



SWAN ENERGY LTD.

Investor Presentation - June 2014

Executive Summary

Company Overview

Business Overview

- Textiles
- Real Estate
- LNG Port Terminal with FSRU

Financial Performance

Overview



Overview

- Swan Energy Limited (SEL), erstwhile Swan Mills Ltd., was incorporated in 1909 as a textile manufacturing company.
- The company was taken over by Mr. Navinbhai Dave and Mr. Nikhil Merchant from the Goenka group in 1991.
- Since its take over the new management have diversified into Real Estate and Green Energy, apart from continuing their textiles business.
- Swan Energy Limited is listed on the Bombay Stock Exchange and National Stock Exchange, having an approximate market cap of INR 14,000mn.



Business

- **Textiles** – The company operates a state of the art textile processing unit at Ahmedabad with a capacity of 1 Lakh meters per day.
- **Real Estate** - Completed projects: Ashoka Gardens – Sewri, Peninsula Technopark – Kurla, Whitefield – Bangalore. Various upcoming projects in pipeline.
- **LNG Port Terminal with FSRU** - Swan Energy Limited (SEL) is an emerging “green energy” company and is currently undertaking a LNG Port Terminal with Floating Storage & Regasification Unit (FSRU) project in Gujarat.

Financials



Standalone Financials

- **Total Income** grew by 16% from Rs 2,874 mn in FY13 to Rs 3,327 mn in FY14
- **EBITDA** for FY14 was Rs 418 mn
- **Net Profit** for FY14 was Rs 66 mn

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Financial Performance

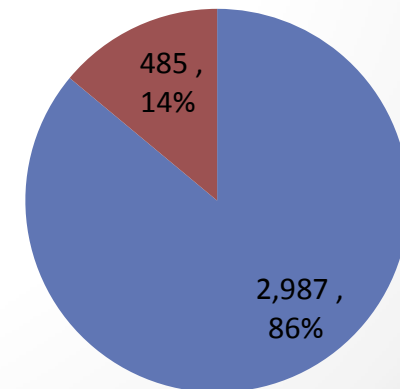
Company Overview

- Swan Energy Limited (SEL) was originally incorporated in 1909 as Swan Mills Ltd. (SML), a manufacturer of cotton and polyester textile products in India.
- The company currently has two segments i.e. Textile & Real Estate and is also working towards setting up a third segment for a LNG Floating Storage Regasification Unit (FSRU).
- **Textile** : In 2010, SEL started its textile processing activity, with the vision of leveraging on its successful brand image by setting up a textile unit at Ahmedabad in Gujarat.
- **Real Estate** : Post the partial closure of its textile operations in 2002, SEL ventured into property development in 2004 to monetize the large area of land available with the company. The management decided to strategically convert all its premises into lucrative real estate projects, considering their prime location in the heart of Mumbai. Through the accruals from these assets the company has also ventured into Real Estate projects across the country.
- **LNG Port Terminal with FSRU** : The company is developing India's first FSRU based LNG Port Terminal at Jafrabad in Gujarat with a total capacity of 5 MMTPA

Group Structure



FY14 Revenue Contribution (INR mn)



Navinbhai Dave - Chairman

- First Indian to be conferred with 'Coat of Arms' by British Queen Elizabeth II in '94. Conferred with Distinguished Honorary Alumni of the University of South Carolina Aiken in 2000.

Nikhil V Merchant - Managing Director

- Responsible for the strategic initiatives & decisions at Swan Energy Ltd. Educational background: B.S. (Textile Engineering) – Philadelphia College of Textiles & Science. Diploma holder in Man Made Textiles Chemistry from SASMIRA. M.E.P. – Management Education Program – IIM, Ahmedabad. He has overall 30 yrs of work experience.

Paresh V Merchant - Director

- Responsible for day to day operations at Swan Energy Ltd. M.E.P. – Management Education Program – IIM, Ahmedabad. He has overall 28 yrs of work experience.

P S Teckchandani - Director

- Mechanical Engineering, 50 years of experience in the Oil & Gas industry. Worked with India Oil Corporation in various capacities, associated with Essar Oil Limited. as Whole Time Director and CEO of the refinery project at Jamnagar

R. K. Sukhdevsinhji - Director

- Graduate in Economics, Ex Chairman and MD - BPCL. Ex MD Essar Oil Limited having 50 years of rich experience in all functional areas related to the Oil and Gas sectors

Sobhan Diwanji - Director

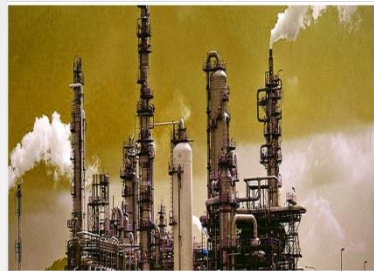
- BA in Economics from the University of Mumbai and MBA in Finance from University of Rochester, NY, USA. Wide experience in financing and structuring. Associated as Director, Capital Market Group, Lazard India and as Senior Consultant with Tata Economic Consultancy Services

Padmanabhan Sugavanam - Whole Time Director

- Qualified Chartered Accountant from India in 1967. Management Graduate from the Strathclyde Business School, Glasgow UK. Joined Indian Oil Corporation as a Finance Officer in 1972 to become a Member of the Board of Directors as Director (Finance) in 1998. Worked for Emirates National Oil Company in their Jabel Ali Refinery for the Refinery Up-gradation Project as Finance Manager (Project and Operations)

Vilas A Gangan – Director

- Is associated with Group since 1993. He is a B.A, L.L.B from Mumbai University & Diploma holder in Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. In his forty five years of working experience he was associated with Reliance, Indian Organic Chemicals, Bank of India & Volkart Group. He has extensive experience in the field of Marketing, Purchasing, Industrial Relation & Production / Planning, Finance and Law.



