TAJ
Hotels Resorts and Palaces

The Indian Hotels Company Limited

Analyst Meet

Results for nine months ended December 31, 2011

January 25, 2012

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, cyclicality 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

Presenter Panel

Raymond Bickson - **Managing Director**

Anil P Goel - **Executive Director – Finance**

Deepa Harris - **Senior Vice President – Sales & Marketing**

Outline of Presentation

- Industry Trends
- New Inventory
- Sales & Marketing Initiatives
- Financial Results
- Treasury Initiatives

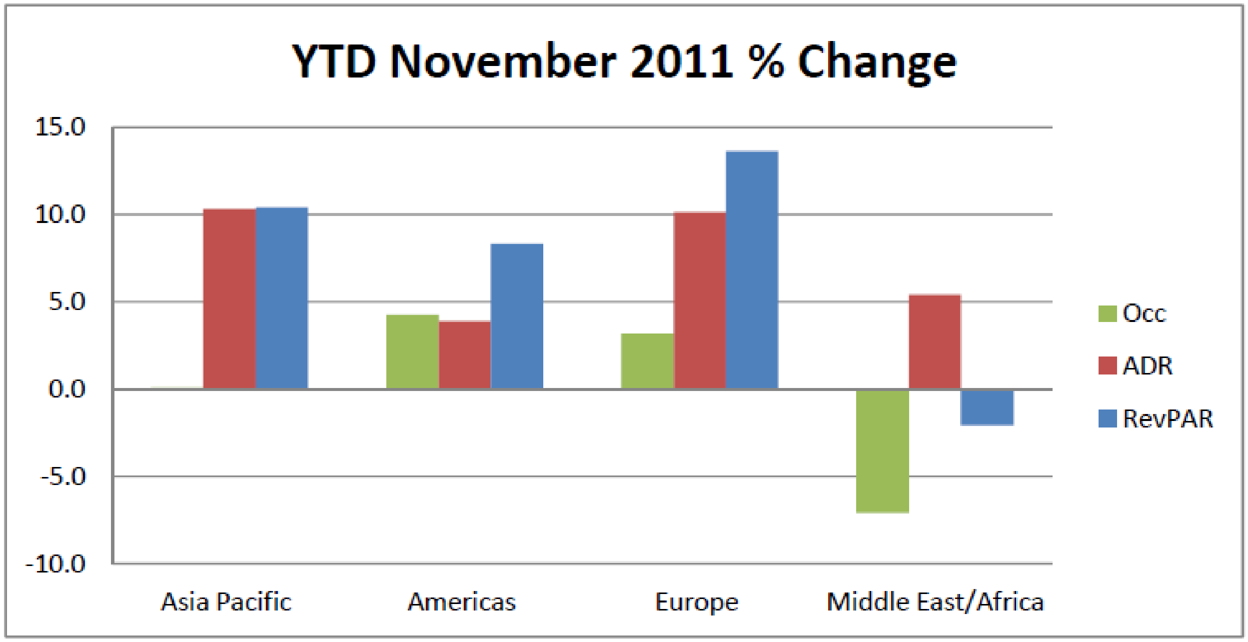
Industry Trends

Tourism Industry Worldwide

- **International Tourist Arrivals have grown to 980 million in 2011, 4.4% above 2010, down from a 6.6% growth in 2010, and is forecasted to grow at a moderate pace in 2012**
- **Emerging Economies of South Asia, South-East Asia and South America led the tourism growth in 2011 with 12% increase in International Tourist Arrivals to these destinations over 2010**

Hotel Industry Performance Worldwide

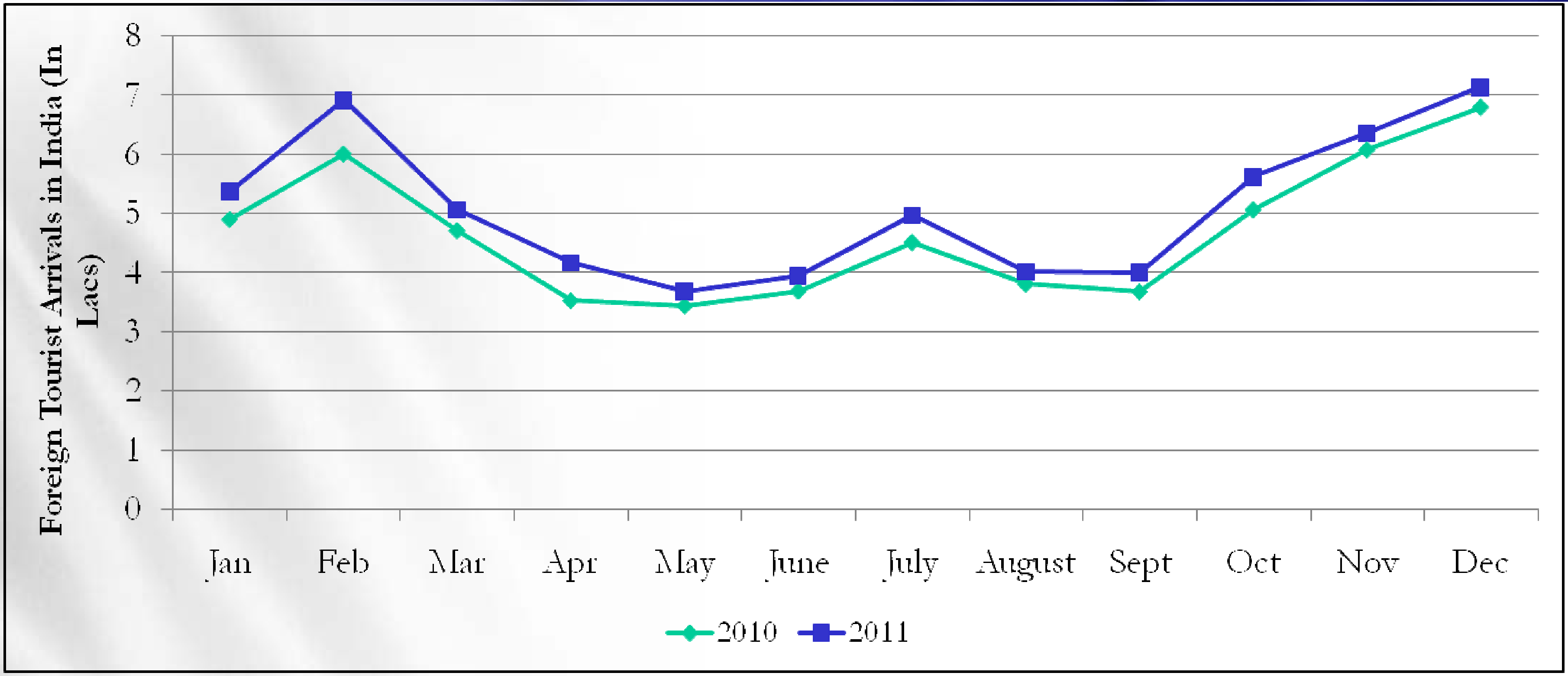
Asia Pacific Demand has kept pace with Supply | Indian Subcontinent Occ % same as LY



