

Q3 FY11 Investor Update

Results Analysis & Highlights

- ❖ **Turnover in Core Retail Business Increases by 17.6% in Q3 FY11 and 26.4% for 9M FY11**
- ❖ **EBITDA in Core Retail Business Increases by 14.8% in Q3 FY 11 and for 9M FY11**
- ❖ **PAT in Core Retail Business Increases by 34.8% in Q3 FY11 and 29.4% for 9M FY11**
- ❖ **Total operational retail space of 14.85 million square feet as on March 31, 2011**

The company posted an increase of 17.6% in turnover for its core retail business for the quarter ended March 2011. The core retail business turnover increased from Rs. 2,390.6 cr in March 2010 to Rs. 2,811.9 cr in March 2011. This was backed by both increased store expansion and same store sales growth. The company added 0.68 million square feet of retail space during the quarter, taking the total operational retail space to 14.85 million square feet. For the quarter ended March 2011, same store sales growth in lifestyle retail stood at 10.2% and 10.3% in value retailing business. Home business clocked 9.1% same store sales growth for the quarter.

During the quarter, the company witnessed inflationary pressures across most categories that it operates in. Global trends suggest that non-food inflation especially pertaining and affecting the fashion category, seems to be at an all time high. While on one side, this is a boon for modern retail enabling higher value realizations per unit, the high input costs, especially of cotton and other fabrics, suggests that margin releases would be tightened. The imposition of additional excise duty on readymade garment manufacturers and branded apparel is also a concern. Globally, cotton prices surged by over 60% in the recent past due to unabated global demand, especially from China, which accounts for nearly half the world's cotton consumption. To offset higher material costs, price hikes have been taken, but there is a lag in price increase and cost pressure. **However, the company believes that an upward price revision around key categories, especially in fashion is inevitable, which would result in the ASP's increasing by about 16% from the current quarter, and hence being value accretive to the business.**

As the nation celebrated its 62nd Republic Day in the month of January, 2011, '**Sabse Saste 5 Din**' with attractive price and value propositions across various product categories, attracted a whole new set of customers. The Group's other formats such as eZone and HomeTown also participated during this period. The month of January witnessed record sales in excess of Rs. 1,100 cr for core retail business.

January also saw Big Bazaar unveiling its ICC World Cup 2011 merchandise in Mumbai. Fashion @ Big Bazaar was the exclusive merchandise partner for ICC Cricket World Cup 2011 opening a whole new avenue for the in house brands and re-establishing Big Bazaar's connect with today's youth.

In the value category, the company operates 'KB's FairPrice', a neighborhood no frills, self service ration shops. These stores focus on urban poor with presence in only three metros Delhi, Mumbai and Bengaluru. KB's FairPrice stores, with its innovative pricing and locations, is similar to ALDI, a German retail chain, offering a limited and reliable product assortment. Currently, the company operates 198 stores. During the quarter, the company opened 37 KB's FairPrice stores including Delhi's 100th KB's FairPrice store. The company also plans to open Mumbai's 100th KB' FairPrice store by June. **Continuing with its space expansion, the company has already added nearly 0.5 million square feet of retail space in the month of April 2011 alone.**

The company continued with its store expansion in the value retail business with 5 Big Bazaar stores including its first store in Hassan and Gangtok and 3 Food Bazaar stores including its first store in Cochin. In the lifestyle business, the company added 2 Pantaloon stores in Bengaluru and Delhi along with 1 Central, eZone and HomeTown store in Surat, Chennai and Thane respectively. Also during the quarter, 1 Pantaloon store, 1 Food Bazaar store and 9 KB's FairPrice stores were shut down. Food Bazaar was awarded the "**Most Admired Food & Grocery Retailer of the Year: Private Labels**" at the Golden Spoon Awards on March 28, 2011 .

The fourth quarter began with '**The Great Indian Shopping Festival**' in the month of April, offering customers 30 days of best offers, deals and prizes while shopping from any of the Group's formats. In the consumer durables segment, high summer temperatures could push compressor based sales that include AC's, refrigerators etc. Higher prices due to surging raw material prices will not dent growth in the sector, price rise could adversely affect the replacement market while first-time buyers could down trade. In addition, with the on-set of the new academic year in schools across the country, the back-to-school promotions will begin in the current quarter.

