



# INVESTOR CALL

## 26<sup>th</sup> April, 2012

Mahindra Towers



# The opportunity

Indian Hotel Industry

Rs. 191 Bn

Leisure usage

Rs. 101 Bn



# Business Model

Revenue recognition

60 : 40

Very high terminal value as fresh membership is sold post 25 years



# Inventory Movement

|                              | <u>Rooms</u> |
|------------------------------|--------------|
| Opening Inventory            | 1624         |
| Inventory Added (10 resorts) | 485          |
| Inventory given away         | 60           |
| Closing Inventory            | 2049         |



# Members First

## Booking experience

13% bookings online

36% incremental holiday vouchers

20% incremental holidays given

OTH Blackout in high season

Guest Blackout in high season



# New Team

## Rich varied experience

CHRO – 29 yrs; J&J, Citi, Northern Trust

CFO – 23 yrs, Tech M, Philips, TCS

Legal/Sec – 21 yrs, Herdillia Chem, Marsh

CMO – 20 yrs exp; Unilever, Tata Tele

CC Head – 18 yrs, Tata AIG, GE Cap, Max NY Life



## Choice : To be

Focus on vacation ownership

Sell where Indians are

Built where Indians go

Integrate TRS to augment total holiday exp.

Continue to raise the bar on experience



# Highlights - 2012

- F12 Highlights
  - Total income at INR 637 Cr (Growth of 19% )
  - PAT at INR 105 Cr (Growth of 2% )
  - 18,089 members added
  - Occupancy was 77% against 78% in Last year
  - Addition of 10 unique destination including Sikkim, Mussoorie, Mahabaleshwar, Kumarakom, Jaisalmer, Kanatal, Goa & Rishikesh
- Q4 Highlights
  - Q4 Total income at INR 193 Cr (Growth of 14% )
  - Q4 PAT at INR 37 Cr
  - 5,468 members added





# Membership & Inventory details

| Sales in units         | Q1 F11 | Q2 F11 | Q3 F11 | Q4 F11 | Q1 F12 | Q2 F12 | Q3 F12 | Q4 F12 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross members          | 4077   | 4852   | 4815   | 5454   | 4900   | 5412   | 5486   | 6178   |
| Cancellation           | 132    | 688    | 1057   | 2036   | 1537   | 813    | 827    | 710    |
| Net Members added      | 3945   | 4164   | 3758   | 3418   | 3363   | 4599   | 4659   | 5468   |
| Cumulative member base | 113829 | 117993 | 121751 | 125169 | 128532 | 133131 | 137790 | 143258 |

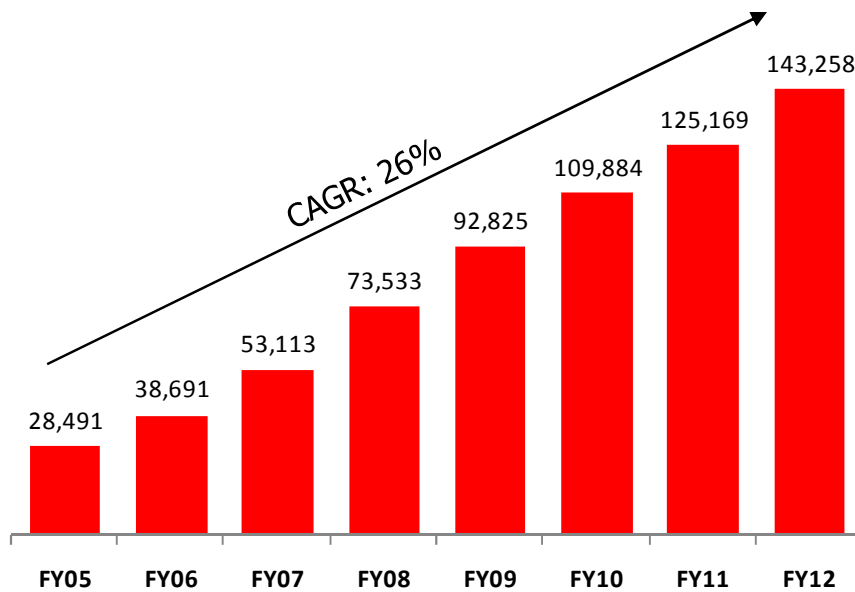
| Sales in Rs lacs | Q1 F11 | Q2 F11 | Q3 F11 | Q4 F11 | Q1 F12 | Q2 F12 | Q3 F12 | Q4 F12 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sales            | 9701   | 11924  | 11615  | 13046  | 10116  | 12804  | 13432  | 16796  |

