

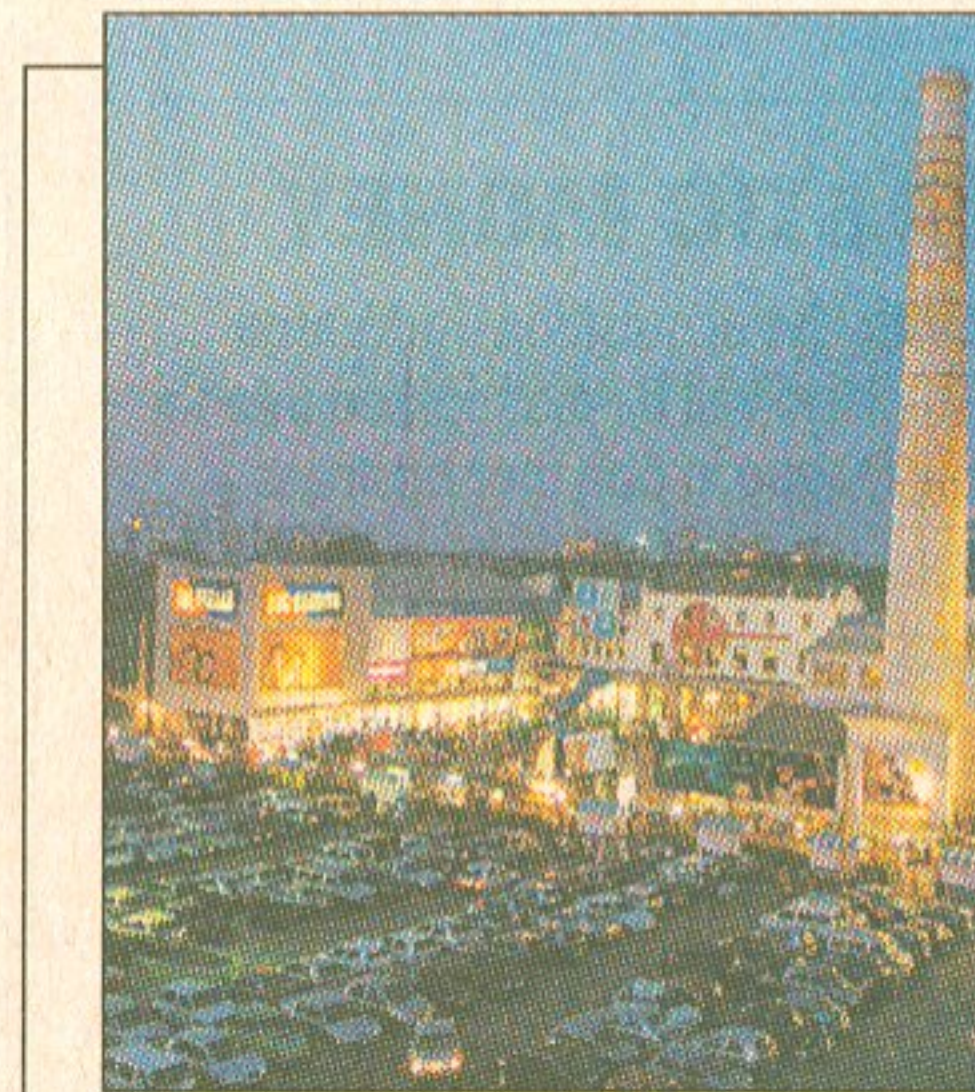
# Phoenix Mills buys 8% more in EWDPL

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**P**HOENIX Mills, the owners of High Street Phoenix, upped its stake in Entertainment World Developers (EWDPL) to 40% by picking up an additional 8.3% stake for Rs 150 crore, valuing EWDPL, which operates in non-metros, at Rs 1,250 crore. Phoenix's realty arm is set to foray into retail and real estate in Tier-II and Tier-III cities like Nanded, Bilaspur and Indore, the last of which already has established commercial property developed by EWDPL.

EWDPL managing director Manish Kalani holds an equal 40% in the company while ICICI Venture holds the remaining 20%. Says Phoenix Mills director Atul Ruia: "With this investment, we're buying into the consumption story in smaller towns as well, not just the cities."

EWDPL has lined up four malls to be opened by the end of 2008 in cities like Raipur and Jabalpur, and will set up 17 additional malls in another few years. In



addition, Phoenix and EWDPL will set up seven five-star hotels in the metros under the Shangri-La umbrella and a few budget hotels in smaller towns. Also on the anvil for Phoenix Mills is a food and beverage arm separate from Galaxy Entertainment (co-owned by Kishore Biyani)

## TWO TO TANGO

- **Phoenix and EWDPL plan to set up 7 five-star hotels in the metros**
- **They also plan to set up a few budget hotels in smaller towns**
- **EWDPL currently operates in non-metros**
- **It has lined up four malls, which will open by the year-end**
- **Company also plans to set up 17 malls in the next few years**

and a chain of food-courts.

Says Mr Kalani, "We have a target of 50 million sq ft of real estate development in three-four years. Of this, 35 million sq ft will be retail while the rest will be divided into hospitality, residential and commercial complexes." For Tier-III towns,

the mall developments will be 200,000 sq ft, while for Tier-II towns the malls will be slightly larger at 500,000 sq ft. "We've already seen that our mall in Indore, Treasure Island, has footfalls of 40,000 over the weekend. Furthermore, the rentals in Indore are still a third of what they would be for a retailer in Mumbai."

Some of these projects will be financed in part through an investment from Nettleton Real Estate, an American realty and mall management company. Says Mr Kalani, "Nettleton will invest \$20 million (approx Rs 80 crore) and will extend a line of credit of nearly \$20 million more. They're also providing us with valuable mall management and training inputs." Nettleton will invest directly into some projects, which would be floated as special purpose vehicles. EWDPL's other joint-venture projects include a 50:50 venture with the Future Group for Indore Central and two projects with Mauritius-based Erdene Capital.

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