The Phoenix Mills Ltd.

Investor Presentation – Q2FY13

Discussion Outline

1 **About Us**
- Business Model
- Our Portfolio

2 **Key Highlights**
- Financial Overview
- Retail
- Residential and Commercial

3 **Upcoming Projects**
- Retail
- Hospitality

ALL ROADS LEAD TO A PHOENIX MARKETCITY

BUSINESS MODEL

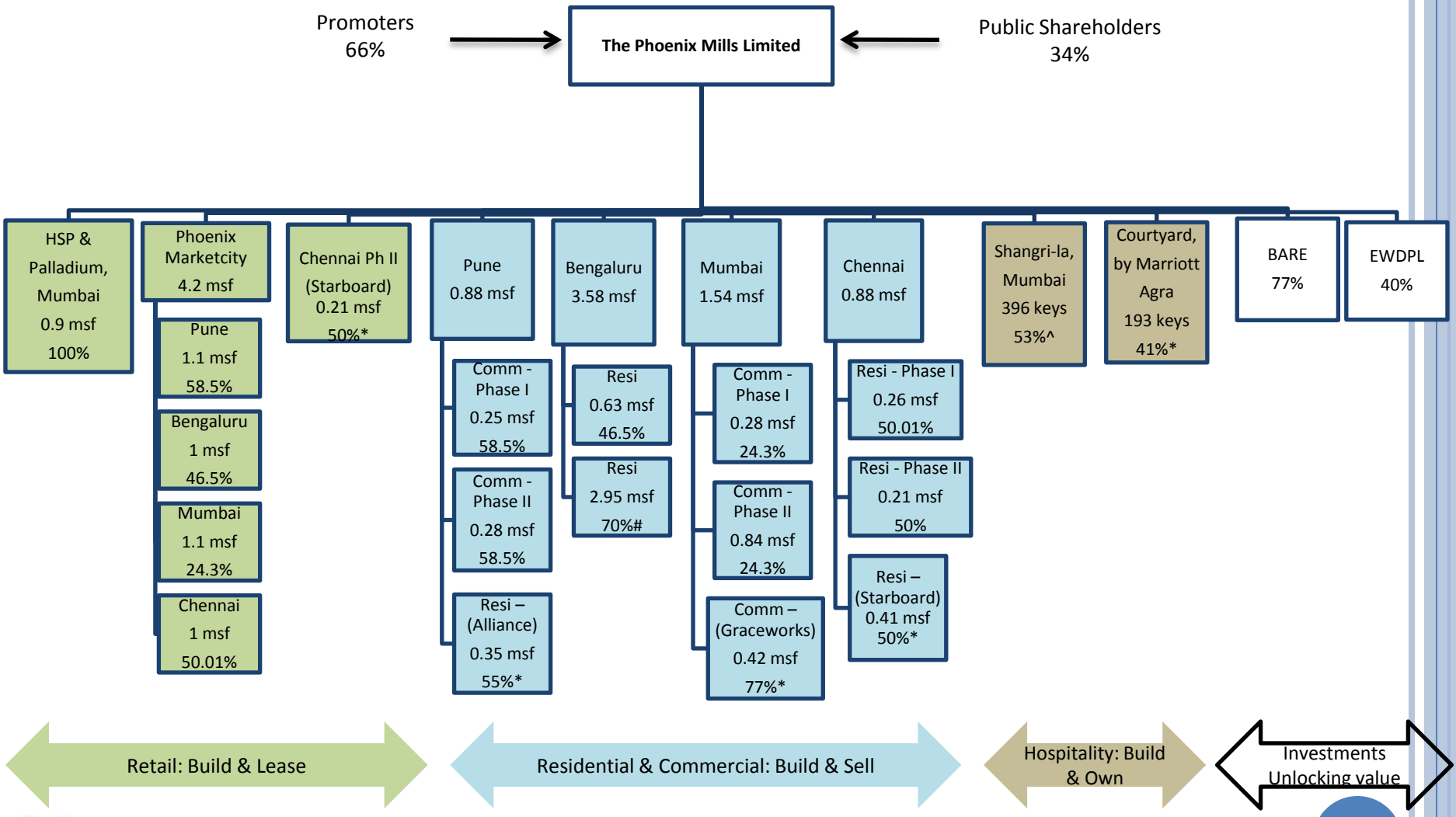
- A business model with annuity income from retail, healthy cash flows from sale of commercial & residential assets and value generation through strategic investments
- Retail: Build and Lease Model
- Residential & Commercial : Build and Sell model
- Hospitality : Build and Own Model
- Investment : Strategic Investments in Retail focused developers in Tier II & III cities

