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OGPL 9MFY12 Results - Total Income higher by 7.3% at ₹179 crore

Orient Green Power Company Limited (OGPL), a leading independent renewable energy-based power generation company in India, has announced its unaudited financial results for the nine months ended December 31, 2011. Details are as under:

9M FY12 vs. 9M FY11 (Consolidated)

Revenue from Operations expands from ₹ 166 crore to ₹ 179 crore

EBITDA at ₹ 88.4 crore, PAT at ₹ -23.3 crore

Steady progress in Biomass operations

Added 32 MW incremental capacity in Oct – Dec 2011

Commenting on the performance, Mr. P. Krishnakumar, Managing Director - OGPL, said:

"We are pleased to report topline growth in 9MFY12 despite significant challenges to individual projects as well as to the industry as a whole. Our gradual expansion in capacity has enabled us to increase total units generated on a y-on-y basis.

Unplanned shutdowns due to change over from PPA to Third Party Sale basis in southern plants and weather conditions have impacted quality of feedstock and potential power generation for biomass business. In Wind business, the grid availability issues and lower than expected wind availability has resulted in poor offtake of wind power generated. Enhanced capacities have resulted in increased depreciation and interest costs and this has impacted profitability as revenues from this new capacity will materialize over the coming quarters.

During Q3FY12, we have added 32 MW of incremental and have a steady pipeline of projects which will further add to the Capacity in Wind and Biomass. We netted ₹ 2 crore in January, 2012 through the sale of 6,768 RECs at attractive prices and see *improved contribution from RECs in Q4 given the increased capacity eligible for RECs and improvements in realizations / trading volumes on the exchanges.*

The imminent tariff revisions by SEBs and expected improvement in grid availability make us hopeful of an improved performance in the coming quarters."

Performance Update

The company's performance during 9MFY12 has been impacted by

- Poor wind availability during the FY12 wind season compared to FY11 wind season resulting in PLFs below long–term averages.
- Challenging weather conditions for its Biomass Plants in Rajasthan resulting in reduced PLFs as well as increase in per unit consumption of fuel
- Directive from Tamil Nadu SEB in Q1FY12 to supply entire generation to the State Electricity Grid resulting in inability to avail of attractive prevailing merchant tariffs in Q2 and Q3 and resultant delay in collection of receivables affected working capital severely.
- Mandatory 3 week shutdown of biomass plants in Tamil Nadu to enable exit from PPA with SEB which will allow for power to be sold at merchant tariffs. All three units under SPVs in the South have started sale to third parties in the later part of Q3FY12 resulting in improved realisation and collections the positive impact of which would be felt from Q4 onwards.

As of December, 31, 2011 OGPL had total operating capacity of 336 MW which includes 275 MW of wind power and 61 MW of Biomass Power. During the quarter, it added:

- 22 MW of wind power capacity at Tamil Nadu

- 10 MW Biomass Power Plant at Hanumangarh with sale to Tata Power

-ENDS-

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About OGPL

OGPL (NSE: GREENPOWER, BSE: 533263) is a leading Indian independent renewable energy-based power generation company focused on developing, owning and operating a diversified portfolio of renewable energy power plants. The Company is the largest independent operator and developer of renewable energy power plants in India based on aggregate installed capacity according to the CRISIL Report of March 2010 commissioned by OGPL. Currently the portfolio includes biomass, biogas, wind energy and small hydroelectric projects at various stages of development.

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.

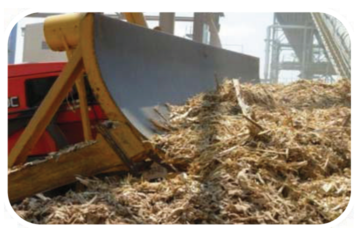
ORIENT GREEN POWER

Leading Diversified Renewable Energy Generator

Investor Presentation

Q3 FY12 Results

December 2011



Biomass

Wind

Small Hydel

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Financial Results
& Operating Highlights