|               | Q1 F11 | Q2 F11 | Q3 F11 | Q4 F11 | Q1 F12 | Q2 F12 | Q3 F12 | Q4 F12 |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|
| No of Resorts | 32     | 31     | 34     | 36     | 36     | 36     | 37     | 42     |
| No of Rooms   | 1489   | 1473   | 1555   | 1624   | 1624   | 1624   | 1745   | 2049   |
| Occupancy %   | 85.2%  | 70.1%  | 81.4%  | 74.1%  | 83.0%  | 68.8%  | 78.2%  | 76.2%  |

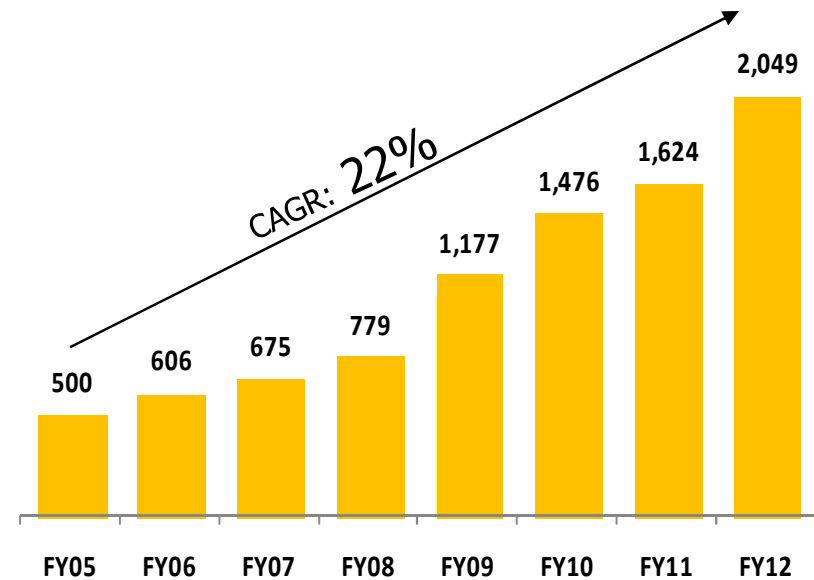


# Acquisition & Inventory Creation: Sustained Growth

Cumulative VO Membership



Inventory (Number of Units)





