

West Pioneer Properties Limited
(“West Pioneer” or the “Company”)

Preliminary Results

West Pioneer, a leading developer and operator of shopping malls and mixed use developments in west and southern India, announces its preliminary results for the year ended 31 March 2010.

Highlights

- Continuing strong footfall numbers and positive sales trends at Metro Junction Mall in Kalyan, with footfall more than doubling year on year
- Leasing remains at approximately 65 per cent., however following an increase in income and reduction in costs during the year, mall now operationally profitable and generating surplus cash
- Active discussions regarding leasing remaining units, with focus on quality of tenants and tenant mix
- Residential development at Kalyan progressing well with over 65 per cent. of units already sold. Units are now being sold at prices approximately 38 per cent. higher than launch price
- Planned development of commercial office space to maximize return from remaining land at Kalyan
- Total developed area of Kalyan Project now expected to be 1.1m square feet, 29% more than previously envisaged to encompass commercial and residential opportunities
- Discussions with prospective anchor tenants for the Nashik development have begun and are progressing well
- Balance sheet remains robust as a result of prudent cash management and low gearing with year end cash and short term deposits of US\$3.96m

- Appointment of Ajay Gupta as Chief Executive Officer in March 2010
- Management actively exploring opportunities to generate value in the retail, residential, leisure and commercial spaces

Commenting on the results, Amit Jatia, Chairman of West Pioneer, said: “West Pioneer’s key objective is to continue to be a leading developer and operator of retail-led mixed use developments in west and southern India, to continue developing a brand representing quality and attractive pricing and to generate attractive returns for shareholders from sales of units, growth in income and asset value. I remain confident that continued progress will be made in these areas in the current financial year.”

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For further information:

Evolution Securities

Jeremy Ellis / Chris Clarke

Tel: +44 (0) 20 7071 4300

Media enquiries:

Abchurch Communications

Heather Salmond / Mark Dixon

Tel: +44 (0) 20 7398 7704

heather.salmond@abchurch-group.com

www.abchurch-group.com

Chairman's Statement

In the year ended 31 March 2010, West Pioneer achieved revenue and other income of US\$7.9m (2009: US\$12.3m), including property rentals and other operating income of US\$3.2m (2009: US\$2.6m). Profit before tax was US\$3m (2009: US\$6.4m) and basic earnings per share was US\$0.016 (2009: US\$0.03). Net assets at the year end were US\$63.3m (2009: US\$53.9m), including cash and short term deposits of US\$3.9m (2009: US\$6.6m). Interest bearing loans and borrowings reduced from US\$8.1m to US\$7.6m during the period, inclusive of debt repayments.

Kalyan

The Metro Junction mall in Kalyan continues to experience strong growth in footfalls with more than 6m visitors to the mall during the year. During the second half of the year the numbers have more than doubled from the comparable period in 2009 rising from 1.8m to 4m for the six month period. Particularly encouraging is the increasing number of people visiting by car which typically reflects the relative affluence of the customer as well as their intention to purchase.

The economic climate for retailers has also improved over the last six months. Confidence appears to have returned to the sector with retailers once again looking to open new stores.

Leasing remains consistent with last reported levels of 65 per cent. The Company has had opportunities to lease additional vacant units during the period, but not on terms that it considered commercially acceptable or with suitable tenants. Given that the mall is now trading profitably, partly as a result of active mall management, the Company has decided to prioritise maximising rental values and the quality of tenants and tenant mix rather than short-term occupancy. The Company has also been seeking to maximise other revenue streams for the mall including income from car-parking, advertising and kiosks.

The residential development at Kalyan has progressed well during the period, with two towers on the 500,000 square foot development now under construction. Each tower comprises 178 apartments and to date a total of 231 apartments have been sold, with the most recent sale prices attracting 3,600 rupees per square foot, a 38 per cent. increase from launch price. The Company will be able to complete the residential development without the need for external finance.

In addition, following extensive market research the Company has decided to convert 68,000 square feet of the remaining land at Kalyan into commercial office space which will be sold as opposed to being leased. The Company has finalised plans for this space known as Metro

Plaza and will commence pre sales in September 2010. This is in line with management's strategy to take advantage of opportunities where premium value can be generated. Current indications are that the price per square foot of the commercial space for sale will be significantly higher than that of the residential space.