Year to Date - November 2011 vs November 2010	Occ %		ADR		RevPAR		Percent Change from YTD 2010		
	2011	2010	2011	2010	2011	2010	Occ.	ADR	RevPAR
Asia Pacific	66.9	66.9	139.95	126.87	93.65	84.82	0.1	10.3	10.4
Central & South Asia	60.7	60.7	160.68	159.31	97.46	96.72	-0.1	0.9	0.8
Northeastern Asia	65.0	66.3	126.69	118.99	82.34	78.86	-1.9	6.5	4.4
Southeastern Asia	69.5	65.8	139.17	121.28	96.78	79.85	5.6	14.8	21.2
Australia & Oceania	73.3	72.3	173.49	145.54	127.18	105.16	1.5	19.2	20.9

Source : STR Global

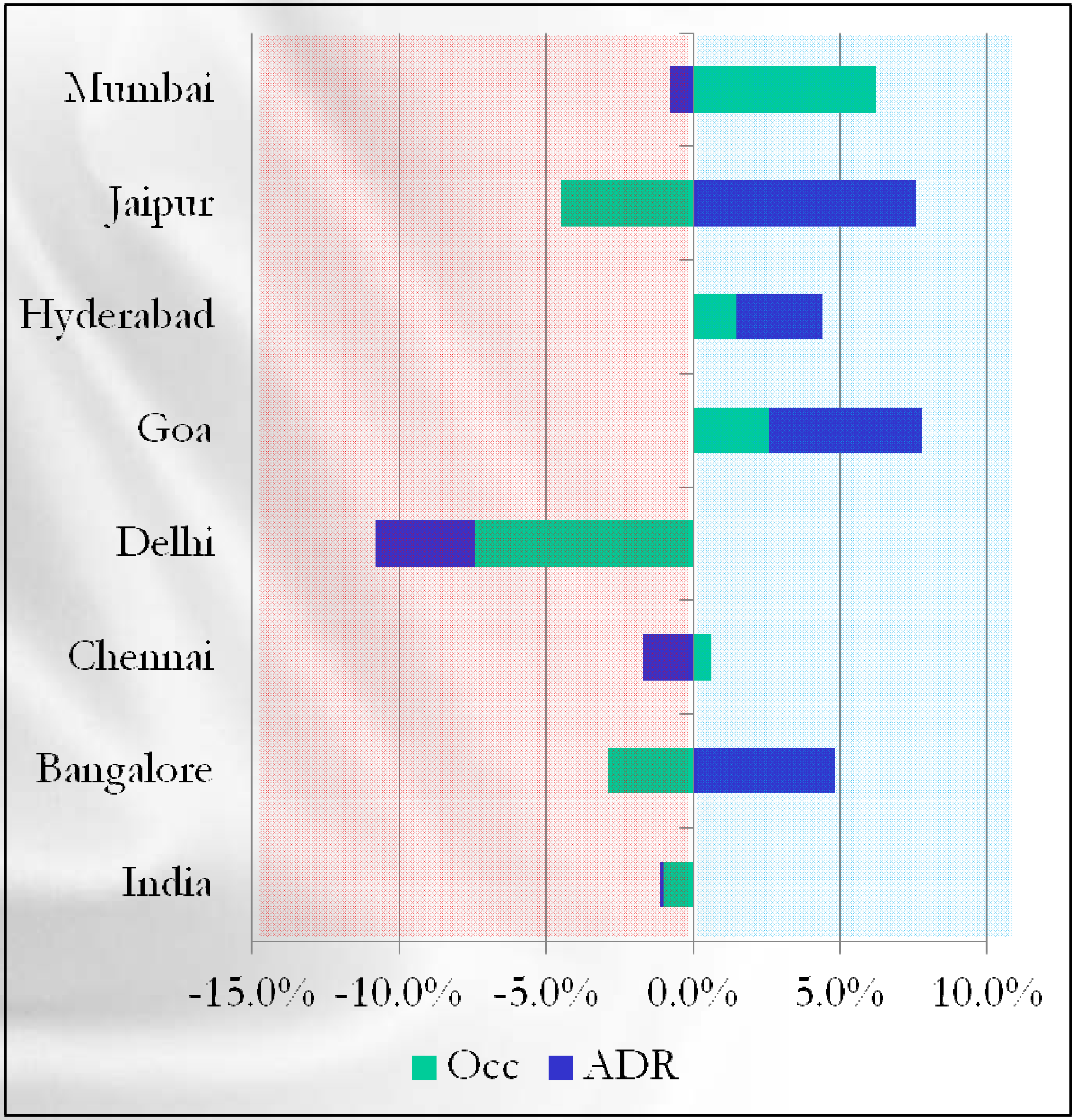
Foreign Tourist Arrivals in India 2011



- **Foreign Tourist Arrivals in India saw an 8.8% growth in 2011 vs 11.8% growth in 2010**
- **Domestic visitation has grown 11% over 669 million travelers in 2009/10 to 740 million travelers in 2010/11. It has demonstrated a growth of over 89% over last 6 years from approximately 392 million travelers in 2004/05. This highlights the dominance of domestic travel in the country**

Source : Ministry of Tourism, Government of India

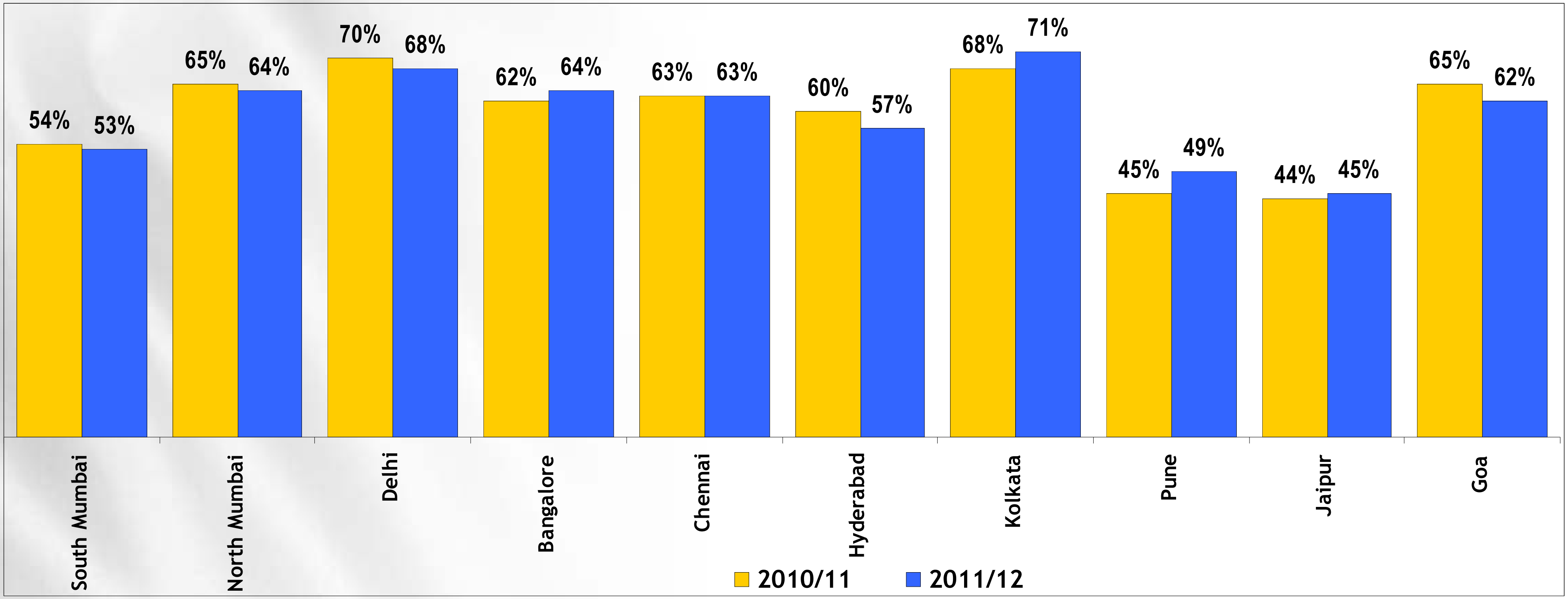
Key Cities in India - 2011



- **Overall performance in India**
  - **Occupancy remained stable**
  - **Pressure on rate with increased supply**
- **Best performing markets in terms of RevPAR growth**
  - **Goa, Mumbai, Hyderabad**
- **Demand growth in Mumbai 9.1 % in 2011 over 2010**
- **High supply growths in**
  - **Delhi , Bangalore, Jaipur**
- **Increasing supply hence drop in average rates in**
  - **Chennai, Delhi**