Q3 FY12

Financial Highlights – Q3 FY 2012

- The financial results included additional capacity of 10.0 MW in Biomass and 22.0 MW in Wind Business
- The quarter also saw the first accruals of income under REC mechanism
- Generation of Power and sales revenue from Biomass was affected during the quarter due to following reasons :
  - Heavy rains during part of the quarter in Rajasthan forced shutdown of plants
  - Shift from PPA to Third Party Sale resulted in mandatory shut down of three southern units for 3 weeks
  - Sales revenue (Biomass) was at Rs. 221.24 Million as against Rs. 219.17 Million in Q3 FY 2011 (growth of 10%)
- Fuel costs continued to be high in Tamil Nadu plants and further increased during the quarter in certain units . Also due to wet fuel in Rajasthan Plants fuel consumption per unit had been high leading to very high per unit fuel costs (Rs. 4.39 per unit)
- Wind business got impacted mainly due to poor wind availability during Q3 and sales revenue was at a level of Rs.187.67 Million as against Rs. 205.69 Million (negative growth of 9%)
- Additional regulatory levies like O&M costs for sub-stations in TN adversely impacted the results during Q4
- Consolidated Operational EBIDTA was at Rs. 27.80 Million (6%) as against Rs. 238.38 Million (46.9%).
- Due to higher depreciation and interest with Capacity additions and increase in rate of interest, Loss before Tax was at Rs. 428.42 Million as against PBT of Rs. 65.51 Million
- Loss after Minority Interest was at Rs. 287.45 Million as against PAT of Rs. 49.77 Million

Financial Highlights – YTD FY2012

- Sales revenue (Biomass) was at Rs. 694.73 Million as against Rs. 705.87 Million in Q3 FY 2011
- Sales revenue (Wind business) registered growth of 18% to a level of Rs. 995.47 Million mainly due to increased capacity in operation
- Consolidated Sales Revenue grew by 9% to Rs.1,690.20 Million
- Consolidated Operational EBIDTA was at Rs. 671.81 Million (37.6%) as against Rs. 761.45 Million (45.7%)
- Loss before Tax was at Rs. 242.65 Million
- Loss after Minority Interest was at Rs. 232.56 Million as against PAT of Rs. 91.21 Million

Profitability Statement – Q3 FY 2012

(Rs. Million)

	Q3 FY 2012			Q3 FY 2011		
	BioMass	Wind	Total	BioMass	Wind	Total
Sale of Power	221.24	187.67	408.91	219.17	205.69	424.86
Other Income	41.61	9.19	50.80	13.01	70.73	83.74
Total Income	**262.85**	**196.86**	**459.71**	**232.18**	**276.42**	**508.60**
Expenditure						
Cost of fuel & consumables	210.48	23.55	234.04	100.45	14.60	115.05
O & M and other costs	128.62	69.25	197.87	85.85	69.32	155.17
Total Expenditure	**339.10**	**92.80**	**431.90**	**186.30**	**83.92**	**270.22**
EBITDA	**-76.25**	**104.06**	**27.80**	**45.88**	**192.50**	**238.38**
EBITDA %	**-29.0%**	**52.9%**	**6.0%**	**19.8%**	**69.6%**	**46.9%**
Depreciation	48.60	150.22	198.82	31.52	80.29	111.81
Finance Charges	70.97	227.66	298.63	50.36	109.21	159.57
Other Income	29.48	11.75	41.23	95.37	3.14	98.51
PBT	**-166.35**	**-262.07**	**-428.42**	**59.37**	**6.14**	**65.51**
PAT (before minority interest)	-152.23	-178.87	-331.10	49.40	1.56	50.96
PAT (after minority interest)	-128.55	-158.90	-287.45	48.97	0.80	49.77

Profitability Statement – YTD FY2012

						(Rs. Million)
	Upto Q3 FY 2012			Upto Q3 FY 2011		
	BioMass	**Wind**	**Total**	**BioMass**	**Wind**	**Total**
Sale of Power	694.73	995.47	1,690.20	705.87	846.10	1,551.97
Other Income	78.89	17.85	96.74	41.89	70.73	112.62
Total Income	**773.62**	**1,013.32**	**1,786.94**	**747.76**	**916.83**	**1,664.59**
Expenditure						
Cost of fuel & consumables	525.46	55.40	580.87	425.76	37.39	463.15
O & M and other costs	334.46	199.80	534.26	269.43	170.56	439.99
Total Expenditure	**859.92**	**255.20**	**1,115.12**	**695.19**	**207.95**	**903.14**
EBITDA	**-86.30**	**758.12**	**671.81**	**52.57**	**708.88**	**761.45**
EBITDA %	**-11.2%**	**74.8%**	**37.6%**	**7.0%**	**77.3%**	**45.7%**
Depreciation	117.31	337.96	455.27	94.04	222.20	316.24
Finance Charges	156.78	515.32	672.10	129.04	241.83	370.87
Other Income	164.07	48.84	212.91	74.15	31.37	105.52
PBT	**-196.33**	**-46.32**	**-242.65**	**-96.36**	**276.22**	**179.86**
PAT (before minority interest)	-206.17	-41.21	-247.38	-82.80	174.77	91.97
PAT (after minority interest)	-182.49	-50.07	-232.56	-82.80	174.01	91.21

