GVK Power & Infrastructure Ltd

Investor Presentation

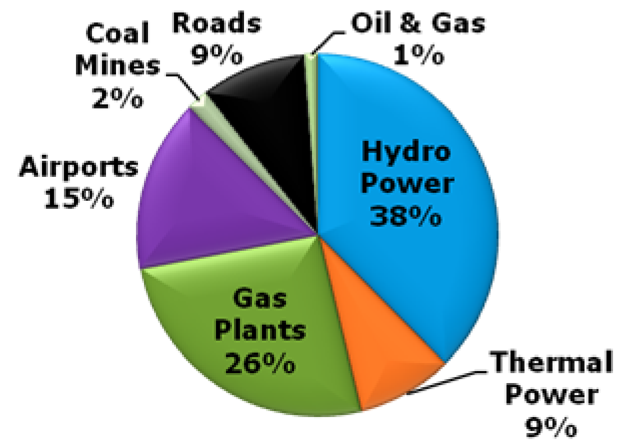
August 2011

Company Overview

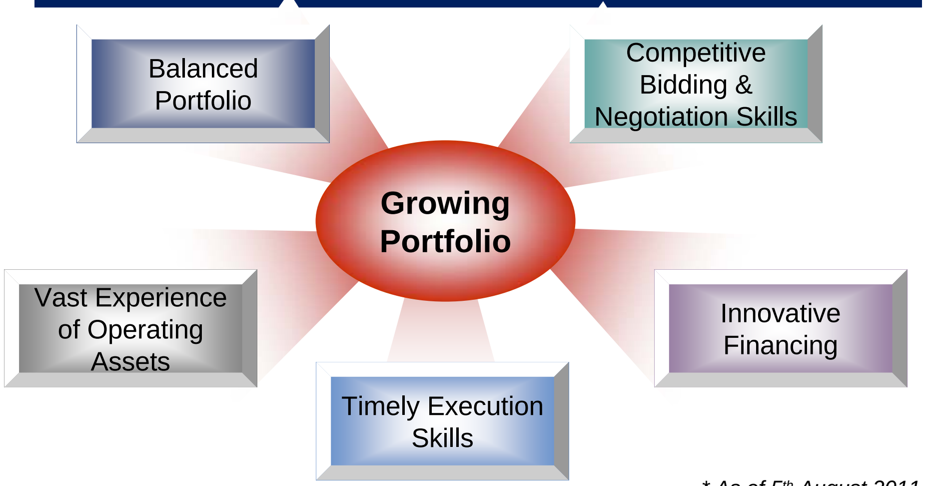
KEY HIGHLIGHTS

- Listed on BSE/NSE since February 2006
- First QIP in May 2007 – ₹ 12,210 Mn raised
- Second QIP in July 2009 – ₹ 7,200 Mn raised
- Market Capitalisation of ₹ 27,244 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 2011	FY 2010
EBITDA Margin	26.8%	25.9%
PAT Margin	8.1%	8.4%
Net Debt : Equity	1.64	1.40
Current Ratio	1.99	2.18

** As of 5th August 2011*

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 (690 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)

Operational

Under Construction/Development

Figures in brackets show capacity

ENERGY

- **901 MW** – OPERATIONAL ASSETS
- **870 MW** – ASSETS UNDER CONSTRUCTION
- **2,660 MW** – ASSETS UNDER DEVELOPMENT

GVK Industries Ltd (Phase 1 & 2)

PROJECT OVERVIEW		
	PHASE 1	**PHASE 2**
Capacity	217 MW Mixed Fuel Plant	220 MW Dual Fuel Plant
Commissioning Date	20th June 1997	14th April 2009
Project Cost	₹ 10,252 Mn	₹ 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 2012 – 80.36% as compared to 87.05% in Q1 FY 2011
  - 370 Mn units sold in Q1 FY 2012 as compared to 405 Mn units in Q1 FY 2011
- **Phase 2:**
  - PLF for Q1 FY 2012 – 93.44% as against 94.78% in Q1 FY 2011
  - 434 Mn units sold in Q1 FY 2012 as compared to 442 Mn units in Q1 FY 2011

PHASE 1	Q1 FY 2012	Q1 FY 2011
Operating Income	**1,184.0**	897.3
Cost of Fuel	**930.9**	597.8
EBITDA	**82.9**	77.7
PAT	**1.9**	13.5

PHASE 2	Q1 FY 2012	Q1 FY 2011
Operating Income	**1,475.1**	1,151.4
Cost of Fuel	**1,116.8**	780.5
EBITDA	**291.4**	298.3
PAT	**57.4**	55.8

