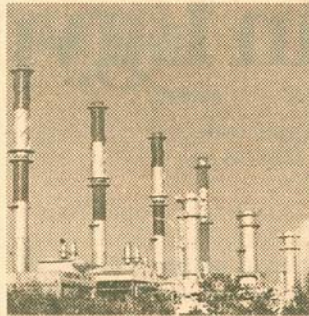


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Reliance Infra Q1 net profit swells 14%



BS REPORTER
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Reliance Infrastructure, owned by billionaire Anil Ambani, said net profit for the first quarter of financial year 2009 rose 14 per cent helped by higher operational efficiencies in power generation and bigger equipment orders.

Net profit rose to Rs 253 crore in the three months ended June 30, 2008, as compared with Rs 222 crore in the corresponding period of the previous year. Total income grew 32 per cent to Rs 2,618 crore as against Rs 1,984 crore in the previous year.

Aggregate sales of electrical energy increased marginally by 2 per cent to 2,539 million units during the period. However, aggregate revenues from energy sales increased by 37 per cent to Rs 1,764 crore

from Rs 1,285 crore last year.

"Our Dahanu power plant operated at over 100 per cent plant load factor (PLF), which resulted in us getting better incentives from the regulator. Further, our EPC (engineering procurement construction) business grew by more than 320 per cent," said Lalit Jalan, chief executive of Reliance Infrastructure.

Maharashtra Electricity Regulatory Authority (MERC) offers incentives for better PLF, station heat rate, oil consumption and other operational efficiencies, said sources. The company's Dahanu Thermal Power Station achieved a PLF of 103.2 per cent, generating 1,126 million units. Dahanu's PLF was higher during the corresponding quarter of previous year at 104.5 per cent.

The turnover of the company's EPC division increased to Rs 434 crore for the quarter as against Rs 339 crore in the corresponding previous period. The division had an order book position of about Rs 21,044 crore as on June 30, 2008, as against Rs 5,035 crore in the quarter last year. Profits from EPC and contracts were Rs 47.40 crore for the period, as compared with Rs 17.24 crore

in the previous year. At present, Reliance Infrastructure is working on six projects, implementing over 3,500 mw capacity. "This will ensure an additional accounting of an average Rs5,000 crore every year to the revenues for the next four to five years," Jalan said.

He said the company was expected to grow at least 20 per cent year-on-year.

"Once Reliance Power's power plants take off, they will ensure us a minimum 45 per cent growth," Jalan said. Reliance Infrastructure will be the EPC contractor for most of the 28,000 mw of power to be added by Reliance Power.

The infrastructure business, another area of focus for the company, is also expected to give good returns in future. The company is constructing five road projects in Tamil Nadu, two metro rail projects in Mumbai and Delhi and a business district in Hyderabad.

Other income for the quarter under review was Rs 420 crore as compared with Rs 360 crore in the corresponding quarter of previous year. The company's earnings before interest, depreciation and tax (EBIDT) were Rs 396 crore during the quarter.