



February 13, 2019

**National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400051**

**BSE Limited
Phiroze Jeejeebhoy Towers
Dalai Street, Mumbai – 400001**

NSE Scrip Symbol: LEMONTREE

BSE Scrip Code: 541233

Re: Unaudited Financial Results (Standalone and Consolidated) for the Quarter & nine months ended December 31, 2018 along with Limited Review Report

We wish to inform you that the Board of Directors of Lemon Tree Hotels Limited (the "Company") at its meeting held today at 03.30 p.m and concluded at 07.30 p.m, has, inter-alia, approved the Unaudited (Standalone & Consolidated) Financial Results for the quarter & nine months ended December 31, 2018 and took on record the limited review report thereon.

A copy of:

- A) Unaudited financial results(Standalone & Consolidated) for the quarter & nine months ended December 31, 2018; and
- B) Limited review report issued by the Statutory Auditors thereon

as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, alongwith Investor presentation are enclosed herewith.

This is for your information and record.

Thanking You

For **Lemon Tree Hotels Limited**


Nikhil Sethi
**Group Company Secretary & GM Legal
and Compliance Officer**

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2018

(₹ In Lakhs, except per share data)

		Quarter ended			Nine months ended		Year Ended
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 5)	(Unaudited)	(Audited)	(Audited)
1	Income						
	Revenue from operations	14,335.33	12,868.76	13,242.31	39,897.68	35,225.08	48,426.15
	Other Income	179.86	537.54	14.04	738.12	62.43	780.68
	Total Income	14,515.19	13,406.30	13,256.35	40,635.80	35,287.51	49,206.83
2	Expenses						
	Cost of food and beverages consumed	1,264.64	1,185.08	1,188.49	3,642.25	3,212.02	4,358.52
	Employee benefit expenses	2,993.52	2,957.53	2,863.08	8,867.82	7,998.03	10,957.49
	Power and fuel	1,292.78	1,357.33	1,067.03	4,007.12	3,735.73	4,845.96
	Rent	762.99	730.92	813.47	2,231.70	2,306.24	3,064.40
	Other expenses	3,119.84	3,036.29	3,027.98	9,164.23	8,177.53	11,582.33
	Total expenses	9,433.77	9,267.15	8,960.05	27,913.12	25,429.55	34,808.70
3	Profit before depreciation and amortization, finance cost, finance income and before exceptional items (1-2)	5,081.42	4,139.15	4,296.30	12,722.68	9,857.96	14,398.13
4	Finance cost	2,142.94	1,977.47	1,958.76	6,089.39	5,829.16	7,836.90
5	Finance income	(87.37)	(51.38)	(148.84)	(312.26)	(415.03)	(476.19)
6	Depreciation and amortization expense	1,347.83	1,320.21	1,290.40	3,979.44	3,982.88	5,261.74
7	Net profit/(loss) before tax before share of associates (3-4-5-6)	1,678.02	892.85	1,195.98	2,966.11	460.95	1,775.68
8	Add: Share of Profit of associates	57.95	45.16	(6.01)	135.43	66.40	57.51
9	Profit/(loss) before tax (7+8)	1,735.97	938.01	1,189.97	3,101.54	527.35	1,833.19
10	Tax expense						
	a) Current tax	421.39	267.50	332.28	877.55	439.54	627.59
	b) Deferred tax	(77.16)	16.33	(181.28)	(46.40)	(196.56)	(249.76)
11	Net profit/(loss) after tax (9-10)	1,391.74	654.18	1,038.97	2,270.39	284.37	1,455.36
12	Other Comprehensive Income/expenses						
	Items that will not be reclassified to profit and loss						
	Remeasurements of defined benefit plans	(0.60)	(0.55)	1.96	(1.50)	5.89	(1.91)
	Income tax effect	0.25	(0.04)	(0.03)	0.19	(0.09)	0.10
13	Total comprehensive Income/ (loss)	1,391.39	653.59	1,040.90	2,269.08	290.17	1,453.55
14	Profit/(Loss) Attributable to:	1,391.74	654.18	1,038.97	2,270.39	284.37	1,455.36
	Equity holders of the parent	1,246.70	566.87	896.94	2,042.27	291.22	1,419.43
	Non-controlling interests	145.04	87.31	142.03	228.12	(6.85)	35.93
15	Total comprehensive Income/ (loss) Attributable to:	1,391.39	653.59	1,040.90	2,269.08	290.17	1,453.55
	Equity holders of the parent	1,246.64	566.64	897.32	2,042.00	295.47	1,419.08
	Non-controlling interests	144.75	86.95	143.58	227.08	(5.30)	34.47
16	Total comprehensive Income/ (loss) for the year after non-controlling interest	1,246.64	566.64	897.32	2,042.00	295.47	1,419.08
16	Paid-up equity share capital (Face value of the share ₹ 10/-)	78,895.45	78,794.75	78,636.67	78,895.45	78,636.67	78,639.32
17	Other Equity (including non-controlling interest)						45,709.16
18	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter and nine months ended periods is not annualised)						
	Basic	0.16	0.07	0.11	0.26	0.04	0.18
	Diluted	0.16	0.07	0.11	0.26	0.04	0.18

- Notes:
- The results for the quarter and nine months are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
 - The consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on February 13, 2019. The statutory auditors have carried out a limited review of the above Financial Results.
 - The above financial results are extracted from the unaudited consolidated financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
 - Figures of the previous periods are regrouped, wherever necessary, to correspond with the current periods classification/disclosure.
 - The equity shares were listed on BSE Limited and National Stock Exchange of India Limited on April 9, 2018. The consolidated financial results presented for the quarter ended December 31, 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that these consolidated financial results provide a true and fair view of its affairs.



6. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

7. The paid up share capital of the Company excludes 32,91,943 (March 31, 2018: 19,432) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

8. Four wholly owned subsidiaries of the Company have been incorporated namely Hamstede Living Private Limited, Poplar Homestead Holdings Private Limited, Madder Stays Private Limited and Jessamine Stays Private Limited.

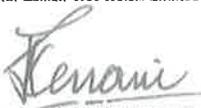
9. The Company has entered into a Joint Venture Agreement with Magnolia Grove Investment Ltd, an affiliate of Warburg Pincus group ("Magnolia") and Mr. Patanjali Keswani (promoter of the Company). The joint venture company i.e., Hamstede Living Private Limited will construct, acquire, develop, operate and lease short and long-stay real estate projects, with a primary focus on student housing, co-living for working professionals/adults and multi-family users. The shareholding Company, Magnolia and Mr. Patanjali Keswani will be 30%, 68% and 2% respectively.

10. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

Place : New Delhi
Date : February 13, 2019



By order of the Board
for Lemon Tree Hotels Limited


Patanjali G. Keswani
(Chairman & Managing Director)

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF LEMON TREE HOTELS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Parent"), limited liability partnership firm and its subsidiaries (the Parent, firm and its subsidiaries together referred to as "the Group"), and its share of the profit of its associates for the Quarter and Nine months ended December 31, 2018 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following subsidiaries, limited liability partnership firm and associates:

Name of the entity	Relationship
Fleur Hotels Private Limited	Subsidiary company
Hyacinth Hotels Private Limited	Subsidiary company
PSK Resorts and Hotels Private Limited	Wholly owned subsidiary company
Canary Hotels Private Limited	Wholly owned subsidiary company
Sukhsagar Complexes Private Limited	Wholly owned subsidiary company
Oriole Dr Fresh Hotels Private Limited	Wholly owned subsidiary company
Carnation Hotels Private Limited	Wholly owned subsidiary company
Grey Fox Project Management Company Private Limited	Wholly owned subsidiary company
Dandelion Hotels Private Limited	Wholly owned subsidiary company



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Name of the entity	Relationship
Lemon Tree Hotel Company Private Limited	Wholly owned subsidiary company
Red Fox Hotel Company Private Limited	Wholly owned subsidiary company
Hamstede Living Private Limited	Wholly owned subsidiary company
Meringue Hotels Private Limited	Subsidiary company
Nightingale Hotels Private Limited	Subsidiary company
Manakin Resorts Private Limited	Subsidiary company
Begonia Hotels Private Limited	Subsidiary company
Celsia Hotels Private Limited	Subsidiary company
Inovoa Hotels and Resorts Limited	Subsidiary company
Iora Hotels Private Limited	Subsidiary company
Ophrys Hotels Private Limited	Subsidiary company
Bandhav Resorts (P) Limited	Subsidiary company
Valerian Management Services Private Limited	Subsidiary company
Mindleaders Learning India Private Limited	Associate company
Pelican Facilities Management Private Limited	Associate company
Mezereon Hotels LLP	Limited Liability Partnership Firm

4. Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial results and other financial information of 20 subsidiaries and 1 limited liability partnership firm included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs. 3,902.48 lacs and Rs. 10,622.17 for the Quarter and Nine months ended December 31, 2018 respectively, and total profit after tax of Rs. 439.76 lacs and Rs. 451.51 lacs and Total comprehensive income of Rs. 439.31 lacs and Rs. 450.47 lacs for the Quarter and Nine months ended December 31, 2018 respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 57.95 lacs and Rs. 135.43 lacs and Total comprehensive income of Rs. 58.08 lacs and Rs. 135.56 lacs for the Quarter and Nine months ended December 31, 2018 respectively, as considered in the consolidated unaudited financial results, in respect of 2 associates, whose financial results have not been reviewed by us. We did not review the financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs. Nil for the quarter and Nine months ended December 31, 2018, total loss after tax of Rs. 0.04 lacs and Rs. 0.06 lacs and total comprehensive loss of Rs. 0.04 and Rs. 0.06 lacs for the quarter and Nine months ended December 31, 2018 respectively, as considered in the consolidated financial results.



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These financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, limited liability partnership firm, associates and trust, is based solely on the report of other auditors.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

6. The Statement includes the results for the quarter ended December 31, 2017 which have been prepared by the management from the books of account, which is neither audited nor reviewed by us. Our report is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



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Vijay Agarwal
Partner
(Membership No. 094468)

New Delhi, February 13, 2019

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Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2018

(₹ In Lakhs, except per share data)

		Quarter ended			Nine months ended		Year Ended
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 4)	(Unaudited)	(Audited)	(Audited)
1	Income						
	Revenue from operations	7,175.67	6,456.57	6,300.25	19,995.29	17,407.91	23,108.41
	Other Income	170.00	517.34	4.14	691.21	23.05	705.03
	Total income	7,345.67	6,973.91	6,304.39	20,686.50	17,430.96	23,813.44
2	Expenses						
	Cost of food and beverages consumed	453.56	473.46	414.31	1,362.65	1,162.39	1,559.03
	Employee benefit expenses	1,404.49	1,442.51	1,330.63	4,299.50	3,705.89	5,093.36
	Power and fuel	526.66	588.07	396.22	1,671.32	1,445.92	1,909.03
	Rent	551.87	549.55	305.53	1,660.78	1,490.77	1,938.28
	Other expenses	1,628.52	1,553.31	1,622.71	4,720.58	4,453.77	5,804.91
	Total expenses	4,565.10	4,606.90	4,069.40	13,714.83	12,258.74	16,304.61
3	Profit before depreciation and amortization, finance cost, finance income and before exceptional Items (1-2)	2,780.57	2,367.01	2,234.99	6,971.67	5,172.22	7,508.83
4	Finance cost	847.87	831.54	902.45	2,491.30	2,640.01	3,428.85
5	Finance income	(48.53)	(56.00)	(175.02)	(220.59)	(486.50)	(524.28)
6	Depreciation and amortization expense	472.23	526.64	486.41	1,508.60	1,473.82	1,976.68
7	Profit before tax (3-4-5-6)	1,509.00	1,064.83	1,021.15	3,192.36	1,544.89	2,627.58
8	Tax expense						
	Current tax	313.61	218.77	216.77	654.58	285.33	413.33
9	Net profit after tax (7-8)	1,195.39	846.06	804.38	2,537.78	1,259.56	2,214.25
10	Other Comprehensive Income						
	Items that will not be reclassified to profit and loss						
	Re-measurement gains on defined benefit plans	0.58	0.59	0.14	1.76	0.42	2.35
	Income tax effect	(0.13)	(0.12)	(0.03)	(0.38)	(0.09)	(0.50)
11	Total comprehensive income	1,195.84	846.53	804.49	2,539.16	1,259.89	2,216.10
12	Paid-up equity share capital (Face value of the share ₹ 10/-)	78,895.45	78,794.75	78,636.67	78,895.45	78,636.67	78,639.32
13	Other Equity						17,471.85
14	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter and nine months ended periods is not annualised)						
	Basic	0.15	0.11	0.10	0.32	0.16	0.28
	Diluted	0.15	0.11	0.10	0.32	0.16	0.28

Notes:

- The results for the quarter and nine months are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
- The Standalone results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on February 13, 2019. The statutory auditors have carried out a limited review of the above financial results.
- The above financial results are extracted from the unaudited standalone financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- The equity shares were listed on BSE Limited and National Stock Exchange of India Limited on April 9, 2018. The Standalone financial results presented for the quarter ended December 31, 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that these Standalone financial results provide a true and fair view of its affairs.
- Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant on the financial results.
- The paid up share capital of the Company excludes 32,91,943 (March 31, 2018: 19,432) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.



7. Four wholly owned subsidiaries of the Company have been incorporated namely Hamstede Living Private Limited, Poplar Homestead Holdings Private Limited, Maddey Stays Private Limited and Jessamine Stays Private Limited.

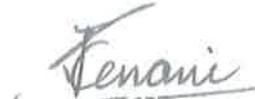
8. The Company has entered into a Joint Venture Agreement with Magnolia Grove Investment Ltd, an affiliate of Warburg Pincus group ("Magnolia") and Mr. Patanjali Keswani (promoter of the Company). The joint venture company i.e., Hamstede Living Private Limited will construct, acquire, develop, operate and lease short and long-stay real estate projects, with a primary focus on student housing, co-living for working professionals/adults and multi-family users. The shareholding Company, Magnolia and Mr. Patanjali Keswani will be 30%, 68% and 2% respectively.

9. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

Place : New Delhi
Date : February 13, 2019



By order of the Board
for Lemon Tree Hotels Limited


Patanjali G. Keswani
(Chairman & Managing Director)

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
LEMON TREE HOTELS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Company"), for the Quarter and nine months ended December 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We did not review the financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the standalone unaudited financial results, whose financial results reflect total revenues of Rs. Nil for the quarter and nine months ended December 31, 2018, total loss after tax of Rs. 0.04 lacs and Rs. 0.06 lacs and total comprehensive loss of Rs. 0.04 and Rs. 0.06 lacs for the quarter and nine months ended December 31, 2018 respectively, as considered in the standalone financial results. These financial results have been reviewed by other auditor whose report have been furnished to us by the management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of such trust, is based solely on the report of other auditor.



