

MARG BETS BIG ON EPC VERTICAL

~ Registers robust performance in Q3 2010 - 2011 ~

MARG Standalone Financials

(Rs. in crores)

Particulars	Q1 2010-11	Q2 2010-11	Q3 2010-11	% Growth (Q3 vs Q2)
Income from Operation	174.8	231.5	317.3	37%
EBITDA	21.9	30.1	35.3	17%
PAT	11.4	13.4	15.9	19%

Q3 (2010 - 2011) HIGHLIGHTS

- MARG Ltd standalone revenue is up by 37% over the previous quarter at Rs. 317.3 crores and CAGR is about 15% Q-O-Q in the 7 quarters from Q1 FY 2009-10
- EBITDA @ Rs. 35.3 crores, grew by 17% over the last quarter
- PAT @ Rs. 15.9 crores, grew by 19% over the previous quarter

MARG EPC Highlights

- Order book rose to Rs. 3597 crores (27.5% growth Q-o-Q)
- EPC Revenue contribution is Rs.300 crores taking the total to Rs.667 crores for the 9 months in FY10-11
- For the first time, MARG EPC has recorded over 300 crores revenue in a quarter
- 45% of the Q3 EPC revenues are from external orders
- Industrial EPC: Aggressive bidding for projects of Rs. 350 crores in the marine and power sectors , through alliances & JVs
- Diversification in both sectoral and geographical spread
- String of strategic alliances with PYCSA, LAGAN, AECOM
- Management Advisory Services by International Infrastructure Consultants' (IIC) : full scale strategy, structure and processes being developed

- PWC on course to submit its recommendation on restructuring of business verticals by March 2011

Chennai, February 15, 2011: MARG Limited, India's leading diversified infrastructure development company, today announced its audited financial results for the quarter ended December 31, 2010.

The company recorded a 37 percent increase in net sales, which stands at Rs. 317.3-cr in the third quarter of 2010 – 2011, as compared to Rs. 231.5-cr in the second quarter. The net profit for the quarter ended December 31, 2010 stands at Rs. 15.9-cr, a 19 percent increase from Rs. 13.4-cr registered in the previous quarter.

Commenting on the company's performance in the quarter ended December 31, 2010, **Mr. GRK Reddy, Chairman & Managing Director, MARG Limited** said, "Our results for the quarter ended December 31, 2010 are very encouraging. Despite the challenging business environment, our income has increased by a healthy 37 percent. At MARG, it has been our constant endeavour to identify opportunities, to synergise our knowledge of global and domestic markets and to align with today's infrastructure needs. Our prime focus this fiscal has been to strengthen our competencies in the EPC business and to position our EPC vertical as the best in class, both in terms of captive as well as third party services."

A) PERFORMANCE OF BUSINESS UNITS:

EPC

- Robust growth of **order book augmented at Rs. 3597 crores** (external orders of Rs. 765 crores as compared to Rs. 636 crores in Q2) at end of Q3 (Q2 – Rs.2822 crores)
- Bids have been submitted for projects worth Rs. 3838 crores of which MARG is at the **L1 stage for Rs. 862 crores** worth of bids. Tenders in process for submission amounts to Rs. 3557 crores
- In Northern region the EPC division is executing orders of more than Rs.450 crores for majors like MES, NBCC, LDA, BHEL, IOCL, HPCL, HUDA, HSC, and Northern Railways.
- This includes two prestigious projects for UPHDB, LDA for Rs.200 crores with latest technology of Aluminium shutters and casting the building in a single go. Also in South, EPC has been awarded the contract for constructing a fishing harbor at Mahe at a cost of Rs. 68 crores.
- **Strategic alliances: A key growth driver**
 - Tie-up with International Infrastructure Consultants (**IIC**) for Management, strategy, structure and Processes within EPC division is currently in full swing.
 - **MARG's MoU with PYCSA Infrastructures S.L.**, a Spain based company will enable both companies to collaborate with each other in jointly developing urban & rural infrastructure projects in both domestic and overseas construction and port projects as a Consortium for bids, both in India and overseas.
 - **MARG's MoU with Ireland based construction major Lagan Construction:** Both the companies will jointly undertake infrastructure projects. Lagan will provide technical expertise for the same
 - **MARG has enlisted Los Angeles headquartered and Fortune 500 Company AECOM** for master planning the Bijapur Airport. AECOM is a global provider of professional technical and management support services
 - **Other Tie-ups** :BEFESA, Tecpro Systems Ltd, Jyoti Ltd, MR Vision Pipeline, Yashika Enterprises, Abhav Ocean WJ construction in areas including water systems, material handling, submarine/onshore/offshore pipelines etc.
- MARG EPC geared to reach greater heights with Mr. Munavar Sheriff at the helm. He has joined as Executive Director – EPC with over 28 years of experience in EPC Business Management of Infrastructure, Chemical Process, Power and Cement Projects across the world. His earlier stints have been with ETA Star Engineering & Construction - Dubai, the contracting firm Altech Star Inc., USA, Indorama Synthetics etc.

