GVK Power & Infrastructure Ltd

Investor Presentation

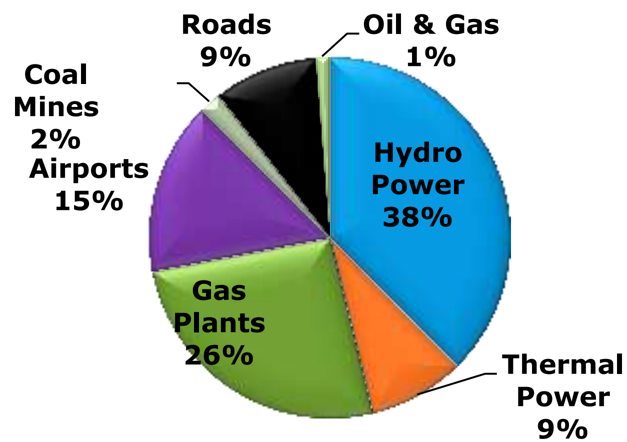
August 2012

Company Overview

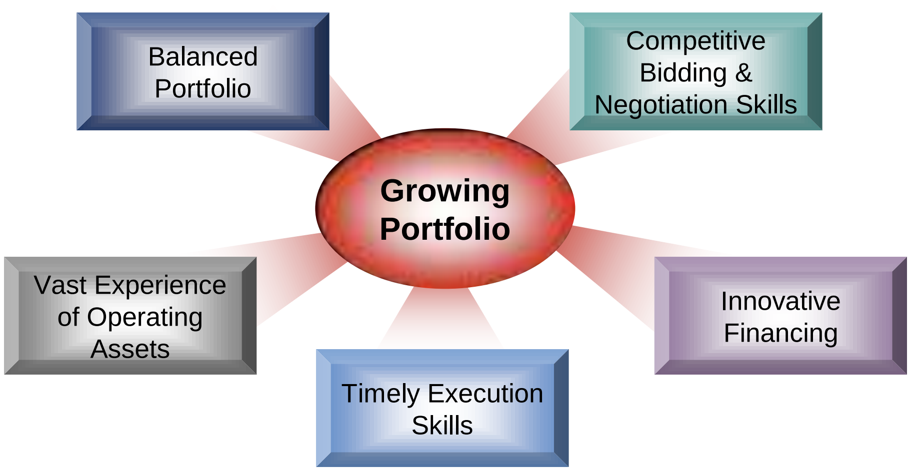
KEY HIGHLIGHTS

- Listed on BSE/NSE since February 2006
- First QIP in May 2007 – INR 12,210 Mn raised
- Second QIP in July 2009 – INR 7,200 Mn raised
- Market Capitalisation of INR 21,319 Mn *
- Diversified portfolio – airports, power plants, road, coal mines, oil & gas blocks and SEZ

PORTFOLIO BY ASSET SIZE (PROJECT COST)



COMPETITIVE ADVANTAGES



KEY RATIOS	FY 2012	FY 2011
EBITDA Margin	27.8%	27.3%
PAT Margin	2.5%	8.0%
Net Debt : Equity	3.73	1.64

** As per NSE Closing Price on 7th August, 2012*

GVKPIL - Assets at a Glance

ENERGY
GVK Industries Ltd Phase 1 (217 MW)
GVK Industries Ltd Phase 2 (220 MW)
Gautami Power Ltd Phase 1 (464 MW)
Alaknanda Hydro Power Ltd (330 MW)
GVK Power Goindwal Sahib Ltd (540 MW)
Goriganga Hydro Power Pvt Ltd (370 MW)
GVK Coal (Tokisud) Company Pvt. Ltd (52 Mil Tonnes)
Seregarha Mines Ltd (67 Mil Tonnes)
GVK Industries Ltd Phase 3 (800 MW)
Gautami Power Ltd Phase 2 (800 MW)
GVK Ratle Hydro Electric Project Pvt Ltd (850 MW)
GVK Oil & Gas Ltd (7 Deepwater Blocks)

AIRPORTS
Mumbai International Airport Ltd
Bangalore International Airport Ltd

TRANSPORTATION
GVK Jaipur Expressway Pvt Ltd (93 km - 6 Lane)
GVK Deoli Kota Expressway Pvt Ltd (83 km – 4 Lane)
GVK Bagodara Vasad Expressway Pvt Ltd (102 km – 6 lane)
GVK Shivpuri Dewas Expressway Pvt Ltd (332.46 km – 4 Lane)

