

June 2018



Lemon Tree Hotels Limited

Corporate Presentation



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.

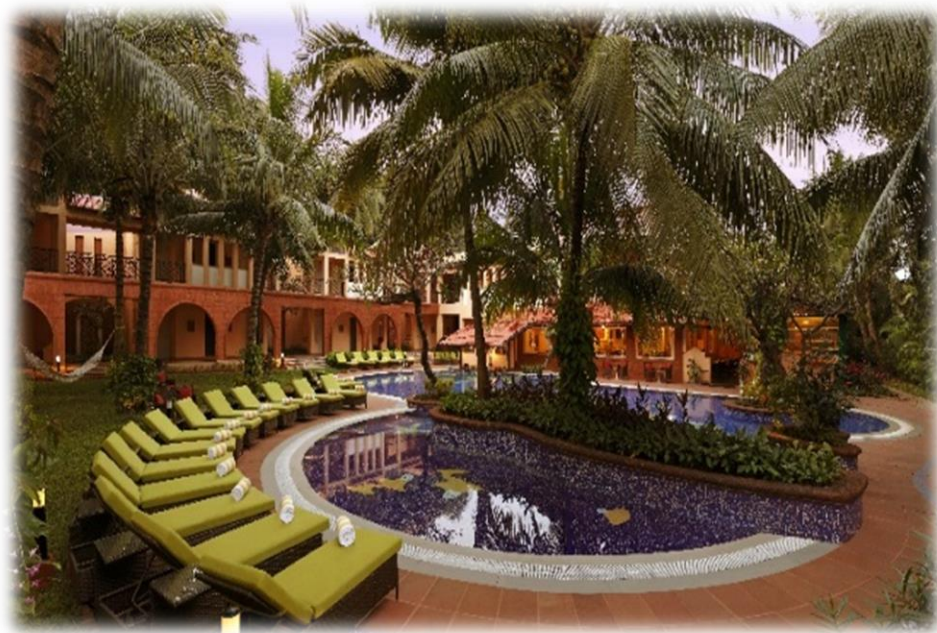


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Lemon Tree Premier, Delhi Airport



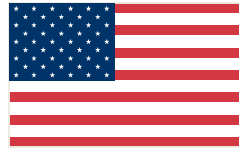
Lemon Tree Premier, Jaipur



Lemon Tree Premier, City Center,
Gurgaon

Attractiveness of Indian Hotel Industry

India: A comparatively under-penetrated hotel market



Supply of Rooms

16.2 Million

5.0 Million

3.78 Million

0.2 Million

Population

7349 Million

321 Million

1379 Million

1211 Million

Penetration (Rooms/1000 People)

2.2

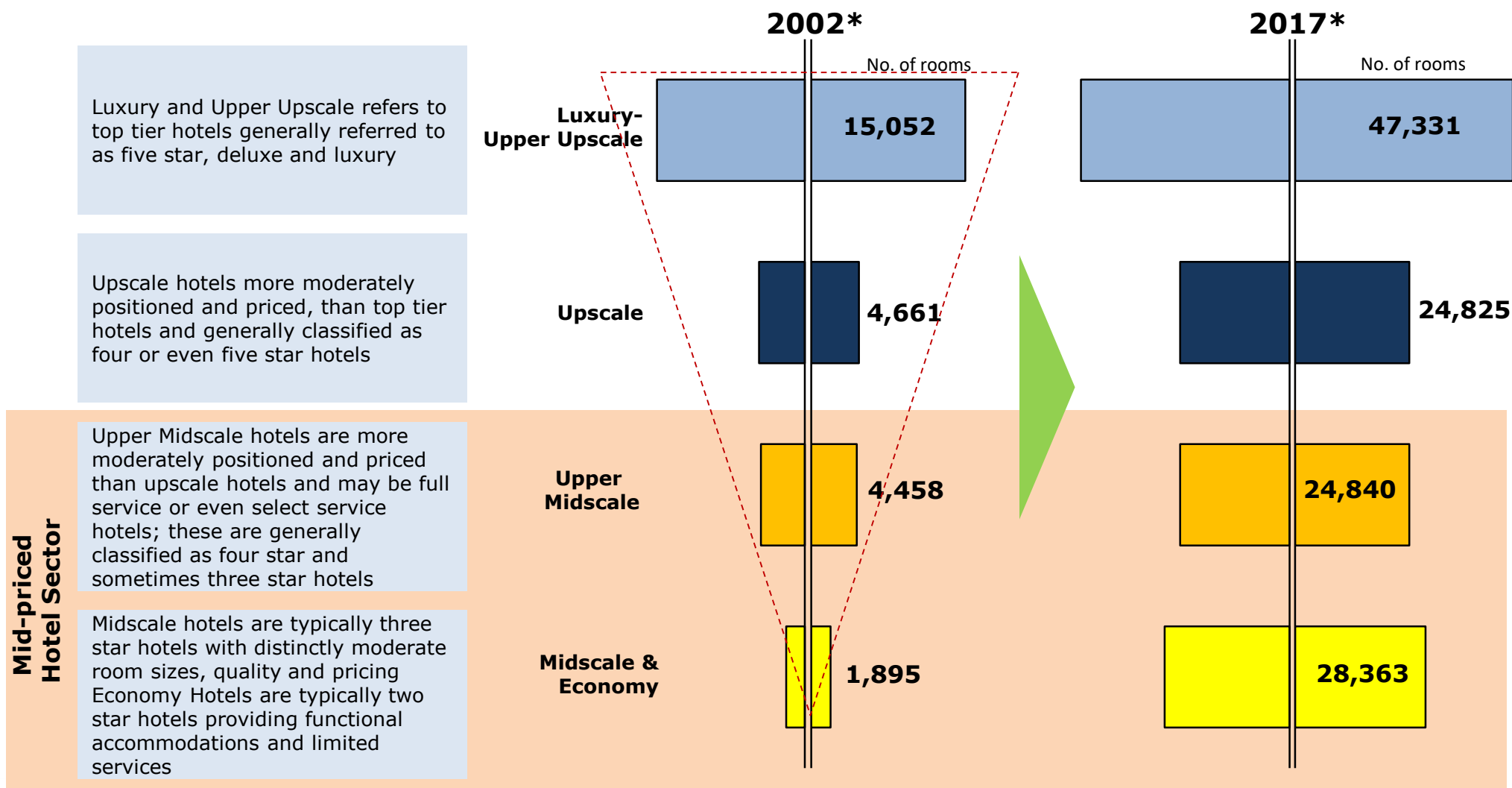
15.7

2.7

0.2

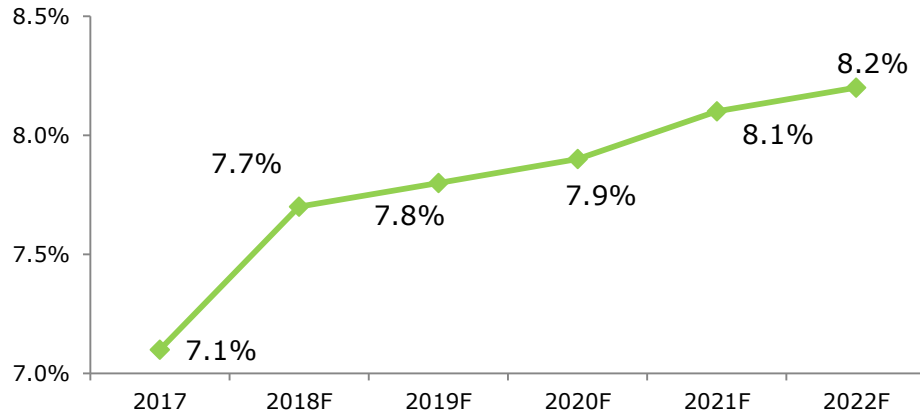
Supply of rooms in India's hotel industry was primarily at the top-end

When Lemon Tree commenced business in 2002, India's Hotel industry was an inverted pyramid



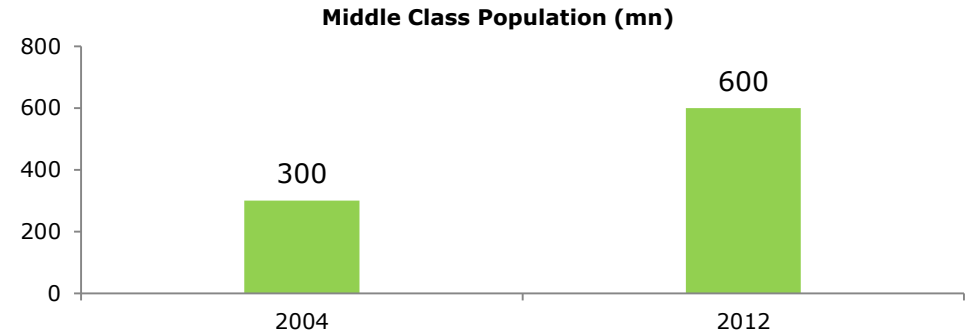
Significant drivers for hotel industry growth in India

Increasing Indian GDP



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

Growing middle class population

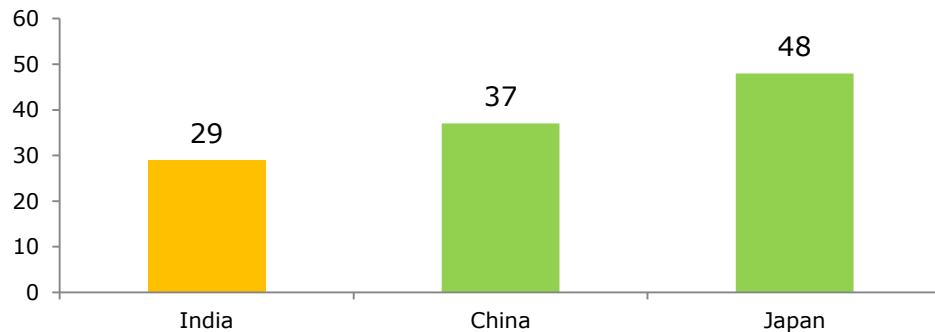


Middle class population in India is likely to overtake that of US and China by 2027

Source : World Economic Forum

Rise in young population

Average Age by 2020



64% of India's population is expected to be in the working age population by the fiscal year 2021

Source : Union budget and economic survey 2013

Higher spending

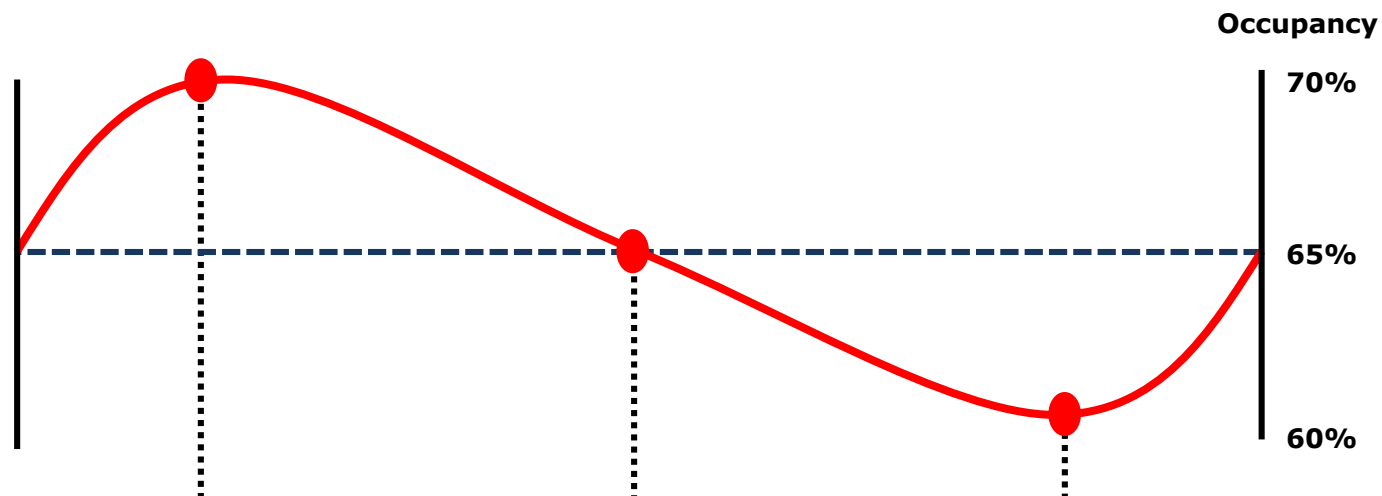
Increased income levels expected to create additional discretionary spending capacity for the individuals

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.

