



THE LEELA

PALACES ~ HOTELS ~ RESORTS

The Essence of India



Corporate Presentation

June 2011

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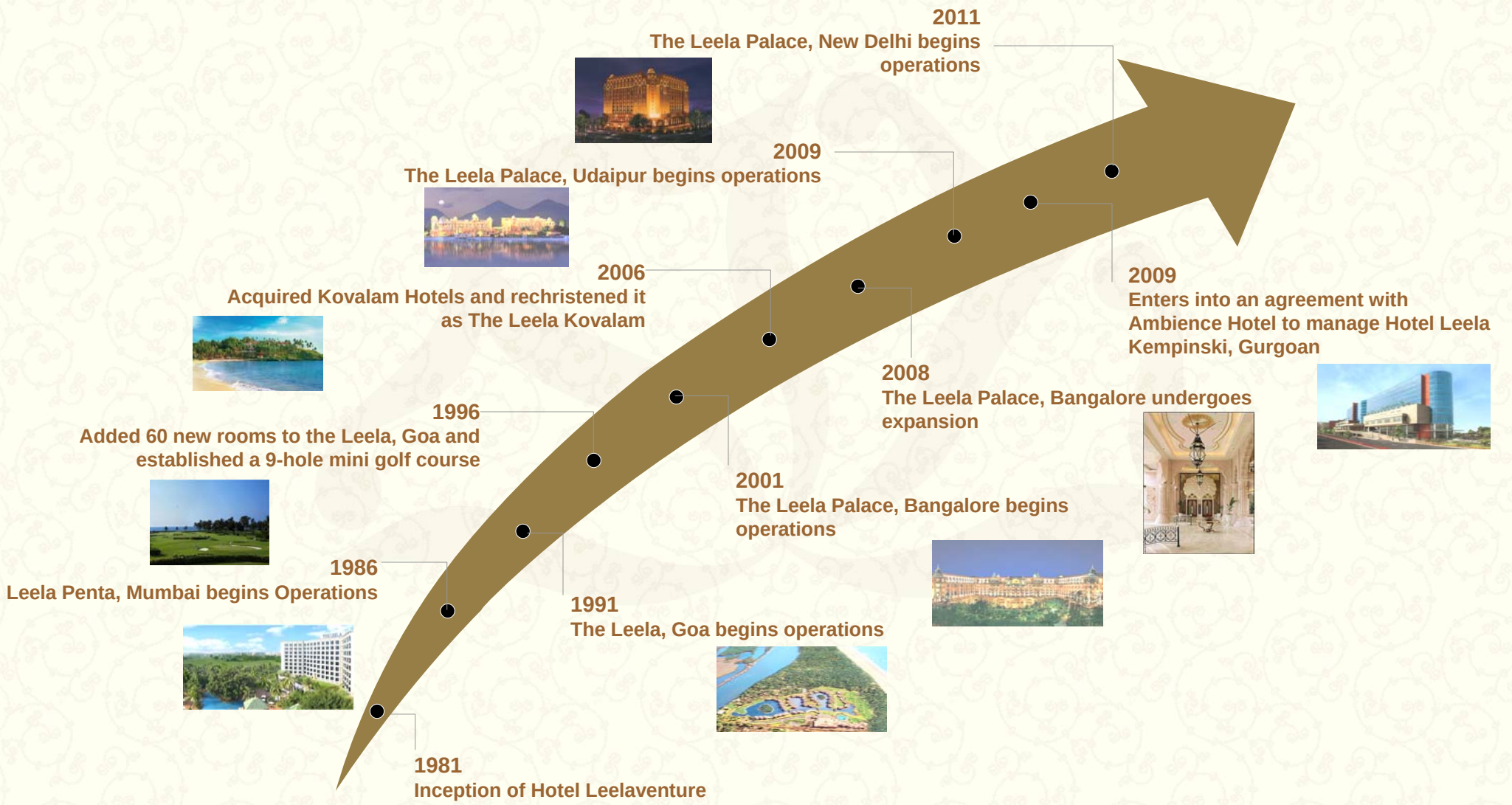
Hotel Leelaventure Limited: Introduction



- One of the key players in the growing luxury hotels segment in India
- 7 existing five star deluxe properties and 1 upcoming property, all in premium locations spread across India
- Strong business fundamentals and operating metrics as compared to industry average
- Well-recognized brand name
- Alliances with Kempinski Group of Hotels, Preferred Hotel Group, the Global Hotel Alliance and ESPA
- Experienced management team with rich industry experience and proven execution capabilities

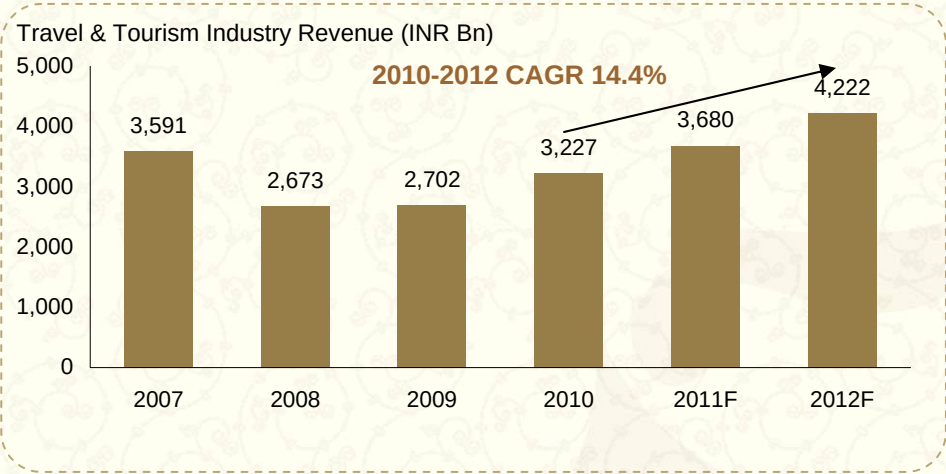


Evolution of Hotel Leelaventure Limited

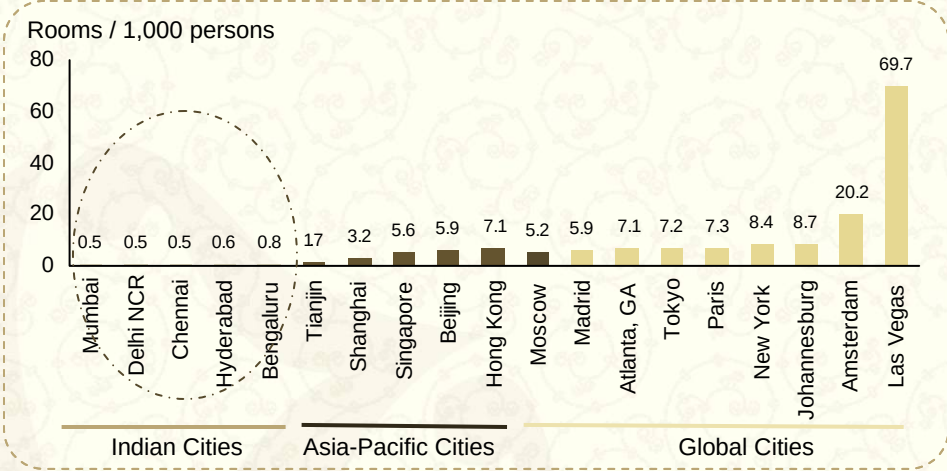


Indian Hospitality Sector Fundamentals

Indian Travel & Tourism Sector Poised to Grow at a CAGR of c.14%



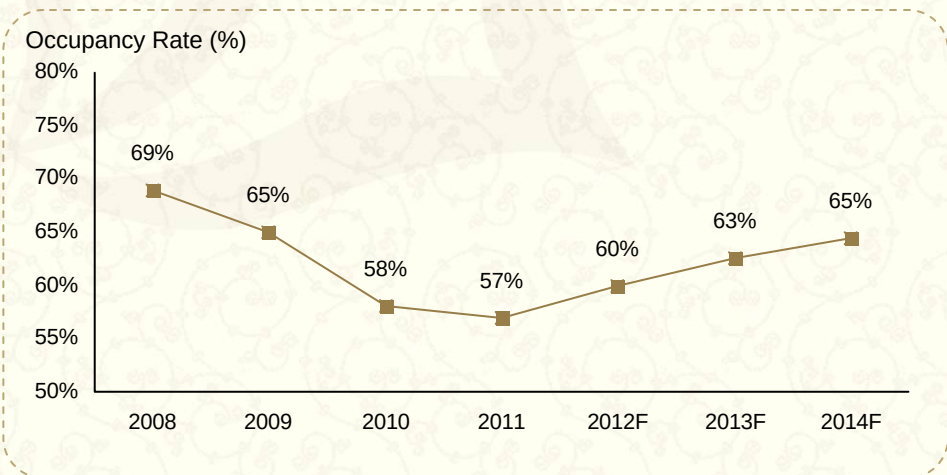
Low Room Penetration Levels in Indian Cities Promises Opportunity for Growth