Operational

Under Construction/Development

Figures in brackets show capacity

ENERGY

- **901 MW** – OPERATIONAL ASSETS
- **870 MW** – ASSETS UNDER CONSTRUCTION
- **2,820 MW** – ASSETS UNDER DEVELOPMENT

GVK Industries Ltd (Phase 1 & 2)

GVK

PROJECT OVERVIEW		
	PHASE 1	**PHASE 2**
Capacity	217 MW Mixed Fuel Plant	220 MW Dual Fuel Plant
COD	20th June 1997	14th April 2009
Project Cost	INR 10,252 Mn	INR 8,931 Mn
PPA Agreement	18 Years with APDISCOM	15 Years with APDISCOM for 80% of installed capacity
Tariff Structure	2 part tariff with post tax ROE of 16% pa	Capacity Charges (Bid Variable) + Fuel Charges
Merchant Sale	NA	20% Installed Capacity - Expected

HIGHLIGHTS

Phase 1:

- PLF for Q1 FY 2013 – 73% as against 80% in Q1 FY 2012
- Lower PLF resulting in heat rate loss and lower incentive income

Phase 2:

- PLF for Q1 FY 2013 – 68% as against 93% in Q1 FY 2012
- Lower fixed cost recovery based on lower projected PLF for the year

PHASE 1	Q1 FY 2013	Q1 FY 2012
Operating Income	**996.5**	1,184.0
Cost of Fuel	**730.3**	930.9
EBITDA	**167.5**	82.9
PAT	**88.2**	1.8

PHASE 2	Q1 FY 2013	Q1 FY 2012
Operating Income	**1,679.7**	1,475.1
Cost of Fuel	**1,422.0**	1,116.8
EBITDA	**(4.9)**	291.5
PAT	**(247.4)**	57.6

Figures in INR Mn

Gautami Power Ltd (Phase 1)

PROJECT OVERVIEW	
Capacity	464 MW Dual Fuel Plant
COD	5th June 2009
Project Cost	INR 17,980 Mn
PPA Agreement	15 Years with APDISCOM for 80% of installed capacity
Tariff Structure	Capacity Charges (Bid Variable) + Fuel Charges
Merchant Sale	20% Installed Capacity - Expected

	Q1 FY 2013	Q1 FY 2012
Operating Income	**1,655.9**	2,934.2
Cost of Fuel	**964.3**	2,112.0
EBITDA	**402.0**	660.5
PAT	**(53.0)**	205.0

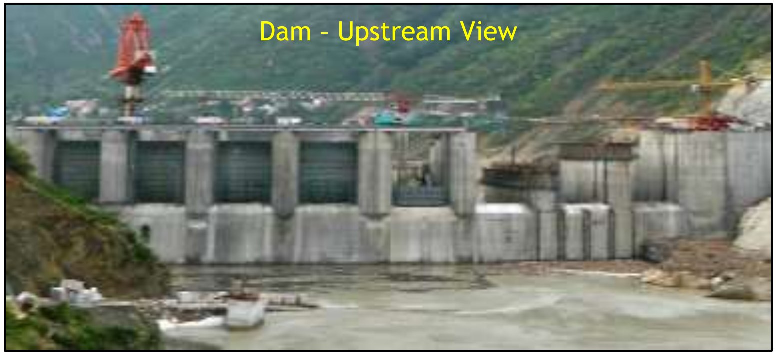
HIGHLIGHTS

- PLF for Q1 FY 2013 – 45% as compared to 90% in Q1 FY 2012
- Lower energy charges due to drop in PLF

Figures in INR Mn

Alaknanda Hydro Power Ltd

PROJECT OVERVIEW	
Capacity	330 MW
Commissioning Date	May 2013
Project Cost	INR 41,920 Mn
Type of Project	Run of the River Hydro Project
PPA Agreement	30 + 20 Years with UPPCL
Tariff Structure	2 part tariff with assured post tax ROE of 14% + incentives



HIGHLIGHTS

- 12% of output to be given free to Uttarakhand State, balance (88%) PPA with UP Government
- All Excavations completed
- 95% Concrete works completed
- Four Generating units in power house handed over to BHEL for turbine erection
- Balance civil works expected to be completed by Oct, 2012
- Two units (2x82.5 MW) expected to be commissioned by Mar, 13
- COD for all four units to be by May, 2013

