

**November 13, 2017**

**The Corporate Relationship Department  
BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001

**The Listing Department,  
The National Stock Exchange of India Ltd**  
Bandra-Kurla Complex, Mumbai.

**Ref: The Phoenix Mills Limited (503100/ PHOENIXLTD)**

**Sub: Investor Presentation on the Financial Results for the second quarter and half-year ended September 30, 2017**

Dear Sir,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith the Investor Presentation on the financial results for the second quarter and half-year ended September 30, 2017.

Kindly take the same on your record.

**Regards,**  
**for The Phoenix Mills Limited**

  
**Puja Tandon**  
**Company Secretary**





# The Phoenix Mills Limited

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Investor Presentation

November 2017

**STEADY** Performance.  
**PROGRESSIVE** Thinking.  
**GROWING** Portfolio.

Certain statements in this communication may be ‘forward looking statements’ within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company’s operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

The Phoenix Mills Ltd. (PML) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

**Company Overview**

Investment Rationale

Financial Results

Annexure

Developer and manager of prime retail-led assets in city centers, with a gross portfolio of 17.5 million sq. ft spread over 100+ acres of prime land in key gateway cities of India



8 Malls spread over 6 mn sq. ft in 6 major cities  
FY17: Consumption of INR 58 bn and Rental income of INR 7.7 bn



Residential Projects under Development with 4.13 mn sq. ft. of saleable area  
INR 18 bn cumulative residential sales till FY17



Commercial centres in Mumbai with Rent-generating leasable area of 0.98 mn sq.ft



2 Hotel (588 Keys) managed by renowned global operators  
FY17: St. Regis ARR of INR. 10,594 with 72% occupancy

A-Grade malls in prime locations of major cities in India



Residential, commercial and hospitality complements retail business



MALL PORTFOLIO (6.07 MSF)		
HSP & Palladium	Mumbai	0.74
Phoenix MarketCity	Chennai	1.00
Phoenix MarketCity	Pune	1.19
Phoenix MarketCity	Bangalore	1.00
Phoenix MarketCity	Mumbai	1.11
Palladium	Chennai	0.22
Phoenix United	Lucknow	0.33
Phoenix United	Bareilly	0.31
Phoenix Paragon Plaza	Mumbai	0.18

MATURE RESIDENTIAL PORTFOLIO (3.72 MSF)		
One Bangalore West	Bengaluru	2.20
Kessaku		0.99
The Crest	Chennai	0.53

HOTEL PORTFOLIO (588 KEYS)		
The St. Regis	Mumbai	395
Courtyard by Marriot	Agra	193

MATURE OFFICE PORTFOLIO (1.42 MSF)		
Phoenix Paragon Plaza	Mumbai	0.24
The Centrium	Mumbai	0.28
Art Guild House	Mumbai	0.76
Phoenix House	Mumbai	0.14

## Well balanced business model

- Own, manage and develop iconic, large format, retail-led, integrated mixed use properties
- Over 17.5 msft in operational Retail, Hospitality, Commercial and Residential Assets in key gateway cities of India
- Established track record of execution, timely delivery and quality of end product

## Robust retail annuity rentals

- Over INR 58 bn in consumption in FY17, CAGR of 22% over FY13-17
- Over INR 7.7 bn rentals in FY17, CAGR of 19% over FY13-17
- Significant potential for retail rental upgrades → Over 50% of leasable area in both HSP and Phoenix MarketCity Chennai up for renewal in the next 3 years; HSP and PMC Chennai together accounted for 53% of FY17 rentals

## Residential, hotels, and commercial complement retail

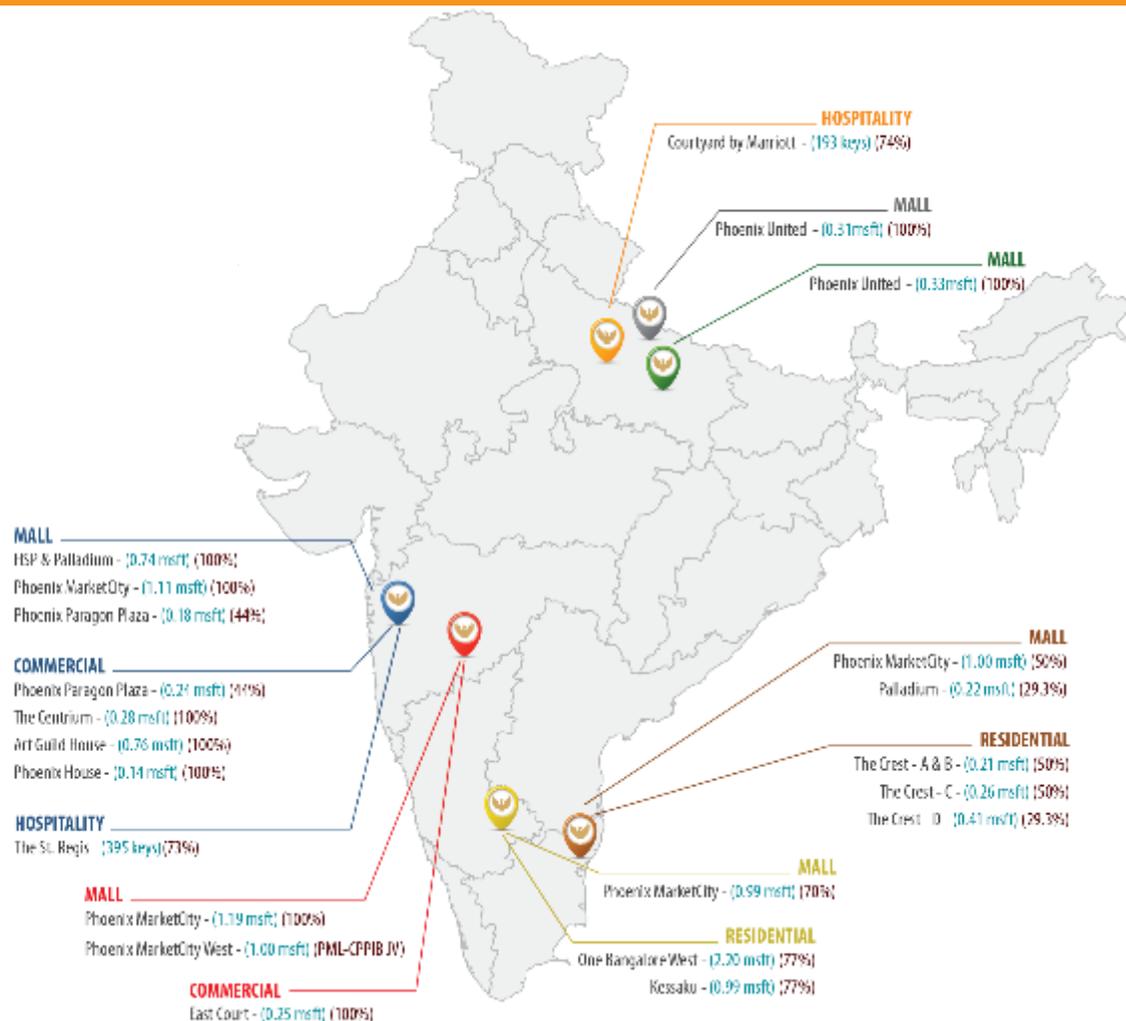
- Residential portfolio of 4.13 mn sq ft focusing on premium and luxury residential segment and
- Commercial portfolio of 0.98 mn sq ft complements retail business and adds to annuity income
- Premium hotels (The St Regis, Mumbai and Courtyard by Marriott, Agra) continue to experience robust occupancy and ARR growth

## Future growth pipeline

- Well positioned to grow retail portfolio to 2x in the next five years
- Partnered with CPPIB to develop retail-led mixed-use development in India
- Significant balance development potential in both existing projects and new acquisitions to add complementary asset classes to existing retail developments and boost annuity income portfolio

## PRESENCE ACROSS MAJOR CONSUMPTION CENTRES IN INDIA

-  MUMBAI
-  LUCKNOW
-  PUNE
-  AGRA
-  BENGALURU
-  BAREILLY
-  CHENNAI
-  AREA
-  OWNERSHIP OF THE PHOENIX MILLS LIMITED





Company Overview  
Investment Rationale  
Financial Results  
Annexure

## Investment Rationale

### India Economic Tailwinds

- Strong macro tailwinds present a bullish outlook for urban consumption
- Urbanization and higher disposable income will sustain consumption growth

### Strong Retail Portfolio

- First Order Derivative of India's Consumption Story
- PML's evolution into a retail powerhouse
- Long Term Sustainable Growth Delivered Through The Cycle
- Revenue cycle of a mall
- Steady renewals to drive rental upgrades

### Complimentary Asset Classes

- Residential Portfolio has established its premium quality positioning and will provide strong free cash flows in coming years
- Commercial Portfolio complement retail malls and adds to annuity income stream
- Hospitality Portfolio acknowledged as best in class in respective categories and set to witness steady growth

### Future Growth Outlook

- Aim to double current retail portfolio in next 5 years
- Established a strategic platform with CPPIB for retail-led, mixed use developments in India
- CPPIB to own 49% with an equity investment of approx. Rs. 16bn in multiple tranches
- Purchased land parcel in Pune in Aug 2017

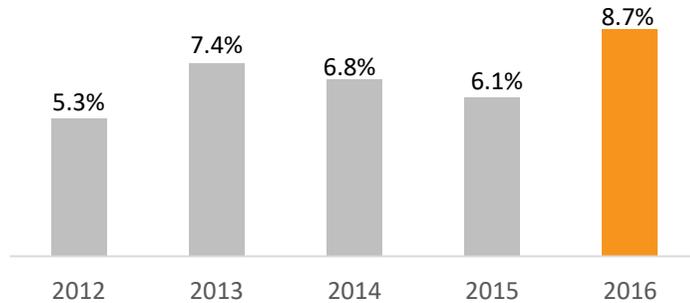
### Financial Metrics

- Consolidated Holdings across Subsidiaries during FY13-17
- Improving EBITDA, lower interest expense to improve cash flows
- Benign Interest Rate Outlook in India to boost consolidated PAT

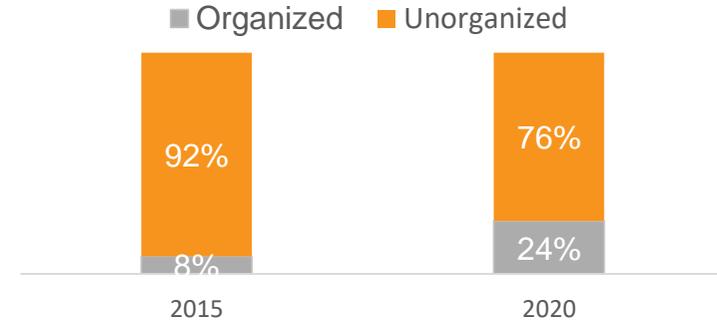
## Investment Rationale

- Strong Macro Tailwinds Bode Well for Retail Sector

### India Consumption Growth rate

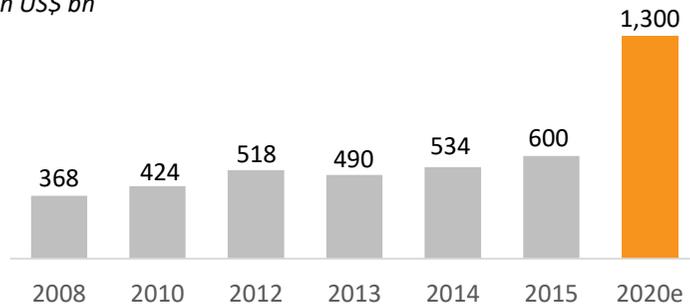


### Transition from unorganized to organized retail



### Indian retail industry will register strong growth

Fig in US\$ bn

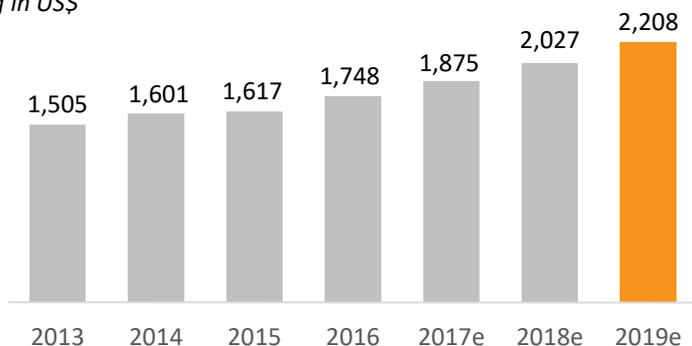


### Consumption to grow substantially in future

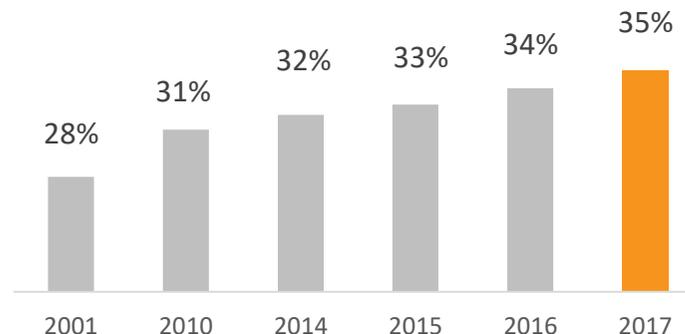
- ✓ India consumption in real terms grew at average of 6.9% in the last five years
- ✓ Organized retail is expected to grow much faster than unorganized retail, increasing the overall contribution of organized retail to 24%

## Increase in per capita disposable income in India

Fig in US\$

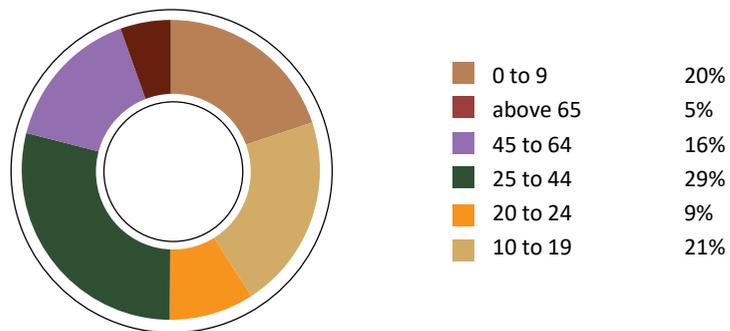


## ... growing urban population



## ... and high proportion of young population

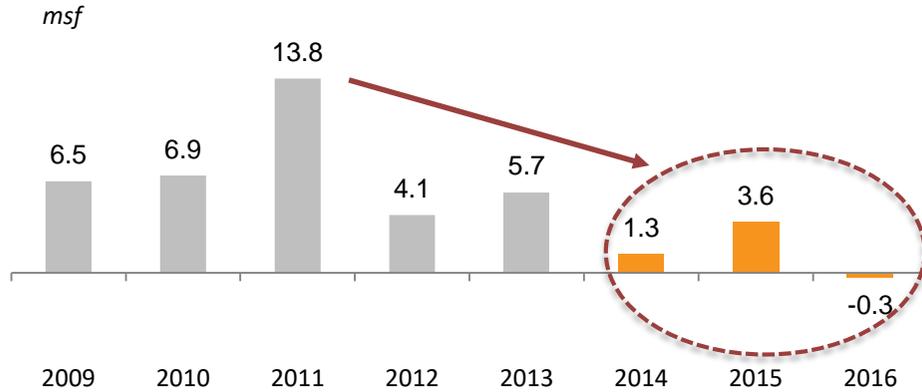
Age Group



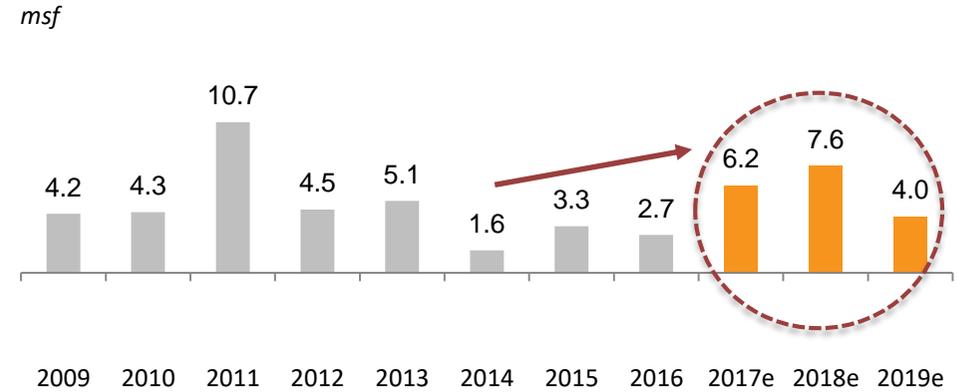
## Consumption set to grow substantially in future

- ✓ Nearly 35% of the Indians are currently living in urban areas – this figure is expected to increase in the coming years.
- ✓ Young population (c79% below 44 years) coupled with increasing urbanization is leading to a rapid rise in the number of nuclear families.
- ✓ Over 70% of consumption growth in the next 15 years is expected to come from working population aged 15-59 years and increased per capita consumption

Mall additions in past three years at all-time lows...

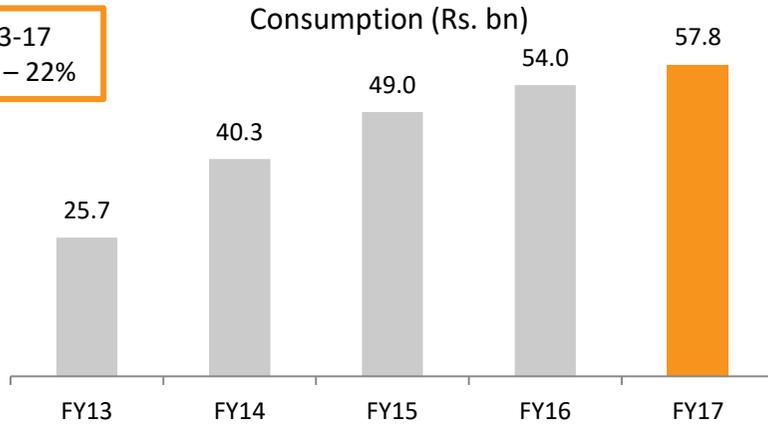


... while demand for new rental space will remain robust

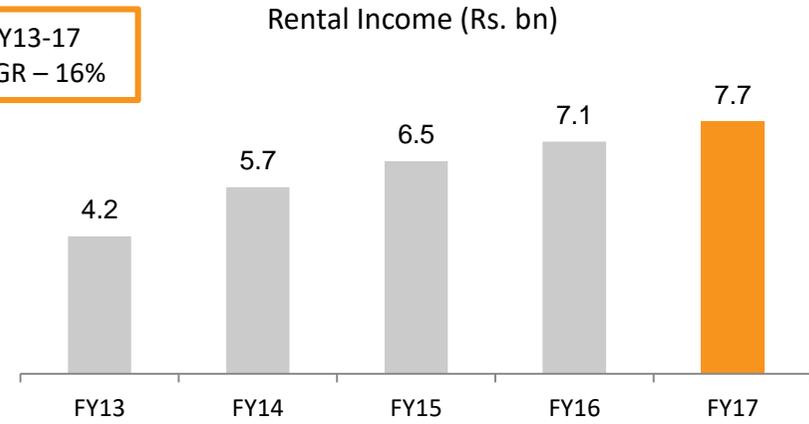


- ✓ There is dearth of quality mall space in India
- ✓ Gap between demand and supply is further expected to widen as the demand will outstrip supply by wide margin
- ✓ PML is well positioned to benefit from this favourable demand supply gap
- ✓ We are aiming to double our portfolio and have recently bought a new land parcel in West Pune in August 2017

