

The Indian Hotels Company Limited

Analyst Meet

Results for the Year ended March 31, 2015

May 29, 2015

Disclaimer

These presentations contain forward-looking statements within the meaning of applicable securities laws. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties and other factors that may cause actual results to differ materially from those anticipated at the time the forward-looking statements are made. Future results, performance and achievements may be affected by general economic conditions, regulatory environment, business and financing conditions, foreign exchange fluctuations, cyclicity and operating risks associated with the hospitality industry and other circumstances and uncertainties.

Although we believe the expectations reflected in such forward looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise

Please visit our corporate website www.tajhotels.com for previous investor communications

Rakesh Sarna - Managing Director & CEO

Anil P Goel - Executive Director – Finance

Outline of Presentation

- Industry Trends
- New Inventory – Taj Group
- Financial Results - Standalone 2014/15
- Financial Results - Consolidated 2014/15
- Treasury

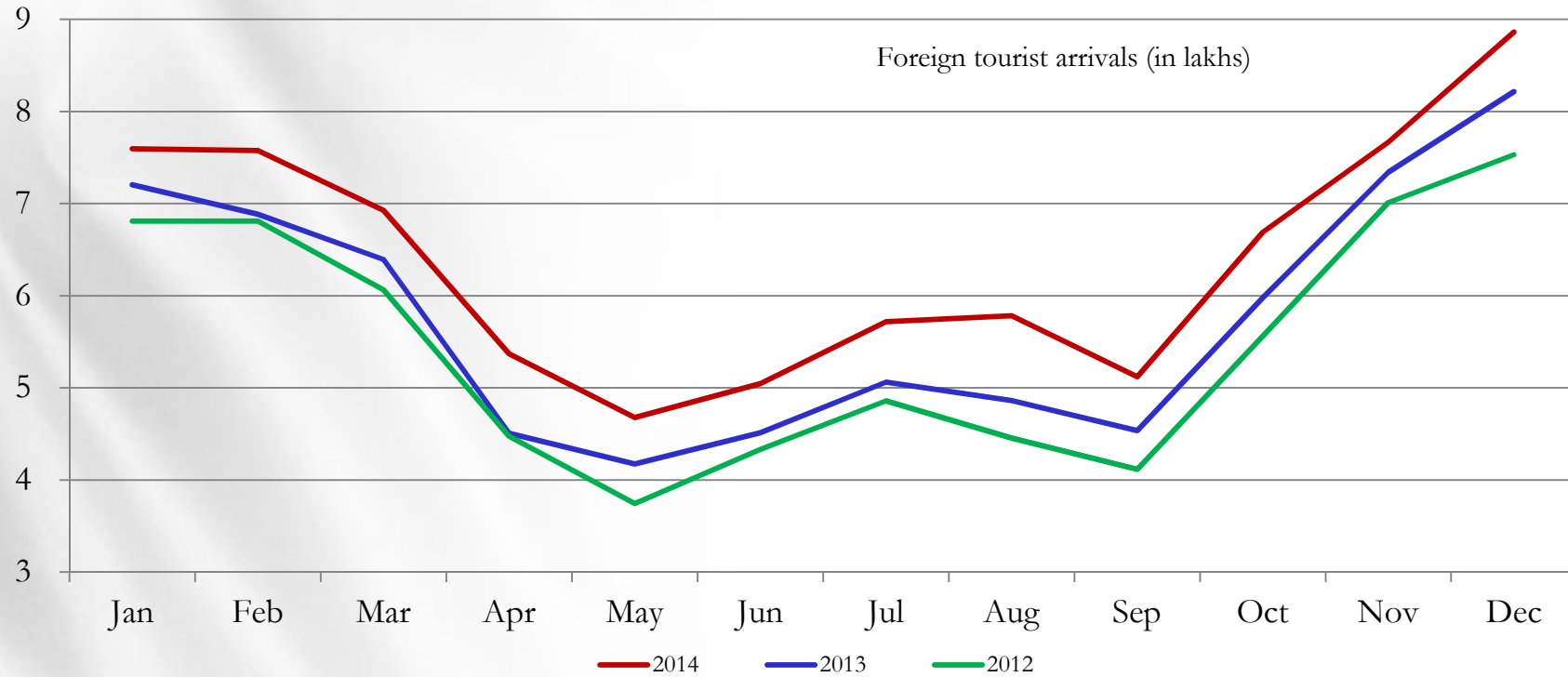
Global outlook

- International travel and tourism grew by 4.7% during 2014.
- Strong growth in Americas (+7%), Asia Pacific (+5%) while Europe (+4%), the Middle East (+4%) and Africa (+2%) grew at a slightly more modest pace.
- For 2015, UNWTO forecasts international tourist arrivals to grow between 3% and 4%.
- By region, growth is expected to be stronger in Asia and the Pacific (+4% to +5%) and the Americas (+4% to +5%), followed by Europe (+3% to +4%). (Source: UNWTO)

India Market Overview

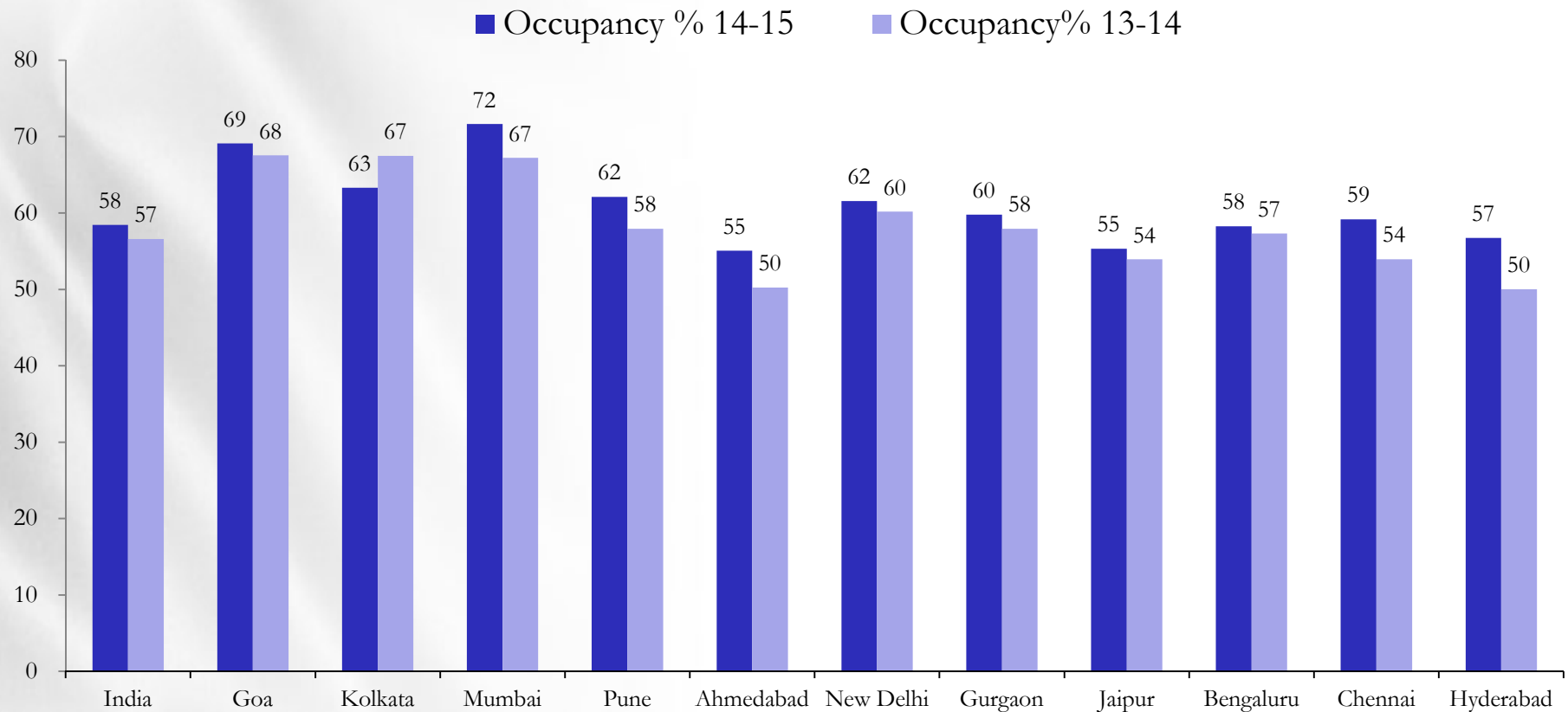
- 2014 /15 saw a supply growth of 4.4%, whereas demand increased by 7.8% over the previous year. (Source: STR Global)
- Most key cities witnessed an increase in supply in the range of 6% - 8%
- Healthy demand growth in Goa, Ahmedabad, Jaipur, Mumbai and Hyderabad .
- Kolkata, Pune, Delhi-NCR, Bengaluru and Chennai, rates were under pressure
- E-Tourist Visa scheme for India is now available across 74 countries.