GVK Power Goindwal Sahib Ltd

PROJECT OVERVIEW	
Capacity	2x270 MW Coal Fired Thermal Plant
Commissioning Date	FY 2014
Project Cost	INR 32,000 Mn
Financial Closure	Achieved on 1st Feb 2010
PPA Agreement	25 Years with PSEB
Tariff Structure	As per CERC norms

HIGHLIGHTS

- Work on Chimney shell completed, Unit 1 Hydro test completed.
- Work in progress - Boiler erection , ESP, TG erection, Coal Handling Plant and 220 kV switchyard testing and commissioning.
- BTG contract - BHEL , BOP contract - Punj Lloyd and Owners' consultant - TCE
- Coal to be sourced from captive mines (Tokisud) in Jharkhand
- Coal Transportation Agreement signed with Indian Railways and rail siding DPR and Engineering Scaled plans approvals obtained & work is in progress
- MoU signed with M/s. Ambuja Cements for the lifting of entire flyash, discussion with other prospective users also in process

GVK Coal (Tokisud)& Seregarha Mines

TOKISUD PROJECT OVERVIEW	
Mineable Reserves	52 Mn Tonnes
Project Cost	INR 3,000 Mn
Location	Hazaribagh, Jharkhand
Coal Supply	2 million tonnes per annum to Goindwal Sahib thermal power plant
Coal Pricing Structure	Coal India Ltd rates minus grade discount

SEREGARHA PROJECT OVERVIEW	
Estimated Geological Reserves	66.7 Mn Tonnes - GVKPIL's share
Project Cost	INR 2,914 Mn (Estimated) – GVKPIL's share
Location	Latehar, Jharkhand
Coal Supply	1 million tonnes per annum to Goindwal Sahib thermal power plant
Coal Pricing Structure	To be finalized

TOKISUD HIGHLIGHTS

- Financial Closure achieved on 27th April 2010
- Environmental Clearance, Forest Clearance (State I and II) granted by MoEF.
- Mining Lease executed with Jharkhand Govt. on 5/8/2010
- Entire 926 acres acquired for compensatory afforestation and transferred 662 acres to Jharkhand Government, 452 out of 480 acres of private land acquired.
- Bridge construction on Damodar river & construction of Railway siding in progress.
- R&R Colony works – School Building, Dispensary and Community Hall works in advanced stages of completion

