

## MARG CONTINUES GROWTH STORY WITH ACCELERATED PERFORMANCE ACROSS VERTICALS

- Karaikal Port strengthening its position as one of the most efficient port in the region; IDFC provides second tranche of CCP infusion
- Focus on capacity expansion in the port – Phase 2A expansion on track
- Realizing the vision to build “Integrated Cities” through MARG Swarnabhoomi
- Continues unlocking from the large land bank of 1000 acres for business growth
- PwC reviewing business plans to explore synergies, enhance productivity and share holders value

	MARG Standalone	Karaikal Port	MARG Swarnabhoomi
Revenue	↑ 32%	↑ 30%	↑ 2%
EBITDA	↑ 40%	↑ 73%	↑ 12%
PAT	↑ 18%	↑ 135%	↑ 22%

### MARG Standalone Financials:

(Rs. in crores)

Particulars	Q1 2010-11	Q2 2010-11	% Change
Income from Operation	174.8	231.5	32.4%
EBITDA	21.4	30.0	40.0%
PAT	11.4	13.4	17.5%

**Chennai, November 17, 2010:** MARG Ltd., India’s leading diversified infrastructure development company, today announced its audited financial results for the quarter ended September 30, 2010.

Commenting on the company’s performance in the quarter ended September 30, 2010, **Mr. GRK Reddy, Chairman & Managing Director, MARG Limited** said, “Our results for the second quarter of 2010 - 2011 are very encouraging. The income has increased by a healthy 32 percent. We earlier invested extensively in land banks and with our projects now taking shape, we are expecting good returns in this fiscal. Our unique business model enables us to offer enhanced value addition in all our business verticals. Identifying opportunities ahead of time has always helped MARG to build realty and infrastructure solutions, which fuel the progress of the nation. This Spirit of Visioneering has inspired us at MARG to venture into infrastructure development of ports, airports, malls, SEZs, IT Parks, townships, residential and commercial projects. Our vision is to continue to improve on our position as the country’s fastest growing diversified infrastructure development company.”

In 2009 - 2010, MARG registered a 61 percent increase in net sales which stood at Rs. 745.38-cr, as compared to Rs. 462.99-cr in 2008 -2009. The net profit for the year ended March 31, 2010 stood at Rs. 80.37-cr, a 96.5 percent increase from Rs. 40.9-cr for the year ended March 31, 2009.

## A) PERFORMANCE OF BUSINESS UNITS

### Marine Infrastructure

- MARG Karaikal Port has proved its capabilities as an efficient multi-cargo handling port and would become one of the finest ports on the East Coast of India. The Port is in the regional development of the industrially backward region of Karaikal which has witnessed considerable growth and prosperity since the Port commenced its operations.
- The Port handled 1.34 million MT of various cargoes during Q2 of the current financial year – a growth rate of over 15% vis-à-vis Q1 traffic of 1.17 million metric tonnes. The Port dispatched 220 rakes of coal (80%) and fertilizer cargo (20%) by rail in Q2 - a growth of over 90% vis-à-vis the last quarter.
- Coal continued to dominate the cargo portfolio but the major highlight of the quarter was the increase in the share of fertilizer cargo. With Karaikal port having received the notification from the government for handling Urea, the fertilizer cargo traffic is expected to grow significantly. Karaikal port has achieved necessary drafts to receive Panamax vessels and has successfully handled several panamax vessels.
- During the current financial year Karaikal Port entered into a MoU with power majors to set up a new power plant for handling 7.5 MTPA of coal through the Port. The Port also signed a MoU with a leading coal trading company to set up a 1.5 MTPA coal blending unit at the Port.
- The Port augmented its infrastructure facility by adding a 3<sup>rd</sup> Mobile Harbor Crane. Karaikal Port also commissioned Berth No. 9, a multi-cargo berth for smaller vessels (up to 25000 MT).
- Phase 2 development is at progress. Over 50,000 sq. meters of covered warehouses for storage of fertilizer, cement, sugar, project cargo & other cargo is operational and more storage area is being added in line with market requirements.
- Higher discharge rates, no pre-berthing delays, faster turnaround times and savings in the integrated logistics costs vis-à-vis the competing ports has helped Karaikal Port in attracting almost all major customers in the Central Tamil Nadu / Pondicherry region.
- The company has obtained the ISO 9001: 2008 Quality Certifications and the renewal of investible Credit rating from CARE.
- In recognition of CSR activities, Mr. G R K Reddy, Chairman & Managing Director, was honored with the '**Corporate Social Responsibility Award**' at South East CEO Conclave & Awards 2010.
- Work commenced for Phase 2A expansion – contractors for 2 new berths identified; mechanization order worth ~Rs. 280 crores placed
- Second tranche of CCP of Rs. 40 crores received from IDFC (Total Received till date – Rs. 110 crores)
- With a stream of investments expected from various port based industries, Karaikal is poised to become an industrial hub in the near future, which will have spun of benefits to the port.

