

## PRESS NOTE

### GMR Infrastructure Limited, Full Year Performance Highlights

#### Financial Highlights for FY 2010-11 (Rs. Cr.)

| Particulars                                | Year ended                   |                              |          | Quarter ended                |                              |          |
|--|------------------------------|------------------------------|----------|------------------------------|------------------------------|----------|
|  | 31 <sup>st</sup><br>March'11 | 31 <sup>st</sup><br>March'10 | % change | 31 <sup>st</sup><br>March'11 | 31 <sup>st</sup><br>March'10 | % change |
| Net Revenue                                | 5773.8                       | 4566.5                       | 26%      | 1962.0                       | 1125.0                       | 74%      |
| EBITDA                                     | 1555.5                       | 1364.3                       | 14%      | 440.7                        | 314.6                        | 40%      |
| Interest                                   | 1076.0                       | 722.3                        | 49%      | 294.5                        | 222.7                        | 32%      |
| Other Income                               | 157.3                        | 163.4                        | -4%      | 61.1                         | 107.1                        | -43%     |
| Exceptional Item                           |                              |                              |          |                              |                              |          |
| ▪ Intergen                                 | (938.9)                      |                              |          | (938.9)                      |                              |          |
| ▪ Island Power                             | 140.3                        |                              |          |                              |                              |          |
| Depreciation                               | 860.9                        | 612.2                        | 41%      | 261.2                        | 164.2                        | 59%      |
| PBT  | (1022.8)                     | 193.1                        |          | (992.8)                      | 34.8                         |          |
| Tax  | 23.9                         | (32.2)                       |          | 76.3                         | (76.1)                       |          |
| PAT before Minority                        | (1046.7)                     | 225.3                        |          | (1069.1)                     | 110.9                        |          |
| PAT After Minority<br>& Share of Associate | (929.6)                      | 158.4                        |          | (1006.7)                     | 73.1                         |          |
| Cash Profit                                | 523.0                        | 734.6                        |          | 154.0                        | 195.7                        |          |

The Company has registered healthy growth of 26% in Revenues for the Financial Year and 74% for the quarter when compared to the Corresponding periods. This spurt in revenue is mainly due to:-

- The operations of Male Airport for the full quarter
- Steady Increase in traffic in Hyderabad and Delhi Airports
- Better operations in the Power Plants, particularly Chennai Power Plant and Barge power plant.

The EBITDA also registered a positive growth of 14% for the Financial Year and 40% for the quarter when compared to the Corresponding periods on account of higher revenues and optimization of operating costs. The corresponding quarter growth is not in line with the revenues primarily on account of increased costs of operation post capitalization of T3, the new terminal in Delhi Airport.

**The negative PAT for the quarter as well as the year is primarily on account of exceptional, onetime and non-recurring loss of Rs. 939 Crores from the divestment of Intergen.** Of this loss, Rs.366 crores is due to the reversal of incomes (success fee, interest on debentures invested for the acquisition of Intergen,

asset management fee) earlier accounted. We have also credits received from Island Power EPC contractors to the extent of Rs.169 crores. We believe that the residual loss of Rs.404 crores would be compensated through value generated on acquisition of Island Power Project, Singapore which is nearing financial closure, at a nominal value of Rs. 45 crores from Intergen. As already reported, the Intergen asset which was acquired for Rs. 5,127 Crores was sold for Rs.5,565 Crores. Thus the divestment loss is on account of Transaction cost, Interest paid and expenses incurred during the holding period.

With the inauguration of Terminal 3 at Delhi the capacity costs which include interest charges and depreciation have increased by around 45% over the corresponding periods, while the tariff applicable after considering the capitalization would compensate these higher capacity charges in future. This increase in capacity costs coupled with the aforesaid Intergen divestment loss have dampened the profitability both for the quarter and for the year.

