



IL&FS Investment Managers Ltd

March 2010

 | Private Equity

IL&FS Investment Managers Limited

Structure of Presentation



- Section A : Introduction & Background
- Section B : Overview of the Company
- Section C : Financial Data



Section A : Introduction & Background

IIML – Genesis



- ❑ **IL&FS, an early entrant in the Indian Private Equity space**
 - 1995 : Co-sponsored the first Infrastructure focused Private Equity Fund in India with AIG, the *AIG Indian Sectoral Equity Fund*, with participation from large international investors
 - 1996 : Acquired Credit Capital Venture Fund (India) Limited (CCVF)

- ❑ **Acquisition by IL&FS in 1996; structured as a pure asset management play**
 - IL&FS completed an intensive management and financial re-structuring
 - Merged its (IL&FS') own private equity business into CCVF
 - Renamed company as IIML
 - Over the years, IIML establishes strong linkages forged with domestic and international investors

- ❑ **IIML, an integral part of the IL&FS Group**
 - Being part of the IL&FS Group helps access linkages to seek investment opportunities in the region
 - Almost 60% of deal flow is proprietary in nature
 - IL&FS Group relationships provide IIML investment and business networks
 - IL&FS retains management control of IIML with a shareholding of around 50%



❑ IIML manages US\$ 2.8 bn of Assets

- AUM base yields recurring fee stream
- About 90% of Capital has an average contractual life of about 7 Years
- Management Fees are based on Committed Capital and have little sensitivity to market conditions, during the life of the Fund

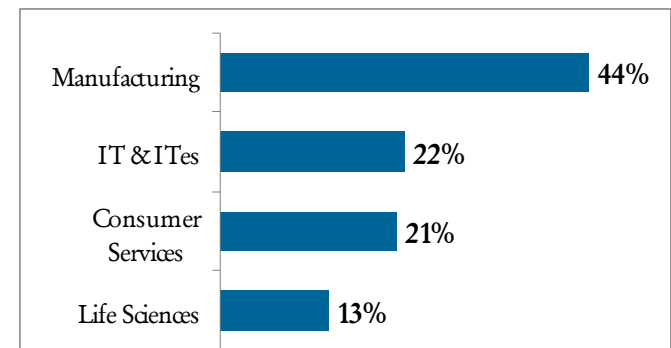
❑ Only player with :

- Experience across sectors from IT, manufacturing, retail to real estate and infrastructure
- Exited three funds and returned capital plus returns to investors
- Team experience straddles fund and three economic cycles
- Largest serving original team in the industry

❑ Private Equity Vertical :

- First investors in Retail, Shipyard, Media
- Three PE funds, of which first fund fully divested, other two funds under active management / investment mode
- The two funds under active management / investment mode aggregate to US\$ 378 mn, with US\$ 263 mn invested in 35 transactions

Distribution of investment across sectors

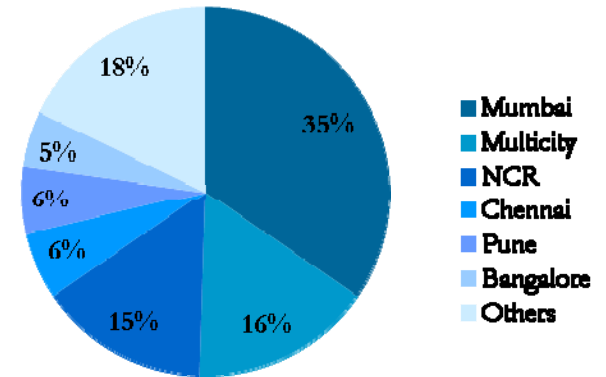




Real Estate Vertical :

- Pioneer in India : First RE fund launched in 2005 / 2006, First yield fund launched in 2007 / 2008
- Two active international funds under management with total Fund size ~ US\$ 1.4 bn
- Two domestic funds for stabilized yield earning assets with total Fund size ~ US\$ 350 mn
- US\$ 880 mn already invested in 32 transactions

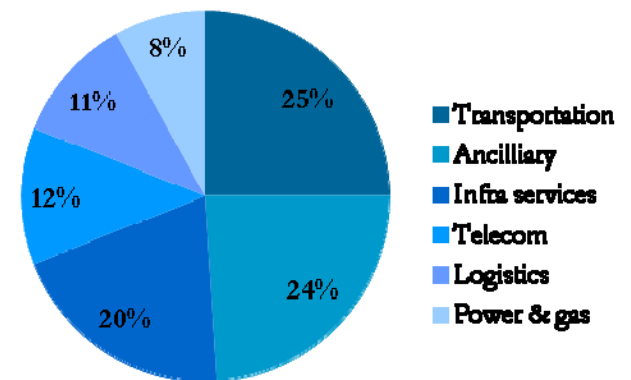
City wise investment break up



Infrastructure Vertical :

