

Q4 & FY2015 Results Presentation

Kolte-Patil Developers Limited

**LEAPING
FORWARD**



Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Kolte-Patil Developers Limited (KPDL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Table of Contents

- 1 CEO's Message
- 2 Business update & Performance Highlights
- 3 P&L / Balance Sheet Snapshot
- 4 Project-wise Details
- 5 Outlook
- 6 About Kolte-Patil Developers Ltd.

CEO's Message

Commenting on the performance for Q4 FY2015, Mr. Sujay Kalele, CEO, Kolte-Patil Developers Ltd. said,



"Sales momentum continued to be strong driven by the tremendous success of our home buying festival Nest Fest where we showcased 13 projects across Pune. We sold over 900 apartments during the quarter – 10 apartments a day - significantly higher than the sales generated by Grade A city developers put together, reinforcing Kolte-Patil's market leadership in Pune. The fact that 15-20% of our sales at Nest Fest took place online once again highlights our dominance in the market.

We recorded 1 msf. of pre-sales during the quarter, higher by 28% YoY in volume terms and 42% in value terms. This takes our total pre-sales for FY15 to 2.9 msf. towards the upper end of our sales guidance for the year. We are pleased that we have been able to achieve this strong performance despite a challenging on ground scenario.

The financial performance has been subdued on account of delayed project approvals which has impacted launch timelines and operational cycles. We expect the revenue and profit trajectory to improve in FY2016 and FY2017 as a greater proportion of 100% owned projects and higher margin projects hit revenue recognition threshold.

We believe there has been a significant shift in the real estate landscape where stakeholder expectations have evolved and incremental market share is being garnered by branded players with good execution track records. We have used technology as an enabler to scale the organization, streamlined processes and undertaken several other initiatives to improve the efficiency of our assets to future proof the organization and stay in the path of relevance of the customer.

We have a strong pipeline of projects with key approvals in place which gives me the confidence of being able to execute on our strategic vision of achieving our FY15-17 sales guidance of 12 msf. We are committed towards continuously reinventing ourselves and creating sustainable value at every stage of the customer lifecycle."

Business updates in Q4 FY2015

New Sales Bookings / Collections

- Recorded 1.0 msf. of new sales bookings, up 28% YoY
 - Sold over 909 units during the quarter
- New sales value of Rs. 600 crore, up 42% YoY
- Average price realization (APR) at Rs. 5,976/sft.
 - APR for Pune at Rs. 6,004/sft.
 - APR for Mumbai at Rs. 28,783/sft.
- Collections which stood at Rs. 244 crore
- FY15 pre-sales at 2.9 msf., higher by 34% in volume terms and 46% in value terms to Rs. 1,677 crore; collections at Rs. 896 crore

Dividend

- Board recommended dividend of Rs. 2.00/share amounting to a payout of 27% of FY15 profits (including dividend distribution tax)
- Above the stated policy of distributing 15-25% of annual profits

Financial Performance

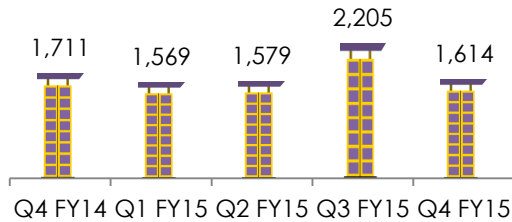
- Revenues at Rs. 161 crore in Q4 FY15 and Rs. 697 crore in FY15
- EBITDA up 21% YoY to Rs. 48 crore in Q4 FY15, margins higher by 660 bps YoY at 29.8%; EBITDA at Rs. 204 crore in FY15 with margins higher by 40 bps at 29.3%
 - Increased investments in sales, marketing and people made during the year to build foundation for growth given large number of active projects
- PAT up 5% YoY to Rs. 13.6 crore in Q4 FY15; at Rs. 65 crore for FY15
- Revenue & profitability to expand in FY16/17 as greater proportion of 100% owned projects and higher margin projects hit revenue recognition threshold (Jazz, Kondhwa, Bavdhan, Giga Residency, Wakad, Link Palace)

