



Press Communiqué

SREI records 55% increase in Profit After Tax in Q1

Kolkata, July 31, 2007: SREI Infrastructure Finance Limited has posted an impressive net profit after tax of Rs. 232.8 million for the first quarter ended June 30, 2007. This is a 55% rise over the corresponding quarter's profit of Rs. 150.2 million in the previous year. Country's leading infrastructure equipment, infrastructure project and renewable energy product financial institution in the private sector, SREI has continued to maintain the tempo of growth of the last fiscal with assets under management going up to Rs. 55732 million in Q1 as against Rs. 37575 million achieved in the same period of the previous year.

The business done this quarter is Rs. 14612 million as against Rs. 10370 million in the corresponding period last year, registering a growth of 41%. The operating profit this quarter increased to Rs. 395.8 million from Rs. 275.8 million as compared to the first quarter of the last fiscal on a total income of Rs. 1217 million (Rs. 857 million in the same period of the previous year), registering a growth of 42%. Likewise, pre-tax profits upped to Rs. 251 million in Q1, 2007 from Rs. 210 million in the corresponding quarter of last year, a rise of 20%.

The Company's performance during the quarter has been buoyant due to its ability to keep pace with the projections and aggressive positioning in the marketplace. The Company's strategic alliance with BNP Paribas Lease Group, the wholly owned subsidiary of globally renowned BNP Paribas of France has also gone well with the customers giving rise to enhanced confidence towards the right strategies being pursued by the Company. This tie-up has also resulted in value addition to shareholders.

SREI has strategically positioned itself in the Indian infrastructure development sector to capitalise on the huge business potential. With the Union Government backing the viability gap funding for infrastructure projects on public-private partnerships (PPP), the focus is now on undertaking various infrastructure projects in different sectors like roads, power and ports across the country through joint ventures. SREI and its subsidiaries are also extending its services to other sectors like aviation, oil and gas, transport, tourism and industrial parks.

SREI has continued to utilize its long-standing strategic relationships with the manufacturers as well as construction companies on a pan India basis, which has helped the company to position itself strongly in terms of its delivery.

The Company's extensive research to improve the infrastructure facilities had helped bag numerous NHAI/Annuity Road Projects on build-operate-transfer (BOT) basis worth more than Rs. 3 billion in the last financial year in consortium with other construction companies. Implementations of these projects are underway. The Company's foray into the renewable energy sector in fulfilling its commitment towards rural electrification is also continuing in the right earnest. Numerous renewable energy systems for rural homes have been financed and plans are afoot to expand this reach.

The Company has also bagged two e-governance projects in the state of West Bengal and Bihar, where it will be setting up 10,500 common service centers to offer e-services to the rural population.

SREI has consolidated its efforts in Russia through ZAO SREI Leasing. The Company stepped up its momentum in the leasing business there by putting in place a capable team to handle operations. The growing confidence of the global financing community is also a pointer to the fact. Along with European Bank for Reconstruction and Development (EBRD) and DEG of Germany, other investors have also evinced interest. EBRD and DEG will help ZAO SREI Leasing to expand its business operations in Russia through extending credit lines.

Announcing the results, Mr. Hemant Kanoria, Vice Chairman and Managing Director, SREI said, "We have been working continuously towards enhancement of stakeholder value. It is really rewarding to see that the investors have also appreciated our efforts. With the growth in infrastructure sector in our country and SREI's focus in this segment, we are sure that the profits of the Company will keep on increasing every quarter. The percentage jump in results with BNP participation would be higher."



About SREI Infrastructure Finance Limited

SREI, the country's leading private sector infrastructure equipment, infrastructure project and renewable energy financing company commenced its operations in the year 1989. SREI is operating across the country with a network of 52 offices and has also expanded its operations overseas. SREI is the first Indian Infrastructure Financing Company to be listed on the London Stock Exchange (LSE). International Finance Corporation (IFC) Washington (World Bank Group), KfW Germany & DEG Germany (Financial Institutions owned by the Government of Germany), FMO the Netherlands (Financial Institution owned by the Government of Netherlands), BIO Belgium (Financial Institutions owned by the Government of Belgium) and FINFUND Finland (Financial Institution owned by the Government of Finland) are among the large stakeholders in the Company. The Company has recently entered into a strategic alliance with BPLG, a subsidiary of BNP Paribas of France for equipment financing business, besides expanding to new areas such as agriculture equipment, medical equipment, information technology and other equipment classes.

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