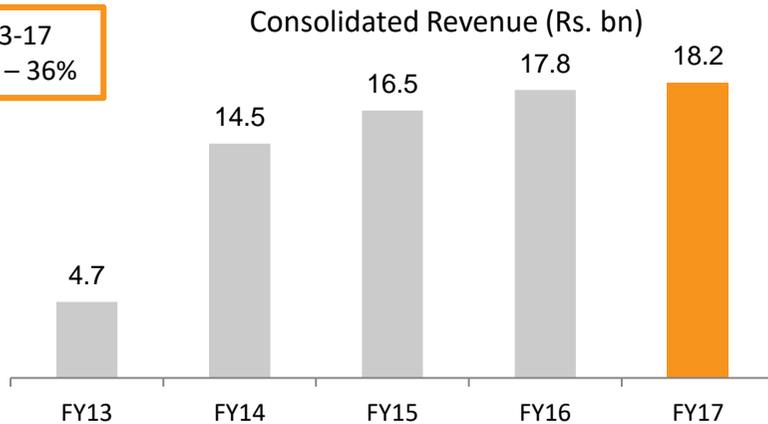
FY13-17  
CAGR – 22%



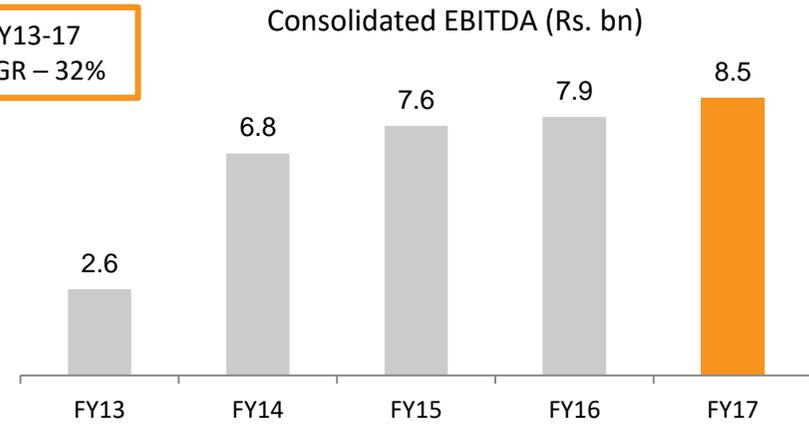
FY13-17  
CAGR – 16%



FY13-17  
CAGR – 36%



FY13-17  
CAGR – 32%





Revenue of INR 18.2 bn  
FY13-17 CAGR of 40%



EBITDA of INR 8.5bn  
FY13-17 CAGR of 34%



PAT at INR 1.7bn, up 29% yoy



Consumption of over INR 58 bn  
FY13-17 CAGR of 22%



Retail rental income of INR 7.7 bn  
FY13-17 CAGR of 16%



Rental EBITDA at INR 7.2 bn, up  
10% yoy



Interest coverage ratio\* of  
2.0x, up from 1.78x in FY16



Net debt to equity ratio at 1.58x



Avg. cost of debt at 10.2% for  
Mar'17, further moved down  
to 9.3% in Sep'17

\* ICR computed at EBITDA by Interest

## Investment Rationale

- PML's evolution into a retail powerhouse

1999 - 2005

- ✓ Evolution of HSP from an entertainment and gaming hub to a shopping and entertainment destination
- ✓ Foundation stone for the concept of creating urban consumption hubs

2006 - 2012

- ✓ Large, city-centric land parcels acquired for creating integrated, retail-led mixed use destination
- ✓ In Phase I of development, operationalized Phoenix Marketcity malls in, Pune, Bangalore, Mumbai and Chennai

2013 - 2017

- ✓ Focused on establishing Marketcity malls as market leaders in their respective cities
- ✓ Operationalized asset classes of residential, commercial and hospitality as complements to existing retail developments
- ✓ Progressively consolidated our equity stakes across assets

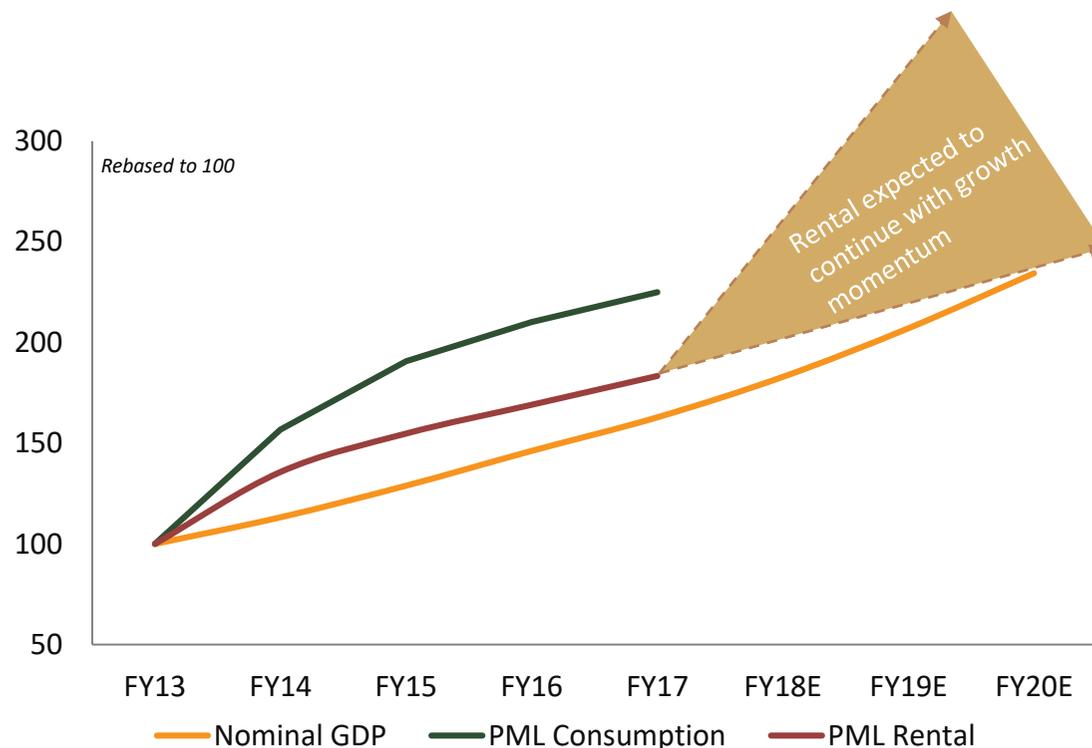
FUTURE

- ✓ Staggered renewals across existing portfolio, new asset addition to drive rental growth
- ✓ Aim to double retail portfolio to 12 msft from the current 6 msft
- ✓ Established strategic platform with CPPIB for retail-led, mixed use developments in India
- ✓ First land purchased with CPPIB in Pune with developable area of c.1.6 msft for Rs. 161 cr

Aim to double retail portfolio to 12 msft over next five years

- Household incomes to rise as the world's 7<sup>th</sup> largest economy (in terms of Nominal GDP) sustains its strong growth momentum
- Growing urbanization, young population and rising proportion of nuclear families will boost urban consumption spending
- Increasing disposable income levels and rising number of "sophisticated" consumers will lead to demand for premium products and experiences, akin to trends seen in Russia and China
- During FY13-17, consumption at our malls has grown at a CAGR of 22%, i.e. at c.2x of nominal GDP growth of India
- We expect consumption to continue growing at a rate superior to the nominal GDP growth

## Retail Rental Income to grow in sync with underlying Consumption Growth



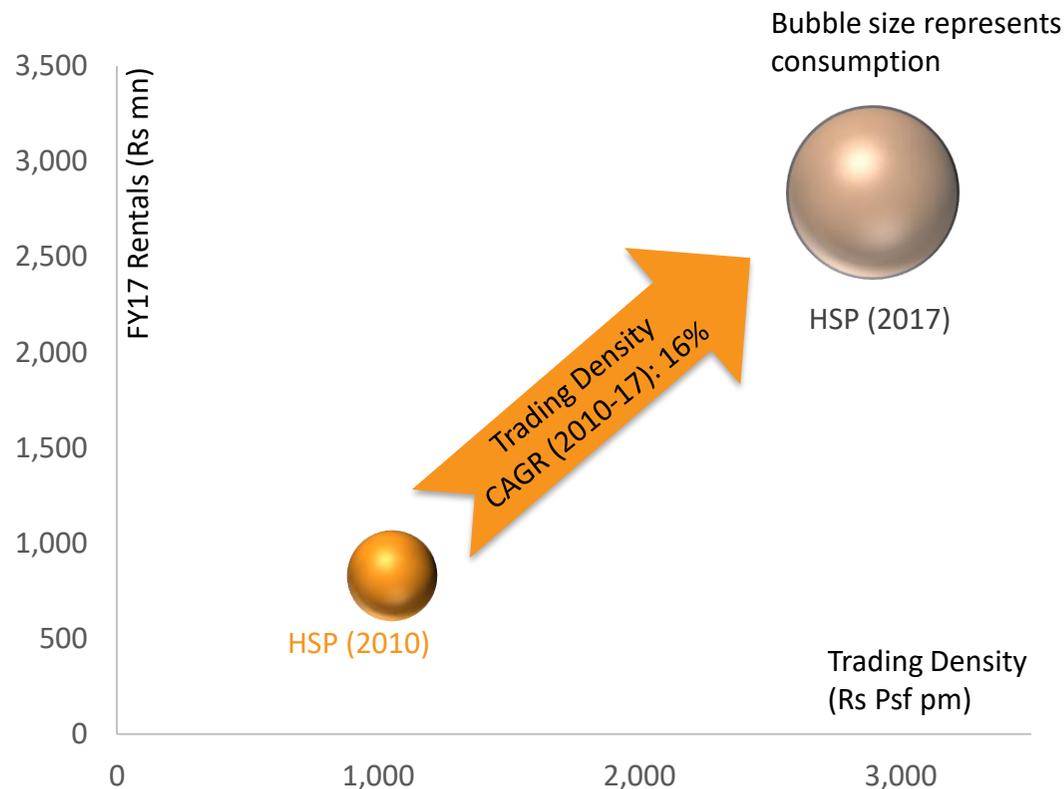
PML's consumption has grown at 2x of India's nominal GDP growth during FY13-17

- ❖ In 2010, trading density and consumption at High Street Phoenix was at Rs 1,055 psf pm and Rs 4,371 mn, respectively → today, has grown over >3x since 2010
- ❖ All MarketCity malls are in similar position (in terms of trading density) as HSP was in 2010; poised to follow similar growth path as HSP over next few years

Marketcity Malls Poised to follow HSP's growth path

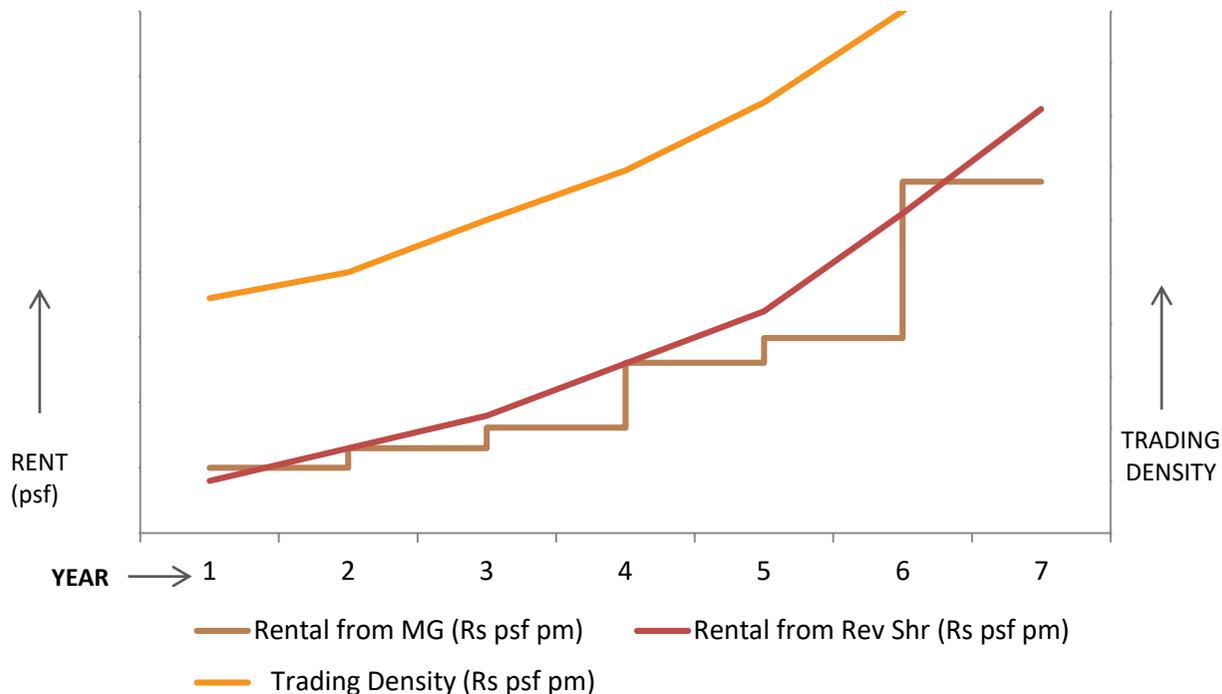
	Trading density (psf)	Rental (INR mn)	Consumption (INR mn)
HSP – 2010	1,055	827	4,371
HSP (FY17)	2,894	2,837	16,264
HSP growth (FY10 – 17)	2.74x	3.43x	3.72x
PMC Mumbai (FY17)	942	926	6,957
PMC Pune (FY17)	1,208	1,202	9,629
PMC Bangalore (FY17)	1,444	1,090	10,200
PMC Chennai (FY17)	1,553	1,286	10,699

MarketCity malls to follow similar growth trajectory at HSP & Palladium



Marketcity Malls are attractively poised to exhibit similar long-term growth as HSP

Cash flow from mall continues to grow even after mall matures



MAJORITY of retail lease agreements at PML pay HIGHER of Minimum Guarantee (MG) rents and Revenue Share (% of consumption)

Generally MG escalates by 15-18% at the end of 3 years and 5-7% annually in the interim.

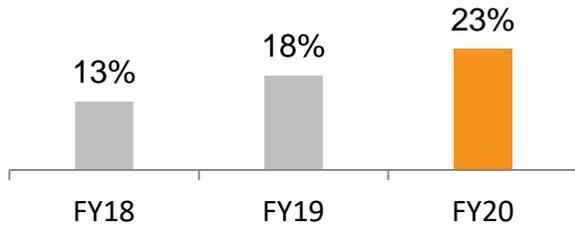
A typical 5-year lease agreement is renegotiated at much higher MG as well as higher Revenue Share % in year 6

Phoenix Malls are future-proof and ready to deliver next phase of growth

# Renewal Schedule (% of total leasable area)

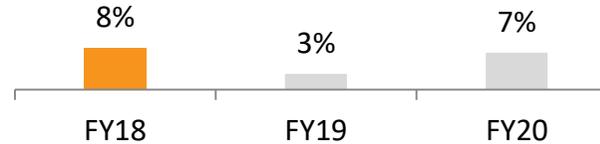
### HSP & Palladium

54% of leasable area for renewal over next 3 years



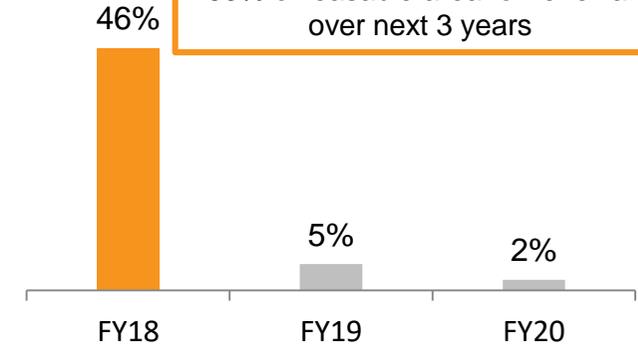
### PMC Bangalore

18% of leasable area for renewal over next 3 years



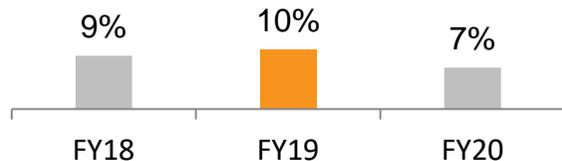
### PMC Chennai

53% of leasable area for renewal over next 3 years



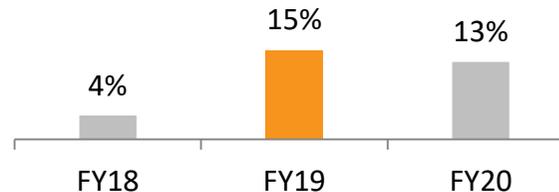
### PMC Mumbai

26% of leasable area for renewal over next 3 years



### PMC Pune

32% of leasable area for renewal over next 3 years



#### Renewal/re-leasing done in FY17

- 40% of leasable area in PMC Mumbai
- 45% of leasable area in PMC Bangalore
- 21% of leasable area in HSP & Palladium

#### Upcoming major renewals in next 3 years

- 54% of leasable area at HSP & Palladium
- 53% of leasable area at PMC Chennai

## Investment Rationale

- Future growth outlook

- PML and CPPIB have formed a strategic investment platform to acquire, develop, and operate prime, retail-led developments across India
- CPPIB will invest approximately Rs. 1,600 cr through multiple tranches in Island Star Mall Developers Pvt. Ltd., a subsidiary of The Phoenix Mills Ltd.
- CPPIB has infused Rs. 724 cr initially and owns 30% stake in Island Star; CPPIB will further increase stake to 49% through multiple tranches for total investment of approx. Rs. 1,600 cr
- PML will manage all development and operational assets in the platform
- Further growth in PML CPPIB Partnership: Purchased land parcel in Pune with potential developable area of c.1.8 mn sq ft for Rs. 1.82 billion

## Transaction details

Enterprise value (Island Star)	Approx. Rs. 2,200 cr
Pre-money Equity Value	Approx. Rs. 1,700 cr
Post-money Equity Value	Approx. Rs. 3,300 cr
Rentals (FY17)	Rs. 109 cr
EBITDA (FY17)	Rs. 109 cr

*“We believe that India will be a leading source of global growth in the coming decades and there will continue to be attractive investment opportunities for CPPIB. We look forward to expanding our venture with Phoenix Mills, an experienced retail operator and well-aligned partner”*

*CPPIB, April 2017*

## Deal Overview

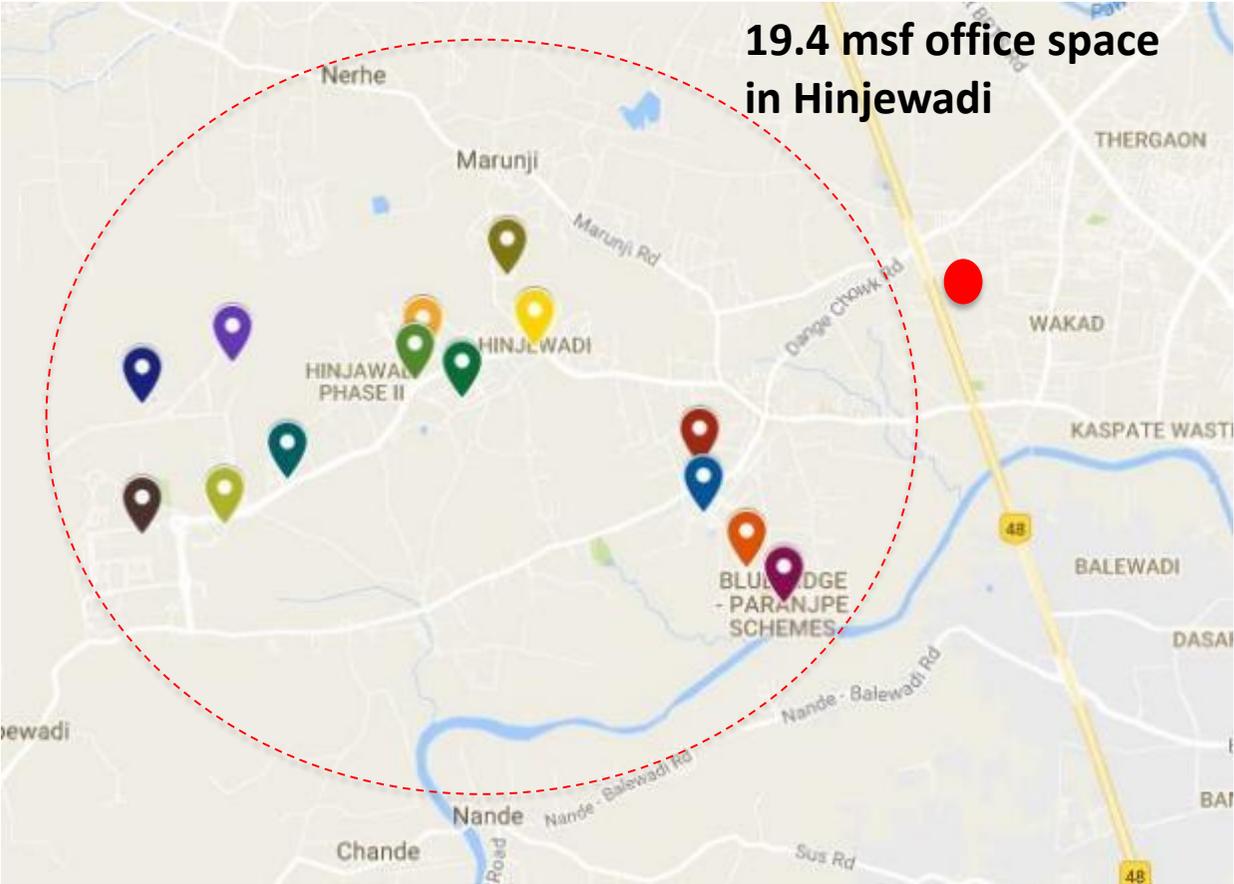
- i. Acquired approx. 15 acres of land parcel, located behind Hotel Sayaji in Wakad Pune, for Rs. 182 cr in August 2017
- ii. Total development potential of 1.8 mn sft
- iii. Phase I to have a retail development of 1 msft; Balance potential (0.8 msf) to be developed at a later date
- iv. Mall will house a contemporary mix of family entertainment zones, multiplexes, large-format departmental stores, inline stores and fine dining options

## Mall Economics

- i. Time to develop and operationalize the retail mall: 4-5 years
- ii. Expect to complete the retail mall at an expected initial cost of Rs. 750 cr (including money deployed in land)
- iii. Cost to be funded by Debt: Equity mix in the ratio of 50:50

## Location Dynamics

- Current mall in Viman Nagar serves the CBD of Kharadi and surrounding residential areas of Kalyani Nagar, Boat Club, Koregaon Park and neighbouring towns such as Ahmednagar
- Wakad is almost 23 km away from PMC Pune with strategic and easy access to:
  - Commercial areas such as Hinjewadi, Baner and Aundh
  - Residential areas such as Wakad, Baner, Aundh, Balewadi extending up to Kothrud in South West of Pune
- Strong Commercial catchment of 25 mn sft in Hinjewadi (19 msf and expanding) and Aundh/Baner (6 msf and expanding)
- Very dense residential population of middle to high income group
- Over the coming years, both our malls combined will be able to cater to the entire Pune region and surrounding towns.