GEOGRAPHICAL - SPREAD

- Strong presence in metropolitan and Tier I cities like Mumbai, Pune, Bengaluru & Chennai
- Spreading to Tier II, Tier III cities by partnering with experienced and reputed developers

ABOUT US

OUR PORTFOLIO



- *Stake held via PHCPL (56.9% stake owned by PML)
- # The land is jointly owned by Palladium & Platinum SPVs. PML owns 70% stake in Palladium Constructions Pvt. Ltd. and PHCPL owns 70% stake in Platinum Hospitality Services Pvt. Ltd.
- ^PML's current shareholding is 100% which would dilute to 53% upon conversion of CCDs
- Bengaluru Whitefield development has an additional potential of 0.35 msf Hotel FSI

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KEY HIGHLIGHTS

STANDALONE FINANCIAL OVERVIEW

(Rs Mn)	Q2FY13	Q1FY13	*QoQ (%)*	Q2FY12	*YoY (%)*	H1FY13	H1FY12	*YoY (%)*	FY12
Income from operations	**664.5**	**626.0**	***6%***	**538.5**	***23%***	**1,290.5**	**1,081.5**	***19%***	**2,259.7**
EBITDA	**438.3**	**394.3**	***11%***	**333.5**	***31%***	**832.6**	**664.1**	***25%***	**1,400.6**
EBITDA Margin	***66%***	***63%***		***62%***		***65%***	***61%***		***62%***
Other Income	155.7	143.2	*9%*	88.7	*75%*	298.9	198.4	*51%*	457.0
Depreciation	68.7	67.2	*2%*	68.9	*0%*	136.0	135.8	*0%*	282.9
Interest	71.8	57.5	*25%*	30.5	*135%*	129.3	40.7	*217%*	165.4
Profit before tax	453.5	412.8	*10%*	322.8	*40%*	866.3	686.0	*26%*	1,409.2
Profit after tax	**330.3**	**306.0**	***8%***	**238.9**	***38%***	**636.2**	**511.2**	***24%***	**1,053.4**
EPS (Rs)	2.3	2.1	*8%*	1.6	*38%*	4.4	3.5	*24%*	7.3

Note: *Starting from Q1FY13, for better understanding of the financial statements, the electricity charges recovered from licensees, which were earlier netted off with electricity expenses are reclassified and disclosed on gross basis as income and expenses. The corresponding figures for the previous quarters/year have also been accordingly reclassified. Resultantly, the figures of the Total Income & Total Expenditure stands increased by Rs. 104mn for Q2FY13, Rs. 72mn for Q2FY12 , Rs 197mn for H1FY13, Rs. 137mn for H1 FY12 and Rs. 278.9 mn for FY12. This change does not impact the Net profit for the relevant period/year.*

KEY HIGHLIGHTS

UNAUDITED ST BALANCE SHEET

Liabilities (Rs million)	As on Sep 30, 2012	As on March 31, 2012	Assets (Rs million)	As on Sep 30, 2012	As on March 31, 2012
Share Capital	289.7	289.7	**Non - Current Assets**	**17,728.4**	**18,895.8**
Reserves & Surplus	17,066.9	16,431.2	Tangible Assets	4,230.3	4,394.6
Sub-Total	**17,356.6**	**16,720.9**	Capital Work-in-Progress	1,069.9	913.2
Non – Current Liabilities	**2,943.0**	**3,279.1**	Non-Current Investments	7,998.8	7,997.6
Long Term Borrowings	2,350.5	2,611.5	Deferred Tax Assets (Net)	28.3	28.3
Other L. T. Liabilities	588.2	663.7	L.T. Loans and Advances	4,318.0	5,478.1
Long-Term Provisions	4.3	3.9	Other Non-Current Assets	83.2	83.9
Current Liabilities	**1,753.6**	**1,768.4**	**Current Assets**	**4,324.7**	**2,872.6**
Short Term Borrowings	-	6.6	Current Investments	558.0	100.0
Trade Payables	355.3	410.4	Trade Receivables	237.7	313.6
Other Current Liabilities	1,309.4	991.4	Cash & Cash equivalents	185.9	137.7
Short Term Provisions	88.8	360.1	S.T. Loans and Advances	3,197.5	2,176.3
			Other Current Assets	145.6	145.0
Total	**22,053.2**	**21,768.4**	**Total**	**22,053.2**	**21,768.4**

