



PROZONE INTU PROPERTIES LIMITED

Result Update Q3 FY15

February – 2015

Discussion Outline

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



Quarterly Business Update

Update - Build & Lease Model

• Retail– Aurangabad Mall

- Q3 FY15 Rental Income has increased by 4.86 % on a YoY basis and 5.10 % on a QoQ basis. Rentals have been stable for the mall. EBIDTA has increased by 16.14 % on a YoY basis and reduced by 14.91 % on a QoQ basis mainly due to increase in marketing expenses during the festive season for the quarter. Positive Improvements are seen across all key parameters such as Retailer sales, Average Trading density as well as Traction in Leasing activity .
- **Q3 FY15 Retailer Sales** - Increased by 11.22 % from Rs. 453.7 Mn. to Rs. 504.6 Mn. on Y-o-Y basis.
- **Q3 FY15 Average Monthly Trading Density** - Increased by 7.51 % from Rs. 270.0 to Rs. 290.2 on Y-o-Y basis,
- **Q3 FY15 Footfalls** - Decreased by 3.32 % from 16.2 lakh to 15.7 lakh on Y-o-Y basis. Footfall has decreased mainly due to unseasonal rain and cold wave witnessed during the quarter in entire Marathwada Region..
- **New Stores & Leasing Update** – Addition of 1 stores during the quarter - Decathlon. Also 3 New store (5828 sq. ft.) in the Fit out stage – Samsung, Pizza Hut & Cantabil. Strong Traction seen in leasing activity as another 6 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.
- Have also received good interest from the Local Regional retailers . Now in talks with key local/regional retailers for categories like local Saree, Jewelers etc.
- **Construction Contract awarded to Gannon & Dunkerly. Construction started for the First phase of the Mall building. Construction of the Retail Building is in full swing as Plinth has been completed with Ground floor slab 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.
 - We are now pacing up the construction progress as there is optimism from existing Buyers side. Prozone Trade Centre (PTC) Phase 1 is expected to be delivered by Q3 FY16.
- **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 now being given for possession. Customer handover process for interior fit out has commenced.
 - **Five shops have become operational in Saral bazaar Phase 1. Four shops are ready with fit out and would start operations shortly and additional Seven shops are in for fit-outs. Further 25 shops are in final agreement stage prior to commencing fit outs.**
- **Residential – Nagpur**
 - Construction of Sales Office, Sample Flat and site infrastructure has been completed. **Construction for main residential buildings in progress.**
 - **Construction in full swing as the Excavation & Plinth work completed for two towers and stilt slab is in progress at site.**
 - **Project was launched in Dec 14 and 15 new bookings have been received during the launch in addition to units sold during Prelaunch period.**
- **Residential – Coimbatore**
 - Civil work for Club House has been completed. Interior work for Show Flat completed.
 - 95% of Finishing work for Infrastructure is complete.. Development of landscape infrastructure is in progress and planned to be completed by May 15
 - **Project approvals are in progress and Project launch planned for Q1 FY16 once the approvals are received..**
- **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.	Q3 FY15	Q2 FY15	QoQ %	Q3 FY14	YoY %
Sale of commercial Units	6.6	3.3	100.00%	40.8	-83.82%
Sale of services	57.0	55.2	3.26%	55.6	2.52%
Other operating Income	35.6	30.2	17.88%	32.0	11.25%
Total Income from operations	99.3	88.7	11.95%	128.4	-22.66%
EBITDA w/o Other Income	38.3	37.5	2.13%	48.4	-20.87%
EBITDA Margin	38.5%	42.3%		37.7%	
Other Income	11.3	12.4	-8.87%	17.4	-35.06%
EBITDA	49.6	49.9	-0.60%	65.8	-24.62%
EBITDA Margin	49.9%	56.3%		51.2%	
Depreciation	(41.5)	(41.6)		(49.4)	
Interest	(40.2)	(41.3)		(37.8)	
Profit before tax	(32.1)	(33.0)		(21.4)	
PAT after minority interest	(17.8)	(16.1)		(6.5)	

Result Update -

- Total Income has increased by 11.9% on QoQ basis to Rs. 99.3 mn on account of stable rentals and have decreased by 22.6% 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 EBIDTA has been increased by 2.1% on a QoQ basis to Rs. 38.3 mn. EBIDTA Margins have reduced by ~380 bps on QoQ basis mainly due to increase in Other expenses related to marketing during festive season.

