

IL&FS Transportation Networks Limited

Analyst Presentation – February 2014

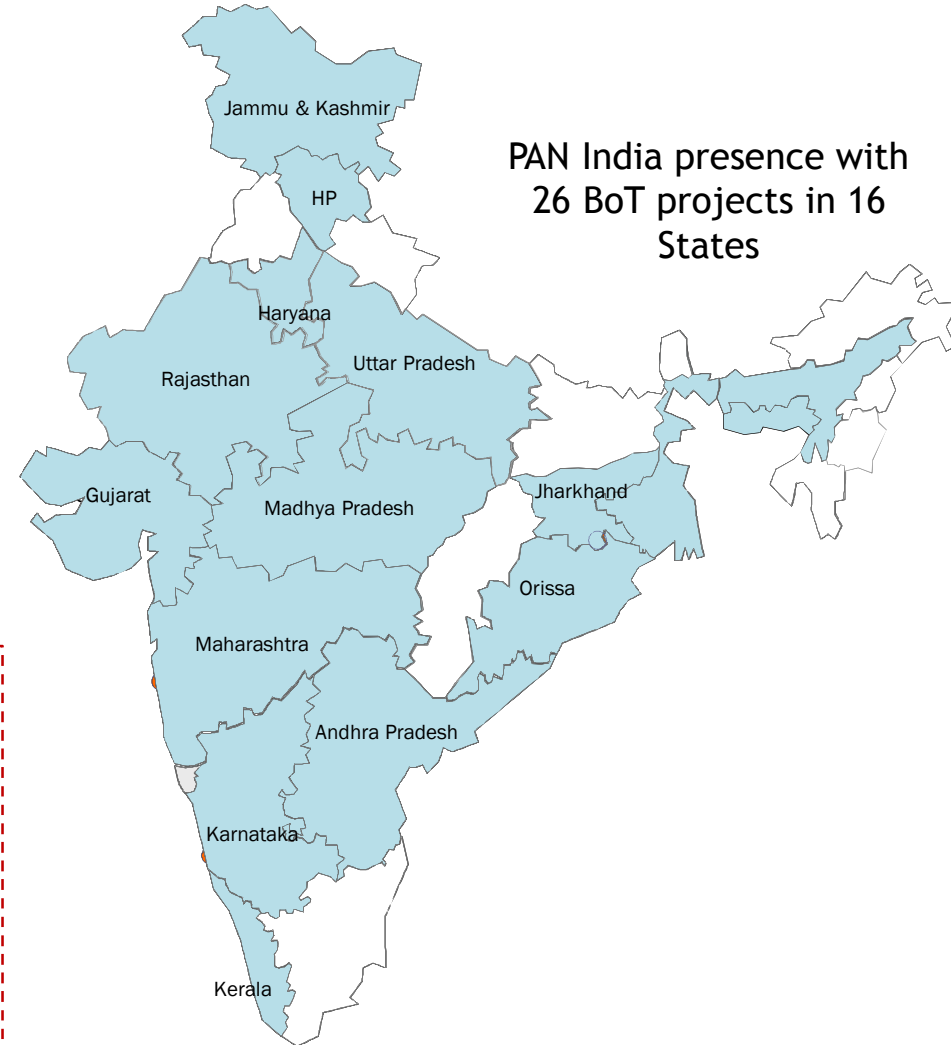


This presentation has been prepared solely by IL&FS Transportation Networks Limited (the “**Company**”) for informational purposes only. This presentation does not constitute a prospectus under the Companies Act, 1956 or the Companies Act, 2013, to the extent applicable and will not be registered with any registrar of companies. Furthermore, this presentation is not and should not be construed as an offer or a solicitation of an offer to buy securities for sale in the India.

“IL&FS Transportation Networks Limited proposes, subject to receipt of requisite approvals, market conditions and other considerations, to make a rights issue of its equity shares and has filed a draft letter of offer (“DLOF”) with the Securities and Exchange Board of India (“SEBI”). The DLOF is available on the SEBI website at www.sebi.gov.in as well as the websites of the lead managers at www.axiscapital.co.in, www.india.clsa.com, www.sbicaps.com and www.ilfscapital.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled “Risk Factors” of the aforementioned offer document.”

- Company Overview
- Key Competitive Strengths
- Segment Overview
- Portfolio – Road Projects
- Portfolio – Metro Rail
- Portfolio – Other Concessions
- Road Sector Opportunity
- Project Pipeline
- Financial Performance Parameters
- IL&FS – Strong Parentage
- Board of Directors
- Road Projects
- Glossary

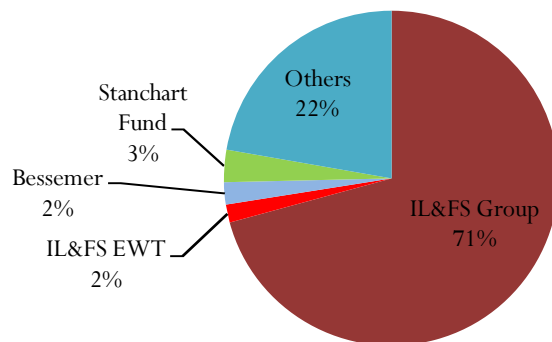
- IL&FS Transportation Networks Limited (ITNL) is a leading surface transportation infrastructure company and the largest private sector BoT road operator (in terms of lane kilometer) in India*
- ITNL has a pan India presence with projects in 16 states in India
- Promoted by Infrastructure Leasing and Financial Services Limited (IL&FS) in the year 2000
- ITNL has 13,161 lane km under its road assets portfolio comprising a mix of toll & Annuity based projects
- Has presence in other sub sectors viz. mass rapid transport system, urban transportation infra system, car parking and border check post systems
- ITNL's International operations are primarily in the road segment and spread across Spain, Portugal, Ukraine, Latin America, UAE and China



Map not to scale
 Does not depict political boundaries

Shareholding Pattern

(December 31, 2013)



Promoter Holding: 72.46%; Public Holding: 27.54%



Market Leadership in the surface Transportation Infrastructure Sector backed by expansion into new sub sectors

- With around 13,161 lane kms spread over 26 projects in our road assets portfolio
- Forays into other surface transportation sub-sectors like metro rail, City Bus Services & border check-post



Track Record of Successful Project Implementation

- Operational portfolio of 7,365 lane kms (17 road projects) of highways, operating one bus transportation project
- Projects substantially completed to budget and within time



Strong Parentage of IL&FS & Experienced Management Team

- IL&FS brand and expertise in finance & other infrastructure areas with track record of over 25 years
- Experience in working with various Central & State Government and other Authorities
- Experienced management team with substantial operational expertise