Commitment to Sustainable Development

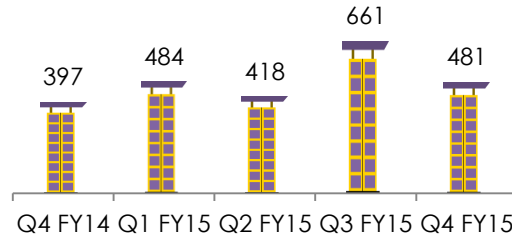


Performance Highlights

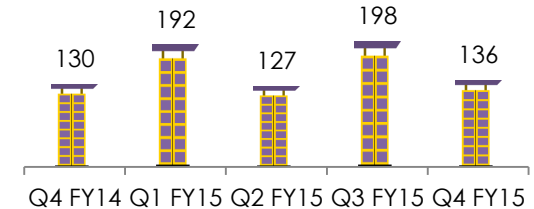
Revenue, Rs. mn



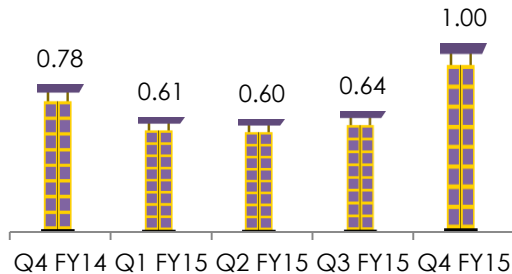
EBITDA, Rs. mn



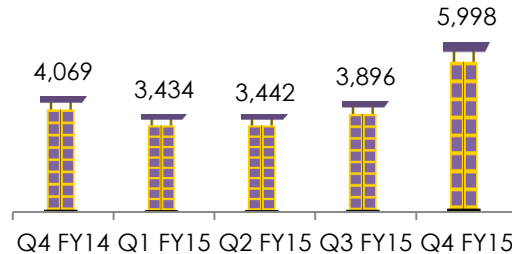
PAT, Rs. mn



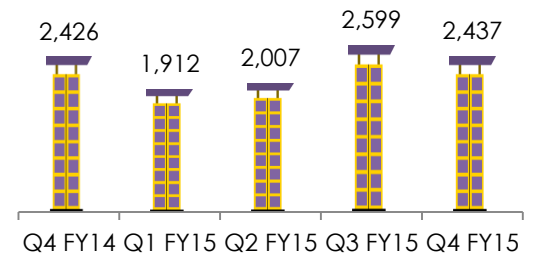
Sales Volume, million sq. ft



Sales value, Rs. mn

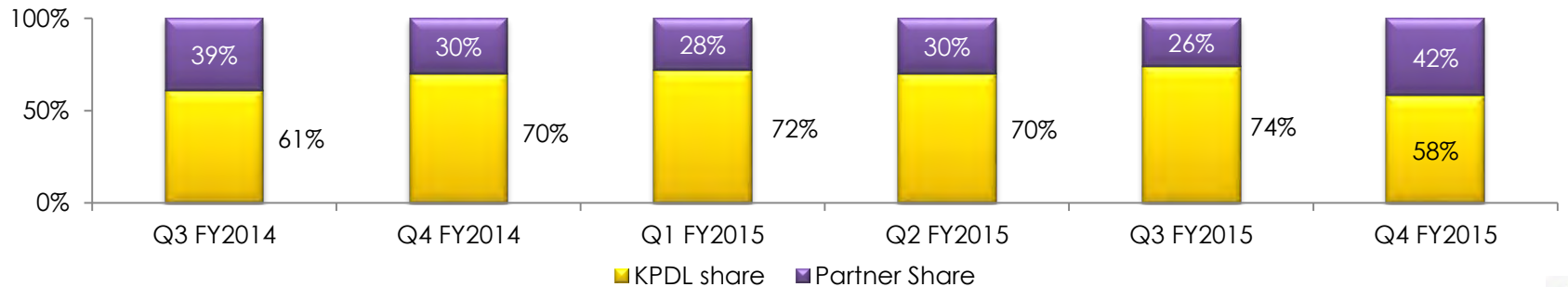
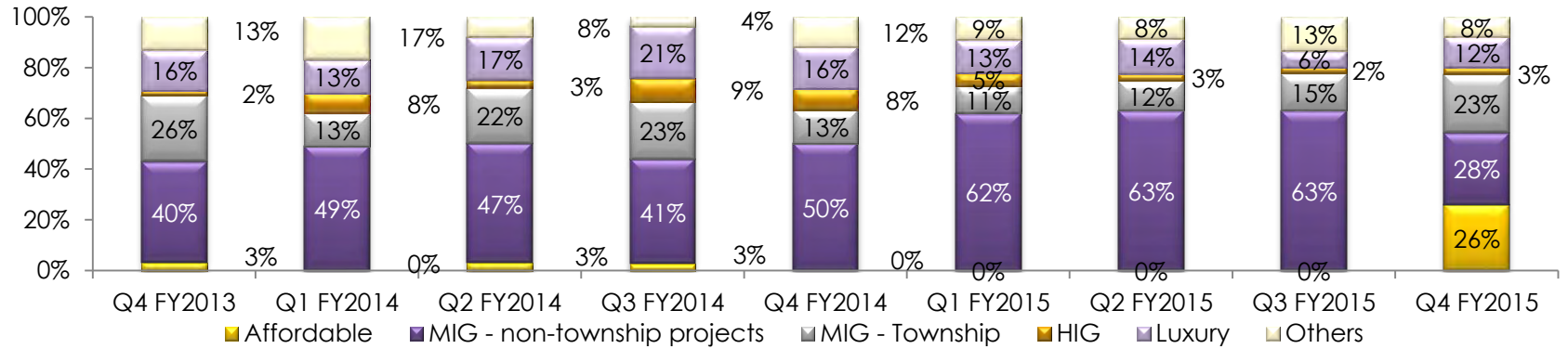


