TAJ
Hotels Resorts and Palaces

The Indian Hotels Company Limited

Analyst Meet

Results for the Year ended March 31, 2014

May 30, 2014

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 & CEO**

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

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

Outline of Presentation

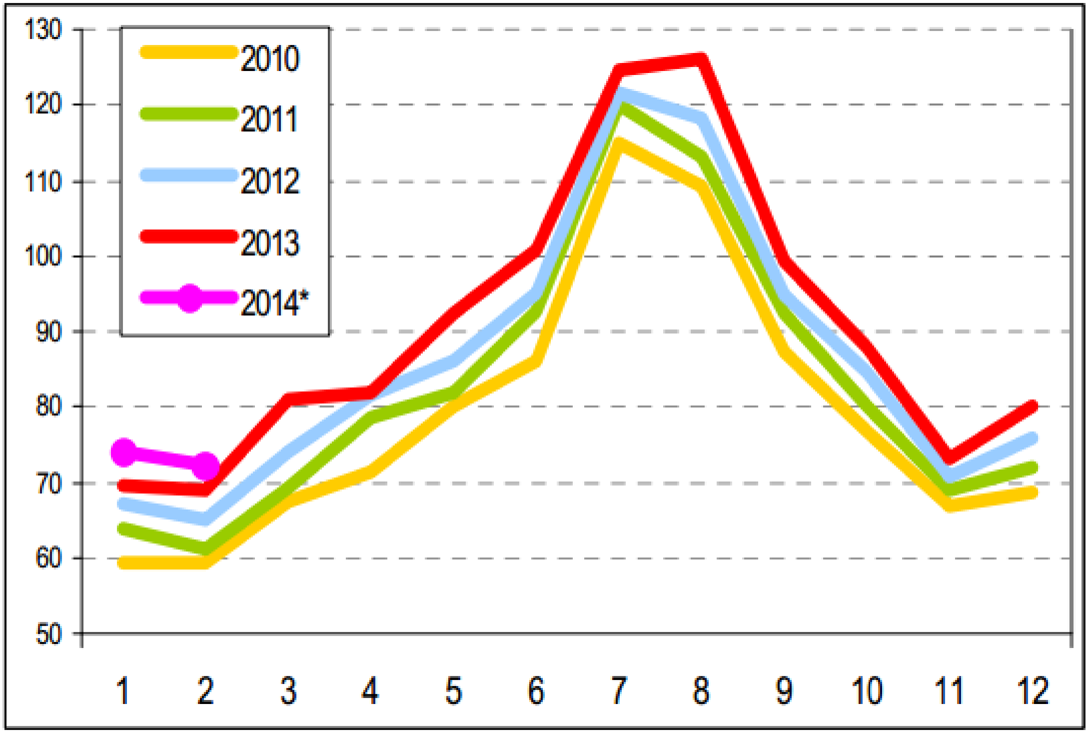
- Industry Trends
- New Inventory
- Sales & Marketing Initiatives
- Financial Results

Industry Trends

International Tourist Arrivals Jan – Mar 2014

International Tourist Arrivals, monthly evolution

World (million)



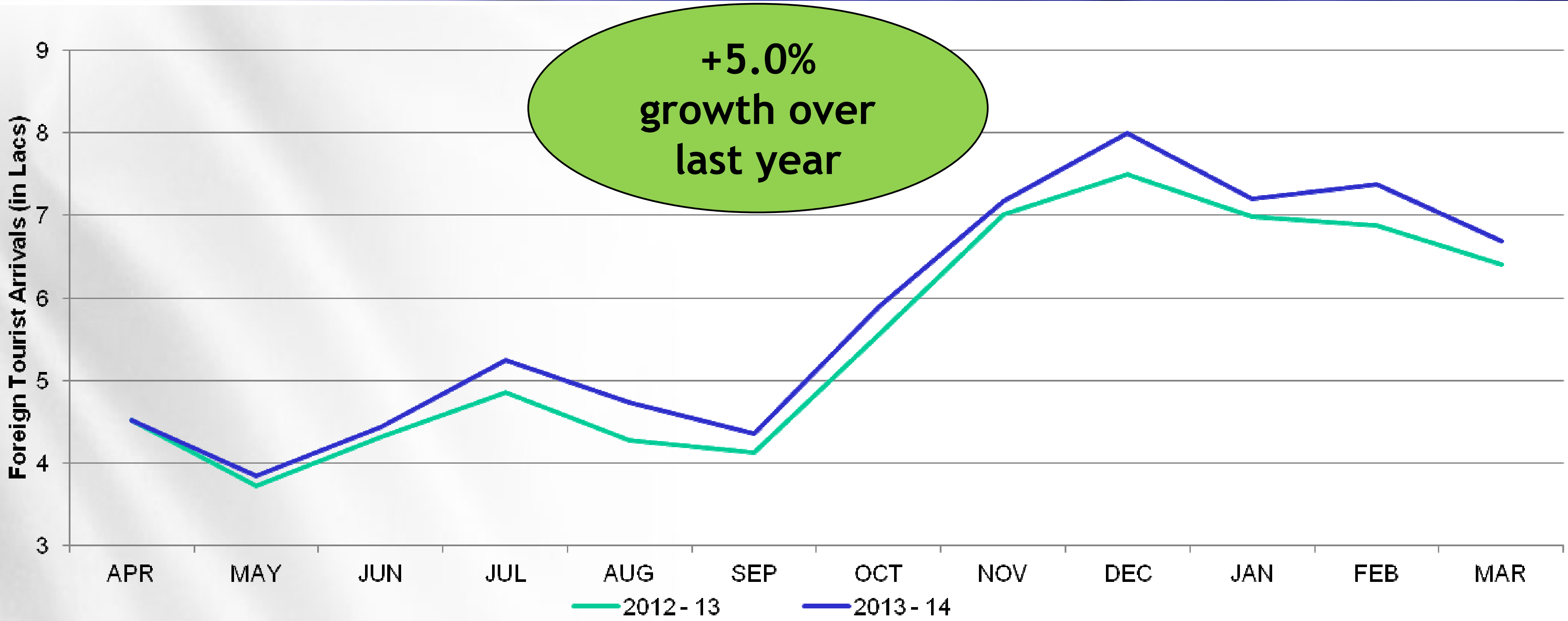
Source: World Tourism Organization (UNWTO) ©

- **International tourist arrivals grew by 5% in the first two months of 2014**
- **International tourism growth is sustaining its short growth outlook of 4% - 5%**
- **Asia Pacific region saw the strongest growth at 7%**
- The largest tourism markets of Americas and Europe both saw a healthy 6% growth too

- In 2013, Asia Pacific and the Americas have seen a higher growth in Tourism Receipts than in Tourism Arrivals, which indicates that International Tourists have spent more per visit in 2013 in these regions as compared to 2012

Source : UN WTO

Foreign Tourist Arrivals in India Apr – Mar 2013 - 14

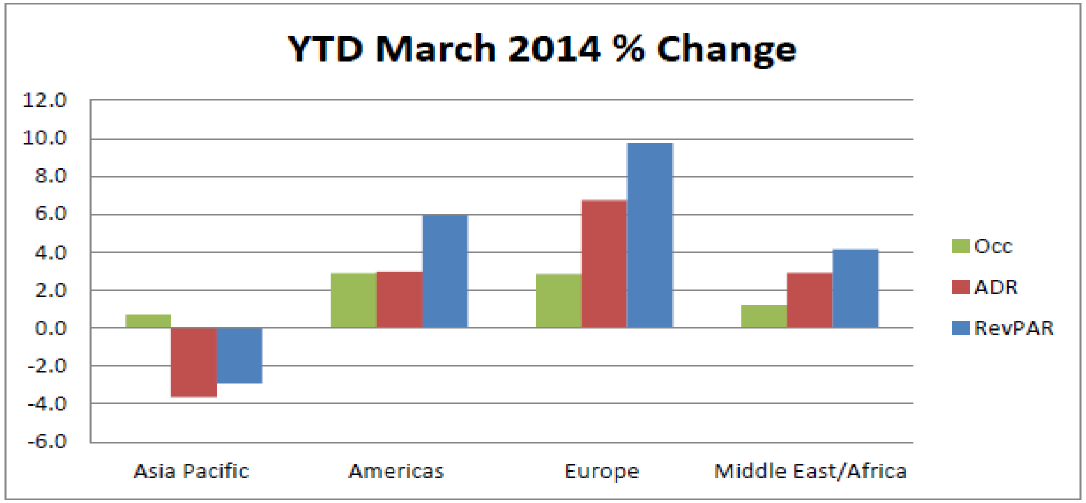


- In India, **Foreign Tourist Arrivals to India grew by 5% in Apr- Mar 2014 to 6.95 Million arrivals as compared to 6.62 Million last year**
- As per WTTC, it is the **domestic market which will see particularly strong growth in 2014** with more investment and more Indians travelling

Source : Ministry of Tourism, Government of India, WTTC

Global Hotel Performance
Jan – Mar 2014

- Jan – Mar 2014 saw **growth in US and Europe** hotel industry performance
- Revpar grew by 9.7% in Europe and 5.9% in Americas whereas it declined 2.9% in Asia Pacific
- In Asia Pacific while occupancies saw a marginal growth, Average rates declined by 3.6% owing to market conditions