The residential and commercial developments have marked a change in emphasis for the Company that involves marketing and selling directly to the consumer as opposed to indirectly through retailers in the mall. West Pioneer with its McDonalds background and real estate execution capability in India is well placed to pursue such opportunities. It will also seek to develop other opportunities to provide real estate products and services directly to the Indian consumer. The project also shows the benefits and synergies of mixed use developments and the Company will look to follow this model in other developments.

Nashik and Aurangabad the Group expects to advance its plans for the Nashik site during the current financial year. The development plans comprise a mall, commercial space and a hotel. Pre-leasing discussions are taking place with prospective anchor tenants for the mall and corporates for commercial space.

Development of Aurangabad will follow development of the Nashik site. The plans also include retail space, commercial units and a hotel. A management agreement with InterContinental Hotels Group remains in place for the development of a Holiday Inn hotel at both sites.

Board and Management

On 3 March 2010, West Pioneer announced the appointment of Ajay Gupta as Chief Executive Officer of the Company. Mr Gupta has been associated with West Pioneer since early 2009 as a valued member of the management committee involved in leading the Company's strategic planning process. He also has extensive experience within the retail sector having been associated with Hardcastle Restaurants, the McDonald's India joint venture in the west and south of the country, as well as with Global Trendz Ltd, the Master franchise for Disney Kids Wear in India. In his most recent role as Chief Executive Officer of Astrum Consulting, a management and strategic consultancy business which he co-founded in April 2000, Mr Gupta helped increase the client base to include some of the world's leading blue chip businesses, including HSBC, Vodafone, Astra Zeneca and Unilever.

Outlook

Trading conditions in the last financial year have continued to be challenging. However, the organised retail sector is expected to grow from 6% of total retail to 11% by 2013 (Source: Knight Frank).

West Pioneer's key objectives are to continue to be a leading developer and operator of retail-led mixed use developments in west and southern India; to continue developing a brand representing quality and attractive pricing; to generate attractive returns for shareholders from sales of units, growth in income and asset value. I remain confident that continued progress will be made in these areas in the current financial year.

CONSOLIDATED INCOME STATEMENT
For the year ended 31st March 2010

	Year ended 31st March	
	2010	2009
	\$	\$
Revenue		
Property Rentals	1,612,256	1,314,714
Other operating income	1,656,311	1,277,845
	3,268,567	2,592,559
Property Revaluation	3,897,005	8,872,574
Finance and other income	831,174	820,351
Total revenue	7,996,746	12,285,484
Expenses		
Direct operating expenses for rent-earning properties	(1,671,845)	(1,346,453)
Administrative expenses	(1,812,504)	(2,356,818)
Selling and distribution costs	(364,523)	(163,475)
Finance costs	(1,109,192)	(2,043,127)
Total expenses	(4,958,065)	(5,909,873)
Profit before tax	3,038,680	6,375,611
Income tax expense	(1,767,376)	(3,686,386)
Profit after tax	1,271,304	2,689,225
Attributable to:		
Equity holders	1,271,304	2,689,225
Earnings per share (attributable to equity holders)		
Basic	0.016	0.033
Diluted	0.016	0.033

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 31st March 2010

	Year ended 31st March	
	2010	2009
	\$	\$
Profit for the period	1,271,304	2,689,225
Exchange gain/ (loss) on translation of foreign operations	7,992,191	(15,795,967)
Other comprehensive income/ (loss) for the period, net of tax	7,992,191	(15,795,967)
Total comprehensive income for the period, net of tax	9,263,495	(13,106,742)
Attributable to:		
Equity holders	9,263,495	(13,106,742)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31st March 2010

