GMR Infrastructure Limited

Registered Office: 25/1, Skip House, Museum Road, Bengaluru - 560 025

Unaudited Financial Results for the Quarter and Nine months ended December 31, 2010

Particulars	Consolidated Results (in Rs. Crores, except for share data)				
	Quarter ended December 31		Nine months ended December 31		Year ended March 31
	2010 Unaudited	2009 Unaudited	2010 Unaudited	2009 Unaudited	2010 Audited
1. Revenue from Operations					
Gross Sales/ Income from Operations	1,534.10	1,197.23	4,253.46	3,822.69	5,123.42
Less: Revenue share paid/ payable to concessionaire grantors	175.32	130.51	441.63	381.14	556.91
Net Sales/ Income from Operations	**1,358.78**	**1,066.72**	**3,811.83**	**3,441.55**	**4,566.51**
2. Expenditure					
a) Consumption of Fuel	274.00	309.16	871.82	1,075.17	1,386.92
b) (Increase) or Decrease in Stock in Trade	(40.21)	(5.47)	(29.02)	(3.55)	(15.52)
c) Generation and Operating Expenses	318.98	195.04	715.46	583.71	800.95
d) Purchase of Traded Goods	228.63	89.95	648.93	322.33	404.24
e) Employees Cost	76.75	58.11	203.11	179.23	293.16
f) General and Administrative Expenditure	119.38	74.53	286.74	234.92	332.45
Total Operating Cost	**977.53**	**721.32**	**2,697.04**	**2,391.81**	**3,202.20**
3. E B I D T A (1) - (2)	**381.25**	**345.40**	**1,114.79**	**1,049.74**	**1,364.31**
4. Depreciation / Amortisation	235.68	169.96	599.77	448.08	612.24
5. Profit from Operations before Other Income, Interest and Exceptional items (3) - (4)	**145.57**	**175.44**	**515.02**	**601.66**	**752.07**
6. Other Income	14.63	31.83	96.17	56.34	163.39
7. Profit from Operations before Interest and Exceptional items (5) + (6)	**160.20**	**207.27**	**611.19**	**658.00**	**915.46**
8. Interest (net)	294.05	162.75	781.53	499.64	722.33
9. Profit/ (Loss) after Interest but before Exceptional items (7) - (8)	**(133.85)**	**44.52**	**(170.34)**	**158.36**	**193.13**
10. Exceptional Item	-	-	140.33	-	-
11. Profit/ (Loss) from Ordinary Activities before tax (9) - (10)	**(133.85)**	**44.52**	**(30.01)**	**158.36**	**193.13**
12. Provision for Taxation					
- Current Tax	28.21	20.32	60.76	67.54	70.76
- Less: MAT Credit entitlement	(5.55)	-	(11.43)	-	(4.41)
- Deferred Tax	(104.64)	(7.02)	(101.79)	(23.66)	(98.56)
13. Net Profit/(Loss) from Ordinary Activities after tax and before minority interest and share of profit /(loss) from associates	**(51.87)**	**31.22**	**22.45**	**114.48**	**225.34**
14. Minority Interest	(26.09)	9.61	(49.76)	15.40	45.36
15. Share of Profit / (Loss) from associates	3.53	(12.41)	5.10	(13.73)	(21.58)
16. Net Profit/ (Loss) from Ordinary Activities after tax and minority interest and share of profit/ (loss) from associates	**(22.25)**	**9.20**	**77.31**	**85.35**	**158.40**

