

**August 10, 2018**

**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 First Quarter and  
three months ended June 30, 2018**

Dear Sir,

This is further to our letter dated August 8, 2018. Please find enclosed herewith the updated Investor Presentation on the financial results for the first quarter and three months ended June 30, 2018.

Kindly take the same on your record.

**Regards,  
for The Phoenix Mills Limited**



**Puja Tandon  
Company Secretary**



# Investor Presentation

## Q1 FY 2019 Results



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**

**Key Highlights for Q1 FY19**

**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 operational Malls spread over 6 mn sq.ft in 6 major cities  
5 under development malls over 4.6 mn. sq.ft in 5 cities  
FY18: Consumption of INR 63 bn and Rental income of INR 8.7 bn



Residential Projects under Development with  
3.72 mn sq. ft. of saleable area  
INR 19.3 bn cumulative residential sales till FY18



Commercial centres in Mumbai with  
Rent-generating leasable area of 1.16 mn sq.ft



2 Hotel (588 Keys) managed by renowned global operators  
FY18: St. Regis ARR of INR. 11,405 with 76% occupancy

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



Residential, commercial and hospitality complements retail business



## OPERATIONAL ANNUITY PORTFOLIO

MALL PORTFOLIO (5.90 MSF)		
HSP & Palladium	Mumbai	0.74
Phoenix MarketCity	Chennai	1.00
Palladium	Chennai	0.22
Phoenix MarketCity	Pune	1.19
Phoenix MarketCity	Bangalore	1.00
Phoenix MarketCity	Mumbai	1.11
Phoenix United	Lucknow	0.33
Phoenix United	Bareilly	0.31

OFFICE PORTFOLIO (1.60 MSF)		
Phoenix Paragon Plaza	Mumbai	0.42
The Centrium	Mumbai	0.28
Art Guild House	Mumbai	0.76
Phoenix House	Mumbai	0.14

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

## PORTFOLIO UNDER DEVELOPMENT

MALL PORTFOLIO (4.60 MSF)		
Phoenix MarketCity Wakad	Pune	1.0
Phoenix MarketCity Hebbal	Bengaluru	1.0
Phoenix MarketCity	Indore	1.1
Phoenix MarketCity	Lucknow	0.9
Phoenix Mall	Ahmedabad	0.6

OFFICE PORTFOLIO ( 1.12 MSF)		
Phoenix MarketCity, Pune (Viman Nagar)	Pune	0.7
Phoenix MarketCity	Chennai	0.42

# Our Residential Portfolio

Kessaku



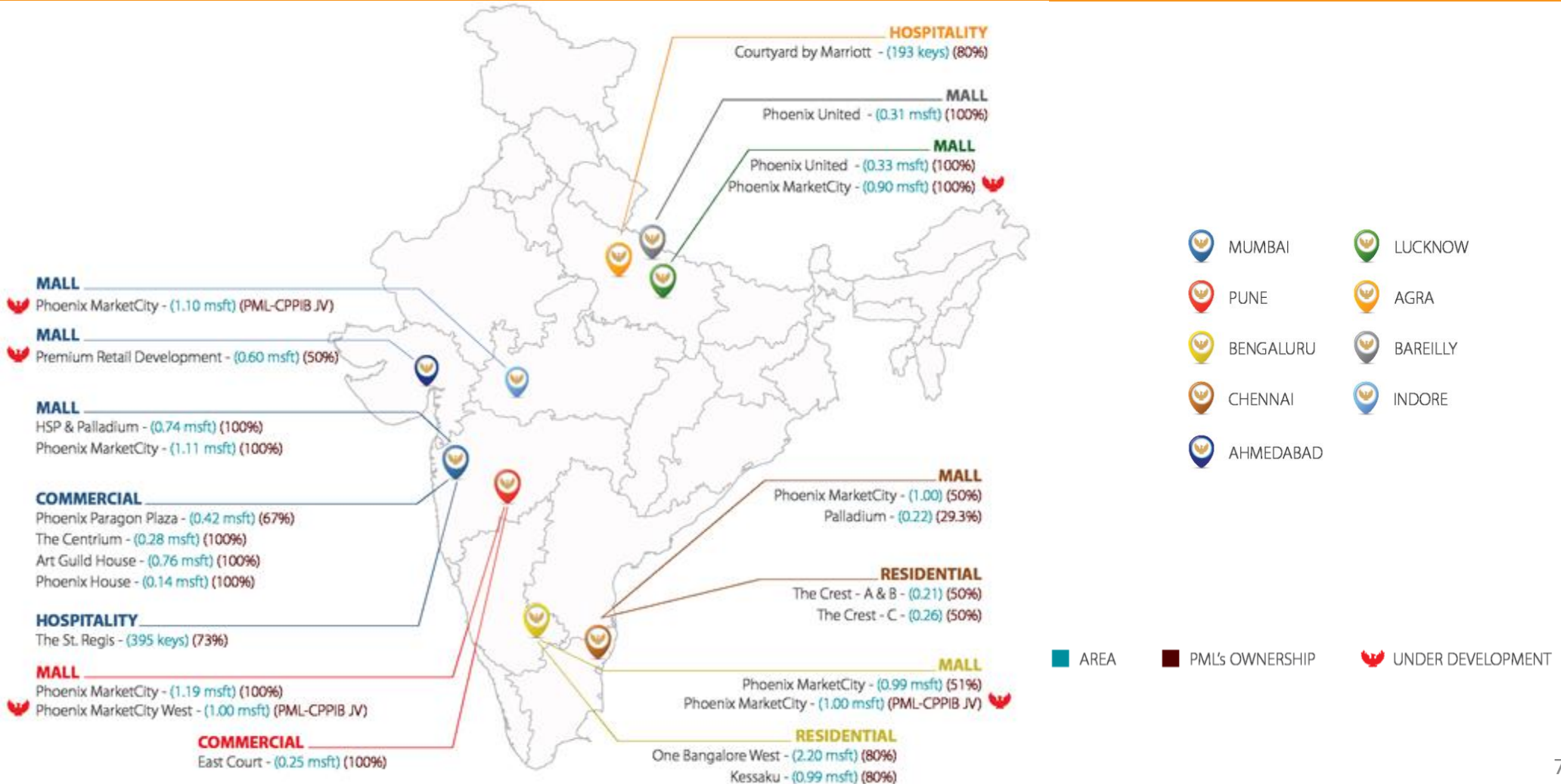
## RESIDENTIAL PORTFOLIO

PROJECT NAME (OPERATIONAL)	SALEABLE AREA (MSF)		
	Total Area	Area launched	Area Sold
One Bangalore West, Bengaluru	2.20	1.48	1.24
Kessaku, Bengaluru	0.99	0.57	0.23
The Crest, Chennai	0.53	0.53	0.43
<b>Total</b>	<b>3.72</b>	<b>2.58</b>	<b>1.90</b>

One Bangalore West



# Presence Across Key Gateway Cities in India





Company Overview

Key Highlights for Q1 FY19

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# Operational Retail Portfolio to increase to c.11 msf by FY23

- We have closed 4 acquisitions – land parcels in Bangalore and Ahmedabad, under-construction retail assets in Lucknow and Indore – between April and July 2018
- Together with Wakad, Pune, the above acquisitions take our **under-development retail leasable portfolio to c.4.6 million sft**
- We have further mixed-use development potential on most of these assets.

Project	Partnership / JV / owned	Land Size	Development Potential	Land Acquisition Cost	Comments
Pune	ISML – alliance with CPPIB (PML stake: 51%)	15 Acres	1.6 msf (1 msf retail)	Rs. 1.94 bn	PML's second MarketCity mall in Pune. Expect operations to commence during FY23
Bengaluru		13 Acres	1.8msf (1 msf retail)	Rs. 6.99 bn	PML's second MarketCity mall in Bengaluru. Expect operations to commence during FY23
Indore		19 Acres	1.1 msf retail	Rs. 2.58 bn	Acquired under-construction retail development. Expect operations to commence during FY21
Ahmedabad	50:50 JV with BSafal group	5.2 Acres	0.6 msf retail	Rs. 3.40 bn	Formed a 50:50 JV with BSafal group. Expect operations to commence during FY22
Lucknow	100% owned	13.5 Acres	0.9msf retail	Rs. 4.70 bn	Acquired under-construction retail development. Expect operations to commence during FY21

4.6 msf of strong cash-generating retail space to become operational between FY21 to FY23

# Land acquisition at Thaltej, Ahmedabad – Overview



Premium retail development with GLA of approx. 0.6 msf located at Thaltej on the Sarkhej-Gandhi (SG) Highway

## Deal Overview

- i. PML has entered into a 50:50 JV with Ahmedabad based BSafal group
- ii. The JV has acquired 5.16 acres of land, located at Sarkhej-Gandhi (SG) Highway, at Rs. 2.3 bn
- iii. The JV will develop a premium retail development of 0.6 msft in first phase
- iv. PML will design, lease and manage the asset, and earn a fee for these activities

## Location Dynamics

- Sarkhej Gandhinagar (SG) Highway road is the key growth corridor of the city
- This area includes prime affluent residential and commercial catchments such as Vastrapur, Prahlad Nagar, Bodakdev, Jodhpur, Navrangpura, Ambawadi, Satellite Road
- During 2017, 86% of the office market supply in Ahmedabad was added in this micro market along SG Highway



# Acquisition of Under-Construction Mall at Lucknow



Phoenix Marketcity Lucknow is an approx. 1 msft retail development, with a proposed store count of 300, spread over four levels

# Acquisition of Under-Construction Mall at Lucknow

## Deal Overview

- i. Acquired 13.5 acres of land, with an under construction (structure is 90% ready) retail development via an auction for Rs. 4,530 mn.
- ii. The retail development has GLA of approx. 0.9 msf
- iii. This development is 100% owned by PML

## Project Update

- i. 90% of the RCC work is complete
- ii. Phoenix Marketcity Lucknow is expected to begin operations during FY21

## Location Dynamics

- Gomti Nagar has emerged as an exclusive growth corridor of the city, with reputed companies, schools and world class infrastructure in its vicinity
- IT City – a 100 acre integrated development is merely 5 minutes away from the site
- Organizations in Gomti Nagar close to the site include TCS, SONY, NTPC, BHEL, HCL Technologies, UNICEF etc.
- Site is also close to key landmarks in the city such as Taj, Lucknow, L'école Du Monde, Amity University, the High Court of Lucknow among other prestigious educational and government institutions





# Acquisition of Under-Construction Mall at Indore

## Deal Overview

- i. Acquired 19 acres of land parcel for Rs. 2,335 mn. (land and under-construction retail development) in an e-auction
- ii. The retail development has GLA of approx. 1.1 msf
- iii. Development will be as part of our retail alliance with CPPIB

## Project Update

- i. 80% of the RCC work is complete
- ii. Phoenix Marketcity Indore is expected to begin operations in late FY21

## Location Dynamics

- Indore is an underserved market with appetite for a 1 msft. high quality retail, F&B and entertainment destination
- New growth in Retail, Entertainment & Housing is taking place along the Mumbai Agra National Highway (Grand Bhagwati Hotel, Premium Residential projects such as DLF Garden City, Grand Exotica etc.)
- Pithampur (Indore SEZ built over 1,038 acres) is only 28 km away from the site and consists of many national and international companies
- Retail hub of Madhya Pradesh with consumers from feeder towns such as Ujjain, Dewas, Sehore, Ratlam etc.



Company Overview  
Key Highlights for Q1 FY19  
**Financial Results**  
Annexure

## Key Highlights – Standalone P&L

- Q1 FY19 Income from operations is up 11% yoy to Rs. 1,092 mn
- Q1 FY19 Profit after tax and before comprehensive income is **up 11% yoy to Rs. 347 mn**

## Key Highlights – Consolidated P&L

- Strong operational performance from retail & commercial along with lower finance costs contributed to strong PAT growth
- Q1 FY19 Income from operations is up 4% yoy to Rs. 4,132 mn
- Q1 FY19 Profit after tax and before comprehensive income is **up 40% yoy to Rs. 597 mn**

# Financial Overview – Standalone P&L

(Rs. mn)	Q1 FY19	Q1 FY18	% yoy growth
<b>Income from operations</b>	<b>1,092</b>	<b>982</b>	<b>11%</b>
<b>EBITDA</b>	<b>688</b>	<b>640</b>	<b>8%</b>
EBITDA Margin (%)	63%	65%	
Profit Before Tax and exceptional item	447	418	7%
<b>Profit after tax &amp; before comprehensive income</b>	<b>347</b>	<b>312</b>	<b>11%</b>
Diluted EPS (Rs.)	2.26	2.03	11%

# Financial Overview – Consolidated P&L

(Rs. mn)	Q1 FY19	Q1 FY18	% Change
<b>Income from operations</b>	<b>4,132</b>	<b>3,959</b>	<b>4%</b>
Retail	2,905	2,622	11%
Residential	281	477	
Commercial	149	111	35%
Hospitality & Others	797	749	6%
<b>EBITDA</b>	<b>1,953</b>	<b>1760</b>	<b>11%</b>
EBITDA Margin (%)	47%	44%	
Profit after tax	543	274	98%
<b>PAT after minority interest &amp; before other comprehensive income</b>	<b>597</b>	<b>426</b>	<b>40%</b>
PAT after minority interest & after other comprehensive income	889	508	75%
Diluted EPS (Rs.)	3.89	2.77	40%

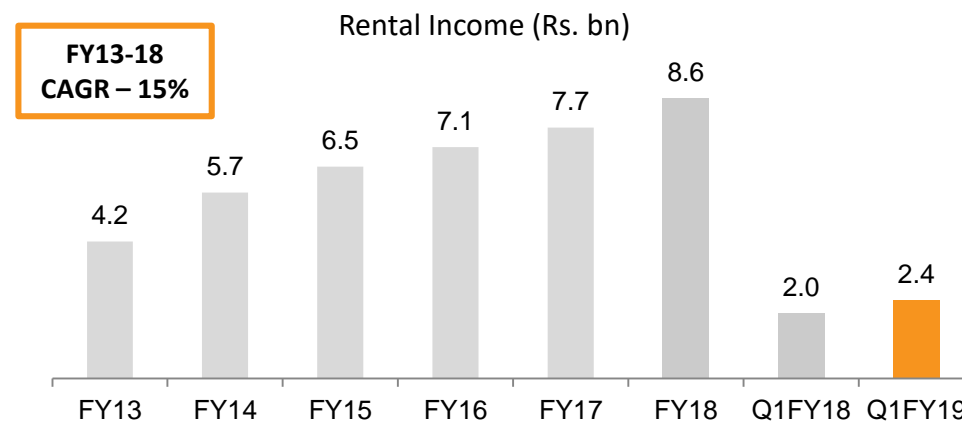
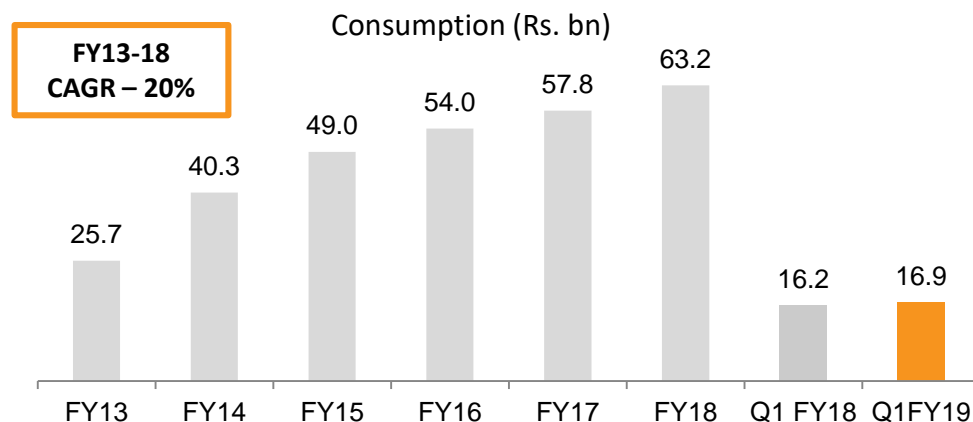


# Q1 FY19 – Key Operational Highlights

- Retail rental income came in strong at **Rs. 2,419 mn, up 15%**
- Retail EBITDA was at **Rs. 2,282 mn , up 15% y-o-y**
- Rental growth was driven by the strong operational performance of MarketCity malls -PMC Chennai, PMC Pune & PMC Mumbai as well as High Street Phoenix & Palladium
- Rental Income from Commercial segment has increased to **Rs. 149 million, up 35% yoy** compared to previous year on increased contribution from AGH
- The St. Regis, Mumbai reported strong set of numbers (**EBITDA up 9% yoy to Rs. 242 million**) with higher occupancy of 74% (up 2 percentage points) and improved ARR's of 11,295 (up 5% yoy)

# Operational Update – Retail Portfolio

	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	271	295	259	315	352	144	130	77
Average Rental (Rs. psf)**	387	116	137	98	111	66	76	161
Trading Occupancy %**	94%	98%	96%	93%	97%	82%	92%	67%
Leased Occupancy %*	99%	99.8%	99%	99%	99%	87%	92%	84%