Total Collections, Rs. mn



New Sales Analysis – Q4 FY15

msf. 0.48 0.44 0.45 0.44 0.79 0.61 0.60 0.64 1.00



Profit and Loss Snapshot – Q4 FY15 vs Q4 FY14

P&L Snapshot (Rs. crore)	Q4 FY2015	Q4 FY2014	YoY (%)
Total operating income	161.4	171.1	-6%
Total Expenses	115.9	133.5	-13%
EBITDA	48.1	39.7	21%
EBITDA Margin (%)	27.6%	23.2%	+660 bps
EBIT	45.5	37.6	21%
EBIT Margin (%)	28.2%	22.0%	+620 bps
Profit before tax	38.2	30.6	25%
Profit after tax	21.9	15.1	45%
Minority Interest	8.3	2.1	294%
Adjusted PAT (post MI)	13.6	13.0	5%
PAT margin (%)	8.4%	7.6%	+80 bps
Basic EPS	1.80	1.72	

Reasons for Variance

- EBITDA margin expansion driven by cost optimization measures at various project sites and lower construction costs
 - Lower cost of material consumed (as % of revenue) on account of revenue recognition from sale of higher-value commercial/retail units at Giga Residency and Downtown
- Higher S&M spends on account of promotions for NestFest event in Pune, project launch and promotional events in Bengaluru
- PAT impacted on account of greater contribution from JV projects leading to higher minority interest

Profit and Loss Snapshot – FY15 vs FY14

P&L Snapshot (Rs. crore)	FY2015	FY2014	YoY (%)
Total operating income	696.6	764.2	-9%
Total Expenses	502.3	550.5	-9%
EBITDA	204.4	220.8	-7%
EBITDA Margin (%)	29.3%	28.9%	+40 bps
EBIT	194.3	213.7	-9%
EBIT Margin (%)	27.9%	28.0%	-10 bps
Profit before tax	162.1	183.2	-12%
Profit after tax	101.8	116.9	-13%
Minority Interest	36.5	24.9	47%
Adjusted PAT (post MI)	65.3	92.0	-29%
PAT margin (%)	9.4%	12.0%	-260 bps
Basic EPS	8.62	12.14	

Reasons for Variance

- Revenue growth impacted by approval delays
- Higher S&M spends, investments made in manpower to prepare organization for next level of growth and higher minority interest impacted overall profitability
- Revenue and profit trajectory to improve in FY2016 and FY2017 as greater proportion of 100% owned projects as well as higher margin projects hit the revenue recognition threshold – Jazz, Wakad, Rutu Bavdhan, Link Palace, et cetera.

