

IL&FS Transportation Networks Limited

Analyst Presentation – November 2011



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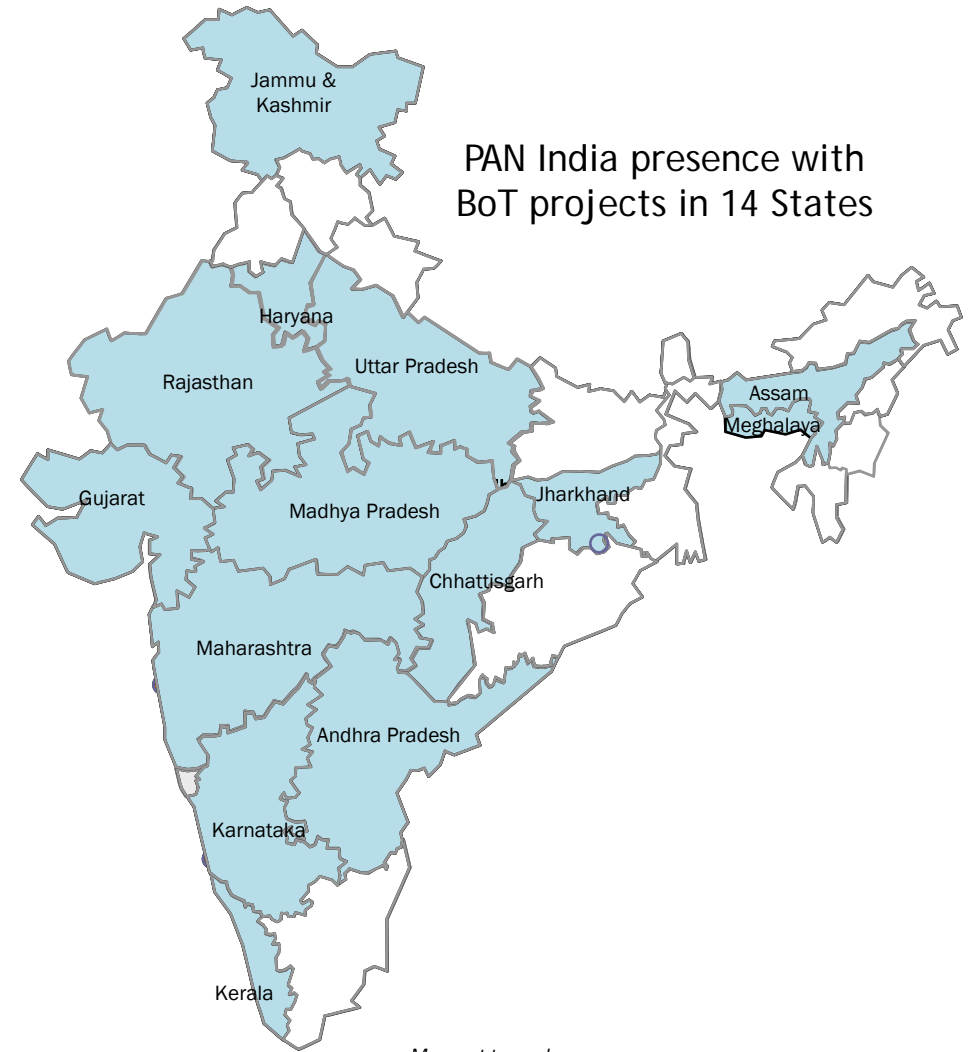
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- Company Overview
- Key Differentiators
- The ITNL Group
- Project Portfolio
- Recent Project Awards and Financial Closures
- Project Pipeline
- Road Sector Opportunity
- Financial Performance Parameters
- Key Quarterly Financial Parameters of Q2FY12
- Capital Works Remaining to be Executed
- Toll and Annuity Collection on Operational Projects
- Board of Directors and Key Managerial Personnel

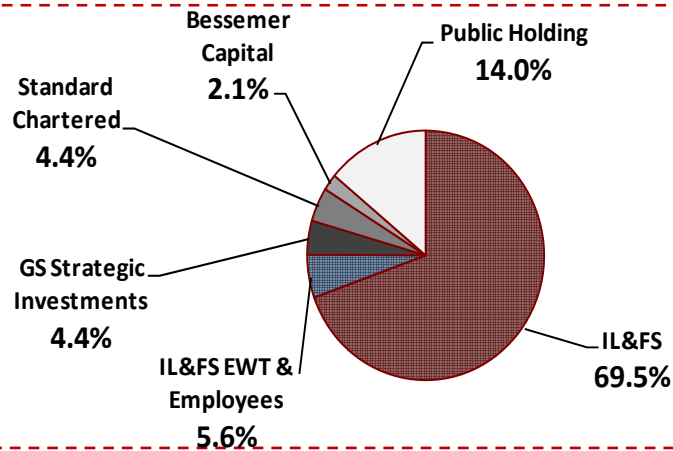


- IL&FS Transportation Networks Limited (ITNL) has the largest BoT road asset portfolio (in terms of lane kilometer) in India
- ITNL has a pan India presence with projects in around 14 states
- Promoted by Infrastructure Leasing and Financial Services Limited (IL&FS) in the year 2000
- ITNL has ~9,500 lane km under its road assets portfolio
- 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 9,500 lane km comprised in 20 projects in its road assets portfolio
- Forays into other surface transportation sub-sectors like metro, bus & border check-post



