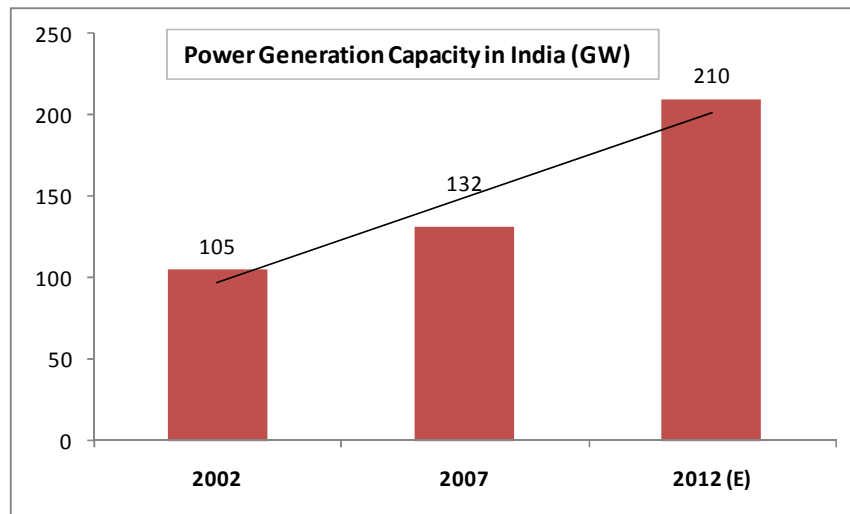


Indian Energy Market Opportunities for US Companies

With a generation capacity of 141 GW, India has the fifth largest electricity generation capacity in the world¹. India's Transmission & Distribution (T&D) network of 6.6 million circuit km is the third largest in the world.

According to the Integrated Energy Policy report released by the Indian government, estimated energy requirements will reach approximately 950,000 MW in the year 2030. The government has been promoting public - private partnerships to meet the estimated \$1.2 trillion investment required over the next 25 years to provide electricity to consumers at an affordable cost. The U.S. continues to be one of the largest exporters of generation and transmission equipment to India along with Germany, Japan and the U.K.



Given these conditions, there are excellent prospects for North American companies in energy efficient compressors, boilers, turbines, combined cycle power production, heat recovery technology, process control systems, hydraulics, cogeneration equipment, meters, sensors/ controls, heating/cooling (HVAC) systems, lighting units, pumps, appliances, steam systems/generators, and related IT and energy services. As the demand for Transmission & Distribution equipment is expected to grow rapidly, North American power equipment suppliers will also find significant sales opportunities in power distribution transformers, high voltage power cables, relays, conductors, capacitors, circuit breakers and related equipments.

¹ <http://investmentcommission.in/power.htm>

Indian Energy Market Overview

Both government and private sector firms generate electric power in India. National Hydroelectric Power Corporation, National Thermal Power Corporation and various state level corporations (state electricity boards – SEBs) are the major power generators. T&D is provided by the State Electricity Boards (SEBs) or private companies. There has been significant improvement in the growth of actual generation over the last few years. The total installed capacity as of March 31st, 2009 is about 147 000 MW, of which private sector companies produce about 13.5% , central government own 34% and the remaining 52.5% is produced by various state governments. However, the current electric power supply is 30% less than the demand.



Factors Driving Growth

With responsibility for electricity supply shared between the central and the state governments, the Government of India (GOI) has placed increased emphasis on improving the efficiency of supply, consumption, and pricing of electricity.

The Indian government, with World Bank assistance, has been encouraging the states to undertake in-depth power sector reforms. This involves establishing an independent regulatory framework for the sector, progressively reducing subsidies and restoring the creditworthiness of the utilities through financial restructuring and cost-recovery based tariffs, and divesting existing distribution assets to private operators.

Power sector reforms are critical for providing the impetus to states' economic growth and for redirecting public spending to priority areas. The government of India has set an ambitious goal, which is to provide power for all by 2012. This mission would require that the installed generation capacity should be at least 200,000 MW by 2012 from the present level of 147,000 MW. The power requirement will double by 2020 to 400,000 MW. About one-fourth to one-third of this growth will come from Independent Power Producers (IPPs), with the rest coming from the public sector. It is estimated that building 100,000 MW in additional power capacities and associated transmission & distribution infrastructure will require an investment of \$170 billion.