The hotel business cycle

Illustrative:
15 Room Hotel
with
Investment =
300

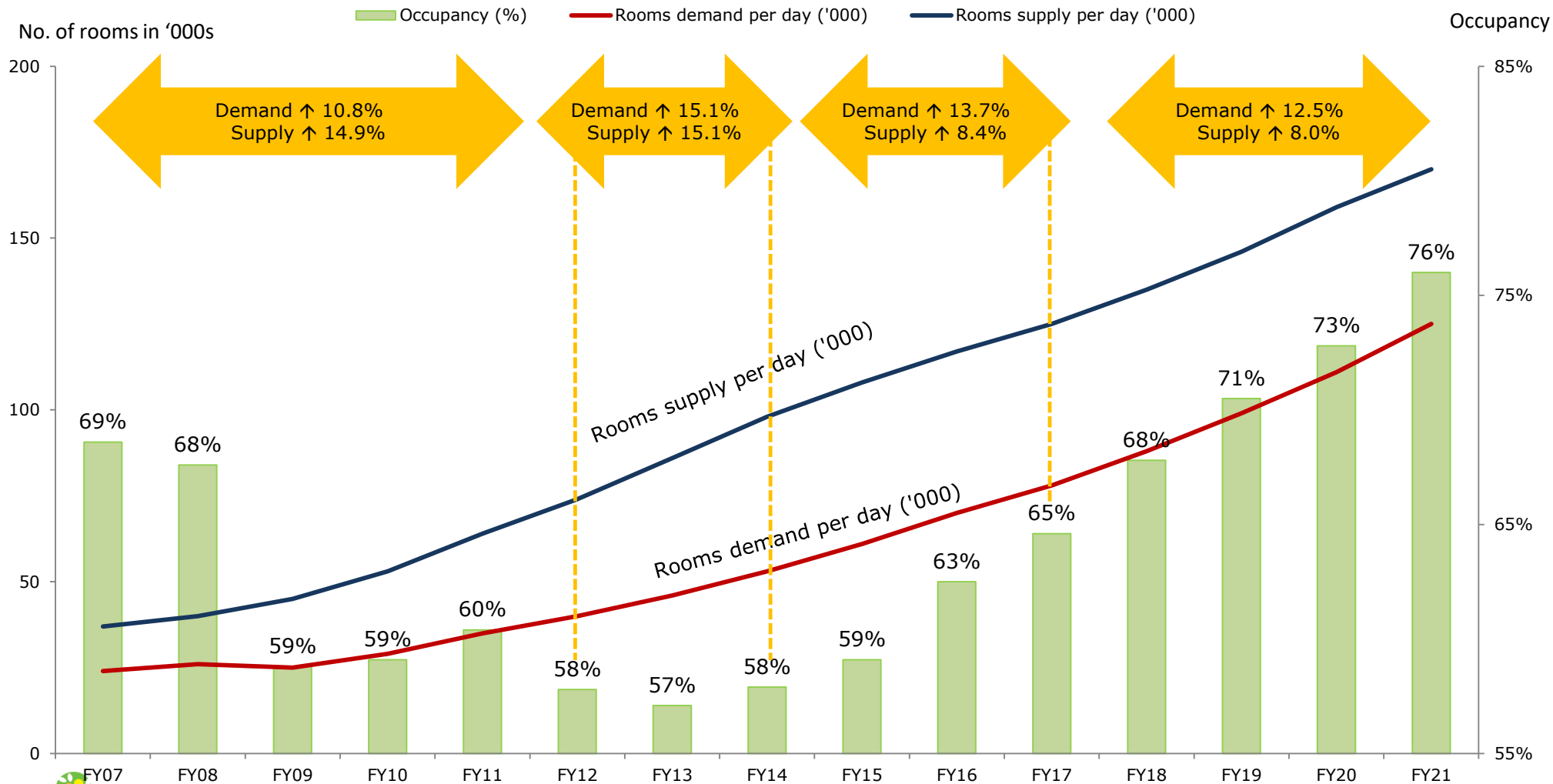


Cycle	Top (2)	Middle (3)	Bottom (2)	
Occupancy	70% or more	63-68%	60% or less	
Rooms Sold	12	10	8	
Average Daily Rate	13	10	7	
Revenue	156	100	56	▶ 3:2:1
Expenses	60	50	40	
EBITDA	96	50	16	
Hotel RoCE	32%	17%	5%	▶ 6:3:1
Sustainable Debt:Equity Coverage	Full Debt	1:1	No Debt	

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

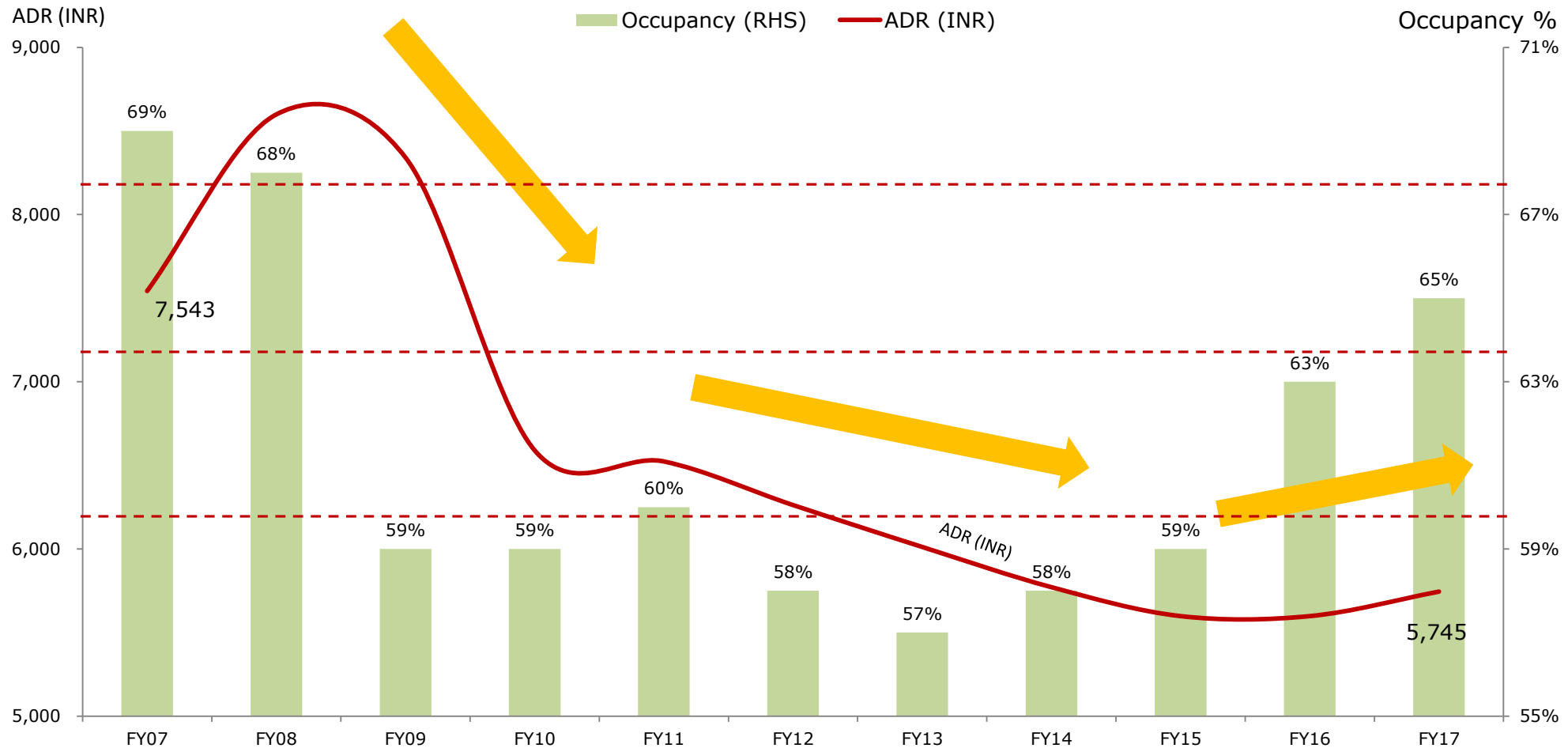
Indian hotel industry is at an inflection point

Slowing supply and rising demand is expected to increase occupancy



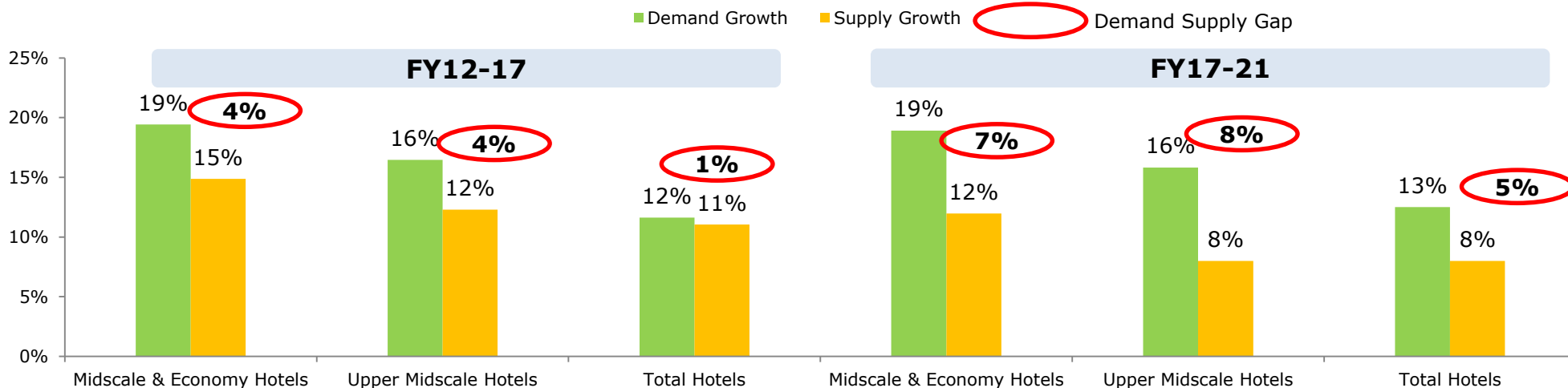
Increasing occupancy leading to increase in room rates

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

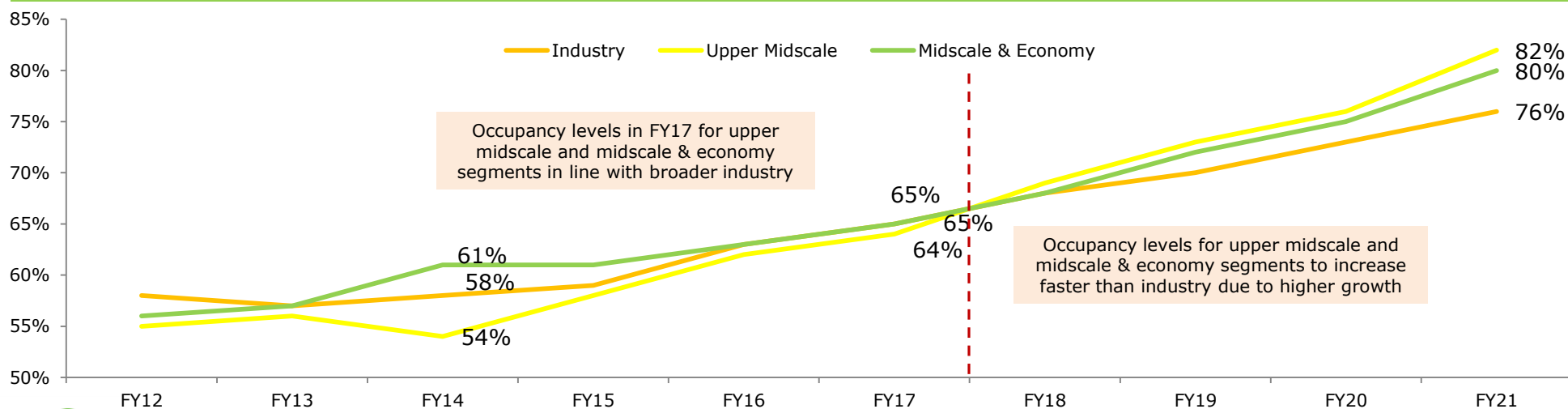


Mid-priced hotel sector expected to have higher demand supply gap resulting in higher growth in occupancy

