RPG Enterprises

Respond, Perform, Grow

8 Business Sectors, 20+ companies, 60,000+ employees, 4,00,000 + shareholders
RPG Enterprises – Business Sectors

Business Sectors
- Transmission
- Power
- Tyre
- Retail
- Carbon Black
- IT
- Speciality
- Entertainment

Companies
- KEC International
- RPG Cables
- CESC
- Noida Power Co.*
- CEAT
- Spencer’s Retail
- Spencer’s Travel
- PCBL
- Zensar Technologies
- HML
- Raychem RPG
- RPG Life Sciences
- Saregama India

Revenue
FY 2009
Rs. 14,500 crs
# RPG Enterprises - Financials

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenues (FY`09)</th>
<th>EBIDTA (FY`09)</th>
<th>Net Profit (FY`09)</th>
<th>Market cap as on 30th Sep’09</th>
<th>Promoter Holding</th>
<th>Institutional Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CESC</td>
<td>3,200</td>
<td>865</td>
<td>410</td>
<td>4863</td>
<td>52%</td>
<td>37%</td>
</tr>
<tr>
<td>KEC International</td>
<td>3,428</td>
<td>200</td>
<td>116</td>
<td>2771</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>RPG Cables</td>
<td>358</td>
<td>24</td>
<td>(7)</td>
<td>84</td>
<td>34%</td>
<td>9%</td>
</tr>
<tr>
<td>CEAT</td>
<td>2,558</td>
<td>53</td>
<td>(16)</td>
<td>554</td>
<td>43%</td>
<td>36%</td>
</tr>
<tr>
<td>Phillips Carbon Black</td>
<td>1,180</td>
<td>(48)</td>
<td>(65)</td>
<td>509</td>
<td>50%</td>
<td>19%</td>
</tr>
<tr>
<td>Harrisons Malayalam</td>
<td>292</td>
<td>23</td>
<td>6</td>
<td>234</td>
<td>50%</td>
<td>11%</td>
</tr>
<tr>
<td>Zensar Technologies</td>
<td>922</td>
<td>140</td>
<td>86</td>
<td>554</td>
<td>52%</td>
<td>24%</td>
</tr>
<tr>
<td>RPG Life Sciences</td>
<td>144</td>
<td>26</td>
<td>7</td>
<td>66</td>
<td>51%</td>
<td>16%</td>
</tr>
<tr>
<td>Saregama India</td>
<td>135</td>
<td>6</td>
<td>(8)</td>
<td>140</td>
<td>53%</td>
<td>34%</td>
</tr>
</tbody>
</table>
POWER BUSINESS
CESC - An Overview

### Business
- 110 year old fully Integrated Energy Utility: Coal Mining - Generation - Distribution. Other business through subsidiaries include Retail and Real Estate

### Capacity
- Four coal fired stations - 975 MW, T&D loss less than 14% , Collection efficiency 99.5% : PLF 98% (Base Load Stations) - 500 MW Budge Budge at 100% PLF

### Achievements
- Budge Budge plant received outstanding performance award from the Prime Minister
- Budge Budge – First Thermal Power Plant in the world registered with UNFCCC for Carbon Credit

### Demand
- Peak System Demand 1600 MW

### Area
- 567 sq.km area, 2.3 mn consumers, 16500 ckt km T&D network

### Stock Listed on
- BSE (Code – 500084); NSE (CESC)
BBGS, SGS, TGS have a combined PLF of 97.3% in FY09
Budge Budge-III Augmenting Generation Capacity of CESC by 25%
The nine year old Budge Budge has many distinctions

- Second highest PLF among all thermal power stations in India
- Acclaimed as **environment friendly** by Govt. agencies.
- The CDM Project at Budge Budge is the first thermal project in the world to earn Carbon credits.
Operating performance:

Annual Net generation & Electricity Sales

**Generation (MU)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>*7218</td>
<td>*7479</td>
<td>*7456</td>
<td></td>
</tr>
</tbody>
</table>

**Sales (MU)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>*7218</td>
<td>*6948</td>
<td>*7206</td>
<td></td>
</tr>
</tbody>
</table>

*Excluding Peaking Station

* Excluding Export
Tariff & Profitability

Tariff (Rs./unit)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>Feb-08</th>
<th>FY09</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.15</td>
<td>4.03</td>
<td>3.81</td>
<td>3.74</td>
<td>3.76</td>
<td>3.86</td>
<td>3.91</td>
<td>4.09</td>
</tr>
</tbody>
</table>