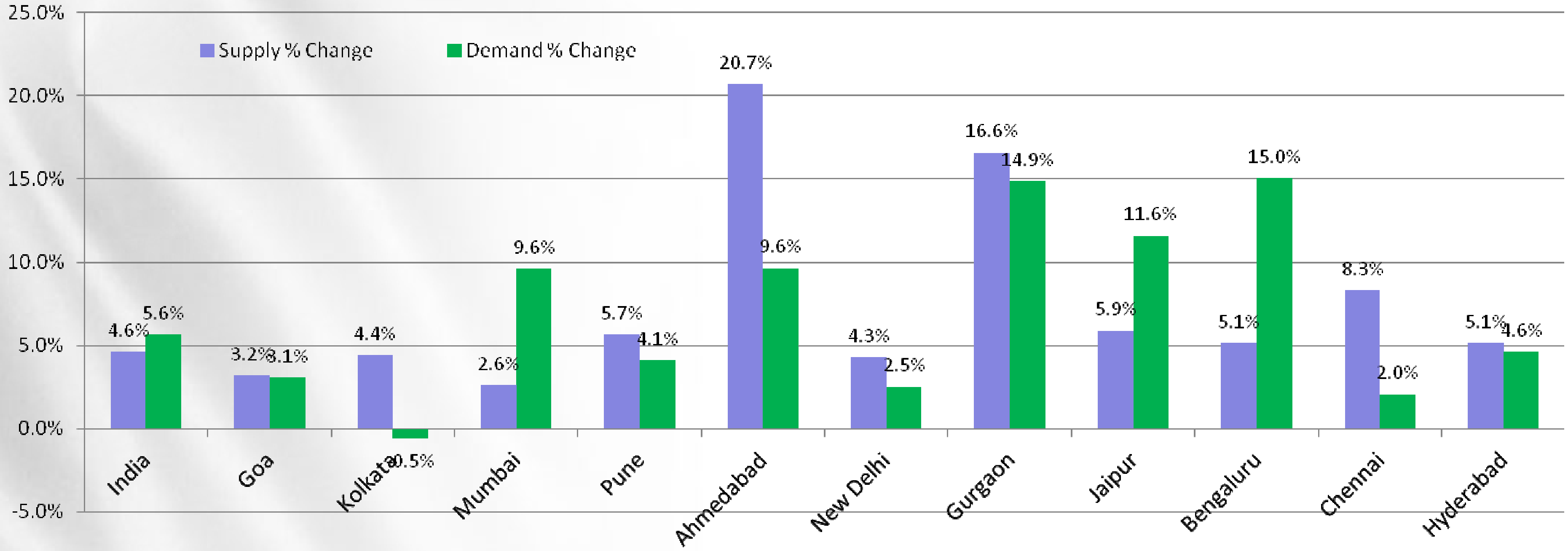
- **In the Indian subcontinent, rates are lagging by 11.3% whereas occupancies have seen a marginal growth of 1.8%,** leading to overall **RevPAR decline of 9.7% below last year**
- Australia has also seen an impact of Average rates decline of 8.9% on Revpar (-6.8%)

	Year to Date - March 2014 vs March 2013								
	Occ %		ADR		RevPAR		Percent Change from YTD 2013		
	2014	2013	2014	2013	2014	2013	Occ.	ADR	RevPAR
Asia Pacific	66.0	65.6	122.36	126.95	80.81	83.24	0.7	-3.6	-2.9
Central & South Asia	64.1	62.9	137.87	155.47	88.32	97.79	1.8	-11.3	-9.7
Northeastern Asia	63.3	62.1	103.41	104.11	65.42	64.64	1.9	-0.7	1.2
Southeastern Asia	70.0	72.9	146.55	146.94	102.57	107.11	-4.0	-0.3	-4.2
Australia & Oceania	75.8	74.1	163.65	179.67	124.04	133.08	2.3	-8.9	-6.8

Source : STR Global

India Hotel Performance – Key cities Apr – Mar 2013-14

Apr – Mar 2013-14, % Change in Market Supply – Demand scenario

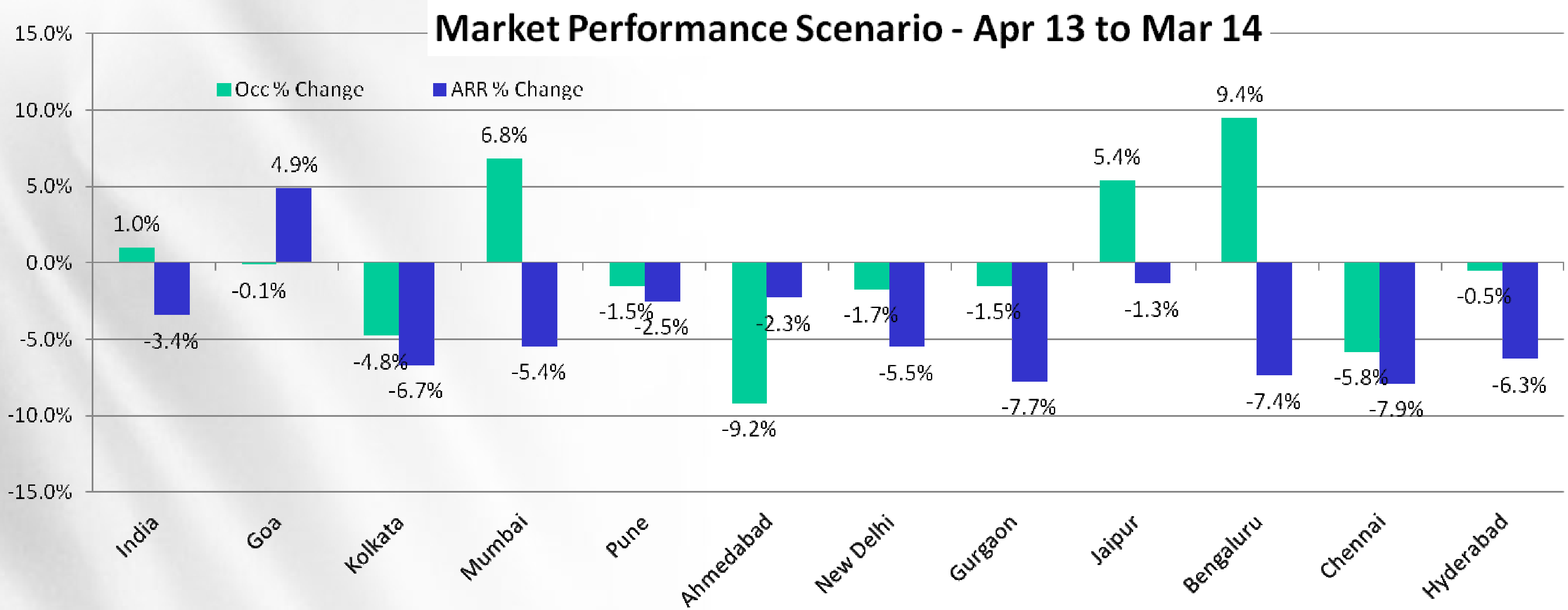


•There has been overall a **4.6% increase in Supply** in April – Mar 2013-14 as compared to the same period last year.

•**Demand growth has been 5.6%** for this period however it is still **trailing supply growth in most cities** which impacts hotel industry Occupancy and ARRs

Source : STR Global

India Hotel Performance – Key cities Apr – Mar 2013-14



•The changing class mix of hotel supply, Demand – Supply mismatch and customer cost control has put a **pressure on Occupancies and Average rates** compared to last year across all key metros

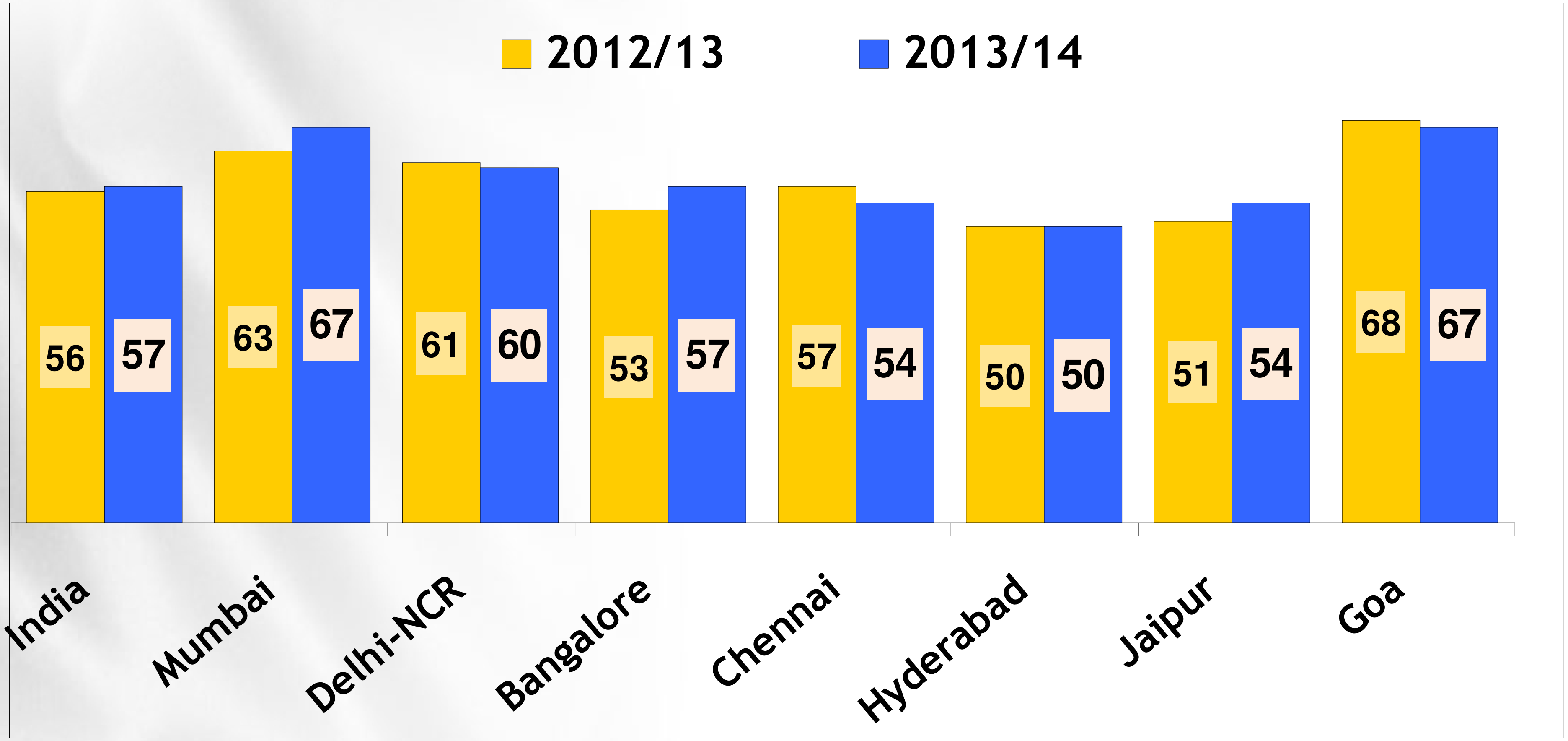
• Bangalore, Jaipur and Mumbai have seen Occupancy growth