1909- 2000

- 1909- Incorporated as a Textile manufacturing unit
- 1991- Take over by the Current Management



2002-2009

- 2002- The company decided to shut down its Textile Unit in Mumbai
- 2004 – Entered into Real Estate Business
- 2009- Completed Peninsula Technopark Tower A and B



2010-2013

- 2010- Completed Ashoka Gardens, Sewri
- 2010- Initiation of LNG Port Terminal project
- 2010- New State of Art textile processing unit was set up in Ahmedabad
- 2011-Completed Peninsula Technopark Tower C
- 2012- Completed Whitefield Project in Bangalore
- 2013- Received Environmental clearance for LNG Port Terminal



2014 onwards

- 2014 - Expected to complete Peninsula Technopark Tower D
- 2014 - Bondel project in Mangalore to start bookings
- 2014 - IT park in Hyderabad to be completed
- 2015- BTM project in Bangalore & HMT Project in Bangalore likely to start
- 2015- Chennai Project likely to start
- 2017- LNG Port Terminal project likely to commence

Executive Summary

Company Overview

Business Overview

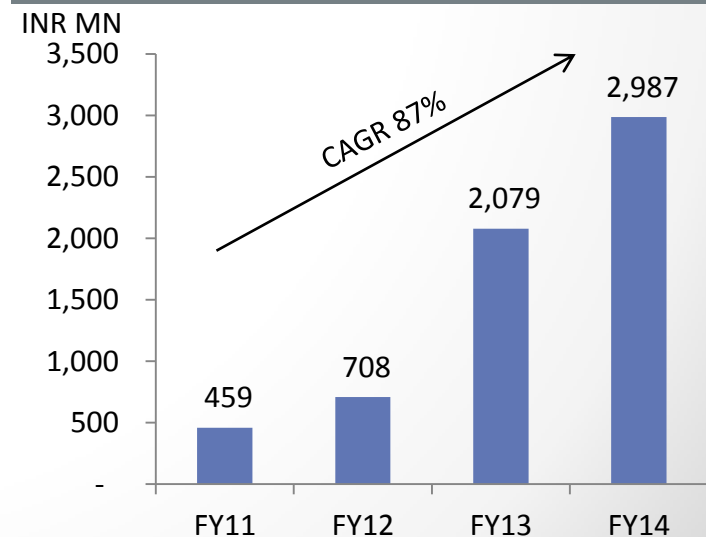
- Textiles
- Real Estate
- LNG Port Terminal with FSRU

Financial Performance

- “Swan” Textiles has been a household name for decades as its products catered to the needs of men, women and children. The company manufactured various products from Dhotis, Saris, Dress Materials to Suitings and Shirtings.
- In 2002, the company shut down its manufacturing facilities in Mumbai in order to monetize the high value land bank assets of the company.
- In 2010, the company started its textile processing activity in Ahmedabad, Gujarat, with the vision leveraging on its successful brand image, to cater to the booming demand from the garment sector. The plant has been built up in a 4 acre plot with an installed production capacity of 1 Lakh meters per day.
- The products are manufactured from natural and synthetic fibres, mainly cotton, polyester, viscose, acrylic, nylon etc. The company does gray to finished processing, dyeing, printing etc.
- This facility comprises of continuous processing machines like Sinigeing / Desizing, continuous scouring and Bleaching range, etc which have been purchased from companies like Bejimag (Belgium), Karl menzel maschinen fabrik, GMBH (Germany).
- The plant enjoys benefits under the Technology upgradation Fund Scheme (tuFS).



Revenue From Textile*



- Post the partial closure of its textile operations in 2002, SEL ventured into property development in 2004 to utilize the large area of land available.
- The management decided to strategically convert all its premises into lucrative real estate projects considering their prime location in the heart of Mumbai City.
- SEL's real estate business entry has been a well thought and planned strategy by the company promoters to encash its value optimally and then re-invest the cash flows in other projects and real estate.