Projects (Rs. crore)	Revenues Recognized	Sales Value	Gross Revenue to be Recognized
	(FY12 - Q4 FY15)		
Kondhwa	23	271	248
Jazz I & II	29	165	136
Wakad	0	133	133
Giga Residency	22	112	90
Rutu Bavdhan	0	110	110

Balance Sheet Perspective

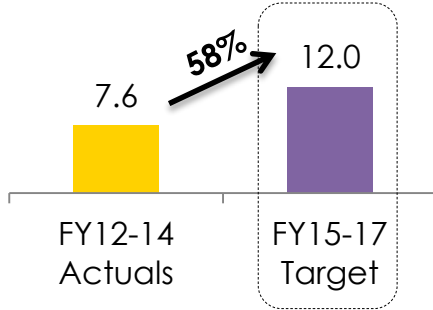
Balance Sheet Snapshot (Rs. crore)	31 st March, 2015	31 st December, 2014	31 st March, 2014
Net Worth	842	849	806
Gross debt	306	343	337
Cash & cash equivalents	40	27	70
Current Investments	6	40	15
Net debt**	144	159	136
Inventories	1,269	1,326	1,269
Net debt/Equity (x)**	0.17	0.19	0.17
ROE (%)	7.8%	7.6%	11.4%
ROCE (%)	16.9%	15.6%	18.7%

****Net debt figure given here excludes debentures of Rs. 116 crore (Rs. 34 crore in Tuscan and Rs. 82 crore in Kondhwa)**

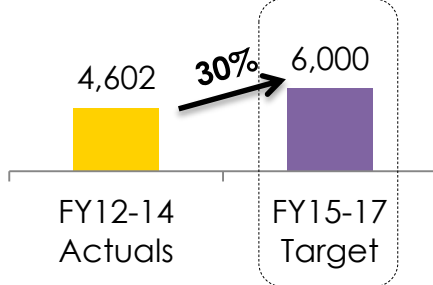
Note - ROE = PAT/Networth; ROCE = EBIT/Capital Employed; ROE, ROCE are calculated on a TTM basis

3 Year Growth Outlook – FY2015-17

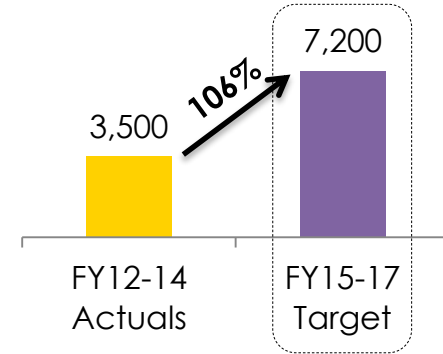
Sales volumes (msf.)



Average Price Realization (Rs./sft.)



Sales Value (Rs. crore)



3 Year Growth Outlook – FY2015-17

- ✚ Consolidate stronghold in a stable Pune market driven by strong employment and economic drivers
- ✚ Revenue and Profit trajectory to improve in FY2016 and FY2017 as greater proportion of 100% owned projects and higher margin projects including come up for revenue recognition
- ✚ To support significant volume growth owing to large number of project launches, Board has sanctioned a net debt to equity between 0.2-0.5x – approach to remain conservative based on future cash flow visibility
- ✚ Focus on reducing finance cost utilizing maiden credit rating (CRISIL A+/Stable)
- ✚ Leverage strong brand and execution capabilities to enter into Development Management Agreements (DMAs) in Pune and other regions
- ✚ Focus on strengthening corporate governance practices and increasing organizational competences through technology enablement and people training

Details of Ongoing Projects – Q4 FY2015

Gross Details (including partner's share)

