

# The Phoenix Mills Ltd.



**Expanding Our Asset Classes**

**Investor Presentation – Q2FY14**



# DISCUSSION OUTLINE

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1

## About Us

- Business Model
- Our Portfolio

2

## Key Highlights

- Financial Overview
- Retail Assets
- Development Assets
- Palladium Hotel

3

## Tier 2 & 3 Developments

- BARE
- EWDPL



## **BUSINESS MODEL**

- A business model with annuity income from retail, healthy cash flows from sale of commercial & residential assets and value generation through strategic investments
- Retail: Build and Lease Model
- Residential & Commercial : Build and Sell model
- Hospitality : Build and Operate Model
- Investment : Strategic Investments in Retail focused developers in Tier II & III cities

## **GEOGRAPHICAL - SPREAD**

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



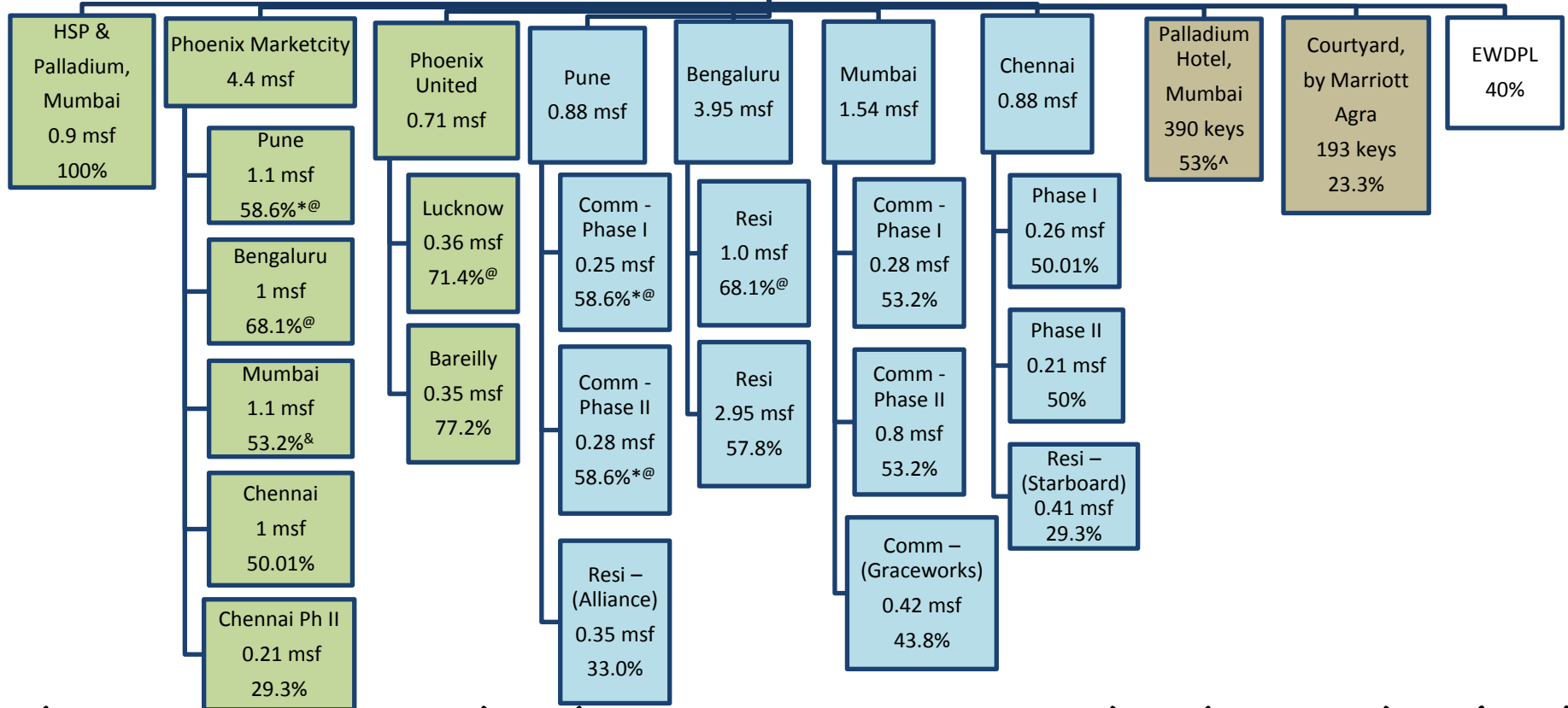
# ABOUT US

# OUR PORTFOLIO

Promoters  
66%

The Phoenix Mills Limited

Public Shareholders  
34%



\*SPA signed with K2C Retail and K2 Property Ltd. (both funds managed by IL&FS) to purchase their 24% stake in Vamona.

<sup>@</sup>Board approval for the purchase of Edelweiss Property Fund's 4.0% stake in Vamona (Pune), 6.95% stake in Island Star (Bengaluru), 7.5% stake in UPAL (Lucknow)

<sup>^</sup>PML's current shareholding is 100% which would dilute to 53% upon conversion of CCDs

<sup>&</sup> PML purchased 29.29% stake of IL&FS Financial Services Ltd in this quarter.



