

10 July 2008

Greenko Group plc

Preliminary results for the year ended 31 March 2008

Greenko Group plc (“Greenko” or the “Company” or the “Group”), the Indian renewable energy developer, owner and operator, today announces its results for the year ended 31 March 2008.

Financial Highlights

- Turnover increased by 270% to €13.1m (2007:€3.5m)
- EBITDA increased seven fold to €5.1m (2007:€0.7m)
- Profit after tax €2.5m (2007:€0.1m)
- Successful IPO on AIM raising approx €45m before expenses: €23m cash in hand at year-end
- Basic EPS - 6.13 cents (2007: 0.38 cents)

Operating Headlines

- Secured total production capacity during the year of 137.5 MW including:
 - 90.5 MW of assets operational and due to be commissioned
 - 47 MW under development
- Group evolved from owner and operator to being a major developer of clean energy assets in India
- Appointment of former Finance Director of NTPC Ltd as Non Executive Director

Post period end

- Acquisition of a further 99.5 MW of biomass and hydro concessions taking production capacity to 237MW
- Award of an interstate power trading licence for ‘direct power’ sales to industrial consumers
- Signing of improved Power Purchase Agreements (“PPAs”) for 2 plants at a substantial premium to existing contracts
- Good visibility of short term target of delivering 400MW and now focused on delivery of 1,000MW in the medium term

Anil Chalamalasetty, CEO and co-founder of Greenko, commented:

“This has been an excellent year for Greenko with a maiden set of preliminary results as a listed company which reflect both the Company’s current performance and future potential for growth. The Indian Energy sector is currently experiencing significant growth with demand due to outstrip supply for the foreseeable future. We have a mixed portfolio of assets either in operation or currently under development as well as a robust pipeline of projects under consideration. Our operating capacity will double in the near future and Greenko is therefore well placed to service this growing demand. The recent acquisition of a direct power trading licence enables Greenko to sell clean energy direct to the end user, at a substantial premium. Having created a company that can handle each stage of energy asset creation, from identification of favourable projects and their development to marketing of electricity and CERs, we are well positioned to grow into a market leader in India’s clean energy sector.”

Greenko Group plc

(All amounts in Euros unless otherwise stated)

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Chairman and President's Statement:

We are pleased to announce the results for the year ended 31 March 2008. These are Greenko's first preliminary results as a public company following our successful IPO on AIM in November 2007 and represent a strong financial performance. We are also proud to report on the substantial operational progress the Group has made during the year.

Results

The Group recorded revenue of €13,120,570, a significant increase on the previous year (2007: €3,540,502). Profit after tax and after IFRS adjustments was €2,503,425 (2007: €73,488). EBITDA, a key performance indicator for Greenko, was €5,108,575 (2007:€661,338). EBITDA represents net profit before finance costs – net taxation, depreciation and amortisation as well as negative goodwill on business acquisition. Basic EPS was 6.13 cents (2007: 0.38 cents). Cash in hand at the year end was €23,430,125 (2007:€1,195,139).

Dividends

In line with our stated policy, earnings will be fully re-invested to finance the ongoing growth of the business. The Directors therefore do not recommend the payment of a dividend for the year to 31 March 2008. Our dividend policy will be reviewed on an annual basis depending on the profitability and cash requirements of the Group at that time.

Developments during the year

During the financial year under review, Greenko made a number of strategic acquisitions which not only increased capacity but also positioned the Group as one of the largest developers and operators of sustainable renewable assets in India. Our IPO on AIM was a pivotal point for the company, raising significant funds to build upon our early mover advantage in the fragmented clean energy marketplace. As a result, the company increased the number of wholly owned operational biomass plants from three to six, as well as concluding the acquisition of two partially built hydro plants which are due to become operational imminently. Successful negotiations have led to the acquisition of a number of further concessions both before and after 31 March 2008 which the Company will begin to develop shortly.

During the year Greenko also put in place many of the mechanisms needed to enable it to develop into a market leader within the Indian clean energy sector. The Group now employs over 400 people and the head office function in Hyderabad has been significantly strengthened in order to manage further anticipated growth.

India is amongst the world's largest electricity consuming and generating economies.

Its annual electricity consumption is forecast to grow at 8-10% per year, propelled by India's accelerating economic growth. A recent McKinsey report suggests that if India's economy continues to grow at an average rate of 8% for the next 10 years, the country's demand for power will soar from around 120 GW at present to 315 - 335 GW by 2017, approximately 100 GW higher than earlier estimates.

The demand for clean energy is also set to increase. Current government policy targets 10% of the country's generation capacity to come from clean energy sources and the Directors believe this is likely to be increased to 15% by 2017. The current clean energy production is less than 5%.