Projects	Saleable Area (msf.)			Location	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sft.)	Collections (Rs. mn.)
	Gross	KPDL	KPDL					
Life Republic - Phase I	2.6	45%	1.2	Hinjewadi, Pune	0.23	1379	5,955	390
Life Republic - Phase I - R3 Avenue	0.7	45%	0.3					
Corolla - Phase I & II	3.6	37%	1.3	Wagholi, Pune	0.27	1269	4,669	186
Tuscan - Phase I & II	0.8	51%	0.4	Kharadi, Pune	0.03	188	6,925	155
Allura - Phase I	0.3	75%	0.2					
Allura - Phase II (24K Glamore)	0.3	75%	0.2	Undri - NIBM, Pune	0.02	112	4,859	141
Margosa Heights I, II & III	0.9	50%	0.5	Mohamad Wadi, Pune	0.03	150	4,875	133
Downtown - Phase I & II	1.8	51%	0.9	Kharadi, Pune	0.11	691	6,232	396
Glitterati 24K	0.5	100%	0.5	Aundh Annexe, Pune	0.00	18	7,350	26
Green Olive Venture	0.1	60%	0.1	Hinjewadi, Pune	0.00	5	6,120	19
City Centre	0.1	60%	0.1	Hinjewadi, Pune	0.00	29	9,886	1
Cilantro	0.04	50%	0.0	Wagholi, Pune	0.00	6	3,648	8
City Bay	0.1	100%	0.1	Boat Club Road, Pune				49
Giga Residency	0.4	100%	0.4	Viman Nagar, Pune	0.03	476	17,959	355
Wakad	2.3	100%	2.3	Wakad, Pune	0.00	35	7,777	8
Jazz I & II	0.9	100%	0.9	Aundh, Pune	0.07	483	7,206	89
Atria	0.2	100%	0.2	Aundh, Pune				
Kondhwa	1.4	100%	1.4	Kondhwa, Pune	0.10	516	5,370	256
Rutu Bavdhan (codename: Stargaze)	1.1	62%	0.7	Bavdhan, Pune	0.03	195	7,060	35
Total (Pune Projects)	18.0		11.5		0.92	5,551	6,004	2,246
Ragga	0.7	100%	0.7	Hennur Road, Bengaluru	0.02	65	3,896	41
Alyssa	0.04	100%	0.0	Richmond Road, Bengaluru				
Mirabilis	0.9	70%	0.6	Horamavu, Bengaluru	0.06	282	4,790	100
Total (Bengaluru Projects)	1.6		1.3		0.08	347	4,592	141
Link Palace Socieyi	0.02	100%	0.0	Khar (W), Mumbai	0.00	71	32,159	34
Jai-Vijay Society	0.2	100%	0.2	Ville Parle (E), Mumbai	0.001	29	22,962	11
Total Mumbai Projects)	0.2		0.2		0.003	100	28,783	45
Goa	0.1	73%	0.1					4
Total (Pune + Bengaluru + Mumbai Projects)	19.9	66%	13.1		1.00	5,998	5,976	2,437

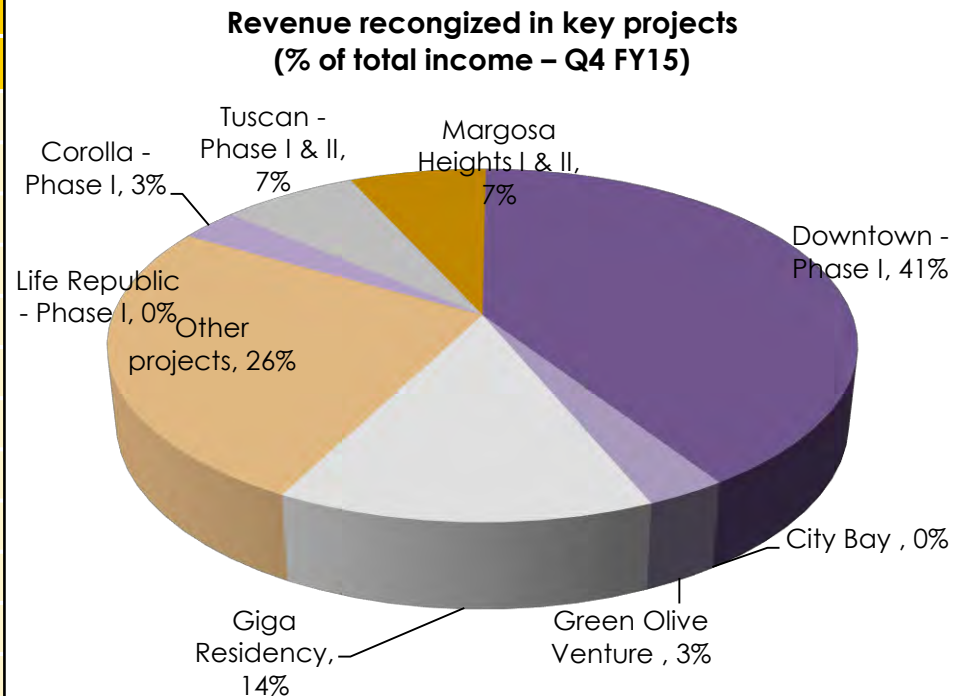
Details of Ongoing Projects - till 31st March 2015

Gross Details (including partner's share)

