

Lanco Infratech Limited



November 11, 2010.

To
Mr. Hari K
Asst. Vice-President
Listing Department
M/s. National Stock Exchange of India Limited
Regd. Office: "Exchange Plaza",
Bandra-Kurla Complex, Bandra (E),
MUMBAI – 400 051.
Ph : 022-2659 8235 / 36, 2659 8346
Fax : 022-2659 8237 / 38, 2659 8347 / 48

Dear Sir,

Sub:- Intimation – Reg.

We send herewith enclosed a copy of the Press Release of the Company being released to the Media with regard to the Un-audited Financial Results for the Quarter Ended 30th September, 2010.

This is for your kind information.

Thanking you,

Yours faithfully,
For LANCO INFRATECH LIMITED

J. SURESH KUMAR
CHIEF FINANCIAL OFFICER.

AS-
Copy to: Mr. S. Bhushan Mokashi
Manager – Department of Corporate Services
M/s. Bombay Stock Exchange Limited
Regd. Office: Floor 25, P J Towers, Dalal Street,
MUMBAI – 400 001.
Ph : 022-2272 1234 / 33
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Encl: As above.



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Lanco Infratech Limited



Q2FY11 Earning Release

November 11, 2010

RESULTS UPDATE

- Cash Profit up by 91% yoy at ₹ 5,861 mn in H1FY11 from ₹ 3,069 mn in H1FY10
- EBITDA up by 62% yoy at ₹ 10,737 mn in H1FY11 from ₹ 6,645 mn in H1FY10
- PAT up by 11% yoy at ₹ 2,651 mn in H1FY11 from ₹ 2,384 mn in H1FY10
- EPC and Construction Order book stands at ₹ 254 bn, excluding the new orders placed for 8 new projects being developed by the group aggregating to 10,560 MW
- Total Power operating capacity stands at 2,082 MW

Financial Highlights

For the Quarter

- Operating Revenues (before elimination) up by 12% yoy from ₹ 21,943 million to ₹ 24,594 million
- EBITDA up by 48% yoy from ₹ 3,310 million to ₹ 4,891 million
- Cash Profit up by 61% yoy from ₹ 1,486 mn to ₹ 2,385 mn
- Profit After Tax, before adjustment for profit on transaction with Subsidiaries and Associates and forex, down by 46% yoy from ₹ 1,661 million to ₹ 902 million
- Profit after Tax down by 43% yoy from ₹ 1,226 million to ₹ 705 million

For the Half Year

- Operating Revenues (before elimination) up by 7% yoy from ₹ 46,730 million to ₹ 49,920 million
- EBITDA up by 62% yoy from ₹ 6,645 million to ₹ 10,737 million
- Cash Profit up by 91% yoy from ₹ 3,069 mn to ₹ 5,861 mn
- Profit After Tax, before adjustment for profit on transaction with Subsidiaries and Associates and forex, up by 21% yoy from ₹ 3,068 million to ₹ 3,725 million
- Profit after Tax up by 11% yoy from ₹ 2,384 million to ₹ 2,651 million

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Jofir Khan



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Management Discussion and Analysis

Revenue Break-Up:

₹ Million

Particulars	Q2 FY 11	Q2 FY 10	Change	H1 FY 11	H1 FY 10	Change
Segment Revenue						
EPC & Construction	10,883	14,676	-26%	21,258	29,139	-27%
Power	13,373	7,134	87%	27,624	17,256	60%
Property Dev.	308	109	184%	653	286	128%
Unallocated	31	25	24%	385	49	680%
Total	24,594	21,943	12%	49,920	46,730	7%
Less: Inter Segment Revenue	4,177	2,677	56%	8,246	5,515	50%
Net Revenue	20,417	19,266	6%	41,674	41,216	1%

EBITDA:

₹ Million

Particulars	Q2 FY 11	Q2 FY 10	Change	H1 FY 11	H1 FY 10	Change
Sales	20,417	19,266	6%	41,674	41,216	1%
Less: Sale on account of Power Trading	5,804	4,739	22%	11,735	11,637	1%
Adjusted Sales	14,614	14,527	1%	29,939	29,579	1%
EBITDA	4,891	3,310	48%	10,737	6,645	62%
Less: Margin on Power Trading	130	65	100%	217	136	59%
Adjusted EBITDA	4,761	3,244	47%	10,520	6,509	62%
EBITDA Margin	33%	22%		35%	22%	

Profit After Tax:

₹ Million

Particulars	Q2 FY 11	Q2 FY 10	Change	H1 FY 11	H1 FY 10	Change
Reported PAT	705	1,226	-43%	2,651	2,384	11%
Add: Inter Segment Profit on transaction with Subs. & Associates	496	417	19%	1,071	857	25%
Profit after tax (before elimination of Inter Segment Profit on transaction with Subs. and Associates)	1,201	1,642	-27%	3,722	3,241	15%
Add / (Less): Forex loss / (gain)	(299)	18	--	3	(173)	--
Profit after tax (before Forex loss / (gain) and elimination of Inter Segment Profit on transaction with Subs. and Associates)	902	1,661	-46%	3,725	3,068	21%



Cash Profit:

₹ Million

Particulars	Q2 FY 11	Q2 FY 10	Change	H1 FY 11	H1 FY 10	Change
Reported PAT	705	1,226	-43%	2,651	2,384	11%
Add: Depreciation	1,703	332	412%	3,254	661	393%
Add: Deferred Tax	(23)	(72)	-68%	(44)	25	-280%
Cash Profit	2,385	1,486	61%	5,861	3,069	91%

Key Balance Sheet figures as on 30th September 2010:

The consolidated net worth, Debt and Cash & Bank balances as of 30th September 2010 is as follows:

₹ Million

Net Worth (including Minority Interest)	43,204
Loan Funds (including major associates)	183,191
Cash and Cash Equivalents (including major associates)	
Cash and Bank	19,979
Investments in Liquid funds	5,571
Total Cash and Cash Equivalents	25,550

Financial Performance of various business verticals:**EPC and Construction (LITL Standalone):**

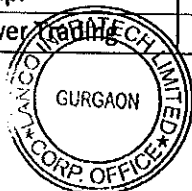
₹ Million

Particulars	Q2 FY 11	Q2 FY 10	Change	H1 FY11	H1 FY10	Change
Income	10,951	14,749	-26%	21,706	29,266	-26%
EBITDA	1,079	2,327	-54%	2,874	4,474	-36%
	10%	16%		13%	15%	

Power:

Operational / financial data for the major operating units and trading arm for Q2FY11 is provided below:

Projects	Capacity (MW)	Units Generated (MUs)	Net Sales (₹ Mn)	EBITDA (₹ Mn)	PAT (₹ Mn)	EBITDA Margin
Kondapalli	734	1,170	4,096	1,266	481	30%
Amarkantak	600	964	2,807	1,645	33	60%
Aban	120	230	677	288	148	40%
Vamshi Hydro	10	15	44	38	16	86%
Vamshi Indust.	10	3	8	4	(9)	41%
Udupi	600	To be capitalized				
Power Trading	-	-	7,592	107	65	1.4%



- Details of merchant sales of Kondapalli II and Amarkantak I are as follows:

	Amarkantak I			Kondapalli II		
	Units	Rate per unit	Total Sales	Units	Rate per unit	Total Sales
Bilaterals	382	3.8	1,469	269	4.9	1,319
Exchange	29	2.8	80	247	3.6	876
Total	411	3.8	1,549	516	4.3	2,195

- Kondapalli II (steam turbine) successfully synchronized and commissioned during the quarter. The average realization was lower mainly on account of the power not being scheduled due to synchronization activities.
- Amarkantak (Unit I) was under planned maintenance shut down in the month of August for around 18 days hence had only very short term PPA resulting in lower realisation.
- The Power financials reflect the higher depreciation provided as per WDV methodology for Amarkantak and Kondapalli II Vs SLM methodology. Accordingly, the excess depreciation provided is around ₹ 873 mn.
- Lanco Power Trading Ltd. has traded 1,942 mn units during the current year against 1,295 mn units in the previous year.

Important Developments:

- Debt has been sanctioned for the Kondapalli III (2 x 366 MW), Amarkantak (III & IV) (2 x 660 MW) and Vidharbha (2 x 660 MW) power project.
- Financial closure achieved for Babandh Power project (2 x 660 MW).
- The group is developing 8 (660 MW x 2) new projects in various states including Tamil Nadu, Andhra Pradesh, Chattisgarh, Orissa, Uttar Pradesh, Karnataka for which various orders have been placed on the contractors and OEM suppliers. LITL will recognize these projects in its order book on finalization of respective NTP date.

Property Development (Lanco Hills):

₹ Million

Particulars	Q2 FY 11	Q2 FY 10	Change	H1 FY 11	H1 FY 10	Change
Income	320	55	462%	679	247	175%
EBITDA	4	(88)	-105%	(5)	(33)	85%



Status of Projects under construction

As of 30th September 2010 capital expenditure incurred in power and Road projects and debt utilized for the same are as follows:

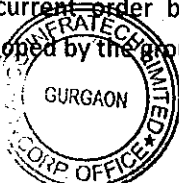
₹ Million		
Project	Capex	Debt
Anpara	38,180	25,507
Udupi	53,408	40,734
Amarkantak III & IV	14,948	15,750
Lanco Energy – Teesta	11,287	7,794
Lanco Green – Budhil	4,542	3,481
Lanco Hydro Energy - Uttranchal (Mandkini)	2,395	1,698
Kondapalli – III	2,359	1,000
Vidarbha	7,983	2,500
Babandh	12,065	5,531
Sub Total (Power Projects)	127,118	95,965
Road Projects		
Devihalli	4,822	1,870
Hoskote	6,287	2,940
Sub Total (Road Projects)	11,109	4,810
Grant Total	138,227	100,775

Construction and EPC Business (Orders in Hand):

The Construction and EPC order book position as on September 30th 2010 is ₹ 254,254 million. The break-up of the current order book is as follows:

Projects	₹ Million
<u>Power Projects</u>	
Vidarbha	56,760
Babandh	54,550
Amarkantak	51,261
Kondapalli	19,407
Lanco Teesta	15,410
Koradi	11,890
Anpara	6,625
Udupi	4,157
Others	7,391
Total Power Projects	227,450
Building Projects	17,319
Road Projects	1,879
Water Pipeline and Irrigation Projects	4,227
Transmission Line Projects	2,946
Chimneys	433
Total Order Book	254,254

The current order book does not take into consideration 8 (660MW x 2) new projects being developed by the group.



About Lanco

Lanco Infratech Limited is one of India's top business conglomerates and among the fastest growing. Lanco Infratech has subsidiaries and divisions across a synergistic span of verticals. These include construction, Power, EPC, Infrastructure and Property Development. Lanco Infratech's projects, operational and underway, are spread across India. At present, the power portfolio includes an operating capacity of 2,082 MW. The Construction and EPC division of the company is executing various orders worth more than ₹ 254 billion. The company is developing 163 Kms of National Highways on BOT basis. A member of UN Global Compact, Lanco Infratech is recognised for its Corporate Social Responsibility initiatives led by the Lanco Foundation.



J. P. K. K. K.