PAT (Rs. Crs)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>82</td>
<td>147</td>
<td>178</td>
<td>301</td>
<td>355</td>
<td>410</td>
</tr>
</tbody>
</table>

Debt / Equity Ratio

<table>
<thead>
<tr>
<th>FY'04</th>
<th>FY'05</th>
<th>FY'06</th>
<th>FY'07</th>
<th>FY'08</th>
<th>FY'09</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.11</td>
<td>1.42</td>
<td>1.06</td>
<td>0.75</td>
<td>0.55</td>
<td>0.65</td>
</tr>
</tbody>
</table>

EPS (Rs.)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>20</td>
<td>23</td>
<td>36</td>
<td>30</td>
<td>33</td>
</tr>
</tbody>
</table>
HY1 FY10 Performance

**PLF(%)**
- H1 FY10: 99%
- H1 FY09: 100%

**T & D Losses(%)**
- H1 FY10: 14.2%
- H1 FY09: 14.2%

**Generation (MU)**
- H1 FY10: 3794
- H1 FY09: 3877

**Revenue (Rs. Crs)**
- H1 FY10: 1822
- H1 FY09: 1628

* Excluding Peaking station
HY1 FY10 Performance

**EBITDA (Rs. Crs)**
- H1 FY10: 519
- H1 FY09: 466

**PBT (Rs. Crs)**
- H1 FY10: 278
- H1 FY09: 247

**PAT (Rs. Crs)**
- H1 FY10: 231
- H1 FY09: 218

**EPS (Rs.) (not annualised)**
- H1 FY10: 18.49
- H1 FY09: 17.45
Budge Budge and Haldia plants will help to attain self sufficiency in meeting Base Load requirement.

Merchant Power Plant

Pit head / load centre station with fuel linkage
Long term PPA for 50% power to meet Debt Servicing
Dispersed locations for spreading risk
## Growth Plans

**Generation** – Increasing the capacity to more than 5,745 MW from existing 975 MW

<table>
<thead>
<tr>
<th>Location</th>
<th>Purpose</th>
<th>Size</th>
<th>Cost (Rs.bn)</th>
<th>Commissioning</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budge Budge, West Bengal</td>
<td>Licence Area</td>
<td>250MW</td>
<td>13</td>
<td>2009</td>
<td>Test synchronization achieved on 14 July, 2009 Commissioning in Dec'09</td>
</tr>
<tr>
<td>Haldia Phase I, West Bengal</td>
<td>Licence Area / Merchant</td>
<td>600 MW</td>
<td>30</td>
<td>2013</td>
<td>Over 80% Land acquired Long term linkage obtained Environmental clearance received, Financial closure : Feb’10</td>
</tr>
<tr>
<td>Chandrapur, Maharashtra</td>
<td>Partly Merchant</td>
<td>600 MW</td>
<td>28</td>
<td>2013</td>
<td>450 acres of Land in possession Coal Linkage obtained Environmental clearance in place, other major clearance received Financial closure in an advanced stage</td>
</tr>
</tbody>
</table>
### Growth Plans

<table>
<thead>
<tr>
<th>Location, Province</th>
<th>Purpose</th>
<th>Size</th>
<th>Cost (Rs.bln)</th>
<th>Commissioning</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Dumka, Jharkhand</td>
<td>Merchant</td>
<td>1000MW</td>
<td>50</td>
<td>2014</td>
<td>110 MT coal block allocated \nMOU signed with Jharkhand Govt. \nLand acquisition process initiated, \nMining prospecting license awaited</td>
</tr>
<tr>
<td>5. Dhenkanal, Orissa</td>
<td>Merchant</td>
<td>1320MW</td>
<td>62</td>
<td>2014</td>
<td>MOU signed, Land acquisition process at an advanced stage \nAwaiting coal linkage</td>
</tr>
<tr>
<td>6. Pirpainty, Bihar / Haldia Phase II/ Hydel</td>
<td>Merchant</td>
<td>1000 MW</td>
<td>47</td>
<td>2015</td>
<td>MoU signed with Bihar Govt. for the Pirpainty project</td>
</tr>
</tbody>
</table>

- To attain self sufficiency in meeting License Area requirement
- Merchant Power Plant
  - Pit head power station or load centre station with fuel linkage
  - Long term PPA for 50% capacity to ensure Debt Servicing
  - Dispersed locations for spreading risk
- Separate SPVs (subsidiaries) for Generation Projects
CESC – Location of Generating Stations

- Budge Budge, WB
- Southern, WB
- Titagarh, WB
- Haldia, WB
- Pirpainty, Bihar
- Dumka, Jharkhand
- Dhenkanal, Orissa
- Chandrapur, Maharashtra
Distribution

220/132 kv Network Augmentation capex - Rs.4.5 bn by 2011

- To receive 700 MW by 2011-12
- Connectivity to National Grid to facilitate export of power
- Reorganisation following NCGS decommissioning
- Downstream transmission of power to different load centres on commissioning of Haldia Phase I

Routine Capital Expenditure Rs. 3 bn per year

Pursuing franchise opportunity in Bihar
Opportunities

Performance based regulations introduced by the State Regulatory Commission inspired CESC to move towards higher efficiency level.