- Early investors in Infra, Telecom, Roads, City Gas, Rail
- Pan Asia Focus
- Total corpus of over US\$ 703 mn
- US\$ 330 mn invested in 31 transactions

Distribution of investment across sectors

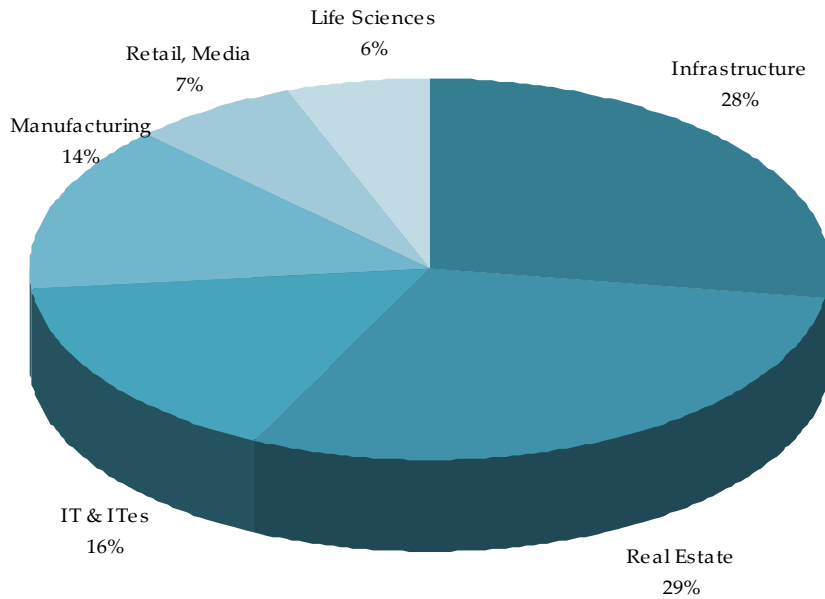


Oldest And Largest Player With Experience Across Sectors

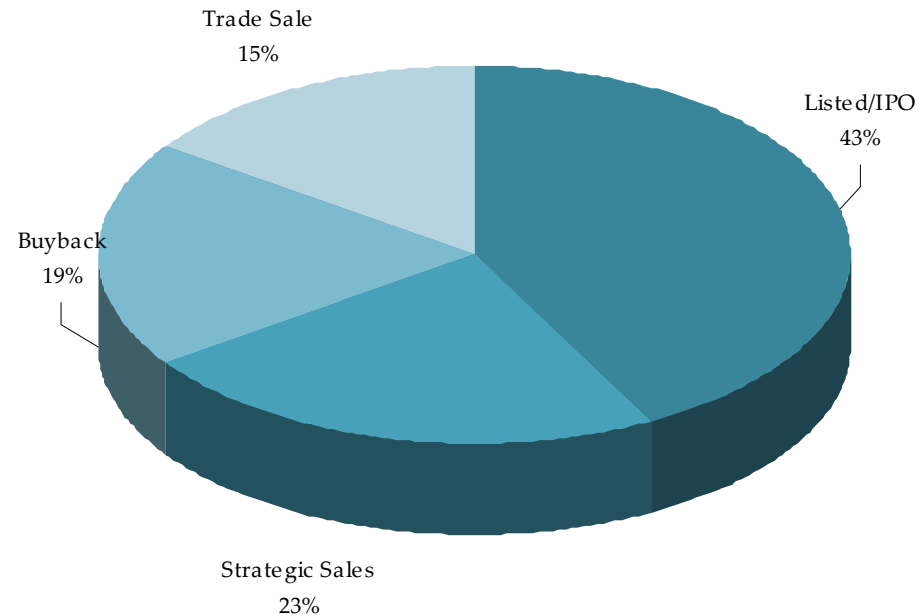
Exit Experience

□ Team experience straddles fund and economic cycles

- Over 100 investments since 1998
- 52 exits / liquidity events
- Realized gross US\$ IRR > 25%