Source : STR Global

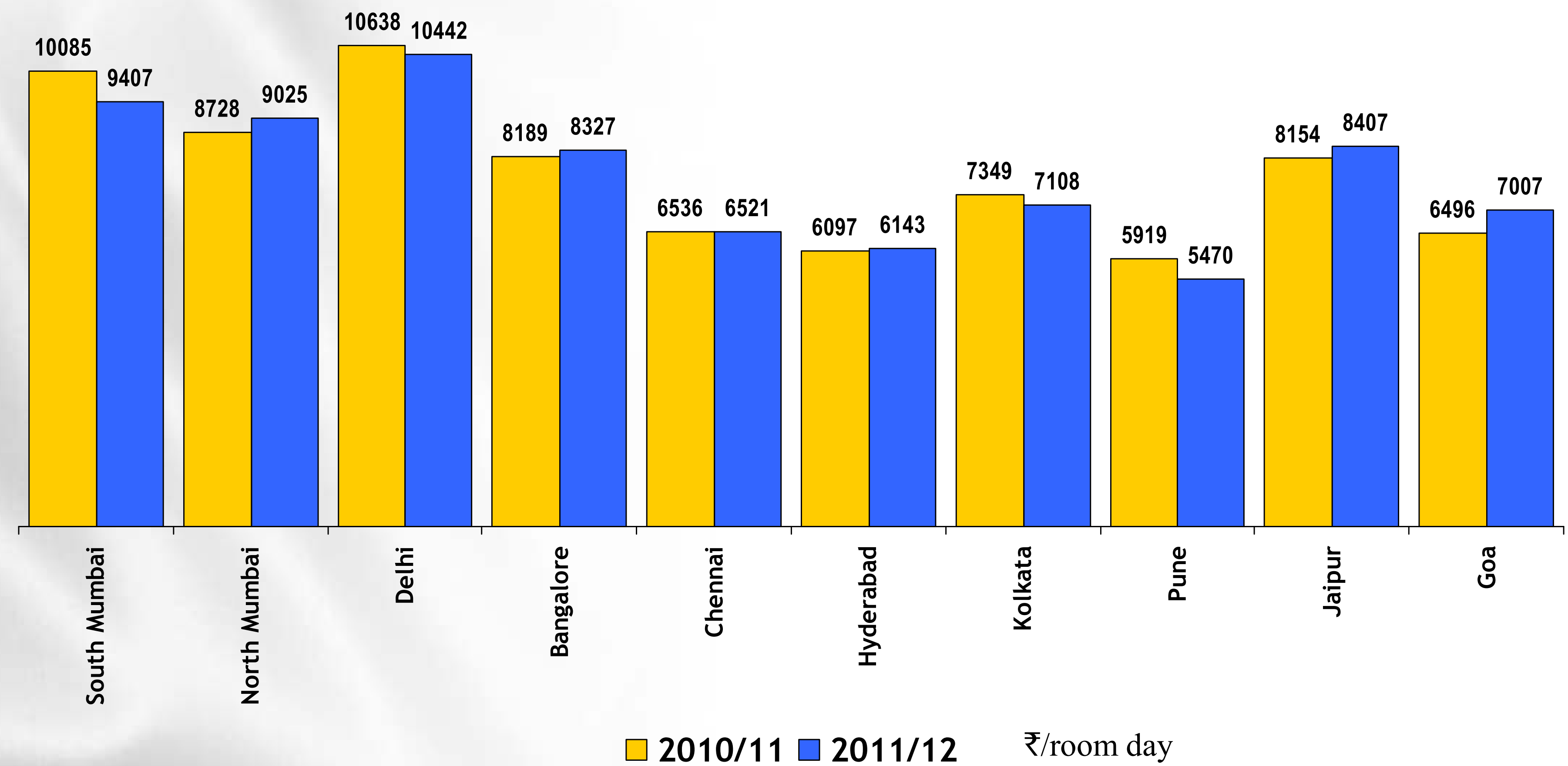
Occupancies – Year on Year Trend



Source: Internal Survey

- Increase in occupancies in Bangalore, Kolkata, Pune & Jaipur
- Mumbai, Hyderabad & Goa witnessed lower occupancies