•Average rates are lower by up to 9% countrywide with the exception of Goa

•Overall this has led to a **2.5% decrease in RevPAR in the Indian Hospitality Industry** for the April – Mar 2013-14 as compared to last year

Source : STR Global

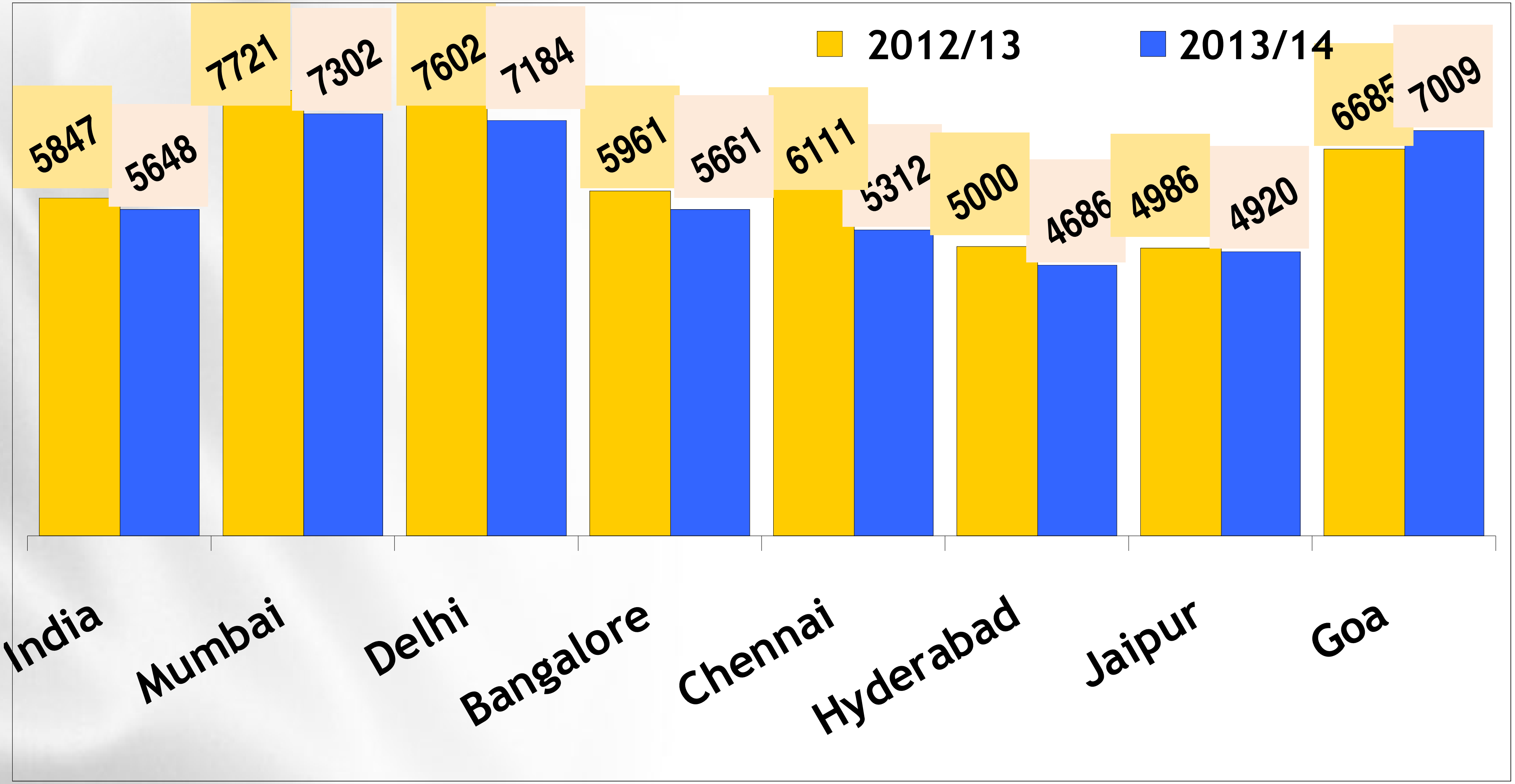
Occupancies % – Year on Year Trend



Source: STR Global Reports

- **Mumbai, Bangalore & Jaipur showed improved occupancies, while Chennai, Hyderabad, Goa occupancies were lower.**

ARRs –Year on Year Trend

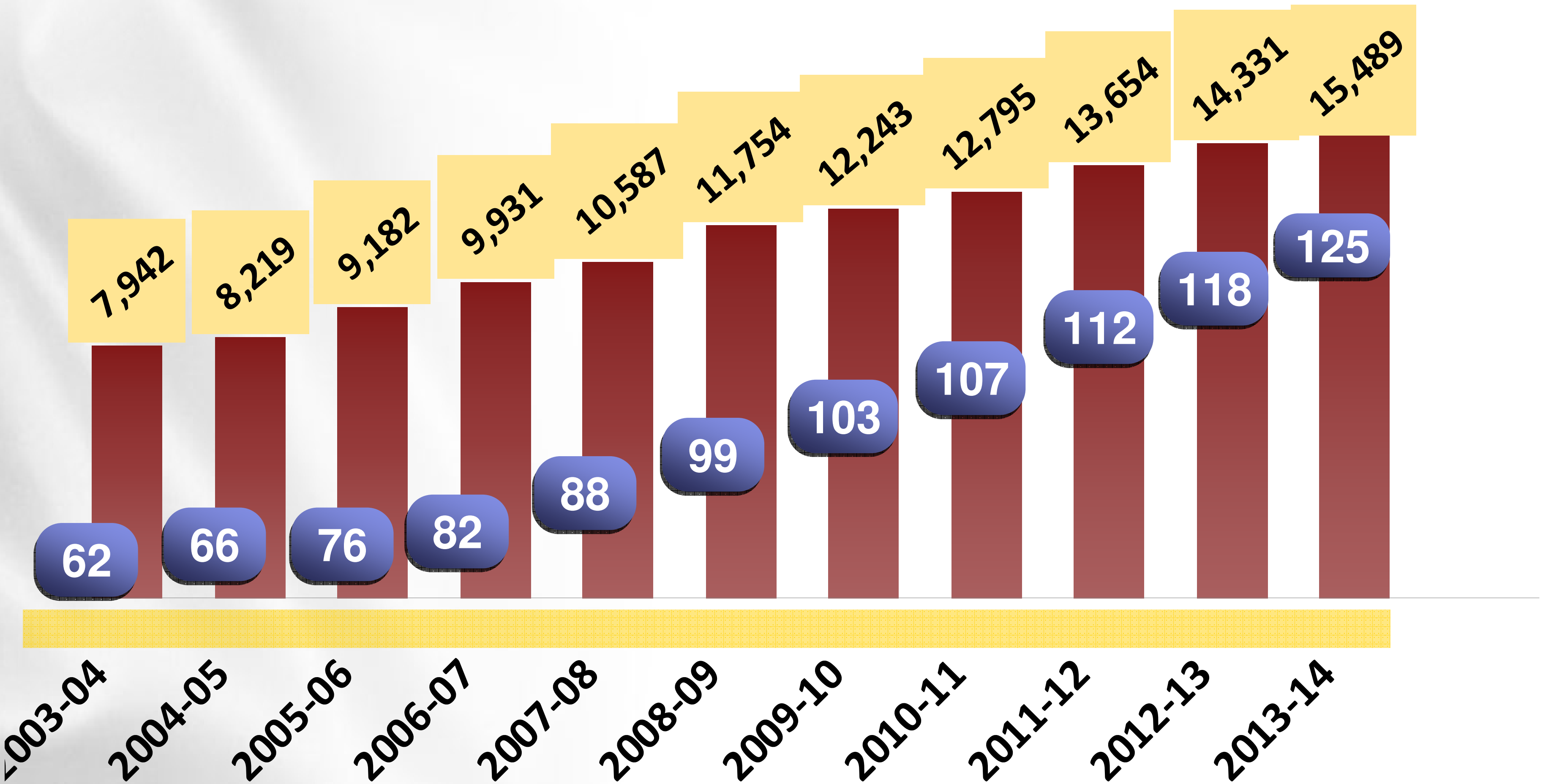


Source: STR Global Reports

- **Rates lower across all cities barring Goa**

New Inventory

Taj Group Inventory



Hotels Opened : 2013-14

Hotel		Rooms
Gateway Hotel, Hubli	May 2013	92
Ginger Noida, Sector 63	July 2013	83
Gateway OMR, Chennai	August 2013	193
Vivanta by Taj, Surajkund, NCR	September 2013	287
Ginger, Jaipur	October 2013	103
Gateway, Kolkata	December 2013	200
Ginger, Chandigarh	January 2014	102