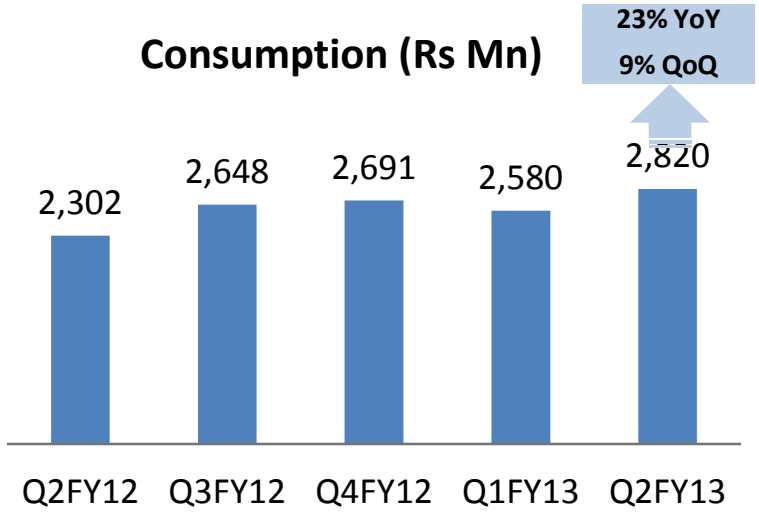
Consolidated Debt = Rs16.8bn, Consolidated Cash & Equivalents = Rs2.2bn

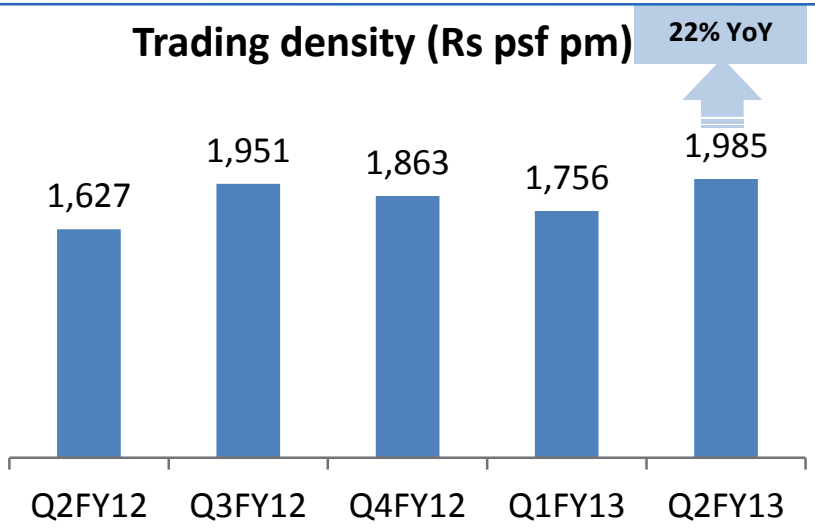
Key Highlights:

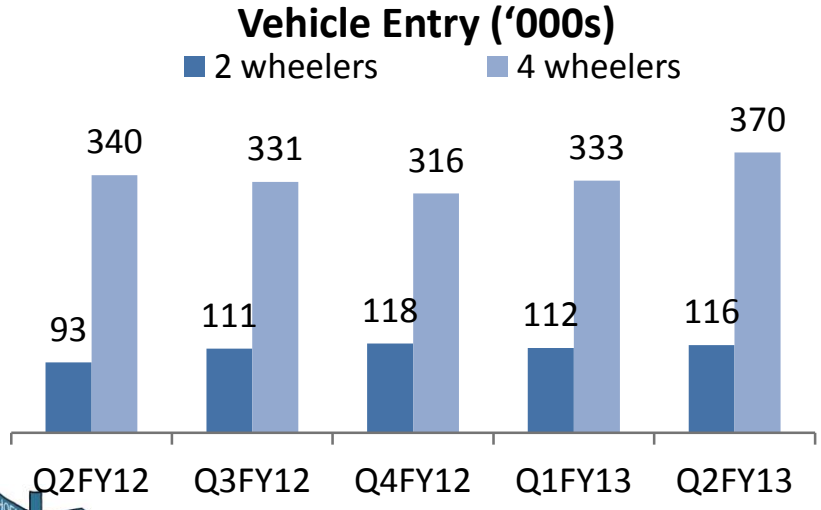
- Achieved a highest ever monthly consumption of Rs. 1,067 Mn during July 2012
- Consumption at the mall increased from Rs 2,302mn in Q2FY12 to Rs 2,820mn in Q2FY13, a 22.5% y-o-y growth
- Average Trading Density increased from Rs 1,627 psf in Q2FY12 to Rs 1,985 psf in Q2FY13, a 22.0% y-o-y growth
- HSP rental per sft p.m. increased from Rs171 in Q2FY12 to Rs 185 in Q2FY13
- A newly refurbished Big Bazaar re-opened on 05th August, 2012
- Brands like Royal Selangor (Palladium), Daniel Hechter (Palladium), Mad Over Donuts (Courtyard), Audelade (Skyzone) and The Coffee Bean & Tea Leaf (Skyzone) became operational during Q2FY13
- All new deals and renewals are taking place at over Rs350psf pm.