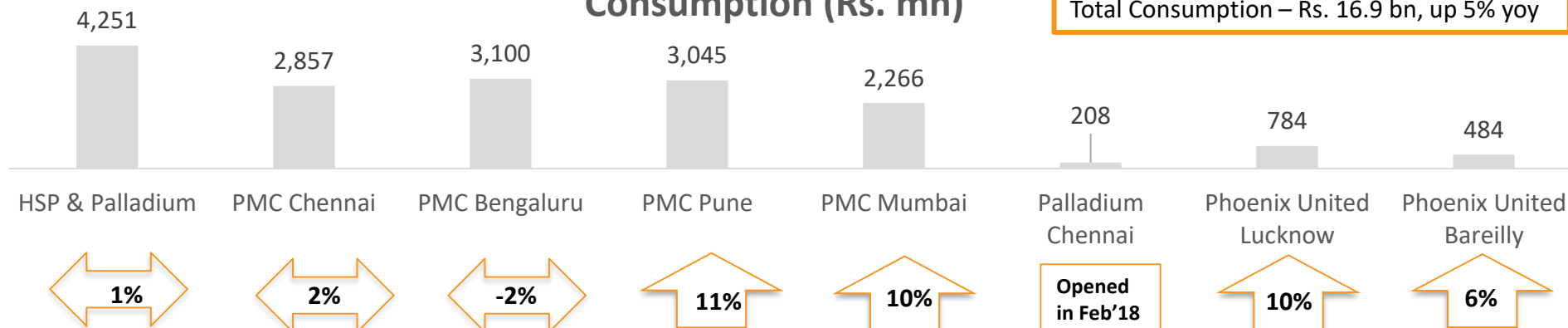
\*\* Average for quarter ended Jun 2018 \* As of end-Jun 2018

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

# Q1 FY19 – Retail Key Highlights

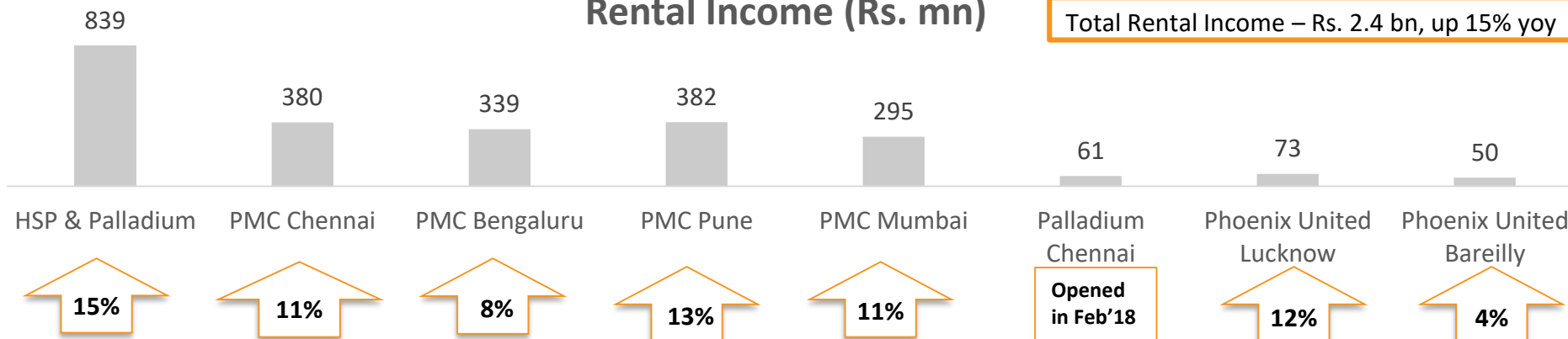
## Consumption (Rs. mn)

Total Consumption – Rs. 16.9 bn, up 5% yoy

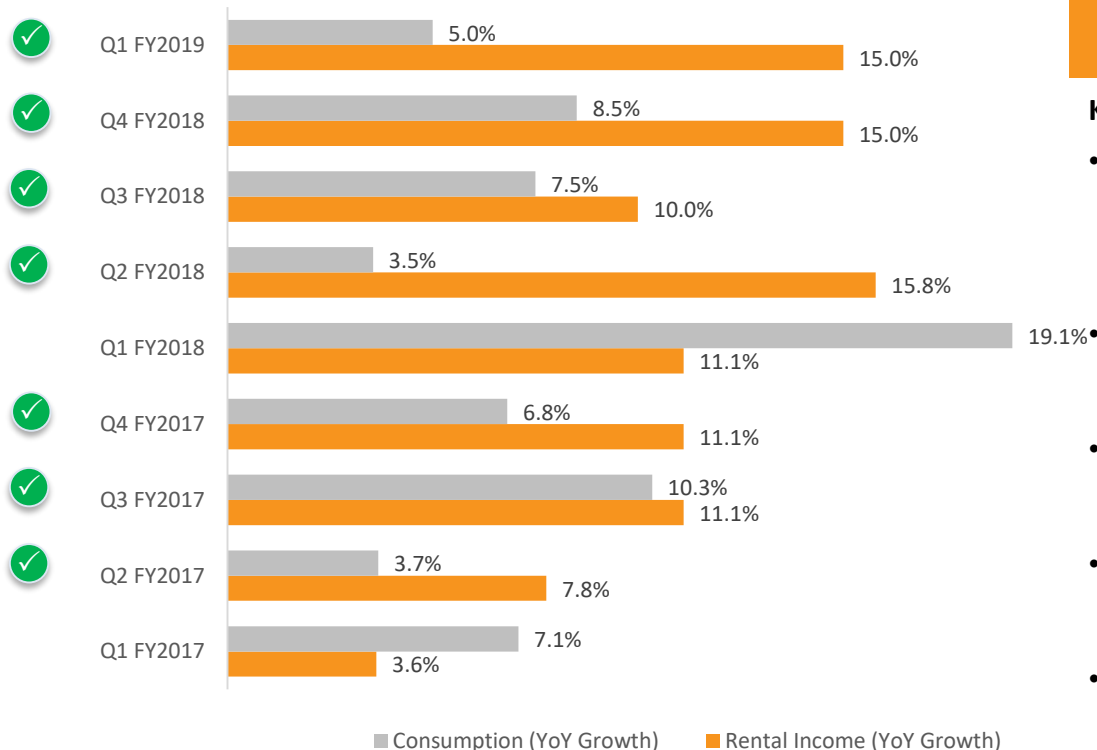


## Rental Income (Rs. mn)

Total Rental Income – Rs. 2.4 bn, up 15% yoy



# Rental Growth outpacing Consumption Growth



Rental growth > Consumption growth  
in 7 of the last 9 quarters

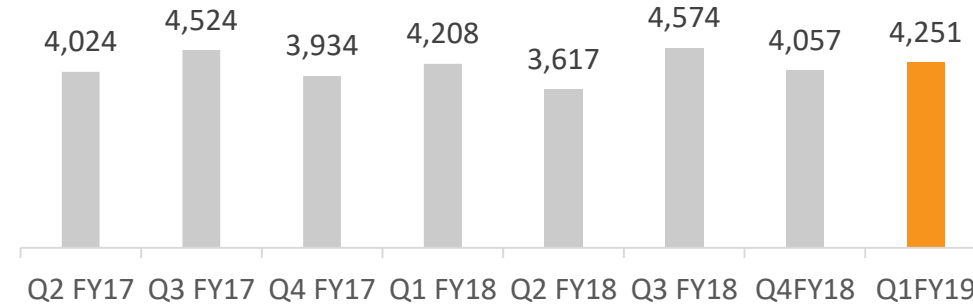
## Key drivers:

- Our malls are located at **prime city-centric locations** with strong residential and commercial catchments, are **designed by internationally renowned architects** and are easily accessible.
- Our malls provide a complete offering with the **right entertainment, F&B and shopping mix**.
- We deliver a WOW experience with strong focus on **art, aesthetics, and fragrance architecture**
- We curate the **best brand and category mix**, and manage this actively across retail centers.
- The growth in rental income in last few quarters reflects the **positive impact of the category mix changes** undertaken across retail centers

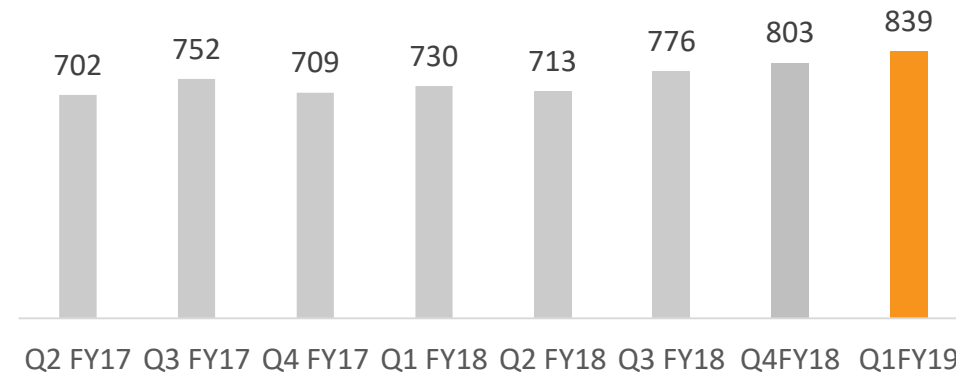
Our malls are #1 “go-to” destination in their respective cities

- Rental income was strong at Rs. 839 mn, up 15% yoy
- Consumption of Rs. 4,251 mn in Q1 FY19, up 1% yoy;
- Trading Density is down 6% yoy for Q1 FY19 at Rs. 2,935 pspm
- Positive impact on Q1 FY19 rental income (up 15% yoy) on introduction of new zone 'North Sky Zone' and new F&B outlets

## Consumption (Rs. mn)



## Rental Income (Rs. mn)



# High Street Phoenix & Palladium Mall

	Q1FY19	Q1FY18	% yoy growth	Q4FY18	Q-o-q growth
<b>Rental Income (Rs. mn) ^</b>	<b>839</b>	<b>730</b>	<b>15%</b>	<b>803</b>	<b>4%</b>
Recoveries (CAM and other) (Rs. mn)	253	251	1%	241	5%
Total Income (Rs. mn)	1,092	982	11%	1,044	5%
<b>EBITDA (Rs. mn)</b>	<b>688</b>	<b>640</b>	<b>8%</b>	<b>644</b>	<b>7%</b>
EBITDA Margin (as % of Rental Income)	82%	88%		80%	

Rental Rate (Rs./sft pm) ^	387	322	20%	359	8%
Consumption (Rs. mn)	4,251	4,208	1%	4,057	5%
Trading Density (Rs./sft pm)	2,935	3,114	-6%	2,879	2%
Trading Occupancy (%)	94%	88%		94%	

^ Rental Income & Rental rate is including Commercial Offices



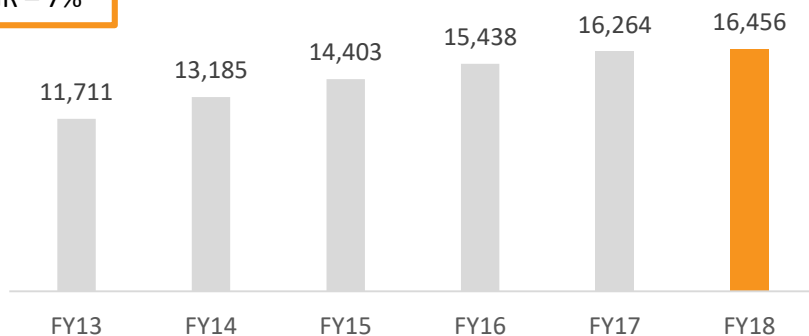


# High Street Phoenix & Palladium Mall



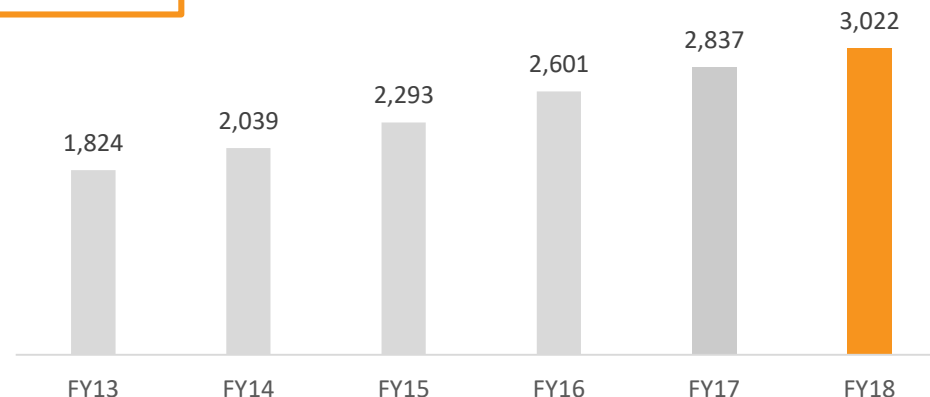
FY13-18  
CAGR – 7%

Consumption (Rs.mn)

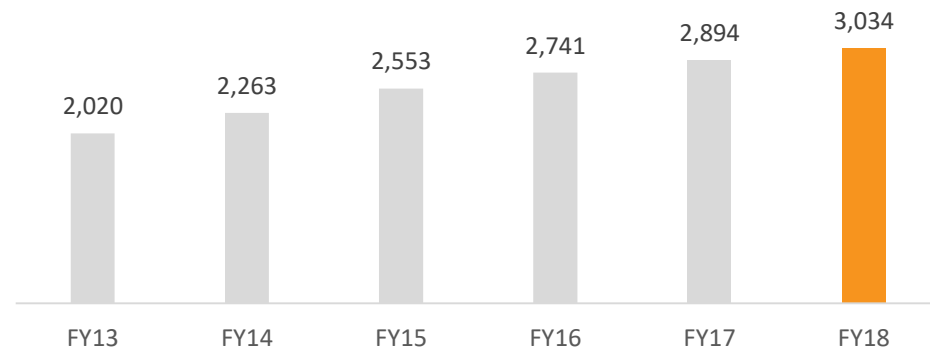


FY13-18  
CAGR – 11%

Rental Income (Rs.mn)

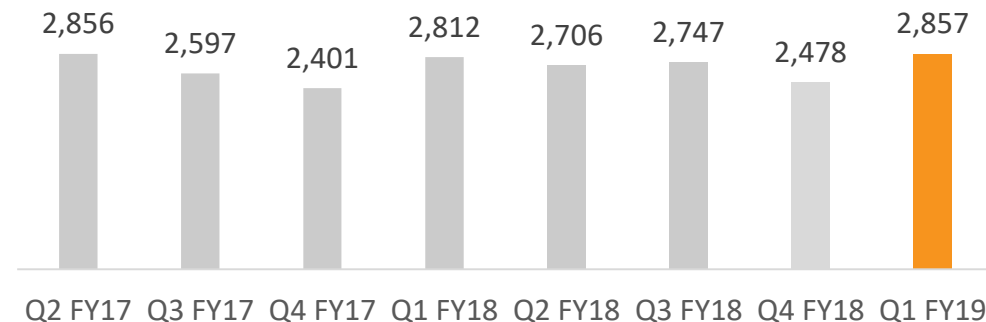


Average Trading Density (Rs./sft pm)

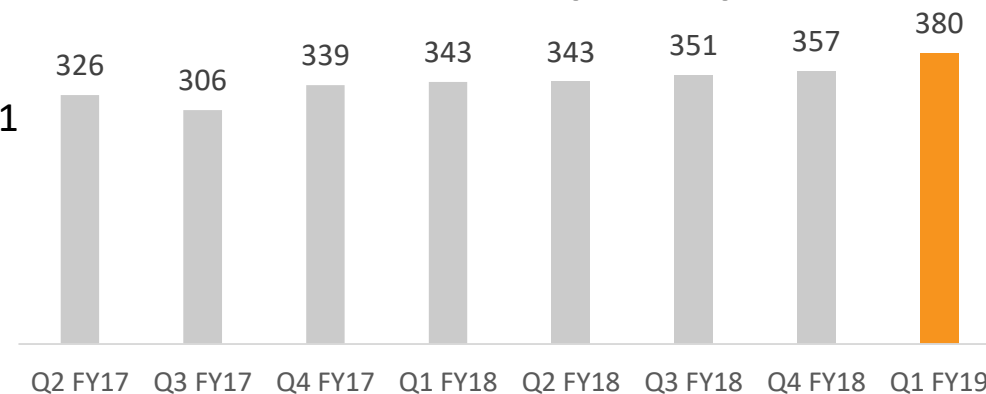


- Category changes in the retail product mix have had a positive impact on our rental income from the property
- While consumption was up 2% yoy at Rs. 2,857 mn for Q1 FY19, the asset reported 11% yoy growth in rental income at Rs.380 mn
- EBITDA for Q1 FY19 came in at Rs. 420 mn, up 11% yoy tracking the growth in rental income
- Rental rate reached an average of Rs. 137 per sft pm for Q1 FY19, up 10% 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

	Q1FY19	Q1FY18	% yoy growth	Q4 FY18	Q-o-q growth
<b>Rental Income (Rs. mn)</b>	<b>380</b>	<b>343</b>	<b>11%</b>	<b>357</b>	<b>7%</b>
Recoveries (CAM and other) (Rs. mn)	201	204	-1%	174	16%
Total Income (Rs. mn)	581	546	6%	531	9%
<b>EBITDA (Rs. mn)</b>	<b>420</b>	<b>379</b>	<b>11%</b>	<b>345</b>	<b>22%</b>
EBIDTA Margin (as % of Rental Income)	110%	111%		97%	

Rental Rate (Rs./sft pm)	137	125	10%	130	6%
Consumption (Rs. mn)	2,857	2,812	2%	2,478	15%
Trading Density (Rs./sft pm)	1,561	1,551	1%	1,369	14%
Trading Occupancy (%)	96%	95%		95%	

