THE LEELA

PALACES ~ HOTELS ~ RESORTS

The Essence of India

Corporate Presentation

June 2012

Hotel Leelaventure Limited: Introduction

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PALACES ~ HOTELS ~ RESORTS

- 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

2012
Kovalam property sold and taken on Management Contract

2011
The Leela Palace, New Delhi begins operations

2009
The Leela Palace, Udaipur begins operations

2009
Enters into an agreement with Ambience Hotel to manage Hotel Leela Kempinski, Gurgoan

2008
The Leela Palace, Bangalore undergoes expansion

2006
Acquired Kovalam Hotels and rechristened it as The Leela Kovalam

2001
The Leela Palace, Bangalore begins operations

1996
Added 60 new rooms to the Leela, Goa and established a 9-hole mini golf course

1991
The Leela, Goa begins operations

1986
Leela Penta, Mumbai begins Operations

1981
Inception of Hotel Leelaventure

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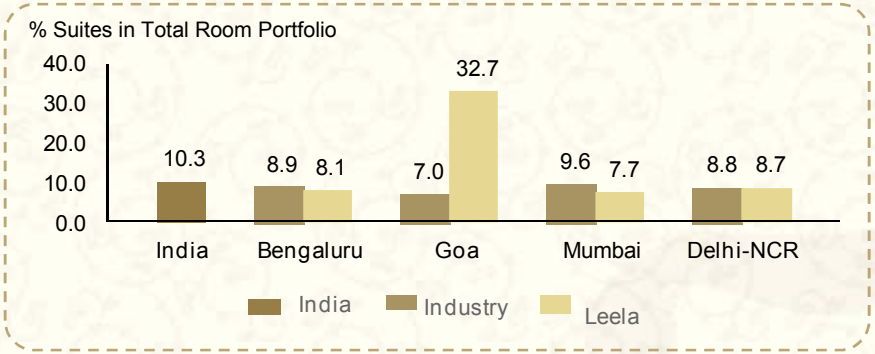
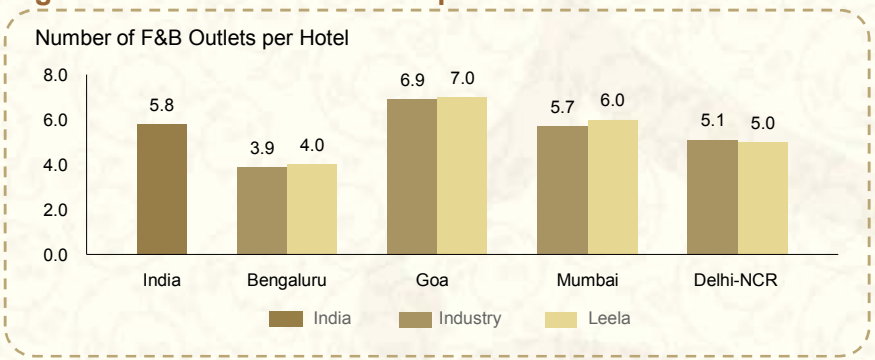
Operating Metrics and Margins Compared to Industry Average

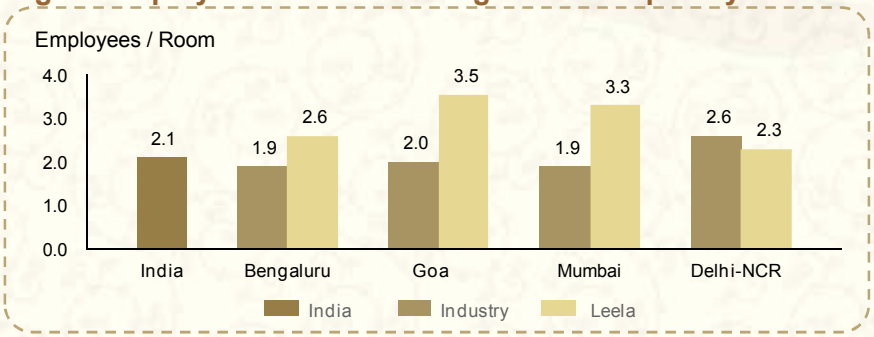
Luxury Portfolio Offering



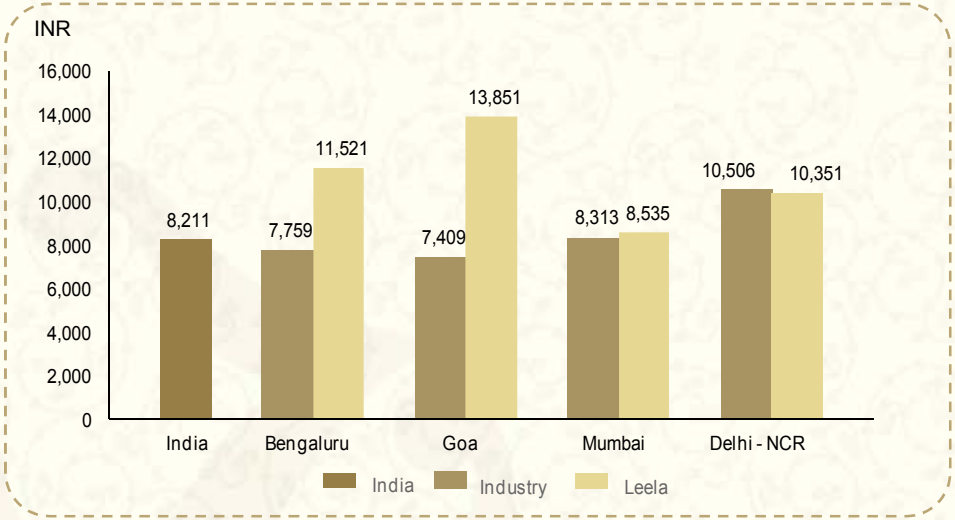
Higher Number of F&B Outlets per Hotel



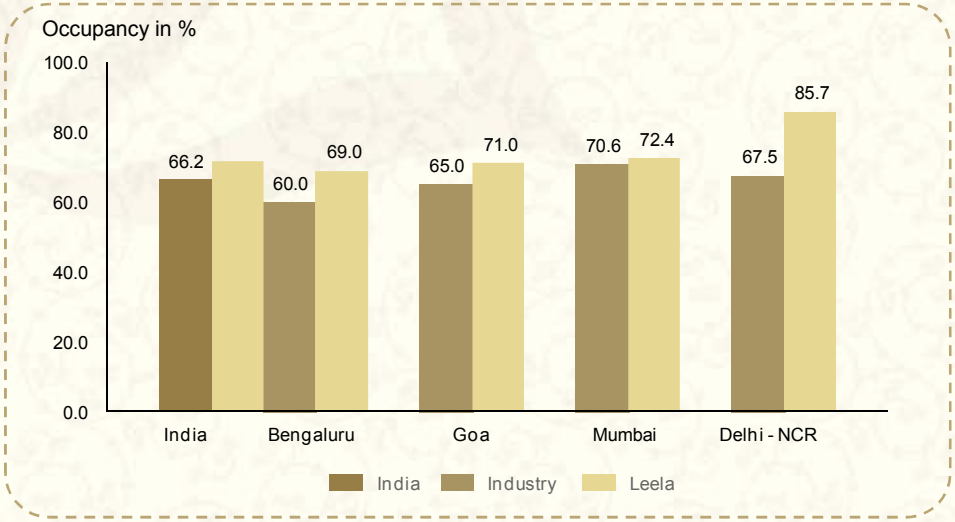
Higher Employee/ Room Indicating Better Hospitality



