

## Results Analysis & Highlights

### Turnover in Core Retail Business Increases by 31.2%

### EBITDA in Core Retail Business Increases by 13.5%

The company posted an increase of 31.2% in turnover for its core retail business for the quarter ended December 2010. The core retail business turnover increased from Rs 2,103.07 cr in December 2009 to Rs 2,758.55 cr in December 2010. This was backed by both store expansion being on track as well as robust same store sales growth. The company added 0.8 million square feet of retail space during the quarter, taking the total operational space to 14.17 million square feet. In lifestyle retail, same store sales growth was 20.9 %, while in value retailing business 11.5%. The growth in revenues was backed by a buoyant festive season during the quarter.

The company witnessed better than expected business growth in the home category; aided both by the festive season as well as increased spend of families in setting up new homes and refurbishing existing homes. Home fashion as a category showed high growths, whereas the company's partnership with developers to offer ready-made homes started yielding results. The home retailing business showed a same store sales growth of 18.3%. However, within the home retailing business, while the electronics category helped add to the top line, the company experienced lower margin realization in this category, due to both competitive pressures as well as operational issues within the business.

Keeping these trends in the electronic category, the company has decided to work towards strengthening the electronics business. The board of directors has approved, subject to shareholder approval, the creation of a wholly-owned company to manage and grow the electronics business in a more efficient manner, keeping in mind future trends in digital space, consumer behavior and electronics retailing worldwide.

During the quarter, the company rolled out its next-generation Pantaloons store that incorporates a significant improvement in customer experience in fashion trends, through the launch of the 50th Pantaloons store at Vasant Kunj, New Delhi. This was part of the five new Pantaloons stores added during the quarter. The company also opened two Central stores in Thane and Raipur, thereby adding substantially to its lifestyle business. In the value retail business, the company added, 7 Big Bazaar stores, 8 Food Bazaar stores and 36 KB's Fairprice stores. Two Food Bazaar stores in Vadodara and Ghaziabad and a Brand Factory store in Ghaziabad that weren't performing as expected, were shut down.

Taking the private brand initiative forward, the company launched a range of brands in the foods and HPC segment during Q2 FY11. **Fresh & Pure Packed Tea**, an exclusive range of packed tea offering different blends to suit the local taste was launched in 3 SKU's. Catering to the community requirements, **Ektaa Pulses** was launched keeping the core proposition intact of offering high quality, affordable native food. **Tasty Treat Cookies** were launched in 9 variants, the widest assortment any brand could offer in this category. In the HPC segment, **Caremate Handwash** was re-launched with an assortment of 18 SKU's spanning across cosmetic and germ fighting platforms. In the oral hygiene space, 3 more variants of **Sach Toothpaste** were launched as a part of the ICC World Cup merchandise. In addition, **Sach Soap**, in the premium soap category was introduced with six variants.

During the quarter, the company started planning and sourcing for the Sabse Saste 5 Din promotions at Big Bazaar and in other retail formats in January 2011. The promotions across the various formats witnessed robust growth during this period and its impact will be evident in third quarter ending March 2011.

**Due to realignment of the business and formation of wholly-owned subsidiary Future Value Retail Limited (FVRL) in Jan 2010 and other corporate actions, the standalone results of the company are not comparable year-on-year.**

# P&L Summary – Q2 FY11 & H1 FY11

## Q2 FY10 vs. Q2 FY11

Particulars (INR cr.)	Core Retail		Stand-Alone		Consolidated
	Q2 FY10	Q2 FY11	Q2 FY10	Q2 FY11	Q2 FY11
Sales & operating income	2,103.07	2,758.55	1,912.84	1,024.26	3,061.85
Other income	2.16	5.24	2.02	3.73	19.85
<b>Total income</b>	<b>2,105.23</b>	<b>2,763.79</b>	<b>1,914.86</b>	<b>1,027.99</b>	<b>3,081.70</b>
PBDIT	214.70	243.56	205.46	111.08	267.44
Depreciation	50.60	65.03	45.17	35.12	74.42
PBIT	164.10	178.53	160.29	75.96	193.02
Interest	96.23	107.78	83.53	46.15	149.83
PBT	67.86	70.75	76.76	29.81	43.19
Tax	23.07	23.50	26.09	9.90	29.23
PAT (before minority interest)	44.79	47.25	50.67	19.91	13.97
Cash profit	95.39	112.28	95.84	55.03	88.38