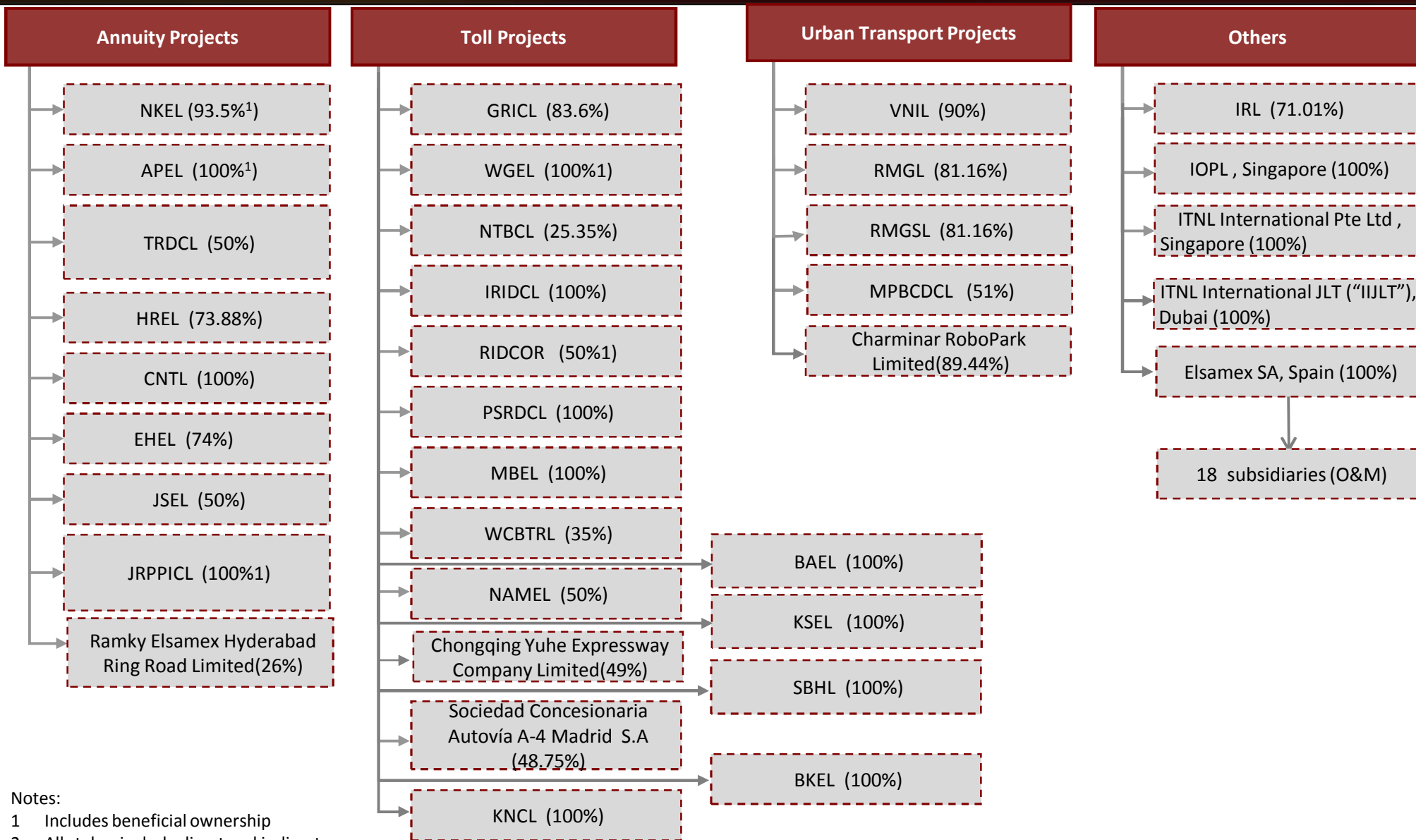
Partnerships and Bilateral contracts with State Governments

- State Highway Concessions in joint venture with various State Governments



Diversified and de-risked road project portfolio with projects in different stages of Development, Construction, Operation & Maintenance

- Pan India presence with a diverse mix of annuity and toll concessions
- Presence in Europe, Latin America through Elsamex SA
- Acquired Operational road project in China

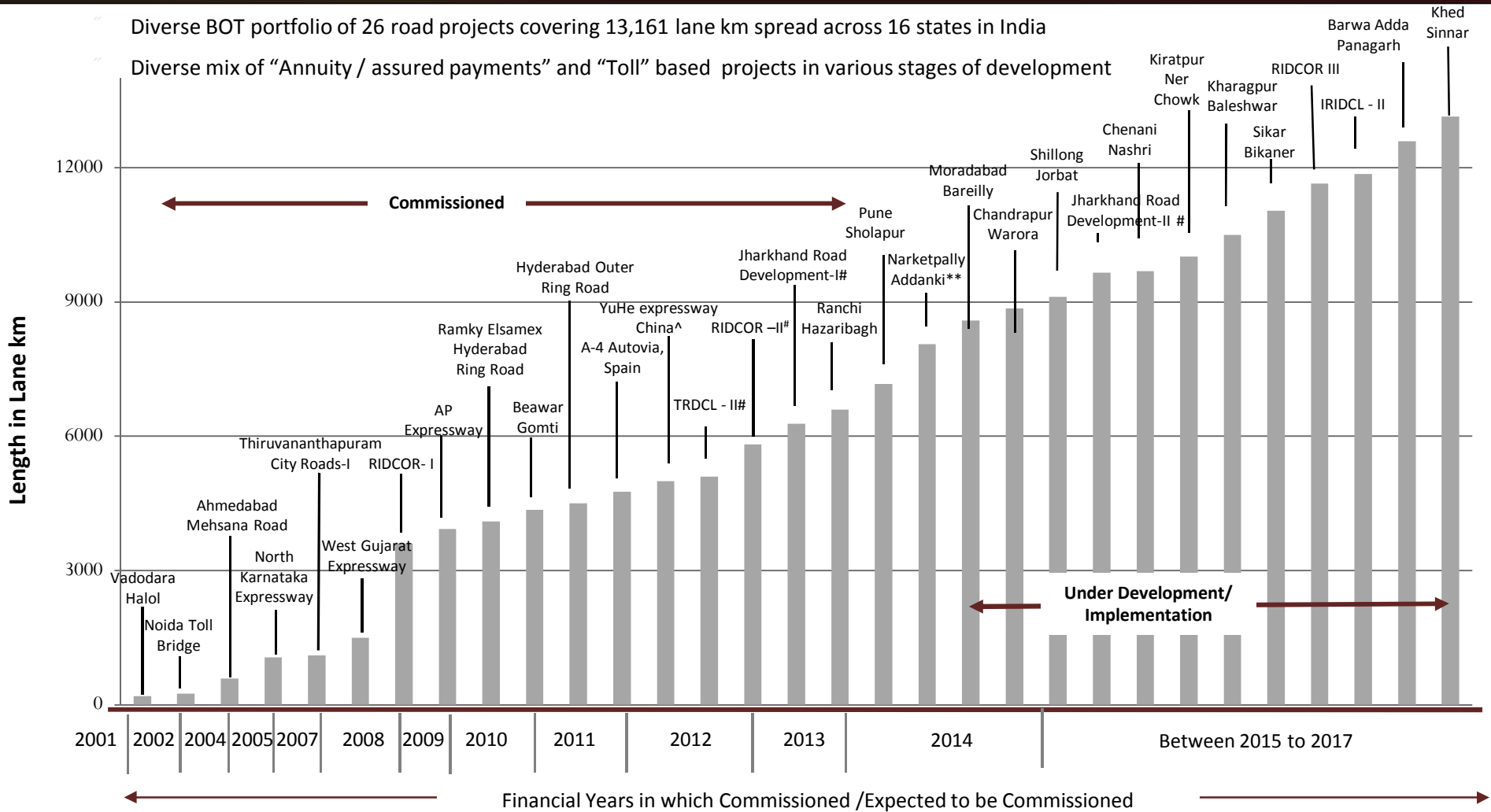


Notes:

- 1 Includes beneficial ownership
 - 2 All stakes include direct and indirect ownerships (as of December 31, 2013)
- Kindly refer glossary for acronym details

Diverse BOT portfolio of 26 road projects covering 13,161 lane km spread across 16 states in India

Diverse mix of "Annuity / assured payments" and "Toll" based projects in various stages of development



