
Ansal Properties & Infrastructure Limited

Q2FY11 Investors' Update

30th October, 2010

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Macro-Economic Scenario

- Recovery in the Indian Economy at a faster pace compared to other developed / developing countries after the global financial crisis in 2008
- Strong build-up in the confidence of Foreign Institutional Investors (FIIs) with regard to the growth of Indian economy. This can be justified with FIIs investment crossing US\$ 28 bn since the start of CY10
 - FIIs withdrew US\$ 12 bn in 2008 and invested US\$ 17 bn in 2009
- GDP growth stood at 7.4% in FY2010 and expected to increase to 8.5% in FY2011. The trend expected to continue
- Inflation rate at 9.82% from the high of 12.06% in September 2008. Inflation rate still above the comfort levels of RBI. Further measures expected depending on the liquidity
- Interest rates increasing but still below the pre-crisis levels. Going forward interest rates may not increase further in a rapid succession
- Re-building of confidence with regards to job security along with the increase in wages to boost demand for the real estate sector

Industry Scenario

- Real growth in the real estate sector still exists especially in residential segment depending on the favorable macro-economic factors like interest rates, salary hikes, job security etc.
- Robust demand in Tier 2 cities due to increase in disposable income and higher aspirations of citizens in these cities with the growth of real sector and service industries etc.
- Steady growth in residential segment due to incremental improvement in the job security, increased hiring as well as pay hikes across industries. Also increase in hiring and pay hikes in other sectors like pharma, auto etc.
- As per Knight Frank fresh residential supply of 92000 units (approx.) equating to 160mn.sq.ft. is expected in NCR in the next 2-3 years, with almost 57% being added in CY2011

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Industry Scenario

- Recovery in the commercial / retail sector yet to be witnessed in a full scale. Though there is strong traction in enquiries but conversion rate is slow because of oversupply and it is expected that this segment will take another year for revival in line with the expansion plans of corporates
- Land deals started picking up on account of de-leveraging of balance sheet though funds raising (QIPs), PE deals as well as encouraging responses to the recent project launches which resulted an improvement in cash flows
- Property prices in Delhi & NCR have increased between 20% to 40% from their lows of 2008 with the increase of ~ 10% witnessed since the beginning of FY11
- Interest rates increasing – This increase will be balanced to an extent by factors such as positive hiring outlook and salary hikes. As per Hewit, India is expected to witness highest wage growth in Asia in 2010

Credit Policy Review – Qtr. ended 30th Sept. 2010

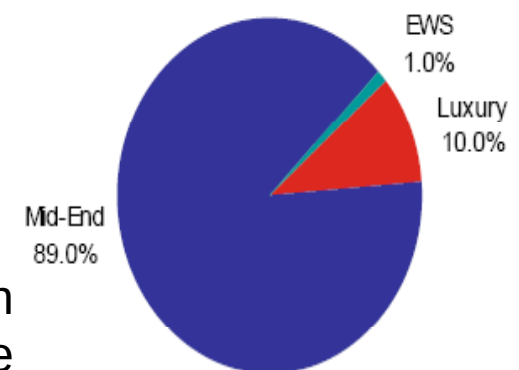
Key Highlights

- Capping of Loan to Value ratio for mortgage at 80% as against 90% to avoid excessive leveraging by banks
- Increase in Risk weights by 25 bps to 125% for mortgages above INR 7.5 mn irrespective of loan to value ratio (LTV)
- Provisioning for teaser rates on housing loans increased by 160 bps, from 0.4 to 2% owing to high risk nature of such loans

Impact on Ansal API

- Majority of sales consist of plotted development in which the Customers seek LTV ratio of less than 80%
- Only 10% of the sales fall in the Luxury segment and ~ 50% to 60% of this segment fall in a category with ticket size more than INR 7.5 mn thereby reducing the significant impact of increase in risk weights

Mix of offerings across price points



APIL - An Integrated Township Developer

- Land Reserves increased to 10,103 Acres in H1FY11 from 9335 acres in FY10
 - Land purchased (acquired / development rights) of ~ 728 acres in H1FY11
 - Total saleable area increased to 313 mn.sq.ft. in H1FY11 from 285 mn.sq.ft. in FY10
- Ongoing 19 integrated townships across 4 States of Northern India
 - Townships include 2 Hi-Tech Townships in Lucknow and Greater Noida
- Out of the total area launched, 78.43 mn.sq.ft. has been sold till H1FY11