Projects Completed

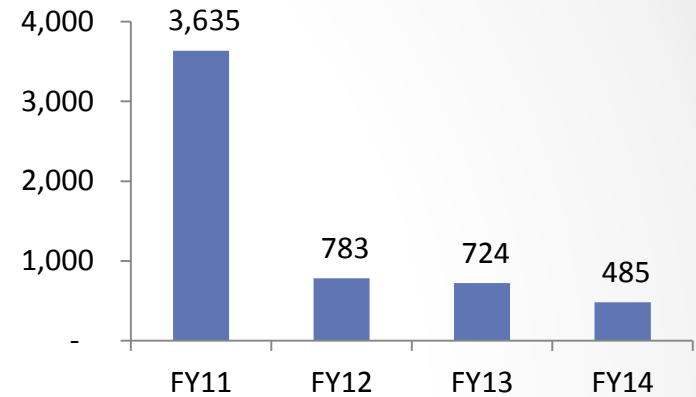
- Ashoka Garden - Sewri
- Peninsula Technopark – Kurla
- Whitefield – Bangalore

Upcoming Projects

- Bondel – Mangalore
- BTM Layout – Bangalore
- HMT Layout – Bangalore
- IT park – Hyderabad
- Kovilambakkam – Chennai

Revenue Contribution*

INR MN



Land Bank

- **Goa** - 106 acres land near the Airport
- **Bangalore** - 105 acres land
- **Mysore** - 199 acres land
- **Mysore** - 8 acres

Ashoka Gardens - Sewri

Ashoka Gardens, Sewri, is an elegant complex of Two 23 storey towers with three wings each, sprawling over 12 acres, and which has been well thought and designed keeping in mind the multi-faceted needs of its residents.

Saleable Area	0.84 Mn sq. ft.
Completion	March 2010
Status	Sold out
Project Revenue	INR 5,140mn

Ashoka Gardens - Sewri



Peninsula Technopark – Kurla

Peninsula Techno Park is a complex that caters to every need and requirement of IT and ITES companies and its workforce.

Saleable Area	0.88 Mn sq. ft
Status	Sold out completely to Essar Group
Building A,B,C	Completed
Building D	Expected to be completed June 2015 - area 0.43 Mn sq.ft
Project Revenue	Total project revenue – INR 9,507mn, Tower D Revenue INR 5,550mn to be recognized in FY14

Peninsula Technopark-Kurla



Whitefield – Bangalore

SEL had acquired a 0.3mn sq. ft. IT Park building in Whitefield, EOIZ Industrial area in Bangalore. This is a ready building with a long term leasing agreement with reputed MNC

Saleable Area	0.3 Mn sq. ft
Completion	January 2013
Status	Completely leased out to reputed MNC
Project Revenue	Rs 140mn/p.a.

Whitefield – Bangalore



Upcoming Real Estate Projects



Bondel - Mangalore

- **Saleable area** of 1.44mn sq. ft.
- **Date of Commencement** - 2014
- Phase 1 of 230 Villas over 25 acres expected to be completed by 2016
- Phase 2 of High rise apartments to be completed by 2018



IT park - Hyderabad

- **Saleable area** of 0.48mn sq. ft.
- **Date of Commencement**- 2012
- **Expected Project completion** - 2014
- Plan to lease or sell it outright

BTM Layout -Bangalore-

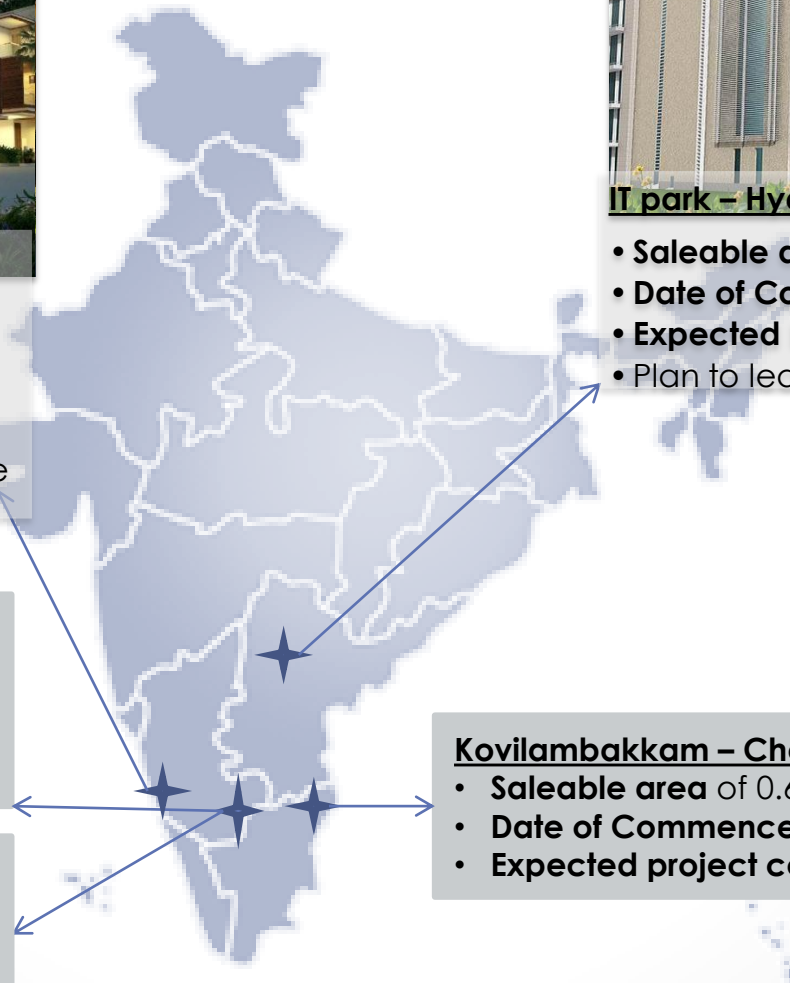
- **Saleable area** 0.08mn sq. ft.
- **Date of Commencement**- 2014
- **Expected project completion**-2016

