



IS NOW

**prozone
intu** 

- Prozone Intu has been jointly set up by Provogue Promoters and Intu Properties UK PLC
- The vision is to create, develop and manage world class mixed use developments and shopping centres
- The company is currently developing over 16 mn square feet in cities like Aurangabad, Nagpur, Coimbatore, Indore & Jaipur amongst others
- Intu Properties PLC is a FTSE 100 listed company and is amongst the top 20 REIT's in the world. 10 of their shopping centres feature in the top 25 centres in the UK



INDIA'S FIRST LISTED MULTINATIONAL REAL ESTATE COMPANY



PROZONE INTU PROPERTIES LIMITED

Result Update Q2 FY15

November – 2014

Discussion Outline

- Quarterly Business Update
- Financial Results
- Project Update
 - Aurangabad
 - Nagpur
 - Coimbatore
 - Indore



Quarterly Business Update

Update - Build & Lease Model

• Retail– Aurangabad Mall

- Q2 FY15 Rental Income has increased by 6.04 % on a QoQ basis. Also EBIDTA has increased by 11.46 % and EBIDTA Margins have increased by 280 bps on a QoQ basis mainly due to opening of 3 new stores and stable rentals during the quarter. Positive Improvements are seen across all key parameters such as Retailer sales, Average Trading density, Footfalls as well as Traction in Leasing activity .
- **Q2 FY15 Retailer Sales** - Increased by 9.08 % from Rs. 429.5 Mn. to Rs. 468.5 Mn. on Y-o-Y basis.
- **Q2 FY15 Average Monthly Trading Density** - Increased by 8.03 % from Rs. 274.0 to Rs. 296.0 on Y-o-Y basis,
- **Q2 FY15 Footfalls** - Increased by 3.64 % from 16.5 lakh to 17.1 lakh on Y-o-Y basis.
- **New Stores & Leasing Update** – Addition of 3 stores during the quarter such as Wildcraft, Matz & more and ATN. Also 1 New store (30,132 sq. ft.) in the Fit out stage – Decathlon . Strong Traction seen in leasing activity as another 5 new stores are under discussion.

• Retail– Coimbatore Mall

- Leasing in progress for key anchor tenants. Agreement signed for Multiplex, LOI signed for a Fashion and Consumer Durable Retailer. In advance talks with Anchors for the Hypermarket & Department store, also with Mini Anchors in the Fashion space.
- Participated as co presenting partners with RAI (Retailers Association of India) in the Chennai retail summit held on 31st July 2014, wherein over 150 regional retailers across various categories participated. Also participated in India Retail Forum (IRF) held at Mumbai on 17th & 18th Sep 2014.
- RAI events provide us window to present our project to local retailers. Have received good interest from the Local Regional retailers . Based on strong response during the event, now in talks with certain key local/regional retailers for categories like local Saree, Jewelers and departmental stores.
- **Contract finalised and awarded to Gannon & Dunkerly. Contractor has mobilized and Construction started for the First phase of the Mall building. Construction of the Retail Building is in Progress as per the scheduled Timelines.**

• Retail – Nagpur

- Retail design finalised and approvals have been applied for.

Quarterly Business Update

- **Update - Build & Sell Model**
- **Commercial– PTC Phase 1 – Aurangabad**
 - Overall 190,000 sq. ft. of Commercial Area launched in Phase 1 and ~93.6% is sold out.
 - Collections remains to be slow as commercial office market is yet to pick up, therefore Construction pace has been kept in line with the slow collections. Prozone Trade Centre (PTC) Phase 1 is expected to be delivered by Q4FY15.
- **Retail – Saral Bazar - Aurangabad**
 - A community street market concept which offers small shop spaces of 80-150 sq. ft. Phase 1 & 2 launched with over 30,000 sq. ft. and 68% is sold out. Construction of Phase 1 has been completed and the shops are ready for possession. Customer handover process for interior fit out has commenced. Operations to commence in next few weeks.
- **Residential – Nagpur**
 - Construction of Sales Office, Sample Flat and site infrastructure has been completed. **Construction for main residential buildings in progress.**
 - **Good Response to Project pre-Launch in Nagpur –** Total 323 Flats have already been sold till date with total Area booked - 5,72,379 sq. ft and Total Sales value worth Rs. 2078.1 mn. Bookings will be reopened in December.
- **Residential – Coimbatore**
 - Civil work for Club House has been completed. Interior work for Show Flat completed. Infrastructure in advanced stage of completion
 - Project approvals are in progress and Project launch planned for January 2015 during the festive season of Pongal.
- **Residential – Indore**
 - Construction of Sales Office, Sample Flat, & Site Infrastructure completed. Club House work in progress. Project to be launched once all the approvals are received.

