



Gross Revenue Rs. 12720 Millions - up by 83% and Net profit Rs. 1122 Millions - up by 63% on half yearly basis.

Media Release

October 26, 2007

RESULTS UPDATE

Lanco Infratech Limited (LITL) has announced its consolidated un-audited financial results for the quarter ended September 30, 2007. The consolidated net profit is up by 63% while the gross revenues are up by 83% on half yearly basis. 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 and Property Development.

Consolidated performance highlights of LITL for the half year ended September 30, 2007:

Rs Million

Particulars	6 months ended Sep 07	6 months ended Sep 06	Change %
Net Sales			
Construction and Power operations	9536	5311	80%
Power Trading Sale	2846	1479	92%
Carbon Credit Sale	0	80	-
TOTAL	12382	6870	80%
Profit Before Interest & Finance Charges	2021	1737	16%
Profit Before Tax	1933	1358	42%
Profit After Tax	1593	1169	36%
PAT After Minority Intt & Profit share in Associates	1122	689	63%

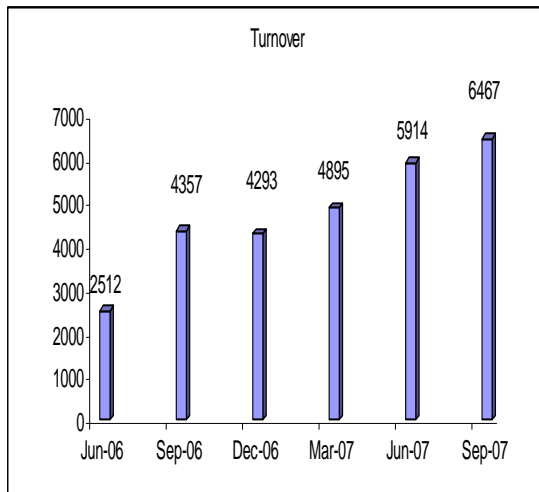
- Total Turnover of the company during the current half year was Rs. 12382 million against Rs. 6870 million in corresponding period of the previous year, growth of 80%.
- Operating profits (excluding sale of carbon credit and sale of power by trading company) during the current half year was Rs. 2328 Million against Rs. 1854 Million in the corresponding period in the last year – an increase of 26%.
- Profit before tax during the current half year was Rs. 1933 Million against Rs. 1358 Million in the corresponding period last year, an increase of 42%.
- Net Profit (After minority interest and Share of profit in Associates) of Rs. 1122 million against Rs. 689 million in the corresponding half year of the previous year, an increase of 63%.



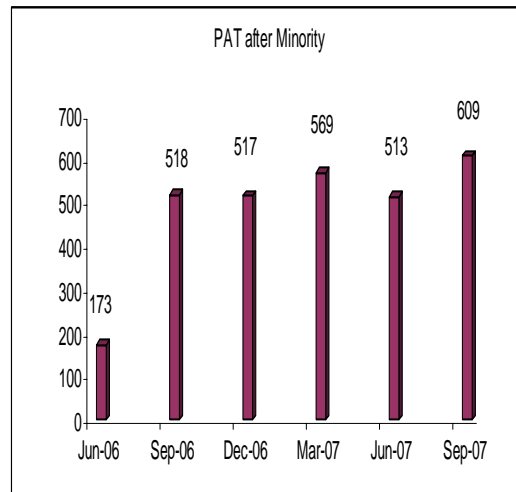
Consolidated performance highlights of LITL for the Quarter ended September 30, 2007:

- Quarter on Quarter growth in Sales and PAT (after Minority Interest)

Sales and operating income



PAT after Minority Intt.



- Total Turnover of the company during the current quarter was Rs.6467 million against Rs. 4357 million in corresponding quarter of the previous year, an registered a growth of 48% on quarterly basis.
- Operating profits (Excluding Carbon Credit and Power Trading) during the current quarter was Rs. 1193 Million against Rs. 1065 Million in the corresponding quarter in the last year, an increase of 12%.
- Profit before tax during the current quarter was Rs. 1034 Million against Rs. 810 Million in the corresponding quarter last year, an increase of 28%.
- Net Profit (After minority interest and Share of profit in Associates) of Rs. 609 million against Rs. 518 million in the corresponding quarter of the previous year, an increase of 18%.

Segment results:

Rs Million

Particulars	3 months ended Sep 07	3 months ended Sep 06	Change %	6 months ended Sep 07	6 months ended Sep 06	Change %
Revenue:						
Construction	3715	913	307%	5194	1831	184%
Power	2762	3470	-20%	7177	5063	42%
Profit before Interest and Tax						
Construction	373	166	125%	609	336	81%
Power	838	946	-11%	1595	1386	15%



- Power segment contributed Rs. 2762 million of the consolidated turnover in comparison to Rs. 3470 million in the corresponding quarter in the previous year. Profit before Interest and Tax from Power business was Rs.838 million against Rs. 946 million for the corresponding quarter in the previous year. The contribution of power business to the turnover was around 43%.
- Construction segment contributed Rs. 3715 million of the consolidated turnover in comparison to Rs. 913 million in the corresponding quarter of the previous year, a growth of 307%. Profit before Interest and Tax from Construction segment was Rs. 373 million as against Rs. 166 million for the corresponding quarter in the previous year. The contribution of Construction segment to the turnover was around 57%.