Cross subsidies in tariff have declined, making tariff near average for all consumers.

- SPV projects to be financed at 75:25 Debt Equity Ratio
- Equity generally from Internal Accrual, balance equity infusion at Holding Company (licence area projects) and SPV level (Merchant market Initiatives)
- Return on licence Area Investments 14% post tax + Incentive and Normative gains
- SPV projects will have a mix of long term PPA and short term merchant market operations for ensuring a higher return duly mitigating the project risk.
REAL ESTATE BUSINESS
Real Estate

- Being a 110 year old utility CESC has a huge unexplored land bank
- Utilizing idle company assets for additional income generation and Capital appreciation
- Floated 100% subsidiary “CESC Properties Ltd” to develop real estate projects.

<table>
<thead>
<tr>
<th>Property Company</th>
<th>Identified properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Property Co. floated in Apr’07 as 100% subsidiary</td>
<td>• 3 acre of land at Central Kolkata</td>
</tr>
<tr>
<td>• Initial focus on developing:</td>
<td>– International standard premium shopping mall planned</td>
</tr>
<tr>
<td>– 3 acre of land at Central Kolkata</td>
<td>– 4 lac sq.ft area, 900+ car parking</td>
</tr>
<tr>
<td>– 35 acre of land on the Northern Fringe of the City</td>
<td>– RTKL appointed as architects</td>
</tr>
<tr>
<td>– 100,000 sq.ft property in Salt Lake City</td>
<td></td>
</tr>
<tr>
<td>• Other surplus land being identified besides acquiring land for development</td>
<td></td>
</tr>
</tbody>
</table>
RETAIL BUSINESS
The baseline serves as an invitation to the shoppers to an international experience with respect to products, ambience, quality, price and engagement.
## Snapshot

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Establishment</td>
<td>1996</td>
</tr>
<tr>
<td>Trading Area (‘000 sqft)</td>
<td>890</td>
</tr>
<tr>
<td>No. of Stores in operation</td>
<td>216</td>
</tr>
<tr>
<td>Annual Turnover (Rs. Crs)</td>
<td>1071</td>
</tr>
<tr>
<td>Customer Care Associate</td>
<td>5,281</td>
</tr>
</tbody>
</table>
Spencer`s Retail

- Rs 1000 crores food-first, multi-format retailer
- India’s oldest retail chain since 1863 introducing Indian consumers to the concept of organized retail
- Formats – Hyper, Super, Dailies & Express
- Garner 60 million footfalls per annum
- Stock approximately 30000 SKUs in a typical hyper store
- Has an extensive private label program across food, fashion, home and entertainment - 20 brands and more than 6000 SKUs
Where is our brand positioned?

Consumer Spending

- Life Style
- Food & Grocery
- Life Style

- SEC A/A+
  - Mass Market / Discount retailers
  - Spencer’s
  - Niche retailers
  - Organized Retail
- SEC A/B+
- SEC B/C
- Unorganized sector

Differentiators:
- Range, Assortment, Superior Service, Quality
- Ambiance, Looks
- Price, Basic Service

Purchasing Power
Merchandise - Apparel - Spencer’s Pvt. Label

- Island monks: Casual men’s and women’s
- DETAILZ: Basics / Undergarments
- Puddler: Infants 0-2
- Asankhya: Ethnic men’s and women’s
- LiL Devils: Kids 2-8
- Spencers: Formal men’s and women’s
- score: Active sportswear
- Boomerang: Kids 8-14
- UCI: Accessories And footwear
Some Intl Tie-ups exclusively at Spencer’s

Beverley Hills Polo Club
- An international fashion brand of lifestyle clothing for men and women
- Presents casual and formal wear, winter wear, eyewear and watches
- BHPC merchandize is available in all the Spencer’s Hypers
- Plans to launch independent stores for BHPC. The first BHPC store at Spencer’s, Gurgaon, MGF Megacity Mall follows the Exclusive Branded outlet concept over an area of 1000 sq.ft
- Five of such standalone stores are expected to be launched in the National Capital region (NCR)

Ladybird
- An international fashion brand of lifestyle clothing for Children

Marc Ecko
- An international lifestyle and fashion apparel brand for men and women.
The Spencer’s Experience Enhancers

Chad Valley, one of UK’s leading toy brands from the house of Woolworths, UK
- Home of fun and imaginative play.
- Caters to children of all age group.
- Range of interactive games, outdoor activity packs, arts and crafts, remote control fun cars, and the cuddliest soft toys
- Launched a 1600 sq feet exclusive branded outlet at Spencer’s South City, Kolkata, which is the first Chad Valley exclusive outlet in Asia.

