THE PHOENIX MILLS LIMITED

Quarterly Earnings Update, Q2-FY2012

November 14, 2011

About

The Phoenix Mills Limited (PML)

PEDIGREE

- Started retail revolution in India by converting a textile mill into the most preferred retail destination in India
- Transformed Lower Parel into the most sought after destination for retail, residential and commercial purposes

BUSINESS MODEL

- Retail-led, mixed use developments through Phoenix Marketcity, a consumption infrastructure business
- Retail : Build and Lease model
- Residential & Commercial : Build and Sell model
- Hospitality : Build and Hold model
- Investment : Strategic Investments in Tier II & III cities

GEOGRAPHICAL - SPREAD

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

Standalone Financial Overview

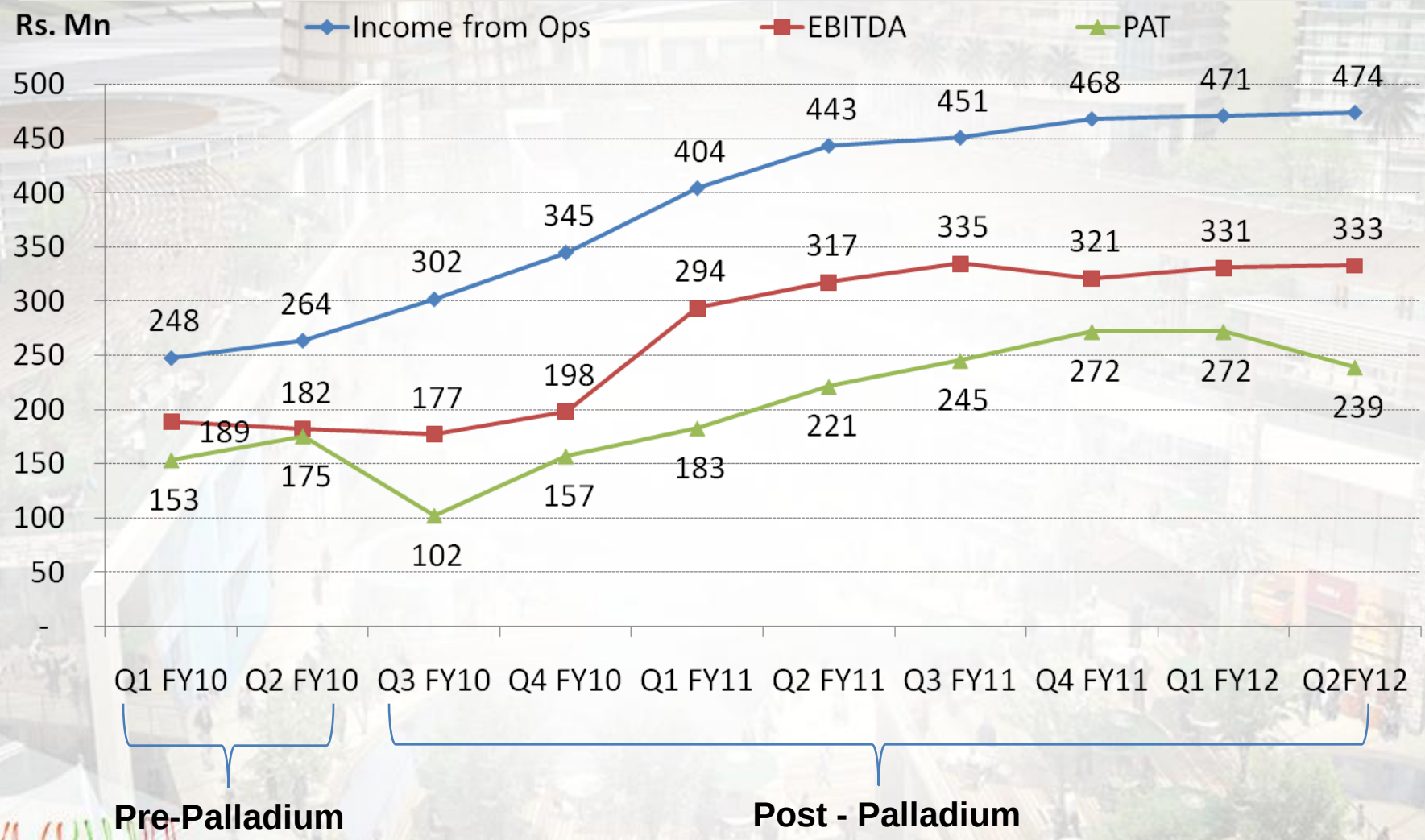
(Rs million)	Q2FY12	Q2FY11	YoY change	Q1FY12	QoQ change	H1 FY12	H1 FY11	YoY change
Income from operations	**474**	**443**	***7%***	**471**	***1%***	**945**	**848**	***11%***
EBITDA	**333**	**317**	***5%***	**331**	***1%***	**664**	**611**	***9%***
EBITDA Margin	*70%*	*72%*		*70%*		*70%*	*72%*	
Other Income	89	66	*34%*	110	*-19%*	198	110	*81%*
Depreciation	69	70	*-1%*	67	*3%*	136	138	*-2%*
Interest	31	29	*5%*	10	*199%*	41	64	*-36%*
Profit before tax	323	285	*13%*	363	*-11%*	686	519	*32%*
Profit after tax	**239**	**221**	***8%***	**272**	***-12%***	**511**	**404**	***27%***
EPS (Rs)	1.65	1.53		1.88		3.53	2.79	