Improved Global Sentiment & Consumer Confidence Increasingly Attracting Tourists



Occupancy Levels Expected to Scale Back to Pre-Crisis Levels



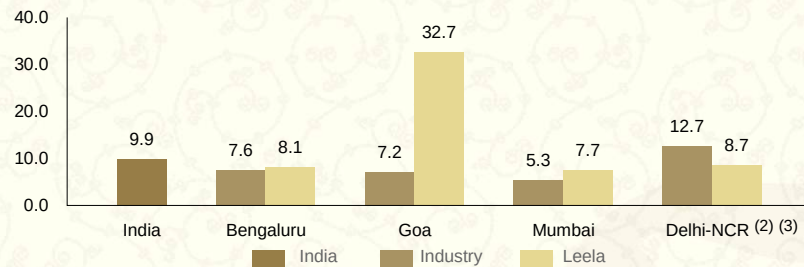
Note:
1. CAGR calculated for cumulative tourist spending
2. "F" indicates forecasted values



Operating Metrics and Margins Compared to Industry Average

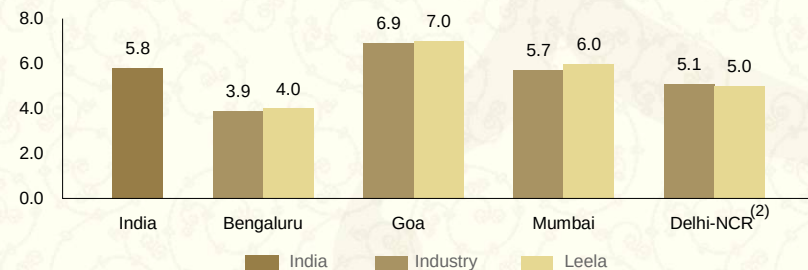
Luxury Portfolio Offering

% Suites in Total Room Portfolio



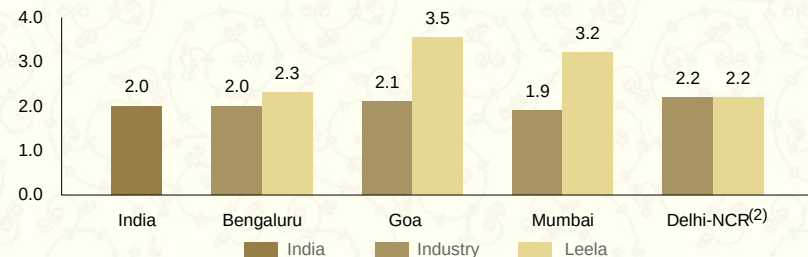
Higher Number of F&B Outlets per Hotel

Number of F&B Outlets per Hotel



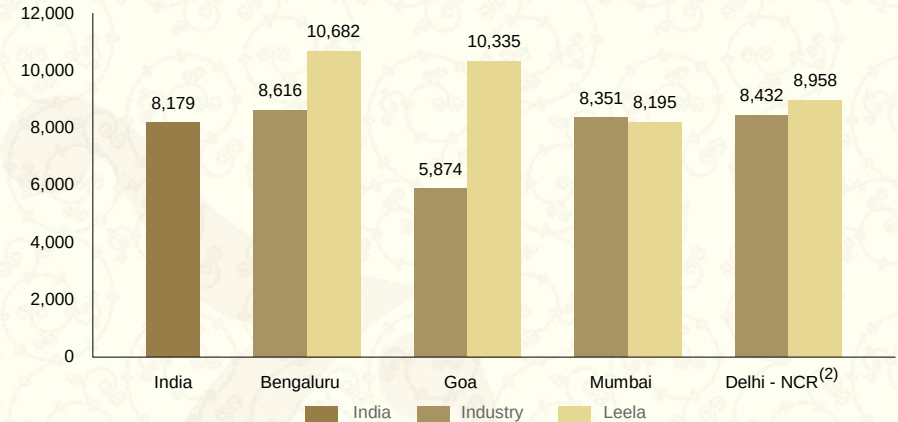
Higher Employee/ Room Indicating Better Hospitality

Employees / Room



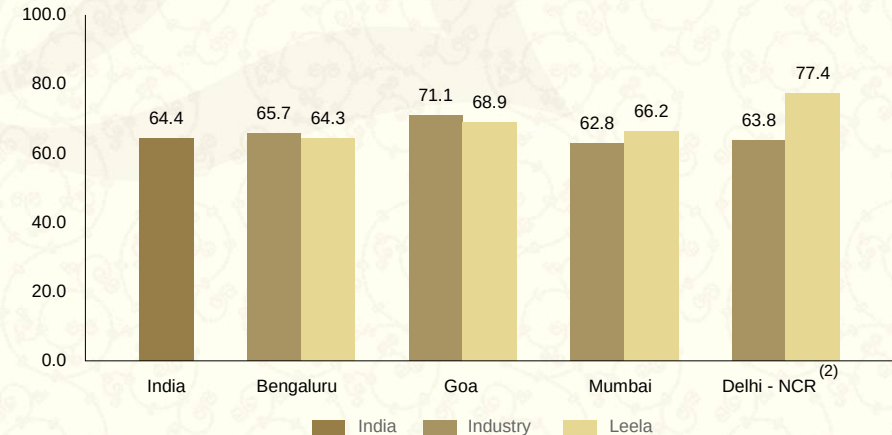
Attracts Higher Average Room Rate than City Peers

INR



Enjoys Higher Occupancy than City Peers

Occupancy in %

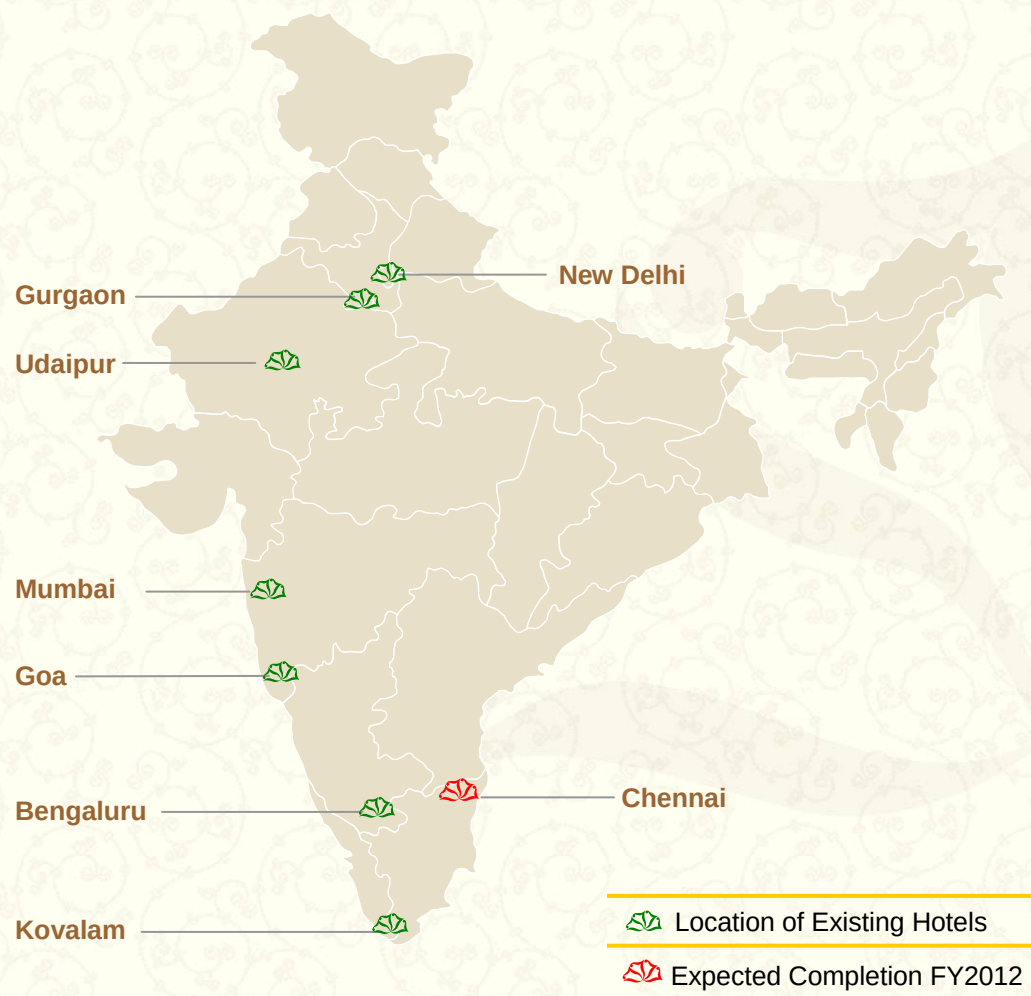


Source: Industry Data from HVS – Indian Hotel Industry Survey 2009-2010; Information on Company is from Management

Note:

1. The above analysis is based on FY2010 numbers
2. Property considered for comparison is Leela Kempinski, Gurgaon (Leela Palace New Delhi not considered as it began operations in April 2011)
3. Serviced residences not included

Evolving Pan – India Footprint



Hotel	Location	No.of Rooms	Owned/ Managed
Existing			
The Leela	Mumbai	392	Owned
The Leela	Goa	186	Owned
The Leela Palace	Bangalore	357	Owned
The Leela	Kovalam	182	Owned
The Leela Palace	Udaipur	80	Owned
The Leela Kempinski	Gurgaon	412	Management
The Leela Palace	New Delhi	260	Owned
Total		1,869	
Upcoming			
The Leela Palace ⁽¹⁾	Chennai	329	Owned
The Leela Goa Expansion ⁽²⁾	Goa	20	Owned
Total		349	
Grand Total		2,218	