P&L Summary – Q3 FY11 & 9M FY11

Q3 FY10 vs. Q3 FY11

Particulars (Rs. cr.)	Core Retail		Stand-Alone		Consolidated
	Q3 FY10	Q3 FY11	Q3 FY10	Q3 FY11	Q3 FY11
Sales & operating income	2,390.57	2,811.92	935.03	1,032.01	3,022.11
Other income	1.58	3.37	1.17	2.75	7.49
Total income	2,392.15	2,815.28	936.20	1,034.75	3,029.60
PBDIT	218.93	251.23	110.22	114.41	275.74
Depreciation	51.80	65.97	27.77	35.94	76.51
PBIT	167.13	185.27	82.45	78.47	199.24
Interest	100.84	109.58	51.64	48.37	161.45
PBT	66.29	75.69	30.81	30.10	37.79
Tax	28.80	25.16	16.74	9.99	32.04
PAT (before minority interest)	37.49	50.54	14.07	20.10	5.75
Cash profit	89.29	116.51	41.84	56.04	82.26

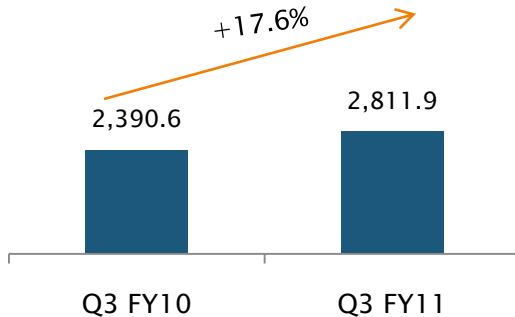
9M FY10 vs. 9M FY11

Particulars (Rs. cr.)	Core Retail		Stand-Alone		Consolidated
	9M FY10	9M FY11	9M FY10	9M FY11	9M FY11
Sales & operating income	6,447.86	8,151.89	4,992.32	3,047.76	8,834.72
Other income	8.85	16.73	8.44	14.03	40.91
Total income	6,456.71	8,168.62	5,000.76	3,061.79	8,875.63
PBDIT	623.19	715.62	514.48	328.87	791.91
Depreciation	150.48	194.00	126.45	105.63	223.43
PBIT	472.71	521.62	388.03	223.24	568.48
Interest	299.95	310.66	250.75	136.49	434.66
PBT	172.76	210.96	137.28	86.74	133.82
Tax	64.15	70.41	52.09	29.14	90.14
PAT (before minority interest)	108.61	140.54	85.19	57.60	43.69
Cash profit	259.09	334.54	211.64	163.24	267.12

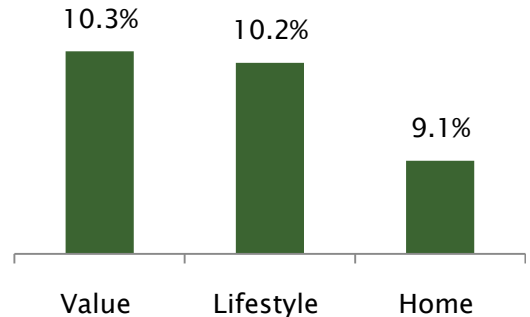
Q3 FY11 Operational Performance

Core Retail Net Sales

Rs. cr.

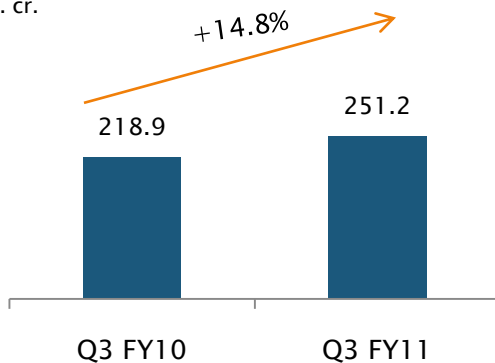


Q3 FY11 Same Store Sales Growth



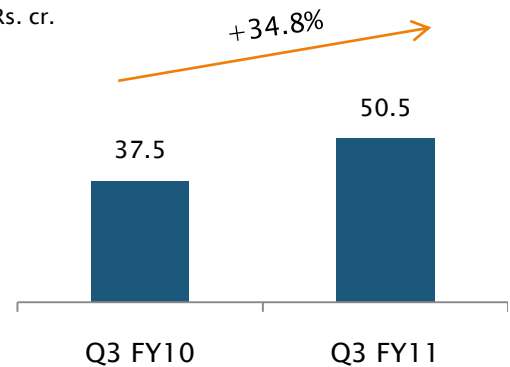
Core Retail EBITDA

Rs. cr.



Core Retail PAT

Rs. cr.



