THE PHOENIX
MILLS LIMITED

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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: Press Release 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 Press Release 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 MUMBAI

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The Phoenix Mills reports strong H1 FY18 performance across Retail and Hospitality portfolios

Aggregate H1 retail consumption at INR 30.8 billion, up 11% y-o-y

Mumbai, November 13, 2017: The Phoenix Mills Limited (PML), India's largest retail led mixed use asset developer and operator, today reported its financial results for the second quarter and half year ended on September 30, 2017 as approved by its Board of Directors.

Financial Highlights – H1 FY2018 Consolidated

- Revenue from operations at INR 7,665 million
- EBITDA at INR 3,545 million
- Profit after tax (after minority interest and before other comprehensive income) at INR 843 million
- During H1, the company acquired minority investors stakes in various assets. With that, PML has 100% ownership in all its assets except for Phoenix MarketCity, Chennai, where it owns 50% and Island Star Mall Developers (Phoenix MarketCity, Bengaluru) where the company owns 70% through its JV with CPPIB.
- Classic Mall Development Company Private Limited (CMDCPL; Phoenix MarketCity Chennai, Crest A & B), is now an associate company effective 31 March 2017. Hence revenue and expenses from Classic Mall no longer get consolidated in PML's results. The corresponding H1 of the previous fiscal included the revenues and expenses of Classic Mall.

Financial Highlights – Q2 FY2018 Consolidated

- Revenue from operations at INR 3,706 million
- EBITDA at INR 1,785 million
- Profit after tax (after minority interest and before other comprehensive income) was at INR 417 million

Commenting on the performance, **Mr. Pradumna Kanodia, Director - Finance, The Phoenix Mills Limited** said, "Our retail, hospitality and commercial portfolios showed healthy growth during H1 FY18. However, the consolidated financial performance for Q2 and H1 FY18 was impacted as the prior year period included first-time revenue recognition from Kessaku, our luxury residential project at Bengaluru. Further, Classic Mall Development Company, of which PML owns 50%, became an associate effective 31 March 2017. Excluding the performance from the residential portfolio and assuming consolidation of PMC Chennai for a like-to-like comparison, H1 FY18 Income from operations from non-residential portfolio came in at Rs. 8,136 million, up 7% y-o-y while H1 FY18 PAT after minority interest and before other comprehensive income came in at Rs. 724 million, up 11% y-o-y."

"During the quarter, we spent about INR 2.75 billion for acquiring stakes from minority investors across few SPVs and buying TDR at the residential project in Bengaluru. These spends were almost entirely funded by internal accrual. Despite large cash outflow, our gross debt since March 2017 has increased only marginally by INR 540 million. Q2 FY18 saw further rationalisation in our borrowing costs which came down to 9.28% in September from 10.2% in March'17. In absolute terms, in Q2, the finance cost came down by INR 44 million q-o-q" added **Mr. Kanodia**

Retail – contributed 68% to H1 FY2018 consolidated revenue

- The key highlight of our H1 results was sustained growth across retail portfolio and retail rental income growth. This was achieved despite as much as 12% area in High Street Phoenix not contributing to consumption as well as revenue during Q2 as a new zone (North Skyzone) is being developed to replace the erstwhile large domestic department store at this space.
- Aggregate consumption across our malls during H1 FY2018 was INR 30.8 billion, up by 11% over corresponding H1 FY17.
- On 13th Oct 2017, Palladium Chennai got operational with the opening of H&M. The mall will be fully operational by December 2017.

Commenting on the outlook of the retail portfolio for second half of FY18, **Mr. Shishir Shrivastava, Joint Managing Director, The Phoenix Mills** stated, "Our retail portfolio has done very well in H1 FY18 and I am positive on the consumption outlook for H2 FY18. The new "North Sky Zone", spread over 50,000 square feet will house 13 new retail and F&B brands and is likely to be operational by December this year at the High Street Phoenix. I expect H2 FY18 will see significant increase in consumption and rental revenue coming from North Sky Zone. Further, F&B as a category will also see a sharp increase in H2 as several new outlets will get operational across our assets and aid consumption growth."

Land acquisition in PML-CPPIB Strategic Investment Platform

- During Q2, Island Star Mall Developers Pvt. Ltd (ISMDPL), the strategic investment platform owned by PML and CPPIB, acquired a land parcel in Pune for a total consideration of INR 1,610 million. Subsequently, in October 2017, the company acquired an additional adjoining land parcel of approximately 1.8 acres for INR 212.5 million. The site, located in Wakad, Pune, near Hinjewadi Junction, has a potential developable area of approximately 1.8 million square feet. The company will develop its second Phoenix MarketCity in Pune spanning over 1 million sq ft area.

Hospitality – contributed 20% to H1 FY2018 revenue

- **The St. Regis, Mumbai**
  - H1 FY18 Room Revenues were up 21% y-o-y to INR 546 million
  - H1 FY18 ARR was INR 10,700, an increase of 9% over H1 FY17
  - Average occupancy during H1 FY18 was 72% up from 65% in H1 FY17
  - EBITDA for H1FY18 up 24% y-o-y to INR 430 million from INR 347 million
- **Courtyard by Marriott, Agra**
  - Total Income was up 20% y-o-y in H1FY18 driven by robust performance by Rooms, F&B and banquets
  - Average occupancy during H1 FY18 was 55% from 41% in H1 FY17
  - ARR in H1 FY18 was INR 2,951, a decrease of 13% over H1 FY17
- Note that the merger of Gangetic Hotels (subsidiary holding Courtyard by Marriott, Agra) with Palladium Construction (our residential development subsidiary in Bengaluru) was approved in October 2017 – this will result in a more tax-efficient holding structure going forward

Commercial – contributed 3% to H1 FY2018 revenue

- As on September 30, 2017, the company leased 0.73 million square feet at an average rate of INR 97 per square feet
- At Art Guild House; 71% of the available leasable area has been leased. Some of the marquee tenants of Art Guild House include Cipla, Nivea, Nippon, Kimberly Clark, etc.
- Commercial portfolio contributed Rs. 264 million in rental income in H1 FY18.

Residential – contributed 9% to H1 FY2018 revenue

- In Q2, RERA registration of all ongoing residential projects in Bengaluru was completed
- INR 288 million of revenue recognized for One Bangalore West, Kessaku & The Crest projects
- Total collection during the quarter was INR 355 million

About The Phoenix Mills Limited (PML)

PML (*BSE: 503100 | NSE: PHOENIXLTD*) is a leading retail mall developer and operator in India with approximately 6.0 million square feet of retail space spread across 8 malls in 6 gateway cities of India. PML is the pioneer of retail-led, mixed-use developments in India and has developed over 17.5 million square feet spread across retail, hospitality, commercial, and residential asset classes.

For further information, kindly contact:

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