Figures in ₹ Mn

Gautami Power Ltd (Phase 1)

PROJECT OVERVIEW	
Capacity	464 MW Dual Fuel Plant
Commissioning Date	5th June 2009
Project Cost	₹ 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 2012	Q1 FY 2011
Operating Income	**2,934.2**	2,381.5
Cost of Fuel	**2,112.1**	1,546.8
EBITDA	**660.5**	656.8
PAT	**205.0**	146.3

HIGHLIGHTS

- PLF for Q1 FY 2012 – 89.94% as compared to 90.96% in Q1 FY 2011
- 885 Mn units sold in Q1 FY 2012 as compared to 894 Mn units in Q1 FY 2011

Figures in ₹ Mn

Alaknanda Hydro Power Ltd

PROJECT OVERVIEW	
Capacity	330 MW
Commissioning Date	FY 2012 (Expected)
Project Cost	₹ 26,977 Mn (Approved by UPERC)
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
- Excavation in Power House & Forebay Area completed
- Diversion tunnel completed; Excavation of Head Race Tunnel completed
- 70% of dam concreting work completed
- 99% of De-silting basin excavation completed; Excavation of power channel completed
- Power House, Forebay and Intake excavation completed

GVK Power Goindwal Sahib Ltd

PROJECT OVERVIEW	
Capacity	540 MW Coal Fired Thermal Plant
Commissioning Date	FY 2013 (Expected)
Project Cost	₹ 29,638.1 Mn (Approved by PSERC)
Financial Closure	Achieved on 1st Feb 2010
PPA Agreement	25 Years with PSEB
Tariff Structure	As per CERC norms

HIGHLIGHTS

- 1,075 acres of land acquired at a cost of ₹ 1,677.5 Mn
- Compound wall construction, site grading work and approach roads work completed
- Work in progress at Boiler area, ESP area, Power House Building, TG Foundation and Coal Handling Area
- BTG contract awarded to BHEL and BOP contract awarded to Punj Lloyd
- Coal to be sourced from captive mines (Tokisud & Seregarha) in Jharkhand
- Coal Transportation Agreement signed with Indian Railways and rail siding DPR obtained

GVK Coal (Tokisud) & Seregarha Mines

TOKISUD PROJECT OVERVIEW	
Mineable Reserves	52 Mn Tonnes
Project Cost	₹ 2,948 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	₹ 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 granted by MoEF
- Forest Clearance granted by MoEF
- Mining Lease executed with Govt. of Jharkhand on 5th Aug 2010
- Entire 926 acres acquired for compensatory afforestation, 444 out of 480 acres of private land acquired
- Construction of bridge on Damodar river commenced

SEREGARHA HIGHLIGHTS

- Jointly allocated with Arcelor-Mittal; GVKPIL's share is 45%
- Prospecting license has been awarded on 3rd March 2011
- Exploration Contract executed & work commenced
- ₹ 5 Mn paid to Central Coalfields Ltd towards compensation for transfer of Mineral Rights
- Consultant for railway siding appointed

Goriganga Hydro Power Ltd

PROJECT OVERVIEW	
Capacity	146 MW – Bogudiyar-Sirkari Bhyol 225 MW – Mapang-Bogudiyar
Commissioning Date	FY 2015 (Expected)
Type of Project	Run of the River Hydro Project
Power Off-Take	Part Merchant Power / Part PPA (Expected)
Status of DPR	Submitted to Uttarakhand Government & CEA for approval

