

**RESULTS UPDATE**

**Lanco Infratech Limited** (LITL) has announced its consolidated unaudited financial results for Quarter ended June 30, 2009. 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 the Quarter ended June 30th, 2009**

- Gross Revenues **up by 141%** yoy, up from Rs. 9,268 million to Rs. 22,329 million
- Operating Revenue **up by 140%** yoy, up from Rs. 9,139 million to Rs 21,954 million
- EBITDA **up by 58%** yoy, up from Rs. 1,751 million to Rs. 2,769 million
- PAT before elimination of profit on transaction with Subsidiaries and Associates **up by 116%** yoy, up from Rs. 738 million to Rs. 1,598 million
- Reported Profit after Tax **up by 96%** yoy, up from Rs. 591 million to Rs. 1,158 million

**Management Discussion and Analysis****Revenue Break Up**

Rs Million

<b>Particulars</b>	<b>Qtr ended June, 2009</b>	<b>Qtr ended June 2008</b>	<b>Change %</b>
<b>Segment Revenue</b>			
a) Construction	14,463	5,182	179%
b) Power	10,126	4,201	141%
c) Property Dev.	178	473	-62%
d) Unallocated	25	126	-80%
<b>Total</b>	<b>24,791</b>	<b>9,981</b>	<b>148%</b>
Less: Inter Segment Revenue	2,837	842	237%
<b>Net Sales</b>	<b>21,954</b>	<b>9,139</b>	<b>140%</b>

### EBITDA:

Rs Million

	Qtr ended June, 2009	Qtr ended June 2008	Change %
Sales	21,954	9,139	140%
Less: Sale on account of Power Trading	6,901	1,220	466%
Less: Additional Sales on use of Naphtha	1,484	1,246	19%
<b>Adjusted Sales</b>	<b>13,568</b>	<b>6,673</b>	<b>103%</b>
EBITDA	2,769	1,751	58%
Less: Margin on Power Trading	69	28	146%
<b>Adjusted EBITDA</b>	<b>2,700</b>	<b>1,723</b>	<b>57%</b>
EBITDA Margin	20%	26%	

Note: EBITDA has been calculated without considering other income and forex loss/ gain.

### Profit After Tax:

Rs Million

	Qtr ended June, 2009	Qtr ended June 2008	Change %
Reported PAT	1,158	591	96%
Add: Inter Segment Profit on transaction with Subs. & Associates	440	148	197%
<b>Profit after tax (before elimination of Inter Segment Profit on transaction with Subs. and Associates)</b>	<b>1,598</b>	<b>738</b>	<b>116%</b>
Add / (Less): Forex loss / (gain)	(191)	237	-180%
<b>Profit after tax (before Forex loss / (gain) and elimination of Inter Segment Profit on transaction with Subs. and Associates)</b>	<b>1,408</b>	<b>976</b>	<b>44%</b>

### Key Balance Sheet figures as on 31<sup>st</sup> March 2009:

The consolidated net worth, Debt and Cash & Bank balances as of 30th June 2009 is as follows:

Rs Million

Net Worth + Minority	29,314
Loan Funds	63,249
<b>Cash and Cash Equivalents</b>	
Cash and Bank	10,188
Investments in Liquid funds	1,250
<b>Total Cash and Cash Equivalents</b>	<b>11,438</b>

## Financial Performance of various business verticals:

### Construction and EPC:

Rs Million

	Qtr ended June, 2009	Qtr ended June 2008	Change %
Revenue	14,463	5,182	179%
EBIT	2,134	769	177%
EBIT Margin	15%	15%	

### Power:

Rs Million

	Qtr ended June, 2009	Qtr ended June 2008	Change %
<b>Revenue</b>	10,126	4,201	141%
Less: Power Trading	6,901	1,220	466%
<b>Adjusted Revenue</b>	<b>3,225</b>	<b>2,981</b>	<b>8%</b>
<b>EBIT</b>	642	684	-6%
Less: Adj for Power Trading	69	28	146%
<b>Adjusted EBIT</b>	<b>573</b>	<b>656</b>	<b>-13%</b>
<b>Adjusted EBIT Margin (%)</b>	<b>18%</b>	<b>22%</b>	

Operational data for the major operating units and trading arm for the quarter is provided below:

Rs Million

Particulars	Kondapalli			Aban			Lanco Electric Utility		
	368 MW Gas Power Project			120 MW Gas Power Project			Power Trading Company		
	Q1 FY10	Q1 FY09	Change %	Q1 FY10	Q1 FY09	Change %	Q1 FY10	Q1 FY09	Change %
Generation (Mus)	656	533	23%	173	190	-9%			
PLF (%)	81%	66%		66%	77%				
Net Sales	2,806	2,407	17%	378	442	-15%	6,901	1,220	466%
Profit After Tax	410	295	39%	120	43	180%	30	11	180%
EBITDA Margin	19%	22%		51%	37%		0.8%	1.4%	
PAT Margin	15%	12%		32%	10%		0.4%	0.9%	

Note:

1. The generation at Kondapalli Power Station for the quarter increased by around 23% on yoy basis however the sales realisations have not increased comparably for the fact that the power station earned full fixed charges on the basis of certain parameter for both periods under review.
2. EBITDA margin for Kondapalli Power plant after adjusting for sales on Naphtha would have been 41% and 45% for Q1FY10 and Q1FY09 respectively.

3. Lanco Electric Utility, traded 1,048 mn units during the current quarter against 657 mn units in the corresponding quarter of previous year, registering a growth of 60% in volume.

**Property Development:**

Rs Million

	Qtr ended June, 2009	Qtr ended June 2008	Change %
Revenue	178	473	-62%
EBIT	37	145	-74%
<b>EBIT Margin</b>	<b>21%</b>	<b>31%</b>	

The reduction in margin is on account of increase in costs.

**Important Developments during the Quarter:**

- Lanco Infratech has bought out the entire (9%) DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH (a Financial Institution incorporated in the Federal Republic of Germany) Stake, in Lanco Amarkantak Power Pvt. Ltd.
- Vamsi Hydro Energies Private Limited (a subsidiary of LANCO) has successfully commissioned another 5 MW hydro power plant in the month of June'09. This Power plant is located in Kangra District in the state of Himachal Pradesh.
- During the Quarter, Lanco has divested its holding in its two subsidiaries i.e Rithwik and Clarion Power plant and they ceased to exist as subsidiaries. The profit on sale of investment of Rs. 146 million is included in other income.
- During the Quarter, Lanco Electric utility started trading of electricity on the Energy Exchange and traded 87 million units.
- Amarkantak Unit I has been synchronised in May 2009 and achieved full load in the month of June 2009.

**Status of Projects under different Verticals**

As of 30<sup>th</sup> June 2009 capital expenditure incurred in power and Road projects and debt utilized for the same are as follows:

Rs Million

	Capex	Debt
Anpara	16,428	10,721
Udupi	33,955	24,833
Amarkantak	26,549	18,209
Lanco Energy – teesta	7,099	3,648
Lanco Green – Budhil	2,704	1,675
Lanco Hydro Energy – Uttranchal	973	0
Kondapalli	7,332	5,496
Vamshi Industrial	831	426
<b>TOTAL POWER PROJECTS</b>	<b>95,871</b>	<b>65,008</b>

### Construction and EPC Business (Orders in Hand):

The Construction and EPC order book position as on June 30<sup>th</sup> 2009 is Rs. 94,670 million as compared to Rs. 103,167 million on March 31, 2009. The break-up of the current order book is as follows:

<b>Projects</b>	<b>Rs Million</b>
<i>Power Projects</i>	
Amarkantak – I & II	2,577
Teesta VI – Sikkim	21,875
Anpara	25,382
Udupi (Nagarjuna)	15,413
Kondapalli Expansion	3,910
Others	4,979
<b>Total Power Projects</b>	<b>74,137</b>
Building Projects	9,136
Road Projects	6,046
Irrigation Projects	626
Transmission Line Projects	3,964
Chimneys	761
<b>Total Order Book</b>	<b>94,670</b>

### About Lanco

Lanco Infratech Limited is one of India's top business conglomerates and among the fastest growing. Lanco Infratech has subsidiaries and divisions across a synergistic span of verticals. These include construction, Power, EPC, Infrastructure and Property Development. Lanco Infratech's projects, operational and underway, are spread across India. At present, the power portfolio includes an operating capacity of 511 MW and additional capacities under various stages of implementation aggregating to more than 8,000 MW. The Construction and EPC division of the company is executing various orders worth more than Rs 94,670 Million. The company is developing 163 Kms of National Highways on BOT basis. A member of UN Global Compact, Lanco Infratech is recognised for its Corporate Social Responsibility initiatives led by the Lanco Foundation.