- 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

Retail Update – Aurangabad Mall



Retail Update – Aurangabad Mall

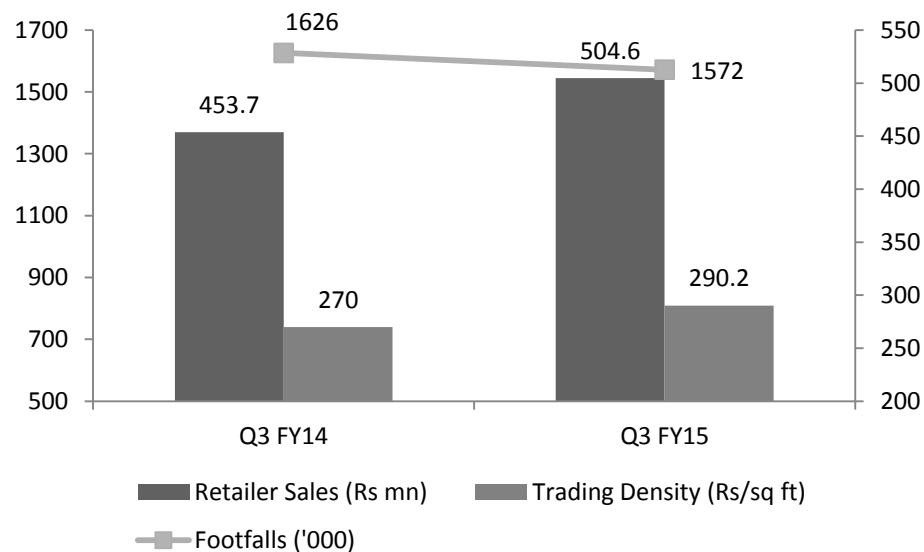


Mall Matrix

Key Operating Parameters	Q3 FY15
Gross Leasable Area (sq.ft.)	680,189
Current Leasing Status	79%
Current Occupancy Status	78%
Number of Stores Signed	107
Retailer Sales (Rs. Mn.)	504.6
Average Monthly Trading Density (Rs/sqft)	290.2
Footfalls (Mn.)	1.57

Mall Update -

- 1 new store opened in Q3 FY15 – Decathlon. Overall 18,116 sq. ft. of GLA added during the quarter.
- Fit out for 3 stores – Samsung, Cantabil & Pizza Hut. Total Area under Fit out stage – 5,828 sq. ft.
- Retailer Sales & Average Monthly Trading Density increased by 11.22 % and 7.51 % respectively on Y-o-Y basis.



New Store Opened in Q3 FY15 - Aurangabad Mall

DECATHLON



Brand Partners - Aurangabad Mall



Financial Snapshot – Aurangabad Mall

Operational Details (Rs. Mn.)	Q3 FY15	Q2 FY15	QoQ %	Q3 FY14	YoY %
Area Leased (sq. ft.)	5,39,000	528,436		5,43,312	
% Occupancy	79%	78%		80%	
Rental Income	45.3	43.1	5.10%	43.2	4.86%
Recoveries (CAM & Other)	44.0	48.2	-8.71%	43.9	0.23%
Total Income	89.3	91.3	-2.19%	87.1	2.53%
EBIDTA	33.1	38.9	-14.91%	28.5	16.14%
EBIDTA Margin % (as % of Rental Income)	73.1%	90.3%		65.9%	
EBIDTA Margin % (as % of Total Income)	37.1%	42.6%		32.7%	

- Rental Income has increased by 5.10% on a QoQ basis and 4.86% on a YoY basis. Rentals have been stable for the mall. Also EBIDTA has reduced by 14.91 % on a QoQ basis and increased by 16.14% on a YoY basis. This is mainly due to increase in marketing and advertising expenses during the festive season for the quarter.
- 3 New store is in Fit out stage equivalent to 5,828 sq. ft. which would get added during Q4 FY15, Robust Traction seen in leasing activity as another 6 new stores are under discussion which would further improve the mall occupancy levels.

