



## SIARAN AKHBAR PRESS STATEMENT

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### TNB COMPLETES 30% ACQUISITION OF GMR ENERGY FOR US\$300 MILLION

- Deal marks TNB's entry into India's expanding power market
- Transaction to be earnings accretive by FY2018
- GMR Energy Limited has five operational power assets with an additional four assets under development

**New Delhi, 4 November 2016** – Tenaga Nasional Berhad (“TNB”) today announced it has completed the acquisition of a 30% stake in Indian power company, GMR Energy Limited (“GEL”), for US\$300 million pursuant to the definitive agreements executed on May 9, 2016. The strategic investment in GEL by TNB will be made via its wholly owned subsidiary Power and Energy International (Mauritius) Ltd (“PEIM”)

The completion of the transaction marks TNB's entry into India's rapidly expanding power sector with demand for electricity growing between 6%-7% CAGR, adding 20GW of new capacity annually, an amount equivalent to Malaysia's current installed capacity.

The acquisition cements a strategic investment in GEL which has a portfolio of five operational power assets in India comprising coal, gas and renewable energy with a combined capacity of 4,630MW. An additional four power assets are currently under construction in India and Nepal with a future combined capacity of 2,300MW.

Datuk Seri Ir. Azman Mohd, President/Chief Executive Officer of TNB, said: “Tenaga Nasional's acquisition of 30% of GEL is a highly strategic investment that seeks to harness the future value of India's large and supply constrained power market. Strong growth in both the economy and energy demand coupled with a favourable energy policy framework means that this deal offers TNB attractive opportunities in the power sector on the sub-continent and establishes a strong foothold in the Indian power market.”

He added: “Growth in power generation is crucial to the success of India's **'Make In India'** industrialisation programme and progressive development of reliable supplies of new power will be needed to support the creation of new manufacturing bases throughout the country. This growth in electricity consumption is in line with TNB's international expansion roadmap to secure new generation capacity overseas. We believe the deal makes strong commercial sense by increasing our competitiveness, maximising shareholder value and delivering sustainable long-term earnings growth.”

Mr. G. B. S. Raju, Chairman of GEL, noted: “We are very happy to welcome Tenaga Nasional Berhad as our strategic partner. TNB’s investment in GEL will result in the creation of a market leading Indian energy platform with significant avenues for growth and expansion.”

TNB anticipates the transaction, which will be financed by a combination of internal funds and external debt, to be earnings accretive by Financial Year 2018.

The advisors for this agreement included Credit Suisse (Exclusive Financial Advisor), Slaughter and May and Khaitan & Co (legal counsels) and KPMG India Private Limited (Transaction Due Diligence, Regulatory and Commercial Advisor).

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**About Tenaga Nasional Berhad**

TNB’s core activities are in the generation, transmission, and distribution of electricity. In addition to being the nation’s primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah and Federal Territory of Labuan. As at 31 August 2016, TNB supplies electricity to approximately 9.2 million customers.

TNB, through its subsidiaries, is also involved in the manufacturing of transformers, high voltage switchgears and cables; the provider of professional consultancy services, construction and operating and maintenance of district cooling facilities, generation equipment, repair and maintenance, fuel supply services; services related to renewable energy, energy efficiency and power quality; higher education and skill training and undertakes research and development.

As an integrated electricity provider, TNB has and will continue to meet its crucial role in powering the nation’s progress.

**About GMR Infrastructure Limited**

GMR Group is a leading global infrastructure conglomerate with interests in Airport, Energy, Transportation and Urban Infrastructure. The group has fifteen power generation projects out of which ten are operational and five are under development

It has nine operating road assets and a double rail track line under development between Mughalsarai-New Bhaupur on the eastern dedicated freight corridor.

The GMR Group developed and operates India's busiest and currently World's No. 1 Indira Gandhi International Airport in New Delhi and the greenfield Rajiv Gandhi International Airport at Hyderabad. It has also bagged the rights to develop and operate Goa's Greenfield airport at Mopa. GMR Infrastructure in partnership with Megawide Construction Corporation is developing Mactan Cebu International Airport (MCIA) in Philippines. The Group is also developing two Special Investment Regions at Krishnagiri and Kakinada and India's largest Smart Airport City near Hyderabad International Airport.

The GMR Group, through its Corporate Social Responsibility arm, GMR Varalakshmi Foundation, carries out community-based development initiatives at 22 different locations in the areas of education; health, hygiene and sanitation; empowerment and livelihoods; and community development.

For further information about GMR Group, visit <http://www.gmrgroup.in/index.html>

### **About GMR Energy Limited**

GMR Energy is a part of the GMR Group, which is one of the largest diversified Infrastructure Conglomerates in India.

It now has a balanced portfolio of coal based, gas based and renewable (Hydro & Solar) power projects having a total capacity of 4,630 MW. The portfolio comprises of operating capacity of 2,300 MW (1,650MW of coal based, 623MW of gas based and 25MW of Solar capacity). Apart from this, projects with an aggregate generation capacity of 2,330 MW are under various stages of completion/ development in India and Nepal.