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



...faster growth in expected occupancy





Lemon Tree Hotel, Aurangabad



Lemon Tree Hotel, Gachibowli,
Hyderabad




Lemon Tree Hotel, Vadodara

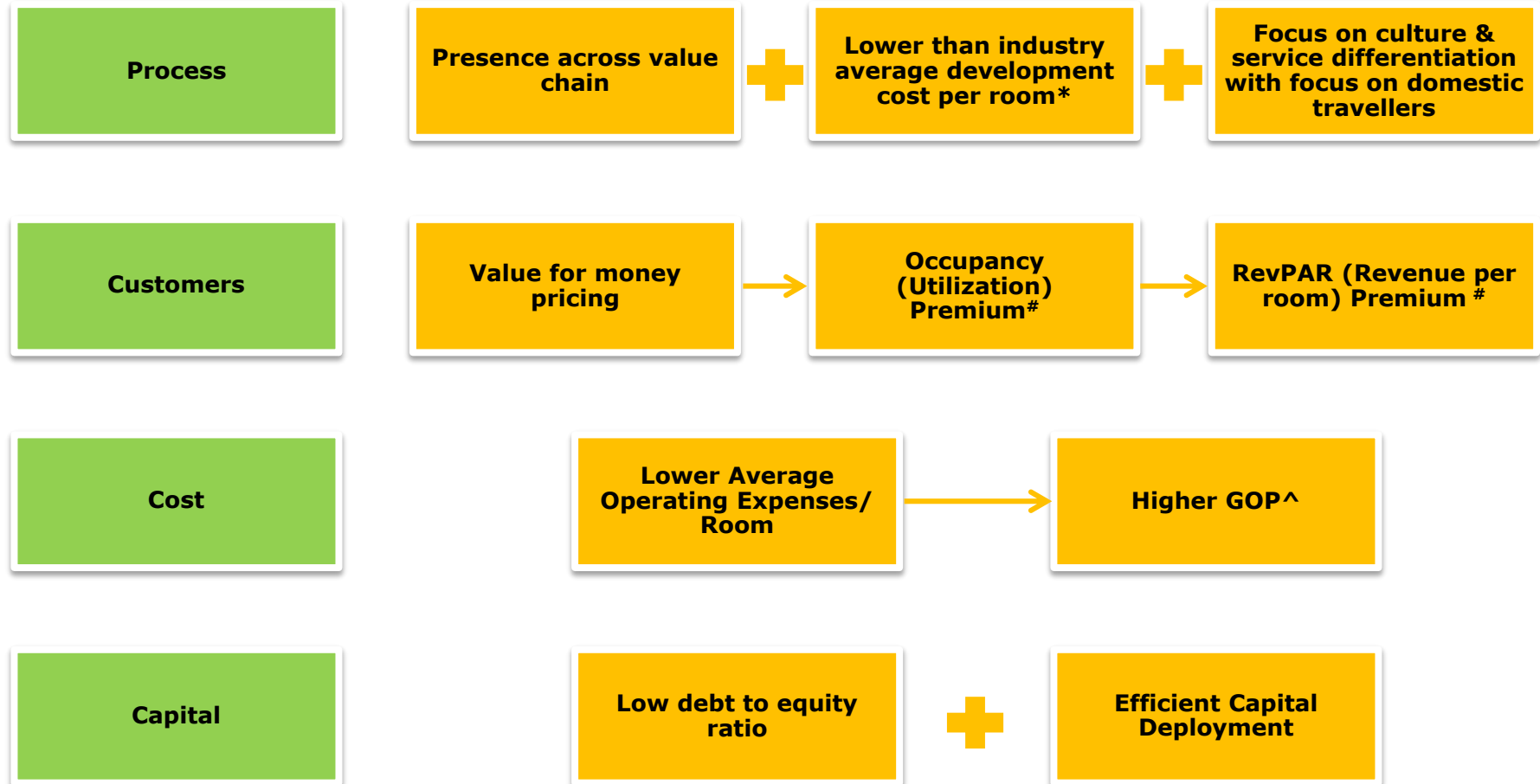
Differentiated business model of Lemon Tree (LTH)

The Business Model | Mid-cycle

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

	Typical 5 star		
Cost Per Room (Normalised)	1000	400	~40% of Five Star
Rate (Normalised)	100	50	
Occupancy	x%	1.2x%	
Room Revenue (Normalised)	100	<u>60</u>	~60% of Five Star
Total Revenue (Normalised)	100	<u>50</u>	Lower other income for LTH
Cost (Normalised)	65	<u>25</u>	~40% of Five Star
EBITDA (Normalised)	35	<u>25</u>	
RoCE	x	<u>1.7x</u>	

Competitive Advantage: Differentiated Business Model



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)

#Source : Horwath Report; ^RevPAR Premium and Lower Average Operating Expenses/ Room of Lemon Tree as compared to industry leading to higher GOP

Process

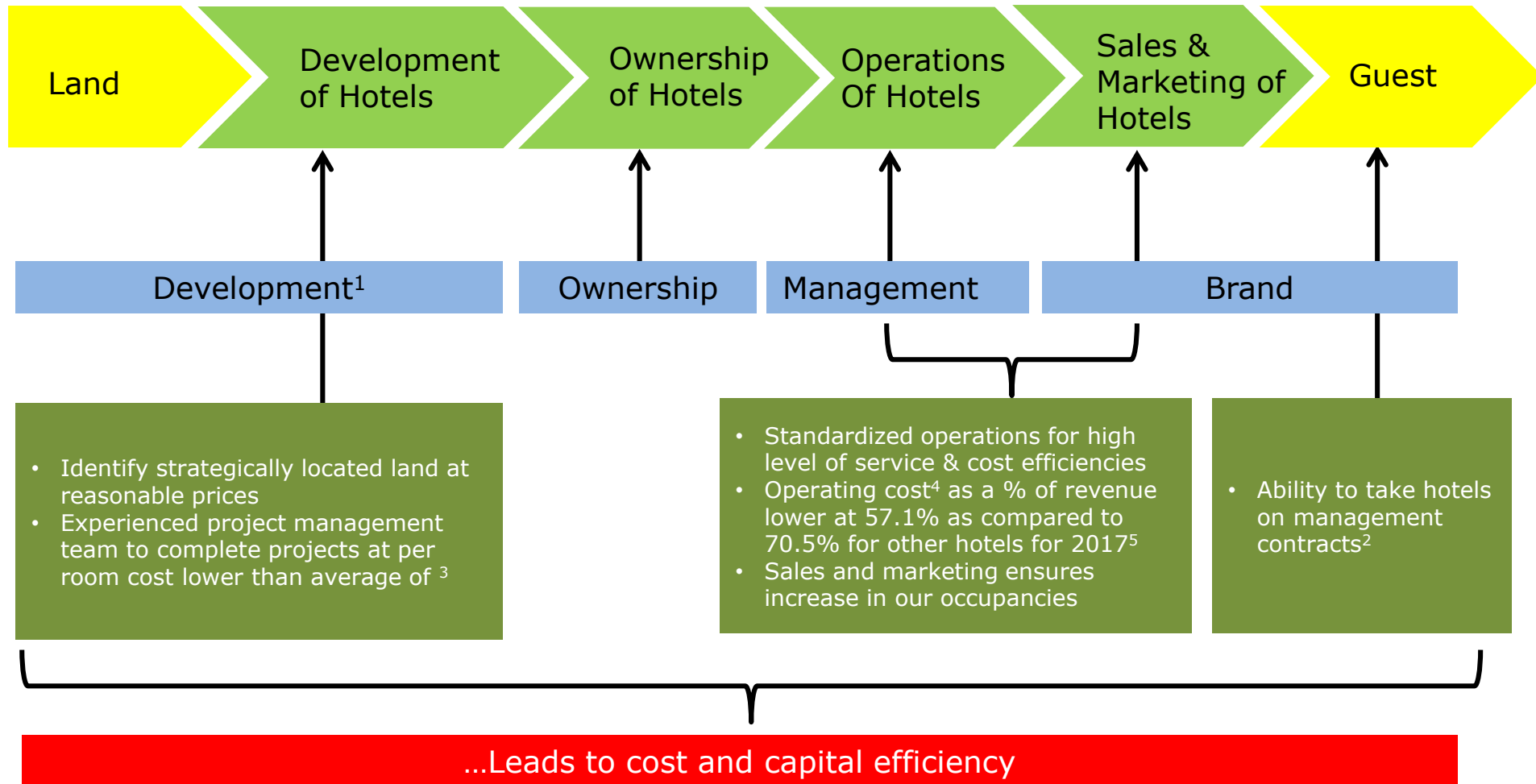
Presence across value chain



Lower than industry average development cost per room



Focus on culture & service differentiation with focus on domestic travellers



Process

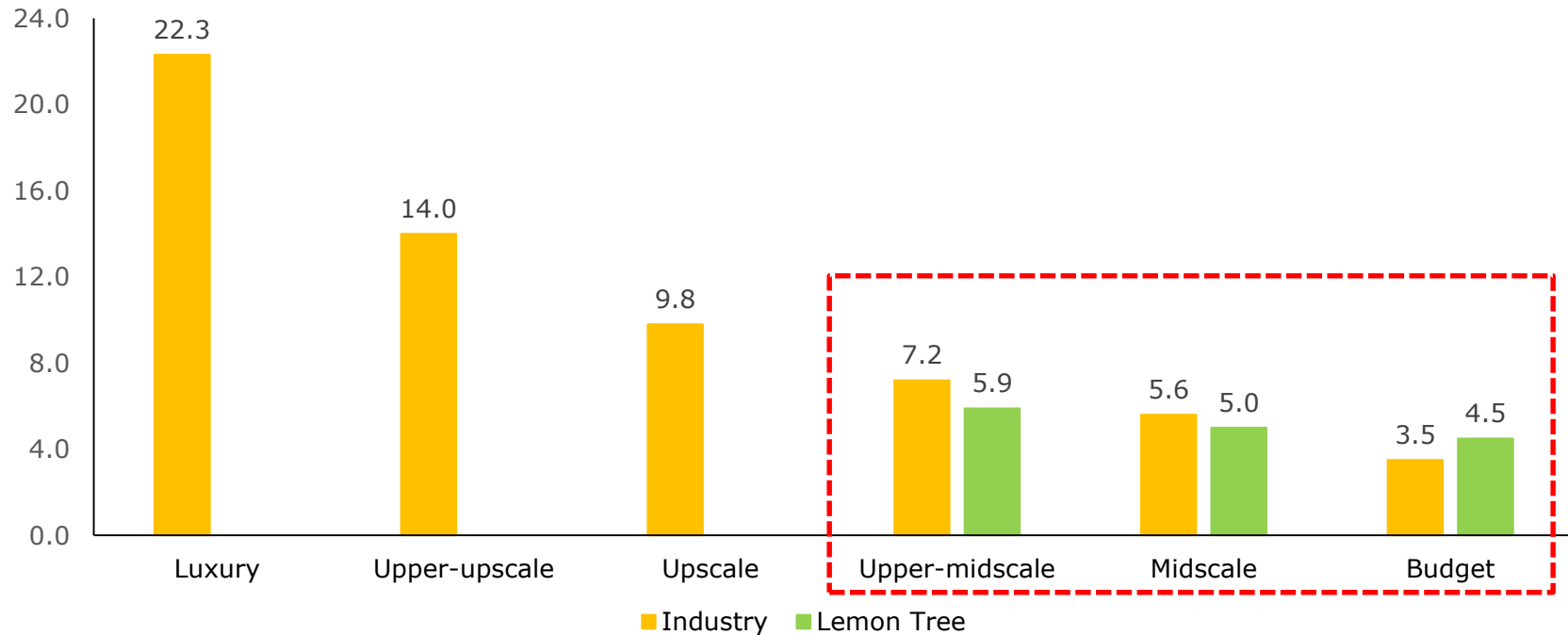
Presence across value chain



**Lower than industry
average development cost
per room ^**

**Focus on culture & service
differentiation with focus on
domestic travellers**

Average development
cost, per room* (INR Mn.)



	Upper-midscale	Midscale	Budget
Lemon Tree development cost (% of industry)	82%	89%	129%
Lemon Tree average development cost (% of upper-upscale)	37%		

^ 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

Process

Presence across value chain



Lower than industry average development cost per room



Focus on culture & service differentiation with focus on domestic travellers



- 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

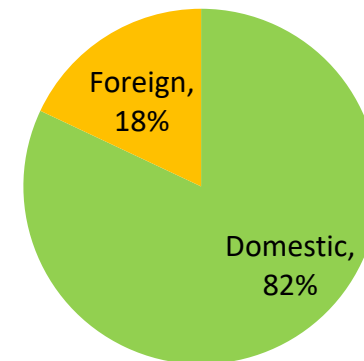
Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition

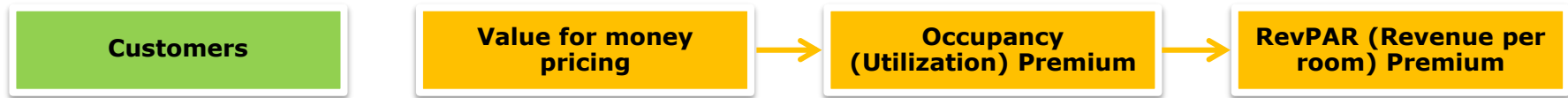


26 out of 41 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2018

Focus on Domestic Customers

FY18





Value for money (ADR in Rs.)^ **Higher Average Occupancy*...** **... leads to Higher RevPAR# (INR)**



Lemon Tree/Industry

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

Cost

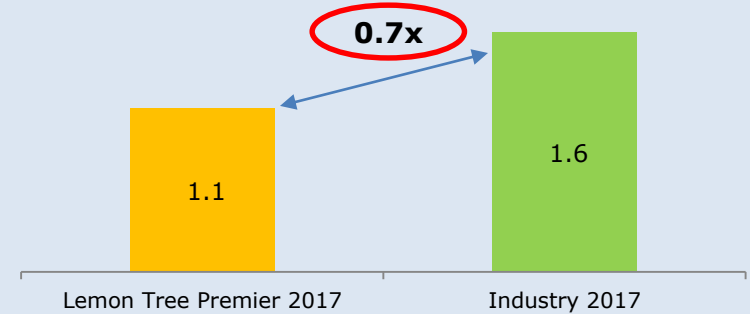
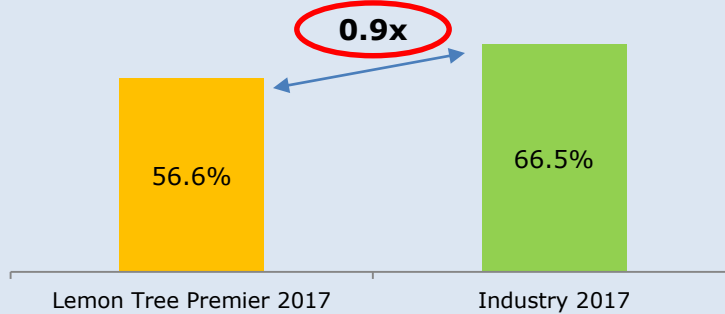
Lower Average Operating
Expenses/ Room

