

West Pioneer Properties Limited

(“West Pioneer” or the “Group”)

Interim Results

West Pioneer, a developer and operator of shopping malls in west and southern India, announces its interim results for the half-year ended 30 September 2009.

Highlights

- Highest ever footfall numbers and positive sales trends at Metro Junction Mall in Kalyan
- Leasing improved from 52% in May 2009 to 65% in November 2009, putting the mall on track to be substantially leased by March 2010
- Successful opening of multiplex and food court in the period
- Successful entry into residential market in Kalyan with strong profit potential over 3-4 years
- Active discussions with anchor tenants and Intercontinental Hotel Group for Nashik mall and hotel development
- Balance sheet remains robust as a result of prudent cash management and low gearing with period end cash and cash equivalents of \$4.2m
- Continued growth in the Indian economy and organized retail provides opportunity to substantially increase gross leasable area owned or operated by West Pioneer

Commenting on the results, Amit Jatia, Chairman of West Pioneer, said: “Trading conditions in the half of the financial year have shown a genuine recovery from the difficulties experienced last year. Throughout this period West Pioneer has benefited from its strategy of maintaining a high quality, focused portfolio of assets, whilst remaining open to opportunistic and attractive investment opportunities. This has resulted in our successful entry into the residential market and we have been most encouraged by initial sales of apartments in the first two towers at Kalyan. Overall we remain confident in our ability to deliver value to shareholders from our investments in retail, hospitality and residential development.”

-Ends-

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In the half-year ended 30 September 2009, West Pioneer achieved revenue and other income of \$5.1m (2008: \$2.8m), including property rentals and other operating income of \$1.5m (2008: \$0.6m) reflecting a full period of operations in the lower ground and ground floor at the Kalyan mall. Profit before tax was \$2.8m (2008: \$1.1m) and basic earnings per share was \$0.014 (2008: \$0.005). Net assets at the period end were \$59.6m, including cash and cash equivalents of \$4.2m. These figures reflect a positive property revaluation of \$3.3 million, mainly as a result of progress in the residential development at Kalyan. Interest bearing loans and borrowings reduced slightly to \$8.1m during the period, inclusive of debt repayments.

Kalyan

I am pleased to announce that after the recent slowdown seen in the Indian retail industry, West Pioneer has regained its growth momentum. The adoption of a flexible approach to our development plans has seen us make a successful entry into the residential market in Kalyan, a suburb of Mumbai where our Metro Junction mall is also located. Metro Junction is now recording its highest ever footfalls which are qualitatively superior to earlier footfall and feedback from our retailers indicate a significant increase in their sales as a confirmation of this. Leasing has improved from 52% of the total gross lease area in May 2009 to 65% in November 2009, including some major new tenants. The multiplex and the food court, which became operational in July and September of this year, have become major attractions for consumers. The volume of current enquiries puts the mall on track to be substantially leased by March 2010.

Bookings for the first of the planned three residential towers, called Metro Residency, opened in mid-September this year and to date we have booked 136 out of the total 178 apartments

available. In light of this demand, we released for sale the first 80 apartments of the second tower in November and to date we have booked 41 apartments. The booking prices have exceeded our initial expectations and imply for the Company a total potential booking sales value of \$10.88m. This would enable the Company to complete the construction of the first two towers without any requirement for external finance. The ground break for constructing the first tower is scheduled for the end of December 2009 and we are well on track to meet this timetable.

Nashik and Aurangabad

As previously stated, we felt that it would be prudent to monitor retailer sentiment before commencement of any construction activity at Nashik or Aurangabad. In the case of Nashik, our development plan is a 350,000 sq ft mall to be completed in two phases, of which phase 1 will be approximately 180,000 sq ft with a 200 room hotel to be managed by the Intercontinental Hotel Group (IHG) under the Holiday Inn brand. The balance of the land is being considered for a residential complex. While the required permissions for this development plan by the local authorities are in progress, we are in parallel discussions with two large anchor tenants for the retail area. Discussions with IHG have also commenced for the layout and design of the hotel.

Our current development plan for Aurangabad envisages a shopping mall and a hotel. However, we propose to commence this development only after the Nashik plan has been implemented.

