November 15, 2018

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

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001

NSE Scrip Symbol: LEMONTREE

Dear Sir

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, we would like to inform you that the management of Lemon Tree Hotels is scheduled to meet Analyst & Investors in 21st CLSA India Forum scheduled to be held at the Oberoi Hotel in Gurgaon on November 16, 2018.

Also find attached herewith the Corporate Presentation, which would be discussed during the Investors meet.

We would request you to take this information on record.

Thanking You

For Lemon Tree Hotels Limited

Nikhil Sethi
Group Company Secretary & GM Legal and Compliance Officer
Lemon Tree Hotels Limited

Corporate Presentation
Certian 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.
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</tbody>
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Attractiveness of Indian Hotel Industry
India: A comparatively under-penetrated hotel market

<table>
<thead>
<tr>
<th>Country</th>
<th>Supply of Rooms (Million)</th>
<th>Population (Million)</th>
<th>Penetration (Rooms/1000 People)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>0.2</td>
<td>1211</td>
<td>0.2</td>
</tr>
<tr>
<td>United States</td>
<td>16.2</td>
<td>7349</td>
<td>2.2</td>
</tr>
<tr>
<td>China</td>
<td>3.78</td>
<td>1379</td>
<td>2.7</td>
</tr>
<tr>
<td>United States</td>
<td>5.0</td>
<td>321</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Source: 
1) STR census inventory as on December 2016
2) United Nations – population and vital statistics report 2017
Supply of rooms in India’s hotel industry was primarily at the top-end when Lemon Tree commenced business in 2002, India’s Hotel industry was an inverted pyramid.

Luxury and Upper Upscale refers to top tier hotels generally referred to as five star, deluxe and luxury.

Upscale hotels more moderately positioned and priced, than top tier hotels and generally classified as four or even five star hotels.

Upper Midscale hotels are more moderately priced than upscale hotels and may be full service or even select service hotels; these are generally classified as four star and sometimes three star hotels.

Midscale hotels are typically three star hotels with distinctly moderate room sizes, quality and pricing.

Economy Hotels are typically two star hotels providing functional accommodations and limited services.

Source: Horwath Report
Note: * as of March 31 of that year
Significant drivers for hotel industry growth in India

**Increasing Indian GDP**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.1%</td>
</tr>
<tr>
<td>2018F</td>
<td>7.7%</td>
</tr>
<tr>
<td>2019F</td>
<td>7.8%</td>
</tr>
<tr>
<td>2020F</td>
<td>7.9%</td>
</tr>
<tr>
<td>2021F</td>
<td>8.1%</td>
</tr>
<tr>
<td>2022F</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

Source: Central Statistics Office, Govt. of India, IMF

**Growing middle class population**

Middle class population in India is likely to overtake that of US and China by 2027

Source: World Economic Forum

**Rise in young population**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>29</td>
</tr>
<tr>
<td>2044</td>
<td>37</td>
</tr>
<tr>
<td>2037</td>
<td>48</td>
</tr>
</tbody>
</table>

Source: Union budget and economic survey 2013

**Higher spending**

- Increased income levels expected to create additional discretionary spending capacity for the individuals
- Improved road and air connectivity
- Growth in domestic travel in India in forms like business travel, leisure travel, MICE visitation, wedding and social travel etc.

Source: Horwath Report
# The hotel business cycle

The cycle of a hotel's performance can be divided into three phases:

- **Top (2)**: High occupancy, 70% or more.
- **Middle (3)**: Moderate occupancy, 63-68%.
- **Bottom (2)**: Low occupancy, 60% or less.

### Illustrative: 15 Room Hotel with Investment = 300

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

**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

Source: Horwath Report
Increasing occupancy leading to increase in room rates

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

Source: Horwath Report
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

Source: Horwath Report
Differentiated business model of Lemon Tree (LTH)
## The Business Model | Mid-cycle

Lemon Tree’s ROCE is > 1.5x of a typical 5 star hotel in India

<table>
<thead>
<tr>
<th>Typical 5 star</th>
<th>Lemon Tree Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost Per Room (Normalised)</strong></td>
<td>1000</td>
</tr>
<tr>
<td><strong>Rate (Normalised)</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>x%</td>
</tr>
<tr>
<td><strong>Room Revenue (Normalised)</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Total Revenue (Normalised)</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Cost (Normalised)</strong></td>
<td>65</td>
</tr>
<tr>
<td><strong>EBITDA (Normalised)</strong></td>
<td>35</td>
</tr>
<tr>
<td><strong>RoCE</strong></td>
<td>x</td>
</tr>
</tbody>
</table>
Competitive Advantage: Differentiated Business Model

- Process: Presence across value chain
- Value for money pricing
- Lower than industry average development cost per room
- Focus on culture & service differentiation with focus on domestic travellers
- Cost: Lower Average Operating Expenses/Room
- Efficient Capital Deployment
- Capital: Low debt to equity ratio
- Customers: Premium RevPAR (Revenue per room)
- Customers: Value for money pricing
- Occupancy (Utilization) Premium

Notes: *Based on average development cost per room (excluding the cost of land), for our owned hotels (including owned hotels located on leased or licensed land), developed between the fiscal years 2011 and 2015 in the upper -midscale, midscale and economy hotel segments, respectively, which was lower than the average of select hotels in the respective hotel segments, for the same period; Source : HVS (India – 2016 Hotel Development Cost Survey)

^RevPAR Premium and Lower Average Operating Expenses/ Room of Lemon Tree as compared to industry leading to higher GOP
• Identify strategically located land at reasonable prices
• Experienced project management team to complete projects at per room cost lower than average of 3

...Leads to cost and capital efficiency
### Average development cost, per room* (INR Mn.)

<table>
<thead>
<tr>
<th>Category</th>
<th>Upper-midscale</th>
<th>Midscale</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lemon Tree development cost (% of industry)</td>
<td>82%</td>
<td>89%</td>
<td>129%</td>
</tr>
<tr>
<td>Lemon Tree average development cost (% of upper-upscale)</td>
<td>7.2</td>
<td>5.9</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>5.6</td>
<td>5.0</td>
<td>4.5</td>
</tr>
</tbody>
</table>

^ Lemon Tree’s average development cost per room (excluding the cost of land) for owned hotels developed between 2011 and 2015 was lower than the average of select hotels in the respective hotel segments for the same period.

