



Media Release

May 29, 2008

RESULTS UPDATE

Lanco Infratech Limited (LITL) has announced its consolidated audited financial results for the year ended March 31, 2008. LITL is engaged in the business of construction and infrastructure development. The Company is also a holding company with investments mainly in its subsidiaries engaged in the business of Power Generation, Power Trading, Property Development and Other Infrastructure Projects.

Highlights for Consolidated Financial Statement for F. Y. 2007-08

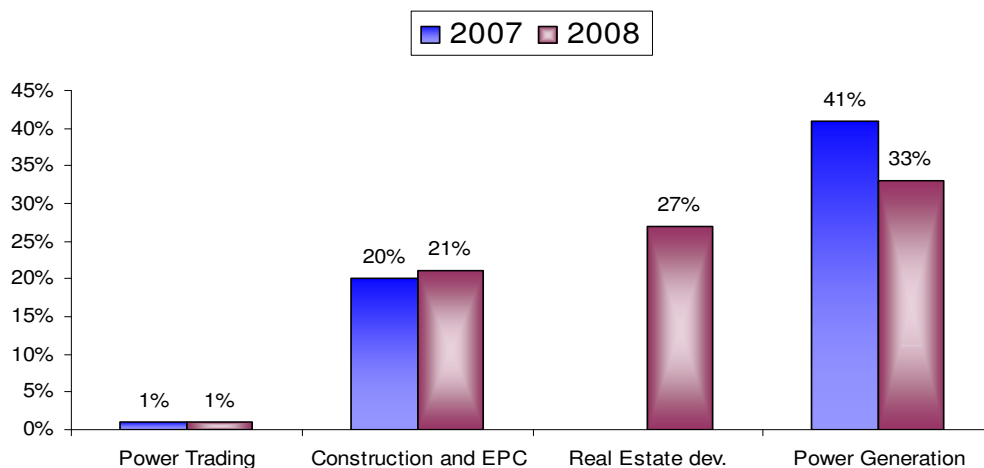
- Income from Operations up 102% from Rs. 16057 million to Rs. 32412 million
- Operating profit up 64% from Rs. 4198 million to Rs. 6905 million.
- Profit before Tax up 100% from Rs. 3130 million to Rs. 6250 million.
- Profit after Tax (Before Minority Intt. and share of profit of associates) up 82% from Rs. 2658 million to Rs. 4845 million.
- PAT after minority interest and share of profit of associates up 88% from Rs. 1880 million to Rs. 3541 million.
- Construction and EPC order book position at Rs. 130170 million.

Brief analysis of Consolidated Financial Statement for F.Y. 2007-08

Rs. Million

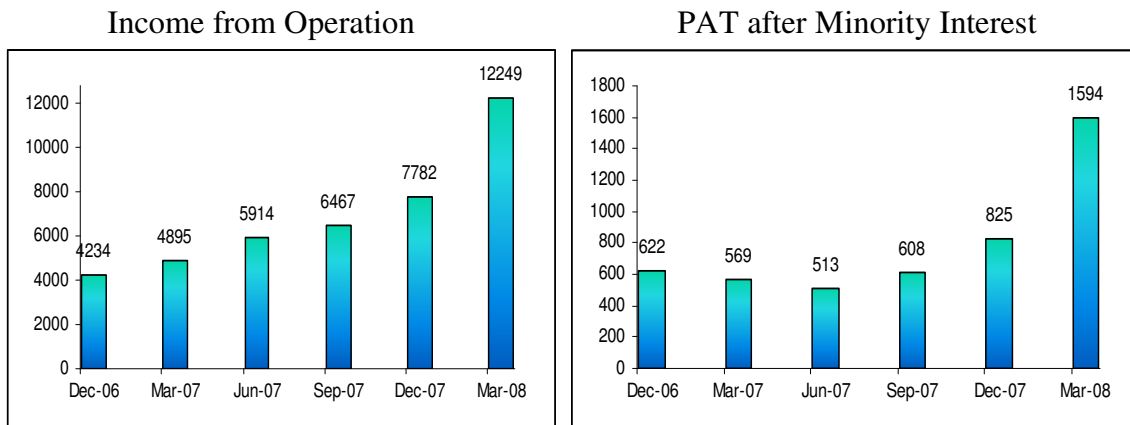
Particulars	Year ended March'08	Year ended March'07	Change %
Income from Operations			
Revenue from Construction Activity	13623	5068	168%
Sale from Power Generation	10894	7781	40%
Sale from Power Trading	6607	3209	106%
Revenue from Real Estate Dev.	1288	0	
TOTAL	32412	16058	102%
Operating Profit			
Construction and EPC	2847	1004	183%
Power Generation	3633	3192	14%
Power Trading	73	25	192%
Real Estate dev.	352	-23	
TOTAL	6905	4198	64%
Profit Before Interest & Finance Charges	6129	3543	73%
Profit Before Tax	6250	3130	100%
Profit After Tax (Without Intra Group Profit elimination)	5135	2658	93%
Add: Share of Profit of Associates	4	10	
Less: Minority Interest	1229	788	
Less: Profit on Transactions with Associates	79	0	
PAT After Minority Interest & Profit share in Associates	3831	1880	104%
Less: Elimination of Intra Group Profit (Accounting Standard – 21)	290	0	
Profit After Tax	3541	1880	88%