Higher GOP^

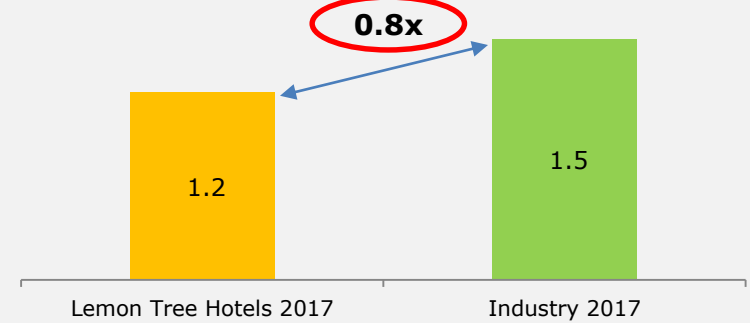
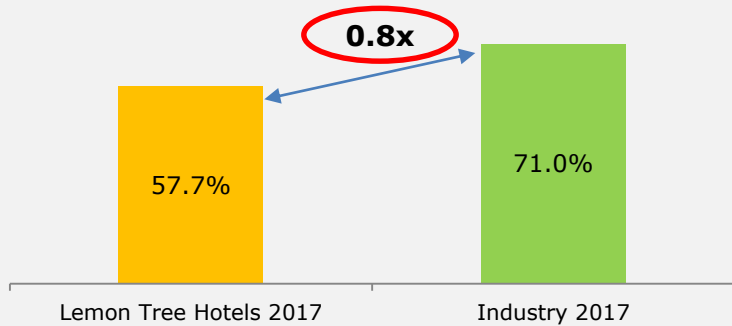
Lower Operating Expense as % of Revenue

Lower Staff per room ratio

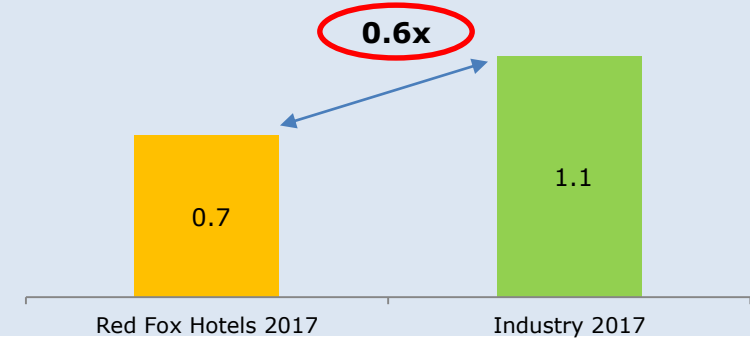
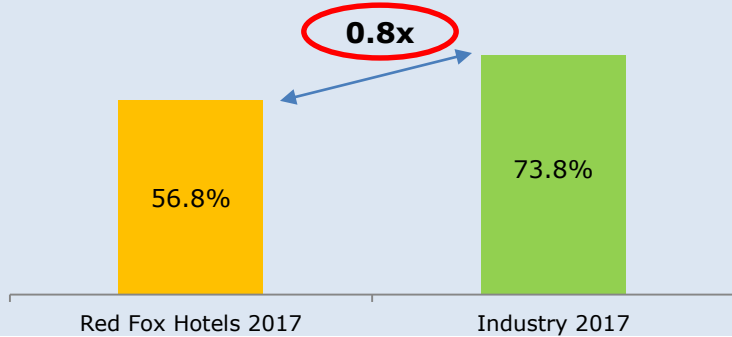
Upper
Midscale



Midscale



Economy



Summary | Relative Performance comparison (Lemon Tree vs. Industry Segments)

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

Capital

**Low debt to equity
ratio**



**Efficient Capital
Deployment**

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

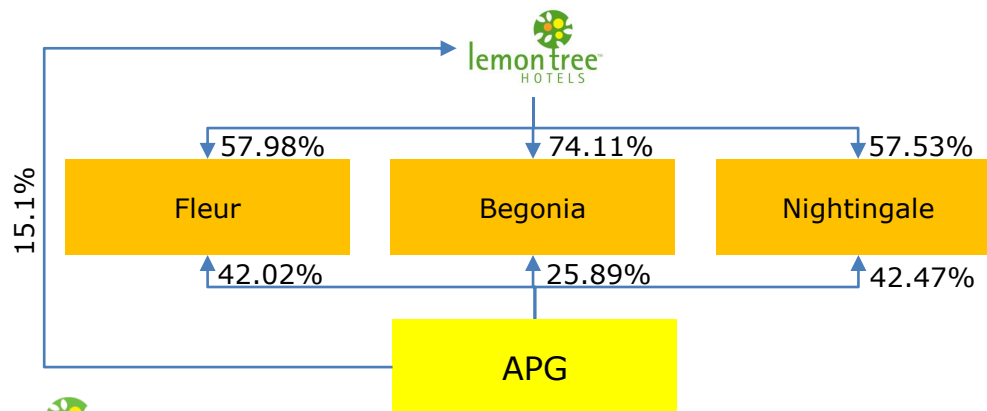
**Development of
hotels/ Scale
up of portfolio**

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

**Monetisation
platform**

- Sale of operational assets by divesting equity interest in certain operating hotels
- Capital recycled back into new development
- Retains management and control



- 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



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon




Lemon Tree Vembanad Lake, Alleppey, Kerala

Company Overview and Growth Plans

Lemon Tree – Snapshot

Leadership in mid-priced hotel sector

 **#1** mid-priced hotel sector¹ chain by owned rooms^{2,4}
#3 overall hotel sector chain by owned rooms^{2,4}

**1,301
rooms;
10 hotels**

Lemon Tree Premier



Targeted primarily at the upper-midscale hotel segment typically comparable to 4-star and sometimes 3-star

**2,515
rooms;
31 hotels**

Lemon Tree Hotels



Targeted primarily at the midscale hotel segment typically comparable to 3-star

**1,071
rooms;
8 hotels**

Red Fox by Lemon Tree Hotels



Targeted primarily at the economy hotel segment typically comparable to 2-star

Key Statistics³



31
Cities for current
operating hotels



23
New cities for under
development hotels



54
Cities by
end of FY21



49
number of
operating hotels*



29
number of hotels
under development*



78
Hotels by
end of FY21*



4,887
number of
rooms*



3,300
number of rooms
under development*



8,187
Rooms by
end of FY21*



26 of 41
Eligible hotels operating for at least a year awarded TripAdvisor
Certificate of Excellence for 2018



756,157
Members in loyalty program

Notes:

1. Includes upper midscale, midscale and economy hotels

2. Source : 'Industry Report – Mid Priced Hotel Sector' prepared by Horwath HTL India ("Horwath Report"); As of June 30, 2017

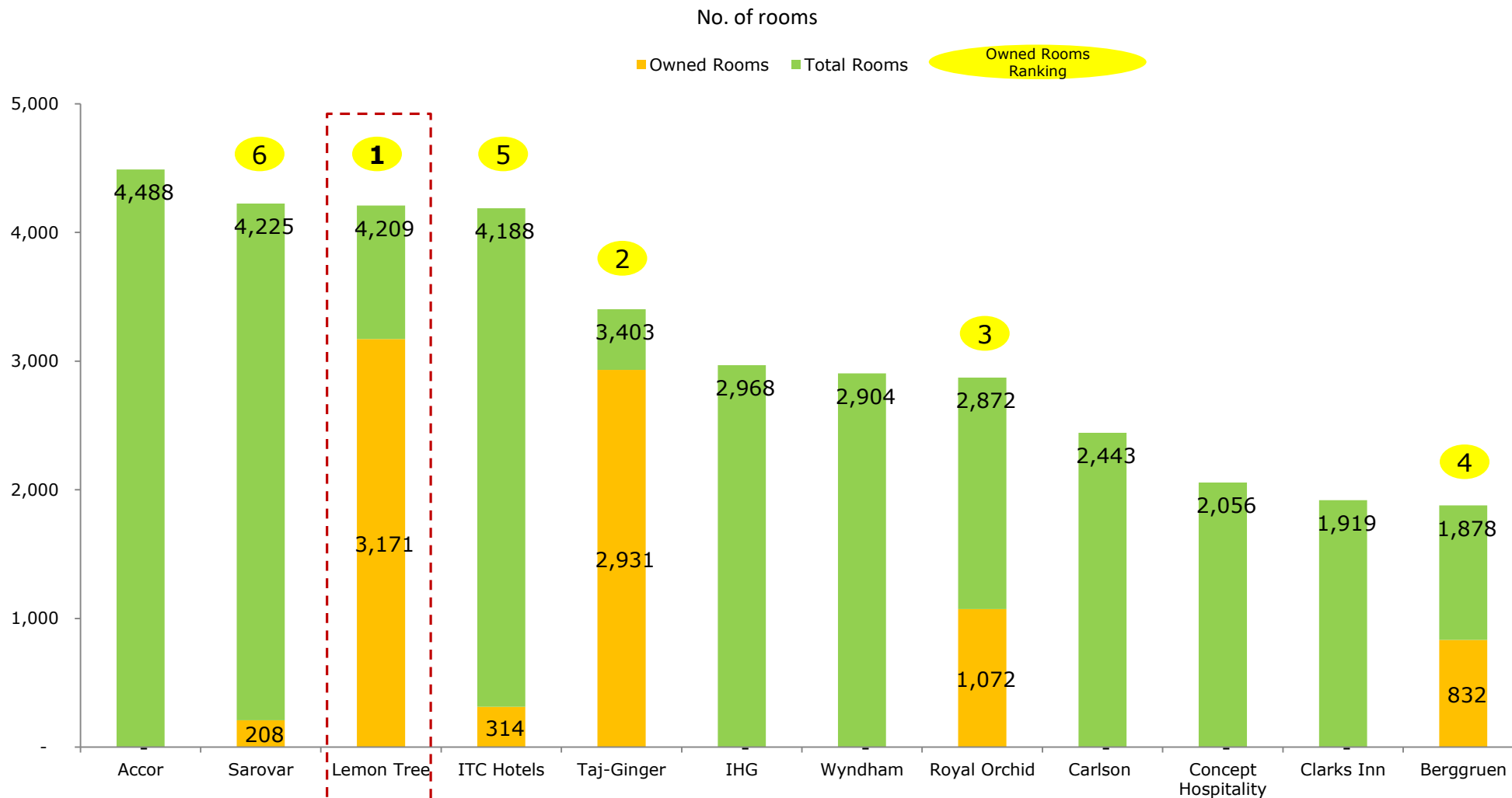
3. As of June 15, 2018

4. On the basis of controlling interest in owned and leased rooms

* Operating rooms include 2,796 owned, 481 leased and 1,610 managed rooms; Pipeline includes of 1,434 owned, 91 leased and 1,775 managed rooms

India's largest hotel chain in Mid-priced Hotel Sector ¹

Lemon Tree is the largest hotel chain in mid-priced hotel sector in India¹ and #3 in terms of total rooms ^{1,2}



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

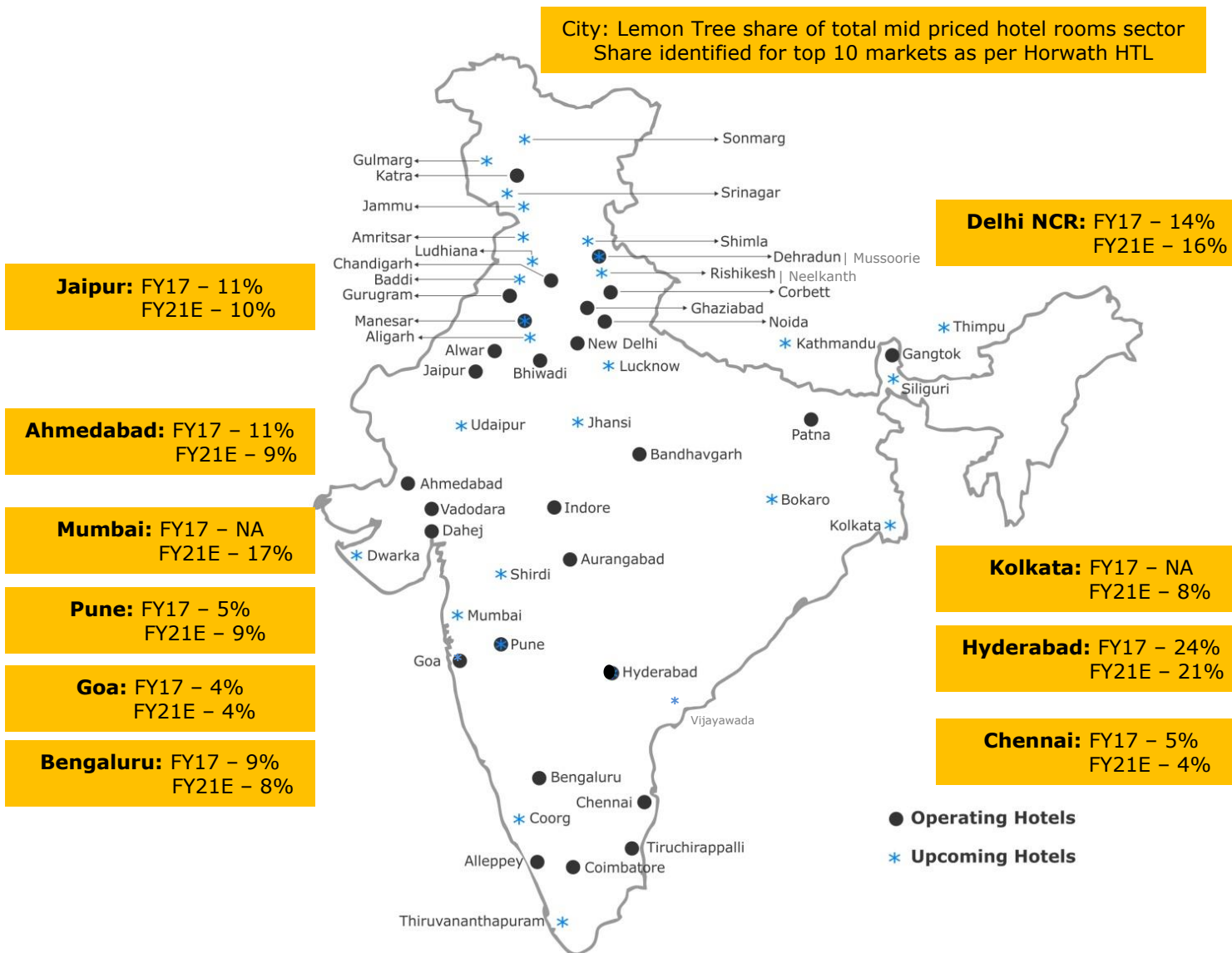
Geographical spread across India and presence in key markets to cater effectively to corporate clients and business travelers