Partly commissioned ^ The operational project was acquired in Dec, 2011

ITNL is one of the largest* Private Sector BOT Road operator in India

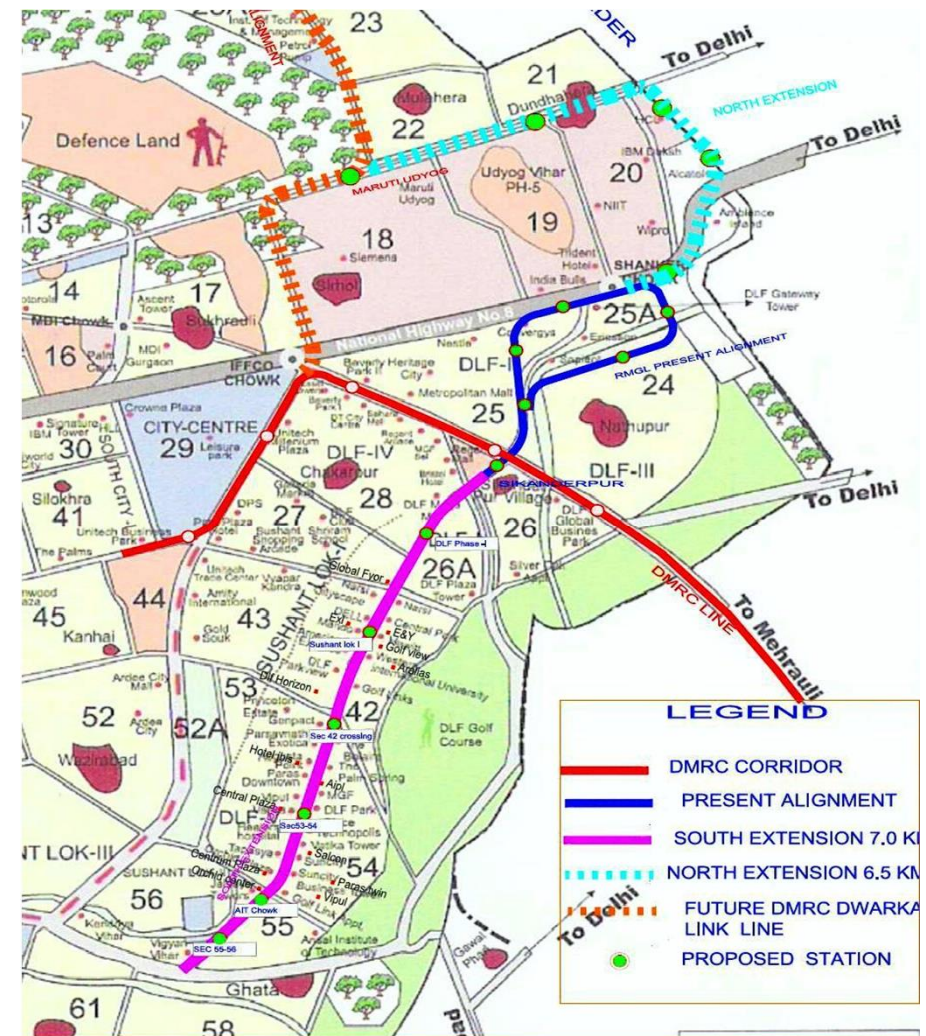
* As per ICRA Report - June 2013; ** Received Provisional Completion Certificate as on January 02, 2014

Gurgaon MetroRail Link:

- Awarded by Haryana Urban Development Authority (HUDA) through Concession Agreement dated December 09, 2009
- Metro link from Delhi metro Sikanderpur station to NH-8 in Gurgaon – around 4.9 km
- Concession period of 99 years
- Started Commercial Operations on 14th November 2013

Rapid MetroRail Project (South Extension) :

- Metro link from Rapid Metro Sikanderpur station to Sector 56 in Gurgaon along the Golf Course road
- Around 7 km long link within Gurgaon CBD
- ITNL stake in the project ~81%
- Concession Agreement was signed on January 03, 2013, for a period of 98 years including initial construction period of two and half years.



Border Check Post

MP Border Check Post Project – awarded by Madhya Pradesh Road Development Corporation Limited

- ITNL stake 51%, 24 border check-post in MP to be developed and 2 central control facilities
- Revenue sources – entry fee from commercial vehicles, parking fee, loading/unloading etc.
- Similar to toll road concessions in the revenue collection format
- Concession period of 4,566 days including initial construction period of 730 days
- 5 Check post & 2 central control facilities are currently operational.

Car Parking Project

Charminar Robo Park Project – awarded by Greater Hyderabad Municipal Corporation

- Building and Maintaining an integrated multi level automated car park on BOT basis
- Concession Period of 30 years

City Bus Project

Nagpur Bus System Project – awarded by Municipal Corporation of City of Nagpur

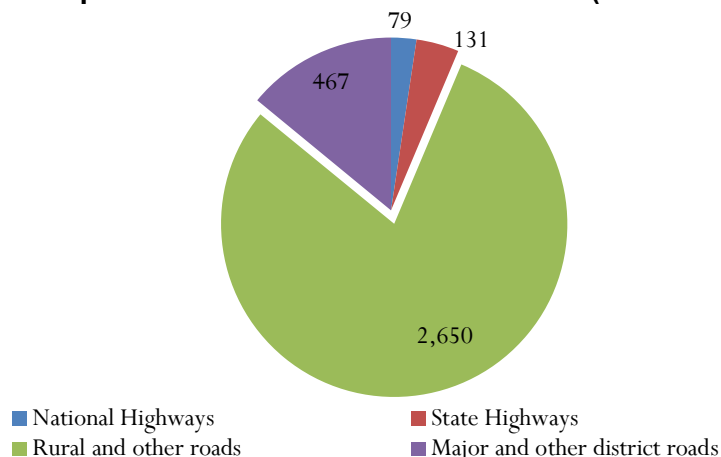
- Mobilizing, running, operating and maintaining the Nagpur City Bus Services on a BOO basis
- Concession period of 10 years ending on 2017, renewable for a further period of 5 years. Approximately 470 buses deployed

~ 15,500 km of awards pending under NHDP - to be substantially executed under PPP

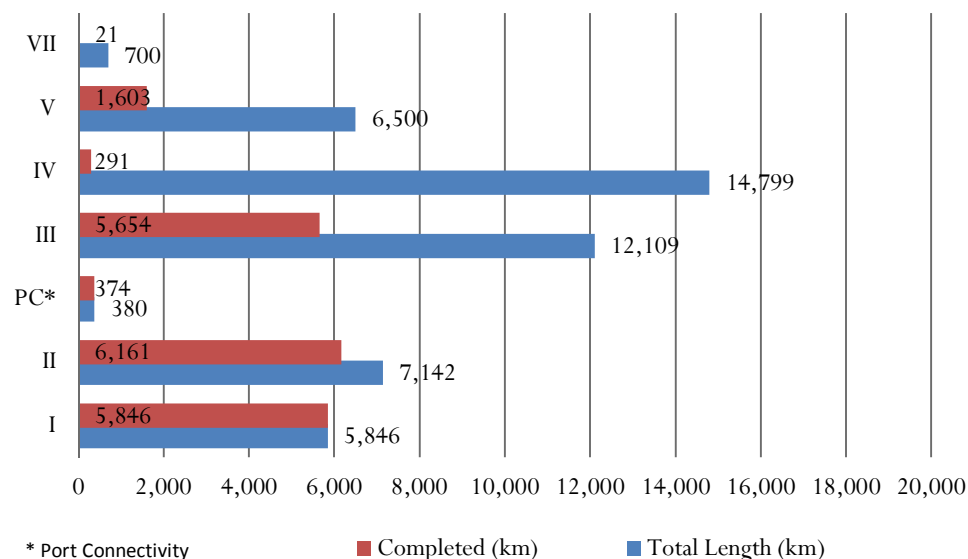
Program	To be awarded (in Km)
NHDP-III	1,685
NHDP-IV	10,384
NHDP-V	2,420
SARDP-NE	276
Total	14,765

Source: www.nhai.org accessed on Oct 29, 2013

Composition of the Indian Road Sector – ('000 kms)