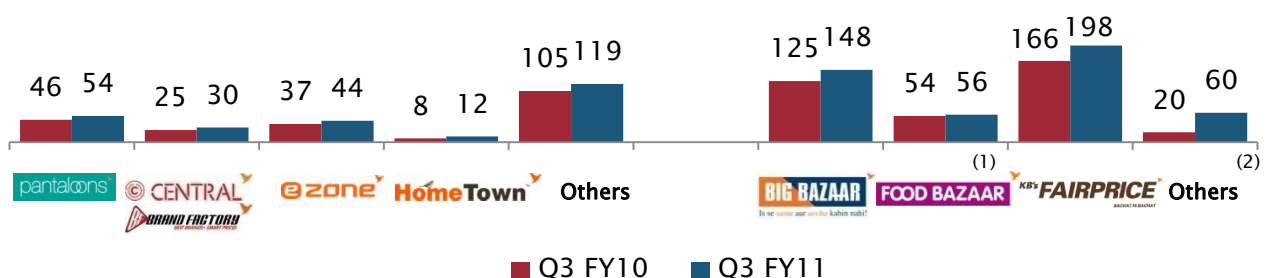
Store Count - PRIL

Selling Space (mn. sq. ft.)

1.19	2.19	0.49	0.98	0.32
1.50	2.52	0.54	1.17	0.39

Store Count – FVRL

6.63	0.48	0.17	0.18
7.62	0.52	0.18	0.40



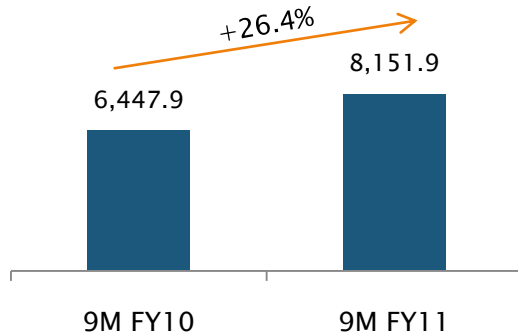
(1) Stand-alone Food Bazaar stores only. Does not include stores located within every Big Bazaar.

(2) Other stores includes 28 Lootmart stores with area of 0.08 mn sq. ft. which were consolidated with effect from January 2011.

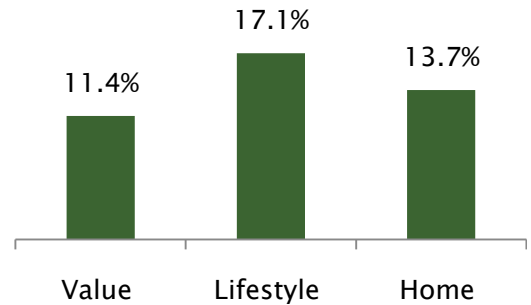
9M FY11 Operational Performance

Core Retail Net Sales

Rs. cr.

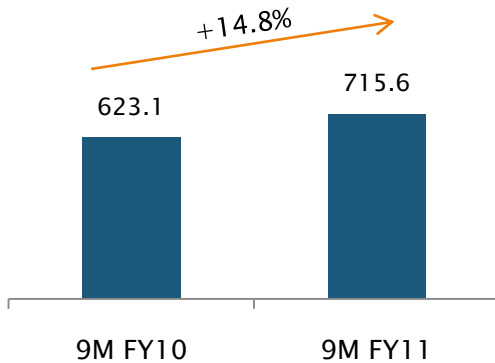


9M FY11 Same Store Sales Growth



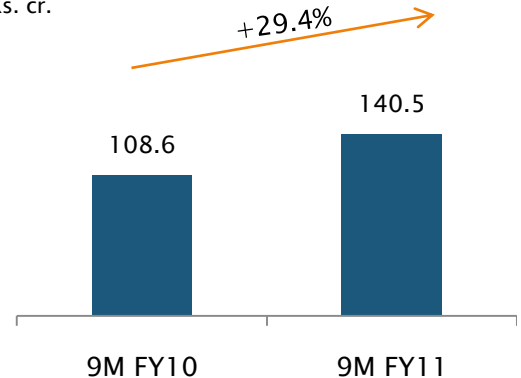
Core Retail EBITDA

Rs. cr.



Core Retail PAT

Rs. cr.



Net Space Additions

Operates 14.85 million sq. ft. of retail space at end of Q3 FY11

(Space in mn. sq. ft.)

Format	Q3 FY11		Outlook - Q4 FY11	
	Stores	Space	Stores	Space
	1	0.05	3	0.08
	1	0.16	2	0.05
	1	0.01	-	-
	1	0.06	-	-
Others	3	0.01	9	0.04

(Space in mn. sq. ft.)