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

Aurangabad Mall - Events



Diwali Carnival



Khadi Movement



Movie Promotion - Chintamani



Ankit Tiwari - Live Concert

Commercial Update – Aurangabad PTC Phase 1

Prozone Trade Center (PTC) Phase 1	Q3 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	Q3 FY16



- **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 Q4 FY16.
 - Total expected income from PTC Phase 1 is ~Rs 629 Mn., out of which 96.8% area is already sold.
 - We are now pacing up the construction work as there is optimism from existing buyers side. PTC phase 1 is expected to be delivered by Q3 FY 16.
 - Expect Cash inflows of ~Rs. 385 Mn. to be generated by Q3 FY16.

Commercial Update – Aurangabad PTC Phase 1



Commercial Update – Aurangabad PTC Phase 1



Retail Update – Aurangabad – Saral Bazar

Saral Bazar Phase 1+2	Q3 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 and possession is in progress. Five shops have already become operational. Four shops are ready with fit out and would start operations shortly and additional Seven shops are in for fit-outs. Further 25 shops are in final agreement stage prior to commencing fit outs.
- Post delivery of Phase 1, Marketing Activity planned in Q4 FY15.

Retail Update – Aurangabad – Saral Bazar

Operational Shops



Operational Shops



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. Construction work is in full swing on site.
 - The Excavation & Plinth work completed for two towers and stilt slab is in progress at site.
 - Excavation and plinth in progress for the other 2 towers.
- Sales Response –
 - Project was launched in Dec 14 and 15 new bookings have been received in addition to units booked during Pre launch.
- 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

Tower Construction



Tower Construction



Tower Construction



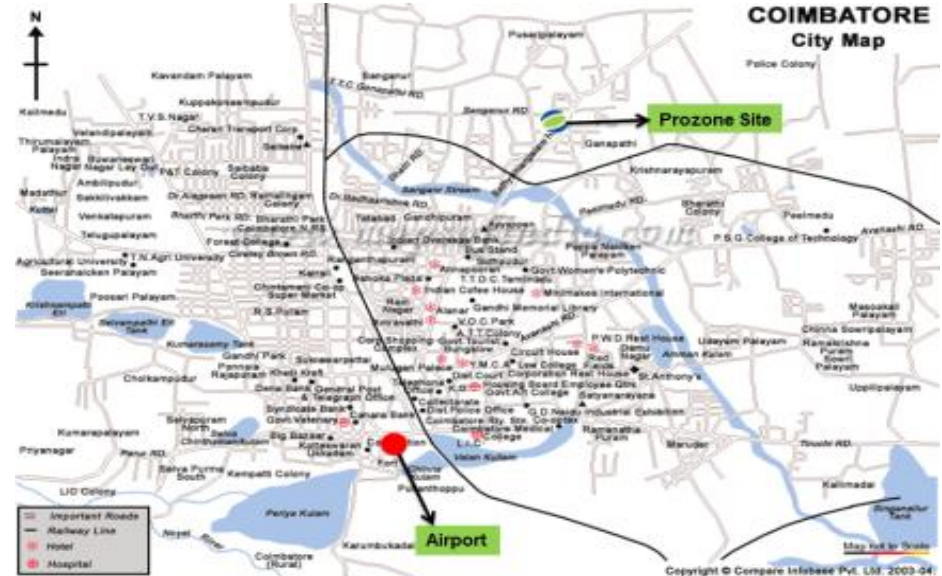
Tower Construction



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.**
 - **Construction of the Retail Building is in full swing as Plinth has been completed with Ground floor slab in progress as per the scheduled Timelines.**
 - 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.
 - 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.
 - 95% of Finishing work for Infrastructure is complete. Development of landscape infrastructure is in progress and planned to be completed by May 15
 - Project approvals are in progress and Project launch planned for Q1 FY16 once the approvals are received..