Attracts Higher Average Room Rate than City Peers



Enjoys Higher Occupancy than City Peers

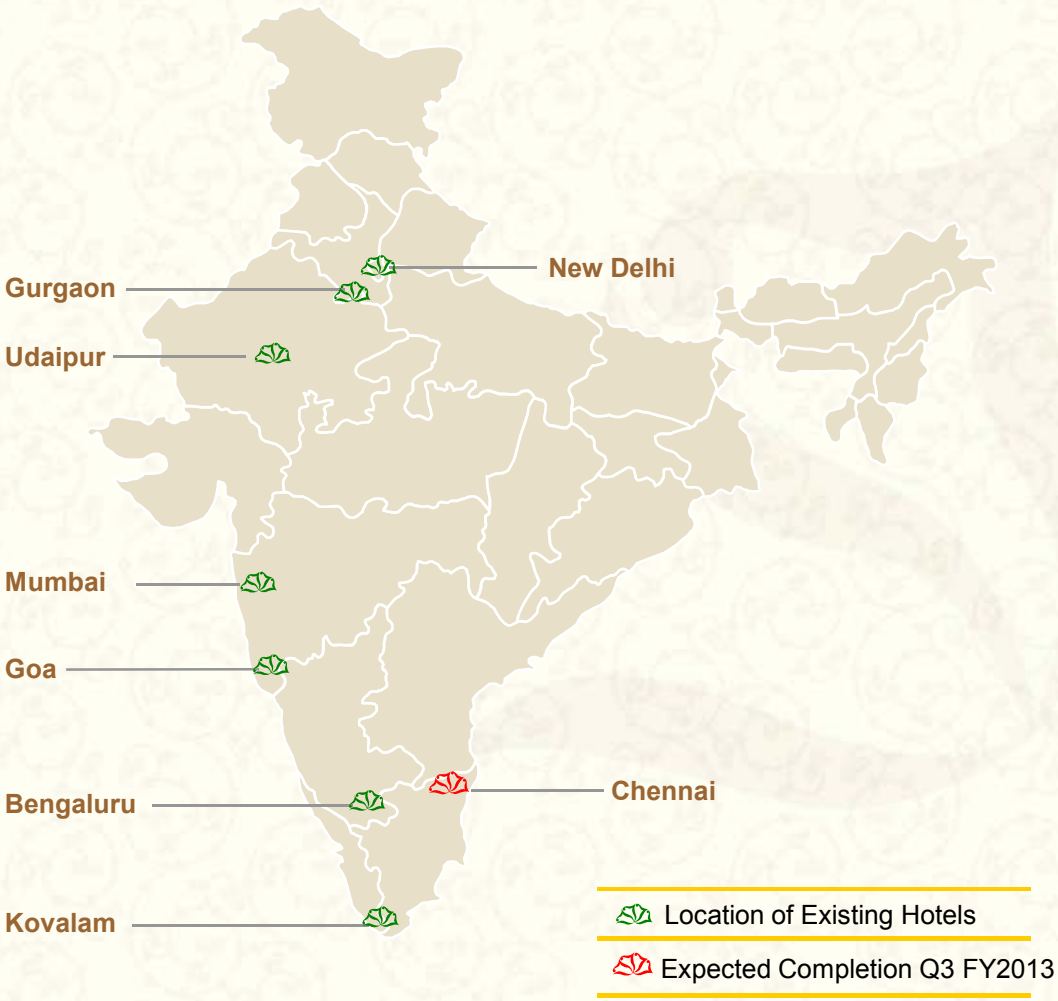


Source: Industry Data from HVS – Indian Hotel Industry Survey 2010-2011; Information on Company is from Management

Note:

1. The above analysis is based on FY2011 numbers
2. For Delhi NCR Leela Kempinski, Gurgaon has been considered for comparison as the Leela Palace New Delhi began operations only in April 2011)

Evolving Pan – India Footprint



Hotel	Location	No.of Rooms	Owned/ Managed
Existing			
The Leela	Mumbai	392	Owned
The Leela	Goa	206	Owned
The Leela Palace	Bangalore	357	Owned
The Leela Palace	Udaipur	80	Owned
The Leela Kempinski	Gurgaon	412	Management
The Leela	Kovalam	182	Management
The Leela Palace	New Delhi	260	Owned
Total		**1,889**	
Upcoming			
The Leela Palace(1)	Chennai	326	Owned
Total		**326**	
Grand Total		**2,215**	

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Well Recognized Brand Name

TRAVEL + LEISURE

The Leela Palace, New Delhi

- "Best of the Best" Hotel in the World by Robb Report USA, conferred upon in June 2012

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

Condé Nast Traveler

Capt. C. P. Krishnan Nair

- Lifetime Achivement Award at Conde Nast Traveller India's Readers Travel Awards, conferred on Capt. C.P. Krishnan Nair in December 2011

The Leela Palace, New Delhi

- One of the Great New Hotels in the World, named by Condé Nast Traveler in May 2012

The Leela Palace, Udaipur

- ESPA Spa – One of the Top Sybaritic Spas, Condé Nast Traveler. USA Hot List 20102
- 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 Services by 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)

Forbes

The Leela Palace, Bangalore

- One of Top Indian Wedding Destinations

ULTIMATE SERVICE AWARD

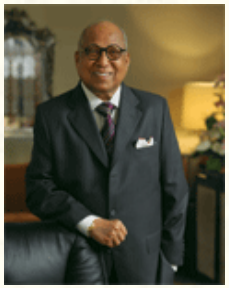
The Leela Palace, Bangalore

- CNN Ultimate Service Award 2002 & 2004

Best in Class Alliances and Tie-ups

Alliances	Credentials	Relationship with Leela
Kempinski HOTELIERS SINCE 1897	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
Preferred HOTEL GROUP	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
global hotel alliance	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
ESPA	World renowned brand for spas and skincare products	EPSA manages the Leela Group Spas at Mumbai, Udaipur, New Delhi and Chennai
Le Cirque	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
MEGU Modern Japanese Cuisine	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

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

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

Lifetime Achievement Award at **Conde Nast Traveller India's Readers' Travel Award** conferred in December 2011

Lifetime Achievement Award by The Times Travel Academy, conferred in October 2011

Vivek Nair
Vice Chairman & MD

- Over 32 years of experience in the hotel industry
- Representing the Hotel industry by being former president of Federation of Hotels & Restaurants Association of India
- Chairperson of the World Travel and Tourism Council, India Initiative 2011

Dinesh Nair
Joint Managing Director

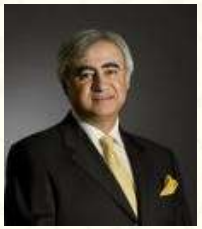
- With the Company since its inception
- 33 years of experience in management, administration, marketing and hotel management

Venu Krishnan
Deputy Managing Director

- Over 35 years of experience in project implementation, commercial and administrative matters
- Led the project implementation team for the Goa Hotel Project, 1991

Krishna Deshika
Director Finance & CFO

- 32 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



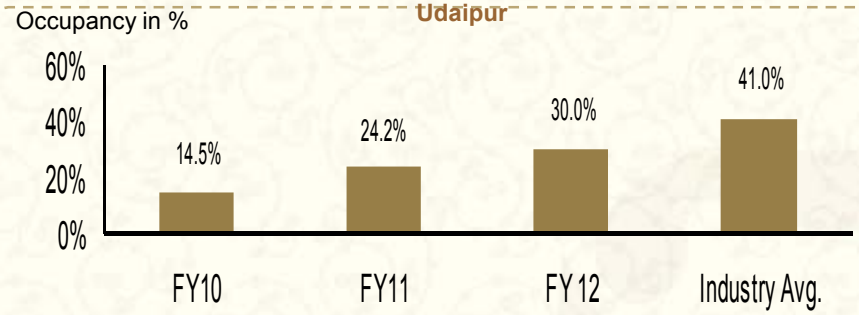
Rajiv Kaul
President

- Over 33 years of experience in hospitality
- Previously worked with Oberoi and Taj groups
- Holds a Diploma in Hotel Management and an MBA in Hospitality Management

Expand Through Owned and Managed Properties

Achieve Stabilized Occupancy Levels in New Properties

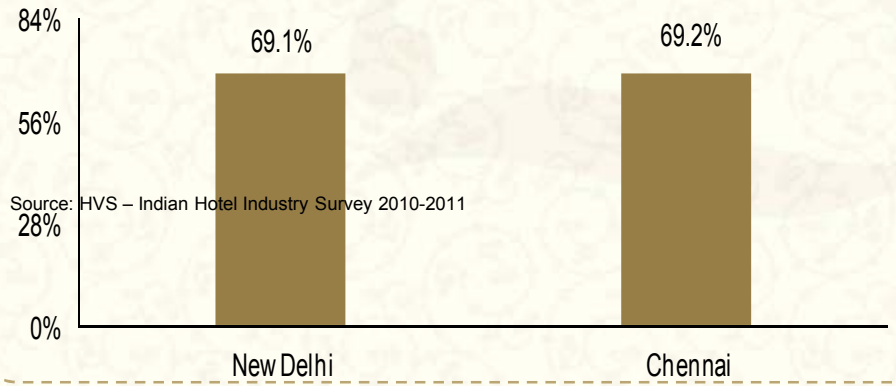
Properties like Udaipur to ramp up occupancy to industry average



Source: HVS – Indian Hotel Industry Survey 2010-2011

Ramp up Occupancy Levels in New & Upcoming Properties

Average Industry Occupancy %



Source: HVS – Indian Hotel Industry Survey 2010-2011

LOIs / Management Contracts have been executed or are being actively considered for properties at

1. Agra, UP-110 guestrooms facing the Taj Mahal
2. Ashtamudi - 40 villas facing Lake Ashtamudi
3. Jaipur, Rajasthan : Management Contract already signed for a 58 villa resort and development of the project being undertaken
4. Bangalore, Karnataka : LOI signed with Bharatiya Group which is developing a multi-use complex in a SEZ of 120 acres; 15 minutes from the Bangalore International Airport. The project envisages a Leela Hotel with 250 guestrooms, The Leela Residences with 150 residences and a Convention Centre admeasuring about 45,000 square feet, all to be managed by the Leela Group
5. NOIDA, Delhi NCR Region – An LOI has been signed with one of the leading developers in Noida who are setting up a mixed use complex admeasuring about 70,000 sq mtrs. The project envisages the Leela Palace Hotel with 250 guestrooms and The Leela Residences with 100 Units.