Track Record of Successful Project Implementation

- Commissioned over 4,700 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

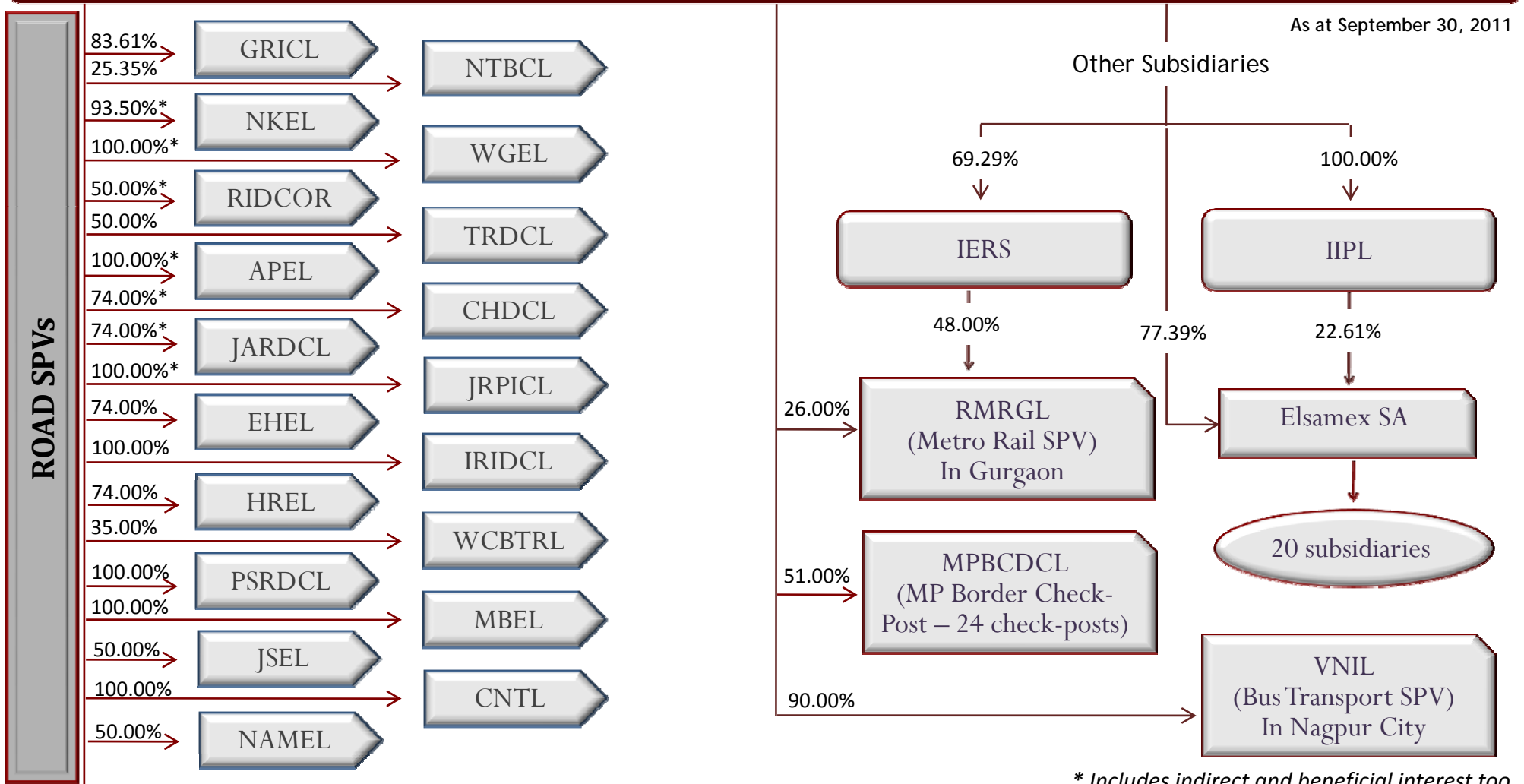


Diversified and de-risked portfolio

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

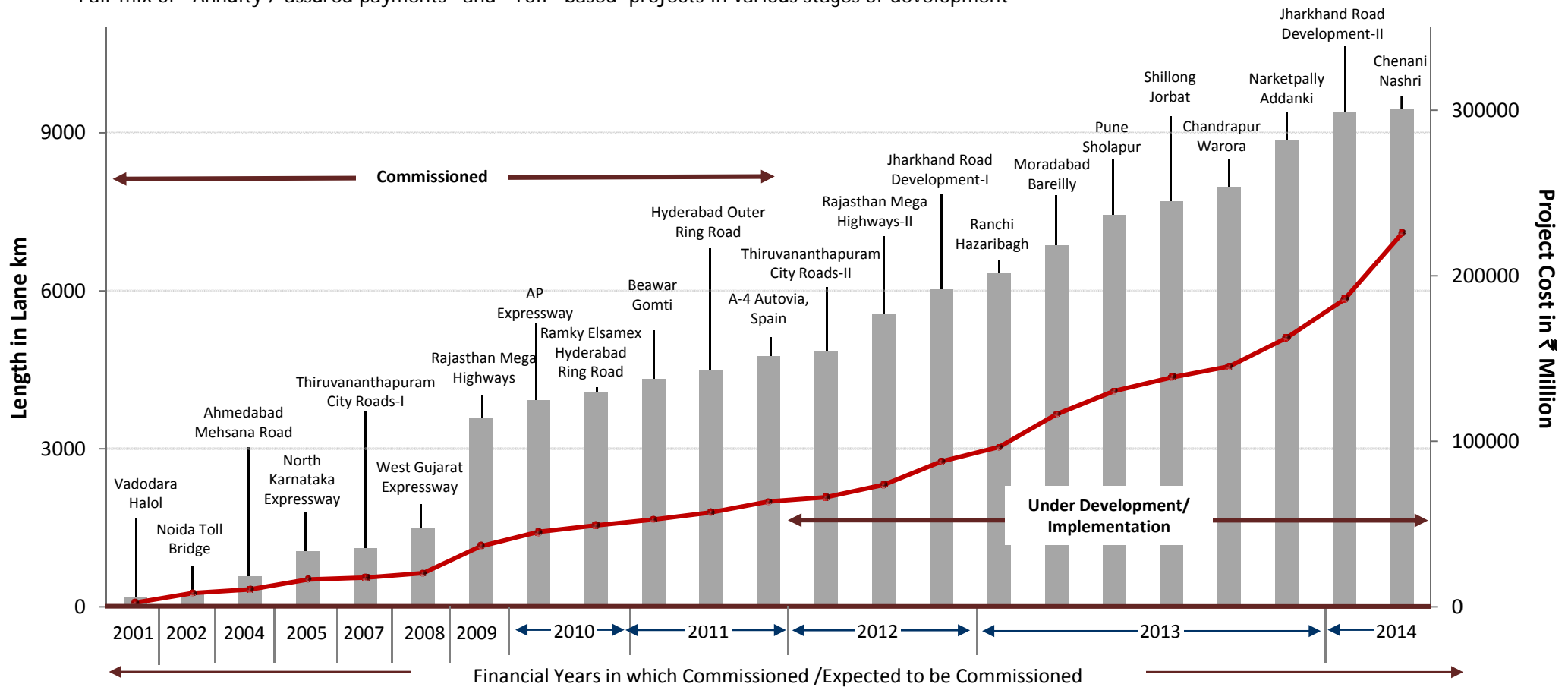


IL&FS Transportation Networks Limited



* Includes indirect and beneficial interest too

- Diverse BOT portfolio of 20 road projects covering ~9,500 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 the largest Private Sector BOT Road Asset Portfolio in India

Project Cost ———



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 ending on 2020 - 470 buses deployed
- Project Cost ~ ₹ 715.14 mn, ₹ 394.10 mn sanctioned by Pooled Municipal Debt Obligation Fund & Other ₹ 162.10 mn sanctioned by UBI for JnNURM buses.

