

WONDERLA HOLIDAYS LIMITED



ANNUAL REPORT
2016-17

RIDING THE FUTURE

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Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.





Wonderla Bangalore No. 1 Amusement Park in India

Wonderla Bangalore retains No 1 Position
for the 5th Consecutive Year in a Row!

Wonderla Kochi retains No 4 Position

Wonderla Hyderabad enters into 8th Position in the First Year!

Wonderla Bangalore 6th Best in Asia

Wonderla Bangalore jumps to 6th Position
in Asia gaining 2 ranks from last year

Wonderla Kochi climbs to 13th Position gaining 2 ranks from last year

Kerala State Pollution Control Board Award 2015-16

Wonderla Kochi has won the Kerala State Pollution Control
Board Award 2015-16 for the category "Other" by the
Government of Kerala, with a special appreciation. This is the
fourth time Wonderla Kochi is winning this prestigious award.

Highlights of the year

Topline : ₹ 27,672 lakhs

+31.7%

Footfalls: 2.6 Million

+19%

Brand Repositioning

During the year the company took initiatives to reposition the brand Wonderla. This is against the backdrop of company's long term plans to expand footprints nationally as a complete entertainment and hospitality brand. The new refreshed brand identity is reflection of Wonderla as a "fun & energizing place where people of all ages get closer."



Launched "Flash Tower" in Kochi



Launched "Equinox 360" in Kochi park

Chairman's Message



Dear Shareholders,

Welcome to our annual report 2016-17. While stepping into FY17-18 Wonderla comes with a new identity to reposition the company as a complete entertainment and hospitality brand. Since our inception, we have entertained over 3 Crore visitors across our parks and today we stand as the No.1 amusement park in India and 6th best in Asia. Our strong consumer insights, innovation, inhouse R&D, regular introduction of new world class rides, focus on safety and hygiene, proximity of our parks to leading metros, future expansion plans and last but not least our people make Wonderla unique and future ready.

We are in the process of acquiring land in Chennai for our fourth park and the construction is expected to start in the financial year 2017-18. We expect to fund it out of internal accruals and debt. We hope Wonderla Chennai will be operational in FY20.

On Performance.

Overall the FY16-17 has been an eventful year for Wonderla. Our revenues went up by 31.7% on year on year basis mainly driven by Hyderabad park and increase in our average ticket and non ticket revenue.

Bangalore park witnessed 5.1% increase in average ticket revenue, 45.1% increase in average non-ticket revenue and 12% decline in footfalls. Footfalls declined due to weak consumer sentiments impacted by on-going challenges with IT industry and delayed exams. Our Kochi park witnessed 5.8% increase in average ticket revenue, 44.5% increase in average non-ticket revenue and 5% decline in footfalls. Our new Hyderabad park continued to witness good traction, recording 0.62mn footfalls in FY17. Hyderabad park also achieved EBITDA breakeven in its first year of operation.

Our margins were impacted due to increase in direct operating expenses, employee expenses and advertising & marketing expenses primarily on account of Hyderabad Park. The other expenses primarily increased due to provision for disputed tax liabilities.

During the year we also introduced several new rides.

The Board of Directors of the Company has recommended a final dividend of Rs 1.00 per equity share of face value of Rs. 10 subject to the approval of the members in the forthcoming Annual General Meeting.

Leadership

During the year we increased our talent diversity at the Board level with Mr.Gopal Srinivasan and Mr.R.Lakshminaryana joining Wonderla as Independent Directors.

Mr. Gopal Srinivasan is a third generation family member of the TVS Group. Over a career spanning 25 years, Mr.Gopal Srinivasan has founded several companies operating in diverse sectors including TVS Capital Funds Limited and TVS Electronics Limited. Mr. Lakshminarayanan has about 10 years of experience in Retail Sales, Brand Management and New Product Development with Hindustan Unilever, International Best Foods and Smithkline Beecham. He has worked in Direct Response and Advertising for almost 20 years with Ogilvy Direct, Ogilvy & Mather and Mudra Communications. His areas of interest include Strategic Brand Management, Account Planning and Marketing Services with emphasis on Media Plural Communications. I welcome them on board.

During the year Mr. M.P Ramachandran – Independent Director who has been in the Board of the company 4 years resigned. We thankfully appreciate his valuable contributions during his term with the Board of Wonderla.

I also take this opportunity to welcome Mr. N. Nandakumar who has joined the company as CFO. Nandakumar comes with over 22 years of experience. He comes in place of Mr. T. Nandakumar who resigned from the company in October 2016. I greatly recall the valuable contribution of Mr. T. Nandakumar to the company.