Au Bon Pain, the Boston-based fast casual dining and bakery café chain
- Standalone outlets which will serve a “build-it yourself” range and assortment of breakfast and lunches like soups, stews, sandwiches, salads, bread & bakery items, confectionaries and hot and cold beverages.
- Keeping in mind the cultural and traditional dietary needs, the menu in India will also include a line of vegetarian dishes.
- Launching 5 “Au Bon Pain” cafes in Bangalore by the end of this year.

Tie-up with HSBC for Retail Credit Card
### Store Status – Sep’09

<table>
<thead>
<tr>
<th>Format</th>
<th>Nos</th>
<th>T.A (‘000 sqft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypers</td>
<td>17</td>
<td>420</td>
</tr>
<tr>
<td>Supers</td>
<td>13</td>
<td>81</td>
</tr>
<tr>
<td>Dailies</td>
<td>132</td>
<td>323</td>
</tr>
<tr>
<td>Express</td>
<td>49</td>
<td>61</td>
</tr>
<tr>
<td>BHPC</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Fish &amp; Meat</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>216</td>
<td>890</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zone</th>
<th>Hypers</th>
<th>Supers</th>
<th>Dailies</th>
<th>Express</th>
<th>Total</th>
<th>T.A (‘000 sqft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South I</td>
<td>0</td>
<td>2</td>
<td>59</td>
<td>7</td>
<td>68</td>
<td>168</td>
</tr>
<tr>
<td>South II</td>
<td>4</td>
<td>3</td>
<td>18</td>
<td>19</td>
<td>44</td>
<td>189</td>
</tr>
<tr>
<td>West</td>
<td>4</td>
<td>4</td>
<td>27</td>
<td>15</td>
<td>50</td>
<td>193</td>
</tr>
<tr>
<td>North</td>
<td>5</td>
<td>1</td>
<td>22</td>
<td>3</td>
<td>31</td>
<td>190</td>
</tr>
<tr>
<td>East</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>5</td>
<td>18</td>
<td>145</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>17</td>
<td>13</td>
<td>132</td>
<td>49</td>
<td>211*</td>
<td>885</td>
</tr>
</tbody>
</table>

* Excludes BHPC & FNM stores
The Past Situation..

Revenue (Rs. Crs)

- FY08: 813
- FY09: 1071

Revenue (Rs/sqft)

- FY08: 675
- FY09: 660

Trading area (‘000 sq ft)

- FY08: 1155
- FY09: 1130
Operational Highlights

• Achieved savings of Rs. 40 cr in 6 months – mainly from Zonal Office / Regional Office / Distribution Centre, advertisement & corporate opex

• Improvement in sales from Rs.660/sqft in Mar’09 to Rs.793 /sqft in Sept’09

• 2 Hypers - Sarjapur (29K sqft) and Trichy (11K sqft) launched in Oct’09. Lavida Hyper in Kolkata (9K sqft) to be launched soon.

• Stand-alone “Fish & Meat” outlet launched in Santoshpur near Kolkata

• Standalone stores of Marc Ecko to be launched next year
Spencer’s Path Forward..

• Operational focus for revenue increase: Relook at pricing architecture – Known Value items (KVIs), Known Value category (KVCs), OPPs (opening price points) for better price perception

• Private Label is an important lever for growth.

• Turnaround expected within 12 – 18 months.

• T-20 Plan under implementation: Top 20 stores which contribute 46% of TA, 40% of footfalls & 50% of Sales, is a high priority

• Expansion Plans:
  - Selective opening of Hyper & Super stores in FY’10
  - Special focus on Southern States for growth.
  - Open Stand-alone “Fish & Meat” outlets in and around Kolkata & country’s first High-end Gourmet Stores
Current segment-wise sales

The focus is on increasing the sales from the apparel segment.
Hyper & Super footprint – Oct’09

17 Hypers – 420222 sqft
13 Supers – 80662 sqft
Thank You