- 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

Note:
1. Chennai hotel expected to be completed in Q3 FY2013
2. Industry average is calculated by taking the average of previous 3 years in the region

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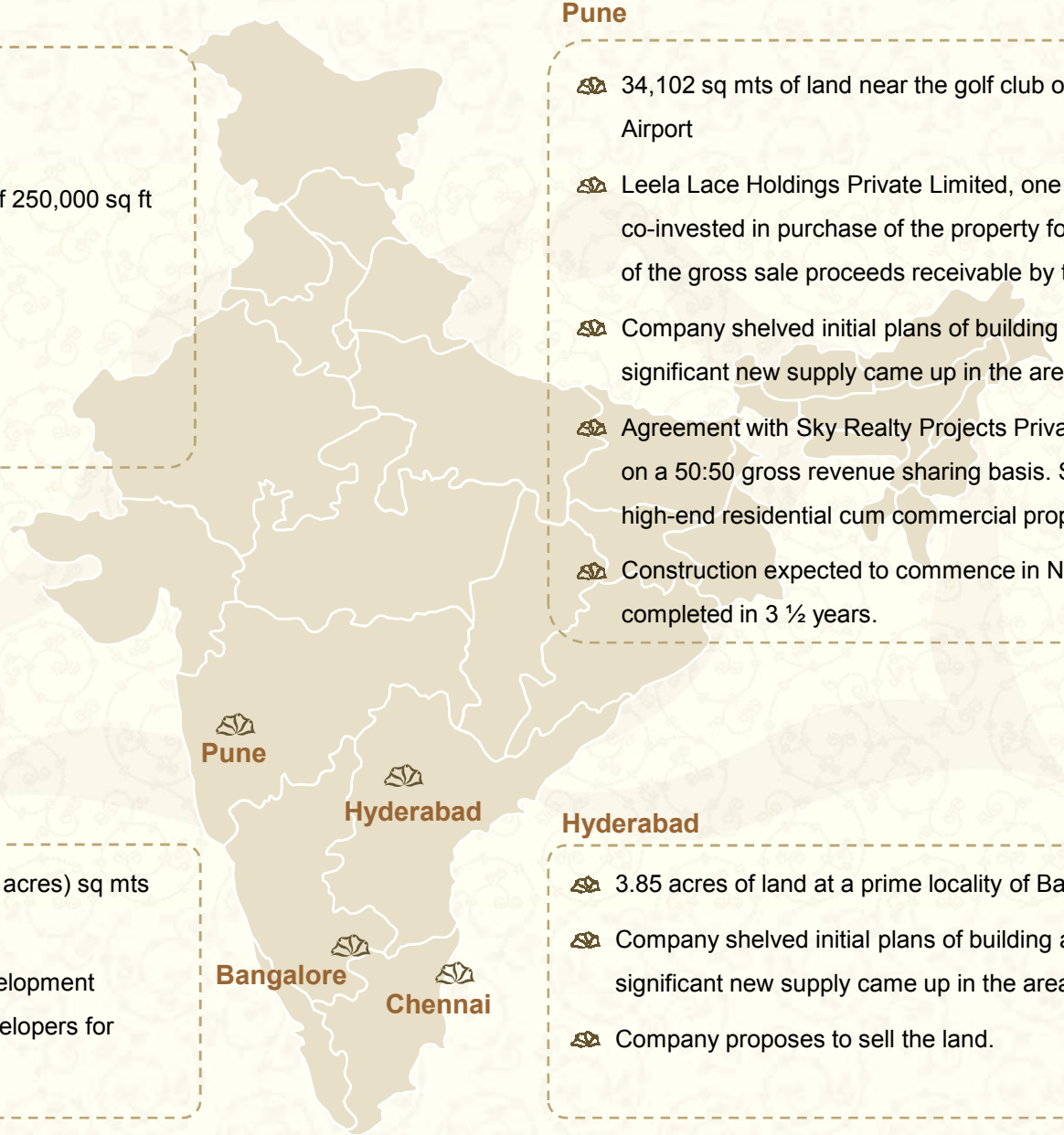
Deleveraging Through Monetization of Non Core Assets

Chennai

- Next to the Leela Palace Hotel
- Office space with saleable area of 250,000 sq ft has been built
- Proposes to sell the building
- Completion certififate is awaited

Pune

- 34,102 sq mts of land near the golf club on the main road to the Airport
- 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
- 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
- Construction expected to commence in November 2012 and to be completed in 3 ½ years.



Bangalore

- Surplus land of 8,027.07 (about 2 acres) sq mts next to The Leela Palace
- Company has signed a Joint Development Agreement with M/s Prestige Developers for developing high-end residences.

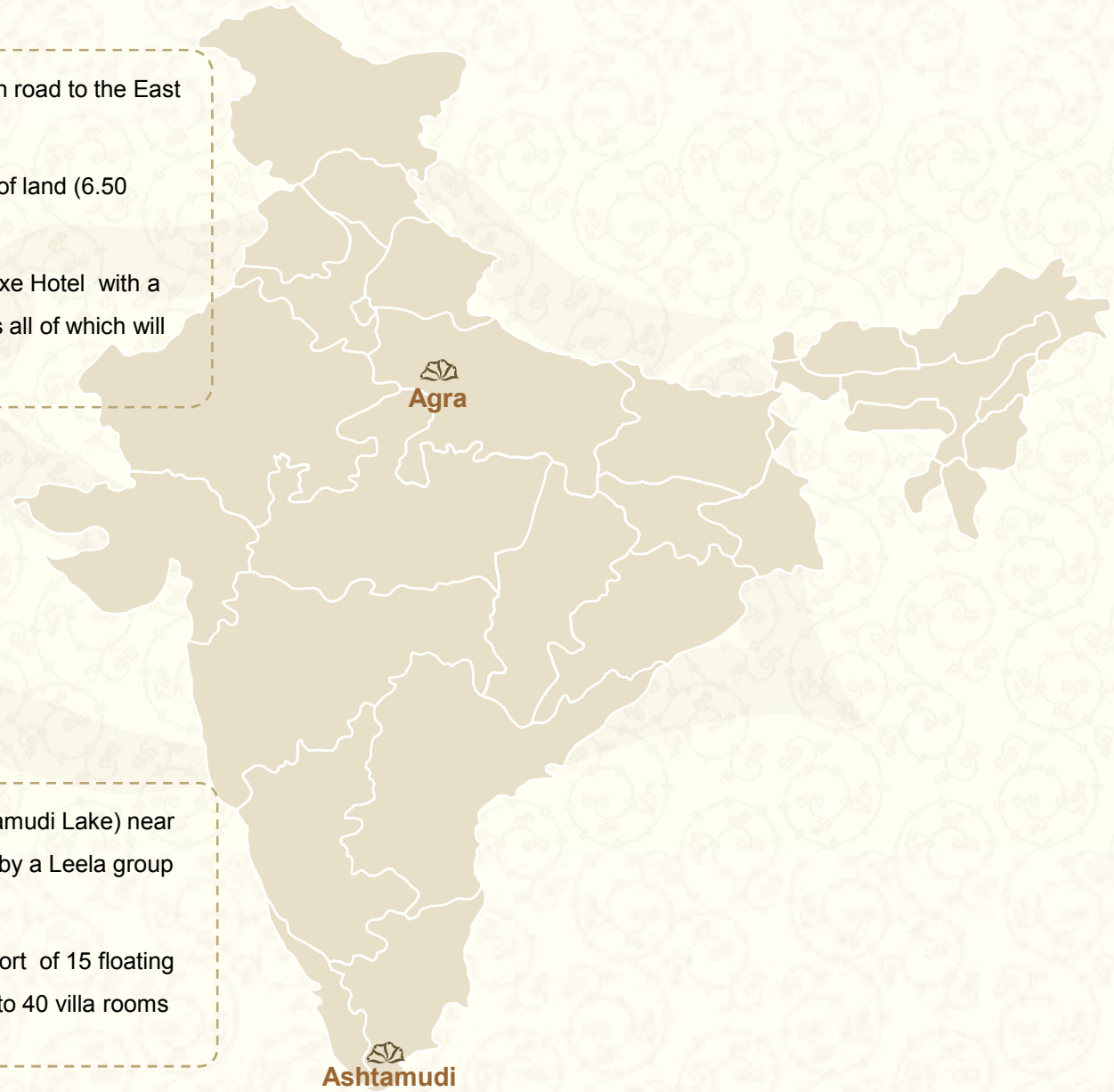
Hyderabad

- 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
- Company proposes to sell the land.