SEREGARHA HIGHLIGHTS

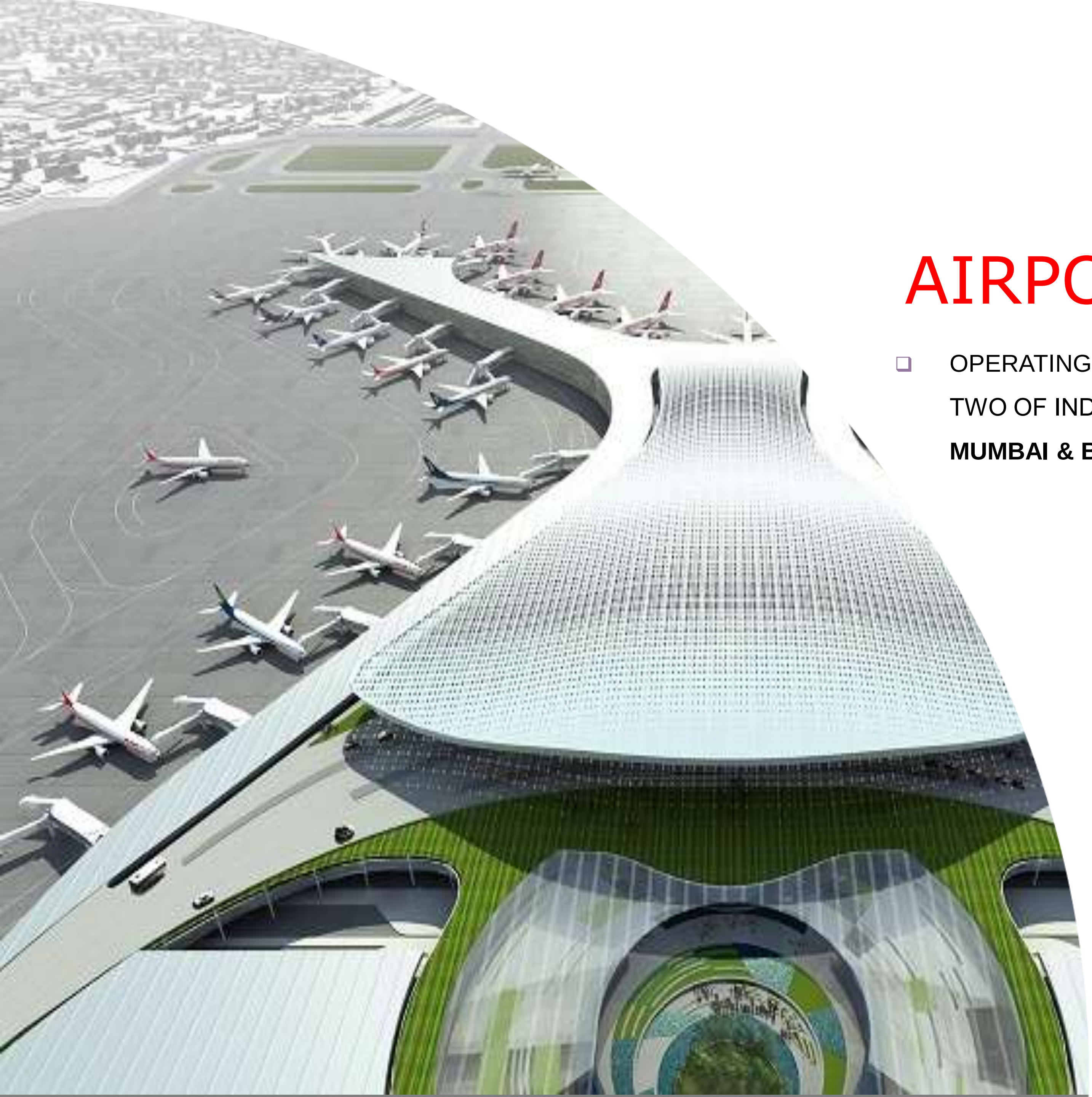
- Jointly allocated with Arcelor-Mittal; GVKPIL's share is 45%
- Prospecting license awarded on 3rd March 2011
- Geological report prepared and submitted to CMPDI in June 2012.
- Application for grant of mining lease submitted in June, 2012.
- Feasibility Report prepared by M/s RITES submitted to ECR in July, 2012.
- Transfer of land from CCL is under process.

GVK Ratle Hydro Electric Project

PROJECT OVERVIEW	
Capacity	850 MW
Commissioning Date	FY 2017 (Expected)
Type of Project	Run of the River Hydro Project
Concession Agreement	35 Years
Power Off-Take	Part Merchant Power / Part PPA
Financial Closure	CY 2012

HIGHLIGHTS

- Dam located on Chenab River in Jammu & Kashmir
- 16% of output to be given free to State of Jammu & Kashmir
- INR 0.5 Mil per MW paid as upfront premium
- Revised DPR submitted to CEA in 4th April, 2012 TEC expected by Sep. 2012.
- MOEF – final EIA/EMP report along with proceedings of public hearing submitted to MOEF on 20th July, 2012. Presentation made before EAC on 21st July, 2012. EC expecting by end of Aug, 2012
- Land acquisition in progress by the State Government



