Wonderla Holidays Limited
Q2 FY'15 Earnings Conference Call
November 10, 2014

Moderator Ladies and Gentlemen, Good Day and Welcome to the Wonderla Holidays Limited Q2 FY'15 Earnings Conference Call. We have with us on this call today, Mr. Arun K. Chittilappilly – Managing Director; Mr. Nandakumar --- Vice President, Finance; and Mr. Ammeet Sabarwal from Dickenson Seagull IR. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by entering '*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ammeet Sabarwal.

Ammeet Sabarwal Hello and A Very Good Evening To All Of You. I am Ammeet Sabarwal from Dickenson Seagull IR. We manage Investor Relations for Wonderla Holidays Limited. We welcome everyone present here today to this earnings call.

Before we get started, I would like you remind you that our remark today might include forward-looking statements and actual results may differ materially from those contemplated by the forward-looking statements. Any forward-looking statements that we make on this call are based on assumptions as of today and we undertake no obligation to update the statement as a result of new information of future events. We now hand this over to Wonderla's Managing Director – Mr. Arun Chittilappilly. Over to you, sir.

Arun K. Chittilappilly: Thank you, Ammeet and Good Evening to all. Firstly, I would like to thank all of you for making time to attend this our Maiden Conference Earnings Call and we would like to discuss our Second Quarter Earnings for the financial year ending March 2015. On behalf of our Board of Directors, it is a great honor and privilege and I would like to extend a warm welcome to each one of you.

And now briefly about Wonderla Holidays – we are one of the largest amusement park operator in India; we have 2 functional Amusement Parks – one in Bengaluru and one in Cochin – Cochin one has been operational since 2000 and the one in Bengaluru has been in operation since 2005. We have also added an 84-Room 3-Star Category Leisure Hotel through our Bengaluru properties in 2012 and we on our track to build our Third Amusement Park in Hyderabad for which we have already acquired about 50 acres of land. This park is scheduled to be operational by FY'17 and hope to have a capacity to entertain about 12,000 people per day. Wonderland is probably the only Amusement Park in India with operations in multiple locations as we speak and we are pretty optimistic about our growth, because we have operational parts in two cities which are very different from each other and we are confident that we should be able to replicate a similar business model in Hyderabad.

One of the reasons why we have been successful is we have been to do a lot of the ground work for building, designing an amusement park in-house and we actually even make some of our rides on our own and that makes us unique because we are able to substantially reduce our CAPEX and that is probably the biggest differentiating factor for Wonderla from all the other amusement park operators in India.

Our efforts have been recognized widely – We are Currently Ranked the Best Amusement Park in India by Trip Advisor which is probably the largest and most accepted Review Site Online and we have also been awarded many times by the Association of Amusement Parks, Karnataka Government and Kerala State Government. So, we have our share of recognition and we are very grateful for that.

So, looking at the big picture, we want to be playing a bigger part in the Amusement Park industry. Our Amusement Park project in Hyderabad is like a stepping stone to that particular goal and we hope to be in Chennai and other geographies as well as time goes by. Our objective would be to kind of replicate already successful Amusement Park model, with modifications of course, because Amusement Park industries are constantly evolving industry and we need to be on the cutting edge of it. But we have a fairly set model on what we would like to operate and we want to take that to other cities. That is predominantly our aim.

With that brief introduction, I would like thank everyone once again, and I would like to now hand over to Nandakumar who will share you the details of our Q2 performance. Thank you.