Without considering this one time, exceptional loss on divestment of Intergen, the year would have ended with a PAT (after minority) of Rs.10 Crores **DIAL incurred a net loss of Rs.214 crore for the quarter and Rs.448 crore for the year. But for these net losses, the consolidated profits before minority for the quarter and the year would have been higher to that extent.**

While commenting on the results Mr. G M Rao, Group Chairman said:

*“The progress of implementation of all the projects across all the sectors is on schedule. The operations of all the assets continue to be encouraging. Though the divestment of Intergen has resulted in a one time and non-recurring loss of Rs.939 Crores, it has released an equity capital of Rs.958 crores and would enable us to reinforce our focus and resources on more profitable Indian Assets. We would continue to emerge stronger”.*

#### Segment-wise Brief Financials and Major developments during FY'11

##### Energy Sector

| Particulars          | Year Ending |           | %Change | Quarter Ending |           | %Change |
|----------------------|-------------|-----------|---------|----------------|-----------|---------|
|                      | March' 11   | March' 10 |         | March' 11      | March' 10 |         |
| Net Revenue          | 2186        | 2039      | 7%      | 601            | 429       | 40%     |
| EBITDA               | 346         | 301       | 15%     | 106            | 52        | 103%    |
| PAT(before minority) | 249         | 234       | 6%      | 37             | 125       | -70%    |
| Cash Profit          | 287         | 270       | 60%     | 101            | 78        | 29%     |

The year under review was a significant year for the Energy Sector of the Company, which now has 3 operating assets and 11 projects under different stages of construction or development.

### **New Initiatives**

- The Company has made a foray into the transmission sector winning two projects in Rajasthan
- The Company has also made a foray into renewable energy undertaking a 25MW solar project in Gujarat which is expected to be completed in FY 2011-12, and

### **Operating Assets Update**

- Successful commissioning of GEL barge on combined cycle at Kakinada
- GMR Vemagiri power plant won the prestigious National Energy Conservation Award
- Social Accountability - 8000 system was implemented, with initial audit conducted by DNV and certification was obtained for the GPCL
- **GMR Power, Chennai also obtained favorable decision from Tamil Nadu Electricity Regulatory Commission on commercial issues with TNEB resulting in an award for Rs.480 Crores and the company has already received Rs.250 crores till March, 2011 and till date we have received Rs.330 crores. Though TNEB has not succeeded in obtaining any stay, from the appellate tribunal, the company has not accounted any additional income on account of this award during the financial year as a prudent measure.**

### **Projects update**

- Commercial operations to commence in 2012 in 3 thermal Projects -GREL, Kamalanga & EMCO
- Completion of Financial closure of the 768 MW Rajahmundry & 1370 MW Chhattisgarh Energy Projects
- Approval of the Kamalanga Project expansion by 1 unit of 350 MW; EPC contract has been awarded
- Development of the coal mines in Indonesia, production to commence during FY 2011-12
- EPC contract placed on consortium of Siemens – Samsung for Island Power Plant at Singapore
- Environmental Clearance obtained and Implementation Agreement signed with Government of Himachal Pradesh for Bajoli Holi Project
- Company increased its investment to a majority stake in Homeland Energy Group

## Airports Sector

| Particulars          | Year Ending |           | %Change | Quarter Ending |           | %Change |
|----------------------|-------------|-----------|---------|----------------|-----------|---------|
|                      | March' 11   | March' 10 |         | March' 11      | March' 10 |         |
| Net Revenue          | 2395        | 1449      | 65%     | 871            | 417       | 109%    |
| EBITDA               | 656         | 530       | 24%     | 206            | 151       | 36%     |
| PAT(before minority) | (372)       | (123)     | -202%   | (174)          | (28)      | -520%   |
| Cash Profit          | 54          | 190       | -72%    | 10             | 70        | -85%    |

- **Airport PAT negative on account of DIAL Losses FY-11 Rs. (448)Cr, Q4-11- Rs (214)Cr**

### Passenger traffic growth in the year 2010-11 :

- Delhi Airport passenger traffic growth - 14% to 29.94 million
- Hyderabad Airport passenger traffic growth - 17.6% to 7.63 million
- Istanbul Airport passenger traffic growth - 75% to 11.6 million

### Delhi International Airport

- Successfully delivered the new integrated terminal T3 at IGIA in time for the Common Wealth Games.
- Opened Transit Hotel with 40 rooms for domestic and 60 rooms for international passengers
- 5 new airlines have started operations during 2010-11
- Rated for the second consecutive year as the 4th Best Airport in the World, in 15 -25 mn pax category
- T3 is the first airport in the world to be awarded the LEED NC Gold rating
- “Best International Project” by British Construction Industry Award (BCIA)
- “Best infrastructure award” & “PPP Project of the Year” - KPMG infrastructure awards 2010
- Supreme Court upheld the validity of levy of ADF at Delhi Airport
- Additional ADF of Rs. 1696 crores is under consideration by the Regulator
- Application for tariff increase as per the concession agreement is proposed to be filed shortly