Financial Results: Consolidated Income Statement

Rs. Mn.	Q2 FY15	Q1 FY15	QoQ %	Q2 FY14	YoY %
Sale of commercial Units	3.3	8.5	(61.0%)	54.6	(93.9%)
Sale of services	55.2	52.8	4.5%	54.9	0.5%
Other operating Income	30.2	28.8	4.9%	28.5	5.8%
Total Income from operations	88.7	90.1	(1.6%)	138.0	(35.8%)
EBITDA w/o Other Income	37.5	32.5	15.3%	45.4	(17.5%)
EBITDA Margin	42.3%	36.1%		32.9%	
Other Income	12.4	16.6	(25.2%)	13.8	(9.6%)
EBITDA	49.9	49.1	1.6%	59.2	(15.6%)
EBITDA Margin	56.3%	54.6%		42.9%	
Depreciation	(41.6)	(41.4)		(51.0)	
Interest	(41.3)	(41.8)		(44.7)	
Profit before tax	(33.0)	(34.1)		(36.6)	
PAT after minority interest	(16.1)	(17.9)		(23.6)	

Result Update -

- *Total Income has been flat on QoQ basis to Rs. 88.7 mn on account of stable rentals and have decreased by 35.8% on YoY basis mainly on account of Revenue Recognized for the sale of Units in PTC Phase 1 & Saral Bazar during the quarter last year .*
- *Total EBITDA has been increased by 15.3% on a QoQ basis to Rs. 37.5 mn .*
- *EBITDA Margins have improved by ~617 bps on QoQ basis mainly due to Cost rationalization and stable Rentals.*
- Note-
- Sale of Services represent rent income and CAM Income received from Aurangabad Mall.
- Sale of Commercial Units represent Revenues recognized from the Build & Sell model
- Other Income constitutes Interest & Dividend Income on Investments, and gain on sale of current investments

Financial Results: Consolidated Balance Sheet

Sources of Funds (Rs Mn.)	FY14	Sep-14
Equity	5061.8	5026.6
Total Debt	1758.0	1775.5
Other Non Current Liabilities	281.5	280.5
Minority Interest	1972.0	1931.8
Total Sources of Funds	9073.3	9014.4
Application of Funds (Rs Mn.)	FY14	Sep-14
Net Block	4466.6	4512.6
Investments	246.4	246.4
Goodwill on consolidation	1097.6	1097.6
Other non current assets	334.7	443.1
Current Assets, Loans & Advances		
Sundry Debtors	644.3	651.3
Inventory	1923.9	2004.1
Cash & Bank Balances	74.8	73.3
Investment in mutual fund	218.0	8.5
Loans & Advances	829.1	843.2
Current Assets	3690.1	3580.3
Current Liabilities & Provisions	761.9	865.7
Net Current Assets	2928.2	2714.6
Total Application on Funds	9073.3	9014.4