Standalone Balance Sheet

Liabilities (Rs million)	As on Sep 30, 2011	As on March 31, 2011	Assets (Rs million)	As on Sep 30, 2011	As on March 31, 2011
Share Capital	290	290	Fixed Assets	5,226	5,189
Reserves & Surplus	16,227	15,715	Investments	5,153	5,177
Loan Funds			Deferred Tax Assets	13	13
Secured Loans	2,460	400	Current Assets, Loans & Adv		
			Inventories	-	-
			Sundry Debtors	437	875
			Cash & Bank Balances	250	78
			Loans & Advances	9,656	6,927
			Less : Current Liab. & Prov.		
			Current Liabilities	1,652	1,510
			Provisions	106	343
			Net Current Assets	8,585	6,027
Total	**18,977**	**16,405**	**Total**	**18,977**	**16,405**

Consolidated Gross Debt = Rs 13,600 mn
Consolidated Cash and Equivalents = Rs 2,200 mn

Key trends over last ten quarters



Results Analysis

Q2FY2012 v/s Q2FY2011

- Income from operations increased 7%, from Rs. 443 mn in Q2-FY2011 to Rs. 474 mn in Q2-FY2012 led by sustained consumption growth at the centre
- EBITDA was higher by 5% from Rs. 317 mn in Q2-FY2011 to Rs. 333 mn in Q2-FY2012
- Interest expense has increased by 5% yoy due to additional debt taken during Q2-FY2012
- PBT has increased from Rs. 285 mn in Q2-FY2011 to Rs. 323 mn in Q2-FY2012, an increase of 13% primarily due to higher other income
- PAT was higher at Rs. 239 mn in Q2-FY2012 as compared to Rs. 221 mn in Q2-FY2011, an increase of 8%

H1FY2012 v/s H1FY2011

- Income from operations increased by 11%, from Rs. 848 mn in H1-FY2011 to Rs. 945 mn in H1-FY2012
- EBITDA was higher by 9% from Rs. 611 mn in H1-FY2011 to Rs. 664 mn in H1-FY2012
- PBT has increased from Rs. 519 mn in H1-FY2011 to Rs. 686 mn in H1-FY2012, an increase of 32% primarily due to higher other income
- PAT was higher at Rs. 511 mn in H1-FY2012 as compared to Rs. 404 mn in H1-FY2011, an increase of 27%