Well Recognized Brand Name



The Leela Palace, New Delhi

- Featured in Travel + Leisure's 2011 "IT List" of the Best New Hotels



World Travel Awards

The Leela Palace, Bangalore

- India's Leading Conference Hotel – 2010
- India's Leading Business Hotel – 2007, 2008, 2009

The Leela, Goa

- Asia's Leading Resort – 2004, 2007, 2008
- Asia - Pacific's Leading Resort – 1999, 2000, 2001, 2002

The Leela, Mumbai

- Nominated for World's Leading Presidential Suite – 2010

The Leela, Kovalam

- Asia's Leading Resort – 2010



National Tourism Award

The Leela, Mumbai

- Winner National Tourism Award – 1996
- Winner Regional Tourism Awards – 1997, 1998, 1999

The Leela, Kovalam

- Best Five Star Deluxe Hotel – 2008-09



The Leela Palace, New Delhi

- One of the Great New Hotels in the World, Condé Nast Hot List 2011

The Leela Palace, Udaipur

- ESPA Spa – One of the Top Sybaritic Spas, Condé Nast Traveler. USA Hot List 2010: Hot Spas
- One of the Coolest New Entrants among the Hotels in World Condé Nast Traveller, UK Hot List: May 2010
- One of the Best Hotels for Service in Asia, Condé Nast Traveller, UK Gold List: Jan 2011



SATTE Awards

The Leela Palace, Bangalore

- The Top Business Hotel in India – 2007

The Leela, Goa

- Best beach hotel in India – 2007

The Leela Palace, Udaipur

- Hotel Benchmark Award 2010 (Luxury Segment)



The Leela Palace, Bangalore

- One of Top Indian Wedding Destinations



The Leela Palace, Bangalore

- CNN Ultimate Service Award 2002 & 2004

Best in Class Alliances and Tie-ups

Alliances	Credentials	Relationship with Leela
	- Represents the highest standards of hospitality services - Operates 65 hotels worldwide	- Exclusive sales and marketing arrangement for India - Worldwide sales & marketing support through Kempinski GDS and sales offices - Technical and pre-opening services along with IT, personnel & operational support services
	- Global leader in the refined hospitality industry - Facilitates reservations, sales and marketing services to more than 600 independent hotels in over 65 countries	- Provides marketing, sales and reservation services - Provides sales contact with the four largest consortia namely– Ammex, CWT, BCD and Hogg Robinson, PHG's Airlines and Credit Card partnerships - Target international sales via PHG's 29 Global Sales Offices
	- World's largest alliance of independent hotel brands - Currently comprises of nearly 300 hotels with over 65,000 rooms across 48 different countries	- Helps improve brand awareness among international travelers - Leverage GHA's international services - Provides access to key market sales support, hotel cross-promotional activity, trade show representation - Access to frequent flier program partnerships, loyalty programs, public relations and advertising campaigns
	World renowned brand for spas and skincare products	EPSPA manages the Leela Group Spas at Mumbai, Udaipur, New Delhi and Chennai
	One of New York's well known culinary destination known for its Italian and French cuisine	- Le Cirque would provide its world renowned culinary experience at the Leela Palace, New Delhi - This would be its first and at present the only presence in India
	- New York based high end Japanese restaurant - Both its menu and design concept are a blend of traditional and modern Japanese times	- Megu would be operating its specialty Japanese restaurant at the Leela Palace, New Delhi - It would also expand its presence to The Leela, Mumbai in due course

Strong Management Team with Proven Capabilities



Capt. C P Krishnan Nair
Chairman

Promoted The Leela Group of Hotels
in 1986



Conferred the '**Padma Bhushan**' Award by the
Government of India, 2010



The Green Hotelier, 2010 awarded by Gulf
Connoisseur



The Hotelier of the Century Award by International
Hotel and Restaurant Association (IH&RA),
(Switzerland) in 2010 for Capt. Nair's contribution to
the hospitality industry in India during 50 years



Lifetime Achievement Five Star Diamond Award
2009 awarded by The American Academy of Hospitality
Sciences



Elected to **Global 500 Roll of Honour** by United
Nations Environment Programme presented in 1999 in
recognition of outstanding practical achievements in
the protection and improvement of environment



Vivek Nair
Vice Chairman & MD

- Over 31 years of experience in the hotel industry
- Vice President, Federation of Hotels & Restaurants Association of India
- Chairperson of the World Travel and Tourism Council, India Initiative 2011



Dinesh Nair
Joint Managing Director

- With the Company since its inception
- 32 years of experience in management, administration, marketing and hotel management



Venu Krishnan
Deputy Managing Director

- Extensive experience in project implementation, commercial and administrative matters
- Led the project implementation team for the Goa Hotel Project, 1991



Krishna Deshika
Director Finance & CFO

- 31 years of experience in the field of finance, accounts, company secretarial, legal and commercial functions
- Associated with JSW for 15 years, Millipore India for 2 years and HMT Limited for 14 years



Rajiv Kaul
President

- Over 32 years of experience in hospitality
- Previously worked with Oberoi and Taj groups
- Holds a Diploma in Hotel Management and an MBA in Hospitality Management



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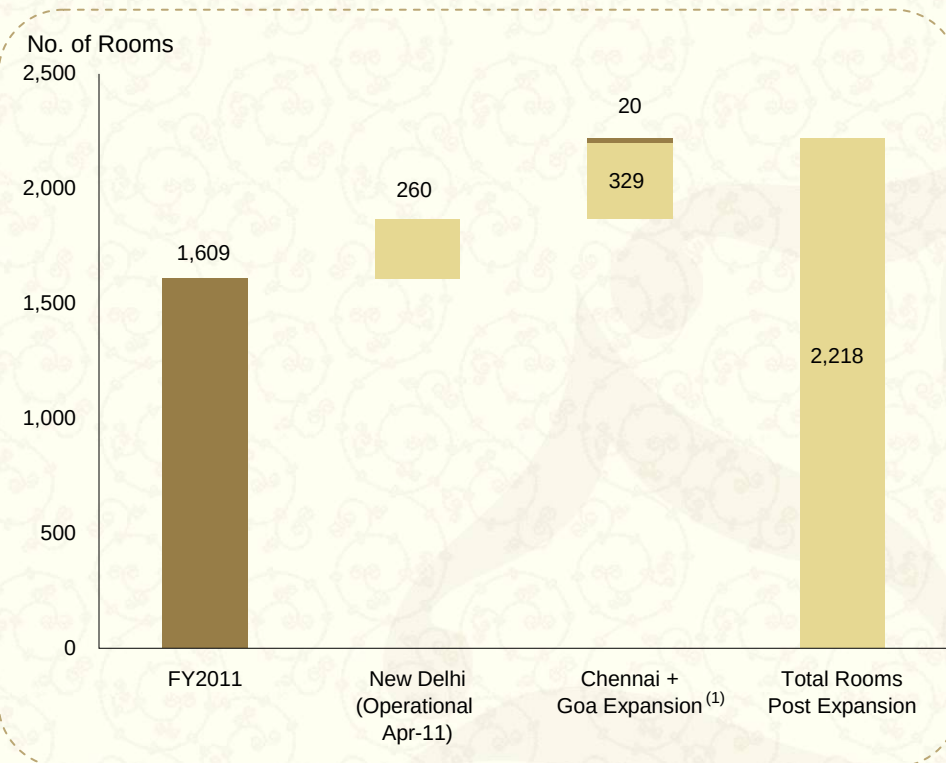
The Essence of India



Expand Through Owned and Managed Properties

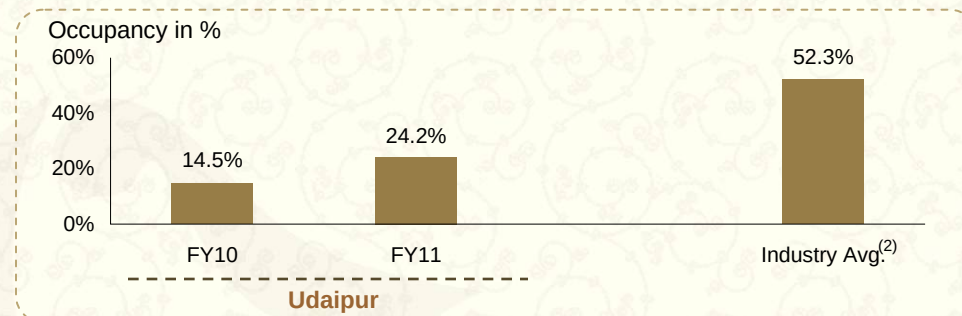
Phased Addition of New Inventory

Leela will add 349 rooms to its existing portfolio in the next few years



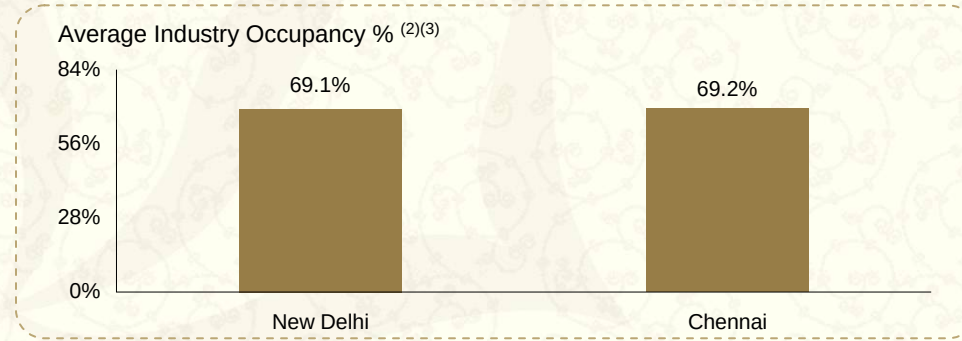
Achieve Stabilized Occupancy Levels in New Properties