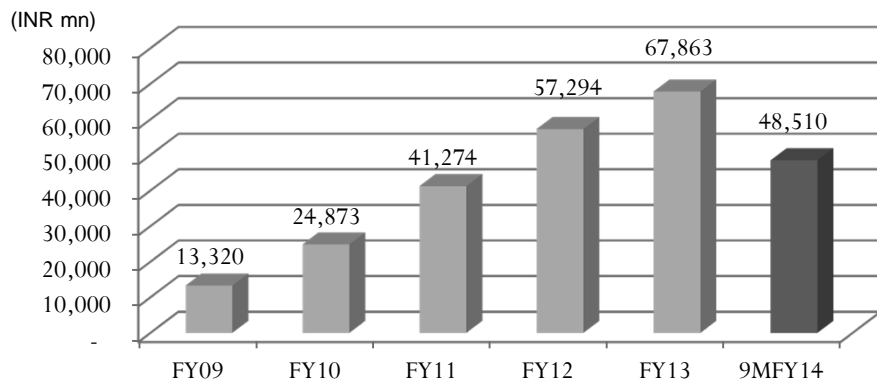


NHDP Overall Progress

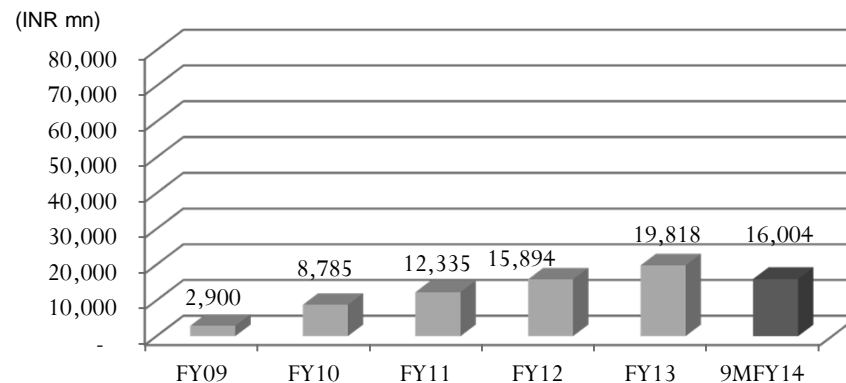


- “ India’s road network increased to **4.2 million km** from 3.3 million km
- “ National highways, which comprise 2% of the total network, carry 40% of the traffic; are overloaded at many places or corridors
- “ Only ~24% of national highways are four-laned

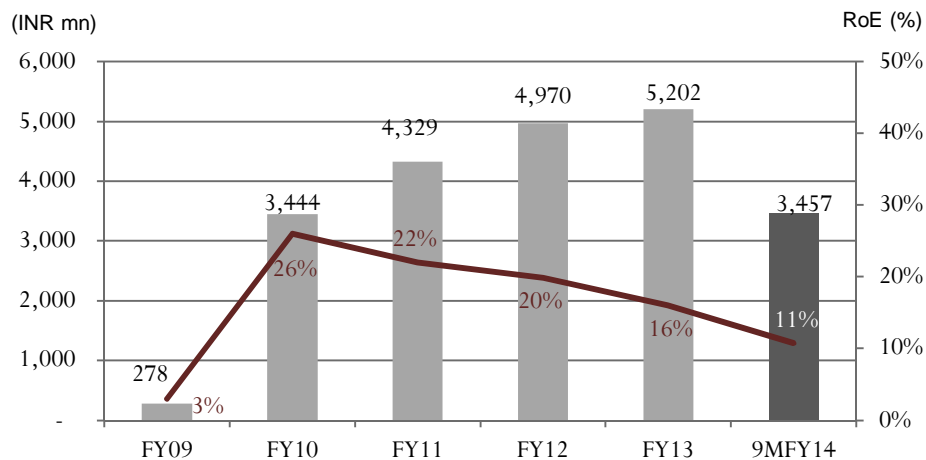
Revenue



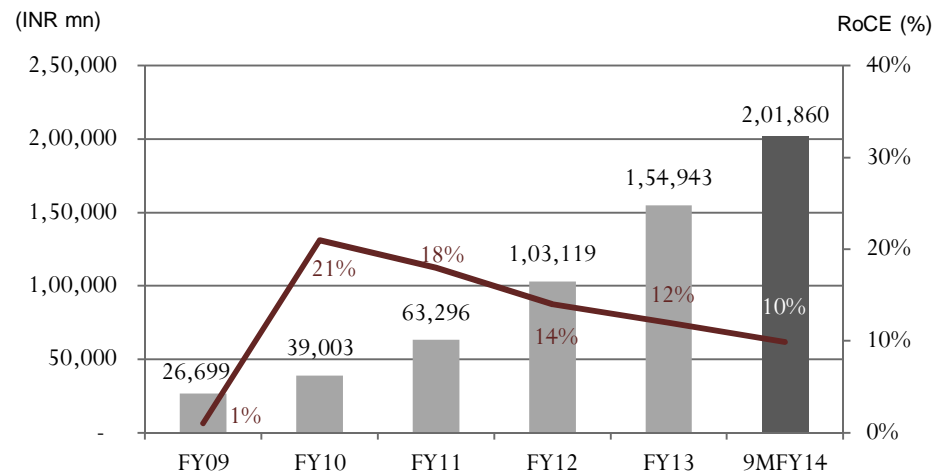
EBITDA⁽¹⁾



Profit After Tax⁽²⁾

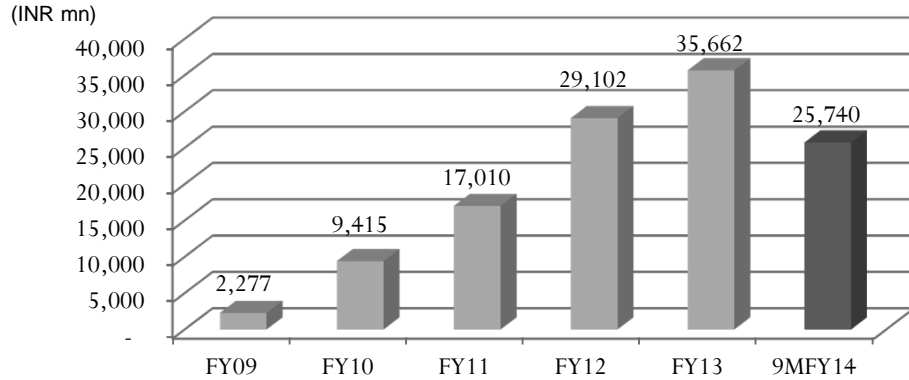


Average Capital Employed⁽³⁾

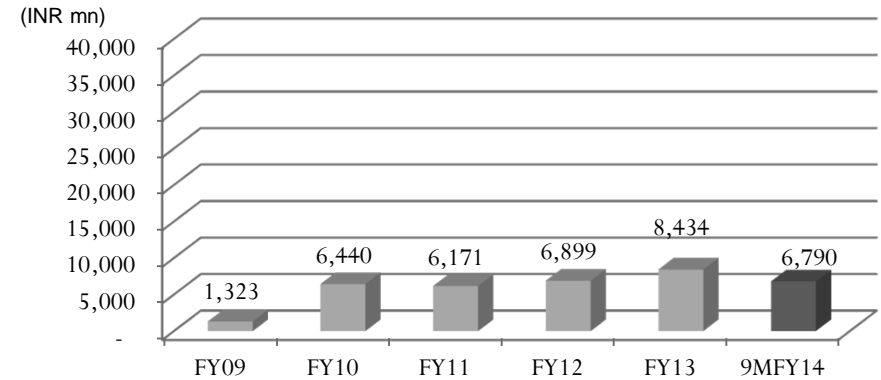


1. Includes other income and excludes gain from Foreign exchange fluctuation
2. RoE based on average equity;
3. RoCE based on average capital employed;