## H1 FY10 vs. H1 FY11

Particulars (INR cr.)	Core Retail		Stand-Alone		Consolidated
	H1 FY10	H1 FY11	H1 FY10	H1 FY11	H1 FY11
Sales & operating income	4,057.29	5,339.97	3,689.86	2,015.75	5,812.61
Other income	7.28	13.36	6.74	11.29	33.42
<b>Total income</b>	<b>4,064.56</b>	<b>5,353.32</b>	<b>3,696.60</b>	<b>2,027.03</b>	<b>5,846.03</b>
PBDIT	404.27	464.38	400.30	214.46	516.16
Depreciation	98.68	128.03	88.45	69.69	146.92
PBIT	305.59	336.35	311.85	144.77	369.24
Interest	199.11	201.08	170.38	88.12	273.21
PBT	106.48	135.27	141.47	56.65	96.04
Tax	35.35	45.27	46.98	19.14	58.09
PAT (before minority interest)	71.13	90.00	94.49	37.51	37.94
Cash profit	169.81	218.03	182.94	107.20	184.86

# Q2 FY11 Operational Performance

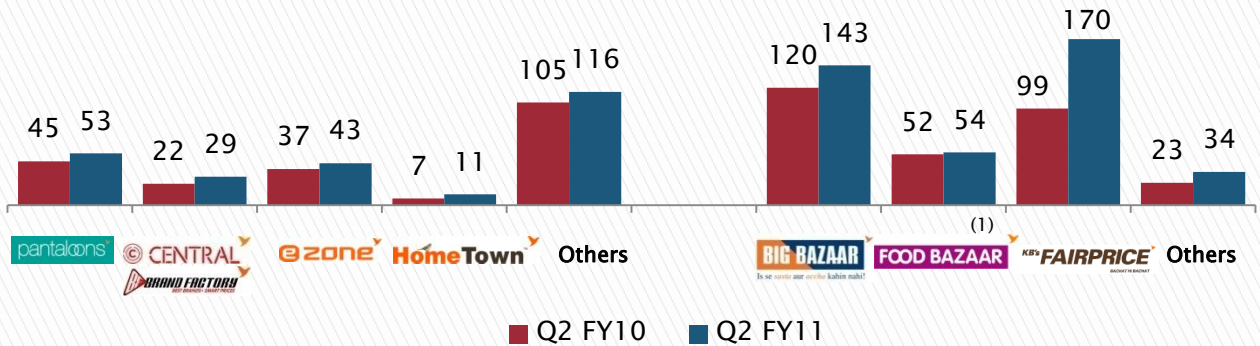
## Store Count – PRIL

Selling Space (mn. sq. ft.)

1.15	2.10	0.49	0.84	0.35
1.45	2.36	0.53	1.11	0.38

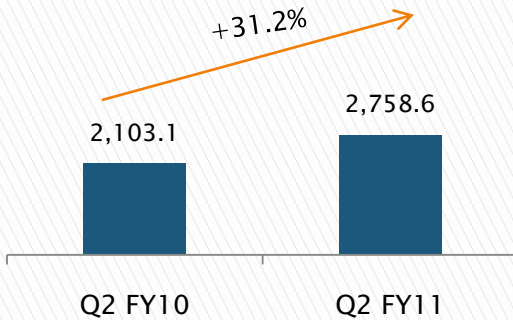
## Store Count – FVRL

6.36	0.46	0.10	0.14
7.38	0.48	0.15	0.33

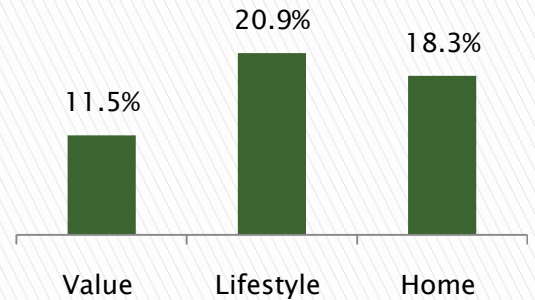


## Core Retail Net Sales

Rs cr.

