ORIENT GREEN POWER

Q1FY17 Earnings Presentation

Leading Diversified Renewable Energy Generation Company

Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of inputs, price of inputs, setting of appropriate tariffs by regulatory bodies, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply electricity, the success of the companies in which Orient Green Power has made or shall make strategic investments, withdrawal of governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Orient Green Power may, from time to time, make additional written and oral forward-looking statements, including those in our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company

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Financial Highlights

Strong Operating Performance

In Rs. Mn

- Consolidated EBITDA margin improved significantly to 67% from 52%
- Wind's EBITDA margin increased to 81%
- Wind's annualized PLF increased to 20.7% from 15.3%
- Positive Cash generation from operations

	Wind			Biomass			TOTAL		
	Q1FY17	Q1FY16	Change (%)	Q1FY17	Q1FY16	Change (%)	Q1FY17	Q1FY16	Change (%)
Revenues	986	754	31%	277	330	-16%	1,263	1,084	17%
EBITDA	795	557	43%	45	7	543%	840	564	50%
Margin %	*81%*	*74%*	*7%*	*16%*	*2%*	*14%*	*67%*	*52%*	*15%*
EBIT	458	217	111%	(42)	(90)	NA	416	127	228%
Margin %	*46%*	*29%*	*17%*	*NA*	*NA*	*NA*	*33%*	*12%*	*21%*
PBT	(38)	(352)	NA	(188)	(193)	NA	(226)	(545)	NA

Key Financial Highlights

Wind Business:

- Revenue increased 31% to Rs. 986 mn compared to Rs. 754 mn
- EBITDA improved 43% to INR 795 mn from 557 mn during the corresponding quarter of last year
- EBITDA margin increased to 81% from 74% y-o-y
- Strong performance by Wind business was due to:
  - Best grid availability in TN in the last 3 years, resulting in greater evacuation of power
  - Strong and timely onset of wind season

Biomass:

- Biomass business revenue declined since few plants were non-operating. However, EBITDA increased to Rs. 45 mn compared to Rs. 7 mn.

Consolidated:

- Consolidated revenues was higher by 17% to Rs. 1,263 million from Rs. 1,084 million in Q1 FY16
- Consolidated EBITDA for the quarter improved by 50% to Rs. 840 million from Rs. 564 million on the back of higher revenue generation and improved operating efficiencies of Wind business
- The Company has started FY17 with positive Cash Generation from operations of Rs. 20 crore in the first quarter.
- Tariffs remained fairly stable across our key markets

Operational Highlights

Wind Operations

State	Capacity (MW)
Tamil Nadu	308
Andhra Pradesh	75
Gujarat	29
Karnataka	1
Europe	11
Total	**425**

Particulars	Unit of Measurement	Q1FY17	Q1FY16
Capacity	Mw	425	427
Units Generated (Gross)	Mn	192	143
Annualized PLF	%	20.7	15.3
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.05	5.23

Grid Availability Data

	Q1 FY17				Q1 FY16			
State	Effective installed capacity (Mw)	Generation (Million KwH)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million KwH)	PLF (%)	Grid availability (%)
Tamil Nadu	308	127.6	18.9	89	311	82.2	12.1	73
Andhra Pradesh	75	36.1	21.9	98	75	34.8	21.1	98
Gujarat	29	22.8	35.8	98	29	19.9	31.3	99
Total	**413**	**186.5**	**20.7**		**415.7**	**196.6**	**15.3**	

Biomass Operations

Particulars	Unit of Measurement	Q1FY17	Q1FY16
Capacity (operational during the year)	Mw	58.0	81.5
Units Exported	Mn	43.8	48.2
PLF	%	21.1	23.8
Average Realisation	Rs./ Unit	6.21	6.51
Specific Fuel Consumption per unit	Kg/ Unit	1.43	1.73
Fuel Cost	Rs./ Unit	3.31	3.62
O&M and other Costs	Rs./ Unit	1.51	1.59

State	Capacity (MW)	Revenue Model
Tamil Nadu	32.5	Group Captive, Merchant
Andhra Pradesh /Telangana	7.5	Merchant
Rajasthan	34.0	PPA
Maharashtra	22.0	Merchant, PPA
Madhya Pradesh	10.0	PPA
Total	**106.0**	

Renewable Energy Certificates

- Overall trading volume in Q1FY17 was 75% higher than that Q1FY16 for non solar.
- Stricter implementation of RPO by other states should help the REC market to maintain its momentum
- OGPL sold 46,233 RECs during the quarter resulting in realization of Rs. 69.3 million
- OGPL's share in trading on the exchange represented 4.38% of trading volumes during Q1FY17
- OGPL had an unsold inventory of 530,285 RECs as of June 30, 2016 which are valued at approx. Rs 795.4 million at the floor price. Given the expected validity of RECs these are expected to be fully encashed over the remaining trading periods

Outlook

Outlook - Wind

- The improved grid availability bodes well for the rest of wind season 2016. The combination of higher wind availability and improved evacuation will allow the company to sustain the higher levels of generation. This is a significant improvement over the previous years.