Deregulation of the energy market has led to the creation of 'free-market-based' mechanisms which allow power trading and direct power sales to corporate end users. This has resulted in significantly increased tariffs being received by power generators.

The market for CERs, which form an important secondary revenue stream for Greenko, is also performing well, driven by strong European Union Emission Trading Scheme ("EU-ETS") targets and the commencement of mandatory compliance periods from March 2008 – 2012. CERs currently trade at levels 40% above those seen a year ago.

Board Composition

As part of the IPO process, the Company migrated from Luxembourg to the Isle of Man at which time certain Board changes took place. Arnaud Guyou, Jean Pascal Tranie and Marcel Stephany stood down on 31 October 2007 and the Board would like to thank them for their dedication and commitment to Greenko since

its original incorporation. At the same time Harish Prasad was appointed Non- Executive Chairman and Kiran Vadlamani joined Vivek Tandon as a Non-Executive Director.

In March 2008 our Board was further strengthened by the appointment of Narasimhamulu Pantam as Non Executive Director who brings with him a wealth of experience in the Indian power market having previously been Finance Director of NTPC Ltd, the largest power utility in India. Due to a need to streamline our reporting structures as well as impending Isle of Man Companies Act changes, the finance function is being consolidated in the Hyderabad office. Tim Bowen who has been CFO since June 2006 will be standing down from the Board with effect from the Group's forthcoming AGM. We would like to thank Tim for the important role he played in the Group's funding rounds as well as his enthusiastic participation during this phase of the Group's growth.

Outlook

We believe that Greenko is well positioned to achieve its aim of becoming a major clean energy provider within India. We anticipate that demand for electricity will continue to rise as a result of strong domestic growth, while secondary revenue streams generated by the sale of CERs to industry will continue to develop and improve.

I would like to take this opportunity to thank all of our key management as well as our teams covering operations, implementation, business development and administration for all their hard work. We believe we have created tremendous value for Greenko shareholders during the first year as a public company.

We enter the new financial year in a strong position with visibility of an exciting roadmap driving rapid sustainable growth.

Y. Harish Chandra Prasad
Chairman

Mahesh Kolli
President

Chief Executive's Report

Introduction

The Group has had a very exciting year, having doubled its number of operational assets, acquired a significant number of new concessions and secured additional capital through pre-IPO funding rounds as well as floating on the AIM market in London.

As a clean energy developer, owner and operator in India, Greenko is ideally placed to benefit from the large-scale unfilled power demand that is forecast to continue over the next decade.

Greenko is focused on acquiring and developing a portfolio of biomass, hydro and wind concessions within India to sell clean energy both to the State Electricity Boards ("SEBs") on long term Power Purchase Agreements ("PPAs") under favourable renewable power purchase obligations as well as direct to the end user or in the merchant market at premium prices. Carbon Credits, which are generated from the Group's United Nations registered clean energy assets form an attractive secondary revenue stream.

With 90.5MW of secured clean energy capacity, and a further 147 MW under development as at July 2008, Greenko is already one of the largest renewable energy players in India. This, together with our pipeline of opportunities under review, gives us good visibility of reaching our 400MW short term target and we are now focused on delivery of 1,000 MW in the medium term.

The Group is well positioned to maximise shareholder returns through excellent growth prospects within a sector that offers quality, long term attractive rates of return.

Financial Review

In the year ended 31 March 2008, the Group's revenues increased from €3.5m to €13.1m, an increase of 270%. The recorded profit after tax was €2.5m which equates to earnings per share of 6.13 cents. The EBITDA for the year was €5.1m which is a seven fold increase on last year (2007: €0.7m). Cash as at 31 March 2008 was €23.4m (2007:€1.2m).

Operational review

Greenko divides its secured capacity into two categories; assets already operating and concessions currently under development. In addition, there is a pipeline of operating assets and concessions currently under assessment.

Operating Assets:

During the year Greenko acquired three further operational Biomass plants taking our operational Biomass capacity to 41.5MW. In addition we acquired two Hydro projects (49MW) which are due to become operational over the course of the next few weeks.

Biomass: The financial year 2007-08 was a busy period for Greenko both in terms of number of acquisitions and also in implementing consistent operating disciplines and financial controls across the 6 Biomass plants.

All 6 Biomass plants are being operated at near optimum capacity and are targeted to achieve the exportable units contracted under the PPAs with SEBs. The Group has undertaken additional investment at plant level in order to improve efficiency and to reduce auxiliary consumption across the portfolio, in order to maximise returns.