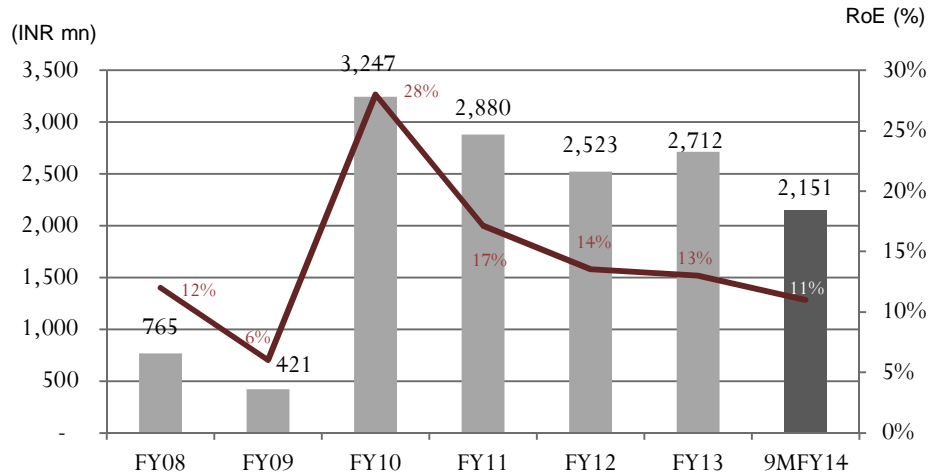
Revenue



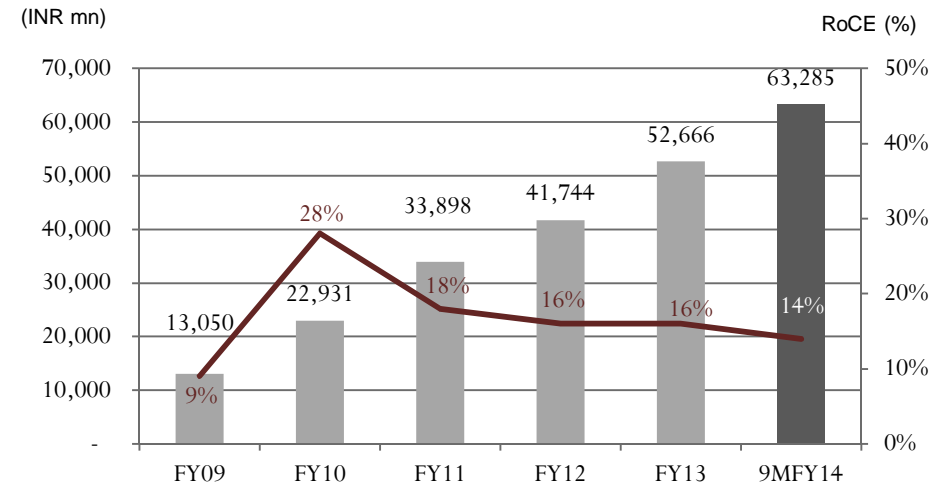
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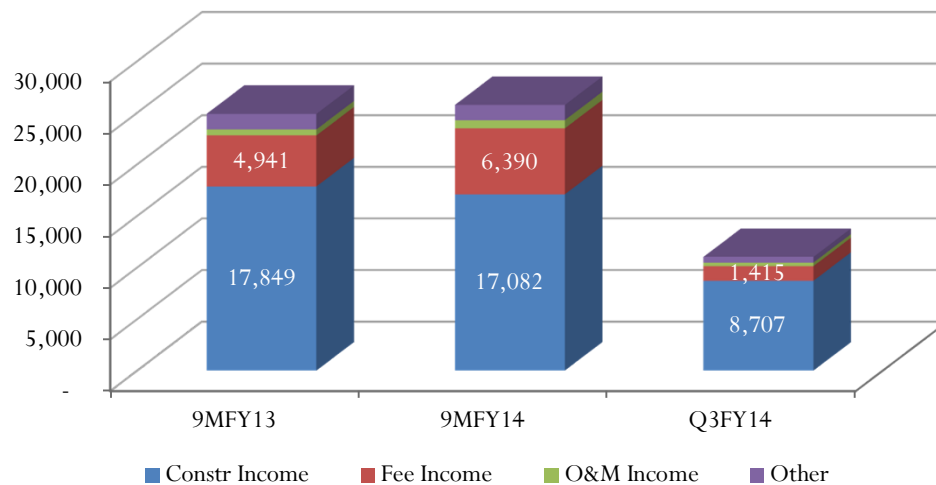
(All figures in INR million)

Key Parameters	Consolidated			Standalone		
	Q3FY14	Q3FY13	% Change	Q3FY14	Q3FY13	% Change
Revenue	19,659	17,645	11.1%	10,469	9513	10%
Other Income	379	321	18.1%	547	502	9%
EBITDA	5,256	4,819	9.1%	1,421	1843	-22.9%
EBITDA Margin	26%	27%		13%	18%	
Interest*	4,160	2,844	46.3%	1,331	1,008	32%
Depreciation	435	219	98.6%	30	29	3.4%
Profit Before Tax	660	1756	-62.4%	60	806	-92.6%
PAT after minority interest	1,098	1042	5.4%	524	463	13.2%

* In consolidated results, as per the relevant accounting policy, annuity projects are treated as financial assets and shown as non current receivable in the balance sheet. Hence interest during construction on annuity projects is charged to P&L unlike for toll projects where it is capitalized

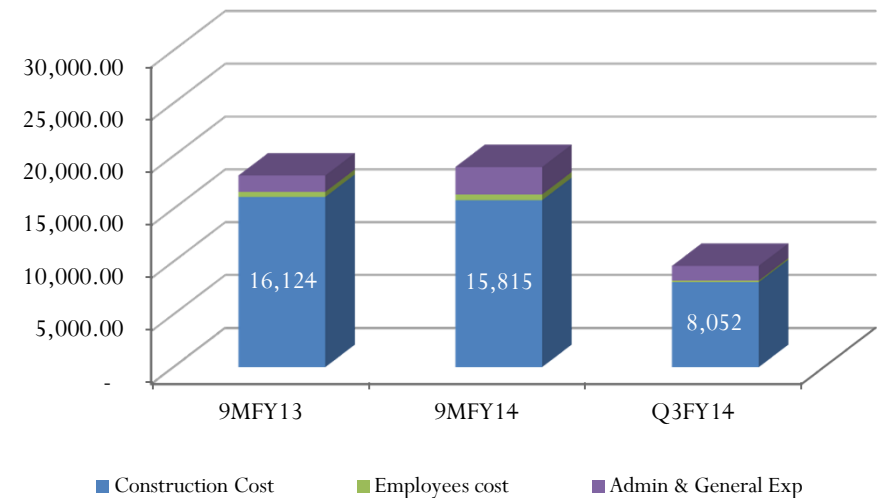
Revenue

(in INR million)



Expenses

(in INR million)

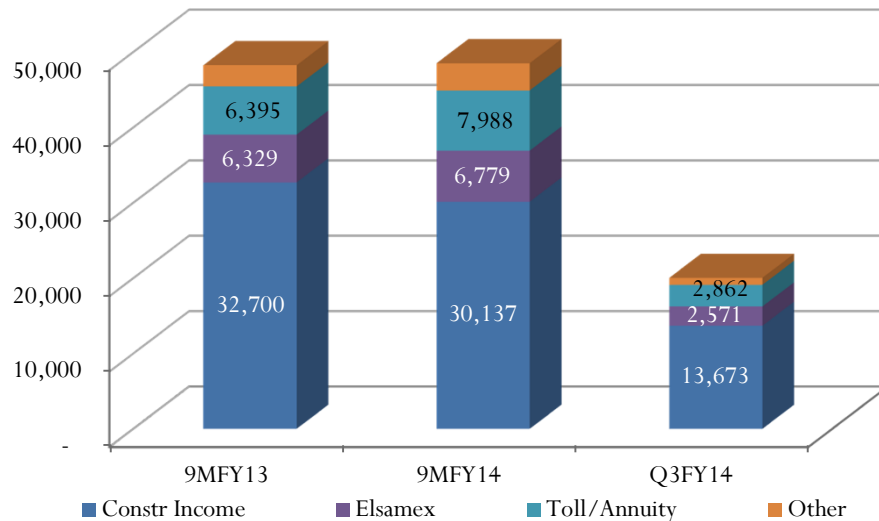


- “ During the quarter, total revenue has increased by 10% yoy
- “ Construction revenue during the quarter has increased by 89% qoq. Construction revenue came from projects like Kiratpur NerChowk, CNTL, MBEL among others
- “ Fee Income has increased 51% yoy
- “ For the current quarter, fee income included fee from projects like BAEL, KSEL, BKEL