New Hotels Opened 2013-14 7 Hotels 1,060 Rooms

Upcoming Development Financial Year 2014/15

Hotel	Company	Rooms
Taj		
Imperial Club by Taj, Tardeo, Mumbai	Management Contract	9
Taj Downtown, Dubai	Management Contract	296
Taj Airport Hotel, Terminal 1C, Mumbai	Taj GVK	283
Vivanta		
Vivanta by Taj, Dwarka, New Delhi	IHCL	250
Gateway		
Gateway Resort, Damdama, NCR (**Soft Launched May 2014**)	Management Contract	78
Gateway, Raipur (**Soft Launched April 2014)**	Management Contract	109
Gateway, Gondia	Benares Hotels Ltd	34
Gateway, Hinjewadi, Pune	Management Contract	150

…contd.

Upcoming Development Financial Year 2014/15

Hotel	Company	Rooms
Gateway (..contd.)		
Gateway, Nashik (Expansion)	PIEM	78
Gateway, Corbett	Management Contract	52
Ginger Hotels		
Ginger, Gurgaon Sector 29	Roots Corporation Ltd	40
Ginger, Katra (Vaishno Devi)	Management Contract	73
Ginger, Madgaon, Goa	Management Contract	45

New Development in Pipeline 2014-15 12 Hotels 1,497 Rooms

Sales and Marketing Initiatives

Performance.Art: New Luxury Brand Campaign

Reaffirms our luxury brand's positioning and key differentiation from competition, ie, service

Phase I : Metaphorical

Campaign calendar includes advertising across online and offline mediums, social media engagement, activation events, internal engagement and Microsite

Phase II : Literal

Receiving Line

BANQUETING

P-Side

At last the groom finishes his speech. Now the mains must go out – Chef Oberoi's Varqui Crab topped with a gilded prawn. Rustom calls the order: "500 times. Very pretty, please."

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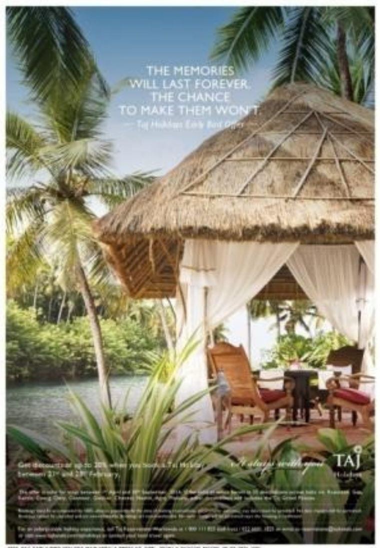
Taj Holidays

Objective : To establish Taj Holidays as the preferred vacation option in India

- ➢ Destination led approach for 2013/14
- ➢ Summer, Monsoon, Winter planks
- ➢ Advertising in International and India publications
- ➢ Digital and Social outreach
- ➢ Roadshows in key feeder markets
- ➢ Leveraging trade partnerships
- ➢ Joint advertising
- ➢ Airport Outreach

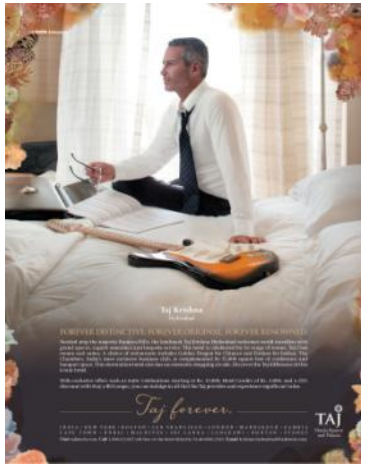
Winter Campaign

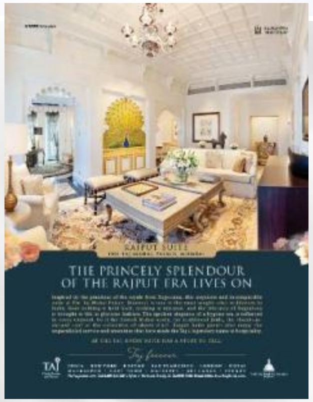
Summer Early Bird Campaign

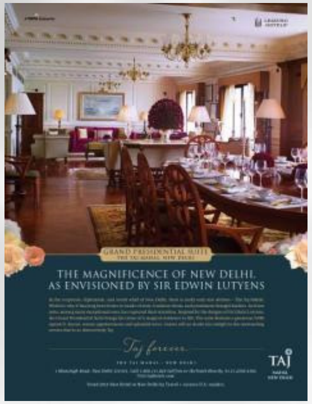


Taj Hotels Resorts and Palaces

National print campaign for Key hotels

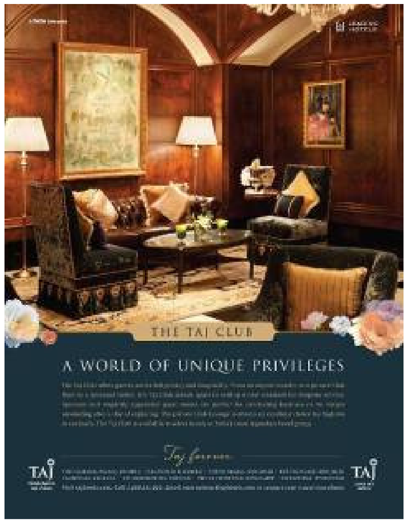






'Every Suite has a Story to tell' : National suites campaign to enhance positioning as a preeminent luxury brand

Dedicated campaign for *Taj Club*, which constitutes a fifth of our city hotel inventory. Also reiterated the hotels' premium image



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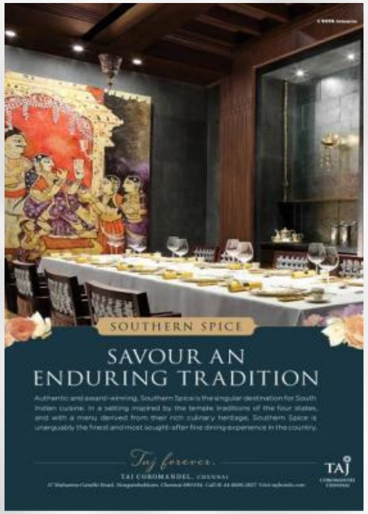
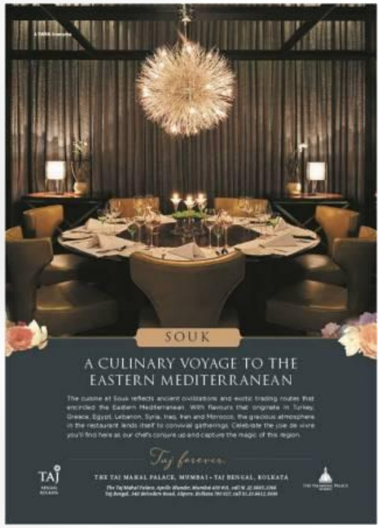
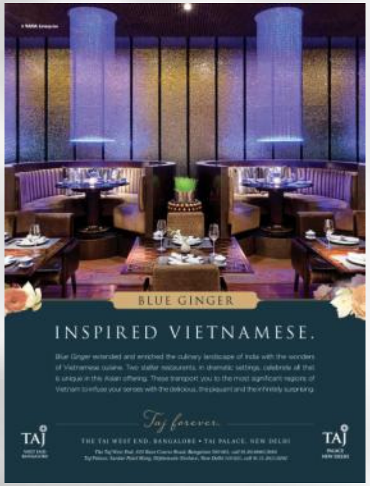
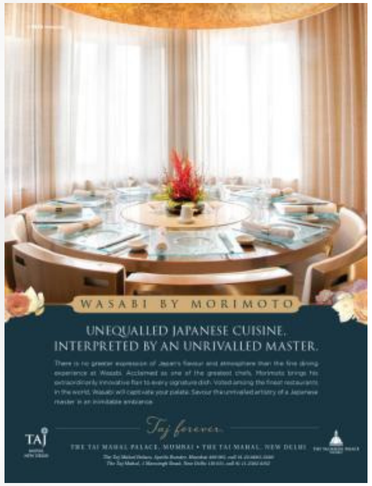
Restaurant campaign, to push F&B revenue

