

GMR Infrastructure Limited

Registered Office: 25/1, Skip House, Museum Road, Bangalore - 560 025

Unaudited Financial Results for the quarter / half year ended September 30, 2007

The Company is a holding company and carries all its businesses through its subsidiary companies. Hence, it does not have any independent business revenues, except dividends from its subsidiary companies. (Please see Note 1(a))

(in Rs. Crores, except for share data)

Consolidated Results

(Please see Note 1 (a))

Particulars	Quarter ended September 30,		Half year ended September 30,		Year ended March 31,
	2007 Unaudited	2006 Unaudited	2007 Unaudited	2006 Unaudited	2007 Audited
	1. Revenue from operations				
Gross Sales/Operating Income	500.45	383.04	1,062.84	837.13	1,968.72
Less: Annual Fee to Airports Authority of India	105.14	70.57	190.94	115.38	271.98
Net Sales/Operating Income	395.31	312.47	871.90	721.75	1,696.74
2. Other Income	11.65	4.62	30.75	6.29	18.33
Total Income	406.96	317.09	902.65	728.04	1,715.07
3. Expenditure					
a) Generation, Operations and Maintenance Expenditure	144.18	121.64	405.44	349.30	884.40
b) Employee Expenditure	45.12	37.67	88.48	62.27	138.17
c) General and Administrative Expenditure	50.30	28.15	83.69	57.08	130.49
Total Expenditure	239.60	187.46	577.61	468.65	1,153.06
4. E B I D T A (1) + (2) - (3)	167.36	129.63	325.04	259.39	562.01
5. Interest and other finance charges (net)	35.92	23.57	73.46	53.02	144.14
6. Depreciation / Amortization	43.94	26.83	84.50	52.83	134.56
7. Profit / (Loss) before tax (4) - (5) - (6)	87.50	79.23	167.08	153.54	283.31
8. Provision for taxation					
- Current Tax (including relating to earlier years)	1.25	5.66	9.82	13.44	24.12
- Deferred Tax	13.12	2.16	13.94	3.60	14.27
- Fringe Benefit Tax	1.28	0.81	1.98	1.20	3.15
9. Net Profit/(Loss) after tax and before minority interest	71.85	70.60	141.34	135.30	241.77
10. Less: Minority Interest	22.27	16.98	45.36	35.06	67.34
11. Net Profit after minority interest	49.58	53.62	95.98	100.24	174.43
12. Paid-up equity share capital (Face value - Rs. 10 per share)	331.07	330.94	331.07	330.94	331.07
13. Reserves	-	-	-	-	1,661.22
14. Earnings Per Share - Basic and Diluted - (Rs.) (for the quarter not annualised) Weighted average number of shares used in computing Earning Per Share	1.50	1.81	2.90	3.38	5.56
15. Aggregate non-promoter shareholding					
- Number of shares	64,235,281	68,997,186	64,235,281	68,997,186	64,235,281
- Percentage of shareholding	19.40%	20.84%	19.40%	20.84%	19.40%

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1. Notes to Consolidated results:

- a) Pursuant to the recent amendments to the Clause 41 of the Listing Agreement, the company opted to publish only the consolidated results of the Company. The Company carries its three business verticals viz., Airports, Energy and Roads through various subsidiaries, being Special Purpose Vehicles exclusively formed to build and operate various infrastructure projects. The consolidated results published above present the full revenues, expenses and the results of the business operations of the Company and its subsidiaries. Investors can view the standalone results of the company on the company's website www.gmrgroup.co.in or on the websites of BSE (bseindia.com) or NSE (www.nse-india.com).
- b) The above published consolidated results have been extracted from consolidated financial statements prepared in accordance with principles and procedures as set out in the Accounting Standard - 21 on 'Consolidated Financial Statements' and Accounting Standard - 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.
- c) For the purpose of consolidation, depreciation in respect of power sector subsidiaries has been uniformly charged based on the rates as prescribed under Schedule XIV to the Companies Act, 1956 amounting to Rs. 29.87 crores for quarter ended September 30, 2007 (2006: Rs. 14.71 crores) and Rs. 58.04 crores for the half year ended on that date (2006: Rs. 29.05 crores). Depreciation on assets of such subsidiaries is charged in the financial statements of the individual entities on different basis, aggregating to Rs. 61.69 crores for quarter ended September 30, 2007 (2006: Rs. 48.16 crores) and Rs. 121.04 crores for the half year ended on that date (2006: Rs. 94.25 crores), following the accounting policies/rates which are considered appropriate in each case.
- d) Pursuant to the requirements of AS 15 (revised 2005) on 'Employee Benefits', issued by the Institute of Chartered Accountants of India (the standard), which has become effective from April 1, 2007, the company and its subsidiaries have provided for employee benefits as per the revised requirements of the standard for the current quarter. In respect of the employee benefits up to March 31, 2007, the actuarial valuation is being carried out by the management and the difference between the transitional liability and the liability existing in the books of account as March 31, 2007, will be adjusted against the opening reserves, as per the transitional provisions of the standard.
- e) Interest and other finance charges for quarter ended September 30, 2007 are net of interest income amounting to Rs. 13.21 crores (2006: Rs. 15.07 crores) and Rs. 27.29 crores for the half year ended on that date (2006: Rs. 25.40 crores).
- f) Vemagiri Power Generation Ltd, a 100% step down subsidiary of the company, which declared commercial operation date (COD) in September, 2006 could not continue its operations due to non-availability of natural gas. Thus, it is not earning any revenues after COD. However, in accordance with the GAAP (Generally Accepted Accounting Principles), it is required to charge depreciation and interest on project borrowings to profit and loss account during the post COD period regardless whether the project is in operation or otherwise. This situation has resulted in a loss of Rs. 34.23 crores for the quarter ended September 30, 2007 (2006: Rs. 5.17 crores) and Rs. 60.70 crores for the half year ended on that date (2006: Rs. 5.17 crores).