Hydro: The key elements of Hydro development include civil construction, electro mechanical, electrical and evacuation. Both AMR and Rithwik power are on track to become operational within the next few weeks and to meet the objective of exporting power in the current financial year. Greenko's Hydro implementation team has performed very strongly under challenging conditions. However the projects have experienced slight delays due to the extended rainy season in 2007 and unseasonable rains and floods in the summer periods of 2008.

As announced recently, Greenko has signed a PPA with PTC India Ltd at INR6 per Kwh for AMR which replaces the previous agreement with the local SEB for INR2.8 per Kwh. This new arrangement has increased the forecasted revenue significantly. This substantially underpins our forecast for the current year.

Concessions under development:

The company is evolving from being a pure aggregator of operational energy assets to being a project developer. The Board believe this strategy will assist in maximising shareholder value given the back drop of the strong long term market opportunity in India.

During the year the Group acquired concessions totalling 47MW to build Biomass and Hydro power plants. As at the end of the financial year Greenko had a total controlled capacity of 137.5MW. Subsequent to the year end the Group has announced the further additional concession acquisitions which takes our total capacity (operational and under development) to 237MW as at 9 July 2008.

Business Development

Greenko has a robust pipeline of clean energy opportunities which cover both operating assets and new concessions.

Biomass: Greenko is currently evaluating over 70 MW of operational assets with long term PPAs with SEBs and over 120MW of concessions with the flexibility to have merchant PPAs.

Hydro: The Group is in negotiation for over 100MW of operational assets and over 300MW of run of the river Hydro concessions across both the north and south of India. This asset class is relatively quick to build and has the flexibility to feed into peak load demands as well as offering higher returns on equity than large hydro assets. The projects under evaluation also meet European Union Emission Trading Scheme ("EU ETS") guidelines to enable Certified Emission Reduction ("CER") offset emissions for EU installations, being within the 25MW range.

Wind: Greenko has evaluated several pipeline opportunities for developing Wind power capacities and acquiring operational wind farms. The economics for value creation in the wind sector in India is very limited due to extensive tax incentive offered and the monopoly of wind technology suppliers. Greenko is currently in the process of conducting due diligence on wind farm sites for redevelopment. The Group's acceptable minimum rate for contracting wind assets is at least a 16% return on equity.

Solar: In order to encourage capacity additions, the Ministry of New and Renewable Energy within India has announced major subsidies for solar power off take for the state utilities. Greenko has begun to explore this market place and has recently participated in bids to install 2MW solar power generation in the state of Punjab and Rajasthan. The outcome of these bids is expected to be made known during the next 3 months.

Direct Power Sales

Following the 2003 Electricity Deregulation Act, there has been a movement towards selling electricity directly to the industrial end user or to power trading merchants. This has led to a significant increase in tariffs received by power generating companies. Greenko has obtained an interstate power trading licence from the Central Electricity Regulatory Commission to trade power produced by its generating stations and other assets. The power trading licence enables Greenko to fast track the launch of green power products and direct energy sales to industrial customers. This is carried out primarily through the recently launched Indian power exchange, which provides a free market platform for the sale of power. This exchange has already seen trades at prices close to European peak rates and significantly above the PPA prices of currently operational Greenko assets.

Subsequent to the financial year end, Greenko has announced its first two such PPAs where the power produced is sold to PTC India Ltd, India's state backed power trading organisation, at a tariff guaranteed to be INR6 per Kwh or above.

Greenko is seeking to sign similar contracts for its new assets under development as opposed to the more traditional long term PPAs with SEBs under which the majority of India's current renewable capacity operates. With electricity demand, particularly from major industrial users, projected to considerably outstrip supply for the next two decades, the Board believes that there will be considerable benefit in a balanced strategy of both selling electricity on the open market as well as through the less flexible longer term contract with the State grids.

Presently, Greenko has a balanced portfolio of renewable energy assets with approximately one third of installed assets now under premium direct power sale contracts. It is likely that this ratio will increase as Greenko strives towards capturing more of the growth opportunities that the Indian power and global emissions markets have to offer.

Financing Cash / IPO proceeds

During the year the Group raised €11m in pre-IPO funding and €45m (before expenses) from the AIM flotation in November 2007. After completing the acquisition of the above mentioned operating assets and concessions the Group has cash reserves of €23.4m as at 31 March 2008. Total debt stood at €37.9m.

We plan to refinance our existing debt in the near term which should add significantly to available cash. In addition discussions are at an advanced stage for securing a line of credit with both leading Indian and European institutions to fund all the development of the current licenses secured.

Carbon Credits

In the course of the year, Greenko has been successful in selling approximately €2.5 million worth of CERs. Prices received during the year were up to €16 per CER, with current market prices for CERs in the €18 to €20 range. Greenko enters the new financial year with a healthy stock of CERs and once fully commissioned its current portfolio of 237MW should generate approximately 800,000 tonnes of CERs per annum.