GMR Infrastructure Limited					
Registered Office: 25/1, Skip House, Museum Road, Bengaluru - 560 025					
Unaudited Financial Results for the Quarter and Nine months ended December 31, 2010					
Particulars	Consolidated Results (in Rs. Crores, except for share data)				
	Quarter ended December 31		Nine months ended December 31		Year ended March 31
	2010 Unaudited	2009 Unaudited	2010 Unaudited	2009 Unaudited	2010 Audited
17. Paid-up equity share capital	389.24	366.74	389.24	366.74	366.74
(Face value - Re. 1 per share)					
18. Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	-	6,300.32
19. Earnings Per Share - Basic and Diluted - (Rs.)	(0.06)	0.03	0.20	0.23	0.43
(not annualised)					
Weighted average number of shares used in computing Earning Per Share	3,892,432,054	3,667,351,642	3,876,063,556	3,659,871,573	3,661,715,973
20. Public Shareholding					
- Number of shares	1,139,378,988	930,638,716	1,139,378,988	930,638,716	918,818,598
- Percentage of shareholding	29.27%	25.38%	29.27%	25.38%	25.05%
21. Promoters and Promoter Group Share Holding					
a) Pledged/ Encumbered					
- Number of shares	483,921,051	368,683,558	483,921,051	368,683,558	410,683,558
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	17.58%	13.47%	17.58%	13.47%	14.94%
- Percentage of shares (as % of the total share capital of the Company)	12.43%	10.05%	12.43%	10.05%	11.20%
b) Non- Encumbered					
- Number of shares	2,269,134,743	2,368,032,118	2,269,134,743	2,368,032,118	2,337,852,236
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	82.42%	86.53%	82.42%	86.53%	85.06%
- Percentage of shares (as % of the total share capital of the Company)	58.30%	64.57%	58.30%	64.57%	63.75%

GMR Infrastructure Limited					
Report on Consolidated Segment Revenue, Results and Capital Employed					
					(in Rs. Crores)
Particulars	Quarter ended December 31		Nine months ended December 31		Year ended March 31,
	2010 Unaudited	2009 Unaudited	2010 Unaudited	2009 Unaudited	2010 Audited
1. Segment Revenue					
a) Airports	801.76	507.52	1,965.83	1,413.19	2,006.29
Less: Revenue share paid / payable to Concessionaire grantors	175.32	130.51	441.63	381.14	556.91
Net Airports Revenue	626.44	377.01	1,524.20	1,032.05	1,449.38
b) Power	506.64	441.88	1,584.67	1,610.70	2,039.47
c) Roads	98.46	91.29	291.35	255.17	346.07
d) EPC	82.85	108.03	199.23	392.27	409.85
e) Others	155.89	64.50	395.89	187.02	370.03
	1,470.28	1,082.71	3,995.34	3,477.21	4,614.80
Less: Inter Segment	111.50	15.99	183.51	35.66	48.29
Net Segment Revenue	**1,358.78**	**1,066.72**	**3,811.83**	**3,441.55**	**4,566.51**
2. Segment Result					
a) Airports	29.76	60.22	125.75	152.56	249.82
b) Power	63.32	29.22	321.79	181.93	260.08
c) Roads	46.53	58.66	140.33	123.88	160.92
d) EPC	6.99	31.35	23.95	111.39	144.44
e) Others	82.27	30.44	252.01	97.05	123.40
	228.87	209.89	863.83	666.81	938.66
Less: Inter Segment	68.67	2.62	112.31	8.81	23.20
Net Segment Result	**160.20**	**207.27**	**751.52**	**658.00**	**915.46**
Less: Interest expenses (net)	294.05	162.75	781.53	499.64	722.33
Profit before tax	**(133.85)**	**44.52**	**(30.01)**	**158.36**	**193.13**
3. Capital employed					
(Segment Assets - Segment Liabilities)					
a) Airports	2,966.28	3,036.30	2,966.28	3,036.30	2,792.59
b) Power	4,736.30	2,712.64	4,736.30	2,712.64	3,143.70
c) Roads	1,163.29	884.30	1,163.29	884.30	924.38
d) EPC	64.00	238.87	64.00	238.87	231.09
e) Others	8,998.08	6,715.82	8,998.08	6,715.82	6,937.85
	17,927.95	13,587.93	17,927.95	13,587.93	14,029.61
Less: Inter Segment	6,466.87	5,000.95	6,466.87	5,000.95	5,372.93
Total	**11,461.08**	**8,586.98**	**11,461.08**	**8,586.98**	**8,656.68**

Notes to consolidated results:

1. **Consolidation and Segment Reporting**

   a. GMR Infrastructure Limited ("the Company") carries on its business through various subsidiaries, joint ventures and associates (hereinafter referred to as "the Group"), being Special Purpose Vehicles exclusively formed to build and operate various infrastructure projects. The above published consolidated results have been prepared in accordance with principles and procedures as set out in the Accounting Standard (AS) - 21 on 'Consolidated Financial Statements', AS - 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS – 27 on 'Financial Reporting of Interests in Joint Venture', notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

   b. The segment reporting of the Company and its Group has been prepared in accordance with AS 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

   The business segments of the Group comprise of the following:

Segment	**Description of Activity**
Airports	Development and operation of airports
Power	Generation of power and provision of related services
Roads	Development and operation of roadways
EPC	Handling of engineering, procurement and construction solution in the infrastructure sector
Others	Urban Infrastructure and other residual activities

   c. Investors can view the standalone results of the company on the Company's website www.gmrgroup.in or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com).