- Blue Ridge - Paranjpe Schem...
- Wipro Limited
- Persistent Systems, Hinjewa...
- Infosys Pvt Ltd
- Wipro - Hinjewadi Phase 2 B...
- Embassy TechZone
- Infosys PHASE 2
- Emcure Pharma
- The Quadron Business Park
- Cognizant Technology Soluti...
- Ascendas
- Capgemini
- TCS PUNE
- Tech Mahindra

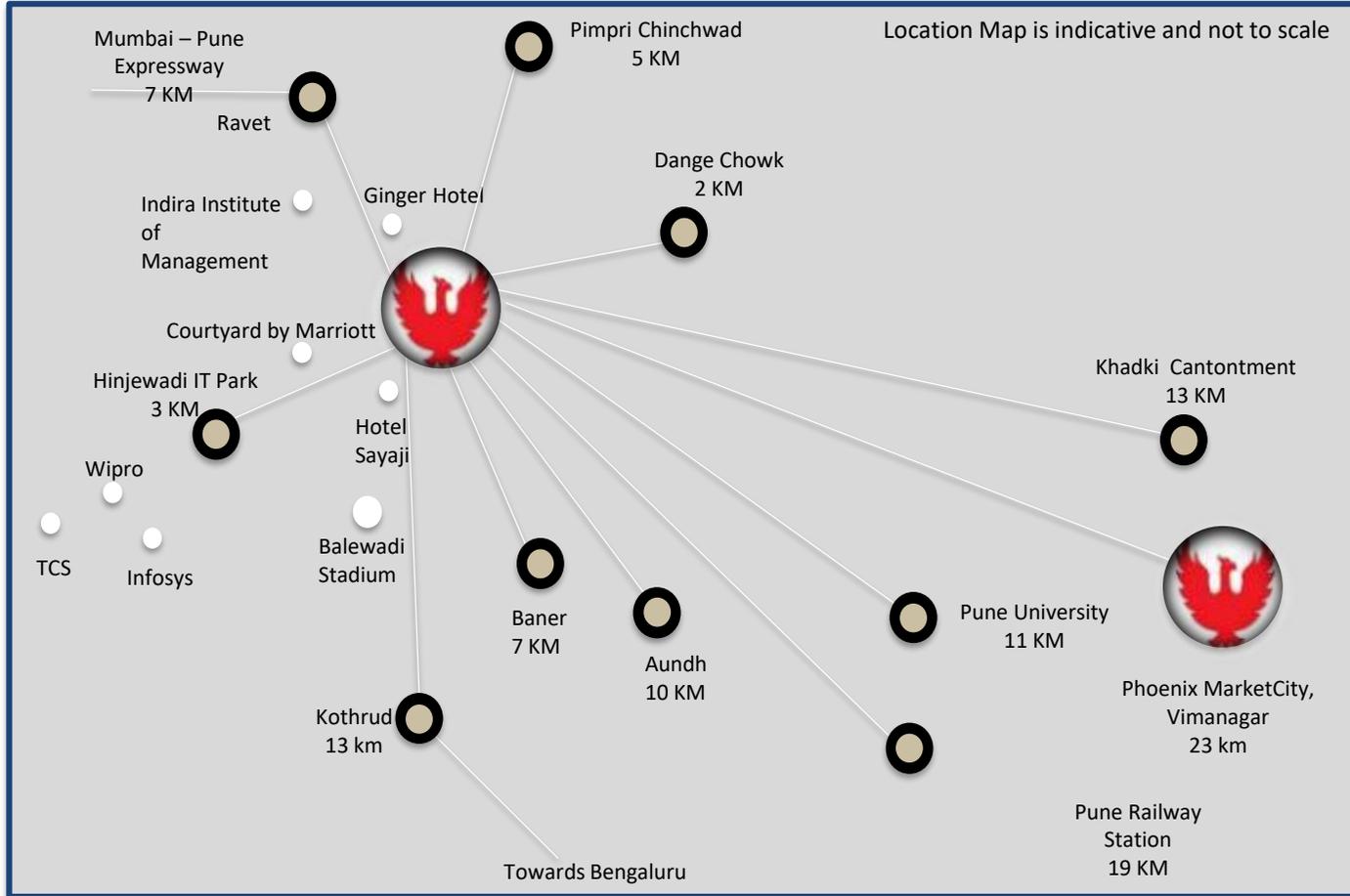
● Subject Site



**5.5 msf office space  
in Aundh & Baner**

● Subject Site

- Nanasaheb Gaikwad Informa...
- Amar Apex
- AG technology park
- Kapil Complex
- Pune IT Park
- Prabhavee Techpark, Baner
- Pride Purple Accord
- Amar Paradigm
- Purushottam Plaza
- Amar Business Park
- RMZ Icon
- Nyati Emporium
- Nano Space IT Park
- Supreme Headquarters
- Iriz Towers
- Solitaire
- Regent Plaza
- Teerth Technospace Comme...
- Montreal Business Center
- Pride Gateway
- Adam's Court
- Baner Biz Bay
- Deron Hieghts
- Cummins IT Park
- Pride Purple Coronet
- Millennium Construction TRA...
- Amar Arma Genesis
- Go Square



## Investment Rationale

- Strong execution capabilities and Complementary Asset Portfolio



THE CENTRIUM

PHOENIX MARKETCITY

PHOENIX PARAGON PLAZA

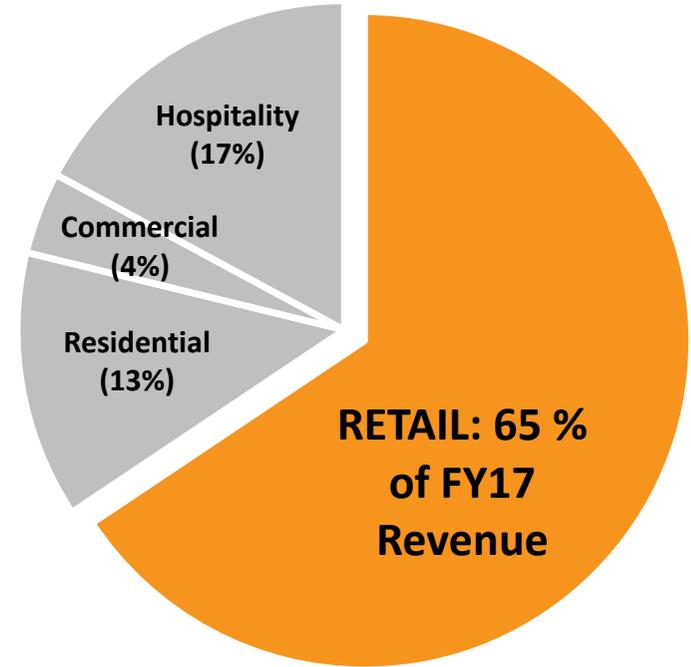
ART GUILD HOUSE

Timeline	BUA (msft)	Project details
2007-12	7.5	Completed Phase I development of 4 Marketcity malls concurrently across Pune, Mumbai, Bangalore and Chennai in <5 years with a gross development area of 7.5 msft
2012-17	5.5	Completed Phase II of development of complementary asset classes to the Marketcity Malls Residential with BUA of 2.3 msf completed in Bangalore, Chennai 2017 in <4 yrs Hospitality assets of 1.1 msf completed in <5 yrs in Mumbai, Agra Mall (Palladium Chennai) and Commercial assets (Mumbai) of 2.1 msf completed in <5 yrs

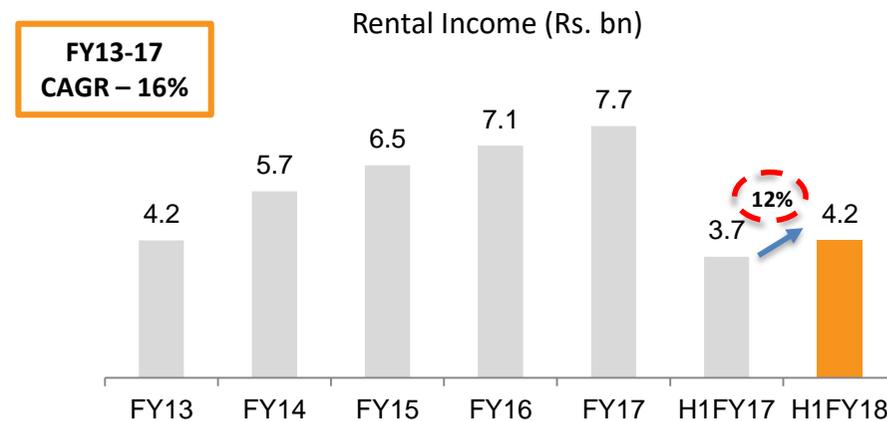
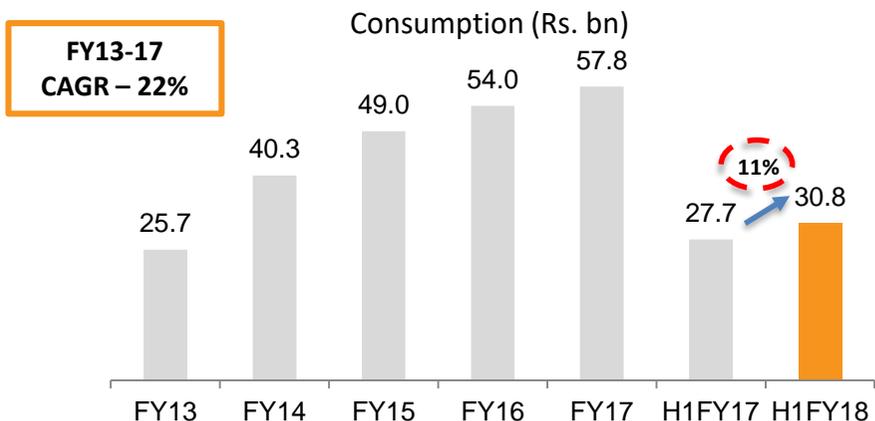
- Strong project management capabilities
- Delivery within defined timelines and quality standards across asset categories
- Delivered projects across geography, Ability to manage development of multi-category assets simultaneously
- Core project team is highly experienced and has stayed intact



Demonstrated ability to deliver multiple, large projects across asset categories and locations



	HSP & Palladium	Phoenix MarketCity				Phoenix United		Palladium
	Mumbai	Bangalore	Chennai	Mumbai	Pune	Bareilly	Lucknow	Chennai
Retail Leasable/Licensable Area (msf)	0.74	1.00	1.00	1.11	1.19	0.31	0.33	0.22
Total No. of Stores	272	293	261	316	346	144	130	Operational on 13 <sup>th</sup> Oct, 2017
Average Rental (Rs. psf)**	351	114	127	92	102	55	67	
Trading Occupancy %**	86%	91%	94%	91%	91%	80%	86%	
Leased Occupancy %*	99%	97%	99%	96%	98%	86%	91%	



\*\* Average for quarter ended Sep 2017 \* As of end-Sep 2017

Note: PML owns 50.0% of CMD CPL and CMD CPL has been classified as an Associate of the Company effective 31 March 2017. Hence, it's income from operations and expenses (including taxes) have not been consolidated in PML's results



## PALLADIUM ANNEXE



### India Shopping Centre Awards by Images Group

Recognised High Street Phoenix and Palladium as “Shopping Centre of the Year (West) - Metro” in 2016



### India Shopping Centre Awards by Images Group

Recognised High Street Phoenix and Palladium as “Shopping Centre of the Year – Sales per Sq. Feet” in 2016



### Retail Excellence Awards

Recognised High Street Phoenix and Palladium as “Shopping Centre of the Year” in 2016



### Images Shopping Centre Award

Recognised HSP as ‘Most Admired Shopping Centre of the Year’ twice in 2015

0.74 Million Sq. Ft.  
Total Leasable Area

93%  
FY17 Occupancy

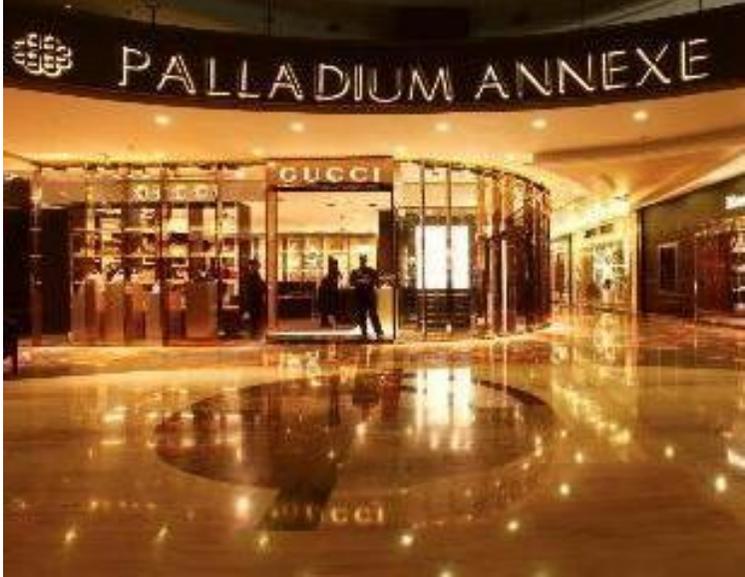
269  
No of Stores

Rs 16,264 Million  
FY17 Consumption

Rs 2,894 psf pm  
FY17 Trading Density

Rs 311 psf pm  
FY17 Rental Rate

Rs 2,837 Million  
FY17 Rental Income



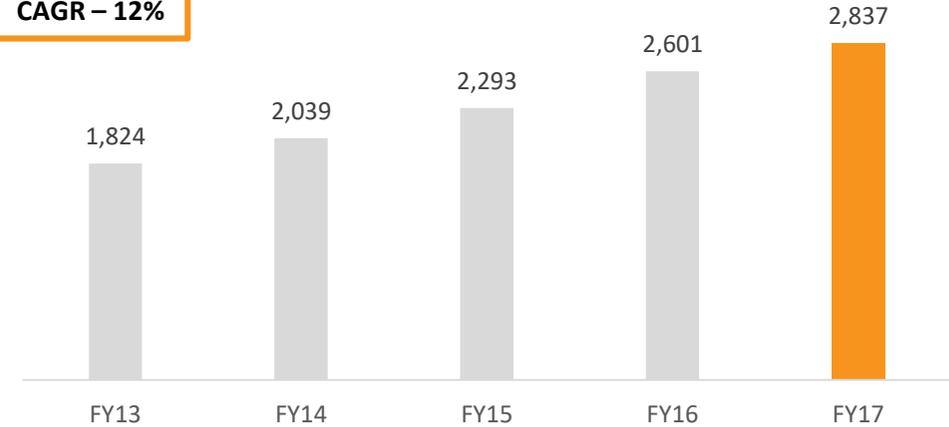
# High Street Phoenix & Palladium Mall – Housing Global Brands





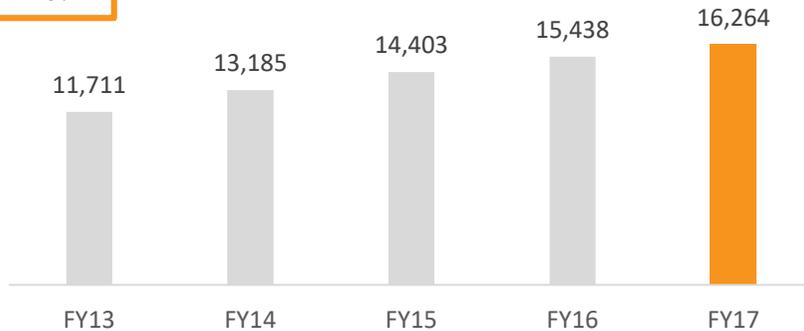
**FY13-17  
CAGR – 12%**

Rental Income (Rs.mn)

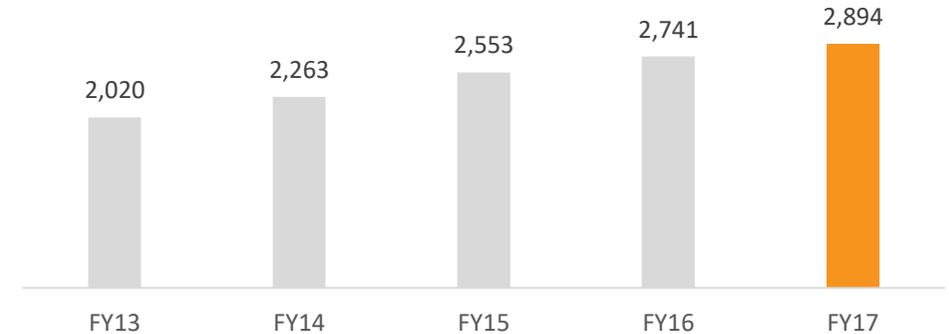


**FY13-17  
CAGR – 9%**

Consumption (Rs.mn)



Average Trading Density (Rs./sft pm)





“Construction Industry Award 2015 –  
Excellence in Commercial/Mixed Use-  
Development



“Best Malls & Shopping Centre of the Year  
2015 – Operational Mixed Used Development”  
by Estate Avenues



“Most Admired Shopping Centre of the Year”  
by CMO Asia’s Shopping Centre & Mall Awards  
2014



“Best Retail Project of the City – CNBC Awaaz  
Real Estate 2013 Development” by Estate  
Avenues

1.00 Million Sq. Ft.  
Total Leasable Area

92%  
FY17 Occupancy

261  
No of Stores

Rs 10,699 Million  
FY17 Consumption

Rs 1,553 psf pm  
FY17 Trading Density

Rs 121 psf pm  
FY17 Rental Rate

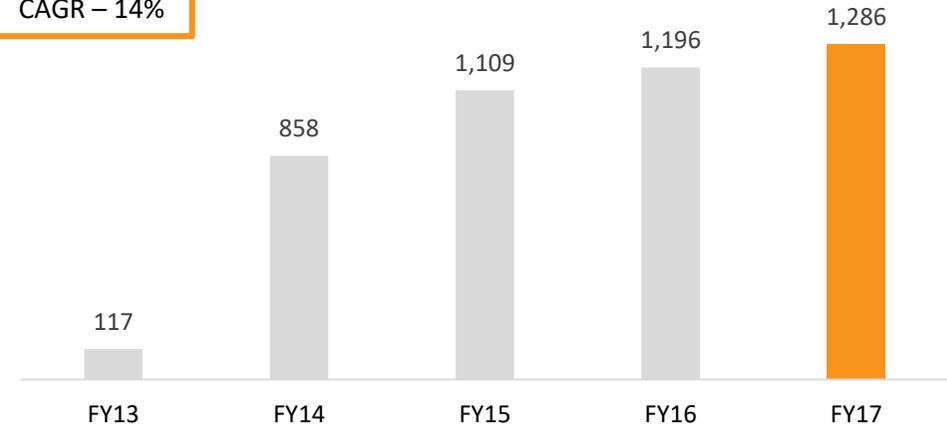
Rs 1,286 Million  
FY17 Rental Income





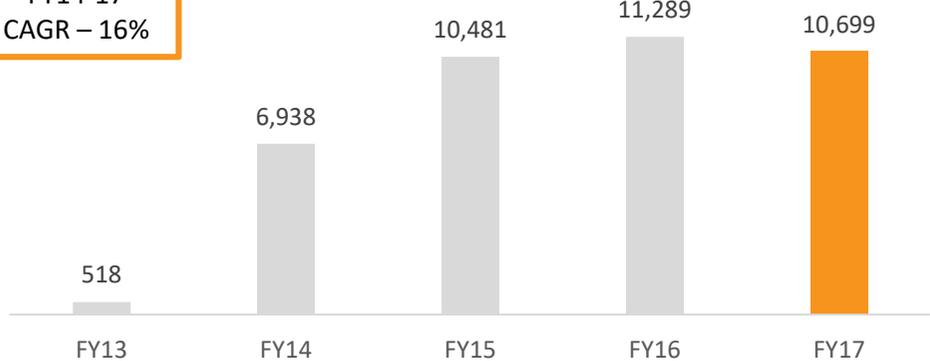
FY14-17  
CAGR – 14%

Rental Income (Rs.mn)

