THE PHOENIX MILLS LTD

Registered Office: 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India

Q1-FY2012 Income from Operations at Rs. 471 mn – up 16% y-o-y.

Q1-FY2012 EBITDA increased by 13%, while

Q1-FY2012 PAT increased by 49% as compared to Q1-FY2011

Mumbai, 30 July 2011

The Phoenix Mills Limited, India's premier retail-led mixed-use asset development company, today announced its unaudited financial results for the quarter ended 30th June 2011, and consolidated audited financials for the year ended 31st March 2011.

Key Highlights of the Quarter

High Street Phoenix

- HSP has demonstrated one more quarter of strong performance with footfalls averaging over 1.4 million per month. As trendsetters in this dynamic industry, our strategy of introducing newer brands and a strong focus on re-alignment of the brand mix is paying off.
- New stores such as Wrangler, Lee, Foodhall, Hidesign, Mobile Store, Seven East opened in the last quarter.

Other Projects of the Group

- **Phoenix Marketcity Pune was soft-launched on June 28, 2011.**
    - At around 1.2 milion sq. ft. of leaseable area, it is one of the largest retail developments in the country
    - Currently over 80 retailers have commenced operations, with several others currently in various stages of fitout and are expected to be operational soon.
    - Retailers such as Swarovski, Jealous 21, The Body Shop, Jack & Jones, Vero Moda, Pantaloons, Reliance Footprint, Marks & Spencer, US Polo Assn. etc. are operational.

- **Other Projects:**

    - With over 100 stores at final stages of fitout, **Phoenix Marketcity Bangalore** is expected to be launched in September 2011.

    - **Phoenix Marketcity Kurla**, **Mumbai** has witnessed a substantial upswing in retailer fitouts and it is expected to witness a soft-launch in early Q3-FY2012.

    - The **Shangri-La** operations team is expected to start commissioning systems for the hotel in a gradual manner over the next couple of months and a soft-launch by December 2011 is envisaged.

    - Work at **Phoenix Marketcity Chennai** is also progressing well. The residential development at the project has seen a soft-launch and the initial response from customers is encouraging.

<u>Other Highlights</u>

- In the last quarter, PML has concluded the agreement for increasing its stake in Phoenix Marketcity Bangalore from 37.8% to 46.4%.

- For the financial year ended March 31, 2011, the Board of Directors has announced a dividend of Rs. 1.80 per share. This would result in an outflow of Rs. 304 mn including dividend distribution tax.

Commenting on the Company's performance, Shishir Shrivastava, Jt. Managing Director, The Phoenix Mills Ltd. said:

"The launch of Phoenix Marketcity, Pune was an important milestone for our Company and is the first of several milestones to come as our other projects commence operations. We are extremely thrilled by reviews from customers for Phoenix Marketcity Pune. The successful launch of Pune reinforces our faith that a quality product always succeeds and becomes a model for competition to emulate.

All we had, a few years ago, was a concept in mind. We embarked on our journey in trying to translate our imagination into reality. Today, we proudly say that we have successfully implemented and realized what we set out to do. Our team has the bandwidth and the capabilities to concurrently deliver multiple large projects in different locations. It gives us confidence to take on the next phase of these projects and also to evaluate newer opportunities to grow. I can confidently say that we're looking at exciting times for the Company and all our stakeholders."

About The Phoenix Mills Limited

The Phoenix Mills was incorporated in 1905 as a textile mill. As the mythical phoenix bird, it is once again regenerating new and iconic assets across India. With over 20 million sq. ft. of prime spaces across India at various stages of execution, PML and its investee companies are embarking on an exciting journey of creating India's premier retail-led mixed-use asset development company that can produce quantum growth and long-term value creation. Today, PML is one of the most up-and-coming listed property companies in India.

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

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Details to the Announcement

Standalone Financial Overview

(Rs Million)	Q1 FY2012	Q1 FY2011	% Change	Q4 FY2011	% Change	FY2011 (Audited)
Income from Operations	471	404	*16%*	468	*1%*	1,765
EBITDA	331	294	*13%*	321	*3%*	1,253
EBITDA Margins	*70%*	*73%*		*69%*		*71%*
Other Income	110	44	*152%*	141	*-22%*	323
Depreciation	67	69	*-2%*	70	*-4%*	277
Interest	10	35	*-70%*	3	*260%*	86
Profit before Tax	363	234	*55%*	389	*-7%*	1,214
Profit after Tax	272	183	*49%*	272	*0%*	917
EPS (Rs.)	1.88	1.26		1.88		6.33

- Income from operations increased by 16%, from Rs. 404 mn in Q1-FY2011 to Rs. 471 mn in Q1-FY2012. The Company was able to deliver healthy revenue growth this quarter on account of increased consumption at the centre and new stores having opened during the year.
- EBITDA was higher by 13% from Rs. 294 mn in Q1-FY2011 to Rs. 331 mn in Q1-FY2012.
- Depreciation was marginally lower in Q1-FY2012 as compared to Q1-FY2011 and Q4-FY2011.
- Interest expense has decreased in Q1-FY2012 v/s Q1-FY2011 due to repayment of loans during the year.
- PBT has increased from Rs. 234 mn in Q1-FY2011 to Rs. 363 mn in Q1-FY2012, an increase of 55% due to higher other income, lower depreciation and lower interest expense.
- PAT was higher at Rs. 272 mn in Q1-FY2012 as compared to Rs. 183 mn in Q1-FY2011, an increase of 49%.

Consolidated Financial Overview

(Rs Million)	FY2011 (Audited)	FY2010 (Audited)	% Change
Income from Operations	2,102	1,230	*71%*
EBITDA	1,406	775	*81%*
EBITDA Margins	67%	63%	
Other Income	287	243	*18%*
Depreciation	314	172	*82%*
Interest	228	86	*165%*
Profit before Tax	1,151	759	*52%*
Profit after Tax	842	620	*36%*
EPS - FV of Rs 2 each (Rs.)	5.73	4.28	

- Consolidated Income from operations increased by 71%, from Rs. 1,230 mn in FY2010 to Rs. 2,102 mn in FY2011 mainly on account of better performance at HSP, revenues from Lucknow mall, and income from sale of commercial premises at Pune.
- Consolidated EBITDA was higher by 81% from Rs. 775 mn in FY2010 to Rs. 1,406 mn in FY2011. EBITDA margins were higher at 67% for the year v/s 63% for last year, highlighting improved operational efficiencies at HSP.
- Consolidated depreciation charges were higher in FY2011 v/s FY2010 mainly on account of commissioning of Palladium and the parking facility at HSP, as well as commissioning of Lucknow mall.
- Consolidated interest expenses were higher by 165% in FY2011 mainly on account of interest expenses for Lucknow and Pune projects.
- Consolidated PBT increased by 52% and consolidated PAT increased by 36% in FY2011 v/s FY2010 due to commissioning of Lucknow and Pune projects.

Key Financial Perspectives as on 30th June, 2011

Particulars	Rs. Bn	US$ mn
Standalone Net Worth	16.3	362
Standalone Debt	0.13	3
Standalone Cash & Cash Equivalents	0.01	0.3
Consolidated Debt	9.4	210
Consolidated Cash & Cash Equivalents	1.5	34

Note: At a translation rate of 1US$ = INR 45

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