Performance summary of major operating subsidiary companies for the Quarter ended September, 2007:

Rs Million

Particulars	Kondapalli			Aban			Lanco Electric Utility		
	368 MW Gas Power Project			120 MW Gas Power Project			Power Trading Company		
	Quarter ended Sep 07	Quarter ended Sep 06	Change %	Quarter ended Sep 07	Quarter ended Sep 06	Change %	Quarter ended Sep 07	Quarter ended Sep 06	Change %
Generation (Mus)	597	356	68%	227	241	-6%			
PLF (%)	89%	44%		86%	91%				
Availability (%)	96%	77%		98%	88%				
Net Sales	1351	1263	7%	489	482	1%	773	1068	-28%
Profit After Tax	306	233	32%	144	84	71%	7	13	-46%
Operating Margin	42%	43%		51%	50%		2%	1%	

- In respect of Kondapalli Power Station even though the generation has increased by 68% as compared to the same quarter in the previous year, the sales realisations have not increased comparably due to the fact that the power station earned full fixed charges on the basis of availability at 80% for both periods under review.
- In respect of Lanco Electric Utility even though there is a reduction in Turnover from Rs. 1068 million to Rs. 773 million, in terms of volumes, the electricity traded has increased by more than 3 times over the corresponding quarter of the previous year. This however is not reflected in revenues since it includes Electricity banking trades which are not billed for.

Recent developments:

Property

Based on the pronouncement of the judgement in the open court by the Hon'ble Chief Justice of the High Court of Andhra Pradesh, our legal Counsel has confirmed that the 'interim stay' on the development activities undertaken by Lanco Hills Technology Park Private Limited at Lanco Hills in Hyderabad has been vacated on 26/10/2007 with immediate effect and by virtue of this, the development work can be re-commenced.



Power

- The Government of Uttar Pradesh has approved the increase in the capacity of Anpara 'C' power project from 1,000 MW to 1,200 MW. The same is to be approved by the Uttar Pradesh Regulatory Commission.
- It has been decided that the existing capacity of 368 MW at Kondapalli Gas Power Station be expanded by 375-400 MW and a Request For Qualification and Request For Price for Construction and EPC for the same have been invited under International competitive bidding route.
- It has also been decided that the existing capacity of 2 x 300 MW at Amarkantak Power Station be expanded by 1 x 600 MW unit and a Request For Qualification and Request For Price for Construction and EPC for the same have been invited under International competitive bidding route.

Construction

- Construction Division has bagged a work order of Rs 730 million from Tirupati Tirumala Devasthanams, Tirupati for construction of Sri. Venkateswara Vedic University at Alipiri, Tirupati. The project has to be completed within 24 months.
- Lanco Infratech Limited has been awarded the contract for construction of New Terminal Building at Varanasi Airport by the Airports Authority of India for a value of Rs. 824 million.
- LANCO Infratech has been the lowest bidder in five packages for the works of supply and erection of 33/11 KV sub-stations and 33/11KV lines in Andhra Pradesh. The contract value is around Rs. 675 Million.
- The orders book position as on September 30, 2007 is as follows:

Rs Million

Order to Execute

Power Project

Amarkantak - Thermal	7231
Lanco Energy - Hydro	23657
Nagarjuna	34285
Others	2521
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	67694

Building Projects

NBCC - Kolkata	849
AAI - Varanasi Airport	824
TTD - University at Tirupati	728
Others	983
Building Projects - Internal	
Lanco Hills	2508
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	5892

Road Projects

Other	1105
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Road Projects - Internal	
NHAI	327
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	1432
Irrigation Projects	1275
Pipeline Projects	83
Total Order Book	<hr/> 76376

Others

- LANCO Infratech Limited, India entered into a Memorandum of Understanding with Gulfstainer Company Limited, UAE to co-operate on a variety of port and transportation projects.
- Lanco Electric Utility Limited – the power trading arm of LITL - traded 705.6 MUs during the Second quarter of FY 2007-08 ranking 2nd in order of volumes traded for the quarter, after PTC.

About Lanco

Lanco Infratech Limited is one of the fastest growing corporate entities in India having a gross revenue of Rs. 16,473 million and a net worth of Rs. 15,105 million for the year 2006-07. 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 518 MW and additional capacities under construction aggregating to more than 3,400 MW. The Construction and EPC division of the company is executing various orders worth more than Rs 76000 Million.