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# **STANDALONE FINANCIAL OVERVIEW**



# STANDALONE PROFIT & LOSS STATEMENT

Particulars (Rs Mn)	Q2FY14	Q2FY13	YoY (%)	Q1FY14	QoQ (%)	H1FY14	H1FY13
<b>Income from operations</b>	<b>707.2</b>	<b>664.5</b>	<b>6%</b>	<b>698.2</b>	<b>1%</b>	<b>1,405.4</b>	<b>1,290.5</b>
<b>EBITDA</b>	<b>478.5</b>	<b>438.3</b>	<b>9%</b>	<b>474.8</b>	<b>1%</b>	<b>953.4</b>	<b>832.6</b>
<i>EBITDA Margin</i>	68%	66%	171 bps	68%	-34 bps	68%	65%
Other Income	172.4	155.7	11%	215.4	-20%	387.7	298.9
Depreciation	65.3	68.7	-5%	65.2	0%	130.5	136.0
Interest	97.1	71.8	35%	71.7	35%	168.8	129.3
Profit before tax	488.5	453.5	8%	553.4	-12%	1,041.9	866.3
<b>Profit after tax</b>	<b>365.3</b>	<b>330.3</b>	<b>11%</b>	<b>418.3</b>	<b>-13%</b>	<b>783.6</b>	<b>636.2</b>
EPS (Rs)	2.5	2.3	11%	2.9	-13%	5.4	4.4



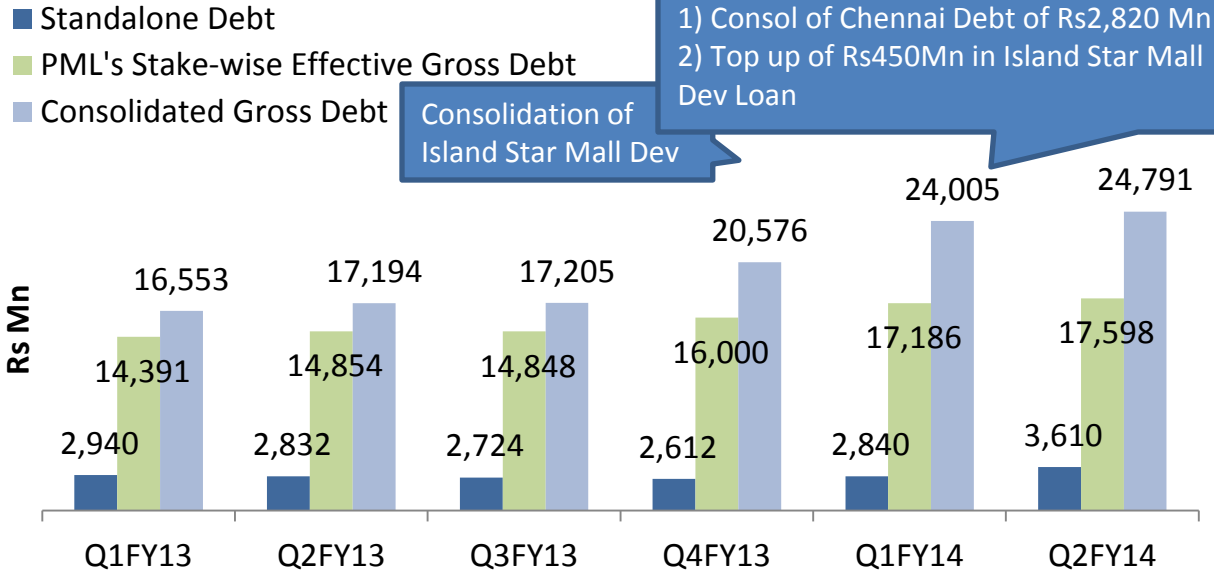
# STANDALONE BALANCE SHEET

Liabilities (Rs Mn)	As on Sept 30, 2013	As on Mar 31, 2013	Assets (Rs Mn)	As on Sept 30, 2013	As on Mar 31, 2013
Share Capital	289.7	289.7	<b>Non - Current Assets</b>	<b>19,008.3</b>	<b>18,823.9</b>
Reserves & Surplus	18,179.3	17,396.2	Tangible Assets	4,293.9	4,424.6
<b>Sub-Total</b>	<b>18,469.0</b>	<b>17,685.9</b>	Capital Work-in-Progress	1,154.8	1,089.7
<b>Non – Current Liabilities</b>	<b>3,809.9</b>	<b>2,841.5</b>	Non-Current Investments	9,640.9	9,386.3
Long Term Borrowings	2,879.7	2,067.0	Deferred Tax Assets (Net)	32.4	30.2
Other L. T. Liabilities	925.3	770.9	L.T. Loans and Advances	3,843.7	3,888.1
Long-Term Provisions	4.9	3.6	Other Non-Current Assets	42.5	5.1
<b>Current Liabilities</b>	<b>1,683.8</b>	<b>2,151.5</b>	<b>Current Assets</b>	<b>4,954.4</b>	<b>3,855.0</b>
Short Term Borrowings	82.1	120.6	Current Investments	209.3	-
Trade Payables	387.9	440.6	Trade Receivables	274.7	294.2
Other Current Liabilities	1,142.4	1,124.8	Cash & Cash equivalents	269.6	223.2
Short Term Provisions	71.5	465.5	S.T. Loans and Advances	3,802.0	3,188.8
			Other Current Assets	398.8	148.8
<b>Total</b>	<b>23,962.7</b>	<b>22,678.9</b>		<b>23,962.7</b>	<b>22,678.9</b>