Investments by Sector



Exit Spectrum

Returns	IRR	Multiple	Investments
Realized/Liquid Investments	> 25%	2.4x	52

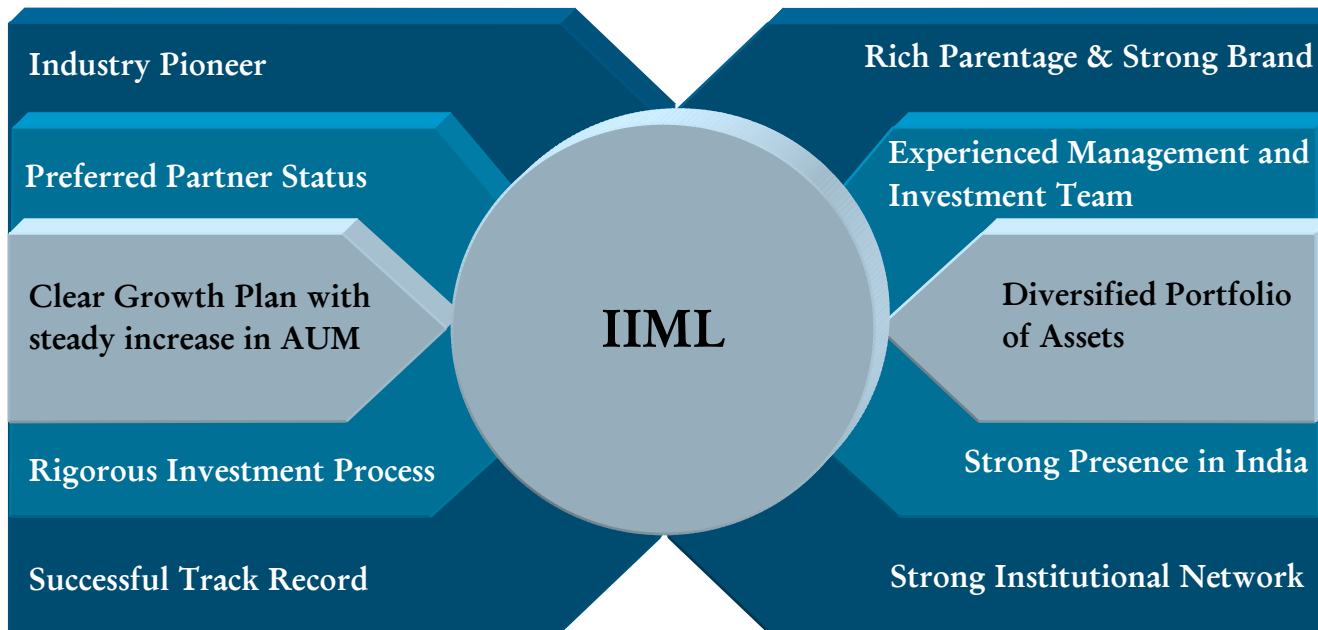


Section B : Overview of the Company

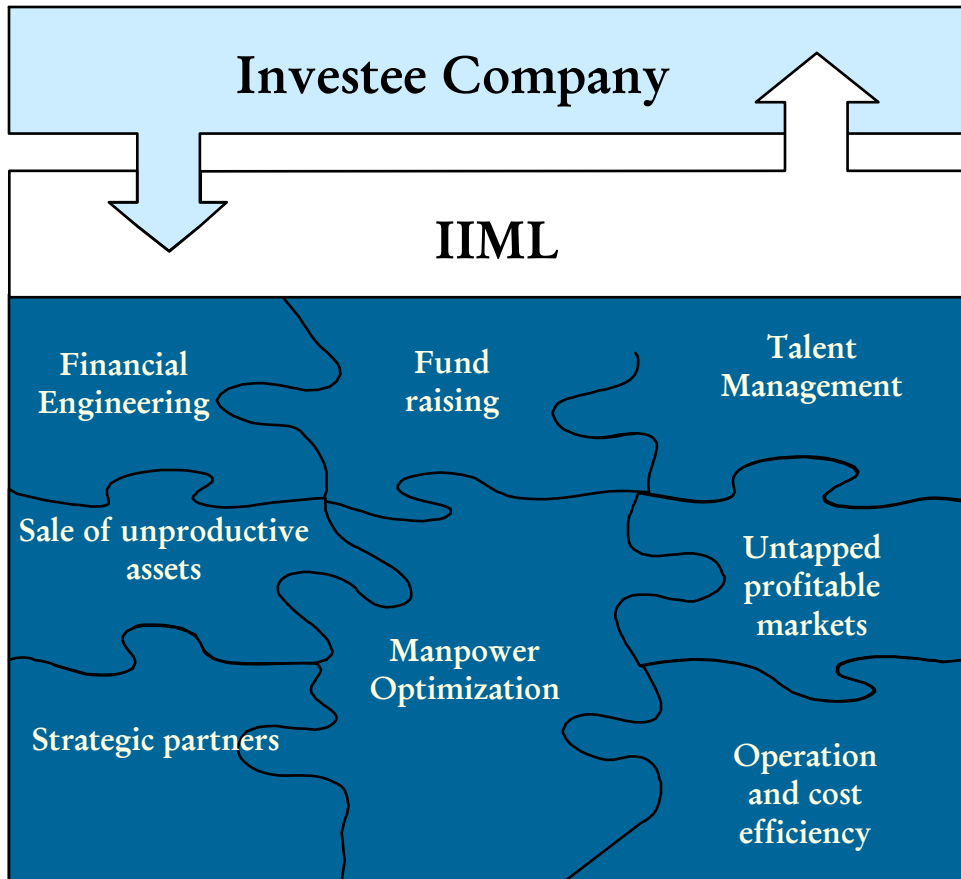