HIGHLIGHTS

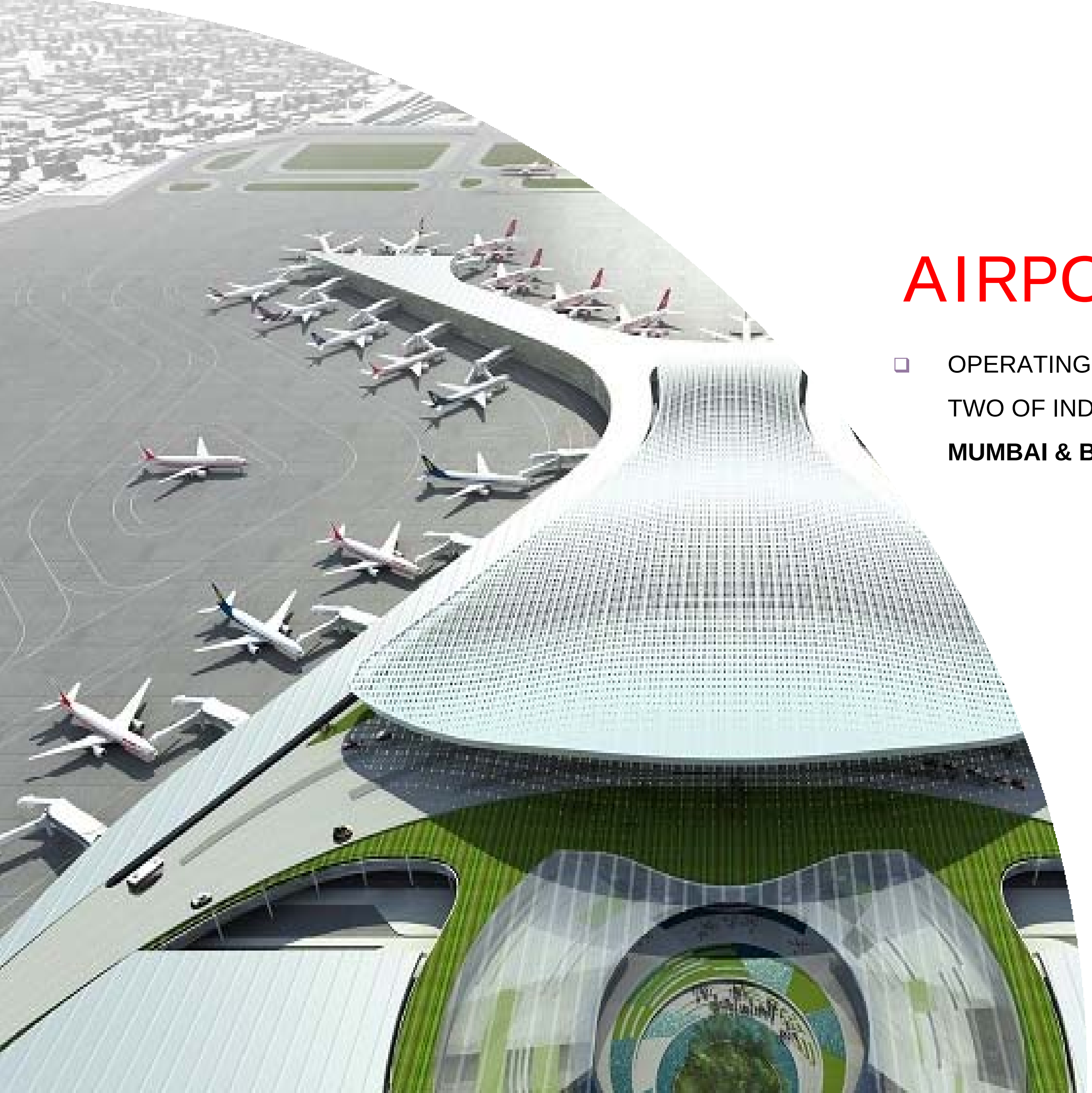
- 12% of output to be given free to State of Uttarakhand
- Letter of Award issued to EQMS for preparation of EIA
- DPR for Bogudiyar-Sirkari Bhyol project completed by WAPCOS and submitted to Govt. of Uttarakhand and CEA
- TOR Clearance obtained from Ministry of Environment & Forests for both phases
- Topographical Survey, Geological & Geophysical Investigations and Meteorological Date Collected completed
- Power Potential Study clearance & Geological clearance are in advanced stages

GVK Ratle Hydro Electric Project

PROJECT OVERVIEW	
Capacity	690 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
Status of DPR	Prepared by NHPC in 2007

HIGHLIGHTS

- Dam located on Chenab River in Jammu & Kashmir
- 16% of output to be given free to State of Jammu & Kashmir
- ₹ 0.5 Mil per MW to be paid as upfront premium
- J&KSERC has approved tariff structure in March 2011
- GoJ&K will ensure that entire power is evacuated via 400 kV transmission lines
- Proposals submitted to JKSPDCL for land requirements

