

IL&FS Transportation Networks Limited

Analyst Presentation – April 2011



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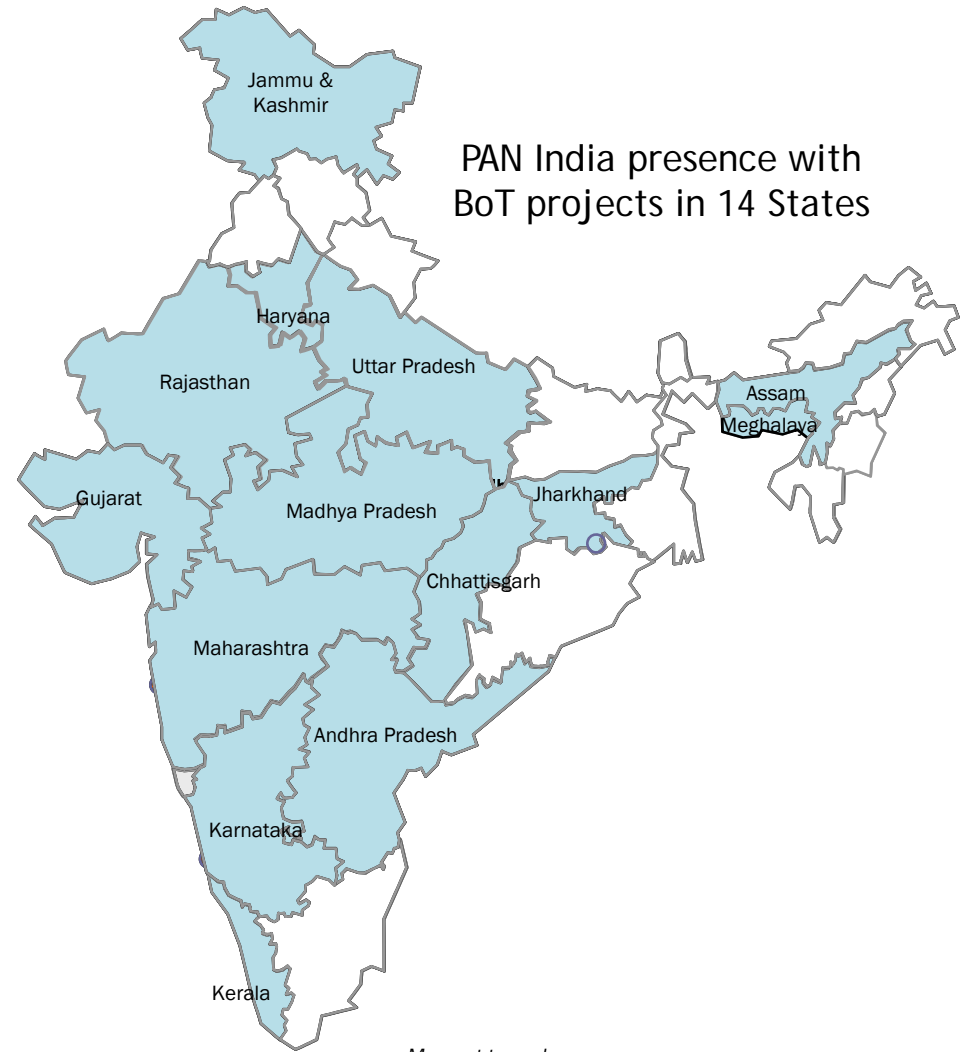
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- Company Overview
- Key Differentiators
- The ITNL Group
- Project Portfolio
- Recent Project Awards and Financial Closures
- Project Pipeline
- Road Sector Opportunity
- Financial Performance Parameters
- Key Quarterly Financial Parameters of FY11
- Capital Works Remaining to be Executed
- Toll and Annuity Collection on Operational Projects
- Board of Directors and Key Managerial Personnel

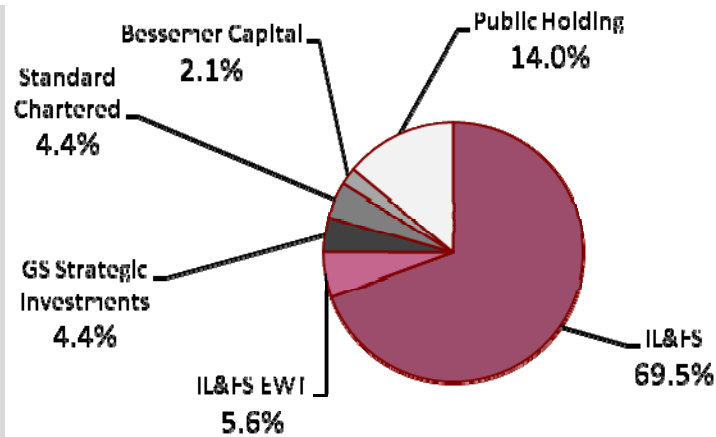


- IL&FS Transportation Networks Limited (ITNL) has the largest BoT road asset portfolio (in terms of lane kilometer) in India
- ITNL has a pan India presence with projects in around 14 states
- Promoted by Infrastructure Leasing and Financial Services Limited (IL&FS) in 2000
- ITNL has ~12,000 lane km under its road assets portfolio
 - Of which ~1,400 lane km in projects in which we are L-1
- Has presence in other sub sectors viz. metro rail , bus transportation and border entry points
- A *'Thought Leader'*....., IL&FS Transportation plays varied roles such as Sponsor, Project Developer cum Manager, Operations & Maintenance Manager, Design & Value Engineer and Policy Advisor



Map not to scale
 Does not depict political boundaries

Shareholding Pattern





Market Leadership in the Transportation Infrastructure Sector

- With around 12,000 lane km comprised in 22 projects in its road assets portfolio
- Forays into other surface transportation sub-sectors like metro, bus, border check-post & airports



Track Record of Successful Project Implementation

- Commissioned over 4000 lane kms of highways, operating one bus transportation project
- Projects substantially completed to budget and within time



Strong Parentage of IL&FS

- IL&FS Brand and expertise in finance & other infrastructure areas
- Experience in working with various Government and other Authorities



Partnerships and Bilateral contracts with State Govts

- State Highway Concessions in joint venture with the States of Kerala, Chhattisgarh, Gujarat, Rajasthan & Jharkhand