Company infrastructure

During the course of the year Greenko has invested significantly into the Company's infrastructure. Extra personnel and departments have been added, creating a fully fledged corporate function covering all aspects of asset development including; engineering, construction, project development, analytical review and finance. In addition to providing essential services to current projects, these developments will position Greenko well for the direct sale of power to industrial end users. There are still many assets currently operating or in the later stages of development which Greenko can acquire and operate more efficiently as part of the consolidation of the clean energy sector. However, the ever increasing domestic Indian demand for electricity will only be met through the development of new projects and this will be one of the key drivers in the future growth of the Company.

The Indian Economy and Market Place

The Indian Economy has experienced growth rates of over 8% for the past four years and is set to grow at a similar rate for the foreseeable future. Recent International Monetary Fund ("IMF") numbers indicate that investment has increased relative to GDP by 10% since 2002/2003, placing it at a similar level to that of China, Japan and Korea. It has been financed by both a sharp increase in domestic saving and an almost fourfold increase in Foreign Direct Investment ("FDI") between 2001 and 2007 to just short of \$20 billion. IMF studies also indicate that Indian growth has been driven by industries requiring highly skilled workers such as IT and automobile manufacture and large scale industries such as steel and chemicals, all of which place heavy burdens on the State electricity grids. At the same time, increased prosperity has led to a sharp increase in consumption of white goods and consumer technology items, again placing heavy burdens on urban grids, particularly during peak hours of consumption.

It is estimated by McKinsey and Company that, in order to continue experiencing similar rates of growth over the next decade, India will require a generation capacity of 415 to 440 GW, after adjusting for plant availability

and a modest 5 per cent spinning reserve. This implies a tripling of installed capacity from the current level of approximately 140 GW at a cost of between \$150-200 billion. Capacity would have to be increased year on year by 20 to 40 GW, up from the 4 GW per year annual increase achieved over the last 10 years. Therefore, the Directors believe that the premium prices, currently seen in the Indian power trading market, will continue for the foreseeable future.

Outlook and Strategy

Greenko's strategy is to build upon the core proposition of owning, developing and managing clean energy assets which produce superior returns. It is our intention to vertically integrate into clean energy technology initiatives as well as marketing environmental commodities at premium prices. From our current portfolio of assets either operational or under development, we believe the Company has visibility to deliver upon its initial target of 400MW installed capacity. We believe Greenko has scalable infrastructure with teams and pipeline in place which, together with new finance initiatives, would allow a target of 1,000MW of installed capacity across a range of clean energy assets to be achieved.

With continued growth driving up electricity prices within India and high oil prices pushing up the costs of energy internationally, we are optimistic about the prospects of clean energy sales to the Indian market. Having established a comprehensive company infrastructure for the development of clean energy assets and obtained the power trading licence for direct sales of electricity, the Board is confident that shareholder value will be significantly enhanced by sustained growth in the coming financial year.

Anil Chalamalasetty
CEO

Consolidated balance sheet

	As at 31 March	
	2008	2007
	€	€
ASSETS		
Non-current assets		
Property, plant and equipment	58,941,658	7,912,583
Intangible assets	9,149,441	345,871
Investment in associates	-	901,691
Available-for-sale financial assets	34,022	-
Investment in bank deposits	288,081	-
Trade and other receivables	86,878	4,606
	68,500,080	9,164,751
Current assets		
Inventories	1,361,601	463,392
Trade and other receivables	7,806,666	521,025
Available-for-sale financial assets	10,018	-
Derivative financial instruments	-	1,925
Investment in bank deposits	534,950	539,069
Loans to associates	-	667,150
Current income tax assets	25,410	-
Cash and cash equivalents	23,430,125	1,195,139
	33,168,770	3,387,700
Total assets	101,668,850	12,552,451
EQUITY		
Capital and reserves attributable to equity holders of the company		
Ordinary shares	339,946	32,000
Share warrants	-	235,414
Preferred shares	-	68,000
Share premium	55,812,421	2,864,883
Revaluation reserve	417,147	-
Currency translation reserve	(2,743,759)	6,165
Other reserves	2,314	-
Retained earnings	2,592,148	73,488
Total equity	56,420,217	3,279,950
LIABILITIES		
Non-current liabilities		
Borrowings	34,526,796	6,718,460
Derivative financial instruments	-	2,306
Deferred income tax liabilities	1,743,231	510,552
Retirement benefit obligations	23,775	7,191
	36,293,802	7,238,509
Current liabilities		
Trade and other payables	4,213,983	755,786
Current income tax liabilities	-	44,573
Borrowings	4,740,848	1,233,633
	8,954,831	2,033,992
Total liabilities	45,248,633	9,272,501
Total equity and liabilities	101,668,850	12,552,451