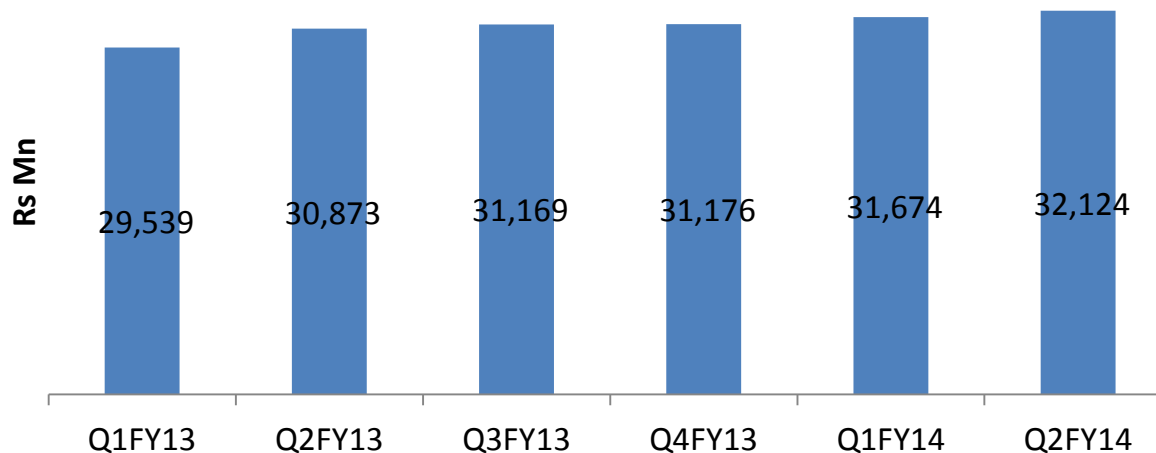
# GROUP DEBT STATUS



Stake wise debt has been corrected to consider only 53% stake for Pallazzo as compared to 100% as inadvertently considered in the last quarter presentation.

Consolidated Cash & Cash Equivalents as of Q2FY14 is Rs964Mn.

## Total Debt across all SPVs





# RETAIL ASSET PORTFOLIO



## Key Highlights:

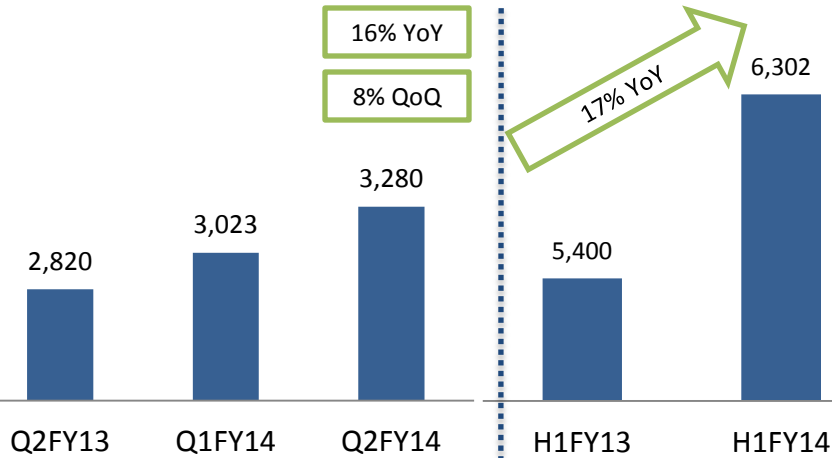
- Consumption at the mall increased to Rs 3,280 Mn in Q2FY14, a 16% y-o-y growth
- Average Trading Density increased to Rs 2,294 psf. pm. in Q2FY14, a 16% y-o-y growth
- HSP rental increased to Rs 216 psf. p.m. in Q2FY14, a 17% y-o-y growth
- Vogue Fashion's Night Out was hosted at Palladium Mall for the first time in Mumbai
- BYSI, Rosso Brunello, Aldo, Thomas Pink, Stuart Weitzman and Royce are some of the stores which opened in Q2FY14.
- Approx 128,000 sqft of area coming up for renewal in the next 12 months
- Renewals continue to be approx Rs400 psf pm of MG.



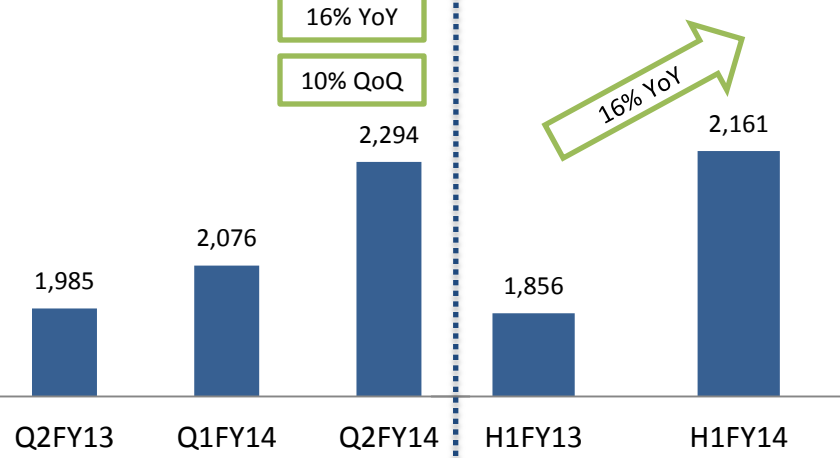
# KEY HIGHLIGHTS

# HIGH STREET PHOENIX

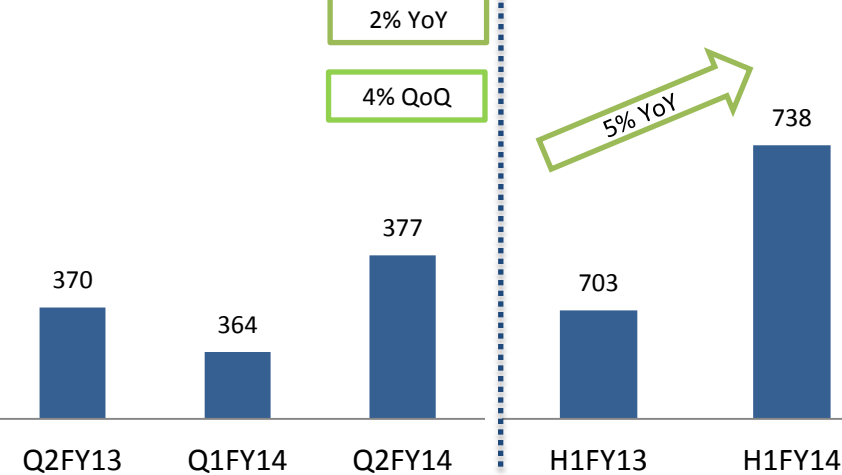
## Consumption (Rs Mn)