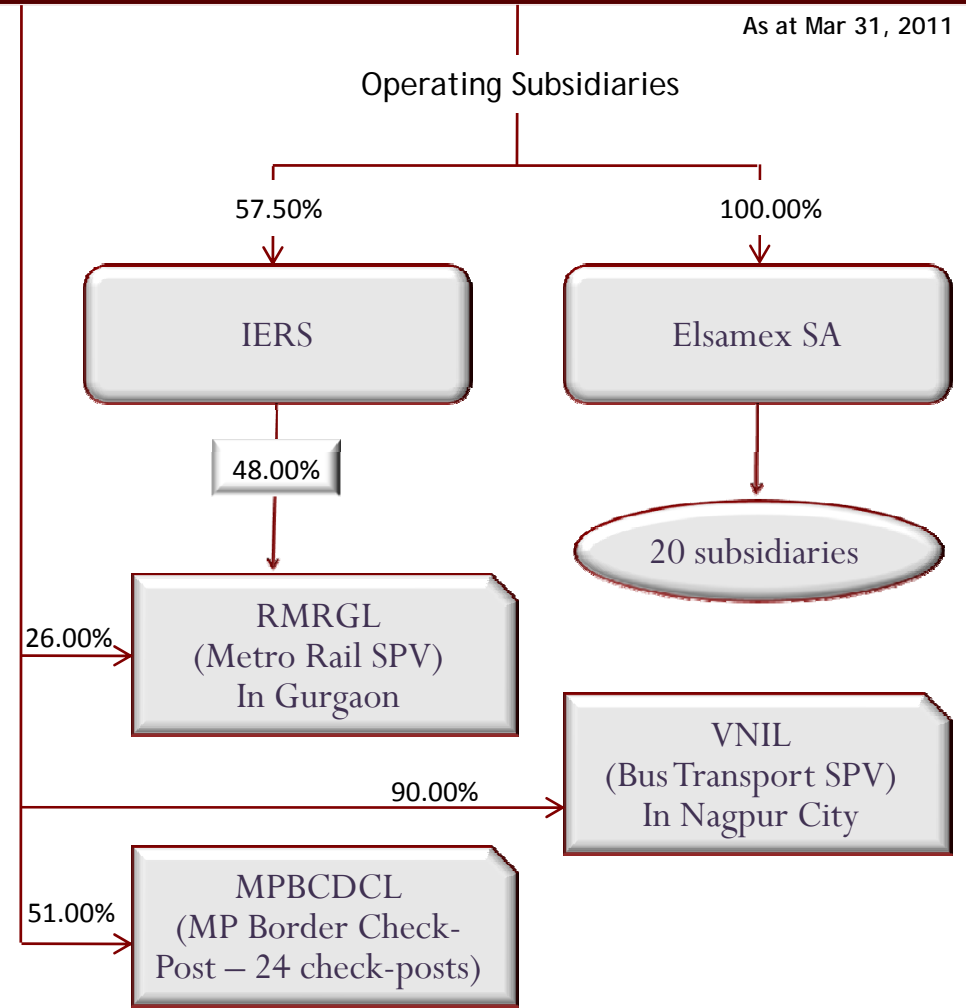
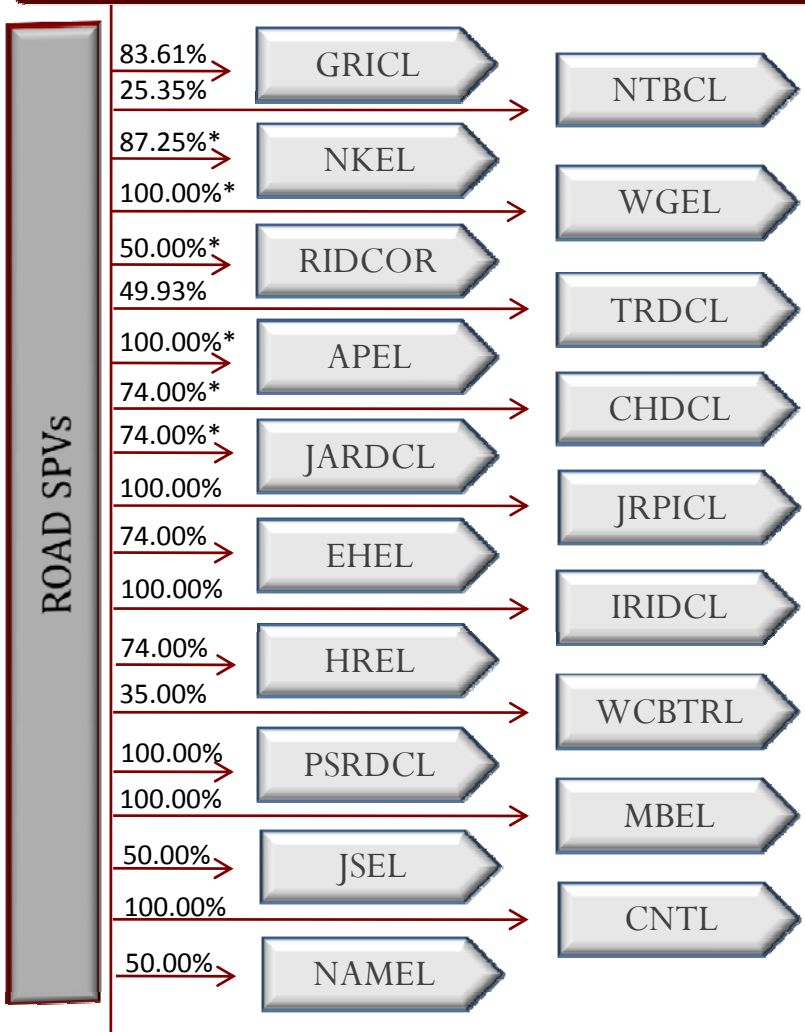


Diversified and de-risked portfolio

- Pan India presence with a fair mix of annuity and toll concessions
- Presence in Europe, Latin America & Mexico through Elsamex SA