2. Segment Reporting (consolidated)

- a) The segment report of the Company and its consolidated subsidiaries and associate has been prepared in accordance with Accounting Standard 17, "Segment Reporting", issued by the Institute of Chartered Accountants of India.

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b) The business segments of the Company comprise of the following:

Segment	Description of Activity
Airports	Development and operation of airports
Power	Generation of power
Roads	Development and operation of roadways
Others	Residual activities

3. Utilization of funds received through Initial Public Offer (IPO):

During the year ended March 31, 2007, the company had allotted 38,136,980 equity shares of face value of Rs. 10 per share by way of IPO. The details of funds received towards such allotment, including share premium thereon, and utilization of such funds are given below:

(Rs. in crores)

Particulars	Upto September 30, 2007
Funds received	
Equity Share Capital	38.14
Share Premium	756.78
Interest on delayed payment of call money	0.06
Less: Calls unpaid	0.02
Total	794.96
Utilization up to September 30, 2007	
Investment in Subsidiary Companies (including Share Application Money, pending allotment) – Refer Note (b) below	246.99
Repayment of Unsecured Loans	55.00
Payment to GMR Holdings Private Limited and GMR Operations Private Limited for acquisition of equity shares of GVL Investments Private Limited	155.86
Expenses incurred towards the IPO	63.94
Deposit with Bombay Stock Exchange (BSE)	3.00
Margin Money towards Bank Guarantee issued to BSE	6.54
Total Utilization	531.33
Balance of unutilized monies out of IPO funds, details of which are given below:	263.63
Investments in Short Term Securities	63.61
Investments in Fixed Deposits	200.00
Amount lying in current accounts	0.02
Total	263.63

- a) The funds received do not include arrears on allotment as at September 30, 2007 amounting to Rs. 0.02 crores.
- b) Represent investment made directly by the company or through its subsidiary companies and by way of repayment of loans taken for the purpose of investment in subsidiary companies.
4. **Investor complaints:** During the current quarter, investor 16 complaints were received and resolved. There were no complaints pending, both at the beginning and end of the quarter.
5. The stand alone and consolidated results for the quarter ended September 30, 2007 have been reviewed by the Audit Committee at their meeting held on October 17, 2007 and taken on record by the Board of Directors at their meeting held on October 18, 2007.
6. **Limited review by auditors:** The statutory auditors of the company have carried out a Limited Review of the unaudited stand alone and consolidated financial results for the quarter ended September 30, 2007.

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7. Figures pertaining to previous periods have been regrouped, reclassified and restated, wherever necessary, to conform to the classification adopted in the current quarter.

8. Significant developments during the quarter:

A) Airport Sector: GMR Hyderabad International Airport Ltd. has incorporated the following subsidiaries during the quarter:

- i) GMR Hyderabad Aerotropolis Ltd. to carry on the business of property development in and around the new international airport including building of infrastructure on the airport property.
- ii) GMR Hyderabad Airport Resource Management Ltd. to cater to the recruitment of manpower, training, staffing, development of human resources, consultancy in human resources.
- iii) GMR Hyderabad Airport Security Services Ltd. to provide airport and airport related security services.