Source: HVS (India – 2016 Hotel Development Cost Survey)
- Ranked 4th in India and only Hotel chain in top 10 Best Companies to Work for by the Great Place to Work Institute, India in 2017
- Ranked 12th in Asia’s Best Large Workplaces in 2018 by Great Place to Work Institute. Only Indian company in top 15
- The highly engaged work force provides superior service to customers

Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition

26 out of 41 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2018

Focus on Domestic Customers

FY18

- Domestic, 82%
- Foreign, 18%
### Value for money (ADR in Rs.)

- **Upper Midscale**
  - Lemon Tree Premier 2017: 4,123
  - Industry 2017: 4,186
  - ADR: 1.0x

- **Midscale**
  - Lemon Tree Hotels 2017: 3,522
  - Industry 2017: 3,049
  - ADR: 1.2x

- **Economy**
  - Red Fox Hotels 2017: 2,372
  - Industry 2017: 2,356
  - ADR: 1.0x

### Higher Average Occupancy

- **Upper Midscale**
  - Lemon Tree Premier 2017: 74.6%
  - Industry 2017: 68.4%
  - Occupancy: 1.1x

- **Midscale**
  - Lemon Tree Hotels 2017: 77.1%
  - Industry 2017: 60.2%
  - Occupancy: 1.3x

- **Economy**
  - Red Fox Hotels 2017: 79.1%
  - Industry 2017: 61.7%
  - Occupancy: 1.3x

### RevPAR (Revenue per room)

- **Upper Midscale**
  - Lemon Tree Premier 2017: 3,075
  - Industry 2017: 2,863
  - RevPAR: 1.1x

- **Midscale**
  - Lemon Tree Hotels 2017: 2,716
  - Industry 2017: 1,835
  - RevPAR: 1.5x

- **Economy**
  - Red Fox Hotels 2017: 1,877
  - Industry 2017: 1,454
  - RevPAR: 1.3x

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Source: Industry data is sourced from FHRAI-Indian-Hotel-Survey-2016-17.

^ Average Daily room rent; *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels; #RevPAR is calculated by multiplying ADR and average occupancy, where ADR represents revenue from room rentals divided by total number of room nights sold at our owned and leased hotels (including rooms that were available for only a certain portion of a period); Industry 2017 data is for all participating hotels in respective hotel segment.
Lower Average Operating Expenses/ Room

**Upper Midscale**
- Lemon Tree Premier 2017: 0.9x
- Industry 2017: 0.7x

**Midscale**
- Lemon Tree Hotels 2017: 0.8x
- Industry 2017: 0.8x

**Economy**
- Red Fox Hotels 2017: 0.8x
- Industry 2017: 0.6x

**Lower Operating Expense as % of Revenue**
- Lemon Tree Premier 2017: 56.6%
- Industry 2017: 66.5%

- Lemon Tree Hotels 2017: 57.7%
- Industry 2017: 71.0%

- Red Fox Hotels 2017: 56.8%
- Industry 2017: 73.8%

**Lower Staff per room ratio**
- Lemon Tree Premier 2017: 1.1
- Industry 2017: 1.6

- Lemon Tree Hotels 2017: 1.2
- Industry 2017: 1.5

- Red Fox Hotels 2017: 0.7
- Industry 2017: 1.1

Source: Industry data is sourced from FHRAI-Indian-Hotel-Survey-2016-17.
### Summary | Relative Performance comparison (Lemon Tree vs. Industry Segments)

<table>
<thead>
<tr>
<th>FY17</th>
<th>LT Group % of Five Star Aggregate</th>
<th>LTP % of Four Star Aggregate</th>
<th>LTH % of Three Star Aggregate</th>
<th>RFH % of Two Star Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net ARR (INR)</td>
<td>59%</td>
<td>98%</td>
<td>115%</td>
<td>101%</td>
</tr>
<tr>
<td>Occupancy (%)</td>
<td>114%</td>
<td>109%</td>
<td>128%</td>
<td>128%</td>
</tr>
<tr>
<td>RevPAR (INR)</td>
<td>68%</td>
<td>107%</td>
<td>148%</td>
<td>129%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>53%</td>
<td>100%</td>
<td>110%</td>
<td>84%</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>46%</td>
<td>85%</td>
<td>89%</td>
<td>65%</td>
</tr>
<tr>
<td>EBITDAR</td>
<td>65%</td>
<td>129%</td>
<td>160%</td>
<td>138%</td>
</tr>
<tr>
<td>Average development cost/room</td>
<td>37%</td>
<td>82%</td>
<td>89%</td>
<td>129%</td>
</tr>
<tr>
<td>ROCE</td>
<td>178%</td>
<td>158%</td>
<td>179%</td>
<td>108%</td>
</tr>
<tr>
<td>Staff/room</td>
<td>58%</td>
<td>70%</td>
<td>75%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Source: Industry data is sourced from FHRAI-Indian-Hotel-Survey-2016-17.
Maintained an efficient capital structure with a balanced-asset model

- Track record of multiple simultaneous hotel developments – both organically and inorganically
- Present across the hotel value chain including both development and management of hotels

Stabilisation

- Standardized pre-opening and seamless day-to-day operations, at high levels of service and cost efficiencies
- A dynamic pricing policy
- Diversified team working to increase hotel occupancies and achieve operational and financial targets

Development of hotels/ Scale up of portfolio

- Transferred minority stake in subsidiaries operating certain operational hotels to APG since 2012
- Capital raised from APG was used to purchase land and develop additional hotels
- Lemon Tree continues to have operational control over hotels, while reducing costs - capital and operational
- Lemon Tree earns management fee from these hotels

Monetisation platform

- Sale of operational assets by divesting equity interest in certain operating hotels
- Capital recycled back into new development
- Retains management and control
Company Overview and Growth Plans
Lemon Tree – Snapshot

**Leadership in mid-priced hotel sector**

1. **#1** mid-priced hotel sector chain by owned rooms
2. **#3** overall hotel sector chain by owned rooms

- **Lemon Tree Premier**
  - 1,301 rooms; 10 hotels
  - Targeted primarily at the upper-midscale hotel segment typically comparable to 4-star and sometimes 3-star