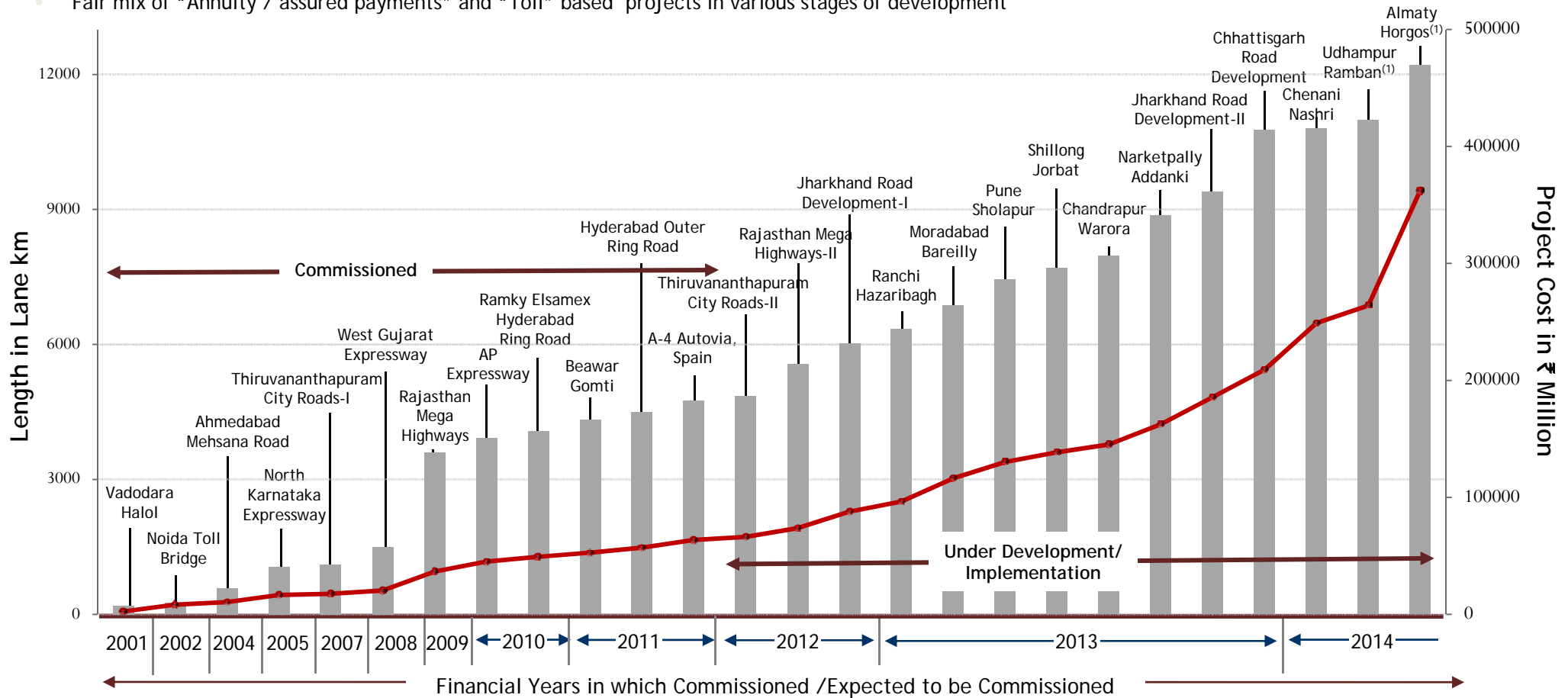
IL&FS Transportation Networks Limited



* Includes indirect and beneficial interest too



- Diverse BOT portfolio of 22⁽¹⁾ road projects covering ~12,000⁽¹⁾ lane km spread across various states of India
- Fair mix of "Annuity / assured payments" and "Toll" based projects in various stages of development



ITNL has one of the largest Private Sector BOT Road Portfolio in India

Project Cost

1. Total lane km of ~12,000 includes 1,212 lane km from - Almaty Horgos and 186 lane km of Udhampur - Ramban where the Company is believed to be the preferred bidder



Metro Rail

Metro Rail Project - awarded by Haryana Urban Development Authority (HUDA)

- Metro link from Delhi metro Sikanderpur station to DLF Cyber City on NH-8 in Gurgaon
- Project Cost of ~ ₹ 1100 cr with a concession period of 99 years - ITNL stake in the project ~54%
- Likely Commissioning in 2012 - financially closed and construction commenced

Bus System

Nagpur Bus System Project - awarded by Nagpur Municipal Corporation

- Mobilizing, running, operating and maintaining the Nagpur City Bus Services on an exclusive basis
- Concession period of 10 years - ~230 buses deployed; another 300 being deployed of which 240 already deployed
- Project Cost of ~ ₹ 720 mn - Term loan of ₹ 556.17 mn sanctioned by Pooled Municipal Debt Obligation Fund

Border Entry Point

MP Border Check Post Project - awarded by the Government of Madhya Pradesh

- In consortium with Spanco (ITNL stake 51%), 24 border check-post in MP to be developed
- Revenue sources - entry fee from commercial vehicles, parking fee, loading/unloading etc
- Concession period of ~12.5 years with ~2 year construction period. Project cost estimated at ₹ 10,940 million

Regional Airports

Regional Airport Development -awarded by the Government of Karnataka

- Two regional airports - Gulbarga and Shimoga. Concession period -30 years. Project cost at ~ ₹ 4,000 million
- In consortium with Comet Group (ITNL stake 40%)
- Revenue sources - airport fees, vendor space revenue and land side development rights



ITNL Secured projects worth around ₹ 80 billion each year in the last 2 financial years

Project	Authority	BOT Type	Length (lane km)	Estimated Cost (₹ Million)
Road Sector				
Ranchi to Hazaribagh	NHAI	Annuity	319	8,692
Pune to Sholapur	NHAI	Toll	571	14,027
Moradabad to Bareilly	NHAI	Toll	522	19,836
Three stretches under JARDP*	GoJ	Annuity	466	14,078
Mega Highways-II	GoR	Toll	698	8,126
Chandrapur Warora	GoM	Toll	275	7,000
Chennai to Nashri in J&K	NHAI	Annuity	38	37,200
Jorabat to Shillong in North East	NHAI	Annuity	262	8,240
Narkatpally to Addanki in AP	GoAP	Toll	888	17,605
Madhya Pradesh Entry Point	GoM	Fee	-	10,940
Gurgaon Metro Rail	HUDA	Fee	4.8 km	11,000
Total				156,744

ITNL had 9% and 7% market share of NHAI projects awarded in FY10 and FY11 respectively other than State projects

Debt Tied-up during FY10 & FY11

Project	Debt tied-up (₹ Million)
Ranchi to Hazaribagh	7,382
Pune to Sholapur	9,577
Moradabad to Bareilly	13,187
Three stretches under JARDP*	12,386
Thiruvanthapuram City Roads	1,436
Chandrapur Warora	3,360
Mega Highways –II	6,098
Chenani Nashri Tunnelway	33,480
Jorabat to Shillong	7,400
Narkatpally to Addanki	10,600
Gurgaon Metro Rail	7,616
Nagpur City Bus Transportation	556
Total Debt tied –up	113,078

All road projects awarded to the Company have been financially closed

*Under Jharkhand Accelerated Development Program concession agreement was signed for Ranchi Ring Road; Ranchi to Patratu road; and Patratu to Ramgarh road



Lowest/Preferred Bidder Projects		Stake	Type	Length (lane km)	Estimated Cost
Almaty to Khorgos in Kazakhstan	Govt of Kazakhstan	37%	Toll/ Annuity	1,212	98,400
Udhampur to Ramban in J&K	NHAI	100%	Annuity	186	15,000
Outdoor Stadium at Karyavattom, Kerela	National Games Sectt	100%	Annuity		1,610
Total Project Cost				1,398	115,010

BID PIPELINE						
	RFP Stage (Post Qualification)			RFQ Stage (Pre Qualification)		
	Projects	Length (km)	Cost (₹ Mn)	Projects	Length (km)	Cost (₹ Mn)
NHAI	5	563	48,654	67	7,939	589,321
MORTH	3	217	8,702	2	199	24,880
STATE PROJECTS	5	671	46,340	33	3,821	189,571
Total	13	1451	103,697	102	11,959	803,772



Government plans to Award USD 50 billion of Road Projects in FY11 - Private Sector to fund ~70%

- In the envisaged XIIth Five Year Plan, the Government targets to mobilize huge investments in transportation infrastructure through Public Private Partnership and estimates the same at around ₹ 12 trillion – double that in the last five year plan
- Of the total length of around 50,000 km planned by NHA under NHDP, around 48 per cent was yet to be awarded as of Feb 2011
- 10,000 km of State Highways to be converted into National Highways – decision by empowered Group of Ministers
- NHA has introduced annual pre –qualification for all projects. This would ease the process of tendering documents for both the concessionaire and the NHA

