Media Release **January 27, 2010**

RESULTS UPDATE

Kondapalli (Phase II), Open cycle has commenced generation

Construction activities at Kondapalli (Phase III) have started

Signed MoU with U.P. Govt. for setting up 1,980 (3 x 660) MW

Healthy Order Book at Rs. 209 bn

Total 1,426 million Units generated during the quarter, up 66% yoy

Transfer of Power Investments to a wholly owned power subsidiary

Lanco Infratech Limited (LITL) has announced its consolidated unaudited financial results for Quarter ended December 31, 2009. LITL is engaged in the business of construction & EPC. 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.

Financial Highlights

For the Quarter

- Operating Revenues (before elimination) **down by 8%** yoy from Rs. 20,007 million to Rs. 18,322 million
- EBITDA **up by 43%** yoy from Rs. 2,087 million to Rs. 2,978 million
- PAT before elimination of profit on transaction with Subsidiaries and Associates **up by 32%** yoy from Rs. 1,101 million to Rs. 1,450 million
- Profit after Tax (after elimination) **up by** 34% yoy from Rs. 799 million to Rs. 1,068 million

For the Nine Months

- Operating Revenues (before elimination) **up by 49%** yoy from Rs. 43,624 million to Rs. 65,056 million
- EBITDA **up by 53%** yoy from Rs. 5,805 million to Rs. 8,887 million
- PAT before elimination of profit on transaction with Subsidiaries and Associates **up by 82%** yoy from Rs. 2,575 million to Rs. 4,691 million
- Profit after Tax (after elimination) **up by 81%** yoy from Rs. 1,905 million to Rs. 3,452 million

Commenting on the Company's performance, **Mr Suresh Kumar, CFO, Lanco Infratech Ltd.**, said, "*The results demonstrate the positive environment surrounding the various segments of our business. Clearly margin improvements have been strong, Higher cash flow generations and increase in operating capacities augurs well for the group's future.*"

Management Discussion and Analysis

Revenue Break-Up:

Rs Million

Particulars	Q3 FY 10	Q3 FY 09	Change %	Nine Months ended Dec'09	Nine Months ended Dec'08	Change %
Segment Revenue						
a) Construction	13,135	10,434	26%	42,274	21,942	93%
b) Power	5,152	9,101	-43%	22,412	20,109	11%
c) Property Dev.	9	445	-98%	296	1,395	-79%
d) Unallocated	25	27	-7%	74	178	-58%
Total	**18,322**	**20,007**	**-8%**	**65,056**	**43,624**	**49%**
Less: Inter Segment Revenue	2,215	1,805	23%	7,729	3,492	121%
Net Revenue	**16,107**	**18,202**	**-12%**	**57,326**	**40,131**	**43%**

Decline in Power revenue is primarily on account of lower Power trading revenue and "Nil" naphtha based generation at Kondapalli I.

EBITDA:

Rs Million

	Q3 FY 10	Q3 FY 09	Change %	Nine Months ended Dec'09	Nine Months ended Dec'08	Change %
Sales	16,107	18,202	-12%	57,326	40,131	43%
Less: Sale on account of Power Trading	2,536	5,200	-51%	14,176	9,950	42%
Less: Additional Sales on use of Naphtha	-	2,158	-100%	-	4,806	-100%
Adjusted Sales	**13,571**	**10,844**	**25%**	**43,150**	**25,375**	**70%**
EBITDA	2,978	2,087	43%	8,887	5,805	53%
Less: Margin on Power Trading	20	44	-55%	152	99	53%
Adjusted EBITDA	2,958	2,044	45%	8,735	5,706	53%
EBITDA Margin	**22%**	**19%**		**20%**	**22%**	

Profit After Tax:

Rs Million

	Q3 FY 10	Q3 FY 09	Change %	Nine Months ended Dec'09	Nine Months ended Dec'08	Change %
Reported PAT	1,068	799	34%	3,452	1,905	81%
Add: Inter Segment Profit on transaction with Subs. & Associates	382	302	26%	1,238	670	85%
Profit after tax (before elimination of Inter Segment Profit on transaction with Subs. and Associates)	1,450	1,101	32%	4,691	2,575	82%
Add / (Less): Forex loss / (gain)	(122)	(317)	-61%	(295)	166	0%
Profit after tax (before Forex loss / (gain) and elimination of Inter Segment Profit on transaction with Subs. and Associates)	1,328	784	69%	4,396	2,741	60%

- On a consolidated basis, during the quarter of Q3 FY 10 a higher provision of Deferred Tax liability has been created, amounting to Rs. 119 mn against Rs. (6) mn yoy.
- Profit after Tax (before Forex loss / (gain) and elimination of Inter Segment Profit on transaction with Subs. and Associates) has gone up by 69% from Rs. 784 mn in Q3 FY 09 to Rs. 1,328 mn in Q3 FY 10.

Key Balance Sheet figures as on 31st December 2009:

The consolidated net worth, Debt and Cash & Bank balances as of 31st December 2009 is as follows:

Rs Million

Net Worth (including Minority Interest)	38,646
Loan Funds	67,328
Cash and Cash Equivalents	
Cash and Bank	7,215
Investments in Liquid funds	1,983
Total Cash and Cash Equivalents	**9,198**

We also have significant undrawn working capital limits.

