

## Snapshot of IPOs of Three Construction Companies

January 23, 2008

Attribute / Parameter	J Kumar Infraprojects	KNR Constructions	IRB Infrastructure
<b>Price Band</b>	Rs110-120	Rs170-180	Rs185-220
<b>Issue open during</b>	Jan. 18-23, 2008	Jan. 24-29, 2008	Jan. 31-Feb.05, 2008
<b>Issue size (RsCr)</b>	78	142	1123
<b>Market Cap (RsCr)</b>	249	506	7312
<b>Subjective</b>			
Confidence of Management	~	✘	✔
Sustainability of growth trajectory	~	~	✔
Visibility of revenue streams	✘	~	✔
Track record	✘	~	~
Historical trend of sales	✔	~	~
<b>Objective</b>			
No. of years of operations	3	10	9
<b>Net Sales (RsCr)</b> FY06 / 07 ( H1FY08 / Aug. 07)	23 / 113 / 82	150 / 324 / 232	NA / 325 / 285
<b>Revenue mix by sector (FY07)</b>			
- Roads, Flyovers & bridges	65.4%	94.9%	37.5%
- Irrigation	4.6%	3.1%	-
- Piling	7.3%	-	-
- Civil construction	12.4%	-	-
- Airport	10.3%	-	-
- BOT Projects	-	-	54.7%
- Others	-	2.0%	7.8%
<b>Nature of Projects</b>			
- Cash	Yes	Yes	-
- BOT	None	Secured 2 projects	11 under operations
- BOOT	None	None	-
<b>Type of Client</b>			
- Government	79.0%	78.7%	100%
- Private sector	21.0%	21.3%	-
<b>EBITDA margin</b> FY06 / 07 ( H1FY08 / Aug. 07)	9.9% / 14.9% / 20.9%	8.9% / 13.7% / 15.8%	NA / 54.1% / 56.7%
Post-IPO Net Worth (RsCr)	134	240	1574
Order book value (RsCr)	461	1734	2325
Order book/Sales(FY07) (x)	4.1	5.4	7.2
<b>Order book breakup by sector</b>			
- Roads	78.6%	89.4%	NA
- Irrigation	2.2%	8.4%	NA
- Piling	1.6%	NA	NA
- Civil	17.7%	NA	NA
- Urban water infra structure	NA	2.2%	NA
Execution period	21 Months	30 Months	> 5 years
<b>Valuation- P/e</b>			
FY08 (x)	18.4	18.7	87.5
FY09 (x)	13.1	13.6	46.9
FY10 (x)	9.7	10.2	36.5
<b>Valuation - Mcap/Sales</b>			
FY08 (x)	1.5	1.1	12.1
FY09 (x)	1.1	0.8	6.2
FY10 (x)	0.8	0.6	4.8

Legend: ✔ Positive    ~ Neutral    ✘ Negative

### Recommendation

We believe investors may subscribe to the IPO of IRB Infrastructure Developers Ltd with a long term perspective, in view of its focus on toll collection BOT projects, leading to higher EBITDA margins and revenue visibility going forward.

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