

**RESULTS UPDATE**

**Lanco Infratech Limited** (LITL) has announced its consolidated audited financial results for financial year ended March 31, 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 Year**

- Gross Revenues **up by 84%** from Rs. 33,365 million to Rs. 61,282 million
- Operating Revenue **up by 87%** from Rs. 32,413 million to Rs 60,720 million
- EBITDA **up by 27%** from Rs. 6,994 million to Rs. 8,874 million
- PAT before elimination of profit on transaction with Subsidiaries and Associates **up by 7%** from Rs. 3,823 million to Rs. 4,093 million
- Reported Profit after Tax **down by 21%** from Rs. 3,542 million to Rs. 2,803 million

**For the Quarter**

- Gross Revenues **up by 55%** from Rs. 13,402 million to Rs. 20,713 million
- Operating Revenue **up by 56%** from Rs. 13,182 million to Rs 20,561 million
- EBITDA **up by 2%** from Rs. 2,981 million to Rs. 3,042 million
- PAT before elimination of profit on transaction with Subsidiaries and Associates down by 17% from Rs. 1,847 million to Rs. 1,518 million
- Reported Profit after Tax down from Rs. 1,688 million to Rs. 899 million

## Management Discussion and Analysis

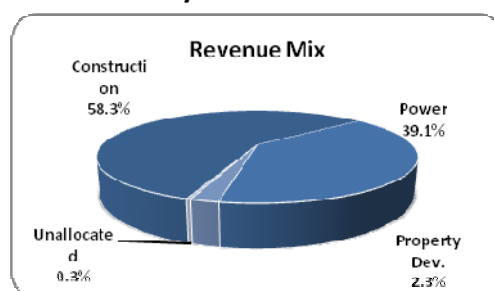
### Revenue Break Up

Rs Million

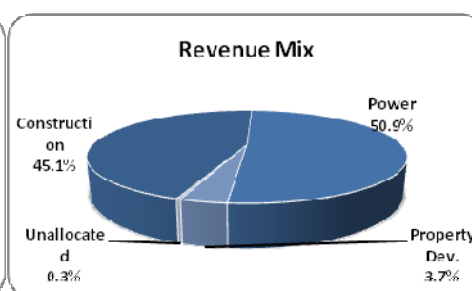
Particulars	3 months ended		Change	Year Ended		Change
	Mar'09	Mar'08	%	Mar'09	Mar'08	%
<b>Segment Revenue</b>						
a) Construction	18,544	6,584	182%	40,512	15,561	160%
b) Power	7,039	6,174	14%	27,149	17,579	54%
c) Property Dev.	179	1,288	-86%	1,574	1,288	22%
d) Unallocated	54	24	124%	231	112	106%
<b>Total</b>	<b>25,816</b>	<b>14,070</b>	<b>83%</b>	<b>69,467</b>	<b>34,541</b>	<b>101%</b>
Less: Inter Segment Revenue	5,255	888	492%	8,747	2,128	311%
<b>Net Sales</b>	<b>20,561</b>	<b>13,182</b>	<b>56%</b>	<b>60,720</b>	<b>32,413</b>	<b>87%</b>

### Revenue Mix:

For year 2008-09



For Year 2007-08



### EBITDA:

Rs Million

	Quarter		Change %	Year		Change %
	Mar'09	Mar'08		Mar'09	Mar'08	
Sales	20,561	13,182	56%	60,720	32,413	87%
Less: Sale on account of Power Trading	2,419	1,921	26%	12,369	6,607	87%
Less: Additional Sales on use of Naphtha	2,880	2,726	6%	7,686	3,377	128%
<b>Adjusted Sales</b>	<b>15,262</b>	<b>8,534</b>	<b>79%</b>	<b>40,664</b>	<b>22,428</b>	<b>81%</b>
EBITDA	3,042	2,981	2%	8,874	6,994	27%
Less: Margin on Power Trading	25	29	-11%	125	115	8%
<b>Adjusted EBITDA</b>	<b>3,016</b>	<b>2,953</b>	<b>2%</b>	<b>8,749</b>	<b>6,879</b>	<b>27%</b>
EBITDA Margin	20%	35%		22%	31%	