About IMaCS Virtus Global Partners

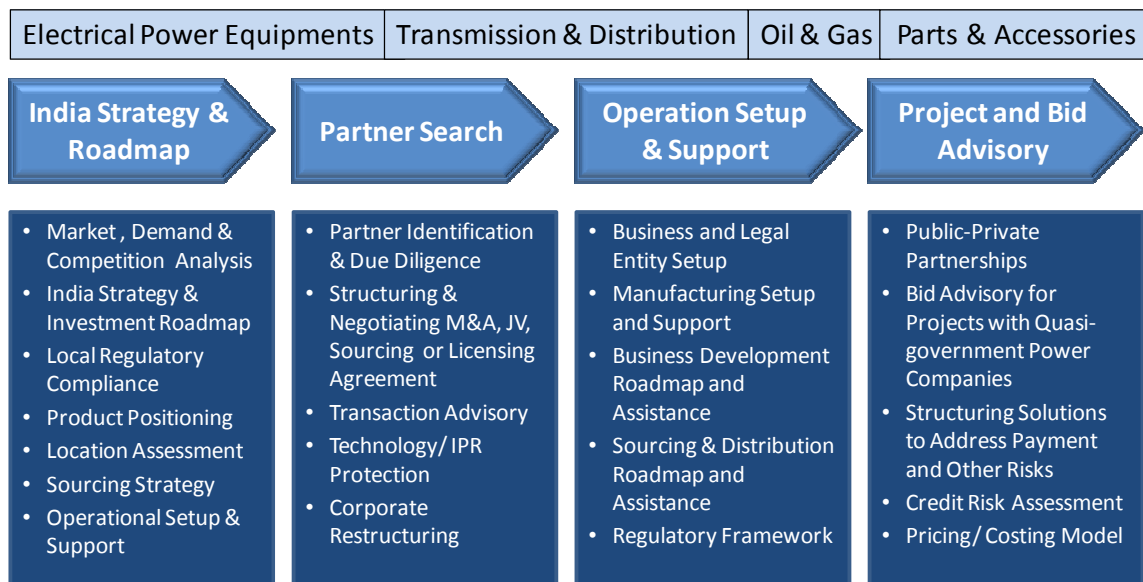
IMaCS Virtus Global Partners, Inc. (IVG Partners) offers advisory services to North American companies and private equity funds seeking India related growth, investment and sourcing opportunities. Our mission is to enable our clients to transform their business by adding India as a key part of their global footprint. Our clients benefit from our local presence, strong relationships, knowledge of local business practice, experience and financial expertise.

We provide India related Strategy & Roadmap Consulting, Partner/ Target Search, Operation Setup & Support, Cross-border M&A Advisory, Project/ Bid Advisory and Transaction Advisory services.

Our team possesses a deep understanding of the business environment both in the US and India and is well connected with companies, financial institutions, governmental agencies, and private equity firms in both markets.

We have an established track record of over 15 years and 900 engagements providing advisory services to a diversified client base across manufacturing, infrastructure, energy, technology, industrial commodities, and retail. We also work with multilateral and bilateral government agencies, banks & financial institutions, and regulators. We are headquartered in New York with eight offices in India.

Our Services



Our Representative Experience

Below is a partial list of our energy related engagements in India, for our North American, European and Indian clientele:

- ✚ India Entry Strategy for a global power developer, including location assessment, investment roadmap, partner search
- ✚ Risk Assessment of a copper cathode manufacturing project for a financial investor that included market risks, technical risks, business risks and financial risks
- ✚ India Market Study and Commercial Viability Assessment for setting up a 150 MW power plant in India for a global power generation company
- ✚ Preparation of India Entry Strategy for a leading global EPC contractor, including power sector policy and regulatory framework, market size, and investment/ implementation roadmap
- ✚ Assessment and Due Diligence of joint venture partner for a global power project investor
- ✚ Assistance in developing a cost to serve model for a leading power distribution company, including collection of field data, consumer category based load curve, and voltage level wise losses
- ✚ Entry Strategy into the gas transportation business, including analysis of bulk supply to industrial consumers, availability and price elasticity of gas
- ✚ Financial Assessment and Valuation of India based utility companies for an international strategic investor seeking acquisition of stake in a state owned public sector utility
- ✚ Market Assessment of CNG engines for a large engine manufacturer
- ✚ Contracting strategy for a proposed coal based power plant, including demand-supply situation, simulation of merit order situation, assessment of financial health of utilities and market analysis
- ✚ Power sector financing and strategy study for the Asian Development Bank (ADB)
- ✚ Risk Analysis of power distribution assets on behalf of a large power generation company, including analysis of regulatory framework and regulatory risks, performance benchmarks/ alternative performance based regulation, contractual risk with respect to shareholder's agreement, acquisition and the loan agreement
- ✚ Risk Assessment of a power generation project, including enterprise risks and market risks arising from the steel sector.

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