Projects		Saleable Area (msf.)			Location	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sft.)	Collections (Rs. mn.)
		Gross	KPDL Share	KPDL Share					
Projects launched between FY11-14	Life Republic - Phase I	2.6	45%	1.2	Hinjewadi, Pune	3.26	14,180	4,344	11,241
	Life Republic - Phase I - R3 Avenue	0.7	45%	0.3	Hinjewadi, Pune				
	Corolla - Phase I	3.6	37%	1.3	Wagholi, Pune	2.34	8,006	3,417	6,244
	Tuscan - Phase I & II	0.8	51%	0.4	Kharadi, Pune	0.54	2,862	5,308	2,388
	Allura - Phase I	0.3	75%	0.2	Undri - NIBM, Pune	0.52	2382	4554	2074
	Allura - Phase II (24K Glamore)	0.3	75%	0.2	Undri - NIBM, Pune				
	Margosa Heights I, II & III	0.9	51%	0.5	Mohamad Wadi, Pune	0.95	3,546	3,749	3,072
	Downtown - Phase I & II	1.8	51%	0.9	Kharadi, Pune	0.97	5,435	5,603	3,460
	Glitterati 24K	0.5	100%	0.5	Aundh Annexe, Pune	0.47	2,383	5,021	2,253
	Green Olive Venture	0.1	60%	0.1	Hinjewadi, Pune	0.12	490	4,072	544
	City Centre	0.1	60%	0.1	Hinjewadi, Pune	0.05	312	6,222	200
	Cilantro	0.0	50%	0.0	Wagholi, Pune	0.05	172	3,605	152
	City Bay	0.1	100%	0.1	Boat Club Road, Pune	0.06	525	9,527	436
	Ragga	0.7	100%	0.7	Hennur Road, Bengaluru	0.34	1,154	3,351	668
	Alyssa	0.04	100%	0.0	Richmond Road, Bengaluru	0.04	360	8,281	360
Recent/Upcoming launches	Giga Residency	0.4	100%	0.4	Viman Nagar, Pune	0.10	1,115	10,728	552
	Wakad	2.3	100%	2.3	Wakad, Pune	0.20	1,332	6,554	368
	Jazz I & II	0.9	100%	0.9	Aundh, Pune	0.25	1,651	6,660	445
	Atria	0.2	100%	0.2	Aundh, Pune	0.02	147	6,531	108
	Kondhwa	1.4	100%	1.4	Kondhwa, Pune	0.54	2,713	4,993	666
	Rutu Bavdhan	1.1	62%	0.7	Bavdhan, Pune	0.17	1,099	6,525	166
	Mirabilis	0.9	70%	0.6	Horamavu, Bengaluru	0.23	1,033	4,504	139
	Link Palace	0.02	100%	0.02	Khar (W), Mumbai	0.01	223	33,769	108
	Jay Vijay Society	0.2	100%	0.2	Ville Parle (E), Mumbai	0.01	221	21,332	68
	Goa	0.1	73%	0.1	Ville Parle (E), Mumbai	0.01	28	4,067	5
Total (Mature + Recent Launches)		19.9	66%	13.2		11.26	51,368	4,561	35,714