T. Nandakumar Good Afternoon once again Gentlemen. I will take you now through the brief for the quarter performance first. On a combined basis, we have around 9% increase in our footfall to our park which last year it was Rs.4 lakhs this has gone to Rs.4.37 lakhs. And we have a revenue growth of Q-o-Q basis, it is almost 26%, and overall turnover basis, we have an increase of 30% Y-o-Y. On operating profit basis, we have given 26% growth in operating profit, but there were some of the expenses which have overshoot, knowingly there were some expenses which have increased compared to the last year because we have some additional cost incurred with respect to Park operating expenses, where we have added a one-time gift to some of our contract employees. This being a very special year management thought that it is worth giving them something extra and there were some repairs which are scheduled maintenances, which we have proponed to Q2 because this being the lean season. So, these two put together, we have an additional expenditure of almost Rs.2 crores which has marginally reduced our operating profitability. And coming back to the PAT level, there was an incremental expenses of almost Rs.2 crores with respect to the depreciation where we have adjusted in line with the new Companies Act. Company has revisited all the life of our existing assets where the new Companies Act suggest a shorter life even though it is not mandatory, company has decided to go with the recommended life as per the new Companies Act. So, there were some hit and depreciation also. But, overall, we feel that the fundamentals are going positive to us. Even you take quarter and half year, there is a 9% increase in footfall. When we speak about half year, you will see that the operating profit is giving 4% increase which is it was around Rs.38 crores last year and this year we have done almost Rs.52 crores with respect to operating profit, overall, there is around 4% margin increase compared to last year in operating profit and 4% has been carried to the profit after tax also. So, overall we feel that there is a very healthy trend and probably we will be able to continue the same in the remaining 6 months also.

And with respect to our Resort, it has extremely turned very positive, where for the half year basis we have almost 48% occupancy were compared to around 25% a year ago, i.e. first half of the last year, and hopefully, the resort will also give us marginal profit during the year end where it was shown a heavy loss during the last year. So, all put together we expect that this year will be a very promising one. Adding up to the Hyderabad project, I will say that we are already all set to start the construction, and I hope that we will able to keep up with the timelines of opening in April FY'17. So, this broadly from my part and we are more than happy to take any questions.

Moderator Ladies and Gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may enter '*' and '1' on their touchtone telephone. If you wish to remove yourself from the question queue, you may enter '*' and '2'. Participants are requested to use handsets while asking a question. We have the first question from the line of Ankit Kedia from Centrum Broking. Please go ahead.

Ankit Kedia Sir, my first question is regarding the numbers of visitors. In the Bengaluru Park in the first half we have seen a 13% growth vis-à-vis the Cochin Park only 4.5% growth. So, just wanted to know, is there a seasonality aspect in both the Parks or it something more an issue with the Cochin Park?

T. Nandakumar Previous year Kochi Park compared to the Q1, Q2 the climate was more or less same, because last year also it was good for the Kochi Park and Bengaluru also it was equally good, whereas the same continued marginally there was a decline in the connectivity with respect to Kochi Park, so it gone only marginally high. With respect to Bengaluru, I will say that was a good increase in the number of visitors from part of Andhra Pradesh where we have offered a good connectivity to some part of Andhra Pradesh, close to Tirupathi and all, so, we shown around 24% growth in the footfall from Andhra for the Q1. So, that was one of the main reasons where we have and coupled with holidays, long distant visitors would love to travel. That was the major reason where there is high increase of footfall in Bengaluru for the Q1, whereas marginal increase in Cochin. And whereas in the Q2, last year Cochin quarter was wiped off because of rains and this year Cochin has made up with that and generally, the climate was good and there was no excess rain during this year. So, that is the reason where Cochin has bounced back in the second year with 13% and Bengaluru has generated a moderate growth of 5% in the Q2.

Ankit Kedia So, on a steady state basis, say, for this remaining half of the year and for next year, what trajectory should we take?

T. Nandakumar In steady state basis, the footfall can grow 6% to 7%.

Ankit Kedia In both the Parks?

T. Nandakumar In both the parks, it may vary with season every quarter-to-quarter basis but until otherwise there is no external negative things happen, it can grow between 5% to 7%.

Ankit Kedia Sir, second question is regarding the Hotel in Bengaluru. Sir, we have seen reduction in total number of Room Nights in this quarter. Was there closure in certain number of Rooms, reconstruction, why would there be a reduction in number of Rooms available?

T. Nandakumar There was some scheduled maintenance because when you take the track of the number of Rooms available because this Q2 may be generally a lean season, all the scheduled maintenances fall in this quarter. That is why minus of that only they are putting what is the room available.

Ankit Kedia Sir, my third question is regarding the sale of Food share of revenues. Could you give us the actual number of revenues from sale of Ticket sizes and from Restaurant revenue because the F&B revenue is a mix between the sale of services and sale in products, so, could we get per visitor kind of a metrics…?

T. Nandakumar Per visitor with respect to F&B as well as with respect to this Ticket sale that I will come back because I do not have ready with me.