Unique Positioning in the Industry



IIML is a pioneer and one of the leading private equity players in India



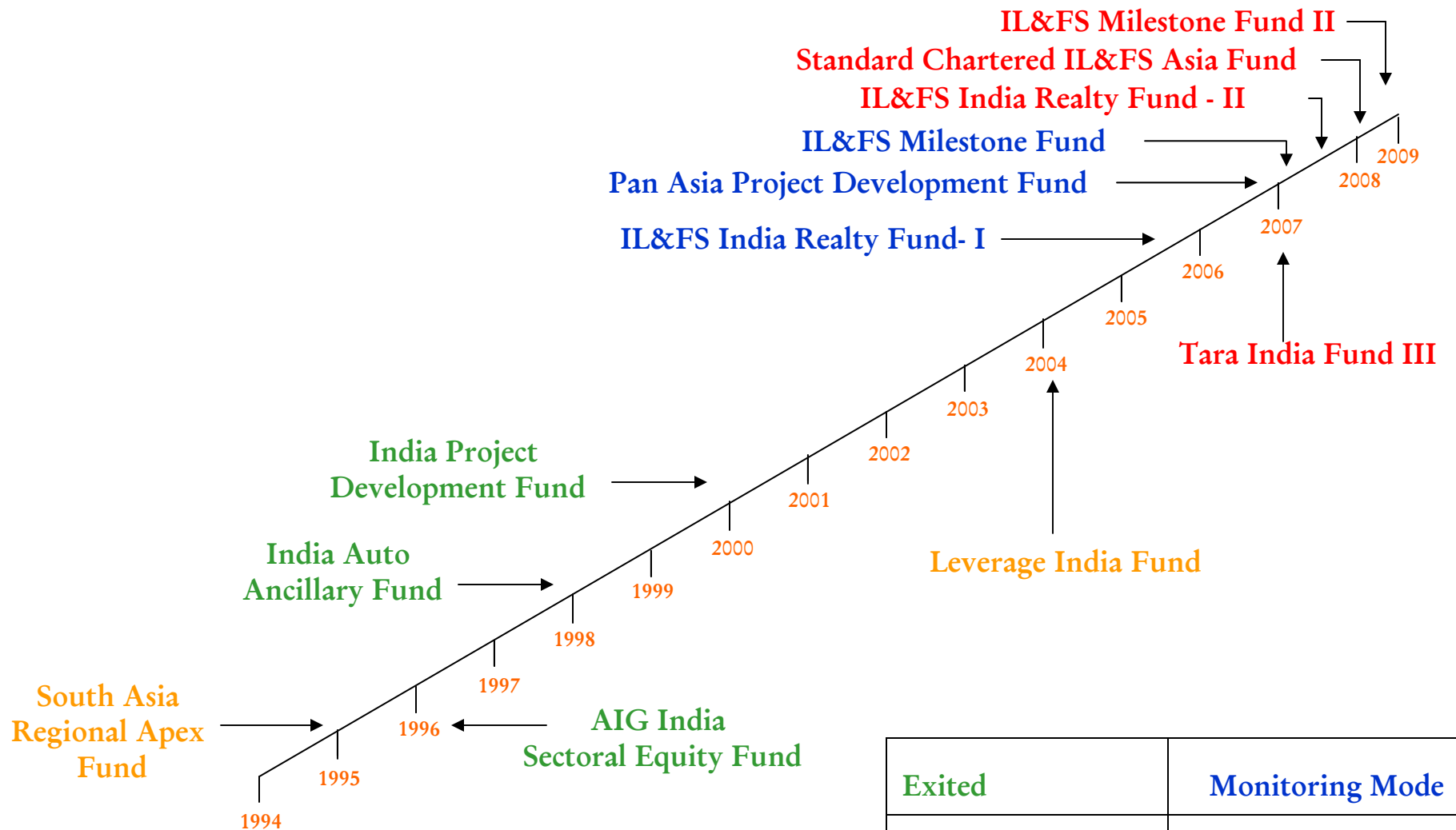
Working Closely With Portfolio Companies