B) Power Sector: The Himachal Pradesh government has awarded the 180 MW Bajoli Holi hydel power project to GMR Energy Ltd on BOOT basis for a period of forty years.

C) Special Economic Zones (SEZs): GMR Infrastructure Limited has signed an MOU with Tamil Nadu Industrial Development Corporation to set up a joint venture for development of Multi Product Special Economic Zone spread over an area of 3300 acres in Krishnagiri district of Tamil Nadu. A new Company, GMR Krishnagiri SEZ Limited has been incorporated on September 24, 2007 as a subsidiary of GMR Infrastructure Limited for this purpose.

D) In order to provide focused strategic attention and dedicated top leadership to individual business verticals and various corporate functions for accelerating the business growth and to build a stronger institution, the following changes have been made to the senior management:

- **Mr. G.M. Rao**, Chairman of the Company, will take on the new role of Group Chairman. He will move away from day to day management of the businesses and will champion critical institutional building initiatives, drive key external relations and mentor and develop senior leaders. He will also personally oversee the Management Assurance Function and Corporate Social Responsibility activities. While his involvement continues in the most critical Group level decisions, he will also continue to monitor the execution of the mega infrastructure projects of the Company.
- **Mr. Srinivas Bommidala**, Group Director, will be the Chairman for Urban Infrastructure and Highways vertical. This business vertical consists of Roads, Property, construction and SEZ businesses.
- **Mr. G.B.S. Raju**, Group Director, will be the Chairman for International Business and Corporate Functions.
- **Mr. Kiran Kumar Grandhi**, Group Director, will be the Chairman for the Airports business vertical.
- **Mr. B.V.N. Rao**, Group Director, will be the Chairman for the Energy business vertical.

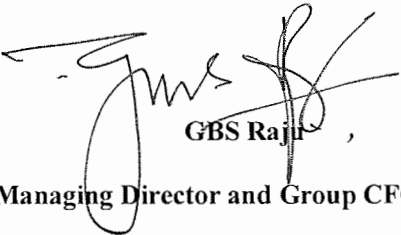
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9. In the meeting of Board of Directors held on October 18, 2007, Mr. G.M. Rao, Chairman and Managing Director, has relinquished the office of Managing Director and he is appointed as whole time Executive Chairman of the Company with immediate effect.
10. Mr G.B.S. Raju, whole time Director and Group Chief Financial Officer, has been appointed as the Managing Director of the Company in the same meeting and he continues to be the Group Chief Financial Officer.

Bangalore

Dated: October 18, 2007


GBS Raju ,
Managing Director and Group CFO

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2) Report on Consolidated Segment Revenue, Results and Capital Employed

(Rs. in crores)

	Quarter Ended		Half Year Ended		Year ended
	Sept. 30, 2007 Unaudited	Sep. 30, 2006 Unaudited	Sep. 30, 2007 Unaudited	Sep. 30, 2006 Unaudited	March 31, 2007 Audited
1. Segment Revenue					
a) Airports	228.15	152.85	413.99	249.36	588.00
Less: Annual Fee to Airports Authority of India	105.14	70.57	190.94	115.38	271.98
Net Airports revenue	123.01	82.28	223.05	133.98	316.02
b) Power	214.49	194.28	545.87	515.00	1,194.90
c) Roads	34.89	35.97	69.61	73.11	143.18
d) Others	24.67	0.82	35.12	1.41	59.22
Total	397.06	313.35	873.65	723.50	1,713.32
Less: Inter Segment	1.75	0.88	1.75	1.75	16.58
Net Segment Revenue	395.31	312.47	871.90	721.75	1,696.74
2. Segment Result [Profit before tax and interest (net of interest income) from each segment]					
a) Airports	30.39	13.58	49.86	18.62	61.79
b) Power	54.12	69.94	124.53	145.16	259.40
c) Roads	15.96	17.90	34.03	37.52	71.38
d) Others	22.95	1.38	32.12	5.26	34.87
Total	123.42	102.80	240.54	206.56	427.45
Less: Interest expenses (net)	35.92	23.57	73.46	53.02	144.14
Profit before tax	87.50	79.23	167.08	153.54	283.31
3. Capital employed (Segment Assets - Segment Liabilities)					
a) Airports	645.20	568.62	645.20	568.62	581.46
b) Power	932.96	809.72	932.96	809.72	880.65
c) Roads	555.47	427.37	555.47	427.37	524.26
d) Others	559.96	701.40	559.96	701.40	546.45
Total	2693.59	2,507.11	2693.59	2507.11	2,532.82

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