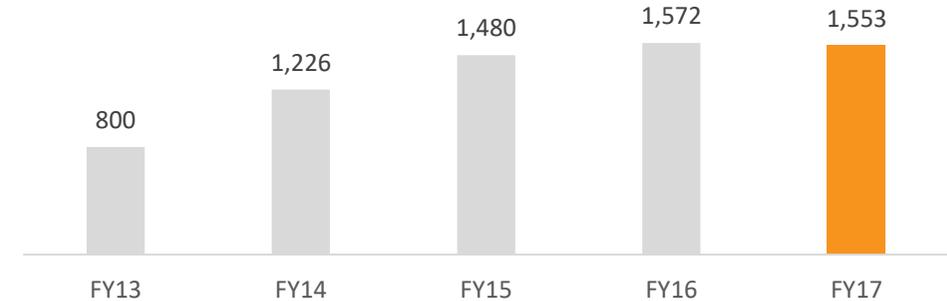


FY14-17  
CAGR – 16%

Consumption (Rs.mn)



Average Trading Density (Rs./sft pm)



Note: PML owns 50.0% of CMDCPL and CMDCPL has been classified as an Associate of the Company effective 31 March 2017. Hence, it's income from operations and expenses (including taxes) have not been consolidated in PML's results

- Palladium Chennai became operational on 13<sup>th</sup> Oct 2017 with launch of H&M
- Other units currently under fit-out
- Mall expected to be fully operational by mid- Dec'17

0.22 Million Sq. Ft.  
Total Leasable Area  
13<sup>th</sup> Oct 2017  
Operations Begin







Asia Shopping Centre & Mall Awards 2014 – Most admired marketing campaign of the year



CNBC Awaaz Real Estate Awards 2013 – Best retail project of the city – PMC Bangalore

0.99 Million Sq. Ft.  
Total Leasable Area

90%  
FY17 Occupancy

296  
No of Stores

Rs 10,200 Million  
FY17 Consumption

Rs 1,444 psf pm  
FY17 Trading Density

Rs 102 psf pm  
FY17 Rental Rate

Rs 1,090 Million  
FY17 Rental Income











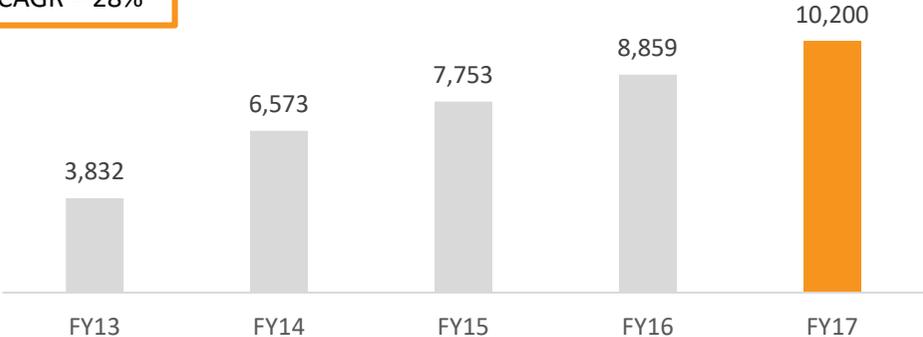






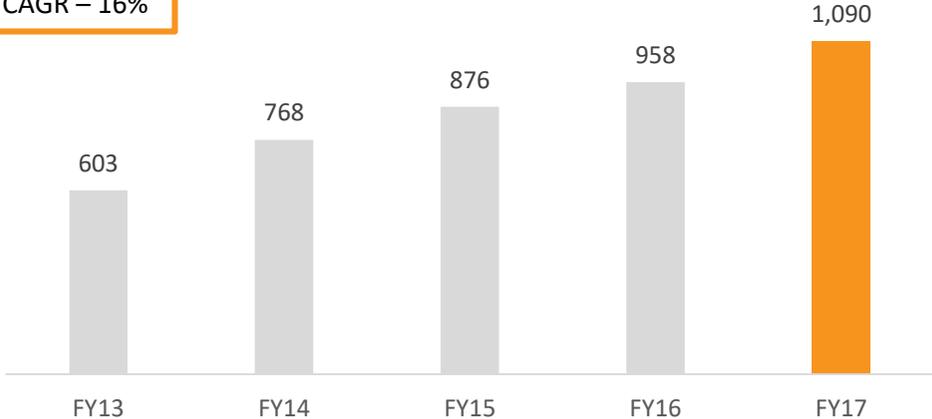
FY13-17  
CAGR – 28%

### Consumption (Rs.mn)

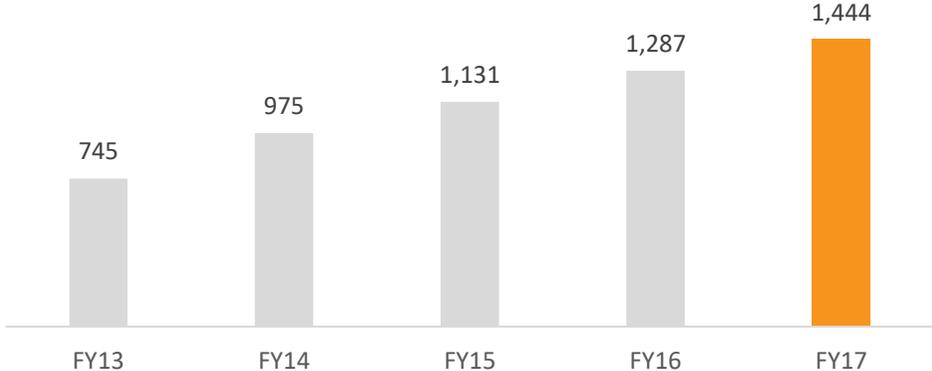


FY13-17  
CAGR – 16%

### Rental Income (Rs.mn)



### Average Trading Density (Rs./sft pm)





Most Admired Shopping Centre West , Non Metro –  
Images Shopping Centre Award 2016



Images Shopping Centre Award (ISCA) for the Most  
Admired Shopping Centre 2014



Shopping Centre of the year at the CMO Asia Retail  
Excellence Award 2014



Images Most Admired Shopping Centre of the Year” at  
Images Shopping Centre Awards 2013



“IMAGES Most Admired Shopping Centre Marketing &  
Promotions Of The Year” at Images Shopping Centre  
Awards 2013



Best retail project in Pune at the CNBC AWAAZ Real  
Estate Awards 2012

1.19 Million Sq. Ft.  
Total Leasable Area

89%  
FY17 Occupancy

341  
No of Stores

Rs 9,629 Million  
FY17 Consumption

Rs 1,208 psf pm  
FY17 Trading Density

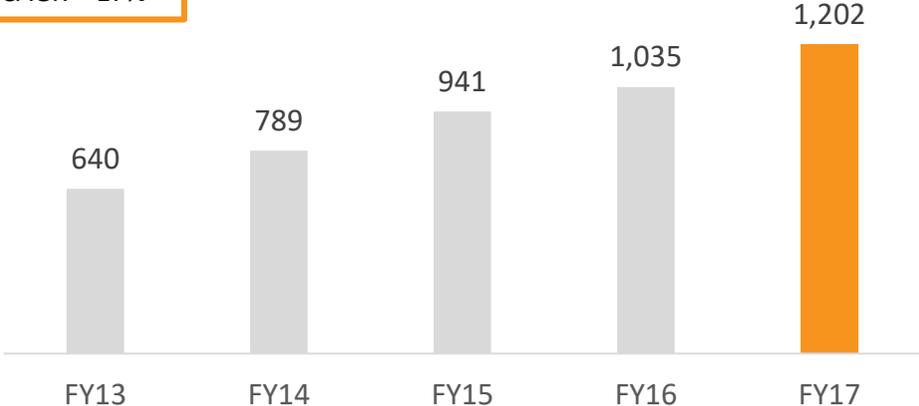
Rs 99 psf pm  
FY17 Rental Rate

Rs 1,202 Million  
FY17 Rental Income



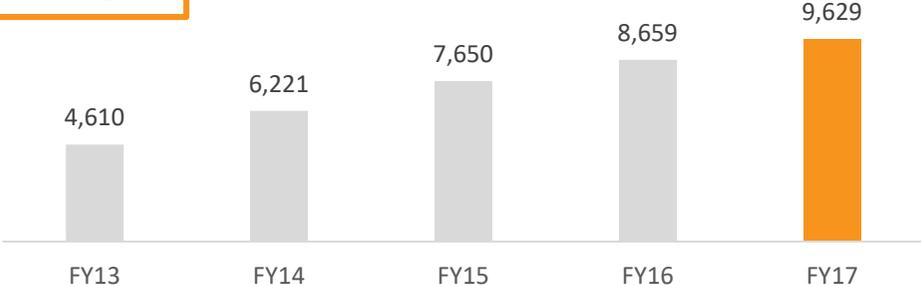
FY13-17  
CAGR – 17%

Rental Income (Rs.mn)

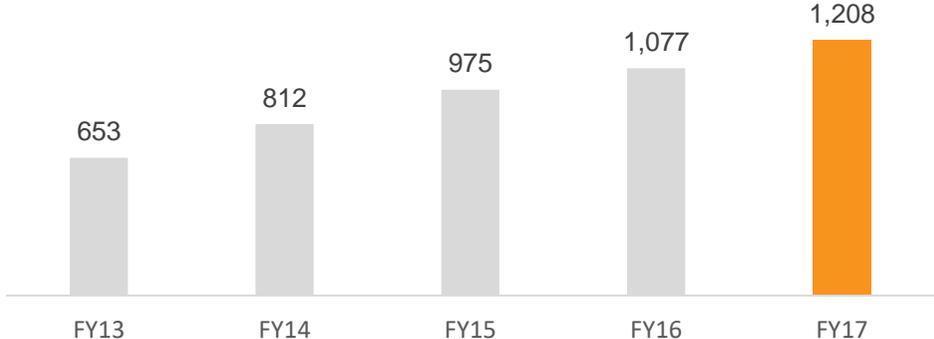


FY13-17  
CAGR – 20%

Consumption (Rs.mn)



Average Trading Density (Rs./sft pm)



THE CENTRIUM

PHOENIX MARKETCITY

PHOENIX PARAGON PLAZA

ART GUILD HOUSE



“India’s best existing neighbourhood shopping mall 2013-14” awarded by Estate Avenues



“Best Thematic decoration” by Asia Shopping Centre & Mall Awards , awarded by CMO Asia



1.11 Million Sq. Ft.  
Total Leasable Area

87%  
FY17 Occupancy

317  
No of Stores

Rs 6,957 Million  
FY17 Consumption

Rs 942 psf pm  
FY17 Trading Density

Rs 81 psf pm  
FY17 Rental Rate

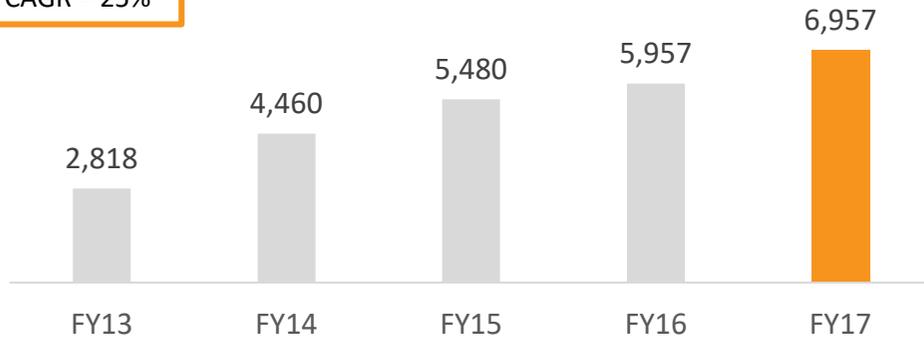
Rs 926 Million  
FY17 Rental Income





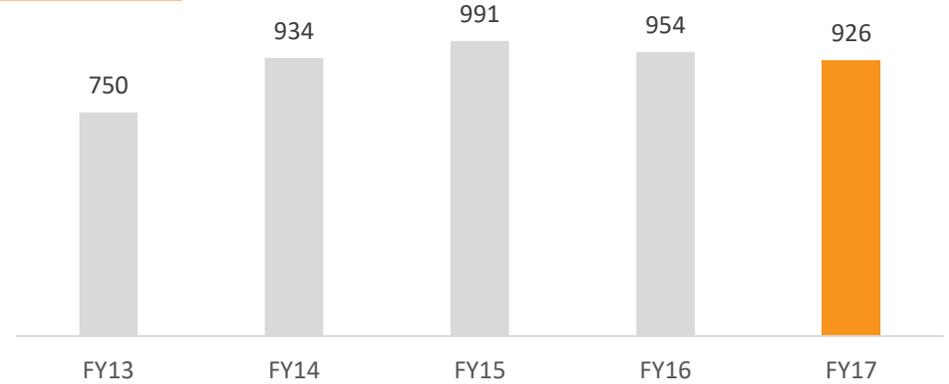
FY13-17  
CAGR – 25%

Consumption (Rs.mn)

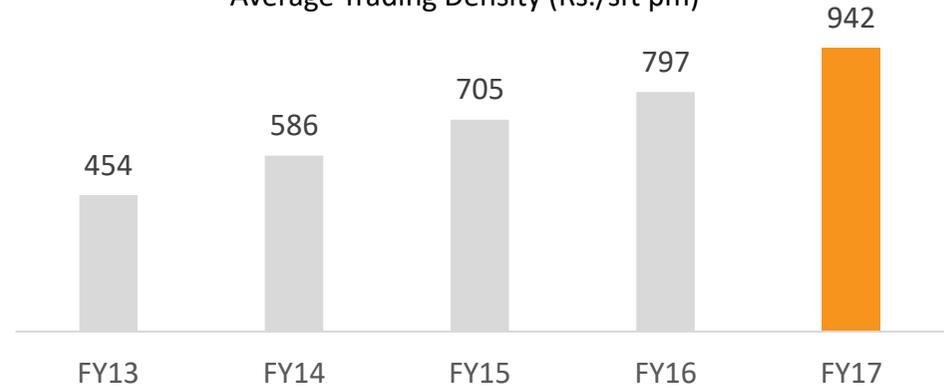


FY13-17  
CAGR – 5%

Rental Income (Rs.mn)

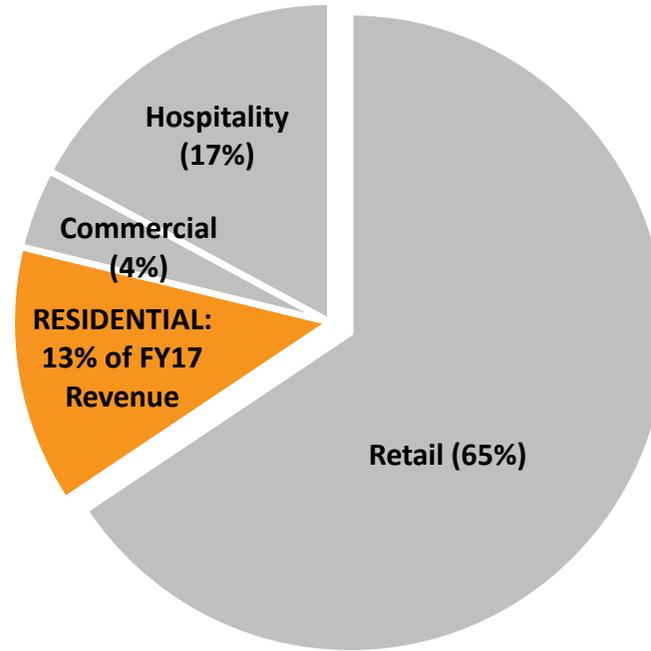


Average Trading Density (Rs./sft pm)



HIGH STREET PHOENIX & PALLADIUM	PHOENIX MARKETCITY PUNE	PHOENIX MARKETCITY BANGALORE	PHOENIX MARKETCITY MUMBAI	PHOENIX MARKETCITY CHENNAI
 CMO Asia 2015 Retailer of the Year (Mall) Shopping Centre of the Year (Palladium)	 Images Shopping Centre Award 2014 & 2013 Most Admired Shopping Centre of the Year Most Admired Shopping Centre – Marketing & Promotions	 CNBC Awaaz Real Estate 2013 Best Retail Project of the city	 CMO Asia 2014 Best Thematic Decoration	 Estate Avenues 2015 Best Malls & Shopping Centre of the Year – Operational Mixed Used Development
 Asia’s Shopping Centre & Mall Awards 2014 Most Admired Shopping Centre of the Year Socially Responsible	CMO Asia 2014 Shopping Centre of the Year	 CMO Asia 2013 Most Admired Shopping Centre of the Year – Marketing campaign	 Estate Avenues 2013-14 India’s Best Existing Neighborhood Shopping Mall	 <b>CMO Asia 2014</b> Most Admired Shopping Centre of the Year
 Images Shopping Centre Awards 2015, 2013 & 2010 Most Admired Shopping Centre (Metros West)	 CNBC Awaaz Real Estate 2012 Best Retail Project in Pune	 Images Shopping Centre Award 2011-12 Most Admired Shopping Centre Launch of the Year (South)		 <b>CNBC Awaaz Real Estate 2013</b> Best Retail Project of the city
 Estate Avenues 2013-14 India’s Best Existing Neighborhood Mall	Awards for retail Excellence 2016 Retailer of the Year			 <b>Construction Industry Award 2015</b> Excellence in Commercial/ Mixed Use- Development Project
 Realty Plus Excellence 2012 Developer of the Year	Indian retail Awards 2016 Retail Property of the Year 2016 Advertising Campaign of the Year			
 Property Awards Developer of the Year				

One Bangalore West-Bengaluru



Kessaku - Bengaluru



- Premium and upscale, large-scale residential developments
- Product design, quality and location in or around mixed-use destinations have established the projects as market leaders
- **Expect substantial free cash flows from residential projects in the coming years:**
  - Cash flows from sold inventory sufficient to cover construction cost to complete project
  - Selling prices for the projects more than doubled in the last 5 years (CAGR of 18-20% over the last 5 years) while constructions costs have increased by only c5-10%
  - Residual inventory (both ready and under-construction) at current prices represents significantly higher profit margins
- **Bengaluru (One Bangalore West and Kessaku):** Commenced handover of flats in OBW Towers 1-5; Execution at OBW Tower 6 is progressing well
- **Chennai (The Crest):** Construction completed in Tower A,B and C; Occupation Certificate for the towers received

One Bangalore West and Kessaku



The Crest



Residential portfolio to aid in significant free cash flow generation

Project Name (operational)	Saleable area (msf)			Area Sold (msf)	Sales Value (Rs. mn)	Average Selling Price (Rs. psf)	Collections (Rs. mn)	Revenue recognized (Rs. mn)	
	Total Area	Area launched	Balance Area					in Q2 FY18	Cumulative
One Bangalore West, Bangaluru	2.20	1.48	0.72 <sup>##</sup>	1.18	11,340	9,627	10,393	119	9,680
Kessaku, Bengaluru	0.99	0.57	0.42	0.22	3,340	15,181	2,308	120	1,524
The Crest, Chennai	0.94	0.53	0.41	0.41	3,636	8,780	3,387	49	3,516
<b>Total</b>	<b>4.13</b>	<b>2.58</b>	<b>1.55</b>	<b>1.81</b>	<b>18,317</b>	<b>10,108</b>	<b>16,088</b>	<b>288</b>	<b>14,720</b>

<sup>##</sup> Note that of the nine towers in One Bangalore West (OBW), only Towers 1-6 have been launched

## Key highlights

- Q2 FY18 collections were at Rs. 355 mn

Tower	Saleable Area (msf)	Launched	Sold
Tower 1-5	1.23	1.23	1.05
Tower 6	0.26	0.26	0.13
Tower 7-9	0.72	Not Launched	-
<b>Total</b>	<b>2.20</b>	<b>1.48</b>	<b>1.18</b>

	Q2FY18	Q2FY17	Q1FY18
Saleable Area for 9 Towers (msf)	2.20	2.20	2.20
Cumulative Sale Value (Rs. mn)	11,340	11,137	11,238
Cumulative Sale Volume (msf)	1.18	1.17	1.17
Cumulative Collections (Rs. mn)	10,393	9,072	10,225
Average Realization (Rs./sft)	9,627	9,544	9,597

## Project Update

Occupation Certificate (OC) for Towers 1-5 received



	Q2FY18	Q2FY17	Q1FY18
Saleable Area (msf)	0.99	0.99	0.99
Cumulative Sale Value (Rs. mn)	3,340	3,173	3,317
Cumulative Sale Volume (msf)	0.22	0.21	0.22
Cumulative Collections (Rs. mn)	2,308	1,453	2,232
Average Realization (Rs./sft)	15,181	14,839	15,078

### Project Update

SORA, NIWA, MIZU, FAIA & ZEFA – RCC works completed. Pergola structural steel work in progress.