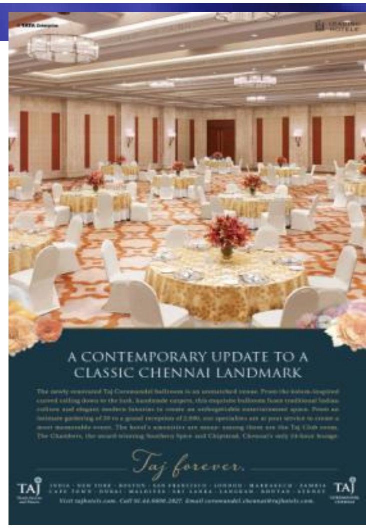


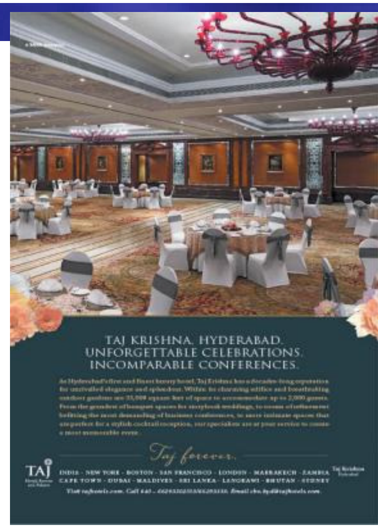




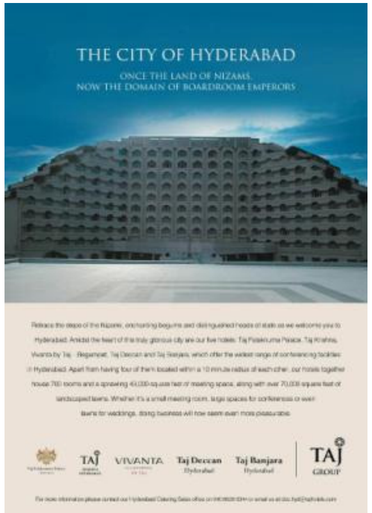


Banquet advertising : Taj Coromandel, Taj Krishna



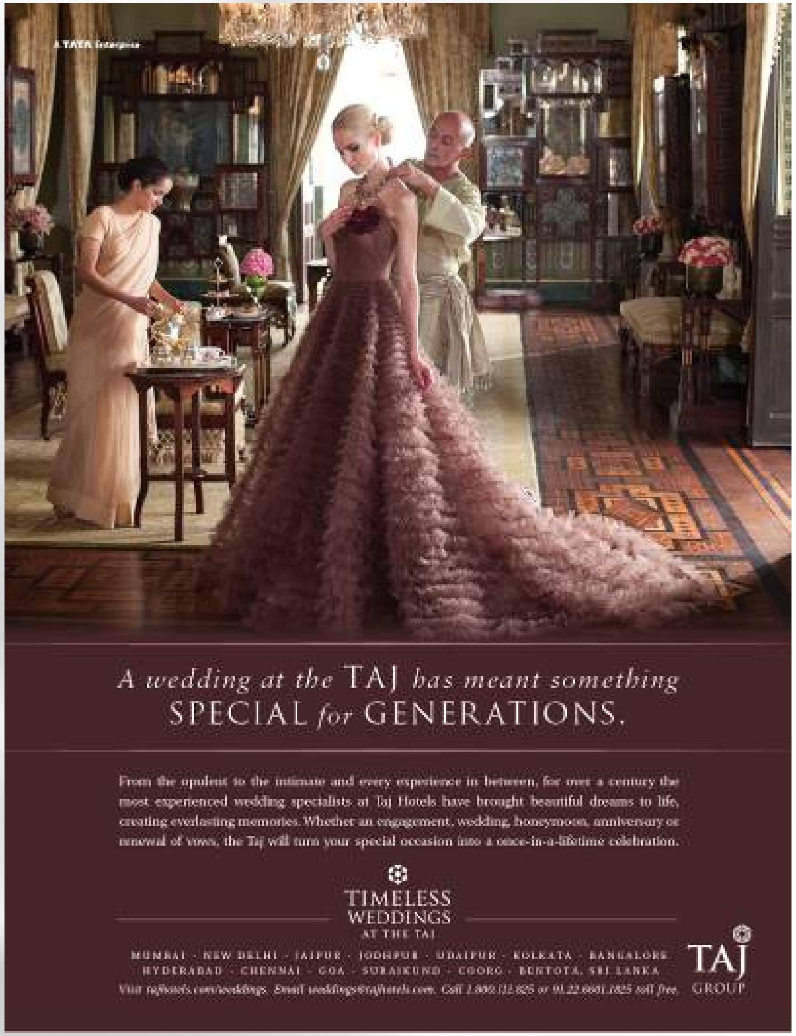


MICE advertising, targeted at bookers

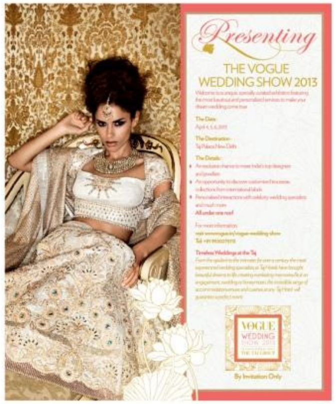


FY 14 Campaigns

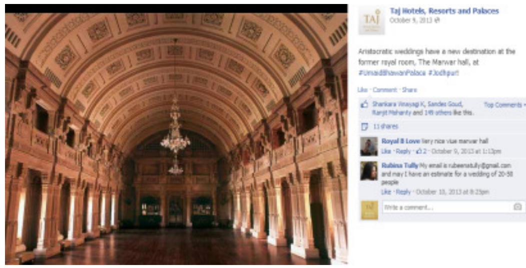
Weddings Focus



Advertisement



Advertorial



Social Media

Postcards

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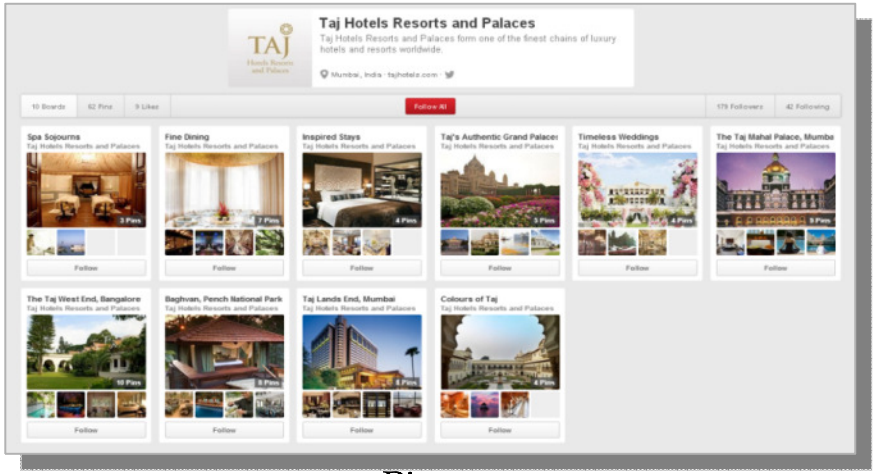
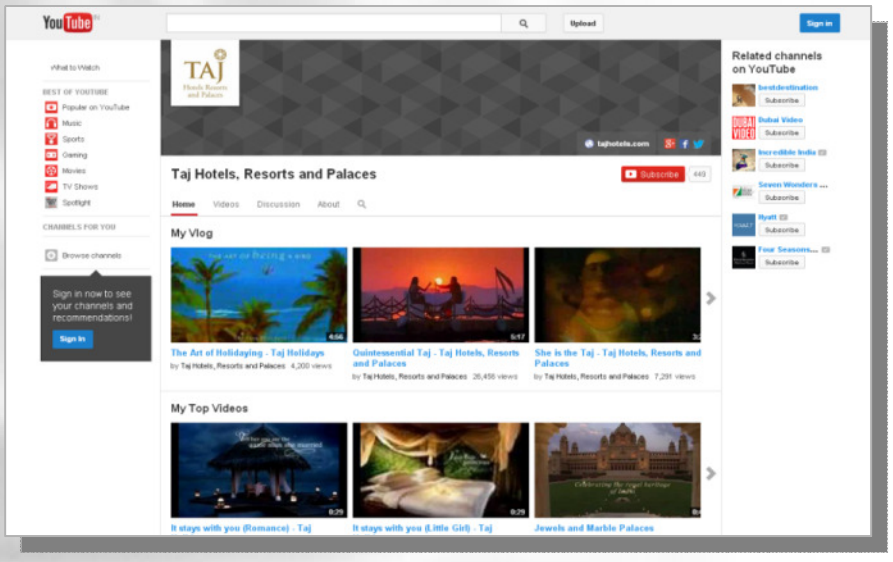
Social Media : Engage with a younger audience