- “ There has been a corresponding increase in construction expense by 90% qoq. We have commenced construction for Kiratpur NerChowk this quarter
- “ On an absolute basis, EBITDA stood at INR 1,421 million during Q3FY14 as compared to INR 1,843 million for Q3FY13
- “ EBIDTA margins were impacted (qoq basis) due to lower fee income (qoq basis) and technical fees
- “ EBITDA for nine months ended December 31, 2014 was at INR 6790 million as compared to INR 6,727 million for the corresponding period last year

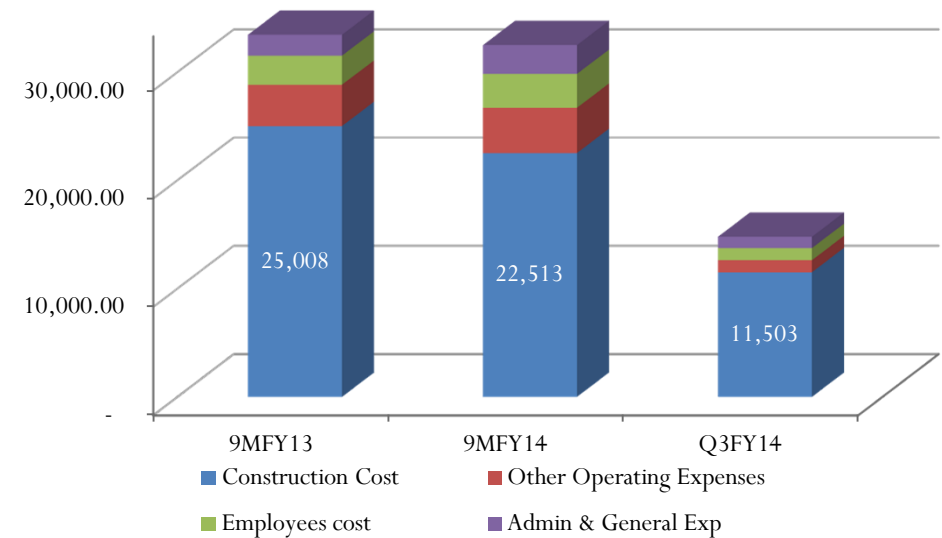
Revenue

(in INR million)



Expenses

(in INR million)

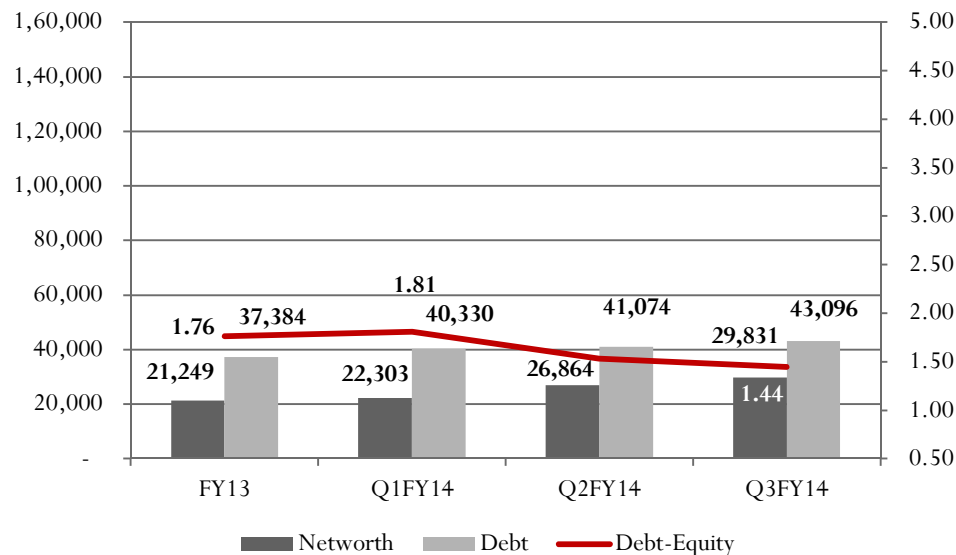


- “ The Total Income during the quarter was up 11% yoy and 46% qoq primarily on account of a yoy growth of 23% and 31% in O&M Income and Toll/Annuity Income respectively. Additionally, there is an 86% increase in construction income on a quarterly basis
- “ Toll revenues include a full quarter of the recently operational PSRDCL (September, 2013). RMGL has also contributed post its CoD in November, 2013

- “ For Q3FY14 EBITDA margins (26%) have remained flattish compared to Q3FY13
- “ For the nine month period ended Dec 31, 2013, EBITDA margins have increased to 32.99% vs 30.64% in the corresponding period last year primarily on account of a 25% increase in Toll/Annuity Income

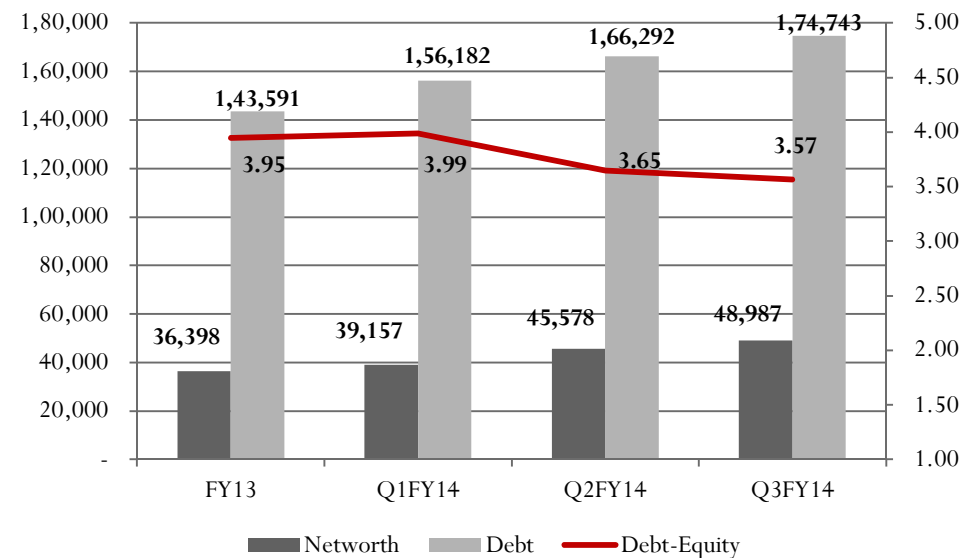
Standalone

(in INR million)



Consolidated

(in INR million)