HMT Layout - Bangalore-

- **Saleable area** of 0.47mn sq. ft.
- **Date of Commencement**- 2014
- **Expected project completion**- 2016

Kovilambakkam - Chennai

- **Saleable area** of 0.60mn sq. ft.
- **Date of Commencement**-2014
- **Expected project completion**- 2017



LNG Port Terminal Project with FSRU SWAN ENERGY LTD.

- Swan Energy Ltd is developing the first LNG Port Terminal with Floating Storage & Regasification Unit (FSRU) in India.
- The project is being implemented at the existing Jafrabad port in Gujarat.
- SEL's project is also based on a unique business model of 'Tolling Terminal', which again will be the first of its kind in India.
- The Tolling Model** is based on a long term "Take or Pay" Contract model. Customers will pay Re-gas charge per MMBTU for the agreed Annual Quantity on a long term say 10/15/20 years. Commodity Price risk is on the Customer.

FSRU Project planned by SEL



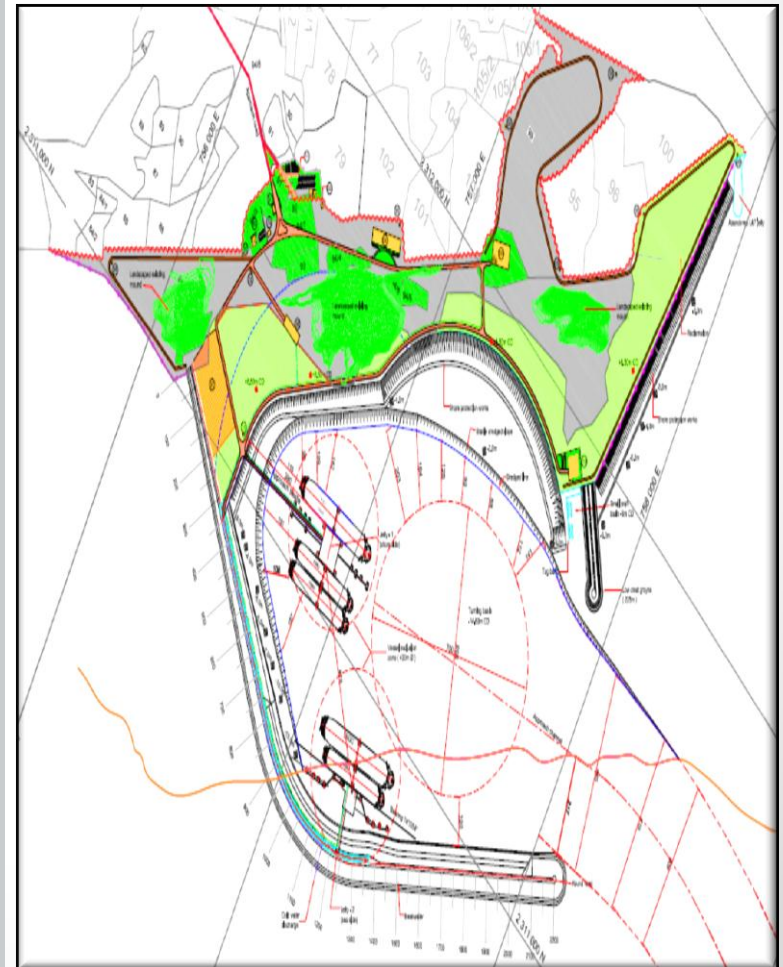
Project	LNG Port Terminal Unit with FSRU - Tolling terminal
Capacity	Planned Capacity – 5 MMTPA, Expandable to 10 MMTPA
Project Cost	Approximate Project Cost – INR 45,000 mn; Equity Stake - SEL 51%, GSPL 11%
	Debt:Equity – 70:30
Expected to be Completed by	Mid 2017
Project Status	Off-take tie-ups – In principal long term agreements with GSPC and BPCL
Description	Location – Jafrabad port in Gujarat,
	Vessel Tie-Up – In talks, equipment vessel supplier shortlisted
	Approval – Received Environmental Clearance from Ministry received on 11th December, 2013

- **What is Floating Storage Regasification Unit (FSRU)?**

A Floating Storage Regasification Unit (FSRU) is the storage and re-gasification facility build on board of the ship to act as floating LNG terminal. Thus, FSRU can be termed as a special type of ship which is used for LNG transfer, storage and re-gasification.

FSRU Concept

- Typically, existing LNG ships are converted to FSRU by utilizing the existing storage tank of the ship as storage units while adding unloading arms, high pressure LNG pumps, boil-off gas handling system and regasification system.
- Initially, FSRU were built by converting old LNG ships by making necessary modifications. However, currently the trend has shifted towards developing new-built FSRU in the ship yard.
- The FSRU can be either moored in the mid sea with turret mooring with seabed or can be permanently moored using single buoy mooring or can be berthed at jetty near the shore permanently.
- As depicted in the picture, we are planning to have a permanently moored FSRU along side the finger jetty with the possibility of adding one more floating storage unit (FSU) alongside FSRU.



