GMR Infrastructure Limited

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May 25, 2010

The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E),
Mumbai - 400 051

Dear Sir(s),

Sub: **Press Release**

This is to inform you that the Company is proposing to issue a Press Release titled "GMR Infrastructure Limited, Full Year Performance Highlights", a copy of which is enclosed.

Kindly take the same on record.

Yours Sincerely,
For GMR Infrastructure Limited

Narendra Singh
Associate Company Secretary

Encl: Press Release [Seven Pages]

Regd. Office:
25/1, Skip House,
Museum Road, Bangalore 560 025

Creating tomorrow today

PRESS RELEASE

DATE: 25th May, 2010

GMR Infrastructure Limited, Full Year Performance Highlights

Financial Highlights for FY 2009-10 (Rs. Cr.)

Particulars	Year ended			Quarter ended		
	31st March'10	31st March'09	% change	31st March'10	31st March'09	% change
Net Revenue	4,566.5	4,019.2	13.6%	1,125.0	1,327.8	-15.3%
EBITDA	1,364.3	1,066.8	27.9%	314.6	286.4	9.8%
Interest	722.3	368.2	96.2%	222.7	115.2	93.3%
Other Income	163.4	21.4	663.6%	107.0	-0.9	-
Depreciation	612.2	389.8	57.1%	164.2	110.5	48.6%
PBT	193.1	330.1	-41.5%	34.8	59.8	-41.8%
Tax	-32.2	53.0	160.8%	-76.1	18.6	509.1%
PAT*	158.4	279.5	-43.3%	73.1	53.2	37.4%
Cash Profit	734.6	643.8	14.1%	195.7	130.6	49.8%
Free Cash Flow**	387.7	304.1	27.5%	127.8	79.9	59.9%

* After minority interest and Share of Loss from Associate **Cash Profit - Loan repayment

Though the Revenues have gone up a modest 14% and the Net Profit has declined, primarily impacted by the absence of Revenues from the decommissioned 235 MW barge mounted power plant during the year, the EBITDA went up 27%, Cash Profit by 14% and Free Cash Flow by 27.5%, signifying the efficient and profitable operations of the business. In infra business, in the initial lifecycle of the projects, the capacity costs in the form of Interest and Depreciation will have an adverse impact on the book profits, though Cash Accruals can be positive even while the book profits are negative. As the capacity utilization gradually picks up, the capacity costs are fully absorbed and the book profits progressively move into positive territory.

Commenting on the performance of the full year, Mr. G M Rao, Group Chairman said:

"As stated by me in the beginning of the year, we are continuing our focus on business building and institution building at the same time and achieved significant progress on both fronts.

We made a strong start to the year as we acquired key power plants, thereby adding 1970 MW to our portfolio. We commenced operations in the newly constructed domestic terminal T1D of Delhi International Airport. We won 3 highway projects spread across 3 States. The 235 MW barge mounted power plant was successfully relocated from Mangalore to Kakinada and is scheduled to commence operation in Jun '10. We successfully completed the construction of the brand new Delhi Terminal 3 and immediately started the trial runs for it to be operational well before the Commonwealth Games in Oct' 2010. It will be dedicated to the Nation on 3rd Jul '10 and stand tall as an infrastructure icon and modern gateway of India for our country to be truly proud of.

We launched some important institution building initiatives and strengthened several others across the company with special focus on all our stakeholders – shareholders, lenders, customers, government, employees, partners, environment and society. We launched Business Excellence program, Knowledge Management initiatives took speed, initiated Enterprise Risk Management framework, launched powerful development programs on leadership for senior executives and made significant progress in performance management and talent review.

The year gone by has been satisfying on all fronts as we created a robust platform of sustainable long-term growth for our company. With 3 airports, 13 power plants, 9 highways, and 22 locations of our CSR activities we have positioned ourselves as a responsible corporate citizen and as a strong, infrastructure developer known for world-class quality delivered on time."

Major developments during FY10

Airports Sector

Airports business of the Company consists of two airports at Delhi and Hyderabad in India and one airport abroad in Istanbul in Turkey with an ultimate design capacity of over 87 million passengers per year.

The year began to see the resurgence of traffic in the Indian skies as global recession began to recede. The newly commissioned istanbul airport witnessed over 60% increase in traffic. These changing trends have resulted in positive growth in the revenues of the Sector. EBITDA went up significantly by 145% and EBITDA margins for all the three projects are healthy. Though the net profit figures remain subdued due to capacity costs viz., depreciation and interests, the cash profit and net cash accrual have gone up by over 400% for the year.

Briefly presented below are the significant developments in these three assets during the year:

Delhi International Airport

- The new Domestic Departure Terminal 1D was completed and commercial operations successfully commenced in April 2009.