Consolidated income statement

	Year ended 31 March 2008	Period ended 31 March 2007
	€	€
Sale of power	10,653,003	1,607,083
Sale of emission reductions	2,467,567	1,933,419
Total revenue	13,120,570	3,540,502
Other operating income	1,669	1,071
Cost of material and services	(6,208,036)	(1,678,932)
Employee benefit expense	(436,708)	(87,928)
Depreciation and amortization	(1,121,231)	(179,887)
Other operating expenses	(1,368,920)	(1,113,375)
Negative goodwill on business acquisition	216,051	60,399
Operating profit	4,203,395	541,850
Finance income	852,120	217,241
Finance cost	(2,231,834)	(517,382)
Finance costs – net	(1,379,714)	(300,141)
Share of (loss)/profit of associate	(2,334)	23,205
Profit before income tax	2,821,347	264,914
Income tax expense	(317,922)	(191,426)
Profit for the year/period	2,503,425	73,488
Attributable to:		
Equity holders of the company	2,503,425	73,488
Earnings per share for profit attributable to the equity holders of the company during the year/period		
— basic (in cents)	6.13	0.38
— diluted (in cents)	5.62	0.33

Greenko Group plc
(All amounts in Euros unless otherwise stated)
Consolidated statement of changes in equity

	Attributable to equity holders of the company												
	Series A ordinary shares		Ordinary shares		Series A irredeemable preferred shares		Share warrants	Share premium	Revaluation reserve	Currency translation reserve	Other reserves	Retained earnings	Total equity
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount							
Proceeds from issue of shares	3,200	32,000	-	-	6,800	68,000	-	2,932,000	-	-	-	-	3,032,000
Share warrants	-	-	-	-	-	-	235,414	-	-	-	-	-	235,414
Direct costs relating to issue of shares	-	-	-	-	-	-	-	(67,117)	-	-	-	-	(67,117)
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	73,488	73,488
Currency translation differences	-	-	-	-	-	-	-	-	-	6,165	-	-	6,165
Balance at 31 March 2007	3,200	32,000	-	-	6,800	68,000	235,414	2,864,883	-	6,165	-	73,488	3,279,950
Balance at 1 April 2007	3,200	32,000	-	-	6,800	68,000	235,414	2,864,883	-	6,165	-	73,488	3,279,950
Fair value gains, net of tax													
- available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	2,314	-	2,314
- intangible assets	-	-	-	-	-	-	-	-	432,382	-	-	-	432,382
Amortization transfer, intangible assets	-	-	-	-	-	-	-	-	(15,235)	-	-	15,235	-
Currency translation differences	-	-	-	-	-	-	-	-	-	(2,749,924)	-	-	(2,749,924)
Net income/ (expense) recognised directly in equity	-	-	-	-	-	-	-	-	417,147	(2,749,924)	2,314	15,235	(2,315,228)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	2,503,425	2,503,425
Total recognised income/(expense) for the year	-	-	-	-	-	-	-	-	417,147	(2,749,924)	2,314	2,518,660	188,197
Proceeds from issue of shares prior to IPO	-	-	2,650	26,500	-	-	(235,414)	383,914	-	-	-	-	175,000

The notes are an integral part of these consolidated financial statements.

Greenko Group plc

(All amounts in Euros unless otherwise stated)

	Attributable to equity holders of the company												
	Series A ordinary shares		Ordinary shares		Series A irredeemable preferred shares		Share warrants	Share premium	Revaluation reserve	Currency translation reserve	Other reserves	Retained earnings	Total equity
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount							
Conversion of other classes of shares into ordinary shares	(3,200)	(32,000)	10,000	100,000	(6,800)	(68,000)	-	-	-	-	-	-	-
Sub-division of shares	-	-	25,287,350	-	-	-	-	-	-	-	-	-	-
Proceeds from issue of shares in IPO net of expenses incurred	-	-	42,689,237	213,446	-	-	-	56,058,774	-	-	-	-	56,272,220
Direct costs relating to issue of shares in IPO	-	-	-	-	-	-	-	(3,495,150)	-	-	-	-	(3,495,150)
	(3,200)	(32,000)	67,989,237	339,946	(6,800)	(68,000)	(235,414)	52,947,538	-	-	-	-	52,952,070
Balance at 31 March 2008	-	-	67,989,237	339,946	-	-	-	55,812,421	417,147	(2,743,759)	2,314	2,592,148	56,420,217

The notes are an integral part of these consolidated financial statements.