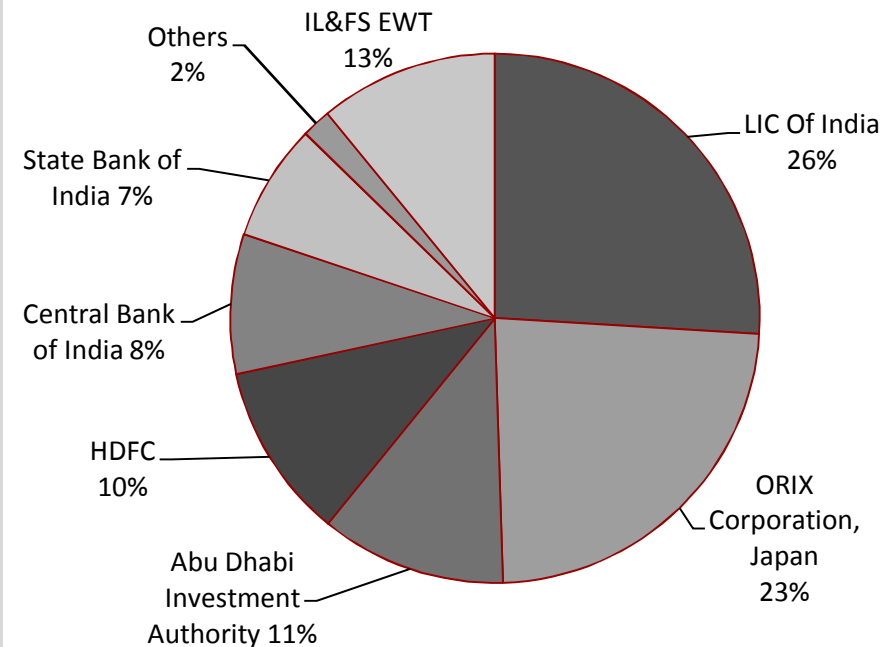
- “ The Debt Equity at the standalone level has reduced from 1.53 times in the last quarter to 1.44 times currently. During the quarter, the company has issued preference shares of INR 1264.5 million with a premium of INR 1264.5 million
- “ The standalone debt is mostly unsecured debt for on-lending to SPVs as sub-debt or for equity infusion into projects against cash accruals expected from them

- “ We witnessed a 5% increase in debt at the consolidated level vs Q2FY14, which is primarily on account of drawdown happening from the already sanctioned debt. Debt Equity for the quarter was lower compared to last quarter and corresponding period last year at 3.57 times
- “ Networth for the quarter has increased on account of profits generated during the nine months, pref shares issued and equity grants received in some of our projects which amounted to INR 1784 million

IL&FS Overview

- Incorporated in 1987 as a JV between the Central Bank of India (CBI), Housing Development Finance Corporation Limited (HDFC) and Unit Trust of India (UTI) to commercialize infrastructure projects and work with public & private sector project sponsors
 - Offers a full range of financial, project development and management services including investment banking, project financing, project development, management and implementation, asset management, corporate advisory and back office services through Group companies
 - Identifies need-driven projects including roads, bridges, power, ports, water supply, area development which can be commercially viable and works on structural / financial solutions to enhance project viability
- Has expertise across diverse sectors such as transportation, area development, cluster development, finance, power, ports, water and waste management, urban infrastructure, environment, education and tourism
 - Track record of promoting and financing public infrastructure projects in India for over 25 years
- Strategic relations with Governments of 17 states across India and on-going relationships with various departments of the Central Government
 - Benefits to ITNL in negotiating bilateral contracts with state and central government entities when such bodies are seeking customized proposals

Our Parent Shareholding IL&FS Shareholding



Independent Directors

Name	Designation / Background
Mr Deepak Dasgupta	Chairman; Former Chairman, NHAI
Mr RC Sinha	Former Vice Chairman & MD, Maharashtra Airport Development Company Limited
Mr HP Jamdar	Former Principal Secretary, Government of Gujarat
Mr Deepak Satwalekar	Former Managing Director & CEO, HDFC

Non-Independent Directors

Name	Designation
Mr Ravi Parthasarthy	Chairman, IL&FS
Mr Hari Sankaran	Vice Chairman and MD, IL&FS
Mr Arun K Saha	Joint Managing Director, IL&FS
Mr Vibhav Kapoor	Group Chief Investment Officer, IL&FS
Mr Pradeep Puri	CEO, Metco Projects
Mr K Ramchand	Managing Director
Mr Mukund Sapre	Executive Director

Road Projects

Name of Project	North Karnataka Expressway Limited (NKEL)	West Gujarat Expressway Limited (WGEL)	Noida Toll Bridge (NTBCL)	Vadodara Halol Toll Road (GRICL)	Ahmedabad - Mehsana Road (GRICL)
Authority	NHAI	NHAI	NOIDA	Govt. of Gujarat	Govt. of Gujarat
State	Karnataka	Gujarat	Delhi & Noida	Gujarat	Gujarat
Concession Type	Annuity	Toll	Toll	Toll	Toll
Project (Lane Km)	472	389	60	522.80	
Date of Commencement of Commercial Operation	July 19, 2004	March 17, 2008	Feb 07, 2001	Oct 24, 2000	Feb 20, 2003
Concession Period	17.5 years	20 Years	30 yrs (extendable)	30 yrs (extendable)	30 yrs (extendable)
Description	4 laning of the section of the Belgaum to Maharashtra Border on BOT (Annuity) basis	Widening / Improvement of the Rajkot – Jeptur - Gondal Section from 2 lane to 4 lane; on National Highway No. 8 B in state of Gujarat	Development of a toll bridge and approach roads connecting Delhi to NOIDA on BOT basis	Development of Vadodara Halol road SH 87 with service road in the state of Gujarat on BOOT Basis	Development of Ahmedabad Mehsana Road (SH-41 and 133) in the state of Gujarat on BOOT Basis

Name of Project	Andhra Pradesh Expressway (APEL)	Thiruvananthapuram City Roads (Phase I & II) (TRDCL)	Narketpally - Addanki (NAMEL)	Mega Highways Project Rajasthan (RIDCOR) Phase I & II	Beawar Gomti Road (IRIDCL)
Authority	NHAI	KRFB	Govt. of Andhra Pradesh	Govt. of Rajasthan	Department of Road Transportation and Highways, GOI
State	Andhra Pradesh	Kerala	Andhra Pradesh	Rajasthan	Rajasthan
Concession Type	Annuity	Annuity	Toll	Toll	Toll
Project (Lane Km)	328	119.47	888	2643	248
Date of Commencement of Commercial Operation	Sept 30, 2009	Phase I - Nov 15, 2006 Phase II - Feb 22, 2012	Provisional Completion Certificate – 2 Jan 2014	Various Dates	Oct-2009
Concession Period	20 years	17.5 Years	24 years	32 Years	30 Years if 4 lane is done otherwise 11 Years
Description	Kotakatta Bypass to Kurnool on NH-7 in the state of Andhra Pradesh under North South Corridor on BOT (Annuity) Basis	Thiruvananthapuram City Roads Improvement Project	4-Laning of Narketpally – Addanki – Medarametla Road (SH-2) in Andhra Pradesh on DBFOT (Toll) basis	Improvement of following project road stretches - Phalodi to Ramji ki Gol, Hanumangarh to Kishangarh, Alwar to Sikandra, Lalsot to Kota and Baran to Jhalawar of Phase I & Alwar to Bhiwadi Arjunsar to Pallu Hanumangarh to Sangaria Jhalawar to Jhalawar Road Khushkheda to Kasola Chowk of phase II	Widening of 2-lane road to 2-lane + Paved Shoulder in Beawar – Gomti Section of NH- 8 in the State of Rajasthan on DBFOT (Toll) Basis

Name of Project	East Hyderabad Expressway Ltd (EHEL)	Jharkhand Accelerated Road Development Programme (JRPICL)	Hazaribagh Ranchi Expressway Limited (HREL)	Pune Sholapur Road Development Company Limited (PSRDCL)	Tukkuguda to Shamshabad section of Hyderabad Outer Ring Road
Authority	HUDA	GOJ	NHAI	NHAI	Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited
State	Andhra Pradesh	Jharkhand	Jharkhand	Maharashtra	Hyderabad
Concession Type	Annuity	Annuity	Annuity	Toll	Annuity
Project (Lane Km)	173	418	319	571	152
Date of Commencement of Commercial Operation	Dec-2007	RRR- 22 March 2010 RPR I – 13 April 2010 AdityaPur Kandra – 2 feb 2012	Aug- 2010	Aug 23, 2013	Nov 26, 2009
Concession Period	15 Years	RRR- 17.5 Year RPR I – 17.5 Year AdityaPur Kandra –15.75 Year	18 Years	20 Years	15 Years
Description	8 – Laning Outer Ring Road in Hyderabad from Pedda Amberpet to Bongulur on BOT (Annuity) basis	Improvement works of Jharkhand Roads - Ranchi Ring Road - Ranchi Patratu -Four Laning of Adityapur-Kandra stretch.	4 laning of Hazaribagh – Ranchi Section Of NH-33 in State Of Jharkhand On BOT (Annuity) Basis	4 laning of Pune - Sholapur Section of NH-9 from in the state of Maharashtra under NHDP phase III on DBFOT basis	Project included the design, construction, development, operation and maintenance of an eight-lane access controlled expressway under the Phase IIA programme as an extension of Phase-1 of the Hyderabad outer ring road in the State of Andhra Pradesh, from Tukkuguda to Shamshabad