Ankit Kedia Sir, my last question is regarding the CAPEX for the Hyderabad and Chennai Parks. Could you give us some ballpark number, how much you have spent on the land for the Hyderabad and how much is remaining CAPEX?

T. Nandakumar Hyderabad, we have almost spent, complete land has been acquired, the land cost was around Rs.31 crores, and we invested something around Rs.13 crores, Rs.15 crores other than that. So, all total we as on date spend something around Rs.46 crores in Hyderabad project. And the estimated cost is something close to Rs.250 to Rs.260 crores.

Ankit Kedia Sir, you said the plant we are looking it to be operational from April 2017?

T. Nandakumar April 2016, i.e. first quarter of FY'17 we will capture the revenue of Hyderabad Park.

Moderator Thank you. The next question is from the line of Kaustubh Pawaskar from Sharekhan Limited. Please go ahead.

Kaustubh Pawaskar Sir, my question again is on the footfalls. 5% to 7% growth expectation is what you have just given, it is for the second half or you expect it to improve once the overall macro environment improves?

T. Nandakumar: I put the 7% overall for the year together on a general basis.

Kaustubh Pawaskar But going ahead if things improve, do you expect the footfalls to further improve or 7% can be steady kind of a growth in the next 2 to 3 years?

T. Nandakumar: Yes, it is for a longer tenure that is a steady state of growth, but Y-o-Y t we can see variation also, Bengaluru has grown only 5% last year and year before it has grown around 13%. So, it is some macroeconomic, then basically the infrastructure developments which has directly an impact on the service area of the Park. So, these are some of the facts which affects our footfall. On a steady state basis, we expect it to grow in and around 7%, it can vary marginally where oscillate up and down in a year-to-year basis.

Moderator Thank you. The next question is from the line of Vanamali Mateti from AltFort Capital. Please go ahead.

Vanamali Mateti Sir, my question to you would be relating to the F&B and the Theme Park industries that we have. Over a period of time, do we see the F&B industry and the Theme Park business both of it to be separate business units or we are looking at them as a complete business as a whole? And secondly, you also hold 71% of the company. Are we looking to dilute the stake of private equity investors over a period of time?

Arun K. Chittilappilly We are looking at revenue predominantly from Ticket sales but as years go by we are looking at our F&B and non-ticketing revenues which could be also merchandising and products to slowly grow and it is growing and we are planning to keep it as a subsidiary, it is within the company as of now and there is no change plans. Your second question regarding dilution, we are not looking at any further dilution.

Vanamali Mateti So, when you are saying that as of now it will remain a subsidiary, so, over a period of time, we want to give a good valuation to an outside investor, say for QIP or say a PIPE deal would we really look at the margins both the business units and looking forward to get a good valuation on it?

T. Nandakumar I will answer straight to the question; there will not be any dilution or any of the equity investment in any of the venture. We are not in the near future or in the foreseeable future we never thought of. Probably we may think of a segregation making it a wholly-owned subsidiary only for the administrative benefit of it, but not for a financial unleashing part of it. With respect to the private equity or a further dilution from the promoter, there are only 2 projects now in our hand – one is Hyderabad which is 2 years – another 1.5 years Chennai. After that we will be looking one Park at the best in 4 years horizon or 3 years horizon where we will be very well managing with internal accruals and partly by debt. So, we do not foresee any further dilution is required with respect to the industry funding purpose.

Vanamali Mateti The debt component is only Rs.50 crores from bank. Now, as far as the CAPEX is concerned for the Chennai and the Hyderabad plant, are we completely funding it through internal accruals and how is that done?

T. Nandakumar Not necessarily, currently, as on September, our debt outstanding is close to Rs.15 crores, and our project envisage is Rs.250 crores for Hyderabad where we have already put in around Rs.45 crores. So, we have balance will be something close to Rs.210 crores, which is already there in the balance sheet as cash and cash equivalents, and we have two years internal accruals to close with Hyderabad and on a year basis, we have generating something at free cash flows something close to Rs.40 to Rs.45 crores, and Chennai will take another 1.5 years. So we have internal free cash flow of 3.5 years which will be enough to put the promoter portion into it or a company portion into it where it can be easily funded with 1:1 debt-equity on a project-to-project basis.

Vanamali Mateti Last question on a broader perspective, I want to know your view about the Theme Park industry in India, especially after the advent of Adlabs Imagica the whole way of looking at Theme Park in India has changed. Now people are running behind IPOs Theme Park industry is really looking forward in its own...