Land Available for Future Expansions

Agra

- Land parcel located on the main road to the East gate of the Taj Mahal
- Company owns 26,505 sq mts of land (6.50 acres) at a strategic location
- Proposes to build a 5 Star Deluxe Hotel with a co-investor of 110 guest rooms all of which will face the Taj Mahal



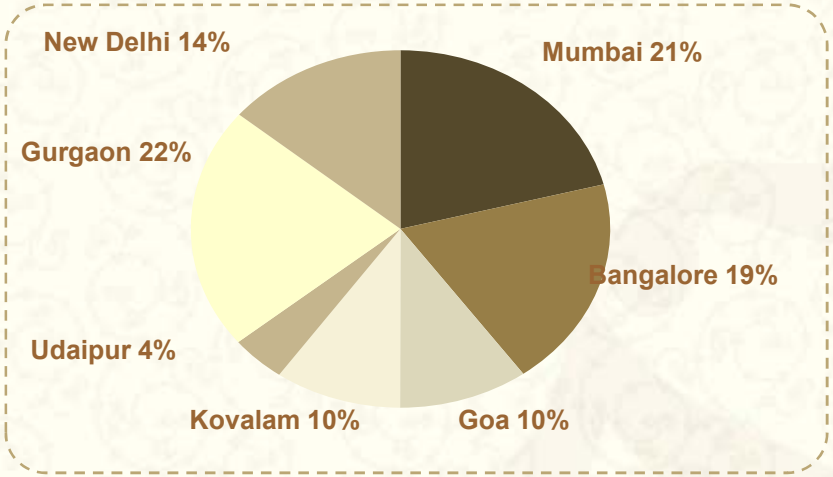
Ashtamudi

- Land located at Vellimon (Asthamudi Lake) near Kollam, Kerala which is owned by a Leela group Company
- Proposes to build a Luxury Resort of 15 floating villas and 25 other villas totally to 40 villa rooms with a co-investor

Key Financials Summary

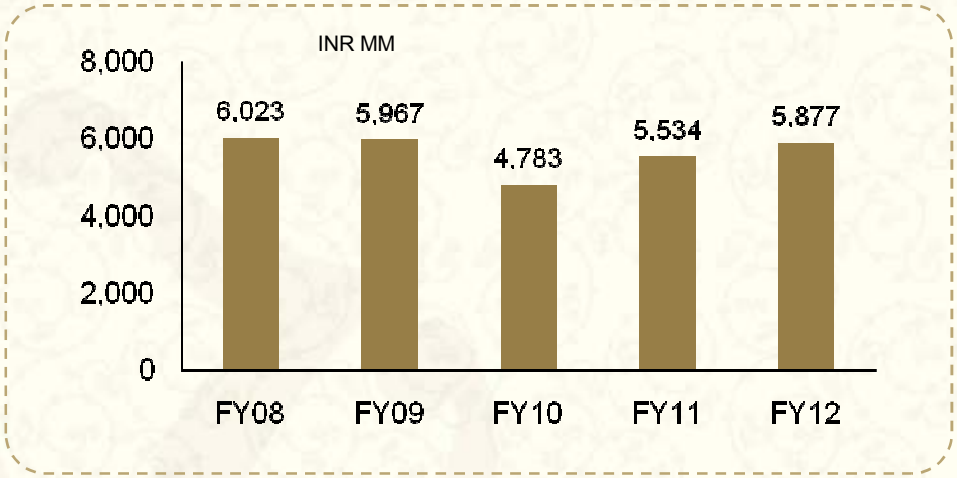
Bangalore and Mumbai – Key Drivers of Historical Profitability

Room breakup by Cities

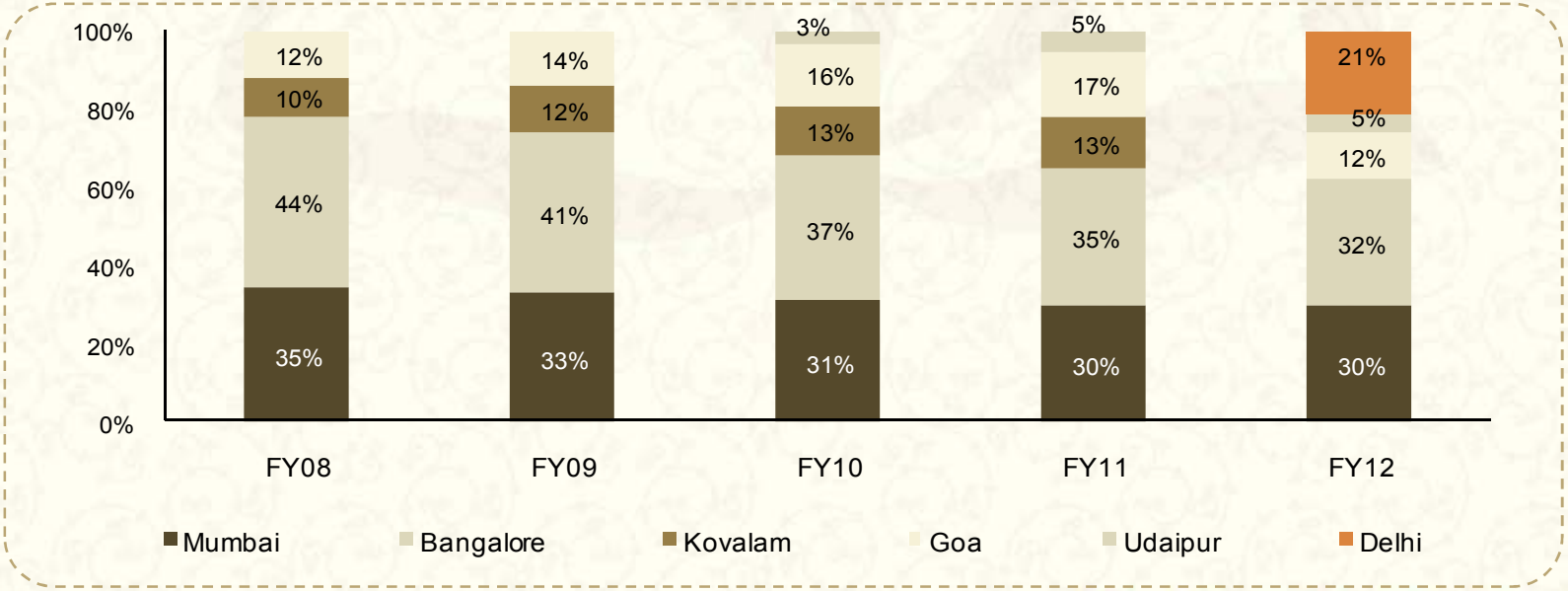


(1)

Revenue



Revenue breakup by Cities



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Appendix

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Profit and Loss Statement

INR MN	2011-12	2010-11	2009-10	2008-09	2007-08
Income					
Room Revenue	3,088	2,599	2,556	3,034	3,519
Food & Beverage Revenue	1,746	1,251	1,256	1,175	1,301
Other Operating Services	587	520	469	350	348
Income from Rental & related Services	172	157	145	143	147
Sale of Power	118	113	65	14	-
Income from Operations	5,711	4,640	4,491	4,716	5,315
Other Income	166	270	292	1,251 (1)	716
Total Income	**5,877**	**4,910**	**4,783**	**5,967**	**6,031**
Expenditure					
Consumption of raw materials	430	306	306	288	324
Employee Cost	1,731	1,043	954	894	815
Fuel, Power and Light	506	385	439	446	413
Other Expenses	2,859	1,608	1,550	1,487	1,453
Total Expenditure	**5,526**	**3,342**	**3,249**	**3,115**	**3,005**
EBITDA	**351**	**1,568**	**1,534**	**2,852**	**3,026**
Depreciation	1022	630	683	654	453
Interest	3,213	561	245	272	355
Exceptional Items / Income	4,178 (2)	185			
Profit Before Tax	**294**	**563**	**606**	**1,926**	**2,218**
Provision for Tax	107	185	196	476	732
Net Profit	**187**	**378**	**410**	**1,450**	**1,486**

Note:
1. This includes profit on buyback of bonds of INR 646 MM.
2. Profit from sale of Kovalam Hotel and operational profit till the date of sale.