During the year we also increased our talent diversity in our various functional areas.

Governance and Sustainability

As I mentioned in my previous address in the last year's annual report, governance and sustainability continue to be the foundation of our company's value systems. Service responsibility which includes safety and hygiene, conservation of energy and corporate social responsibility are integrated in our business model. Towards sustainability, one of the key initiative during the year has been introduction of the new dress code in water rides, rain disco and wavepool. The management decided that apparels made of 100% Nylon or synthetic material will only be allowed so as to reduce contamination of the water from apparel dyes and cotton threads.

On behalf of the Board of Directors and every member of Wonderla team, I wish to gratefully acknowledge the support and confidence of our Shareholders, Patrons, Investors, Regulators, Financial Institutions, Bankers and Vendors. I would also like to congratulate each and every member of Wonderla Team for their sincere and committed contribution. I look forward to their continued support and encouragement as we embark on our ride to the future.

Further my colleague Arun Chittilappilly Managing Director of the company will elucidate on our operational strategies and key goals.

Best Wishes
Sincerely yours

George Joseph
Chairman

Q&A with Manging Director



“ Our operational strategies are planned investment cycles, adoption and updation of technology, focus on sustainability, enhancing customer experience and an aggressive branding and marketing strategy ”

Performance

FY17 has been a mixed bag for Wonderla. Our topline grew by 31.7%. Non-ticket revenue increased by 63%. Margins were impacted primarily due to statutory provisions the company had to make. During the year we had a 19 per cent increase in footfalls attracting over 2.6 million visitors to our three parks. The increase in footfalls were driven by our new park in Hyderabad. In Bangalore and Kochi footfalls were down by 12% and 5% respectively due to increase in entry ticket price, subdued performance /sentiments in the IT sector and delayed exams. Especially during the second quarter of the year footfalls in Bangalore were adversely impacted due to Kaveri issue which witnessed about 22 days of travel disruption in parts of Karnataka and Tamil Nadu. With over 6.2 lakhs walk-ins, performance of our new park in Hyderabad has been in line with our expectations. This is despite the rains playing havoc in Hyderabad during the second quarter of the year. Our efforts to increase the non-ticket revenue continue to yield with the total non-ticket revenue increasing across our parks. From Rs.155 per visitor in previous year the non-ticket revenue increased to Rs.214 in FY17.

While riding into FY18 and beyond Wonderla is in line with its key twin strategic goals which are launching new parks and adding new rides. While FY17 has been the first successful year of operations in Hyderabad park, during the year we also progressed further for making Wonderla Chennai park a reality. Land acquisition for the Chennai park is in advance stages. We expect construction of the park to commence from Q3 of FY18 and the park to be operational from early 2020. We also progressed further in terms of making our existing parks more IT enabled. To seamlessly integrate our functional areas a multi module ERP is under implementation which will further increase our operational efficiencies.

With regard to our ongoing planned capex cycles we progressed considerably well in FY 17 with adding new exiting rides.

Brand Re-positioning

One of the key strategy of the year has been repositioning Wonderla as a complete entertainment and hospitality brand. Towards this we unveiled our new brand identity. We are in the forefront of providing wide-ranging amusement and entertainment options in terms of

rides, F&B and hotels and in the overall entertainment industry we are very uniquely positioned. At Wonderla we create active participatory entertainment unlike other entertainment options which are mostly passive spectator entertainment. Amusement park business in India is still in a nascent stage and tremendous potential for growth. Being the largest multilocation amusement park in India, Wonderla is well placed to deliver growth.

New Projects

Our operational strategies are planned investment cycles, adoption and updation of technology, focus on sustainability, enhancing customer experience and an aggressive branding and marketing strategy. As part of expansion plans, the company is planning to invest around Rs 350 crore in Chennai to set up an amusement park. The company is in the process of acquiring land in Chennai and the construction is expected to start in financial year 2017-18.

While we develop some of the rides inhouse our R&D has an added advantage of acquiring and refurbishing rides which helps in saving cost up to 50%. Once selected, these rides are overhauled and checked by our specialists in order to guarantee safety and durability. All these refurbished rides are procured after a thorough technical scrutiny.

Riding the Future

We are planning to construct a space-themed virtual reality ride in the Hyderabad park with a capex of Rs 40 crore. The videos for the virtual ride are shot in Hollywood. The management propose to launch Recoil in Kochi during FY18. We hope to reach about 8 lakh visitors this year in Hyderabad. It looks achievable and we have been very well received in the market and we have a good reputation there. We look forward to commence construction work for our 4th park in Chennai.