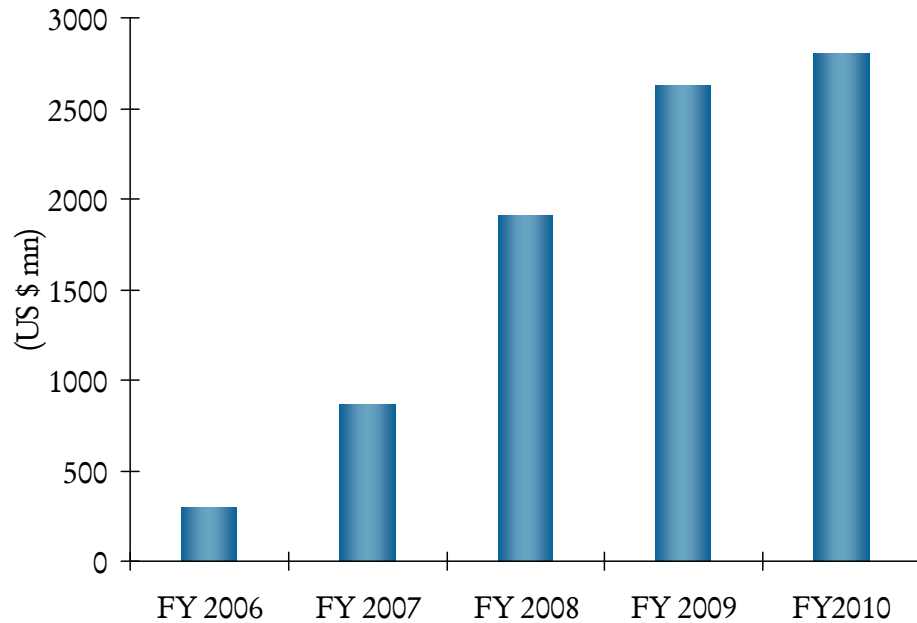
- ❑ IIML adopts a partnership approach in dealing with investee companies
- ❑ Plays a lead role and focus on strategic initiatives
- ❑ Seeks alignment of Fund's interests with that of the management team to implement measures that maximizes value and create timely exit
- ❑ Institutionalization of systems & processes
- ❑ Key focus areas: Business restructuring; financial engineering; network development; management improvement

IIML plays a catalytic role and guides the portfolio company to operate successfully in a competitive business environment