LNG Port Terminal Project with FSRU

Capacity

- Total Capacity of FSRU for LNG 5 MMTPA
- Normal regasification capacity of 17.69 mmscmd
- Peak regasification Capacity of 21.22 mmscmd

Operations

- Sea Water will be used for regasification process
- Cargo tank capacity -1,73,400 m³
- Maintenance period is 8 hrs per month for the first 5 years

Project Location



Key Approvals

Nature of Approval	Concerned Department	Status
Approval for development of LNG Terminal under LNG Terminal Policy 2012	Energy and Petrochemical Department	Received Dt.6/11/2013
Capacity Reservation by GOG through GSPC/GSPL of 11% state participation in the project	Energy and Petrochemical Department	Received Dt.6/11/2013
Consent to Establishment	Gujarat Pollution Control Board	Received Dt. 10/01/2013
Approval for Development of Port Terminal (LOI Issued)	Gujarat Maritime Board	Received on 28 th November, 2013
Environment & CRZ Clearances	Ministry of Forest And Environment Department New Delhi.	Environmental Clearance from Ministry received on 11 th December, 2013.
Capacity Reservation	GSPCL 1.5 MMTPA	February 2014

Poor domestic gas production and increasing demand for LNG import

First mover advantage

Cost Efficient vs. Onshore LNG terminals

Environmentally Friendly

Secure and Safe concept vis a vis onshore LNG terminals

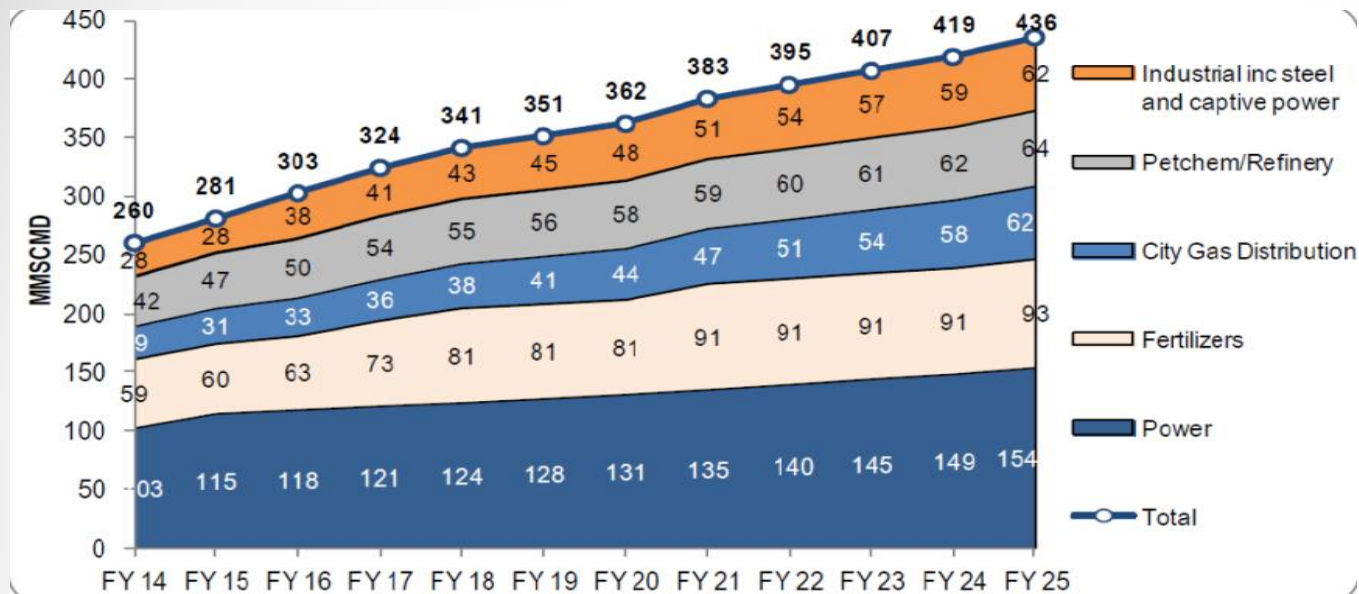
Significantly less gestation period for setup

Gujarat an ideal location, due to proximity to Middle East gas resources and also well developed pipeline network to transport gas