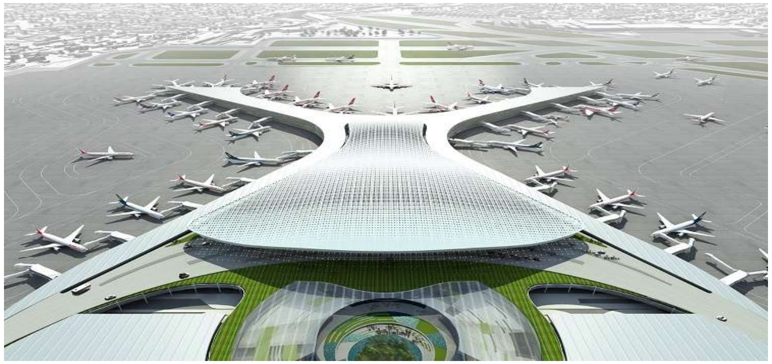
AIRPORTS

- OPERATING, MANAGING & DEVELOPING TWO OF INDIA'S LARGEST AIRPORTS – **MUMBAI & BENGALURU**

Mumbai International Airport Pvt Ltd

MIAL OVERVIEW

Concession Award Date	Apr 2006
Target Completion Date	May 2013
Estimated Project Cost (INR Mn)	123,800
Current Traffic (Mn. Pax) in FY 2012	30.74
Target Capacity (Mn. Pax)	40
Current Cargo Tonnage (mtpa) in FY 2012	0.39
Future Cargo Tonnage (mtpa) in 2013	1.0
Concession Period	30+30 Years
Revenue Share with AAI (%)	38.7%
Total Acreage	1,976
Land Available to MIAL for Commercial Real Estate Development (acres)	197.6



KEY DEVELOPMENTS

- Domestic Terminals 1-A & 1-B refurbished
- Terminal 1-C commissioned in April 2010
- All Mandatory Capital Projects (MCP) completed in time
- Real estate monetization strategy finalized – awaiting MMRDA approval
- New Integrated Terminal Sahar Access Road work in progress
- New Integrated Passenger Terminal construction in advanced stage of completion

MAJOR RETAIL LICENSES	Q1 FY 2013	Q1 FY 2012
Oil Throughput	196.2	206.6
Duty Free	166.8	94.7
Advertisements	134.7	137.2
Ground Handling	148.3	121.0
Shops & Establishment	130.4	76.6
Foreign Exchange	87.7	68.3
Food & Beverages	88.5	64.9
Flight Kitchen	54.4	50.5

Figures in INR Mn

MIAL – Project Highlights

GVK

TARGETS

- 1 integrated terminal
- 40 Mn passengers
- 1 Mn tonnes cargo
- 20 Mn sq ft of Real estate/ Landside development

CAPACITY AUGMENTATION ON TRACK

- EPC Contract – Awarded to L&T in Nov 2007 for Integrated Passenger Terminal (400,000 sq.m.) & airside works. To be completed in two phases by Aug 2013 and Aug 2014
- Slum Rehabilitation Contract – Awarded to HDIL in Oct 2007; to clear 276 acres of slum area; No cash outflow for MIAL;
- Taxiway & runway systems upgraded, Terminals 1-A & 1-B refurbished, New Terminal 1-C commissioned, ATC systems improved, integrated terminal construction underway

FINANCING ARRANGEMENTS IN PLACE

- Debt – Debt of INR 39,980 Mn drawn out INR 42,310 Mn
- DF[1] – INR 6410 Mn collected upto Apr’11. AERA order received for additional Rs 8760 Mn ; to be collected by March 2014
- Equity - INR 12,000 Mn , entire amount infused
- Short Term Debt – Debt of INR 8,000 Mn drawn against DF

DIVERSE REVENUE STREAMS

- Duty Free Shopping – Awarded to DFS Singapore for 5 years till Jan 2013
- Advertising Rights – Awarded to Times Innovative Media Limited up to July 2013
- Other Contracts – Retail, Car parking, Food & Beverage and other non-aero contracts awarded
- New Integrated Terminal Contracts – RFQ’s floated for Duty Free, Advertising and F&B

UNLOCKING REAL ESTATE POTENTIAL

- Senior & highly experienced management / project teams in place
- Physical Master Plan prepared; estimated to unlock 2 mn sq ft of commercial space initially
- Cushman Wakefield Preliminary Market study completed, HOK Concept Master Plan and detailed Master plan (Phase 1) completed, HVS (for Hospitality) and DTZ (for Commercial and Retail) Advisory and Feasibility study completed, JLL appointed as Transaction advisor for Phase 1 and Monetization plan for first phase ready.

(1) DF = Development Fee

MIAL – Financial & Operational

GVK

OPERATIONAL HIGHLIGHTS	Q1 FY 2013	Q1 FY 2012
INTERNATIONAL		
Aircraft Movements per Day	**190**	192
Passenger Movements (Mn)	**2.55**	2.40
DOMESTIC		
Aircraft Movements per Day	**490**	494
Passenger Movements (Mn)	**5.22**	5.33
TOTAL (INT+DOM)		
Aircraft Movements per Day	**680**	686
Passenger Movements (Mn)	**7.77**	7.73
CARGO		
Cargo Handled (Metric Tonnes)	**98,518**	100,601