2. The Company, through its step-down subsidiary, GMR Energy Global Limited (GEGL), had entered into necessary arrangements to acquire 50% economic stake in InterGen N.V. and had subscribed USD 399.2 million in Compulsory Convertible Debentures (CCD), issued for this purpose, by GMR Holding (Malta) Limited (GHML), a step down subsidiary of GMR Holdings Private Limited, the Company's Holding Company. The Company had given a corporate guarantee up to a maximum of USD 1.13 billion to the banks on behalf of GHML to enable it to raise debt for financing the aforesaid acquisition. InterGen N.V. is a global energy major which operates 8,146 MW capacity across five countries in four continents and is further developing 4,400 MW. The financial results of Intergen NV have not been considered in the consolidated financials of the Company pending conversion of such CCDs. GHML has funded the investment in InterGen N.V. through a mix of external borrowings to the extent of USD 1,007 million and the balance of USD 399.2 million was funded through CCDs as above. The carrying value of the investment in the CCDs along with the interest accrued thereon is USD 407 million.

   During the quarter ended December 31, 2010, GMR Infrastructure (Malta) Limited, a wholly owned subsidiary of GHML, and which, through its step-down subsidiary holds 50% economic stake in InterGen N.V. as stated above, has entered into an agreement to sell the investment in InterGen N.V. for USD 1,232 million to Overseas International Inc. Limited, an associate of China Huaneng Group. The transaction is subject to obtaining regulatory approvals in various jurisdictions where InterGen N.V. has operations and approval from the Government of Peoples Republic of China. The approvals are expected to be received around or after March 31, 2011.

   On consummation of the transaction, GHML is expected to repay the loans from the banks in full and CCDs issued to GEGL in part. It is exploring various options of restructuring along with the management of the Company for the balance amount. Pending such decision, regulatory approvals and the final consummation of the transaction the investment of GEGL in the CCDs is carried at cost. The statutory auditors of the Company have modified their limited review report, as having regard to the uncertainty around the final outcome of the transaction, they are unable to comment upon the realisability of the investment in the CCD's and its impact on the unaudited consolidated financial results for the quarter.

3. In case of GMR Power Corporation Limited (GPCL), claims/counterclaims arising out of the Power Purchase Agreement (PPA) and Land Lease Agreement (LLA) in respect of the dues recoverable from Tamil Nadu Electricity Board (TNEB) on account of Sale of Energy including reimbursement towards Interest on Working Capital, Minimum Alternate Tax, Rebate, Start/Stop charges and payment of land lease rentals to TNEB respectively were pending settlement/reconciliation with TNEB. In this regard, GPCL had approached Tamil

Nadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/counterclaims. TNERC had vide its order dated April 16, 2010 (hereinafter referred to as "order") directed GPCL to submit all of its claims calculated in accordance with the directions set forth in the order issued by TNERC within a period of two months from the date of the order. GPCL has filed its claim on April 30, 2010.

The TNEB filed an appeal in the Appellate Tribunal for Electricity (APTEL) contesting the "Order" of TNERC on May 24, 2010. On November 19, 2010, the APTEL while admitting the petition of TNEB and without prejudice to TNEB's right of appeal, issued an order directing TNEB to release an amount of Rs. 100 Crore to GPCL on or before December 01, 2010 and the balance amount in monthly installments of Rs. 60 Crore on or before 10th of every month commencing January 2011. Based on the Order of APTEL, GPCL has received Rs. 70.42 Crore (i.e net of the Rs. 29.58 Crore towards customs duty refund which GPCL had received from DGFT and was to be passed onto TNEB) till December 31, 2010 which have been recorded as advance from TNEB, pending settlement of the matter.