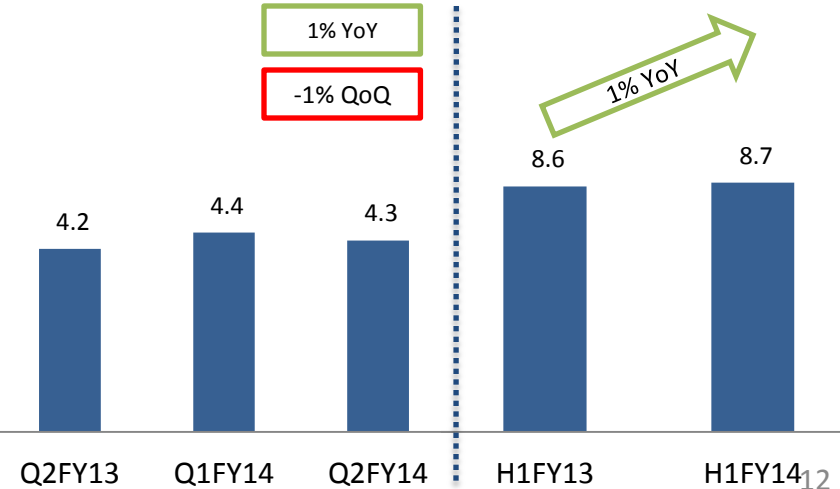
## Trading Density (Rs Psf Pm)



## 4 Wheelers ('000s)



## Footfalls (Mn)



Rental rate @ HSP for Q2FY14 = Rs 216 psf pm

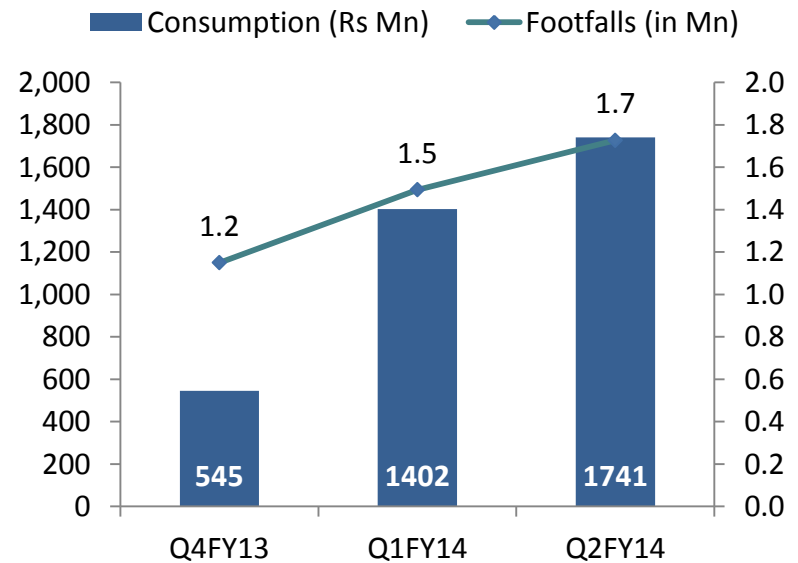
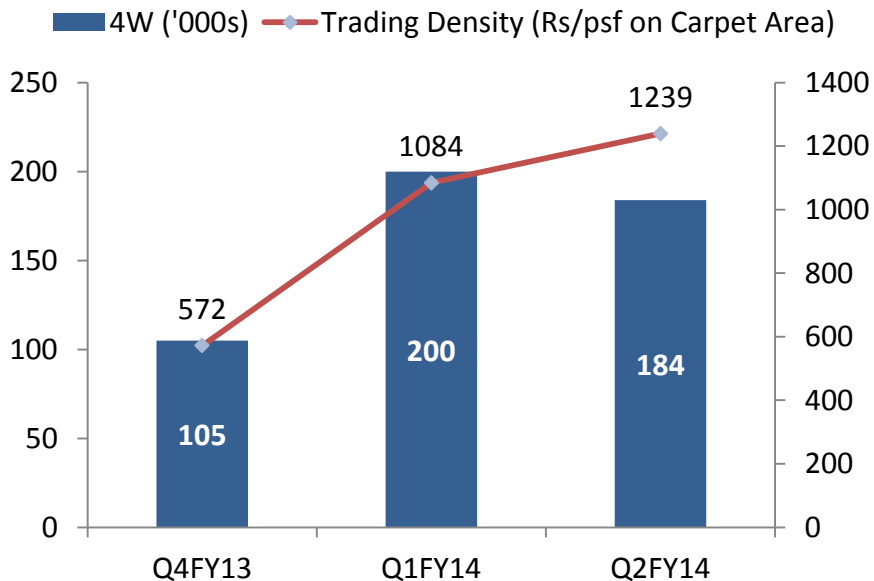
# KEY HIGHLIGHTS

# PHOENIX MARKETCITY CHENNAI



Key Financial Details	(Rs. Mn)
Equity	1,498
Secured Loan (as on Sept. '13)	3,322
Project Cost (Mall and Resi)	6,650