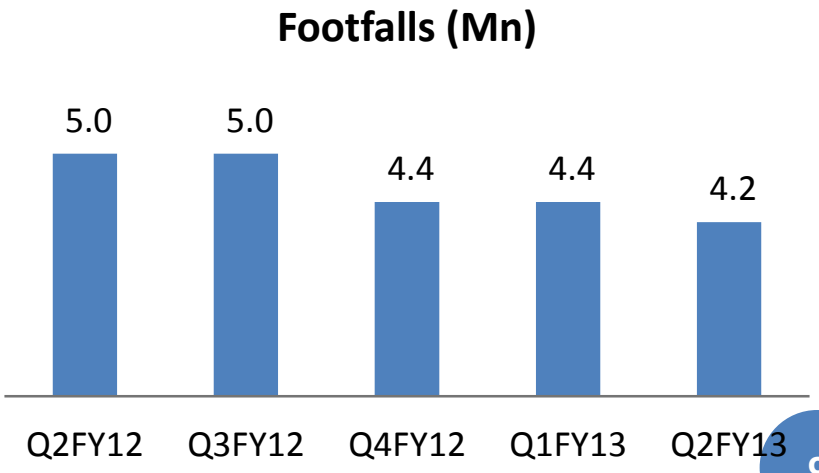
KEY HIGHLIGHTS

HIGH STREET PHOENIX









ALL ROADS LEAD TO A PHOENIX MARKETCITY

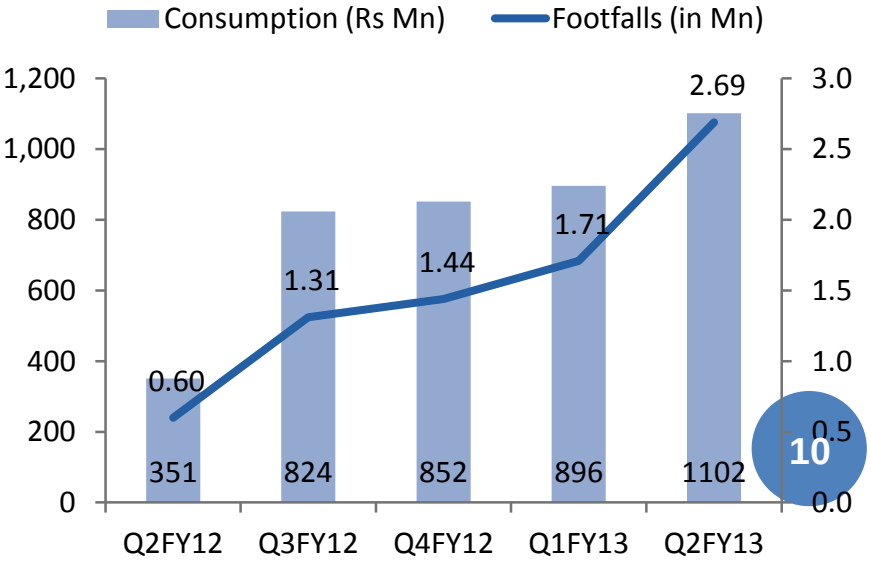
Rental rate @ HSP for Q2FY13 = Rs 185 psf pm