Balance sheet as at December 31, 2011

		Rs. Million	
	December 31, 2011	December 31, 2010	March 31, 2011
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	4,681	4,681	4,681
Reserves & Surplus (net of debit balance in P&L Account)	7,736	7,929	7,883
Minority Interest	440	299	360
Loan Funds	10,975	6,354	8,026
Total	**23,831**	**19,262**	**20,949**
APPLICATION OF FUNDS			
Fixed Assets including Capital work in progress	26,677	13,978	17,751
Goodwill on Consolidation	480	484	484
Current Assets	-	-	-
Inventories	446	457	451
Receivables	821	491	428
Cash and cash equivalents	1,297	1,235	4,755
Other Current Assets, Loans and Advances	5,348	5,460	1,297
Less : Current Liabilities and Provisions	-11,240	-2,843	-4,218
Net Current Assets	**-3,327**	**4,800**	**2,713**
Total	**23,831**	**19,262**	**20,949**

Current Liabilities includes Rs. 6,418 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. We have so far retired LCs of about Rs. 1,700 Million since January 1, 2012

Wind Operations

Existing Wind Operations - India

Particulars	Unit of Measurement	Q3 FY 2012	Q3 FY 2011	Q3 YTD FY 2012	Q3 YTD FY 2011
Capacity	MW	272.75	179.5	272.75	179.5
Units Generated	Mn	32.48	43.39	228.28	205.77
Annualized PLF	%	5.60	10.9	16.04	16.98
Average Realisation	Rs./ Unit	4.36	4.30	4.16	3.97

- Existing assets of 179.5 MW constitute operating assets acquired at low capital cost (approx. Rs. 35.5 Mn. Per MW)
- New wind assets of 22.0 MW in India had been commissioned during the quarter
- Performance continued to be impacted due to off season as well as lower wind availability during the quarter and this situation is expected to continue in coming quarter as well
- Realisation was higher as compared to previous year due to more sales to Group Captive consumers which is expected to continue in the future as well
- REC benefit has accrued for 2,230 MwH @ Rs. 3,050 per MwH for the quarter. This trend is expected to continue in coming quarters with more capacity being registered and more compliance by buyers entering the market
- Levy of O&M charges by TNEB on sub-stations have resulted in erosion of margins.

Capacity Expansion Strategy – Wind

- Capacity Addition of 22 MW completed in Q3.
- Approx. 70 - 80 MW of Capacity to be added in Q4.
- Site activities commenced in AP & Gujarat for Capacity additions for 2012 wind season -- 100.8 MW.
- Current Capacity is 272 MW and will reach around 350 MW by FY12 and 450 MW before Wind Season 2012.
- REC Registration completed for 40 MW and balance 80 MW planned in Q4 FY 2012 / Q1 FY 2013.

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	64.85 MW by Q2 FY 12 18.0 MW by Q3 FY12 57.75 MW by Q4 FY 12
Gujarat / Karnataka	20	Q1 FY12	4.0	4.0 MW operational in Q3 FY 2012
Croatia	10.5	Q4 FY 11/Q1 FY12	10.5	Commissioned in Q2 FY 12
Sri Lanka	10.5	Q1 FY12	10.5	Q4 FY 12
Addition for FY 2012	**151**		**180.6**	
Tamil Nadu	50	Q1 FY13	50	Dropped due to grid issues for 2013
Maharashtra	80	Q1 FY13	80	On hold
Karnataka	-	-	50	On hold due to forest clearance issues
Andhra Pradesh	100	Q1 FY13	94	Q1/Q3 FY 13
Gujarat	50	Q1 FY13	50	Q1 FY 13
Addition for FY 2013	**280**		**144**	

OGP

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

OGP

Existing Biomass Operations

Particulars	Unit of Measurement	Q3 FY 12	Q3 FY 11	PTD FY 12	PTD FY 11
Capacity	MW	60.5	40.5	60.5	40.5
Units exported	Mn.	46.05	28.50	138.19	113.77
PLF	%	40.1%	37.1%	49.6%	48.2%
Average Realisation	Rs. Per unit	4.73	5.34	4.96	5.21
Specific fuel consumption per unit	Kg./Unit	1.77	1.76	1.67	1.76
Fuel Cost	Rs./Unit	4.39	3.05	3.71	3.36
O & M and other costs	Rs./Unit	2.06	1.98	1.62	1.99