Arun K. Chittilappilly: I think Theme Park industry in India is poised to grow like you rightly said there are many new players coming into the market with different perspectives on this whole industry. Our perspective continues to be that it has to be cost-effective and globally Theme Parks are not profit-making, they are not a highly growth, even the big companies like Disney, they are all facing plateaued growth and all that. So we feel the only way to survive and continue growth in industry is to be a really conscious at the design and execution stage of amusement park. I think that is very crucial especially in a country like India because your cost of land, your cost of establishment is not very low, at the same time, the returns are not that great, because people do not have that kind of purchasing power that you get abroad. So, the only way you can be competitive is to be really careful with what you invest. At the same time, as you rightly said, people are exposed more and more to foreign path. So, we need to make sure that whatever we showcase to our guests has to be of a very high standard. And how to do that in a cost effective manner, I think that will be the deciding factor on who wins this game.

Moderator: Thank you. The next question is from the line of Miten Lathia from HDFC Mutual Fund. Please go ahead.

Miten Lathia: Just to get a slightly more detail sense of the Hyderabad project, are there any approvals that are pending, have you ordered equipment, what is the current status on the Hyderabad Park?

Arun K. Chittilappilly: As of now, we have got all the pending approvals from Hyderabad, that is the information we have, and we are just waiting for it to come to us in writing so that we can start work there. We will be shortly announcing a formal launch to the construction. we are hoping to have some kind of stone laying ceremony and we hope that we should be able to do that within a month or so.

Miten Lathia: 1st January 2015 is the ceremony you think you can still meet April 2016 sort of deadline to…?

T. Nandakumar Not Jan, Miten, we will be doing that in November itself.

Miten Lathia: But I was just curious would you sort of think that April 2016 is now a bit difficult …?

Arun K. Chittilappilly: I think April 2016 should be fine because we have actually provided for any small delay of approvals and all that from Hyderabad. So that has already been taken into account. In fact, if you ask me, we got the approvals faster than we thought we would. The new government has been proactive and they have helped us a lot to get the approvals done on time. In fact, we have had a lot of high level officials from Hyderabad visiting our Bengaluru project last week also and they are very happy with what they saw and they are fast tracking a lot of our approvals. As of now we do not have anything more to apply to, we just have to formally announce and start.

Miten Lathia: Chennai, how soon could it be done with a land acquisition or that is something that we cannot be sure of?

Arun K. Chittilappilly: Like I said, we are trying to close something within this financial year, but hopefully either way we have time to do that, so we are not terribly hurrying it up, but at the same time we do not want to neglect it. So we would be very happy if we throw something within a year or so. We do not want to acquire something very early and keep it in our books as well. So we are trying to time it in such a way that we should finish it within a year.

Miten Lathia: So still there are multiple opportunities that you are looking at, in the sense that it is not just one parcel of land…?

Arun K. Chittilappilly: Yeah, actually every week or so,, there will be something new that comes up and we keep evaluating and so once we feel the price is right and the documents are proper and the legal clearance is good, then we will go ahead. We have one or two in the pipeline. Some of them the pricing is too aggressive, so we do not want to proceed with it or in some other cases, it gets rejected. So there are different issues. So once we get something which is really of use to us we will go ahead.

Miten Lathia: One on the existing parks. The annual sort of price revision, is there a cycle to it or is there a time or a date to it or do you just do it during the year whenever you feel comfortable?

Arun K. Chittilappilly: We usually do it on April 1st,'beginning of the financial year which always be with the new price. We usually hike the prices only once a year.

Moderator: Thank you. The next question is from the line of Sagar Shah from Motilal Oswal Securities. Please go ahead.

Niket: This is Niket here. I had just two questions, Arun. The first question was, as far as Hyderabad is concerned, how different are the rides going to be as compared to your existing parks? The second question was regarding the sourcing of water for Hyderabad. Are you going to follow the rainwater harvesting that you do for your existing parks the same way for the Hyderabad Park as well?

Arun K. Chittilappilly: To answer the first question, the rides in Hyderabad maybe about 60-70% would be similar to what we have in Bengaluru and the remaining will be very different, because some of the classic rides are pretty much the same, so there is no real change there, but our marquee or our headlining rides will be different in Hyderabad. Regarding the second part of the question, we are looking at doing extensive rainwater harvesting even in Hyderabad. And to answer that we have also been promised the industrial water supply. So if that pans out we would certainly be using that as well.