**Deloitte
Haskins & Sells LLP**

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

5. The Statement includes the results for the quarter ended December 31, 2017 which have been prepared by the management from the books of account, which is neither audited nor reviewed by us. Our report is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



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Vijay Agarwal
Partner
(Membership No. 094468)

New Delhi, February 13, 2019

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Lemon Tree Hotels Limited

Q3 FY19 Earnings Presentation

February 13, 2019



Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Lemon Tree Hotels Limited (LTH) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



1	Company Overview
2	Chairman & Managing Director's Message
3	Performance Highlights
4	Financial & Operational Metrics
5	Key Developments / Business Updates
6	Growth Outlook
7	Annexures

Lemon Tree – Snapshot as on 31st January, 2019



5342
rooms;
53 hotels



1,502
rooms;
11 hotels



2,567
rooms;
32 hotels



1,273
rooms;
10 hotels

Key Statistics

		Q3 FY18	Q2 FY19	Q3 FY19	31 st Jan FY19
	Cities	27	31	31	32
	Hotels	42	50	52	53
	Rooms	4516	4999	5291	5342
	Loyalty Members	663,095	835,732	889,080	908,726

Portfolio Breakup as on 31st January, 2019

Operational Portfolio	Owned		Leased		Managed		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
31.01.2019								
Lemon Tree Premier	5	995	2	161	4	344	11	1,502
Lemon Tree Hotels	13	1241	4	321	15	1,005	32	2,567
Red Fox Hotels	5	759	1	91	4	423	10	1,273
Total	23	2997	7	573	23	1,772	53	5342

In Pipeline	Owned		Leased		Managed		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
31.01.2019								
Lemon Tree Premier	4	1161	0	0	6	483	10	1,644
Lemon Tree Hotels	1	79	0	0	20	1516	21	1,595
Red Fox Hotels	0	0	0	0	3	219	3	219
Total	5	1240[#]	0	0	29	2,218	34	3458

Of these owned 1,240 rooms in pipeline, currently 577 rooms are from Lemon Tree Premier, Mumbai International Airport. LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669, in which case total owned inventory in pipeline will increase to 1,332.

Strategically positioned in key geographies with Lemon Tree share of total mid-priced hotel sector

* Geographical spread across India and presence in key markets to cater effectively to corporate clients and business travelers

* Hotel operations in each of the top 10 markets in India (based on hotel inventory)

* Focus in key micro markets to address demand and optimize pricing

* Hotels at locations with high barrier-to-entry such as close to major business centers, airports etc.

* International hotels- (Hotels/Rooms)

- Bhutan : 2 / 65
- Kathmandu : 1 / 75
- Dubai : 1 / 114

Jaipur: FY17 – 11%
FY21E – 10%

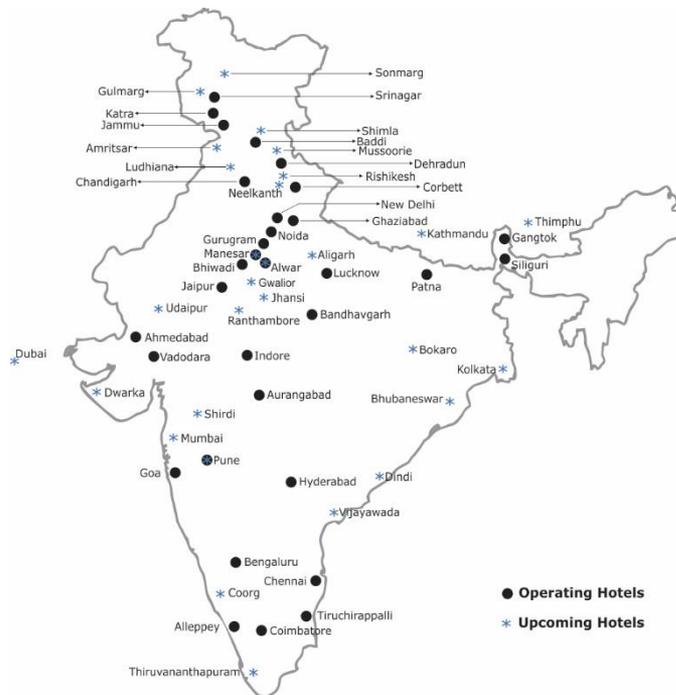
Ahmedabad: FY17 – 11%
FY21E – 9%

Mumbai: FY17 – NA
FY21E – 17%

Pune: FY17 – 5%
FY21E – 9%

Goa: FY17 – 4%
FY21E – 4%

Bengaluru: FY17 – 9%
FY21E – 8%



Delhi NCR: FY17 – 14%
FY21E – 16%

Kolkata: FY17 – NA
FY21E – 8%

Hyderabad: FY17 – 24%
FY21E – 21%

Chennai: FY17 – 5%
FY21E – 4%

Source : Horwath Report

Note: For FY21E, share based on total rooms by end of FY21 and Horwath projection of total mid-priced sector supply in these markets

Map updated as of 31st January , 2019



Commenting on the performance for Q3 FY19, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

"We have delivered a topline growth of 15% YoY in the 9 month period ended Dec 18. Growth was driven by a 8.5% YoY increase in ADR which we undertook over the same period. Our strong cost control and operating leverage resulted in EBITDA growth of 29% YoY with EBITDA margins expanding by 337 bps. We have posted a profit after tax of Rs. 227 million in the 9 month period as compared to Rs 28 million YoY, while cash profits grew 47% YoY from Rs. 427 million to Rs. 625 for the 9 month period.

Our capacity addition plans are tracking well. We have added ~300 owned rooms during the last quarter, 91 rooms at Red Fox Hotel in Dehradun which was commissioned in Oct' 18 and 201 rooms at Lemon Tree Premier, City Centre, in Pune operationalized in Dec' 18. We are enthused by the performance of both the properties in the short period of time since their opening. Further, our 303 room Lemon Tree Premier hotel at Andheri East in Mumbai is complete and we are in the last leg of approvals and expect to launch soon. We have a large supply of high value inventory getting operationalized in demand dense regions, which coupled with anticipated price hikes and our operational cost efficiencies will drive strong cash flows in the coming years.

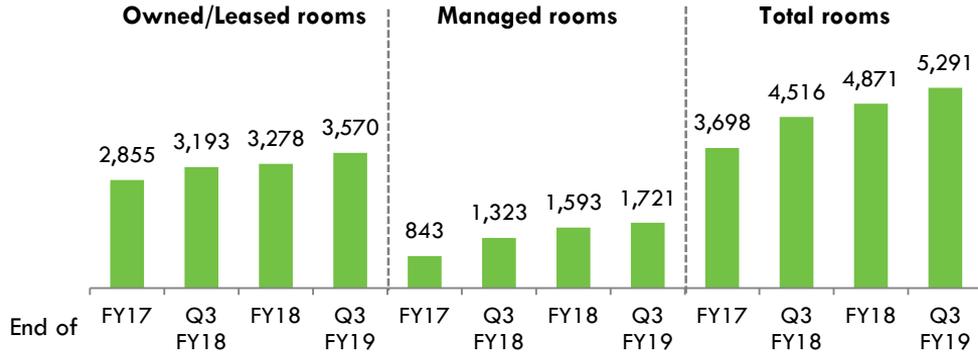
Going forward in Q4, demand for rooms is looking very robust on the back of planned conferences, events and so on which makes us confident of a stronger performance. We believe the hotel industry is at an inflection point. Given the increasing occupancy levels across the country and favourable demand-supply mismatch in the mid-priced hotel sector, we expect better price hikes going forward, resulting in robust RevPAR growth. We are well-poised to capitalise on the changing industry dynamics on the back of large inventory of hotels moving towards steady state that were opened in the last 3 years during the down-cycle, higher pricing, operationalization of high value inventory in the coming quarters and our cost leadership.

We are also happy to report the signing of a new JV with Warburg Pincus which marks our foray into student housing and co-living spaces for the millennial population, working professionals and entrepreneurs. We believe this is an exciting space and a huge opportunity for a large, organised player like us to tap. Our capital investment in this business in the initial years will be minimal as we will adopt an asset light strategy to test the market and grow the business."