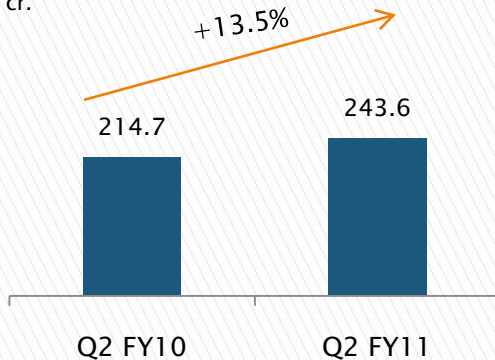


## Q2 FY11 Same Store Sales



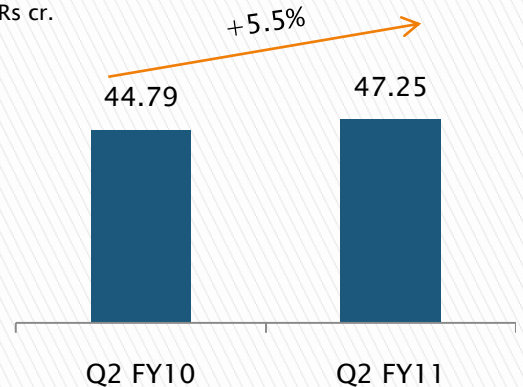
## Core Retail EBITDA

Rs cr.



## Core Retail PAT

Rs cr.



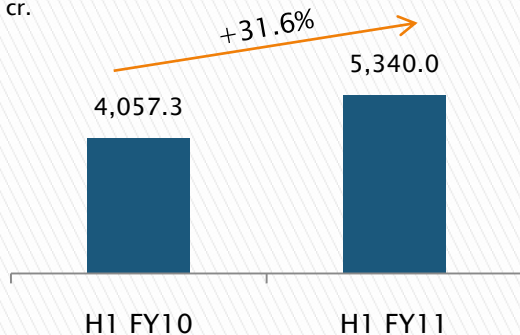
Note: Re classification of cut-ins within Central & Brand Factory.

(1) Stand-alone Food Bazaar stores only. Does not include stores located within every Big Bazaar.

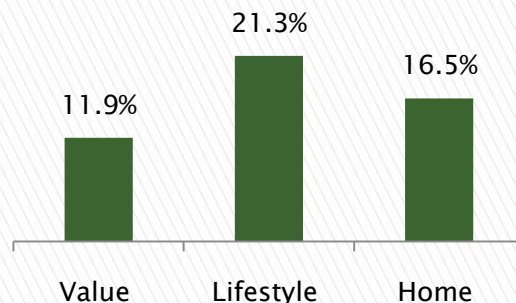
# H1 FY11 Operational Performance

## Core Retail Net Sales

Rs cr.

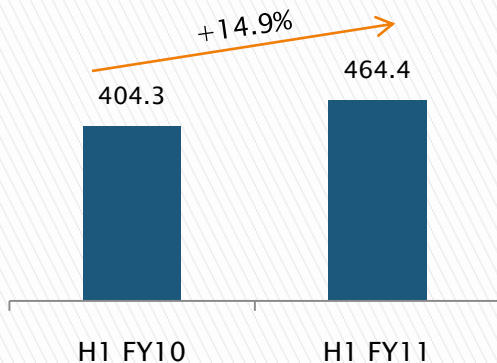


## H1 FY11 Same Store Sales



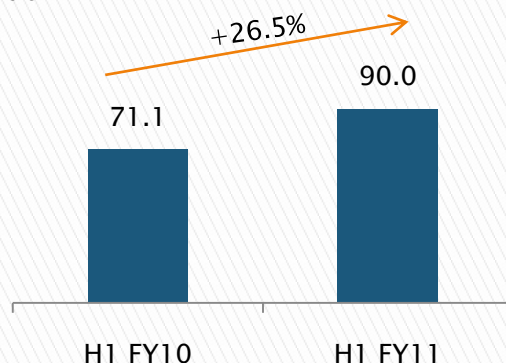
## Core Retail EBITDA

Rs cr.