S.No	Land Type	Acreage (As of 30 th Sept. 2010)	Acreage (AS of 31 st Mar, 2010)
A	Acquired or Agreed to be Acquired	5464	5066
B	Sole Development rights with APIL	1710	1382
C	Owned by APIL & land over which APIL has sole development rights (A+B)	7174	6448
D	Licensed Land out of (C)	6211	5453
E	Alloted / agreed to be allotted from State Govt. Or other agencies	967	1052
F	Identified land forming part of Licensed Area (Dadri, Lucknow, Others)	1962	1835
	Total (C+E+F)	10103	9335

Northern India Presence



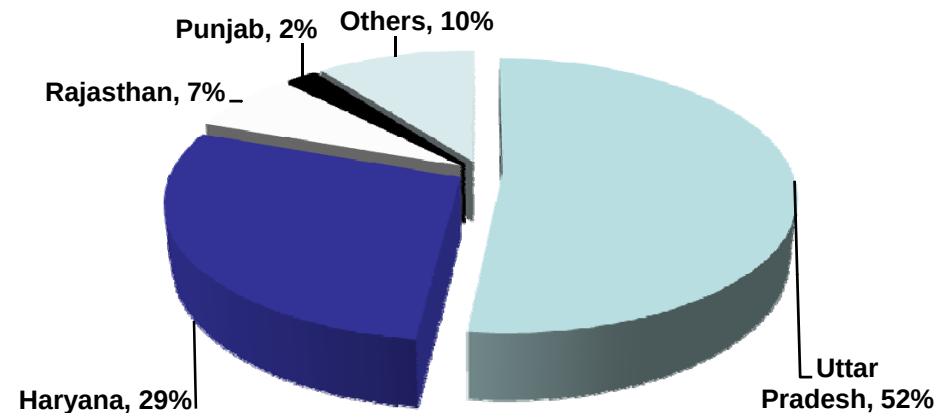
***Leading North India player
with presence across the
major cities***

Operational Developments

- Approval of DPR for license of another 1765 acres in the existing Hi-Tech Township in Lucknow
 - Post approval UP Government allotted another 1765 acres. Consequently the total area has increased to 3530 acres
 - Development Agreement for the 1st phase of the extended township for 800 Acres has also been signed
 - Launched 1st Phase of 800 Acres (selected areas in Extended Lucknow Hi-Tech Township)
- Joint Development agreement for Golden Greens – 300 acres proposed Golf Based Development has been signed
 - Developments to be carried out around the Golf Course, operational since 2002

Saleability – FY10

State	Area Sold (mn.sq.ft.)	Sale Value Booked (Rs. mn.)
Uttar Pradesh	7.06	5523.86
Haryana	3.9	3414.35
Rajasthan	0.98	1017.53
Punjab	0.28	365.13
Others	1.41	276.1
Total	13.63	10596.97



Asset Class	Area Sold (mn.sq.ft.)	Average Realisation (Rs./sq.ft.)
Plots	3.95	616.18
Villas	0.96	2004.45
GHS	2.79	1402.24
GHS FSI	1.47	297.19
Other	0.20	151.88
Comm	0.26	3439.59
Comm FSI	0.16	650.73
EDU	2.82	37.36
Farms	0.33	260.12
Industrial	0.69	968.68
Total	13.63	777.34

Saleability FY10 (mn.sq.ft.)

Majority of the sales from Hi-Tech Townships viz. Lucknow & Greater Noida

Major Launches – H1FY11

Project Name	Location	Type	Saleable Area (mn.sq.ft.)	Area Sold (mn.sq.ft.)	Realisation (Rs. / Sq.ft.)	Sale Value (Rs. mn.)	Pending Advances (Rs. Mn.)
Felix Square	Lucknow	Commercial	0.17	0.13	2500	317.4	60.0
Santushti Enclave	Lucknow	Group Housing	0.36	0.28	1675	465.2	56.5
Green Escape*	Sonepat	Group Housing	2.43	0.95	1612	1530	499.0
Aquapolis*	Ghaziabad	Group Housing	2.5	-	-	-	-
Iris Garden	Meerut	Group Housing	0.24	0.8	1700	128	17.3
Corporate Plaza**	Noida	Commercial	0.19	0.08	4500	365	88.0
Esencia	Gurgaon	Township	3.1	1.56	2257	3531.52	2579.29

* *Green Escape & Aquapolis have been re-launched in September 2010*

** *Total Saleable Area 0.87 mn.sq.ft. out of which 0.19 mn.sq.ft. has been launched*

Major Launches – H1FY11 (Contd..)