- **Lemon Tree Hotels**
  - 2,516 rooms; 31 hotels
  - Targeted primarily at the midscale hotel segment typically comparable to 3-star

- **Red Fox by Lemon Tree Hotels**
  - 1,273 rooms; 10 hotels
  - Targeted primarily at the economy hotel segment typically comparable to 2-star

**Key Statistics**

- **31** Cities for current operating hotels
- **25** New cities for under development hotels
- **56** Cities by end of FY21
- **51** number of operating hotels
- **33** number of hotels under development
- **84** Hotels by end of FY21
- **5,090** number of rooms
- **3,508** number of rooms under development
- **8,598** Rooms by end of FY21

**Notes:**
1. Includes upper midscale, midscale and economy hotels
3. As of Nov 5th, 2018
4. On the basis of controlling interest in owned and leased rooms

* Operating rooms include 2,796 owned, 573 leased and 1,721 managed rooms; Pipeline includes of 1,434 owned and 2,074 managed rooms

**Key Statistics**

- **835,732** Members in loyalty program
India’s largest hotel chain in Mid-priced Hotel Sector

Lemon Tree is the largest hotel chain in mid-priced hotel sector in India\(^1\) and #3 in terms of total rooms \(^{1,2}\)

<table>
<thead>
<tr>
<th>No. of rooms</th>
<th>Owned Rooms</th>
<th>Total Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accor</td>
<td>4,488</td>
<td>4,225</td>
</tr>
<tr>
<td>Sarovar</td>
<td>3,171</td>
<td>2,931</td>
</tr>
<tr>
<td>Lemon Tree</td>
<td>3,403</td>
<td>2,968</td>
</tr>
<tr>
<td>ITC Hotels</td>
<td>2,904</td>
<td>2,443</td>
</tr>
<tr>
<td>Taj-Ginger</td>
<td>1,072</td>
<td>832</td>
</tr>
<tr>
<td>IHG</td>
<td>2,872</td>
<td>1,919</td>
</tr>
<tr>
<td>Wyndham</td>
<td>2,968</td>
<td>2,056</td>
</tr>
<tr>
<td>Royal Orchid</td>
<td>2,904</td>
<td>1,878</td>
</tr>
<tr>
<td>Carlson</td>
<td>2,443</td>
<td></td>
</tr>
<tr>
<td>Concept</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarks Inn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berggruen</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. On the basis of controlling interest in owned and leased rooms, as of June 30, 2017, Ranking is based on inventory, unless otherwise indicated
2. Source: Horwath Report
3. Accor has minority investment in hotels with inventory aggregating 4,168 rooms; Accor’s proportionate share of room’s ownership is 1,642 rooms. Since it is only a minority stake ranking is Accor is not ranked in category of Owned Rooms
4. Top 12 classification is based on inventory as at March 31, 2017, the data for earlier years and as at June 30, 2017 is provided only for comparison purposes
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.

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 November 5th, 2018
Milestones

2002
Subscription to equity shares of Lemon Tree by Patanjali Govind Keswani

2004
Opened the first “Lemon Tree Hotel” in Gurugram, Haryana, India

2006
Investment by Maplewood (fund affiliated to Warburg Pincus)

2009
Opened the first “Red Fox” hotel in Jaipur, Rajasthan

2010
Opened the first “Lemon Tree Premier” hotel in Leisure Valley, Gurugram, Haryana, India

2012
• Investment by APG in Company and Fleur
  • Commenced business of management of hotels, through Lemon Tree’s Subsidiary, Carnation

2015
Further Investment by APG – in Nightingale and Begonia (subsidiaries of Lemon Tree)

2018
• IPO
  • Achieved 100x growth in terms of inventory
  • Crossed 5000 rooms and 50 Hotels

Total number of rooms

- 2005: 49
- 2013: 1,920
- 2014: 2,708
- 2015: 3,001
- 2016: 3,249
- 2017: 3,698
- 2018: 4,870
- 2019: 6,019
- 2020: 6,735
- 2021: 8,598

All India Supply CAGR: 11.8%
LTH to All India: 3.7x

All India Supply CAGR: 7.9%
LTH to All India: 2.4x
Strong Operating and Financial Performance
Strong operating performance

Rooms are being added...

- **Owned**
- **Leased Hotels**
- **Managed Hotels**

...coupled with increasing ADR...

...and occupancy levels increasing...

Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

...leading to a RevPAR growth
Strong Growth and improving margins

Revenue has increased at 22% over the last 5 years...

Revenue from operations (Rs. million)

FY14 | FY15 | FY16 | FY17 | FY18
---|---|---|---|---
2,217 | 2,904 | 3,680 | 4,121 | 4,843

...coupled with increasing EBITDA margins

EBITDA & EBITDA margins

FY14 | FY15 | FY16 | FY17 | FY18
---|---|---|---|---
11.0% | 17.8% | 27.9% | 29.7% | 29.3%

Increasing cash profit* growth

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

FY14 | FY15 | FY16 | FY17 | FY18
---|---|---|---|---
(83) | (115) | 225 | 459 | 672

Gearing low

Debt/Equity

FY14 | FY15 | FY16 | FY17 | FY18
---|---|---|---|---
0.51 | 0.46 | 0.50 | 0.65 | 0.81

Note: FY14, FY15 and FY16 figures are from Lemon Tree Prospectus. FY17 and FY18 figures are from audited balance sheet.
## Operational Performance by Ageing – FY18 vs. FY17

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

**Notes:**
1. Hotel level ROCE for hotels older than 5 years is 13% for FY18.
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.
Key levers to drive better results

**Current Stable Inventory**
- Value: 2,727

**Number of Rooms Stabilizing**
- Value: 550
  - Opened in last 3 years

**Price Hike**
- 13% ARR growth in FY18 vis-à-vis FY17

**Inventory Under Development**
- Value: 1,525*
  - Equivalent to 2,300 (1.5x) rooms in revenue potential and 3,050 (2.0x) rooms in EBITDAR potential

**Triple Whammy**
- For Owned/Leased Assets:
  - Stabilized inventory
  - Higher pricing
  - More high value inventory

**Cost Leadership**
- LTH CAGR of operating cost increase per room has been 4% between FY13 and FY18.

---

* Of these 1,525 rooms, 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 94 rooms to 671, in which case total owned and leased inventory under development will increase to 1,619.
Lemon Tree Hotels RoCE: Hotel Buckets by ageing as on 31st March, 2018

Notes:
1. Hotel level RoCE is calculated as: (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

Source: Industry occupancy is taken from Horwath HTL report.
Lemon Tree Hotels RoCE: Hotel Buckets by opening

RoCE (%)

Source: Industry occupancy is taken from Horwath HTL report.