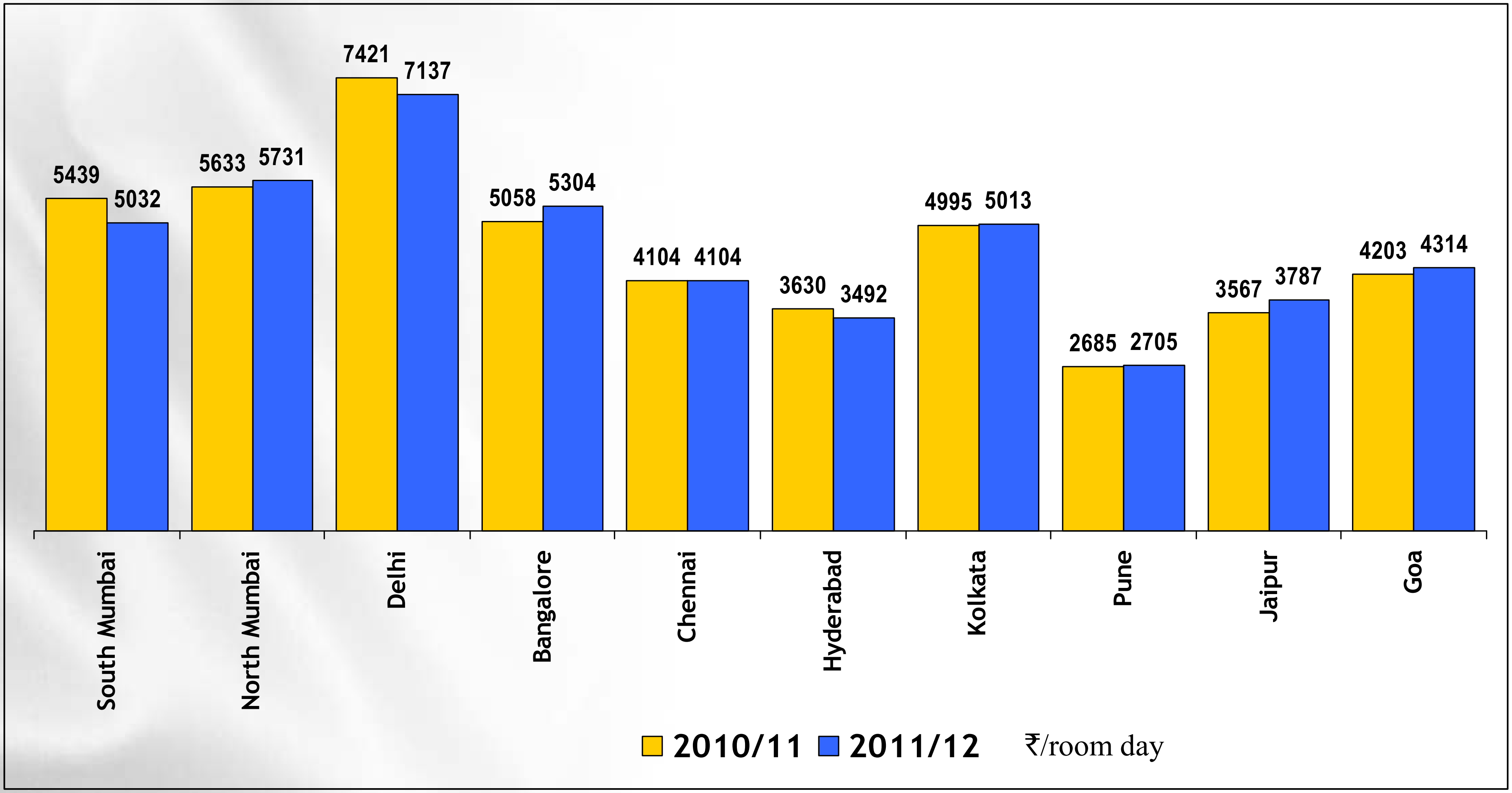
ARRs –Year on Year Trend



Source: Internal Survey

- Rate increases in North Mumbai, Bangalore, Hyderabad, Jaipur & Goa

Rev PARs – Year on Year Trend



Source: Internal Survey

- **Increase in RevPAR in North Mumbai, Bangalore, Jaipur & Goa**

New Inventory

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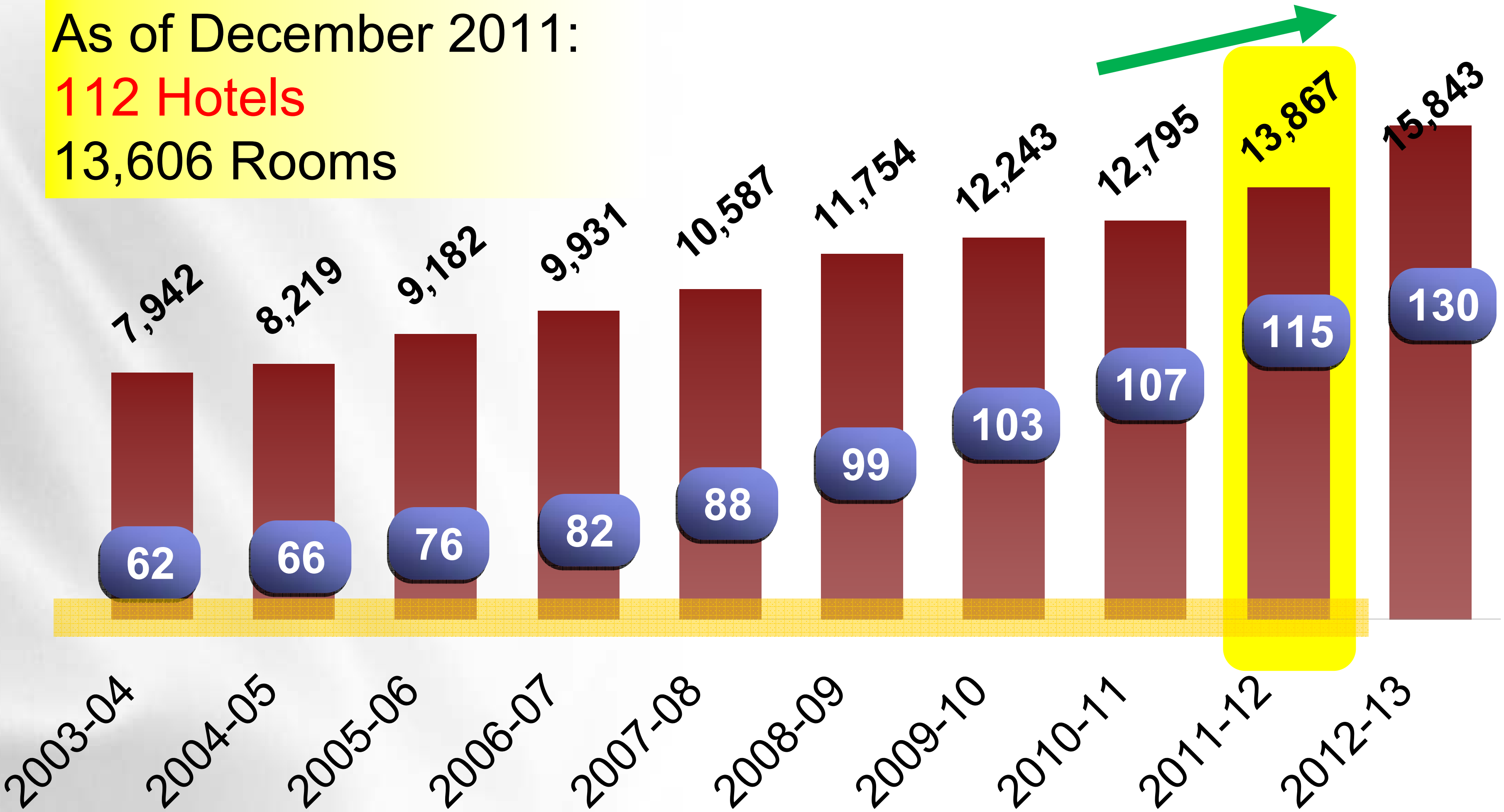
Taj Group Inventory – December 2011

As of December 2011:
112 Hotels
13,606 Rooms



New Hotels in 2011/12

Hotel	Indicative Timeline	Company	Rooms
<u>IHCL – Direct/ Management Contract</u>			
Vivanta by Taj, Yeshwantpur	**Launched**	**IHCL**	**327**
Vivanta by Taj, Srinagar	**Launched**	**Management Contract**	**88**
Vivanta by Taj, Bekal, Kerala	Soft Opening	Management Contract	72
Sub Total			**487**
<u>Subsidiaries/ JVs/ Associates</u>			
Vivanta by Taj, Begumpet, Hyderabad	January, 2012	Taj GVK	181
Vivanta by Taj, Coimbatore	**Launched**	**OHL**	**180**
Ginger Hotels – 4 cities	2011/12	Roots Corporation	356
Sub Total			**717**

New Development in 2011/12 **9 Hotels** **1204 Rooms**

Vivanta by Taj, Yeshwantpur, Bangalore

Launched: Sept 9th 2011

Vivanta by Taj, Bekal, Kerala

Soft Opening : Dec 17th 2011

Vivanta by Taj - Surya, Coimbatore

Launched : Jan 19th 2012

Vivanta by Taj, Begumpet, Hyderabad

Launch : Jan 30th 2012

Hotels in Pipeline - 2012

Hotel	Company	Rooms
Taj		
Taj Palace Marrakech, Morocco	Management Contract	160
Vivanta by Taj		
Vivanta by Taj, Coorg	Kaveri Resorts	62
Vivanta by Taj, Gurgaon	Management Contract	200
Gateway		
Gateway, Kolkata	Management Contract	200
Gateway, Raipur	Management Contract	119
Gateway, Gondia	BHL	54
Gateway, Hubli	Management Contract	92
Ginger Hotels (Five in Number)	Roots Corporation Ltd	486
New Development in Pipeline 2012	**12 Hotels**	**1373 Rooms**