Consolidated cash flow statement

	Year ended 31 March 2008	Period ended 31 March 2007
	€	€
Cash flows from operating activities		
Profit before income tax	2,821,347	264,914
<i>Adjustments for</i>		
Depreciation and amortization	1,121,231	179,887
(Profit)/loss on sale of assets	(64)	235
Share of loss/(profit) of associates	2,334	(23,205)
Finance income	(852,120)	(30,293)
Finance cost	2,231,834	517,382
Negative goodwill on business acquisition	(216,051)	(60,399)
<i>Changes in working capital</i>		
Inventories	(813,730)	(74,828)
Trade and other receivables	(3,995,359)	(125,761)
Trade and other payables	(1,537,915)	(210,672)
<i>Cash (used in)/generated from operations</i>	(1,238,493)	437,260
Taxes paid	(237,685)	(42,701)
Net cash (used in)/generated from operating activities	(1,476,178)	394,559
Cash flows from investing activities		
Purchase of property, plant and equipment and capital expenditure	(5,728,962)	(211,516)
Proceeds from sale of property, plant and equipment	27,163	6,328
Purchase of investments, net of redemption	(36,437)	(1,454,991)
Acquisition of business, net of cash acquired	(17,963,129)	(2,169,308)
Acquisition of licence holding companies	(435,817)	-
Loans to associates	-	(670,235)
Interest received	768,066	30,293
Dividends received	38,344	-
Net cash used in investing activities	(23,330,772)	(4,469,429)
Cash flows from financing activities		
Net proceeds from issue of shares	52,851,341	2,964,883
Proceeds from issue of non-convertible bond	-	3,000,000
Proceeds from borrowings	3,431,078	47,352
Repayments of borrowings	(5,751,698)	(394,450)
Interest paid	(2,274,709)	(361,594)
Net cash from financing activities	48,256,012	5,256,191
Net increase in cash and cash equivalents	23,449,062	1,181,321
Cash and cash equivalents at the beginning of the year/period	1,195,139	-
Exchange (losses)/gains on cash and cash equivalents	(1,214,076)	13,818
Cash and cash equivalents at the end of the year/period	23,430,125	1,195,139

1. General information

Greenko Group plc (“the company”) was originally incorporated on 12 January 2006 as Greenko S.A., a société anonyme (a public company with limited liability), under the laws of the Grand Duchy of Luxembourg, having its registered office at L-1736, Luxembourg, IB, Heienhaff and duly registered with the Registre de Commerce et des Sociétés de Luxembourg (the Luxembourg Trade and Companies Register) under B 113,730. On 31 October 2007, the Company was migrated to the Isle of Man as a company limited by shares under company number 001805V pursuant to the provisions of Part XI of the Isle of Man Companies Acts 2006 having its registered office at 4th floor, 14 Athol Street, Douglas, Isle of Man, IM1 1JA. The company is listed on the London Stock Exchange’s Alternative Investment Market (“AIM”).

The company together with its subsidiaries (“the group”) is in the business of owning and operating clean energy facilities. Currently, all the energy generated from these plants is sold to the State Electricity Boards in India through long-term Power Purchase Agreements (“PPAs”). The group is also a part of the Clean Development Mechanism (“CDM”) process and generates and sells Certified Emission Reductions (“CER”). The group also generates and sells Voluntary Emission Reductions (“VER”).

The comparative financial information for the period ended 31 March 2007 relates to the period from 12 January 2006, the date of incorporation, to 31 March 2007. Consequently, comparative amounts for the income statement, statement of changes in equity, cash flow statement and related notes are not entirely comparable.

The group consolidated financial statements, forming part of the full annual report, were authorised for issue by the board of directors on 9 July 2008.

2. Basis of preparation

The consolidated financial statements of Greenko Group plc have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through the income statement. The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in the critical accounting estimates and judgments section.

3. Consolidation

The consolidated financial statements include the following subsidiaries:

	Country of incorporation	Holding as at 31 March 2008
1) Greenko Mauritius	Mauritius	100 percent
2) Greenko HP	Mauritius	100 percent
3) Subsidiaries of Greenko Mauritius		
— Glory Corporation Limited	Mauritius	100 percent
— Black Hawk Corporation	Mauritius	100 percent
— Greenko Energies Private Limited	India	100 percent
4) Subsidiary of Greenko HP		
— Rithwik Energy Generation Private Limited	India	60 percent
5) Subsidiaries of Greenko Energies Private Limited		
— Roshni Powertech Limited	India	100 percent
— ISA Power Private Limited	India	100 percent
— Ecofren Power & Projects Limited	India	100 percent
— Visveswarayya Green Power Private Limited	India	100 percent