Retail Update – Aurangabad Mall



Retail Update – Aurangabad Mall

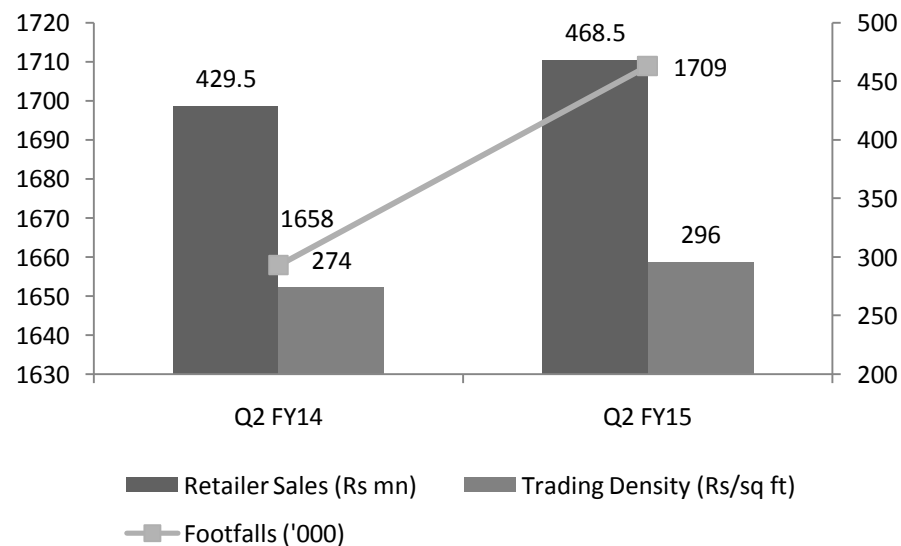


Mall Matrix

Key Operating Parameters	Q2FY15
Gross Leasable Area (sq.ft.)	680,189
Current Leasing Status	79%
Current Occupancy Status	78%
Number of Stores Signed	107
Retailer Sales (Rs. Mn.)	468.5
Average Monthly Trading Density (Rs/sqft)	296.0
Footfalls (Mn.)	1.71

• Mall Update -

- 3 new stores opened in Q2 FY15 – Wildcraft, ATN & MATZ & MORE. Overall 2,782 sq. ft. of GLA added during the quarter.
- Fit out for 1 stores – Decathlon in progress. Total Area under Fit out stage – 30,132 sq. ft.
- Retailer Sales & Average Monthly Trading Density increased by 9.08 % and 8.03 % respectively on Y-o-Y basis.



New Stores Opened in Q2 FY15 - Aurangabad Mall

WILD CRAFT



MATZ N MORE



ATN



Brand Partners - Aurangabad Mall



Financial Snapshot – Aurangabad Mall

Operational Details (Rs. Mn.)	Q2 FY15	Q1 FY15	QoQ %	Q2 FY14	YoY %
Area Leased (sq. ft.)	528,436	525,654		5,42,000	
% Occupancy	78%	78%		79%	
Rental Income	43.1	40.0	7.75%	44.0	(9.9)%
Recoveries (CAM & Other)	48.2	46.1	4.56%	41.6	0.0%
Total Income	91.3	86.1	6.04%	85.6	(4.9)%
EBIDTA	38.9	34.9	11.46%	30.5	28.3%
EBIDTA Margin % (as % of Rental Income)	90.3%	87.5%		69.3%	
EBIDTA Margin % (as % of Total Income)	42.6%	40.5%		35.6%	

- Rental Income has increased by 6.04% on a QoQ basis. Also EBIDTA has increased by 11.46 % and EBIDTA Margins have increased by 280 bps on a QoQ basis mainly due to opening of 3 new stores and stable rentals during the quarter..
- 1 New store is in Fit out stage equivalent to 30,132 sq. ft. which would get added during Q3 FY15, Thus improving the overall occupancy for the mall.

Note 1 - Recoveries Include CAM as well as Other Charges such as HVAC, Electricity & Water Charges

Aurangabad Mall - Events



Movie Promotion – Phoster Boys



Independence Day Celebration



Marketing Activity – RAAS DANDIYA



Movie promotion “Lai Bhari”

Commercial Update – Aurangabad PTC Phase 1

Prozone Trade Center (PTC) Phase 1	Q2 FY15
Total Area Launched (sqft)	190,528
Total Units Launched (No)	117
Total Area Sold (sqft)	184,484
% Total Area Booked	96.8%
Avg. Sale Rate per sqft (Rs)	3,270
Total Sale Value (Rs. Mn.)	589.0
Amount Collected (Rs. Mn.)	203.7
Revenue Recognized (Rs. Mn.)	547.5
Total Project Cost (Rs. Mn.)	246
Estimated Project Completion Date	Q4FY15