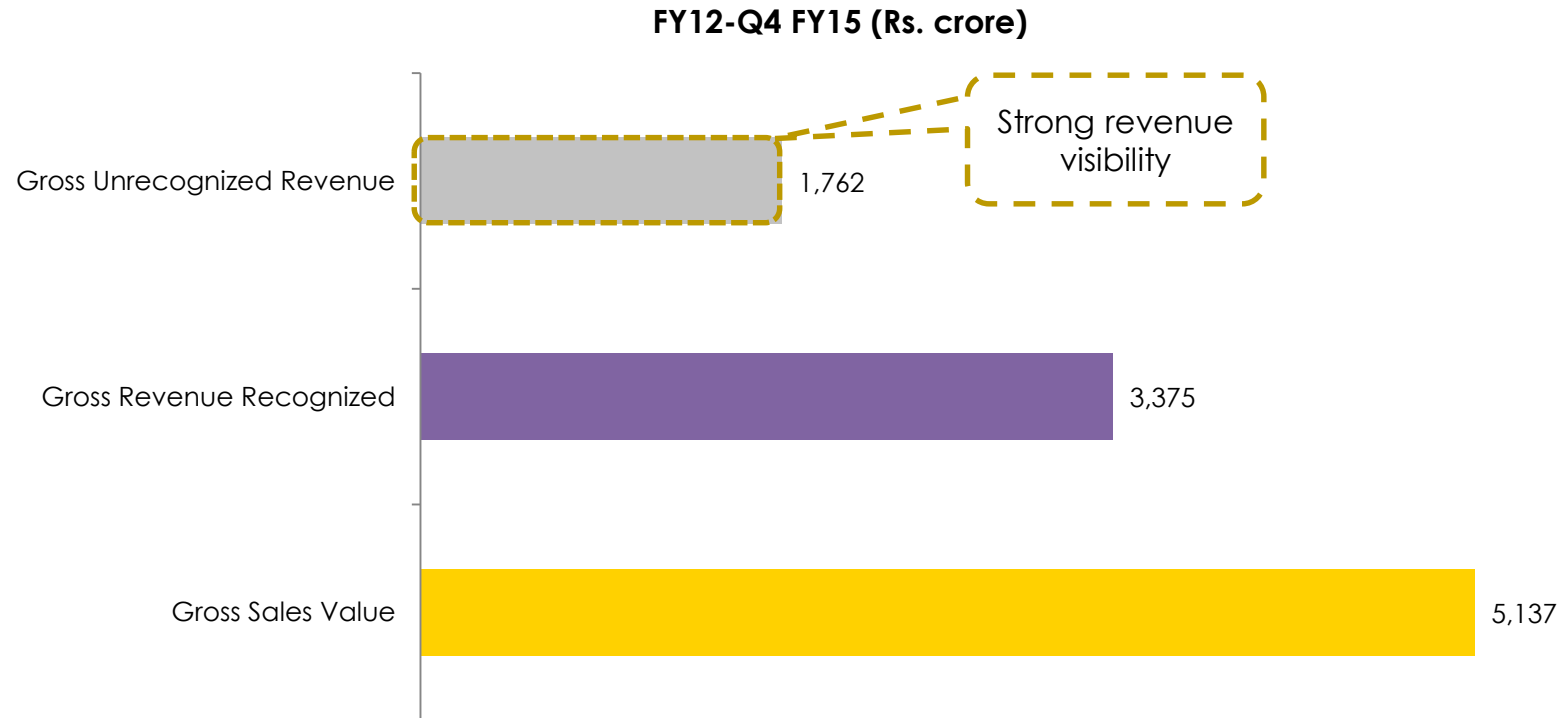
Revenue Recognized in Key Projects – Q4 FY15

Projects (Rs. Crore)	KPDL Revenue Recognized			
	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15
Life Republic - Phase I	27	34	26	0
Corolla - Phase I	8	8	6	5
Tuscan - Phase I & II	31	15	13	11
Margosa Heights I & II	12	15	8	11
Downtown - Phase I	18	33	75	66
Glitterati 24K	7	3	0	0
City Bay	6	0	8	0
Green Olive Venture	1	0	3	5
Giga Residency	0	0	0	22
Three Jewels	0	0	0	23
Other projects	47	50	82**	19
Total	157	158	220	161



****Revenue recognition of Rs. 36 cr from sale of ready, commercial project (Alyssa) in Bengaluru**

Strong Revenue Visibility



Note – These are gross numbers including partner's share - ~80-85% will be recognized in KPD L books

Strong Revenue Visibility

Projects (Rs. Crore)	Cumulative Revenues Recognized (FY12 – Q4 FY15)	Cumulative Sales Value (FY12 – Q4 FY15)	Gross Revenue to be Recognized
Life Republic - Phase I	1,050	1,418	368
Corolla - Phase I & II	547	801	253
Tuscan - Phase I & II	229	286	58
Margosa Heights I & II	265	355	89
Downtown - Phase I	395	544	149
Glitterati 24K	214	238	24
City Bay	46	52	6
Giga Residency	48	49	1
Green Olive Venture	22	112	89
Three Jewels	23	271	248
Jazz I & II	29	165	136
Rutu Bavdhan	0	110	110
Other projects	508	736	228
Total	3,375	5,137	1,761

Note – These are gross numbers including partner's share - ~75% will be recognized in KPD L books