Properties like Udaipur to ramp up occupancy to industry average



Source: HVS – Indian Hotel Industry Survey 2009-2010

Ramp up Occupancy Levels in New & Upcoming Properties



Source: HVS – Indian Hotel Industry Survey 2009-2010

- The Company is planning to follow an asset light model for the medium term i.e. enter into more management contracts rather than owning and building hotel properties
- The Company also intends to evaluate expanding in overseas markets through the management contract route
- Evaluating the option of entering into the 4/5 star hotels in Tier 2 cities in India, under a different brand

Note:

1. Chennai hotel expected to be completed in FY2012
2. Industry average is calculated by taking the average of previous 3 years (FY08-FY10) in the region
3. The Leela Palace New Delhi has not been included as it started operations in April 2011 and has not completed a financial year

Deleveraging Through Monetization of Non Core Assets

Chennai

- 🏡 Next to the Leela Palace Hotel
- 🏡 Office space with saleable area of 272,000 sq ft has been built
- 🏡 Proposes to sell 90% of the building and lease the balance
- 🏡 Currently, approval for conversion from IT Park to Business Park is awaited

Pune

- 🏡 34,102 sq mts of land near the golf club on the main road to the Airport
- 🏡 Company shelved initial plans of building luxury hotel after significant new supply came up in the area
- 🏡 Agreement with Sky Realty Projects Private Limited ("Sky Realty") on a 50:50 gross revenue sharing basis. Sky Realty to develop high-end residential cum commercial property
- 🏡 Leela Lace Holdings Private Limited, one of the promoters, has co-invested in purchase of the property for a consideration of 50% of the gross sale proceeds receivable by the Company

Bangalore

- 🏡 Surplus land of 8,027.07 sq mts next to Leela Palace
- 🏡 Evaluating various revenue sharing opportunities to maximize value as in case of Pune

Hyderabad

- 🏡 3.85 acres of land at a prime locality of Banjara Hills
- 🏡 Company shelved initial plans of building a luxury hotel after significant new supply came up in the area
- 🏡 Evaluating various revenue sharing opportunities to maximize value as in case of Pune

Land Available for Future Expansions

Agra

- 🏡 Land parcel located at Fatehabad Road near Shilpagram in Agra, facing the Taj Mahal
- 🏡 Company owns 23,340 sq mts of land
- 🏡 Proposes to build a 5 Star Deluxe Hotel

Agra

Ashtamudi

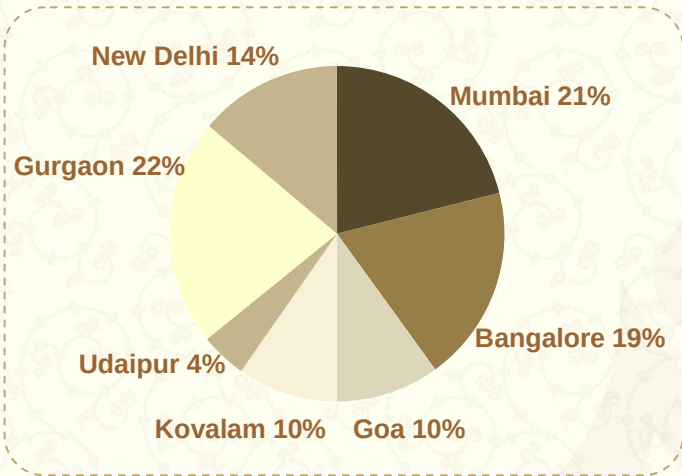
- 🏡 Land located at Vellimon (Asthmudi Lake) near Kollam, Kerala which is owned by a group company
- 🏡 Company exploring arrangements with the group company to develop a five star deluxe resort

Ashtamudi

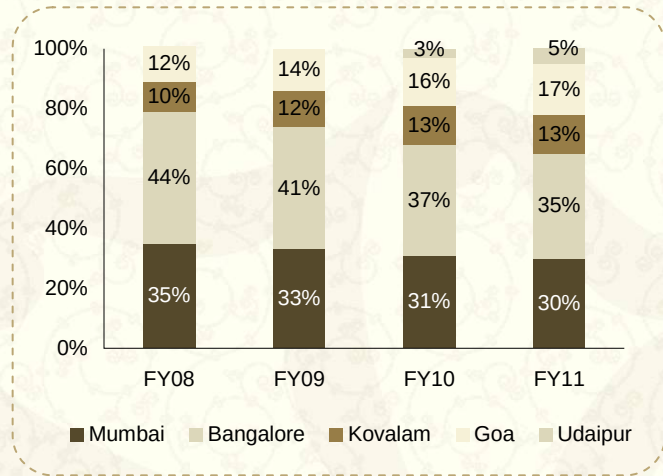
Key Financials Summary

Bangalore and Mumbai – Key Drivers of Historical Profitability

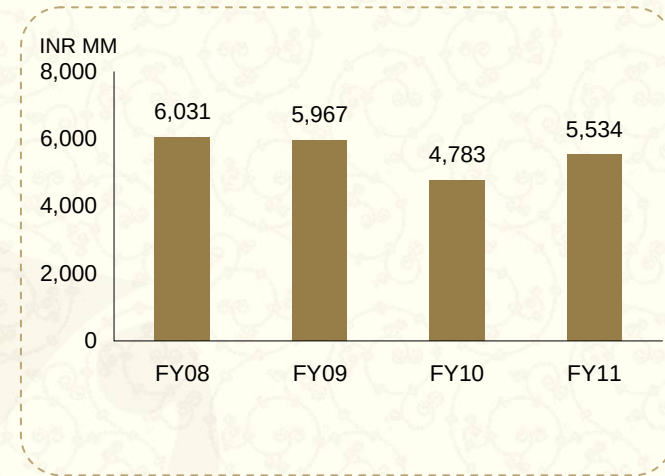
Room breakup by Cities



Revenue breakup by Cities⁽¹⁾

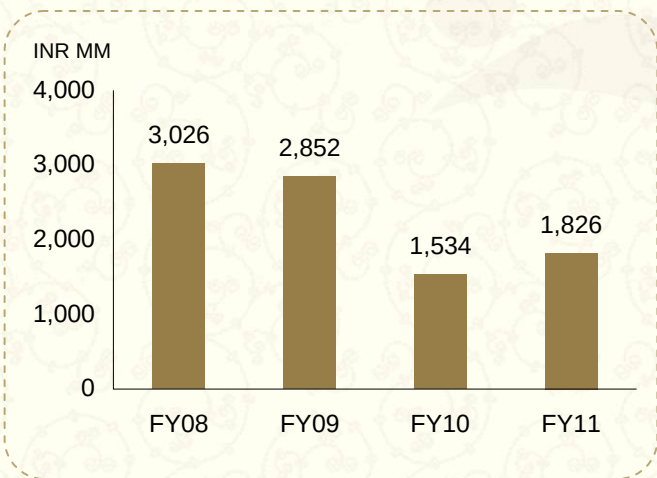


Revenue

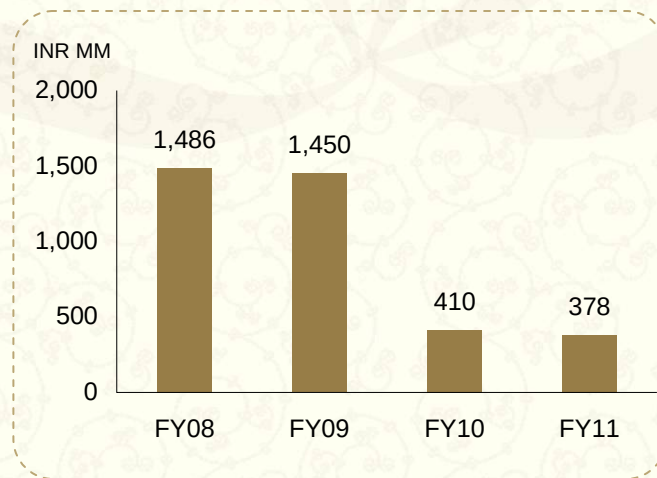


Leaner Cost Structure have Maintained Margins and Profitability

EBITDA



Net Income



- Revenue growth and profitability were adversely impacted during FY10 due to global economic recession & terrorist attacks in Mumbai
- Reversal of trend seen in FY11 with a 15.7% y-o-y growth in revenue and 18.9% increase in EBITDA
- Net Income in FY11 was lower due to high interest expenses

Note:
1. Does not include management fees derived out of Gurgaon property as it is accounted as other income