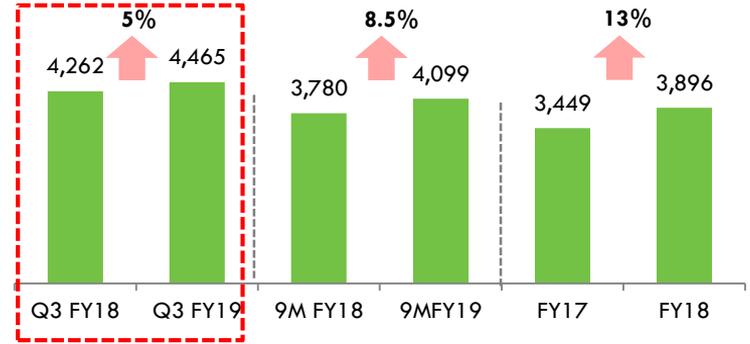
Note: The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

Performance Highlights – Operational Metrics

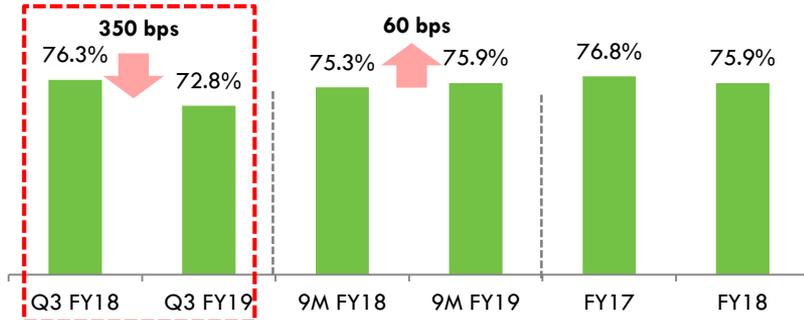
Operational Inventory



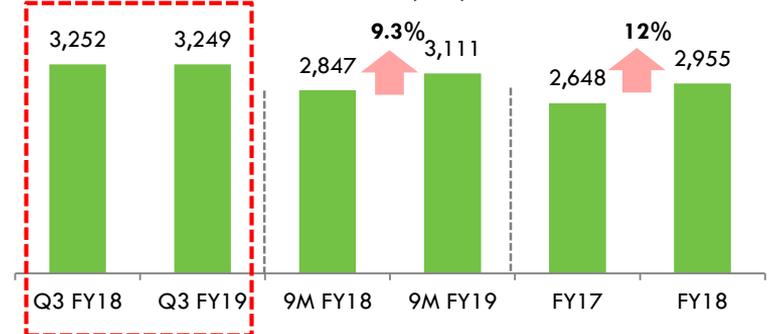
Average Daily Rate (Rs.)



Occupancy (%)



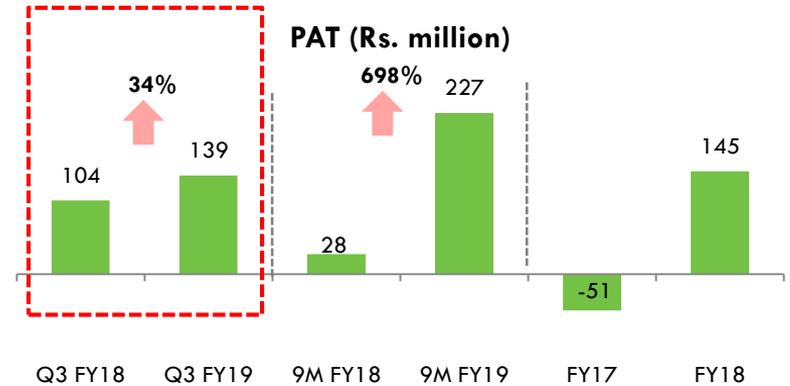
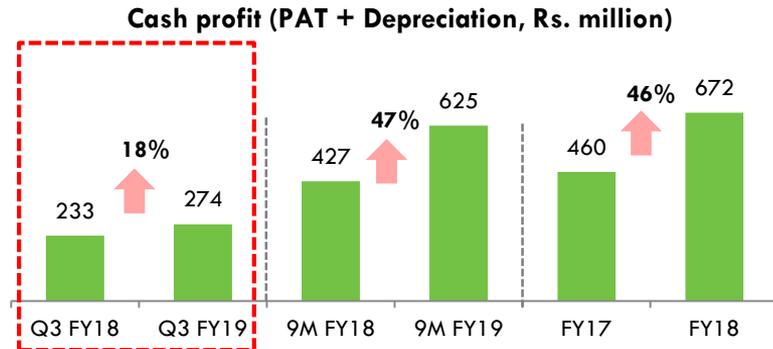
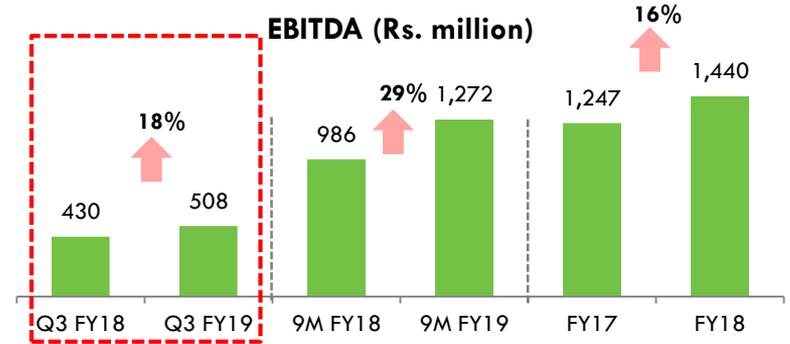
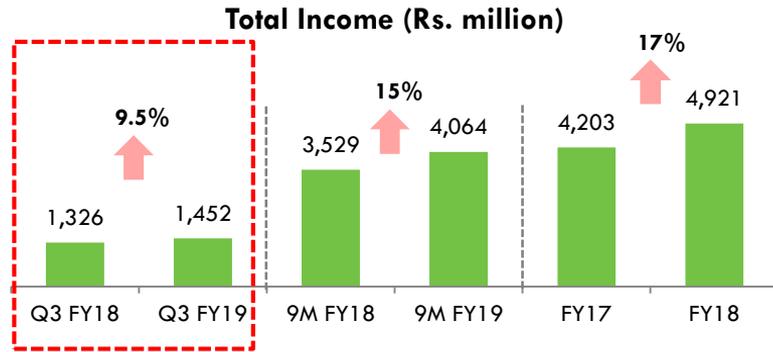
RevPAR (Rs.)



Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY19

Note: *ADR, Occupancy and RevPAR are for our owned and leased hotels only.*

Performance Highlights – Financial Metrics (Consolidated)



Note: The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

Discussion on Consolidated Financial & Operational Performance – Q3 FY19

Operational Rooms & Pipeline

- * As of 31th December 2018, operational portfolio comprised of 52 hotels and 5,291 rooms : 2,997 owned, 573 leased and 1,721 managed rooms; Pipeline includes of 1,240 owned/leased and 2,218 managed rooms.
- * Propose to add another 1,416 rooms to the operational inventory by the end of Q3 FY20 of which 584 rooms are owned and 832 rooms are managed. All owned/leased rooms are opening in high barrier-to-entry and demand dense markets with high occupancies and ADR's. This addition of owned rooms includes 303 rooms in Mumbai, 142 rooms in Kolkata and 139 rooms in Udaipur
- * Plan to operate 68 hotels with 6,758 rooms across 47 cities by end of Q3 FY20
- * Plan to operate 87 hotels with 8,800 rooms across 58 cities by FY21

Revenue

- * Total Revenue stood at Rs. 1,451 million in Q3 FY19, up 9.5% as compared to Rs. 1,326 million in Q3 FY18. Around 3.8% increase was on account of new inventory addition
- * ADR increase was 4.8% as compared to ADR in Q3 FY18
- * Occupancy decreased by 350 bps from 76.3% in Q3 FY18 to 72.8% in Q3 FY19. This was on account of new 377 rooms added in FY19
- * Fees from managed hotels stood at Rs. 64.2 million (4.4% of the total revenue) in Q3 FY19 as compared to Rs. 40.9 million (3.1% of the total revenue) in Q3 FY18

Cost

- * Total expenses increased by 5.3% in Q3 FY19 as compared to expenses in Q3 FY18. Around 4% increase was on account of new inventory

Operating Margins

- * EBITDA increased by 18% from Rs. 430 million in Q3 FY18 to Rs. 508 million in Q3 FY19 and it increased by 29% from Rs. 986 million in 9M FY18 to Rs. 1,272 million in 9M FY 19
- * EBITDA margins expanded by 260 bps from 32.4% in Q3 FY18 to 35.0% in Q3 FY19 and by 337 bps from 27.9% in 9M FY18 to 31.3% in 9M FY19

Profit after tax

- * Profit after tax of Rs. 139 million in Q3 FY19 as compared to Rs. 104 million in Q3 FY18 and of Rs. 227 million in 9M FY19 as compared to Rs. 28 million in 9M FY18
- * Cash profit increased by 18% to Rs. 274 million in Q3 FY19 as compared to Rs. 233 million in Q3 FY18 and it rose by 47% from Rs. 427 million in 9M FY18 to Rs. 625 million in 9M FY19

Profit & Loss Statement (Consolidated)

Rs. million ²	Q3 FY19	Q3 FY18	Change (%)	9M FY19	9M FY18	Change (%)	FY18	FY17	Change (%)
Revenue from operations	1,434	1,324	8.3%	3,990	3,523	13.3%	4,843	4,121	18%
Other income	18	1	1181%	74	6	1082%	78	82	(5%)
Total income	1,452	1,326	9.5%	4,064	3,529	15.2%	4,921	4,203	17%
Cost of F&B consumed	126	119	6.4%	364	321	13.4%	436	353	23%
Employee benefit expenses	299	286	4.6%	887	790	12.3%	1,096	969	13%
Other expenses	518	491	5.4%	1,540	1,412	9.1%	1,949	1,634	19%
Total expenses	943	896	5.3%	2,791	2,523	9.8%	3,481	2,956	18%
EBITDA	508	429	18.3%	1,272	986	29.1%	1,440	1,247	16%
EBITDA margin (%)	35.0%	32.4%	260 bps	31.3%	27.9%	337bps	29.2%	25.2%	400 bps
Finance costs	214	196	9.4%	609	583	4.5%	784	776	1%
Depreciation & amortization	135	129	4.5%	398	398	0%	526	510	3%
PBT	168	120	40.3%	297	46	543%	183	(3)	-
Tax expense	34	15	128.0%	83	24	242%	38	48	(21%)
PAT	139	104	34.0%	227	28	698%	145	(51)	-
Cash Profit	274	233	17.6%	625	427	46.5%	672	459	46%

Note: The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

Balance Sheet Snapshot (Consolidated)

Rs. million	9M FY19	9M FY18	FY18	FY17
Shareholder's Funds	8,417	8,004	8,148	8,086
Non-controlling interests	4,309	4,239	4,286	4,284
Total Shareholder's equity	12,726	12,243	12,435	12,370
Total Debt	11,551	9,740	10,110	7,987
Other Non-current liabilities	319	242	344	294
Other Current liabilities	1,711	1,696	1,693	1,467
Total Equity & Liabilities	26,307	23,921	24,582	22,117
Non-current assets	24,844	22,602	23,200	21,281
Current assets	1,463	1,319	1,382	836
Total Assets	26,307	23,921	24,582	22,117
Debt to Equity (x)	0.91	0.80	0.81	0.65
Average cost of borrowing (%)	9.29%	9.67%	9.53%	11.61%

Note: Full year numbers will be updated on annual basis.

Operational Performance by Ageing – FY18 vs. FY17

Parameters	Financial year	Adult Hotels (Stable - older than 3 years)	Toddler Hotels (Stabilizing - between 1-3 years old)	Infant Hotels (New - less than 1 year old)	Under-development hotels
Hotels	FY18	21	3	4	7
	FY17	21	3	-	
Operating Rooms (year-end)	FY18	2,727	128 ¹	422	1,525
	FY17	2,727	106 ¹	-	
Occupancy Rate (%)	FY18	77.6%	61.5%	66.0%	Deep demand markets (high occupancies)
	FY17	77.5%	51.6%	-	
Average Daily Rate (Rs.)	FY18	3,900	5,274	3,422	1.5x of Adult Hotels in that year*
	FY17	3,411	5,302	-	
Hotel level EBITDAR ² /room (Rs. million)	FY18	0.67	0.49	0.15	High*
	FY17	0.62	0.32	-	
Hotel level EBITDAR ² Margin (%)	FY18	44%	36%	15%	High*
	FY17	43%	32%	-	
Hotel level ROCE ^{*3} (%)	FY18	12%	6%	(1%)	2.0x of Adult Hotels in that year*
	FY17	11%	6%	-	

Notes: * Hotel level ROCE for hotels older than 5 years is 13% for FY18.

1) 22 rooms were added in Lemon Tree Wildlife resort, Bandhavgarh which were operational from November-2017

2) Hotel level EBITDAR measures hotel-level results before lease rentals, debt service, depreciation and corporate expenses of the owned/leased hotels, and is a key measure of company's profitability

3) Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels.

4) Full year numbers will be updated on annual basis.

* Post stabilization.

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Premier, Andheri (East), Mumbai	Owned	303	Apr-19	100.00%
Lemon Tree Premier, Kolkata	Owned	142	May-19	57.98%
Lemon Tree Premier, Udaipur	Owned	139	Oct-19	57.98%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerala ¹	Owned	10	Oct-20	100.00%
Lemon Tree Mountain Resort, Shimla	Owned	69	Dec-20	100.00%
Lemon Tree Premier, Intl. Airport, Mumbai ²	Owned	577	Mar-21	57.98%
Total		1,240		

- * Total estimated project cost is Rs. 16,150 million
- * Total capital deployed/capital expenditure already incurred (i.e. CWIP + Security Deposit for leased assets under-development + Land Capitalised + Capital advances – Capital creditors) as on 31st December, 2018 is Rs. 8350 million
- * Balance investment of Rs. 7,800 million will be deployed over the next 3 years in a phased manner, the majority of which will be through internal accruals

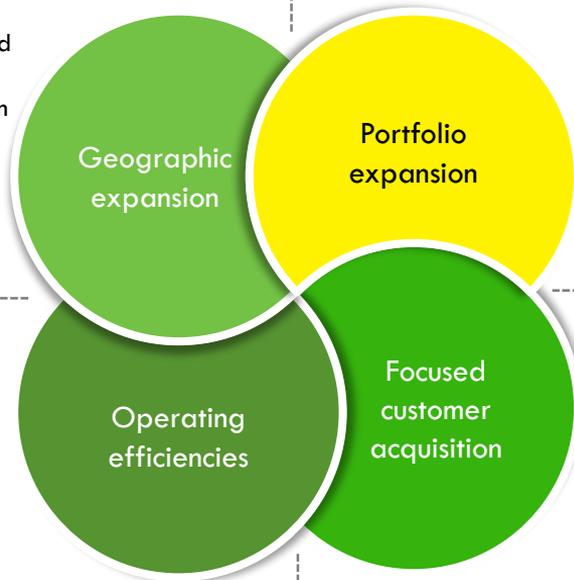
Notes: 1) Expansion in existing hotel.

2) LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

Expansion Plans – Pipeline of Management Contracts (as of December 31st , 2019)

Management Contracts Pipeline	Rooms	Expected Opening date	Tenure (years)
Lemon Tree Hotel, Viman Nagar, Pune	69	Mar-19	10
Lemon Tree Hotel, Amritsar	65	Apr-19	10
Red Fox Hotel, Alwar	49	Apr-19	15
Lemon Tree Hotel, BKC, Mumbai	70	Jun-19	15
Lemon Tree Hotel, Thimpu	27	Jun-19	12
Lemon Tree Premier, Rishikesh	66	Jun-19	12
Red Fox Hotel, Vijaywada	90	Aug-19	10
Lemon Tree Hotel, Gulmarg	35	Sep-19	10
Lemon Tree Hotel, Dubai	114	Sep-19	10
Lemon Tree Hotel, Shirdi	59	Sep-19	12
Lemon Tree Premier, Dwarka	108	Oct-19	15
Red Fox Hotel, Neelkanth	80	Nov-19	12
Lemon Tree Hotel, Aligarh	68	Jan-20	12
Lemon Tree Hotel, Jhansi	60	Jan-20	12
Lemon Tree Premier, Coorg	63	Jan-20	15
Lemon Tree Premier, Dindy	50	Jan-20	10
Lemon Tree Hotel, Rishikesh	102	Feb-20	15
Management Rooms to be Operational in FY 20	1175		
Lemon Tree Hotel, Sonamarg	40	Apr-20	10
Lemon Tree Hotel, Thimpu	38	Apr-20	10
Lemon Tree Resort, Mussoorie	40	Apr-20	15
Serviced Suites, Manesar	260	Apr-20	10
Lemon Tree Premier, Bhubaneshwar	76	Apr-20	10
Lemon Tree Hotel, Ranthambore	60	Aug-20	10
Lemon Tree Hotel, Bokaro	70	Sep-20	10
Lemon Tree Hotel, Gwalior	104	Sep-20	12
Lemon Tree Hotel, Ludhiana	60	Dec-20	10
Lemon Tree Premier, Vijaywada	120	Mar-21	12
Management Rooms to be Operational in FY 21	868		
Lemon Tree Hotel, Kathmandu	75	Apr-21	10
Lemon Tree Hotel, Trivandrum	100	Sep-21	10
Total Pipeline	2218		

- Geographical diversification to reduce exposure to local, seasonal and cyclical fluctuations as well as provide greater choice to an expanding loyal (repeat) guest base
- Expand into new markets like Mumbai, Kolkata and Patna and India's tier II and tier III cities offering potential for market share gains, brand recognition and economies of scale
- Penetrate demand dense micro-markets in existing geographies, with higher ROCE's



- Significant operating leverage from incremental revenue gains in existing hotels and low, stable cost structures
- Blended ADR's to improve over the next few years with highest demand-supply mismatch seen in mid-scale segment and with operationalization of additional room inventory in premium markets like Mumbai, Udaipur, etc.
- Sustained occupancy premium to lead to strong cash flow generation

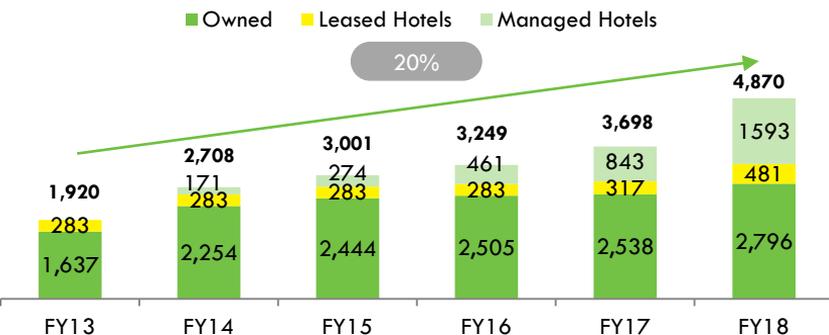
- Strong competitive position in mid-priced hotel sector to drive market share gains
 - Strong pipeline of owned, leased and managed hotels under active development – 65% of current operational portfolio
 - To record 19% CAGR in room inventory growth over FY18-21E driven by 29% CAGR in managed rooms
 - Plan to operate 88 hotels with 8,793 rooms, across 56 cities by FY21 (over 10% of estimated mid-priced sector share, as per Horwath report)
- Increased focus on leisure and vacation travel needs of the Indian travellers
- Increased market share of high-yield online hotel bookings (dynamic day-to-day pricing) from 19% in FY16 to 26% in FY18



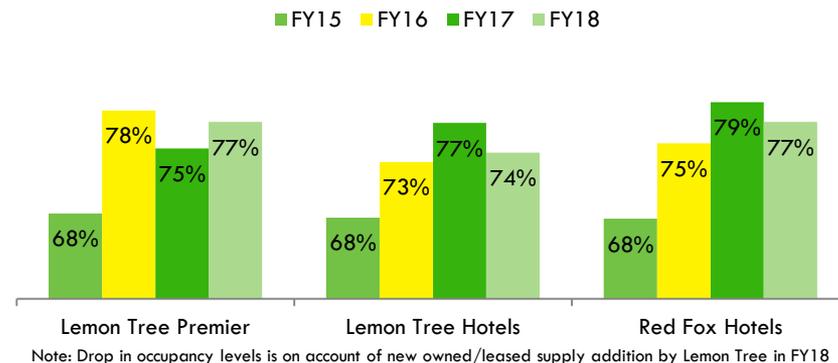
ANNEXURES

Strong operating performance

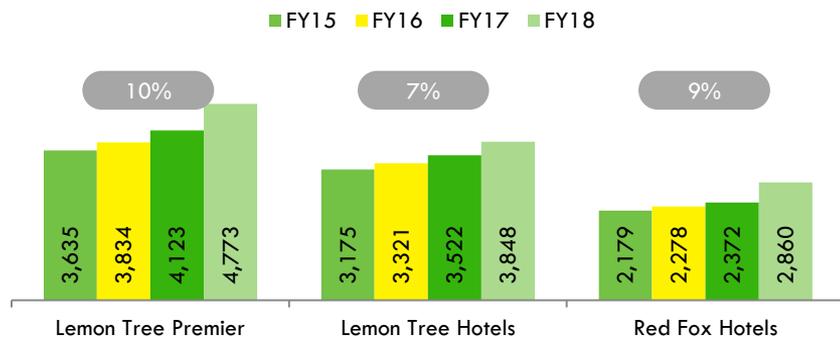
Room additions



Occupancy levels



ADR (Rs.)



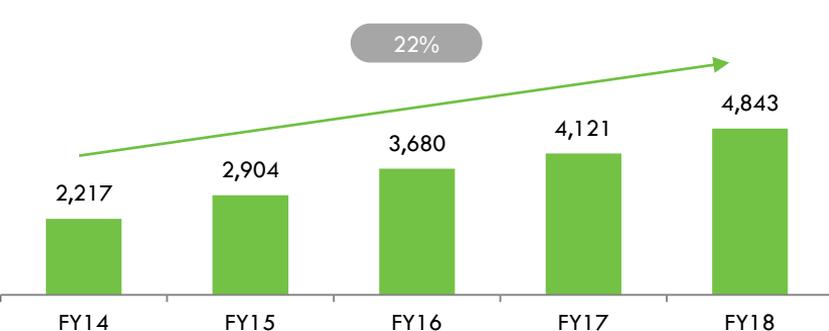
RevPAR (Rs.)