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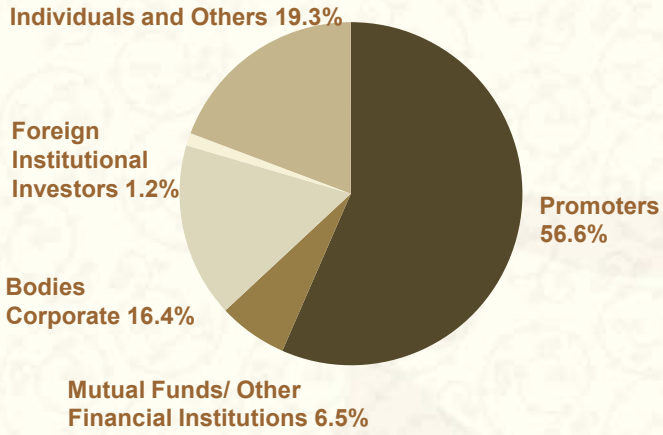
Financial and Trading Summary

Shareholding Pattern



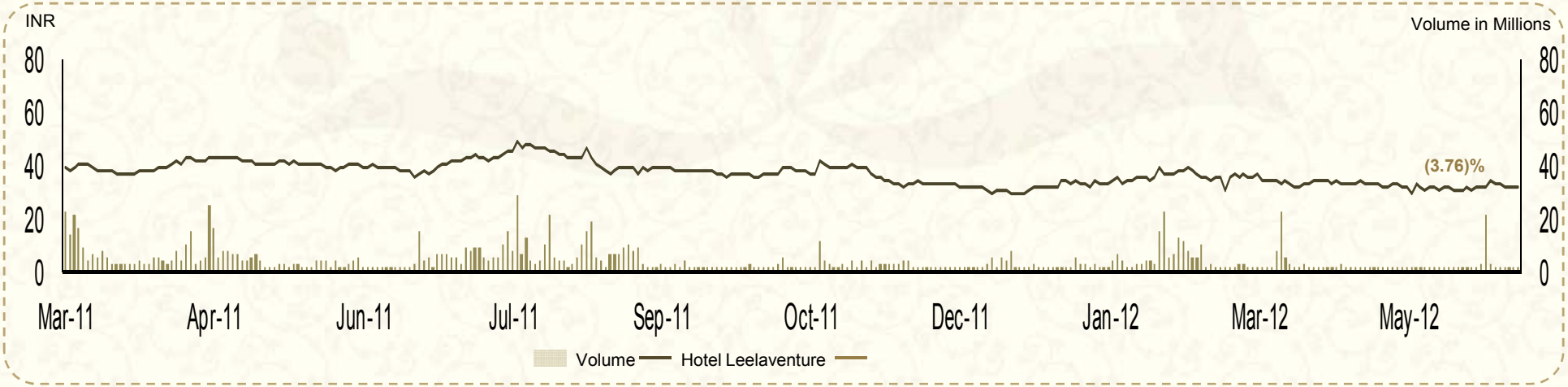
As on May 31, 2012

Share Price Performance Summary

	Share Price (INR)	As on
Current	30.95	11-June-12
52 week high	49.40	20-Jul-11
52 week low	27.60	21-Dec-11
Current Market Capitalization[2] (INR MM)		**12,003.18**
Current Market Capitalization (USD MM)		**235[1]**

Source: National Stock Exchange

Share Price Performance – Last 1 year



Source: Bombay Stock Exchange, National Stock Exchange

Note:
1. 1 USD= INR 51
2. Market Capitalization as on June 11 2012

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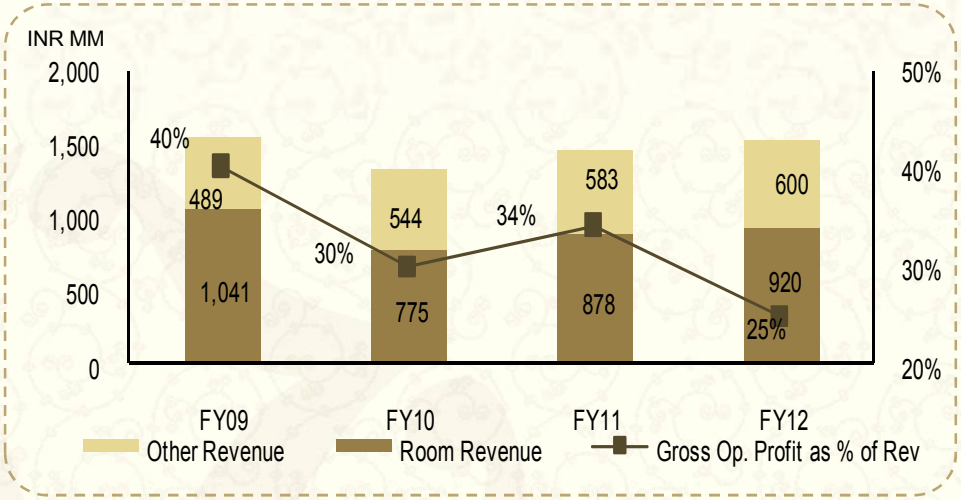
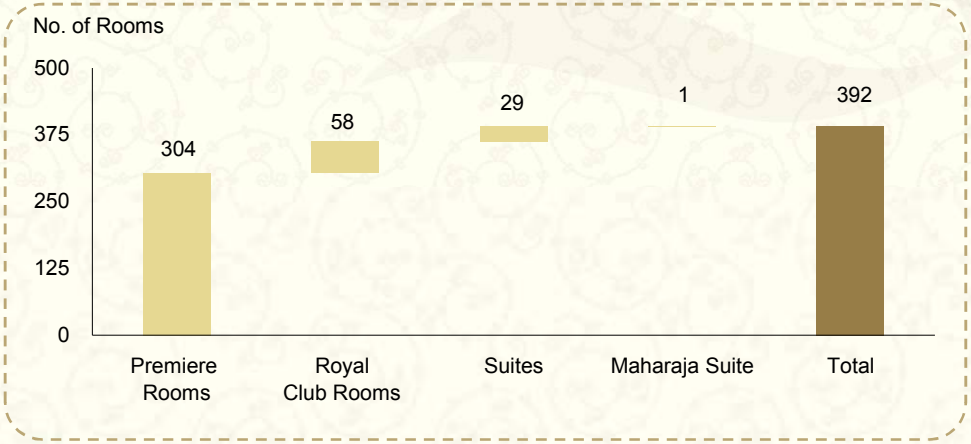
The Leela, Mumbai

- Operational since 1986, it continues to be one of the popular luxury hotels in Mumbai
- Proximity to the International & Domestic airports and business hubs like the Bandra Kurla Complex (BKC) makes it an attractive location