Appendix



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Profit and Loss Statement

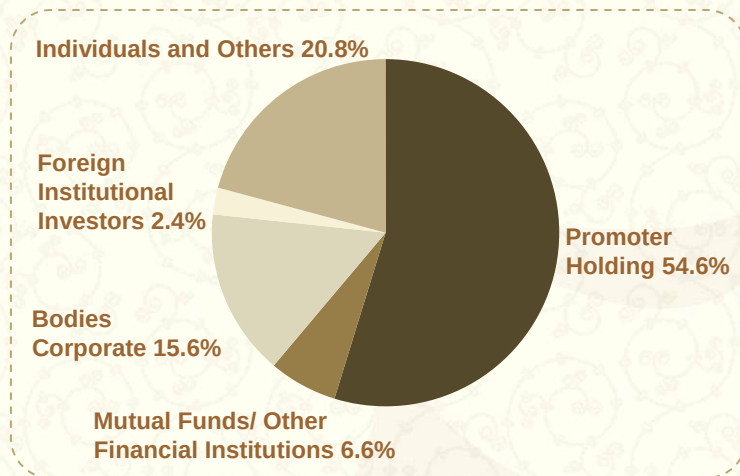
INR MM	2010-11	2009-10	2008-09	2007-08
Income				
Room Revenue	2,965	2,556	3,034	3,519
Food & Beverage Revenue	1,453	1,256	1,175	1,301
Other Operating Services	569	469	350	348
Income from Rental & related Services	159	145	143	147
Sale of Power	113	65	14	-
Income from Operations	5,259	4,491	4,716	5,315
Other Income	275	292 ⁽¹⁾	1,251 ⁽¹⁾	716
Total Income	5,534	4,783	5,967	6,031
Expenditure				
Consumption of raw materials	356	306	288	324
Employee Cost	1,145	954	894	815
Fuel, Power and Light	445	439	446	413
Other Expenses	1,762	1,550	1,487	1,453
Total Expenditure	3,708	3,249	3,115	3,005
EBITDA	1,826	1,534	2,852	3,026
Depreciation	684	683	654	453
Interest	576	245	272	355
Profit Before Tax	566	606	1,926	2,218
Provision for Tax	188	196	476	732
Net Profit	378	410	1,450	1,486

Note:

1. This includes profit on buyback of bonds of INR 646 MM for FY 2008-09 and INR 6 MM for FY 2009-10

Financial and Trading Summary

Shareholding Pattern



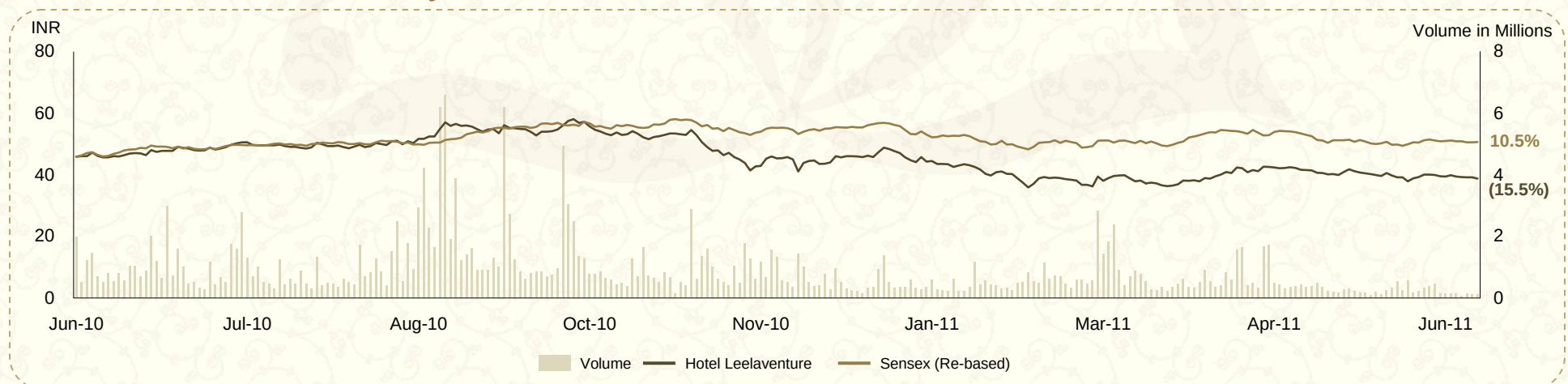
Source: Bombay Stock Exchange, as on March 31, 2011

Share Price Performance Summary

	Share Price (INR)	As on
Current	38.90	14-Jun-11
52 week high	58.70	11-Oct-10
52 week low	34.10	10-Feb-11
Current Market Capitalization⁽²⁾ (INR MM)		15,080
Current Market Capitalization (USD MM)		335⁽¹⁾

Source: Bombay Stock Exchange, National Stock Exchange

Share Price Performance – Last 1 year



Source: Bombay Stock Exchange, National Stock Exchange

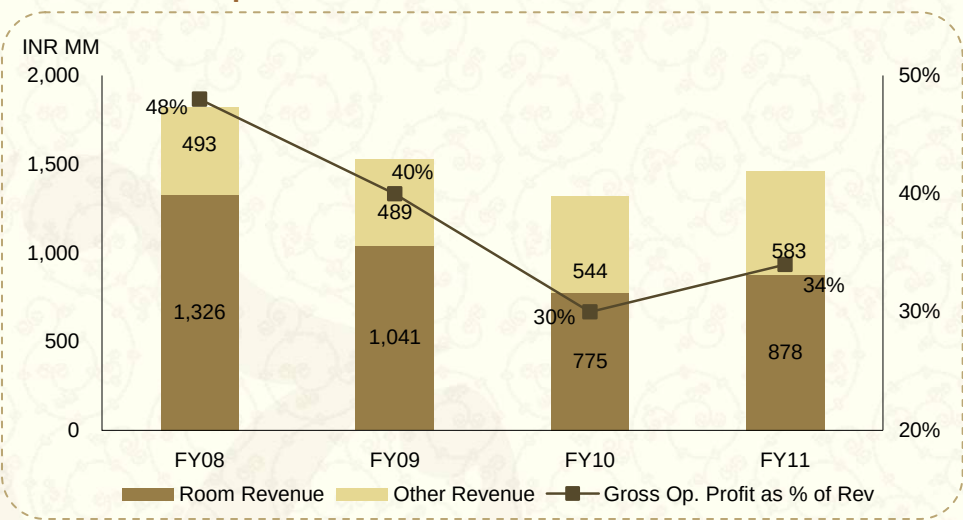
Note:

1. 1 USD= INR 45
2. Market Capitalization as on June 14, 2011

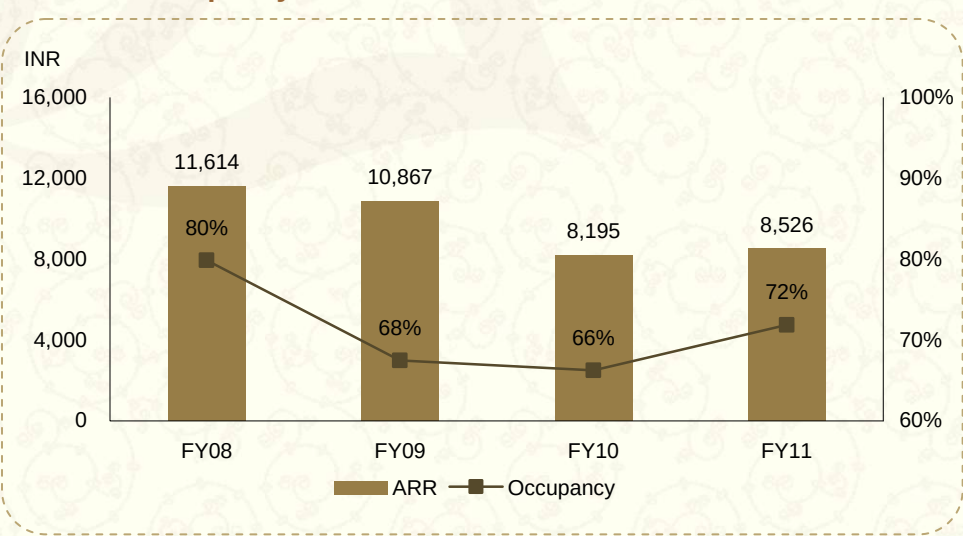
The Leela, Mumbai



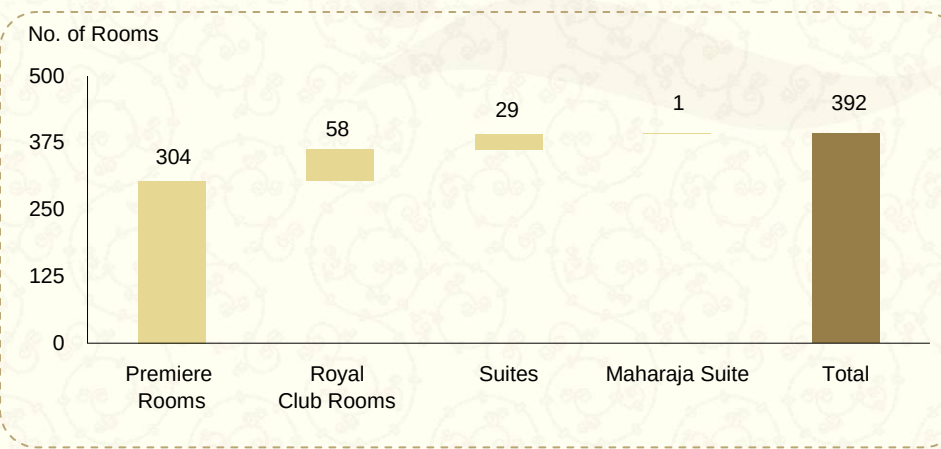
Revenue Breakup



ARR and Occupancy



Room Mix

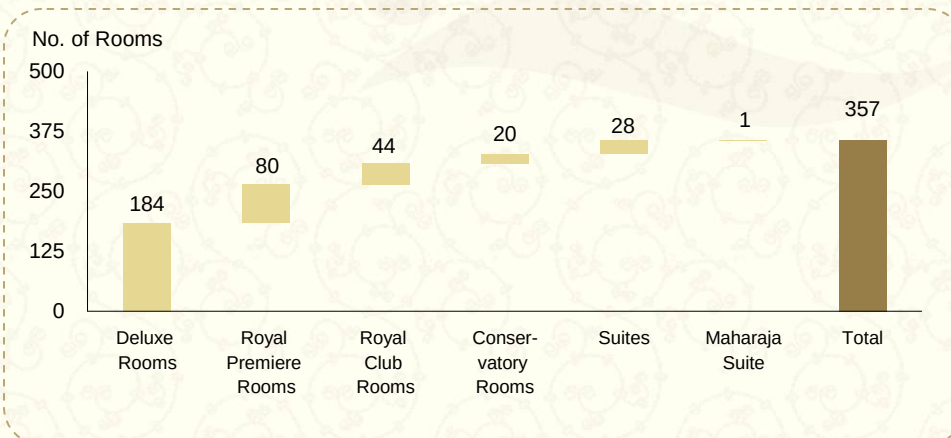


The Leela Palace, Bangalore

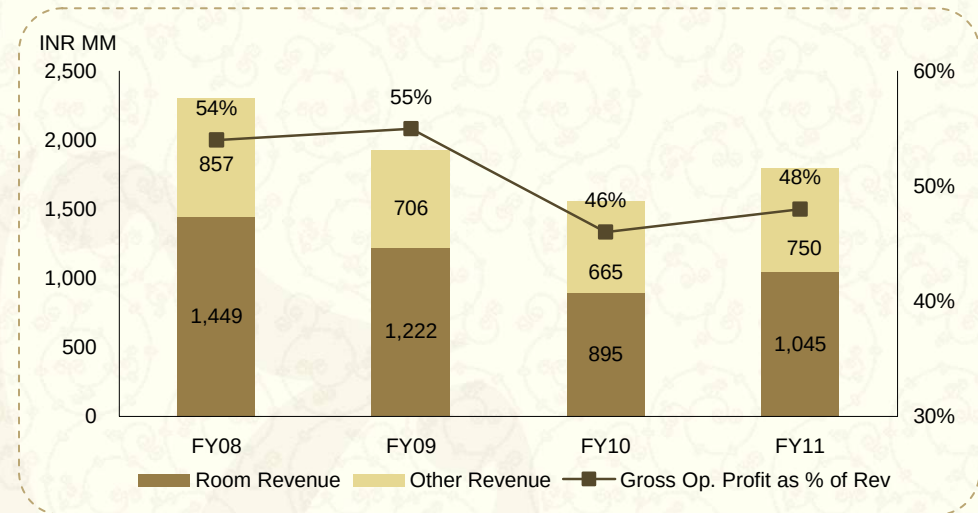


- 🏰 The hotel is located in close proximity to the city centre and recreates the architectural style of the palaces of Mysore in a modern art deco form
- 🏰 Commenced operations in 2001 with 256 guest rooms and expanded to 357 guest rooms in FY08
- 🏰 Operating margin for Bangalore is the highest among all Leela properties

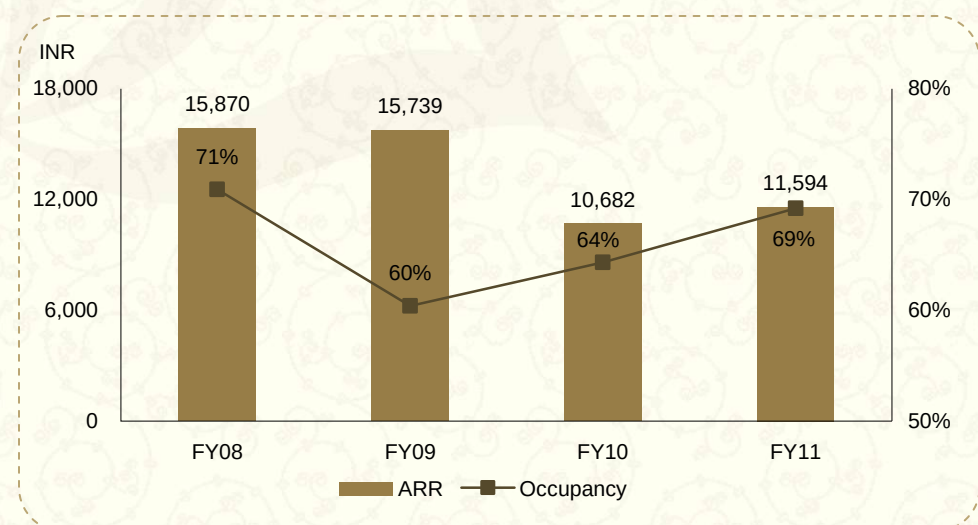
Room Mix



Revenue Breakup



ARR and Occupancy

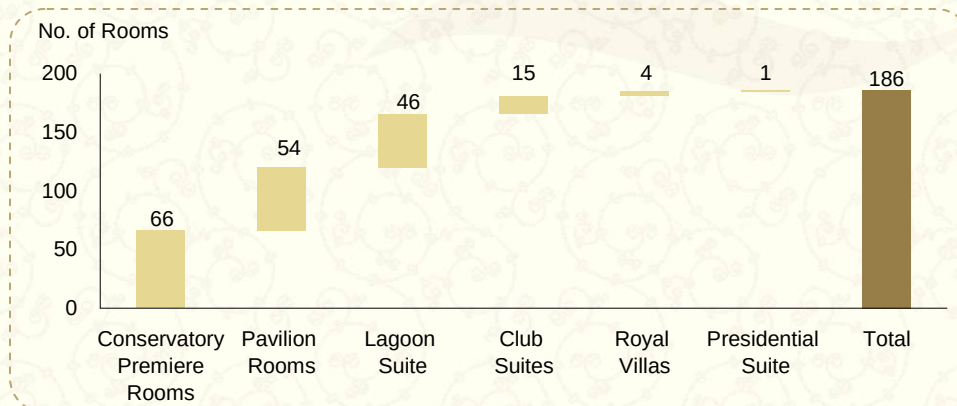


The Leela, Goa

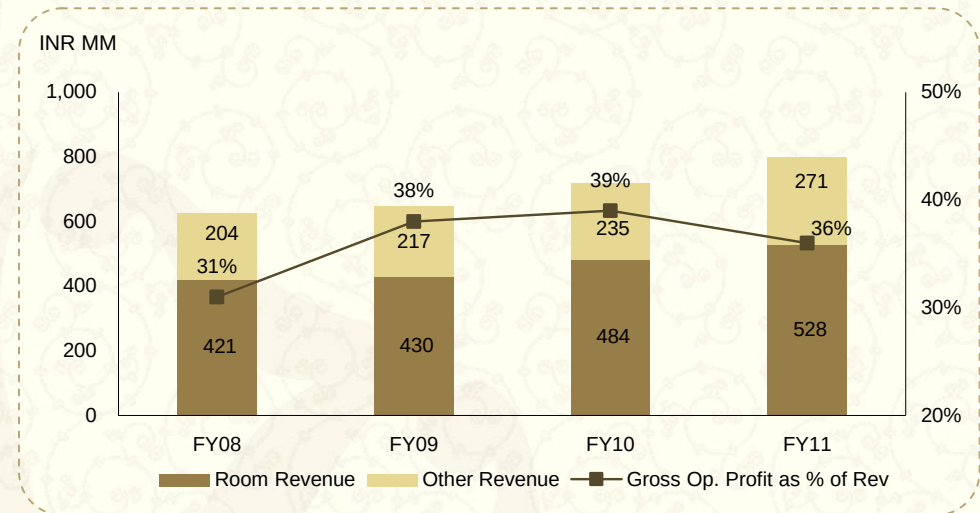


- Spread over 50.46 acres and located on the Mobor beach in South Goa between the river Sal and the Arabian Sea, the hotel is designed to reflect the Indian and Portuguese heritage
- The hotel is operational since 1991 and underwent significant expansion in 1994
- The next phase of expansion is currently underway. An additional 20 rooms would be available post expansion taking the total number of guestrooms to 206