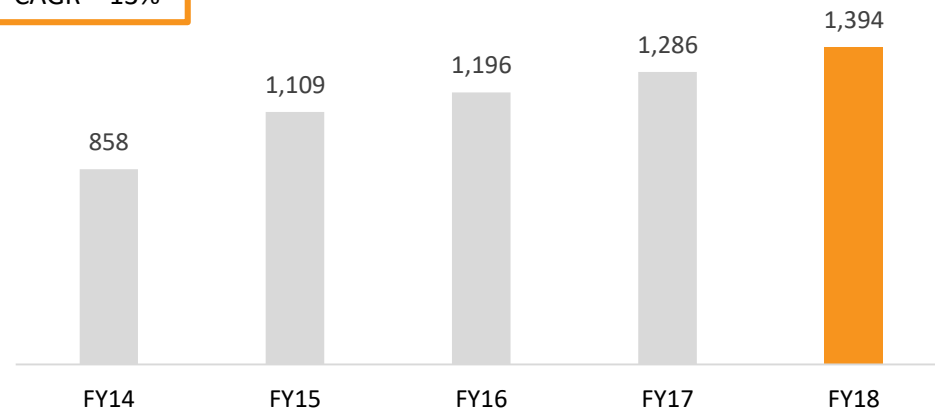
Income from Residential Sales (Crest Tower C)	0	26	-	63	-
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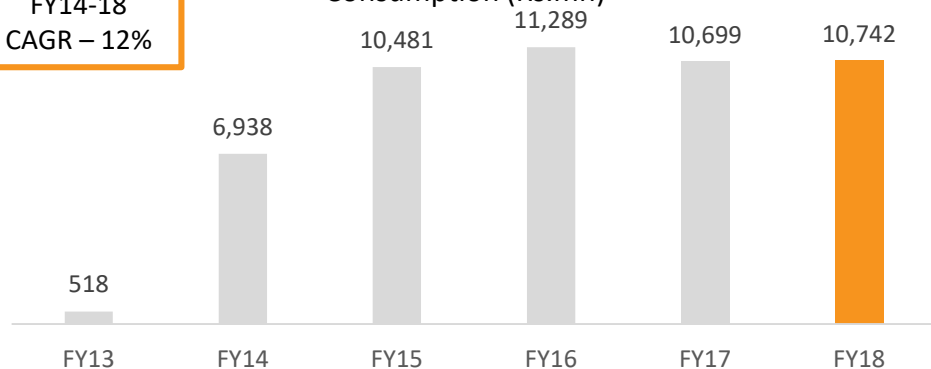
FY14-18  
CAGR – 13%

Rental Income (Rs.mn)

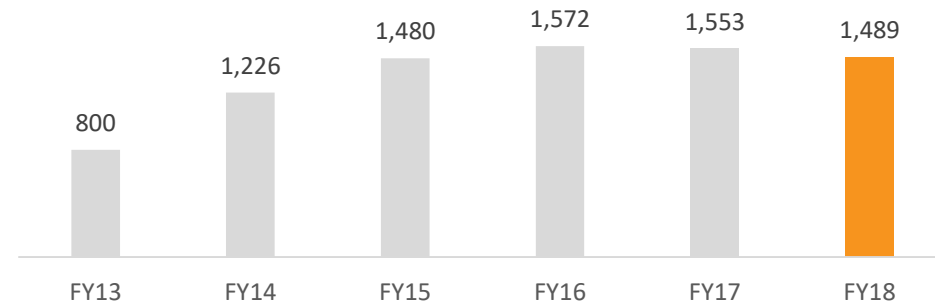


FY14-18  
CAGR – 12%

Consumption (Rs.mn)



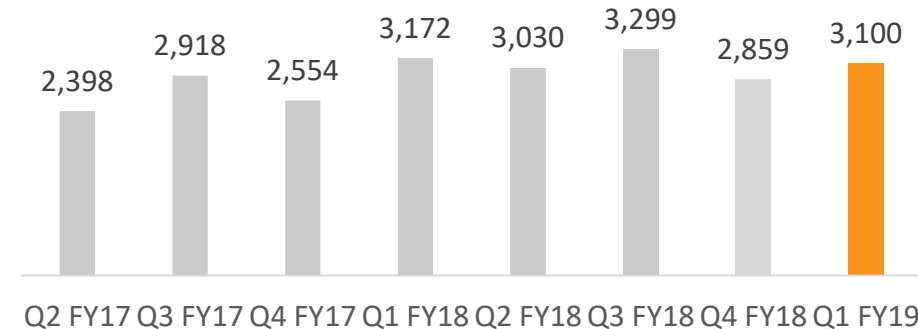
Average Trading Density (Rs./sft pm)



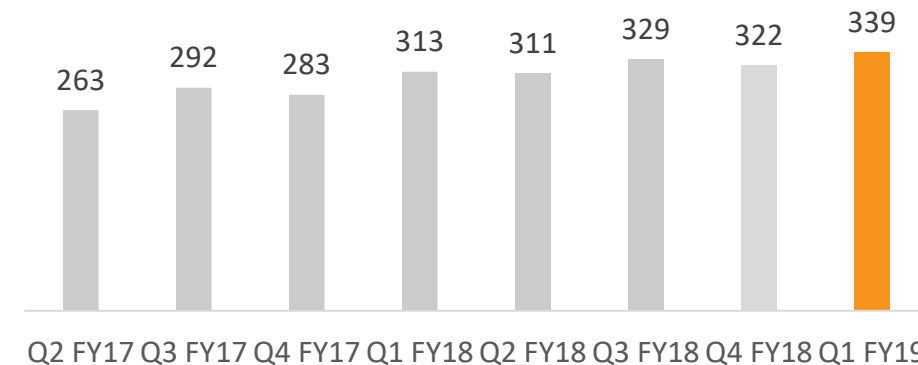
Note: PML owns 50.0% of CMD CPL and CMD CPL has been classified as an Associate of the Company effective 31 March 2017. Hence, its income from operations and expenses (including taxes) have not been consolidated in PML's results

- PMC Bangalore continues to demonstrate market leading growth across categories
- Trading Occupancy was at 98% for Q1 FY19
- Q1 FY19 Consumption was marginally lower at Rs. 3,100 mn when compared to the prior year quarter
- Q1 Consumption growth was affected due to state elections and commencement of metro construction near the property; further prior year quarter benefited from early onset of end of season sales
- Rental income was up 8% yoy at Rs. 339 mn in Q1FY19 while EBITDA was at Rs. 346 mn, up 8% yoy

## Consumption (Rs. mn)



## Rental Income (Rs. mn)



	Q1FY19	Q1FY18	% yoy growth	Q4 FY18	Q-o-q growth
<b>Rental Income (Rs. mn)</b>	<b>339</b>	<b>313</b>	<b>8%</b>	<b>322</b>	<b>6%</b>
Recoveries (CAM and other) (Rs. mn)	171	169	4%	164	4%
Total Income (Rs. mn)	510	478	7%	486	5%
<b>EBITDA (Rs. mn)</b>	<b>346</b>	<b>319</b>	<b>8%</b>	<b>299</b>	<b>16%</b>
EBITDA Margin (as % of Rental Income)	102%	102%		93%	
Rental Rate (Rs./sft pm)	116	116	0%	111	13%
Consumption (Rs. mn)	3,100	3,172	-2%	2,859	8%
Trading Density (Rs./sft pm)	1,622	1,810	-10%	1,541	5%
Trading Occupancy (%)	98%	90%		96%	

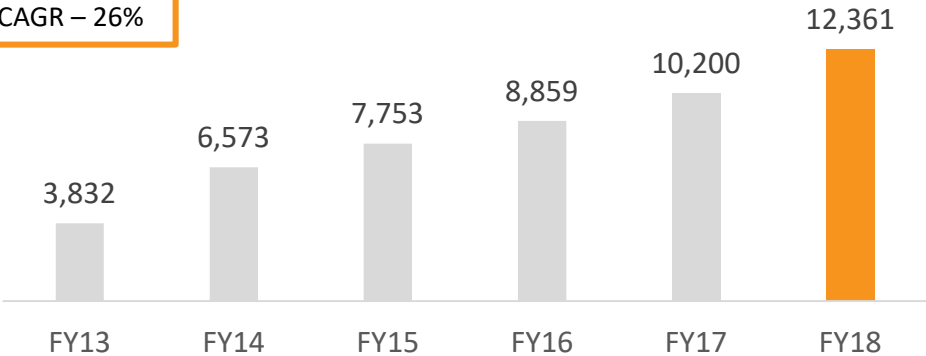






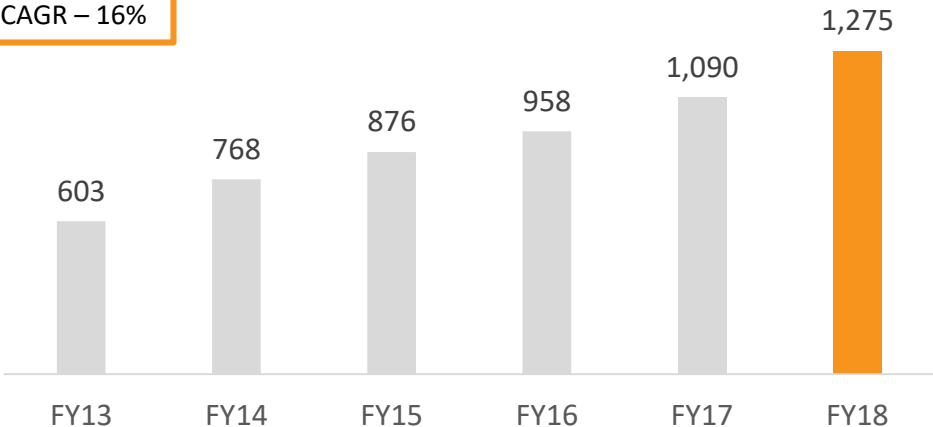
FY13-18  
CAGR – 26%

Consumption (Rs.mn)

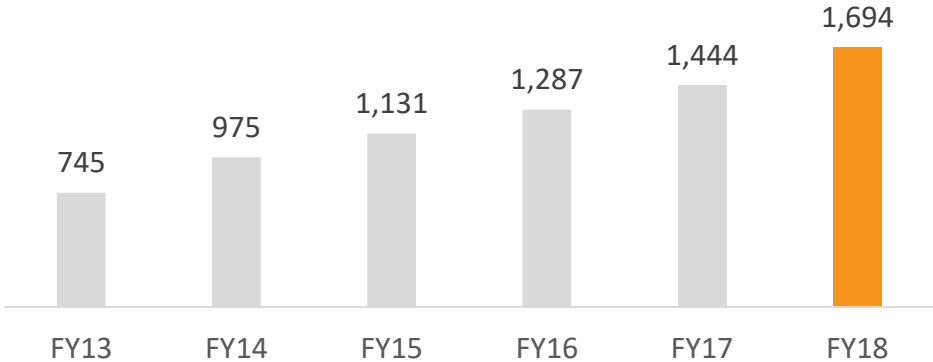


FY13-18  
CAGR – 16%

Rental Income (Rs.mn)

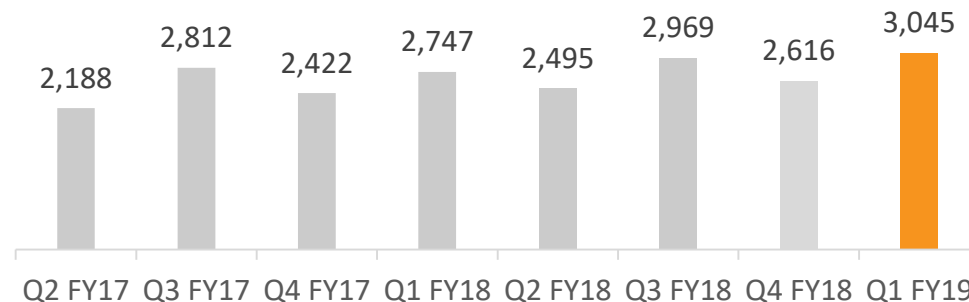


Average Trading Density (Rs./sft pm)

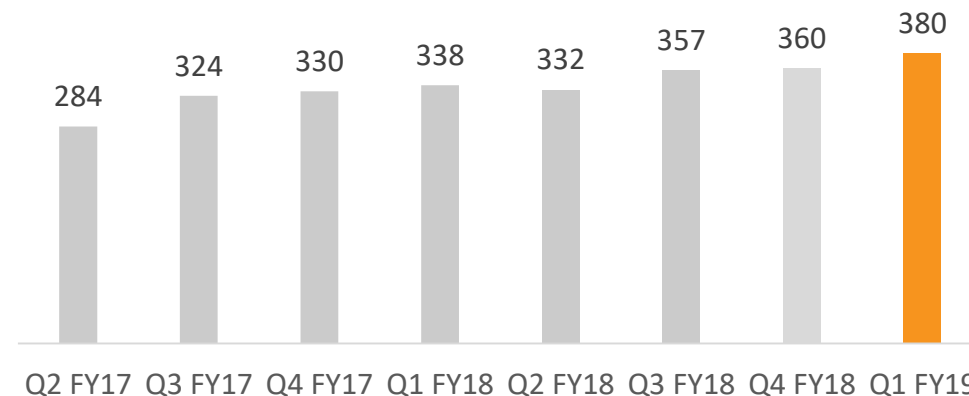


- PMC Pune had a strong operating performance and achieved a trading density of Rs. 1,320 psf pm
- Q1 FY19 Consumption was at Rs. 3,045 Mn, up 11% yoy
- Consumption growth translated into rising rental income; Rental Income was strong for Q1FY19 at Rs. 382 million and grew 13% yoy
- Rapidly increasing consumption and sustained rental growth has contributed to robust yoy EBITDA growth of 23% yoy for Q1 FY19, at Rs. 381 mn.

## Consumption (Rs. mn)



## Rental Income (Rs. mn)



	Q1FY19	Q1FY18	% yoy growth	Q4FY18	Q-o-q growth
<b>Rental Income (Rs. mn)</b>	<b>382</b>	<b>338</b>	<b>13%</b>	<b>360</b>	<b>6%</b>
Recoveries (CAM and other) (Rs. mn)	232	218	6%	209	11%
Total Income (Rs. mn)	613	556	10%	568	8%
<b>EBITDA (Rs. mn)</b>	<b>381</b>	<b>308</b>	<b>23%</b>	<b>326</b>	<b>17%</b>
EBITDA Margin (as % of Rental Income)	100%	91%		91%	

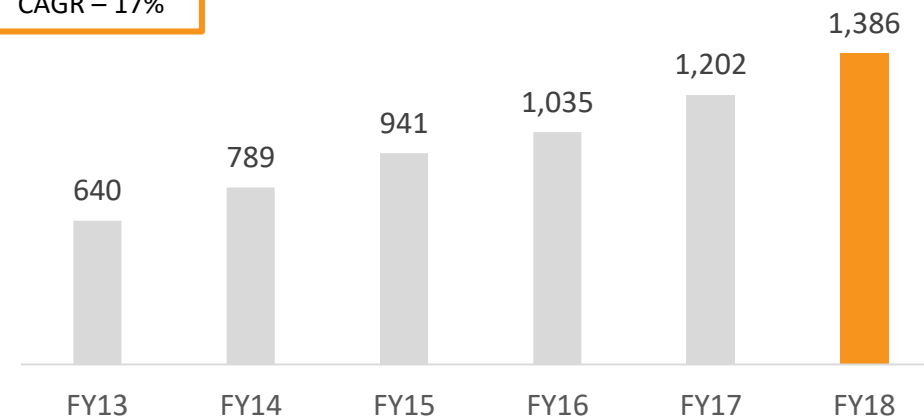
Rental Rate (Rs./sft pm)	111	104	7%	106	5%
Consumption (Rs. mn)	3,045	2,747	11%	2,616	16%
Trading Density (Rs./sft pm)	1,320	1,264	4%	1,148	15%
Trading Occupancy (%)	97%	91%		95%	





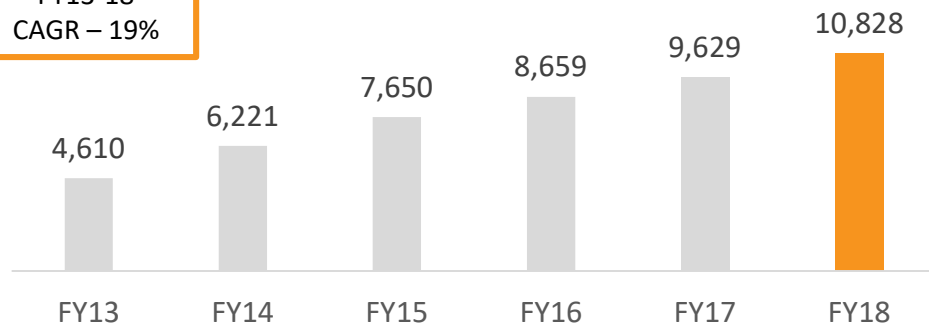
FY13-18  
CAGR – 17%

Rental Income (Rs.mn)

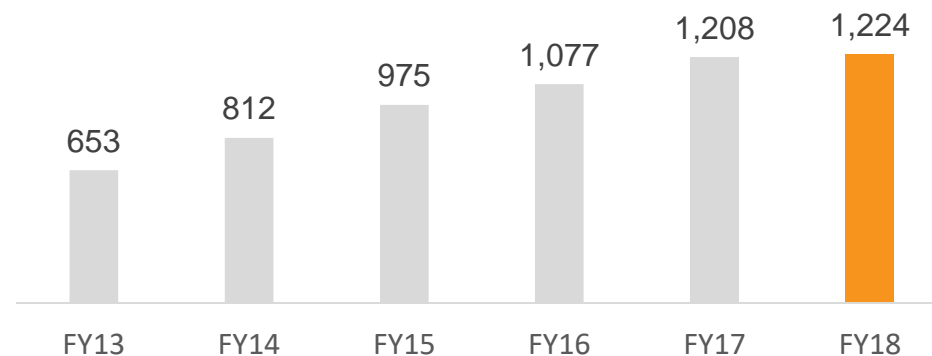


FY13-18  
CAGR – 19%

Consumption (Rs.mn)

