Results of Operations — Restricted Group Combined Financials

15 Months Ended March 31, 2016 Compared to Nine Months Ended December 31, 2014

Greenko Energy Holdings (the "Parent Guarantor") acquired all of the ordinary shares in Greenko Mauritius ("Greenko Mauritius") held by Greenko Group plc on November 20, 2015 and also acquired all of the A exchangeable shares in Greenko Mauritius held by Cambourne Investments Private Limited, an affiliate of GIC, and all of the preference shares in Greenko Mauritius held by GEEMF III GK Holdings MU (collectively, the "Acquisition").

The Acquisition was accounted for as a purchase in accordance with IFRS 3 "Business Combination" which resulted in a new valuation of our assets and liabilities, based on their estimated fair value as of the date of the Acquisition. The combined financial statements of the Restricted Group for nine months ended December 31, 2014 reflect the "pre-acquisition" financial position, results of operations of the Restricted Group prepared on the historical basis of accounting prior to the Acquisition.

Prior to the Acquisition, Greenko Mauritius' fiscal year ended December 31; however, in order to match the fiscal year of GIC, following the Acquisition, the Parent Guarantor adopted March 31 as its fiscal year end. In addition, in 2014, Greenko Group plc had changed its fiscal year (including the fiscal year of its subsidiaries, including companies in the Restricted Group) from a fiscal year ending March 31 to a fiscal year ending December 31. As a result of (a) the changes in fiscal years in 2014 following the Acquisition and (b) the Acquisition, including the revaluation of our assets and liabilities in connection therewith, the combined financial statements for the Restricted Group may not be comparable.

Revenue

Revenue for the combined Restricted Group increased by 36.5% to US$123.3 million in the 15 months ended March 31, 2016 from US$90.4 million in the nine months ended Dec 31, 2014. The increase was primarily due to an increase in the sale of power by 34.9%, generation based incentive ("GBI") income by 40.3% and income from sale of RECs is by 507%. During the period 15 Month ended March 31, 2016 the monsoon was below normal impacting hydro and wind generation.

	15 Months ended March 31, 2016	**Nine Months ended December 31, 2014**
	(US$ in Millions)	
Sale of Power	117.3	86.9
Sale of renewable energy certificates	1.6	0.3
Generation based incentive	4.4	3.2
Installed capacity at beginning of year (MW)	619	413
Installed capacity at end of period(MW)	627	619
Generation in (Gwh)	1,904.2	1,308.5

	15 Months ended March 31, 2016	**Nine Months ended December 31, 2014**
	(US$ in Millions)	
Revenues from hydro power projects	39.1	32.8
Revenues from wind energy projects	84.3	57.5

Sales of power for the combined Restricted Group in the 15 months ended March 31, 2016 was US$117.3 million compared to US$86.9 million in the nine months ended December 31, 2014. Generation in the Restricted Group increased to 1,904.2 GWh in the 15 months ended March 31, 2016 compared to 1,308.5 GWh in the nine months ended December 31, 2014.

Income from GBI for the combined Restricted Group in the 15 months ended March 31, 2016 was US$4.4 million compared to US$3.2 million in the nine months ended December 31, 2014. Sales of REC certificates for the combined Restricted Group in the 15 months ended March 31, 2016 was US$1.6 million compared to US$0.3 million in the nine months ended December 31, 2014. Market for sale of REC's has not improved in last two years and we are able to sell full certificates generated by us, however, the regulator has extended the life of RECs from two years to three years supporting the industry.

Other operating income

Other operating income for the combined Restricted Group in the 15 months ended March 31, 2016 was US$0.2 million compared to US$5.1 million in the nine months ended December 31, 2014. Other operating income in the year ended December 31, 2014 includes profit on sale of investments in subsidiaries and associates.

Power generation expenses

Power generation expenses for the combined Restricted Group in the 15 months ended March 31, 2016 was US$11.3 million compared to US$3.1 million in the nine months ended December 31, 2014, primarily as a result of the increased generation of power in the 15 months ended March 31, 2016. Power generation expenses in the 15 months ended March 31, 2016 was 9.2% of revenue compared to 3.5% of revenue in the nine months ended December 31, 2014, primarily as a result of the increase in O&M expenses for our Restricted Group wind energy projects payable after first two years of free O&M from vendors.

Employee benefits expense

Employee benefits expense for the combined Restricted Group in the 15 months ended March 31, 2016 was US$6.2 million compared to US$2.9 million in the nine months ended December 31, 2014. [During the nine months ended December 31, 2014, over 35% capacity has become operational only partial year, while the entire capacity was operational in the 15 months ended March 31, 2016 in addition to period issues.]