Key Operating Parameters	
Land Area (Acres)	17
Total BUA - Constructed (Mn Sq. Ft.)	1.5
Total BUA - Under Const (Resi) (Mn Sq. Ft.)	1.3
Total BUA - Under Const (Retail) (Sq. Ft.)	0.3
Mall	
Mall Leasable area (Mn Sq Ft.)	0.98
Mall Leasing Status	92%
Mall Occupancy Status	73%
No of stores trading	225
License Fees (psf/pm) (Q2FY14)	Rs. 100



Unaudited Mall Operations snapshot (Rs Mn)*	Q2FY14	Q1FY14	QoQ (%)
Rental Income ^	212	197	8.0%
Recoveries (CAM and other)	141	119	18.1%
<b>Total Income</b>	<b>354</b>	<b>316</b>	11.8%
<b>EBIDTA</b>	<b>240</b>	<b>210</b>	14.6%
EBIDTA Margin (as % of Rental Income)	113%	107%	
EBIDTA Margin (as % of Total Income)	68%	66%	
Rental rate (Rs psf. Pm.) for quarter^	100	100	
<i>Cash recovered during quarter</i>	378		
<i>Outstanding Debtors till date</i>	162		

*\*Does not include any income/expenses from Residential sale component*

*^Rentals include Events and Signage income*

# KEY EVENT

# PHOENIX MARKETCITY CHENNAI





# KEY HIGHLIGHTS

# PHOENIX MARKETCITY PUNE



## Key Operating Parameters

Land Area (Acres)	18
Total Built Up Area - Constructed (Mn Sq. Ft.)	2.1
Total Built Up Area- Under Const (Mn Sq. Ft.)	0.6
<b>Mall</b>	
Mall Leasable Area (Mn Sq. Ft.)	1.13
Mall Current Leasing Status	88%
Mall Current Occupancy Status	82%
Number of Stores Trading	287
Avg. License Fees Achieved in Q2FY14 (psf/pm)	Rs.75

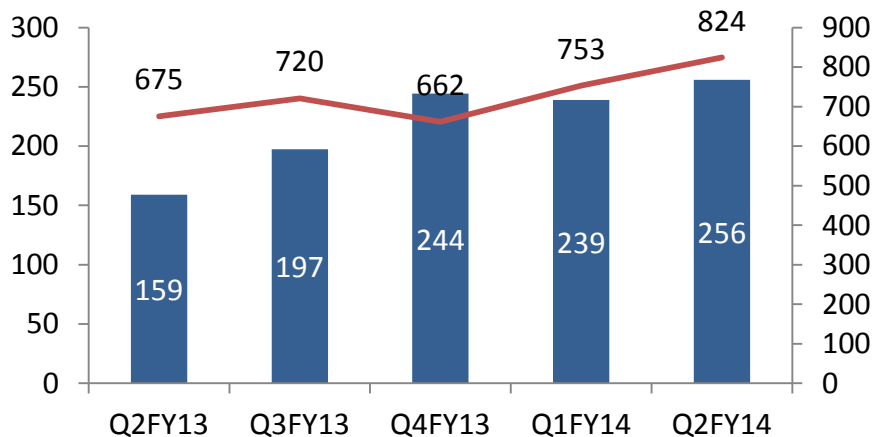
## Key Financial Details

(Rs. Mn)

Equity	1,568
Secured Loan (as on Sept. '13)	4,118
Project Cost (Mall + East court)	8,053

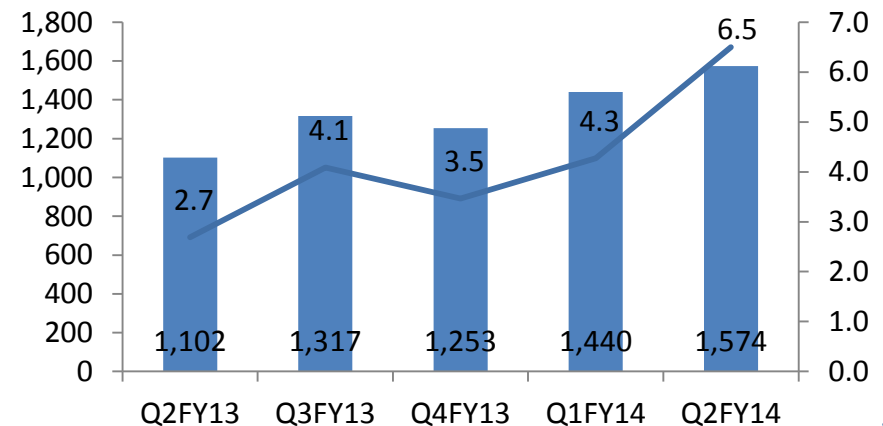
■ 4W ('000s) — Trading Density (Rs/psf on Carpet Area)

**TD ↑22% YoY**



■ Consumption (Rs Mn) — Footfalls (in Mn)

**Sales ↑ 43% YoY**





Unaudited Mall Operations snapshot (Rs Mn)*	Q2FY14	Q2FY13	YoY (%)	Q1FY14	QoQ (%)
Rental Income ^	200	152	31.6%	183	9.5%
Recoveries (CAM and other)	160	132	21.7%	152	5.6%
<b>Total Income</b>	<b>360</b>	<b>284</b>	<b>27.0%</b>	<b>334</b>	<b>7.7%</b>
<b>EBIDTA</b>	<b>203</b>	<b>136</b>	<b>49.5%</b>	<b>191</b>	<b>6.2%</b>
EBIDTA Margin (as % of Rental Income)	101%	89%		105%	
EBIDTA Margin (as % of Total Income)	56%	48%		57%	
Rental rate (Rs psf. Pm.) for quarter^	75	63		70	
<i>Cash recovered during quarter</i>	363				
<i>Outstanding Debtors till date</i>	149				

\*Does not include any income/expenses from commercial sale component

^Rental Income includes Events and Signage income.