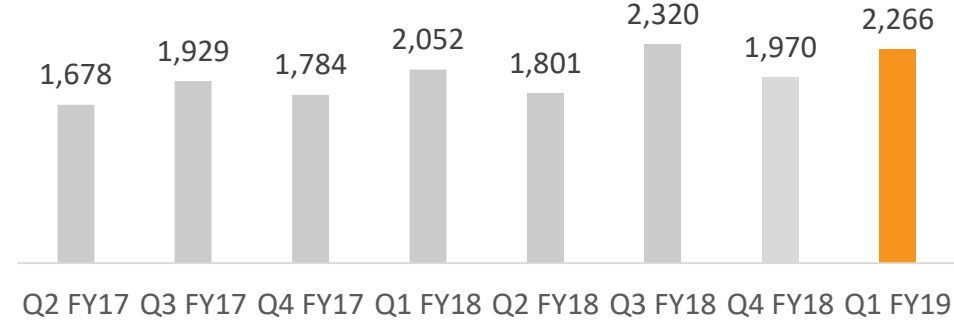


Average Trading Density (Rs./sft pm)

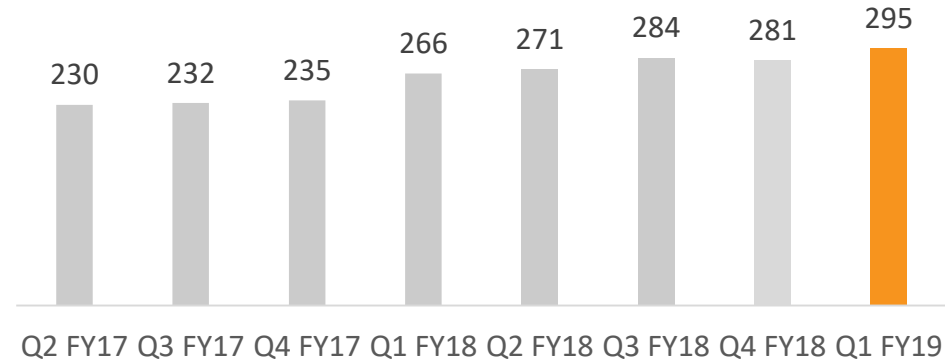


- PMC Mumbai continues its strong performance and has firmly established itself as a premium retail destination
- Consumption at PMC Mumbai was up 10% yoy at Rs. 2,266 mn in Q1 FY19
- Rental Income of Rs. 295 Mn in Q1 FY19, up 11% yoy
- PMC Mumbai reported a healthy trading density of Rs. 1,143 psf pm
- Consumption growth has resulted in a strong EBITDA Margin of 96% at the centre. EBITDA for Q1 FY19 was up 7% yoy to Rs. 282 mn

## Consumption (Rs. mn)



## Rental Income (Rs. mn)





	Q1FY19	Q1FY18	% yoy growth	Q4FY18	Q-o-q growth
<b>Rental Income (Rs. mn)</b>	<b>295</b>	<b>266</b>	<b>11%</b>	<b>281</b>	<b>5%</b>
Recoveries (CAM and other) (Rs. mn)	183	144	10%	145	26%
Total Income (Rs. mn)	478	410	11%	426	12%
<b>EBITDA (Rs. mn)</b>	<b>284</b>	<b>243</b>	<b>7%</b>	<b>225</b>	<b>26%</b>
EBIDTA Margin (as % of Rental Income)	96%	91%		80%	

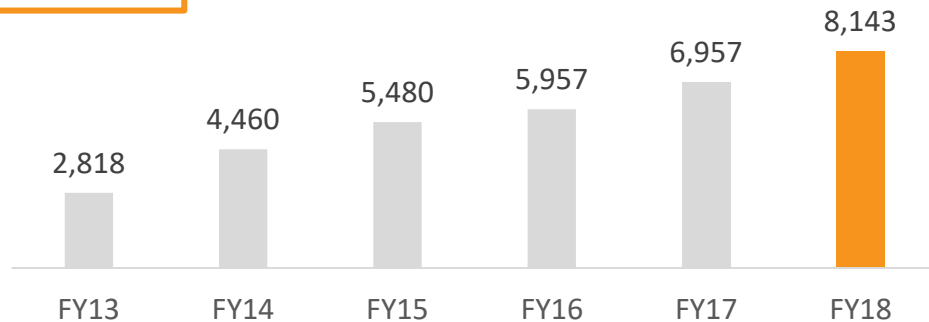
Rental Rate (Rs./sft pm)	98	90	9%	93	5%
Consumption (Rs. mn)	2,266	2,052	10%	1,970	15%
Trading Density (Rs./sft pm)	1,143	1,065	7%	1,001	14%
Trading Occupancy (%)	93%	90%		93%	





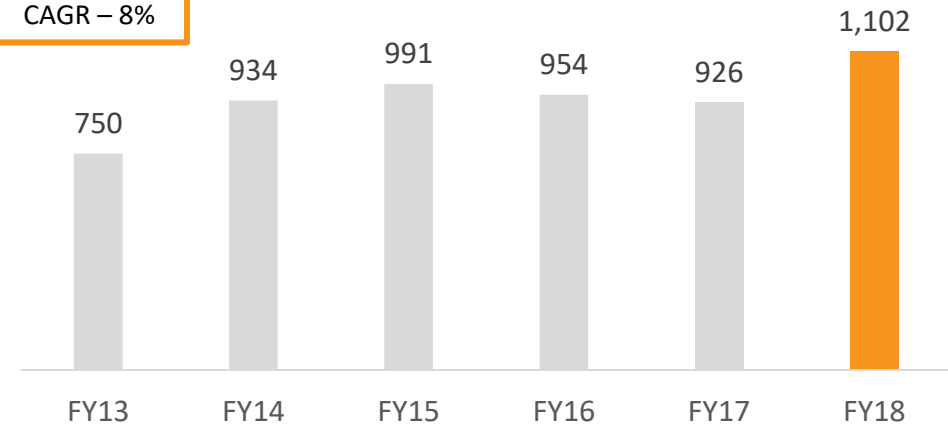
FY13-18  
CAGR – 24%

Consumption (Rs.mn)

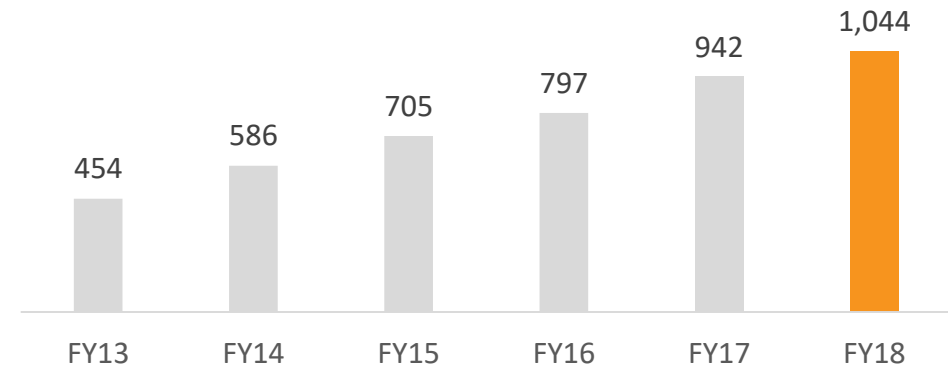


FY13-18  
CAGR – 8%

Rental Income (Rs.mn)



Average Trading Density (Rs./sft pm)





# Palladium Chennai

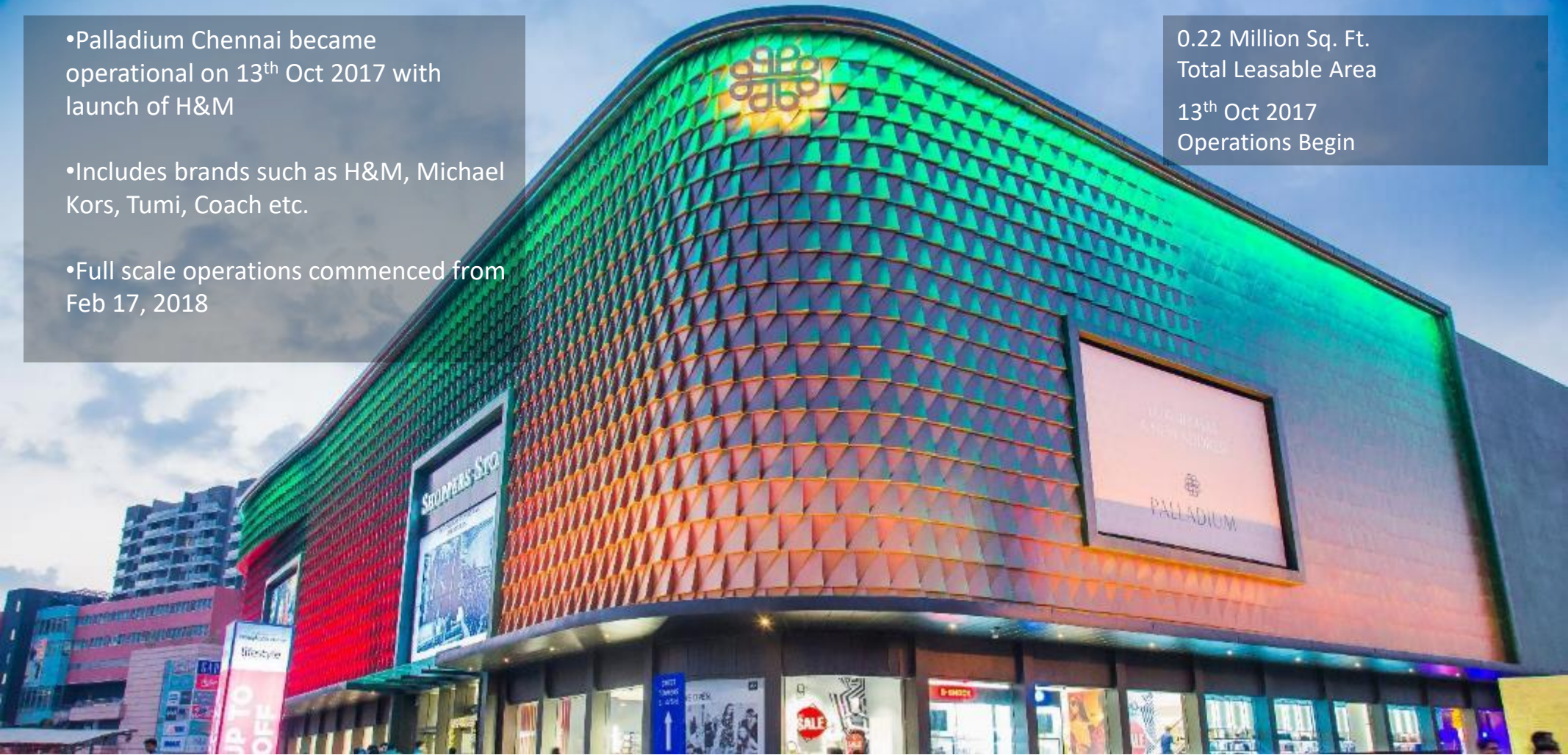
- Palladium Chennai became operational on 13<sup>th</sup> Oct 2017 with launch of H&M

- Includes brands such as H&M, Michael Kors, Tumi, Coach etc.

- Full scale operations commenced from Feb 17, 2018

0.22 Million Sq. Ft.  
Total Leasable Area

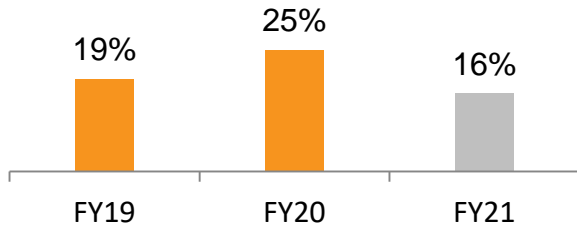
13<sup>th</sup> Oct 2017  
Operations Begin



# Renewal Schedule (% of total leasable area)

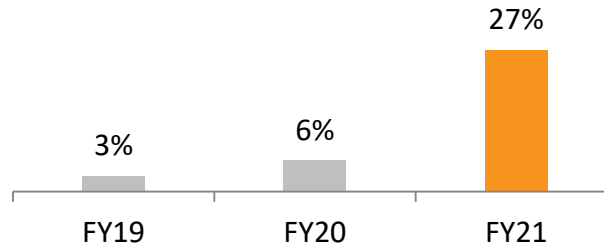
HSP & Palladium

60% of leasable area for renewal over next 3 years



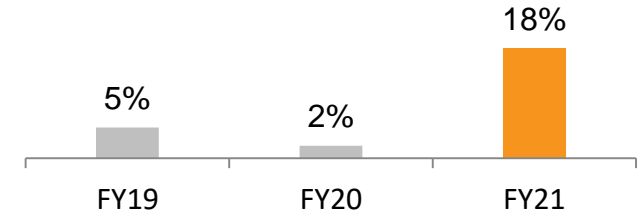
PMC Bangalore

36% of leasable area for renewal over next 3 years



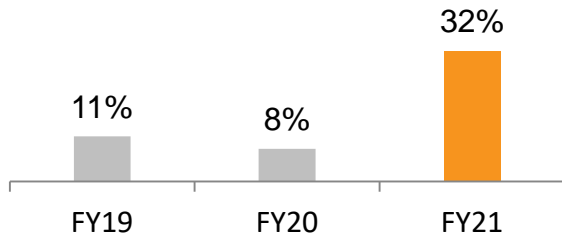
PMC Chennai

25% of leasable area for renewal over next 3 years



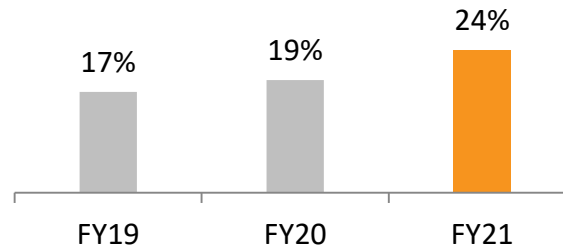
PMC Mumbai

51% of leasable area for renewal over next 3 years



PMC Pune

60% of leasable area for renewal over next 3 years



## Upcoming major renewals in next 3 years -

- 60% of leasable area at HSP & Palladium
- 60% of leasable area at PMC Pune
- 51% of leasable area at PMC Kurla
- 36% of leasable area at PMC Bangalore

# Residential Portfolio: High Margin, Cash Flow Business

- 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



# Operational Update – Residential Portfolio

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 Q1 FY19	Cumulative
One Bangalore West, Bengaluru	2.20	1.48	0.72 <sup>##</sup>	1.24	12,227	9,873	11,189	281	10,639
Kessaku, Bengaluru	0.99	0.57	0.42	0.23	3,461	15,196	2,478	0	1,694
The Crest, Chennai	0.53	0.53	0.00	0.43	3,775	8,706	3,469	0	3,609
<b>Total</b>	<b>3.72</b>	<b>2.58</b>	<b>1.14</b>	<b>1.90</b>	<b>19,463</b>	<b>10,245</b>	<b>17,136</b>	<b>281</b>	<b>15,941</b>

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

## Key highlights

- Q1 FY19 sales of Rs. 186 mn
- Q1 FY19 Revenue recognition of Rs. 281 mn
- Q1 FY19 collections were at Rs. 257 mn

# One Bangalore West, Bengaluru

Tower	Saleable Area (msf)	Launched	Sold
Tower 1-5	1.23	1.23	1.11
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>1.24</b>

	Q1FY19	Q1FY18	Q4FY18
Saleable Area for 9 Towers (msf)	2.20	2.20	2.20
Cumulative Sale Value (Rs. mn)	12,227	11,238	12,041
Cumulative Sale Volume (msf)	1.24	1.17	1.23
Cumulative Collections (Rs. mn)	11,189	10,225	10,980
Average Realization (Rs./sft)	9,873	9,597	9,821

## Project Update

Occupation Certificate (OC) for Towers 1-5 received. Tower 6 under construction



	Q1FY19	Q1FY18	Q4FY18
Saleable Area (msf)	0.99	0.99	0.99
Cumulative Sale Value (Rs. mn)	3,461	3,317	3,461
Cumulative Sale Volume (msf)	0.23	0.22	0.23
Cumulative Collections (Rs. mn)	2,478	2,232	2,430
Average Realization (Rs./sft)	15,196	15,078	15,196

## Project Update

SORA, NIWA, MIZU, FAIA & ZEFA – RCC works completed. Internal work in progress



Kessaku Proposed Elevation



Kessaku Current Elevation





Kessaku Façade Actual





# Commercial Portfolio Adds to Annuity Income

- Own and operate Grade A commercial, rent-generating space of approx. 1 msf in prime locations in Mumbai
- Currently 85% 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

# Operational Update – Commercial Portfolio

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^
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>	0.47	94
Phoenix Paragon Plaza	0.42	0.05	0.37	0.12	99
<b>Total</b>	<b>1.60</b>	<b>0.45</b>	<b>1.16</b>	<b>0.81</b>	

- AGH reported Rental Income of Rs. 94 Mn for Q1 FY19
- 85% of available leasable area in AGH has been leased