- Performance in Q3 FY12 was negatively impacted due to lower PLF as well as truncated operations due to heavy rains in Rajasthan.
- In Tamil Nadu, we had to shut down three plants to enable us to exit PPA and go for third party sales. This happened in the second half of the quarter resulting to much lower PLF.
- Operations commenced in the new plant at Hanumangarh with capacity to generate 10MW.
- Realisation was lower during the quarter mainly due to supply of power from TN Plants to TNEB due to change in terms from July '11 for 3rd party sale.
- Fuel Cost was high at Rs. 4.39 per unit (Rs. 3.05 per unit in Q3 FY 11) mainly due to high moisture fuel in a few locations on account of rains.

Existing Projects – Bio-mass power plants

Name	Capacity	Location	Fuel	Customer Details	Tariff (PPA)	Blended Tariff FY 2011	Blended Tariff Q1 FY 12	Blended Tariff Q2 FY 12	Blended Tariff Q3 FY 12
BG – 02 Kopargaon	2.0	Maharashtra	Co –generation biogas	Captive	3.50	3.50	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	4.29	5.78 *
BM – 08 Kotputli	8.0	Rajasthan	Mustard husk	Grid 100% (Rajasthan SEB)	4.94	4.94	5.19	5.19	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	4.65	5.63 *
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	4.65	5.12
BM – 08 Chippabarod	8.0	Rajasthan	Mustard husk	Grid 100% (Jaipur, Ajmer and jodhpur distribution companies)	4.10	4.10	4.19	4.19	4.43
BM – 10 Pollachi	10.0	Tamil Nadu	Juliflora wood, coconut residue, saw mill waste, paddy husk	Grid (100%)-TNEB	4.50	-	-	4.50	4.50
BM -10 Hanumangarh	10.0	Rajsathan	Mustard Husk	Through Power Exchange (Tata Power)	3.50	-	-	-	5.84 *

* Includes REC benefit for part quantity during the quarter

Biomass Performance review

Operational Performance

- Biomass plants in North India suffered due to the monsoon during Q2 and part of Q3 and operation has since improved subsequently -- Jan.'12 PLF of 58% .
- Exited from Grid PPA in Dindugal / Pattukottai / Vandavasi in this quarter progressively -- all under 3rd party & REC registered. In order to facilitate change over, plants had to be mandatorily shut for not less than 3 weeks leading to lower generation and PLF.
- The fuel costs were high due to the non availability of bulk sourcing in TN Plants. Have commenced bulk sourcing of fuel through a contract for Wood Bark, RDF and deployment of the crawler for Juliflora harvest at the source in Q4.
- Operational Efficiency has got improved due to the bulk sourcing partly in Q3 in TN Plants and will have full impact in Q4.
- Sale from new plant at Hanumangarh presently through power exchange resulting in low tariff. Plan to go bilateral in order to improve on tariff from March '12.
- Post exit of PPA in 3 TN Plants have been able to get better tariff:
    - REC registered for 52.5 MW till date and earned 13,000 RECs to date and partly sold since at Rs. 3,050 per REC (Rs 3.05 per unit).

New projects

- Hanumangarh plant (10MW) has been commissioned in October 2011
- Narsinghpur and PSR Green projects totalling 17.5 MW delayed due to regulatory clearances and connectivity issues and are expected to be operational by end Q1 FY 2013
- 20 MW DY Patil Cogen plant by Q1 FY 2013
- 8 MW plant in Kishanganj in Q1 FY 2013.

Capacity Expansion – Biomass

States	Capacity (MW)	Original Estimated date of completion	Revised Estimated date of completion
CGL– 7.5 – Maraikal	7.5	Q4 FY11	Q1 FY13
BM – 10 – Hanumangarh	10	Q4 FY11	Commissioned in Q3 FY 12
BM – 10 – Narasinghpur	10	Q4 FY11	Q4 FY12/Q1 FY13
BM – 10 – Pollachi	10	Q4 FY11	Commissioned in Q2 FY 12
CG – 20 – Kolhapur	20	Q1 FY12	Q1 FY13
BM – 08 – Kishanganj	8	Q2 FY12	Q1 FY13
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 sale is presently to TNEB as per PPA. Exploring option of exiting from PPA and go for Third Party sale to improve realisation and collections.
  - Other projects shall be by way of merchant sale through Trading Companies.
  - REC eligibility confirmed for Kolhapur and Hanumangarh plants. REC eligibility likely to be confirmed for Andhra Pradesh in Q4FY12. REC trading started for Hanumangarh and Dindigul plants in Q3FY12.