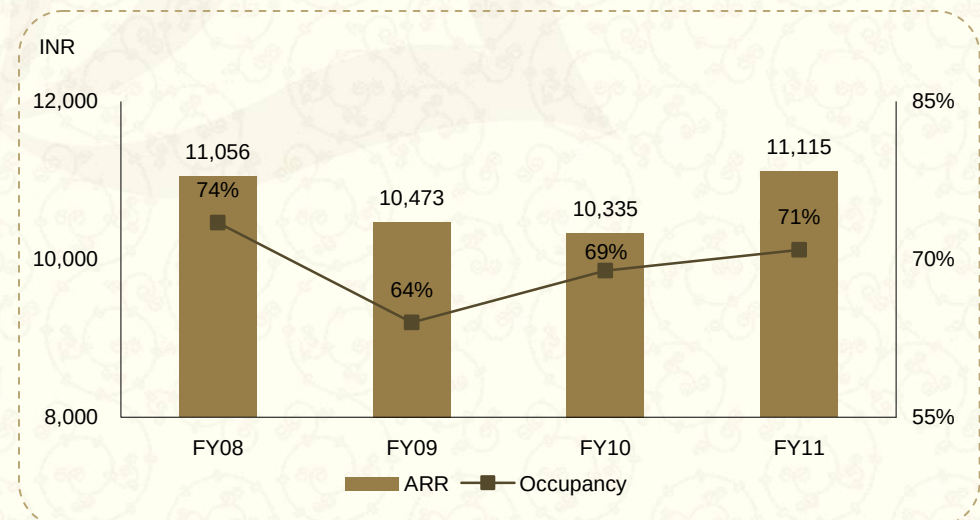
Room Mix



Revenue Breakup



ARR and Occupancy

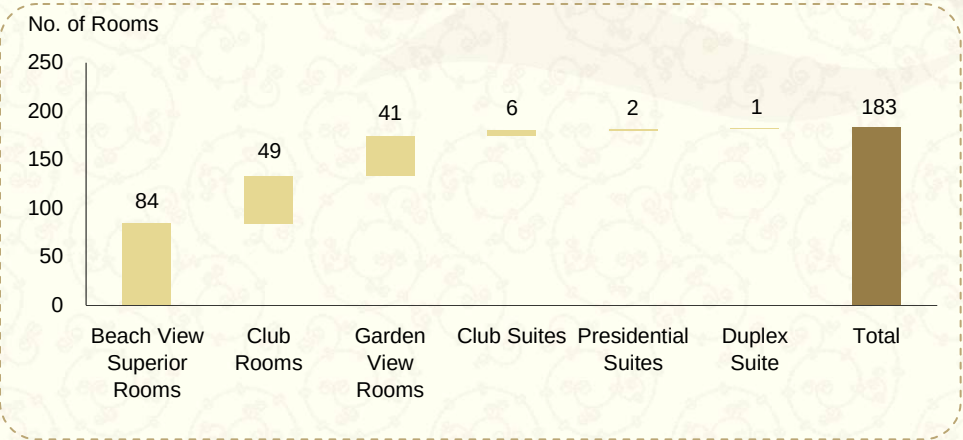


The Leela Kovalam Beach, Kerala

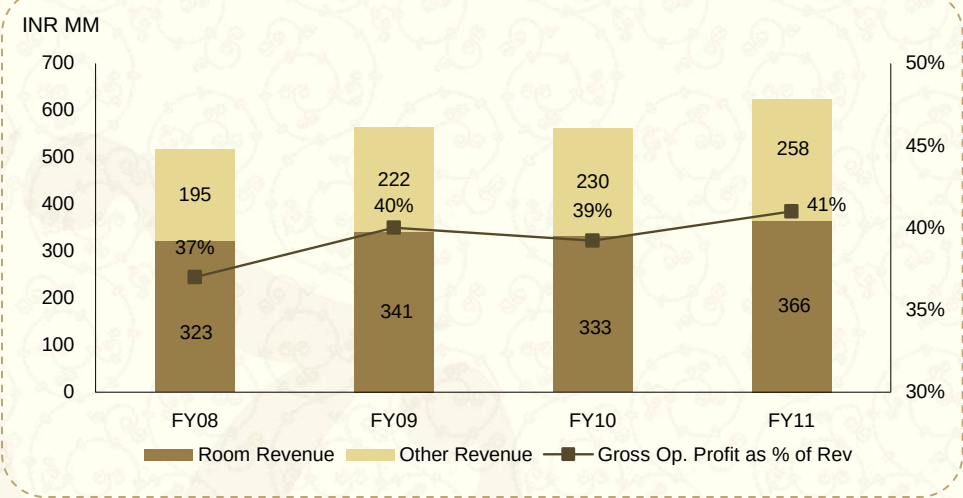


- 🏡 This resort was purchased by Hotel Leelaventure from M Far Hotels Limited in 2005
- 🏡 Has 183 rooms and suites, spread over 44 acres of land
- 🏡 Kovalam being one of the main tourist attractions in Kerala, it enjoys high ARR and ORs during the tourist season from November to March

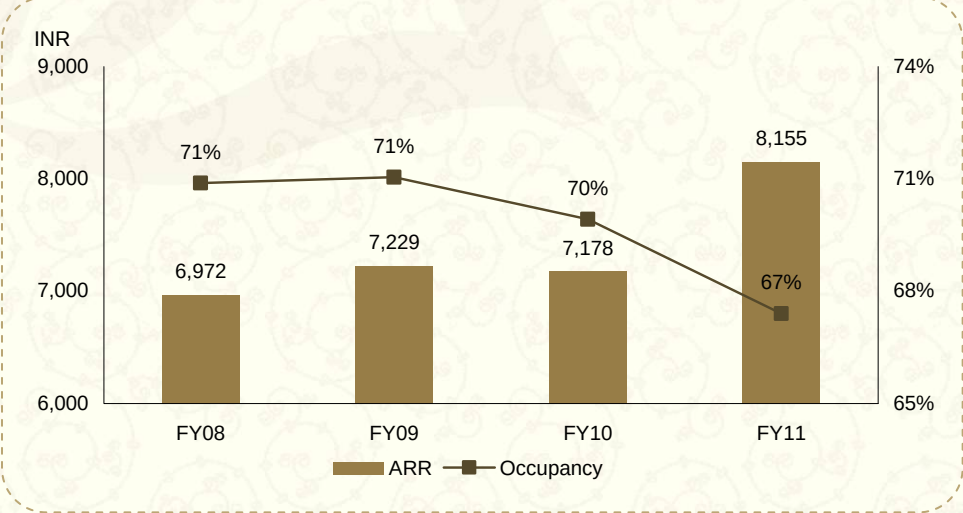
Room Mix



Revenue Breakup



ARR and Occupancy

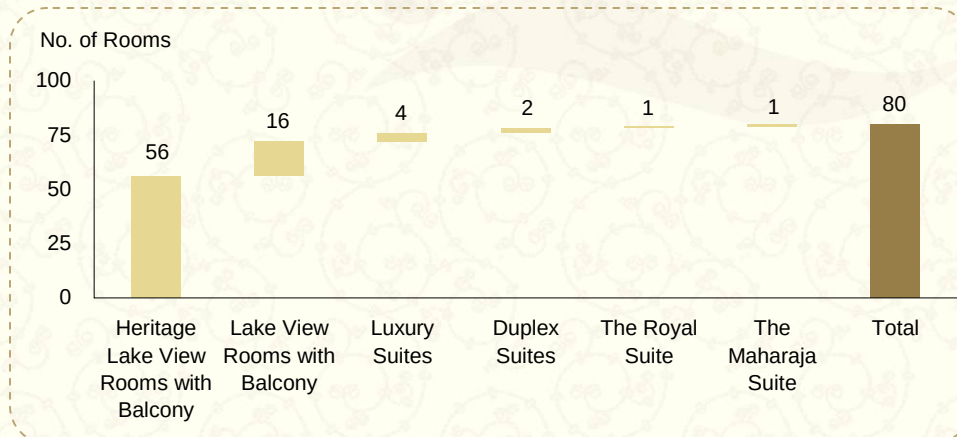


The Leela Palace, Udaipur

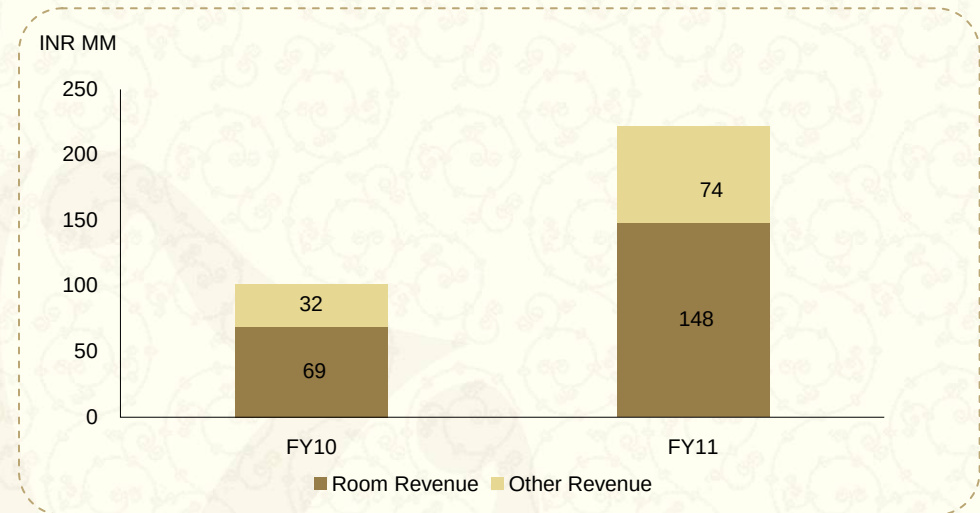


- Operational since April 2009, the hotel is located on the banks of Lake Pichola, Rajasthan
- All 80 guestrooms and suites are on the waterfront of Lake Pichola and overlook the Aravali mountains
- It is primarily a leisure market and a favored destination with both domestic and foreign travelers