HIGHLIGHTS DURING THE QUARTER

High Street Phoenix

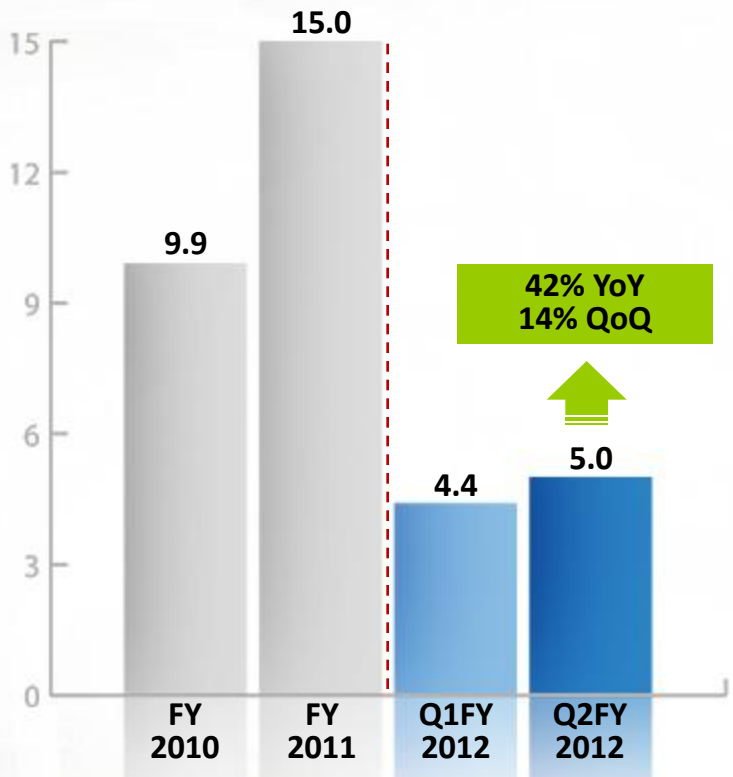
High Street Phoenix (HSP)

- Arguably the most sought after destination in Mumbai, one of the most successful malls in India
  - Opening of 18,000 sq. ft. Grand Galleria Connect in September 2011
  - Achieved footfall of 1.8 mn in August. Highest per day footfall of 1 lakh was recorded on 14th August, 2011
- Significant additional FSI potential yet to be explored (Phase IV)
- High Street Phoenix will benefit from the redevelopment of at least 10 mn sq. ft. units over the next 3-5 years in Central Mumbai which will ensure addition of footfalls from higher spending buyers

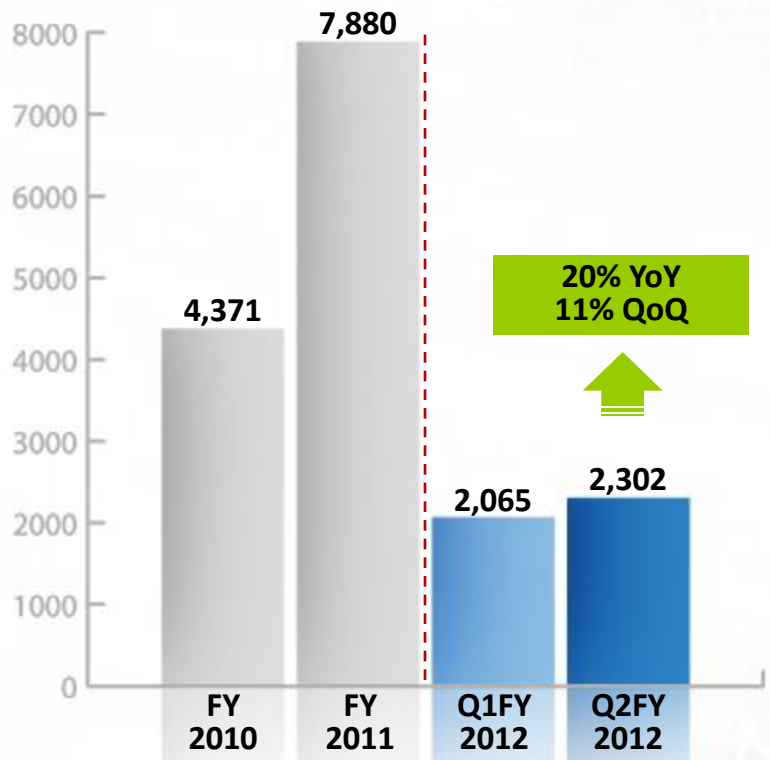
	No of licensees	Key Brands
Ex-Palladium	125	Big Bazaar, Lifestyle, Pantaloon, Marks & Spencer, Titan, Tanishq
Palladium	90	Zara, Burberry, Diesel, Canali, Mango, Vero Moda, Landmark

