ORIENT GREEN POWER COMPANY LIMITED

09th January, 2018

The BSE Limited
Corporate Relations Department,
P.J. Towers,
Dalal Street,
Mumbai-400 001.
Scrip Code: 533263

The National Stock Exchange
of India Limited
Department of Corporate Services,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Mumbai-400 051.
Scrip Code: GREENPOWER

Dear Sirs,

Sub: News Release

We enclose News Release with regard to Operational Performance of the Company.

We request you to kindly take the same on record and oblige.

Thanking you,

Yours faithfully,
For Orient Green Power Company Limited

P. Srinivasan

ORIENT GREEN POWER COMPANY LIMITED

P Srinivasan
Company Secretary & Compliance Officer

Regd. & Corporate Office : 'Sigapi Achi Building', 4th Floor,
18/3 Rukmani Lakshmipathi Road, Egmore, Chennai - 600 008. India.
Tel : +91-44-4901 5678 (20 Lines) Fax : +91-44-4901 5655 www.orientgreenpower.com
CIN : L40108TN2006PLC061665

ORIENT GREEN POWER COMPANY LIMITED

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

News Release: For immediate publication **Chennai, 9th January, 2018**

OGPL aiming for leadership in operational performance in the renewable energy industry

Orient Green Power Company Limited (OGPL) a leading independent renewable energy-based power generation company in India, today shared that the company has scripted a turnaround and is making significant progress towards attaining leadership position in operational performance in the renewable energy industry.

Commenting on the development, Mr. S. Venkatachalam, MD - OGPL, said: *"OGPL has made major progress in the implementation of its transformation strategy. Divestment of the Biomass business has been substantially completed with the transfer of 8 biomass units on December 31, 2017. Sale of the remaining units, which is in progress, is expected to be concluded over the next 2 quarters following which OGPL will emerge as a pure wind energy company.*

The improved operating environment for wind turbines, especially in Tamil Nadu, has elevated the operational performance of the wind business which is now delivering EBITDA that is reflective of its potential. The outlook for Renewable Energy Certificates has also steadily improved and we are confident of monetizing our inventory over the next few months. Given the stable operating conditions and our long–term agreements for sale of power, we are confident of not only sustaining, but building upon this performance.

The other aspect of the transformation strategy has been reduction of finance costs. Sale of Biomass assets has already resulted in transfer of loans pertaining to those assets thereby reducing overall debt. Some of the loans pertaining to the wind business have been refinanced taking benefit of interest rates prevailing in the market. The improved performance and attractive prospects of the wind business have opened the door for refinancing of larger tranches of debt at attractive levels which will lead to further reduction in finance costs.

The business is on a much stronger footing now and is well placed to benefit from tailwinds of improved macros, wind business near its full potential, lower finance costs and gradual uptick in REC trading. We are aiming for leadership in operational performance in the renewable energy industry and are confident that it will result in accelerated value creation for our stakeholders."

OGPL has wind power capacity of 425 Mw spread across Tamil Nadu (308 Mw), Andhra Pradesh (75 Mw) and Gujarat (29 Mw) in India as well as a unit in Croatia (11 Mw). All of its capacity is operational with long-term supply contracts in place. Some of the power supply arrangements are due for upward revision enabling it to effectively counter pressure on tariffs.

Turnaround in financial performance:

	H1 FY18	H1 FY17	%
REVENUES	330	309	6%
EBITDA	250	233	7%
EBITDA%	***75%***	***75%***	< >
EBIT	175	149	17%
EBIT%	**53%**	**48%**	*+500 bps*
PBT	54	16	240%
PBT%	**16%**	**5%**	*+1,100 bps*

The turnaround in performance is due to strong traction in the wind business on the back of structural improvements. In Tamil Nadu, where 72% of OGPL capacity is located, initiatives by distribution company TANGEDCO to improve grid infrastructure have resulted in increased evacuation of power enabling the company to monetize over 95% of the wind power that it generates.

Improved financial performance is sustainable

The grid availability in Tamil Nadu has consistently remained above 95% for the last 12 months and is expected to be better in the coming years, indicating that the improved performance is sustainable. The grid availability in Andhra Pradesh and Gujarat, where other units are located, regularly clocks 99%.

Divestiture of loss making biomass business: completed the sale of 8 biomass units to Janati Bio Power Pvt. Ltd on Dec 31, 2017, sale of remaining units in progress

In order to further strengthen its position and accelerate value creation for shareholders, OGPL had decided to divest its loss making biomass business which was a drag on the company's performance. On December 31, 2017 it completed the sale of 8 biomass units to Janati Bio Power Pvt. Ltd. (subsidiary of its promoter - Shriram Ventures Ltd.). OGPL will receive a consideration of Rs. 80 crores while Rs. 193 crores of debt will be taken over by the buyer. Overall debts that will go out of the OGPL books will be around Rs.330 crores. Accumulated losses of the Biomass business will be written back enhancing its net worth.

Sharp reduction in finance costs and extended tenures of loans have improved financial health

The Company has also steadily reduced its finance cost from Rs. 286 crore in FY15 to Rs. 267 crore in FY17 and it is set to further reduce to Rs. 242 crore (annualised) in FY18. The company is poised to achieve further reduction in finance costs by about Rs. 35-40 crore in FY19 on the back of transfer of 193 crore of biomass debt along with the assets on Dec 31, 2017; refinancing of one tranche of high cost debt of Rs. 100 crore in Oct, 2017 from 18% p.a. to 12.75% p.a. resulting in an annual saving of over Rs. 5 crore and healthy intent indicated by financial institutions to refinance the tranche of Rs. 765 crore of debt which was refinanced under the 5/25 scheme. Taking into consideration the improved performance, OGPL is in active discussions with banks for refinancing debts to the tune of Rs.1,000 crores to a single digit interest rate (from current average cost of debt of ~13%).

Other revenue streams now kicking in

The trading of Renewable Energy certificates has been marginally higher in H1 FY18 as compared to H1 FY17. December 2017 had a record average trading of almost 50% compared to averages of 6-7% each month over the last few years. As a result, OGPL was able to liquidate in 9 months around 379,000 RECs fetching Rs.37 crore cash realization with Rs.18 crore retained by CERC pending court order. REC inventory now stands around 239,000 certificates.

Strong outlook, OGPL to deliver continued upside in performance

Going forward, the improved performance trajectory of the wind business, completion of the divestment of loss making biomass business, reduction in finance costs and the revival in REC trading will contribute to further improvement in performance enabling the company to firmly establish the turnaround and allow it to establish leadership in operational performance in the renewable energy sector in India.

- Ends -

For further information please contact:

Mr. K.V. Kasturi	Mayank Vaswani / Suraj Digawalekar
Orient Green Power Company Limited	CDR India
Tel: +91 44 4901 5678	Tel: +91 22 6645 1230 / 1235
Email: kasturi.kv@orientgreenpower.com	Email: mayank@cdr-india.com
	suraj@cdr-india.com

Safe Harbour