KEY HIGHLIGHTS

PHOENIX MARKETCITY PUNE

Key Operating Parameters	
Current Leasing Status	85%
Current Occupancy Status	76%
Number of Stores Trading	241
Target License Fees (psf/pm)	Rs.65
Key Financial Details	**(Rs. Mn)**
Equity	1,568
Secured Loan	4,566
Project Cost (Phase I)	8,053

- PVR commenced operations in September 2012
- Entertainment zone - Blu O is expected to open in Q3FY13
- ~0.22 msf out of the total saleable area of 0.25 msf of East Court has been sold at rate of ~Rs. 6,100 psf



KEY HIGHLIGHTS

PHOENIX MARKETCITY PUNE

Mall operations snapshot* (Rs mn)	Q2FY13
Rental Income	152
Recoveries (CAM and other)	132
Total Income	284
EBIDTA	136
EBIDTA Margin (as % of Rental Income)	89%
EBIDTA Margin (as % of Total Income)	48%
Rental rate (Rs psf. Pm.) for quarter	63
Cash recovered during quarter	*297*
Outstanding Debtors till date	*126*

** Does not include any income/expenses from commercial sale component*

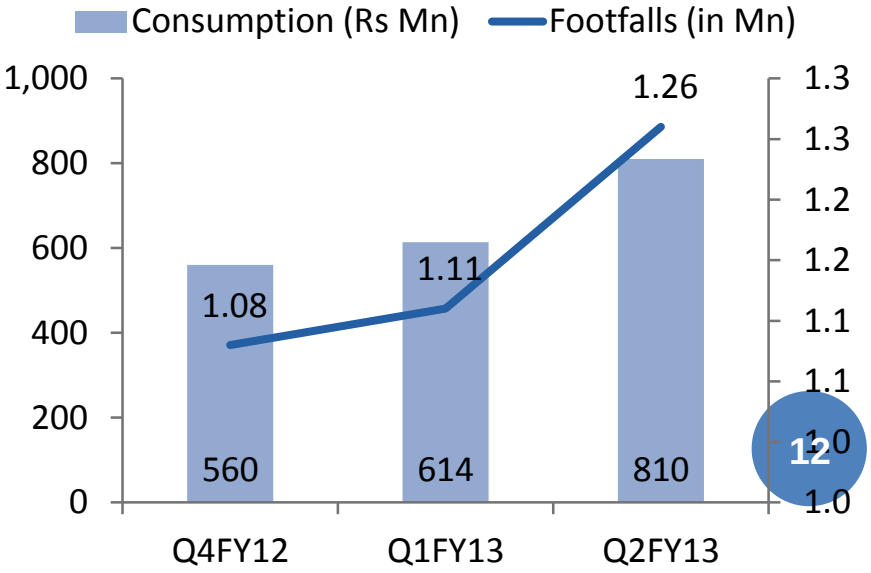
ALL ROADS LEAD TO A PHOENIX MARKETCITY

KEY HIGHLIGHTS

PHOENIX MARKETCITY BENGALURU

Key Operating Parameters	
Current Leasing Status	88%
Current Occupancy Status	66%
Number of Stores Trading	204
Target License Fees (psf/pm)	Rs.65
Key Financial Details	**(Rs. Mn)**
Equity	1,950
Secured Loan	3,415
Project Cost (Phase I)	6,111

- Pure, Bombay High, Splash, Simba, OOD Life and Amoeba have become operational between July – October 2012.
- Copper Chimney, Noodle Bar and Blu O are expected to open in Q3FY13.



ALL ROADS LEAD TO A PHOENIX MARKETCITY

KEY HIGHLIGHTS

PHOENIX MARKETCITY BENGALURU

Mall operations snapshot (Rs mn)	Q2FY13
Rental Income	141
Recoveries (CAM and other)	88
Total Income	289
EBIDTA	127
EBIDTA Margin (as % of Rental Income)	90%
EBIDTA Margin (as % of Total Income)	55%
Rental rate (Rs psf. Pm.) for quarter	63
Cash recovered during quarter	*268*
Outstanding Debtors till date	*109*