Notes:
1. Hotel level RoCE is calculated as: (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

Notes:
1. Hotel level RoCE is calculated as: (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

Source: Industry occupancy is taken from Horwath HTL report.
Corporate Governance and Sustainability
Board of Directors

Patanjali Govind Keswani (Chairman and Managing Director)
- Bachelor’s degree in electrical engineering from the Indian Institute of Technology, New Delhi
- Postgraduate diploma degree in management from the Indian Institute of Management, Calcutta
- Worked in: Tata Administrative Service/Taj Group of Hotels: 17 years; Last role as the Chief Operating Officer of Taj Business Hotels
- Worked in: AT Kearney, New Delhi: 2 years; Director

Rattan Keswani (Deputy Managing Director) - Not related to the Chairman and Managing Director
- Bachelor’s degree in commerce from the DAV College, Panjab University
- Diploma degree in hotel management from the Oberoi School of Hotel Management
- Worked in: The Oberoi Group; Last role as the President of Trident Hotels
- Over 30 years of experience in the hospitality industry and has been with Lemon Tree Hotels for over the last 6 years

Aditya Madhav Keswani (Non-Executive Director)
- Bachelor’s degree in arts from the New York University

Ravi Kant Jaipuria (Non-executive Director)
- Promoter and Director of Varun Beverages Limited and RJ Corp
- A leading entrepreneur and business leader in India
- Over 30 years of experience in the food and beverage industry

Anish Saraf (Non-executive Director)
- Bachelor’s degree in commerce from St. Xavier’s College, Calcutta
- Postgraduate diploma degree in management from the Indian Institute of Management, Ahmedabad
- Serves as the Managing Director of Warburg Pincus, India
- Worked in: KPMG, India; Senior Manager
- Over 15 years of experience across the fields of private equity, management consulting and entrepreneurship

Willem Albertus Hazeleger (Non-executive Director)
- Executive master’s degree in business administration from the Institut Européen d’Administration des Affaires (INSEAD)
- Executive master’s degree in business administration from the Tsinghua University
- Serves as the Chief Executive Officer (CEO) of APG Investments Asia Limited, the Hong Kong subsidiary of the APG Asset Management N.V
Gopal Sitaram Jiwarajka (Independent Director)
• Bachelor’s degree in commerce from the University of Bombay
• Serves as the Managing Director and whole-time Director of Salora International Limited
• Serves as a Director of PHD Chamber of Commerce and Industry
• Worked in: Panasonic AVC Networks India Company Limited; Last role as a Director
• Over 30 years of experience across the fields of manufacturing, marketing and consumer goods

Freyan Jamshed Desai (Independent Director)
• Bachelor’s degree in law from the University of Delhi
• Master’s degree in law from King’s College, London
• Served as the General Counsel of the Novartis group of companies in India
• Worked in: Amarchand & Mangaldas & Suresh A. Shroff & Co; Last role as a Partner
• Over 30 years of experience across various legal fields

Paramartha Saikia (Independent Director)
• Bachelor’s degree in economics from the University of Delhi
• Master’s degree in arts (economics) from the University of Delhi
• Worked in: J. Walter Thomson Sdn. Bhd., Malaysia; Last role as the Chief Executive Officer (CEO)
• Worked in: Iris Worldwide Integrated Marketing Private Limited; Last role as the Chief Executive Officer (CEO)
• Worked in: Publicis India; Last role as the Chief Executive Officer (CEO)
• Over 30 years of experience across the fields of marketing and brand development

Pradeep Mathur (Independent Director)
• Bachelor’s degree in commerce from the University of Poona
• Postgraduate diploma degree in management from the Indian Institute of Management, Ahmedabad
• Worked in: Tupperware, Asia Pacific; Last role as the Vice-President Finance and Chief Financial Officer
• Worked in: Tupperware, India; Last role as the as the Managing Director
• Over 30 years of experience across the fields of accounting, finance and leading a multinational company

Arvind Singania (Independent Director)
• Promoter and Director of Ester Industries Limited
• Serves as the Chairman and Chief Executive Officer of Ester Industries Limited
• Over 30 years of experience across the fields of production, supply chain and people management

Ashish Kumar Guha (Independent Director)
• Bachelor’s degree in economics from the Jadavpur University in Kolkata
• Serves as a Director and Advisor to the Chairman of Ambit Private Limited
• Worked in: Lazard India Limited; Last role as the Chief Executive Officer (CEO)
• Worked in: Heidelberg Cement; Last role as the Chief Executive Officer (CEO)
• Over 30 years of experience across the fields of investment banking, advisory and industrial goods
Key Management Team

**Patanjali Govind Keswani** (Promoter, Chairman and Managing Director)
- Bachelor’s degree in electrical engineering from the Indian Institute of Technology, New Delhi
- Postgraduate diploma degree in management from the Indian Institute of Management, Calcutta
- Worked in: Tata Administrative Service/Taj Group of Hotels: 17 years; Last role as the Chief Operating Officer of Taj Business Hotels
- Worked in: AT Kearney, New Delhi: 2 years; Director

**Rattan Keswani** (Deputy Managing Director) - Not related to the Chairman and Managing Director
- Bachelor’s degree in commerce from the DAV College, Panjab University
- Postgraduate diploma degree in hotel management from the Oberoi School of Hotel Management
- Worked in: Oberoi Group; Last role as the President of Trident Hotels
- Over 30 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 6 years

**Davander Tomar** (Executive Vice-President, Corporate Affairs)
- Bachelor’s degree in commerce and law from the University of Delhi
- Master’s degree in arts from the University of Delhi
- Worked in: Taj Group of Hotels: 18 years; Last role as the Security Manager for Taj Palace Hotel, New Delhi
- Over 30 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 15 years

**Vikramjit Singh** (President)
- Bachelor’s degree in commerce from the University of Delhi
- Postgraduate diploma degree in hotel management and administration from the Taj Group of Hotels
- Over 21 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over 13 years

**Jagdish Kumar Chawla** (Executive Vice President - Projects and Engineering Services)
- Diploma degree in electrical engineering from Pusa Polytechnic, Pusa, New Delhi
- Worked in: Taj Group of Hotels: 20 years
- Worked in: National Thermal Power Corporation, Bharti Electric Steel Company Limited and Mother Dairy
- Over 40 years of experience across the fields of engineering, constructions and operations
- Been with Lemon Tree Hotels for over the last 15 years

**Kapil Sharma** (Chief Financial Officer)
- Bachelor’s degree in commerce from the University of Delhi
- Qualified chartered accountant
- Worked in: Leroy Somer & Controls India Private Limited; Last role as the Head of finance and accounts
- Over 22 years of experience across the fields of accounting, financing and investing
- Been with Lemon Tree Hotels for over the last 13 years
Key Management Team (contd.)

