GMR Infrastructure Limited

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June 19, 2014

BSE Limited
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Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sirs,

Sub: **Announcement of arbitration award by The Rt Hon Lord Hoffman's Tribunal with respect to wrongful repudiation of our Concession Agreement for Maldives Airport**

GMR Male' International Airport Limited, GMIAL (subsidiary of GMR Infrastructure Limited) had entered into a concession agreement with Government of Maldives (GoM) and Maldives Airport Company Limited (MACL) for modernization and operation of Ibrahim Nasir International Airport (INIA) in 2010. The contract was unilaterally terminated by the Government of Maldives (GoM) and GoM initiated arbitration proceedings seeking a declaration that the concession agreement was void ab initio on 29th November 2012. GMIAL had disputed this wrongful termination.

After detailed proceedings lasting for more than 18 months, the Tribunal has now issued an award and declared that:

- **The concession agreement was valid and binding and was not *void* for any mistake of law or discharged by frustration**
- **GoM and Maldives Airport Company Limited (MACL) repudiated the concession agreement by their notices to GMIAL on 29th November 2012 and the repudiation was accepted by GMIAL**
- **The collection of Airport Development Charges (ADC) and Insurance Surcharge (IS) as allowed in the concession agreement was lawful under Maldivian law**
- **The agreement to adjust the shortfall arising out of non-collection of ADC and IS from the concession fee was lawful and binding on MACL and GoM**

- **GoM was not discharged as guarantor by the 5th Jan agreement or otherwise**
- **GoM and MACL are jointly & severally liable in damages to GMIAL for loss caused by wrongful repudiation of the agreement as per the concession agreement.**
- **GoM and MACL to pay GMIAL US$ 4Mn by way of costs within 42 days**

It has always been our firm belief that the cancellation of our concession agreement amounted to wrongful repudiation by the Government of Maldives and the Tribunal has upheld this stand.

We believe that this award is a validation of the high standards of conduct and commitment followed by GMR Group as a leading infrastructure developer. It further endorses GMR Group's excellent reputation as a world class airport developer and operator.

It is to be noted that the arbitration proceedings are private and confidential, however we are disclosing the above information in conformity with the regulatory requirements.

Thanking you,

Yours faithfully,
For GMR Infrastructure Limited

C. P. Sounderarajan
Company Secretary