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 ₹13,500 mn



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	-	13,500
Gurgaon Metro Rail	HUDA	Fee	4.8 km	11,000
Two stretches under JARDP	GoJ	Annuity	198	6,732
Total				1,66,036

Debt Tied-up

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
MP Border Check Post	11,475
Total Debt tied –up	124,553

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

*Under Jharkhand Accelerated Development Program concession agreements were signed for Ranchi Ring Road; Ranchi to Patratu road; and Patratu to Ramgarh road. Subsequently, Government of Jharkhand signed concessions for Chaibasa Kandra Chowka & Adityapur Kandra roads, for which financial closure is underway

As of November 1, 2011

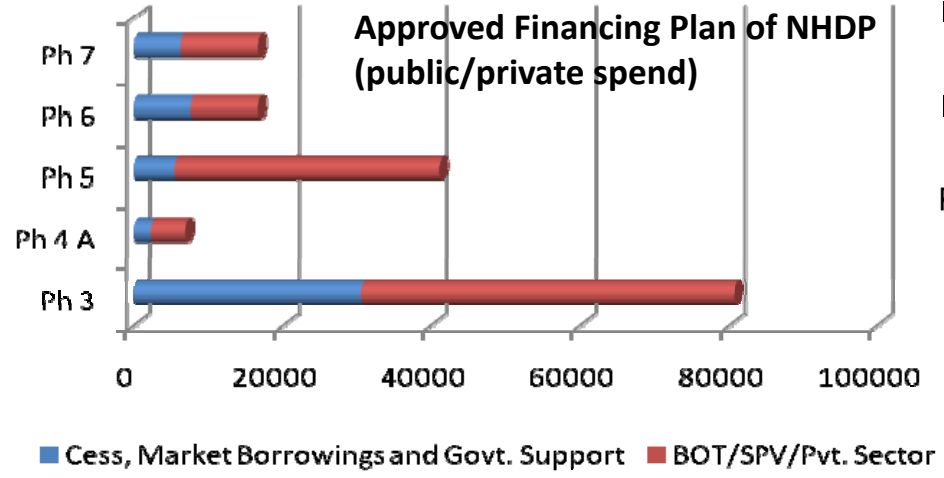
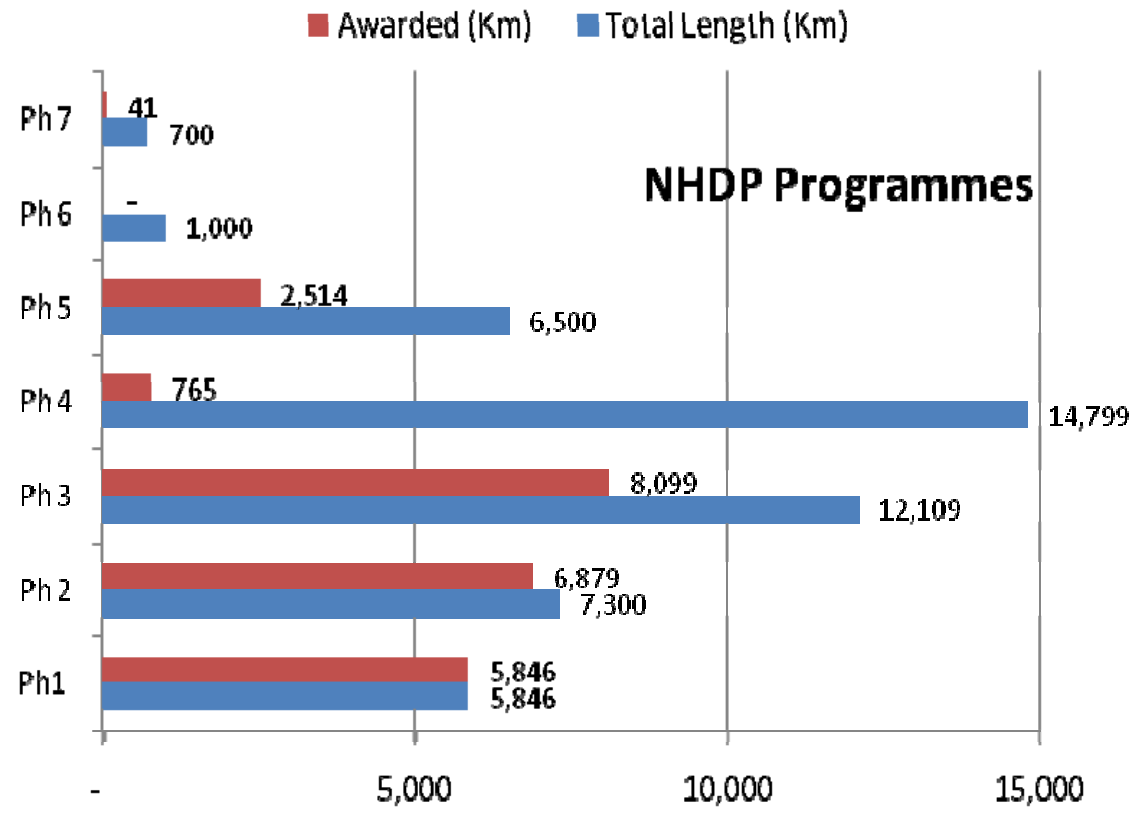
BID PIPELINE						
	RFP Stage (Post Qualification)			RFQ Stage (Pre Qualification)		
	Projects	Length (km)	Cost (₹ Mn)	Projects	Length (km)	Cost (₹ Mn)
NHAI	6	557	48,033	51	5,665	474,261
MORTH	-	-	-	1	80	16,000
STATE PROJECTS	6	604	23,740	20	2,677	123,860
Total	12	1,161	71,773	72	8,422	614,121