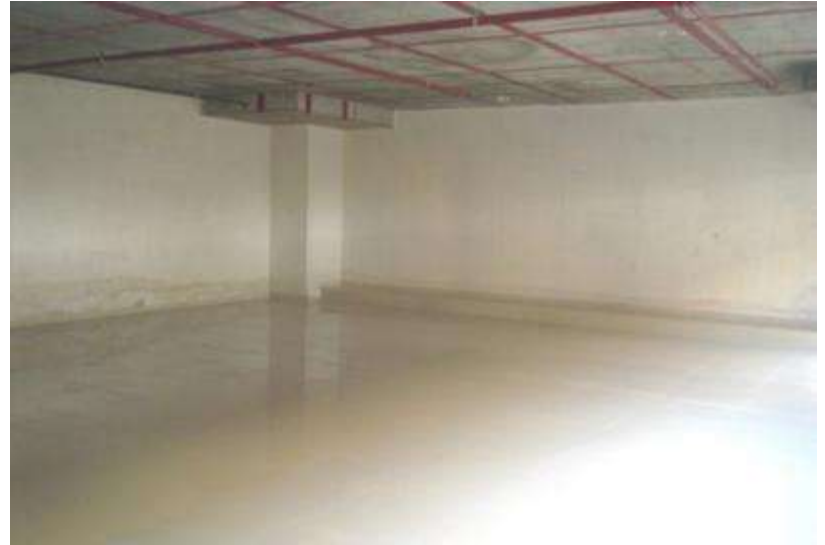
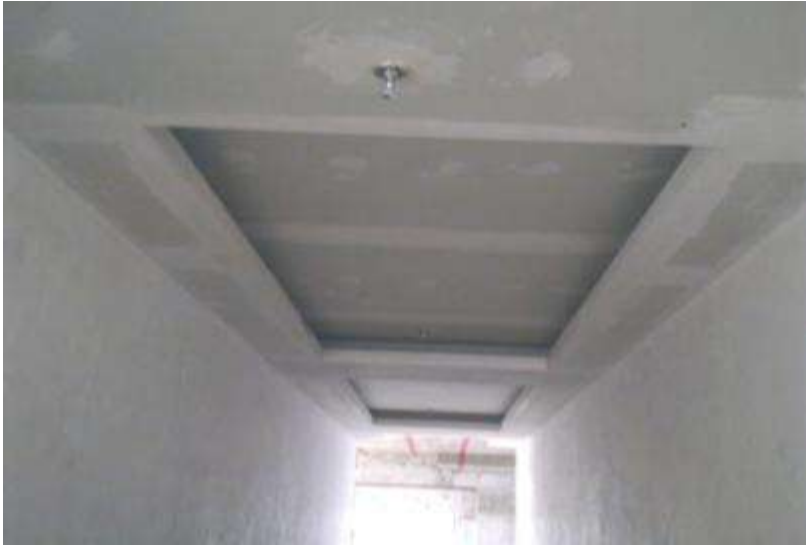


- **Prozone Trade Centre (PTC) Phase 1**
 - Construction of Prozone Trade Centre (PTC) Phase 1 of ~190,000 sq ft is in progress and is expected to be completed by Q4FY15.
 - Total expected income from PTC Phase 1 is ~Rs 629 Mn., out of which 96.8% area is already sold.
 - Due to Sluggish market conditions in commercial office space , Collections have been slow, therefore Construction pace has been kept in line with the slow collections.
 - Expect Cash inflows of ~Rs. 385 Mn. to be generated by Q4 FY15.

Commercial Update – Aurangabad PTC Phase 1



Commercial Update – Aurangabad PTC Phase 1



Retail Update – Aurangabad – Saral Bazar

Saral Bazar Phase 1+2	Q2 FY15
Total Carpet Area Launched (sqft)	31,749
Total Units Launched (No)	325
Total Carpet Area Booked (sqft)	21,495
% Total Area Sold	68%
Avg. Sale Rate per sqft (Rs)	14,839
Total Sale Value (Rs. Mn.)	318.9
Amount Collected (Rs. Mn.)	119.6
Revenue Recognized (Rs. Mn.)	302.2
Total Project Cost (Rs. Mn.)	66.1
Estimated Project Completion Date	Q3FY15



- **Saral Bazaar** - A community street market concept which offers small shop spaces of 80-150 sqft.
- Total expected income from Saral Bazaar Phase 1 & 2 is ~Rs 466.7 Mn., out of which 68% area is already sold.
- Phase 1 shops are ready for possession. Customer handover process for interior fit out has commenced.
- Operations of Phase 1 expected in next few weeks.
- Post delivery of Phase 1, Marketing Activity planned in Q3 FY15. Estimated Phase 2 completion by Q4FY15.