Details of Forthcoming Projects

Projects	Saleable Area (msf.)	Location	KPDL Share (%)	KPDL Share (msf.)	Land cost (Rs. mn.)	Approval Status/Expected date of launch
Life Republic - Phase II	6.9	Hinjewadi, Pune	45%	3.1	3,400	•Received LC in Mar-14 •Launch expected in H2 FY15
Sanjivani Township Phase I	6.0	Urse, Pune	50.5%	3.0	500	•Launch targeted by Q1 FY16
Corolla - Phase III	1.8	Wagholi, Pune	37%	0.7	946	•SEAC approved
Glitterati II	0.3	Aundh, Pune	100%	0.3	375	•Launch expected in FY16
Green Olive - Phase II	0.1	Hinjewadi, Pune	60%	0.1	25	•Launch expected in FY16
The Classique	0.2	Kormanagala, Bengaluru	100%	0.2	130	•Launch expected in FY16
Hosur Road	0.6	Bengaluru	100%	0.6	600	•Launch expected in FY16
Jay-Vijay Society	0.2	Ville Parle (E), Mumbai	100%	0.2	NA	•Launch expected by Q4 FY15
Jumbo Darshan	0.1	Anderi (E), Mumbai	100%	0.1	NA	•Launch expected by Q4 FY15
Total (msf.)	16.2			8.2	5,976	

**This is the land cost for all phases of a particular project*

Note: Pre-sales at Jay-Vijay Society have already commenced

Future Development Potential

Project	Title/MOU/DAPA /Saledeed/JV	Area (msf.)	KPDL Share (%)	KPDL Share (msf.)
Sanjivani Township, Urse, Pune Phase II	JV	9.0	50.5%	4.5
Ghotawade, Pune	JV	3.2	50%	1.6
Sadapur, Lonavala	JDA	4.0	33.30%	1.3
Lohgad, Lonavala	JDA	0.2	33.30%	0.1
Aundh, Pune	JV	1.0	100%	1.0
Kalyani Nagar	Owned	0.6	100%	0.6
Boat Club Road, Pune	Sale deed	0.3	100%	0.3
Total		18.3		9.4

About Kolte-Patil Developers Ltd.

Kolte-Patil Developers Ltd. (BSE:532924, NSE: KOLTEPATIL) is a leading Pune-based real estate company incorporated in 1991. Kolte-Patil is a well-reputed, trusted name with a reputation for high quality standards, design uniqueness, transparency and the delivery of projects in a timely manner. The company has developed and constructed 48 projects including 35 residential complexes, 9 commercial complexes, and 4 information technology parks covering a saleable area (KPD share) of over 10 million square feet across Pune and Bengaluru.

The company has been accredited in the real estate and construction industry with an ISO 9001 (2008 series) certification since May 2002. The company has also fostered several long-term relationships with major financial institutions like ICICI Ventures and Yatra Capital, development and strategic partners like Portman Holdings, construction partners like ANC Holdings (Dubai), real estate funds like ASK and individual investors as joint venture partners and co-investors in future projects. These partnerships are in line with the core strategy of equity led expansion, improve levels of corporate governance, increase sourcing and execution capabilities, help de-risk large scale project execution and facilitate expansion in newer markets.

Consolidating its leadership position in the Pune real estate market, the Company is expanding in the high demand Bengaluru market, leveraging 19 years of presence in this market. The company has also recently forayed into the Mumbai market where the initial market entry focus will be on low risk society re-development projects. The Mumbai foray is a long term strategy for the Company which will facilitate margin expansion going forward and reduce its working capital cycle.

The Company also believes in following best-in-class practices across every corporate decision. These include fairness in corporate practices, strong internal controls, managerial remuneration closely linked with earnings, maintaining conservative accounting practices and upholding minority shareholder interest across every decision. The Company has appointed Deloitte and KPMG as statutory and internal auditors respectively.

For further information, please contact:

Varun Parwal / Jatin Gujrati

Kolte Patil Developers Ltd.,

501, The Capital, BKC, Bandra (E), Mumbai

Tel: +91 8550 996 812

Email: varun.parwal@koltepatil.com / jatin.gujrati@koltepatil.com

Shiv Muttoo / Varun Divadkar

CDR, India

Tel: +91 22 6645 1207 / 1222

Email: shiv@cdr-india.com / varun@cdr-india.com

Thank you

**LEAPING
FORWARD**