Operating Profit Margin



Brief analysis of Consolidated Financial Statement for Quarter Ended 31st March 2008:

- Quarter to quarter growth in Income from operation and PAT (after Minority Interest)



- Gross Revenue of the company for the current quarter was Rs. 12677 million. When compared against Rs. 5005 million in the corresponding quarter of previous year there is growth of 153%. When compared against Rs. 7782 millions in the Q3 of the current year there is a growth of 57%, the main reasons for the increase in the last quarter were increased revenue of Rs. 2352 Millions from Kondapalli, Rs. 1288 Millions from real estate and Rs. 2797 Millions from construction and EPC.
- Operating profit for the current quarter was Rs. 2799 Million against Rs. 1311 Million in the corresponding quarter of previous year, growth of 114%.
- Profit before tax for the current quarter was Rs. 2812 Million against Rs. 1018 Million in the corresponding quarter of previous year, growth of 176%.
- Net Profit (After minority interest and Share of profit in Associates) for the current quarter was Rs. 1594 million against Rs. 569 million in the corresponding quarter of previous year, an increase of 180%.

Segment results

PARTICULARS	Quarter ended		Growth %	Year ended		Growth %
	Mar-08	Mar-07		Mar-08	Mar-07	
1. Revenue						
a) Construction	6583	2168	204%	15560	5142	203%
b) Power	6179	2718	127%	17579	10793	63%
c) Property	1288	0		1288	0	
c) Infrastructure	112	0		112	0	
2. (Profit+)/Loss(-) before tax and interest from each segment						
a) Construction	2594	441	488%	3815	962	296%
b) Power	1075	518	108%	3517	2605	35%
c) Property	605	-9		501	-25	
c) Infrastructure	12	0		12	0	

- Construction segment contributed Rs. 6583 million of the consolidated turnover in comparison to Rs. 2022 million in the corresponding quarter of the previous year, a growth of 226%. Profit before Interest and Tax from Construction segment was Rs. 2594 million as against Rs. 360 million for the corresponding quarter in the previous year, a growth of 620%.
- Power segment contributed Rs. 6179 million of the consolidated turnover in comparison to Rs. 2781 million in the same quarter in the previous year, growth of 122%. Profit before Interest and Tax from Power business was Rs.1075 million against Rs. 780 million for the corresponding quarter in the previous year, growth of 38%.