NHA Construction Targets for 2011-12

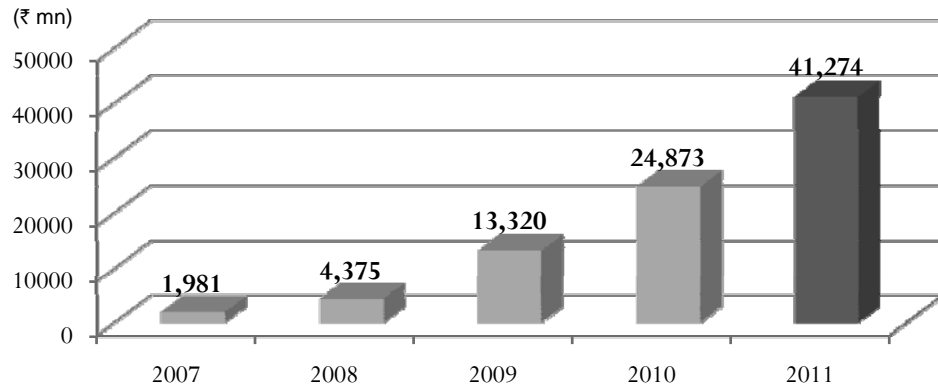
Program	Target in Km
NHDP-III	1,274
NHDP-IV	7,235
NHDP-V	2,561
SARDP-NE	81
Total	11,151

Of the above NHA is expected to target award of around 7,300 km in FY12

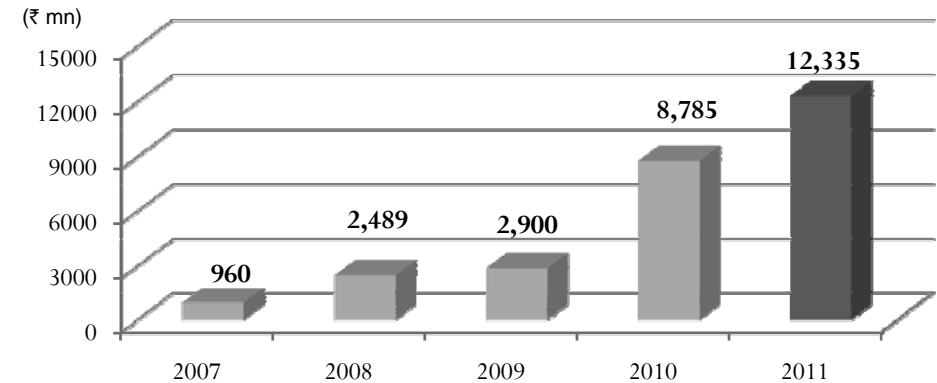
Preliminary estimates peg Infrastructure spend in the XIIth Plan (2012-17) at ~ ₹ 40 trillion



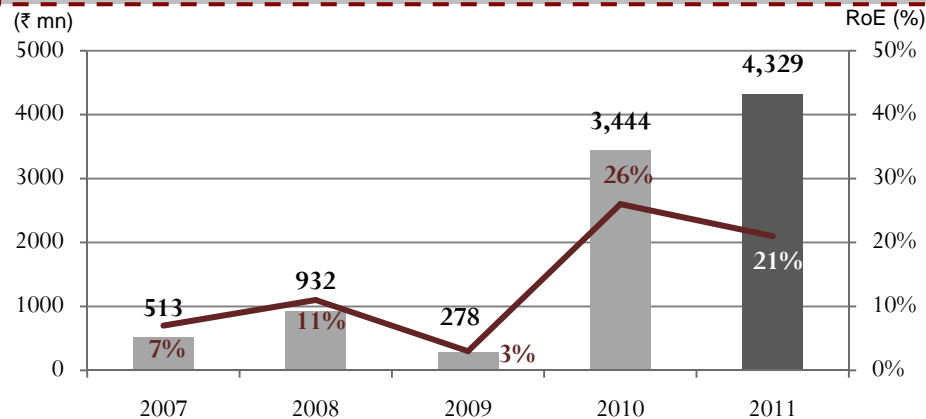
Revenue



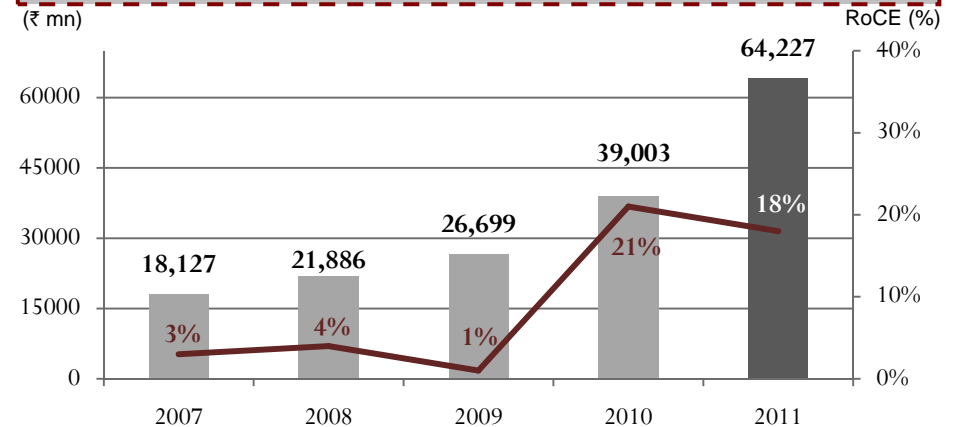
EBITDA⁽¹⁾



PAT⁽²⁾ (4)



