

Announcement to SGX-ST

Suzlon Energy Limited (the “Company”):

US\$ 200 million zero coupon convertible bonds due October 2012 (ISIN: XS0323163526) (the “0% October 2012 Bonds”), US\$ 20.8 million 7.5% convertible bonds due October 2012 (ISIN: XS0426742572) (the “7.5% October 2012 Bonds”), US\$ 90 million zero coupon convertible bonds due July 2014 (ISIN:XS0441902656) (the “0% July 2014 Bonds”) and US\$ 175 million 5% convertible bonds due April 2016 (ISIN: XS0614325156) (the “5% April 2016 Bonds”, and together with the 0% October 2012 Bonds, 7.5% October 2012 Bonds and the 0% July 2014 Bonds, the “Existing Bonds”) issued by the Company.

This is to inform you that the Board of Directors of the Company has, by circular resolution, approved a cashless restructuring proposal in respect of the Existing Bonds, including, without limitation, the issuance of new foreign currency convertible bonds (“**Restructured Bonds**”) in (a) substitution, by extraordinary resolution, of the accreted value and unpaid interest, if any (including default interest thereon), of the 0% October 2012 Bonds, the 7.5% October 2012 Bonds and the 0% July 2014 Bonds; (b) voluntary substitution of the accreted value and unpaid interest (including default interest thereon) of the 5% April 2016 Bonds (the “**Voluntary Substitution**”); (c) substitution, by extraordinary resolution, of the accreted value and unpaid interest (including default interest thereon) of the outstanding 5% April 2016 Bonds following the Voluntary Substitution (provided the principal amount of the 5% April 2016 Bonds outstanding exceeds US\$ 87.50 million), in an amount that is equal to US\$ 87.50 million less the principal amount of the 5% April 2016 Bonds substituted with the Restructured Bonds pursuant to the Voluntary Substitution plus premium and unpaid interest (including default interest thereon) in respect of such amount, which shall be effected in a *pro rata* manner; and (d) substitution, by extraordinary resolution, of the unpaid interest (including default interest thereon) in respect of any 5% April 2016 Bonds that are not substituted.

The key indicative terms of the Restructured Bonds include:

- **Issue size:** Approximately US\$ 485 million (assuming the 0% October 2012 Bonds, 7.5% October 2012 Bonds, 7.5% July 2014 Bonds and only 50% of the 5% April 2016 Bonds are substituted and including all accrued and unpaid interest (including default interest thereon), subject to receipt of necessary approvals, including approval of the Reserve Bank of India (the “RBI”).
- **Step-up interest:** (a) First 18 months – 3.2544% payable in cash semi-annually in arrear; and (b) for the remaining 42 months and 1 day – 5.7544% payable in cash semi-annually in arrear.
- **Regulatory Floor Price:** Rs.14.05.
The regulatory floor price is the minimum price determined in accordance with the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended pursuant to a notification issued by the Ministry of Finance dated 27 November 2008 (the “**1993 Scheme**”). 3 May 2014, the date of the meeting of the Board of Directors at which the issuance of the Restructured Bonds pursuant to the restructuring proposal was approved has been considered to be the ‘relevant date’ for the purposes of the 1993 Scheme.
- **Conversion price:** Rs.15.46, being 10% over the Regulatory Floor Price (as adjusted from time to time).
- **Maturity:** 5 years and 1 day from issue date of Restructured Bonds.
- **Redemption price:** 100% of the issue price of the Restructured Bonds.
- **Security:** Subject to the fulfilment of certain conditions and approval of the RBI, the bondholders shall be entitled to a springing second lien on all the domestic assets of the Company and its Indian subsidiaries that are secured for the benefit of the Company’s secured lenders.

Pursuant to the proposed restructuring, not more than 50% of the 5% April 2016 Bonds shall remain outstanding. The terms and conditions of the outstanding 5% April 2016 Bonds in relation to negative pledge, events of default, undertakings and anti-dilution provisions are proposed to be amended to make them consistent with the Restructured Bonds, subject to approval of the requisite majority of the holders of the 5% April 2016 Bonds.

The restructuring proposal, including the terms of the Restructured Bonds, are subject to the approval of the RBI, the Corporate Debt Restructuring Empowered Group and the requisite majority of the holders of the Existing Bonds in each series. In this regard, the Company will issue separate notices, each dated on or about 6 May 2014, to convene meetings of the holders of each series of the Existing Bonds to consider, and if thought fit, to approve, the restructuring proposal.

Further, the Company has entered into a standstill agreement with certain holders of the Existing Bonds (the “**Standstill Agreement**”) to facilitate the restructuring of the Existing Bonds. Pursuant to the Standstill Agreement, the standstill period extends until 15 August 2014, subject to the terms of the Standstill Agreement.