Sushant Golf City, Lucknow



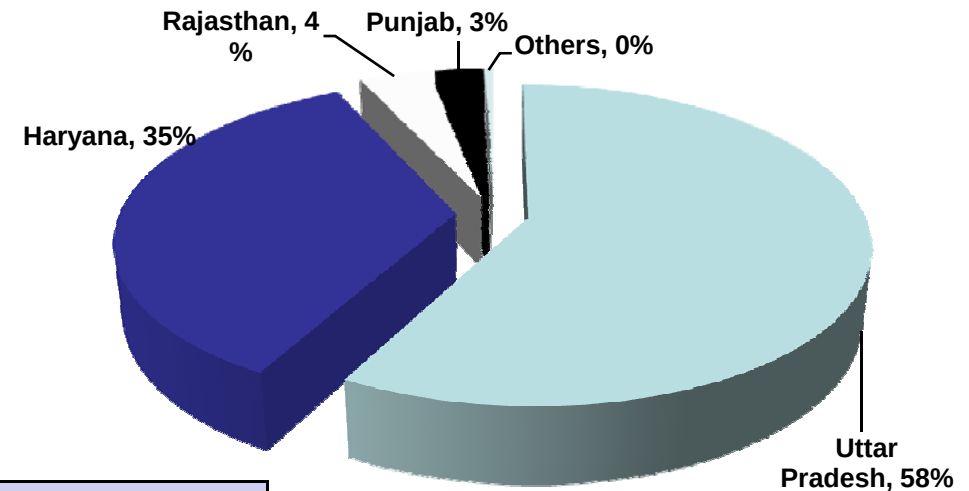
Green Escape, Sonapat



Megapolis, Greater Noida

Saleability – Q2 & H1FY11

State	Area Sold (mn.sq.ft.)		Sale Value Booked (Rs. mn.)	
	Q2FY11	H1FY11	Q2FY11	H1FY11
Uttar Pradesh	5.13	6.62	2745.9	4795.64
Haryana	2.45	4.01	3700.5	5960.99
Rajasthan	0.29	0.45	255.28	311.25
Punjab	0.11	0.31	172.82	605.56
Others	0.01	0.04	45.86	213.49
Total	7.99	11.43	6920.36	11886.93



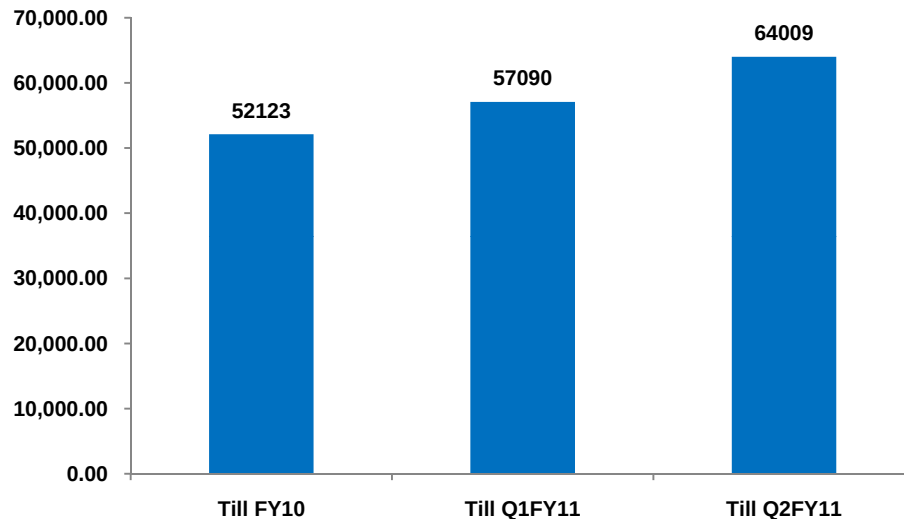
Saleability H1FY11 (mn.sq.ft.)

Asset Class	Q2FY11		H1FY11	
	Area Sold (mn.sq.ft.)	Average Realisation (Rs./sq.ft.)	Area Sold (mn.sq.ft.)	Average Realisation (Rs./sq.ft.)
Plots	4.77	549.60	6.93	875.60
Villas	0.68	3146.90	1.23	2762.89
GHS (including FSI)	0.94	1277.74	1.41	1548.49
Comm	0.09	1938.96	0.12	3737.33
Comm FSI	0.83	712.28	0.83	791.62
EDU	0.34	242.79	0.57	207.48
Industrial	0.02	899.52	0.02	899.52
Industrial FSI	0.32	281.13	0.32	281.13
Total	7.99	865.81	11.43	1039.98