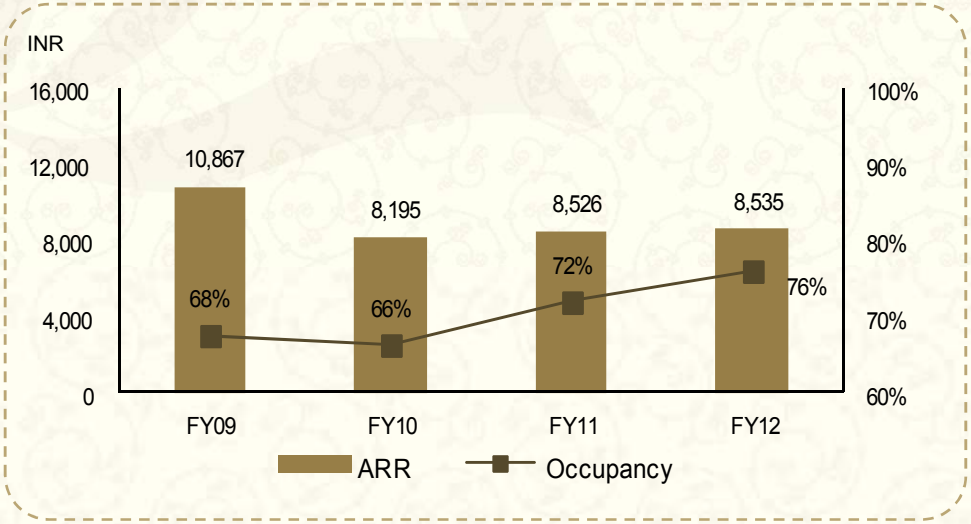
Revenue Breakup



Room Mix



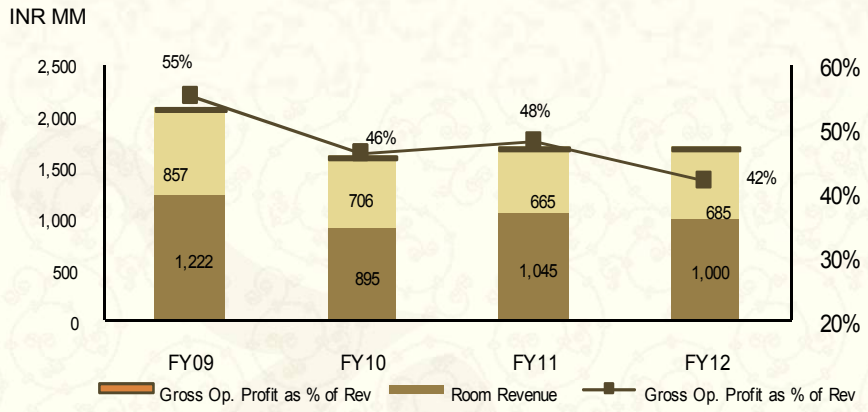
ARR and Occupancy



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

Revenue Breakup



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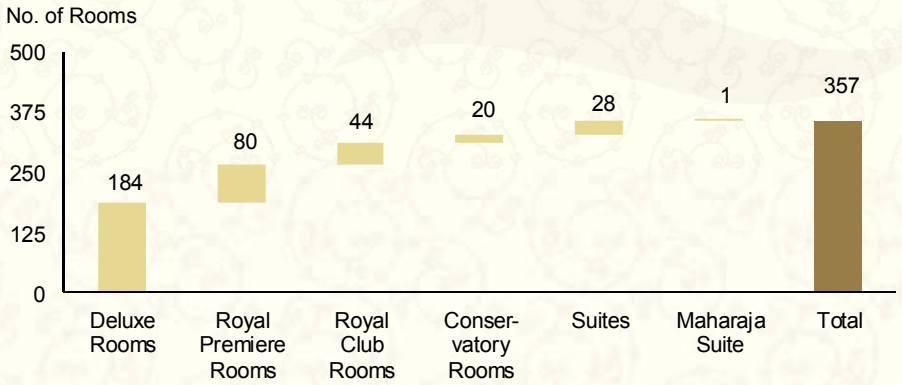

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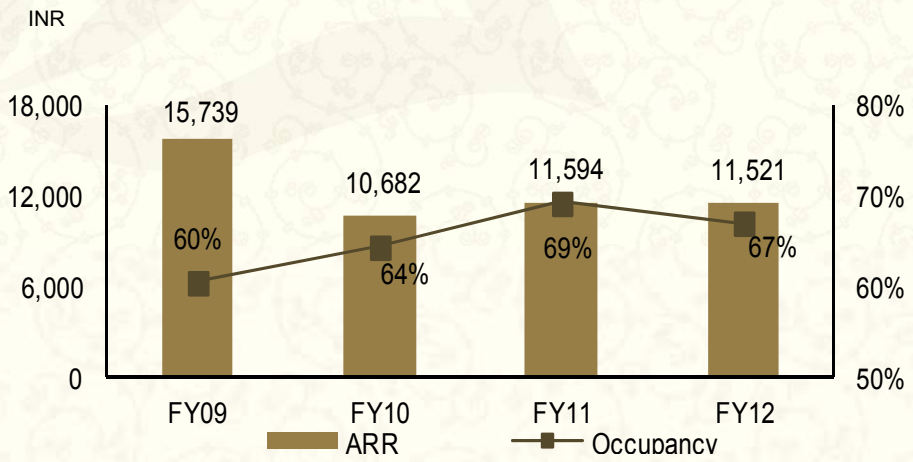
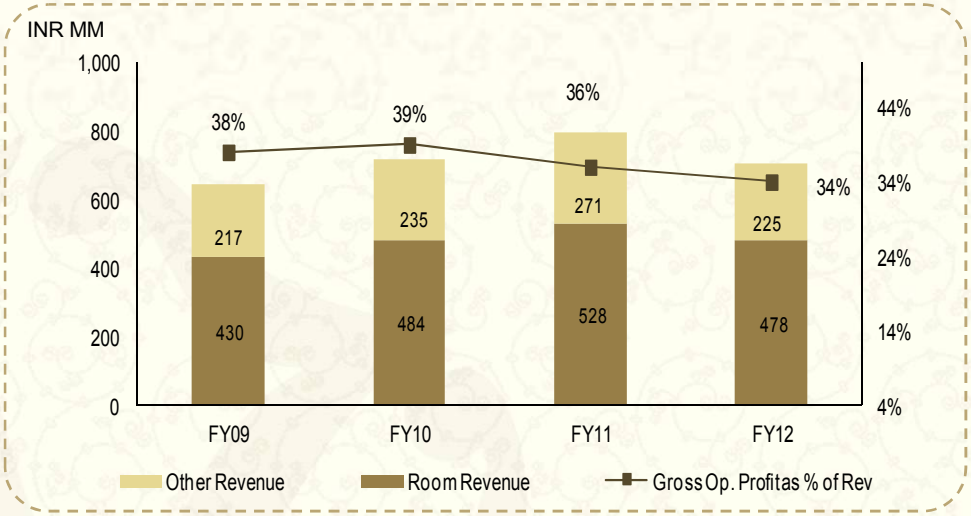


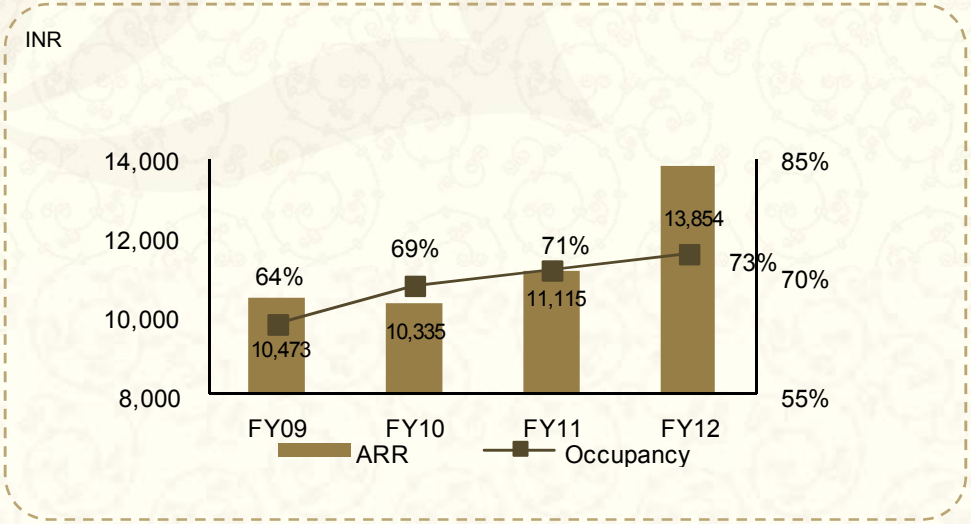
The Leela, Goa

- 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

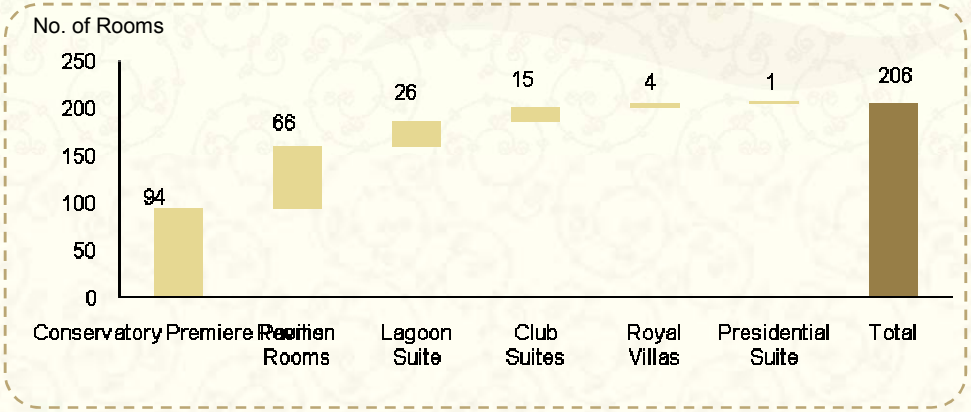
Revenue Breakup



ARR and Occupancy



Room Mix



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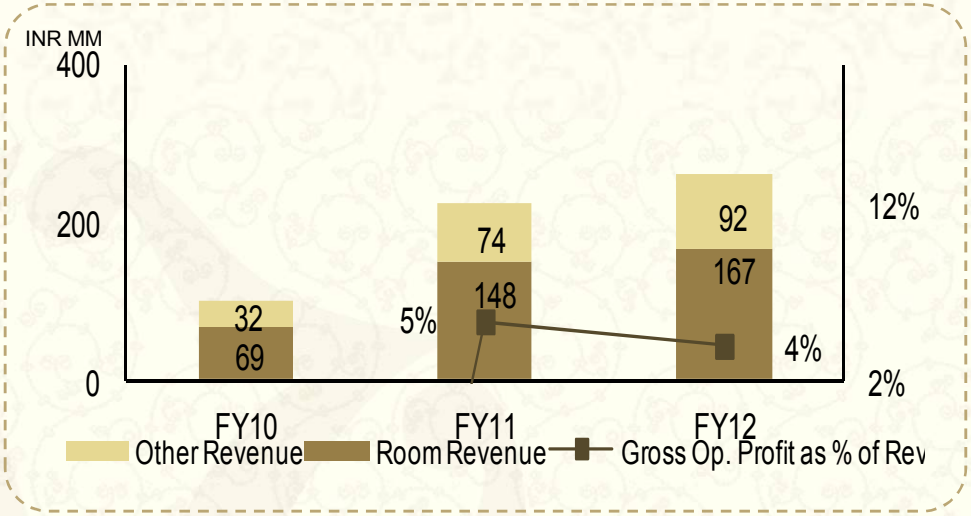
The Leela Palace, Udaipur