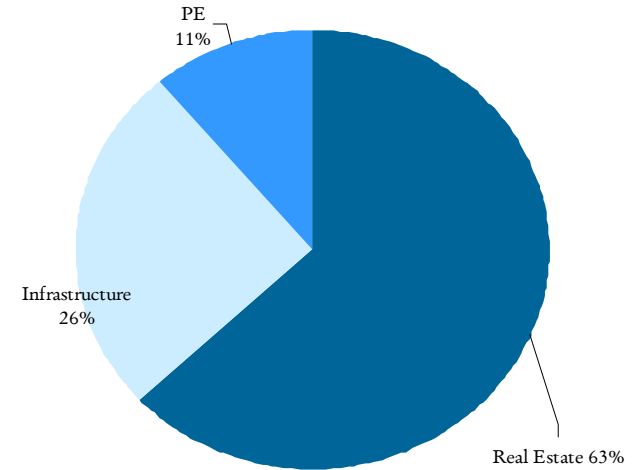
Milestones



Growth in AUM



Break up of AUM in FY2010



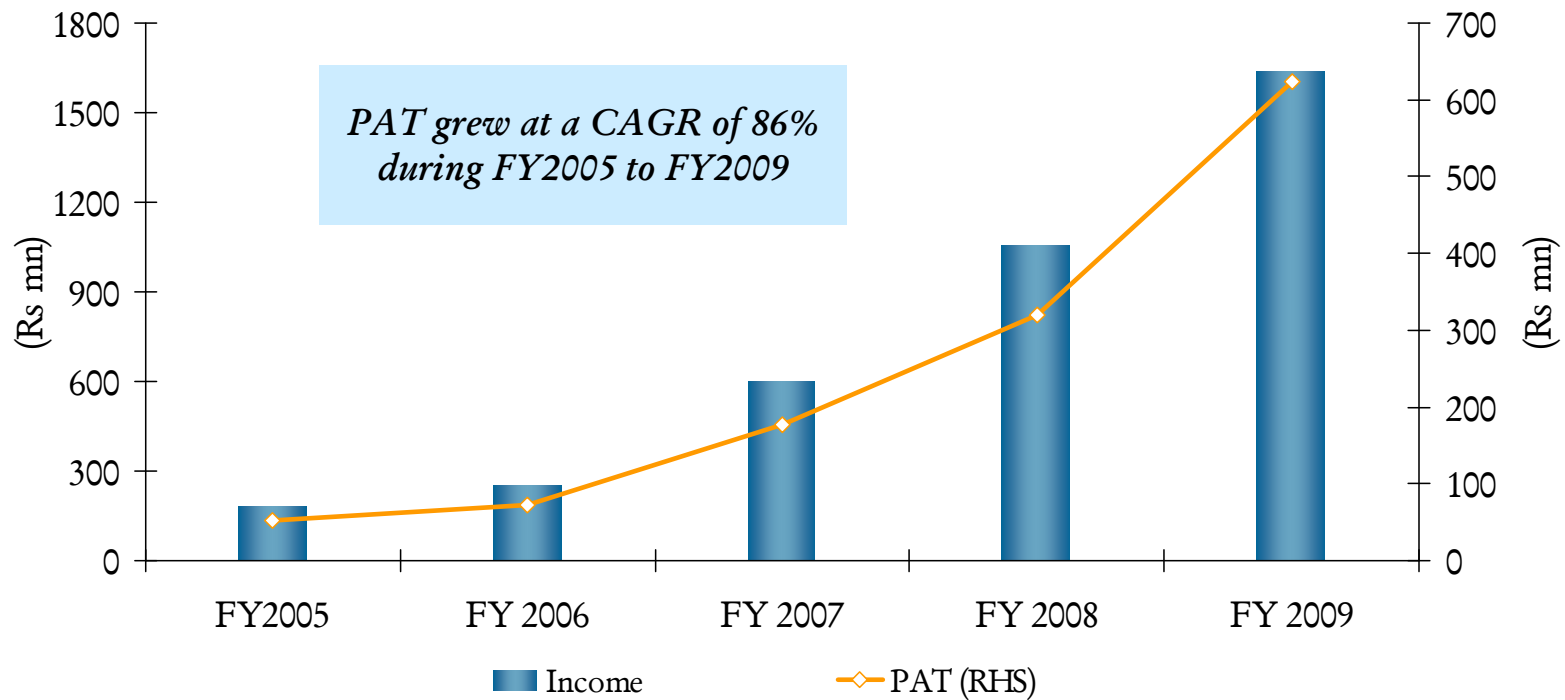
AUM grew at a CAGR of 75% during FY2006 to FY2010

Current AUM is US\$ 2.8 bn



Section C : Financial Information

Income & PAT Growth – Consolidated



FY2009 Consolidated Income & PAT of Rs 1,642 mn and Rs 623 mn

Financial Highlights (Consolidated)



(Rs Mn)

Year ending 31 March	2007	2008	2009	Apr-Dec 2009 (9 Months)
Total Income	601	1,057	1,642	1,300
Total Costs	221	592	796	632
PBT	380	465	846	668
PAT	178	319	623	506
PAT Margin (%)	30	30	38	39
Net Worth	440	710	930	N/A
EPS (Rs)*	1.5	1.6	3.1	3.3 (Annualised)
Dividend (%)**	40	55	70	N/A

