

# Unitech Limited

Focusing on Delivery

The Unitech logo consists of the word "unitech" in a lowercase, sans-serif font. The letter "u" is red, and the remaining letters "nitech" are teal. The logo is positioned in the bottom right corner of the slide.

**unitech**

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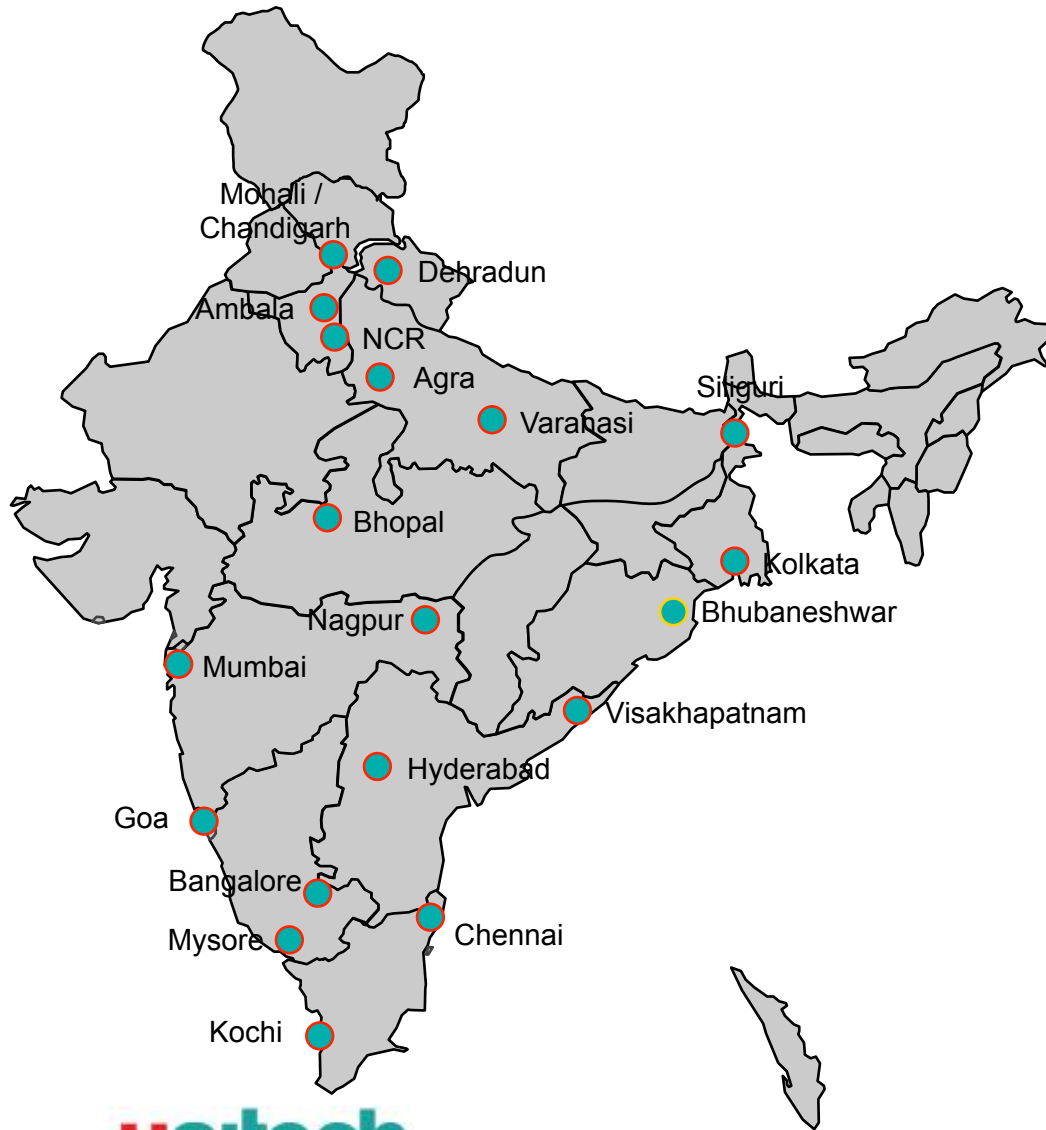
## Macroeconomic Scenario

- Strong recovery in the Indian economy during H2 FY10
- GDP growth – 7.4% in 2009-10 , expected to be over 8.5% in 2010-11
- Buoyancy in the job market, rising wages
- Strong domestic demand
- Good Monsoon Season
- Inflation yet to moderate
- Interest rates trending up