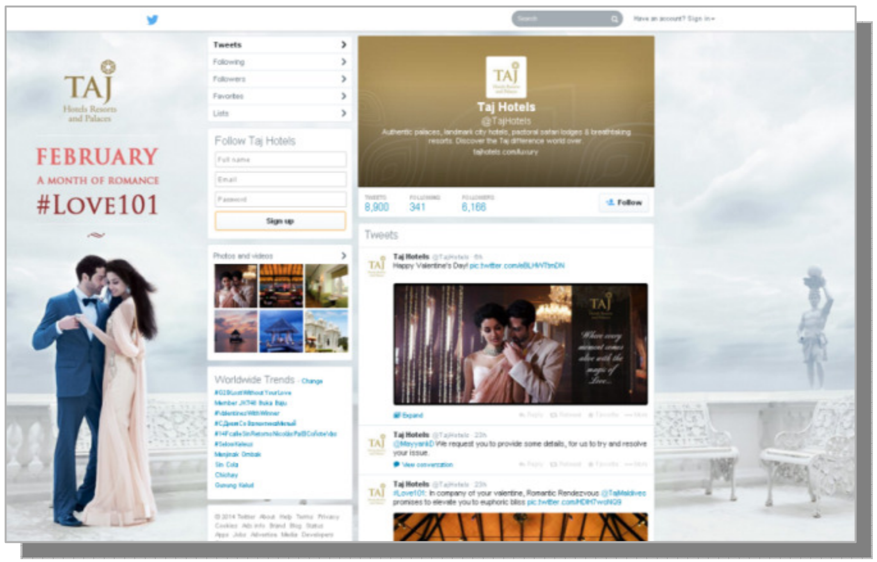
Facebook



Pintrest



YouTube

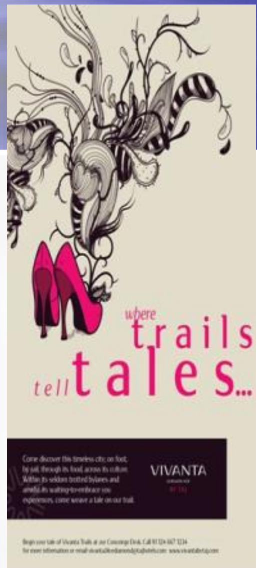


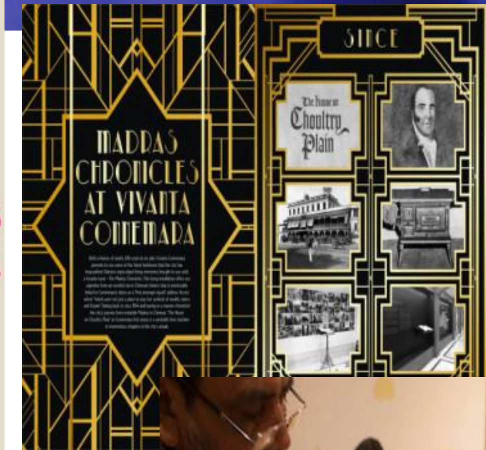
Twitter

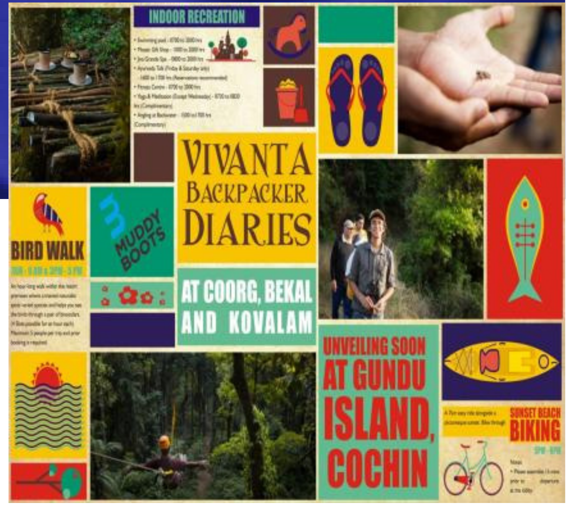
Brand Experiences, building a social quotient
& curious discoveries