Financial Performance of various business verticals:

Construction and EPC:

Rs Million

	Q3 FY 10	Q3 FY 09	Change %	Nine Months ended Dec'09	Nine Months ended Dec'08	Change %
Revenue before inter segment elimination	13,135	10,434	26%	42,274	21,942	93%
EBIT	2,238	1,231	82%	6,859	3,043	125%
EBIT Margin	**17%**	**12%**		**16%**	**14%**	

Power:

Rs Million

	Q3 FY 10	Q3 FY 09	Change %	Nine Months ended Dec'09	Nine Months ended Dec'08	Change %
Revenue	5,152	9,101	-43%	22,412	20,109	11%
Less: Power Trading	2,536	5,200	-51%	14,176	9,950	42%
Less: Increase in Sale due to use of Naphtha	-	2,158	-100%	-	4,806	-100%
Adjusted Revenue	**2,617**	**1,743**	**50%**	**8,236**	**5,353**	54%
EBIT	774	696	11%	2,338	2,159	8%
Less: Adj for Power Trading	20	44	-55%	152	99	53%
Adjusted EBIT	**754**	**652**	**16%**	**2,186**	**2,059**	**6%**
Adjusted EBIT Margin (%)	29%	37%		27%	38%	

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

<table>
<tr><th>Projects</th><th>Capacity (MW)</th><th>Units Generated (MUs)</th><th>Net Sales (Rs Mn)</th><th>EBITDA (Rs Mn)</th><th>PAT (Rs Mn)</th><th>EBITDA Margin</th></tr>
<tr><td>Kondapalli I</td><td>366</td><td>672</td><td>1,645</td><td>518</td><td rowspan="2">375</td><td>31%</td></tr>
<tr><td>Kondapalli II</td><td>233*</td><td>78</td><td>442</td><td>156</td><td>35%</td></tr>
<tr><td>Amarkantak</td><td>300</td><td>483</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Aban</td><td>120</td><td>186</td><td>522</td><td>320</td><td>219</td><td>61%</td></tr>
<tr><td>Vamshi Hydro</td><td>10</td><td>2</td><td>6</td><td>1</td><td>-19</td><td>11%</td></tr>
</table>

*Open Cycle is in operation since December'09. Total Capacity of the plant will be 366 MW after operation of combine cycle.

- In respect of Kondapalli -I Power Station even though the generation has increased compared to the corresponding quarter in the previous year, the sales realisations have not increased comparably due to the fact that last year in same quarter plant was required to generate on naphtha.

- Kondapalli II started generation in December'09 and generated 78 Mn units and booked sales of around Rs. 442 mn, an average realization of Rs. 5.6 per unit.
- Net Sale of Aban includes sale on account of carbon credit to the tune of Rs. 127 mn.
- Name of Lanco Electric Utility has been changed to Lanco Power Trading Ltd. and it has traded 718 mn units during the current quarter against 946 mn units in the corresponding quarter of previous year.

Important Developments in Power Business:

- Lanco has bought 5.44% stake in Amarkantak Power project from International Financial Corporation.
- Lanco Anpara, a group company of Lanco Infratech Ltd., also entered into an MoU with the Government of Uttar Pradesh, to enhance the existing capacity of Lanco Anpara by 660 MW, from 1,200 MW to 1,860 MW.
- In line with the policy of Uttar Pradesh, Lanco Anpara, a group company entitled to sell 100 MW to third parties out of 1,200 (2 x 600) MW that is under construction and expected to be on stream in 2011.Lanco Infratech Limited has entered into a Memorandum of Understanding (MoU) with the Government of Uttar Pradesh to setup a 2 x 660 MW coal fired power plant at Fatehpur.
- The Board of Lanco Infratech Ltd., has also resolved to transfer all of its holdings in various power SPVs to a wholly owned power subsidiary of Lanco Infratech Ltd. Lanco Infratech shall approach its shareholders for seeking necessary approvals in due course.

Property Development:

Rs Million

	Q3 FY 10	Q3 FY 09	Change %	Nine Months ended Dec'09	Nine Months ended Dec'08	Change %
Revenue before inter segment elimination	9	445	-98%	296	1,395	-79%
EBIT	(29)	15	-295%	(22)	305	-107%

Status of Projects under different Verticals

As of 31st December 2009 capital expenditure incurred in power and Road projects and debt utilized for the same are as follows:

Rs Million

Projects	Capex	Debt
Anpara	26,168	19,617
Udupi	44,421	31,687
Amarkantak	26,970	18,519
Lanco Energy - teesta	8,269	4,733
Lanco Green - Budhil	3,183	2,177
Lanco Hydro Energy - Uttranchal	1,966	1,374
Kondapalli II - expension	10,699	6,169
Vamshi Industrial	904	591
Kondapalli III - expension	682	-
Total Power Projects	**122,579**	**84,867**
Road Projects		
Devihalli	3,260	1,300
Hoskote	4,792	2,030
Total Road Projects	**8,052**	**3,330**

Construction and EPC Business (Orders in Hand):

The Construction and EPC order book position as on December 31st 2009 is Rs. 209,024 million. The break-up of the current order book is as follows:

Projects	Rs Million
Power Projects	
Amarkantak – I & II	1,043
Amarkantak – III & IV	55,240
Teesta VI – Sikkim	18,340
Anpara	14,163
Udupi (Nagarjuna)	8,141
Kondapalli Expansion	1,073
Kondapalli (Phase III)	21,060
Vidharbha	56,760
Others	4,577
Total Power Projects	**180,398**
Building Projects	18,448
Road Projects	4,454
Irrigation Projects	621
Transmission Line Projects	4,566
Chimneys	536
Total Order Book	**209,024**

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 1,044 MW and additional capacities under various stages of implementation aggregating to more than 10,000 MW. The Construction and EPC division of the company is executing various orders worth more than Rs 209 billion. 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.