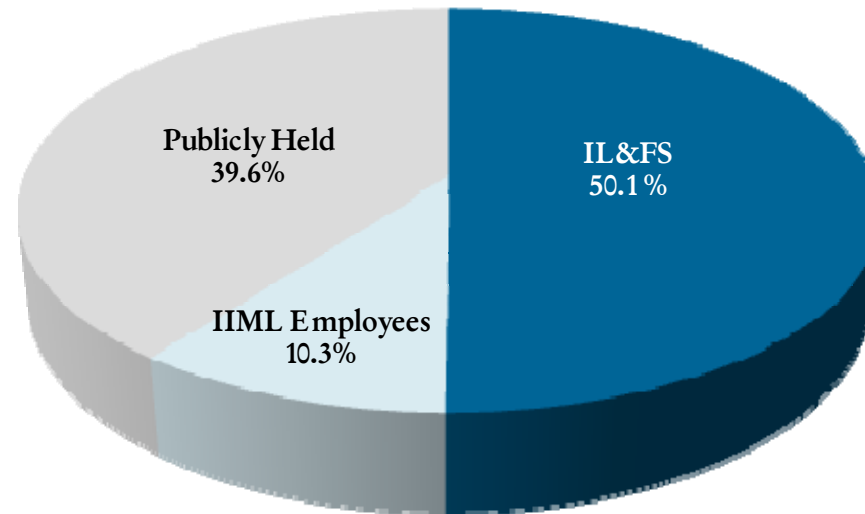
*Adjusted for 1:2 Bonus Issuances in FY2007 and FY2009, 5:1 share split in FY2009