### Global Smurfs Day & Flash Mob



# KEY HIGHLIGHTS PHOENIX MARKETCITY BENGALURU

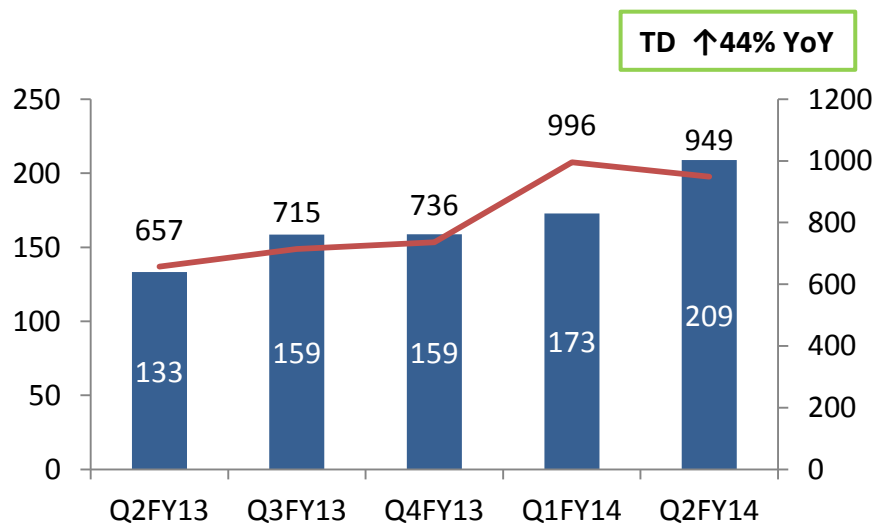


Key Financial Details	(Rs. Mn)
Equity	1,950
Secured Loan (as on Sept. '13)	3,737
Project Cost (Mall)	6,111

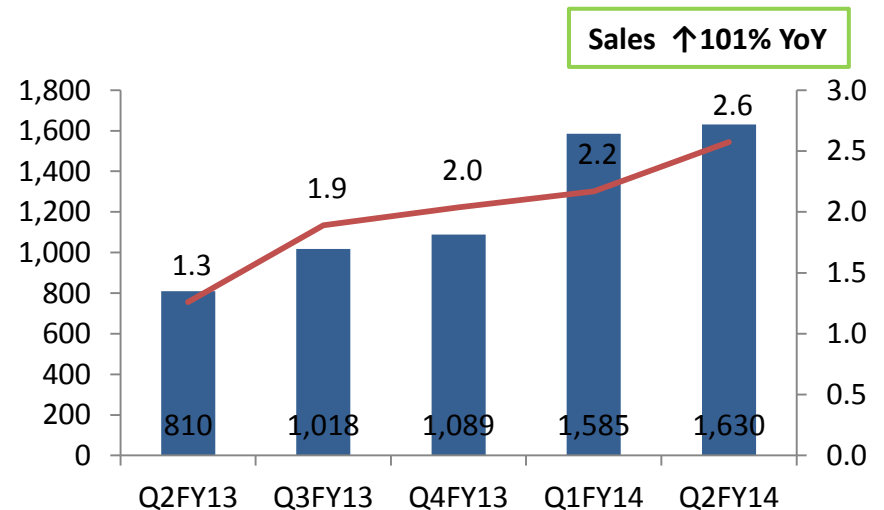
## Key Operating Parameters

Land Area (Acres)	16
Total BUA - Constructed (Mn Sq. Ft.)	1.4
Total - BUA - Under Const(Resi) (Mn Sq. Ft.)	1.6
Leasable Area (Mn Sq. Ft.)	0.98
Current Leasing Status	90%
Current Occupancy Status	86%
Number of Stores Trading	253
Avg. License Fees Achieved in Q2FY14 (psf/pm)	Rs.73

■ 4W ('000s) — Trading Density (Rs/psf on Carpet Area)



■ Consumption (Rs Mn) — Footfalls (in Mn)





Unaudited Mall Operations snapshot (Rs Mn)	Q2FY14	Q2FY13	YoY (%)	Q1FY14	QoQ (%)
Rental Income ^	190	141	35.0%	180	5.9%
Recoveries (CAM and other)	122	88	38.8%	117	4.6%
<b>Total Income</b>	<b>313</b>	<b>229</b>	36.5%	<b>297</b>	5.4%
<b>EBIDTA</b>	<b>226</b>	<b>127</b>	78.1%	<b>202</b>	12.2%
EBIDTA Margin (as % of Rental Income)	119%	90%		112%	
EBIDTA Margin (as % of Total Income)	72%	55%		68%	
Rental rate (Rs psf. Pm.) for quarter^	73	63		68	
<i>Cash recovered during quarter</i>	360				
<i>Outstanding Debtors till date</i>	206				