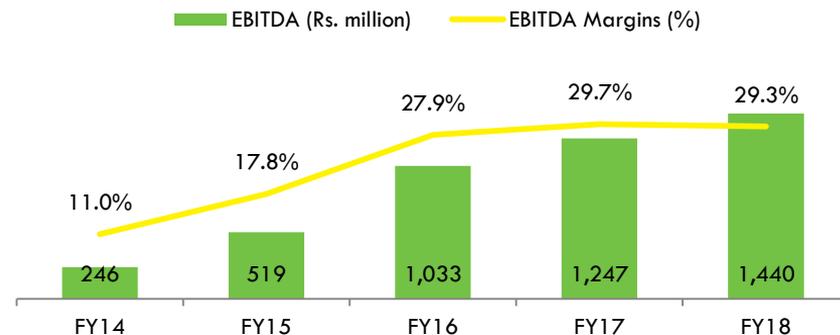
Note: Full year numbers will be updated on annual basis.

Strong Growth and improving margins

Revenue from operations (Rs. million)



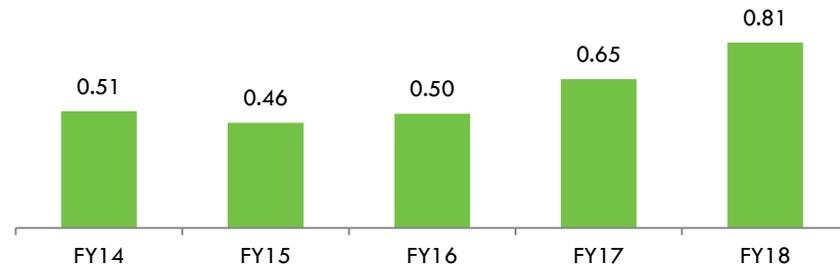
EBITDA & EBITDA margins



Cash Profit (PAT + Depreciation) (Rs. million)



Debt/Equity

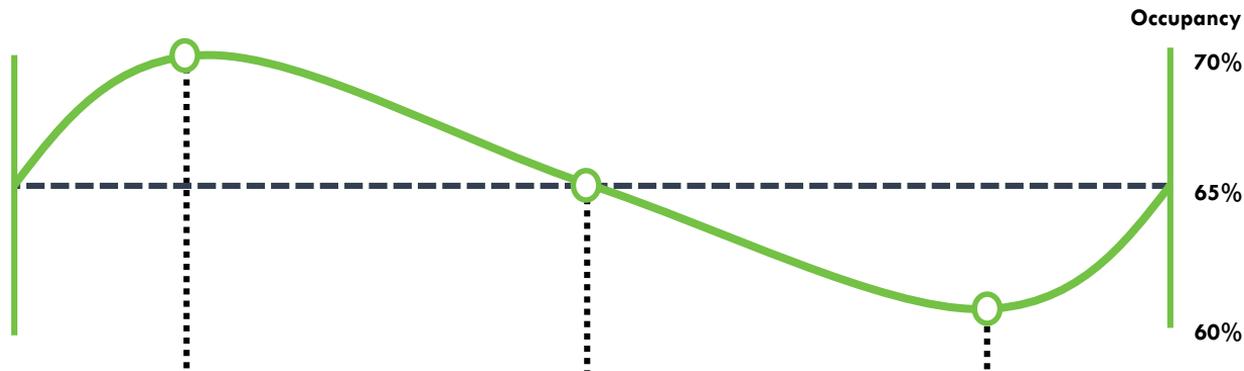


Note: FY14, FY15 and FY16 figures are from Lemon Tree Prospectus. FY17 and FY18 figures are from audited balance sheet.

Full year numbers will be updated on annual basis.

The hotel business cycle

Illustrative:
15 Room Hotel
with
Investment = 300



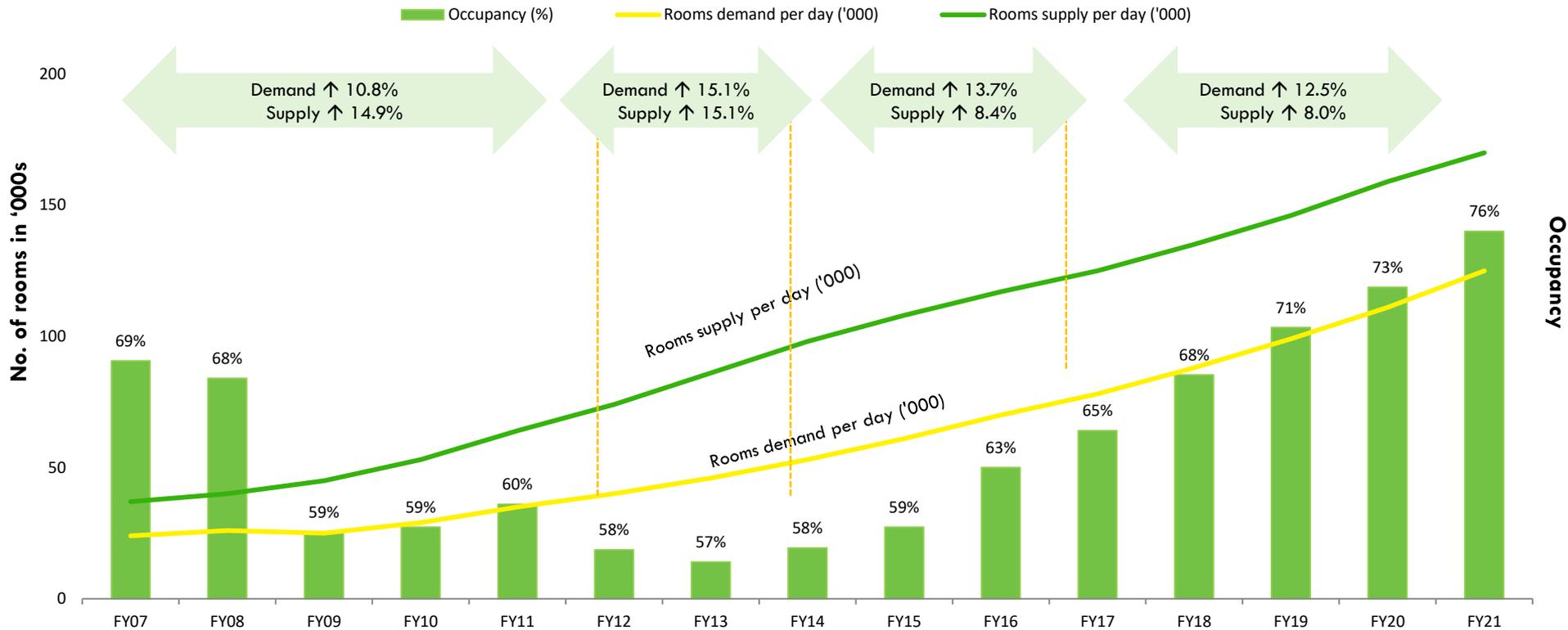
Cycle	Top (2)	Middle (3)	Bottom (2)
Occupancy	70% or more	63-68%	60% or less
Rooms Sold	12	10	8
Average Daily Rate	13	10	7
Revenue	156	100	56
Expenses	60	50	40
EBITDA	96	50	16
Hotel RoCE	32%	17%	5%
Sustainable Debt:Equity Coverage	Full Debt	1:1	No Debt

6:3:1

Note: Hotel RoCE is calculated as Hotel level EBITDA/Capital deployed for operational hotels.