Moderator: Thank you. The next question is from the line of Shyamal Lahon from TVS Capital. Please go ahead.

Shyamal Lahon: On the average revenue per visitor, it was 16.5%. This was achieved through a price increase also, I think you touched upon it, I just wanted to clarify?

Arun K. Chittilappilly: Yeah, it is partly because of the price increase also. You can see 16% is the average increase where the price contribution maybe around 10-11%, balance is partly because of we are selling some of the value-added products like Fast Track Tickets that also adding to that and there will be marginal contribution if there is a composition of crowd also changes. These two are the other factors other than the price hike which can influence the average. This year we have substantial increase in Fast Track Ticket sale especially during weekends which we normally sell at 2x of the normal ticket.

Shyamal Lahon: I also see an increase in the ad and marketing spend year-on-year. I just want to understand what and how has it resulted in?

Arun K. Chittilappilly: What is there is a combination of what we spend in ad as well as what we spend as commission to our SPA. When there is a footfall increase it has a direct correlation with SPA business also and that is one of the ways we can see the overall marketing and advertisement expenses increases. Another thing with the mass marketing and media communication, we are spending according to budget only. In quarter also it is within budget only, but last year we have consciously reduced because we were in the limelight and we thought that we will be in the limelight in press and media because of the IPO work.

Shyamal Lahon: And could also help with the nature of other expenses because even this has moved quite a bit.

Arun K. Chittilappilly: That is basically the miscellaneous expenses like traveling expense, CSR is another one which is coming this year as another expense. We almost turn around 45 or 40 lakhs in CSR so far, will be ending our spending with 1 crore 5 lakhs which is the targeted number.

Management: Just to add to that, we are spending almost double on CSR this year after the new Companies Act.

Arun K. Chittilappilly: Yes. Last year, our total spending was around 45 lakhs. This year, we have to spend above 1 crores on that. So other major contributor of other expenses is vehicle maintenance which is around another 25-30 lakhs and all other rate and taxes will be around 25 lakhs. All put together, the other expenses totally is only 4.4 crores and out of that, 3.3 crores is advertisement. So remaining is only just above 1 crore on quarter basis.

Shyamal Lahon: And another question of a similar nature. The employed expenses also seem to be a little bit of semi-variable in nature. Is that right to say or how the employee expenses?

Arun K. Chittilappilly: To an extent, it is semi-variable because other than the employee benefit part, major cost will be wages and security expenses. Then it is a park maintenance which is to a 70% you can say it is constant, but 30% where it depends on the footfall what we expect. And other thing major cost is repairs and maintenance that also has a direct connection to the number of visitors and the number of cycles each machine is running.

Shyamal Lahon: Sure, so that helps. My colleague has another question.

Participant: I just wanted to know how much is the impact of the Schedule II on Companies Act 2013 impact on current quarterly financials and my other question is given the seasonality of the business in this domain both revenue and EBITDA undergoing changes significantly. you mentioned the contribution margins of both the resorts by Q1 and Q2, how does it compare?

Arun K. Chittilappilly: Your first question that Q2 book basis, there expect to be 1-1.2 crores difference will be there we are changing into new Companies Act, Schedule II. The average will be around 1.25. Compared to last quarter, there is slightly more because last quarter, it was not so evidence because it was an unaudited internally prepared one. So there is around 70 lakhs where we have again in the last year also, we have revisited some for the change. That is why there is an impact of 2 crores plus, otherwise it could be at 1.2-1.25 crores. Answering your second question regarding the seasonality with respect to the operating margin, first quarter it will be very high because first quarter your average revenue per visitor will be substantially high because whole month of May, we are running on a peak season rate which is per visitor there will be a 20-22% increase in the revenue. So we will see a jump in the operating profit and which will be getting neutralized over the next 3 quarters.

Participant: How the fixed expenses have remained over the two quarters of Q1 and Q2. How does it compare to?

