



28<sup>th</sup> March, 2016

Bombay Stock Exchange Limited  
PJ Towers, Dalal Street,  
Mumbai - 400 001.

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Ex Bandra East,  
Mumbai – 400 051.

Dear Sir,

**Sub:** Sale of 33% stake in Bangalore International Airport Limited to Fairfax.

**Ref:** BSE Scrip Code: 532708, NSE Scrip Code: GVKPIL and Regulation 30 of SEBI (LODR) Regulations, 2015

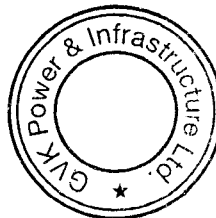
This is to inform you that the Board of Directors of our company, at its meeting held today, the 28<sup>th</sup> March, 2016 has approved the sale of 33% stake in Bangalore International Airport Limited to FIH Mauritius Investments Ltd and Fairfax India Holdings Corporation for a consideration of Rs.2,149 Crores. Upon completion of this transaction, there would be a reduction of debt burden of around Rs.2,000 Crores and would also result in saving of interest cost to the extent of Rs.300 Crores p.a. approximately.

The above sale will be completed upon obtaining necessary consents / approvals as may be required including from the lenders and after following the process in the BIAL shareholders agreement.

A press release, being issued in this regard, is enclosed for your information and record.

Thanks & regards,  
**For GVK Power & Infrastructure Ltd**

  
**P V Rama Seshu**  
**AVP & Company Secretary**





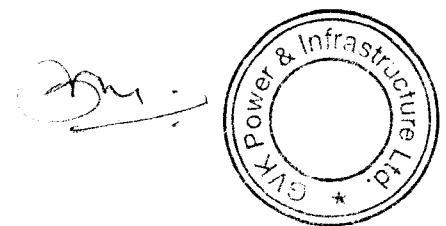
**GVK divests 33% stake in Bangalore International Airport Limited  
to Fairfax Group for INR 2,149 Crore**

**Hyderabad, 28th March, 2016:** GVK Power & Infrastructure Limited (NSE: GVKPIL, BSE: 532708) today announced that it will divest 33% stake in Bangalore International Airport Limited (BIAL) to Fairfax India Holdings Corporation (TSX: FIH.U) and Fairfax Financial Holdings Limited (TSX: FFH), through their wholly-owned subsidiaries in Mauritius, for an aggregate investment of INR 21.49 billion (INR 2149 Crore) which is approximately \$321 million at current exchange rates. Upon completion of this transaction, there would be a reduction of debt burden of around Rs. 2,000 Crore and would also result in saving of interest cost to the extent of approximately Rs. 300 Crore per annum. The transaction is subject to customary closing conditions and third party consents, including lender consents, and is expected to be completed by the middle of 2016.

GVK Airport Developers, a wholly owned subsidiary of GVK Power & Infrastructure, had initiated a financing process last year to reduce its debt obligations to its lenders. The infrastructure major received multiple offers, from which the Fairfax Group was selected.

Dr. GVK Reddy, founder Chairman and Managing Director, GVK commenting on this development said, "This is an important and successful milestone in deleveraging our balance sheet, and all proceeds from this stake sale shall be used to bring down our debt obligations to our lenders. We chose Fairfax as a partner in BIAL as we have a long standing relationship with its Chairman, Mr. Prem Watsa and we would look forward to partnering with them in developing Kempegowda International Airport through its next stage of expansion as we develop a new world-class Terminal 2 and a new runway."

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"We have great admiration for GVK, led by Dr. GVK Reddy and G V Sanjay Reddy, in the outstanding work that they have done to develop Kempegowda International Airport to its current stature. This is a partnership between Fairfax and GVK. We will work closely with all stakeholders to manage our stake in BIAL going forward, and will support G V Sanjay Reddy to continue to lead the management team as Managing Director (MD) of BIAL and Dr GVK Reddy will continue as Co Chairman of BIAL" said Prem Watsa, Chairman of Fairfax India, and Chairman and CEO of Fairfax.

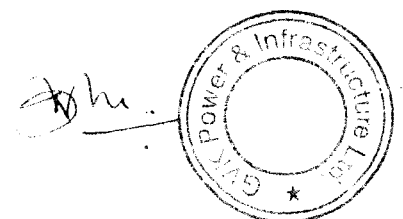
Bangalore International Airport Limited owns and operates the Kempegowda International Airport Bengaluru (KIAB), under a 30+30 year concession agreement from the Government of India. KIAB has the distinction of being the first greenfield airport in India that was built to the highest international standards by the private sector under a public-private partnership. The airport began operations in May 2008 and has been adjudged as the 'Best Regional Airport in Central Asia' by Skytrax in 2015.

GVK shall remain a long term investor and pioneer in airport assets in India. GVK is bullish on the airport sector in India and shall continue to build iconic assets for the country.

Goldman Sachs and DSP Merrill Lynch are the financial advisors to GVK and Cyril Amarchand Mangaldas is the legal advisor to GVK

#### **About GVK**

GVK is a leading Indian conglomerate with presence across energy, resources, airports, transportation, hospitality and life sciences sectors. GVK set up India's first independent power plant and has over 2600 MW projects under generation and development. It is the first company in India to develop a six-lane road project under the PPP model and has around 1500 lane km expressway projects under operations and development. As one of India's largest private sector airport operators, GVK handles around 60 million passengers per annum through India's first brownfield airport - Chhatrapati Shivaji International Airport, Mumbai and the greenfield Kempegowda International Airport, Bengaluru and is developing two airports in Indonesia. In addition, GVK continues to grow in the life sciences and hospitality businesses.





## About Fairfax India

Fairfax India Holdings Corporation ("Fairfax India") is an investment holding company whose objective is to achieve long-term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India.

## About Fairfax

Fairfax Financial Holdings Limited ("Fairfax") is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and investment management. Fairfax, through its subsidiaries, controls 95.1% of the voting shares of Fairfax India.

**For further information, please contact:**

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