~23,000 km of award pending under NHDP - to be substantially executed under PPP

NHAI has targeted award of around 7,300 km in FY12

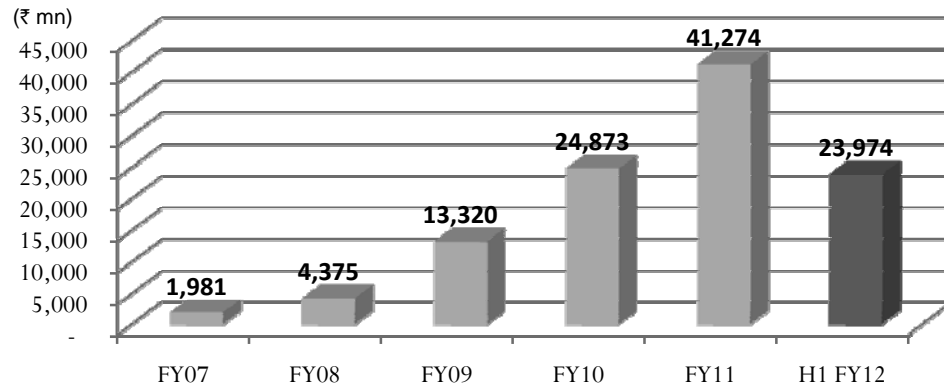
Program	Current rollout plan (in Km)
NHDP-III	1,274
NHDP-IV	7,235
NHDP-V	2,561
SARDP-NE	81
Total	11,151