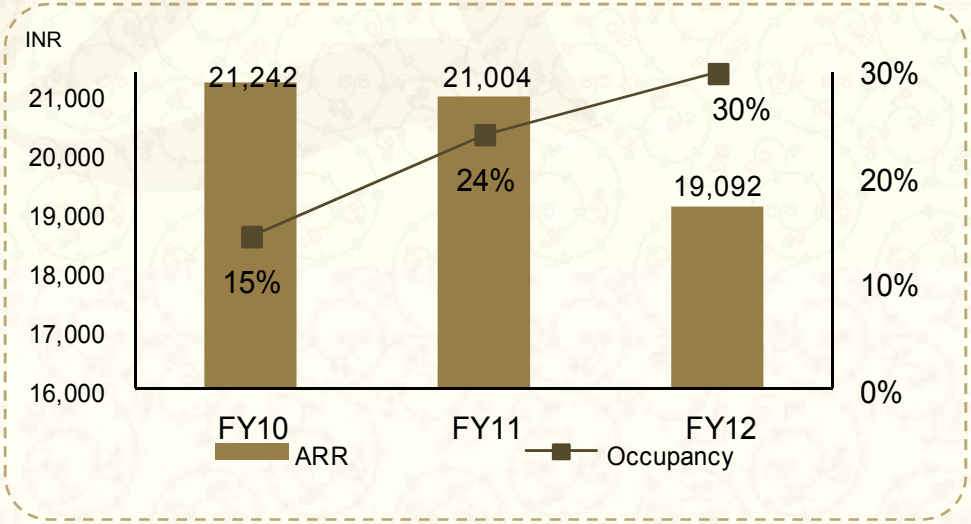
- Operational since April 2009, the hotel is located on the banks of Lake Pichola, Rajasthan
- All 80 guestrooms and suites are on the waterfront of Lake Pichola and overlook the Aravali mountains
- It is primarily a leisure market and a favored destination with both domestic and foreign travelers

Revenue Breakup



Room Mix

ARR and Occupancy



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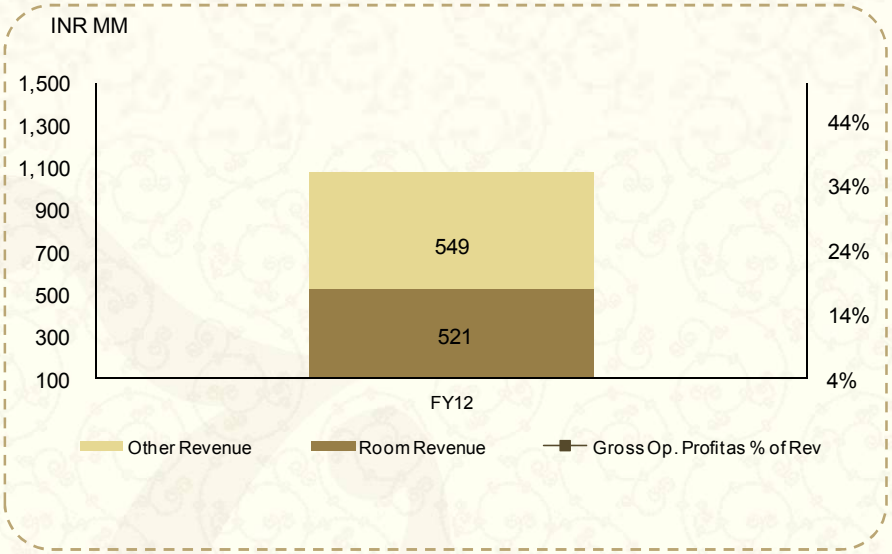
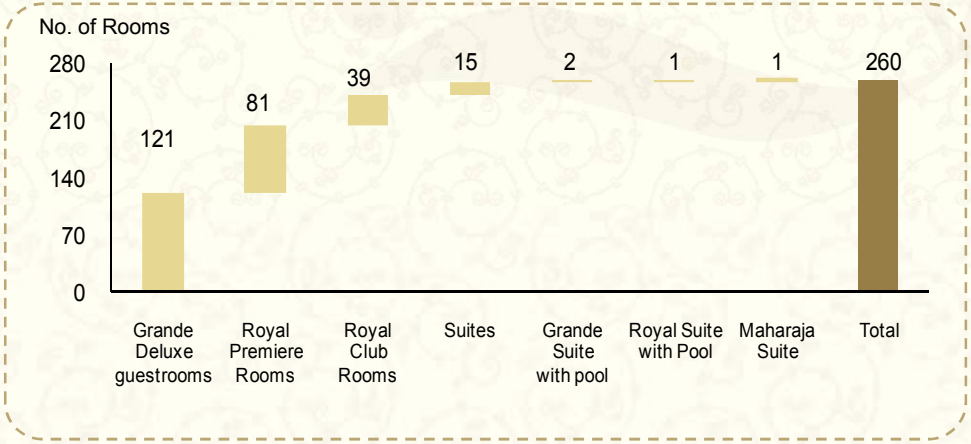
The Leela Palace, New Delhi

Revenue Breakup

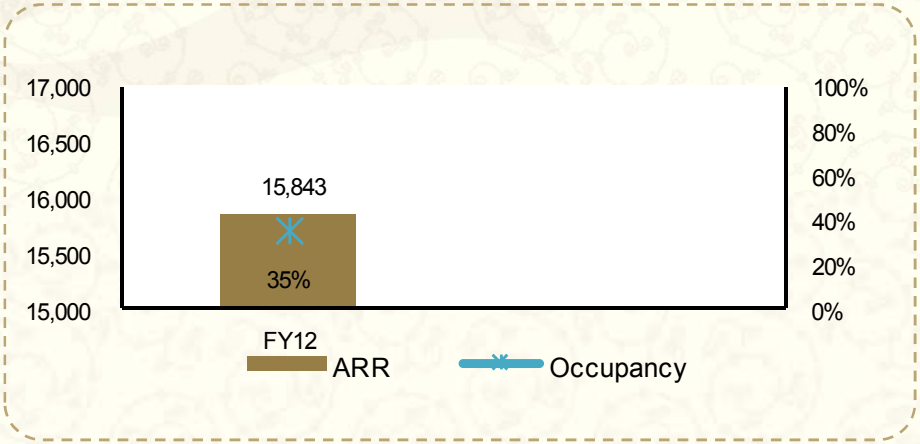


- Located in the exclusive Diplomatic Enclave
- Close proximity to Rashtrapati Bhavan, the Secretariat, as well as the central business district and historical monuments
- Spread over 12,141 sq mts of land