	Country of incorporation	Holding as at 31 March 2008
— Technology House India Private Limited	India	100 percent
— AMR Power Private Limited	India	100 percent
6) Entity jointly owned by Greenko Mauritius and Greenko Energies Private Limited		
— Ravikiran Power Projects Private Limited	India	100 percent

4. Earnings per share

a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	2008	2007
Profit attributable to equity holders of the company	2,503,425	73,488
Weighted average number of ordinary shares in issue	40,817,905	19,355,305
Basic earnings per share (in cents)	6.13	0.38

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has two categories of dilutive potential ordinary shares: convertible debt instruments and warrants issued along with non-convertible debt. The convertible debt instruments are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (assumed to be the placing price of €1.40 per share) based on the monetary value of the subscription rights attached to outstanding share warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share warrants.

	2008	2007
Profit attributable to equity holders of the company	2,503,425	73,488
Interest expense on convertible debt instruments	100,729	-
Profit used to determine diluted earnings per share	2,604,154	73,488
Weighted average number of ordinary shares in issue	40,817,905	19,355,305
— Assumed conversion of convertible debt instruments	4,441,478	-
— Share warrants	1,078,103	1,995,147
Weighted average number of ordinary shares for diluted earnings per share	46,337,486	21,350,452
Diluted earnings per share (in cents)	5.62	0.33

The basic and diluted earnings per share have been computed adjusting for the subdivision of the company's share capital that occurred on its migration to the Isle of Man.

5. Business combinations

a) Acquisitions during the year ended 31 March 2008

During the year ended 31 March 2008, the group acquired the following companies. Details of these acquisitions are set out below:

	Date of acquisition	Percentage acquired	Revenue contribution after acquisition	Net profit
Roshni Powertech Limited ("Roshni")	27 June 2007	100 percent	2,486,358	805,808
ISA Power Private Limited ("ISA")	1 September 2007	100 percent	2,155,677	395,977
Ecofren Power & Projects Limited ("Ecofren")	1 September 2007	100 percent	1,624,382	202,270
AMR Power Private Limited ("AMR")	27 January 2008	100 percent	-	(36,523)
Rithwik Energy Generation Private Limited ("REGPL")	8 March 2008	60 percent	-	(11,215)
Total			6,266,417	1,356,317

AMR and REGPL are hydro power projects which are in the final stages of construction.

These two companies were common control entities. The acquisition of these two companies was negotiated as one transaction and considered accordingly for the purposes of accounting under IFRS 3. The group has acquired and is a registered shareholder of 60 percent of the shares in issue of REGPL. The consideration for an additional 20 percent shares has already been paid by the group as at 31 March 2008, pending legal transfer. The group has further committed to acquiring the remaining 20 percent pending completion of legal requirements. The time lag is on account of statutory compliances and approval from lenders that are perfunctory and do not affect the transactions. The group controls 50 percent of the Board of REGPL. The operating and financial decision making powers vest with those directors. Consequently, no minority interest has been recognised in the consolidated financial statements as at 31 March 2008. A liability for the consideration payable in respect of the balance 20 percent shares has been recognised in the books of account.

Details of net assets acquired and goodwill are as follows:

	Roshni	ISA	Ecofren	AMR and REGPL	Total
Purchase consideration					
– Cash paid	2,044,541	1,844,660	1,556,075	11,905,406	17,350,682
– Amount payable	54,765	-	-	1,010,257	1,065,022
– Direct costs relating to the acquisition	11,578	20,454	20,344	27,279)	79,655
Total purchase consideration	2,110,884	1,865,114	1,576,419	12,942,942	18,495,359
Fair value of net assets acquired	(1,182,120)	(1,465,274)	(1,231,170)	(12,219,278)	(16,097,842)
Goodwill	928,764	399,840	345,249	723,664	2,397,517

The goodwill arising on the acquisition of the above companies is attributable to the workforce of the acquired business and the significant synergies expected to arise after the group's acquisition.

The fair value of the acquiree's assets and liabilities arising from the acquisition were as follows:

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(All amounts in Euros unless otherwise stated)