Hotels in Pipeline - 2013

Hotel	Company	Rooms
Vivanta by Taj		
Vivanta by Taj, Dwarka	IHCL	250
Gateway		
Gateway, Faridabad	Management Contract	160
Gateway, Banerghatta	OHL	209
Gateway OMR, Chennai	Management Contract	193
Gateway, Hinjewadi	Management Contract	150
Gateway Nashik (Expansion)	Piem Hotels Ltd	67
Ginger Hotels (Four in Number)	Roots Corporation Ltd	382
New Development in Pipeline 2013	**9 Hotels**	**1411 Rooms**

Taj Palace Marrakech, Morroco
2012

Vivanta by Taj, Coorg
2012

Vivanta by Taj, Gurgaon
2012

The Gateway Hotel, Kolkata
2012

The Gateway Hotel, Raipur
2012

The Gateway Hotel, Hubli
2012

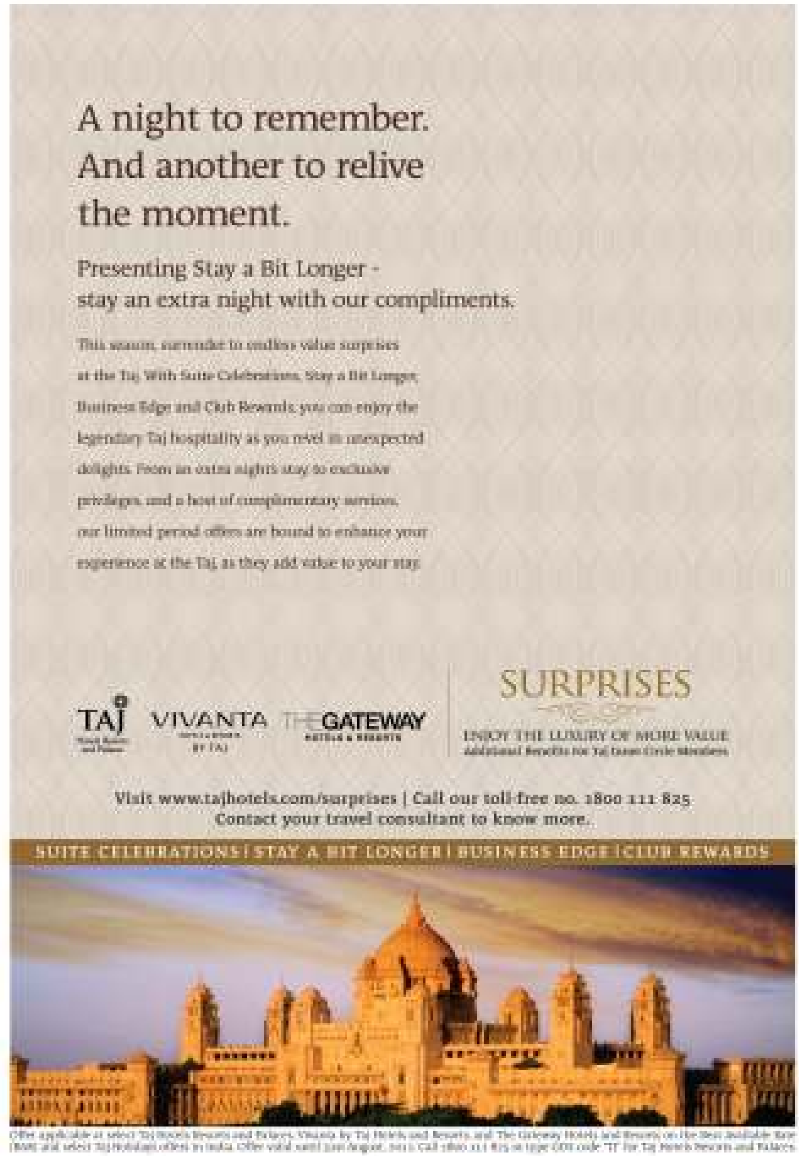
The Gateway Hotel, Gondia
2012

Vivanta by Taj, Dwarka
2013

Sales and Marketing Initiatives

"Surprises" Campaign
Initiative to Drive Revenues

- Following the success of the Surprises Campaign in the summers, we launched new programs for the Winter season
- Objective of campaign was to Drive Demand and Reward Loyalty
- Programs launched with validities between December 2011 and March 2012:
    - Stay a Bit Longer
    - Suite Celebrations
    - Business Edge



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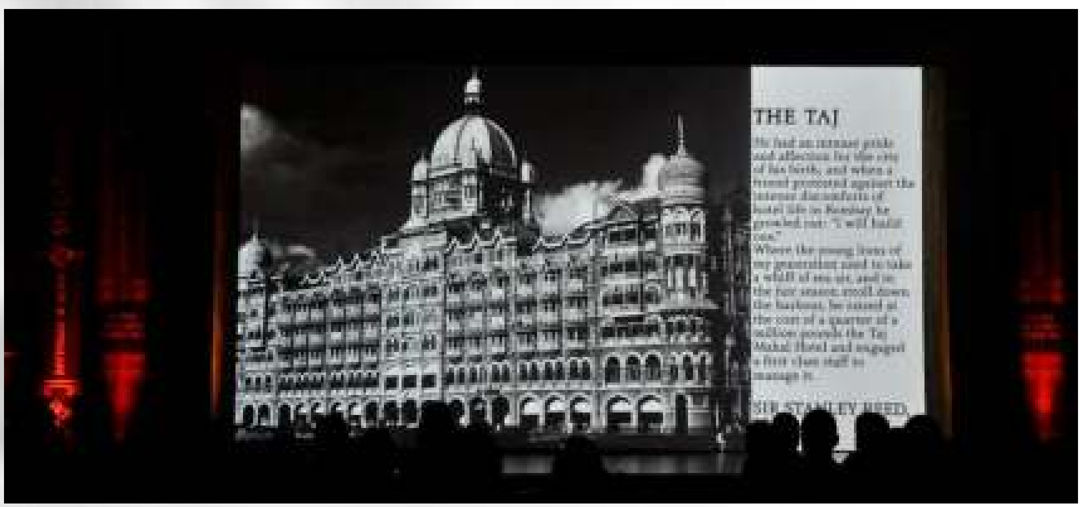
"Taj At Apollo Bunder" Mumbai Launch



- Launched by Chairman, Mr Ratan N Tata on December 16, 2011
- **Customer outreach** - Attended by over 500 people including corporate guests, influencers, key travel trade and media
- **Integrated marketing approach –** 360 degree print and real time updated on online space
- Engaging Facebook application Taj e-book created capturing essence of the book
- Immense PR coverage received in leading dailies and financial newspapers and magazines across the world.