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

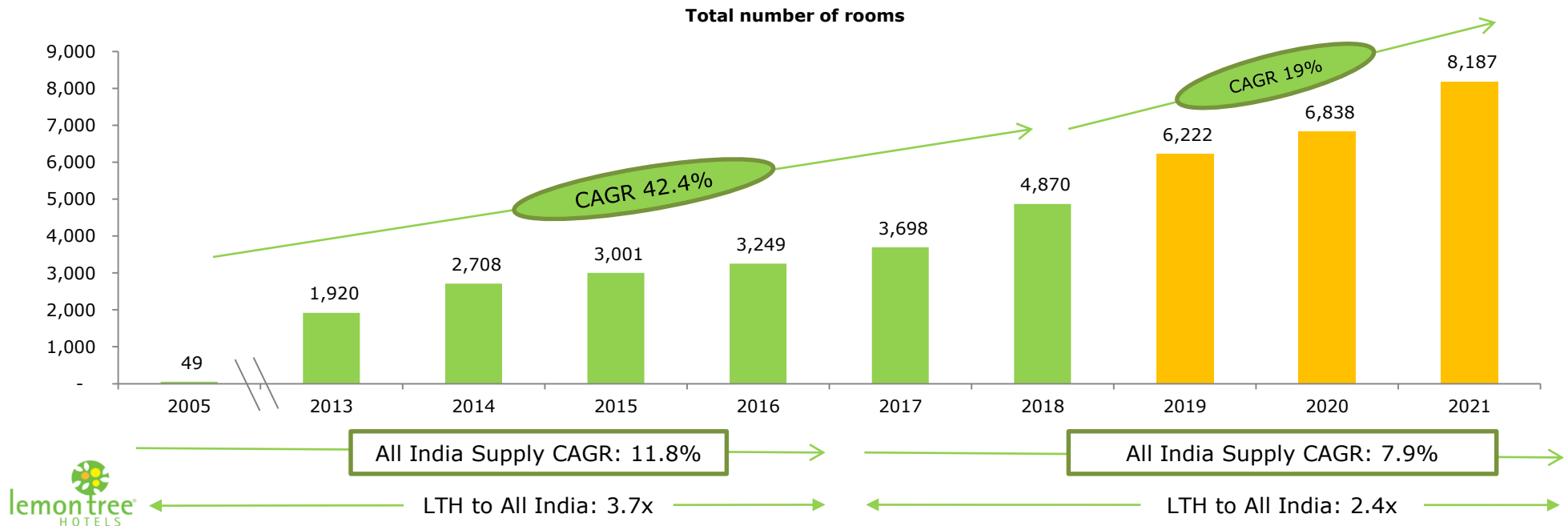
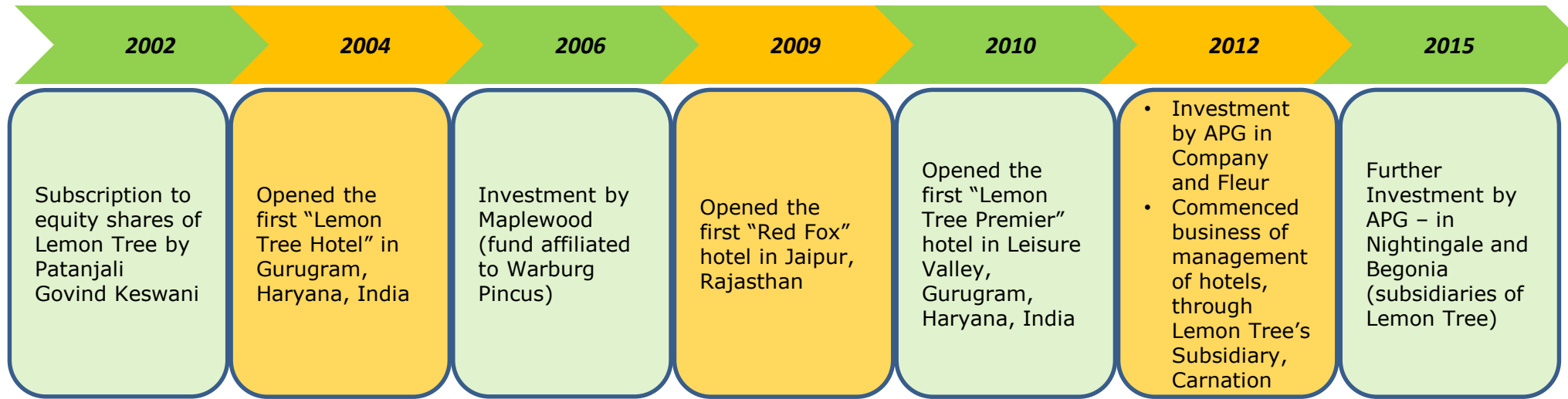
Focus in key micro markets to address demand and optimize pricing

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

City: Lemon Tree share of total mid priced hotel rooms sector
Share identified for top 10 markets as per Horwath HTL



Milestones

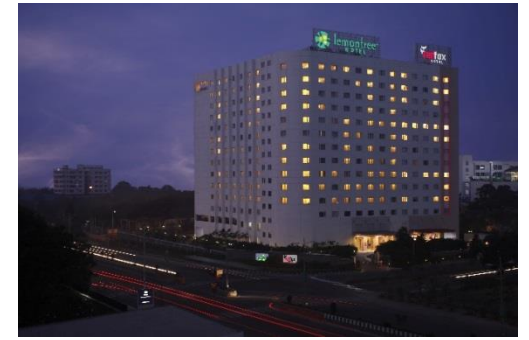




Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett

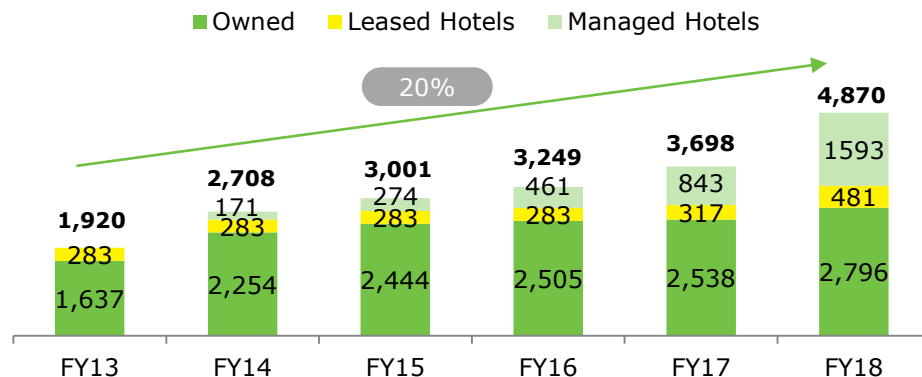


Lemon Tree Premier, Hyderabad

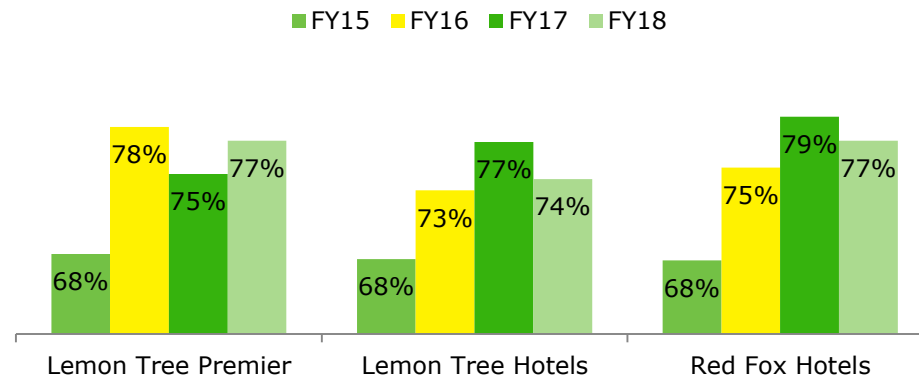
Strong Operating and Financial Performance

Strong operating performance

Rooms are being added...

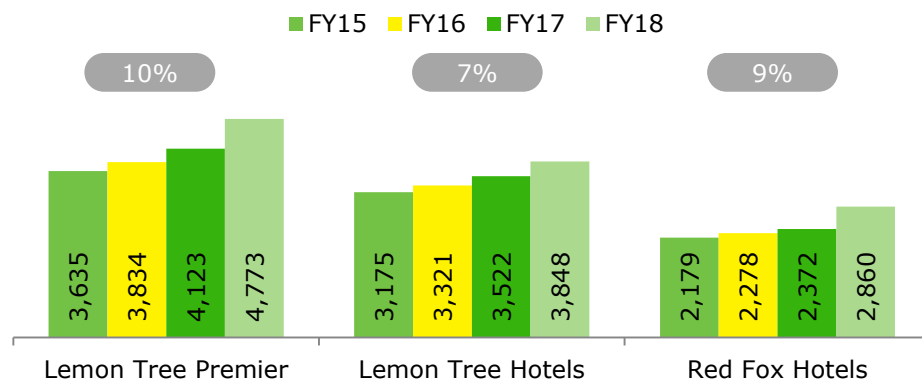


...and occupancy levels increasing...

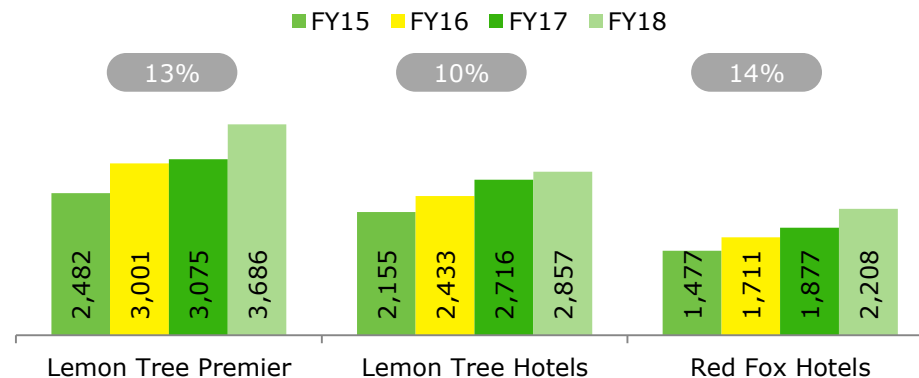


Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

...coupled with increasing ADR...



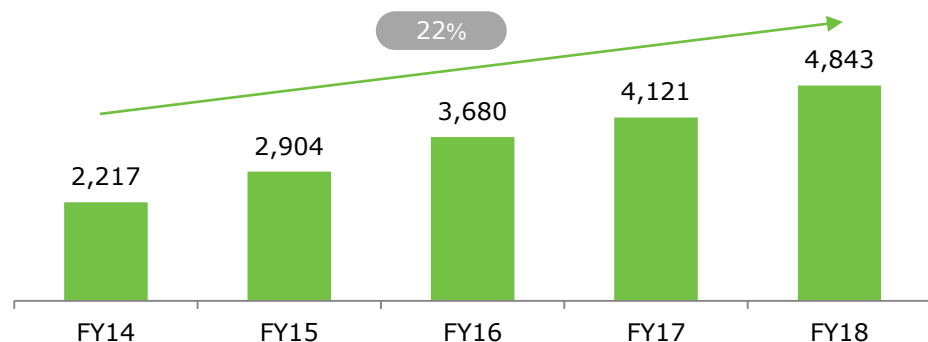
...leading to a RevPAR growth



Strong Growth and improving margins

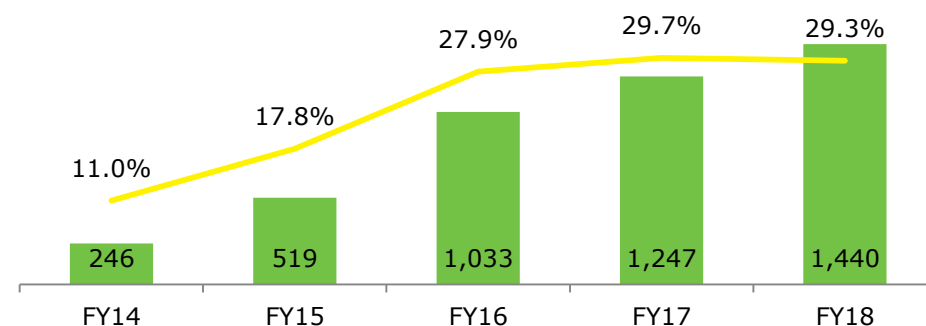
Revenue has increased at 22% over the last 5 years...