Performance summary of major operating subsidiary companies for the Year ended March 31, 2008

Particulars	Kondapalli			Aban			Lanco Electric Utility		
	Year ended Mar'08	Year ended Mar'07	Change %	Year ended Mar'08	Year ended Mar'07	Change %	Year ended Mar'08	Year ended Mar'07	Change %
Generation (Mus)	2256	1730	30%	893	858	4%			
PLF (%)	69%	53%		84%	81%				
Availability (%)	92%	84%		95%	96%				
Net Sales	8257	5385	53%	2131	1848	28%	6607	3209	106%
Profit After Tax	1424	1014	40%	713	320	123%	52	20	165%
Operating Margin	27%	38%		55%	48%		1.10%	0.78%	
PBIT Margin	17%	22%		40%	31%		1.08%	0.74%	
PBT Margin	19%	21%		37%	19%		1.20%	0.94%	
PAT Margin	17%	18%		33%	17%		0.78%	0.61%	
Return on Equity	42%	30%		54%	24%		20%	9%	
Return on Capital Employed	21%	17%		23%	14%		29%	13%	

Kondapalli Power Plant

Kondapalli Power plant is Gas based power generation unit with capacity of 368 MW.

- For the current year plant availability was 92% (84.77 % Previous Year) and plant load factor was 69.79% (53.65% Previous Year). Net generation for the current year was 2257 Mus against 1730 Mus in the Previous year i.e. a growth of 30%.
- For the year net sales was Rs. 8256 Mn against Rs. 5384 Mn for the previous year i.e. a growth of 53%. The main reasons for the increase in sales have been the higher generation, use of Naptha as fuel leading to increased variable charges and also sale of Carbon Credits amounting to Rs. 131 Mn (Previous Year NIL).
- For the year the EBITDA was Rs. 2295 Mn against Rs. 2076 Mn for the previous year i.e. a growth of 11%. In the current year EBITBA margin was 28% as against an operating margin of 39% in previous year mainly because the increased revenue from operating on Naptha comes almost without any margin.
- Profit after tax for the current year was Rs. 1427 Mn against Rs. 1014 Mn for the previous year i.e. a growth of 41%.
- Return on equity for the current year has increased to 42% from 30% in the previous year.
- Return on average capital employed has increased to 21% from 17% in the previous year.

Aban Power Plant

Aban power plant is Gas based power generation unit with capacity of 120 MW.

- For the current year plant availability was 95.72% (96.24% Previous Year) and plant load factor was 84.91% (81.84% Previous Year). Net generation for the current year was 893 Mus against 859 Mus in the Previous year i.e. a growth of 4%.
- For the year net revenue was Rs. 2130 Mn against Rs. 1847 Mn for the previous year i.e. growth of 15%. The current year sale includes an amount of Rs. 209 mn on account of sale of Carbon Credits (Previous

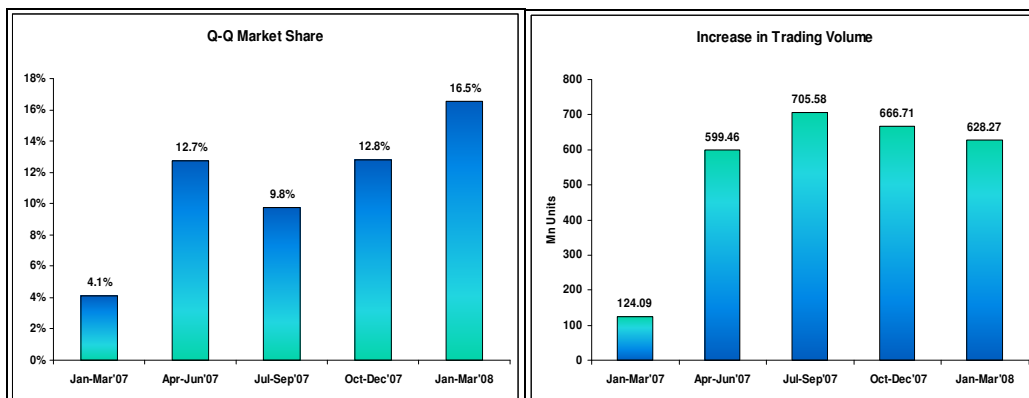
Year NIL). ABAN is a UNFCCC registered CDM project and Carbon Credits accrue to the project every year.

- For the year the EBITDA was Rs. 1177 Mn against Rs. 903 Mn for the previous year i.e. growth of 30%. In the current year EBITDA margin was 55%.
- Profit after tax for the current year was Rs. 709 Mn against Rs. 320 Mn during the previous year i.e. growth of 122%.
- Return on equity for the current year has increased to 54% from 24% in the previous year.
- Return on average capital employed has increased to 23% from 14% in the previous year.