Kessaku Elevation



Above Terrace Work in Progress



	Q2FY18	Q2FY17	Q1FY18
Saleable Area (msf)	0.53	0.53	0.53
Cumulative Sale Value (Rs. mn)	3,636	3,434	3,636
Cumulative Sale Volume (msf)	0.41	0.38	0.41
Cumulative Collections (Rs. mn)	3,387	3,074	3,277
Average Realization (Rs./sft)	8,780	8,738	8,780



Note: Crest Towers A and B are a part of a separate subsidiary, Classic Housing Projects Pvt Ltd., while Crest Tower C forms a part of Classic Mall Development Co. Pvt. Ltd.

ONE BANGALORE WEST	KESSAKU	FOUNTAINHEAD
 Asia Pacific Property Awards 2013 Developer Website	 3rd Asian CEF Awards 2014 The Residential Project of the Year – Towers	 3rd Asia CEF Awards 2014 The Residential Project of the Year – Residential Buildings
 7 <sup>th</sup> Estate Awards 2014 (Franchise India & ET NOW) Regional Project of the Year – South	 7th Estate Awards 2014 (Franchise India & ET NOW) Project of the Year – National	 Asia Pacific Property Awards 2015 Apartment/Condominium Developer Website Development Marketing Residential Interior (Show Home)
 Asia Pacific Property Awards 2015 Architecture Multiple Residence Residential High-rise Development	 Asia Pacific Property Awards 2015 Development Marketing Residential Property Interior (Show Home)	 Desigonomics Awards 2014 Integrated Design Project / Marketing Strategy Direct Response – Brochures / Catalogue
 Estate Award 2015 Best Marketer of the year 2015	 Desigonomics Awards 2014 Integrated Design Project / Marketing Strategy Direct Response – Brochures / Catalogue	 Estate Award 2015 Best Marketer of the year 2015
 <b>CNBC-AWAAZ Real Estate Awards 15-16</b> Best Residential Project in Bengaluru City (Luxury)	 Estate Award 2015 Best Marketer of the year 2015	

Art Guild House - Mumbai



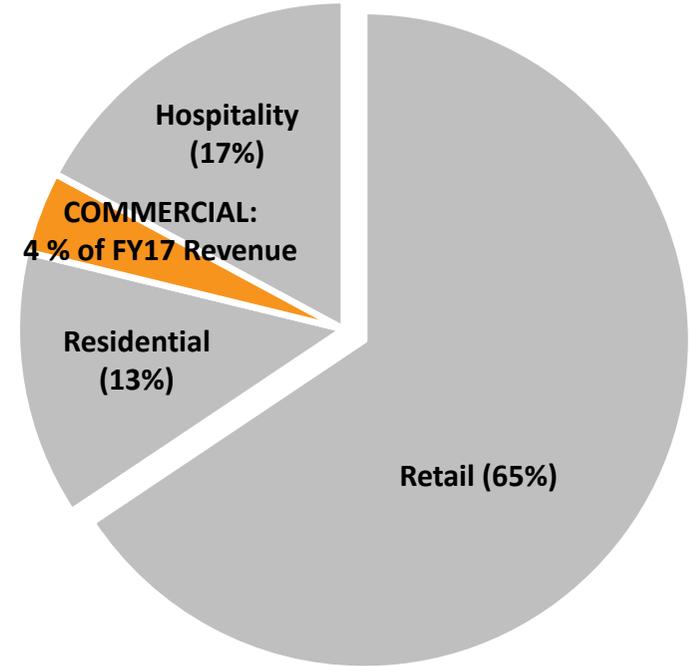
Centrium - Mumbai



East Court - Pune



Phoenix Paragon Plaza - Mumbai



- Own and operate Grade A commercial, rent-generating space of approx. 1 msf in prime locations in Mumbai
- Currently 71% of the available area has been leased to Tier 1 clients – ensures quality catchment and stable rental income
- Commercial centres fit in with our philosophy of an integrated work-life balance and are a great complement to retail centres
- Clear priority to add to the existing commercial portfolio on account of future development of additional available FSI at our malls at Pune, Bangalore, Chennai

Art Guild House, Mumbai



Commercial Portfolio complements Retail Portfolio and adds to our annuity income stream

Project Name	Total Area (msf)	Area Sold (msf)	Net Leasable Area (msf)	Area Leased (msf)	Average Rate (Rs./sq.ft)
Phoenix House	0.14	-	0.14	0.13	110 <sup>^</sup>
Centrium	0.28	0.18	0.10 <sup>#</sup>	0.09	91
Art Guild House	0.76	0.21 <sup>@</sup>	0.55 <sup>@</sup>	0.39	92
Phoenix Paragon Plaza	0.24	0.05	0.19	0.12	101
<b>Total</b>	<b>1.42</b>	<b>0.45</b>	<b>0.98</b>	<b>0.73</b>	<b>97</b>

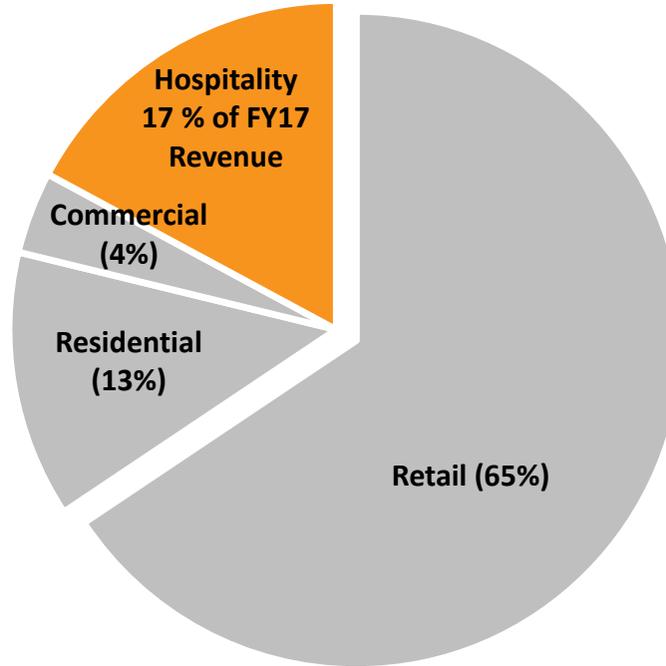
- AGH reported Rental Income of Rs. 94 Mn for H1 FY18
- 71% of available leasable area in AGH has been leased



<sup>@</sup>Total Area sold is 0.38 msf out of which PML owns 0.17 msf – this area is also counted in area available for lease

<sup>^</sup>Rental Income from Phoenix House is part of Standalone results      <sup>#</sup>Area owned by PML

The St.Regis, Mumbai



Courtyard by Marriott, Agra



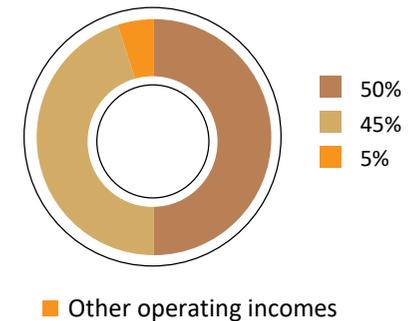
- Own and operate marquee hospitality properties in Mumbai and Agra managed by best-in-class global operator, Marriott
- The St. Regis, Mumbai and Courtyard by Marriott, Agra are established as the best performing hotels in their respective categories
- We expect The St. Regis Mumbai to sustain its strong performance given the limited supply of luxury hotels in South Mumbai and growing demand from business travellers and tourists
- We propose to consolidate ownership at Courtyard by Marriott, Agra and merge asset with Palladium Construction to optimize taxation structure, reduce debt and improve operating efficiencies
- Stable assets with self-sustaining and growing operating cash flows

	ST. REGIS, MUMBAI	COURTYARD BY MARRIOTT, AGRA
Keys	395	193
FY17 Occupancy (%)	72	57
FY17 ARR (₹)	10,594	4336
FY17 Revenue (₹ million)	2,520	323
Number of Restaurants	10	4
Banqueting Space (sq. ft.)	42,500	23,315

The St. Regis



Courtyard by Marriott



Continuously delighting our patrons with the best in-class service



	The St. Regis, Mumbai	Courtyard by Marriott, Agra
Keys	395	193
Restaurants & Bar	10	4
Occupancy (%)#	72%	59%
Average room rent (Rs. / room night) #	10,622	2,812



## The St. Regis, Mumbai

- Q2 FY18 room occupancy at 72% at an ADR of Rs. 10,622
- In Q2 FY18, ARR grew 10% yoy and Operating EBITDA grew 15% yoy

## Courtyard by Marriott, Agra

- Total Revenue was up 20% yoy driven by higher F&B and Banquet revenue (up 26% yoy)
- Q2 FY18 room occupancy at 59% at with ARR of Rs. 2,812

#For Q2 FY18

## Luna Gusta



Restaurants at The St. Regis,	Type
Piano Lounge & Bar	Lobby Lounge
Seven Kitchens	All Day, Global Cuisine
The Sahib Room & Kipling Bar	Indian
By the Mekong	Asian
Luna Gusta	European
Luna Nuda	Eclectic Bar
EXO	Night Club
YUUKA by Ting Yen	Modern Japanese
Zenith Party Suite	Private Party Suite
ASILO	Al Fresco Roof Top Bar

## Restaurants at Courtyard by Marriott

MoMo Café
MoMo to Go
Anise
MoMo To You

## Banquets at Courtyard by Marriott

The Grand Ballroom
Crystal Ballroom
Jasper
Emerald
Amethyst
Jade

## Banquets

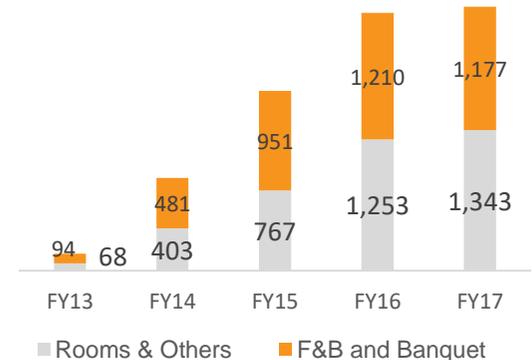


## Banquets at The St. Regis (42,500 SQ.FT)

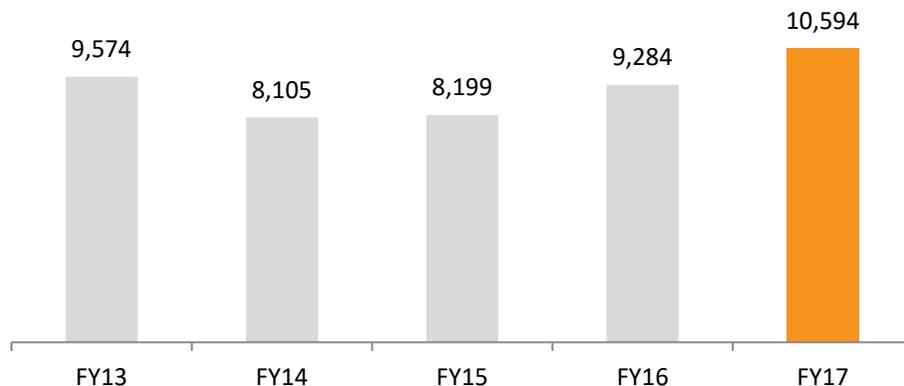
8th Floor Banquets
Banquets I – Pallazzo
Banquets II – Imperial Hall
Banquets III – Alhambra
Grand Hall - Pre-function Area
Grand Cru Salon – Party Room
9th Floor Banquets
Grand Ball Room
Bridal Room
Pre-function Area
Open air panoramic Terrace Garden

47%

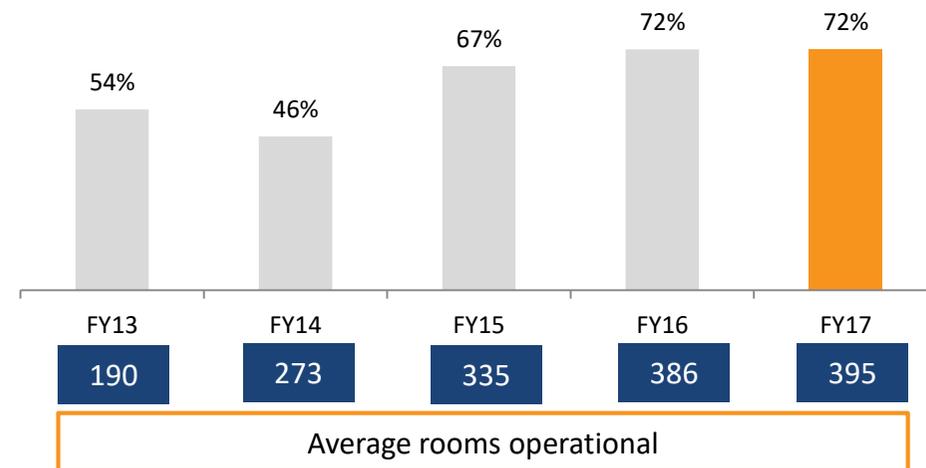
of revenue contributed by F&B and banquets



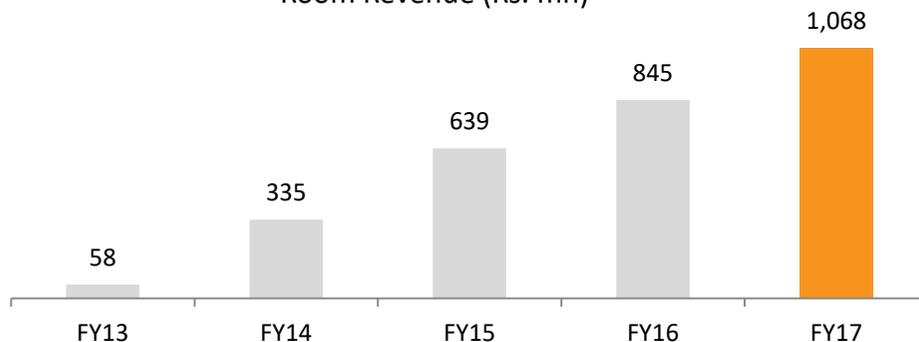
### ARR (Rs.)



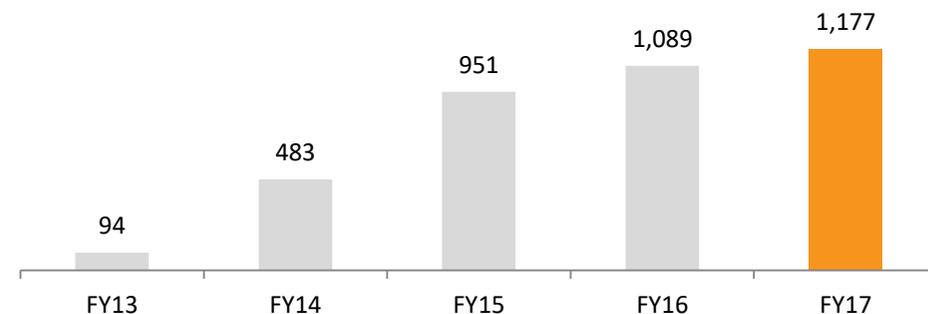
### Occupancy (%)



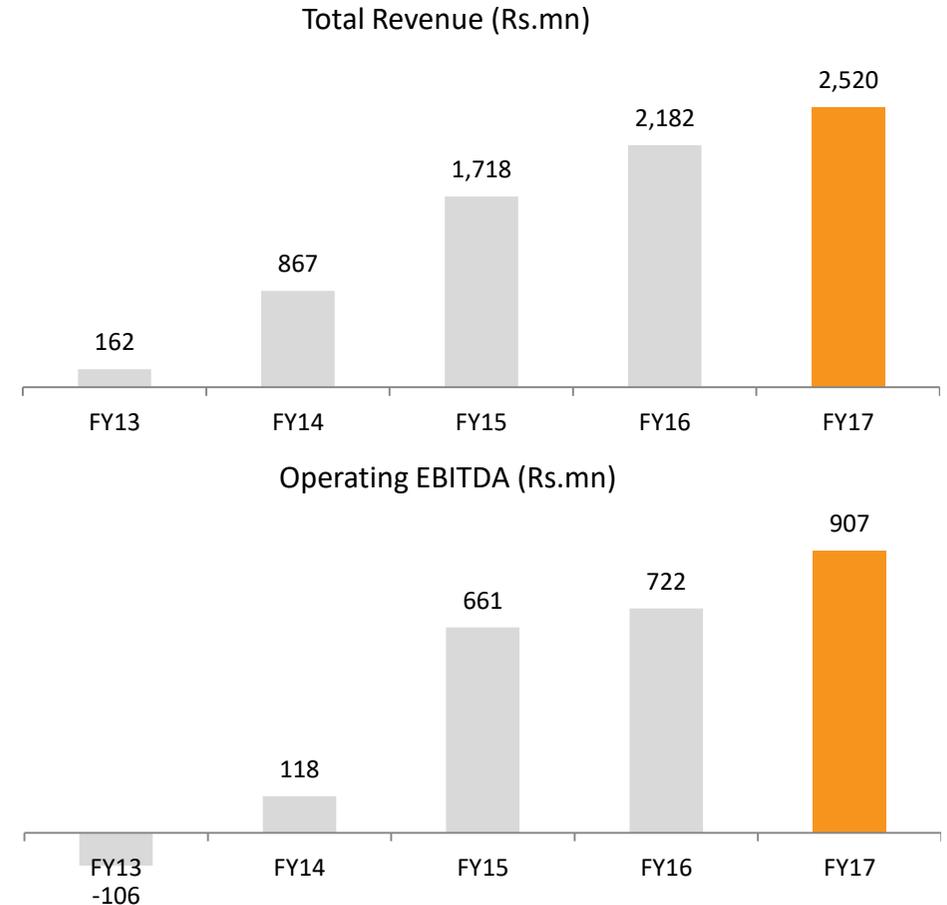
### Room Revenue (Rs. mn)



### F&B and Banquet Revenue (Rs.)



Living room inside the suite at The St. Regis, Mumbai



## YUUKA by Ting Yen



### 2014

Times Food & Nightlife Awards

- Seven Kitchens: Winner of Best All Day Restaurant (South Mumbai, Fine Dining)
- By the Mekong: Winner of Best Thai Restaurant (Newcomer, South Mumbai, Fine Dining)
- Li Bai: Winner of Best Bar (South Mumbai)

TripAdvisor Certificate of Excellence 2014

Condé Nast Readers' Travel Awards 2014  
Favorite New Leisure Hotel in India  
(*Runners Up*)

### 2015

Times Food & Nightlife Awards

The Sahib Room & Kipling Bar:  
Winner of Best Indian  
(*Noteworthy Newcomer South Mumbai, Fine Dining*)

Yuuka: Winner of Best Japanese  
(*Noteworthy Newcomer South Mumbai, Fine Dining*)

Booking.com Award of Excellence 2014, Preferred Hotel

### 2016

Times Food & Nightlife Awards

The Sahib Room & Kipling Bar: Winner of Best Indian Restaurant

EXO: Winner of Best Nightclub

LI BAI – Winner of Best Bar  
By the Mekong – Winner of the best Thai restaurant  
Booking.com Award of Excellence 2014, Preferred Hotel

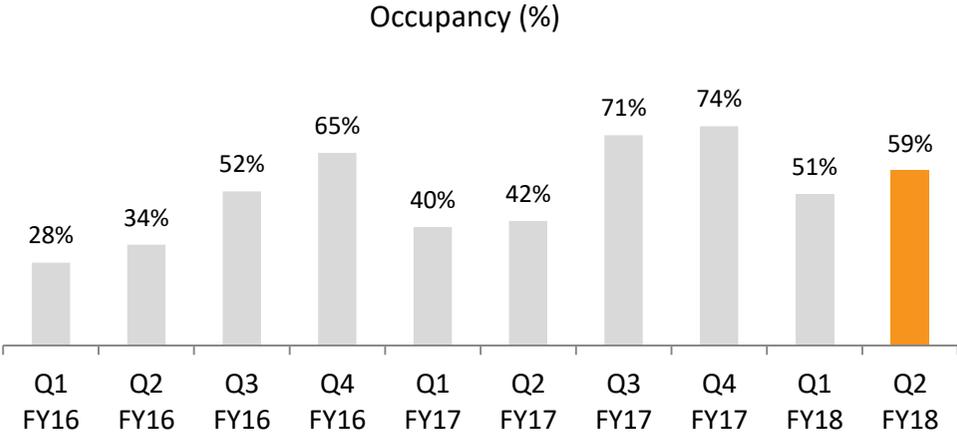
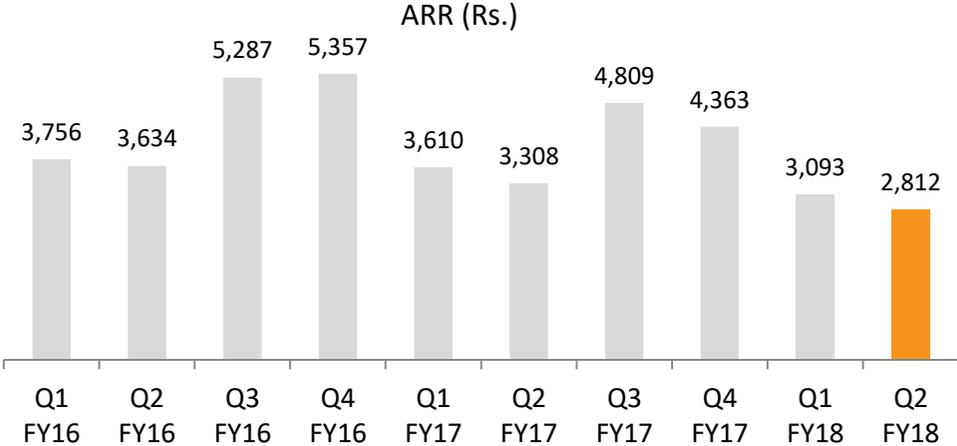
TTJ Award  
Jury Choice award, 2016 for Innovative Edge in creating luxury experiences in India