- The Company is in the process of getting final approval of flexible structuring 5:25 scheme from existing bankers to extend the tenure of rupee loans by 17 years, i.e. upto 2033.

- The refinancing old wind assets debts with lower interest and longer tenor is in progress.

- Company is in the process of firming up loan for 43.5 MWs expansion project in AP.

Outlook - Biomass

- The Company has outlined a strategy to monetize some of the biomass assets and to use the funds generated towards supporting profitable business units.

- The rationalization of assets is progressing well. The Company has concluded sale of the 20MW DY Patil unit located at Kolhapur, Maharashtra and upon completion of certain procedural and regulatory approvals will receive the sale proceeds.

- Significant progress has been made on the sale of Sanjog unit in Rajasthan. Talks are underway for the sale of three biomass units.

- Upon completion of divestment, resultant transfer of debt as well as receipt of sale proceeds, the Company will enjoy a stronger balance sheet position which will allow the company to invest necessary working capital towards elevating the performance of high potential units whose operations have higher profit.

Appendix: Financial Statements

Financial Performance – Q1FY17 (Consolidated – IND-AS)

Figures in Rs. Million, except earnings per share	Q1 FY17	Q1FY16	Q-o-Q Change (%)
Sale of Power	1,136	963	*17.9%*
Other Operating Income	127	120	*6.0%*
Total Income	**1,263**	**1,083**	*16.6%*
Expenditure			
Cost of biomass fuel	145	200	*-27.5%*
O&M and other costs	279	319	*-12.5%*
Total Expenditure	**424**	**517**	*-17.9%*
Operational EBITDA	**839**	**566**	*48.2%*
EBITDA (%)	***66.4%***	***52.3%***	
Other Income	25	33	*-23.0%*
Total EBITDA	**864**	**599**	*44.2%*
Depreciation	423	438	*-3.4%*
EBIT	**441**	**161**	***173.9%***
Finance charges	668	705	*-5.2%*
Profit /(loss) after Int before exp. Item	**(227)**	**(544)**	*58.2%*
Tax Expense	0.1	-6	**-**
Minority Interest / Share of Associate	-0.5	1.1	**-**
Profit / (Loss) after Minority Interest	**(226)**	**(539)**	**-**
Earnings per Share (in Rs.)	**(0.30)**	**(0.95)**	

Thank You

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OGPL reports Strong Q1 FY17 Results

Operating Performance Significantly Improved
Wind's EBITDA margin increased to 81%
Sustainable improvement in Operating Profile
Positive Cash Generation from Operations in Q1

Orient Green Power Company Limited (OGPL), a leading independent renewable energy-based power generation company in India, has announced its results for the quarter ended June 30, 2016.

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Commenting on the performance, Mr. S. Venkatachalam, MD - OGPL, said: *"FY17 has started off on a positive note for us, as reflected by the strong operational and financial performance. The improved performance is mainly due to a far better grid availability in Tamil Nadu where a significant proportion of our assets are located. Further to this, we have made significant progress towards flexible restructuring of our major debt portfolios under 5:25 scheme which will help us improve cash flow for a long-term.*

The Demerger process has been overwhelmingly approved by the shareholders and we expect to conclude the transaction shortly following the receipt of approvals from legal and regulatory authorities. Further to this, we propose to divest some of demerged biomass units. This will help infusing the necessary working capital towards profitably operating the remaining units. Significant progress has already been made in this regard.

Overall there has been a far improved operating environment coupled with stringent enforcement of RP. We are confident that we are now positioned for an even better performance in the years to come".

Performance Update

Key highlights during Q1 FY17 -

- Best grid availability in TN in the last 3 years, resulting in greater evacuation of power
- Improvement in wind availability during the current year. Wind's annualized PLF increased to 20.7% from 15.3% y-o-y.
- Combination of wind availability and improved grid evacuation drives strong increase in power generation – stable tariffs help to propel wind revenues to Rs. 99 crores, growth of 31%.
- REC trading during the quarter remained fairly strong. With Q1 revenues being 75% better than that of previous years Q1.
- Flexible restructuring of major portion of Wind loans as per 5:25 scheme under progress.
- Aggregate capacity available and generating as of June 30, 2016 was 531 MW, comprising of 425 Mw Wind assets and 106 Mw Biomass assets.
- Demerger and monetizing of some of the biomass assets to provide necessary working capital for profitable operation of remaining units.

-ENDS-

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Safe Harbour