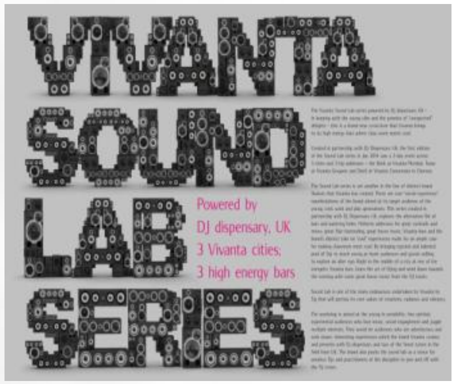
Moments, Motifs and Avatars

VIVANTA
HOTELS & RESORTS
BY TAJ





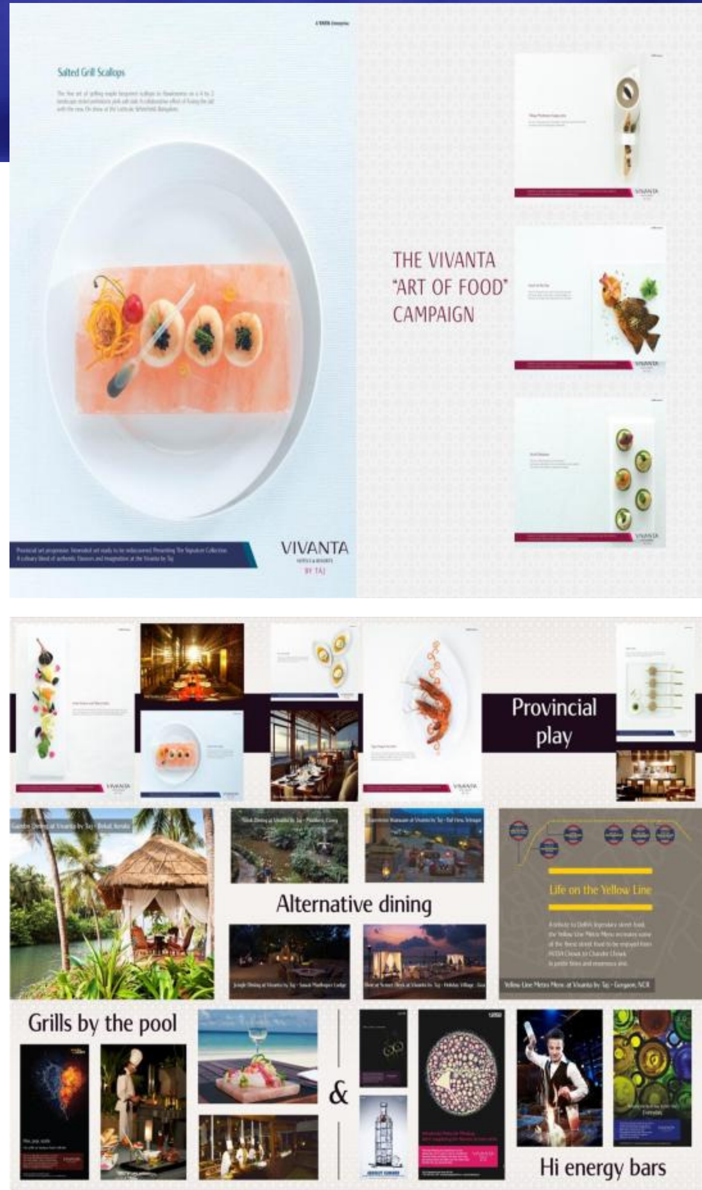




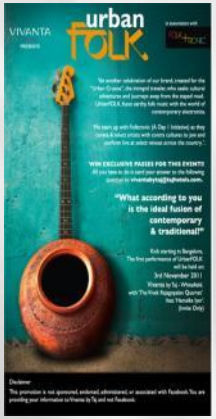
Brand Building; Campaigns

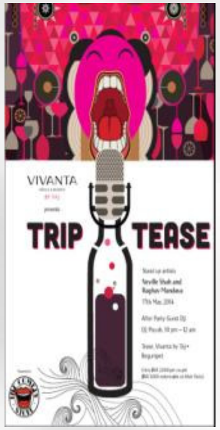
Launches and building addresses

Art of Food @ Vivanta



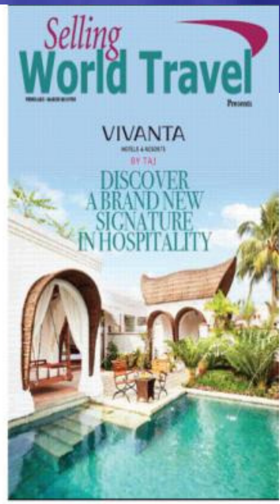
Partnerships and Co Creation



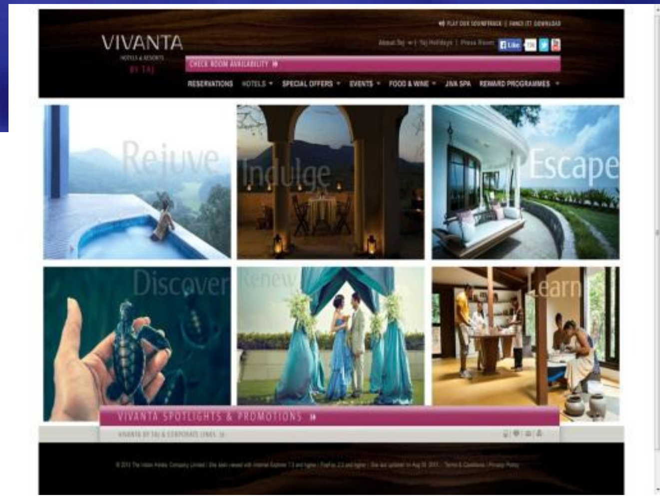


Trade activation, International Fairs

ITB 2013 - Vivanta by Taj



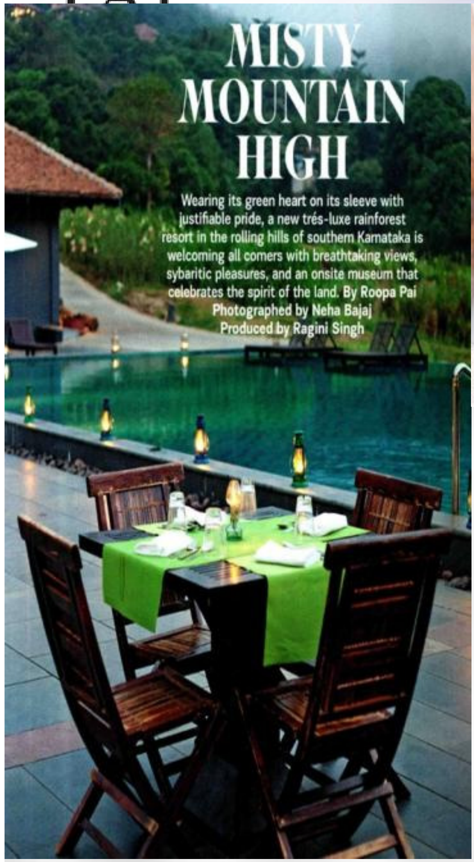
Tactical Promotions



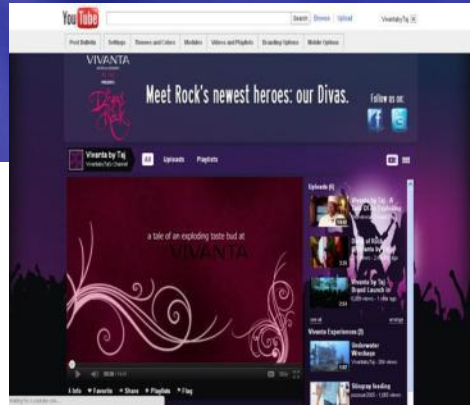
Weddings and Renewals at Vivanta

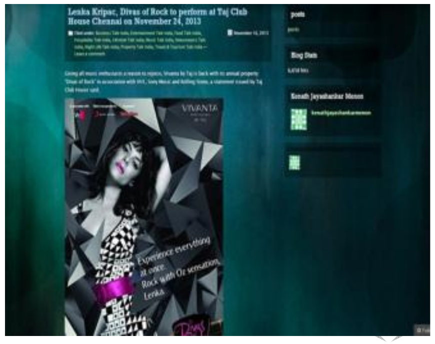
Technology and Cloud Partners

Aggressive PR and Outreach – Brand stories, Launches



Social Media Engagement





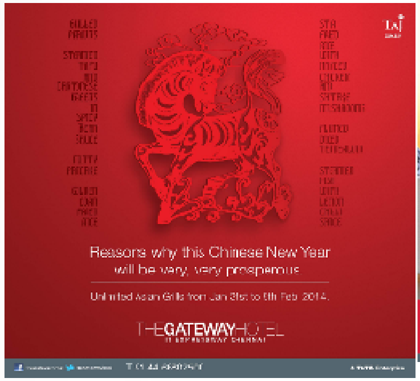
THE GATEWAY HOTELS & RESORTS

Taj Hotels Resorts and Palaces

Strategic Brand Building and Tactical Marketing Activities

Brand Events – Gateway Revolutions

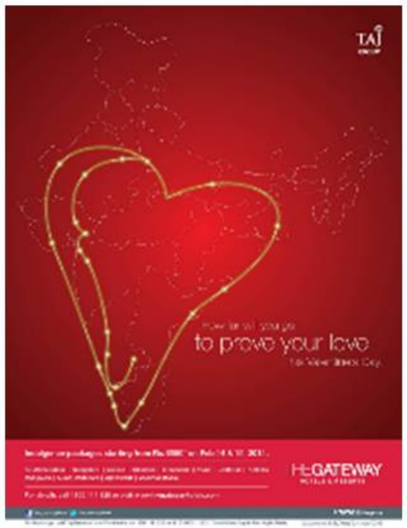
F&B Promotions



Associations for visibility SpiceJet & Mint

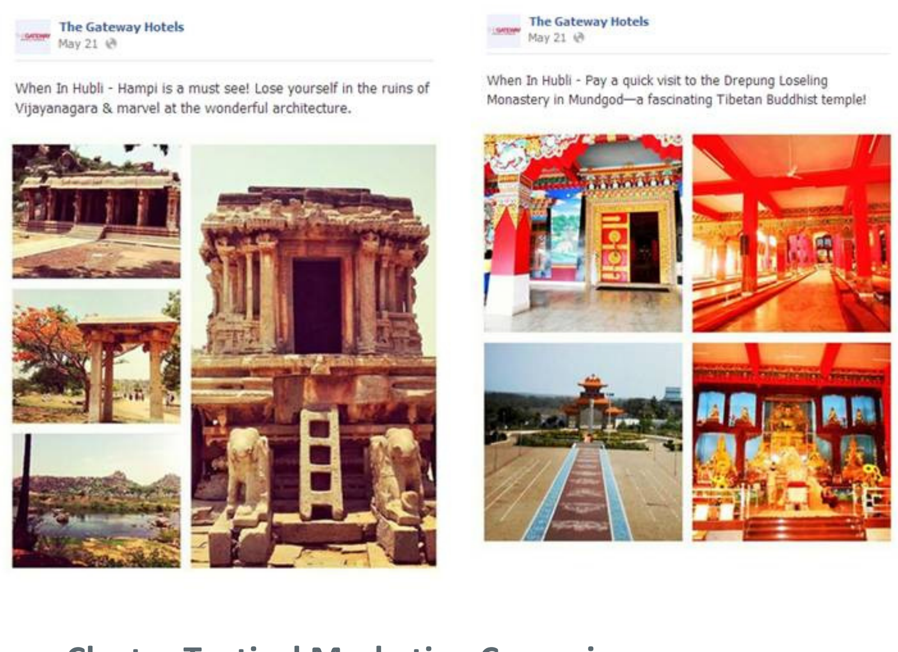
Tactical Campaign – Leisure Hotels

Tactical Campaign – City Hotels



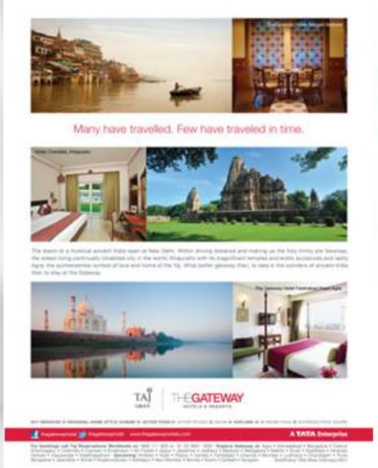
Strategic Brand Building and Tactical Marketing Activities

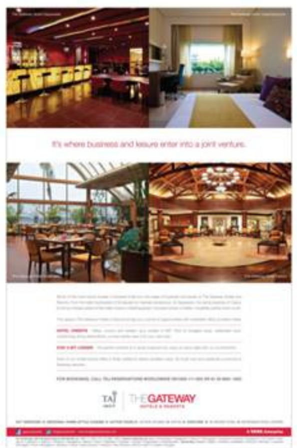
Branded Products – Gateway Explore



New Launches

Cluster Tactical Marketing Campaigns





MICE Promotion

IPL Promotion

Awards and Accolades

Gallup Great Workplace Award

5th Consecutive Year of winning the award

Taj InnerCircle

Best Hotel Rewards Program

Favourite Hotel Loyalty Programme
India’s Readers Award 2013

Awards and Accolades

Forbes Five Star – The Pierre A Taj Hotel New York

Awards and Accolades

Travel + Leisure India's Best Awards 2013

Best Hotel Group in India

Best Heritage Hotel in India

Varq at Taj Mahal Delhi
Runner Up, Best Hotel Restaurants

Vivanta by Taj Madikeri Coorg
Runner Up, Best New Hotels in India

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Awards and Accolades

San Pellegrino's list of 50 Best Restaurants in Asia

#32 Wasabi by Morimoto

THE TAJ MAHAL PALACE
MUMBAI

#36 Varq

TAJ
MAHAL
NEW DELHI

#49 Karavalli

THE GATEWAY HOTEL
RESIDENCY ROAD BANGALORE

Standalone Financial Performance for the Year ended March 31, 2014

Standalone Financials

₹ /crores	Q4		Full Year	
	2013/14	**2012/13**	**2013/14**	**2012/13**
Total Income	581.34	565.43	1977.33	1924.79
EBIDTA	**156.11**	**176.39**	**437.28**	**453.34**
EBIDTA %	**26.85%**	**31.20%**	**22.11%**	**23.55%**
Profit before Finance Cost & Exceptional Item	124.14	144.94	315.02	328.32
Profit /(Loss) after Finance Costs but before Exceptional Item	**100.98**	**118.18**	**216.20**	**223.12**
Exceptional Item – Exchange Loss	(4.56)	(1.05)	(22.16)	(9.25)
Exceptional Item – Others	(427.94)	(423.66)	(714.94)	(423.66)
Profit / (Loss) after Tax	**(365.46)**	**(338.90)**	**(590.49)**	**(276.61)**

Standalone Financials
Exceptional Items

₹/ Crores	2013/14	2012/13
Exceptional item - Exchange Loss on Long term borrowings	22.2	9.3
	22.2	**9.3**
Exceptional item - Others		
Diminution in value of Investments in Subsidiaries/Associate	687	400.5
Provision for contingency- Property tax	19.0	-
CWIP charged off	8.9	-
Settlement of Arbitration Claim	-	23.1
Sub Total (b)	**714.9**	**423.6**
Total (a +b)	**737.1**	**432.9**