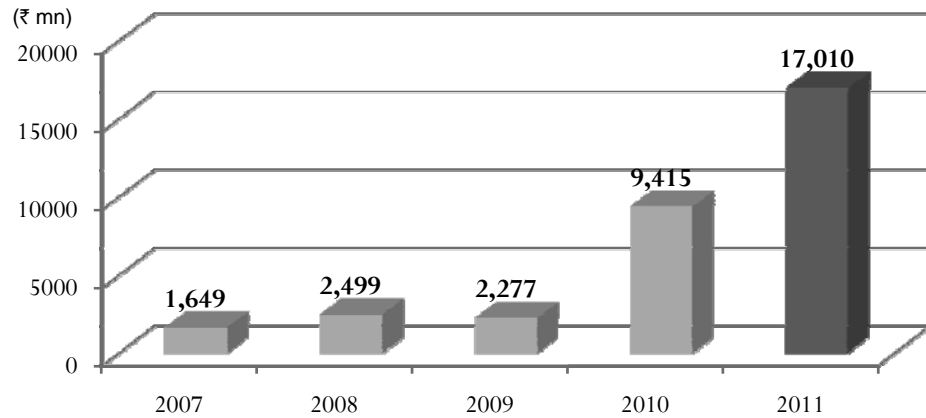
Average Capital Employed⁽³⁾⁽⁴⁾



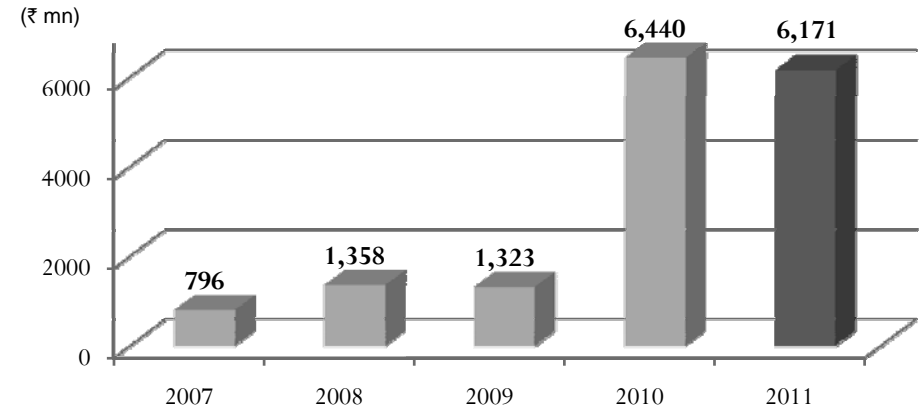
1. Includes other income and Excludes gain from Foreign exchange fluctuation
2. RoE based on average equity; for Q3 FY11 it is annualised
3. RoCE based on average capital employed; for Q3 FY11 it is annualised
4. RoE, RoCE and Average Capital employed figures based on actual FY2007 numbers and not average for FY2007



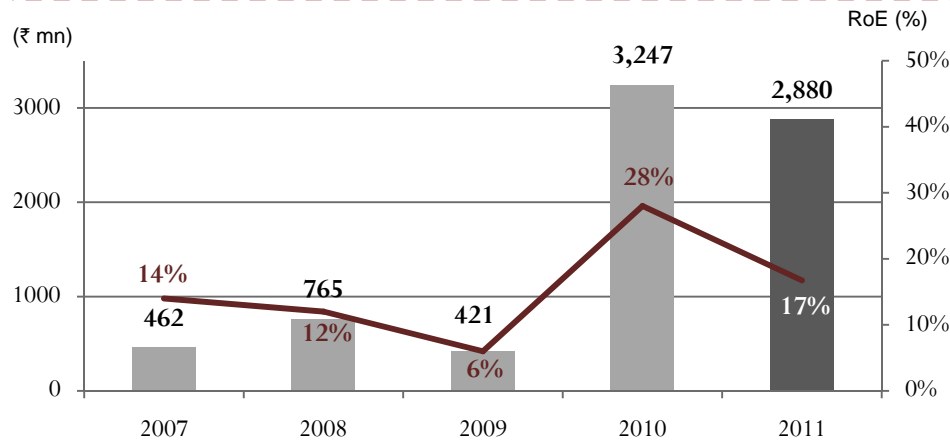
Revenue



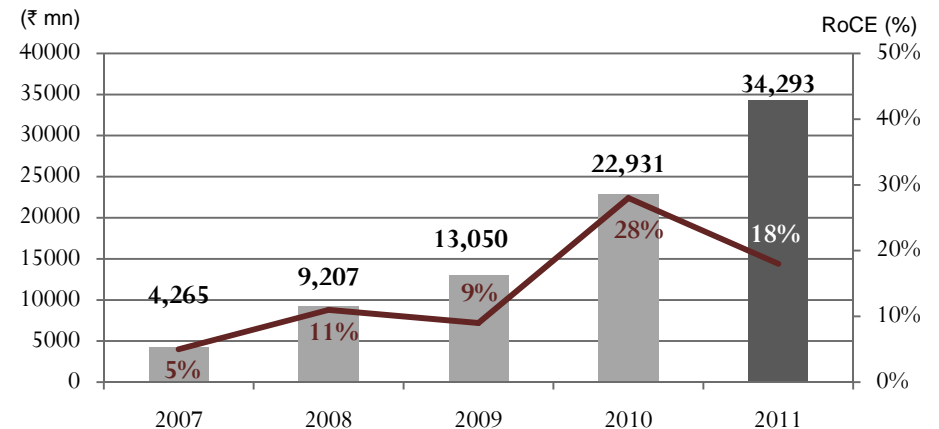
EBITDA⁽¹⁾



PAT⁽²⁾



Average Capital Employed⁽³⁾



1. Includes other income and including gain from Foreign exchange fluctuation
2. RoE based on average equity; for H1 FY11 it is annualised
3. RoCE based on average capital employed; for H1 FY11 it is annualised

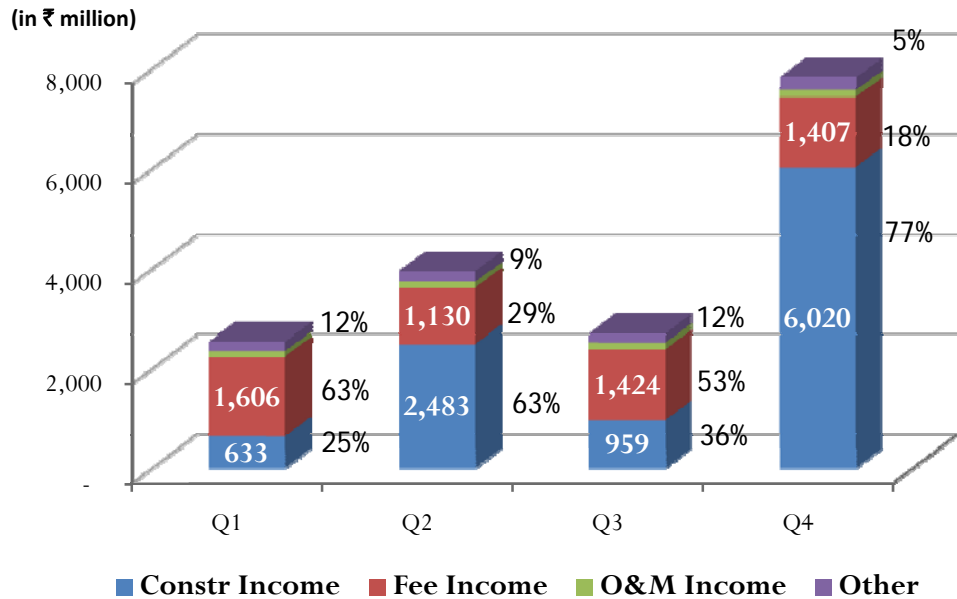


(All figures in ₹ million)