Foreign Tourist Arrivals in India 2012 to 2014



- Foreign Tourist Arrivals into India grew by **10 %** in 2014 7.7 million arrivals

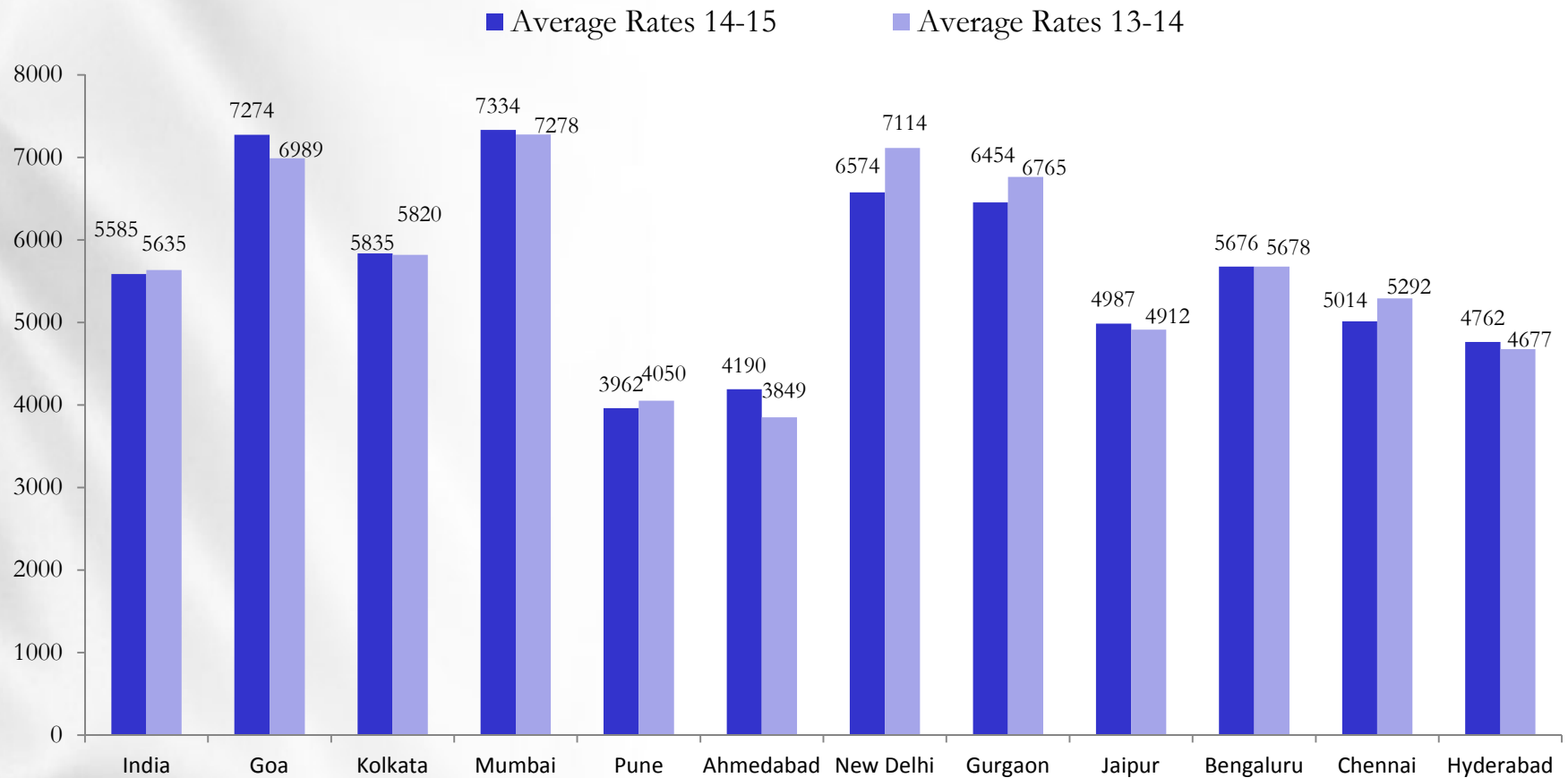
Occupancies % – Year on Year Trend



Source: STR Global Reports

- Hyderabad , Ahmadabad , Chennai and Mumbai witnessed improved occupancy levels whilst Kolkata witnessed a dip in occupancy levels

ARRs –Year on Year Trend



■ Despite growth in domestic demand , due to increased capacity , ARR have continued to be flat

Source: STR Global Reports

Taj Group

New Inventory in the pipeline

Hotels Opened in 2014/15

Hotel	Company	Rooms
<u>Taj</u>		
Imperial Club by Taj, Tardeo, Mumbai	Management Contract	9
<u>Vivanta by Taj</u>		
Vivanta by Taj, Dwarka, New Delhi	IHCL	250
<u>Gateway</u>		
Gateway Hotel, Gurgaon	Management Contract	68
Gateway Hotel , Gondia	Benares Hotels	34
<u>Ginger</u>		
Ginger Visakhapatnam	Roots Corporation	72