	As at 31st March	
	2010	2009
	\$	\$
ASSETS		
Non current assets		
Property, plant and equipment	371,496	2,008,412
Investment Properties	73,059,060	39,670,517
Intangible assets	21,984	24,872
Prepayments	3,276,953	23,605,311
Other financial assets	306,572	214,337
	77,036,065	65,523,449
Current assets		
Inventories	5,382,043	6,012
Investments - Held for trading	639,615	1,126,832
Trade and Other receivables	1,450,130	768,528
Prepayments	70,450	26,674
Advance tax	355,305	218,064
Cash and short-term deposits	3,966,039	6,645,093
	11,863,581	8,791,203
TOTAL ASSETS	88,899,646	74,314,652
EQUITY AND LIABILITIES		
Equity attributable to the equity holders		
Issued capital	7,996,130	7,996,130
Share premium	45,717,870	45,717,870
Retained earnings	13,192,220	11,920,917
Employee Equity Benefits Reserve	650,152	515,474
Foreign currency translation reserve	(4,232,702)	(12,224,893)
	63,323,671	53,925,497
Non current liabilities		
Interest bearing loans and borrowings	5,662,879	6,516,618
Other financial liabilities	3,352,652	663,681
Other non financial liabilities	88,755	55,582
Employee benefit liability	48,113	34,452
Deferred Tax Liability	10,199,789	7,196,150
	19,352,188	14,466,483
Current liabilities		
Trade and other payables	3,421,657	3,591,567
Interest bearing loans and borrowings	1,931,473	1,629,155
Other financial liabilities	828,629	651,610
Other non financial liabilities	42,029	50,340
	6,223,788	5,922,672
TOTAL LIABILITIES	25,575,975	20,389,155
TOTAL EQUITY & LIABILITIES	88,899,646	74,314,652

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2010

	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	-	-	1,271,304	-	-	1,271,304
Other comprehensive income	-	-	-	-	7,992,191	7,992,191
Total comprehensive income	-	-	1,271,304	-	7,992,191	9,263,495
Share based payment	-	-	-	134,678	-	134,678
Balance as at 31st March 2010	7,996,130	45,717,870	13,192,219	650,152	(4,232,702)	63,323,670
Balance as at 1st April 2008	7,996,130	45,717,870	9,199,598	-	3,571,074	66,484,672
Profit for the period	-	-	2,689,225	-	-	2,689,225
Other comprehensive income	-	-	-	-	(15,795,967)	(15,795,967)
Total comprehensive income	-	-	2,689,225	-	(15,795,967)	(13,106,742)
Share based payment	-	-	-	547,567	-	547,567
Transfer to retained earnings on options forfeited	-	-	32,093	(32,093)	-	-
Balance as at 31st March 2009 (Audited)	7,996,130	45,717,870	11,920,916	515,474	(12,224,893)	53,925,497

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31st March 2010

	Year ended 31st March	
	2010	2009
	\$	\$
Operating activities		
Profit before tax	3,038,680	6,375,610
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	34,501	26,876
Share based payments expense	134,678	547,567
(Increase) in fair value of investment properties	(3,897,005)	(8,872,574)
(Increase)/decrease in value of investments held-for-sale	(171,994)	107,934
Net (Gain) / loss on sale of investment	(113)	30,108
Dividend Income	(18,121)	(228,813)
Interest Income	(142,679)	(529,659)
Interest expense	1,101,125	935,870
(Increase) in other assets (non-current)	(54,919)	(36,256)
(Increase) in prepayments (current)	(39,829)	(15,833)
(Increase) in trade and other receivables	(555,231)	(668,384)
(Increase) in Inventories-Residential	(728,977)	-
(Increase) in Inventories - Mall	(68,186)	-
(Decrease) in trade and other payables	(423,660)	(1,838,132)
Increase in Statutory dues	123,656	-
(Decrease) in other payables	(108,481)	-
Increase in other liabilities current	15,475	617,615
Increase in other liabilities non current	2,467,476	464,215
Income tax paid	(14,922)	(205,721)
Net cash flows from/(used) in operating activities	691,475	(3,289,577)
Investing activities		
Proceeds from sale of held-for-trading investments	850,384	11,349,958
Purchase of property, plant and equipment and intangible assets	(13,189)	(36,645)
Purchase of held-for-trading investments	(96,346)	(1,944,851)
(Increase) in prepayments	(510,438)	(3,516,974)
(Increase) in Investment Property	(288,426)	-
Investment in construction costs	(928,476)	(5,545,800)
Dividend income	94,591	228,813
Interest received	69,111	529,659
Net cash flows (used in)/from investing activities	(822,789)	1,064,160
Financing activities		
Proceeds from borrowings	-	651,754
Repayment of borrowings	(1,738,948)	(1,777,930)
Interest paid	(1,101,125)	(935,870)
Net cash flows (used in) financing activities	(2,840,073)	(2,062,046)
Net (decrease) in cash and cash equivalents	(2,971,387)	(4,287,463)
Net foreign exchange difference	101,457	(2,018,494)
Cash and cash equivalents at 1 st April 2009	5,443,352	11,749,309
Cash and cash equivalents at 31st March, 2010	2,573,422	5,443,352

