

RESULTS UPDATE

Another quarter of robust growth

Board approves stock split from Rs. 10 face value per share to Rs. 1 face value per share

Lanco Infratech Limited (LITL) has announced its consolidated unaudited financial results for Quarter ended September 30, 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.

Highlights

For the Quarter

- Operating Revenues (after elimination) **up by 51%** yoy from Rs. 12,789 million to Rs. 19,265 million
- EBITDA **up by 60%** yoy from Rs. 1,966 million to Rs. 3,140 million
- PAT before elimination of profit on transaction with Subsidiaries and Associates **up by 123%** yoy from Rs. 735 million to Rs. 1,642 million
- Profit after Tax (after elimination) **up by 138%** yoy from Rs. 515 million to Rs. 1,225 million

For the Half Yearly

- Operating Revenues (after elimination) **up by 88%** yoy from Rs. 21,929 million to Rs. 41,219 million
- EBITDA **up by 59%** yoy from Rs. 3,717 million to Rs. 5,909 million
- PAT before elimination of profit on transaction with Subsidiaries and Associates **up by 120%** yoy from Rs. 1,474 million to Rs. 3,240 million
- Profit after Tax (after elimination) **up by 116%** yoy from Rs. 1,106 million to Rs. 2,384 million

Commenting on the Company's performance, **Mr Suresh Kumar, CFO, Lanco Infratech Ltd.**, said, "It's always a pleasure to see a robust growth of the company on a quarter to quarter basis. In gross revenue terms, the company has grown from 6,961 mn in H1 FY07 to Rs. 41,955 mn in H1 FY10 registering a 6 fold growth. We are expecting that the growth momentum of the company to continue on the back of expected commissioning of power plants in near future. "

Management Discussion and Analysis

Revenue Break-Up:

Rs Million

Particulars	Q2 FY10	Q2 FY09	Change %	H1 FY10	H1 FY09	Change %
Segment Revenue						
a) Construction	14,676	6,326	132%	29,139	11,508	153%
b) Power	7,134	6,807	5%	17,259	11,008	57%
c) Property Dev.	109	477	-77%	286	950	-70%
d) Unallocated	25	25	-2%	49	151	-67%
Total	21,943	13,635	61%	46,734	23,616	98%
Less: Inter Segment Revenue	2,677	846	217%	5,515	1,687	227%
Net Revenue	19,266	12,790	51%	41,219	21,929	88%

EBITDA:

Rs Million

	Q2 FY 10	Q2 FY 09	Change %	H1 FY 10	H1 FY 09	Change %
Sales	19,266	12,790	51%	41,219	21,929	88%
Less: Sale on account of Power Trading	4,739	3,530	34%	11,640	4,750	145%
Adjusted Sales	14,527	9,259	57%	29,579	17,179	72%
EBITDA	3,140	1,966	60%	5,909	3,718	59%
Less: Margin on Power Trading	63	28	129%	132	56	137%
Adjusted EBITDA	3,077	1,939	59%	5,777	3,662	58%
EBITDA Margin	21%	21%		20%	21%	

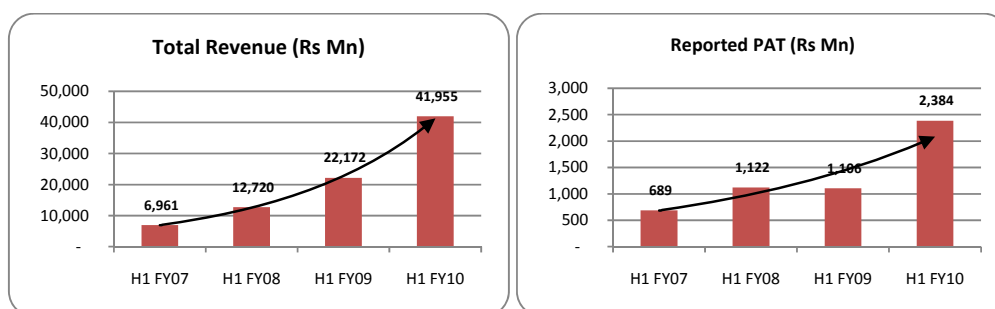
Profit After Tax:

Rs Million

	Q2 FY10	Q2 FY09	Change %	H1 FY10	H1 FY09	Change %
Reported PAT	1,226	516	138%	2,384	1,106	116%
Add: Inter Segment Profit on transaction with Subs. & Associates	417	220	89%	857	368	133%
Profit after tax (before elimination of Inter Segment Profit on transaction with Subs. and Associates)	1,642	736	123%	3,241	1,474	120%