Operational Highlights - HSP

Footfalls (mn)



Consumption (Rs. mn)



- Average of 1.6 million footfalls every month in Q2FY12
- Average sales per sq. ft. (carpet area) at Rs. 1,455 for H1-FY2012 v/s Rs. 1,389 for FY2011

HIGHLIGHTS DURING THE QUARTER

Phoenix Marketcity Projects

Phoenix Marketcity Projects

Particulars	Pune	Bangalore	Kurla	Chennai	Total
Total developable area (mn sq. ft.)	**1.8**	**1.9**	**2.5**	**1.5**	**7.7**
Retail (mn sq. ft.)	1.2	0.9	1.3	1.0	**4.4**
Commercial/Hotel (mn sq. ft.)	0.6	0.4	1.2		**2.2**
Residential (mn sq. ft.)		0.6		0.5	**1.1**
Launch / Expected Launch Date (Retail)	**June 2011**	**Oct 2011**	**Nov 2011**	**Q1FY13**	
Lease status	80%-85%	70%-75%	70%-75%	60%	
Avg. License Fee (Rs per sq. ft. pm)	60-65	60-65	90-95	75-80	
PML's Stake	59%	46%	24%	31%	
PML's investment (Rs mn)	584	476	247	250	**1,557**

Phoenix Marketcity Pune

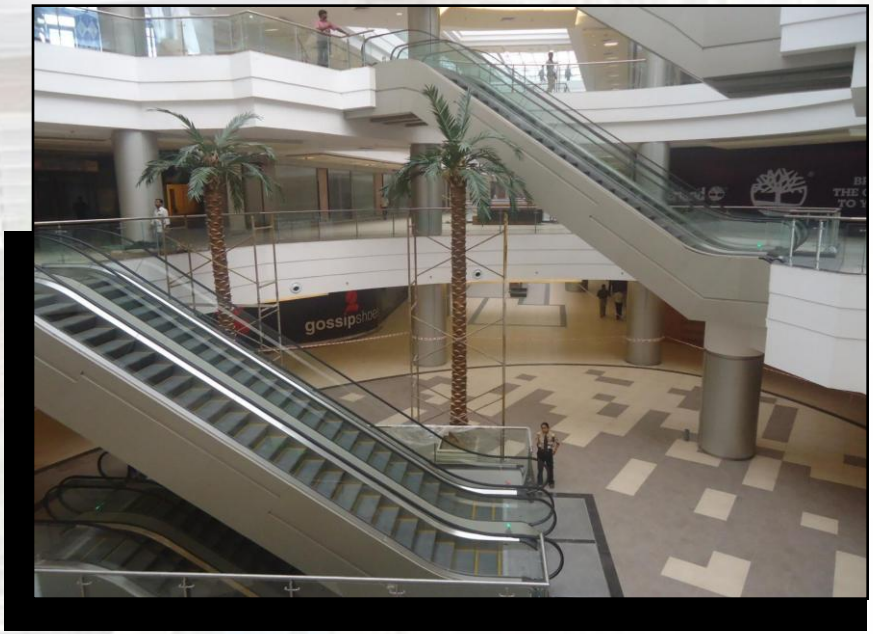
- Mall launched with around 33 stores; around 200 stores operational currently
- Occupancy ramped up to 60 – 65% currently from around 25% at time of launch
- Footfalls crossed 0.4 mn in Oct. 2011