Room Mix



ARR and Occupancy



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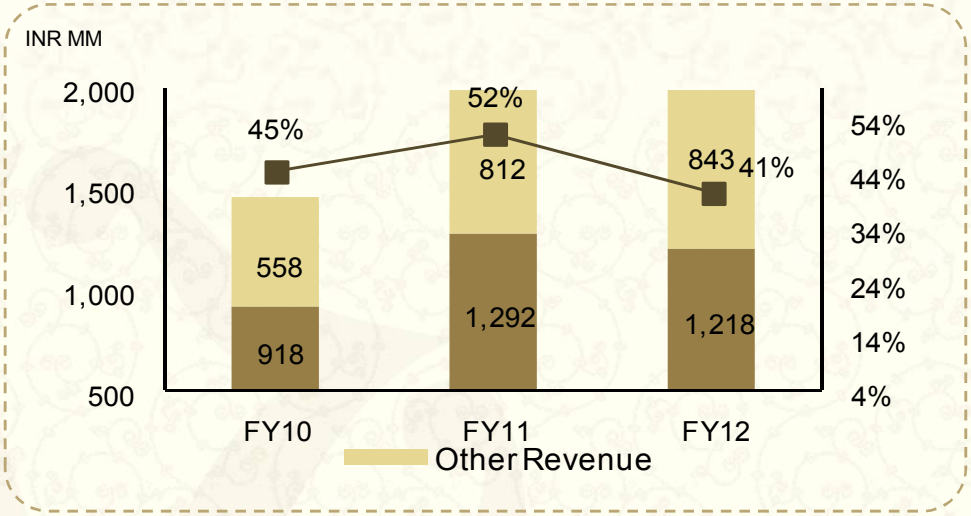
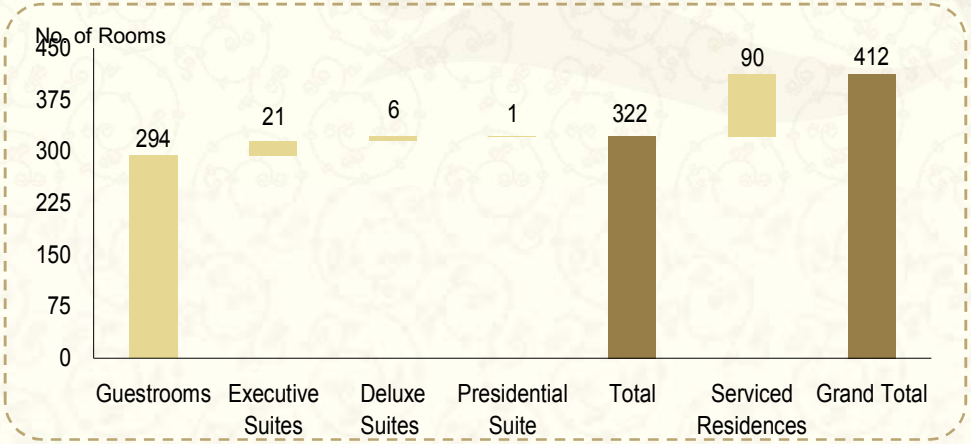
The Leela Kempinski, Gurgaon/NCR

- 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

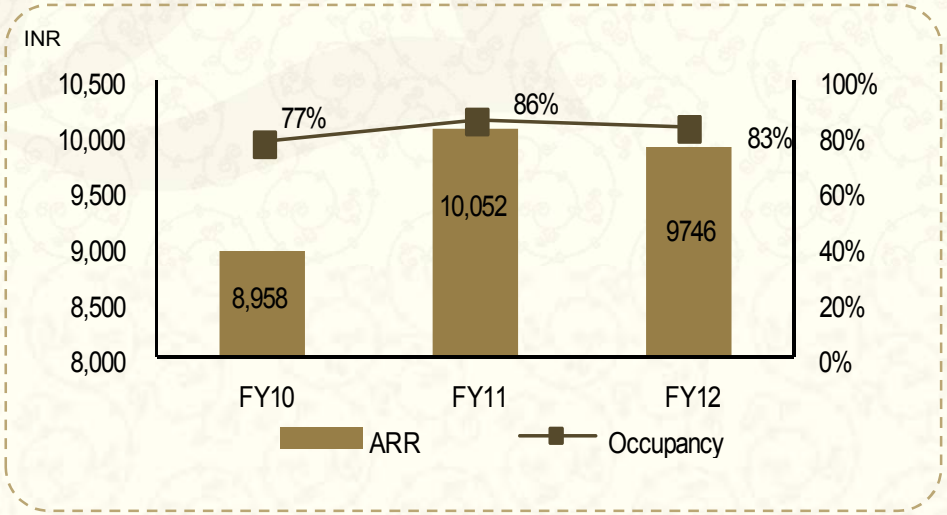
Revenue Breakup



Room Mix



ARR and Occupancy



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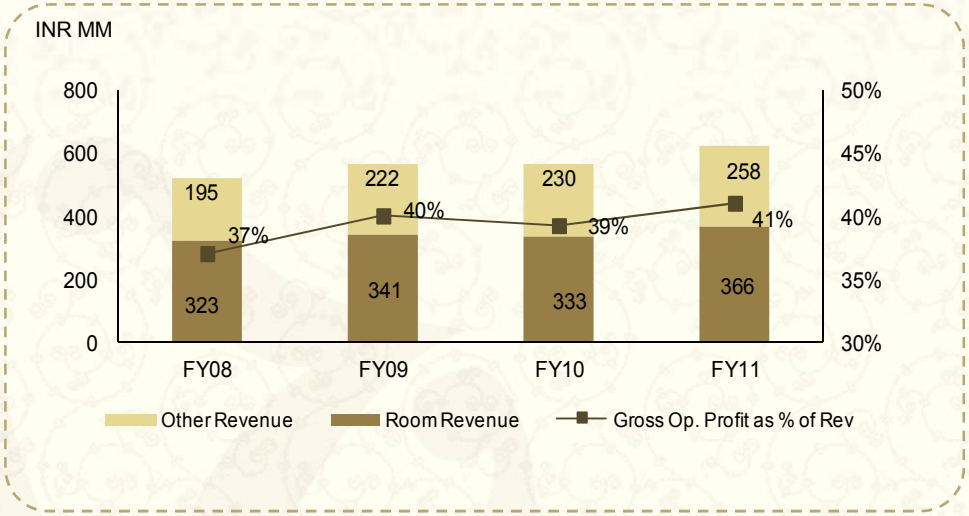
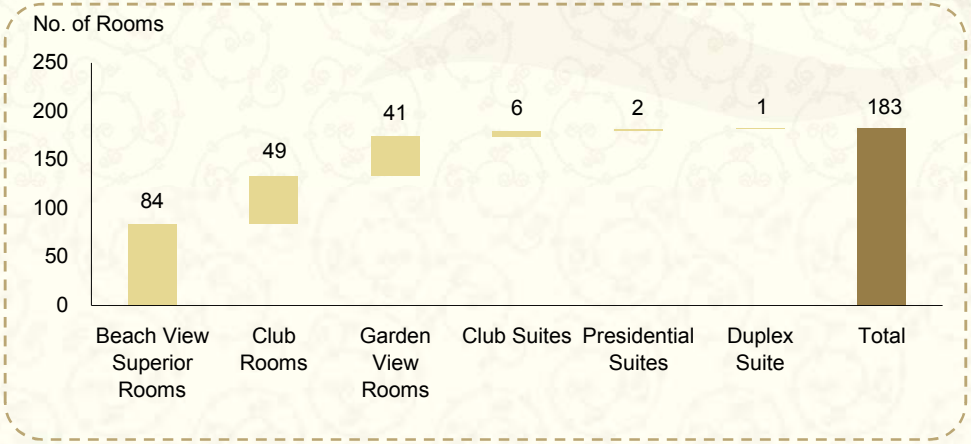
The Leela Kovalam Beach, Kerala

- 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 ARRs and ORs during the tourist season from November to March

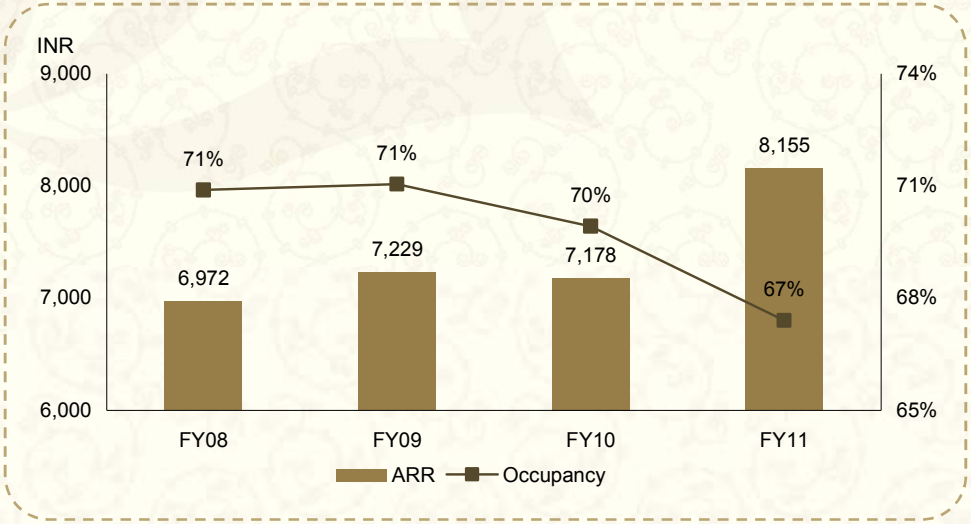
Revenue Breakup



Room Mix



ARR and Occupancy



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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 326 guest-rooms and suites overlooking the Bay of Bengal
- 16,500 sq ft large contemporary convention centre
- Expected to commence operations in Q2 FY2013

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Thank You