**Sumant Jaidka (Senior Vice President - Operations)**
- Graduate degree in hotel Management from the Salzburg School of Austria
- Worked in: Taj Group of Hotels, Hilton, Maurya Sheraton, Crowne Plaza and Hyatt Regency across key managerial posts
- Over 30 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 11 years

**Prashant Mehrotra (Chief Revenue Officer)**
- Graduate degree in hotel management from the Institute of Hotel Management, Gwalior
- Worked in: The Oberoi Group & Radisson Hotels across key managerial posts
- Over 17 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 12 years
Shareholding structure

- Promoter & Promoter Group: 31.07%
- Warburg Pincus: 12.51%
- APG: 15.10%
- Other Institutions (QIBs): 21.94%
- Others (includes HNI’s/Retail/NII/Employees): 19.38%

Note: Shareholding as on 15 June, 2018
Recognition and awards through the years

- Ranked 4th in India and the only hotel chain in the top 10 Best Companies to Work for in India in 2017 by the Great Place to Work institute
- Ranked 12th in Asia’s Best Large Workplaces and the only Indian company in the top 15 in 2018 by the Great Place to Work institute
- Received the 5th IGBC Green Champion award under the category “Organization Leading the Green Building Movement in India (Commercial)”
Lemon Tree believes that the brand should stand for more than ‘just profit’. The company has focused its efforts on creating a socially inclusive work environment which seeks to bring in people of different backgrounds, abilities and ethnicities and offer them work as a unified team with a common goal.

The company’s guiding principle has been that Opportunity Deprived Indians (including physical, intellectual, social or economic disabilities) must be provided the same opportunities as others to realize their full potential and live with dignity.

### Employees With Disabilities (EWDs)
- Speech and Hearing Impaired
- Down Syndrome
- Orthopedic Challenged
- Autism
- Low Vision
- Acid Survivor

### Employees with Economic, Educational or Social Impairment
- Low Literacy
- Below Poverty Line
- Widows/Divorcees/Abandoned/Battered
- Socially Backward

This initiative was started in 2007 and as of Sep 30, 2018, Lemon Tree has employed a total of around 860* Opportunity Deprived Indians, or about one fifth of its workforce.

* Includes all hotels: owned, leased and managed.

### Video Links:
1) CNBC TV18 digital story: [https://www.youtube.com/watch?v=mAB0yazRFxU&t=67s](https://www.youtube.com/watch?v=mAB0yazRFxU&t=67s)
2) Lemon Tree Initiative: [https://www.youtube.com/watch?v=f4Z3qcm8EqY&t=19s](https://www.youtube.com/watch?v=f4Z3qcm8EqY&t=19s)
Committed to Employees, Environment and Community with socially inclusive work ethos (contd.)

B. Tribal Art
Lemon Tree Hotel is among the largest buyers, nationally, of tribal art from Bastar, Madhya Pradesh. This comprises primarily of bronze age bell metal sculptures and enables the company to financially support tribal craftsmen from this region by showcasing their art extensively across all of its hotels.

C. Giving Back To Society
Lemon Tree Hotel supports and partners with the following NGOs and societies:
- **Goonj**: provides clothes and utensils to the impoverished.
- **Suniye**: runs a school for Speech and Hearing Impaired children from economically weaker sections of society. provides extensive life skills support to these children.
- **Akshaya Patra**: focus is to eliminate hunger in the city. It regularly provides a free meal to approximately 2000 destitute people in Delhi, across the city.
- **Muskaan**: provides comprehensive education, vocational training and work opportunities to young people who are intellectually challenged.
- **Ramanujan Society**: donates gifts to students for successfully clearing the IIT entrance exam.

D. Art Objects Through People For Animals
Lemon Tree supports People For Animals (PFA) by buying art sourced by PFA, which in turn is showcased across the company’s hotels. The money paid to PFA goes to support the welfare and care of animals across India.

E. K9 Policy/Pooch Policy
Lemon Tree Hotel adopts a stray dog at each of its hotels across India. We name the dog, inoculate it and feed it well. Based on the personality of the dog, he/she is assigned a ‘fun’ role in the hotel and this brings joy to employees and guests alike.
Appendix
Latest Performance – Q2 FY19 & FY18
Performance Highlights – Operational Metrics

Operational Inventory

Owned/Leased rooms

Managed rooms

Total rooms

End of

Average Daily Rate (Rs.)

Q2 FY18
Q2 FY19
H1 FY18
H1 FY19
FY17
FY18

230 bps
76.0%
78.3%

230 bps
75.2%
77.5%

76.8%
75.9%

12%
3,939

12%
3,919

13%
3,896

Note: ADR, Occupancy and RevPAR are for our owned and leased hotels only.
Performance Highlights – Financial Metrics (Consolidated)

Total Income (Rs. million)

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY18</th>
<th>Q2 FY19</th>
<th>H1 FY18</th>
<th>H1 FY19</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>1,118</td>
<td>1,341</td>
<td>2,203</td>
<td>2,612</td>
<td>4,203</td>
<td>4,921</td>
</tr>
</tbody>
</table>

EBITDA (Rs. million)

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY18</th>
<th>Q2 FY19</th>
<th>H1 FY18</th>
<th>H1 FY19</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>287</td>
<td>414</td>
<td>556</td>
<td>764</td>
<td>1,247</td>
<td>1,440</td>
</tr>
</tbody>
</table>