Ginger, Pune	Roots Corporation	92
Ginger, Katra	Roots Corporation	80
Total	7 Hotels	605

Upcoming Development In 2015/16

Hotel	Company	Rooms
<u>Taj</u>		
Taj Downtown, Dubai (<i>Opened in April , 2015</i>)	Management Contract	296
Taj Santacruz Hotel, Mumbai	Taj GVK	283
Taj Airport Hotel , Bangalore	Management Contract	154
<u>Vivanta by Taj</u>		
Vivanta by Taj, Guwahati	IHCL	150
Vivanta by Taj, Amritsar	PIEM Hotels	157
<u>Gateway</u>		
Gateway Hotel, Corbett	Management Contract	52
Gateway Hotel, Hinjewadi, Pune	Management Contract	150
Gateway Hotel, Nashik (Expansion)	Piem Hotels	78
<u>Ginger</u>		
Ginger Royal Inn, Thane (<i>Opened in May , 2015</i>)	Roots Corporation	46
Ginger, Madgaon, Goa	Roots Corporation	45
Ginger, Vapi	Roots Corporation	87
Ginger, Bhubaneshwar (Expansion)	Roots Corporation	60
Ginger , Everest Hotel, Chennai	Roots Corporation	40
Ginger Udayee, Tirupati	Roots Corporation	119
Total	14 Hotels	1717