@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

^Rental Income from Phoenix House is part of Standalone results

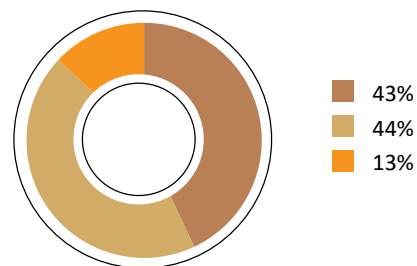
#Area owned by PML

# Hospitality Portfolio: Steadily Strengthening

- 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

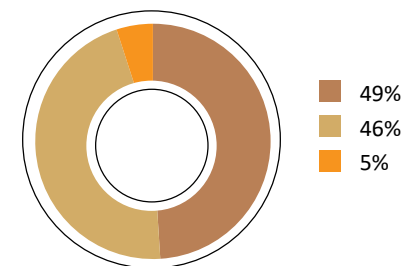
	ST. REGIS, MUMBAI	COURTYARD BY MARRIOTT, AGRA
Keys	395	193
FY18 Occupancy (%)	76	65
FY18 ARR (Rs.)	11,405	3,811
FY18 Revenue (Rs. million)	2,879	360
Number of Restaurants	10	4
Banqueting Space (sq. ft.)	42,500	23,315

The St. Regis



■ Rooms   ■ Food & Beverages

Courtyard by Marriott



■ Other operating incomes

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 (%)#	74%	65%
Average room rent (Rs. / room night) #	11,295	3,811



## The St. Regis, Mumbai

- Q1 FY19 room occupancy at 74% at an ADR of Rs. 11,295
- In Q1 FY19, EBITDA grew 9% yoy and Total Income grew 6% yoy

## Courtyard by Marriott, Agra

- Total Revenue was at Rs. 56 mn
- Q1 FY19 room occupancy at 65% at with ARR of Rs. 3,811



	Q1FY19	Q1FY18	% yoy growth	FY18
Revenue from Rooms (Rs. mn)	294	272	8%	1,226
Revenue from F&B and Banqueting (Rs. mn)	295	255	2%	1,276
Other Operating Income (Rs. mn)	72	55	20%	288
<b>Total Income (Rs. mn)</b>	<b>662</b>	<b>524</b>	<b>6%</b>	<b>2,790</b>
<b>Operating EBITDA (Rs. mn)</b>	<b>242</b>	<b>223</b>	<b>9%</b>	<b>1,055</b>
<i>Occupancy (%)</i>	74%	72%	2 pps	76%
<i>ARR (Rs.)</i>	11,295	10,779	5%	11,405





# Courtyard by Marriott, Agra

	Q1FY19	Q1FY18	FY18
Revenue from Rooms (Rs. mn)	26	27	177
Revenue from F&B and Banqueting (Rs. mn)	28	35	166
Other Operating Income (Rs.mn)	3	3	17
<b>Total Income (Rs. mn)</b>	<b>56</b>	<b>65</b>	<b>360</b>
<i>Occupancy (%)</i>	<i>47%</i>	<i>51%</i>	<i>65%</i>
<i>ARR (Rs.)</i>	<i>3,181</i>	<i>3,094</i>	<i>3,811</i>



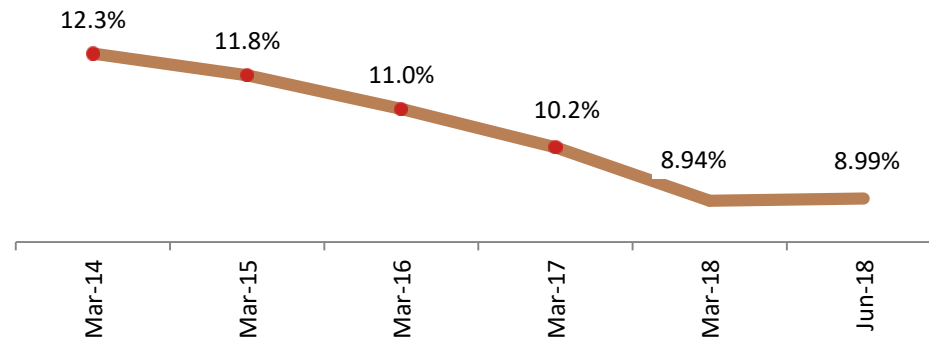
# Well Managed Debt Portfolio

- FY18 interest coverage ratio at approx. 2.2x for the group with retail assets comfortably ahead
- HSP at interest coverage of 3.3x; PMC Chennai: 3.7x; PMC Bangalore: 3.1x; PMC Pune: 2.4x
- Chennai CMBS rated at AA+; PML bank loan rated at A+; PMC Bangalore, PMC Pune & The St. Regis bank loan rated at A-

## Strong Credit Rating across portfolio

PMC Chennai	AA+	 
PML Standalone	A+	 
PMC Bangalore	A	
The St. Regis, Mumbai	A-	
PMC Pune	A-	

## Effective cost of debt (%)



## Q1 FY19 Gross Debt breakup (in INR mn)

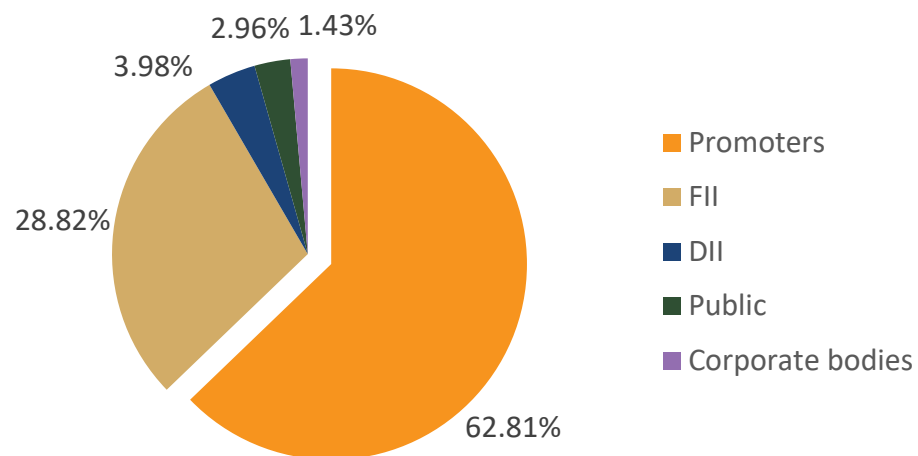
Status	Asset Class	Amount (Rs. mn)
Operational	Retail	31,082
	Hospitality	6,092
	Commercial	2,690
	Residential	1,450
	<b>Sub-total</b>	<b>41,314</b>
Under-development	Retail	2,582
<b>Grand Total</b>		<b>43,896</b>

# Q1 FY19 Debt profile

	Asset Type	SPV	Asset Name	PML Ownership	FY18 Debt (Rs. mn)	Q1FY19 Debt (Rs. mn)
Operational	Retail & Mixed-Use	PML Standalone	High Street Phoenix, Mumbai	100%	7,174	9,263
		Classic Mall Development	Phoenix MarketCity, Chennai	50%	4,779	4,675
			The Crest C (Residential)			
		Vamona Developers	Phoenix MarketCity, Pune	100%	6,325	6,207
			East Court (Commercial)			
		Island Star Mall Developers	Phoenix MarketCity, Bangalore	51%	4,215	4,083
		Offbeat Developers	Phoenix MarketCity, Mumbai	100%	7,366	6,819
			Art Guild House (Commercial)			
			Centrium (Commercial)			
		Blackwood Developers	Phoenix United, Bareilly	100%	880	833
Under Development	Hotel & Residential	UPAL Developers	Phoenix United, Lucknow	100%	878	807
		Graceworks Realty & Leisure	Phoenix Paragon Plaza (Commercial)	67%	1,093	1,085
		Palladium Constructions	One Bangalore West & Kessaku (Residential) Courtyard by Marriott, Agra (Hotel)*	80%	1,753	2,105
		Pallazzo Hotels & Leisure	The St. Regis, Mumbai	73%	5,685	5,438
		Destiny Hospitality	Phoenix Marketcity, Lucknow	100%	-	2,582
		<b>Total</b>			<b>40,121</b>	<b>43,896</b>

# Shareholding Pattern as on 30 June 2018

**Shareholding Pattern**



Sr. No	Key Institutional Investors	% Shareholding
1	Nordea Bank	10.65%
2	Fidelity Investment Trust	3.28%
3	Schroder	3.01%
4	Van Eck	1.52%
5	TT Funds	1.34%
6	Mondrian	1.17%
7	Vanguard	1.13%
8	UTI Mutual Fund	1.01%
9	Reliance Industries	0.90%
10	Reliance Mutual Fund	0.82%

**Company Overview**  
**Key Highlights for Q1 FY19**  
**Financial Results**  
**Annexure**



# PML's evolution into a retail powerhouse

1999 - 2005

2006 - 2012

2013 - 2017

Now

- ✓ Evolution of HSP from a textile mill → to an entertainment and gaming hub → to a shopping and entertainment destination
- ✓ Blueprint for the concept of creating urban consumption hubs

- ✓ 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
  - Chennai

- ✓ Established market leadership of Malls in respective cities
- ✓ Operationalized asset classes of residential, commercial and hospitality as complements to existing retail developments
- ✓ Progressively consolidated our equity stakes across assets

- ✓ Strong consumption → sustained rental income growth
- ✓ Double retail portfolio to 12 msft from current 6 msft
- ✓ Alliance with CPPIB for retail -led, mixed use developments:
  - Acquired 15 acres land at Pune, Wakad
  - Acquired 13 acres land at Hebbal, Bangalore
  - Under construction retail asset acquired in Indore (~1.1 msf GLA)
- Acquired Under-construction retail asset (~0.9 msf GLA) in Lucknow
- Inked a 50:50 JV for a land parcel in Ahmedabad

CONCEPT

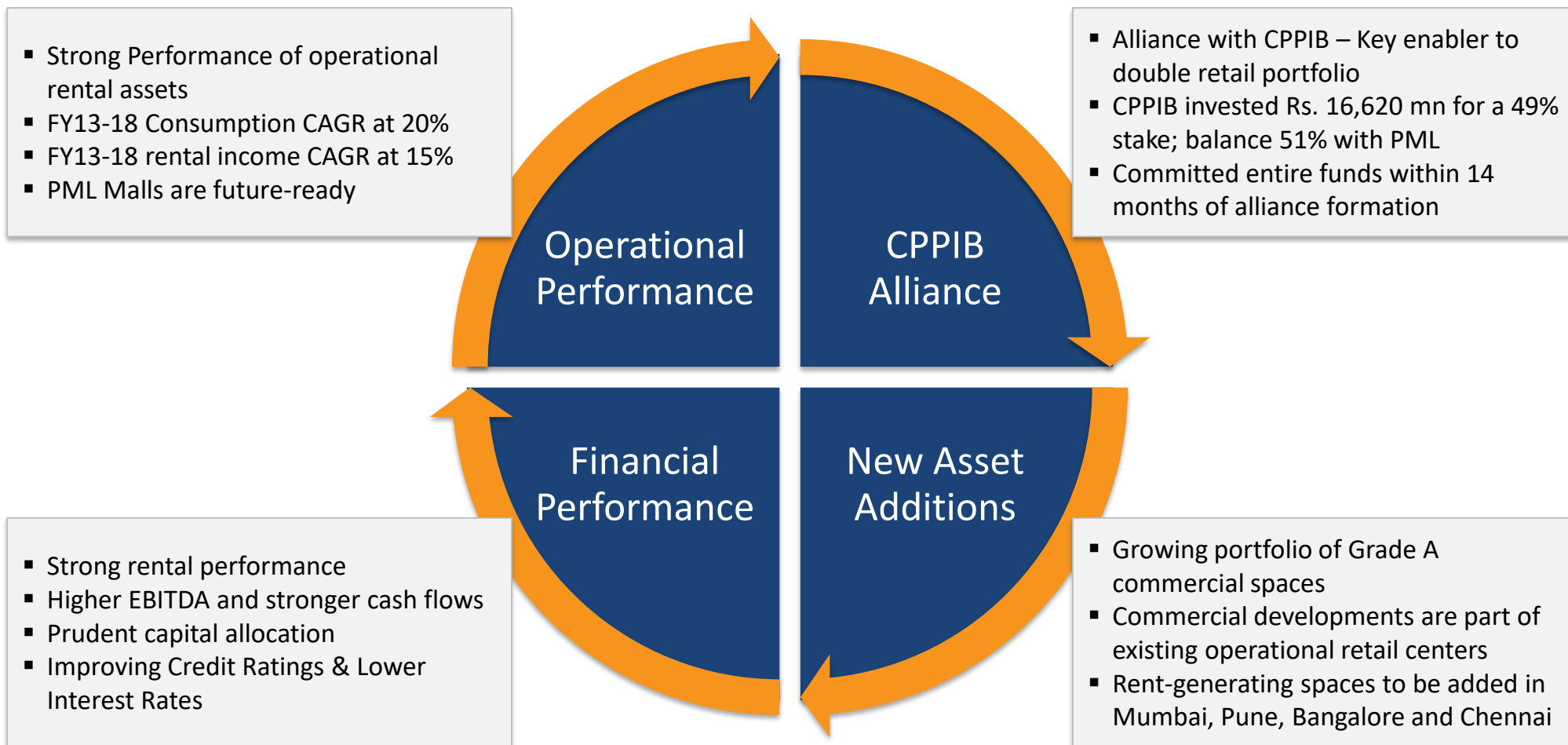
CREATE

EXCEL

CONTINUE

REPEAT

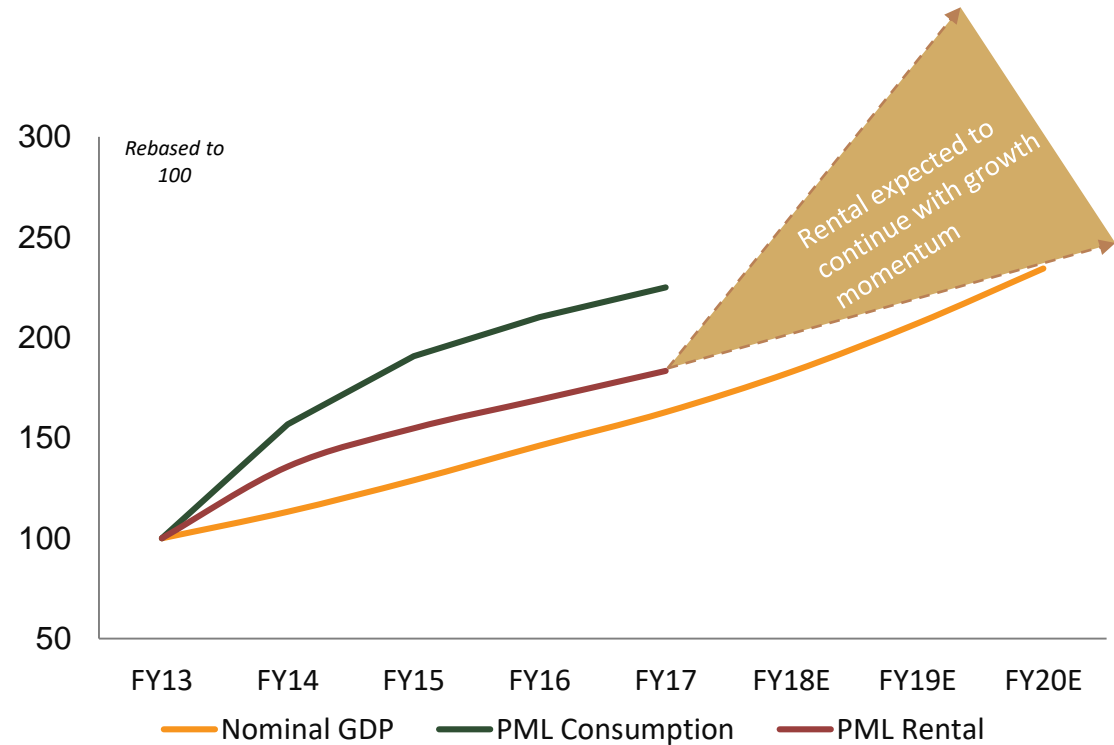
# PML's Multi-faceted Growth Trajectory



# First Order Derivative of India's Consumption Story

- During FY13-18, consumption at our malls has grown at a CAGR of 20%
- The FY13-18 consumption growth is 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 FY13-18

# Long Term Sustainable Growth Delivered Through The Cycle

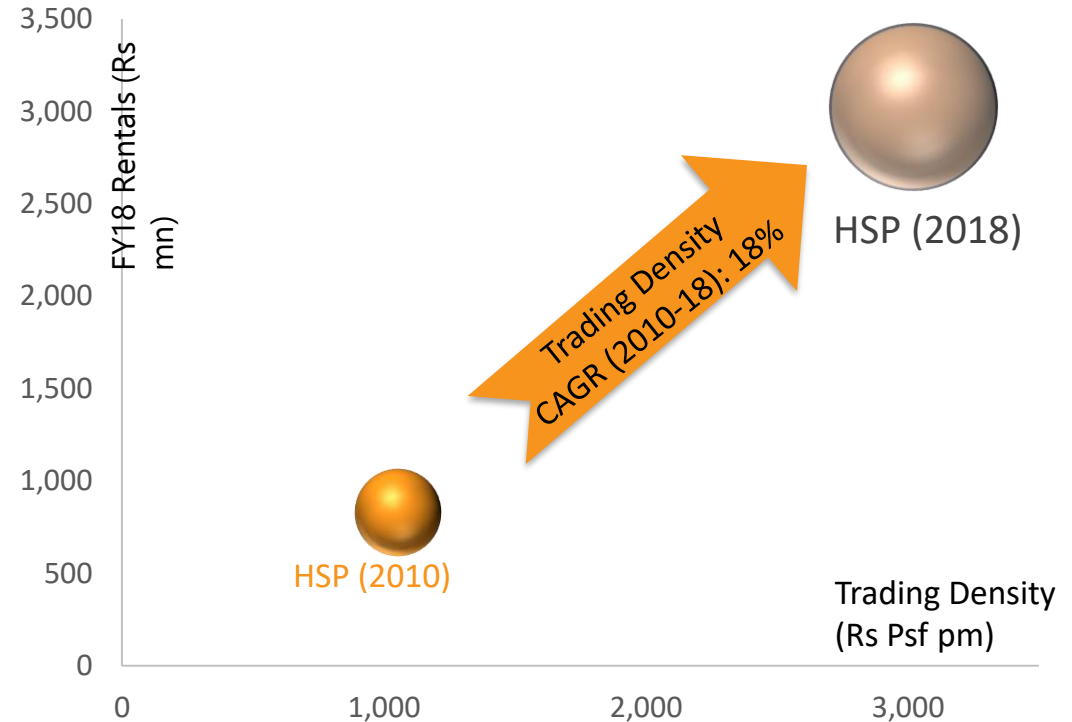
- ❖ In 2010, trading density and consumption at High Street Phoenix was at Rs 1,055 psf pm and Rs 4,371 mn, respectively → today, has grown over >3x since 2010
- ❖ All MarketCity malls are in similar position (in terms of trading density) as HSP was in 2010; poised to follow similar growth path as HSP 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 (FY18)	3,034	3,022	16,456
HSP growth (FY10 – 118)	2.88x	3.65x	3.76x
PMC Mumbai (FY18)	1,044	1,102	8,143
PMC Pune (FY18)	1,224	1,386	10,828
PMC Bangalore (FY18)	1,694	1,275	12,361
PMC Chennai (FY18)	1,489	1,394	10,742