Karaikal Port Private Ltd	(Rs. in crores)		
	Q1 2010-11	Q2 2010-11	% Change
Income from Operation	36.8	47.8	30%
EBITDA	16.0	27.6	73%
PAT	4.4	10.2	135%

### Industrial & Urban Infrastructure

**Engineering SEZ:**

- Two Units - M/s. Vanspall & M/s. Grundfos have commenced their operations in H1. The first half of 2010 has seen the start of construction for M/s. Virgo & M/s. Polyhose set on land parcel of 10 & 11.5 Acres respectively. Signed a MOU with BPPL, a subsidiary of Vemspa, Italy, for manufacture of Engineering Products.

**Multi Services SEZ:**

- MOU Signed with M/s. Exemplarr Worldwide for 56,000 sq ft and DC approval obtained to start operations by them in Q3 of 2010. Build up pipeline for high potential client such as Color Amalgamation - 20,000 sq ft and Fairmacs – 5000 sq ft

**Swarnabhoomi Academy of Music:**

- Swarnabhoomi Academy of Music campus was inaugurated in September 2010; Six months’ long courses have commenced and a new short, instrument focused program has also been added.

**Indian Green Building Council (IGBC) Pilot Project**

- MARG Swarnabhoomi has been shortlisted by IGBC as a pilot project for “Platinum” rated city in India

**Science Park:**

- New Sign up with Strand Genomics concluded for 40,000 sq ft, and a healthy pipeline of prospects being developed. Science Park Phase 1 construction activity, comprising an area of 175,000 sq ft wet labs, was initiated in the august presence of Dr. Rajendra Pachouri, Director General of TERI, in September, 2010.
- Social infrastructure readied with Convenio Store, Laundry and ironing, fruits and vegetable vendor, newspaper, ATM and milk vendors etc. are all at progress in MARG Swarnabhoomi.

<b>NCTPL (MARG Swarnabhoomi)</b>	<b>(Rs. in crores)</b>		
	<b>Q1 2010-11</b>	<b>Q2 2010-11</b>	<b>% Change</b>
Income from Operation*	35.2	35.9	1.8%
EBITDA	2.4	2.7	12.4%
PAT	2.1	2.6	21.5%

\*Provisional

**EPC**

- Steady order book Rs. 2822 crores (external orders of Rs. 636 crores) at end of Q2 (Q1 – 2800 crores)
- In Northern region the EPC division is executing orders for Rs.367 crores for majors like MES, NBCC, LDA, BHEL, IOCL, HPCL, HUDA, HSC, and Northern Railways. It will be executing two prestigious projects for UPHDB, LDA for Rs.200 crores with latest technology of Aluminum Shutters and casting the Building in a Single-go.

- MARG EPC has been prequalified/listed with NBCC for executing orders to the tune of Rs.100 crores to Rs.200 crores.
- It has entered into a joint venture agreement with M/s Valecha Engineering & M/s SREI Infrastructures Limited for quoting National High ways projects to the tune of Rs. 3600 Crores.
- It has tied up with International Infrastructure Consultants (IIC) for Management, strategy, structure and Processes within EPC division in Oct, 2010. The IIC is intended to strengthen MARG's EPC competence and position it strongly against the competitors.
- Signed MOU with M/s PYCSA INFRAESTRUCTURAS, SL of Spain for taking up works in infrastructures works like Roads, Bridges, Highways, Flyovers and hydraulic resources & water quality.
- Continued strengthening of human capital resulting in 26% increase in workforce vs. Q1 (number of employees in standalone entity at 643 at Q2 end as against 509 in Q1 end)