Cash profit (PAT + Depreciation, Rs. million)

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY18</th>
<th>Q2 FY19</th>
<th>H1 FY18</th>
<th>H1 FY19</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>85</td>
<td>197</td>
<td>193</td>
<td>351</td>
<td>460</td>
<td>672</td>
</tr>
</tbody>
</table>

Note: The results of this quarter and Hi are not indicative of full year’s performance due to seasonal nature of the business.
Discussion on Consolidated Financial & Operational Performance – Q2 FY19

Operational Rooms & Pipeline

- As of 30th September, 2018, operational portfolio comprised of 50 hotels and 4,999 rooms: 2,796 owned, 482 leased and 1,721 managed rooms; Pipeline includes of 1,525 owned/leased and 2,074 managed rooms.
- Propose to add another 1,796 rooms to the operational inventory by the end of Q2 FY20 of which 730 rooms are owned and 1066 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 298 rooms in Mumbai, 199 rooms in Pune-city centre and 142 rooms in Kolkata.
- Plan to operate 70 hotels with 6,735 rooms across 47 cities by end of Q2 FY20.
- Plan to operate 84 hotels with 8,598 rooms across 56 cities by FY21.

Revenue

- Total Revenue stood at Rs. 1,341 million in Q2 FY19, up 20% as compared to Rs. 1,118 million in Q2 FY18. Around 2.8% increase was on account of new inventory addition.
- Price hike achieved in H2 FY18 had a positive impact on ADR in Q2 FY19, ADR increase was 9% as compared to ADR in Q2 FY18.
- Occupancy increased by 230 bps from 76.0% in Q2 FY18 to 78.3% in Q2 FY19.
- Fees from managed hotels stood at Rs. 72.4 million (5.4% of the total revenue) in H1 FY19 as compared to Rs. 56.3 million (5.0% of the total revenue) in H1 FY18.

Cost

- Total expenses increased by 11% in Q2 FY19 as compared to expenses in Q2 FY18. Around 2.3% increase was on account of new inventory and around 3.5% increase is due to change in business mix (more OTA bookings).

Operating Margins

- EBITDA increased by 44% from Rs. 287 million in Q2 FY18 to Rs. 414 million in Q2 FY19 and it increased by 37% from Rs. 556 million in H1 FY18 to Rs. 764 million in H1 FY19.
- EBITDA margins expanded by 514 bps from 25.7% in Q2 FY18 to 30.8% in Q2 FY19 and by 400 bps from 25.2% in H1 FY18 to 29.3% in H1 FY19.

Profit after tax

- Profit after tax of Rs. 65 million in Q2 FY19 as compared to loss of Rs. 44 million in Q2 FY18 and of Rs. 88 million in H1 FY19 as compared to a loss of Rs. 75 million in H1 FY18.
- Cash profit increased by 132% to Rs. 197 million in Q2 FY19 as compared to Rs. 85 million in Q2 FY18 and it rose by 83% from Rs. 194 million in H1 FY18 to Rs. 351 million in H1 FY19.

Note: The results of this quarter and H1 are not indicative of full year’s performance due to seasonal nature of the business.
## Profit & Loss Statement (Consolidated)

<table>
<thead>
<tr>
<th>Rs. million</th>
<th>Q2 FY19</th>
<th>Q2 FY18</th>
<th>Change (%)</th>
<th>H1 FY19</th>
<th>H1 FY18</th>
<th>Change (%)</th>
<th>FY18</th>
<th>FY17</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operations</td>
<td>1,287</td>
<td>1,116</td>
<td>15%</td>
<td>2,552</td>
<td>2,198</td>
<td>16%</td>
<td>4,843</td>
<td>4,121</td>
<td>18%</td>
</tr>
<tr>
<td>Other income</td>
<td>54</td>
<td>2</td>
<td>2700%</td>
<td>56</td>
<td>5</td>
<td>1099%</td>
<td>78</td>
<td>82</td>
<td>(5%)</td>
</tr>
<tr>
<td>Total income</td>
<td>1,341</td>
<td>1,118</td>
<td>20%</td>
<td>2,612</td>
<td>2,203</td>
<td>18%</td>
<td>4,921</td>
<td>4,203</td>
<td>17%</td>
</tr>
<tr>
<td>Cost of F&amp;B consumed</td>
<td>118</td>
<td>102</td>
<td>16%</td>
<td>238</td>
<td>202</td>
<td>17%</td>
<td>436</td>
<td>353</td>
<td>23%</td>
</tr>
<tr>
<td>Employee benefit expenses</td>
<td>296</td>
<td>262</td>
<td>12%</td>
<td>587</td>
<td>513</td>
<td>14%</td>
<td>1,096</td>
<td>969</td>
<td>13%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>513</td>
<td>467</td>
<td>10%</td>
<td>1,023</td>
<td>931</td>
<td>10%</td>
<td>1,949</td>
<td>1,634</td>
<td>19%</td>
</tr>
<tr>
<td>Total expenses</td>
<td>927</td>
<td>831</td>
<td>11%</td>
<td>1,848</td>
<td>1,647</td>
<td>12%</td>
<td>3,481</td>
<td>2,956</td>
<td>18%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>414</td>
<td>287</td>
<td>44%</td>
<td>764</td>
<td>556</td>
<td>37%</td>
<td>1,440</td>
<td>1,247</td>
<td>16%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>30.8%</td>
<td>25.7%</td>
<td>514 bps</td>
<td>29.3%</td>
<td>25.2%</td>
<td>400bps</td>
<td>29.2%</td>
<td>25.2%</td>
<td>400 bps</td>
</tr>
<tr>
<td>Finance costs</td>
<td>198</td>
<td>197</td>
<td>0%</td>
<td>395</td>
<td>387</td>
<td>2%</td>
<td>784</td>
<td>776</td>
<td>1%</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>132</td>
<td>129</td>
<td>2%</td>
<td>263</td>
<td>269</td>
<td>(2%)</td>
<td>526</td>
<td>510</td>
<td>3%</td>
</tr>
<tr>
<td>PBT</td>
<td>94</td>
<td>(22)</td>
<td>-</td>
<td>137</td>
<td>(66)</td>
<td>-</td>
<td>183</td>
<td>(3)</td>
<td>-</td>
</tr>
<tr>
<td>Tax expense</td>
<td>28</td>
<td>22</td>
<td>8%</td>
<td>48</td>
<td>9</td>
<td>389%</td>
<td>38</td>
<td>48</td>
<td>(21%)</td>
</tr>
<tr>
<td>PAT</td>
<td>65</td>
<td>(44)</td>
<td>-</td>
<td>88</td>
<td>(75)</td>
<td>-</td>
<td>145</td>
<td>(51)</td>
<td>-</td>
</tr>
<tr>
<td>Cash Profit</td>
<td>197</td>
<td>85</td>
<td>137%</td>
<td>351</td>
<td>194</td>
<td>83%</td>
<td>672</td>
<td>459</td>
<td>46%</td>
</tr>
</tbody>
</table>