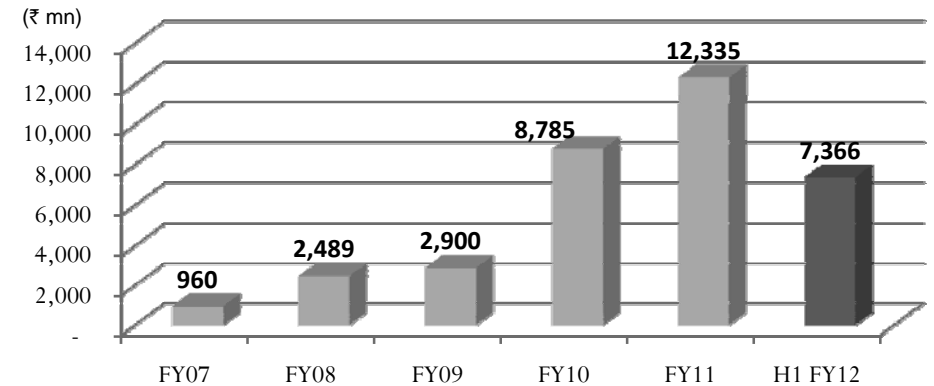
Total spend envisaged ~ USD 65bn



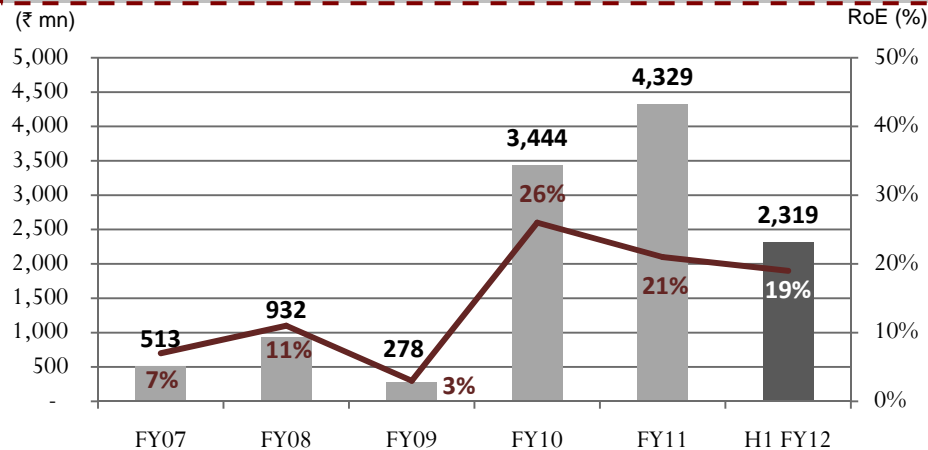
Revenue



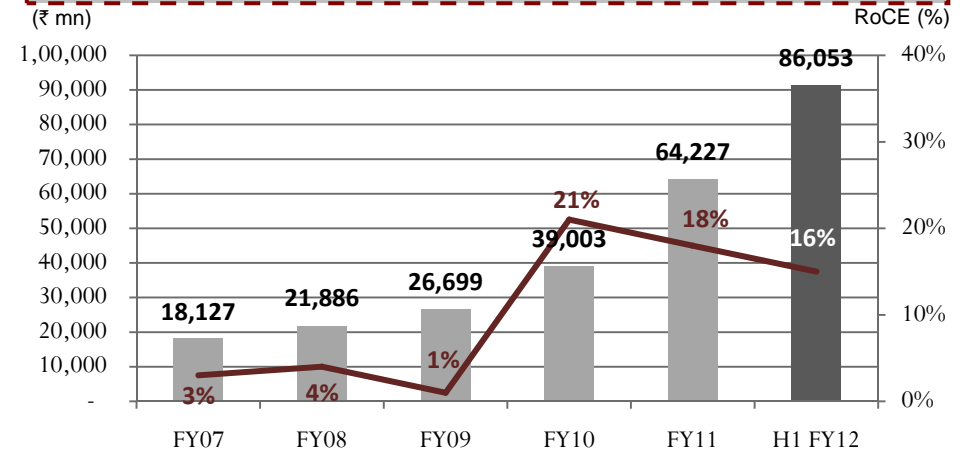
EBITDA⁽¹⁾



Profit After Tax⁽²⁾



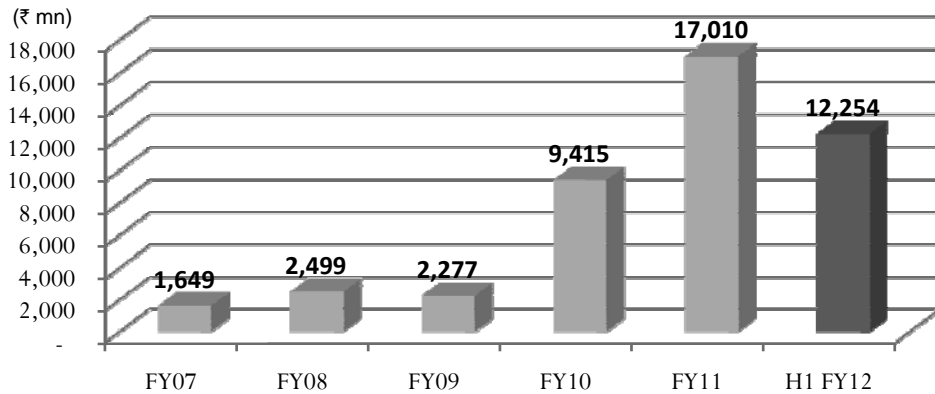
Average Capital Employed⁽³⁾



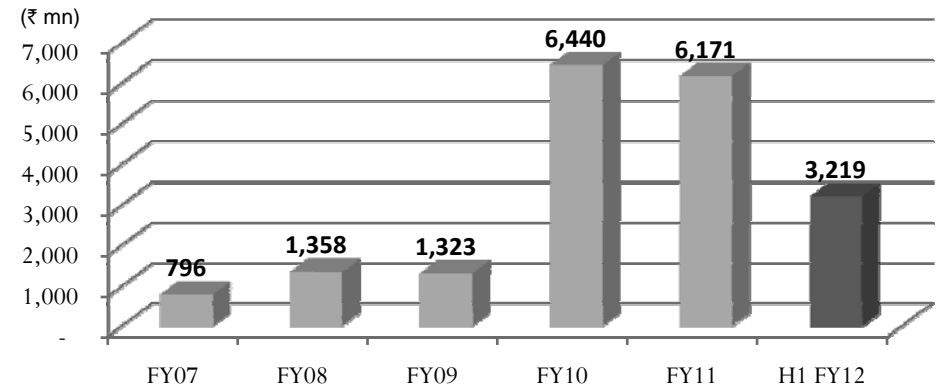
1. Includes other income and excludes gain from Foreign exchange fluctuation
2. RoE based on average equity; for H1 FY12 it is annualised
3. RoCE based on average capital employed; for H1 FY12 it is annualised



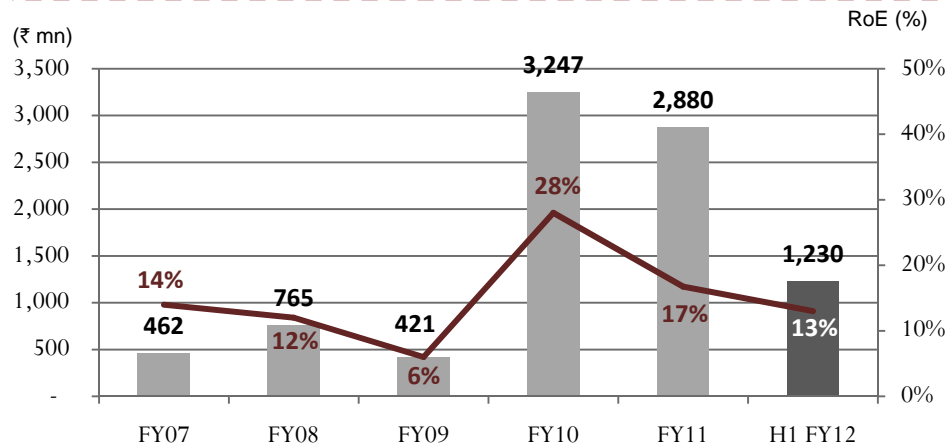
Revenue



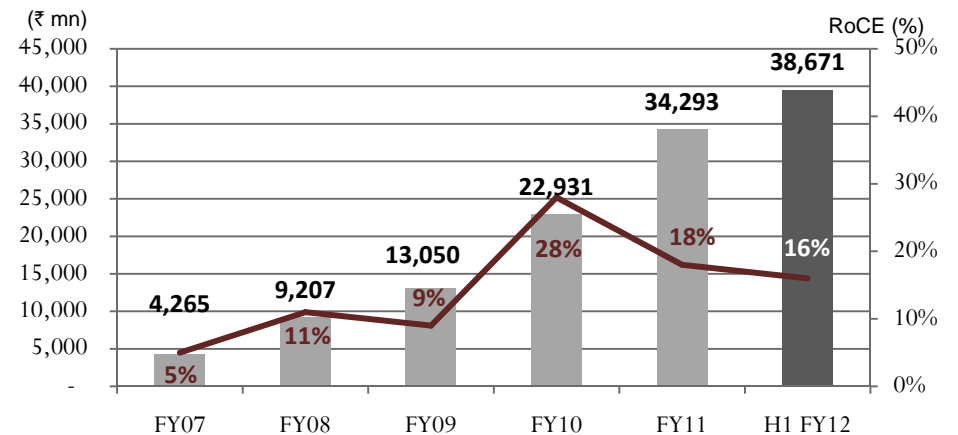
EBITDA⁽¹⁾



Profit After Tax⁽²⁾



Average Capital Employed⁽³⁾



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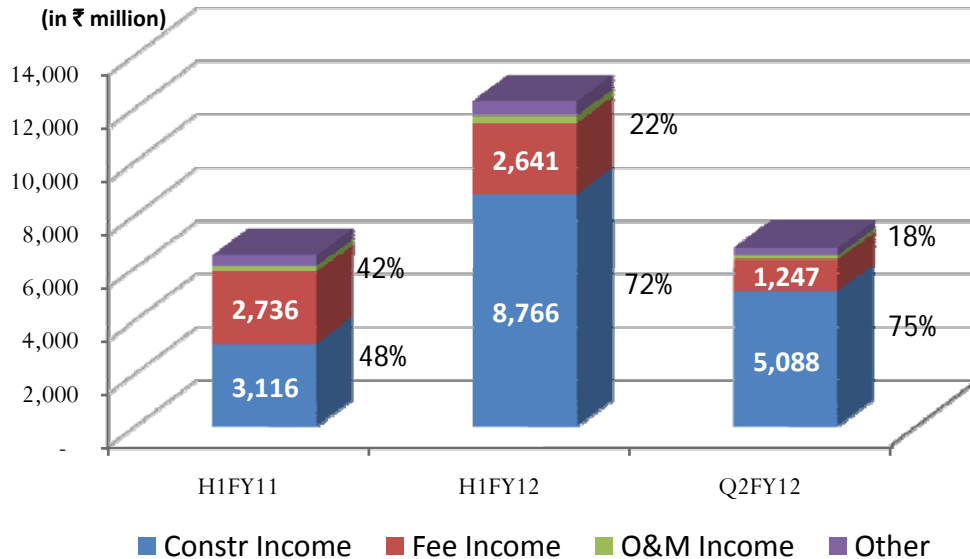
(All figures in ₹ million)

Key Parameters	Consolidated			Standalone		
	Q2 FY12	Q2 FY11	Change	Q2 FY12	Q2 FY11	Change
Revenue	12,560	8,832	42%	6,483	3,730	74%
Other Income	258	311		288	224	
EBITDA	3,829	2,802	37%	1,607	1,576	2%
EBITDA Margin	30%	31%		24%	40%	
Interest*	1,694	983	72%	609	331	84%
Depreciation	160	142	13%	26	25	4%
Profit Before Tax	1,975	1,677	18%	972	1,220	-20%
PAT after minority interest	1,162	1,075	8%	602	786	-23%