### GMR Hyderabad International Airport

- RGIA declared world’s No.1 airport for second consecutive year in 5-15 mn pax category by ACI
- Won ‘Best Airport in India’ National Tourism Award 2009-10 by Ministry of Tourism
- Agreement signed with Spice Jet to improve and strengthen regional connectivity out of Hyderabad.
- Signed an MoU with Lufthansa Cargo AG (LCAG) for making Hyderabad a Pharma Hub for LCAG
- MAS-GMR MRO Achieved Financial Closure during the year
- Hyderabad Duty-Free (fully owned subsidiary of GHIAL) operations started during July, 2010

- Increased UDF order passed in favour of the airport resulting in increased revenues of about Rs. 8 crores per month, to start with.
- Pharma Zone operations at the Cargo terminal commenced from 1st January 2011

#### **Istanbul SahibaGokcen International Airport**

- ISGIA was selected as the Best Airport at the World Low Cost Airlines Awards in London.
- Airside capacity of ISGIA has increased to 32 ATM/ hour from the previous 28 ATM/ hour
- 16 new airlines started flights out of ISGIA during the year

#### **GMR Male International Airport (GMIAL)**

- Taken over the operations of airport on 25th November 2010 – 4 months ahead of schedule
- Traffic has grown over 10 % in the months of operation compared to same months last year

### **Highways Sector**

| Particulars          | Year Ending |           | %Change | Quarter Ending |           | %Change |
|----------------------|-------------|-----------|---------|----------------|-----------|---------|
|                      | March' 11   | March' 10 |         | March' 11      | March' 10 |         |
| Net Revenue          | 390         | 346       | 13%     | 99             | 91        | 9%      |
| EBITDA               | 320         | 278       | 15%     | 78             | 70        | 12%     |
| PAT(before minority) | (38)        | (48)      | 21%     | 1              | (19)      | 108%    |
| Cash Profit          | 105         | 97        | 8%      | 28             | 16        | 69%     |

The Company has 6 highway projects ( 3 toll and 3 annuity projects) under operation across India:

#### **Projects under development** - Achieved Financial Closure of all 3 projects

- Hyderabad - Vijayawada toll project – 1090 lane kms ( % completion : 30%)
- Chennai Outer Ring Road annuity project and -178 lane kms ( % completion : 26%)
- Hungund – Hospet toll project – 376 lane kms ( % completion : 25%)

## Others

| EPC and Others        | Year Ending |           | %Change | Quarter Ending |           | %Change |
|-----------------------|-------------|-----------|---------|----------------|-----------|---------|
|                       | March' 11   | March' 10 |         | March' 11      | March' 10 |         |
| Net Revenue           | 802         | 732       | 10%     | 391            | 188       | 108%    |
| EBITDA                | 233         | 255       | -9%     | 50             | 42        | 20%     |
| PAT(before minority)* | (886)       | 162       | -647%   | (934)          | 33        | -2920%  |
| Cash Profit           | 78          | 178       | -56%    | 15             | 31        | -50%    |

\* includes Interger loss of Rs 939Cr

**About GMR:** The Company is a Bangalore headquartered global infrastructure major with interests in Airports, Energy, Highways and Urban Infrastructure. It has successfully employed the public-private partnership model to build a portfolio of high quality assets. The Company has 16 power projects of which 3 are operational and 13 are under various stages of implementation and 9 road projects, of which 6 are operational and 3 are under construction. In the Airports sector, it has developed and commissioned the Greenfield International Airport at Hyderabad. The Company, besides operating the existing Delhi International Airport, has also built a brand new integrated terminal T3 which was commissioned in time for the Commonwealth Games in October 2010. It has also upgraded the Istanbul Sabiha Gökçen International Airport and operating it. The Company has also ventured into Sports and through its subsidiary, GMR Sports, owns the IPL promoted Delhi's T-20 cricket team – the Delhi Daredevils. The Company has recently divested its 50 % stake in the global power generation company InterGen NV. The Company is setting up an 800 MW gas based power project in Jurong Island Singapore. The Company is also committed to social development initiatives and executes these through its Corporate Social Responsibility arm, the GMR Varalakshmi Foundation.

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