Revenue from operations (Rs. million)



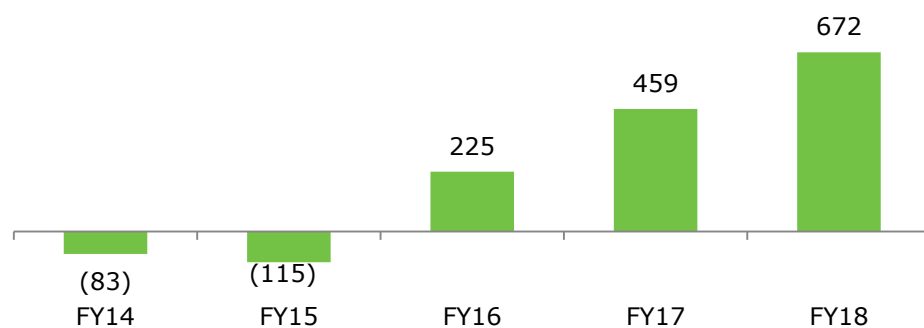
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



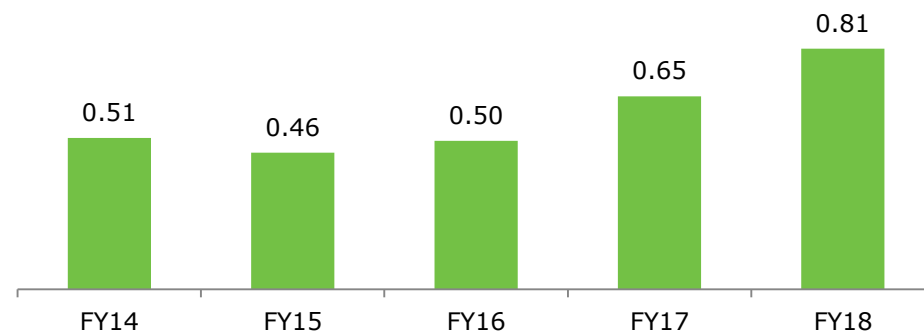
Increasing cash profit* growth

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



Gearing low

Debt/Equity



Performance of owned/leased hotels 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	FY17	21	3	-	7
	FY18	21	3	4	
Operating Rooms (year-end)	FY17	2,727	106 ¹	-	1,525
	FY18	2,727	128 ¹	422	
Occupancy Rate (%)	FY17	77.5%	51.6%	-	Deep demand markets (high occupancies)
	FY18	77.6%	61.5%	66.0%	
Average Daily Rate (Rs.)	FY17	3,411	5,302	-	1.5x of Adult Hotels in that year ⁴
	FY18	3,900	5,274	3,422	
Hotel level EBITDAR²/room (Rs. million)	FY17	0.62	0.32	-	High ⁴
	FY18	0.67	0.49	0.15	
Hotel level EBITDAR² Margin (%)	FY17	43%	32%	-	High ⁴
	FY18	44%	36%	15%	
Hotel level ROCE^{*,3} (%)	FY17	11%	6%	-	2.0x of Adult Hotels in that year ⁴
	FY18	12%	6%	(1%)	

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

Notes:

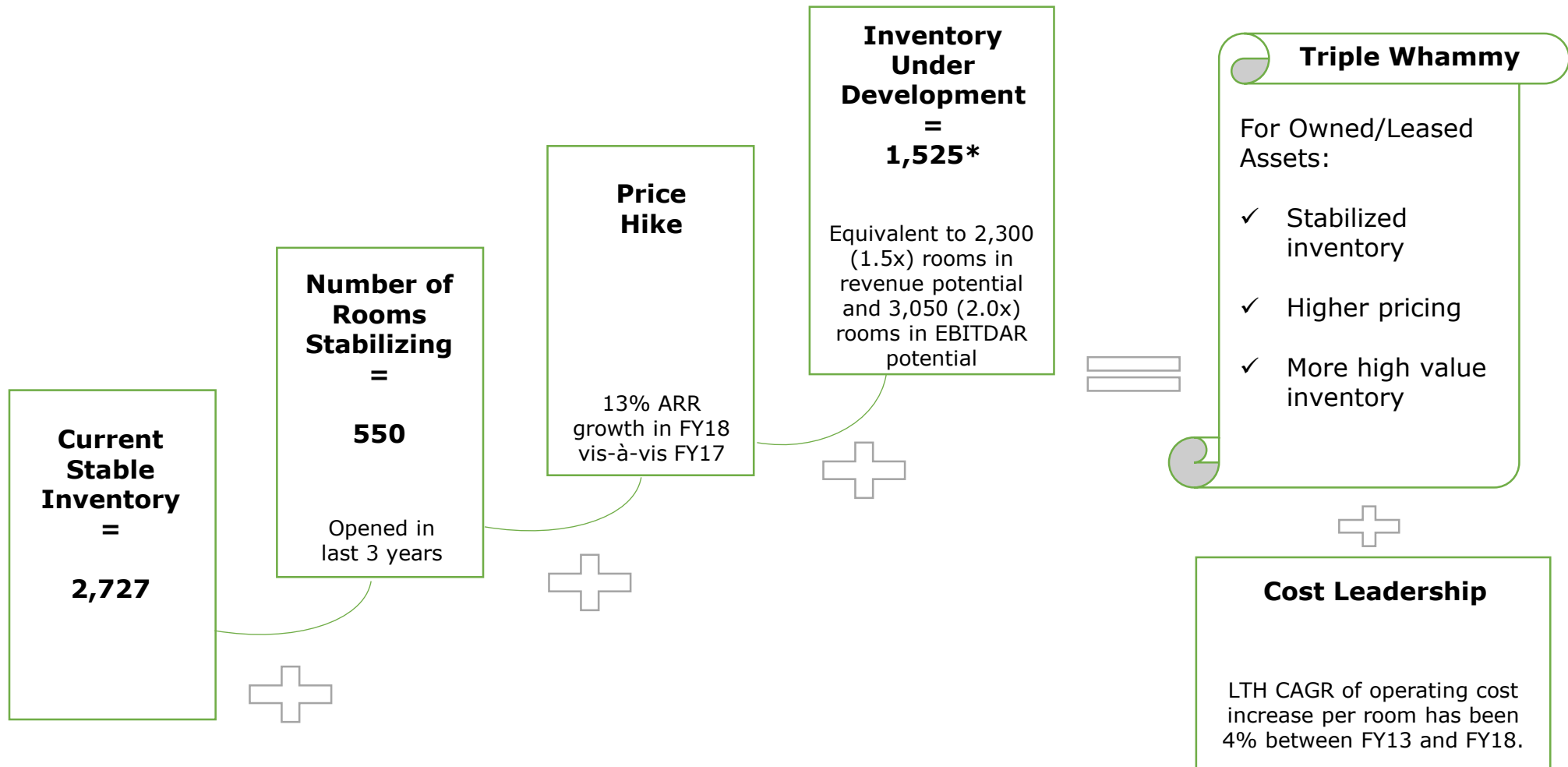
1) 22 rooms were added in Lemon Tree Wildlife resort, Bandhavgarh which were operational from November-2017

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

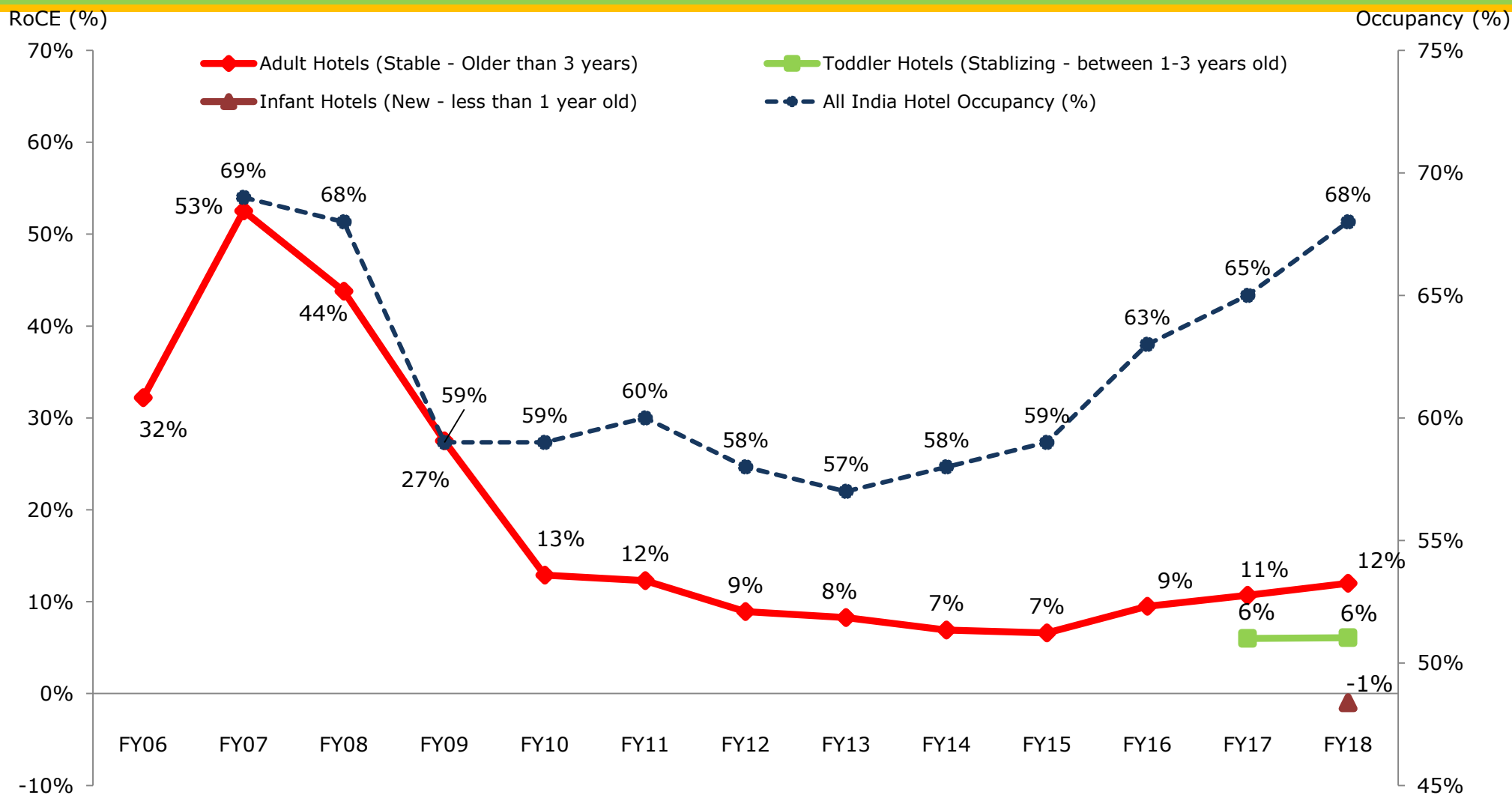
3) Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels.

4) Post stabilization.

Key levers to drive better results



Lemon Tree Hotels RoCE : Hotel Buckets by ageing as on 31st March, 2018



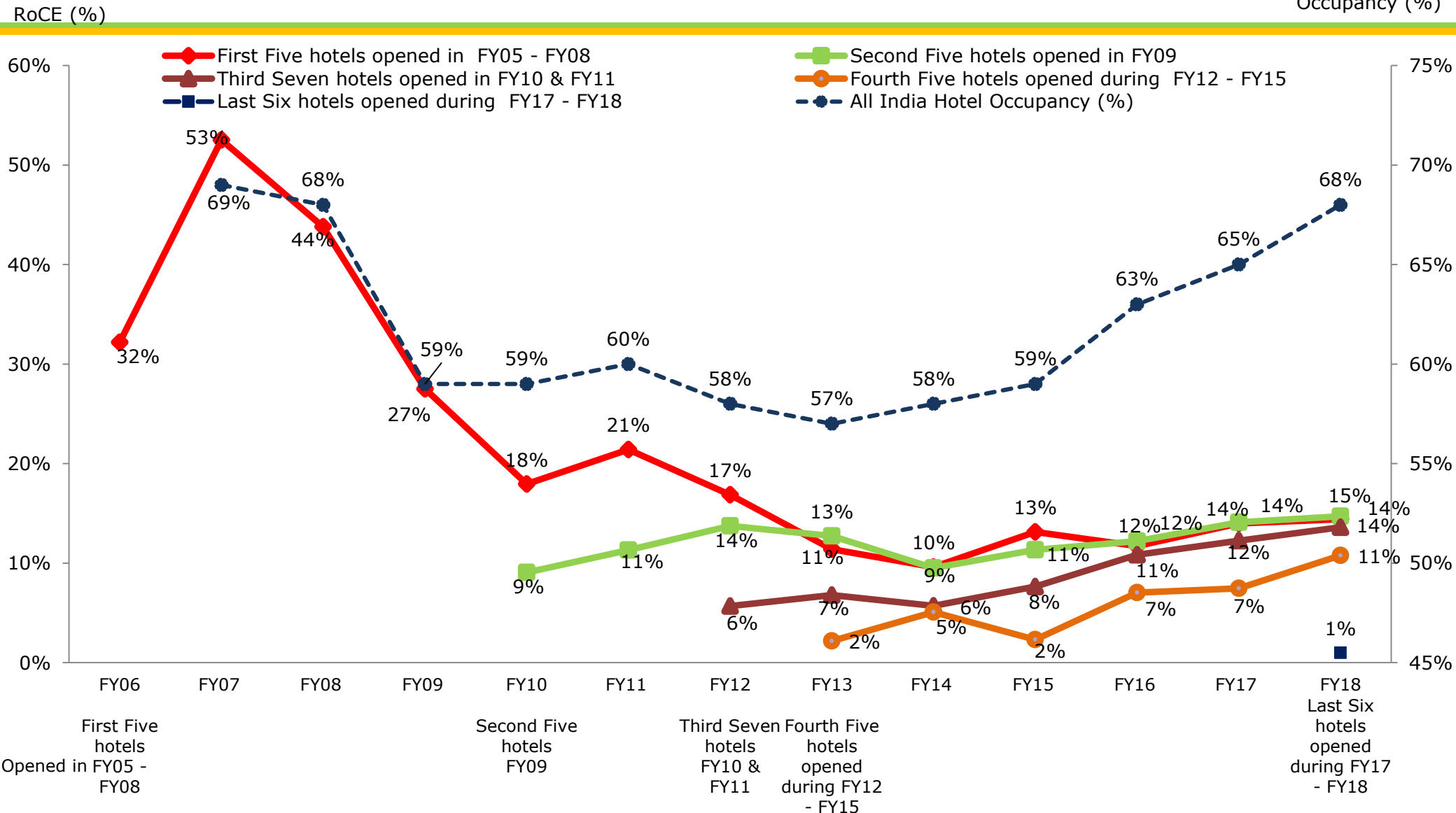
Notes:

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

Occupancy (%)



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 Hotel, Dehradun



Lemon Tree Premier, Ahmedabad



Lemon Tree Premier, Bengaluru

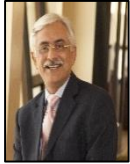
Corporate Governance and Sustainability

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



Niten Malhan (*Non-executive Director*)

- Bachelor's degree in computer science and engineering from the Indian Institute of Technology, New Delhi
- Postgraduate diploma degree in management from the Indian Institute of Management, Ahmedabad
- Worked in: Warburg Pincus India Private Limited; Last role as the Managing Director and Co-head of Warburg Pincus, India
- Worked in: McKinsey & Company, India; Engagement 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

Board of Directors (contd.)



Gopal Sitaram Jiwaraajka (*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
- Serves 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 Singhania (*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*)

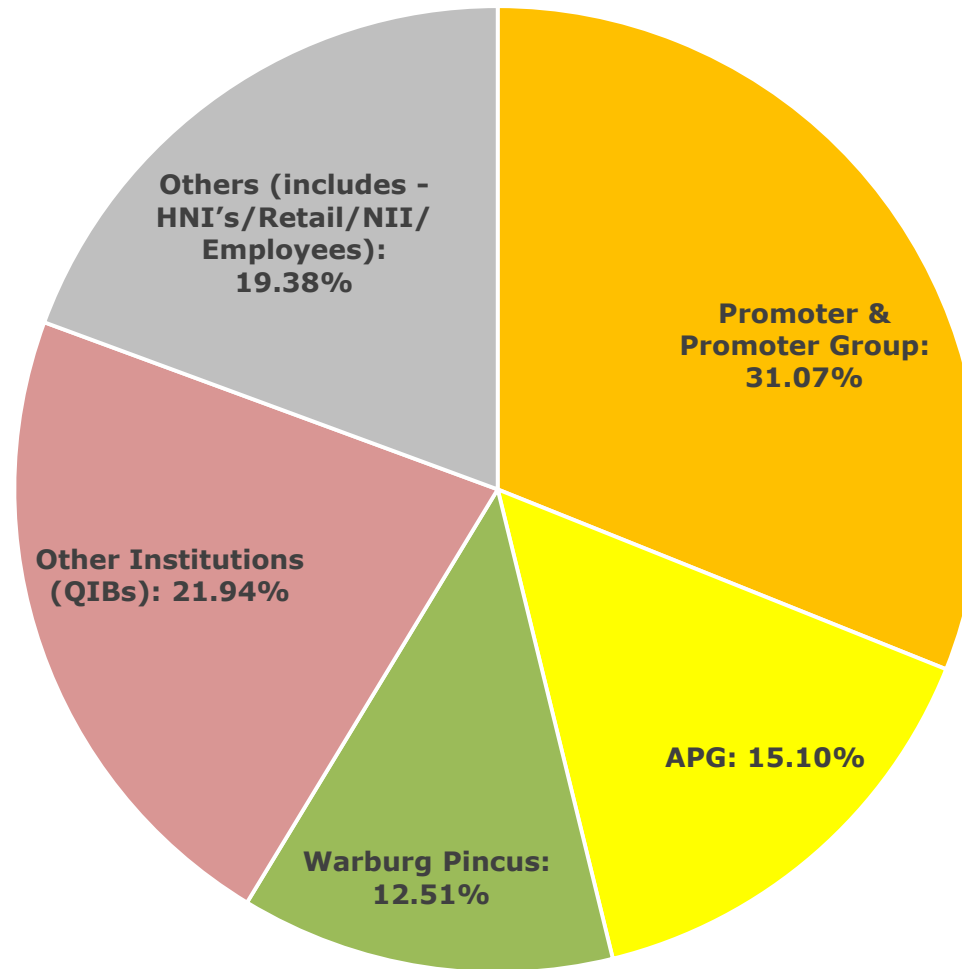
- Graduate degree in hotel Management from the Salzburg School of Austria
- Worked in: Taj Group of Hotels, Hilton, Maurya Sheraton, Crowne Plaza and Hyatt Regency across key managerial posts
- Over 30 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 11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

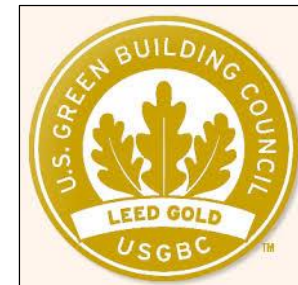
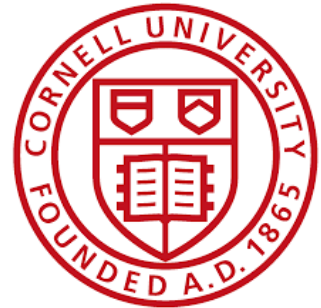


Recognition and awards through the years

GREAT
PLACE
TO
WORK®



- ❖ **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
- ❖ National Award for Empowerment of Persons with Disabilities – 2011, 2012 and 2016



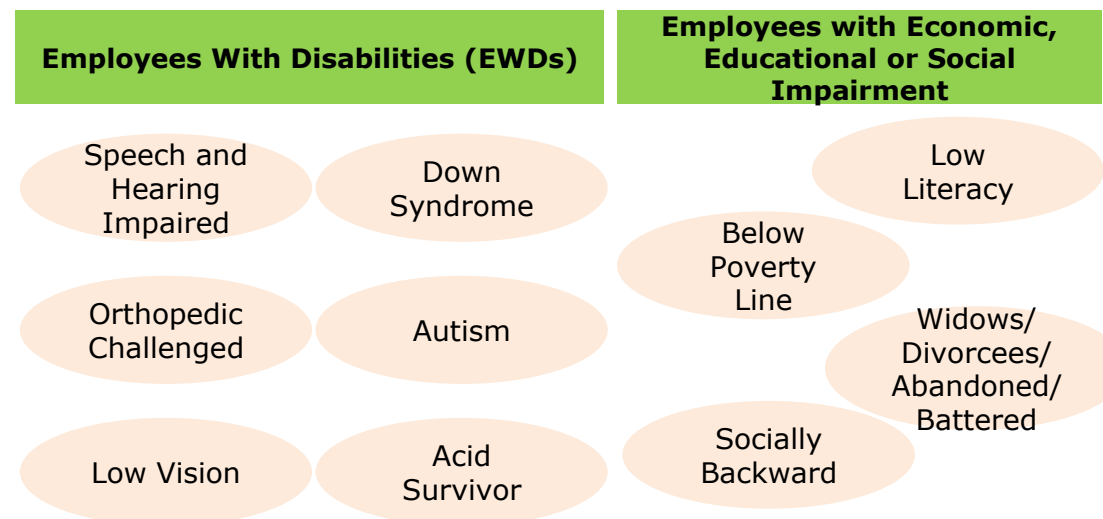
Committed to Employees, Environment and Community with socially inclusive work ethos

A. We provide employment and livelihood with dignity to 'Opportunity Deprived Indians' (ODI)

This initiative was started in 2007 and as of May 31, 2018, Lemon Tree has employed a total of around 900* Opportunity Deprived Indians, or about one fifth of its workforce.

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.



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.



Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

Appendix



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon

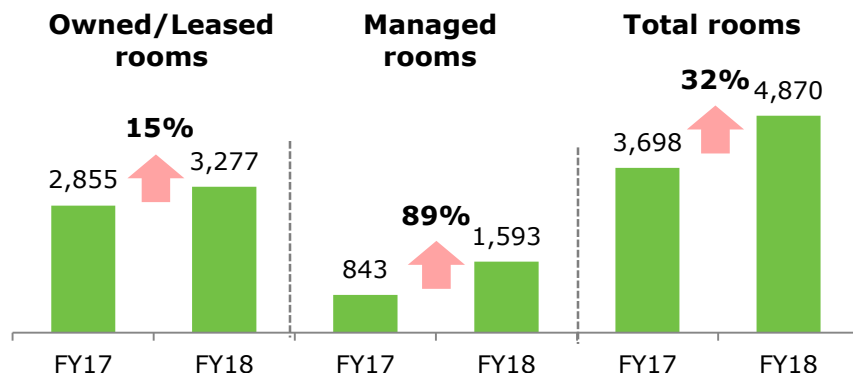


Lemon Tree Vembanad Lake, Alleppey, Kerala

Latest Performance – Q4 & FY18

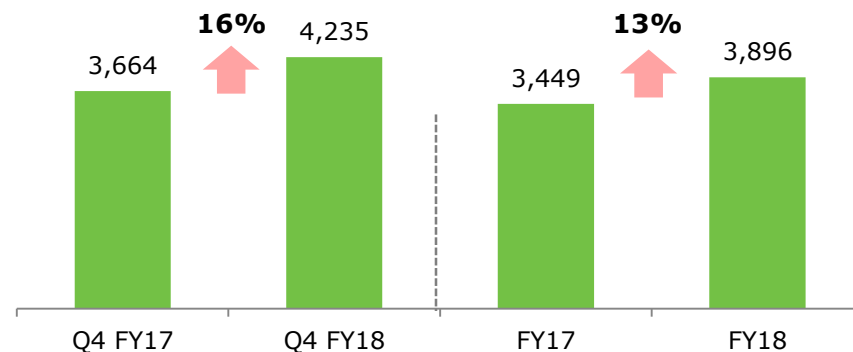
Performance Highlights – Operational Metrics

Operational Inventory



Note: Based on number of rooms operational at the end of year

Average Daily Rate (Rs.)

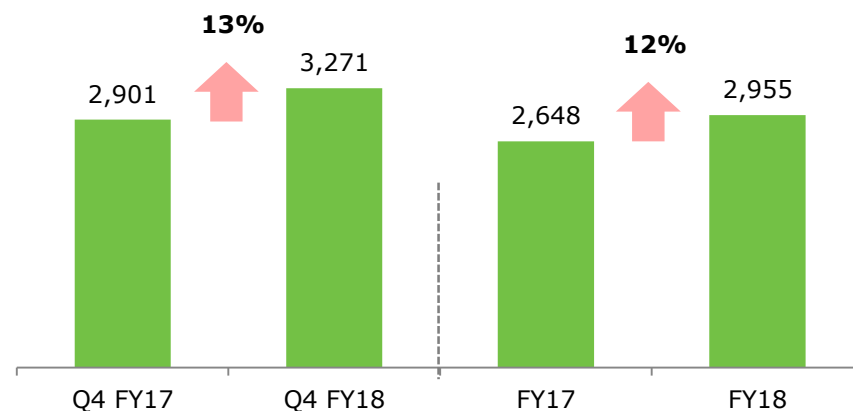


Occupancy (%)



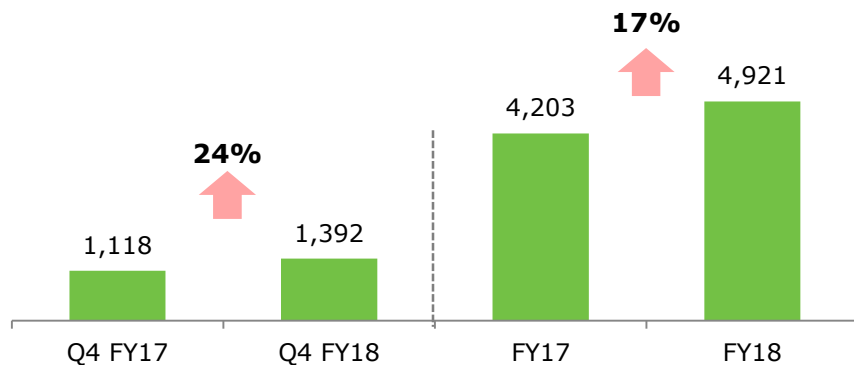
Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

RevPAR (Rs.)