4. During the quarter, effective from November 8, 2010, Airport Economic Regulatory Authority (AERA) has increased the rates of User Development Fee ('UDF') being collected by GMR Hyderabad International Airport Limited (GHIAL) from passengers in line with its policy assurance of a reasonable yield on the private sector's investment in airport sector under public-private partnership model. This has contributed to the profit for the quarter amounting to Rs. 12.34 Crore against a loss of Rs. 20.24 Crore for the six months ended September 30, 2010 in respect of GHIAL.

   GHIAL has accumulated tax losses and unabsorbed depreciation amounting to Rs 768.03 Crore as at December 31, 2010 on which deferred tax assets (net) of Rs. 106.75 Crore (prior to minority interest) as at and for the quarter December 31, 2010 have been recognized in the consolidated financial results. Based on the regulatory policy assurance of a reasonable yield, the management is confident of the virtual certainty of sufficient future taxable income for realization of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22). The statutory auditors of the Company have modified their limited review report as in their opinion, based on the existing supporting evidence and information and explanations provided by the management, the above may not meet the requirements of virtual certainty at this juncture, under AS 22.

5. The Group had acquired Island Power Company Pte. Ltd. (IPC) during May 2009. IPC had impaired and charged to Profit & Loss Account during 2007, an amount of SGD 42.40 million (Rs.140.33 Crores) paid as advance to EPC Vendors under an EPC Contract for its 765 MW gas based power plant as it was unable to secure the supply and transport of gas. Subsequent to its acquisition, the Group has revived the project. IPC has been able to secure the supply and transport of gas and expects to achieve financial closure for the project by March 31, 2011. IPC has renegotiated with the EPC Vendors whereby, the EPC Vendors have agreed during August 2010 to give credit for the advance paid by IPC. The advance paid has been restored with reversal of impairment loss accounted earlier and is disclosed as an exceptional item in the consolidated financial results for the nine month period ended December 31, 2010.

6. During the quarter, Terminal (T3) of Delhi International Airport Limited ('DIAL') has commenced domestic operations from November 11, 2010.

7. In case of DIAL, accounts receivable as at December 31, 2010 include an amount of Rs. 40.67 Crore recoverable from a customer after adjusting Rs. 48 Crore received as per the contract from the said customer. During the quarter ended June 30, 2010, DIAL had served a legal notice for recovery of the dues. Based on a legal opinion obtained by DIAL, the management is confident of recovering the full amount.

8. During the quarter, GMR Male International Airport Private Limited (GMIAPL), incorporated to modernize, expand and operate the Male International Airport, has become a subsidiary of the Company with effect from November 24, 2010.

9. During the quarter, GMR Bundelkhand Energy entered into a MOU with Government of Madhya Pradesh for setting up 1980 MW Coal Based Thermal Power Project in Madhya Pradesh.

10. Subsequent to the quarter, Kakinada SEZ Private Limited (KSPL) has become a 51% step down subsidiary of the Company. KSPL is in the business of developing port based multi product Special Economic Zone at Kakinada, Andhra Pradesh.

11. During the quarter, GMR Chhatisgarh Energy Limited which is executing a coal based project in Chhatisgarh and GMIAPL incorporated to modernize, expand and operate the Male International Airport have achieved their financial closures.

12. Interest and other finance charges are net of interest income, amounting to Rs. 26.94 Crore for current quarter ended December 31, 2010 (2009: Rs. 67.85 Crore) and for the nine months ended December 31, 2010 Rs. 101.48 Crore (2009: Rs. 128.26 Crore).

13. Investor complaints / references: During the quarter, 15 investor complaints / references were received and resolved. There were no complaints / references pending, both at the beginning and end of the quarter.

14. The consolidated results of the Group for the quarter ended December 31, 2010 have been reviewed by the Audit Committee in their meeting on February 08, 2011 and approved by the Board of Directors in their meeting concluded on February 09, 2011.

15. The Statutory Auditors of the Company have carried out the Limited Review of the above consolidated financial results of the Group for the quarter ended December 31, 2010. The auditors have also carried out the Limited Review of the standalone results of the Company for quarter ended on that date published on Company's website and furnished to the stock exchanges.

16. Figures pertaining to previous periods have been regrouped, reclassified and restated, wherever necessary, to conform to the classifications adopted in the current quarter.

Bengaluru

February 09, 2011

For GMR Infrastructure Limited

Sd/-
Srinivas Bommidala
Managing Director