Lanco Electric Utility (Power Trading Company)

- During the year LEUL has traded total 2600 Mus (Previous Year 741 Mus), which is highest ever record turnover by it. Further, for the current year LEUL's market share was around 12.50% of the total volumes traded in the country and LEUL was ranked third after PTC and NTPC Vidyut Vyapar Nigam.

Quarter to quarter market share and trading volume:-



- In the current year the net turnover of the company was Rs. 6607 Million against Rs. 3209 Millions in the previous year i.e. an increase of 106%.
- In the current year Profit after tax was Rs. 51.8 millions against Rs. 19.5 Millions in the previous year i.e. increase of 165%.



- Return on equity for the current year has increased to 20% from 9% in the previous year.
- Return on average capital employed has increased to 29% from 13% in the previous year.

Lanco Hills Technology Park (Real Estate Development Company)

This is the first year when company has recognised revenue from real estate initiative. In the current year company has recognised Rs. 1288 Mn as revenue. Profit after tax was Rs. 248 Mn.

Recent developments

1. Lanco led consortium won financial bid for the Vizhinjam Port. It will be India's largest container transshipment Port Project in Kerala. It is expected that the total development cost will be around Rs. 8000 Cr in three phases. As per the contract terms, operating period will be 33 years.
2. Lanco was the lowest bidder for two power plants in Uttar Pradesh having a combined total capacity of 3300 MW.
3. The Construction and EPC order book position as on March 31, 2008 is Rs. 130,170 million as compared to Rs. 52,000 million at the end of the previous year. During the quarter ended on March 31, 2008 additional orders amounting to Rs. 16,870 million for the Construction and EPC of Kondapalli expansion and construction of two road projects were received. The break-up of the current order book is as follows:

Projects	Rs Millions
<i>Power Projects</i>	
Amarkantak – I & II	2866
Teesta VI – Sikkim	21990
Anpara	34790
Upupi (Nagarjuna)	32522
Kondapalli Expansion	9700
Others	9495
Total Power Project	111363

Projects	Rs Millions
<i><u>Building Projects</u></i>	
NBCC – Kolkata	729
AAI - Varanasi Airport	763
TTD - University at Tirupati	727
APSHMIDC- Ongole	849
APSHMIDC- Srikakulam	671
Others	4117
Total Building Project	7856
<i><u>Road Projects</u></i>	
MP Road Dev. Corp. Ltd.	1010
Devihalli Project	3353
Hoskote Project	3801
Other	907
Total Road Projects	9071
Irrigation Projects	849
Pipeline Projects	72
Transmission Line Projects	959
Total Order Book	130170

4. Financial Closure for the two road projects in Hoskote and Devihalli (total length 163 KM) have been completed.
5. Lanco has qualified for bidding for Amritsar Airport development and the financial bids will be submitted soon.
6. An agreement has been signed with Hyatt Hotels and Resorts for managing the 400 rooms Grand Hyatt which will be part of the 108 acre Lanco Hills township being developed by the company in Hyderabad. The hotel is expected to be opened for operations in 2011.

[Awards and Recognition](#)

- ABAN Power Company Ltd. won the prestigious “Golden Green Governance” All India Runner Up Award in the category of Energy Sector on April 22, 2008.
- CLARION Power Plant, a 12 MW Biomass Power Plant located at Tangutur, Prakasam district, AP has received ISO 9001:2001 certificate.



About Lanco

Lanco Infratech Limited is one of the fastest growing corporate entities in India having a gross revenue of Rs. 33,365 million and a net worth of Rs. 24,333 million for the year 2007-08. It has more than two decades of experience operating in the core sectors of Power Generation, Power Trading, Realty, Engineering and Construction and other Infrastructure projects. At present, the power portfolio includes an operating capacity of 519 MW and additional capacities under construction aggregating to around 4,000MW. The Construction and EPC division of the company is executing various orders worth more than Rs 135,000 Million.