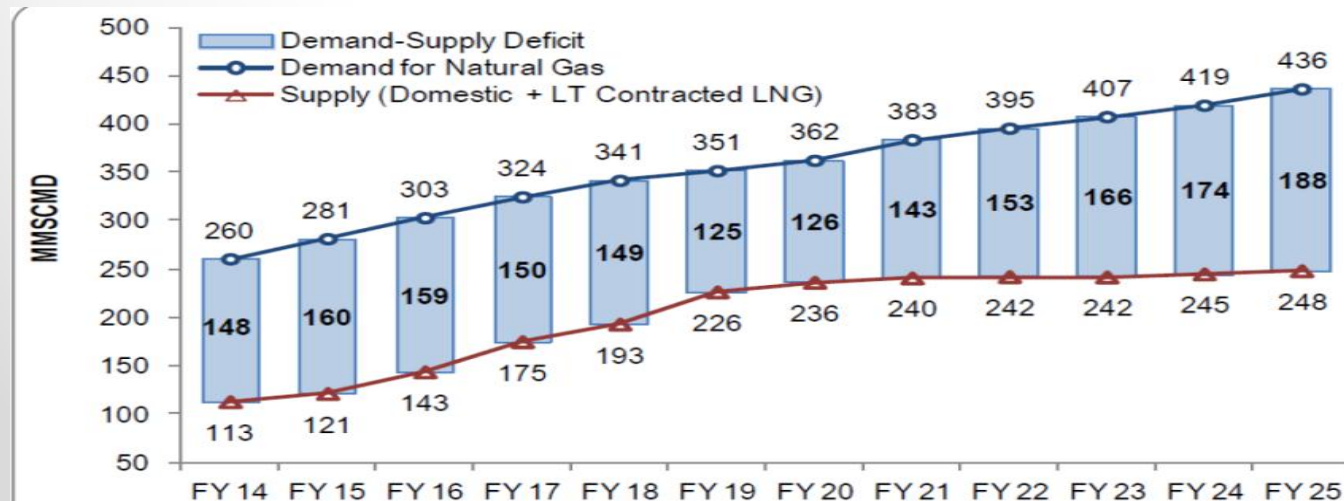
Tolling 'Take or Pay' model giving guaranteed long term returns

Government Incentives

Gas Demand (MMSCMD)



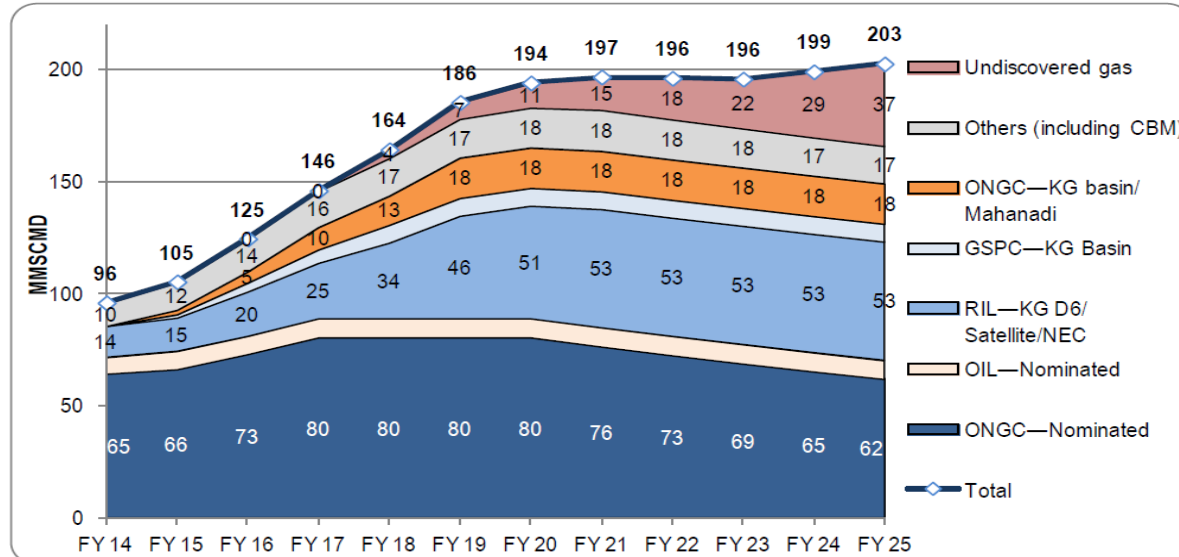
LNG Demand (MMSCMD)