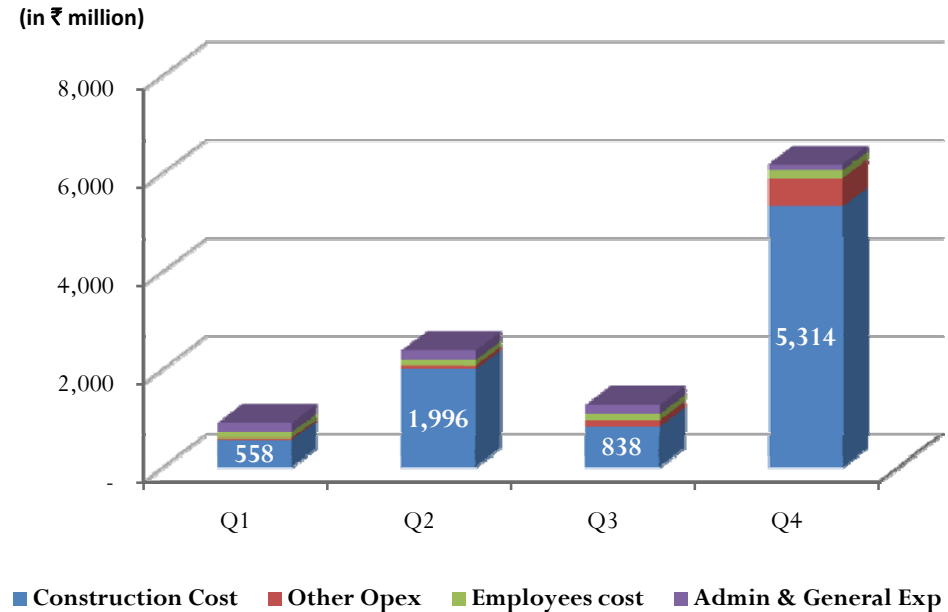
Key Parameters	Consolidated			Standalone		
	FY11	FY10	% Change	FY11	FY10	% Change
Revenue	41,274	24,873	66%	17,010	9,415	81%
EBITDA	12,335	8,785	40%	6,171	6,440	-3%
EBITDA Margin	30%	35%		36%	68%	
Interest*	4,981	2,941	69%	1,555	1,425	9%
Depreciation	614	603	2%	98	43	127%
Profit Before Tax	6,740	5,241	29%	4,517	4,971	-9%
PAT after minority interest	4,329	3,444	26%	2,880	3,247	-11%

* For consolidated results, as per the relevant accounting policy, annuity projects are treated as financial assets and shown as 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



Expenses

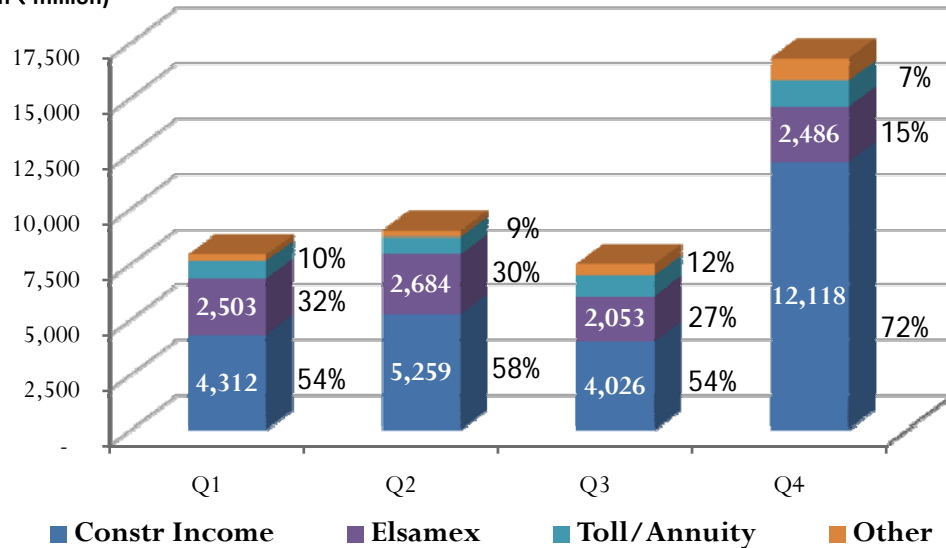


- As reported during last quarter, the construction activity has picked up with increase in the number of projects wherein construction is on full swing and hence the resultant increase in construction revenue
- Fee income in Q4 is arising from income accruals from MP border check-post, Jharkhand state road projects and Chandrapur Warora project
- The margins from the new projects are recognized after a threshold construction progress is achieved (typically 10%)

- The variation in construction costs is commensurate with the construction income that is received in the respective quarters since, in the EPC undertaken by ITNL, construction is outsourced
- The other operating expenses mainly consist of legal and technical fees, O&M expenses etc. For the year as a whole these are lower by ~30% as compared to FY10. The increase seen in Q4 is mainly on account of increase in fee paid for technical and other services

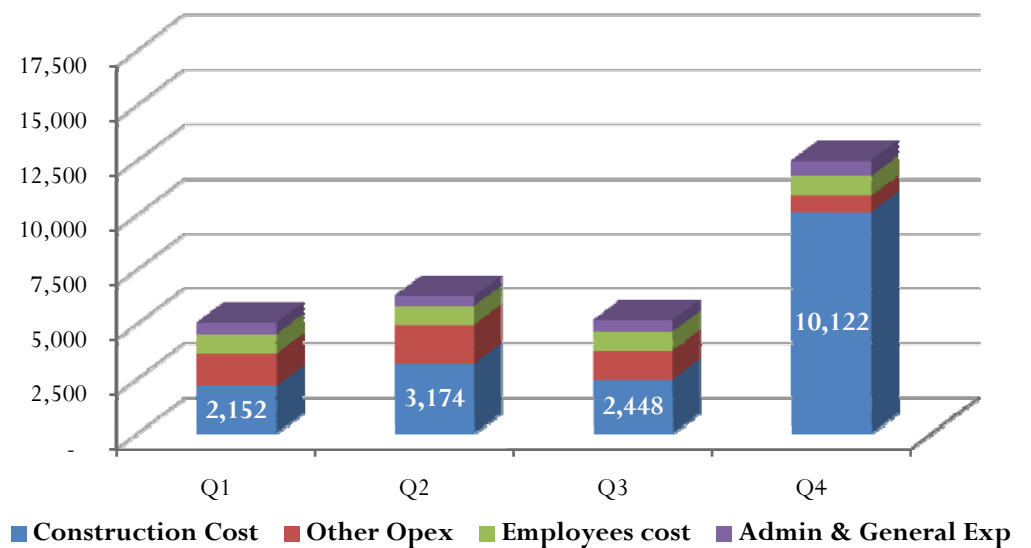
Revenue

(in ₹ million)



Expenses

(in ₹ million)



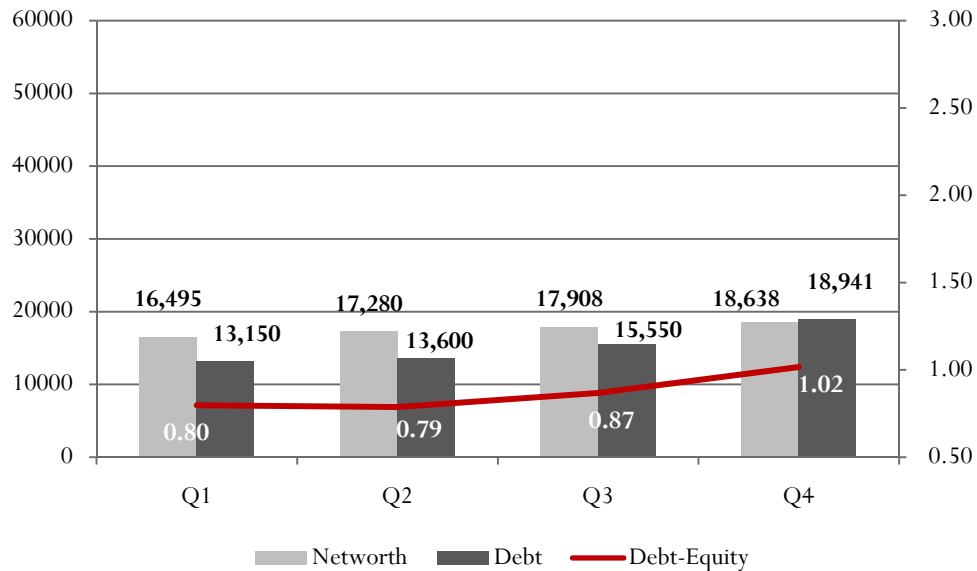
- Total Income during this quarter has increased vis-à-vis earlier quarters mainly on account of increase in construction activity in most projects under construction. The threshold construction progress has been achieved in all projects except Chenani Nashri and Narkatpally Addanki
- The difference between standalone and consolidated construction revenues is a) due to projects in which ITNL does not do the EPC e.g. Jharkhand Road Projects and b) on account of IDC and margin recognized at the consolidated level in accordance with applicable accounting policies

