

**Pro Forma Consolidated Financial Information of Senvion S.à r.l., Luxembourg, for the period from 1 January 2015 to 31 December 2015**

**A. Introduction**

On 29 April 2015, Senvion S.à r.l. (formerly Rapid Acquisition Luxco S.à r.l.) (“Issuer” and, together with its fully consolidated subsidiaries, “Group”), a Luxembourg holding company formed by funds advised by Centerbridge Partners L.P., New York, USA (“Centerbridge”), acquired 100% of the shares of Senvion SE (now Senvion GmbH, in the following “Senvion”), Hamburg, Germany, via its subsidiary Senvion Holding GmbH (“Holding”), Hamburg, Germany from AE-Rotor Holding B.V., Hengelo, Netherlands, SE Drive Technik GmbH, Bochum, Germany, Suzlon Windenergie GmbH, Bochum, Germany, and RPW Investments, SGPS, S.A., Lisbon, Portugal, as sellers (“Sellers”), and Suzlon Energy Limited, Pune, India (“Suzlon”).

The Issuer was incorporated as a société à responsabilité limitée on 4 April 2014, in Luxembourg. The financial year runs from 1 January to 31 December.

Due to the acquisition of Senvion the Issuer has compiled this pro forma consolidated financial information, consisting of a pro forma consolidated income statement for the period from 1 January 2015 to 31 December, 2015 as well as pro forma notes (the “Pro Forma Consolidated Financial Information”).

The purpose of this Pro Forma Consolidated Financial Information is to illustrate the material impact the acquisition of Senvion together with its directly and indirectly held subsidiaries (“Senvion Group”) and its respective financing would have had on the historical consolidated financial statements of the Issuer, if the structure of the Issuer had already existed as created by the acquisition of Senvion by the Issuer as of 29 April 2015 throughout the entire reporting period from 1 January 2015 to 31 December 2015.

The Pro Forma Consolidated Financial Information has been compiled for illustrative purposes only. As such due to its nature, it describes a hypothetical situation only and therefore does not represent the actual results of operations of the Group. The Pro Forma Consolidated Financial Information is only meaningful in conjunction with the historical consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2015.

The Pro Forma Consolidated Financial Information has been compiled by the Issuer as of 11 February 2016.

Unless stated otherwise, all figures are shown in millions of EUR. All stated amounts have been individually rounded, which may give rise to minor discrepancies when these amounts are aggregated.

## **Historical Financial Information**

The following historical financial information was taken as a basis for compiling the Pro Forma Consolidated Financial Information:

- The audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2015 prepared on the basis of International Financial Reporting Standards as adopted by the European Union (“IFRS”), which are published together with this Pro Forma Consolidated Financial Information.
- The unaudited and unpublished consolidated income statement of Senvion for the period from 1 January 2015 to 28 April 2015, which was derived from Senvion’s internal accounting records, and prepared on the basis of IFRS.

The historical financial information underlying the Pro Forma Consolidated Financial Information is prepared on the basis of IFRS and consistent with the accounting policies of the Issuer as described in the notes to the consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2015.

## **B. Basis of Compilation**

### **Acquisition of the Senvion Group**

On 22 January 2015, the Issuer via its subsidiary Holding, as purchaser, the Sellers, and Suzlon entered into an acquisition agreement (the “Acquisition Agreement”) pursuant to which Holding acquired 100% of the share capital of Senvion from the Sellers. As of 16 January 2015 for the purpose of facilitating the acquisition of the Senvion Group, the Issuer acquired 100% of the shares of the shell entities Senvion TopCo GmbH, Hamburg, Germany, Senvion MidCo GmbH, Hamburg, Germany, and Holding. The acquisition of the Senvion Group was completed on 29 April 2015. The Acquisition Agreement provides, in addition to the purchase price paid at closing of EUR 1.0 billion, for an additional contingent consideration in the form of an earn-out component payable by Holding. The contingent consideration of up to EUR 50 million (Earn Out Cap) is due to be paid if the Group disposes of Senvion GmbH (Exit Event) and a predefined target profit is met. The management of the Issuer estimates the fair value of the contingent consideration from the earn-out component at the acquisition date as well as at 31 December 2015 at an amount of EUR 0.0 million.