## MarketCity malls to follow similar growth trajectory at HSP & Palladium

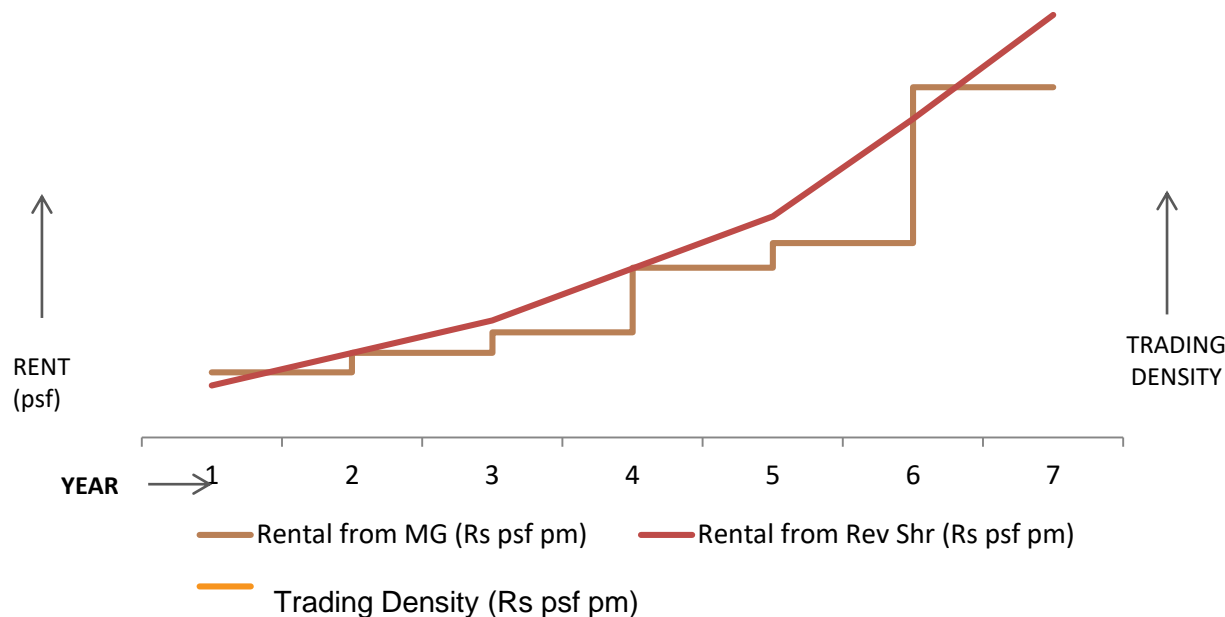
Bubble size represents consumption



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

# Revenue Cycle of a Mall

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)

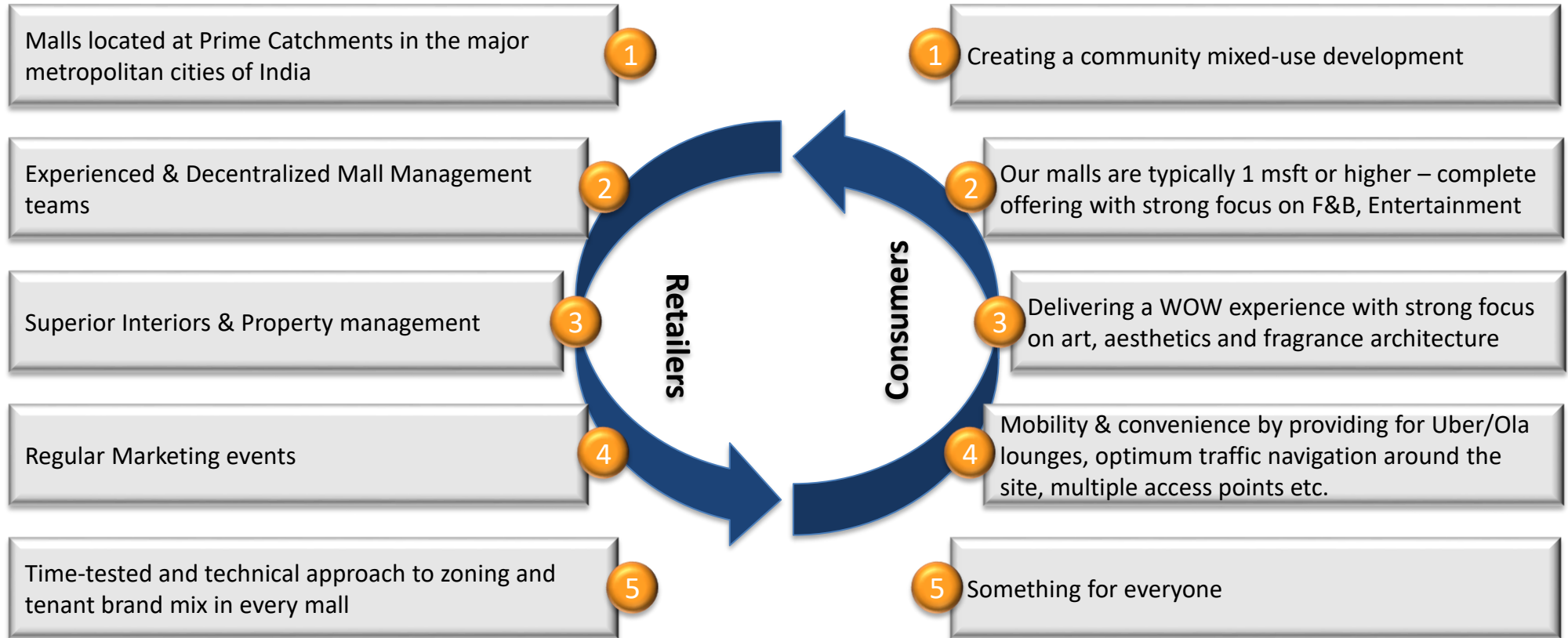
Generally MG escalates by mid-double digits at the end of 3 years and mid-to-high single digits annually in the interim.

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



# PML – Preferred destination for All





## CPPIB ALLIANCE

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Key enabler to double retail portfolio

# Strategic Alliance with CPPIB – Key Highlights

- Strategic alliance with CPPIB to acquire, develop, operate retail-led developments formed in April 2017
- CPPIB invested Rs. 1,662 cr in Island Star Mall Developers Pvt. Ltd. (ISMDPL), PML's subsidiary, for a 49% equity stake with balance 51% stake with PML.
- PML will manage all development and operational assets in the platform.
- Deployment of Funds:
  1. August 2017: Purchased 15-acre land parcel in Pune with development potential of c.1.8 msft for Rs. 1.94 billion
  2. April 2018: Purchased 13-acre land parcel in Bangalore with base development potential of c.1.8 msft for Rs. 6.93 billion
- With the above two acquisitions, PML has committed majority of equity infused by CPPIB

Rs. 22,000 mn

Enterprise Value for ISMDPL  
(April 2017)

17,000 mn

Equity value of ISMDPL  
(April 2017)

Rs. 16,620 mn

Equity infused by CPPIB between  
April 2017 and 2018

~85%

Equity committed by ISMDPL  
within 12 months

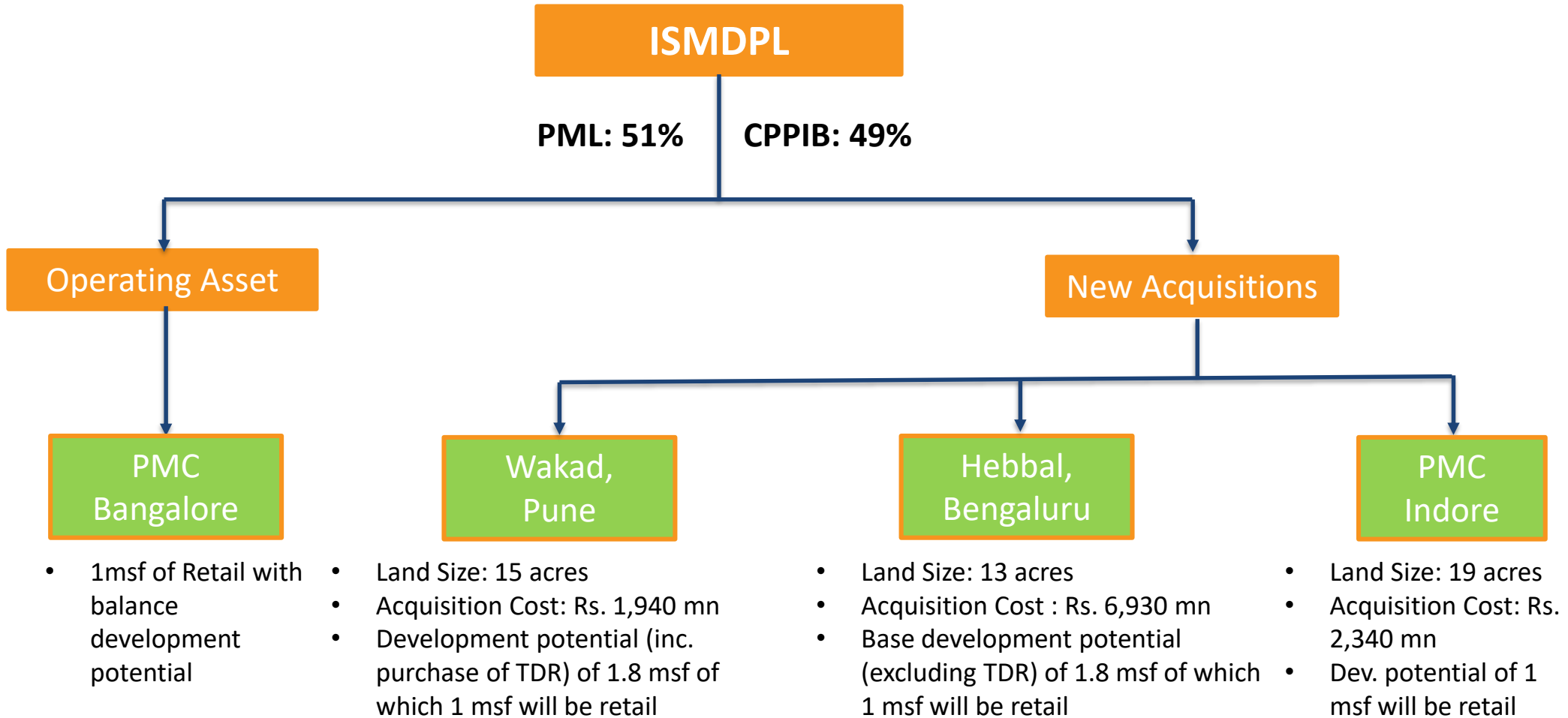
49%

CPPIB's Equity Stake in ISMDPL

1,228 mn

FY18 EBITDA of ISMDPL

# ISMDPL – Strategic Retail Alliance with CPPIB





# **Acquisition of Under-Construction Retail Development**

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Phoenix MarketCity Lucknow

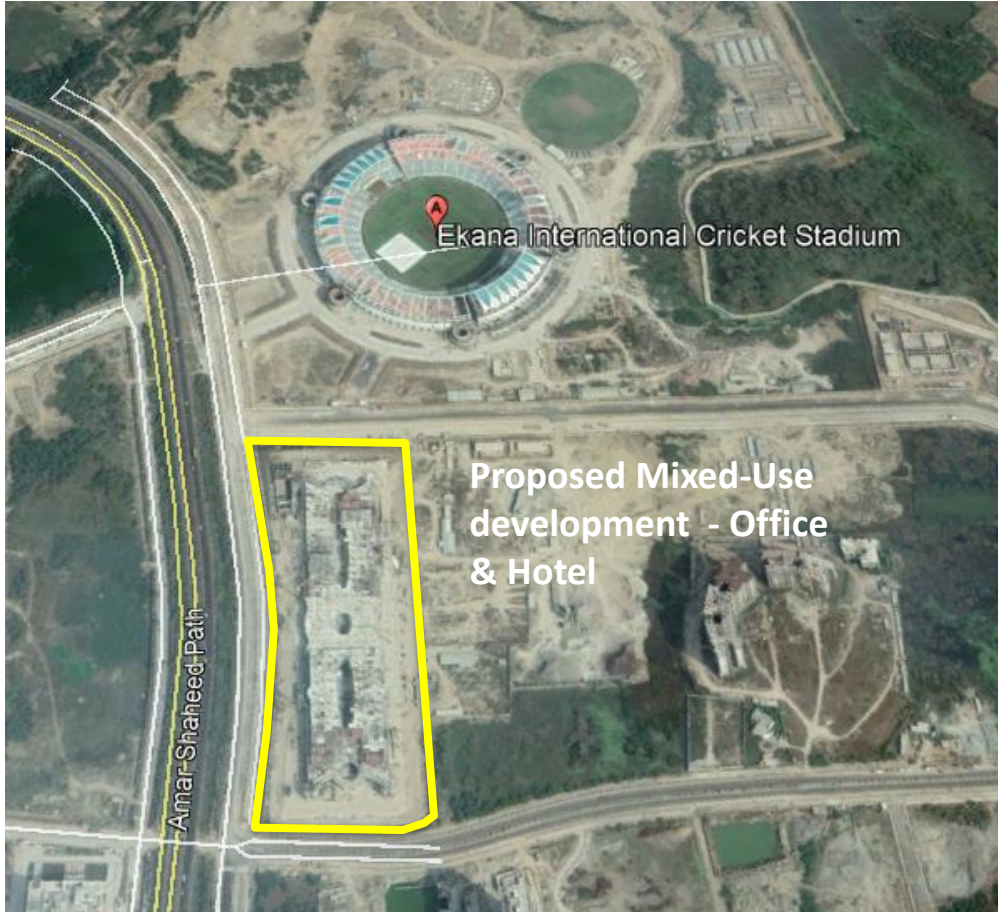
June 2018

# Phoenix MarketCity Lucknow - Indicative Render



Note: The Current Design is indicative and the final design may change





**Land Area:** 13.53 acres

**Location:** Sector 7, Gomti Nagar, Lucknow part of envisaged Super Mega Mixed Use Integrated Project comprising retail, hospitality and commercial developments

**Proposed Development:** Retail GLA of ~0.9 msf

**Acquisition Cost:** Rs. 4,530 mn (land + constructed development + free-hold conversion charges)

**Stage of Construction:** 90% RCC work complete

**Expected time to begin operation:** ~24 months (FY21)



# Phoenix MarketCity Lucknow - Location

Phoenix MarketCity Lucknow is in Gomti Nagar at the very beginning of Shaheed Path





# Phoenix MarketCity Lucknow - Actual Site Images







**Upper Ground Atrium**



**View of Atrium from First floor**

# Phoenix MarketCity Lucknow - Indicative Renders

Inside View 1



Inside View 2





# Major Developments around Phoenix MarketCity Lucknow

HCL, IT City (5 mins. from site)



Ekana International Stadium (1 min. from site)