Retail Update – Aurangabad – Saral Bazar

Ready Units



Ready Units



Project update – Nagpur

- Location –

- Prozone Palms is strategically located just off Wardha Road, a prime residential location at Nagpur.
- It is in close proximity to the MIHAN (Multi-modal International Cargo Hub and Airport at Nagpur) airport.



- Project Size –

- Prozone Palms township is being developed in 2 phases and Phase 1 of the same is spread over 11 acres of land with 20,01,608 sq. ft. of saleable area.
- Prozone Palms offers 14-storey towers with a total of 1,176 flats with a wide range of luxurious 2 BHK, 3 BHK & 4 BHK apartments meticulously planned for spacious living.

- Premium Clubhouse Infrastructure –

- Club Palms, spread over 4 acres, which offers one of the finest clubbing experiences through a wide gamut of luxurious amenities
- e.g. kids play area, meditation centre, aroma garden, therapeutic walk, multipurpose court, swimming pool, jacuzzi, barbeque pavilion, outdoor dining plaza, jogging/cycling track, amphitheatre etc.

Project update – Nagpur

- Residential update –
 - Construction of Sales Office, Sample Flat and site infrastructure has been completed.
 - Civil work has been completed for Club house and for major structures in landscape area.
 - **Contract for residential towers awarded to NCCCL. Contractor has been fully mobilised and Construction work has commenced on site. Currently, the Excavation & Plinth work for main towers is in progress at site.**
 - Bookings are planned to be reopened in Dec 2014.
- Pre Launch Response –
 - **Good Pre-Launch Response –** Despite Slowdown and weak Economic environment, the project has witnessed good response in sales traction due to better construction activity with upfront built up of the club house at the site.
 - **Have sold Total 323 Units till date. Total Area booked till date is 5,72,379 sq. ft.**
- Retail update –
 - Retail design Pre-Concept has been finalized and Concept design is being developed.
 - Pre-leasing with Retailers have been initiated as well as Project Approvals are in process.

Residential Update – Nagpur

Sales Office & Show Flat



Residential Update – Nagpur

Club House & Infrastructure Work in Progress



Residential Update – Nagpur

Club House & Infrastructure Work in Progress



Residential Update – Nagpur

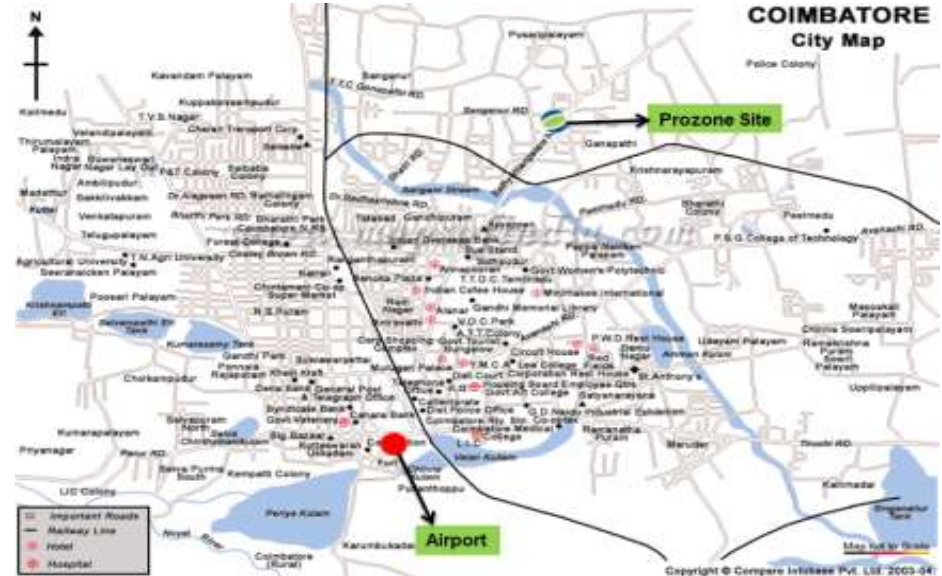
Contractor Mobilization & Construction Work



Project update – Coimbatore

• Location –

- Prozone land parcel is Located on the Sathyamangalam road a.k.a. the IT Corridor of Coimbatore.
- Site has main access via National Highway No 209 providing excellent connectivity to the site.