Profit and Loss Account
2013/14 Full Year

₹/Crores	2013/14	2012/13	% Change
Net Sales/Income from Operations	1929.51	1875.86	3
Other Operating Income			
Total Income from Operations	**1929.51**	**1875.86**	**3**
a. Consumption of Materials Consumed	176.83	164.08	(8)
b. Employee Benefits Expense	472.53	476.73	1
c. License Fees	125.74	127.69	2
d. Fuel, Power and Light	165.70	157.25	(5)
e. Depreciation and Amortisation Expense	122.26	125.02	2
f. Other Expenditure	599.25	545.70	(10)
Total Expenditure	**1662.31**	**1596.47**	**(4)**
Profit/ (Loss) from operations before Other Income, Finance Costs and Exceptional Items	267.20	279.39	(4)
Other Income	47.82	48.93	(2)
Profit/ (Loss) before Finance Costs and Exceptional Items	**315.02**	**328.32**	**(4)**
Finance Costs	98.82	105.20	6
Profit/ (Loss) after Finance Costs but before Exceptional Items	**216.20**	**223.12**	**(3)**
Exceptional items	(737.10)	(432.91)	-
Profit/ (Loss) before tax	**(520.90)**	**(209.79)**	
Provision for Taxes	69.59	66.82	(4)
Profit/ (Loss) After Tax	**(590.49)**	**(276.61)**	**-**

Turnover 2013/14

₹ crores	2013/14	2012/13	% Change
Room sales	884.3	889.3	(1)
F&B sales	774.2	732.4	6
Other Operating Income	145.1	137.7	5
Management Fees & Reimbursable	125.9	116.5	8
Income from Operations	**1,929.5**	**1,875.9**	**3**
Non – Operating Income	47.8	48.9	(2)
Total Income	**1,977.3**	**1,924.8**	**3**

- Room revenue subdued on account of continued new supply in a recessionary market
- Healthy Increase in restaurant sales and banqueting business
- Other Operating Income higher mainly due to higher management fees and Shop Rentals

Expenditure

▪**Raw Materials Cost – ₹ 176.8 crores**

Increase in line with higher F&B revenue for the period. Some cost push due to commodity input cost increase.

▪**Employee Benefit Expenses – ₹ 472.5 Crores**

Costs controlled on account of various interventions adopted by the Company.

▪**License Fees – ₹ 125.7 crores**

Linked to the turnover of licensed properties

▪**Fuel, Power & Light – ₹ 165.7 crores**

Higher on account of sporadic increase in rates across metropolitan cities

Expenditure

- **Depreciation & Amortisation – ₹ 122.3 crores**

  Marginal variation in depreciation in select hotels

- **Other Expenditure – ₹ 599.3 crores**

  Increase in variable costs linked to business, higher marketing & advertisement, repairs & maintenance, BPO costs and other administration spends

- **Finance Costs – ₹ 98.8 crores**

Decrease due to deleveraging measures of the Company resulting in reduced cost of Debt.

Balance Sheet as at March 31, 2014

₹ / Crores	March 31, 2014	March 31, 2013
Shareholders' Funds	2693.84	3307.65
Non- Current Liabilities		
Long-term borrowings	2153.51	2268.13
Long Term Provisions	581.08	674.42
Other Long Term Liabilities/ Deferred Tax Liabilities	184.51	170.25
Current Liabilities		
Short Term borrowings	161.59	193.54
Other Current Liabilities	633.10	315.46
Trade Payables/Short-term provisions	358.74	295.94
Equity and Liabilities	**6766.37**	**7225.39**
Non-current Assets		
Fixed Assets	2129.29	2065.69
Non-current investments	2761.64	3369.14
Long Term loans and advances	1554.72	1441.02
Other non-current assets	4.70	12.36
Current Assets		
Short term loans and advances	67.67	82.10
Other currents assets/ cash & bank/ inventories/ trade receivables	248.35	255.08
Assets	**6766.37**	**7225.39**

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 2013/14 (previous year ₹ 0.80 per share).

Consolidated Financial Performance for the Year Ended March 31, 2014

Major Taj Group companies

Subsidiaries

Indian

- Piem Hotels Ltd
- Taj SATS Air Catering Ltd
- Tifco Holdings Ltd [Investment Company]
- Benares Hotels Ltd
- Inditravel Pvt Ltd
- United Hotels Ltd
- Roots Corporation Ltd

Overseas

- International Hotel Management Services, Inc.
- St James Court Hotel Ltd
- IHMS (Australia) Pty Ltd
- Taj International Hotels (HK) Ltd [Investment Company]
- Samsara Properties Ltd [Investment Company]
- Others

Associates

- Oriental Hotels Ltd
- Lanka Island Resorts Ltd
- TAL Lanka Hotel PLC
- Others

Joint Ventures

- Taj GVK Hotels & Resorts Ltd
- Taj Madras Flight Kitchen Pvt Ltd
- Taj Kerala Hotels & Resorts Ltd
- Taj Karnataka Hotels & Resorts Ltd
- Taj Safaris Ltd
- Kaveri Retreat & Resorts Ltd
- IHMS (SA) Pty Ltd
- TAL Hotels & Resorts Ltd [Investment Company]
- Others

Consolidated Financials for 2013/14

₹ crores	2013/14	2012/13	% Change
Total Income	4125.9	3803.5	9
EBIDTA	**619.32**	**597.8**	4
EBIDTA%	**15.0%**	**15.7%**	
Profit before Finance Cost & Exceptional Item	311.2	309.4	1
Profit/ (Loss) after Finance Costs but before Exceptional Item	**142.7**	**138.6**	3
Exceptional Item – Exchange Loss	(29.2)	(20.7)	
Exceptional Item – Others	(525.7)	(409.7)	
Profit/(Loss) after Tax, Minority Interest & share of profit/(loss) of associates	**(553.9)**	**(430.2)**	-

Consolidated Financials
Exceptional Items

₹/ Crores	2013/14	2012/13
Exceptional item - Exchange Loss on Long term borrowings	29.2	20.7
Sub Total (a)	**29.2**	**20.7**
Exceptional item - Others		
Diminution in value of Investments in Subsidiaries/Associate	452.2	400.6
Provision for contingency- Property tax	19.0	-
CWIP charged off	29.8	-
Severance Cost of a Subsidiary	3.3	-
Diminution in asset Value of a JV	21.4	-
Settlement of Arbitration Claim	-	23.1
Profit on sale of shares	-	(14.0)
Sub Total (b)	**525.7**	**409.7**
Total (a +b)	**554.9**	**430.4**

Consolidated Financials 2013/14

₹/ Crores	2013/14	2012/13	% Change
Net Sales/Income from Operations	4066.19	3743.36	9
Other Operating Income	-	-	-
Total Income from Operations	4066.19	3743.36	9
a. Cost of Materials Consumed	427.07	381.55	(12)
b. Employee Benefits Expense	1372.19	1271.75	(8)
c. License Fees	208.15	197.11	(6)
d. Fuel, Power and Light	311.15	288.80	(8)
e. Depreciation and Amortisation Expense	308.13	288.42	(7)
f. Other Expenditure	1188.06	1066.51	(11)
Total Expenditure	3814.75	3494.14	(9)
Profit/ (Loss) from operations before Other Income, Finance Costs and Exceptional Items	251.44	249.22	1
Other Income	59.75	60.16	(1)
Profit before Finance Costs and Exceptional Items	311.19	309.38	1
Finance Costs	168.51	170.74	(1)
Profit/ (Loss) after Finance Costs but before Exceptional Items	142.68	138.64	3
Exceptional item	(554.84)	(430.43)	
Profit/ (Loss) before tax	(412.16)	(291.79)	
Less: Provision for Taxes	110.95	98.96	(12)
Less: Minority Interest in Subsidiaries	(13.25)	1.37	
Add:Share of Profit(Loss) in Associates	(17.49)	(40.86)	
Profit(Loss) after Tax	(553.85)	(430.24)	

Consolidated Balance Sheet as at March 31, 2014

₹ / Crores	March 31, 2014	March 31, 2013
Shareholders' Funds	2636.46	2979.28
Minority Interest	735.86	707.72
Non- Current Liabilities		
Long-term borrowings	3023.88	3431.18
Long Term Provisions	604.25	695.98
Other Long Term Liabilities/ Deferred Tax Liabilities	243.52	205.01
Current Liabilities	2274.60	1276.56
Equity and Liabilities	**9518.57**	**9295.73**
Non-current Assets		
Fixed Assets	6188.89	5804.44
Goodwill on Consolidation	580.09	512.83
Non-current investments	1319.28	1522.61
Deferred Tax Assets (Net)	4.09	4.45
Long Term Loans and Advances	459.89	476.42
Other Non Current Assets	28.95	26.49
Current Assets	937.38	948.49
Assets	**9518.57**	**9295.73**

International Hotels

Hotel Name	Occupancy (%)		ARR ($)		RevPAR ($)	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
The Pierre, New York	**74**	67	**644**	623	**478**	415
Taj Boston	**75**	68	**272**	272	**204**	185
Campton Place, San Francisco	**76**	75	**324**	301	**245**	225
St. James Court, London (£)	**81**	80	**194**	197	**157**	158
Blue, Sydney	**79**	79	**236**	250	**187**	196

Overview of Taj Group – 2013/14

Particulars	2013/14	2012/13	2011/12	2010/11
Number of hotels	125	118	112	107
Rooms Inventory	15,489	14,331	13,629	12,795
Total Revenue ₹ / crores	5,677	5,102	4,795	4,288

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

Treasury

Debt Position

- The total standalone debt as at March 31, 2014 was ₹ 2691 crores as against ₹ 2522 crores in the previous year.
- The total consolidated debt as at March 31, 2014 was ₹ 4252 crores as against ₹ 3818 crores in the previous year.
- Increase is largely on account of depreciation in Indian Rupee.
- Debt amounting ₹ 553 crores (including redemption premium) maturing in the 2014/15.

Thank you