Gomti River Beautification



Taj Gomti Nagar



High Court of Judicature, Gomti Nagar



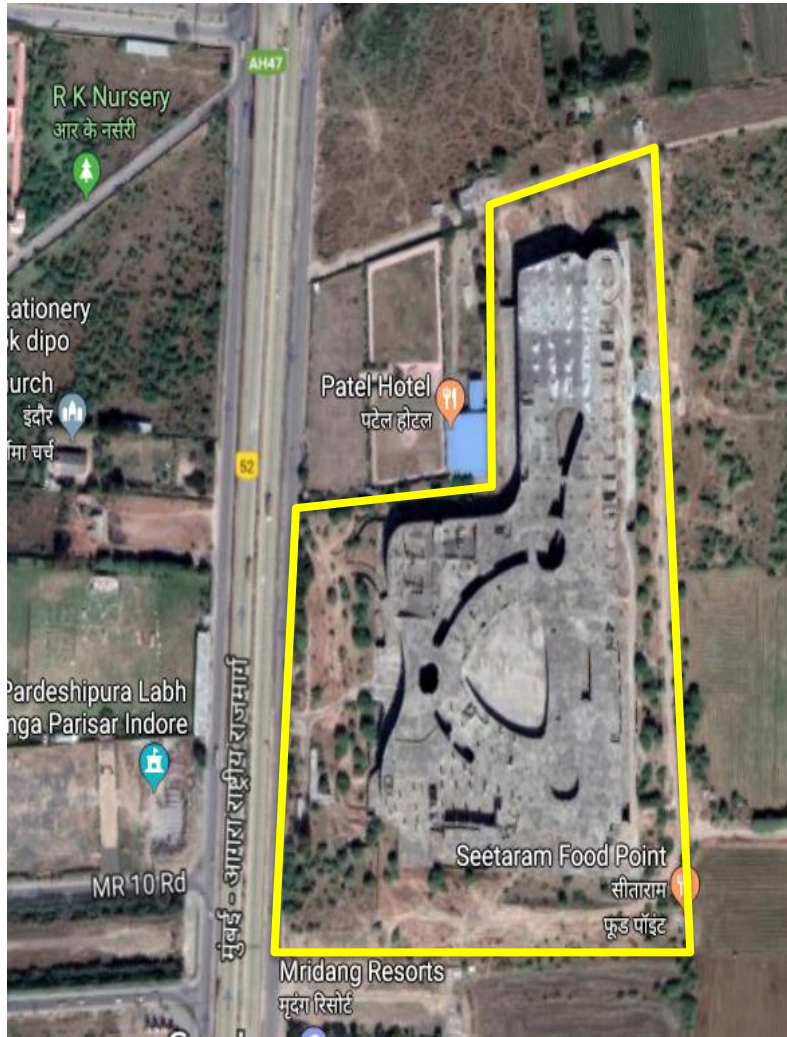
# **Acquisition of Under-Construction Retail Development**

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Phoenix MarketCity Indore

June 2018

# Phoenix MarketCity Indore – Transaction Highlights



**Land Area:** 19 acres

**Location:** Mumbai – Agra National Highway, MR 10, Indore

**Proposed Development:** Retail GLA of ~1.1 msf

**Acquisition Cost:** Rs. 2,335 mn (land + constructed development)

**Stage of Construction:** 80% RCC work complete

**Expected time to begin operation:** ~30 months (late FY21)



# Phoenix MarketCity Indore - Concept



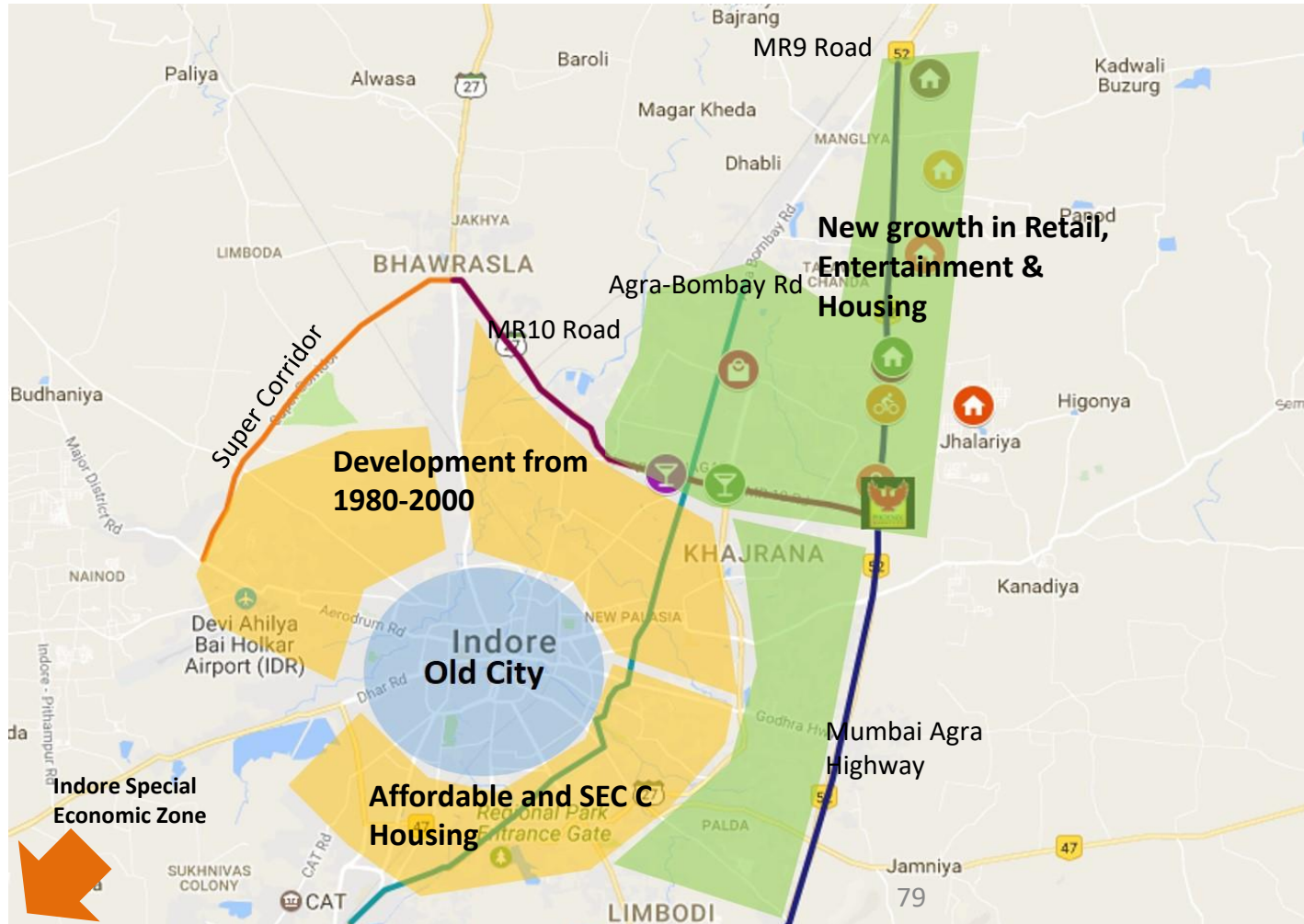
Note: The Current Design is indicative and the final design may change







# Indore - City Overview

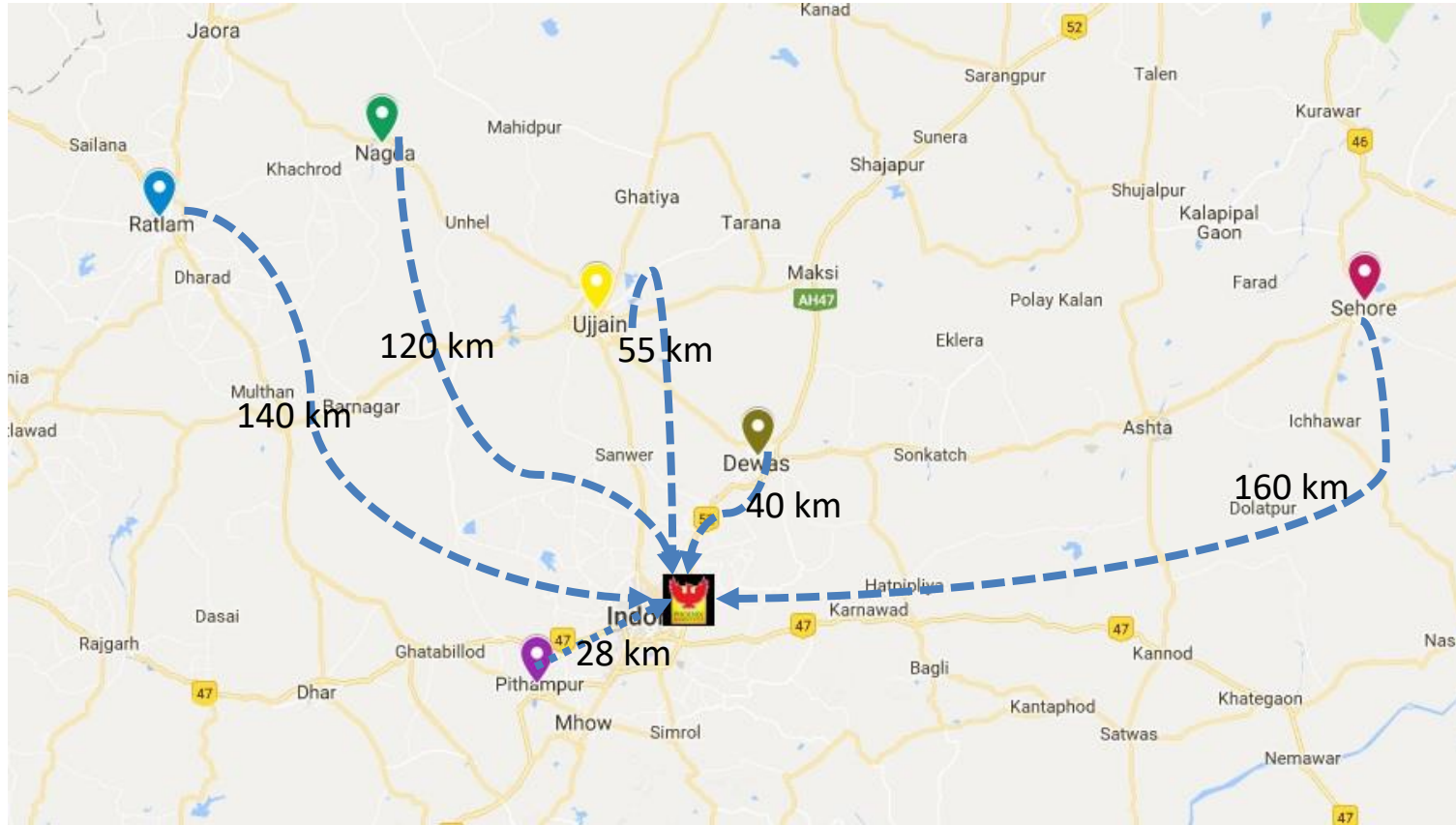


## Old Indore City

- Organic growth outside of dense old city area
- Growth was consistent with development of key infrastructure in the city such as Airport, Super Corridor, MR10, and Eastern Ring Road

- New growth that has taken place after 2005
- SEC A & SEC B residential is growing along with retail and entertainment establishments

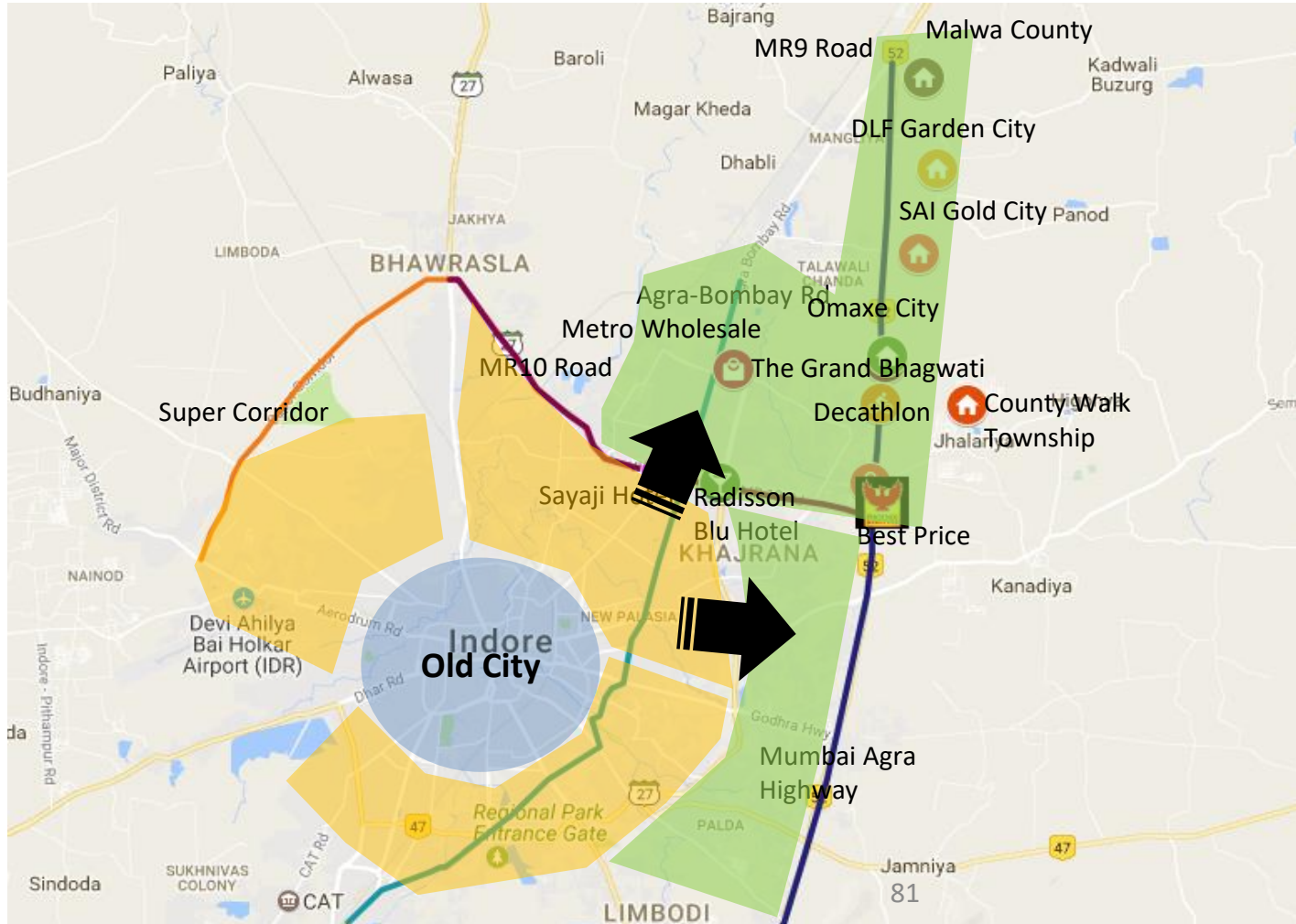
# Indore - SEZ & Feeder Towns



## Feeder towns to Indore →

- Ratlam
- Nagda
- Ujjain
- Dewas
- Sehore
- **Pithampur** - Indore SEZ built over 1,038<sup>5</sup> hectares
- Companies at Indore SEZ
  - Flexituff International
  - Cummins Technologies
  - Pratibha Syntex
  - Advanced Enzymes
  - Cipla
  - Lupin
  - Amulya Exports

# Indore - Growth Areas

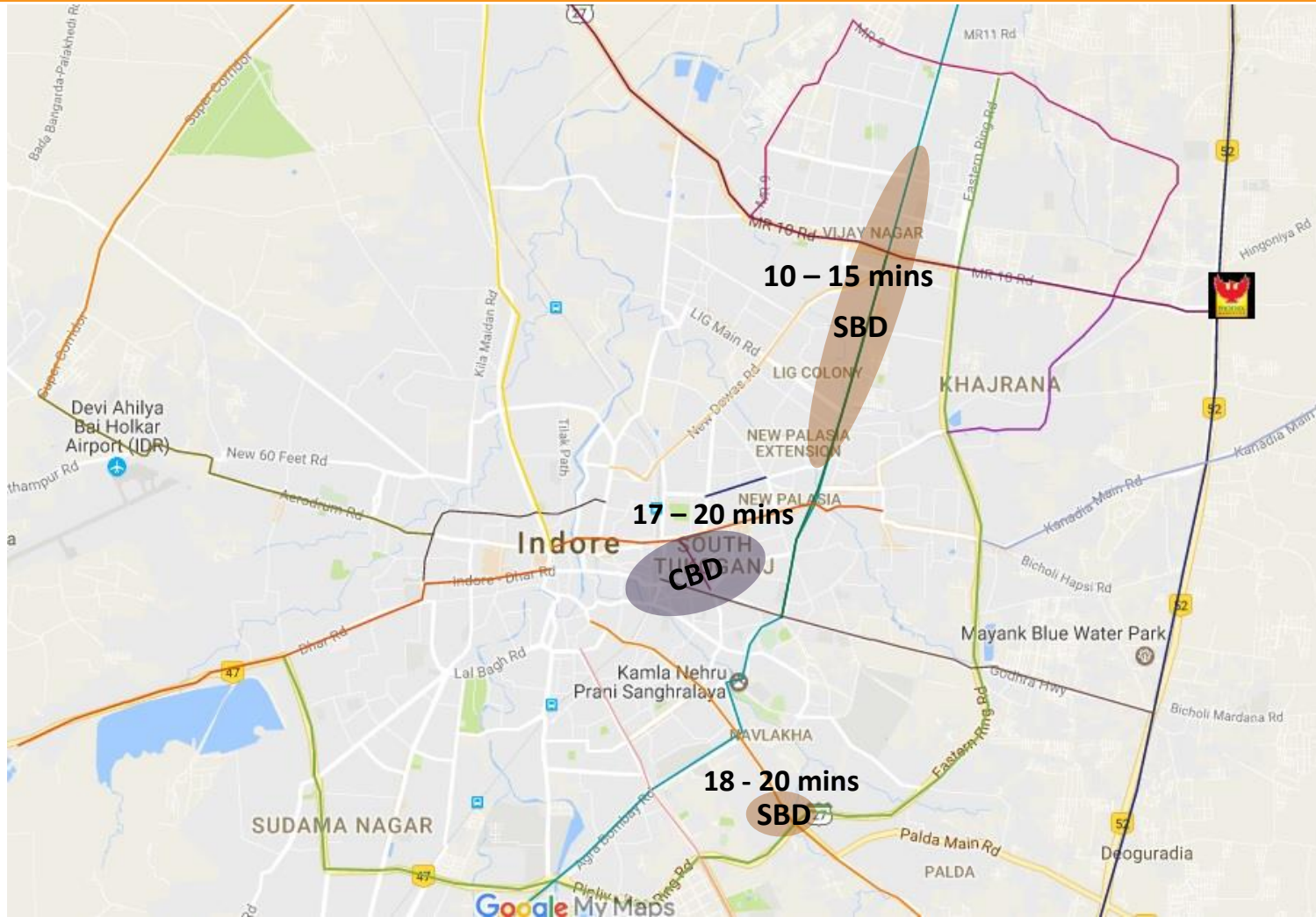


## Growth Areas

- **Agra-Bombay Road** – New Commercial offices, hotels, and retail coming up on this road
  - **Hotels** – Sayaji, Radisson Blu
  - **Retail** – Metro Wholesale
- **Mumbai Agra Highway** – Has evolved into a shopping, socializing and residential destination for Indore residents
  - Shopping: Decathlon, Walmart/Best Price
  - Socializing: The Grand Bhagwati - 40,000 sq. ft of banquet space spread over 3 ballrooms with 123 rooms
  - New and upcoming residential townships
    - Omaxe City
    - Silver Springs
    - SAI Gold city
    - DLF Garden City
    - Grande Exotica



# Indore - Commercial Catchment



## Central Business District

- Mahatma Gandhi Road – Consists of high-end showrooms and jewellery shops
- Rabindranath Tagore Marg – High Court and few government offices are situated in the vicinity

## Secondary Business District

- SBD: Agra-Bombay Road – New commercial offices, IBM India
- SBD: Khandwa-Indore Rd Crystal IT Park, WorldPay, Impetus, etc.