# Industry Scenario

- Growth momentum in the Indian economy translated into recovery in the physical property market
- Recovery began in Mar'09 with revival in demand for affordable housing
- Demand for higher end residential product also picked up during the 2<sup>nd</sup> half of FY10
- Residential property prices have risen since Sep'09 by varying degree across the country
- At present, demand for residential property is healthy across segments
- Demand for Commercial property was showing some signs of recovery before the uncertainty created by Direct Tax Code proposals
- Commercial rentals continue to be subdued due to high vacancy

# Unitech – Truly diversified developer



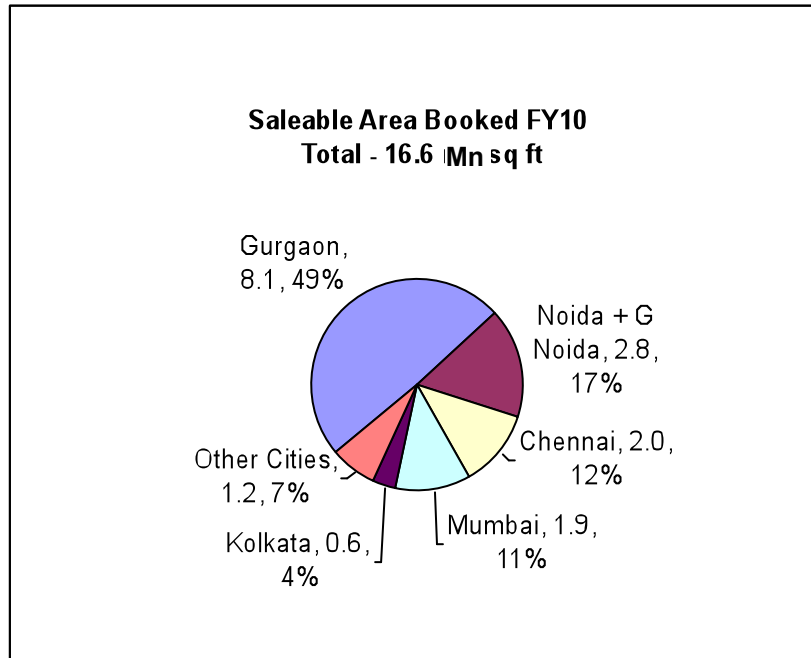
- Only developer to have a large presence in major cities across all four regions – NCR, Mumbai, Chennai, Kolkata
- Diversified land bank to offer a wide variety of product
  - Plots, Low rise, Mid rise and High rise developments
  - Suburban as well as city centre developments
  - From Low cost to Luxury (focus on affordable housing)



- Well poised to be the market leader in residential property
- Countercyclical / stable cash flows
- Thrust on execution

# Sales Performance in FY10

City	Area Launched (Mn sq ft)	Area sold (Mn sq ft)
Gurgaon	9.6	8.1
Noida + G Noida	6.2	2.8
Chennai	2.6	2.0
Kolkata	2.6	0.6
Other Cities	5.3	3.1
<b>Total</b>	<b>26.2</b>	<b>16.6</b>



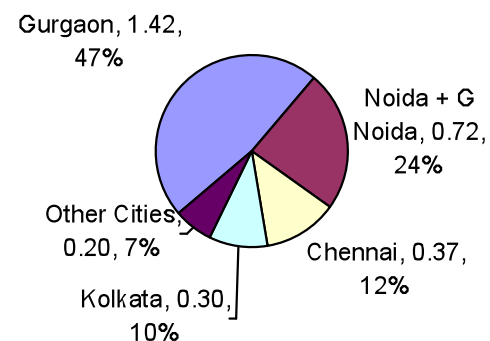
- Achieved all time high sales bookings in FY10
- 16.6 Mn sq ft of total area sold during the last fiscal year
- Unitech's projects now spread across multiple cities

# Sales Performance – Q1 FY11

City	Area Launched (Mn sq ft)	Area sold (Mn sq ft)	Sales Value (INR Mn)
Gurgaon	1.48	1.42	7,650
Noida + G Noida	0.81	0.72	3,450
Chennai	0.15	0.37	630
Kolkata	0.20	0.30	850
Other Cities	0.12	0.20	400
<b>Total</b>	<b>2.76</b>	<b>3.01</b>	<b>12,980</b>

Segment	Area sold (Mn sq ft)	Average Realization (INR per sq ft)	Booked Value (INR Mn)
Non-Residential	0.40	7,784	3,110
Residential	2.61	3,782	9,870
<b>Total</b>	<b>3.01</b>	<b>11,566</b>	<b>12,980</b>