Majority of the sales from Lucknow Hi-Tech Townships & Gurgaon

Sales & Collections - Trending Up

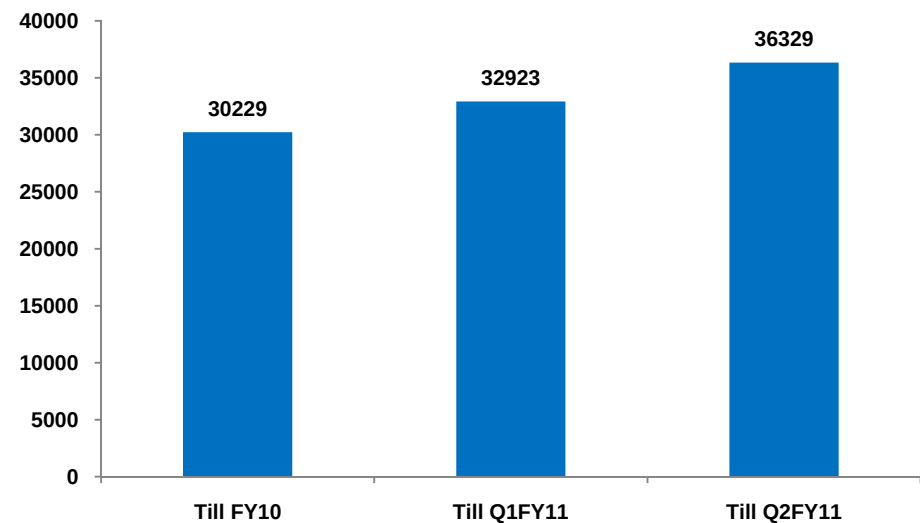
Cumulative Sales (Rs. mn.)



Majority of the sales booked are from Lucknow and Gurgaon projects

Robust growth in collections from Uttar Pradesh & Haryana projects

Cumulative Collections (Rs. mn.)

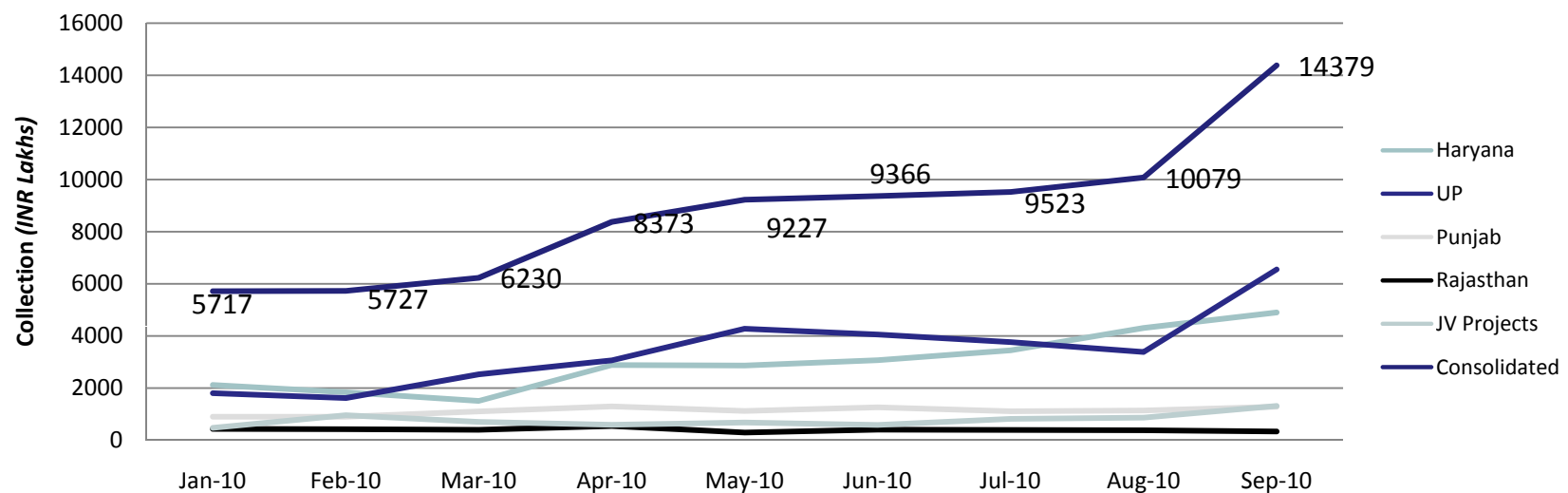


Improvement in Cash Flows

Rs. Million

Particulars	
Pending Advances (As on 01.04.10)	21894
Less: Advances Collected from old sales in H1FY11	3100
Pending Advances - Old Sales (A)	18794
New Sales booked in H1FY11	11886
Less: Advances Collected from new sales in H1FY11	3000
Pending Advances - New Sales (B)	8886
Total Pending Advances (As on 30.09.10) - A+B	27680

Collection Trend (January'10 - August'10)



