

Canada Pension Plan Investment Board and The Phoenix Mills Limited Announce Strategic Investment Platform for Retail Real Estate Properties in India

Key Highlights:

- Canada Pension Plan Investment Board (CPPIB) and The Phoenix Mills Limited (PML) sign definitive agreement to develop, own and operate retail-led mixed-use developments across India.
- Island Star Mall Developers Pvt. Ltd. (ISMDPL), a PML subsidiary which owns Phoenix MarketCity Bangalore, will serve as the platform.
- CPPIB will initially own 30% of the platform with an equity commitment of approximately INR 7.24 billion (C\$149 million).
- CPPIB plans to invest approximately INR 16 billion (C\$330 million), in multiple tranches, to own up to a 49% stake in the platform.
- Pre-money enterprise value of ISMDPL is pegged at approximately INR 22 billion (C\$454 million) for this investment.

Toronto, Canada/Mumbai, India – April 5, 2017: Canada Pension Plan Investment Board (CPPIB) and The Phoenix Mills Limited (PML) today announced participation in a strategic investment platform, Island Star Mall Developers Pvt. Ltd (ISMDPL), to develop, own and operate retail-led mixed-use developments across India.

CPPIB will initially own 30% of the platform with an equity commitment of approximately INR 7.24 billion (C\$149 million). CPPIB plans to invest approximately INR 16 billion (C\$330 million), in multiple tranches, to own up to a 49% stake in the platform. Pre-money enterprise value of ISMDPL is pegged at approximately INR 22 billion (C\$454 million).

ISMDPL owns Phoenix MarketCity Bangalore, one of the top performing shopping malls in the country. Opened in 2011, the mall has gross leasable area of approximately one million square feet and is centrally located in Whitefield, a prominent residential hub and amongst the largest commercial areas in Bengaluru.

“We are delighted to partner with The Phoenix Mills Limited to launch our first retail real estate venture in India where we will focus on acquiring or developing high-quality retail assets across India’s top cities,” said **Andrea Orlandi, Managing Director, Head of Real Estate Investments – Europe, CPPIB**. “We believe that India will be a leading source of global growth in the coming decades and that there will continue to be attractive investment opportunities for CPPIB. We look forward to expanding our venture with Phoenix Mills, an experienced retail operator and well-aligned partner.”

The funds invested will be applied towards acquiring and developing both greenfield assets on newly purchased land banks, as well as existing operating retail assets that are expected to be transformed into highly successful malls. PML will manage all development and operational assets in the platform.

“This is a landmark transaction for Phoenix Mills and a first-of-its-kind for India’s retail real estate industry. In CPPIB, we have found a like-minded strategic partner that brings significant experience and expertise in creating and managing retail assets across the globe. Jointly, we are committed to creating world-class retail assets to provide an unparalleled shopping experience to consumers,” stated **Atul Ruia, Joint Managing Director, The Phoenix Mills Limited.**

The Indian retail sector is forecast to see sustained growth over the long term, primarily due to favourable demographics and the rise of the middle class. At the same time, international retailers are increasingly attracted to India as a growth market, which is leading to strong demand for space in high-quality, well-located shopping malls.

About Canada Pension Plan Investment Board (CPPIB)

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2016, the CPP Fund totalled \$298.1 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#) or [Twitter](#).

About Island Star Mall Developers Pvt. Ltd.

ISMDPL owns and operates a retail mall in Bengaluru known as Phoenix MarketCity, Bangalore. In addition, ISMDPL also has additional development potential to expand the existing mixed-use development. ISMDPL posted a revenue of INR 1.6 billion (C\$34 million) and a net profit of INR 371 million (C\$7.6 million) during the year FY2015-16.

About The Phoenix Mills Limited (PML)

PML (BSE: 503100 | NSE: PHOENIXLTD) is a leading retail mall developer and operator in India with approximately 6.0 million square feet of retail space spread across 8 malls in 6 gateway cities of India. PML is the pioneer of retail-led, mixed-use developments in India and has developed over 17.5 million square feet spread across retail, hospitality, commercial, and residential asset classes.

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