

FIRST MAJOR REAL ESTATE FUND IN INDIA RAISES US\$525 MILLION
*IL&FS Investment Managers Limited Attracts International Capital,
Including Institutional Investors in the US*

Mumbai, India (*August 1, 2006*) – IL&FS Investment Managers Limited (IIML), a leading private equity fund manager in India, is pleased to announce that it has completed the final closing of the IL&FS India Realty Fund (IL&FS Fund) with US\$525 million in equity commitments. The IL&FS Fund, which was oversubscribed, had an initial target size of US\$300 million. With leverage, the IL&FS Fund will have US\$1.5 billion of total purchasing power. Investors in the IL&FS Fund include some of the most respected global and domestic names in investing, and include pension funds, foundations, banks, financial institutions and insurance companies. IIML was exclusively represented by Presidio Partners LLC, a real estate private equity and advisory firm with offices in San Francisco, CA and Chicago, IL.

The IL&FS Fund targets the burgeoning Indian real estate market and seeks a gross annual leveraged internal rate of return in excess of 25%. A unique window of opportunity exists for real estate investments across the larger Indian cities and metropolitan areas, spurred by recent reforms that facilitate foreign direct investment in a number of product types. Accordingly, the IL&FS Fund will target the office, retail and for-sale residential sectors, as well as integrated townships and special economic zones. In addition to the major metropolitan areas, the IL&FS Fund will also focus on other markets where there is substantial middle-income demand.

Shahzaad Dalal, IIML's Vice Chairman and Managing Director, will lead the IL&FS Fund. Mr. Dalal stated, "We are delighted with the launch of our first real estate fund and with the overwhelming response from the institutional investment community. We look forward to creating value for our investors and will work diligently to earn their continued trust."

About IL&FS Investment Managers Ltd

IIML is one of the largest domestic private equity fund managers in India today, with over US\$900 million of equity under management. IIML is a pioneer in private equity fund management in India, having successfully raised and managed several diversified focus and sector-specific funds. IIML's investment portfolio also includes infrastructure-focused funds that have helped boost infrastructure development in India.

About Presidio Partners LLC

Presidio Partners LLC is a leading real estate private equity and advisory firm with a singular focus on providing capital raising and advisory services to real estate fund sponsors, operators, REITs and other real estate market participants. Founded in June 2003, Presidio has raised approximately US\$4.9 billion of equity commitments on behalf of its domestic and international clients.

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