Saleable Area Booked Apr-Jun '10  
Total - 3.01 Mn sq ft



- Over **3 Mn sq ft** sold during the first quarter of 2010
- Value of sales bookings close to INR13,000 Mn

# Execution Performance

DELIVERY STATUS OF PAST PROJECTS (as of 30 <sup>th</sup> June'10)			
City	Area to be delivered (Mn sq ft)	Area delivered till 30 <sup>th</sup> June'10 (Mn sq ft)	Balance to be delivered (Mn sq ft)
Noida + G Noida	6.5	1.3	5.3
Gurgaon	9.9	5.2	4.7
Kolkata	5.7	1.1	4.6
Lucknow	0.1	0.0	0.1
Mohali	0.5	0.0	0.5
<b>Total</b>	<b>22.9</b>	<b>7.7</b>	<b>15.2</b>

- **0.9** Mn sq ft delivered in Q1 FY11
- 12 projects across cities where delivery is in progress
- Handing over commenced in Heights, Greater Noida



## CONSTRUCTION STATUS OF PAST PROJECTS (as of 30<sup>th</sup> June'10)

Construction Stage	Number of projects	Mn sq ft	% age of total	Projects
Handover/ Finishing	12	11.5	50%	Gurgaon - The Close (South), The Close (North), World Spa (East), World Spa (West), Espace, Fresco, Nirvana Courtyard; G Noida - Horizon, Heights; Kolkata - Gardens, Horizons; Lucknow - South City Gardens
Structure Complete, Internal Work in progress	9	6.8	30%	Gurgaon - Escape, Harmony, Business Zone, Arcadia; G Noida - Cascades, Habitat, Verve; Kolkata - Heights, Downtown
Piling/ Structure Work in Progress	7	3.7	16%	Gurgaon - UW Resorts; Kolkata - Air, Harmony, Cascades, Gateway-I; Mohali - Executive Floors; Noida - Grande
Pre-construction	3	0.9	4%	Plotted Development in NCR and Mohali
<b>Total</b>	<b>31</b>	<b>22.9</b>	<b>100%</b>	

- **50%** of our past projects are in finishing/ handing over stages.
- **80%** of our project area has its structure completed

# Enhancing execution capabilities

Various measures being taken to reduce construction time as well as cost

- **Product Standardization** : High volume standardized “manufacturing style” product will result in economies of scale and quick execution
- **Process Changes** : Implementing various process changes to speed up construction activity
- **In house architectural design** : Architectural design esp. for mid/affordable housing being undertaken in house for faster turnaround.
- **In house engineering design** : Acquired a structural design firm to enhance in house engineering design capabilities. Benefits – quick turnaround and lower costs. They also critically evaluate designs by external firms to reduce cost.
- **Expanding the contractor base** : With projects in multiple cities, Unitech is tapping the local contractor base in different cities.
- **Higher mechanization** : Incentivising contractors to deploy more equipment.
- **UT Infra**: To be model contractor for future projects to boost execution capabilities
- Restructuring the **performance incentives** for project management teams