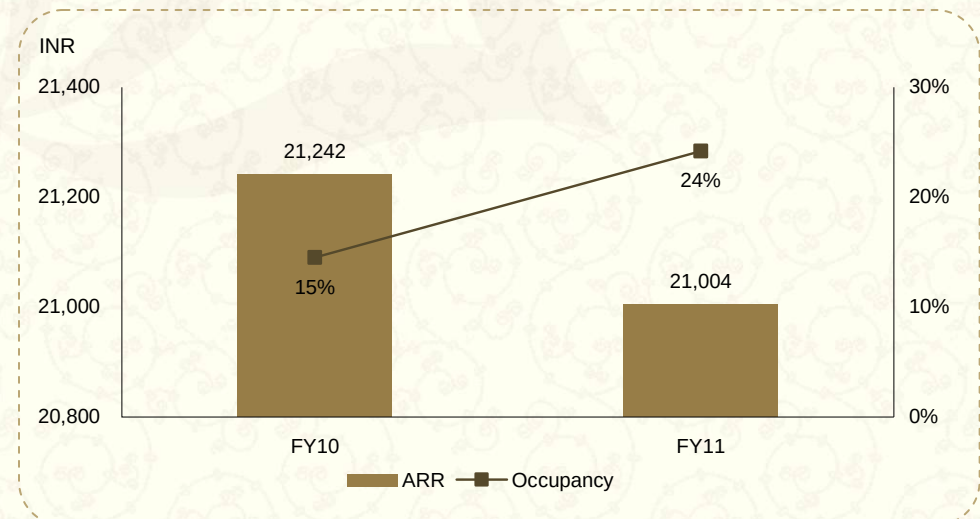
Room Mix



Revenue Breakup



ARR and Occupancy

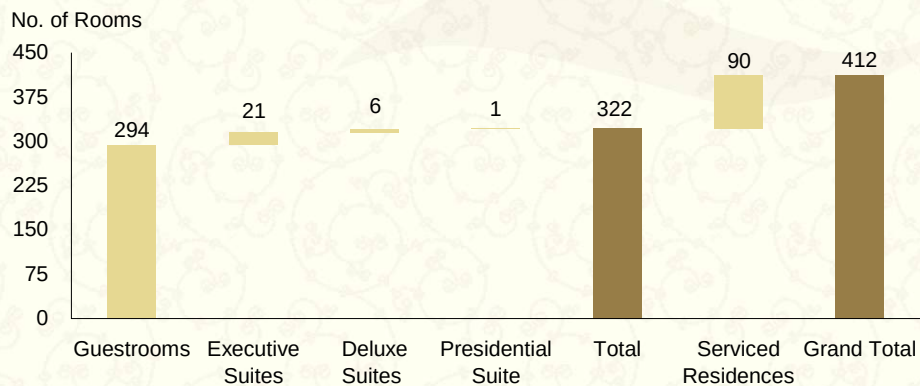


The Leela Kempinski, Gurgaon/NCR

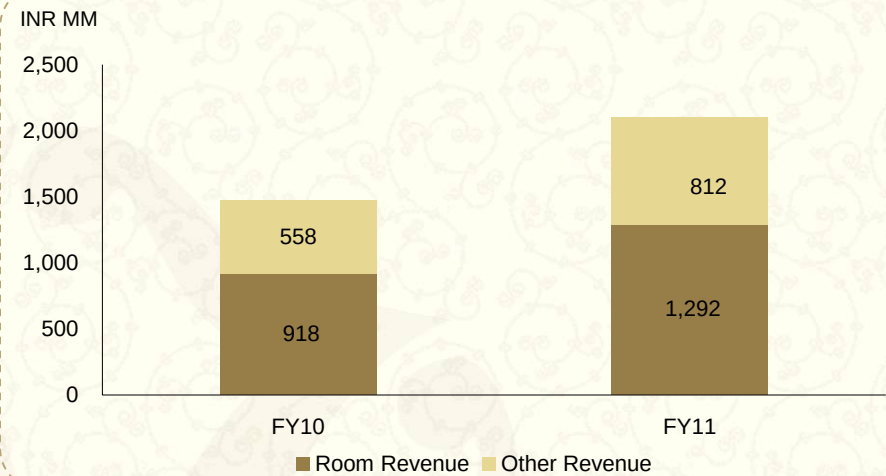


- Operational since April 2009
- The property is owned by the Ambience Group
- Hotel Leelaventure operates the hotel through a management agreement
- Achieved 77% occupancy in its first year of operations

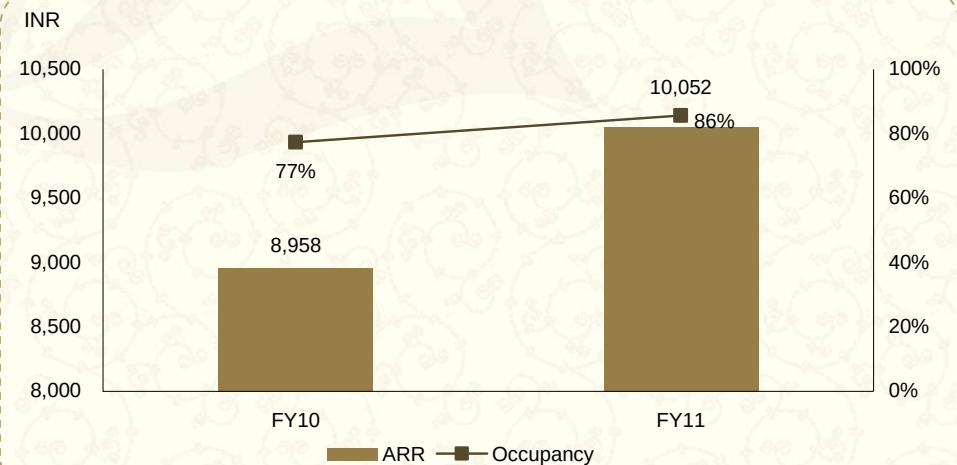
Room Mix



Revenue Breakup



ARR and Occupancy

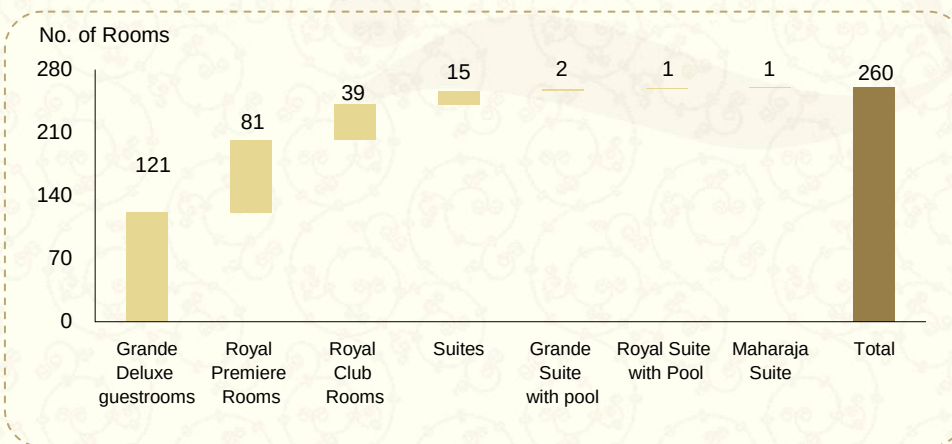


The Leela Palace, New Delhi



- 🏛 Located in the exclusive Diplomatic Enclave
- 🏛 Close proximity to Rashtrapati Bhavan, the Secretariat, as well as the central business district and historical monuments
- 🏛 Spread over 12,141 sq mts of land

Room Mix

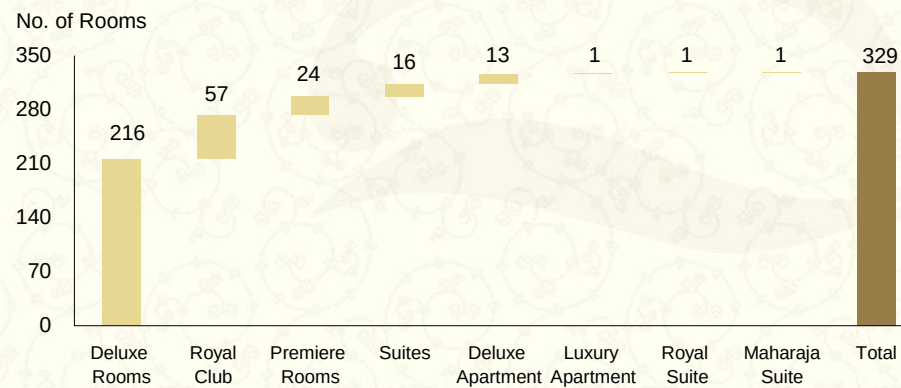


- 🏛 Had soft launch in Sep 2010 before the Commonwealth Games; ceremonial opening in Apr 2011
- 🏛 The hotel, including new restaurants, will be fully operational in Q2FY2012
- 🏛 Offers luxury of oversized suites and guestrooms
- 🏛 Restaurants and lounges “Le Cirque” (Italian cuisine) and “Megu” (Japanese cuisine) from the United States, set to open shortly
- 🏛 Exclusive spa services by ESPA
- 🏛 Ability to service multiple guest segments at multiple price points
- 🏛 Leela's room demand in Mumbai and Bangalore is expected to also benefit from this property, as New Delhi is one of the key source markets

The Leela Palace, Chennai



Room Mix



- Located in Adyar in Chennai, the hotel is proposed to be one of the largest business hotels in the city
- Palace property facing the beach front
- Majority of the 329 guest-rooms and suites overlooking the Bay of Bengal
- 16,500 sq ft large contemporary convention centre
- Expected to commence operations in FY2012



THE LEELA

PALACES ~ HOTELS ~ RESORTS

The Essence of India

Thank You