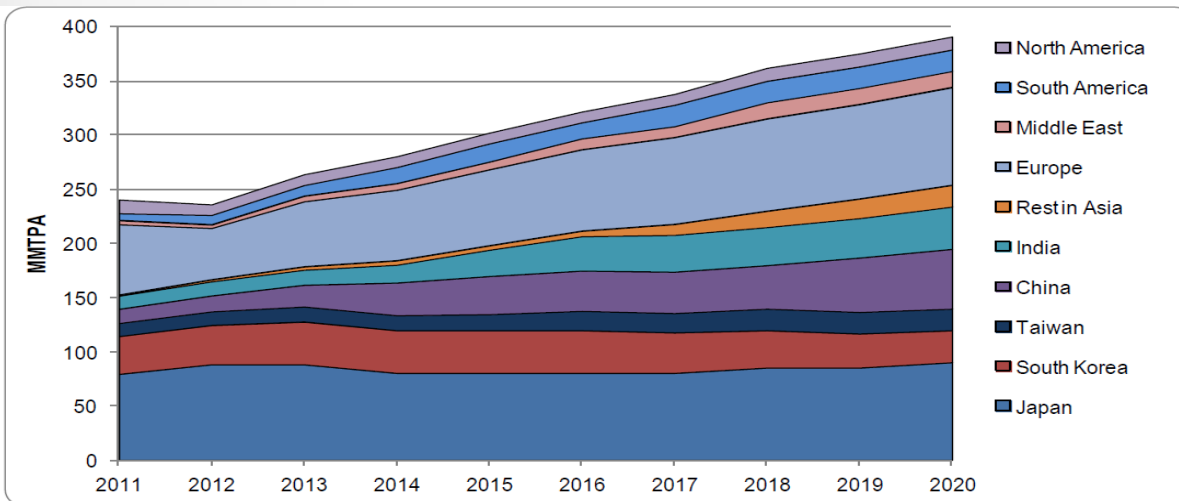
- Actual consumption of gas in India was around 140 MMSCMD in FY 13, which decreased in the last two years from 170 MMSCMD in FY 12 and 177 MMSCMD in FY 11 due to constrained gas availability.
- The gas demand will rise to around 362 MMSCMD by FY20 and further to around 436 MMSCMD by FY25 from the current demand potential of more than 250 MMSCMD.
- Global LNG demand to increase from 260 MMSCMD in FY14 to around 436 MMSCMD by FY25.
- Demand Supply Deficit is expected to increase from 148 MMSCMD in FY14 to around 188 MMSCMD by FY25.
- The anticipated ease in global LNG market from CY 2016 onwards could benefit the existing and planned regasification terminals in India.

Natural Gas Industry

Natural Gas Production (MMSCMD)



Global Demand for Gas(MMSCMD)



- The domestic natural gas production would decrease from around 111 MMSCMD in FY 13 to 96 MMSCMD in FY 14 primarily because of decline in RIL's production.
- Subsequently, the domestic production from existing or already discovered fields is estimated to increase to around 125 MMSCMD by FY16, which could further increase to around 194 MMSCMD by FY20.
- Beyond FY20 though, the domestic gas supply is expected to remain stagnant or marginally decline following a natural decline in the currently producing field
- After a period of supply glut over CY 2005-09 in line with capacity additions and muted demand growth (3-5%) until CY 2009
- Global LNG market remained tight in CY 2010 and CY 2011 due to increase in growth rates, as LNG demand reported a growth of over 22% in CY 2010 and 10% in CY 2011 absorbing most of the capacity additions in the previous few years.
- Global demand growth for LNG to be moderate (at about 6-7% per annum during CY 2013-20),

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Financial Performance

Consolidated Income Statement

Particulars (INR mn)	FY12	FY13	FY14
Total Income*	1,492	2,906	3,471
Total Expenses	982	2,353	2,948
EBITDA	510	553	524
EBITDA Margin%	34.16%	19.04%	15.09%
Depreciation and Amortization Expense	42	59	116
Finance Costs	90	203	382
PBT	377	292	25
Tax	113	106	30
PAT	265	185	(4)
EPS	2.78	1.95	(0.02)
Diluted EPS	1.20	0.84	(0.02)

* Includes other Income

Consolidated Balance Sheet

EQUITY & LIABILITIES (INR Mn)	FY12	FY13	FY14
Shareholder's Funds			
Share Capital	190	190	222
Reserves and Surplus	1,689	1,819	4,087
Total Shareholders Fund	1,879	2,009	4,308
Non-Current Liabilities			
Long-Term Borrowings	1,977	1,814	947
Deferred Tax Liabilities (Net)	37	54	64
Other Long Term Liabilities	5,078	6,766	4,317
Total Non -Current Liabilities	7,092	8,634	5,328
Current Liabilities			
Short-Term Borrowings	370	1,920	3,159
Trade Payables	235	461	755
Other Current Liabilities	912	821	1,787
Short-Term Provisions	342	453	313
Total Current Liabilities	1,859	3,655	6,014
Total	10,830	14,298	15,650

ASSETS (INR Mn)	FY12	FY13	FY14
Non-Current Assets			
Fixed Assets			
Tangible	1,030	7,151	8,290
Capital work in progress	2,819	-	-
Non-Current Investments	26	80	
Long-Term Loans and Advances	429	371	465
Other Non-Current Assets	3	3	2
Total Non Current Assets	4,309	7,605	8,757
Current Assets			
Current Investments	396	5	13
Inventories	3,493	4,545	4,974
Trade Receivables	331	463	658
Cash and Cash Equivalents	1,868	249	164
Short-Term Loans and Advances	372	1,346	987
Other Current Assets	62	85	97
Total Current Assets	6,522	6,693	6,893
Total	10,830	14,298	15,650

Standalone Income Statement

Particulars (INR mn)	FY11	FY12	FY13	FY14
Total Income*	4,112	1,492	2,874	3,327
Total Expenses	3,298	982	2,343	2,909
EBITDA	813	510	530	418
EBITDA Margin%	19.78%	34.16%	18.45%	12.56%
Depreciation and Amortization Expense	16	42	43	43
Finance Costs	118	90	176	280
PBT	680	377	312	95
Tax	242	113	106	29
PAT	438	265	205	66
EPS	4.61	2.79	2.16	0.30
Diluted EPS	1.98	1.20	0.93	0.30