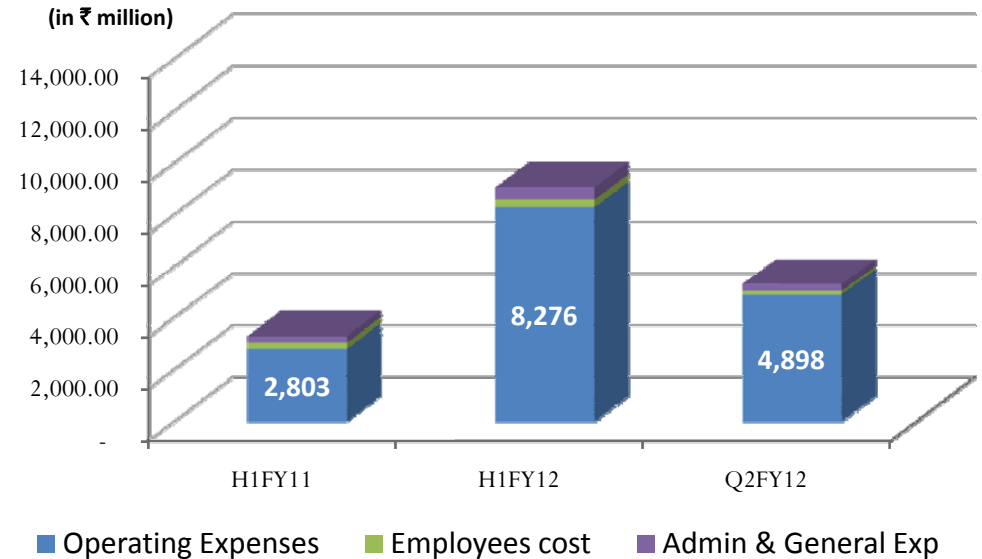
* In consolidated results, as per the relevant accounting policy, annuity projects are treated as financial assets and shown as receivable in the balance sheet. Hence interest during construction on annuity projects is charged to P&L unlike for toll projects where it is capitalized



Revenue



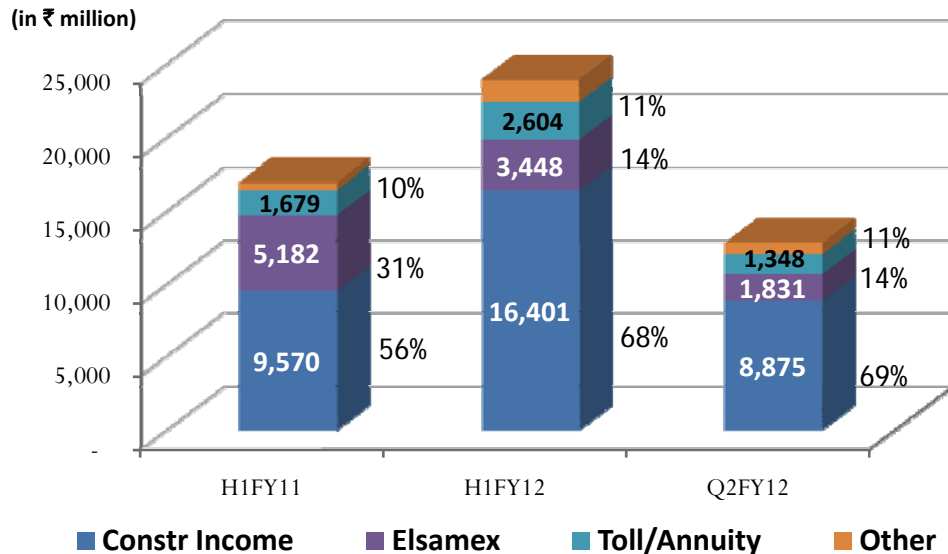
Expenses



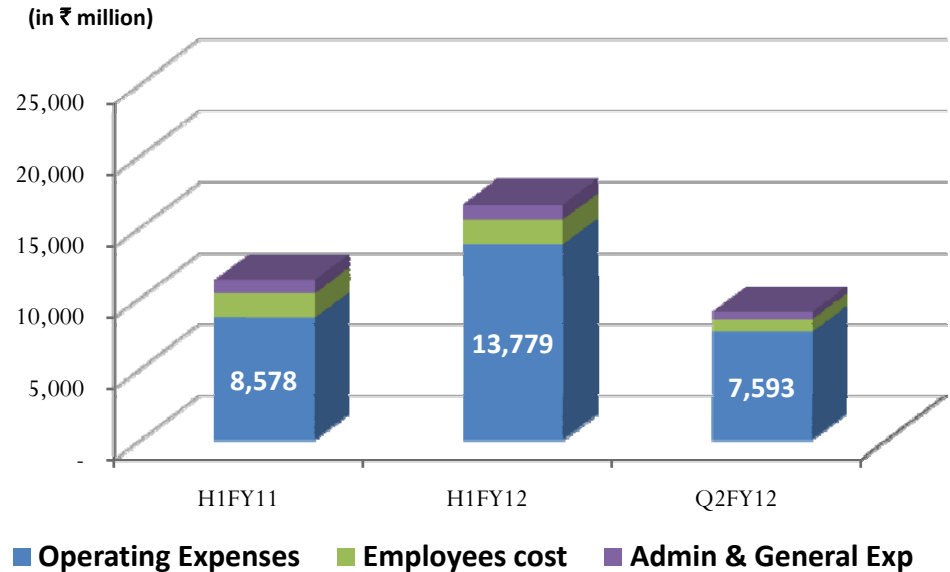
- As in past quarters, construction activity, as a proportion of total revenue, has become a major component with increase in the progress and number of projects under execution
- Fee income in Q2 has gone down as no new project wins except for the Adityapur project in Jharkhand has happened. The fee income is mainly on account of supervision fee income from Jharkhand state road projects
- The margin on construction from projects is recognized after threshold construction progress is achieved (typically 10%)

- The increase in operating expenses is commensurate with the increase in construction income since, in the EPC undertaken by ITNL, construction is outsourced
- Admin cost in H1FY12 have increased as compared to the relevant half year of last year. These mainly consist of Fees for Technical Services, O&M expenses etc. The increase is mainly on account of increase in O&M expenses from newly commissioned projects