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Diwali Roadshow & "Taj At Apollo Bunder" New York Launch

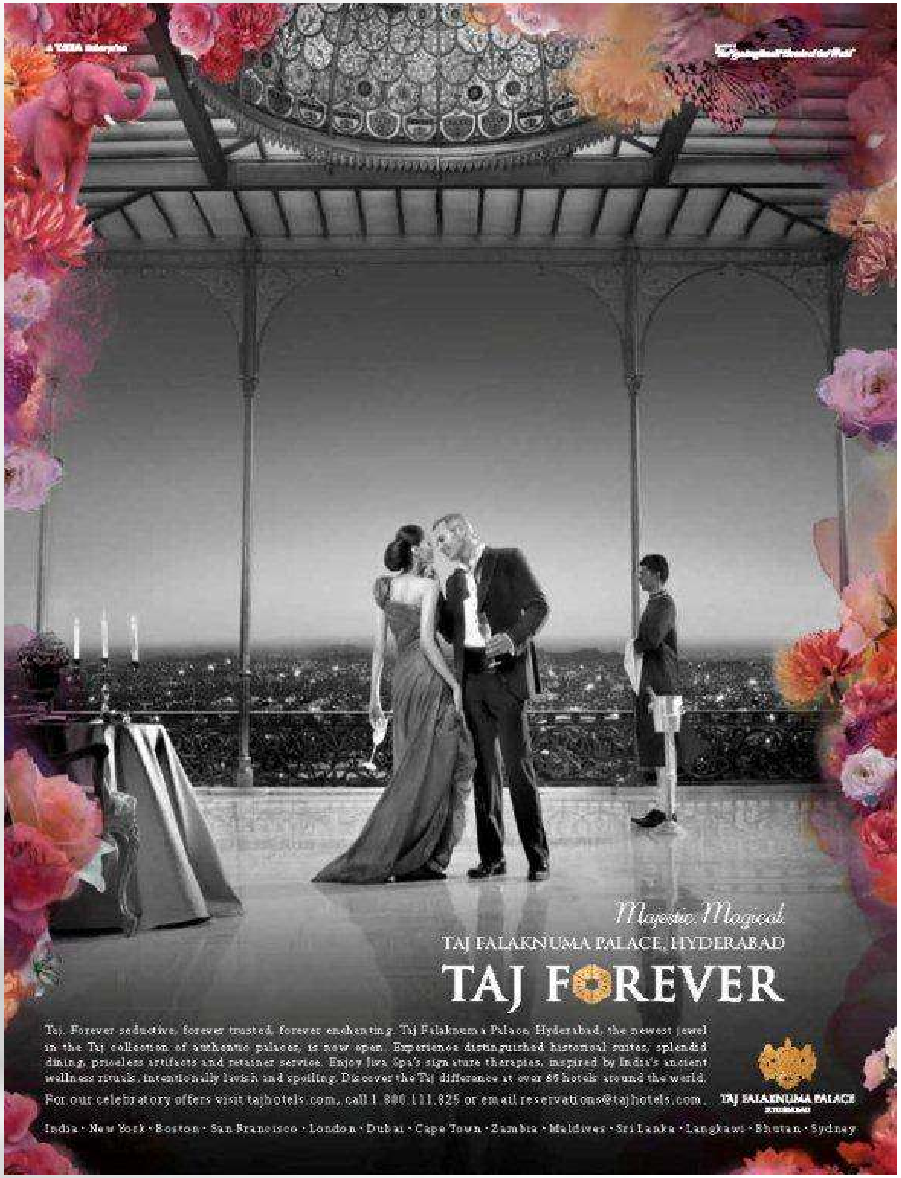
- Part of the **brand building** and relationship building platform for Taj in the US during Diwali week
- Adopted the **Diwali festival** as a theme to enhance the Tajness associated with our US hotels
- Objective - **customer engagement** with the **"Taj" brand in the US**
- **Customer outreach** – Over 200 Key customers and guests, travel trade, media attended the event
- **Online media** and channels activated during the launch to create buzz
- Diwali Road show taken across key cities – **Boston, San Fransisco and Los Angeles** in order to build stronger relationships across the country

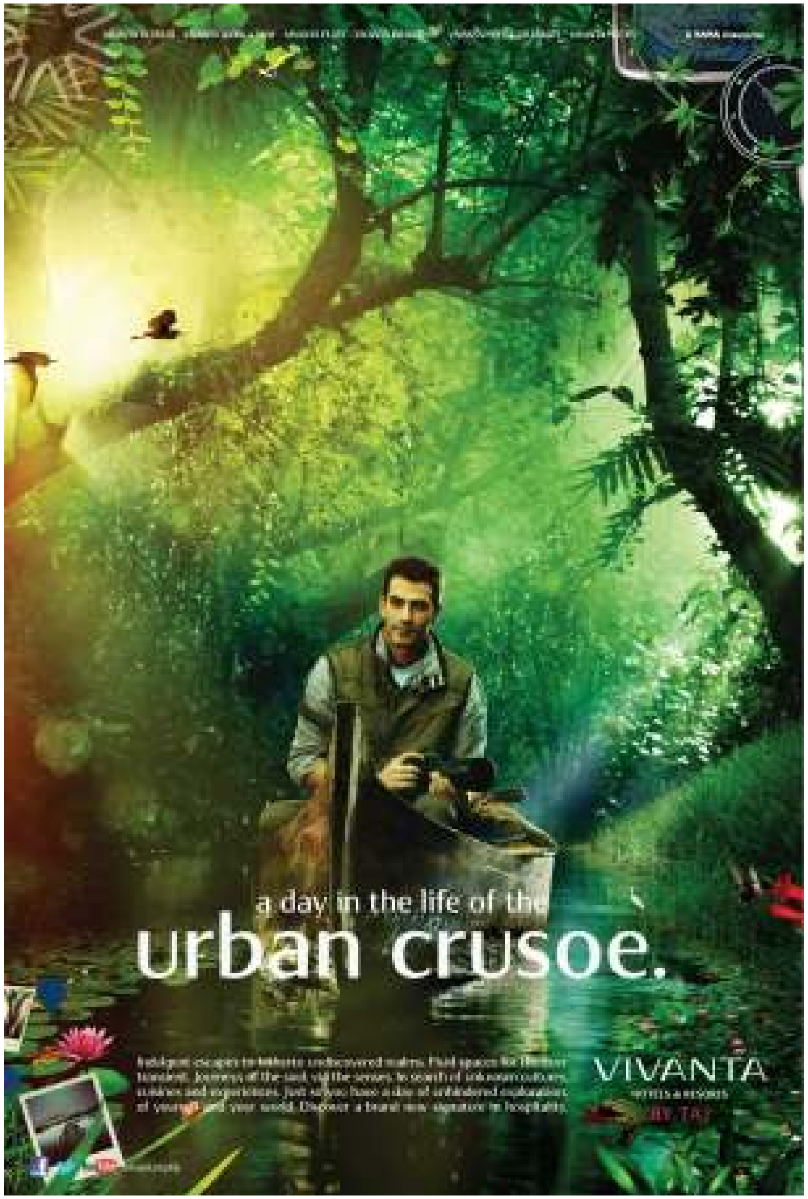
Major Brand Building Campaigns

Integrated Marketing Campaigns on TV, Print and Social media in order to increase Brand Awareness and for winter offers

- Taj Safaris
- Taj Holidays
- Vivanta by Taj
- Taj Forever

Major Brand Building Campaigns





Vivanta by Taj Avatars
Annual Brand Building Initiatives Launched

- "**Divas of Rock**" - with Rolling Stone and Sony Music - celebrates the talented women of Rock in India in Bangalore, Chennai, Pune, Mumbai
- "**urbanFOLK**" in association with Folktronic - contemporary fusion of cross cultural artistes —in Bangalore and Chennai
- **"Barn Fest" -** Vivanta by Taj created a new calendar event at Vivanta by Taj Holiday Village Goa in association with Blue Frog for Christmas
- Extensive **media coverage** for the brand
- **Social media engagement** to build the brand persona
- Impressive **feedback amongst the resident guests** at the hotels where events were held

PR Coverage Received

Girls that rock!