## Core Retail PAT

Rs cr.






## Net Space Additions

(Space in mn. sq. ft.)

Format	Q2 FY11		Outlook - H2 FY11	
	Stores	Space	Stores	Space
	5	0.20	8	0.22
	2	0.16	5	0.37
	1	0.00	2	0.02
	-	0.00	1	0.06
Others	-	0.03	25	0.09

(Space in mn. sq. ft.)

Format	Q2 FY11		Outlook - H2 FY11	
	Stores	Space	Stores	Space
 <small>Is se surti aur achhi kahin nahi!</small>	7	0.36	19	0.71
	(1)	0.00	7	0.07
	36	0.02	98	0.08
Others	-	0.03	3	0.03

Total incremental estimated space addition of ~1.6 million square feet in H2 FY11

# Q2 FY11 New Store Additions

Geographic expansion in all major store formats with total space addition of nearly 0.8 million square feet during Q2 FY11.

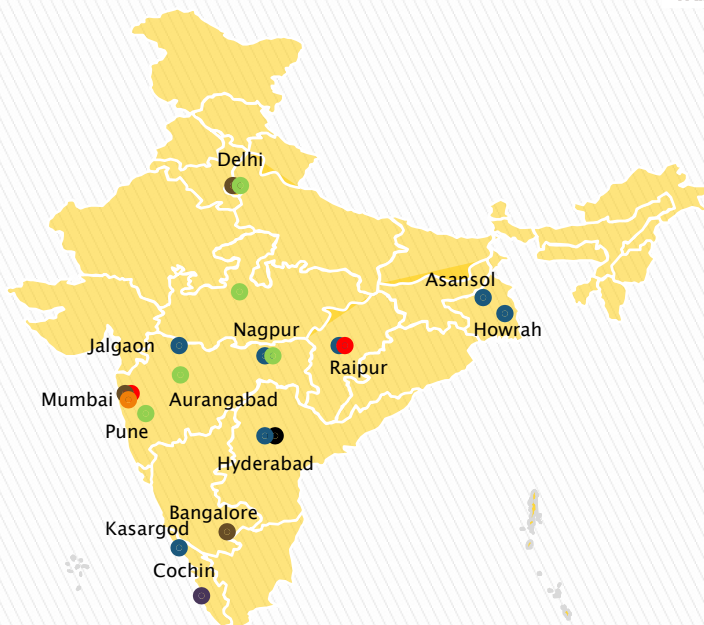
## PRIL

Format	Store count	Square Feet	Date of opening	Location
pantaloons	49	33,990	15-Oct-10	Empress Mall, Nagpur
	50	46,432	12-Nov-10	Ambience Mall, Vasant Kunj, New Delhi
	51	27,115	27-Nov-10	Bhopal
	52	67,117	10-Dec-10	ICC Tech Park, Pune
	53	21,636	30-Dec-10	Prozone Mall, Aurangabad
CENTRAL	15	83,526	22-Oct-10	Central-R-Mall, Thane
	16	92,191	31-Oct-10	Devendra Nagar, Raipur
BRAND FACTORY	13	29,112	19-Nov-10	Himayat Nagar, Hyderabad
ezone	43	5,979	20-Nov-10	Growel's 101 Mall, Kandivali