Note: The results of this quarter and H1 are not indicative of full year’s performance due to seasonal nature of the business.
## Balance Sheet Snapshot (Consolidated)

<table>
<thead>
<tr>
<th>Rs. million</th>
<th>H1 FY19</th>
<th>H1 FY18</th>
<th>FY18</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder’s Funds</td>
<td>8,271</td>
<td>7,946</td>
<td>8,148</td>
<td>8,086</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>4,294</td>
<td>4,268</td>
<td>4,286</td>
<td>4,284</td>
</tr>
<tr>
<td><strong>Total Shareholder’s equity</strong></td>
<td><strong>12,565</strong></td>
<td><strong>12,214</strong></td>
<td><strong>12,435</strong></td>
<td><strong>12,370</strong></td>
</tr>
<tr>
<td>Total Debt</td>
<td>11,073</td>
<td>9,217</td>
<td>10,110</td>
<td>7,987</td>
</tr>
<tr>
<td>Other Non-current liabilities</td>
<td>385</td>
<td>325</td>
<td>344</td>
<td>294</td>
</tr>
<tr>
<td>Other Current liabilities</td>
<td>1,583</td>
<td>1,323</td>
<td>1,693</td>
<td>1,467</td>
</tr>
<tr>
<td><strong>Total Equity &amp; Liabilities</strong></td>
<td><strong>25,606</strong></td>
<td><strong>23,079</strong></td>
<td><strong>24,582</strong></td>
<td><strong>22,117</strong></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>24,129</td>
<td>22,057</td>
<td>23,200</td>
<td>21,281</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,477</td>
<td>1,022</td>
<td>1,382</td>
<td>836</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>25,606</strong></td>
<td><strong>23,079</strong></td>
<td><strong>24,582</strong></td>
<td><strong>22,117</strong></td>
</tr>
<tr>
<td>Debt to Equity (x)</td>
<td>0.88</td>
<td>0.75</td>
<td>0.81</td>
<td>0.65</td>
</tr>
<tr>
<td>Average cost of borrowing (%)</td>
<td>9.20%</td>
<td>9.77%</td>
<td>9.53%</td>
<td>11.61%</td>
</tr>
</tbody>
</table>

Note: Full year numbers will be updated on annual basis.
## Operational Portfolio as on 30th September, 2018

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>Leased</th>
<th>Managed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.09.2018</td>
<td>Hotels</td>
<td>Rooms</td>
<td>Hotels</td>
<td>Rooms</td>
</tr>
<tr>
<td>Lemon Tree Premier</td>
<td>4</td>
<td>796</td>
<td>2</td>
<td>161</td>
</tr>
<tr>
<td>Lemon Tree Hotels</td>
<td>13</td>
<td>1,241</td>
<td>4</td>
<td>321</td>
</tr>
<tr>
<td>Red Fox Hotels</td>
<td>5</td>
<td>759</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22</strong></td>
<td><strong>2,796</strong></td>
<td><strong>6</strong></td>
<td><strong>482</strong></td>
</tr>
</tbody>
</table>

### Pipeline

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>Leased</th>
<th>Managed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.09.2018</td>
<td>Hotels</td>
<td>Rooms</td>
<td>Hotels</td>
<td>Rooms</td>
</tr>
<tr>
<td>Lemon Tree Premier</td>
<td>5</td>
<td>1,355</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lemon Tree Hotels</td>
<td>1</td>
<td>79</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Red Fox Hotels</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>91</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
<td><strong>1,434#</strong></td>
<td><strong>1</strong></td>
<td><strong>91</strong></td>
</tr>
</tbody>
</table>

- Between October 1, 2018 and Nov 5, 2018, 1 hotel with 91 rooms has been operationalized from the pipeline, taking the total for operational hotels to 51 and operational rooms to 5,090.
- Between October 1, 2018 and Nov 5, 2018, 3 hotels with a total of 211 rooms have been added to the pipeline, taking the total of pipeline to 3,508 rooms.
- 730 owned/leased rooms and 1066 additional managed rooms will be operational by the end of Q2 FY20.
- Balance rooms will be operationalized by FY21.

# Of these owned 1,434 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 94 rooms to 671, in which case total owned inventory in pipeline will increase to 1,528.
# Operational Performance by Brands – FY19 vs. FY18

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Q2 FY19</th>
<th>Q2 FY18</th>
<th>Change (bps)</th>
<th>Q2 FY19</th>
<th>Q2 FY18</th>
<th>Change (%)</th>
<th>Q2 FY19</th>
<th>Q2 FY18</th>
<th>Change (%)</th>
<th>Q2 FY19</th>
<th>Q2 FY18</th>
<th>Change (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>By Brand</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lemon Tree Premier</td>
<td>84.8%</td>
<td>74.6%</td>
<td>1020</td>
<td>4,833</td>
<td>4604</td>
<td>5%</td>
<td>0.21</td>
<td>0.15</td>
<td>40%</td>
<td>39.6%</td>
<td>31.5%</td>
<td>810</td>
</tr>
<tr>
<td>Lemon Tree Hotels</td>
<td>73.5%</td>
<td>75.6%</td>
<td>(230)</td>
<td>3,819</td>
<td>3475</td>
<td>10%</td>
<td>0.11</td>
<td>0.08</td>
<td>38%</td>
<td>30.0%</td>
<td>24.6%</td>
<td>540</td>
</tr>
<tr>
<td>Red Fox Hotels</td>
<td>80.4%</td>
<td>76.7%</td>
<td>370</td>
<td>2,946</td>
<td>2719</td>
<td>8%</td>
<td>0.11</td>
<td>0.08</td>
<td>38%</td>
<td>44.0%</td>
<td>34.9%</td>
<td>910</td>
</tr>
</tbody>
</table>