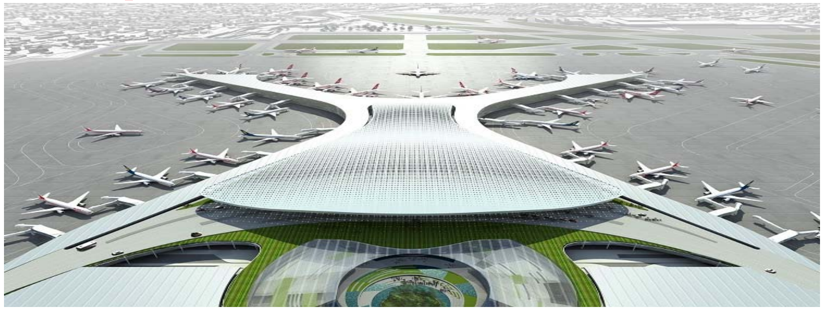


AIRPORTS

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

Mumbai International Airport Ltd

MIAL OVERVIEW	
Concession Award Date	Apr 2006
Target Completion Date	May 2013
Estimated Project Cost (₹ Mn)	98,000
Current Traffic (Mn. Pax) in FY 2011	29.07
Target Capacity (Mn. Pax)	40
Current Cargo Tonnage (mtpa) in FY 2011	0.67
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
- Mandatory Projects proceeding as per plan
- Real estate strategy finalized – awaiting MMRDA approval
- New Sahar Terminal Access Road work in progress

MAJOR RETAIL LICENSES	Q1 FY 2012	Q1 FY 2011
Oil Throughput	**206.6**	198.9
Duty Free	**94.7**	119.2
Advertisements	**137.2**	85.8
Ground Handling	**121.0**	88.2
Foreign Exchange	**68.3**	53.1
Food & Beverages	**64.9**	61.2
Flight Kitchen	**50.5**	36.4

Figures in ₹ Mn

MIAL – Project Highlights

TARGETS

- 1 integrated terminal
- 40 Mn passengers
- 1 Mn tonnes cargo
- 20 Mn sq ft of commercial real estate

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 by Dec 2012
- 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 – ₹ 42,310 Mn debt tied up
- ADF[1] – Up to ₹ 15,430 Mn approved by Government; to be collected by March 2013
- Equity – Commitment of ₹ 12,000 Mn by MIAL shareholders, ₹ 8,000 Mn already infused

DIVERSE REVENUE STREAMS

- Duty Free Shopping – Awarded to DFS Singapore for 24,541 sq. ft. for 3 years
- Advertising Rights – Awarded to Times Innovative Media Limited for a period of 3 years
- Other Contracts – Retail, Car parking, Food & Beverage and other non-aero contracts awarded

UNLOCKING REAL ESTATE POTENTIAL

- Senior & highly experienced management / project teams in place
- Physical Master Plan prepared; estimated to unlock 1.04 mn sq ft of commercial space initially
- Cushman Wakefield Market study, HOK Master Plan Completed, HVS appointed for Hospitality Market study

(1) ADF = Airport Development Fee

MIAL – Financial & Operational

OPERATIONAL HIGHLIGHTS	Q1 FY 2012	Q1 FY 2011
INTERNATIONAL		
Aircraft Movements per Day	**193**	182
Passenger Movements (Mn)	**2.40**	2.19
DOMESTIC		
Aircraft Movements per Day	**494**	482
Passenger Movements (Mn)	**5.33**	5.04
TOTAL (INT+DOM)		
Aircraft Movements per Day	**687**	664
Passenger Movements (Mn)	**7.73**	7.23
CARGO		
Cargo Handled (Metric Tonnes)	**170,988**	161,114

FINANCIAL HIGHLIGHTS	Q1 FY 2012	Q1 FY 2011
Revenue		
Aeronautical	**1,046.6**	1,010.5
Non Aeronautical	**1,270.1**	1,062.2
Cargo	**893.9**	604.2
	3,210.6	2,676.9
Expenditure		
Annual Fee to AAI	**1,249.8**	1,043.1
Operating & Admin Expenses	**681.0**	642.1
EBITDA	**1,279.8**	991.7
Interest & Dividend	**18.9**	18.2
Finance Charges	**126.4**	122.6
Depreciation	**277.0**	232.4
Upfront Fees Amortization & Retirement Compensation	**37.0**	37.0
Profit Before Tax	**858.3**	617.9
Taxes	**279.8**	216.0
Profit After Tax	**578.5**	401.9

Figures in ₹ Mn

Bangalore International Airport Ltd

PROJECT OVERVIEW

Commercial Operations Date	24th May 2008
Incurred Project Cost (₹ Mn)	22,000
Current Traffic (Mn. Pax) in FY 2011	11.63
Current Cargo Tonnage (mtpa) in FY 2011	0.22
Concession Period	30+30 Years
Revenue Share with AAI (%)	4%
Total Acreage	4,000
Land Available for Commercial Real Estate Development (acres)	515