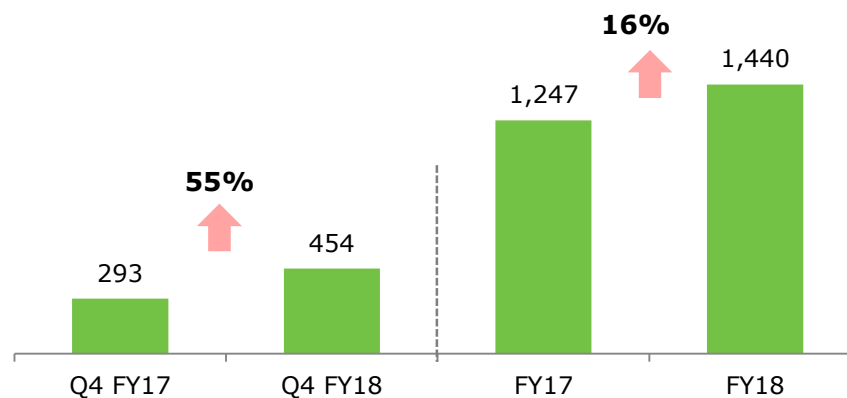


Performance Highlights – Financial Metrics (Consolidated)

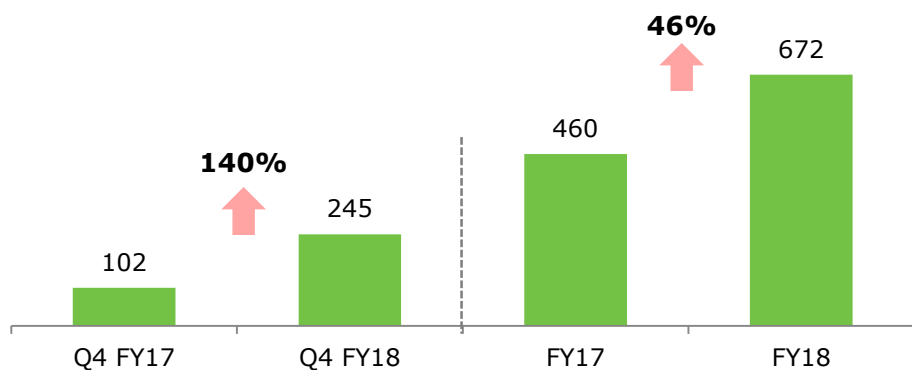
Total Income (Rs. million)



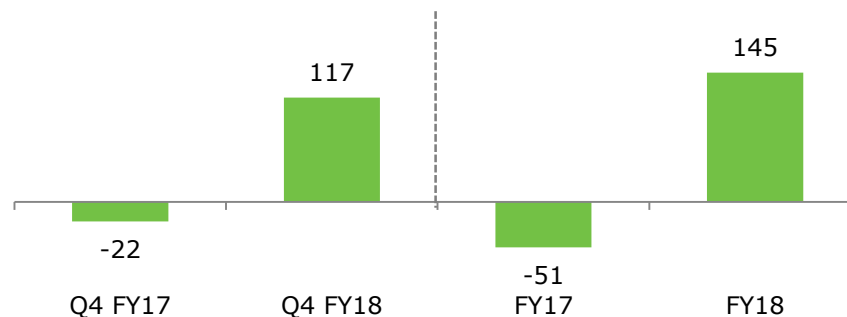
EBITDA (Rs. million)



Cash profit (PAT + Depreciation, Rs. million)



PAT (Rs. million)



Discussion on Consolidated Financial & Operational Performance – Q4 and FY18

Operational Rooms & Pipeline

- * As of 31 March, 2018, operational portfolio comprised of 48 hotels and 4,870 rooms : 2,796 owned, 481 leased and 1,593 managed rooms
- * Added 1,172 rooms in FY18 to operational portfolio as compared to 449 rooms added in FY17, an increase of 161% YoY
- * Propose to add another 1,742 rooms by May 2019 of which 869 rooms are owned/leased and 873 rooms are managed, an increase of 49% as compared to 1,172 rooms added in FY18. 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, 139 rooms in Udaipur and 142 rooms in Kolkata
- * Plan to operate 65 hotels with 6,543 rooms across 44 cities by May 2019
- * Plan to operate 78 hotels with 8,187 rooms across 54 cities by FY21

Revenue

- * Total Revenue stood at Rs. 4,921 million in FY18, up 17% YoY as compared to Rs. 4,203 million in FY17
- * In Q4 FY18, revenue increased by 24% as compared to revenue in Q4 FY17
- * Fees from managed hotels stood at 2.9% of the total revenue in FY18 as compared to 1.5% in FY17
- * Price hike achieved in H2 FY18 : full effect will be realized in FY19; ADR for FY18 was Rs. 3,896, up 13% YoY. ADR increase in Q4FY18 was 16% as compared to ADR in Q4FY17

Cost

- * Total hotel operating cost/room/day increased by 6% in FY18 as compared to FY17
- * For same hotels operating in FY17 and FY18, hotel operating cost/room/day increased by 4.5%

Operating Margins

- * EBITDA increased by 16% YoY to Rs. 1,440 million
- * In Q4 FY18, EBITDA increased by 55% and EBITDA margins improved by 620 bps vis-à-vis Q4 FY17
- * EBITDA margins in FY18 were 29.3%
- * For same hotels operating in FY17 and FY18, EBITDA margins improved by 250 bps from 29.7% to 32.2%
- * For same hotels operating in Q4 FY17 and Q4 FY18, EBITDA margins improved by 970 bps from 26.2% to 35.9%

Profit after tax

- * Profit after tax of Rs. 145 million in FY18 as compared to loss of Rs. 51 million in FY17
- * Cash profit stood at Rs. 672 million in FY18, up 46% YoY
- * In Q4 FY18, cash profit increased by 140% as compared to cash profit in Q4 FY17

Profit & Loss Statement (Consolidated)

Rs. million	Q4 FY17	Q4 FY18	Change (%)
Revenue from operations	1,113	1,320	19%
Other income	5	72	1,219%
Total income	1,118	1,392	24%
Cost of F&B consumed	89	115	29%
Employee benefit expenses	271	296	9%
Other expenses	465	527	13%
Total expenses	825	938	14%
EBITDA	293	454	55%
EBITDA margin (%)	26.2%	32.6%	640 bps
Finance costs	186	201	8%
Depreciation & amortization	124	128	3%
PBT	(2)	131	-
Tax expense	20	14	(30%)
PAT	(22)	117	-
Cash Profit	102	245	140%

FY17	FY18	Change (%)
4,121	4,843	18%
82	78	(5%)
4,203	4,921	17%
353	436	23%
969	1,096	13%
1,634	1,949	19%
2,956	3,481	18%
1,247	1,440	16%
29.7%	29.3%	(40) bps
776	784	1%
510	526	3%
(3)	183	-
48	38	(21%)
(51)	145	-
459	672	46%

Balance Sheet Snapshot (Consolidated)

Rs. million	FY17	FY18
Shareholder's Funds	8,086	8,148
Non-controlling interests	4,284	4,286
Total Shareholder's equity	12,370	12,435
Total Debt	7,987	10,110
Other Non-current liabilities	294	344
Other Current liabilities	1,467	1,693
Total Equity & Liabilities	22,117	24,582
Non-current assets	21,281	23,200
Current assets	836	1,382
Total Assets	22,117	24,582
Debt to Equity (x)	0.65	0.81
Average cost of borrowing (%)	11.61%	9.53%

Operational Performance by Brands – FY18 vs. FY17

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR ² /room (Rs. million)			Hotel level EBITDAR ² Margin		
	FY17	FY18	Change (%)	FY17	FY18	Change (%)	FY17	FY18	Change (%)	FY17	FY18	Change (%)
By Brand												
Lemon Tree Premier	74.6%	77.2%	3.5%	4,123	4,773	16%	0.75	0.88	17%	43%	46%	7%
Lemon Tree Hotels	77.1%	74.2%	(3.8%) ¹	3,522	3,848	9%	0.60	0.51	(15%) ¹	42%	36%	(14%) ¹
Red Fox Hotels	79.1%	77.2%	(2.4%) ¹	2,372	2,860	21%	0.40	0.43	8%	43%	45%	5%

1) Drop in occupancy levels, hotel level EBITDAR/room and hotel level EBITDAR margin is on account of new owned/leased supply addition by Lemon Tree in FY18.

Note:

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.

Portfolio as on 31st March, 2018

Operational Portfolio	Owned		Leased		Managed		Total	
31.03.2018	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Lemon Tree Premier	4	796	2	161	4	344	10	1,301
Lemon Tree Hotels	13	1,241	4	320	13	937	30	2,498
Red Fox Hotels	5	759	-	-	3	312	8	1,071
Total	22	2,796	6	481	20	1,593	48	4,870

Pipeline	Owned		Leased		Managed		Total	
31.03.2018	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Lemon Tree Premier	5	1,355 [#]	-	-	2	171	7	1,526
Lemon Tree Hotels	1	79	-	-	16	1,169	17	1,248
Red Fox Hotels	-	-	1	91	-	-	1	91
Total	6	1,434	1	91	18	1,340	25	2,865

- * Between April 1, 2018 and May 15, 2018, 2 hotels and 86 rooms have been operationalized from the pipeline, taking the total for operational rooms to 4,956
- * Between April 1, 2018 and May 15, 2018, 5 hotels and 417 rooms have been added to the pipeline, taking the total of pipeline to 3,196 rooms
- * 869 owned/leased rooms and 787 additional managed rooms will be operational by May 2019
- * Balance rooms will be operationalized by FY21

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Red Fox Hotel, Dehradun	Leased (40 years)	91	Jul-18	57.98%
Lemon Tree Premier, City Centre, Pune	Owned	199	Dec-18	57.98%
Lemon Tree Premier, Andheri (East), Mumbai	Owned	298	Jan-19	100.00%
Lemon Tree Premier, Udaipur	Owned	139	Apr-19	57.98%
Lemon Tree Premier, Kolkata	Owned	142	Apr-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	Owned	577 ²	Mar-21	57.98%
Total		1,525		

- * 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 31st March, 2018 is Rs. 8,680 million
- * Balance investment of Rs. 8,570 million will be deployed over the next 3 years in a phased manner, the majority of which will be through internal accruals

Note:

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 15 June, 2018)

Management Contracts Pipeline	Rooms	Expected Opening date	Tenure
Lemon Tree Hotel, Lucknow	51	Sep-18	11
Red Fox Hotel, Morjim, Goa	111	Oct-18	10
Lemon Tree Hotel, Shirdi	59	Jan-19	12
Lemon Tree Hotel, Rishikesh	102	Jan-19	12
Lemon Tree Hotel, Amritsar	65	Jan-19	10
Red Fox Hotel, Neelkanth	80	Feb-19	12
Lemon Tree Premier, Rishikesh	66	Feb-19	12
Lemon Tree Hotel, Gulmarg	35	Mar-19	10
Lemon Tree Premier, Dwarka	108	Mar-19	15
Lemon Tree Hotel, Bokaro	70	Mar-19	10
Managed rooms to be operational in FY19	747		
Lemon Tree Resort, Mussoorie	40	Apr-19	12
Lemon Tree Hotel, Jhansi	60	July-19	12
Lemon Tree Hotel, Gwalior	104	July-19	12
Lemon Tree Hotel, Aligarh	68	July-19	12
Lemon Tree Premier, Coorg	63	Oct-19	15
Managed rooms to be operational in FY20	335		
Lemon Tree Suites, Manesar	260	Apr-20	15
Lemon Tree Hotel, Sonamarg	40	Apr-20	10
Lemon Tree Hotel, Kathmandu	75	Apr-20	12
Lemon Tree Hotel, Thimpu	38	Oct-20	10
Lemon Tree Hotel, Ludhiana	60	Dec-20	10
Lemon Tree Hotel, Trivandrum	100	Jan-21	10
Lemon Tree Premier, Vijaywada	120	Mar-21	15
Managed rooms to be operational in FY21	693		
Total managed rooms in pipeline	1,775		



Lemon Tree Premier, Corbett



Lemon Tree Premier, Aerocity



Red Fox Hotel, Delhi Airport

Under Development Hotels

Lemon Tree Premier – Pune | Image Representation



Lemon Tree Premier – Pune



Lemon Tree Premier – Mumbai (Andheri) | Image Representation



Lemon Tree Premier – Mumbai (Andheri)



Note: Photograph as on June 15th, 2018
Hotel is expected to have 298 rooms and expected month of opening is January-2019.

Lemon Tree Premier – Udaipur | Image Representation



Note: Hotel is expected to have 139 rooms and expected month of opening is April-2019.

Lemon Tree Premier – Udaipur



Lemon Tree Premier – Kolkata | Image Representation



Note: Hotel is expected to have 142 rooms and expected month of opening is April-2019.

Lemon Tree Premier – Kolkata



Note: Photograph as on June 15th, 2018
Hotel is expected to have 142 rooms and expected month of opening is April-2019.

Lemon Tree Mountain Resort – Shimla | Image Representation



Lemon Tree Mountain Resort – Shimla



Note: Photograph as on June 15th, 2018
Hotel is expected to have 69 rooms and expected month of opening is December-2020.

Lemon Tree Premier – Mumbai Airport | Image Representation



Lemon Tree Premier – Mumbai Airport



Note: Photograph as on June 15th, 2018

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