## The Sahib Room & Kipling Bar





Entrance Lobby at Courtyard by Marriott, Agra



- 5 Food & Beverage Concepts/ brands rolled out across 10 stores
- Potential for more rollouts with opportunities across all Phoenix malls at initial stage
- Adds to Phoenix malls leisure and entertainment bouquet, creating a larger consumption center
- Scalable model that can be replicated on a Pan India basis at other malls & stand alone locations



Name	Concept	Operational Stores
212 ALL DAY Café & Bar	All Day Café & Bar serving New York inspired comfort food. Well known for our Flat 50% on alcohol everyday between 4-9PM	PMC Mumbai & PMC Pune
212 All Good	One-of its kind café & bar with a focus on food & drinks that are good for your gut and free of preservatives and refined food.	HSP
Bar Bar	India's first bar with wholesale pricing. We play on the 'Economies of Scale' and are a favorite amongst large groups.	PMC Mumbai, PMC Pune & PMC Bangalore
SHIZUSAN Southeast Asian Shop House & Bar	Southeast Asian eatery inspired by a Shop house serving street and home-style food and Asian cocktails	HSP, PMC Pune & Bangalore
212 Junior	New atrium café that is kid friendly and allows adults to enjoy free time / get respite between shopping / visit to the Mall.	PMC Pune



## Investment Rationale

- **Rational Capital Deployment and Improving outlook for free cash flows**

## PML's shareholding in subsidiaries – Progressive Stake Acquisitions

Subsidiary	Development Name	2010	Sept 2017
Offbeat Developers	Phoenix MarketCity, Mumbai	24%	100%
Vamona Developers	Phoenix MarketCity, Pune	59%	100%
Classic Mall	Phoenix MarketCity, Chennai	31%	50%
Gangetic Hotels	Courtyard by Marriott, Agra	21%	100%
Pallazzo Hotels	The St. Regis, Mumbai	53%	73%
Alliance	Fountainhead, Pune	58%	100%
Classic Housing	Crest A, B	34%	50%
Island Star	Phoenix MarketCity, Bangalore	28%	70%*
Palladium Construction	One Bangalore West & Kessaku	70%	100%
Big Apple Real Estate (BARE)	Phoenix United – Lucknow, Bareilly	73%	100%

\* Owned 100% equity stake till March 2017; effective April 2017, Island Star is now a part of the platform with CPPIB

### Rational capital deployment to acquire majority stakes in operating assets

Note: PML owns 50.0% of CMD CPL and CMD CPL has been classified as an Associate of the Company effective 31 March 2017. Hence, its income from operations and expenses (including taxes) have not been consolidated in PML's results

## Value Accretive Stake Acquisitions in FY18 mark the completion of minority buyouts

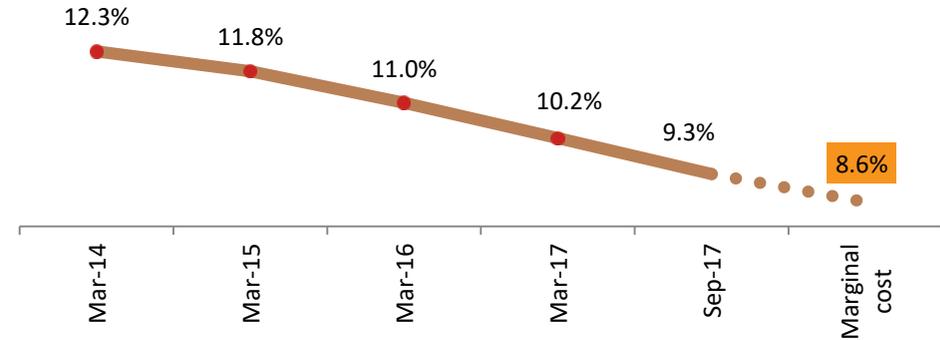
Subsidiary	Stake Purchased (%)	Amount paid for stake purchase (Rs. mn)	Previous Stake (%)	Effective Current Stake
Vamona	13.41%	1,135	86.59%	100%
Offbeat	16.41%	911	83.59%	100%
Alliance	38.26%	254	36.74%	100%*
Classic Mall	1.81%	249	48.19%	50%
<b>Total</b>		<b>2,550</b>		

\*Phoenix Mills Ltd. And its group entity, Phoenix Hospitality Company Pvt. Ltd., together own 100% of Alliance. Residual stock in Alliance (25%) is owned by Promoters.

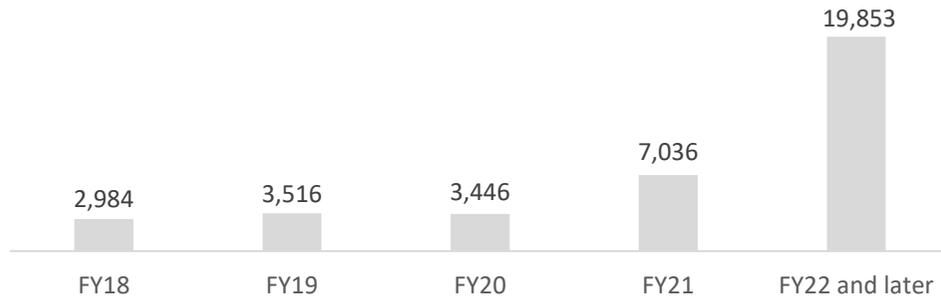
Note: PML owns 50.0% of CMDCPL and CMDCPL has been classified as an Associate of the Company effective 31 March 2017. Hence, it's income from operations and expenses (including taxes) have not been consolidated in PML's results

- Cost of debt down 170 bps in 18 months; Expect further softening in interest rates in 2H FY18
- FY17 interest coverage ratio at approx. 2x for the group with retail assets comfortably ahead
- HSP at interest coverage of 3.2x; PMC Chennai: 3.7x; PMC Bangalore: 2.9x; PMC Pune: 2.4x
- Chennai CMBS rated at AA+; PML bank loan rated at A+; ISML bank loan rated at A-

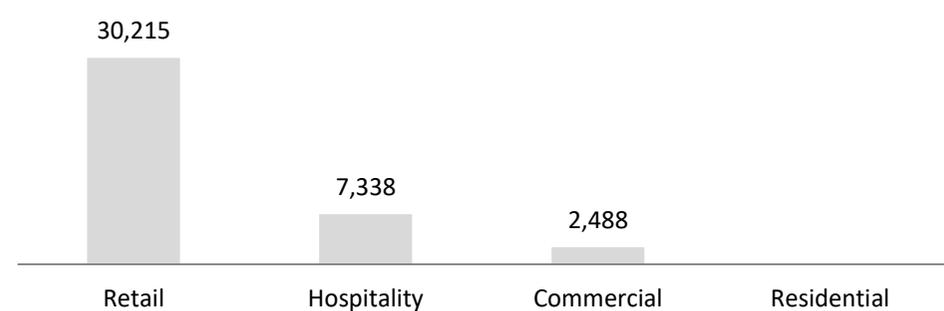
Effective cost of debt (%) has been trending down



Back loaded debt maturity (in INR mn)



Q2 FY18 Gross Debt breakup (in INR mn)



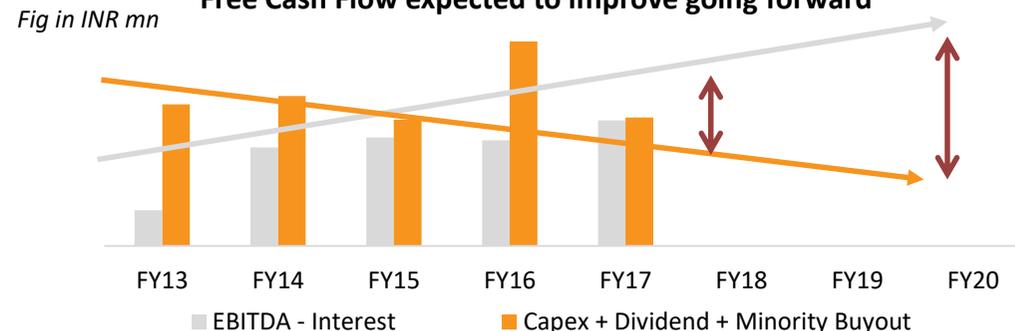
76% of debt in retail-led SPVs – refinancing of debt at lower rates to improve cash flows

- Operational cash flow, defined as EBITDA minus interest expense, has significantly increased in recent years on account of:
  - Increase in EBITDA driven by rising retail income, improving hospitality performance, and
  - Interest costs staying range-bound owing to rationalization of borrowing costs
  - Monetization of residential inventory will further boost cash flows going forward
- PML has progressively spent approx. Rs. 1,350 cr over FY13-September 2017 for accretive stake buybacks across SPVs.
- With the buyout completed in September 2017, free cash flow (i.e. operational cash flow post capex and dividend payout) is expected to increase significantly
- Prudent deployment of higher free cash flow will generate sustainable shareholder value

## Bridging gap between sources and requirement of funds

Fig in INR mn	FY13	FY14	FY15	FY16	FY17
EBITDA	2,631	6,784	7,620	7,869	8,469
Less: Interest	1,430	3,450	3,956	4,305	4,230
Source of funds	1,201	3,334	3,664	3,564	4,239
Capex	4,447	1,551	1,200	3,802	1,858
Minority Buy out	-	3,145	2,689	2,390	2,400
Dividend	335	371	371	721^	86
Use of funds	4,782	5,067	4,260	6,913	4,344

## Free Cash Flow expected to improve going forward



With minority buyout completed by Sep 2017, free cash flow is expected to increase in future

^ Dividend in FY2016 includes interim dividend



Company Overview  
Investment Rationale  
**Financial Results**  
Annexure

(Rs. mn)	Q2 FY18	Q2 FY17	% yoy growth	H1 FY18	H1 FY17	% yoy growth
Income from operations	<b>945</b>	<b>929</b>	<b>2%</b>	<b>1,926</b>	<b>1,840</b>	<b>5%</b>
<b>EBITDA</b>	<b>619</b>	<b>640</b>		<b>1,259</b>	<b>1,268</b>	
EBITDA Margin^ (%)	66%	69%		65%	69%	
Profit Before Tax and exceptional item	705	585	21%	1,123	1,176	
<b>Profit after tax &amp; before comprehensive income</b>	<b>631</b>	<b>462</b>	<b>36%</b>	<b>943</b>	<b>911</b>	<b>3%</b>
Diluted EPS (Rs.)	4.11	3.02		6.14	5.95	

- PAT before OCI at Rs. 631 mn in Q2 FY18 was double of the corresponding figure in Q1 FY18.
- Q2 FY18 PAT before OCI was positively impacted by the receipt of dividend of Rs. 327 mn from PML's subsidiaries, Vamona and Island Star.

^EBITDA Margin as a percent of Rental Income

(Rs. mn)	As on 30 <sup>th</sup> Sep 2017	(Rs. mn)	As on 30 <sup>th</sup> Sep 2017
Share Capital	306	<b>Non Current Assets</b>	<b>32,453</b>
Reserves & Surplus	24,668	Tangible Assets	6,215
<b>Sub-Total</b>	<b>24,974</b>	Intangible Assets	0
Minority Interest	-	Capital Work in Progress	1,210
<b>Non Current Liabilities</b>	<b>7,794</b>	Non-Current Investments	23,563
Long Term Borrowings	6,608	L.T. Loans and Advances	88
Other L.T. Borrowings	1,179	Deferred Tax Assets	94
Long Term Provisions	8	Other Non-Current Assets	1,283
		<b>Current Assets</b>	<b>2,977</b>
<b>Current Liabilities</b>	<b>2,663</b>	Trade Receivables	186
Short Term Borrowings	939	Cash & Cash Equivalents	144
Traed Payables	85	Short-term Loans and Advances	2,048
Other Current Liabilities	1,638	Current Tax Assets	210
Short term Provisions	1	Other Current Assets	391
<b>Total</b>	<b>35,430</b>	<b>Total</b>	<b>35,430</b>

(Rs. mn)	Q2 FY18	Q2 FY17	H1 FY18	H1 FY17
<b>Income from operations</b>	<b>3,706</b>	<b>4,911</b>	<b>7,665</b>	<b>9,335</b>
Retail	2,557	2,925	5,178	5,803
Residential	238	1,198	715	1,742
Commercial	153**	102**	264	481
Hospitality & Others	758	686	1,508	1,309
<b>EBITDA</b>	<b>1,785</b>	<b>2,312</b>	<b>3,545</b>	<b>4,335</b>
<i>EBITDA Margin (%)</i>	<i>48%</i>	<i>47%</i>	<i>46%</i>	<i>46%</i>
Profit after tax	<b>300</b>	<b>454</b>	<b>574</b>	<b>758</b>
<b>PAT after minority interest &amp; before other comprehensive income</b>	<b>418</b>	<b>543</b>	<b>843</b>	<b>973</b>
PAT after minority interest & after other comprehensive income	860	485	1,368	963
Diluted EPS (Rs.)	2.72	3.55	5.50	6.36

### Note to P&L

- Classic Mall Development Company Private Limited (CMD CPL), which owns and operates the retail mall known as Phoenix Marketcity, Chennai, has ceased to be the Company's subsidiary effective 31st March, 2017 and has since been re-classified as an associate of the Company.
- Pursuant to the said re-classification, the income from operations (Rs. 1,186 mn for H1FY18 and Rs. 592 mn for Q2FY18) as well as expenses including taxes ( Rs. 747 mn for H1FY18 and Rs. 376 mn for Q2FY18) of CMD CPL have not been consolidated for the periods

\*\* From Q1 FY18, Commercial Income refers to income earned from rent-generating leased area in the Commercial portfolio; revenue recognition for area sold in Commercial portfolio was completed in FY17

## Adjusting Q2 FY18 results for the change in treatment for Classic Mall

- For like-to-like comparison with the prior year period, we have adjusting reported H1 results and for the sake of illustration, present proforma results assuming consolidation of CMD CPL results for H1.
- This illustrates that Proforma H1 FY18 EBITDA came in at Rs. 4,316 mn, flat yoy
- There is no change in H1 FY18 PAT after minority interest and before other comprehensive income as a result of this illustration.

(Rs. mn)	Reported Q2 FY18	Proforma Q2 FY18 Results	Reported H1 FY18 Results	Proforma H1 FY18 results
<b>Income from operations</b>	<b>3,706</b>	<b>4,298</b>	<b>7,665</b>	<b>8,851</b>
<b>EBITDA</b>	<b>1,785</b>	<b>2,168</b>	<b>3,545</b>	<b>4,316</b>
<i>EBITDA Margin (%)</i>	<i>48%</i>	<i>50%</i>	<i>46%</i>	<i>49%</i>
<b>PAT after minority interest &amp; before other comprehensive income</b>	<b>418</b>	<b>418</b>	<b>843</b>	<b>843</b>

## H1 FY18 results reflect strong performance led by the non-residential portfolio

- We have witnessed strong performance from our retail, commercial and hospitality portfolios in H1 FY18
  - Revenue recognition from residential portfolio was strong in H1 FY17 due to first-time contribution from Kessaku
  - This impacts yoy comparison for reported results in H1 FY18
  - In H1 FY18, Palladium Construction reported revenue of 715 mn and PAT after minority interest and before OCI of Rs. 119 mn compared to corresponding figures of Rs. 1,742 mn and Rs. 320 mn respectively in H1 FY17
- In the table below, we provide adjusted H1 FY18 results to demonstrate the performance from the non-residential portfolio..
  - We adjust reported H1 FY18 results by removing the residential portfolio results and assuming consolidation of CMDCPL results
  - This provides a like-for-like comparison with results for the prior year period for the non-residential portfolio
  - Income from operations from non-residential portfolio comes in at Rs. 8,136 mn, up 7% yoy
  - H1 FY18 PAT after minority interest and before other comprehensive income comes in at Rs. 724 mn, up 11% yoy

(Rs. mn)	Adjusted Q2 FY18	Adjusted Q2 FY17	Adjusted H1 FY18	Adjusted H1 FY17
Income from operations from retail, commercial and hospitality businesses	4,060	3,713	8,136	7,593
PAT after minority interest & before other comprehensive income	364	240	724	654

(Rs. mn)	As on 30 <sup>th</sup> Sep 2017	(Rs. mn)	As on 30 <sup>th</sup> Sep 2017
Share Capital	306	<b>Non Current Assets</b>	<b>61,513</b>
Reserves & Surplus	26,177	Tangible Assets	46,470
<b>Sub-Total</b>	<b>26,483</b>	Intangible Assets	33
<b>Minority Interest</b>	4,507	Capital Work in Progress	3,076
		Goodwill on account of Consolidation	3,790
<b>Non Current Liabilities</b>	<b>36,257</b>	Non-Current Investments	4,296
Long Term Borrowings	32,134	L.T. Loans and Advances	693
Other L.T. Borrowings	3,641	Other Non-Current Assets	3,156
Long Term Provisions	482	<b>Current Assets</b>	<b>16,523</b>
<b>Current Liabilities</b>	<b>10,789</b>	Inventories	7,208
Short Term Borrowings	2,978	Trade Receivables	1,091
Trade Payables	799	Cash & Cash Equivalents, incl. investments in liquid funds	5,538
Other Current Liabilities	6,608	Short-term Loans and Advances	331
Short term Provisions	405	Other Current Assets	2,356
<b>Total</b>	<b>78,036</b>	<b>Total</b>	<b>78,036</b>

## Retail Portfolio

- H1FY18 consumption at Rs. 30.8 bn, up 4% and 11% yoy
- Rental Income was Rs. 4.2 bn for H1FY18, up 12% yoy
- Note: Both figures take into consideration 100% performance of the PMC Chennai asset

## HSP & Palladium

- Q2FY18 consumption was at Rs. 3,617 mn, Trading Density at Rs. 2,765 psf pm
- Rental Income came in at Rs. 713 mn
- Consumption & rental Income was impacted by ~ 11% of the mall being under fit-out. Area expected to be operational by mid-Dec 2017

## PMC Chennai

- Rental Income for Q2FY18 came in at Rs. 343 mn, up 5% yoy
- EBITDA for the quarter was Rs. 383 mn, up 15% yoy

## PMC Bengaluru

- Strong Consumption & Rental Income growth for Q2FY18 at 26% yoy and 18% yoy respectively
- Trading Density at Rs. 1,686 psf pm for the quarter, up 23% yoy

## PMC Pune

- Rental Income at Rs. 332 mn for Q2FY18 and Rs. 670 mn for H1FY18, up 17% & 22% yoy
- Consumption for Q2FY18 at Rs. 2,495 Mn, up 14% yoy
- EBITDA for the quarter was Rs. 306 mn and Rs. 614 mn for the half year, up 18% & 21% yoy

## PMC Mumbai

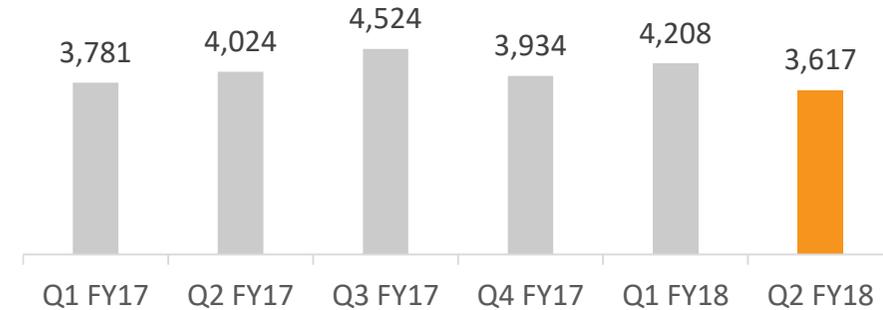
- Rental Income in Q2 FY18 of Rs. 271 mn, up 18% yoy
- EBITDA for the quarter was Rs. 230 mn up 51% yoy and Rs. 473 mn for six months, up 57% yoy