Arun K. Chittilappilly: It will be almost 70% will be fixed expenses in both the quarters. And you can see a marginal expense increase of 25% in security cost and wages and park maintenance which is our major cost whereas revenue is growing in a much faster pace because all the customer is paying 25% extra. So there is an increase of 25% on the 100% whereas other way, it is an expense of 25% on the 30% cost which is operating cost as well as wages cost.

Moderator: Thank you. The next question is from the line of Avnish Roy from Edelweiss. Please go ahead.

Avnish Roy: Sir my first question is on your resort in Wonderla. We have seen good improvement in occupancy, but where do you see this stabilizing?

Arun K. Chittilappilly: We want to take it to about 60%-65% that is our goal. As of now, we are at about 45. I think as time goes by, we will hit at 60-65. Anything above 65 may be the max we can touch 70 which is not a business hotel and we are not really situated in the city. We are pretty far away. So we do not see ourselves getting higher than 70%, but if there is a pleasant surprise there, that is more than welcome. But as of now, we are projecting, as the resort matures, we should hit about 65-70%.

Avnish Roy: Sir currently, how much of this 45 or 43% occupancy is noninvestment park audience, for example wedding reception, parties and corporate events etc.

Arun K. Chittilappilly: It will be roughly around 25%.

Avnish Roy: Sir if I see your Bangalore Amusement Park. There what we are seeing is the footfalls. Those are a bit soft in Q2 versus the first half. Could you explain that part, just 5%-6% growth in the number of visitors versus 13% for the first half?

Arun K. Chittilappilly: Yes, first half of course I already touched this point saying that first half which generally we look at mostly the walk in customers that is family visitors where we find a substantial increase in the family visitors from part of Andhra Pradesh. The principal reason is there is a good connectivity open towards that Kolar road opens, Kolar-Tirupati and all.

Avnish Roy: This happened this year?

Arun K. Chittilappilly: This happened this year, last year last quarter also it started. But better awareness happened to that area, we are getting more visitors which is around 24% increase, even though the base is low. We find around 15,000 in numbers, close to 15,000 growth from the visitors from Andhra Pradesh in this quarter compared to same quarter last year. So that is a new area where our park is getting popular. So we are getting the individual visitor coming more from that area. That is the added contribution made for the first quarter and second quarter is mostly this control crowd as well as existing crowd. So they are going in a pace of 5-6% and as I said, 5-6 or 7% is combined and maintainable growth.

Management: So Q2 is a weak quarter for Bangalore because there are no festivals, there is no holidays, nothing in Q2. So that is why we do not see much of a growth in footfalls. This is only a base rate. That is the minimum growth that we are seeing whereas in Cochin for Q2, we had festival like Onam which also comes under peak season. So depending on how that works out, the footfalls will jump and also last year in Cochin, the footfalls were pretty low which was actually lower, was about 8-9% and we actually made up more than that. So that is why you are seeing about 13% growth in footfalls in Q2 for Cochin.

Avnish Roy: Sir, my question was more on the Bangalore. So you are saying Q2 is weak, but Q2 was weak last year also and are we seeing that in Q3, the number of visitor growth will be again back to double digit because Q3 is a good quarter.

Arun K. Chittilappilly: No, that is difficult. As I said, it is on a separate market is getting open to us. Q3 also when the holiday comes, there may be marginal increase, but not will be as big as for the 50 days holiday in the first quarter. I expect the Q3 also grow in high single digit, probably will not go to double digit kind of thing.

Avnish Roy: So will it be fair to say that Q1, it was a one-off that very good growth in Bangalore, Cochin.

Arun K. Chittilappilly: Also another reason why we have good growth in Q1 is we added new attractions in Bangalore. So it is a cocktail of factors which affect footfall growth. It is difficult to predict it very accurately and say this quarter we are going to grow by 5% or this quarter we do not.. It does not happen like that. So we maintain a base rate of growth which is between 5 and 7% and but sometimes we do more in some quarters and less in other quarters. That is a historical significance of that.

Avnish Roy: Sir in terms of rights, what is the plan in terms of new rights etc. in your two properties. So I am sure you will be having a very strategic plan on that, but if you could tell us in the next 4 quarters, any big ticket relaunch or one new ride is happening so that, that can bump up the footfalls?

Arun K. Chittilappilly: We do not have any big ticket ride opening plan for the next 2-3 quarters because we just finished our last quarter. We will be planning something at which point we will intimate that.