Revenue



Expenses



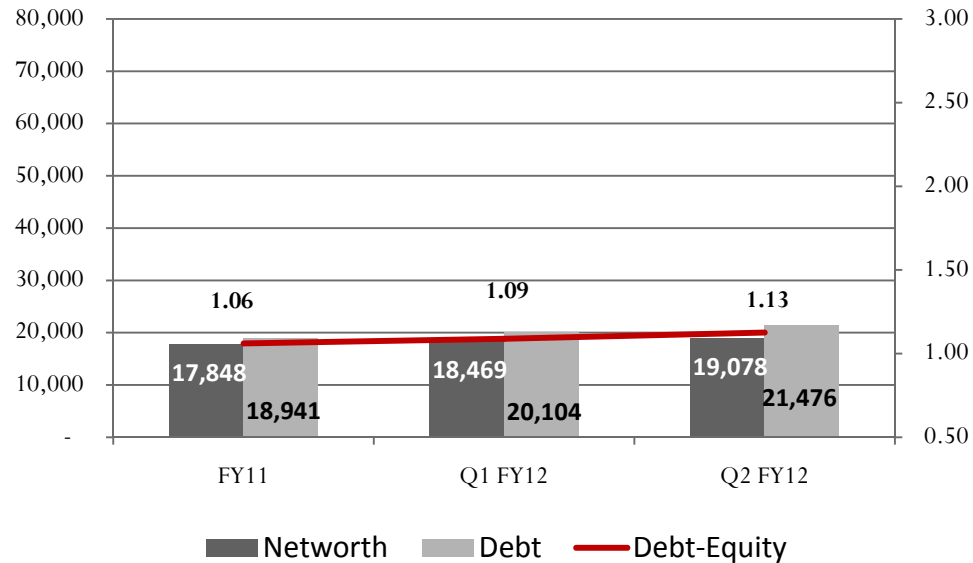
- Total Income during this quarter has compared to relevant quarter of last year mainly on account of increased construction activity, increase in toll & annuity revenues
- The difference between standalone and consolidated construction revenues is a) due to projects in which ITNL does have the EPC contract 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 expenses and employee costs have reduced on a YoY basis
- Construction costs would vary with construction revenue in a positive correlation. Construction costs have been higher in this quarter because of increase in construction activity and resultant revenue



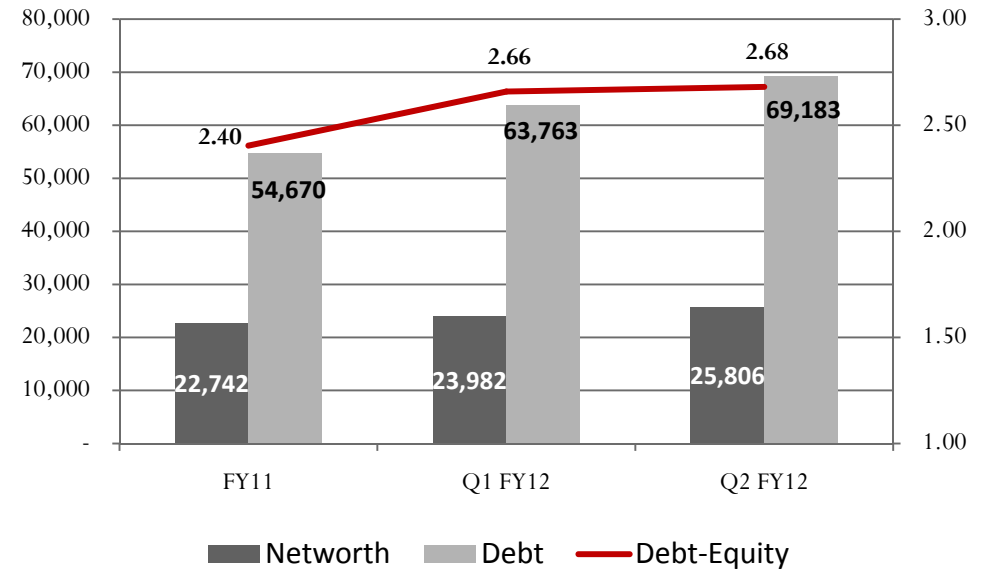
Standalone

(in ₹ million)



Consolidated

(in ₹ million)



- The Debt Equity at the standalone level has increased marginally on account of increase in borrowings for meeting cash flow requirement
- The standalone 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 mostly project recourse debt

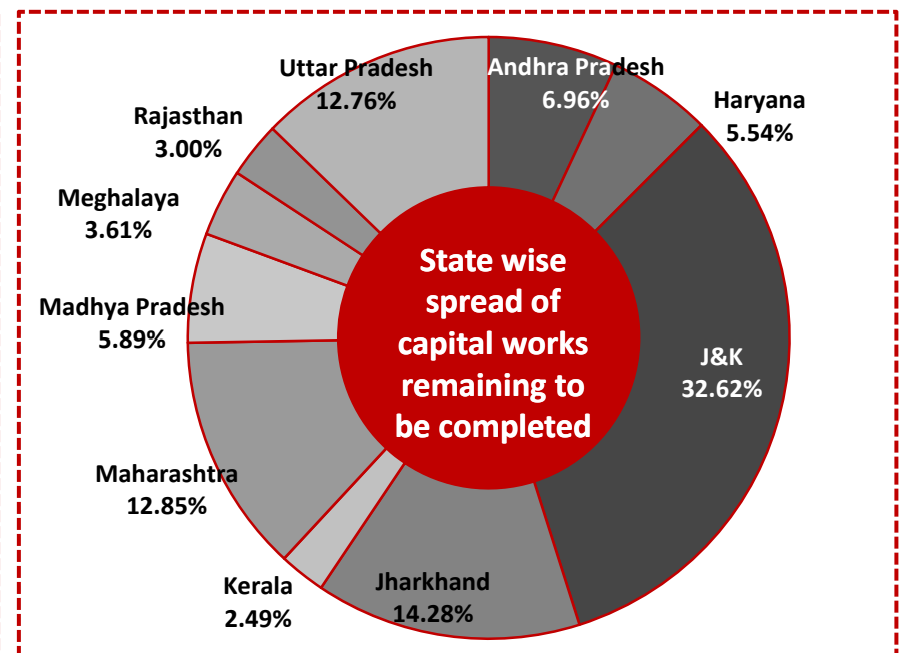
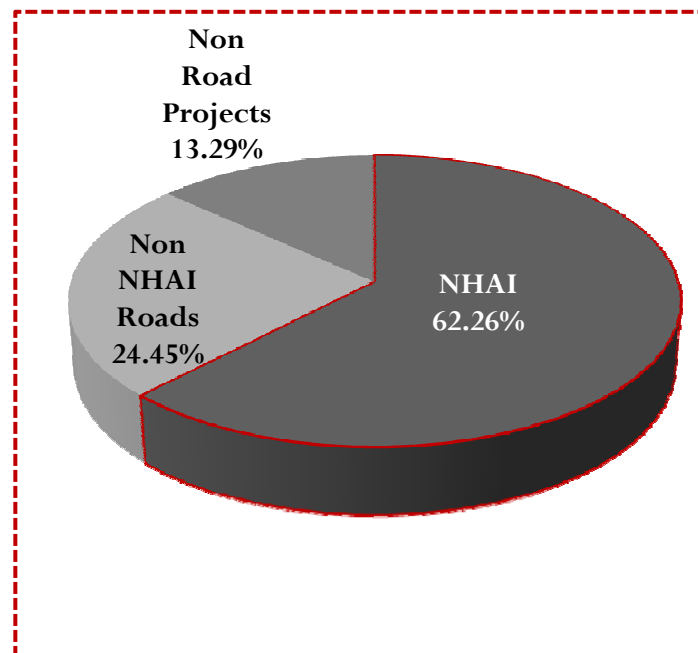
Incremental Equity Commitment for existing projects is around ₹ 1,500 million
Total Investments made till 30-Sep-11 (including advance against equity) is approximately ₹ 26,500 million