- Work on the new integrated Terminal 3 construction has been completed in a record time of 37 months and commercial operations are slated to commence from July 2010.
- We signed agreements for 10 Joint Venture partnerships which included Duty-free, F&B, Cargo, Fuel Farm, Car Parking, Advertising and Bridge Mounted Equipments.
- The airport improved its Airport Service Quality (ASQ) score from 3.15 in 2008 to 4.16 in 2009 giving it a ranking of 32 out of a total of 140 participating airports and got awarded for the most improved airport in the Region in its category by Airport Council International, Switzerland for the first time in the history of India.
- It recorded 7% growth in international passenger traffic and 18% growth in domestic passenger traffic. With overall growth of 14%, the airport recorded 26.1 million passenger traffic for 2009-2010 making it the busiest airport in India, again for the first time in its history.

GMR Hyderabad International Airport

- Jet Airways and Etihad started one new route each to Dubai and Abu Dhabi respectively; Indigo added 2 new routes from Hyderabad. There was also an increase in frequency on the existing routes. Silk Air and Etihad increased their frequency from 5 to 7 per week and Malaysian Airlines from 3 to 4 per week. It has been successful in bringing Lufthansa cargo to operate 2 frequencies per week in addition to other non-scheduled cargo operators.
- GMR Aviation Academy in collaboration with Jeppesen Aviation Training Services, a subsidiary of Boeing, is in process to initiate Flight Operations Management training courses at its training academy at Rajiv Gandhi International Airport.
- CFM International, world's leading aircraft engine manufacturer, inaugurated the engine Maintenance Training Center at Hyderabad Airport Aerospace Park
- Declared world's best airport in 5-15 million pax category and 5th best overall by ACI (ASQ 4.44 in 2009) on service quality standards, again a first in the history of Indian aviation.

Istanbul Sahiba Gokcen International Airport

- Inauguration of the new passenger terminal building on October 31, 2009 after construction was completed in a record 18 months, 12 months ahead of schedule.
- The airport achieved a 48% increase in the passenger traffic and handled 6.3 million passengers in the year 2009.
- The airport won the Anna.Aero Airport Traffic Growth Award for highest traffic growth in the 5-10 million passenger category.
- The airport also won the Routes Airport Marketing Award 2009 for European Region.
- The airport can now handle 25 million passengers annually
- Developed Cargo Handling capacity of over 1,000 tons monthly
- All the contracts are in place and the concessions fully operational (F&B, Duty Free, Advertizing etc.)

Energy Sector

The year under review was significant for your Company. We are well on track to move from 840 MW of installed capacity to 10 times that in the next 6 years.

The Net Revenues, EBITDA and Profit of this Sector would have been significantly higher for the year if the 235 MW barge mounted plant continued to be in regular operations. After getting decommissioned at its earlier location in Mangalore, the plant now moved to its new location in Kakinara in the KG Basin area in Andhra Pradesh, and will start operation in June 2010. Despite the shutdown of this 235 MW facility for most part of the year, the results of the energy sector are almost the same as in the previous year.

Each of the 3 operating power plants achieved major milestones:

- Owing to availability of gas, the 388.5 MW Vemagiri power plant achieved its first full year of operation since it was commissioned.
- The 235 MW barge mounted power plant was successfully relocated from Mangalore to Kakinada & converted to operate on gas instead of naptha.
- We took over the operations & maintenance at the 200 MW contracted capacity LSHS fired Chennai power plant
-

During the year we made rapid progress on projects under execution:

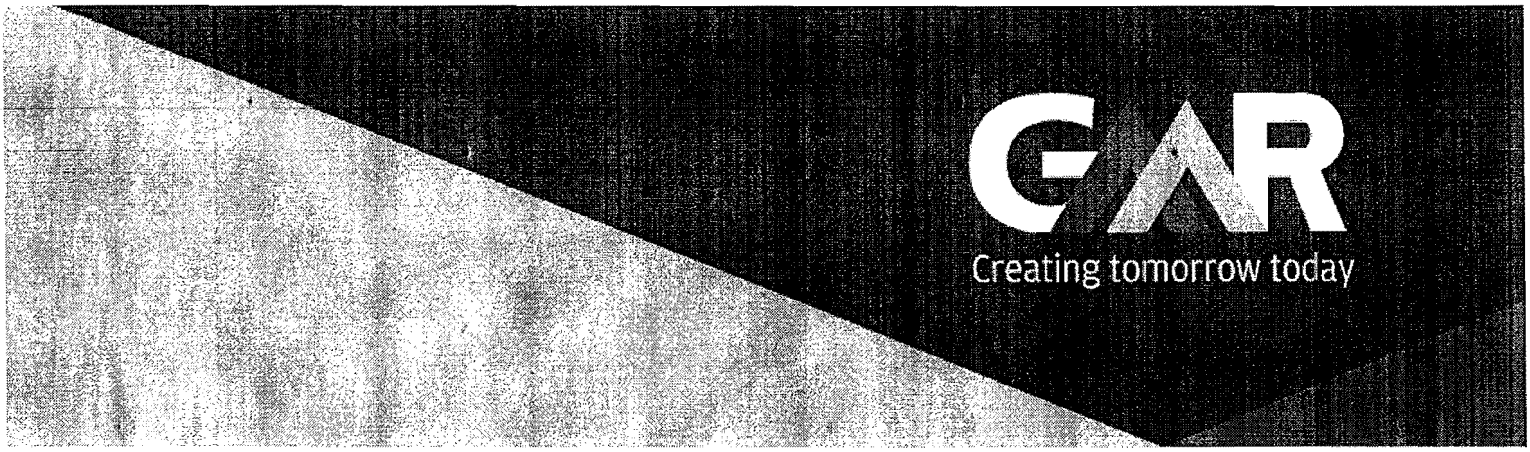
- 1050 MW Kamlanga Project in Orissa achieved financial closure in a difficult economic environment.
- 1370 Chhattisgarh Project with super-critical technology placed EPC order for BTG package
- 768 MW VPGL Expansion project placed its EPC contract.
-

We also acquired 3 projects:

- 600 MW coal based EMCO Project in Maharashtra achieved financial closure and placed order for BTG equipment
- 1370 MW coal based SJK Powergen Project in Shadol, Madhya Pradesh
- 800 MW gas based, greenfield Island Power in Singapore from Intergen

The Company is moving forward with 5 hydroelectric power projects in its portfolio:

- 300 MW Alaknanda power project on the Alaknanda River in the state of Uttarakhand,
- 160 MW Talong power project in the East Kameng district in the state of Arunachal Pradesh,
- 180 MW Bajoli Holi power plant in the Chamba district in the state of Himachal Pradesh,
- 600 MW Upper Marsyangdi power project in Nepal and
- 900 MW Upper Karnali power project in Nepal.



Highways Sector

The Company has 6 highway projects under operation across India measuring a total length of around 421 km. All of them have experienced healthy increase in traffic. We have also won 3 new projects across 3 different States.

The full year contribution of 4 new projects to the revenues have resulted in a quantum jump of the Highways sector revenues and EBITDA. However, as is natural in the case of the lifecycle journey of the infra projects, the initial capacity costs in the form of interest and depreciation adversely impacted the Net Profit from the Sector.

3 annuity based projects under operation are:

- 60 km Tuni-Anakapalli in Andhra Pradesh
- 93 km Tambaram-Tindivanam in Tamil Nadu
- 103 km Adloor Yellareddy-Gundla Pochanpalli

3 toll based projects under operation are:

- 35 Ambala-Chandigarh in Punjab and Haryana,
- 58 km Thondapalli – Jadcherla in Andhra Pradesh
- 73 km Tindivanam –Ulundurpet in Tamil Nadu completed and commenced commercial operations as per schedule.

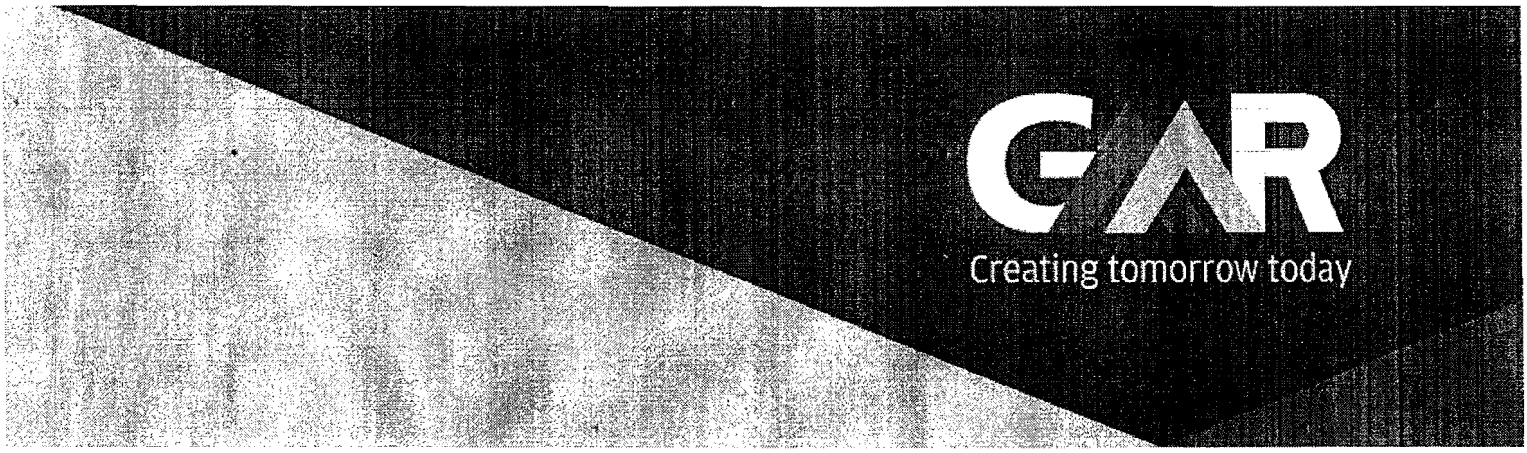
In addition we won 3 more road projects:

- 181 km Hyderabad – Vijayawada in Andhra Pradesh
- 30 km Chennai Outer Ring Road in Tamil Nadu and
- 99 km Hungund – Hospet in Karnataka, our entry into the highway sector in this State.

Urban Infrastructure Sector

In Delhi airport area, the hospitality district development is in full swing across 250 acres. In the first phase, out of 45 acres of land divided into 14 asset areas, the Company had awarded 7 asset areas (21.8 acres) to successful bidders for commercial property development in 2008-09 during the first round of bidding. In 2009-10, the remaining assets of the first round as well as 6 more from the second round were successfully awarded. Second phase development is expected to start in FY11.

In Hyderabad airport area, the Company plans to develop around 1000 acres. Various themes of development have been conceptualized, these being Entertainment, Hospitality, Medical, Education and Commercial. We are discussing with top brands across the globe and some of the plans are expected to get off the ground during FY11. This apart, we are developing 250 acres of SEZ for Aviation specific activities and another 250 acres of SEZ for Multi-Product activities.



Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) which is the CSR arm of the company, run by a team of professionals, is now present in 22 locations, including 2 locations in Nepal. The main thrust areas of GMRVF are:

- Education – Engineering college, degree college and high schools and also supports Government run schools
- Health, hyegine and sanitation – Free ambulences, mobile medical units, Free clinics, Public & Community toilets, Free health check-ups, Health awareness
- Empowerment / Livelihood – 120 Self-help groups for women, 7 skill development training centres for unemployed, 3000 drop out youth trained with 80% settlement rate
- Community based programs – Youth clubs and libraries, Awareness programs on social issues like environment and HIV, Community specific programs for weavers and cane producing communities.

Sector wise Financial Review - Net Revenues (Rs. Cr.)

Sectors	Year ended			Quarter ended		
	31st March'10	31st March'09		31st March'10	31st March'09	
Energy	2,039.5	2,138.7	-4.6%	428.8	649.2	-34.0%
Roads	346.1	151.9	127.8%	90.9	46.0	97.6%
Airports	1,488.6	1,206.2	23.4%	433.5	276.7	56.7%
EPC & others	692.3	522.4	32.5%	171.8	355.8	-51.7%
Total	4,566.5	4,019.2	13.6%	1125.0	1327.8	-15.3%



Sector wise Financial Review - EBITDA (Rs. Cr.)

Sectors	Year ended			Quarter ended		
	31st March'10	31st March'09	% change	31st March'10	31st March'09	% change
Energy	415.6	536.1	-22.5%	107.0	110.7	-3.3%
Roads	278.2	125.7	121.3%	69.8	39.4	77.2%
Airports	542.9	221.9	144.7%	154.4	54.2	184.9%
EPC & others	127.7	183.2	-30.3%	-16.7	82.0	-120.4%
Total	1,364.3	1,066.8	27.9%	314.6	286.4	9.8%

About GMR

GMR Group is a Bangalore headquartered global infrastructure major with interests in Airports, Energy, Highways and Urban Infrastructure. The Company has successfully employed the public-private partnership model to build a portfolio of high quality assets. The Company has thirteen power projects of which three are operational and ten are under various stages of implementation and nine road projects, of which six are operational and three are under development. In the Airports sector, it has developed and commissioned the Greenfield International Airport at Hyderabad. The Group, besides operating and modernising the existing Delhi International Airport, is also building a brand new integrated terminal T3 which will be operational in July 2010. It has also built a new terminal, designed to handle 20 million passenger capacity, at the Istanbul Sabiha Gökçen International Airport in Turkey and is operating it successfully. The Group has also acquired a 50 percent stake in global power generation company InterGen NV, marking its foray into the global energy sector. The Group is also committed to social development initiatives and executes these through its Corporate Social Responsibility arm, the GMR Varalakshmi Foundation (GMRVF).

For further information about the GMR Group, visit www.gmrgroup.in

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