### Profit After Tax:

Rs Million

	Quarter		Change %	Year		Change %
	Mar'09	Mar'08		Mar'09	Mar'08	
Reported PAT after Minority and Associate	899	1,688	-47%	2,804	3,542	-21%
Add: Inter Segment Profit on transaction with Subs. & Associates	620	160	288%	1,290	281	358%
Add / (Less): Forex loss / (gain)	246	(208)	-218%	412	(245)	-268%
Profit after tax (before Forex loss / (gain) and elimination of Inter Segment Profit on transaction with Subs. and Associates)	1,764	1,640	8%	4,505	3,578	26%

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

The consolidated net worth, Debt and Cash & Bank balances as of 31<sup>st</sup> March 2009 is as follows:

Rs Million

Net Worth	20,976
Loan Funds	55,970
<b>Cash and Cash Equivalents</b>	
Cash and Bank	9,904
Investments in Liquid funds	1,514
<b>Total Cash and Cash Equivalents</b>	<b>11,418</b>

### Financial Performance of various business verticals:

#### Construction and EPC:

Rs Million

	Quarter		Change %	Year		Change %
	Mar'09	Mar'08		Mar'09	Mar'08	
Revenue before inter segment elimination	18,544	6,584	182%	40,512	15,561	160%
EBIT	2,375	1,783	33%	5,445	3,003	81%
EBIT Margin	12.8%	27.1%		13.4%	19.3%	

**Power:**

Rs Million

	Quarter		Change %	Year		Change %
	Mar'09	Mar'08		Mar'09	Mar'08	
<b>Revenue</b>	7,039	6,174	14%	27,149	17,579	54%
Less: Power Trading	2,419	1,921	26%	12,369	6,607	87%
Less: Increase in Sale due to use of Naphtha	2,880	2,726	6%	7,686	3,377	128%
Less: Carbon Credits	62	341	-82%	62	341	-82%
<b>Adjusted Revenue</b>	<b>1,678</b>	<b>1,185</b>	42%	<b>7,031</b>	<b>7,254</b>	-3%
<b>EBIT</b>	1044	638	64%	3,203	3,080	4%
Less: Adj for Power Trading	25	29	-11%	125	115	8%
Less: Adj for Carbon Credit	62	341	-82%	62	341	-82%
<b>Adjusted EBIT Margin</b>	<b>957</b>	<b>268</b>	256%	<b>3016</b>	<b>2624</b>	15%
<b>Adjusted EBIT Margin</b>	<b>57%</b>	<b>23%</b>		<b>43%</b>	<b>36%</b>	

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

Rs Million

Particulars	Kondapalli			Aban			Lanco Electric Utility		
	368 MW Gas Power Project			120 MW Gas Power Project			Power Trading Company		
	Yr 2008-09	Yr 2007-08	Change %	Yr 2008-09	Yr 2007-08	Change %	Yr 2008-09	Yr 2007-08	Change %
Generation (Mus)	2,350	2,257	4%	849	893	-5%			
PLF (%)	72%	69%		81%	85%				
Net Sales	12,320	8,256	49%	1,950	2,131	-8%	12,369	6,607	87.2%
Profit After Tax	1,376	1,424	-3%	537	713	-24%	53.8	51.8	3.9%
Operating Margin	19%	28%		51%	55%		0.55%	1.10%	
PAT Margin	11%	17%		28%	33%		0.44%	0.78%	

**Note:**

1. Net Sales for Aban for the current year includes Rs. 62 Mn towards sale of Carbon credits against Rs 210 Mn in the Previous Year. Net sale for Kondapalli for the previous year include Rs. 132 Mn towards sale of Carbon credits.
2. Operating margin of the Kondapalli is lower because of use of naphtha as fuel. After the adjustment with respect to Naphtha and Sale of Carbon credits, operating margin for the current year would be 49% against 44% in the previous year.
3. Lanco Electric Utility, traded 2,841 mn units during the current Year against 2,599 mn units in the previous year, registering a growth of 9% in volume.