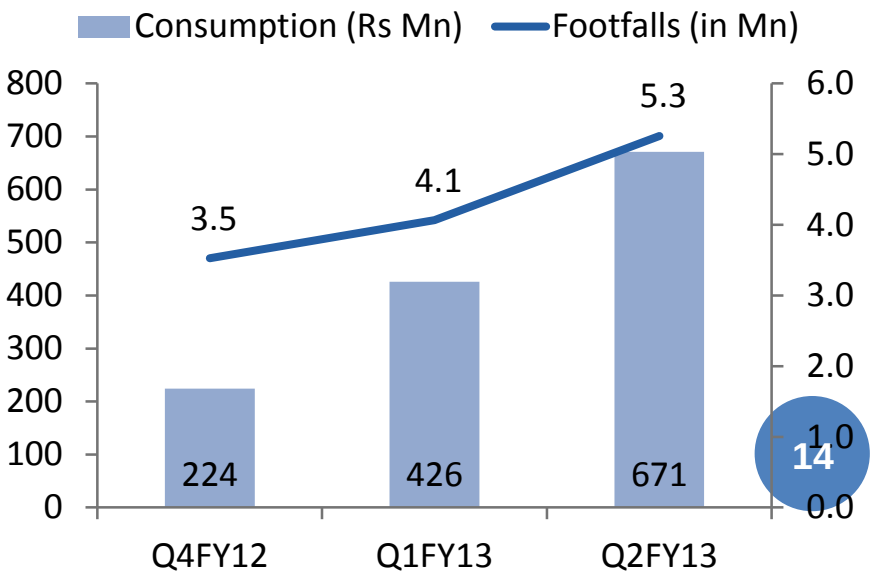
ALL ROADS LEAD TO A PHOENIX MARKETCITY

KEY HIGHLIGHTS

PHOENIX MARKETCITY KURLA

Key Operating Parameters	
Current Leasing Status	84%
Current Occupancy Status	70%
Number of Stores Trading	209
Targeted License Fees (psf/pm)	Rs. 85
Key Financial Details	**(Rs. Mn)**
Equity	3,091
Secured Loan	6,676
Project Cost (Phase I)	11,160

- Zara, Freezing Rains @ Snow World, Lacoste, Nyasa and Funzone become operational during Q2FY13.
- PVR expected to open on Oct 31st.
- Amoeba, a mega entertainment centre with 15 Bowling Alleys has partially opened with four lanes.
- Phase I 0.28 msf commercial component – "15 LBS" is 91% sold @ an Avg. price of Rs. 8,800 psf and collections till date are ~Rs. 1,800 Mn.



KEY HIGHLIGHTS

PHOENIX MARKETCITY KURLA

Mall operations snapshot* (Rs mn)	Q2FY13
Rental Income	185.6
Recoveries (CAM and other)	102.6
Total Income	288.2
EBIDTA	196.5
EBIDTA Margin (as % of Rental Income)	106%
EBIDTA Margin (as % of Total Income)	68%
Rental rate (Rs psf. Pm.) for quarter	80
Cash recovered during quarter	*264*
Outstanding Debtors till date	*220*

** Does not include any income/expenses from commercial sale component*

ALL ROADS LEAD TO A PHOENIX MARKETCITY

KEY HIGHLIGHTS

ONE BANGALORE WEST

- Launched Phase I of One Bangalore West on September 7, 2012
- Located at a prime 16.5 acre land parcel located at Rajajinagar in Bengaluru (W), One Bangalore West is PML's largest residential project
- It will consist of nine high-rise towers and a luxury development with a saleable area of ~3 million square feet.
- The launch received a tremendous response with over 275 apartments (~0.7msf) worth over Rs.5.3 bn booked within first five days
- Construction of the project's first phase is expected to begin in Q3FY2013. Excavation for towers 1,2,3 is near complete and towers 4 and 5 are in progress
- The project SPV is owned 70% by The Phoenix Mills Group

DEVELOPMENT PORTFOLIO

Portfolio = 6.9 msf in 4 cities of India
Constructed/ Launched till date = 5.2 msf

Location	Project	Type	Area msf	PML Stake	Estimated Completion	Sold till Sep '12
Pune	Phase I	Commercial	0.25	58.5%	Complete	94%
Mumbai	15 LBS	Commercial	0.28	24.3%	Complete	91%
	Orion Park	Commercial	0.84	24.3%	March 2015	38%
	Graceworks	Commercial	0.42	77%*	June 2013	10%
Chennai	Phase I	Residential	0.25	50.01%	June 2013	83%
	Classic Housing	Residential	0.21	50%	June 2013	42%
Bangalore	One Bangalore West	Residential	2.95	70%#	December 2017	24%
Total			**5.20**			

The land is jointly owned by Palladium & Platinum SPVs. PML owns 70% stake in Palladium Constructions Pvt. Ltd. and PHCPL owns 70% stake in Platinum Hospitality Services Pvt. Ltd.
* Stake held via PHCPL (56.9% stake owned by PML)

