

## **PRESS RELEASE**

### **GMR divests majority stake in GMR Ulundurpet Expressways Private Limited ('GUEL') to India Infrastructure Fund of IDFC**

**Bangalore, 17<sup>th</sup> September, 2013:** In line with GMR Group's Asset Right and Asset Light Strategy, GMR Highways Ltd. has signed a definitive agreement with India Infrastructure Fund (IIF) to divest 74% stake in GMR Ulundurpet Expressways Private Limited ('GUEL'). The transaction is subject to closing conditions customary to such transactions. IIF emerged as successful bidder in buying majority stake in GUEL, which attracted strong interest from several major investors from India and abroad. This is a second major divestment in GMR's roads portfolio in less than 6 months.

GUEL operates the highway stretch of about 73 km, from Tindivanam to Ulundurpet on National Highway 45 in the state of Tamil Nadu. The project commenced commercial operations in July 2009. GMR Group will receive a consideration of about Rs. 222 Crore for the sale of 74% equity stake.

IIF, which is one of the largest infrastructure focused funds, has a well-diversified portfolio with existing investments in roads, ports, conventional and cleantech energy assets. IIF has investments in several infrastructure entities that operate in the aggregate, over 1,878 lane km of roads in India and this investment will further expand its existing roads portfolio.

**Mr. Madhu Terdal, Group CFO of GMR Group said** *"This transaction signifies GMR Group's ability to successfully implement its "Asset-Light-Asset-Right" strategy under challenging market conditions. We at GMR Group, continue to focus on creating liquidity and reducing our leveraged position, as part of the strategy of churning of assets. Divestment of this asset will also reduce the debt as on August 31, 2013, by about Rs. 459 Crore on a fully consolidated basis, in addition to infusing equity funds of Rs.222 Crore. The GMR Group will continue to focus in adopting this approach in other Businesses as well. This partnership will also strengthen the relationship with IDFC.*

**Mr. M. K. Sinha, Managing Partner and CEO of IDFC Alternatives said** *"This investment is our first major acquisition and a step in the direction of implementing our road sector strategy of acquiring control of operational projects with proven traffic history. Given the uncertainty and delays in implementing under construction projects, we will continue our focus on acquisition of operating road assets. This investment also reinforces our desire to stick to partners with whom IDFC has*

*proven and long standing relationships like the GMR Group and we look forward to continue working with GMR in building and operating quality infrastructure assets in India”.*

**About GMR Infrastructure Limited:**

GMR Infrastructure Ltd is a Bangalore headquartered global infrastructure major with interests in Airports, Energy, Highways and Urban Infrastructure sectors. It has successfully employed the public-private partnership model to build a portfolio of high quality assets. The Company has 14 power generation assets of which 8 are operational and 6 are under various stages of development and 8 Road assets, of which 7 are operational and one is under construction. In the Airports sector, the Company operates India’s busiest airport, the Indira Gandhi International Airport in New Delhi, where it has built a brand new integrated terminal T3. It has also developed and commissioned the Greenfield international airport at Hyderabad as a gateway to south and central India. It has upgraded and is operating the Istanbul Sabiha Gökçen International Airport. GMR Group is also committed to social development initiatives and executes these through its Corporate Social Responsibility arm, the GMR Varalakshmi Foundation which is present in 22 locations.

For further information about GMR Group, visit <http://www.gmrgroup.in/index.html>

**About India Infrastructure Fund (IIF):**

India Infrastructure Fund (IIF) invests in core infrastructure assets in India, with a focus on assets that provide regular cash yield and capital appreciation. It is managed by IDFC Alternatives, the Alternate Asset management vertical at IDFC. IDFC Alternatives has an established multi-asset class platform comprising three asset classes i.e. Private Equity, Infrastructure and Real Estate. IIF is one of the four funds aggregating USD 2.2 billion, that are managed by IDFC Alternatives which makes it India’s second largest Alternative Asset Manager.

**Transaction Legal Advisors:**

**For GMR:** Link Legal India Law Services

**For IIF:** Udwadia Udeshi & Argus Partners

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