- Apart from the construction cost, other operating and employee costs are higher than in standalone mainly because of expenses of Elsamex which are consolidated
- Construction costs have a positive correlation with the construction revenue and hence the increase in construction cost in Q4 because of increase in construction activity and resultant revenue



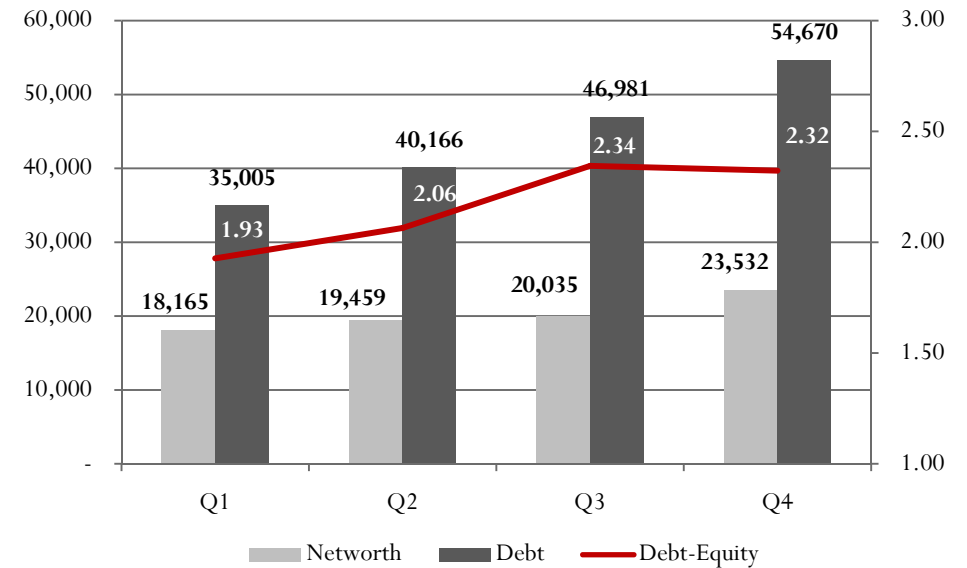
Standalone

(in ₹ million)



Consolidated

(in ₹ million)



- The Debt Equity at the standalone level has increased on account of increased borrowings for meeting cash flow requirement
- The debt is mostly unsecured debt and taken against cash accruals expected from the fee income and construction margins from projects under construction
- The increase in debt at consolidated level is mainly on account of drawdown happening from debt tied-up for each of the projects and is generally project recourse debt

Incremental Equity Commitment for existing projects including the L-1 project from NHAI is ₹ 1,750 million
Total Investments made till 31-Mar-11 (including advance against equity) is approximately ₹ 24,000 million

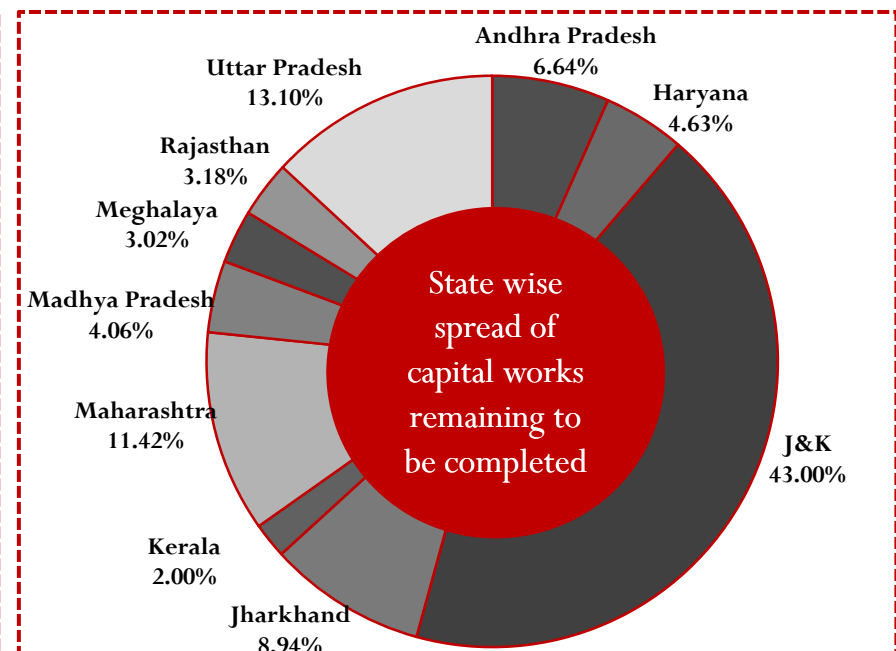
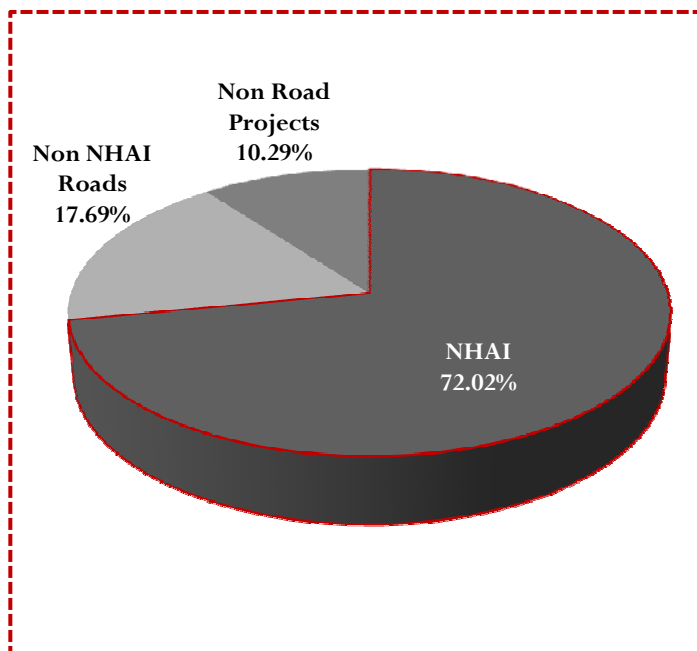