Outlook

The fundamentals of the Indian economy are strong and the GDP growth of 7.9% in the July–September quarter of this financial year indicates an annual GDP growth of around 7% in the financial year 2009–2010. We expect the positive correction in the retail sector to continue and strengthen over the coming months leading to a further expansion in the organized retail sector over the long term.

Against this background, the Group remains confident that its flexible approach will help it to realize its long term strategy in retail, hospitality and residential development.

Amit Jatia

Chairman of West Pioneer Properties

7 December 2009

Consolidated Income Statement for the half-year ended 30 September 2009

	For the six months ended	
	30 th September	
	2009	2008
	Unaudited	
	\$	\$
Revenue		
Property Rentals	802,836	570,195
Other operating income	745,591	-
Property revenue	1,548,427	570,195
Property Revaluation	3,326,515	1,623,023
Finance income	235,429	591,325
Total revenue	5,110,371	2,784,543
Expenses		
Other income	56,988	37,273
Direct operating expenses for rent-earning properties	(742,316)	-
Administrative expenses	(810,744)	(1,171,627)
Selling and distribution costs	(247,462)	(38,624)
Finance costs	(563,536)	(505,285)
Total expenses	(2,307,070)	(1,678,263)
Profit before tax	2,803,302	1,106,280
Income tax expense	(1,684,814)	(727,766)
Profit after tax	1,118,488	378,514
Attributable to:		
Equity holders	1,118,488	378,514
Earnings per share (attributable to equity holders)		
Basic	0.0139	0.005
Diluted	0.0139	0.005

**Consolidated Statement of Comprehensive Income for the half-year ended 30
September 2009**

	For the six months ended 30th September	
	2009	2008
	Unaudited	
	\$	\$
Profit for the period	1,118,488	378,514
Exchange gain/(loss) on translation of foreign operations	4,530,854	(9,785,344)
Other comprehensive income (loss) for the period, net of tax	4,530,854	(9,785,344)
Total comprehensive income for the period, net of tax	5,649,342	(9,406,830)
Attributable to:		
Equity holders	5,649,342	(9,406,830)
	5,649,342	(9,406,830)

Consolidated Balance Sheet for the half-year ended 30 September 2009

	30 th September		31 st March
	2009	2008	2009
	Unaudited		Audited
	\$	\$	\$
Assets			
Non current assets			
Property, plant and equipment	314,764	10,433,892	2,008,412
Investment properties	67,584,666	26,400,493	39,670,517
Intangible assets	22,717	14,918	24,872
Prepayments	3,499,628	24,718,668	23,605,311
Other financial assets	268,634	245,423	214,337
Advance income tax	297,883	39,444	218,064
	71,988,292	61,852,838	65,741,513
Current assets			
Inventories	4,219,763	-	-
Investments – held for trading	1,041,132	2,826,861	1,126,832
Trade and other receivables	1,177,714	758,878	768,528
Prepayments	122,037	46,985	32,686
Cash and short-term deposits	4,242,867	12,319,092	6,645,093
	10,803,513	15,951,816	8,573,139
Total assets	82,791,805	77,804,654	74,314,652
Equity and liabilities			
Equity attributable to the equity holders			
Issued capital	7,996,130	7,996,130	7,996,130
Share premium	45,717,870	45,717,870	45,717,870
Retained earnings	13,039,405	9,578,112	11,920,916
Employee equity benefits reserve	582,789	407,588	515,474
Foreign currency translation reserve	(7,694,039)	(6,214,270)	(12,224,893)
	59,642,155	57,485,430	53,925,497
Non current liabilities			
Interest bearing loans and borrowings	6,154,425	8,032,251	6,516,618
Other financial liabilities	786,905	653,764	663,681
Other non financial liabilities	68,688	-	55,582
Employee benefit liability	27,977	20,519	34,452
Deferred tax liability	9,467,886	4,985,365	7,196,150
	16,505,881	13,691,899	14,466,483
Current liabilities			
Trade and other payables	3,725,101	4,759,968	3,591,567
Interest bearing loans and borrowings	1,965,279	1,795,234	1,629,155
Other financial liabilities	891,519	72,123	651,610
Other non financial liabilities	61,870	-	50,340
	6,643,769	6,627,325	5,922,672
Total liabilities	23,149,650	20,319,224	20,389,155
Total equity and liabilities	82,791,805	77,804,654	74,314,652

