



## Canada Pension Plan Investment Board Signs Agreement to Invest INR20 Billion (US\$332 Million) in India's Infrastructure Sector

**Toronto, ON, Canada (June 23, 2014):** Canada Pension Plan Investment Board (CPPIB) announced today an investment in India's infrastructure sector. CPPIB's wholly-owned subsidiary, CPP Investment Board Singaporean Holdings I (CPPIBSH) has entered into a definitive agreement with Larsen & Toubro Limited (L&T) to initially invest INR10 billion (approximately US\$166 million) in L&T's subsidiary, L&T Infrastructure Development Projects Limited (L&T IDPL).

CPPIBSH is also committed to a second tranche of INR10 billion (approximately US\$166 million), to be invested 12 months following the initial investment (subject to any required regulatory approvals at such time).

Under the agreement, CPPIBSH will invest in L&T IDPL preference shares which will be compulsorily convertible into equity shares by 2018 at a valuation to be determined by a mutually agreed process. Post conversion, CPPIBSH will hold a minority stake in the equity capital of L&T IDPL.

L&T is the largest engineering and construction company in India. L&T IDPL owns the largest toll-road concession portfolio in India, including 19 toll-roads spanning over 2,200 kilometres, connecting some of the most important cities, ports and economic corridors in India. L&T IDPL also owns a power transmission line project, and a metro project in Hyderabad.

"This transaction represents CPPIB's first investment in India's infrastructure sector with a highly reputable partner and fits well with our strategy for India as a key long-term growth market," said André Bourbonnais, Senior Vice-President, Private Investments, CPPIB. "We look forward to partnering with L&T and L&T IDPL's experienced management teams as we build our infrastructure platform in India over the long term."

"We are pleased to form this new partnership with CPPIB," said R. Shankar Raman, Chief Financial Officer and Member of the Board of Directors, L&T. "With its long-term view, CPPIB is an ideal partner for L&T and will provide growth capital to L&T IDPL to expand its infrastructure development business."

The transaction is subject to customary closing conditions and approvals from relevant governmental authorities and regulators.

### About L&T IDPL

L&T Infrastructure Development Projects Limited (L&T IDPL), a subsidiary of Larsen & Toubro (L&T) is a pioneer of the public-private-partnership model of development in India, where infrastructure projects are developed in partnership between the Central and State governments, private sector partners, financing agencies and communities. L&T IDPL has business interests in the development of roads and bridges, ports, metro rail, power transmission lines, wind energy and emerging sectors



such as water and railways, and handles a portfolio of infrastructure assets with estimated project costs of US\$7.5 billion comprising of 23 projects across sectors.

#### **About Larsen & Toubro (L&T)**

Larsen & Toubro is a US\$14.3 billion technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. Its products and systems are marketed in over 30 countries worldwide. L&T is one of the largest and most respected companies in India's private sector. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business over seven decades.

#### **About CPPIB**

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At March 31, 2014, the CPP Fund totalled C\$219.1 billion. For more information about CPPIB, please visit [www.cppib.com](http://www.cppib.com).

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