• Project Size –

- Retail development to have 664,000 sq ft of GLA spread over 2 phases.
- Prozone Palms township is being developed in single phase and is spread over 11 acres of land with 15,12,000 sq. ft. of saleable area.
- Prozone Palms phase 1 offers 18-storey towers with a total of 1088 flats with a wide range of luxurious 2 BHK, 3 BHK & 4 BHK apartments meticulously planned for spacious living.

• Premium Clubhouse Infrastructure –

- Club Palms, spread over 4 acres, which offers one of the finest clubbing experiences through a wide gamut of luxurious amenities
- e.g. kids play area, meditation centre, aroma garden, therapeutic walk, multipurpose court, swimming pool, jacuzzi, barbeque pavilion, outdoor dining plaza, jogging/cycling track, amphitheatre etc.

Project updates - Coimbatore

- Retail Update –
 - **Contract for construction of Retail building is awarded to Gannon & Dunkerly and Construction of main building is in progress.**
 - Agreement for Multiplex signed & security deposit received. Agreement signed for Multiplex, LOI signed for a Fashion and Consumer Durable Retailer.
 - Leasing for Anchor & mini anchors in progress - Good traction seen from several Anchor Tenants. Agreements for key anchors are at advanced stages of finalization.
 - Participated as co presenting partners with RAI (Retailers Association of India) in the Chennai retail summit held on 31st July 2014, wherein over 150 regional retailers across various categories participated. Also participated in India Retail Forum (IRF) held at Mumbai on 17th & 18th Sep. Good traction seen from several Retailers.
 - In the environment where real estate debt is difficult come by, we have managed to get Bank debt sanction of Rs 1800 mn. at competitive rate of 13.75% due to our strong balance sheet.
- Residential Update -
 - Marketing office and Show flat has been completed and made operational.
 - Construction work for Club house has been completed.
 - Site Infrastructure work - Major Civil work completed and Infrastructure in advanced stage of completion.
 - Project approvals are in progress and Project launch planned for January 2015 during the festive season of Pongal.

Retail Update – Coimbatore



Retail Development Work in progress



Residential Update – Coimbatore



Sales & Marketing Office , Show Flat



Residential Update – Coimbatore



Club House & Infrastructure Work in Progress



Project update – Indore

- Location –

- Prozone Palms is situated on Kanadia Road, a prime residential location at Indore.
- Well connected by Bypass road, proposed RE-2, it is strategically located within a 5 min drive from high end residential areas like Saket & Gulmohar.



- Project Size –

- Prozone Palms township is being developed in 2 phases and Phase 1 of the same is spread over 11 acres of land with 23,61,662 sq. ft. of saleable area.
- Prozone Palms phase 1 offers 18-storey towers with a total of 1574 flats with a wide range of luxurious 2 BHK, 3 BHK & 4 BHK apartments meticulously planned for spacious living.

- Premium Clubhouse Infrastructure –

- Club Palms, spread over 4 acres, which offers one of the finest clubbing experiences through a wide gamut of luxurious amenities
- e.g. kids play area, meditation centre, aroma garden, therapeutic walk, multipurpose court, swimming pool, jacuzzi, barbeque pavilion, outdoor dining plaza, jogging/cycling track, amphitheatre etc.

Project update – Indore

- Residential update –
 - Infrastructure development work in progress.
 - Marketing Office and Sample Flat Civil structure and Interiors work completed.
 - Access road as well as Site Infrastructure completed.
 - Club House Civil structure completed and Interiors work is in progress.
 - Project Launch to take place post Approvals in place and Club house is completed.