Standalone Financial Performance for the Year ended March 31, 2015

IHCL Standalone Financials

Profit and Loss Account

₹/ crores	2014/15	2013/14	% Change
Net Sales/Income from Operations	2024.38	1929.51	5
Other Operating Income	-	-	-
Total Income from Operations	2024.38	1929.51	5
Cost of Materials Consumed	181.88	176.83	3
Employee Benefits Expense	531.37	472.53	12
License Fees	128.39	125.74	2
Fuel, Power and Light	174.27	165.70	5
Depreciation and Amortisation Expense	117.85	122.26	(4)
Other Expenditure	649.80	599.25	8
Total Expenditure	1783.56	1662.31	7
Profit/ (Loss) from operations before Other Income, Finance Costs and Exceptional Items	240.82	267.20	(10)
Other Income	79.22	47.82	66
Profit/ (Loss) before Finance Costs and Exceptional Items	320.04	315.02	2
Finance Costs	89.46	98.82	(9)
Profit/ (Loss) after Finance Costs but before Exceptional Items	230.58	216.20	7
Exceptional items	(228.70)	(737.10)	-
Profit/ (Loss) before tax	1.88	(520.90)	
Provision for Taxes	83.90	69.59	21
Profit/ (Loss) After Tax	(82.02)	(590.49)	-

IHCL Standalone Financials

Total Income

₹/crores

Particulars	2014/15	2013/14	% Change
Room Income	908.34	884.26	3
Food & Beverages Income	813.42	774.16	5
Other Operating Income	164.88	145.55	13
Management Fees & Reimbursable	137.74	125.54	10
Income from Operations	2,024.38	1,929.51	5
Other Income	79.22	47.82	66
Total Income	2,103.60	1,977.33	6

- Other Income – Reflects an increase in Interest / Dividend Income earned from investment of surplus funds , pending planned deployment.

IHCL Standalone Financials Summary

₹/crores

Particulars	Q4		Full Year	
	2014/15	2013/14	2014/15	2013/14
Total Income	632.02	581.34	2103.60	1977.33
EBIDTA	175.09	156.11	437.89	437.28
EBIDTA %	27.70%	26.85%	20.82%	22.11%
Profit before Finance Cost & Exceptional Item	145.90	124.14	320.04	315.02
Profit after Finance Costs but before Exceptional Item	126.13	100.98	230.58	216.20
Exceptional Item – Exchange Gain/(Loss)	7.41	(4.56)	(24.75)	(22.16)
Exceptional Item – Others	(203.95)	(427.94)	(203.95)	(714.94)
Tax Expense	48.74	33.94	83.90	69.59
Profit / (Loss) after Tax	(119.15)	(365.46)	(82.02)	(590.49)

IHCL Standalone Financials

Exceptional Items

₹/crores

Particulars	2014/15	2013/14
Exceptional Item - Exchange Loss on Long term borrowings	(24.75)	(22.16)
Sub Total (a)	(24.75)	(22.16)
Exceptional Item - Others		
Provision for Diminution in value of long term investments	(213.49)	(687.00)
Provision for contingency- Property tax		(19.04)
Expenditure on a discontinued project charged off for commercial reasons		(8.90)
Provision for contingency for obligation of an associate no longer required written back	11.56	
Loss on sale of Investments (net of provision for diminution)	(2.02)	
Sub Total (b)	(203.95)	(714.94)
Total (a +b)	(228.70)	(737.10)