*^Rentals include Events and Signage income*

## Maruti Suzuki Dakshin Dare Rally & India's Mega Food Festival



# KEY HIGHLIGHTS

# PHOENIX MARKETCITY KURLA



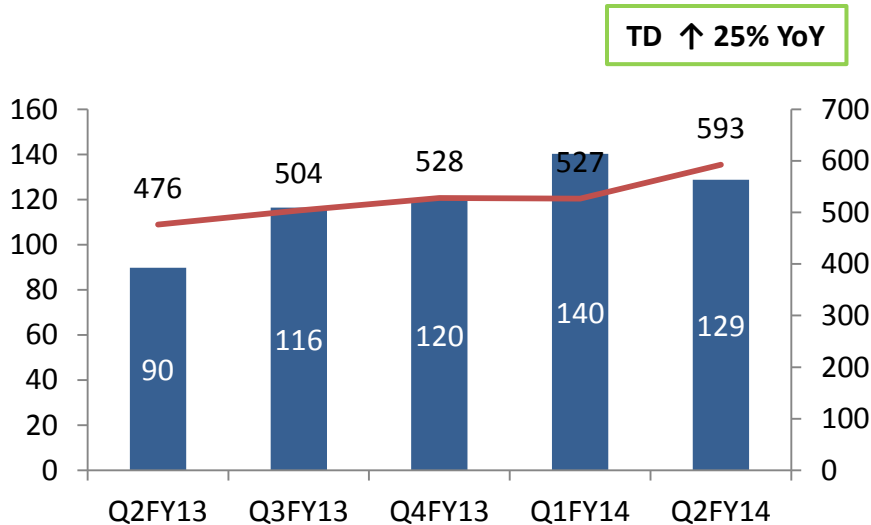
## Key Financial Details (Rs. Mn)

Equity	3,091
Secured Loan (Sept. '13)	6,360
Project Cost (Mall + Centrium)	11,160

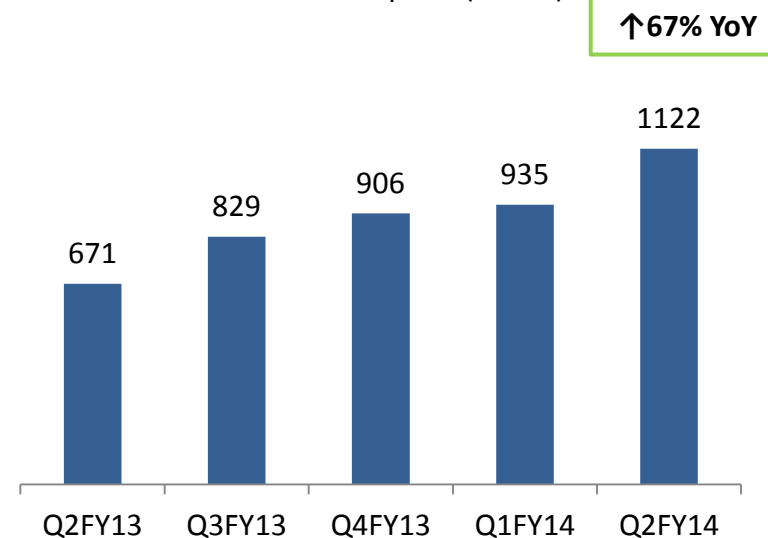
## Key Operating Parameters

Land Area (Acres)	21
Total BUA - Constructed (Mn Sq. Ft.)	2.3
Total BUA - Under Construction (Mn Sq. Ft.)	1.5
<b>Mall</b>	
Mall Leasable Area (Mn Sq. Ft.)	1.14
Mall Current Leasing Status	92%
Mall Current Occupancy Status	84%
Number of Stores Trading	244
Avg. License Fees Achieved in Q2FY14 (psf/pm)	Rs. 85

■ 4W ('000s) — Trading Density (Rs/psf on Carpet Area)



■ Consumption (Rs Mn)



# FINANCIALS

## PHOENIX MARKETCITY KURLA

Unaudited Mall Operations snapshot (Rs Mn)*	Q2FY14	Q2FY13	YoY (%)	Q1FY14	QoQ (%)
Rental Income ^	240	186	29.1%	226	6.0%
Recoveries (CAM and other)	126	103	22.4%	115	9.4%
<b>Total Income</b>	<b>365</b>	<b>288</b>	26.7%	<b>341</b>	7.1%
<b>EBIDTA</b>	<b>257</b>	<b>192</b>	34.1%	<b>244</b>	5.4%
EBIDTA Margin (as % of Rental Income)	107%	103%		108%	
EBIDTA Margin (as % of Total Income)	70%	67%		72%	
Rental rate (Rs psf. Pm.) for quarter^	85	80		84	
<i>Cash recovered during quarter</i>	297				
<i>Outstanding Debtors till date</i>	517				

*\*Does not include any income/expenses from commercial sale component*

*^Rentals include Events and Signage income*

**Post 2QFY14, the Company has acquired an additional 29.29% stake in Offbeat Developers from IL&FS Financial Services Limited, pursuant to which Company's stake in Offbeat Developers stands increased to 53.23%.**



# KEY EVENT

## PHOENIX MARKETCITY KURLA

Carnival Parade and other  
Events at  
Phoenix Marketcity Kurla







# KEY HIGHLIGHTS

# DEVELOPMENT PORTFOLIO

Location	Project	Type	SPV	Area Msf	Area Sold (Mn sq.ft.)	Sales (Rs. Mn)	Collection (Rs. Mn)
Pune	East Court	Commercial	Vamona Developers	0.25	0.24	1,495	1,492
	Phase II	Commercial	Vamona Developers	0.28	-	-	-
	Phase II	Residential	Alliance Hospitality	0.35	-	-	-
Mumbai	Centrium (15LBS)	Commercial	Offbeat Developers	0.28	0.26	2,310	2,145
	Orion Park	Commercial	Offbeat Developers	0.84	0.40	3,510	1,237
	Phoenix Bazaar	Commercial	Graceworks Realty	0.42	0.05	478	194
Chennai	The Crest - A&B	Residential	Classic Housing	0.21	0.11	986	643
	The Crest - C	Residential	Classic Mall	0.25	0.19	1,436	1,112
	Phase II	Residential	Starboard Hotels	0.42	-	-	-
Bengaluru	One Bangalore W	Residential	Palladium Constructions Platinum Hospitality	2.95	0.84	6,850	1,900
	Phase I	Residential	Island Star Mall	0.67	-	-	-
	Phase II	Residential	Island Star Mall	0.35	-	-	-