HIGHLIGHTS

- State Government financial support - grant of interest free loan of ₹ 3,500 Mn, repayable after 11 years of operations
- No new airport allowed within 150 kms for 25 years
- EPC function handled by Siemens and L&T
- Major contracts - Indian Oil (Aviation Fuel), NACIL (Cargo), JCDecaux (Advertising), Globe Ground (Ground Handling), Oberoi Hotels (Business Hotel), HMS Host (F&B), etc

PARTNERS

- GVKPIL – 29%
- Siemens – 40%
- KSIIDC – 13%
- AAI – 13%
- Unique Zurich – 5%

BIAL – Financial & Operational

OPERATIONAL HIGHLIGHTS	Q1 FY 2012	Q1 FY 2011
INTERNATIONAL		
Aircraft Movements per Day	**47**	43
Passenger Movements (Mn)	**0.59**	0.54
DOMESTIC		
Aircraft Movements per Day	**283**	259
Passenger Movements (Mn)	**2.64**	2.36
TOTAL (INT+DOM)		
Aircraft Movements per Day	**330**	302
Passenger Movements (Mn)	**3.23**	2.90
CARGO		
Cargo Handled (Metric Tonnes)	**55850**	53240

FINANCIAL HIGHLIGHTS	Q1 FY 2012	Q1 FY 2011
Revenue		
Aeronautical	**910.9**	805.4
Non Aeronautical	**492.5**	421.3
Cargo	**90.0**	61.4
	1493.5	1288.1
Expenditure		
Annual Fee to AAI	**63.1**	51.5
Operating & Admin Expenses	**448.4**	447.9
EBITDA	**981.9**	788.7
Interest & Dividend	**91.2**	64.6
Finance Charges	**307.9**	309.2
Depreciation	**334.8**	335.4
Profit Before Tax	**430.4**	208.7
Taxes	**0.00**	1.3
Profit After Tax	**430.4**	207.3

Figures in ₹ Mn

TRANSPORTATION

- INDIA'S FIRST SUCCESSFUL 6 LANE ROAD PROJECT – **JAIPUR KISHANGARH EXPRESSWAY**
- AWARDED 4 LANE BOT – **DEOLI KOTA EXPRESSWAY**
- AWARDED 6 LANE BOT – **BAGODARA VASAD EXPRESSWAY**

Jaipur-Kishangarh Expressway

PROJECT OVERVIEW	
Project Cost	₹ 6,231 Mn
Grant from NHAI	₹ 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 2012	Q1 FY 2011
Gross Toll Revenue	**498.5**	436.9
NHAI Share	**43.8**	28.5
EBITDA	**326.3**	202.6
PAT	**228.7**	112.6

Figures in ₹ Mn

HIGHLIGHTS

- Increase in Toll Revenue due to:
  - 6.16% increase in toll rates & mix variance
  - 7.48% increase in traffic volumes
- Increase in PAT due to:
  - Increase toll revenue
  - Previous year's operating expenditure included expenses on major maintenance

Deoli-Kota Expressway

PROJECT OVERVIEW	
Project Cost	₹ 8,230 Mn
Concession Period	26 Years (Including 30 months for construction)
Project Commencement Date	19th January 2011
Length of Highway	83.04 kms
Revenue Sharing	₹ 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
- Design Consultancy, Earthworks, Tunneling, Structure contracts awarded

Bagodara Vasad Expressway

PROJECT OVERVIEW	
Project Cost (Expected)	₹ 12,000 Mn
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 • Land acquisition by GSRDC in advanced stages • Environmental Clearance received • Pre-construction activities commenced

OTHER ASSETS

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

Oil & Gas

PROJECT OVERVIEW	
Blocks Awarded	7 Deepwater Blocks – Awarded Under NELP VII
JV Partner	BHP-Billiton
Estimated Capital Outlay	₹ 2,200 Mn (Next 2 years)
Location	Off western coast of India
Area Awarded	34,000 sq km (Approx)

WORK UNDERWAY

- Agreement with WesternGeco to collect seismic data
- Vessel has begun collecting 2D seismic data
- Identifying needed technical resources
- Bank guarantees re-submitted for all 7 blocks to DGH

WORK PLANNED OVER NEXT 2 YEARS

- 2D seismic data acquisition complete
- 2D seismic data being processed by technical consultants
- Take decision for 3D data acquisition & for drilling of exploratory well

GVK

GVK Perambalur (SEZ) Pvt Ltd

PROJECT OVERVIEW	
Planned Size of SEZ	2,604 Acres
Land Purchased	2,932 Acres – includes land acquired for DTA
Commissioning Date	FY 2013 (Expected)
Project Cost	₹ 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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