Add / (Less): Forex loss / (gain)	18	245	-93%	(173)	483	0%
Profit after tax (before Forex loss / (gain) and elimination of Inter Segment Profit on transaction with Subs. and Associates)	1,661	981	69%	3,068	1,957	57%

Consolidated Revenue and PAT growth in the first half of last four years:



Key Balance Sheet figures as on 30th September 2009:

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

	Rs Million
Net Worth (including Minority Interest)	37,434
Loan Funds	60,562
Cash and Cash Equivalents	
Cash and Bank	8,938
Investments in Liquid funds	1,728
Total Cash and Cash Equivalents	10,666

Financial Performance of various business verticals:

Construction and EPC:

	Rs Million					
	Q2 FY 10	Q2 FY 09	Change %	H1 FY 10	H1 FY 09	Change %
Revenue before inter segment elimination	14,676	6,326	132%	29,139	11,508	153%
EBIT	2,488	1,042	140%	4,622	1,812	155%
EBIT Margin	17%	16%		16%	16%	

Power:

Rs Million

	Q2 FY 10	Q2 FY 09	Change %	H1 FY 10	H1 FY 09	Change %
Revenue	7,134	6,807	5%	17,259	11,008	57%
Less: Power Trading	4,739	3,530	34%	11,640	4,750	145%
Adjusted Revenue	2,395	3,277	-27%	5,619	6,258	-10%
EBIT	923	778	19%	1,565	1,463	7%
Less: Adj for Power Trading	63	28	129%	132	56	137%
Adjusted EBIT	859	751	14%	1,432	1,407	2%
Adjusted EBIT Margin (%)	36%	23%		25%	22%	

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		
	Q2 FY10	Q2 FY09	Change %	Q2 FY10	Q2 FY09	Change %	Q2 FY10	Q2 FY09	Change %
Generation (Mus)	736	567		208	228				
PLF (%)	91%	68%		71%	82%				
Net Sales	1,824	2,642	-31%	496	489	1%	4,739	3530	34%
Profit After Tax	446	60	642%	168	69	141%	29	14	102%
EBITDA Margin	39%	10%		55%	39%		1.0%	0.4%	
PAT Margin	24%	2%		34%	14%		0.6%	0.4%	

Note:

- In respect of Kondapalli Power Station even though the generation has increased by around 30% as 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.
- EBITDA margin at Aban for the quarter was 55% against the 39% in the corresponding quarter of the previous year. Adjusting for forex loss, EBITDA margin stood at 52% instead of 39% in the corresponding quarter of previous year.
- Net sales of Aban include sale on account of carbon credit to the tune of Rs. 43 mn.
- Lanco Electric Utility, traded 1,295 mn units during the current quarter against 738 mn units in the corresponding quarter of previous year, registering a growth of 75% in volume.

Property Development:

Rs Million

	Q2 FY10	Q2 FY09	Change %	H1 FY10	H1 FY09	Change %
Revenue before inter segment elimination	109	477	-77%	286	950	-70%
EBIT	(31)	145	-121%	7	290	-98%
EBIT Margin	-28%	30%		2%	31%	

Important Developments:

- Lanco has won the 7th Construction World – Annual Awards 2009 as the Third Fastest Growing Construction Company (Large Category).
- Lanco successfully completed the Qualified Institutional placement for c. 18 mn shares.
- Lanco has been declared the winner of two Coal Based Methane (CBM) blocks in the state of Orissa.

Status of Projects under different Verticals

As of 30th September 2009 capital expenditure incurred in power and Road projects and debt utilized for the same are as follows:

Rs Million

Projects	Capex	Debt
Anpara	20,800	15,940
Udupi	41,096	29,053
Amarkantak	26,932	18,430
Lanco Energy - teesta	7,568	4,205
Lanco Green - Budhil	2,990	2,135
Lanco Hydro Energy - Uttranchal	1,874	1,374
Kondapalli - expansion	9,307	5,748
Vamshi Industrial	874	549
Total Power Projects	111,441	77,434
Road Projects		
Devihalli	3,001	1,300
Hoskote	4,317	1,770
Total Road Projects	7,318	3,070

Construction and EPC Business (Orders in Hand):

The Construction and EPC order book position as on September 30th 2009 is Rs. 147,113 million. The break-up of the current order book is as follows:

Projects	Rs Million
<i>Power Projects</i>	
Amarkantak – I & II	1,193
Amarkantak – III & IV	55,240
Teesta VI – Sikkim	21,518
Anpara	19,798
Udupi (Nagarjuna)	11,677
Kondapalli Expansion	2,324
Others	4,770
Total Power Projects	116,519
Building Projects	19,250
Road Projects	5,286
Irrigation Projects	621
Transmission Line Projects	4,798
Chimneys	638
Total Order Book	147,113

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 147,113 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.