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



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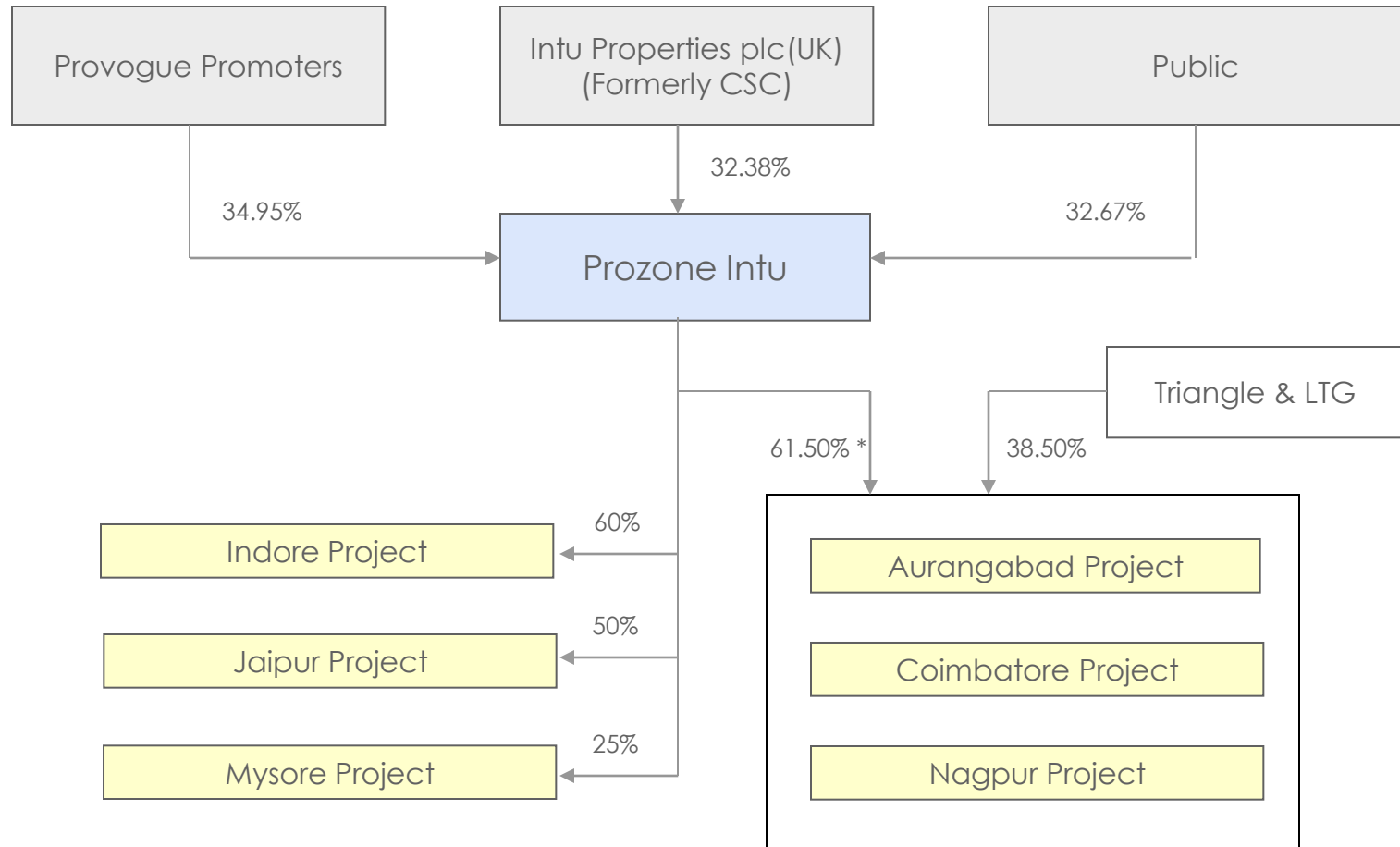
Website: www.dickensonir.com

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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