Regulatory Environment

Renewable Energy Certificates (RECs)

- Most states have announced RPO/REC Guidelines and appointed Nodal Agency / Monitoring Agencies except Andhra which is expected to do so shortly.
- CERC / State ERCs likely to implement RPO inspite of anticipated resistance by State Utilities.
- REC revenues accrued from in Q3FY12 for two biomass plants and new wind projects.
- In Tamil Nadu, REC has been confirmed for 40.0 MW of wind capacity. Ultimately, REC is expected to be available for 120.0 MW of wind capacity to be commissioned by end FY12.
- In Maharashtra, REC eligibility confirmed for 20MW biomass plant being commissioned in Q1 FY13 -- REC Registered Project of 20 MW capacity
- 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 have been notified by most States, strong REC demand is expected in coming months.
- RECs could provide upside of Rs. 1.5 to 3.30/KWH. REC prices have shown improvements in the last couple of trading sessions with a peak of Rs. 3.05 / KwH realised in January 2012 trading session and with increased volumes – trend expected to continue in future as well.

Regulatory Impact – Opportunities and Concerns

Biomass

- Biomass tariff changes expected from State Electricity Regulatory Commission in Tamil Nadu as current control period has already expired in March ’11.
- In Tamil Nadu, process of tariff revision is in an advanced stage and general tariff increase expected to be announced by Q1 FY13. Will positively impact merchant tariffs.
- Industry expectation of revision in range of Re. 0.75 – Rs. 1.25 per unit.
- Open access issues in Andhra Pradesh and Madhya Pradesh continue to be a challenge thereby impacting project commissioning in both States.

Wind

- TNERC has cleared REC eligibility for export of power under Group Captive model. REC accruals commenced for new projects in Q3.
- Tariff increase in Tamil Nadu would have positive impact on realisation from Group Captive consumers post Q1 FY13.
- APREC notification for increase in tariff still awaited.
- Generation Based Incentive (GBI) eligibility likely to be continued beyond March 2012 - Notification is awaited.
- In Tamil Nadu, TNEB has started imposing O&M charges for sub-stations leading to a negative impact on profitability. Also expect increase in Transmission and Distribution charges shortly.

Wind Business Outlook - Q4 & Beyond

- Q4FY12 operations likely to be negatively impacted due to seasonality
- However, Wind business expected to improve significantly from Q1 FY13 due to the following measures :
  - Increased capacity additions of 70 - 80 MW in Q4 would lead to increased output from Q1 FY 13 onwards
  - During Q1 FY13, further incremental capacity of 100.8 MW is expected to go on stream
  - Accelerated REC Registration process for assets added to optimize revenue stream
  - Positive benefits from Tariff increase in Tamil Nadu likely from Q1 FY 13 onwards
  - Revenue optimization through Group Captive, third parties and PPAs depending on the location and schemes possible would have positive impact on both wind and biomass businesses
  - Measures being taken to reduce cost of borrowing through securitisation and ECB options and these could yield results as early as Q1 FY 13.

Biomass Business Outlook – Q4 and beyond

- Short term challenges in terms of fuel cost and availability likely to continue
- Working capital would continue to be tight in view of pending dues from TNEB although sales under new model would result in mitigating cash flow issues partially.
- However, Biomass business expected to improve significantly from Q4 vis a vis Q3 due to the following measures :
  - Shift from PPA to Third party sales in Tamil Nadu would lead to higher realisation and faster collection.
  - Sourcing of lower cost fuel through various initiatives is expected to start yielding positive results in coming quarters.
  - Commissioning of four more plants within next 2 quarters would lead to aggregate capacity of 106 MW would provide greater economies of scale for efficient and profitable operations.
  - Accrual of RECs has started from Q3 and expected to increase further with more plants being registered under REC mechanism.
  - Rajasthan tariff revision by Rs. 0.60 per unit from Nov.'11 would lead to improved performance of one of the Rajasthan plants.

Thank you