### **Real Estate (Residential)**

- MARG ProperTies Private Limited, an outfit of MARG is poised to become a leader in residential vertical by offering homes in different segments viz. Affordable homes, Urban smart homes, Integrated town ships and Ultra luxury homes.
- It has sold residential space of around 2 million square feet as on 30th Sep 2010 and has drawn plans to sell around 7.5 million square feet of space in next 36 months.
- In terms of units, it has so far sold 2000 homes till 30th Sep 2010 and has plans to sell another 10000 homes in next 36 months. The projects like Pushpadruma, Vishwashakthi, Tapovan, Lakshna, Savithanjali, Navaratna, Utsav are doing extremely well in terms of sales and revenue.
- This company has soft launched Sky meadows, Maha Utsav and drawn plans to launch new projects viz. Brindavan, Globa Residentia in Q3 of this year. Another 3 projects near OMR are planned to be launched before the year end.
- In an overall demand of 24.71 mn homes across the country, Tamilnadu accounts for 2.82 mn homes. However CMDA estimates shows that there is a projected demand for 4 lac homes in Chennai, out of which 80% is in affordable category - be it Brindavan, Utsav & Maha Utsav (4000 affordable smart homes) for middle class, Integrated townships in Tier 2 cities like Vishwashakti at Tirupati (500 value homes for high & middle class), Sky Meadows & Savitanjali (1000 Urban smart homes) catering to urban class, Tapovan (exclusive 124 villa homes) for elite class. By offering value homes for all segments, MARG ProperTies is well poised to garner huge market share across products range (from Rs. 10 lacs to Rs. 100 lacs) by leveraging its scale and size coupled with strong people, process and use of innovative technologies.

- MARG ProperTies, the brand assures right product with right value to different class of customers, delivering value with technology and innovations, besides ensuring long term capital appreciation for the customers. The brand establishes measure & pay, upgrade, zero defect space and reaffirms its trust and commitment to its customers. Launching unique retail brand shop at Pondicherry and Chennai, strategizes in creating brand building and seamless communication to deliver the customers, their requirements through customers meet called CONNEXIONS.

#### **Real Estate (Commercial)**

- ***MARG Junction which is into Malls, multiplex, hotel and commercial complexes signed up*** over 212,000 square feet of Anchor space for lease with PVR Cinemas – Multiplex (7 Screen, 1700 seats multiplex by PVR with Latest Technology), Shoppers Stop and Hyper City – Hyper Market .
- The Mall will house Chennai's largest atrium space - over 26,000 sq ft.
- EOIs from mini-anchors in all important categories like Books 'n music – Odyssey, Reliance Time-out ,Fashion mini-departmental – Marks & Spencers, Max value Electronics – Vivek & Co., E-zone, Reliance Digital ,Gaming/Family Entertainment – Blu-O, Fun City and retail brands like Adidas, Reebok, Wrangler, Lee, Levi's, Louis Philippe, Van Heusen, Allen Solly, Bata, Lilliput, Lacoste, DLF Brands will add further edge to the Mall.
- Project funding to the tune of Rs. 217 crores is complete. The Mall is expected to go into fully operational by April/May 2012.

#### **B) OTHERS**

- In line with our commitment towards inclusive development, MARG has bid for 2 PURA (Provision for Urban Amenities in Rural Areas) pilot projects. This is a landmark initiative of Ministry of Rural Development aiming to provide urban amenities and skill development in rural areas as PPP scheme.

#### **C) AWARDS AND RECOGNITION**

The Company has received Second Fastest Growing Construction Company (Medium Category) Award at the 8<sup>th</sup> Construction World Annual Awards 2010 held at Mumbai on 19<sup>th</sup> October, 2010.

#### **D) BUSINESS RESTRUCTURING**

PWC has been appointed as consultant to evaluate and conduct the restructuring exercise taking into account the exponential growth areas in RE, EPC, SEZ, MALLS and PORT verticals. This will help to unlock the value hidden in the books and enhance the value for all the stake holders.

More information on MARG is available on <http://www.marggroup.com>

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