

MARG registers robust performance

Ascent Capital made a private equity investment of Rs.200 crores in Karaikal Port

MARG bags high-end EPC contracts worth over Rs.275 crores in Q2 FY12

Financial Highlights

Q2 2011-12

- Standalone revenue of Rs.317.9crores, increase of 37% over Q2FY11
- EBITDA for Q2FY12 was Rs.35.3crores, increase of 18% over Q2FY11 EBITDA of Rs. 30crores
- PAT grew 3.8 times - Q2FY12 at Rs.65.3crores compared to Rs.13.4crores in Q2FY11

Business Highlights

- Karaikal Port handled 1.47 MMT of multi - cargo during Q2 FY12 – H1 FY12 cargo at 2.94 MMT
- Ascent Capital made a PE Investment of Rs.200 crores in Kariakal Port
 - Out of this an investment of Rs.150 crores has already been made - Rs.25 crores towards subscription to compulsorily convertible preference shares of Karaikal Port Private Limited, and Rs. 125 crores towards purchase of equity shares of Karaikal Port Private Limited from MARG Limited
- EPC revenue at Rs. 299.2crores in Q2 2011-12, increase of 40% over Q2 2010-11revenue of Rs.208.5 crores
- Current EPC order book at around ~Rs.3200crores, external orders account for ~30%
- MARG ProperTies, the residential arm of the company sold 172 units (0.17 MSFT) in Q2 2011-2012 with sale value of Rs.42 crores. Total sales in H1 FY12 at 322 units with sale value of Rs.98 crores
- Construction of MARG Junction Mall, one of the largest mixed use developments in Chennai, is on schedule; deals for ~55% of the leasable space in the mall area have been finalized

MARG Limited – Standalone Entity

Financial Performance

<i>INR Crores</i>	Q2 2011-12	Q2 2010-11	Q-o-Q Change
Revenue	317.9	231.5	37%
EBITDA	35.3	30.0	18%
PAT	65.3	13.4	387%

Performance of Business Verticals

EPC Business

- EPC revenue at Rs. 299.2 crores in Q2 2011-12, increase of 40% over Q2 2010-11 revenue of Rs.208.5 crores
- Current EPC order book at around Rs. 3200 crores, third party orders at ~30%
- In July, MARG EPC won a work order valued at Rs 237.9 crores from Bhavnagar Energy Company Limited (BECL) in Gujarat
 - The scope of engineering, procurement and construction (EPC) work includes laying five kilometer long submarine pipeline in the rough sea of Gulf of Khambhat, installing critical marine and civil structures, pumping stations, pipelines, substations and transmission lines
- In September, MARG bagged an order worth Rs 37.7 crores from Braithwaite & Co Ltd, this included fabrication and assembly of 247 BTFNL wagon in the workshop of BCL including supply of components and consumables except raw steel

Marine Infrastructure

Karaikal Port

- Handled 1.47 MMT of multi cargo during Q2 ending Sep 30, 2011, cargo handled till H1 FY12 is 2.94 MMT; Revenue of Rs.56.5 crores in Q2 FY12 as compared to 49.4 crores in Q1 FY12
- H1 FY12 revenue grew by 25% over H1 FY11
- H1 FY12 revenue at Rs.105.9 crores, EBITDA at Rs. 43.3 crores and PAT at Rs. 15.5 crores
- Ascent Capital made a PE Investment of Rs.200 Crores
- Successfully handled the vessel MV Angelo Della Gatta Uno with 70, 816 MT of Coal– the biggest cargo vessel handled till date surpassing MV PFS Vamana with a parcel size of 69,204 MT of GYPSUM cargo handled in the last quarter
- Discharged the 1000th Railway rake in July 2011 since commencement of railway operations (Handled 1275 rakes as of Sep 30, 2011 since commencement of railway operations)
- Received the “Best Emerging Port of the year 2011” at South East CEO Conclave on 27th July 2011 at Chennai trade Centre
- In July 2011, Karaikal Port achieved yet another milestone by adding containers to its fast growing cargo-mix
 - The port signed a Memorandum of Understanding (MoU) with the Container Corporation of India (CONCOR) to provide dedicated regular container train services linking the port with CONCOR ICDs in locations such as Coimbatore, Tirupur and Bangalore (Whitefield)