Depreciation and amortization

Depreciation and amortization for the combined Restricted Group in the 15 months ended March 31, 2016 was US$34.0 million compared to US$16.95 million in the nine months ended December 31, 2014, [primarily due to significant capacity was not full nine month operational in the year ended December 31, 2014, while all the plants were operational and in addition during the current fiscal the assets were fair valued and hence incremental impact for the year ended March 31, 2016.]

Finance income

Finance income for the combined Restricted Group in the 15 months ended March 31, 2016 was US$1.6 million compared to US$1.3 million in the nine months ended December 31, 2014, primarily due to an increase in interest on bank deposits.

Finance cost

Finance cost for the combined Restricted Group in the 15 months ended March 31, 2016 was US$67.1 million compared to US$34.7 million in the year ended December 31, 2014. This increase was primarily due to 15 months' interest charge provision for the notes in the year ended March 31, 2016 in addition to hedge costs and amortization of issue expenses, while for the year ended December 31, 2014 being a nine-month period and not all projects being operational for the full nine months, interest was capitalized.

Profit/(Loss) before income tax

Loss before income tax for the combined Restricted Group for the 15 months ended March 31, 2016 was US$1.9 million compared to profit of US$43.7 million for the year ended December 31, 2014.

Income tax expense

Income tax expense for the combined Restricted Group in the 15 months ended March 31, 2016 was US$9.1 million compared to US$8.6 million in the nine months ended December 31, 2014, primarily due to an increase in current tax as a consequence of the increase in profit before income tax on tax year basis and decrease in deferred tax.

Profit/(loss) for the year

As a result of the foregoing, the combined Restricted Group's Loss for the year ended March 31, 2016 was US$11.0 million compared to profit of US$35.1 million for the year ended December 31, 2014.

Liquidity and Capital Resources

Overview

As of March 31, 2016, the Restricted Group's combined bank deposits were US$24.6 million and our cash and cash equivalents were US$46.5 million. The Restricted Group's principal financing requirements are primarily for:

- maintenance and operation of projects;
- funding our working capital needs; and
- general corporate purposes.

We fund the Restricted Group's operations and capital requirements primarily through cash flows from operations. We believe that the cash generated from the Restricted Group's operations will be sufficient to finance its working capital needs for the next 12 months. We expect that these sources will continue to be the Restricted Group's principal sources of cash in the medium term. However, there can be no assurance that additional financing will be available, or if available, that it will be available on terms acceptable to the Restricted Group.

Cash Flows

Our summarized statement of the Restricted Group's combined cash flows is set forth below:

	15 Months ended March 31, 2016	**Nine Months ended December 31, 2014**
	(US$ in Millions)	
Net cash generated from/(used in) operating activities	77.2	70.9
Net cash used in investing activities	(12.8)	(102.1)
Net cash (used in)/from financing activities	(85.3)	85.6
Cash and cash equivalents at the beginning of the period	65.6	9.6
Cash and cash equivalents at the end of the period	46.5	65.6

Net cash flow from operating activities

In the 15 months ended March 31, 2016, the Restricted Group's net cash from operating activities of US$77.2 million was primarily attributable to adjustments of US$34.0 million for depreciation and amortization and US$67.1 million for finance cost, offset in part by a US$13.0 million decrease in trade and other receivables.

In the nine months ended December 2014, the Restricted Group's net cash from operating activities of US$70.9 million was primarily attributable to (i) profit before tax of US$43.7 million and (ii) adjustments of US$16.5 million for depreciation and amortization and US$34.8 million for finance cost, offset in part by a US$6.4 million decrease in trade and other receivables.

Net cash used in investing activities

In the 15 months ended March 31, 2016, the Restricted Group's net cash used in investing activities of US$12.8 million primarily consisted of US$18.3 million in purchase of property, plant and equipment and capital expenditure primarily relating to its projects under construction or development.

In the nine months ended December 2014, the Restricted Group's net cash used in investing activities of US$102.1 million primarily consisted of (i) US$83.8 million in purchase of property, plant and equipment and capital expenditure primarily relating to our projects under construction or development (ii) US$17.9 million in the acquisition of business, net of cash and cash equivalents acquired (Budhil acquisition in 9 month period ending 31.12.2014) and (iii) US$3.9 million for purchase of investments.

Net cash from financing activities

In the 15 months ended March 31, 2016, the Restricted Group's net cash used in financing activities of US$85.3 million was primarily attributable to (i) interest payment of US$70.9 million, (ii) US$9.0 million in repayment of borrowings to unrestricted subsidiaries and (iii) US$8.9 million in repayment of borrowings.

In the nine months ended December 2014, the Restricted Group's net cash from financing activities of US$85.6 million was primarily attributable to US$611.8 million of proceeds from borrowings, including the 2014 Notes, offset in part by US$446.9 million in repayment of borrowings, US$61.1 million in repayment of borrowings to unrestricted entities and US$31.6 million in interest paid.