Friday night saw day one of the *Divas of Rock concert* at **Vivanta by Taj**. The rock show began with the **Petri Dish Project**, headlining with **Gowri and Ashima Aiyer**. It was a performance that kept all guests enthralled! We spotted **Ruth** and **Roshan Isaac** having a ball at this show.

SITTING PRETTY: Rupa

SUITED: Mahesh Aiyer

STRUMMING IT: Ashima Aiyer

culture

Unleash the DIVAS

Diva of Rock presents a platform for emerging artistes

Gowri Jayakumar

Ashima Aiyer

Social Media Presence

Awards and Accolades

Taj InnerCircle
The Conde Nast Traveller India Readers Travel Award 2011 for the "**Favorite Hotel Loyalty Programme**."

The Taj Mahal Palace, Mumbai
Hotel of the Year(Editor's Choice) , latest edition of UK Gallivanter's Guide

Best Hotels for Location (Asia) on the Conde Nast Traveller UK Gold List 2012

Taj Falaknuma Palace, Hyderabad
Best Hotels for Ambiance and Design- Asia, Conde Nast UK Gold List 2012

The Conde Nast Traveller India Readers Travel Award 2011 for the "**Best New Hotel in India**."

Taj Campton Place, San Francisco
MICHELIN Guide San Francisco, Bay Area & Wine Country 2011 has recognized renowned San Francisco landmark **Campton Place Restaurant** with **1 star** in its latest annual dining guide for the **second year in a row**

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Awards and Accolades

Top 125 Hotels and Resorts in Asia category in the Conde Nast Readers' Choice Awards 2011

Rank 13

VIVANTA FORT AGUADA GOA BY TAJ

Rank 15

VIVANTA HARI MAHAL JODHPUR BY TAJ

48 – Taj Exotica Goa
56 – Jai Mahal Palace Jaipur
105 – Vivanta by Taj - President, Mumbai

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Taj Exotica Resort & Spa, Maldives
The Virgin Holidays Partnership Award for **Sustainable Tourism** 2011

Taj Lake Palace Udaipur

Taj Lake Palace, Udaipur
Commitment to Quality Award as the Best in Asia & Pacific at the recent 2011 Annual Convention of The Leading Hotels of the World held in Amsterdam

BLUE™ sydney A Taj Hotel

Blue, Sydney
Best Hotels for Location category, Australasia and South Pacific region, on the Conde Nast Traveller UK Gold List 2012.

Standalone Financial Performance
Nine Months ended December, 2011

Highlights – Nine Months 2011/12

Total Turnover of ₹ 1288 crores higher by ₹ 121 crores — 9%

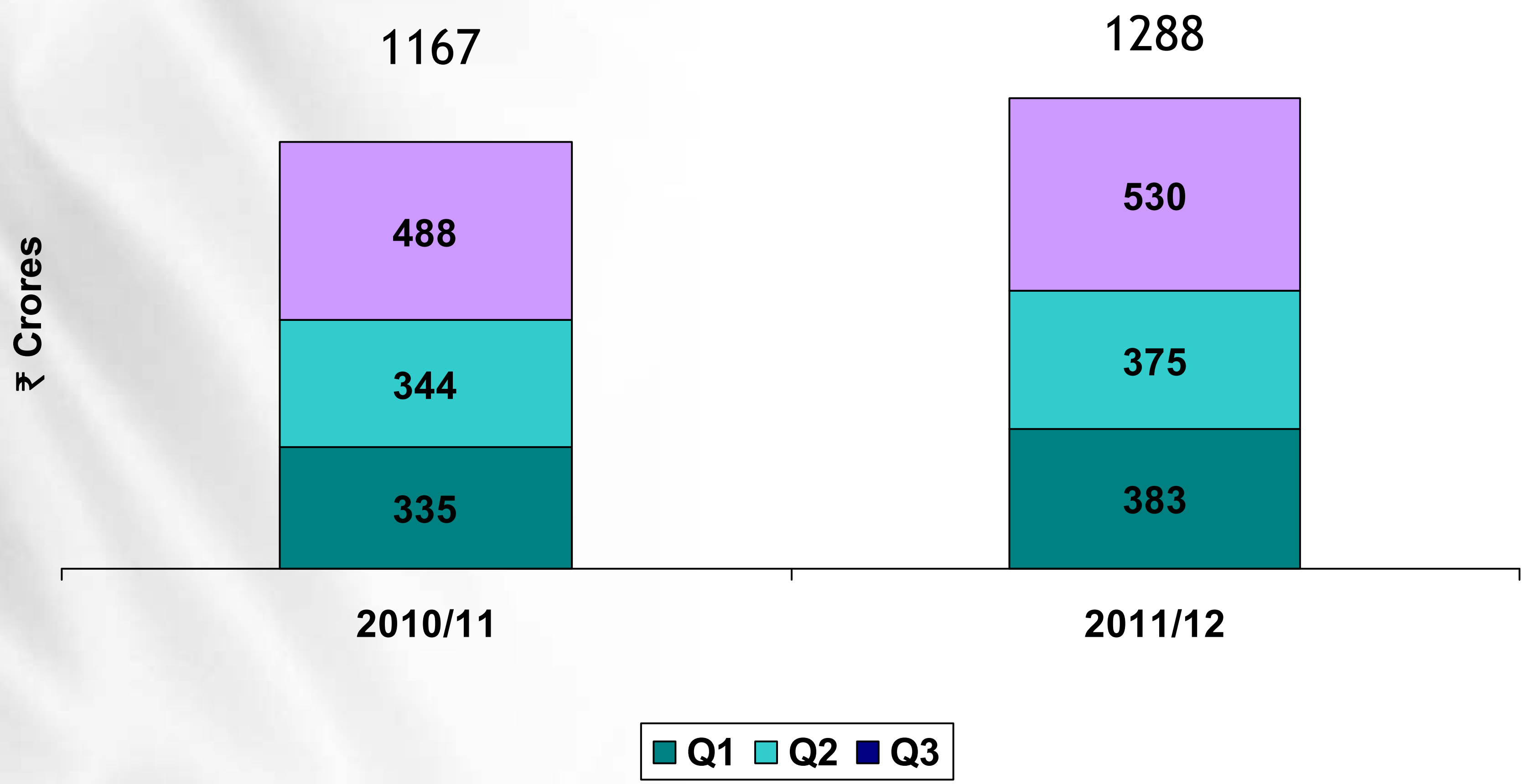
PBIET of ₹ 205 crores higher by ₹ 27 crores — 15%