* Includes other Income

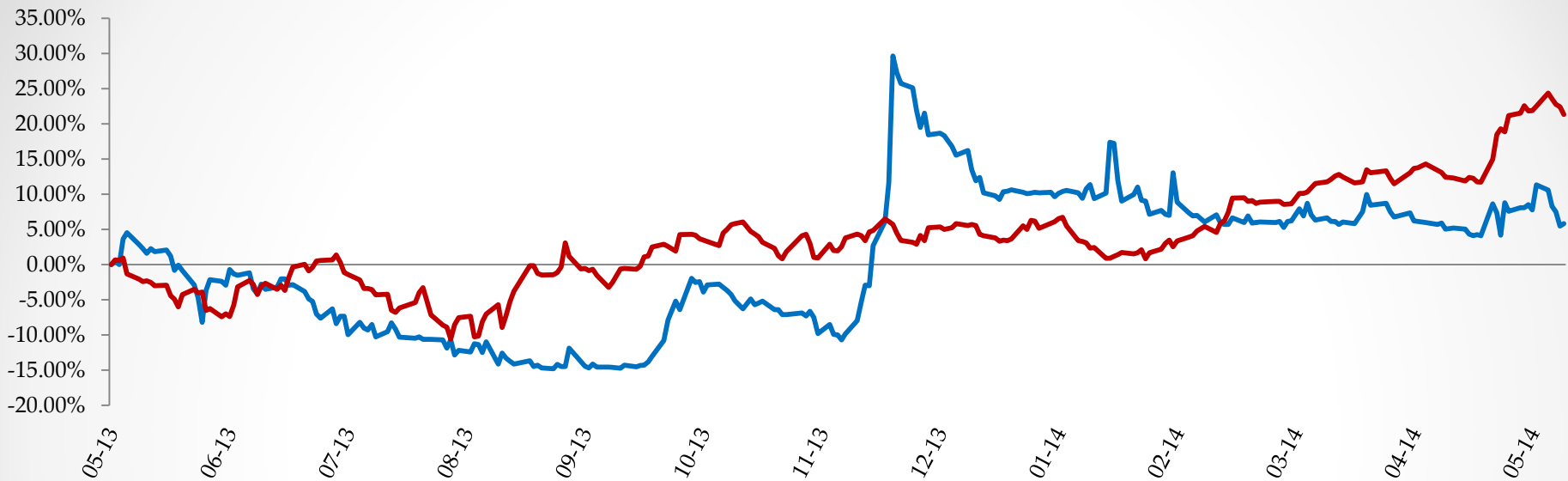
Standalone Balance Sheet

EQUITY & LIABILITIES (INR Mn)	FY12	FY13	FY14
Shareholder's Funds			
Share Capital	190	190	221
Reserves and Surplus	1,690	1,840	4,174
Total Shareholders Fund	1,880	2,030	4,395
Non-Current Liabilities			
Long-Term Borrowings	277	445	23
Deferred Tax Liabilities (Net)	37	54	64
Other Long Term Liabilities	5,070	6,618	4,169
Total Non -Current Liabilities	5,384	7,117	4,256
Current Liabilities			
Short-Term Borrowings	370	897	892
Trade Payables	235	374	647
Other Current Liabilities	912	607	1,043
Short-Term Provisions	342	453	313
Total Current Liabilities	1,858	2,330	2,894
Total	9,122	11,477	11,545

ASSETS (INR Mn)	FY12	FY13	FY14
Non-Current Assets			
Fixed Assets			
Tangible	1,030	999	963
Non-Current Investments	177	277	251
Long-Term Loans and Advances	1,492	4,503	3,661
Total Non Current Assets	2,698	5,778	4,875
Current Assets			
Current Investments	396	5	13
Inventories	3,493	4,013	4,974
Trade Receivables	331	429	658
Cash and Cash Equivalents	1,771	220	144
Short-Term Loans and Advances	371	950	790
Other Current Assets	62	82	91
Total Current Assets	6,424	5,699	6,670
Total	9,122	11,477	11,545

Capital Market

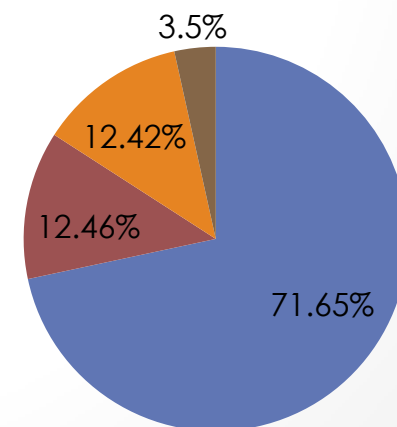
— Swan Energy — BSE Sensex



Key Data (31st May 2014)

Face Value	1.00
Market Price (INR)	61.30
52 week (H/L) (INR)	77.4/48.1
Market Cap (INR Mn)	13,558.3
Equity Shares Outstanding (Mn)	221.18
1 Year Avg. Trading Volume ('000)	511.54
Debt/Equity (FY14)	0.2x

Shareholding Pattern (31st March 2014)



Swan Energy Limited

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