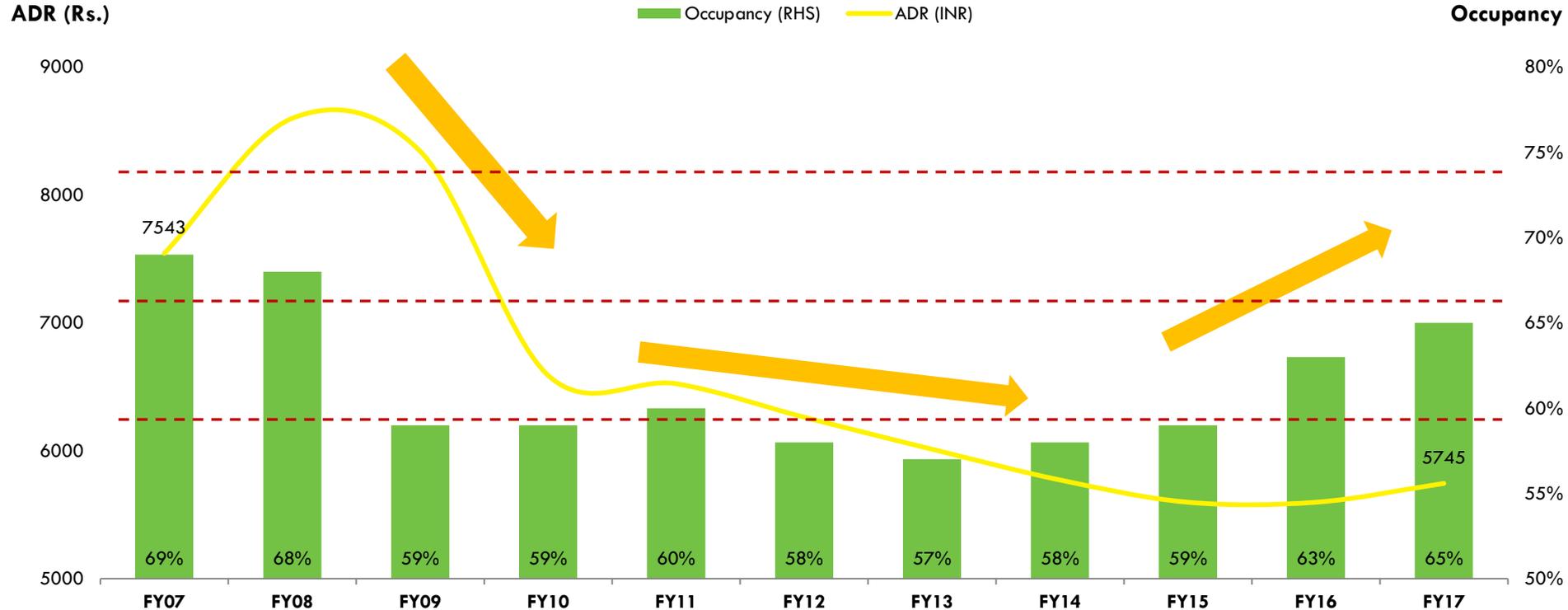
Indian hotel industry is at an inflection point

Slowing supply and rising demand is expected to increase occupancy and ADR



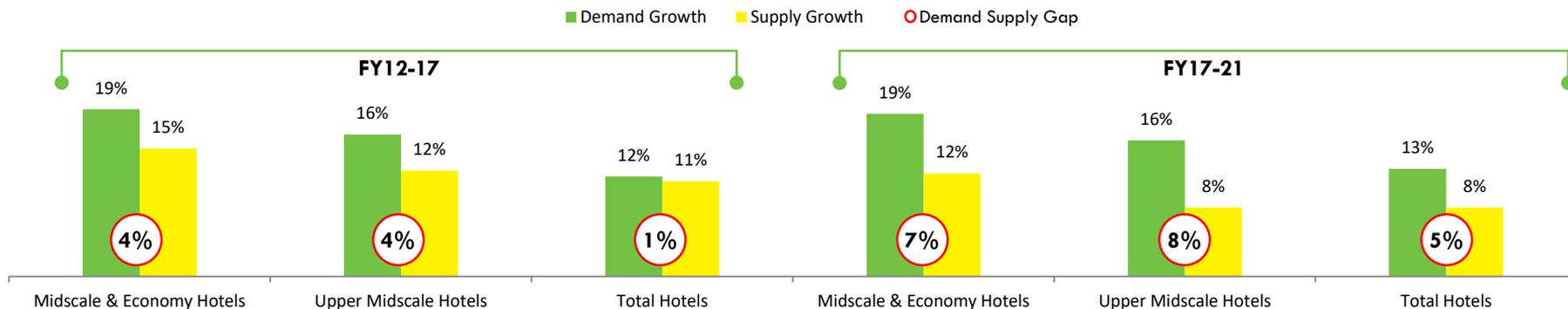
Increasing occupancy leading to increase in room rates

Average Daily Rate (ADR) is increasing with increase in occupancy rates

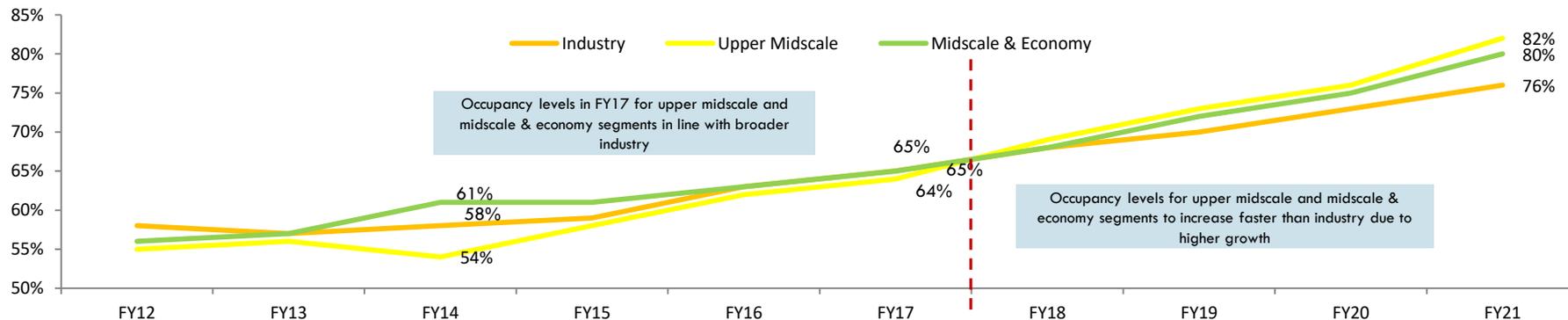


Mid-priced hotel sector expected to have higher demand supply gap resulting in higher growth in occupancy

Mid-priced hotel sector expected to continue having higher demand-supply gap leading to...



...faster growth in expected occupancy



Lemon Tree Hotels Limited (LTH) Q2 FY19 Earnings Conference Call

Time

- 2:00 PM IST on Friday, February 15, 2019

Conference dial-in Primary number

- Primary number: +91 22 6280 1141 / +91 22 7115 8042

Local access number

- +91 70456 71221 (Available all over India)

International Toll Free Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

Lemon Tree Hotels (LTH) is the largest mid-priced hotel sector chain, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. LTH operates in the mid-priced hotel sector, consisting of the upper midscale, midscale and economy hotel segments and seeks to cater to Indian middle class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition.

LTH opened its first hotel with 49 rooms in May 2004 and plans to operate 87 hotels with 8,800 rooms, across 58 cities by FY 2021 in India and abroad.

Lemon Tree hotels are located across India, in metro regions, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. New hotels will open shortly in Mumbai, Pune, Kolkata and Udaipur.

For more information about us, please visit www.lemontreehotels.com or contact:

Kapil Sharma (Chief Financial Officer)

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