Note: The results of this quarter and H1 are not indicative of full year’s performance due to seasonal nature of the business.
Expansion Plans – Hotels under Development

<table>
<thead>
<tr>
<th>Under-development hotels</th>
<th>Type</th>
<th>Rooms</th>
<th>Expected Opening date</th>
<th>Ownership (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lemon Tree Premier, City Centre, Pune</td>
<td>Owned</td>
<td>199</td>
<td>Dec-18</td>
<td>57.98%</td>
</tr>
<tr>
<td>Lemon Tree Premier, Andheri (East), Mumbai</td>
<td>Owned</td>
<td>298</td>
<td>Jan-19</td>
<td>100.00%</td>
</tr>
<tr>
<td>Lemon Tree Premier, Kolkata</td>
<td>Owned</td>
<td>142</td>
<td>Apr-19</td>
<td>57.98%</td>
</tr>
<tr>
<td>Lemon Tree Premier, Udaipur</td>
<td>Owned</td>
<td>139</td>
<td>Oct-19</td>
<td>57.98%</td>
</tr>
<tr>
<td>Lemon Tree Vembanad Lake Resort, Alleppey, Kerala¹</td>
<td>Owned</td>
<td>10</td>
<td>Oct-20</td>
<td>100.00%</td>
</tr>
<tr>
<td>Lemon Tree Mountain Resort, Shimla</td>
<td>Owned</td>
<td>69</td>
<td>Dec-20</td>
<td>100.00%</td>
</tr>
<tr>
<td>Lemon Tree Premier, Intl. Airport, Mumbai²</td>
<td>Owned</td>
<td>577</td>
<td>Mar-21</td>
<td>57.98%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,434</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Total estimated project cost is Rs. 17,250 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 30th September, 2018 is Rs. 9,922 million
- Balance investment of Rs. 7,328 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 94 rooms to 671, in which case total owned and leased inventory under development will increase to 1,619
## Expansion Plans – Pipeline of Management Contracts (as of November 5th, 2018)

<table>
<thead>
<tr>
<th>Management Contracts Pipeline</th>
<th>Rooms</th>
<th>Expected Opening date</th>
<th>Tenure (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lemon Tree Hotel, Lucknow</td>
<td>51</td>
<td>Dec-18</td>
<td>11</td>
</tr>
<tr>
<td>Red Fox Hotel, Alwar</td>
<td>49</td>
<td>Dec-18</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Amritsar</td>
<td>65</td>
<td>Feb-19</td>
<td>10</td>
</tr>
<tr>
<td>Red Fox Hotel, Neelkanth</td>
<td>80</td>
<td>Mar-19</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Premier, Rishikesh</td>
<td>66</td>
<td>Mar-19</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Thimpu</td>
<td>27</td>
<td>Mar-19</td>
<td>10</td>
</tr>
<tr>
<td><strong>Managed rooms to be operational in FY19</strong></td>
<td><strong>338</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lemon Tree Hotel, Gulmarg</td>
<td>35</td>
<td>Apr-19</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Premier, Dwarka</td>
<td>108</td>
<td>Apr-19</td>
<td>15</td>
</tr>
<tr>
<td>Lemon Tree Hotel, BKC, Mumbai</td>
<td>70</td>
<td>Jun-19</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Dubai</td>
<td>114</td>
<td>Jun-19</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Jhansi</td>
<td>60</td>
<td>Jul-19</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Shirdi</td>
<td>59</td>
<td>Oct-19</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Bokaro</td>
<td>70</td>
<td>Oct-19</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Resort, Mussoorie</td>
<td>40</td>
<td>Oct-19</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Rishikesh</td>
<td>102</td>
<td>Oct-19</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Premier, Coorg</td>
<td>63</td>
<td>Oct-19</td>
<td>15</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Aligarh</td>
<td>68</td>
<td>Nov-19</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Ludhiana</td>
<td>60</td>
<td>Dec-19</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Gwalior</td>
<td>104</td>
<td>Jan-20</td>
<td>15</td>
</tr>
<tr>
<td><strong>Managed rooms to be operational in FY20</strong></td>
<td><strong>953</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serviced Suites, Manesar</td>
<td>260</td>
<td>Apr-20</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Sonamarg</td>
<td>40</td>
<td>Apr-20</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Ranthambore</td>
<td>60</td>
<td>Apr-20</td>
<td>12</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Kathmandu</td>
<td>75</td>
<td>Apr-20</td>
<td>12</td>
</tr>
<tr>
<td>Red Fox Hotel, Vijaywada</td>
<td>90</td>
<td>June-20</td>
<td>15</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Thimpu</td>
<td>38</td>
<td>Oct-20</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Hotel, Trivandrum</td>
<td>100</td>
<td>Jan-21</td>
<td>10</td>
</tr>
<tr>
<td>Lemon Tree Premier, Vijaywada</td>
<td>120</td>
<td>Mar-21</td>
<td>15</td>
</tr>
<tr>
<td><strong>Managed rooms to be operational in FY21</strong></td>
<td><strong>783</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total managed rooms in pipeline</strong></td>
<td><strong>2,074</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Under Development Hotels
Lemon Tree Premier – Pune | Image Representation
Note: Hotel is expected to have 199 rooms and expected month of opening is Nov/Dec-2018.
Lemon Tree Premier – Mumbai (Andheri)

Note: Hotel is expected to have 298 rooms and expected month of opening is January-2019.
Lemon Tree Premier – Kolkata

Note: Hotel is expected to have 142 rooms and expected month of opening is April-2019.
Lemon Tree Premier – Udaipur

Note: Hotel is expected to have 139 rooms and expected month of opening is October-2019.
Lemon Tree Mountain Resort – Shimla | Image Representation
Lemon Tree Mountain Resort – Shimla

Note: Hotel is expected to have 69 rooms and expected month of opening is December-2020.
Lemon Tree Premier – Mumbai Airport | Image Representation
Note: Currently, hotel is expected to have 577 rooms. 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 94 rooms to 671. Expected month of opening is March-2021.
Thank You