A copy of the press release in this regard is also enclosed herewith.

Registered Office of the Company

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Ahmedabad-380009

Nothing in this announcement constitutes an offer of, an offer to buy, or a solicitation of an offer to sell, securities in the United States, the Republic of India or any other jurisdiction in which such offer or solicitation would be unlawful.

Dated: 3 May 2014.

3rd May, 2014

Suzlon Group: Board approves cashless restructuring of its Foreign Currency Convertible Bonds (FCCBs)

- **Issue Size:** Approximately USD 485 million (assuming the 0% October 2012 Bonds, 7.5% October 2012 Bonds, 0% July 2014 Bonds and only 50% of the 5% April 2016 Bonds are substituted (including unpaid interest and default interest thereon)) subject to receipt of necessary approvals, including approval of the Reserve Bank of India (the “RBI”) as part of restructuring of the Existing Bonds.
- **Maturity:** New restructured bonds to have a maturity period of 5 years and 1 day from the date of issue. To mature in financial year 2019-20.
- **Conversion Price:** Rs. 15.46, being 10% over the Regulatory Floor Price.
- **Yield:** Step up cash coupon rates, 0% redemption premium on maturity, with a yield of approximately 5%.

Pune 3rd May: Suzlon Group, the world’s fifth largest* wind turbine maker, today announced that its Board of Directors has, by circular resolution, approved a cashless restructuring proposal in respect of the Existing Bonds.

The company and an ad-hoc committee of the bondholders have concluded negotiations and have agreed on the proposed restructuring terms. The ad-hoc committee of bondholders comprises of select bondholders with significant holdings across each of the Existing Bonds.

The restructuring proposal, including the terms of the new restructured bonds, are subject to the approval of the RBI, the CDR Empowered Group and the requisite majority of the holders of the Existing Bonds in each series. In this regard, the company will issue separate notices, each dated on or about 6th May 2014, to convene meetings of the holders of each series of the Existing Bonds to consider, and if thought fit, to approve, the restructuring proposal.

Further, the Company has entered into, a standstill agreement with the bondholder’s ad-hoc committee (the “**Standstill Agreement**”) to facilitate the proposed restructuring of the Existing Bonds. The Standstill Agreement provides for a standstill period extending until 15th August 2014, subject to the terms of the Standstill Agreement.

Speaking on the occasion the **Chairman Mr. Tanti said** “The Standstill Agreement is a testimony of the faith and confidence the bond holders have displayed in Suzlon. At Suzlon, I take pride to share that against the backdrop of a challenging business environment, the company has managed to retain its prized customers”.

Speaking on the development, **Mr. Kirti Vagadia**, Group Head – Corporate Finance– **Suzlon Group** said: “I am glad to inform that we have concluded our discussion with the ad-hoc committee of bondholders. The proposed cashless restructuring package for our Existing Bonds is an optimal solution to our last remaining piece under the comprehensive liability management programme and is value accretive for all our stakeholders. The Suzlon Group remains thankful to the secured lenders and bondholders for their patience and constructive approach in arriving at a solution.”

About Suzlon Group:

The Suzlon Group is ranked as the world’s fifth largest* wind turbine supplier, in terms of cumulative installed capacity and market share, at the end of 2013. The company’s global spread extends across Asia, Australia, Europe, Africa and North and South America with over 24000 MW (@24 GW) of wind energy capacity installed, operations across over 30 countries and a workforce of over 10,000. The Group offers one of the most comprehensive product portfolios – ranging from sub-megawatt onshore turbines at 600 Kilowatts (KW), to the world’s largest commercially-available offshore turbine at 6.15 MW – with a vertically integrated, low-cost, manufacturing base. The Group – headquartered at Suzlon One Earth in Pune, India – comprises Suzlon Energy Limited and its subsidiaries, including Senvion SE. Visit us at www.suzlon.com

Source: *MAKE Report: Global Wind Turbine OEM 2013 Market Share.

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Notes to Editors:

FCCBs: USD 200 million zero coupon convertible bonds due October 2012 (the “**0% October 2012 Bonds**”), the USD 20.8 million 7.5% convertible bonds due October 2012 (the “**7.5% October 2012 Bonds**”), the USD 90 million zero coupon convertible bonds due July 2014 (the “**0% July 2014 Bonds**”) and the USD 175 million 5% convertible bonds due April 2016 (the “**5% April 2016 Bonds**”, and together with the 0% October 2012 Bonds, 7.5% October 2012 Bonds and the 0% July 2014 Bonds, the “**Existing Bonds**”)