- The port received its first container train from CONCOR in October, 2011

Urban and Industrial Infrastructure

MARG Swarnabhoomi

Engineering SEZ

- Virgo has commenced exports from the engineering SEZ and is on track to inaugurate the main plant on 7th November, 2011
- TVS Kwik Patch is expected to commence operations in their facility at Swarnabhoomi soon
- MOU signed with Twin Disc U.S for their new marine transmissions manufacturing unit
- LOI's signed with Tecpro Energy Systems and EswariElectricals to set up their export oriented unit at the engineering SEZ

Science Park

- Significant progress made on the Construction of phase-I spread over 210,000 sqft of Wet Laboratory building, building would be ready for occupation by March,2012
- Biophenolika Polymers has obtained approval from the Development Commissioner of State Government of Tamil Nadu for setting up an R&D Center in Polymers. Construction of the R&D center will start by Dec 2011.
- Department of Biotechnology (DBT), Government of India has approved for the Biotechnology Incubation Center (BTIC) that is being set up under association with ICRISAT. The Incubation Center shall be functional by March, 2012
- Institute of Clinical Research India (ICRI), a leading player in Clinical Research Training in India is in advance stage of negotiation and would be setting up campus in bio-information park in Amritha Tech Park. Inaugural batch is set to start in Q4 2011-12

Multiservices-Processing

- Exemplarr Worldwide started EXCEL Finishing School (ExemplarrCenter for Employability and Learning) at Amrita Research and Innovation Park (ARIP), it was inaugurated on 23rd May 2011
 - The school has commenced its first batch of certification program targeting ITES Sector in e-publishing
- Advance stage of discussions with various clients towards strategic tie-ups especially International operators/partners for core identified sectors like IT/ITES, Infrastructure, Automobile, Marine Logistics, Hospitality and Retail in this regard.

Knowledge Hub

- MARG NavjyothiVidyalya (School) is functional with 224 students
- MIDAS, an architecture college was approved by Council and Architecture and is affiliated to Anna University; the first batch was launched in August, 2011
- Swarnabhoomi Academy of Music (SAM) - Two batches of students have completed the course, third batch has started

Residential

- Total of 184units were sold during Q2 taking the total Swarnabhoomi residential sales since inception to 1463units
- In August 2011, the company launched a new product 'Ayush' (1080 units, 0.7 msft) - compact homes in the affordable segment

Real Estate

MARG ProperTies – Residential Business

- Sale of 172 units (0.17 MSFT) in Q2 2011-2012 with sale value of Rs.42 crores. Total sales in H2 FY12 at 322 units with sale value of Rs.98 crores.
- Since Inception (ITD), MARG ProperTies has sold 1608 units (1.73 MSFT) with order booking value of Rs.415 crores
- Handing over of apartments to the customers has already started in Pushpadruma–466 units scheduled to be handed over in H2/2011-2012 and VishwasakthiPhase 1 -192 Units is scheduled for handing over in H2 /2011-2012.
- MARG ProperTies plans to launch 1.4 MSFT of residential in H2 FY12, expected sale value at Rs.425 crores
- CMDA has projected demand for 0.40 million residential units in 2011 and 0.60 million units by 2016 in Chennai, the company is positioned well to tap this demand.

MARG Junction, OMR – Commercial Business

- Development of the project is on schedule, expected to commence operations by Q1 FY13
- Deals for ~55% of the leasable space have been finalised – healthy pipeline for remaining space
- Key clients include PVR, Shoppers Stop, Hyper City; new mini- anchors brought on board are Blue – O and Timezone; Vanilla clients include HP, Ryaban, Archies, Levis, Wrangler, Lee, Woodland, Marry Brown among others
- Agreement with Shangri-La executed for development of Hotel and Interior Design concept is finalized.

Other Highlights

Awards received in Q2 FY12

- MARG Karaikal Port awarded as 'Emerging Port of the Year' at South East Cargo & Logistic Awards in July 2011 at Chennai
- Two awards at 'Construction Week Awards 2011' in August 2011 at Mumbai
 - GRK Reddy (CMD, MARG Limited), as "Infrastructure person of the year"
 - MARG Karaikal Port - "Seaport project of the Year"
- "Inc. India 500" has ranked MARG as 68th among India's fastest growing mid-size companies in September 2011
- GRK Reddy (CMD, MARG Limited), awarded as 'Person of the Year' at 4th GIREM Leadership Summit in September 2011 at Goa.