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UPCOMING PROJECTS

PHOENIX MARKETCITY, CHENNAI

Key Operating Parameters	
Leasing Status	84%
License Fees (psf/pm)	Rs. 103
Key Financial Details	(Rs. Mn)
Equity	1,498
Debt	2,873
Project Cost	6,617

- Key Brands viz. Big Bazaar Croma, Lifestyle, Pantaloons, Satyam Cinemas, Man U, OOD life, etc. are undergoing fit-outs
- Mall is expected to be launched in Q3FY13
- Construction at the Residential Tower C has progressed up to the 8th roof slab
- Of the 0.26 msf (105 apartments) launched in Phase I earlier this year, ~0.21mn sq. ft. has already been committed
- Avg. Basic Sale Price is ~Rs 7,000 per sq. ft.; total collections till date are Rs. 759 mn

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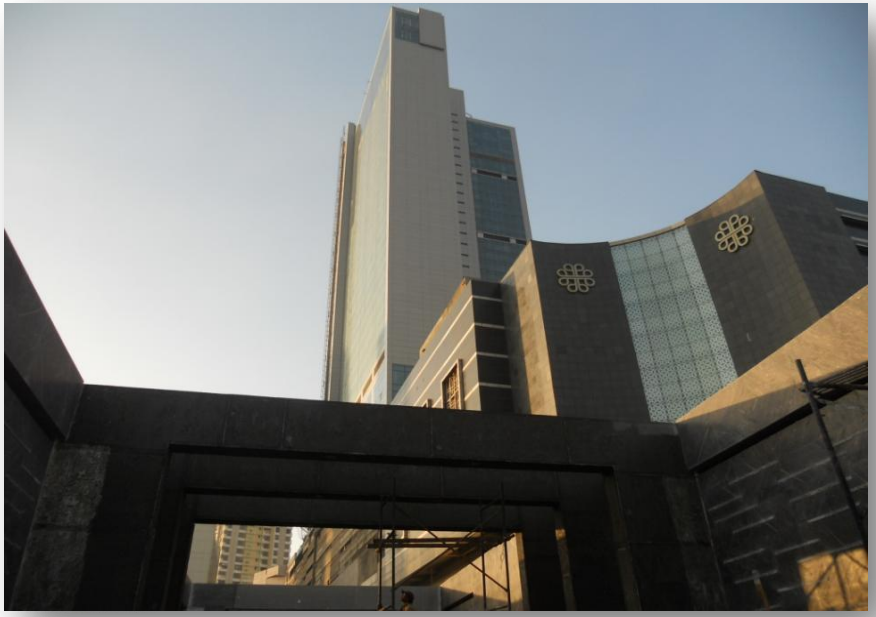
Upcoming Projects

Shangri- La

Key Parameters	
Rooms	368
Serviced Apartments	28
Equity (Rs Mn)	2,946
Debt (Rs Mn)	6,098
Project Cost (Rs Mn)	10,008



- Shangri – La is expected to be operational in Q3FY13

STRATEGIC INVESTMENTS

Big Apple Real Estate Pvt Ltd

- Investment of Rs. 1.1 bn for a 77.2% stake
- BARE operates its malls under the brand name of 'Phoenix United'
- 2 malls of 0.35 msf leasable area each are operational at Lucknow and Bareily since May 2010 and March 2012 respectively

Entertainment World Developers Pvt Ltd

- Investment of Rs. 1,590 mn for 40.3% stake
- Develops retail, hospitality and residential projects across emerging cities in central India
- Operates under the brand name 'TREASURE'
- Four malls operational with 1.3 million sq ft of leasable area and additional 3 million sq ft leasable area expected to be operational in the next 12-18 months

Key Institutional Investors

AllianceBernstein

Barclays

DWS Investments

HDFC Mutual Fund

Cohen & Steers Capital Management Inc

Reliance Capital
Anil Dhirubhai Ambani Group

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UTI Mutual Fund

IDFC Mutual Fund

T.Rowe Price
Invest with Confidence

New Vernon Capital

الهيئة العامة للإستثمار
Kuwait Investment Authority

Henderson Global Investors

Birla Sun Life Mutual Fund

Janus Capital
Asset Management Group

For more information on the Company, its projects and services please log on to www.thephoenixmills.com

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the gull sees farthest who flies highest
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THANK YOU