Residential Update – Indore



Sales Office



Sample Flat



Sales Office



Sample Flat

Residential Update – Indore



Landscape & Boundary wall



Club House & Swimming Pool



Access Road



Kids play area & Landscape

THANK YOU



Anurag Garg ,Chief Finance Officer (CFO)

Contact: 022 30653111

Email: anurag.garg@prozoneintu.com

Website: www.prozoneintu.com



Ammeet Sabarwal

DickensonSeagull IR

Contact: +91 9819576873

Email: ammeet.sabarwal@dickensonIR.com

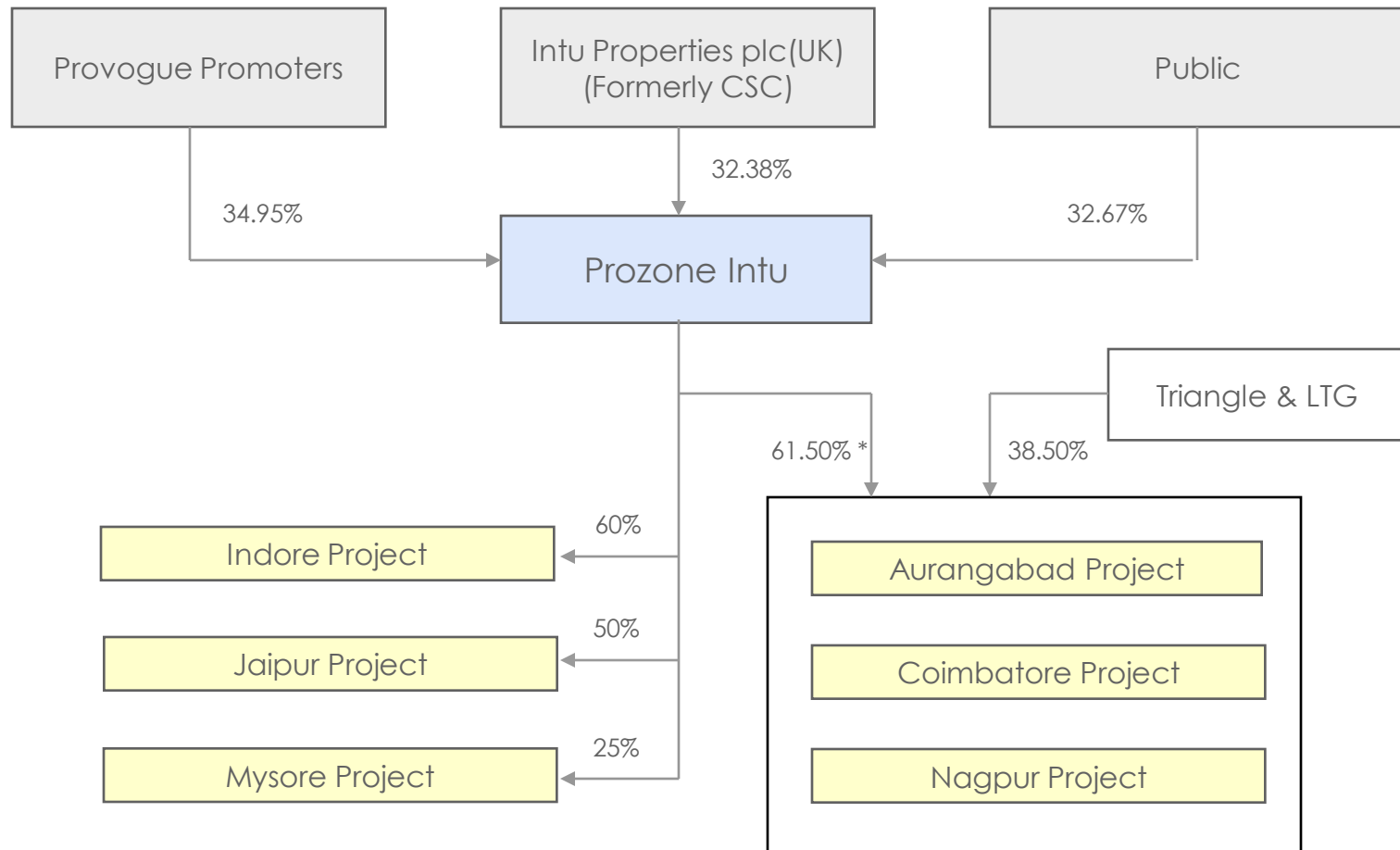
Website: www.dickensonir.com

ANNEXURE

About Us: Executive Summary

- Vision: To become India's leading developer / manager of high quality shopping centers in emerging urban cities pan-India, incorporating mixed-use developments to facilitate the business model.
- Prozone Intu has attracted investments from major institutional investors, notably the Triangle Fund (anchored by Old Mutual Group, South Africa) and the Lewis Trust Group (the River Island promoter's family fund) into step-down subsidiaries for three projects in Aurangabad, Coimbatore and Nagpur.
- The business harnesses Intu Properties plc (previously Capital Shopping Centres plc 'CSC') input and experience as UK's largest retail real estate developer combined with Provogue (India) Ltd's in-depth knowledge of the Indian retail market.
- The company has a strong balance sheet, large land bank fully paid, a planned pipeline of projects and a strong domestic execution team.
- First mall in Aurangabad is trading well and is widely acclaimed by retailers and the shopping public as a regional destination for its forward-looking design and high quality facilities.
- Following a thorough incubation period, the company is poised for growth and anticipates unlocking significant value to its shareholders.

About Us: The Holding Structure



* - Through wholly owned subsidiary company at Singapore

The Demerger

- On 10th February 2012, the Bombay High Court approved the demerger of Prozone Enterprises Private limited from Provogue (India) Limited. The demerger was in the ratio of 1:1 and the shares were given to the shareholders of Provogue (India) Limited
- Prozone Enterprises Pvt. Ltd.,[PEPL] pursuant to the same court scheme. The amalgamation of Prozone into PCSC was with exchange ratio of 313 : 75 and accordingly CSC, being shareholder of PEPL was allotted shares in PCSC.
- Listed on BSE and NSE on 12 Sep, 2012
- BSE: 534675 | NSE: PROZONECSC | ISIN: INE195N01013 | BLOOMBERG: PROZONE:IN
- Total outstanding shares; 152.6 million of face value Rs 2 each