Funds Raised

- Successfully raised Rs. 2314 mn through QIP in October 2010:
 - Issued 25.7 million shares at Rs. 89.95 (including a premium of Rs. 84.95 per equity share)
 - Major Investors include Artha Capital, Indus Capital, HDFC MF, Bajaj Allianz and few other institutional investors
 - Repaid high cost debt of Rs. 1500 mn (approx.) and balance utilized for operational expenses
- Preferential allotment of Rs. 705 mn to ENAM & Group. Post dilution ENAM & Group holds 5.5% stake in the company

Funds Raised

- PE investment of Rs. 720 mn by ICICI Prudential AMC (domestic & foreign investors) in Ghaziabad Township 'Aquapolis' for the construction and development of group housing projects
 - 1st Tranche of Rs. 250 mn already drawn down and deployed over the project
 - Balance to be drawn down in next 2 months



Financials

Highlights – Q2 & H1FY11 (Consolidated)

Q2FY11

Net Sales stood at Rs. 3197 mn, up 77% (y-o-y)
EBIDTA stood at Rs. 670.3 mn, up 22% (y-o-y)
PAT stood at Rs. 227.6 mn, down 23% (y-o-y)
EBIDTA Margin stood at 20.46%
PAT Margin stood at 7%

H1FY11

Net Sales stood at Rs. 5704.7 mn, up 79% (y-o-y)
EBIDTA stood at Rs. 1428.7 mn, up 54% (y-o-y)
PAT stood at Rs. 615.5 mn, up 54% (y-o-y)
EBIDTA Margin stood at 24.46%
PAT Margin stood at 10%

- ***Robust growth in sales on account of recognition in revenues from Lucknow, Gurgaon projects and monetization of finished inventory / assets***
- ***PAT has decreased because of :***
 - ***Elimination of common transactions, resulting an increase in tax liability***
 - ***Change in accounting policy with regard to charging of Administration & Selling Expenses which were earlier treated as part of project cost***

Financial Performance (Consolidated)

Rs. Million

Particulars	Q2FY11	Q2FY10	Q1FY11	H1FY11	H1FY10	FY10
Net Sales	3197	1805.3	2507.7	5704.7	3189.5	8287.8
Other Operating Income	78.4	55.6	58.9	137.3	102.4	244.3
Other Income	25	41.3	177.9	202.9	58.8	181.1
Total Expenditure	2605.1	1311.2	1808.2	4413.3	2360.6	6645.2
EBITDA	670.3	549.7	758.4	1428.7	931.3	1886.9
Depreciation	23.8	24.2	21.6	45.4	48.2	97.5
Interest	233.2	278	274.3	507.5	480.2	1061.5
PBT	438.3	311.2	387.9	1078.7	484.1	1047.5
Tax	210.7	14.4	252.5	463.2	85.3	336.9
PAT (Excluding Minority Interest)	227.6	296.8	387.9	615.5	398.8	710.6
EPS	1.78	2.61	3.12	4.88	3.51	6.06
Key Ratios						
EBIDTA Margin	20.46%	29.54%	29.55%	24.46%	28.29%	22.12%
PAT Margin	6.89%	15.60%	14.13%	10.18%	11.90%	8.16%
Net Debt / Equity Ratio (x)	1.12			1.12	1.09	1.26

Balance Sheet

Rs. Million

Particulars	H1FY11	H1FY10	FY10
Net Worth	14134.9	12140.8	12820.7
Debt	17241.8	14195.4	17182.7
Cash & Bank Balance	1398.7	930.8	1080.7
Net Debt	15843.1	13264.6	16102.0
Net Current Assets	20400.0	16514.6	17783.0
Sundry Debtors	6384.6	5600.2	5794.0
Current Liabilities	19576.8	16612.8	18430.1

Debt Position

Rs. Million

Gross Opening Debt (As on 1st April, 2010)	17182.7
Less: Repaid during H1FY11	3138.8
Add: Fresh Disbursements during H1FY11	1486.1
Gross Debt Position (as on 31st Oct. 2010)	15530
Less: Cash in Hand	1400
Net Debt	14130

Average Cost of Debt 14.50%

Strategy

- Private Equity Deals: The Company will seek project level PE deals to dilute stake and capture premium on the projects
- Asset Monetization: It will involve liquidation of current finished inventory and finished stock to raise capital to be deployed in the operations
- Debt Reduction: Capital raising and robust internal accrual to cut down the debt
- Interest Reduction: Repayment of high cost debt and reduction of other debt to save on interest on debts
- Infrastructure company - (substitution of real estate loans with infrastructure debt, tax related incentives)

Thank You !