IHCL Standalone Financials

Balance Sheet

₹ / Crores	March 31, 2015	March 31, 2014
Shareholders' Funds	2615.15	2693.84
Non- Current Liabilities		
Long-term borrowings	2898.10	2153.51
Other Long Term Liabilities	585.47	639.17
Long-term Provisions/ Deferred Tax Liabilities (net)	218.37	126.42
Current Liabilities		
Short Term borrowings	0.99	161.59
Other Current Liabilities	633.79	725.70
Trade Payables/Short-term provisions	246.51	266.14
Equity and Liabilities	7198.38	6766.37
Non-current Assets		
Fixed Assets(including CWIP)	2153.66	2129.29
Non-current investments	2546.14	2761.64
Long Term loans and advances /Other non-current assets	1442.83	1560.85
Current Assets		
Current Investments/ Cash and Cash Equivalents	787.65	43.17
Short term loans and advances /inventories/ trade receivables/Other currents assets	268.10	271.42
Assets	7198.38	6766.37

Dividend

On account of the Loss After Tax reported by the Company during the current year, resultant of the recognition of the other than temporary diminution in the value of some of the investments, the Board of Directors do not recommend a dividend for the year 2014/15 (previous year NIL per share).

Consolidated Financial Performance for the Year Ended March 31, 2015

Major Taj Group Companies

Company Name	Effective Holding %	Company Name	Effective Holding %
<u>Subsidiaries</u>		<u>Joint Ventures</u>	
Piem Hotels Ltd	51.57	Taj GVK Hotels & Resorts Ltd	25.52
Taj SATS Air Catering Ltd	51.00	Taj Madras Flight Kitchen Pvt Ltd	50.00
Tifco Holdings Ltd [Investment Company]	100.00	Taj Kerala Hotels & Resorts Ltd	28.30
Benares Hotels Ltd	51.68	Taj Karnataka Hotels & Resorts Ltd	44.27
United Hotels Ltd	55.00	Taj Safaris Ltd	29.46
Roots Corporation Ltd	63.25	Kaveri Retreat & Resorts Ltd	50.00
International Hotel Management Services, Inc.	100.00	IHMS (SA) Pty Ltd	50.00
St James Court Hotel Ltd	72.25	TAL Hotels & Resorts Ltd	27.49
Taj International Hotels (HK) Ltd [Investment Company]	100.00		
Samsara Properties Ltd [Investment Company]	100.00		
		<u>Associates</u>	
		Oriental Hotels Ltd	35.67
		Lanka Island Resorts Ltd	24.66
		TAL Lanka Hotel PLC	24.62

IHCL Consolidated Financials

Profit and Loss Account

₹/ Crores	2014/15	2013/14	% Change
Net Sales/Income from Operations	4188.64	4066.19	3
Other Operating Income	-	-	-
Total Income from Operations	4188.64	4066.19	3
Cost of Materials Consumed	443.09	427.07	4
Employee Benefits Expense	1462.46	1372.19	7
License Fees	209.61	208.15	1
Fuel, Power and Light	320.43	311.15	3
Depreciation and Amortisation Expense	291.29	308.13	(5)
Other Expenditure	1264.47	1188.06	6
Total Expenditure	3991.35	3814.75	5
Profit/ (Loss) from operations before Other Income, Finance Costs and Exceptional Items	197.29	251.44	(22)
Other Income	98.71	59.75	65
Profit before Finance Costs and Exceptional Items	296.00	311.19	(5)
Finance Costs	175.57	168.51	4
Profit/ (Loss) after Finance Costs but before Exceptional Items	120.43	142.68	(16)
Exceptional item	(352.91)	(554.84)	
Profit/ (Loss) before tax	(232.48)	(412.16)	
Less: Provision for Taxes	114.60	110.95	3
Add: Share of Profit(Loss) in Associates	(0.04)	(13.25)	
Less: Minority Interest in Subsidiaries	(30.98)	(17.49)	
Profit(Loss) after Tax	(378.10)	(553.85)	