# ONE BANGALORE WEST – CONSTRUCTION PROGRESS

Tower - 1



Tower - 2



Tower - 3



Tower - 4





# PUNE RESIDENTIAL – CONSTRUCTION PROGRESS

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# ORION PARK – CONSTRUCTION PROGRESS

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# PHOENIX BAZAAR – CONSTRUCTION PROGRESS





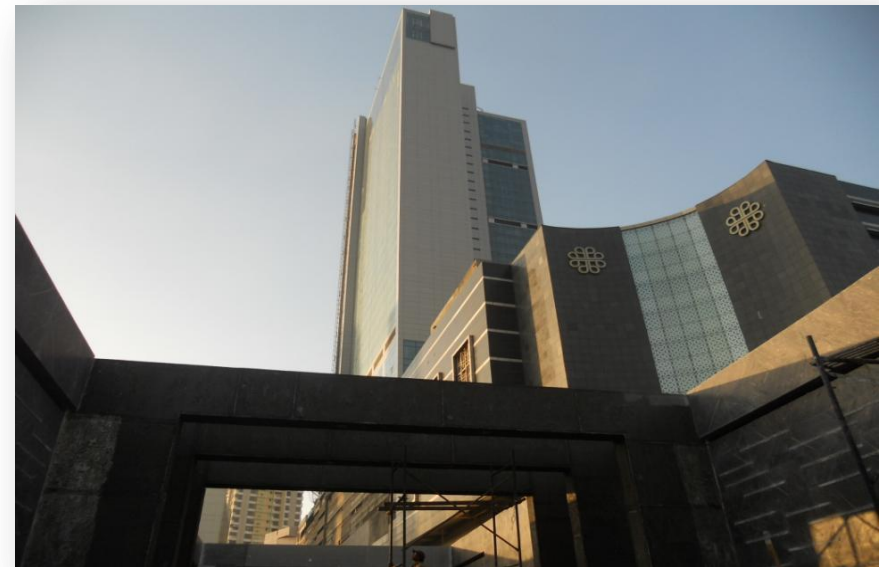
# KEY HIGHLIGHTS

# PALLADIUM HOTEL



Key Facts	
Rooms	335
Service Apartments	46
Restaurants	11
Office suites	3
Banquet and Function areas (Sq Ft)	46,500
Equity (Rs Mn)	2,946
Debt (Rs Mn) as on Sept. '13	6,390
Project Cost (Rs Mn)	10,750

- The property has been rebranded as **Palladium Hotel** from 06<sup>th</sup> September 2013.
- In advanced discussions with potential new operators.
- 239 rooms were operational as of 30<sup>th</sup> September, 2013.
- Premium F&B venues viz. Seven, Ekayana, Piano Lounge, Mekong and Li-Bai Bar alongwith huge Banquet facilities are already operational.
- Mekong and Libai had a grand opening in September.
- The high energy Bar 'EXO' will open in mid-Nov (simulation runs and private parties are being held currently)





# MEKONG & LIBAI

# PALLADIUM HOTEL





Un-audited Financials Snapshot (Rs Mn)	Q2FY14	Q1FY14
Revenue from Room Rent	64	59
Revenue from F&B and Banqueting	89	91
Other Income	10	8
<b>Total Income</b>	<b>163</b>	<b>158</b>
EBITDA	(11)	(7)
<b>Key Operating Parameters</b>		
Rooms Operational as on Sept. '13	228	221
Avg. Room Occupancy	39%	40%
Avg. Room Rates	8,095	8,473





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# TIER 2 AND TIER 3 DEVELOPMENTS

## Big Apple Real Estate Pvt Ltd

- Investment of Rs. 1.1 bn for a 77.2% stake
- BARE operates its malls under the brand name of 'Phoenix United'
- 2 malls of 0.35 msf leasable area each are operational at Lucknow and Bareilly since May 2010 and March 2012 respectively



## Entertainment World Developers Pvt Ltd

- Investment of Rs. 1,590 mn for 40.3% stake
- Develops retail, hospitality and residential projects across emerging cities in central India
- Operates under the brand name 'TREASURE'
- Four malls operational with 1.3 million sq ft of leasable area and additional 3 million sq ft leasable area expected to be operational in the next 12-18 months





# KEY INSTITUTIONAL INVESTORS



For more information on the Company, its projects and services please log on to  
[www.thephoenixmills.com](http://www.thephoenixmills.com)

or contact:

**Sastha Gudalore**

Contact: 022 30016806

Email: [sastha.g@phoenixmarketcity.in](mailto:sastha.g@phoenixmarketcity.in)

**Mihir Salot**

Contact: 022 30016849

Email: [mihir.s@phoenixmarketcity.in](mailto:mihir.s@phoenixmarketcity.in)

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*The financial projections, expected launch dates of projects, estimated areas etc. contained herein are estimates, based on current market conditions, regulations, norms and business plans of the Company. References to developable or chargeable areas are based on existing real estate regulations, approvals existing, approvals expected, allowances and current development plans. Changes in real estate regulations and market conditions in future may result in variances from the financial projections and/or the estimated project areas, which are beyond the control of the Company.*

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