 CBD

 SBD

# Phoenix MarketCity Indore - Actual site Images



# Phoenix MarketCity Indore - Actual site Images





# Phoenix MarketCity Indore - Actual site Images



- City lacks a mall with high-quality retail, F&B, and entertainment experience
  - Limited dining options in the city
  - Few socializing places and exclusive hang-out spots
  - Only 4 small-sized shopping centers, clearly inadequate retail space

Shopping Center	Size* (in sq. ft.)	Location
Treasure Island	432,000	Tukoganj
Central	225,000	Tukoganj
C21	388,000	Vijay Nagar
Malhar Mall	250,000	Vijay Nagar

- Indore is the retail hub of Madhya Pradesh with consumers from feeder towns such as Ujjain, Dewas, Sehore, etc. contributing to footfalls and retail consumption in the city
- An underserved market which has an appetite for 1 million sq. ft. of retail and entertainment space



**PHOENIX**  
MARKETCITY

Top Retail Destinations in India

Assorted F&B Outlets

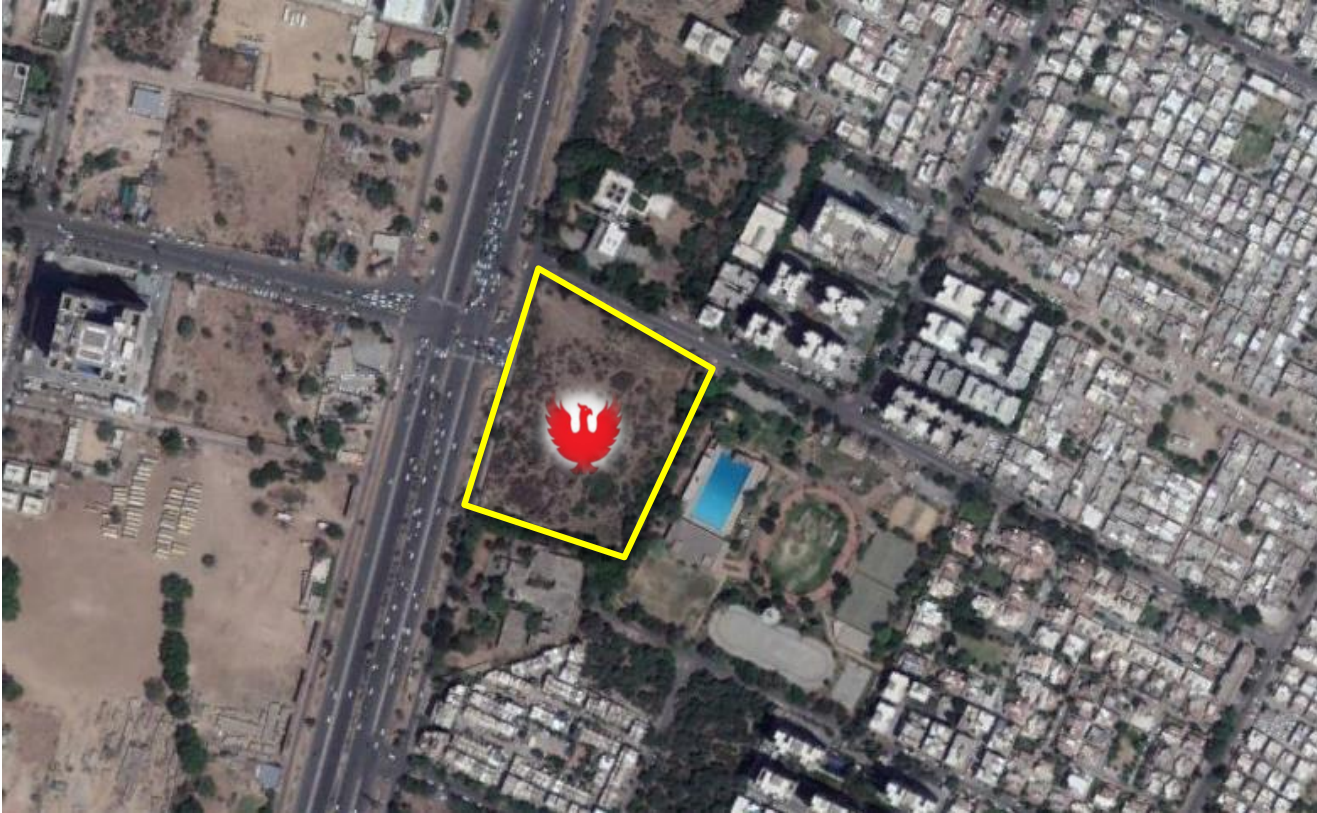
World Class  
Entertainment  
Experience

# **Acquisition of Land Parcel in Ahmedabad**

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July 2018





**Land Area:** 5.16 acres

**Location:** Sarkhej- Gandhi (SG) Highway,  
Thaltej, Ahmedabad

**Proposed Development:**

- Retail GLA of 0.60 msf + parking in Phase I
- Phase II to be developed subsequently

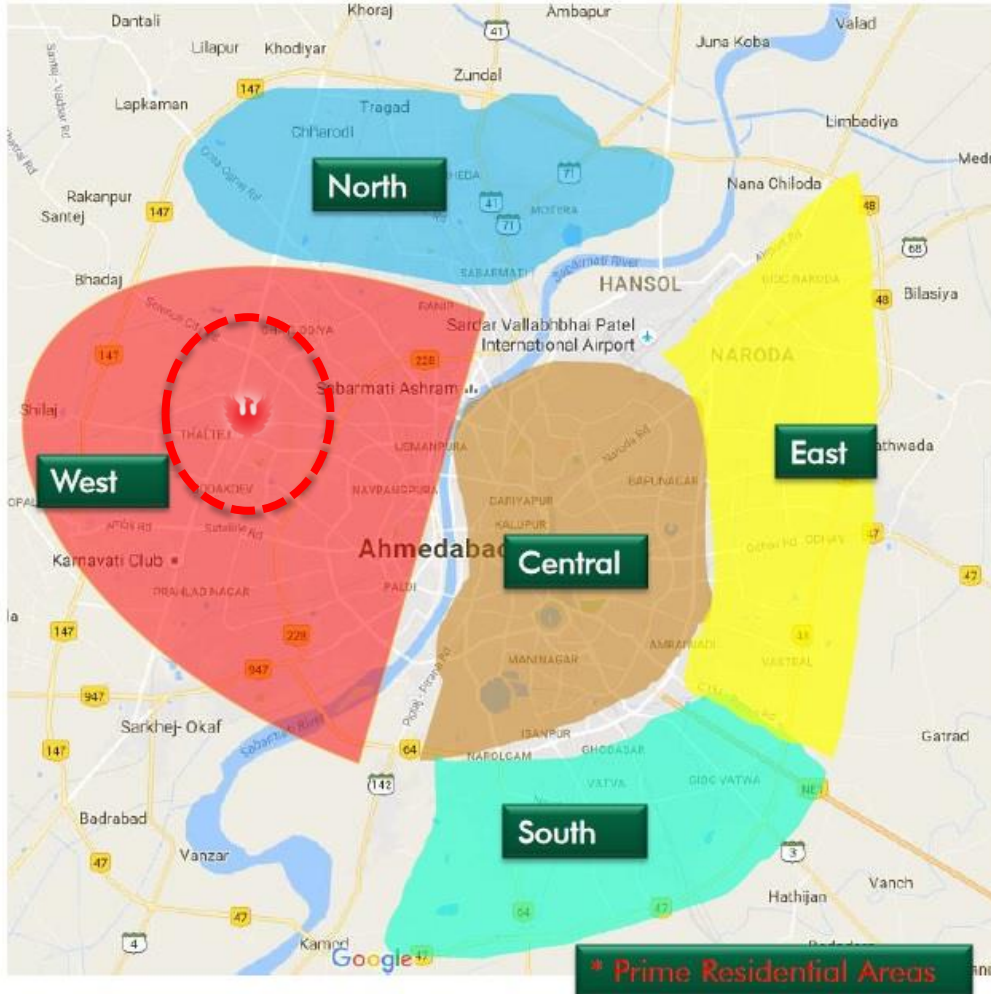
**Land Entry Cost:**

- Land value + other acquisition costs - Rs. 3,700 mn
- PML has infused Rs. 2.30 bn for a 50% stake in a JV which will acquire this land parcel





# Ahmedabad – Key Residential Areas



## West Region

Paldi, Ambawadi\*, Navrangpura\*, Drive in\*, Memnagar, Vastrapur\*, Shymal\*, Satellite\*, Jodhpur\*, Bodakdev\*, Prahlad Nagar\*, Thaltej\*, Bopal, Science City

## North

Vaishonodevi, Ranip, New Ranip, Chandlodiya, Ghatlodiya

## East

Naroda, Vastral, Vinzhol, Bapunagar

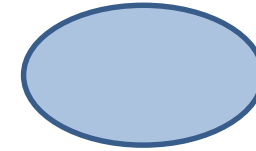
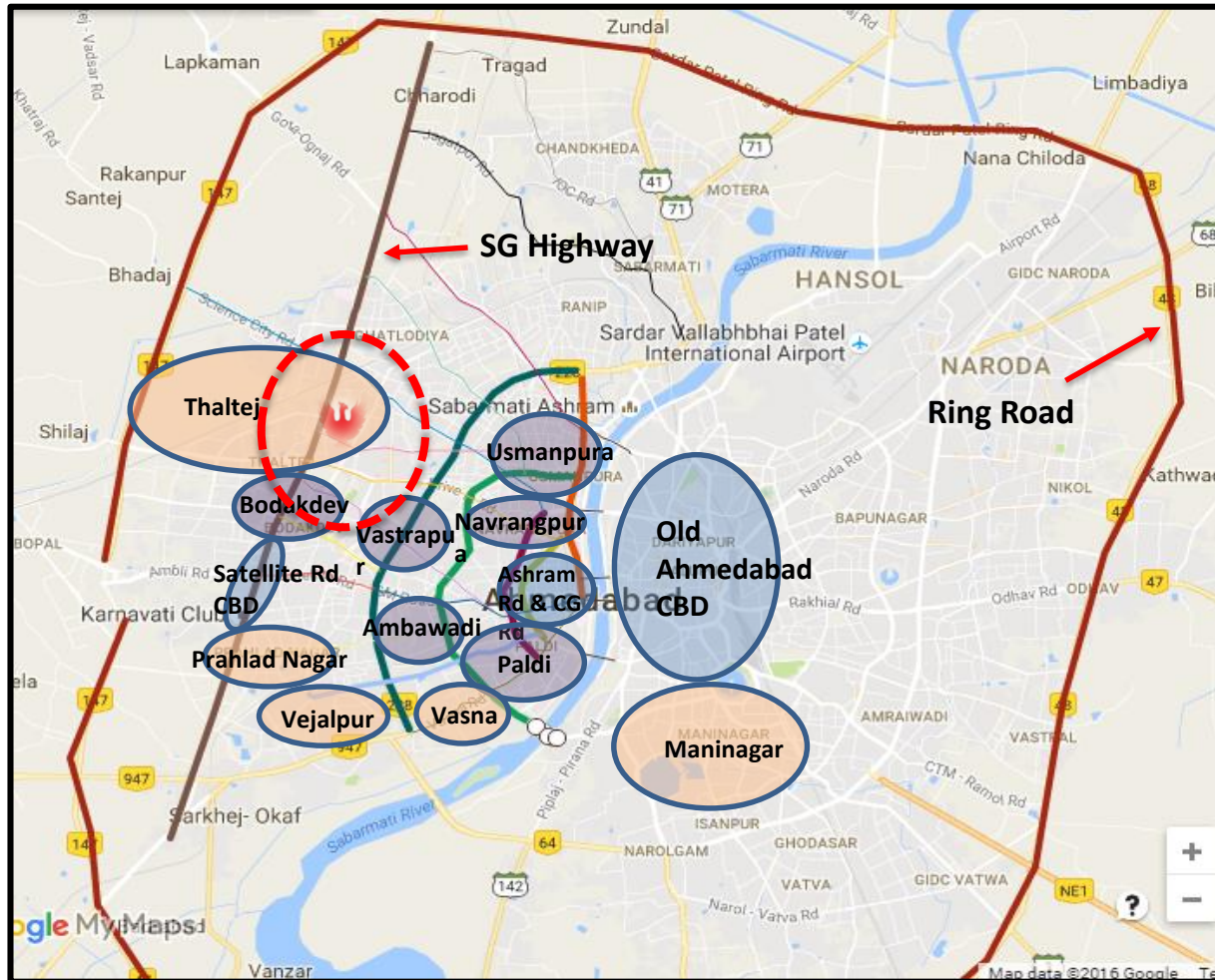
## Central

Maninagar

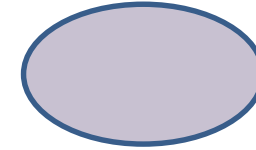
## South

Vatva, Narol, Lambha, Aslali

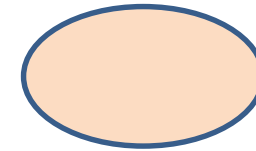
# Ahmedabad – Key Residential Areas



Central Business District



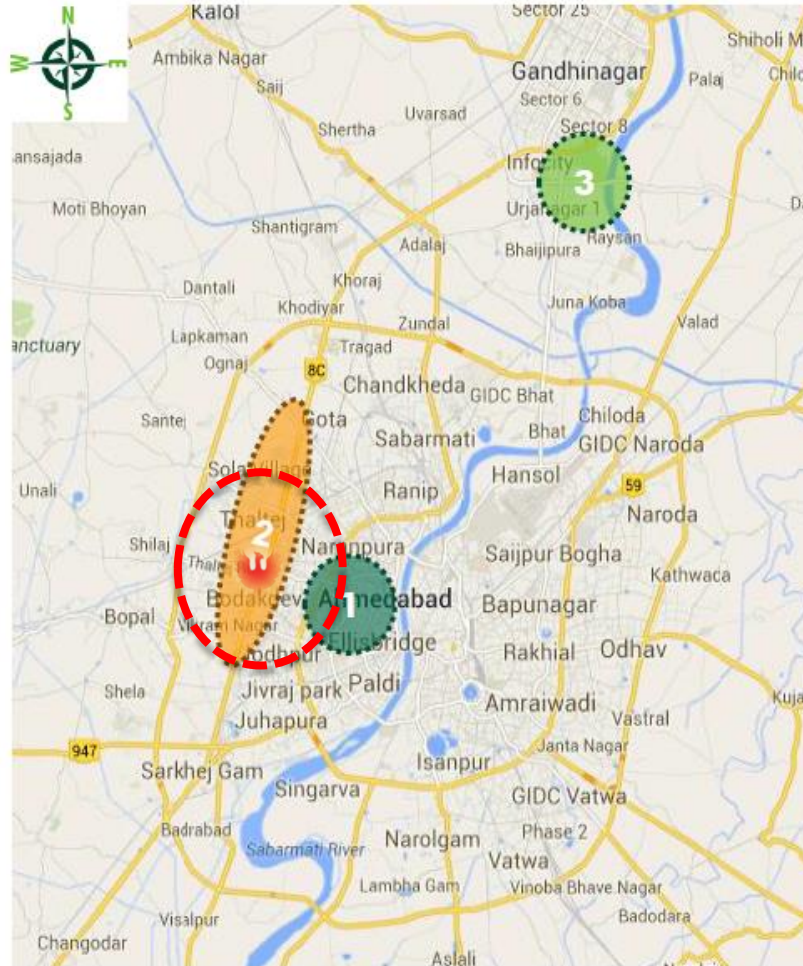
SEC A Residential



SEC B Residential



# Ahmedabad – Key Commercial Areas



## 1. Central Business District *CG Road*

- Located in West Ahmedabad
- Occupants are professional individuals, traders & businessmen along with banks, insurance companies and financial institutions

## 1. Central Business District *Ashram Road*

- Mature market, with limited availability of new developments
- Comprises of mostly Govt. offices

## 1. Infocity, GIFT City

- Mostly IT/ITeS occupiers

## 2. SG Road

- Emerged as the Growth corridor of the City
- Commercial offices located on this highway extending upto Gandhinagar
- This micro market has witnessed an increase in number of commercial offices & retail outlets

## 2. Prahladnagar – Satellite Area

- Availability of land has led to organized commercial developments in this region



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