FINANCIAL HIGHLIGHTS	Q1 FY 2013	Q1 FY 2012
Revenue		
Aeronautical	1,054.2	1,046.6
Non Aeronautical	1,783.5	1,749.2
Cargo	430.6	414.8
	3,268.3	**3,210.6**
Expenditure		
Annual Fee to AAI	1,270.2	1,249.8
Operating & Admin Expenses	1,000.7	681.0
EBITDA	**997.4**	**1,279.8**
Interest & Dividend	13.8	18.9
Finance Charges	165.9	126.4
Depreciation	390.4	314.0
Profit Before Tax	**454.9**	**858.3**
Taxes	147.9	279.8
Profit After Tax	**307.1**	**578.5**

Figures in INR Mn

Bangalore International Airport Ltd

GVK

PROJECT OVERVIEW

Commercial Operations Date	24th May 2008
Incurred Project Cost (INR Mn)	22,000
Current Traffic (Mn. Pax) in FY 2012	12.71
Current Cargo Tonnage (mtpa) in FY 2012	0.23
Concession Period	30+30 Years
Revenue Share with AAI (%)	4%
Total Acreage	4,000
Land Available for Commercial Real Estate Development (acres)	515

HIGHLIGHTS

- No new airport allowed within 150 kms for 25 years
- Expansion of the current Passenger Terminal capable of handling 20 Mn passenger per year underway. Construction expected to be completed by 2013
- BIAL was recipient of CNBC TV18 Infrastructure Excellence Award 2012 in the Best Airport Category
- BIAL was recipient of Excellence in Dedicated ICT Infrastructure at the 6th National Telecom Awards 2012

PARTNERS

- GVK – 43%
- Siemens – 26%
- KSIIDC – 13%
- AAI – 13%
- Zurich Airport – 5%

BIAL – Financial & Operational

OPERATIONAL HIGHLIGHTS	Q1 FY 2013	Q1 FY 2012
INTERNATIONAL		
Aircraft Movements per Day	**50**	47
Passenger Movements (Mn)	**0.60**	0.59
DOMESTIC		
Aircraft Movements per Day	**250**	283
Passenger Movements (Mn)	**2.5**	2.64
TOTAL (INT+DOM)		
Aircraft Movements per Day	**300**	330
Passenger Movements (Mn)	**3.1**	3.23
CARGO		
Cargo Handled (Metric Tonnes)	**57,748**	55,850

FINANCIAL HIGHLIGHTS	Q1 FY 2013	Q1 FY 2012
Revenue		
Aeronautical	922.6	910.9
Non Aeronautical	542.9	485.7
Cargo	66.2	90.0
	1,531.7	**1,486.6**
Expenditure		
Annual Fee to AAI	62.7	63.2
Operating & Admin Expenses	629.5	457.6
EBITDA	**839.5**	**965.8**
Interest & Dividend	35.4	91.2
Finance Charges	323.1	291.8
Depreciation	337.6	334.8
Profit Before Tax	**214.2**	430.4
Taxes	143.2	-
Accounting adjustment - FE variation	143.1	(2.7)
Profit After Tax	**214.1**	427.7

Figures in INR Mn

TRANSPORTATION

- OPERATING 6 LANE BOT – **JAIPUR KISHANGARH**
- AWARDED 4 LANE BOT – **DEOLI KOTA**
- AWARDED 6 LANE BOT – **BAGODARA VASAD**
- AWARDED 4 LANE BOT **– SHIVPURI DEVAS**

Jaipur-Kishangarh Expressway

GVK

PROJECT OVERVIEW	
Project Cost	INR 6,231 Mn
Grant from NHAI	INR 2,110 Mn
Commissioning Date	April 2005
Concession Period	20 Years (From 2003)
Length of Highway	90.385 kms
Revenue Sharing	40% with NHAI on additional revenue earned beyond projection

FINANCIAL RESULTS	Q1 FY 2013	Q1 FY 2012
Gross Toll Revenue	**585.1**	498.5
NHAI Share	**66.7**	43.8
EBITDA	**421.2**	326.3
PAT	45.9	228.8

Figures in INR Mn

HIGHLIGHTS

- Average traffic 25,615 vehicles/day in Q1 FY13 as compared to 23,733 vehicles/day in Q1 FY12
- Increase in Toll Revenue due to:
  - 9.4% increase in toll rates & mix variance
  - 7.9% increase in traffic volumes
- Decrease in PAT due to higher interest costs