Sources of financing for the acquisition of the Senvion Group comprised EUR 486.2 million of funds from Centerbridge (thereof EUR 364.6 million interest bearing preferred equity certificates (IBPECs) at a fixed rate of 7.8% p.a. and EUR 115.6 million interest free preferred equity certificates (IFPECs)), EUR 400.0 million resulting from the gross proceeds of the 6.625% senior secured notes due 2020 issued by Holding on 29 April 2015 and EUR 176.2 million from a bridge loan provided by banks at a rate of 3.5% p.a. plus EURIBOR, which was repaid on 3 July 2015 using available liquid funds of the Senvion Group, all in aggregate used for settlement of the purchase price as well as for transaction costs for the acquisition of the Senvion Group and for the components costs of the acquisition financing which in total amount to EUR 62.4 million.

The acquisition of the Senvion Group by the Issuer via its subsidiary Holding has been accounted for using the acquisition method. In accordance with IFRS 3, the identifiable assets, liabilities and contingent liabilities acquired were measured at their fair value as of the acquisition date. The fair value of the net assets acquired as of the acquisition date amounted to EUR 1,006.8 million. Among others the fair value of the net assets comprises a step-up of intangible assets amounting to EUR 720.9 million as well as a step-up of the inventories/work-in-progress amounting to EUR 96.4 million. The excess of the fair value of the net assets acquired over the purchase price of EUR 6.8 million was recognized as a gain from bargain purchase as other operating income in profit and loss in the historical consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2015.

The legal, consulting and other fees incurred by the Issuer in connection with the acquisition of the Senvion Group amounting to EUR 21.8 million were classified as transaction related costs. In accordance with IFRS 3.53 those costs were recognized as other operating expenses

in profit and loss in the historical consolidated financial statements of the Issuer as of and for the financial ended 31 December 2015 as other operating expenses in profit and loss. In addition EUR 1.1 million of interest expense was incurred in connection with a bridge loan provided for the purpose of financing the acquisition.

Any financing related costs attributable to the acquisition were capitalized and amortized over the expected term of the financing arrangements in accordance with IAS 39 in the historical consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2015.

### **Compilation Principles and Pro Forma Assumptions**

The Pro Forma Consolidated Financial Information was compiled in accordance with the applicable criteria as specified in Annex II of Commission Regulation (EC) No 809/2004.

The pro forma adjustments are based on the information available, estimates and certain assumptions that the management of the Issuer considers reasonable and which are described in these pro forma notes to the Pro Forma Consolidated Financial Information.

The Pro Forma Consolidated Financial Information for the purposes of the pro forma consolidated income statement is based on the fictitious assumptions that the acquisition of the Senvion Group and the related financing as well as the acquisitions of Senvion TopCo GmbH, Senvion MidCo GmbH and Holding as shell entities for the purpose of facilitating the acquisition of the Senvion Group occurred as of 1 January 2015. Furthermore, it was assumed that the period of use of the bridge loan of EUR 176.2 million would remain the same under the assumption that the acquisition of the Senvion Group occurred as of 1 January 2015.

### **C. Pro Forma Consolidated Income Statement for the period from 1 January 2015 to 31 December 2015**

The following table shows the pro forma consolidated income statement for the period from 1 January 2015 to 31 December 2015:

## Pro Forma Consolidated Income Statement of Senvion S.à r.l. for the period from 1 January 2015 to 31 December 2015

	Issuer 2015/01/01- 2015/12/31	Pro Forma Adjustments			Pro Forma Consolidated Income Statement 2015/01/01- 2015/12/31
		Historical Financial Information of Senvion Group 2015/01/01- 2015/04/28	Other Pro Forma Adjustments	Pro Forma Notes	
	m EUR	m EUR	m EUR		m EUR
Revenues	1,560.6	578.9			2,139.5
Changes in work in progress	-38.3	25.3			-13.0
Work performed by the entity and capitalized	28.7	15.9			44.6
<b>Total performance</b>	<b>1,551.0</b>	<b>620.1</b>			<b>2,171.1</b>
Other operating income	40.1	14.2			54.3
Cost of materials/cost of purchased services	-1,216.6	-462.9	-1.5	(1)	-1,681.0
Personnel expenses	-154.7	-74.9			-229.6
Depreciation of property, plant and equipment and amortization on intangible assets	-106.6	-19.1	-34.6	(2)	-160.3
Other operating expenses	-171.8	-68.0			-239.8
<b>Result from operating activities before reorganization expenses</b>	<b>-58.6</b>	<b>9.4</b>	<b>-36.1</b>		<b>-85.3</b>
Reorganization expenses	-8.0	0			-8.0
<b>Result from operating activities</b>	<b>-66.6</b>	<b>9.4</b>	<b>-36.1</b>		<b>-93.3</b>
<i>thereof impact arising from PPA</i>	<i>-157.5</i>		<i>-36.1</i>		<i>-193.6</i>
Interest and similar financing income	1.0	0.7			1.7
Interest and similar financing expenses	-61.8	-14.0	-20.8	(3)	-96.6
<b>Result before income taxes</b>	<b>-127.4</b>	<b>-3.9</b>	<b>-56.9</b>		<b>-188.2</b>
Income taxes	20.8	0.1	11.2	(1), (2), (3)	32.1
<b>Net result for the period</b>	<b>-106.6</b>	<b>-3.8</b>	<b>-45.7</b>		<b>-156.1</b>
Share of the net result for the period attributable to non-controlling interests	-4.0	0.0	-1.3		-5.3
Share of the net result for the period attributable to shareholders of the parent	-102.6	-3.8	-44.4		-150.8
Weighted average shares outstanding	5,364,872				5,364,872
Earnings per share (basic/diluted) - in EUR per share	-19.12				-28.11