Capital Works remaining to be executed (ITNL proportionate share)

(In ₹ million as on 30-September-11)

Of projects awarded till last quarter*	89,000
	-
Total of Capital Works remaining to be executed	89,000

Project capital works remaining to be executed



Revenue Collection on Operational Road Projects

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

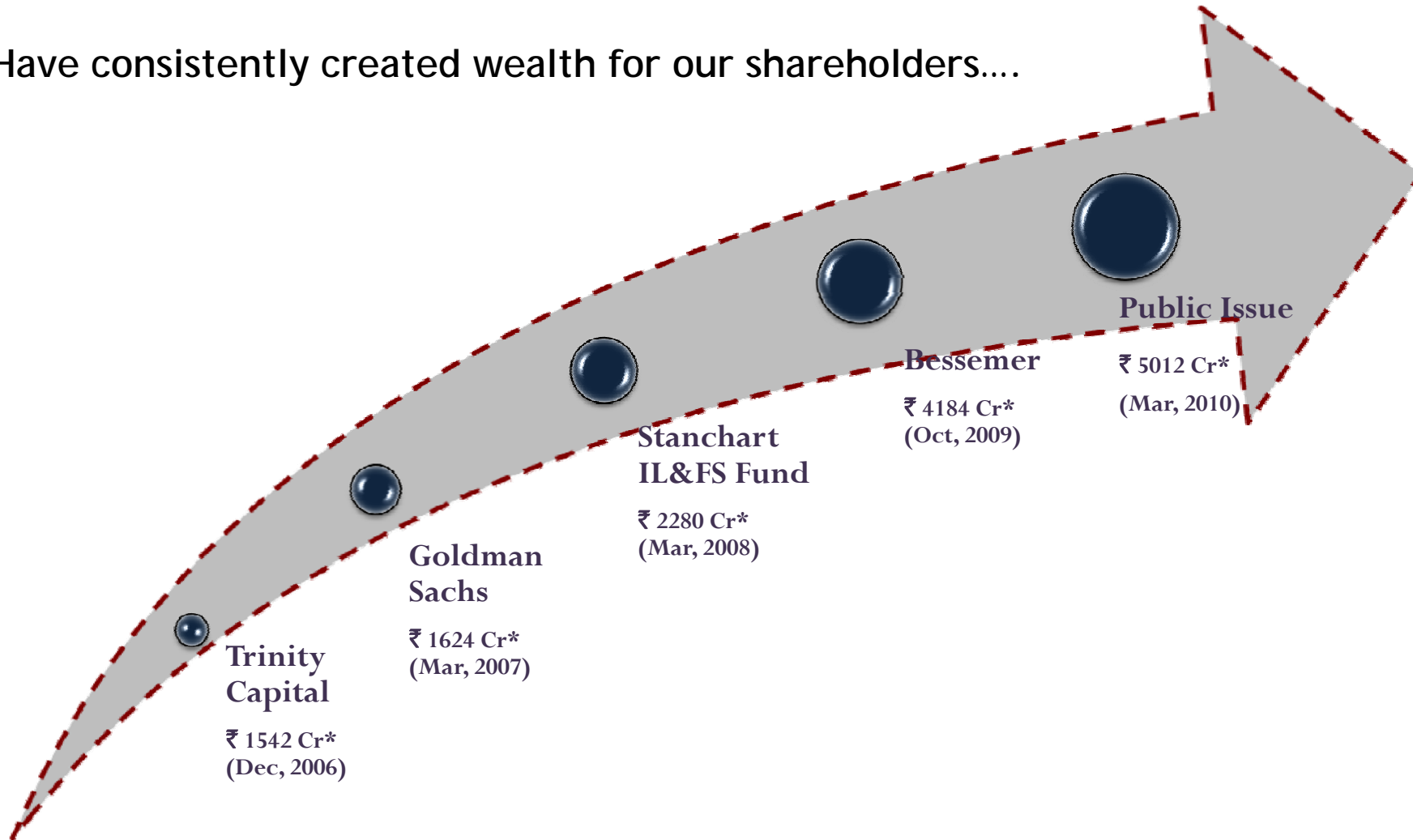
Toll Projects under Operation	Average Daily Toll Collection		
	In FY11	In Q1FY12	In Q2FY12
Ahmedabad Mehsana Road (Gujarat)	1.32	1.55	1.61
Vadodra Halol Road (Gujarat)	1.01	1.13	1.21
Noida Toll Bridge (UP)	1.91	1.93	1.97
Mega Highways – Rajasthan (Ph-I)	2.91	4.04	3.99
Rajkot to Jetpur – Gondal (Gujarat)	0.92	0.98	0.99
Beawer Gomti (Rajasthan)	0.43	0.44	0.46

Operational Annuity Projects	Annuity receivable Per Annum	Accrued in Q2FY12
Maharashtra Border to Belgaum (Karnataka)	1,010.34	252.58
Thirvananthapuram City Roads (Ph-I) (Kerala)	118.00	29.5
Kotakatta to Kurnool (Andhra Pradesh)	1130.40	282.6
East Hyderabad Expressway Limited	666.6	166.5

Total Average Daily Collection from toll and annuity in Q2FY12 has been around ₹ 18.18 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	Former 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.

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 and is our in-house expert on structures including bridges and RoBs. He has been associated with many projects & has authored 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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