Deoli-Kota Expressway

PROJECT OVERVIEW	
Project Cost	INR 8,230 Mn (DER 4:1)
Concession Period	26 Years (Including 30 months for construction)
Project Commencement Date	19th January 2011
Length of Highway	83.04 kms
Revenue Sharing	INR 486 Mn in first year of operations with 5% increase in each subsequent year

HIGHLIGHTS

- Project consists of 4-laning the current 2 lane road
- Project is on NH-12 (Jaipur to Jabalpur) in the state of Rajasthan
- Current daily traffic is estimated to be approximately 22,312 PCUs, freight traffic currently accounts for 80% of traffic
- 94% of the land needed to complete works has been acquired as of June 2012
- Work in progress for earthworks, structure and pavement works.

Bagodara Vasad Expressway

PROJECT OVERVIEW	
Project Cost	INR 11,890 Mn (DER 3:1)
Concession Period	27 Years (Including 30 months for construction)
Length of Highway	101.9 kms
Revenue Sharing	15% of toll revenues in first year of operations, with a 1% increase every year

HIGHLIGHTS

- Project consists of 6-laning the current 2 lane road
- Connecting Vasad (NH-8) to Bagodara (SH-8) in Gujarat
- 73% of Land acquisition by GSRDC completed as of June, 2012
- Work progressing satisfactorily as per schedule

GVK Shivpuri Dewas Expressway

PROJECT OVERVIEW	
Estimated Project Cost	INR 32,000 Mn
Project Length	332.46 km
Concession Period	30 Years (Including construction period of 2 ½ years)
Financial Closure	September, 2012 (Expected)

HIGHLIGHTS

- Project consists of 4 laning of existing 2 lane road of National Highway – 3 from Shivpuri to Dewas in Madhya Pradesh
- Project along vital trade corridor on NH-3 (Mumbai – Agra Highway) facilitating traffic movement between Mumbai, Thane, Nasik, Dhule, Indore, Dewas, Shivpuri, Gwalior, Agra, New Delhi & Uttar Pradesh, Connecting Western India to Northern Hinterland
- Concession allows for Tolling from COD at 5 toll plazas
- Project works EPC contracts awarded to M/S L&T & M/S KNR Constructions.
- EPC contractors in the process of setting up crushing plant, batching plant, HMP plant & WMM plant.
- 51% of land required for the project has been acquired

OTHER ASSETS

- **7 DEEPWATER OIL & GAS BLOCKS** – NELP VII
- **2,932 ACRE MULTI-PRODUCT SEZ** IN TAMIL NADU

GVK Oil & Gas

PROJECT OVERVIEW	
Blocks Awarded	7 Deepwater Blocks – Awarded Under NELP VII
JV Partner	BHP-Billiton of Australia
Estimated Capital Outlay	USD 220 MM (During Next 3 years)
Location	Off western coast of India
Area Awarded	34,000 sq km (Approx)

WORK UNDERWAY

- Study and Interpretation of newly acquired 2D Over/under Seismic data in progress to identify the drillable prospects

WORK PLANNED OVER NEXT 3 YEARS

- To decide and acquire 3D seismic data prior to drilling exploratory wells
- Take decision for drilling of exploratory wells

GVK Perambalur (SEZ) Pvt Ltd

PROJECT OVERVIEW	
Planned Size of SEZ	2,604 Acres
Land Acquired	2,932 Acres – includes land acquired for DTA
Project Cost	INR 8,500 Mn (Estimated)
Location	Perambalur District, Tamil Nadu
Targeted Industries	Leather Tanneries, Chemicals, Textiles, Agro-Processing, small engineering. etc

HIGHLIGHTS

- Formal Approval granted by SEZ Board of Approval
- EIA report submitted to MoEF for Environmental Clearance
- Mahindra Consulting Engineers Ltd appointed Technical Consultants
- SENSES Consultants retained for environmental studies & obtaining clearance from Ministry of Environment & Forests
- 40 MLD water supply from Kollidam river & 3 MLD from river Vellar sanctioned by TWAD Board
- Contour & Topography studies completed by Apex Topomappers Pvt Ltd
- Soil Investigation Work completed by FS Engineers Pvt Ltd

Thank You

For further information, please contact

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