IHCL Consolidated Financials Summary

₹/crores

Particulars	2014/15	2013/14	% change
Total Income	4287.4	4125.9	4
EBIDTA	587.3	619.3	(5)
EBIDTA%	14%	15%	
Profit before Finance Cost & Exceptional Item	296.0	311.2	(5)
Profit/ (Loss) after Finance Costs but before Exceptional Item	120.4	142.7	(16)
Exceptional Item – Exchange Loss	(51.1)	(29.2)	
Exceptional Item – Others	(301.8)	(525.7)	
Profit/(Loss) after Tax, Minority Interest & share of profit/(loss) of associates	(378.1)	(553.9)	-

IHCL Consolidated Financials

Exceptional Items

₹/crores

Particulars	2014/15	2013/14
Exceptional item - Exchange Loss on Long term borrowings	(51.1)	(29.2)
Sub Total (a)	(51.1)	(29.2)
Exceptional item - Others		
Provision for diminution in value of long term investments	(332.3)	(452.2)
Profit on sale of an international subsidiary	28.0	
Profit on sale of investment arising out of divestment in certain domestic subsidiaries	18.5	
Impairment of goodwill by a jointly controlled entity	(16.0)	
Provision for contingency- Property tax	-	(19.0)
Project written off for commercial reason	-	(29.8)
VRS expenses of a subsidiary	-	(3.3)
Provision for diminution in long term advances by a jointly controlled entity	-	(21.4)
Sub Total (b)	(301.8)	(525.7)
Total (a + b)	(352.9)	(554.9)

IHCL Consolidated Financials

Balance Sheet

₹/crores

Particulars	March 31, 2015	March 31, 2014
Shareholders' Funds	2,227.22	2,636.46
Minority Interest	737.84	735.86
Non- Current Liabilities		
Long-term borrowings	4,597.67	3,023.88
Other Long Term Liabilities	585.91	639.76
Long-term Provisions/ Deferred Tax Liabilities (net)	306.08	208.01
Current Liabilities	1,432.26	2,274.60
Equity and Liabilities	9,886.98	9,518.57
Non-current Assets		
Fixed Assets (including CWIP)	6,126.47	6,188.89
Goodwill on Consolidation (net)	478.45	580.09
Non-current investments	1,040.59	1,319.28
Long Term Loans and Advances/ Other Non Current Assets	518.98	492.93
Current Assets		
Cash and Cash Equivalents /Current Investments	1,049.88	291.48
Inventories/Trade Receivables/Other Current Assets	672.61	645.90
Assets	9,886.98	9,518.57

International Hotels

Hotel Name	Occupancy (%)		ARR (\$)		RevPAR (\$)	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
The Pierre, New York	72	74	640	644	462	478
Taj Boston	74	75	297	272	220	204
Campton Place, San Francisco	76	76	351	324	267	245
St. James Court, London (£)	80	81	196	194	157	157

Overview of Taj Group

Particulars	2014/15	2013/14	2012/13	2011/12
Number of Hotels	130	125	118	112
Rooms Inventory	15,658	15,391	14,331	13,629
Total Revenue ₹ / crores	6,015	5,677	5,102	4,795

Total Revenue denote arithmetical aggregate of turnover of all hotels/units irrespective of ownership, including Management Contracts

Debt Position

₹/crores

Particulars	Standalone		Consolidated	
	2014/15	2013/14	2014/15	2013/14
Gross Debt *	2,209	2,691	4,075	4,252
Debenture Redemption Premium	562	655	562	655
Less : Liquidity #	(788)	(43)	(1050)	(291)
Net Debt	1,983	3,303	3,587	4,616
Net Debt/ Equity^	0.55	1.23	1.11	1.75
Net Debt/ EBIDTA	4.53	7.55	6.11	7.45

* Excluding Compulsory Convertible Debentures

Current Investments & Cash and Cash Equivalents

^ Compulsory Convertible Debentures is treated as equity

Capital Commitments in 2015/16 & 2016/17

Particulars	₹/crores
Renovations	100
Normal capital expenditure/ replacement /replenishment	52
Information Technology (commenced in 2014/15)	85
Vivanta by Taj - Guwahati	60
Total	297

Thank you