Strategic Advantage

Wonderla is the largest amusement park operators in India with over 16 years of successful operations. Management has operational experience in the amusement park industry for over a decade. The promoters launched the first amusement park in 2000 in Kochi under the name Veegaland and later successfully launched the second park in Bangalore in 2005 and third park in Hyderabad in 2016 under the name "Wonderla". Promoted by Mr. Kochouseph Chittilappilly and Mr. Arun Chittilappilly – Mr. Kochouseph Chittilappilly also incorporated V-Guard Industries Ltd., a publicly listed company since 2008.

Today Wonderla owns and operates three amusement parks in Kochi, Bangalore and Hyderabad and a resort at Bangalore. The 4th park is scheduled to be launched in Chennai by 2020.

One of the key advantage of the company is having an In-house manufacturing facility located at Kochi which manufactures / constructs rides and attractions for both the parks. The Company and its first two parks have won 30 awards / certifications since inception, including National Awards for Excellence from Indian Association of Amusement Parks & Industries in the areas of total number and variety of rides, most innovative ride, etc.

Over a Decade of operational experience and brand equity

Inhouse R&D and ride manufacturing

Proximity to city with land available for future development

Innovations based on strong customer insights

Robust balance sheet with total debt to equity at 0.03 as in FY17

About Wonderla

Wonderla Holidays Limited operates three largest amusement parks in Kochi, Bangalore and Hyderabad and the Wonderla resort in Bangalore under the brand name Wonderla.



**India's No.1
Amusement Park**



**Asia's No.6
Amusement Park**



BANGALORE

Total Land Available (In Acres)

81.75

Developed Land (In Acres)

39.20

Land Availability for future
development (In Acres)

42.55

Total No of Rides

61

No of Water Rides

21

No of Land Rides

40



KOCHI

Total Land Available (In Acres)

93.17

Developed Land (In Acres)

28.75

Land Availability for future
development (In Acres)

64.42

Total No of Rides

55

No of Water Rides

22

No of Land Rides

33



HYDERABAD

Total Land Available (In Acres)

49.50

Developed Land (In Acres)

27.00

Land Availability for future
development (In Acres)

22.50

Total No of Rides

43

No of Water Rides

18

No of Land Rides

25



Wonderla Resort, Bangalore

Wonderla Resort in Bangalore is a three Star leisure resort attached to the amusement park launched in March 2012. The resort has 84 luxury rooms. The resort also has 4 banquet halls / conference rooms, totalling 8,900 sq. ft. with a capacity to hold 800 guests and a well equipped board room, suitable for hosting wedding receptions, parties and other corporate events and meetings. Other amenities include a multi-cuisine restaurant, rest-o-bar, solar heated swimming pool, recreation area, kids' activity centre and a well equipped gym.

	FY17	FY16	YoY %
Total Revenues (₹ Mn) *	119.7	106.3	12.6%
Occupancy %	56%	42%	
Avg. Room Rental for the period (Rs)	4,600	4,758	-3.3%



Our Essence

We believe that every once in a while people need to LET GO and break from the usual. When people just Let Go of their inhibition and have fun together, they GET CLOSER. And thus, Wonderla is a fun place where people GET CLOSER.

Land Rides



Adventures of Chikku



Balarama Cave / Dungeon Ride



Cater Pillar / Termite Coaster



Cinemagic 3D



Crazy Cars I / Dashing Car



Crazy Cars II / Dashing Car



Crazy Wagon / Wind Mill



Dancing Cars / Toon Tango / Grand Prix



Dancing Wheel



Fire Brigade



Flying Boat / Pirate Ship



Hang Glider



Musical Fountain & Laser Show



Net Walk



Rockin' Tug



Sky Wheel



Termite / Cater Pillar Train



Twist & Shout



Wonder Splash



Water Rides



Banded Kraits 1 / Family Slide / Mammoth



Banded Kraits 2 / Bullet Ride 2 / Bullet



Banded Kraits 3



Boomerang



Fun Racers / Glide



Harakiri / Bullet Ride I



Jungle Lagoon / Play Pool 3/Pirate Lagoon



Korneto



Lazy River



Play Pool 1



Play Pool 2 & Sea Lagoon



Rain Disco



Rapid River I



Rapid River 2 & Screw



Snake Slide I / Twister I / Drop



Twisters 2 / Snake Slide 2 / Splash



Twister 4



Uphill Racers / Fun Glide



Vertical Fall



Water Coaster I & 2



Water Fall



Water Pendulum



Wave Pool I & 2