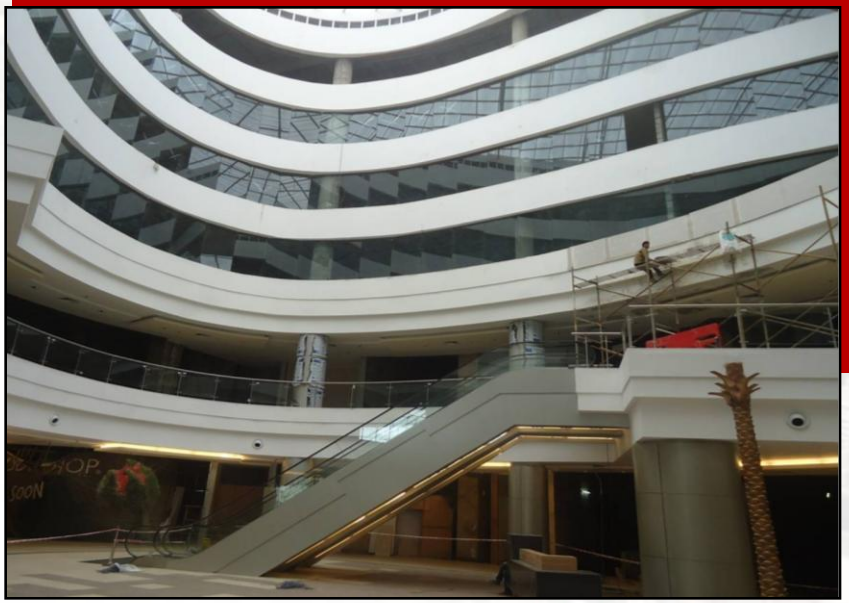
- Consumption of Rs 300 mn in Oct 2011
- Current billing of Rs 50 mn per month
- Around 75% of the 0.26 mn sq. ft. of Ph-I commercial/retail saleable area has been sold worth Rs 1,200 mn with collection of Rs 1,100 mn

Phoenix Marketcity Bangalore

- Mall opened on Oct 21, 2011 with over 112 stores
- Current occupancy around 20-25%
- Healthy average footfalls of around 15,000 footfalls per week-day; with weekends witnessing around 25,000 footfalls

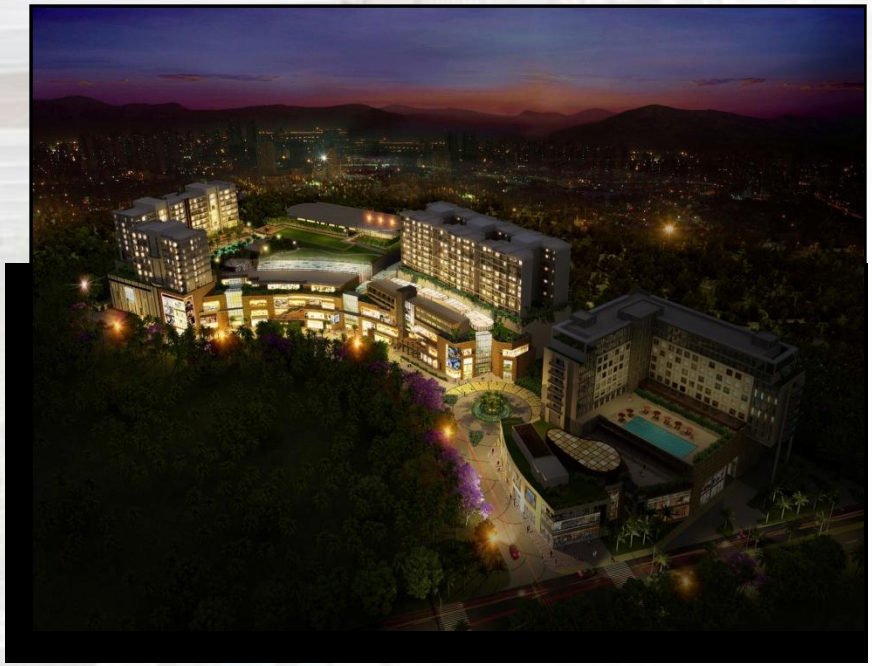
Phoenix Marketcity Mumbai





- Expected to be operational in November 2011 with 70 stores
- Debt for the project has been refinanced and converted to a LRD
- Total refinanced sanctioned debt of Rs. 5,750 mn
- Around 60% of the commercial saleable area of Ph I has been sold. Collections amount to Rs. 900 mn