### Property Development:

Rs Million

	Quarter		Change %	Year		Change %
	Mar'09	Mar'08		Mar'09	Mar'08	
Revenue	179	1,288	-86%	1,574	1,288	22%
EBIT	(214)	442	-148%	91	338	-73%
EBIT Margin	-119%	34%		6%	26%	

The reduction in margin is on account of lower revenue recognition and increase in cost.

Cumulative capex and financing for the Lanco Hills project as on March 31, 2009 are as follows:

Rs Million

	Upto Mar'09
Capital Expenditure	13,737
Debt	10,754
Advances	3,645
Cash and Cash Equivalents	3,450

### Important Developments during the year:

- Vamsi Hydro Energies Private Limited (a subsidiary of LANCO) has successfully commissioned a 5 MW hydro power plant in the month of January'09. This Power plant is located in Kangra District in the state of Himachal Pradesh and is a run of the river scheme on IKU Khad, a tributary of Beas River. Net sales for the plant during the year after the commercial operation was Rs. 2.17 Mn.
- During the Year, Lanco has signed an agreement for sale of its stake in the subsidiaries - Rithwik and Clarion which operate a total capacity of 18 MW of Bio-mass based Power projects. The stake would be bought by M/s AgriGold Projects Limited, Vijayawada.

### Awards and accolades

- ABAN Power Plant has been adjudicated as one of the winners for the 8th TERI Corporate Awards 2009. The TERI Corporate Awards recognize leadership in corporate environmental management, social responsibility and HIV/AIDS initiatives.

- Vamshi Hydro Energies has been awarded with IEEMA Power Award 2009 for “Excellence in Fast Track Commissioning of Small Hydro Projects”.

### Status of Projects under different Verticals

#### Power

Power Projects with a capacity of around 3900 MW are under construction. Major milestones achieved in some of these projects are follows:

- *Amarkantak Unit I - 300 MW*: Synchronization done in May’09 and achieved another milestone before CoD.
- *Amarkantak Unit II - 300 MW*: TG erection and condenser erection is going on and Hydro-testing to happen shortly.
- *Udupi Power project - 1015 MW*: Drum lifting completed and TG erection and condenser erection is going on.
- *Anpara Power - 1200 MW*: Boiler erection has been started and drum lifting to happen shortly.
- *Kondapalli – II - 366 MW*: Gas Turbine generator placed on the foundation.
- *Lanco Green (Budhil) – 70 MW*: Power house draft tube concrete and Pressure shaft excavation complete.
- *Lanco Energy (Teesta) 500 MW* : Slope stabilization, Excavation of main access tunnel, power house cavern and Transformer cavern in progress
- *Vamshi Industrial – 10 MW* : EOT crane commissioned
- *Vamshi Hydro – 5 MW* : HRT face excavation and penstock excavation completed

As of 31<sup>st</sup> March 2009 capital expenditure incurred in power and Road projects and debt utilized for the same are as follows:

Rs Million

	<b>Capex</b>	<b>Debt</b>
Anpara	13,340	8,511
Udupi	29,339	20,672
Amarkantak	25,785	17,555
Lanco Energy – teesta	6,756	3,530
Lanco Green – Budhil	2,451	1,462
Lanco Hydro Energy – Uttranchal	896	-
Kondapalli	5,513	3,347
Vamshi Hydro Energy (Including unit commissioned)	786	440
Vamshi Industrial	790	411
<b>TOTAL POWER PROJECTS</b>	<b>85,656</b>	<b>55,928</b>
Devihalli Road	2,254	1,040
Hoskote Road	3,293	1,430
<b>TOTAL ROAD PROJECTS</b>	<b>5,547</b>	<b>2,470</b>

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

The Construction and EPC order book position as on March 31, 2009 is Rs. 103,167 million as compared to Rs. 130,170 million on March 31, 2008. 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	2,802
Teesta VI – Sikkim	22,141
Anpara	28,773
Udupi (Nagarjuna)	20,677
Kondapalli Expansion	5,894
Others	4,999
<b>Total Power Projects</b>	<b>85,286</b>
Building Projects	9,233
Road Projects	6,961
Infrastructure Projects	879
Irrigation Projects	632
Transmission Line Projects	175
<b>Total Order Book</b>	<b>103,167</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 505 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 103,167 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.