# Unitech Infra Ltd

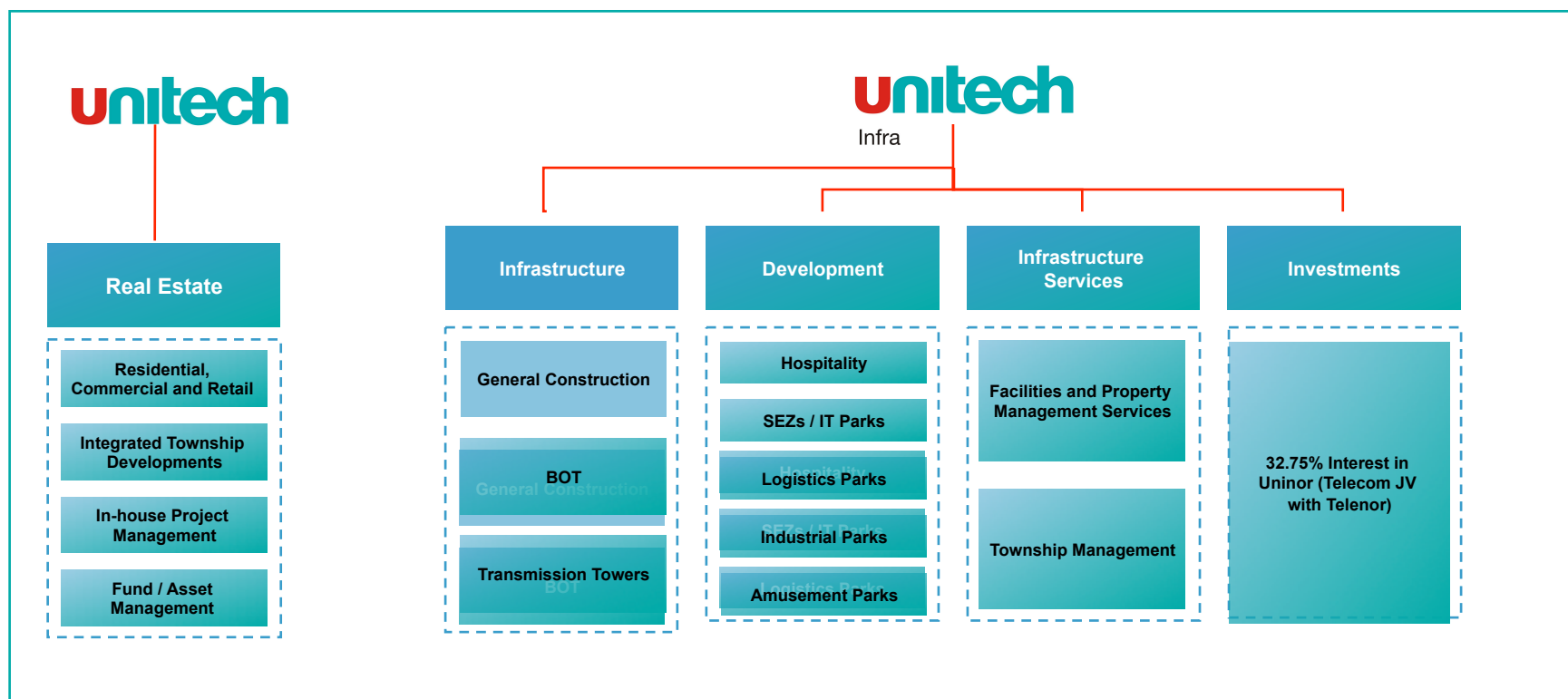
- An Update

# Unitech Today - Business Snapshot

Leading Real Estate Developer with Capabilities Across Verticals

	Real Estate	Property Management and Consultancy Services	Construction and Transmission Towers	Investments
Overview	 <ul style="list-style-type: none"> <li>Completed development of:                             <ul style="list-style-type: none"> <li>Over 24 Mn sq. ft.</li> <li>Six townships covering an area of c. 1,400 acres as of January, 2010</li> </ul> </li> <li>Over 7,500 acres of geographically diversified and low cost land bank</li> <li>Presence across asset classes</li> <li>Only developer to have a large presence across all four regions - NCR, Mumbai, Chennai and Kolkata</li> </ul>	 <ul style="list-style-type: none"> <li>Property management services through Unitech Property Management Private Limited (UPMPL)</li> <li>Maintenance and management services, including power distribution, power generation, air conditioning, water supply, security services, parking management etc.</li> <li>Consultancy services include investment management and asset management services</li> </ul>	 <ul style="list-style-type: none"> <li>Proven track record in construction and infrastructure projects</li> <li>Integrated engineering, procurement and services for construction and infrastructure projects</li> <li>Manufacture of power transmission and telecom towers</li> </ul>	 <ul style="list-style-type: none"> <li>Pan-India telecommunication licenses</li> <li>Received initial spectrum in 21 circles in Feb 2009</li> <li>Launched GSM services across 13 circles</li> <li>Telenor has invested INR 61.35 Bn for a 67.25% stake</li> </ul>
Key Operational Statistics	<ul style="list-style-type: none"> <li>c. 26 Mn sq. ft. launched in FY2010</li> <li>Sales of c. 16.6 Mn sq. ft. in FY2010</li> </ul>	<ul style="list-style-type: none"> <li>Currently manages facilities of over 10.3 Mn sq. ft.</li> <li>Nearly 900 acres of townships under management</li> <li>Generates and Distributes over 100 MW of power</li> </ul>	<ul style="list-style-type: none"> <li>Expected construction order book of c. INR 22 Bn</li> <li>Transmission towers order book of INR 5.1 Bn as on April 1, 2010 (INR 1.3 Bn under development)</li> </ul>	<ul style="list-style-type: none"> <li>Over 11 Mn active subscribers</li> </ul>

# Proposed Restructuring



Directly
  Directly and / or through Subsidiaries and SPVs

- Existing Unitech shareholders will receive 1 equity share of face value of INR 2 per share of Unitech Infra, for each equity share held in Unitech
- Existing shareholders of Unitech will hold 65% of the total shares outstanding of Unitech Infra
  - Unitech will hold 35% of the total shares outstanding of Unitech Infra
  - Unitech will be the single largest shareholder of Unitech Infra, post the demerger



# Rationale for Restructuring

- **Segregate Infra businesses** – which are capital intensive – from real estate business – which is expected to generate surplus cash.
- **Provide greater focus to different businesses** – Independent Management teams to run real estate (Unitech Ltd) and infra businesses (Unitech Infra Ltd)
- **Provide flexibility to shareholders** – they can choose between real estate and infra businesses going forward
- **Leverage Unitech's over 30 years experience** in development of Infrastructure projects and exploit the infrastructure opportunity in India as well as overseas.