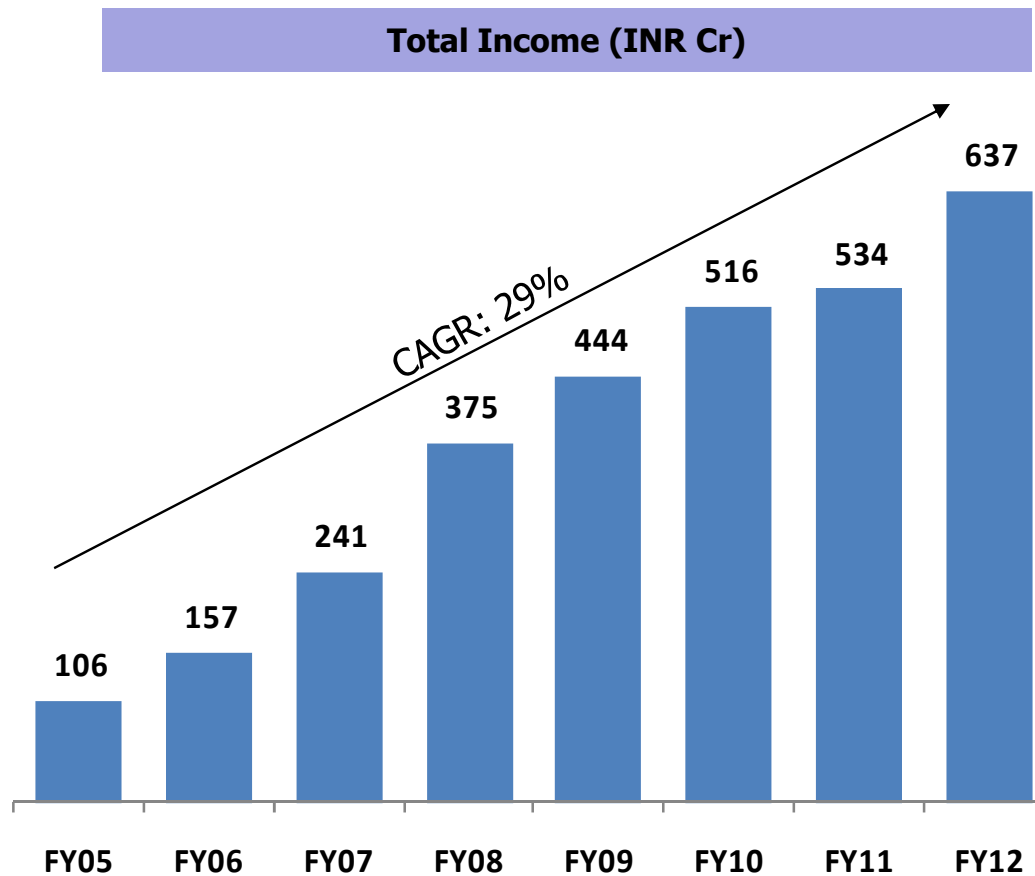
# Key Indicators

| Key indicators (no.) | Q4 F12  | Q4 F11  | Q4oQ4 | FY 12   | FY 11   | Y-O-Y |
|----------------------|---------|---------|-------|---------|---------|-------|
| New Members - CMH    | 4,627   | 2,717   | 70%   | 15,286  | 13,202  | 16%   |
| Cum Members- CMH     | 132,882 | 117,596 | 13%   | 132,882 | 117,596 | 13%   |
| New Members - Zest   | 841     | 701     | 20%   | 2,803   | 2,083   | 35%   |
| Cum Members- Zest    | 10,376  | 7,573   | 37%   | 10,376  | 7,573   | 37%   |
| New Members - Total  | 5,468   | 3,418   | 60%   | 18,089  | 15,285  | 18%   |
| Cum Members- Total   | 143,258 | 125,169 | 14%   | 143,258 | 125,169 | 14%   |

| Key indicators Rs.Lac | Q4 F12 | Q4 F11 | Q4oQ4 | FY 12  | FY 11  | Y-O-Y |
|-----------------------|--------|--------|-------|--------|--------|-------|
| Revenue               | 24,718 | 20,465 | 21%   | 80,377 | 68,647 | 17%   |
| Income                | 19,264 | 16,971 | 14%   | 63,658 | 53,416 | 19%   |
| Expenses              | 13,687 | 10,607 | 29%   | 47,037 | 36,462 | 29%   |
| EBITDA                | 5,577  | 6,364  | -12%  | 16,621 | 16,954 | -2%   |
| PBT                   | 5,044  | 5,801  | -13%  | 14,552 | 14,928 | -3%   |
| PAT                   | 3,723  | 4,018  | -7%   | 10,464 | 10,276 | 2%    |