Phoenix Marketcity Chennai

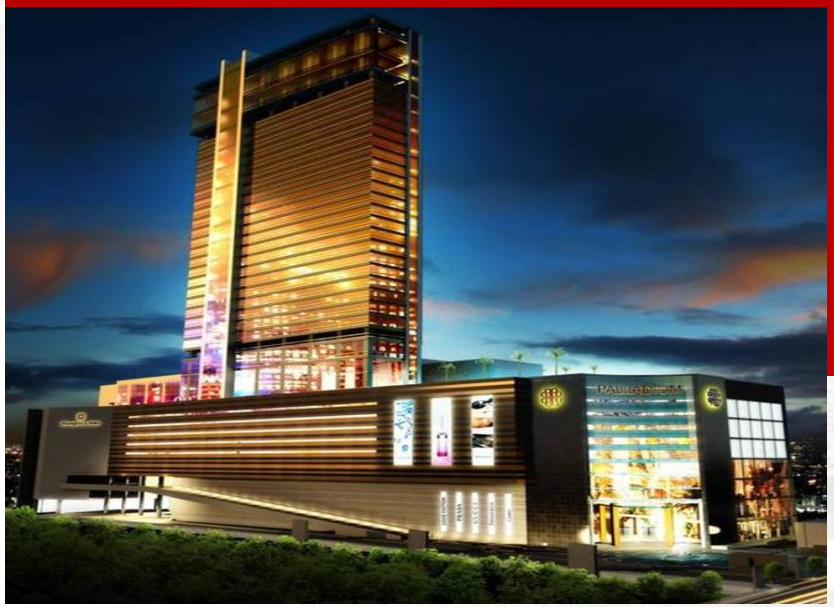


- Mall work progressing well. Expected to be launched in Q1FY2013
- Residential sales have received an excellent response
- Of the 0.25 mn sq. ft. (105 apartments) launched in Ph I earlier this year, around 0.11 mn sq. ft. (46 apartments) have been committed
- Avg. sale price is Rs. 6,500 per sq. ft.; total collections till date are around Rs. 130 mn

HIGHLIGHTS DURING THE QUARTER

Other Verticals

Shangri - La



- PML has entered into a management contract with Hong-Kong based *Shangri-La Hotels and Resorts*, Asia-Pacific's leading luxury hotel group
- With 410 rooms and 23 serviced apartments, Shangri-La will have 3rd largest inventory in South Mumbai, expected to become a preferred pit-stop for business and leisure travelers
- Expected to be operational in March – April 2012

Other Verticals

Portfolio	Model	Description	Highlights
Residential & Commercial	**Build and Sell**	• **Locations:** Bangalore (W); Kurla (Ph II) and Pune (Ph II)	- Work on Bangalore (W) is progressing; expected to launch construction and sales soon
Hospitality	**Build and Hold**	• **Locations:** Mumbai, Agra • **No of rooms:** 582	- Shangri-La, Mumbai to commence operations from March – April 2012
Investments	**Hold**	• **BARE:** - Investment of approx Rs 900 mn for 74% stake in BARE, a mixed-use developer based in North-India	- Lucknow mall operational since May 2010 - Avg. license fee is Rs. 45 per sq. ft. - Avg. footfalls per day of 15,000 - Bareilly Mall – Expected to open in Q4FY2012
		• **EWDPL** - Investment of Rs. 1,590 mn for 40.3% stake in EWDPL - Develops retail, hospitality and residential projects across emerging cities in central India	- Malls coming up in Raipur, Bhilai, Jabalpur, Mohali and Indore - Residential townships in Indore and Udaipur

Project Delivery Schedule FY2012

PUNE
- Launched June 2011

KURLA
- Expected Launch Nov 2011

BANGALORE
- Launched Oct 2011

SHANGRI LA
- Expected Launch March - April 2012

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

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