	Roshni	ISA	Ecofren	AMR and REGPL	Total
Property, plant and equipment	3,853,487	6,205,684	6,018,669	30,000,630	46,078,470
Licence	49,288	78,628	78,628	3,192,477	3,399,021
Electricity PPA	104,053	162,616	167,977	1,691,879	2,126,525
Inventories	37,879	53,282	46,018	-	137,179
Trade and other receivables	585,642	321,336	281,030	1,866,097	3,054,105
Cash and cash equivalents	1,859	4,940	12,013	28,945	47,757
Borrowings	(2,437,175)	(4,979,218)	(4,957,494)	(21,110,073)	(33,483,960)
Trade and other payables	(531,357)	(322,394)	(415,671)	(2,729,005)	(3,998,427)
Deferred income tax liabilities	(481,556)	(59,600)	-	(721,672)	(1,262,828)
Net assets acquired	1,182,120	1,465,274	1,231,170	12,219,278	16,097,842
Purchase consideration settled in cash	2,056,119	1,865,113	1,576,419	11,932,685	17,430,336
Cash and cash equivalents acquired	(1,859)	(4,940)	(12,013)	(28,945)	(47,757)
Cash outflow on acquisition	2,054,260	1,860,173	1,564,406	11,903,740	17,382,579

The acquiree's carrying amount of assets and liabilities arising from the acquisition are as follows:

	Roshni	ISA	Ecofren	AMR and REGPL	Total
Property, plant and equipment	3,079,166	6,467,928	6,452,736	30,405,411	46,405,241
Licence	-	-	-	-	-
Electricity PPA	-	-	-	-	-
Inventories	37,879	53,282	46,018	-	137,179
Trade and other receivables	1,898,476	649,237	569,193	1,866,098	4,983,004
Cash and cash equivalents	1,859	4,940	12,013	28,945	47,757
Borrowings	(2,437,175)	(4,979,218)	(4,957,494)	(21,110,073)	(33,483,960)
Trade and other payables	(525,946)	(322,394)	-	(2,729,005)	(3,577,345)
Deferred income tax liabilities	-	-	-	(2,408)	(2,408)
Net assets acquired	2,054,259	1,873,775	2,122,466	8,458,968	14,509,468

b) Step-acquisition during the year ended 31 March 2008

During the year ended 31 March 2008, the group acquired the balance 50 percent interest in Ravikiran. The group was already holding 50 percent interest in Ravikiran which was accounted as an associate till 31 December 2007. The investment was accounted as a step acquisition in accordance with IFRS 3. Details of the acquisition are set out below:

Date of acquisition	31 December 2007
Percentage holding	100 percent
Revenue contribution after acquisition	840,585
Net profit	341,568
Results of the acquired entities have been consolidated in the income statement from the date of acquisition.	
Details of net assets acquired and goodwill are as follows:	
Purchase consideration	
– Cash paid	1,507,358
– Amount payable	129,043
– Direct costs relating to the acquisition	113,015
Total purchase consideration	1,749,416
Fair value of net assets acquired	(1,706,996)
	42,420
Goodwill on the first exchange transaction	258,471
Negative goodwill on the next exchange transaction	(216,051)
	42,420

The excess of the group's interest on the date of second exchange in the net fair value of Ravi Kiran's identifiable assets, liabilities and contingent liabilities over cost ("Negative goodwill") amounts to €216,051, as shown above. This has been recognised in the income statement for the year ended 31 March 2008, within the line "Negative goodwill on business acquisition".

6. Merger of group entities

KMS, Greenko Power Private Limited and Suryakiran Power Projects Private Limited, which are wholly-owned subsidiaries of the group, were merged into GEPL effective 29 March 2008. Since the business combination involves entities under common control of the group, the management has used predecessor accounting. This does not have any impact on the consolidated financial statements of the group.

7. Events after the balance sheet date

a) Proposed acquisitions

The Group has entered into memoranda of understanding for the acquisition of a 10.5 MW hydel power project which is under construction, two 16 MW licences and one 2 MW licence for development of hydel power projects in Karnataka, India with was announced on 4 July 2008.

The group is in the process of setting-up special purpose vehicles which would acquire licences for development of a 31 MW biomass power plant in Punjab, India and a 29 MW hydro power projects in Himachal Pradesh.

b) Equity transactions

In a meeting held on 22 April 2008, the board of directors approved the Greenko Group plc 2008 Long Term Incentive Plan for all the employees of the group. The scheme will be administered by the remuneration committee of the company. Options over 6,798,924 ordinary shares are intended to be granted to the Chief Executive Officer and the President of the company. One-third of the options are subject to a graded vesting over a period of three years with a service condition. The remaining options are exercisable subject to performance criteria being met related to the Group's share price. The exercise price is 98p per share being the IPO price on 7 November 2007.

c) Power purchase agreements

Two of the group companies, Roshni and REGPL have executed PPA with PTC India Limited, a public sector power trading company, for the sale of power. The PPAs are for an

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(All amounts in Euros unless otherwise stated)

initial period of 2 – 3 years and are subject to certain approvals from the regulators. This was announced on 30 June 2008.

Further Copies

Copies of this announcement and the full Annual Report and Accounts will be available to download from the Group's website www.GreenkoGroup.com on Monday 14 July 2008.