** Percentage of Face value of share of Rs 2 each

IIML – Shareholding

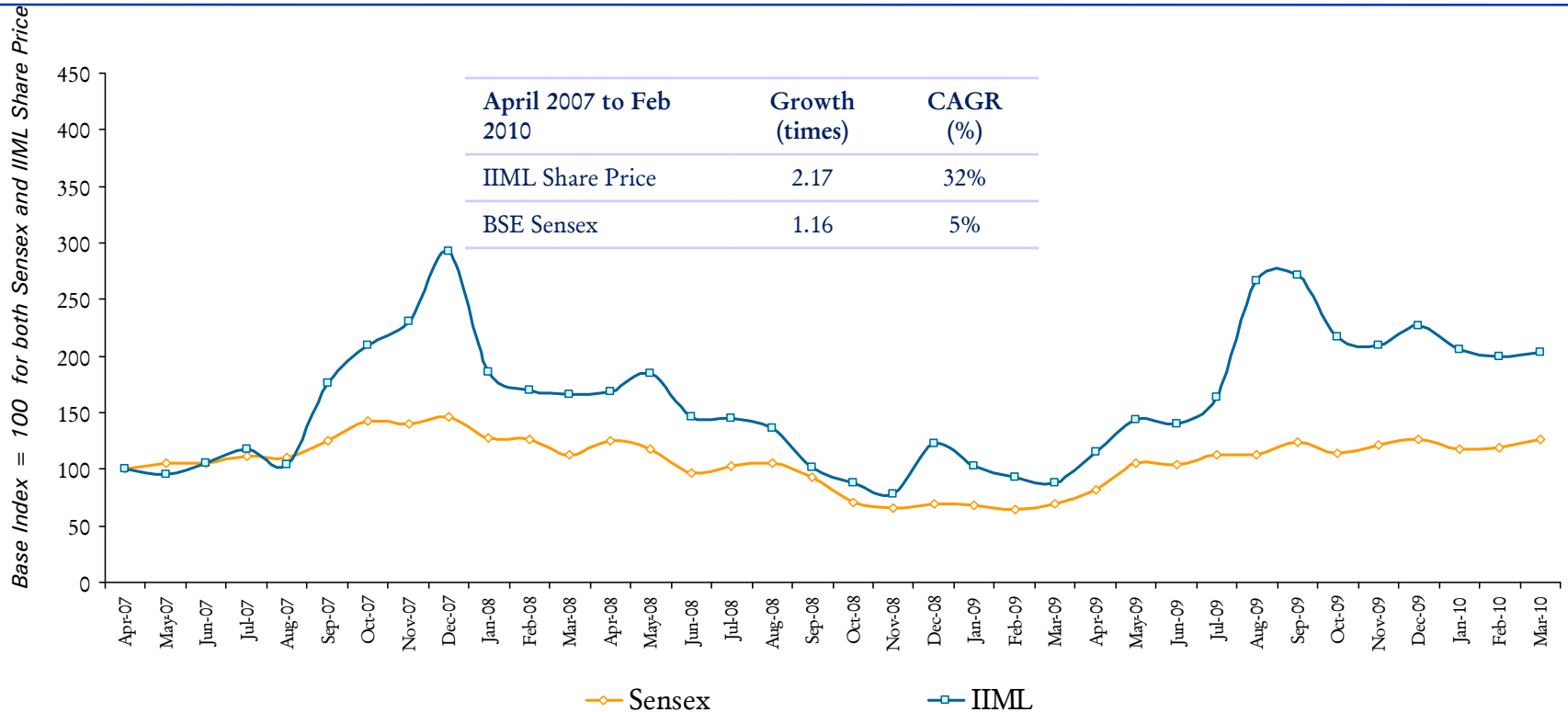


Shareholding Pattern



Note: Percentage ownership of IIML shown on a fully diluted basis including all issued options; Shareholding is as on December 31 2009

Share Market Performance



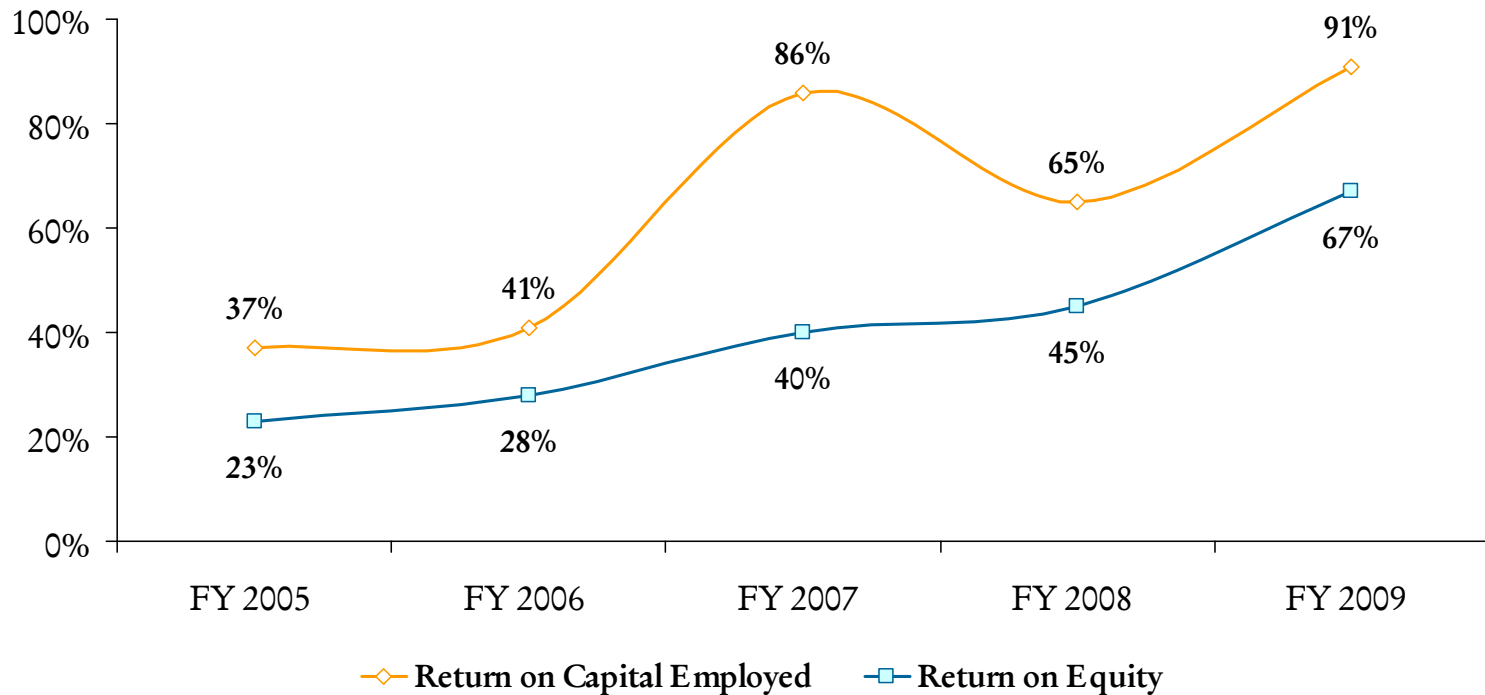
Share Price Data (March, 2010)

Market Cap	Rs 8,109 mn
Current Market Price**	Rs 40.00

IIML has outperformed Sensex in the last three years

** Face value of share of Rs 2 each

High Return to Shareholders



Return of Equity has improved consistently over last five years



Thank You