# Consistent Financial Growth





# Profitability Statement

| Particulars  | Rs In Lacs               |                          |                          |                       |                   |
|--|--------------------------|--------------------------|--------------------------|-----------------------|-------------------|
|  | Quarter ended<br>Mar 31, | Quarter ended<br>Dec 31, | Quarter ended<br>Mar 31, | Year ended<br>Mar 31, |                   |
|  | 2012<br>(Unaudited)      | 2011<br>(Unaudited)      | 2011<br>(Unaudited)      | 2012<br>(Audited)     | 2011<br>(Audited) |
| Net Sales/Income from Operations   | 17,346                   | 14,449                   | 15,381                   | 57,383                | 48,713            |
| Other Operating Income   | 1,491                    | 1,439                    | 1,197                    | 4,773                 | 3,533             |
| <b>Total Income ( 1+2)</b>   | <b>18,837</b>            | <b>15,888</b>            | <b>16,578</b>            | <b>62,156</b>         | <b>52,246</b>     |
| <b>Expenditure</b>   |                          |                          |                          |                       |                   |
| a. Employee cost   | 3,955                    | 3,102                    | 2,343                    | 12,642                | 8,473             |
| b. Sales & Marketing Expenses  | 5,389                    | 4,562                    | 4,697                    | 18,362                | 14,718            |
| c. Depreciation  | 525                      | 504                      | 560                      | 2,034                 | 2,010             |
| d. Other expenditure   | 4,344                    | 4,243                    | 3,567                    | 16,032                | 13,271            |
| <b>Total Expenditure</b>   | <b>14,213</b>            | <b>12,411</b>            | <b>11,167</b>            | <b>49,071</b>         | <b>38,472</b>     |
| <b>Profit from Operations before Other<br/>Income &amp; Interest (3-4)</b> | <b>4,624</b>             | <b>3,477</b>             | <b>5,411</b>             | <b>13,085</b>         | <b>13,774</b>     |
| <b>Other Income</b>  | <b>427</b>               | <b>302</b>               | <b>394</b>               | <b>1,502</b>          | <b>1,170</b>      |
| <b>Profit before Interest (5+6)</b>  | <b>5,051</b>             | <b>3,779</b>             | <b>5,804</b>             | <b>14,587</b>         | <b>14,944</b>     |
| <b>Interest Expense</b>  | <b>7</b>                 | <b>15</b>                | <b>4</b>                 | <b>35</b>             | <b>16</b>         |
| <b>Profit before Taxes (7-8)</b>   | <b>5,044</b>             | <b>3,764</b>             | <b>5,801</b>             | <b>14,552</b>         | <b>14,928</b>     |
| <b>Tax expense</b>   | <b>1,321</b>             | <b>1,118</b>             | <b>1,783</b>             | <b>4,088</b>          | <b>4,652</b>      |
| <b>Net Profit after tax (9-10)</b>   | <b>3,723</b>             | <b>2,646</b>             | <b>4,018</b>             | <b>10,464</b>         | <b>10,276</b>     |
| <b>Paid-up equity share capital (Face value Rs.<br/>10 per share)</b>      | <b>8,385</b>             | <b>8,384</b>             | <b>8,361</b>             | <b>8,385</b>          | <b>8,361</b>      |
| <b>Reserves excluding revaluation reserves</b>                             |                          |                          |                          | <b>48,500</b>         | <b>41,969</b>     |
| <b>Earnings Per Share in Rupees (not<br/>annualized)</b>                   |                          |                          |                          |                       |                   |
| (a) Basic  | 4.44                     | 3.16                     | 4.81                     | 12.49                 | 12.30             |
| (b) Diluted  | 4.43                     | 3.15                     | 4.77                     | 12.46                 | 12.21             |



# Income break-up

| In Rs lacs                    |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Income                  | Q1 F11       | Q2 F11       | Q3 F11       | Q4 F11       | Q1 F12       | Q2 F12       | Q3 F12       | Q4 F12       |
| Income from sale of VO        | 5497         | 8233         | 8635         | 11177        | 7999         | 9279         | 9795         | 12646        |
| ASF                           | 1669         | 1566         | 1922         | 2074         | 1946         | 2345         | 2320         | 2685         |
| Resort Income                 | 1753         | 1674         | 2133         | 2050         | 2089         | 1750         | 2199         | 1866         |
| Income from TRS & MHS         | 72           | 74           | 102          | 80           | 57           | 122          | 135          | 150          |
| <b>Income from operation</b>  | <b>8991</b>  | <b>11547</b> | <b>12793</b> | <b>15381</b> | <b>12091</b> | <b>13496</b> | <b>14449</b> | <b>17346</b> |
| Interest on installment sale  | 905          | -182         | 1368         | 1259         | 630          | 1174         | 1154         | 1086         |
| Income from securitisation    | 279          | -29          | -40          | -92          | -147         | 110          | 264          | 374          |
| Misc operating income         | 3            | 16           | 18           | 30           | 30           | 46           | 21           | 31           |
| <b>Other Operating income</b> | <b>1186</b>  | <b>-195</b>  | <b>1346</b>  | <b>1197</b>  | <b>513</b>   | <b>1330</b>  | <b>1439</b>  | <b>1491</b>  |
| <b>Total operating income</b> | <b>10178</b> | <b>11352</b> | <b>14138</b> | <b>16578</b> | <b>12604</b> | <b>14826</b> | <b>15888</b> | <b>18837</b> |
| Non operating income          | 210          | 254          | 312          | 394          | 470          | 303          | 302          | 427          |
| <b>Total income</b>           | <b>10388</b> | <b>11606</b> | <b>14451</b> | <b>16971</b> | <b>13074</b> | <b>15129</b> | <b>16190</b> | <b>19264</b> |