Avnish Roy: Sir, one follow up on the resort again. Your ARPU is flat on a YoY basis. In fact it is a bit down. So why was that?

Arun K. Chittilappilly: I think this year, we have only hiked our rates by 5% last April. So we have pretty much flat and we wanted the occupancy to climb so. We now have seen that it might be increasing our resort room rates may be at the end of next month.

Avnish Roy: Sir in October, what you are seeing is the demand has softened a bit for most of the discretionary consumption? Could be a bit temporary in your case? Are you commending on how October month has been versus the first half or maybe versus Q2?

Arun K. Chittilappilly: On a month-to-month basis, I will say that October was good for us.

Avnish Roy: Sir not on a month-to-month basis. YoY growth in October, has it improved or deteriorated sir?

Arun K. Chittilappilly: It is improved.

Avnish Roy: And what would you attribute that to?

Arun K. Chittilappilly: Bangalore of course, there was a season because Diwali pushed through in October.

Avnish Roy: And sir lastly in Kochi, we have got out of 93 acres, only 29 acres operational. Are we monetizing a balance and what is the plan there?

Arun K. Chittilappilly: No, we are keeping it for any future expansion. We are not planning to monetize.

Avnish Roy: No, but cannot we monetize on a running basis some event or something like that?

Arun K. Chittilappilly: See that area is completely undeveloped and we have to get some permissions before we can do anything there.

Management: Internally, I do not think that, that development will justify the cost what we put into it because it is around 16-18 km of the city and what the money we put in, we do not never think that I will be justifying the investment what we putting into it.

Arun K. Chittilappilly: Yes. We are not planning to do anything with it right now, but it is actually for our future, later on if we want to add something, we can add an entire new park over there. We have that much property left over.

Avnish Roy: No resort plan there?

Arun K. Chittilappilly: Not right now, but we have applied for some permissions. If we get that, we will look at building a resort, not immediately.

Moderator: The next question is from the line of Ankit Kedia from Centrum Broking. Please go ahead.

Ankit Kedia: Sir you mentioned that in the month of May, you have a peak season rate which is 25% typically higher for the Bangalore. So is that only once a year or how many months...

Arun K. Chittilappilly: No, it is continuously for the full month of May and depending upon seasons like Diwali, there will be something. Then for Dussehra is another season where we will do take a peak rate and Christmas and New Year is another season, we will take. So all put together if you take, there will be 55 days. Out of that, 30 days falls in May itself. Other varies between quarter-to-quarter.

Ankit Kedia: And sir in the Kochi park?

Arun K. Chittilappilly: Kochi has Onam as another season, then New Year and Christmas as another season. Then the Ramzan is also another season.

Ankit Kedia: So there also around 55 days would be the premium pricing.

Arun K. Chittilappilly: Roughly 50, depends yearly because it varies because how the school holidays runs. So we are also following that calendar to an extent.

Ankit Kedia: Sir you also mentioned that Fast Track ticket rates are nearly doubled the normal rates. What percentage of people would you typically allowing Fast Track?

Arun K. Chittilappilly: We pegged it at 300 maximum that will be around less than 1% people on a crowded days.

Ankit Kedia: So on any particular day, not more than 300 people can…

Arun K. Chittilappilly: We will not sell more than 300 tickets.

Ankit Kedia: In both the parks?

Arun K. Chittilappilly: Both the parks.

Ankit Kedia: Sir in your opening remarks, you also mentioned that the capacity for the Hyderabad Park will be 12,000 per day. Could you give the capacity for the other two parks?

Arun K. Chittilappilly: Bangalore, we have capacity is 12,000. Kochi is also similar.

Moderator: Thank you. As we have no further questions, I would like to hand the floor back to Mr. Sabharwal for closing comments. Please go ahead sir.

Amit Sabharwal: Thank you Melissa. I would like to thank everyone for participating for the Q2FY15 Earnings Call for Wonderla Holidays Limited. We, Dickenson Seagull IR Manager, Investor Relations in case of any further queries, please feel free to reach to us at ammeet.sabarwal@dickensonir.com and many thanks for the participation. Thank you.

Arun K. Chittilappilly: Thank you everyone.

Moderator: Thank you gentlemen. Ladies and gentlemen on behalf of Wonderla Holidays that concludes this conference call. thank you for joining us and you may now disconnect your lines.