Consolidated Statement of Changes in Equity for the half-year ended 30 September 2009

	Attributable to equity holders of the parent					Total Equity
	Issued capital	Share premium	Retained earnings	Employee equity benefits reserve	Foreign currency translation reserve	
	\$	\$	\$	\$	\$	
Balance as at 1st April 2009	7,996,130	45,717,870	11,920,916	515,474	(12,224,893)	53,925,497
Profit for the period			1,118,488			1,118,488
Other comprehensive income(loss)					4,530,854	4,530,854
Total comprehensive income			1,118,488		4,530,854	5,649,342
Share based payment				67,315		67,315
Balance as at 30th September 2009 (Unaudited)	7,996,130	45,717,870	13,039,404	582,789	(7,694,039)	59,642,154
Balance as at 1st April 2008	7,996,130	45,717,870	9,199,598	-	3,571,074	66,484,672
Net Profit for the period	-	-	378,514	-	-	378,514
Other comprehensive income(loss)	-	-	-	-	(9,785,344)	(9,785,344)
Total comprehensive income	-	-	378,514	-	(9,785,344)	(9,406,830)
Share based payment	-	-	-	407,586	-	407,586
Balance as at 30th September 2008 (Unaudited)	7,996,130	45,717,870	9,578,112	407,586	(6,214,270)	57,485,428

Consolidated Cash Flow Statement for the half-year ended 30 September 2009

Interim consolidated cash flow statement

for the six months ended 30th September 2009

	2009	2008
	<u>Unaudited</u>	
	\$	\$
Operating activities		
Profit before tax	2,803,302	1,106,280
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	16,388	12,494
Share based payments expense	67,315	407,588
Share issue expenses w/off	6,564	-
(Increase) in fair value of investment properties	(3,326,515)	(1,623,023)
Net gain on sale of investments	(57)	(22,574)
Dividend income	(7,336)	(236,370)
(Increase)/decrease in fair value of investment	(157,303)	55,764
Interest Income	(62,938)	(354,955)
Interest expense	559,680	449,521
(Increase) in other assets (non-current)	(84,935)	(7,375)
(Increase) in prepayments (current)	(87,440)	(1,561,169)
(Increase) trade and other receivables	(343,367)	(556,242)
(Decrease) in trade and other payables	(352,272)	(1,586,001)
Increase/(decrease) in other liabilities current	187,531	(81,544)
Increase in other liabilities non current	69,082	322,629
Income tax paid	(13,487)	(10,774)
Net cash flows used in operating activities	<u>(725,788)</u>	<u>(3,685,751)</u>
Investing activities		
Proceeds from sale of held-for-trading investments	409,745	8,925,341
Purchase of property, plant and equipment & intangible assets	(6,034)	(23,977)
Purchase of held-for-trading investments	(44,878)	(264,509)
(Increase) in prepayments	(497,144)	(2,612,179)
Increase/(decrease) in trade & other payables relating to construction costs	-	(339,596)
Investment in construction costs	(1,058,371)	(2,249,136)
Dividend income	-	236,370
Interest received	63,192	354,955
Net cash flows (used in)/ from investing activities	<u>(1,133,490)</u>	<u>4,027,269</u>
Financing activities		
Transaction costs of issue of shares	(6,564)	-
Proceeds from borrowings	203,993	702,235
Repayment of borrowings	(866,968)	(994,834)
Interest paid	(559,680)	(449,521)
Net cash flows (used in) financing activities	<u>(1,229,219)</u>	<u>(742,120)</u>
Net (decrease) in cash and cash equivalents	<u>(3,088,496)</u>	<u>(400,602)</u>
Net foreign exchange difference	590,927	(2,007,241)
Cash and cash equivalents at 1 st April 2009	<u>5,443,352</u>	<u>13,320,738</u>

Cash and cash equivalents at 30th September 2009

<u>2,945,783</u>	<u>10,912,895</u>
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