MARINE INFRASTRUCTURE

- The Port handled 1.1 million MT of coal, fertilizer, project cargo during Q3 of the current financial year, pegging the cumulative traffic handled (9 months till December 2010) at **3.6 million MT**; Berthed / Unberthed 90+ major vessels in the current FY till Dec 2010
- Achieved a **peak discharge rate of 55,576 MT in 24 hours** on 30th Dec 2010 – national record for the highest discharge of coal through conventional handling
- Coal continues to be a major cargo portfolio but a highlight of the quarter was the increase in the share of fertilizer cargo. Fertilizer share in the cargo mix grew to 24% in Q3 as compared to 8% in Q2. This resulted in an increase in average realization to Rs. 390.6 per ton in Q3 as compared to Rs. 357.8 per ton in Q2.
- Karaikal port has achieved necessary drafts to receive Panamax vessels and has successfully handled several panamax vessels.

Karaikal Port Private Ltd
(Rs. in crores)

	FY2010-11 Upto Dec'10 (9 Months)
Revenue	127.73
EBITDA	60.98 (48%)

REAL ESTATE (RESIDENTIAL)

It has sold residential space of around **2.39 million square feet** as on 31st December 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 2231 homes** till 31st December 2010 and has plans to sell another 10000 homes in next 36 months.

REAL ESTATE (COMMERCIAL)

- **Signed MoU with M/s Shangri-la Hotels Ltd** for Traders Hotel & Service Apartments. Apart from earlier sign off with major anchors for the mall, tie-ups with leading Vanilla Brands like Rayban, HP and Marrybrown have been effected. Financial closure of Rs. 217 crores is completed. The Mall would be operational by April 2012.

B) BUSINESS RESTRUCTURING

PWC, the Consultant firm is evaluating various Business Verticals and the company in consultation with PWC is in the process of completion of the first stream of hive-off of residential projects of RE Vertical. While the restructuring exercise would unlock the hidden value in the books and enhance the value for all the stakeholders, it would strategise business focus to the existing business segments. PWC is on course to submit its further recommendations on restructuring by end of March 2011.

ABOUT MARG LIMITED

MARG Limited (BSE: 530543), incorporated in 1994 and headquartered in Chennai, is an infrastructure, real estate development and services company. The Company is listed on the Bombay Stock Exchange and its shares are traded on the NSE under the category of 'Permitted Security'. MARG's businesses are organized under 4 distinct business verticals – **Marine Infrastructure & Services, Urban & Industrial Infrastructure, EPC and Real Estate**. MARG is strategically developing greenfield ports on the Eastern Coast of India. The Karaikal Port is currently operational with a capacity of 5.2 MMTPA (Million Metric Tonnes Per Annum) and phased expansion is underway to eventually scale up to 47 MMTPA. The Company has also been awarded a contract to develop a Minor Port cum Ship Repair Yard at Mugaiyur.. MARG Swarnabhoomi, the Company's flagship project in Urban & Industrial Infrastructure, is being developed as an inclusive city based on the principles of New Urbanism, with unique offerings for Education, Research & innovation. The Company's EPC division provides integrated turnkey solutions for Greenfield and Brownfield projects. MARG's Residential Real Estate business, under the umbrella brand MARG ProperTies, offers homes across multiple segments with focus on affordable housing. Malls, IT Parks and Office Spaces constitute the Company's Commercial Real Estate business. MARG is also expanding its sectoral presence with Airport projects in Bellary and Bijapur and a Multi-Level Car Park (MLCP) in Chennai.

The Company, currently employing over 1100 people, is ISO 9001: 2008 certified for carrying out activities in planning and development of commercial, residential and turnkey projects. MARG Ltd. and/or its subsidiaries have offices in India, China and Singapore.

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

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