## Key drivers for retail consumption in H2 FY18:

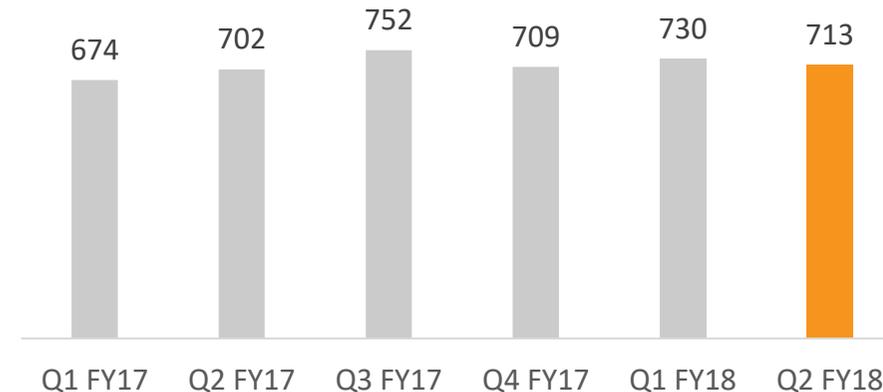
- ✓ **We enhanced the shopping experience for consumer in Chennai with the launch of Palladium Chennai in October 2017**
  - Palladium Chennai opened in October 2017 and received a very positive response from consumers
  - Palladium Chennai has a gross leasable area of approx. 0.22 msf and is located next to PMC Chennai
  - We expect the mall to become fully operational by December 2017
- ✓ **We expect the launch of the new retail zone in HSP in December 2017 to significantly aid consumption and rental income growth in H2 FY2018**
  - The new zone in HSP has leasable area of c50,000 sft
  - The zone will comprise of 13 retailers across fashion, jewelry and F&B categories
  - This zone was previously occupied by a large, domestic departmental store
- ✓ **We continue to work towards enhancing consumer experience with the addition of marquee retailers across our assets**
  - Toys R Us in PMC opened its first store in India at PMC Bangalore
  - H&M opened its 4<sup>th</sup> store in Chennai after two stores in Mumbai (HSP, PMC Kurla) and PMC Pune
- ✓ **We expect significant boost to the F&B category sales in HSP, PMC Kurla and PMC Pune in H2 FY18**
  - Several new outlets are expected to open across these assets in H2 FY18
  - Particularly in PMC Pune, we expect F&B sales to get a big boost in H2 FY18 after the liquor ban (in effect from 1 April 2017) was removed towards end-September 2017

- Rental Income of Rs. 713 mn this quarter, up 1% yoy
- Consumption of Rs. 3,617 mn in Q2 FY18, down 10% yoy
- Consumption was impacted during H1FY18 on account of ~11% of leasable area being under fit-out
- We expect the launch of the new retail zone (North Skyzone) in HSP in December 2017 to significantly aid consumption and rental income growth in H2 FY18
  - The new zone in HSP has leasable area of 50,000 sft approx.
  - The zone will comprise of 13 retailers across fashion, jewelry and F&B categories
  - This zone was previously occupied by a large, domestic departmental store

## Consumption (Rs. mn)



## Rental Income (Rs. mn)



	Q2FY18	Q2FY17	% yoy growth	H1FY18	H1FY17	% yoy growth
<b>Rental Income (Rs. mn) ^</b>	<b>713</b>	<b>702</b>	<b>1%</b>	<b>1,443</b>	<b>1,376</b>	<b>5%</b>
Recoveries (CAM and other) (Rs. mn)	232	226	3%	483	464	4%
Total Income (Rs. mn)	945	929	2%	1,926	1,840	5%
<b>EBITDA (Rs. mn)</b>	<b>619</b>	<b>640</b>		<b>1,259</b>	<b>1,268</b>	
EBITDA Margin (as % of Rental Income)	87%	91%		87%	92%	



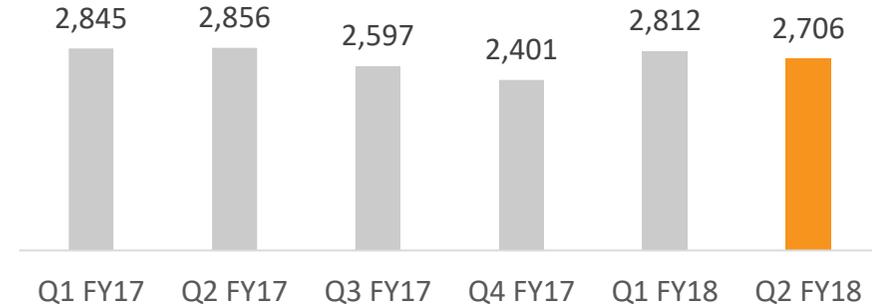
Rental Rate (Rs./sft pm) ^	351	305	15%	349	303	15%
Consumption (Rs. mn)	3,617	4,024		7,825	7,805	
Trading Density (Rs./sft pm)	2,765	2,842		2,939	2,831	4%
Trading Occupancy (%)	86%	94%		87%	93%	



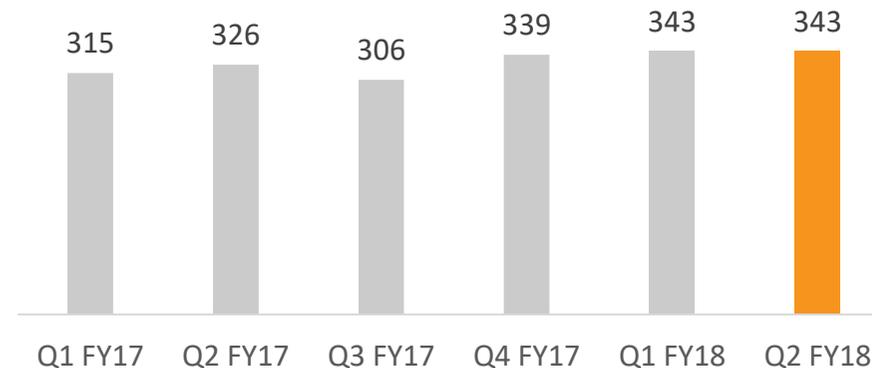
^ Rental Income & Rental rate is including Commercial Offices

- Consumption in Chennai came in at Rs. 2,706 mn
- Consumption growth remains sluggish on account of the category changes initiated last year as well as owing to the local economy
- However, the category changes have had a positive impact on our rental income from the property
- Rental rate reached an average of Rs. 126/sft pm while rental income was up 7% yoy in H1FY18 at Rs. 686 mn
- EBITDA in Chennai continues to stay ahead of the rental income and came in at Rs. 771 mn in H1FY18, up 16% yoy

### Consumption (Rs. mn)



### Rental Income (Rs. mn)



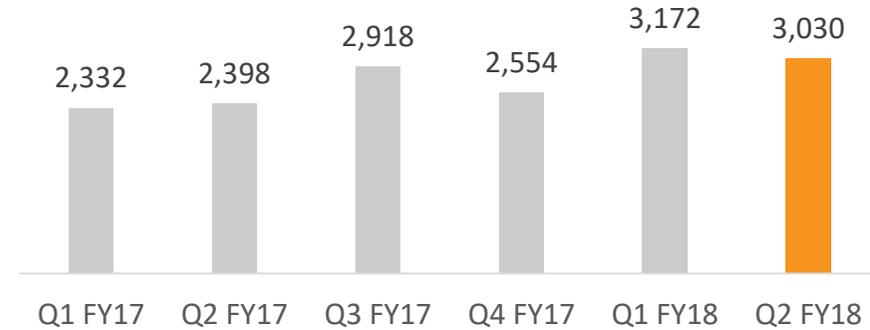
Note: PML owns 50.0% of CMD CPL and CMD CPL has been classified as an Associate of the Company effective 31 March 2017. Hence, its income from operations and expenses (including taxes) have not been consolidated in PML's results

	Q2FY18	Q2FY17	% yoy growth	H1FY18	H1FY17	% yoy growth
<b>Rental Income (Rs. mn)</b>	<b>343</b>	<b>326</b>	<b>5%</b>	<b>686</b>	<b>641</b>	<b>7%</b>
Recoveries (CAM and other) (Rs. mn)	192	184	4%	405	383	6%
Total Income (Rs. mn)	535	511	5%	1,091	1,024	7%
<b>EBITDA (Rs. mn)</b>	<b>383</b>	<b>332</b>	<b>15%</b>	<b>771</b>	<b>662</b>	<b>16%</b>
EBIDTA Margin (as % of Rental Income)	112%	102%		112%	103%	
Rental Rate (Rs./sft pm)	127	123	3%	126	121	4%
Consumption (Rs. mn)	2,706	2,856		5,518	5,702	
Trading Density (Rs./sft pm)	1,498	1,617		1,524	1,610	
Trading Occupancy (%)	94%	92%		95%	93%	
Income from Residential Sales (Crest Tower C)	32	58		59	154	

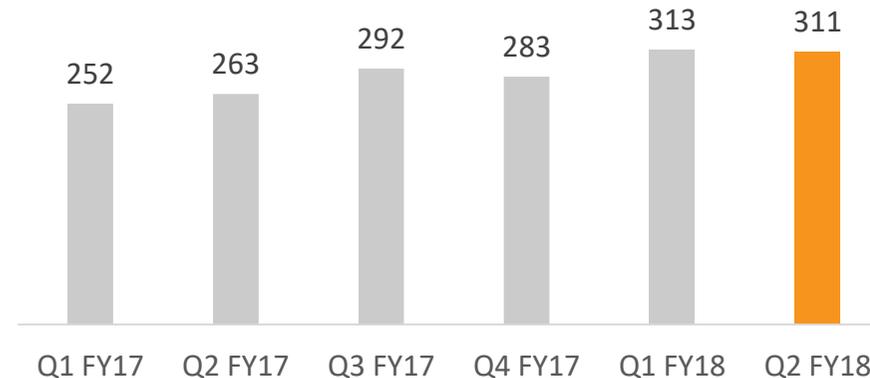


- PMC Bangalore in its sixth year of operations continues to demonstrate market leading growth across categories
- H1FY18 Consumption was up 31% yoy to Rs. 6,202 mn
- Strong consumption growth is also translating into superior financial performance at the asset
- Rental income was up 21% yoy at Rs. 624 mn in H1FY18
- Similarly, EBITDA was up 18% yoy to Rs. 626 mn in H1FY18
- We continue to work towards enhancing consumer experience and have introduced the first ever store of Toys R Us in PMC Bangalore in October 2017

### Consumption (Rs. mn)



### Rental Income (Rs. mn)



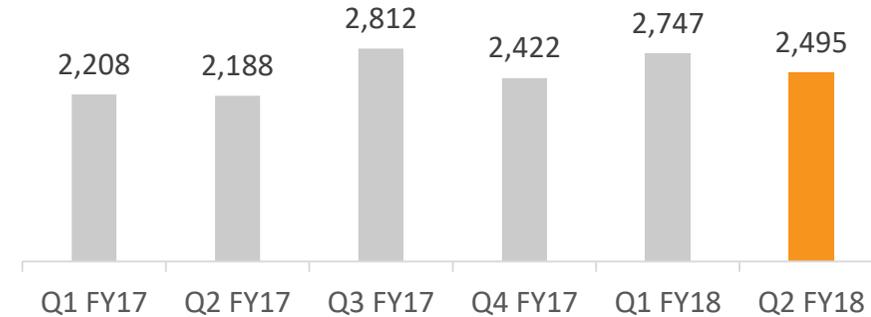
	Q2FY18	Q2FY17	% yoy growth	H1FY18	H1FY17	% yoy growth
<b>Rental Income (Rs. mn)</b>	<b>311</b>	<b>263</b>	<b>18%</b>	<b>624</b>	<b>516</b>	<b>21%</b>
Recoveries (CAM and other) (Rs. mn)	164	152	8%	328	303	8%
Total Income (Rs. mn)	475	415	14%	953	818	16%
<b>EBITDA (Rs. mn)</b>	<b>307</b>	<b>280</b>	<b>9%</b>	<b>626</b>	<b>530</b>	<b>18%</b>
EBITDA Margin (as % of Rental Income)	98%	106%		100%	103%	

Rental Rate (Rs./sft pm)	114	100	14%	115	99	16%
Consumption (Rs. mn)	3,030	2,398	26%	6,202	4,731	31%
Trading Density (Rs./sft pm)	1,686	1,375	23%	1,748	1,363	28%
Trading Occupancy (%)	91%	88%		90%	88%	

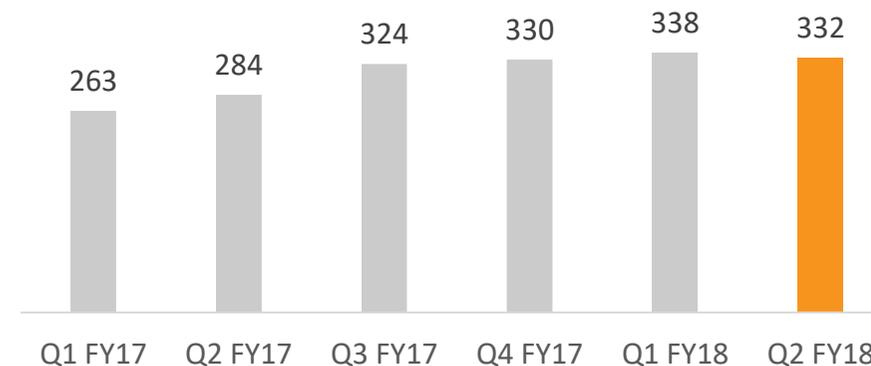


- Strong H1FY18 Consumption growth of 19% yoy and Rental Income growth of 22% yoy
- Trading Density is at 1,142 in Q2FY18, down 7% yoy
  - We have added a new floor (3<sup>rd</sup> floor) at PMC Pune taking the gross leasable area up from 1.13 msft. to 1.19 msft. (increase of 5%)
  - Trading occupancy in Q2FY18 is 91% as compared to 79% in Q2 FY17
- Several F&B brands are under fit-out on the newly created third floor in PMC Pune. Coupled with the lifting of the liquor ban towards end-Sept 2017, we expect consumption growth to get a further boost from better F&B sales in H2FY18

### Consumption (Rs. mn)



### Rental Income (Rs. mn)



	Q2FY18	Q2FY17	% yoy growth	H1FY18	H1FY17	% yoy growth
<b>Rental Income (Rs. mn)</b>	<b>332</b>	<b>284</b>	<b>17%</b>	<b>670</b>	<b>548</b>	<b>22%</b>
Recoveries (CAM and other) (Rs. mn)	209	184	14%	427	375	14%
Total Income (Rs. mn)	541	468	16%	1,096	923	19%
<b>EBITDA (Rs. mn)</b>	<b>306</b>	<b>258</b>	<b>18%</b>	<b>614</b>	<b>506</b>	<b>21%</b>
EBITDA Margin (as % of Rental Income)	92%	91%		92%	92%	
Rental Rate (Rs./sft pm)	102	105		103	100	3%
Consumption (Rs. mn)	2,495	2,188	14%	5,242	4,396	19%
Trading Density (Rs./sft pm)	1,142	1,225		1,203	1,207	
Trading Occupancy (%)	91%	79%		91%	80%	

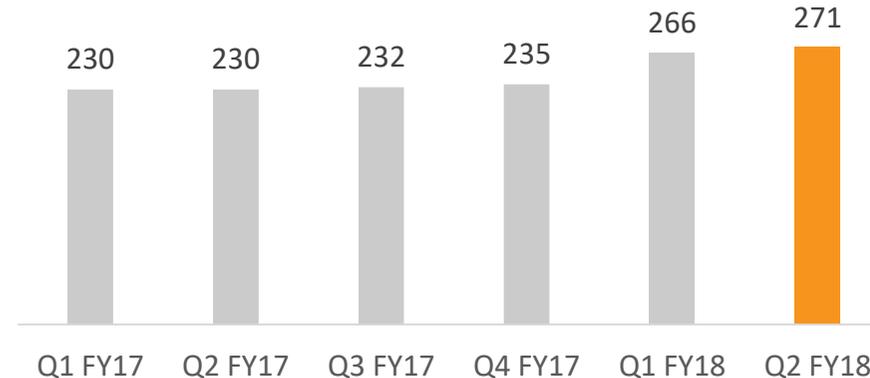


- PMC Kurla continues its successful turnaround story
- Consumption at PMC Kurla was up 19% yoy at Rs. 3,853 mn in H1FY18
- Rental Income of Rs. 537 Mn in H1FY18, up 17% yoy
- PMC Mumbai is performing at a consistent Trading Density close to Rs. 1,000 pspm (Rs. 996 for H1FY18)
- Consumption growth has also resulted in improved EBITDA performance at the centre. EBITDA for H1FY18 was up 57% yoy to Rs. 473 mn

### Consumption (Rs. mn)



### Rental Income (Rs. mn)

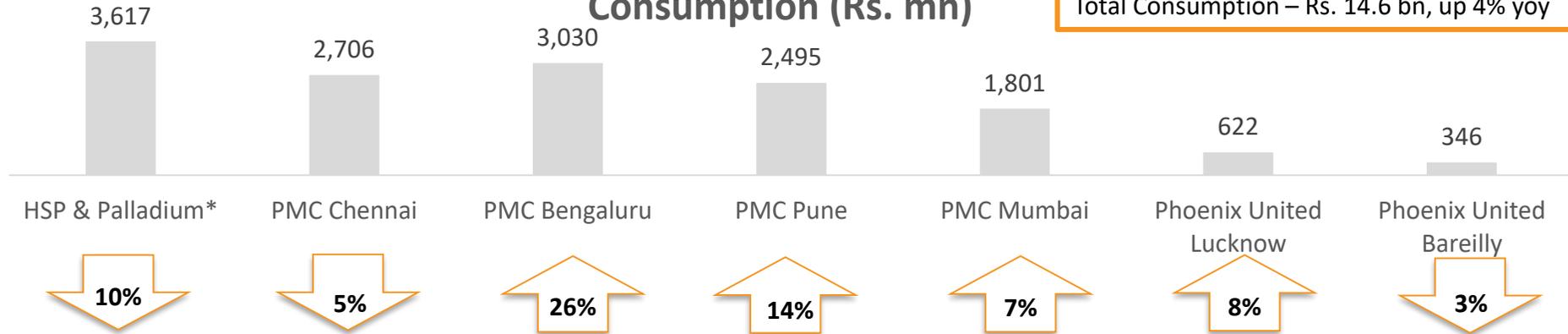


	Q2FY18	Q2FY17	% yoy growth	H1FY18	H1FY17	% yoy growth
<b>Rental Income (Rs. mn)</b>	<b>271</b>	<b>230</b>	<b>18%</b>	<b>537</b>	<b>460</b>	<b>17%</b>
Recoveries (CAM and other) (Rs. mn)	139	157		<b>284</b>	<b>284</b>	
Total Income (Rs. mn)	410	386	6%	<b>820</b>	<b>743</b>	<b>10%</b>
<b>EBITDA (Rs. mn)</b>	<b>230</b>	<b>152</b>	<b>51%</b>	<b>473</b>	<b>301</b>	<b>57%</b>
EBITDA Margin (as % of Rental Income)	85%	66%		<b>88%</b>	<b>65%</b>	
Rental Rate (Rs./sft pm)	92	81	13%	91	82	11%
Consumption (Rs. mn)	1,801	1,678	7%	3,853	3,244	19%
Trading Density (Rs./sft pm)	927	913	2%	996	899	11%
Trading Occupancy (%)	91%	87%		90%	85%	
Income from Commercial Sales (AGH, Centrium)	0	98		0	473	

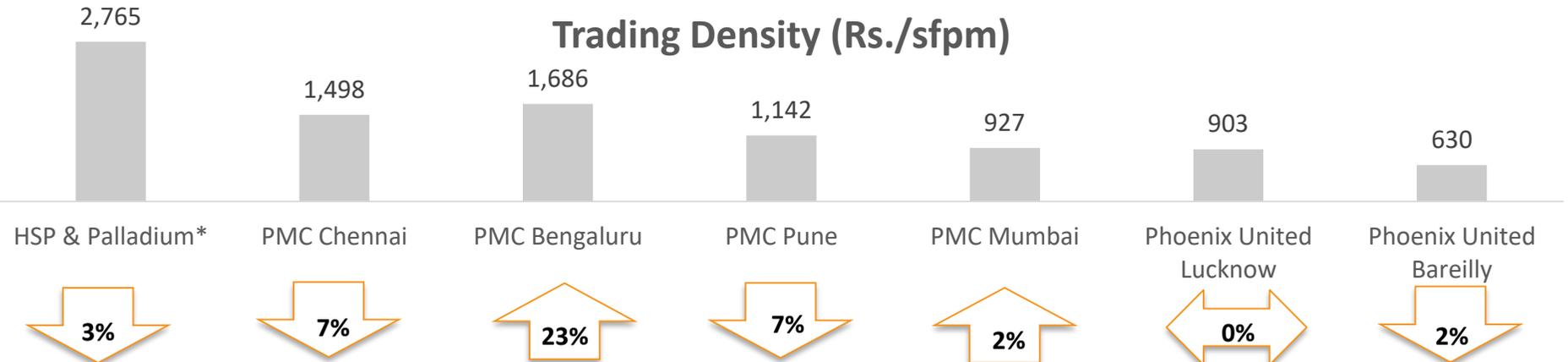


## Consumption (Rs. mn)

Total Consumption – Rs. 14.6 bn, up 4% yoy



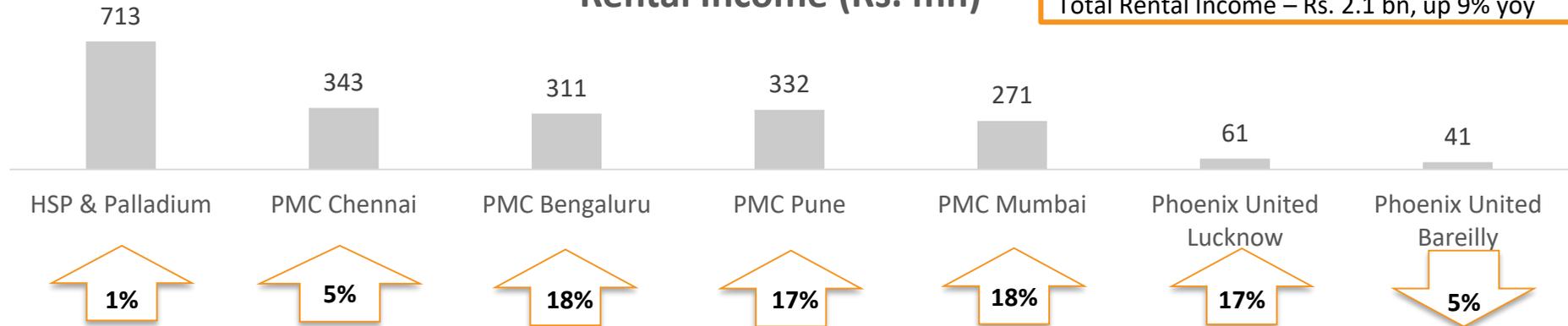
## Trading Density (Rs./sfpm)



\*Note: Impact on Consumption and Trading Density is on account of significant area (11% of leasable area) being under fit-out.