- Current Market Capitalization: Rs 3906.6 mn. (as of 10th May 2013)

Name	%
Provogue Promoter Group	34.95%
CSC	32.38%
Public	32.67%
Total	100%

About Us – Intu Properties Plc

Formerly: Capital Shopping Centres Group Plc (CSC)

- UK's largest retail real estate player
- One of the UK's top100 companies, listed in London and Johannesburg with current asset valuation of £7 billion
- Over 35 years global real estate development and asset management experience
- More than 16 mn sqft of retail space; 320 million customer visits a year
- India entry through an investment in Prozone Enterprises Pvt Limited in 2007
- CSC has recently changed its name & now its known as Intu Properties Plc (Intu)
- Intu now owns 32,38% of Prozone Intu
- Intu's Chief Executive and Senior Director are represented on the Board of Prozone Intu Ltd



Metrocentre, Gateshead, UK



Lakeside, Thurrock, UK

About Us: Business Summary (As at Mar 2013)

	Project Status	1st Phase Completion	Prozone Stake%	Retail	Residential	Commercial	Balance FSI	Total Area msf
Aurangabad	Open	2010	61.5%	741,000	-	818,000	-	1.56
Coimbatore	On Site	2015	61.5%	664,000	1,512,000	360,000	899,000	3.44
Indore	On Site	2015	60%	-	2,361,000	-	2,182,000	4.54
Nagpur	On Site	2015	61.5%	675,000	1,584,000	360,000	1,635,000	4.25
Jaipur	Planning	2017	50%	-	1,500,000	-	1,276,000	2.78
Mysore	Planning	2017	25%	-	1,216,000	-	-	1.22
TOTAL				2,080,000	8,173,000	1,538,000	5,992,000	17.79

Note - Land bank is fully paid

Prozone Intu Business Strategy



- Locations selected in high growth corridors within city limits
- Execute high quality retail assets at the right price and the right time
- Develop and sell mixed-use assets to facilitate retail investments

Prozone Intu – Revenue Recognition Policy

- **Build & Sell Model – Percentage of Completion Method**

- Threshold of Construction Cost – Minimum 25% of the Construction cost to be incurred .
- Land & TDR cost is not included in computing the Percentage of Project Completion for recognizing revenue.
- Revenue is recognized either on execution of an agreement or a letter of allotment.
- Minimum 25% LOI or Agreement signed
- Minimum 10% of the Receipt payment received.

- **Build & Lease Model – Accounting Standard (19) - Leasing**

- Income earned by way of leasing or renting out of commercial premises is recognised as income in accordance with Accounting Standard 19 on “Leases” (AS 19). Initial direct costs are recognised as expense on accrual basis in Profit and Loss Account.

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