.11
BM – 08 Kotputli	8.0	Rajasthan	Mustard husk	Grid 100% (Rajasthan SEB)	4.94	4.94	5.19
BM – 7.5 Pattukotai *	7.5	Tamil Nadu	Sugar cane residue, coconut residues, Juliflora and other agri residue	Grid approx. 40% (TNB); Merchant approx . 60%	4.65	5.64	5.82
BM – 7.5 Vandavasi *	7.5	Tamil Nadu	Coconut residue, Juliflora wood, sugarcane waste, groundnut stalks and mango wood	Grid 70% Merchant 30%	4.65	5.19	5.52
BM – 08 Chippabarod	8.0	Rajasthan	Mustard husk	Grid 100% (Jaipur, Ajmer and jodhpur distribution companies)	4.10	4.10	4.19

* Plants partially on merchant power sales



Biomass Performance review

- Biomass costs
 - Continues to be high as compared to the same quarter of the previous year as well as sequential previous quarter
 - Steps being taken to broad base fuel and supplier base and fresh initiatives being taken for energy plantation which would yield positive results in coming years
 - Improvement in specific fuel consumption due to more usage of processed fuel / better operational efficiencies
 - Significant improvement in operational performance of Rajasthan plants with both output as well as improved PLF
- New project commissioning
 - Pollachi unit was commissioned in July 2011 (10 MW)
 - Narsinghpur, Hanumangarh and PSR Green projects totalling 27.5 Mw by end September 2011
 - 20 Mw DY Patil Cogen plant by end Q3 FY12.
 - 8 Mw plant in Kishanganj in Q3 FY12.
- Sale model for new assets
 - Pollachi on PPA to TNEB others on merchant sale



Capacity Expansion – Biomass

States	Capacity (MW)	Original Estimated date of completion	Revised Estimated date of completion
CGL– 7.5 – Maraikal	7.5	Q4 FY11	Q2 FY12
BM – 10 – Hanumangarh	10	Q4 FY11	Q2 FY12
BM – 10 – Narasinghpur	10	Q4 FY11	Q2 FY12
BM – 10 – Pollachi	10	Q4 FY11	Commissioned in July 2011
CG – 20 – Kolhapur	20	Q1 FY12	Q3 FY12
BM – 08 – Kishanganj	8	Q2 FY12	Q3 FY12
Total	65.5		

- 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
 - Pollachi shall be to TNEB as per PPA
 - Other projects shall be by way of merchant sale
 - REC eligibility confirmed for Kolhapur plant and REC eligibility likely to be conformed for Rajasthan and Andhra Pradesh in Q2 FY 12

Regulatory Environment



Renewable Energy Certificate

- Most states have announced RPO/REC Guidelines and appointed Nodal Agency / Monitoring Agencies.
- In Maharashtra, REC eligibility confirmed for 20MW biomass plant being commissioned in Q3 FY 12 -- REC Registered Project of highest capacity
- In Tamil Nadu, TNERC has notified the eligibility norms for Captive power plants and hence, REC would be available for 123.3 MW of wind capacity to be commissioned by in FY 12. In respect of 32.3 MW already commissioned, petition would be filed before the Regulatory Commission to obtain the benefit although it is not certain if the benefit would be granted
- All Biomass and wind projects selling power on 3rd party basis will be eligible for RECs
- All wind projects that shall be selling to grid at APPC prices shall be eligible for REC (Gujarat and Andhra Pradesh)
- Since RPO regulations are notified by most States strong REC demand is expected
- RECs could provide upside of Rs. 1.5 to 3.9/KWH



Regulatory Impact

Biomass

- Biomass tariff changes expected from State Electricity Regulatory Commissions in Tamilnadu and Rajasthan as current control period has already expired in Mar.'11.
- Representations made to State ERCs as well as CERC and process of revision is expected to be completed in Q3 FY 2012.
- Industry expectation of revision – Re. 0.75 – Re. 1.25 per unit
- Potential for tariff revision due to increased biomass costs

Wind

- TNERC has cleared REC eligibility for export of power under Group Captive model
- Once modalities are finalised this will result in improved tariff realisation for Wind Power
- APREC notification for increase in tariff expected in Q3 FY 12

Thank
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