# UT Infra: Status Update

- CEO appointed for UT Infra
  - Jayesh Desai with over 20 years of experience appointed
  - Hiring underway for the complete management team
- Support execution for Unitech
  - Construction Team being built up
- Business Development activities in progress
- Appointed Date for the demerger is April 2, 2010
  - Process likely to be completed by end of Q4 FY 11
  - Shareholder approvals, Creditor consents obtained as on 6<sup>th</sup> and 7<sup>th</sup> August, 2010, respectively

# Unitech Infra – Strong Value Unlocking Proposition

*Well Poised to Capitalize on the Infrastructure Growth Opportunity*

## The Opportunity

- Huge opportunity in the growing Indian infrastructure sector – Total expected XIth plan outlay of c. INR 21 Trillion (1)
  - INR 3,118 Bn investment estimated in road projects
  - INR 831 Bn investment estimated in power transmission projects
- Strong GDP growth forecast of 8.5% in FY2011 and 8.4% in FY2012 to provide impetus to hospitality, SEZ and property management business



## Expertise

- Expertise in construction and power transmission projects
- Completed highway / flyover projects across Uttar Pradesh, Haryana and Madhya Pradesh
- Experience in hospitality, SEZs / IT parks and amusement parks development
- **Unitech's unparalleled relationships, experience and execution capabilities**



## Visibility at the Onset

- **Infrastructure Business:** Construction order book of INR 22 Bn based on a Lol from Unitech; Transmission towers order book of INR 5.1 Bn as on April 1, 2010 (INR 1.3 Bn under development)
- **Development Business:** Development portfolio of 11 hospitality projects across cities; SEZs / IT parks across prime strategic locations with a potential lettable area of 21.4 Mn sq. ft.
- **Infrastructure Services Business:** 10.3 Mn sq. ft. area under management
- **Telecom:** Over 11 Mn subscribers of Uninor



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Infra

**unitech**

1. Source: Planning Commission and Broker Research



## Uninor – Creating Value

- Telenor completed its entire investment of INR 61,350 Mn – reaffirming its long term commitment to India.
- Unitech Ltd. has an economic interest of 32.75% in Unitech Wireless
- Based on entry valuation of Telenor, Unitech's economic interest is valued at ~INR 30,000 Mn i.e., per share valuation of ~ INR12.50
- Commenced services in early December under 'Uninor' brand
  - Offering services in 13 circles with pan-India roaming facility to customers
  - Price plans that are attractive yet not disruptive. 'Dynamic Pricing' plan
  - Robust distribution and retail strategy in place with technology driven business solutions that are unique to India
  - Positive response from market, over 11 Mn subscribers in a short period
  - Amongst the top 3 players in terms of customer acquisition over the 2 months
  - Over 20,000 BTSs in its network
  - Strong Management team with over 2,500 employees
- Targeting EBITDA break-even in 3 years and cash break-even in 5 years



# Unitech: Way forward...

- Continue focus on launches and execution
- Improve realizations and maintain margins through optimal timing of launches
- Consolidate holdings in JVs and development projects and land acquisitions on a selective basis
- Continue to maintain fiscal discipline
  - Keep debt/equity levels under strict control
  - Enhance cash flow generation

**Thank You !!**

**unitech**

# Annexure

# Financial Impact

Unitech's Balance Sheet expected to remain largely unchanged post restructuring

No significant impact on revenues and profits as Unitech derives over 85% of its revenue from real estate business

As of 31 <sup>st</sup> Mar'10	Impact of Restructuring	Expected Increase in Equity	Post Restructuring
Net Worth – 101,790  Debt – 60,070	Reduction in Networth – 8,000  Reduction in debt – 3,500	Equity Infusion by promoters – 8,500  Profits generated	Networth – 102,290 <i>(Plus 35% stake in Unitech Infra)</i> Debt – 56,570



*All figures in INR Mn and the values are approximate.  
Impact of repayments/fresh borrowings not considered in debt post restructuring*