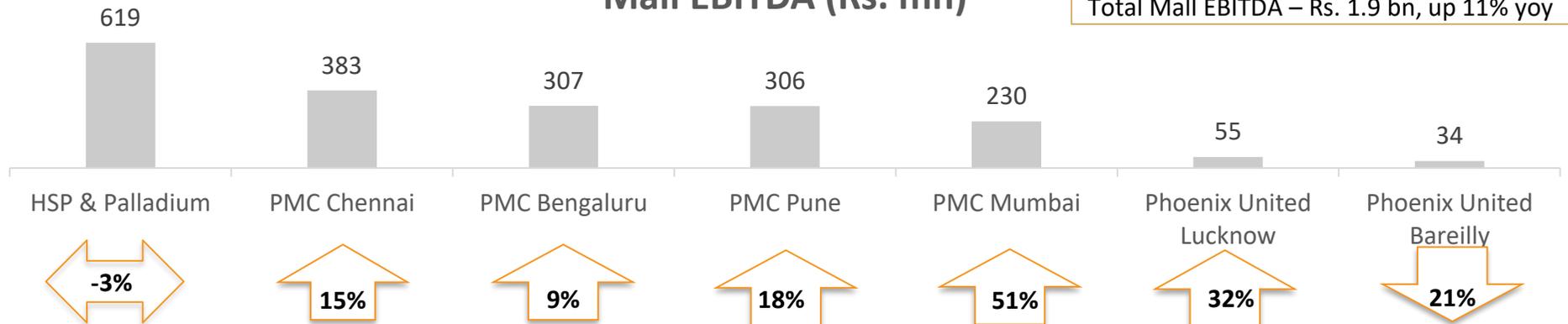
## Rental Income (Rs. mn)

Total Rental Income – Rs. 2.1 bn, up 9% yoy



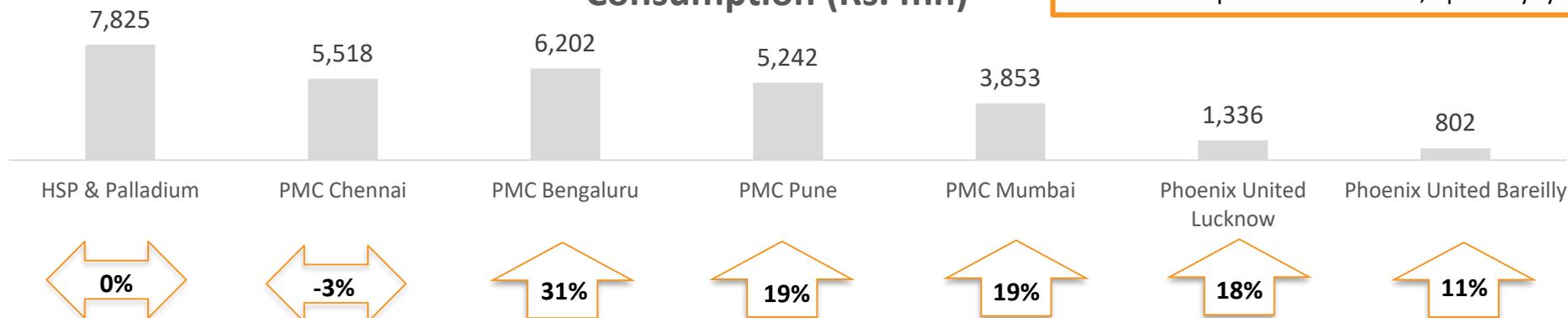
## Mall EBITDA (Rs. mn)

Total Mall EBITDA – Rs. 1.9 bn, up 11% yoy

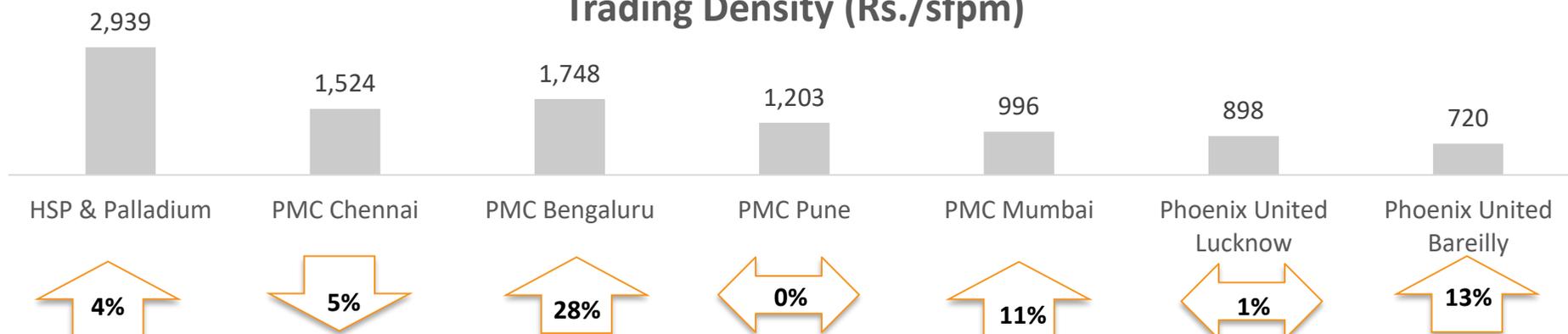


## Consumption (Rs. mn)

Total Consumption – Rs. 30.8 bn, up 11% yoy

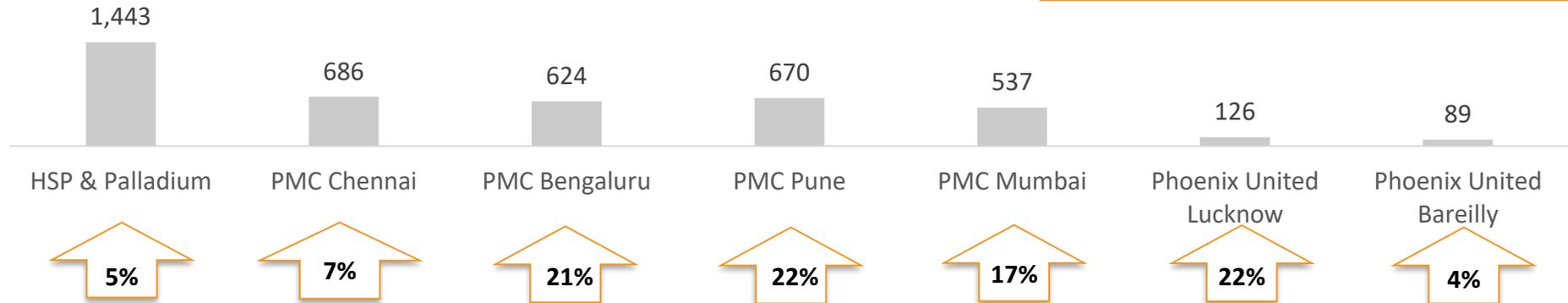


## Trading Density (Rs./sfpm)



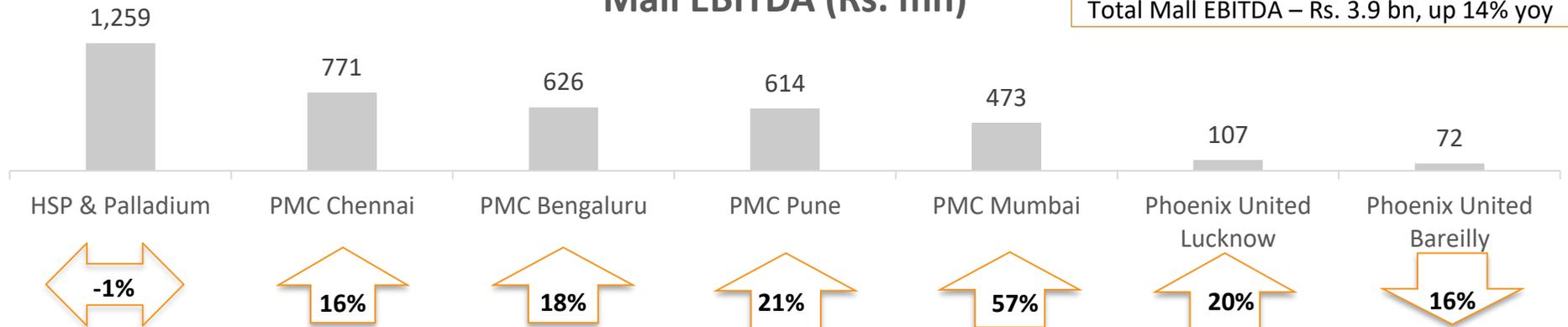
## Rental Income (Rs. mn)

Total Rental Income – Rs. 4.2 bn, up 12% yoy



## Mall EBITDA (Rs. mn)

Total Mall EBITDA – Rs. 3.9 bn, up 14% yoy



Project Name	Total Area (msf)	Area Sold (msf)	Net Leasable Area (msf)	Area Leased (msf)	Average Rate (Rs./sq.ft)
Phoenix House	0.14	-	0.14	0.13	110 <sup>^</sup>
Centrium	0.28	0.18	0.10 <sup>#</sup>	0.09	91
Art Guild House	0.76	0.21 <sup>@</sup>	0.55 <sup>@</sup>	0.39	92
Phoenix Paragon Plaza	0.24	0.05	0.19	0.12	101
<b>Total</b>	<b>1.42</b>	<b>0.45</b>	<b>0.98</b>	<b>0.73</b>	<b>97</b>

- AGH reported Rental Income of Rs. 94 Mn for H1 FY18
- 71% of available leasable area in AGH has been leased



<sup>@</sup>Total Area sold is 0.38 msf out of which PML owns 0.17 msf – this area is also counted in area available for lease

<sup>^</sup>Rental Income from Phoenix House is part of Standalone results      <sup>#</sup>Area owned by PML

## **The St. Regis, Mumbai**

- The St. Regis continues to set new performance benchmarks in the industry with stellar industry-leading growth rates
- During H1, the hotel operated at an occupancy of 72% (vs. 65% last year) and ARR of Rs. 10,700 (up 9% yoy)
- This resulted in higher room revenue of Rs. 546 mn, up 21% yoy
- Higher room occupancy and better expense management has also helped improve operating profit by 24% yoy to Rs. 430 mn

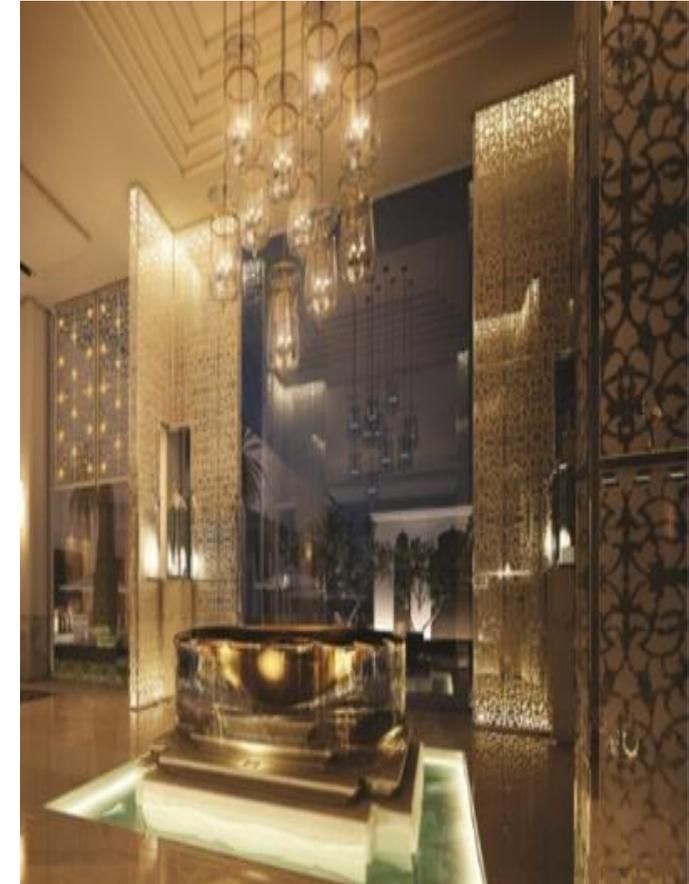
## **Courtyard by Marriott, Agra**

- Courtyard by Marriott, Agra reported strong occupancy in H1 FY18. Occupancy improved from 41% to 55% in H1
- The property saw weakness in the average ARRs with H1 ARRs at Rs. 2,951, down 13% yoy
- Revenue from rooms was up 16% yoy to Rs. 56 mn in H1
- Revenue from F&B and banqueting remained strong at Rs. 66 mn, up 25% yoy

	Q2FY18	Q2FY17	% yoy growth	H1FY18	H1FY17	% yoy growth
Revenue from Rooms (Rs. mn)	274	239	15%	546	452	21%
Revenue from F&B and Banqueting (Rs. mn)	279	274	2%	569	528	8%
Other Operating Income (Rs. mn)	66	63	4%	127	119	7%
<b>Total Income (Rs. mn)</b>	<b>620</b>	<b>576</b>	<b>8%</b>	<b>1,242</b>	<b>1,099</b>	<b>13%</b>
<b>Operating EBITDA (Rs. mn)</b>	<b>207</b>	<b>179</b>	<b>15%</b>	<b>430</b>	<b>347</b>	<b>24%</b>
<i>Occupancy (%)</i>	<i>72%</i>	<i>69%</i>		<i>72%</i>	<i>65%</i>	
<i>ARR (Rs.)</i>	<i>10,622</i>	<i>9,671</i>	<i>10%</i>	<i>10,700</i>	<i>9,804</i>	<i>9%</i>



	Q2FY18	Q2FY17	% yoy growth	H1FY18	H1FY17	% yoy growth
Revenue from Rooms (Rs. mn)	29	24	21%	56	49	16%
Revenue from F&B and Banqueting (Rs. mn)	32	26	21%	66	53	25%
Other Operating Income (Rs.mn)	4	4	7%	7	7	11%
<b>Total Income (Rs. mn)</b>	<b>65</b>	<b>54</b>	<b>20%</b>	<b>130</b>	<b>109</b>	<b>20%</b>
<i>Occupancy (%)</i>	<i>59%</i>	<i>42%</i>		<i>55%</i>	<i>41%</i>	
<i>ARR (Rs.)</i>	<i>2,812</i>	<i>3,308</i>		<i>2,951</i>	<i>3,411</i>	



Asset Type	SPV	Asset Name	Q2 FY18 Debt (Rs. mn)
Retail & Mixed-Use	PML Standalone	High Street Phoenix, Mumbai	7,464
	Classic Mall Development	Phoenix MarketCity, Chennai	5,003
		The Crest C	
	Vamona Developers	Phoenix MarketCity, Pune	5,772
		East Court	
	Island Star Mall Developers	Phoenix MarketCity, Bangalore	4,305
	Offbeat Developers	Phoenix MarketCity, Mumbai	7,424
		Art Guild House	
		Centrium	
	Blackwood Developers	Phoenix United, Bareilly	774
	UPAL Developers	Phoenix United, Lucknow	882
	Graceworks Realty & Leisure	Phoenix Paragon Plaza	1,078
Palladium Constructions	One Bangalore West & Kessaku (Residential) Courtyard by Marriott, Agra (Hotel)*	1,332	
Hotel	Pallazzo Hotels & Leisure	The St. Regis, Mumbai	6,006
<b>Total</b>			<b>40,041</b>

\*Merger of Gangetic Hotels to Palladium Construction approved in October 2017 – Debt of Gangetic Hotels transferred to Palladium Constructions

Note: PML owns 50.0% of CMDCPL and CMDCPL has been classified as an Associate of the Company effective 31 March 2017. Hence, it's income from operations, expenses (including taxes) and borrowings have not been consolidated in PML's results.

Company Overview  
Investment Rationale  
Financial Results  
**Annexure**



**Mr. Ashok Kumar Ruia, CMD**

- Graduate from Cambridge , been on the Board since 1963. He has vast experience in managing the Company's affairs
- Active role in the textile industry, serving as a committee member of the Mill Owners' Association, Mumbai for several years



**Mr. Amit Kumar Dabriwala, Independent Director**

- Graduated from the Calcutta University, Promoter Director of United Credit Securities Limited, a member of the National Stock Exchange
- Also involved in real estate development, leasing and hire purchase.



**Mr. Atul Ruia, Jt. Managing Director**

- Graduate from the University of Pennsylvania and Business Management from the Wharton School of Finance
- Joined the Board of PML in 1996 and is instrumental behind the development of High Street Phoenix,



**Mr. Amit Dalal, Independent Director**

- Bachelor's in Commerce from the University of Mumbai and MBA from the University of Massachusetts
- Executive Director of Investments at Tata Investment Corporation Ltd since January 1, 2010.



**Mr. Shishir Shrivastava, Jt. Managing Director**

- Graduated from IHM, Bengaluru, associated with the Phoenix Group since 2000
- Instrumental in shaping up HSP to its current reputation, drive strategy and oversee several critical functions of the Company



**Mr. Sivaramakrishnan Iyer, Independent Director**

- Qualified Chartered Accountant and partner of Patel Rajeev Siva & Associates
- His firm specializes in corporate finance, mergers and amalgamations and capital structuring for new projects



**Mr. Pradumna Kanodia, Director – Finance**

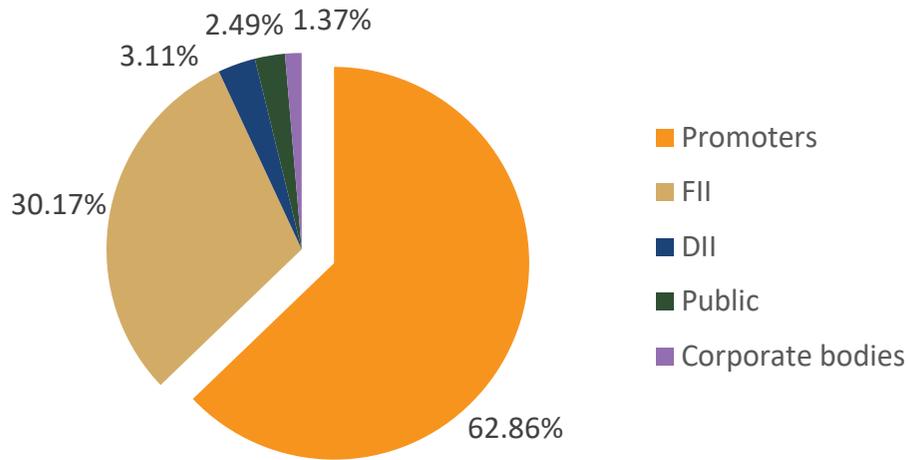
- Qualified Chartered Accountant and Company Secretary, over 27 years of experience in corporate management, finance and commercial matters
- Heads the finance and accounts teams and plays a key role in fund raising



**Ms. Shweta Vyas, Independent Director**

- Bachelor's in commerce from the University of Mumbai and PG diploma in business management from the K.J. Somaiya Institute
- AVP at Barclays, worked in Standard Chartered Wholesale Banking

### Shareholding Pattern



Key Institutional Investors	% Shareholding
Nordea Bank	10.99%
Fidelity Investment Trust	4.35%
Schroder	2.37%
Reliance Capital	1.31%
TIAA-CREF Funds	1.28%
Van Eck	1.18%
Mondrian	1.16%



THE PHOENIX  
MILLS LIMITED

For more information on the Company,  
its projects and services please log on to  
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