## FVRL

Format	Store count	Square Feet	Date of opening	Location
BIG BAZAAR	137	35,015	8-Oct-10	Reward Real State, Nagpur
	138	71,598	10-Oct-10	Devendra Nagar, Raipur
	139	37,272	31-Oct-10	Kasargod, Kerala
	140	41,987	2-Nov-10	Khandesh Central, Jalgaon
	141	34,020	27-Nov-10	RD Mall, Howrah, Kolkata
	142	28,091	8-Dec-10	Galaxy Mall, Asansol
	143	110,206	10-Dec-10	Maheshwari Palace Mall, Hyderabad
FOOD BAZAAR	192	4,714	8-Oct-10	Reward Real Estate, Nagpur
	193	6,046	10-Oct-10	Devendra Nagar - Raipur
	194	4,468	31-Oct-10	Kasargod, Kerala
	195	6,026	2-Nov-10	Khandesh Central, Jalgaon
	196	17,953	5-Nov-10	Cochin, Kerala
	197	3,961	27-Nov-10	RD Mall, Howrah, Kolkata
	198	3,848	8-Dec-10	Galaxy Mall, Asansol
199	4,210	10-Dec-10	Maheshwari Palace Mall, Hyderabad	

## Geographic expansion



FAIRPRICE	135	825	5-Oct-10	Chirtanjan Park, Delhi
	136	650	8-Oct-10	Tilak Chowk, Dombivali
	137	900	9-Oct-10	Darya Ganj, Delhi
	138	700	9-Oct-10	Bhayandar, Thane
	139	725	17-Oct-10	Mansarovar, Navi Mumbai
	140	900	20-Oct-10	Naraina Vihar, New Delhi
	141	670	26-Oct-10	Krishna Nagar, Delhi
	142	1,000	26-Oct-10	Tavarekere, Bangalore
	143	900	27-Oct-10	Mahavir Nagar, New Delhi
	144	700	27-Oct-10	Vijay Enclave, Delhi
	145	700	27-Oct-10	Charkop Kandivali
	146	950	29-Oct-10	Doresanipalya Begur Hobli, Bangalore
	147	850	30-Oct-10	Bhagwan Nagar, Delhi
	148	750	3-Nov-10	Naveen Shahdara, Delhi
	149	875	3-Nov-10	Datar Colony, Bhandup, Mumbai
	150	900	4-Nov-10	Zakir Nagar, New Delhi
	151	580	19-Nov-10	Eskar, Borivali
152	750	23-Nov-10	Village Kirari, Delhi	
153	1,000	27-Nov-10	Nangloi, Delhi	
154	650	30-Nov-10	Bhajan Pura, Delhi	
155	760	2-Dec-10	Ram Villa, Kandivali	
156	1,200	3-Dec-10	Vani Vihar, Uttam Nagar, Delhi	
157	700	5-Dec-10	Ayre Road, Dombivali, Thane	
158	850	6-Dec-10	Chander Nagar, Chawla Park, New Delhi	
159	700	7-Dec-10	Shiv Puri, Delhi	
160	714	7-Dec-10	Vasanth Nagar, Bengaluru	
161	800	12-Dec-10	Chanakya Palace, Delhi	
162	580	12-Dec-10	Ajay Enclave, Delhi	
163	625	13-Dec-10	Bhayander, Thane	
164	504	13-Dec-10	Khopat, Thane	
165	600	16-Dec-10	Thane, Dombivali, Thane	
166	700	17-Dec-10	Hari Nagar, Delhi	
167	800	21-Dec-10	Main Sarita Vihar, New Delhi	
168	800	27-Dec-10	Kalkaji, New Delhi	
169	700	30-Dec-10	Padama Nagar, Bhiwandi, Thane	
170	560	30-Dec-10	Wagale Estate, Thane	



Note: As of 31<sup>st</sup> Dec 2010. Map is illustrative and not to scale.

Only standalone Food Bazaar stores plotted; all Big Bazaar stores have a Food Bazaar.

KB's FairPrice operates in only three cities, Bangalore, Mumbai & Delhi/NCR

Two Food Bazaar stores closed during Q2 FY11. M Cube, Vadodara (7,500 sft.) and Ghaziabad (8,870 sft.)

One Brand Factory store closed during Q2 FY11; Ghaziabad (48,748 sft.)