PBT of ₹ 124 crores higher by ₹ 46 crores — 58%

PAT of ₹ 80 crores higher by ₹ 33 crores — 69%

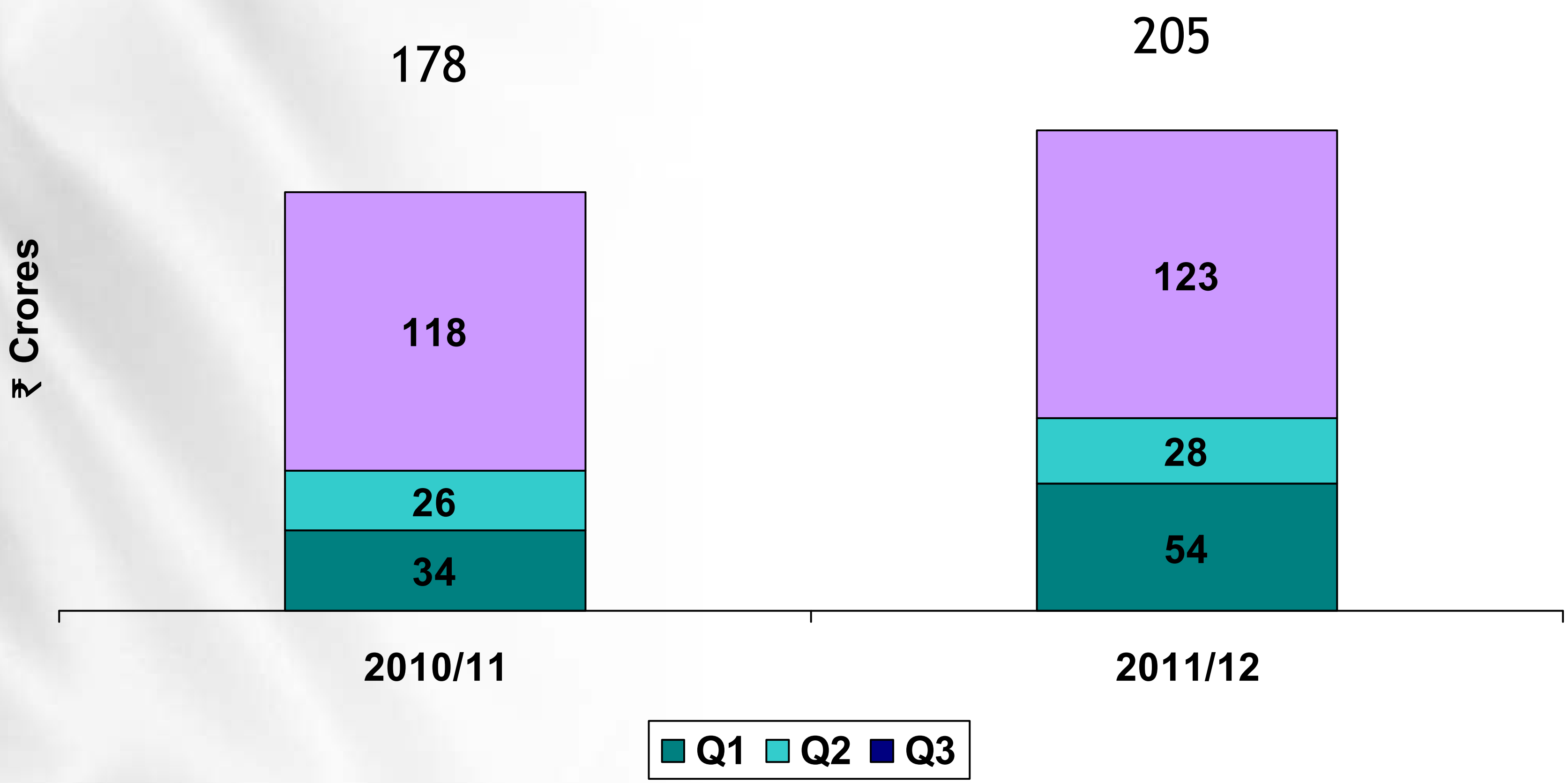
EPS at ₹ 1.06 vs ₹ 0.65 — 63%

Turnover Trend



Turnover pickup in the first three Quarters over the previous year

PBIET Trend



Nine Months PBIET up by 15% over previous year

Profit and Loss Account
Nine Months 2011/12

₹/ crores	2011/12	2010/11	% Change
Net Sales/Income from Operations	1248.58	1142.58	9
Other Operating Income	-	-	-
Total Income	**1248.58**	**1142.58**	**9**
a. Consumption of Raw Materials	108.94	97.52	(12)
b. Staff Costs	351.46	305.52	(15)
c. License Fees	75.98	67.39	(13)
d. Fuel, Power and Light	98.92	85.59	(16)
e. Depreciation	82.01	80.42	(2)
f. Other Expenditure	365.79	352.24	(4)
Total	**1083.10**	**988.68**	**(10)**
Profit from operations before Interest and Tax	165.48	153.90	8
Other Income	39.82	24.52	62
Profit Before Interest, Exceptional Item and Tax	**205.30**	**178.42**	**15**
Interest (Net)	76.19	96.34	21
Exceptional items	(5.00)	(3.73)	-
Profit Before Tax	**124.11**	**78.35**	**58**
Tax Provision	43.97	31.03	(42)
Profit After Tax	**80.14**	**47.32**	**69**

Turnover – Nine Months 2011/12

₹ crores	2011/12	2010/11	% Change
Room sales	599.73	559.31	7
F&B sales	492.87	443.37	11
Other Income	77.40	69.25	12
Management Fees	78.58	70.65	11
Total Income	**1248.58**	**1142.58**	**9**
Non – Operating Income	39.82	24.52	62
Total Income including Other Income	**1288.40**	**1167.10**	**12**

Improved income from all the Revenue Streams

Expenditure

- **<u>Staff Cost – ₹ 351.46 Crores</u>**

  Increase due to annual increments and launch of new properties in Bangalore & Hyderabad

- **<u>Raw Materials Cost – ₹ 108.9 crores</u>**

  Increase in line with higher F&B revenue.

- **<u>License Fees – ₹ 75.98 crores</u>**

  Higher by on account of higher turnover of licensed properties.

- **<u>Fuel, Power & Light – ₹ 98.92 crores</u>**

  Higher on account of increased consumption linked to occupancies, increase in rates and new capacity.

- **<u>Depreciation – ₹ 82.01 crores</u>**

  Higher due to opening of new properties.

- **<u>Other Expenditure – ₹ 365.79 crores</u>**

  Increase in line with higher turnover and new properties.

Exceptional Items

Expense of ₹ (5.0) crores in the current year against an expense of ₹ (3.7) crores in the previous year

Particulars	2011/12	2010/11
Income/(Expense) on surrender of a project (Net off accumulated capital expenditure)	11.4	(5.2)
Shortfall of Business Interruption claim	(8.7)	-
Profit on sale of hotel	-	4.3
Profit/(loss) on divestment	-	(8.6)
Exchange gain/(loss)	(7.7)	5.8
Total	**(5.0)**	**(3.7)**

Overview of Taj Group – Nine Months

Particulars	2011/12	2010/11	2009/10	2008/09
Number of hotels	**112**	**108**	**103**	**97**
Rooms Inventory	**13,606**	**12,849**	**12,243**	**11,546**
Total Revenue – ₹ / crores	**3,432**	**3,037**	**2,651**	**2,973**

Total Revenue denotes arithmetic aggregate of turnover of all hotels/units irrespective of ownership, including Management Contracts

International Hotels

Hotel Name	Occupancy (%)		ARR ($)		RevPAR ($)	
	9M 2011/12	9M 2010/11	9M 2011/12	9M 2010/11	9M 2011/12	9M 2010/11
The Pierre, New York	66	61	627	629	415	383
Taj Boston	67	67	285	266	190	178
Campton Place, San Francisco	75	73	294	255	221	185
St. James Court, London	82	84	295	264	240	221
Blue, Sydney	79	75	248	246	195	185

Treasury Update

Treasury Update

- Repayment of 6% NCD in May, 2011 - ₹ 603 crores
- Raised $95 million via ECB to pay off overseas debt in November, 2011
- Recent Balance Sheet restructuring facilitates reduction in consolidated interest cost
- Sufficient liquidity in the system to fund on-going greenfield projects

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Thank you