## **D. Notes to the Other Pro Forma Adjustments in the Pro Forma Consolidated Income Statement**

a) Pro forma adjustments with a one-off effect on the results of operations

### *(1) Consumption of acquired inventories*

The pro forma adjustment on inventories to the pro forma consolidated income statement was computed assuming the acquisition of the Senvion Group occurred at the beginning of the presented period on 1 January 2015. The step-up of the acquired inventories/work-in-progress resulting from the purchase price allocation amounted to EUR 96.4 million. EUR 94.9 million of the step-up effect in work-in-progress has already been realized in the historical consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2015. The remaining realization of the step-up in work-in-progress of EUR 1.5 million has been recognized as pro forma adjustment in the pro forma income statement for the period from 1 January 2015 to 31 December 2015.

With regard to the pro forma adjustment for the remaining realization of the step-up in work-in-progress deferred tax income amounting to EUR 0.4 million has been recognized in the pro forma income statement for the period from 1 January 2015 to 31 December 2015, using a tax rate of 29.395%.

b) Pro forma adjustments with a continuing effect on the results of operations

### *(2) Amortization of acquired intangible assets*

The pro forma adjustment on acquired intangible assets to the pro forma consolidated income statement was computed assuming the acquisition of the Senvion Group occurred at the beginning of the presented period as of 1 January 2015. The step-up of the acquired intangible assets resulting from the purchase price allocation amounted to EUR 720.9 million. Based on remaining useful lives for the different types of the acquired intangible assets between about 1 year and 19 years (for instance order backlog about 1 year and customer relationships 19 years), an amortization of EUR 34.6 million has been recognized as pro forma adjustment in the pro forma income statement for the period from 1 January 2015 to 31 December 2015.

With regard to the pro forma adjustment for the additional amortization of the acquired intangible asset deferred tax income amounting to EUR 10.2 million have been recognized in the pro forma income statement for the period from 1 January 2015 to 31 December 2015, using a tax rate of 29.395%.

### *(3) Interest expenses from the acquisition financing of Senvion Group*

EUR 480.2 million of the purchase price of Senvion were financed through interest bearing and interest free preferred equity certificates provided by Centerbridge. The IBPECs (EUR

364.6 million) bear interest at a fixed rate of 7.8% p.a. (effective rate 7.8% p.a.). The IFPECs (EUR 115.6 million) are interest free. As of the acquisition date, an arm's length effective interest rate of 7.6% p.a. has been considered for both instruments, being the estimated prevailing market rate of interest for instruments that are similar as to currency, term, type of credit risk and other factors.

As the acquisition of the Senvion Group and the related financing were assumed to have occurred as of 1 January 2015, additional interest expenses of EUR 11.5 million based on the effective interest method and the fair value at grant date of the preferred equity certificates (EUR 445.6 million) were recognized as pro forma adjustment in the pro forma consolidated income statement for the period from 1 January 2015 to 31 December 2015.

EUR 400 million of the purchase price of Senvion were financed through the gross proceeds of the senior secured notes due 2020 issued by Holding. These senior secured notes bear interests at a (nominal) fixed rate of 6.625% p.a. (effective rate 7.14% p.a.). Transaction costs of EUR 9.5 million directly attributable to the issuance of the senior secured notes were recognized as part of the effective interest method. For the purpose of the Pro Forma Consolidated Financial Information additional interest expenses of EUR 9.3 million based on the effective interest method were recognized as pro forma adjustment in the pro forma consolidated income statement for the period from 1 January 2015 to 31 December 2015.

With regard to the pro forma adjustment for the additional interest expenses deferred tax income on IFPECs amounting to EUR 0.6 million have been recognized in the pro forma consolidated income statement for the period from 1 January 2015 to 31 December 2015, using a tax rate of 29.395%.