Capital Works remaining to be executed (ITNL proportionate share)

(In ₹ million as on 31-Mar-11)

Of projects awarded till last quarter*	92,900
Of projects where we have emerged as L-1 (not including Almatty to Horgos project)**	16,600
Total of Capital Works remaining to be executed	109,500

Project capital works remaining to be executed



•Not considering Jharkhand Highways Ph-II and Chhattisgarh Highways where DPR phase is currently underway
 •*** NHAI project from Udhampur to Ramban in J&K where ITNL has emerged as L-1 and the Kerala Stadium Project where ITNL is L-1 bidder



Revenue Collection on Operational Road Projects

Not adjusted for ITNL stake (All figures in ₹ million)

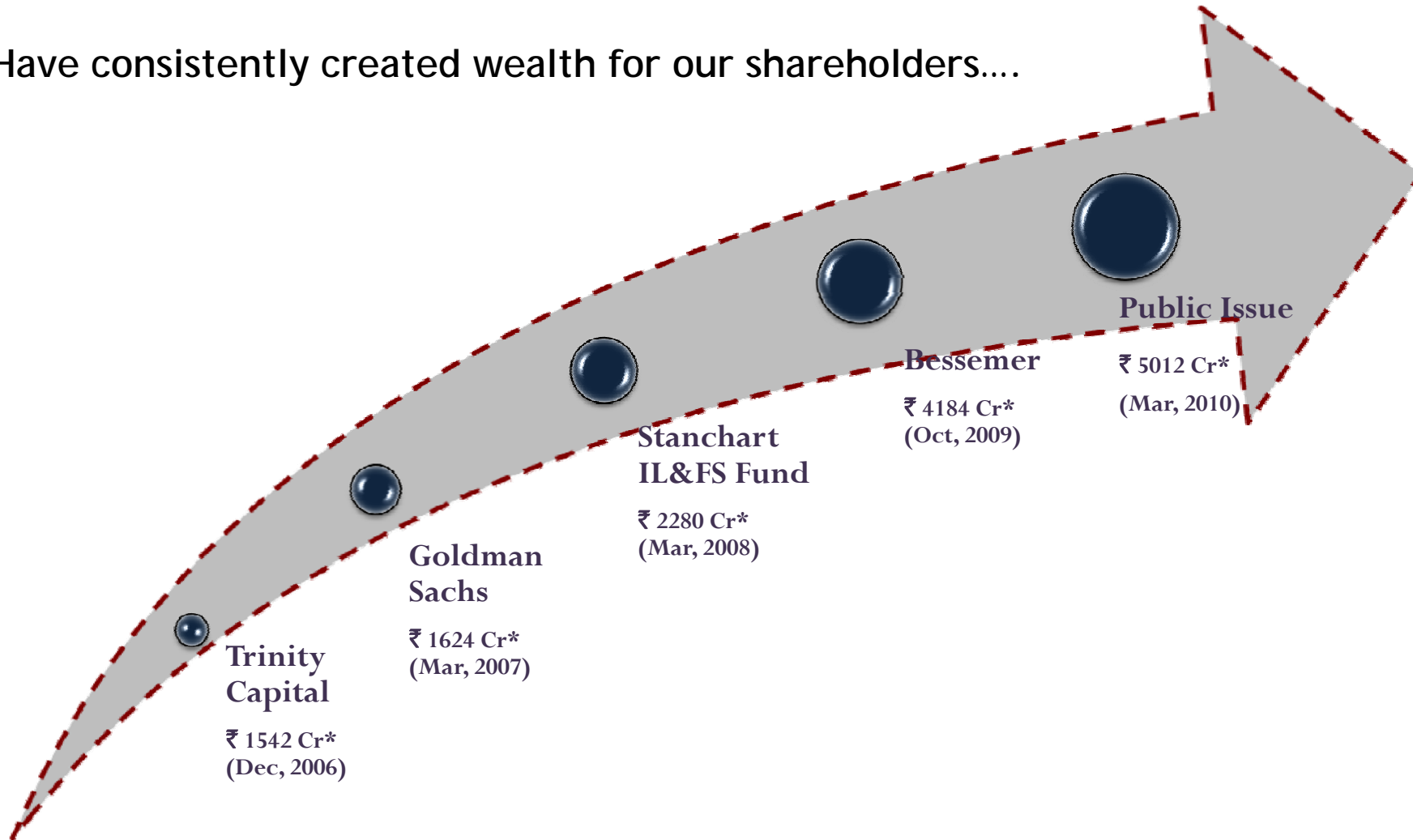
Toll Projects under Operation	Average Daily Toll Collection		
	In FY10	In FY11	In Q4FY11
Ahmedabad Mehsana Road (Gujarat)	1.17	1.32	1.43
Vadodra Halol Road (Gujarat)	0.86	1.01	1.09
Noida Toll Bridge (UP)	1.94	1.91	1.96
Mega Highways – Rajasthan (Ph-I)	2.26	2.91	2.98
Rajkot to Jetpur – Gondal (Gujarat)	0.85	0.92	0.94
Beawer Gomti (Rajasthan) (Operational since 25th August 2010)		0.43	0.45

Operational Annuity Projects	Annuity receivable Per Annum	Received /accrued in FY11
Maharashtra Border to Belgaum (Karnataka)	1,010.34	1,010.34
Thirvananthapuram City Roads (Ph-I) (Kerala)	118.00	114.26
Kotakatta to Kurnool (Andhra Pradesh)	1130.40	1126.17

Total Average Daily Collection from toll and annuity in FY11 has been around ₹ 15 million



Have consistently created wealth for our shareholders....



* Post money valuation



Independent Directors

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

Non-Independent Directors

Name	Designation
Mr Ravi Parthasarthy	Chairman, IL&FS
Mr Hari Sankaran	Managing Director, IL&FS
Mr Arun K Saha	Joint Managing Director, IL&FS
Mr Vibhav Kapoor	Group Chief Investment Officer, IL&FS
Mr Pradeep Puri	Managing Director, NTBCL
Mr R C Chandra	Partner, Bessemer Venture Partners
Mr K Ramchand	Managing Director
Mr Mukund Sapre	Executive Director



K. Ramchand
Managing Director

- He has over 30 years of experience in urban and transport infrastructure development sector

Mukund Sapre
Executive Director

- He has over 27 years of experience in the industry.

Harish Mathur
Chief Executive

- Has over 33 years of experience in various road construction projects.

M. K. Mohan
Chief Executive

- He has over 30 years of experience in the infrastructure and construction sector. He is responsible for Project Implementation

Cherian George
Chief Financial Officer

- He has over 35 years of experience in accounting and finance. Responsible for Financial and Accounting matters, Statutory Compliances and Financial Planning

V. K. Raina
Technical Director

- He has over 40 years of experience in the industry. He is our in-house expert on structures including bridges and RoBs. In the past, he has been associated with many projects and has authored many books on the subject too

S C Mittal
Senior Vice President

- He has over 28 years of experience in the industry. He heads our in-house design unit

Krishna Ghag
AVP & Company Secretary

- He has over 28 years of experience in the industry. He is the compliance officer, legal adviser and Company Secretary



Thank You



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