| In Rs lacs                |             |             |             |             |             |             |             |             |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Resort Income             | Q1 F11      | Q2 F11      | Q3 F11      | Q4 F11      | Q1 F12      | Q2 F12      | Q3 F12      | Q4 F12      |
| Room                      | 331         | 494         | 611         | 720         | 354         | 340         | 394         | 389         |
| F&B                       | 1040        | 869         | 1092        | 991         | 1227        | 983         | 1279        | 975         |
| Holiday Activity & Others | 382         | 311         | 430         | 339         | 508         | 427         | 526         | 502         |
| <b>Total</b>              | <b>1753</b> | <b>1674</b> | <b>2133</b> | <b>2050</b> | <b>2089</b> | <b>1750</b> | <b>2199</b> | <b>1866</b> |



# Balance Sheet

| <b>Statement of Assets &amp; Liabilities</b>         |                        | (Rs. in lacs)  |  |
|--|------------------------|----------------|--|
| <b>Particulars</b>                                   | <b>As at March 31,</b> |                |  |
|  | <b>2012</b>            | <b>2011</b>    |  |
|  | (Audited)              | (Audited)      |  |
| <b>SHAREHOLDERS' FUNDS:</b>                          |                        |                |  |
| Capital  | 8,385                  | 8,361          |  |
| Reserves and Surplus                                 | 48,499                 | 41,969         |  |
|  | <b>56,884</b>          | <b>50,330</b>  |  |
| <b>Non-current liabilities</b>                       |                        |                |  |
| Deferred tax liabilities (net)                       | 3,663                  | 3,678          |  |
| Deferred Income - Advance towards members facilities | 106,792                | 98,402         |  |
| Long term provisions                                 | 147                    | 114            |  |
| Sub total - Non-current liabilities                  | <b>110,602</b>         | <b>102,193</b> |  |
| <b>Current liabilities</b>                           |                        |                |  |
| Short term Borrowings                                | 79                     | 158            |  |
| Trade payables                                       | 8,498                  | 6,354          |  |
| Other current liabilities                            | 11,716                 | 8,290          |  |
| Deferred Income - Advance towards members facilities | 5,512                  | 4,416          |  |
| Short term provisions                                | 4,021                  | 3,982          |  |
| Sub total - Current liabilities                      | <b>29,826</b>          | <b>23,201</b>  |  |
| <b>Total - EQUITIES &amp; LIABILITIES</b>            | <b>197,312</b>         | <b>175,724</b> |  |
| <b>ASSETS</b>  |                        |                |  |
| <b>Non-current assets</b>                            |                        |                |  |
| Fixed assets   | 63,646                 | 57,502         |  |
| Non-current investments                              | 8,232                  | 3,178          |  |
| Long term loans and advances                         | 12,905                 | 7,428          |  |
| Other non-current assets                             | 36,336                 | 44,513         |  |
| Sub-total - Non-current assets                       | <b>121,119</b>         | <b>112,621</b> |  |
| <b>Current assets</b>                                |                        |                |  |
| Current investments                                  | 12,617                 | 11,331         |  |
| Inventories  | 367                    | 314            |  |
| Trade receivables                                    | 51,805                 | 43,794         |  |
| Cash and cash equivalents                            | 839                    | 6,283          |  |
| Short-term loans and advances                        | 10,417                 | 1,264          |  |
| Other current assets                                 | 147                    | 117            |  |
| Sub-total - Current assets                           | <b>76,192</b>          | <b>63,104</b>  |  |
| <b>TOTAL - ASSETS</b>                                | <b>197,312</b>         | <b>175,724</b> |  |

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