Name of Project	Thiruvananthapuram City Roads (Phase II & III) (TRDCL)	Mega Highways Project, Rajasthan (RIDCOR) Phase II	Chandrapur Warora (WCBTRL)	Moradabad to Bareilly (MBEL)
Authority	KRFB	Govt. of Rajasthan	PWD, Maharashtra	NHAI
State	Kerala	Rajasthan	Maharashtra	Uttar Pradesh
BOT Type	Annuity	Toll	Toll	Toll
Project (Lane Km)	39	195	275	522
Appointed Date	Jun -09	-	Jan -11	Dec - 10
Expected Construction Completion Date	Dec - 2014	Jhalawar to Ujjain – Oct 2013	Jan-2014	Jun-2013
Concession Period	15 years after completion of each phase	32 years	30 years	25 years
Description	Thiruvananthapuram City Roads Improvement Project	Jhalawar to Ujjain and Kapren to Mangrol	4 Laning of Warora Chandrapur Ballarpur Bamni road in Maharashtra on DBFOT basis	4 Laning Of Moradabad Bareilly Section in Uttar Pradesh

Name of Project	Chennani - Nashri (CNTL)	Jorabat Shillong (JSEL)	Jharkhand Accelerated Road Development Programme (JRPICL)
Authority	NHAI	NHAI	Govt of Jharkhand
State	Jammu & Kashmir	Assam & Meghalaya	Jharkhand
BOT Type	Annuity	Annuity	Annuity
Project (Lane Km)	38	262	245
Appointed Date	May - 11	Jan - 11	RPR II – April 2010 Chaibasa Kandra – Nov 2011
Expected Construction Completion Date	Nov-2015	Jan-2014	May-2014
Concession Period	20 years	20 years	17.5
Description	4 Lanning of Chenani to Nashri section of NH-1A including 9 Km long tunnel on DBFOT (Annuity) basis in Jammu and Kashmir	4 Laning of Jorabat-Shillong (Barapani) section of NH-40 in Assam & Meghalaya on a DBFOT (Annuity) basis	Two laning of the Chaibasa-Kandra-Chowka stretch in Jharkhand on BOT Annuity basis & Improvement works of Patratu to Ramgarh Road

Name of Project	Baleshwar Kharagpur Road (BKEL)	Sikar Bikaner	Mega Highways Project, Rajasthan (RIDCOR) III
Authority	NHAI	PWD, Rajasthan	Govt. of Rajasthan
State	West Bengal & Orissa	Rajasthan	Rajasthan
BOT Type	Toll	Toll	Toll
Project (Lane Km)	477	540	607
Appointed Date	Jan – 2013	Feb - 2013	Jan -2012
Expected Construction Completion Date	Jun – 2015	Feb-2015	Aug- 2015
Concession Period	24 Years	25 Years	32
Description	Construction of New Structures & Repair of existing Four Lane NH from Kharagpur to Baleshwar (NH-60) in Orissa and West Bengal on DBFOT (Toll) Basis	Development and Operation of Two laning of Sikar Bikaner Section in Rajasthan	Improvement of following project road stretches aggregating 303.50 km - Mathura (UP border) to Bhadoti and Rawatsar to Bhadra on BOT (Toll) Basis

Name of Project	Beawar Gomti (Additional)	Barwa Adda Panagarh	Kheda Sinner	Kiratpur Ner Chowk (KNEL)
Authority	MoRTH	NHAI	NHAI	NHAI
State	Rajasthan	Jharkhand & West Bengal	Maharashtra	Himachal Pradesh
BOT Type	Toll	Toll	Toll	Toll
Project (Lane Km)	217	727	557	327
Appointed Date	Financial closure pending	We have achieved financial closure as on November 04, 2014. We are awaiting the appointed date	We have achieved financial closure as on November 04, 2014. We are awaiting the appointed date	Nov-2013
Expected Construction Completion Date	-	-	-	Nov-2016
Concession Period	30 Years	20 Years	20	28
Description	Four laning of existing two lane section on the Beawar Gomti section of National Highway No.8 in Rajasthan	Six-Laning of Barwa-Adda-Panagarh Section of NH-2 including Panagarh Bypass in the States of Jharkhand and West Bengal.	Four-Laning of Kheda -Sinner Section of NH-50 from 42.000 km to 177.000 km in the State of Maharashtra under NHDP Phase IV B on DBFOT Basis	Four laning of Kiratpur-Ner Chowk section of NH 21 in Himachal Pradesh on BOT (Toll)

Acronym	Full Form
IL&FS	Infrastructure Leasing and Financial Services
ITNL	IL&FS Transportation Networks Limited
SPV	Special Purpose Vehicle
BOT	Build Operate Transfer
HUDA	Haryana Urban Development Authority
COD	Commercial Operation Date
NHDP	National Highway Development Plan
SARDP	Special Accelerated Development Programme
RFP	Request for Proposal
RFQ	Request for Qualification
NHAI	National Highway Authority of India
MoRTH	Ministry of Road Transport and Highways
PSRDCL	Pune Sholapur Road Development Company Limited
MBEL	Moradabad Bareilly Expressway Limited
NAMEL	Narketpally Addanki Medermetala Expressway Limited
JSEL	Jorabat Shillong Expressway Limited
RMGL	Rapid MetroRail Gurgaon Limited
RMGSL	Rapid MetroRail Gurgaon South Limited

Acronym	Full Form
JARDP/JRPICL	Jharkhand Accelerated Road Development Programme / Jharkhand Road Projects Implementation Company Limited
RPR II (Part of JRPICL I)	Patratu Dam – Ramgarh Road
CKC (Part of JRPICL II)	Chaibasa Kandra Chowka Road
CNTL	Chenani Nashri Tunnelway Limited
WCBTRL	Warora Chandrapur Ballarpur Toll Road Limited
TRDCL	Thiruvananthapuram Road Development Company Limited
MPBCDCL	Madhya Pradesh Border Checkpost Development Company Limited
RIDCOR	Road Infrastructure Development Company of Rajasthan Limited
JU (Part of RIDCOR II)	Jhalawar to Ujjain
RB / MB (Part of RIDCOR III)	Rawatsar – Nohar – Bhadra Road / Mathura (UP Border) – Bhadoti Road
BKEL	Baleshwar Kharagpur Expressway Limited
SBHL	Sikar Bikaner Highway Limited
KNC	Kiratpur Ner Chowk Expressway Limited
BAEL	Barwa Adda Expressway Limited
KSEL	Khed Sinnar Expressway Limited
K-SHIP	Karnataka State Highway Improvement Project
EBITDA	Earning Before Interest, Tax, Depreciation & Amortization

Acronym	Full Form
NKEL	North Karnataka Expressway Limited
APEL	Andhra Pradesh Expressway Limited
HREL	Hazirabagh Ranchi Expressway Limited
EHEL	East Hyderabad Expressway Limited
GRICL	Gujarat Road and Infrastructure Company Limited
WGEL	West Gujarat Expressway Limited
NTBCL	Noida Toll Bridge Company Limited
IRIDCL	ITNL Road Infrastructure Development Company Limited
VNIL	Vansh Nimay Infraprojects Limited
IRL	IL&FS Rail Limited
IOPL	ITNL Offshore Private Limited

Thank You



 **IL&FS** | Transportation

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