Format	Q3 FY11		Outlook - Q4 FY11	
	Stores	Space	Stores	Space
	5	0.24	14	0.56
	2	0.04	3	0.03
	28	0.02	63	0.05
Others ⁽¹⁾	26	0.07	1	0.01

(1) Other stores includes 28 Lootmart stores with area of 0.08 mn sq. ft. which were consolidated with effect from January 2011.

Q3 FY11 New Store Additions

Total space addition of nearly 0.68 million square feet during Q3 FY11 across all major formats

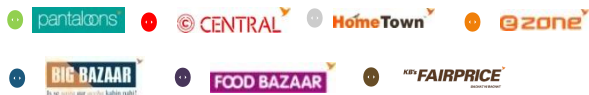
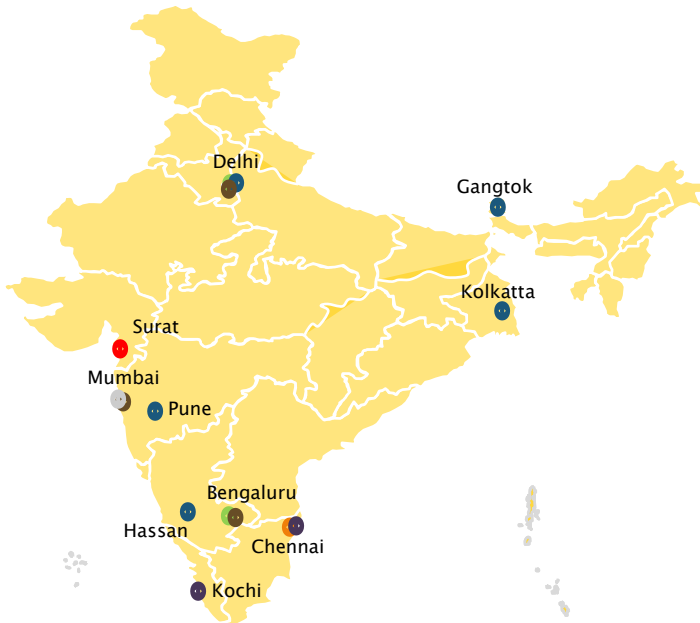
PRIL

Format	Store count	Square Feet	Date of opening	Location
pantaloons	53	36,800	3-Mar-11	Gopalan, Innovation Mall, Bengaluru
	54	27,600	11-Mar-11	South Extension Part 2, New Delhi
CENTRAL	17	163,671	5-Mar-11	Iris Mall, Dumas Road, Surat
HomeTown	12	63,509	5-Mar-11	R Mall, Manpada, Thane
ezone	44	9,838	11-Mar-11	Chandra Mall, Chennai

FVRL

Format	Store count	Square Feet	Date of opening	Location
BIG BAZAAR	144	37,186	6-Jan-11	B.M. Road, Hassan
	145	23,013	7-Jan-11	City Bazaar, Kolkatta
	146	23,558	12-Jan-11	Namnang, Gangtok
	147	21,950	19-Jan-11	Shoppers Orbit, Vishrantwadi, Pune
	148	135,024	5-Mar-11	Ambience Mall, Vasant Kunj, New Delhi
FOOD BAZAAR	199	3,551	6-Jan-11	B.M. Road, Hassan
	200	2,861	7-Jan-11	City Bazaar, Kolkatta
	201	2,832	12-Jan-11	Namnang, Gangtok
	202	4,819	19-Jan-11	Shoppers Orbit, Vishrantwadi, Pune
	203	10,044	3-Mar-11	Iris Mall, Dumas Road, Surat
	204	14,961	5-Mar-11	Ambience Mall, Vasant Kunj, New Delhi
	205	23,400	9-Mar-11	Nucleus Mall, Kochi
	206	12,473	11-Mar-11	Chandra Mall, Chennai

Geographic expansion for Q3 FY11



162	920	12-Jan-11	Godrej Hill, Kalyan(W), Thane
163	920	18-Jan-11	Jay Vijay Garden, Nalasopara, Thane
164	702	18-Jan-11	Shivam Shping Cntr, Nalasopara, Thane
165	690	22-Jan-11	Sector 15, Vashi, Navi Mumbai
166	1,380	23-Jan-11	Agrahara Dhasarahalli, Bengaluru
167	920	28-Jan-11	New Gobind Pura, Delhi
168	765	28-Jan-11	Kardam Puri Marg, West Jyoti Nagar, Delhi
169	622	29-Jan-11	Chendani Naka, Naik Appartment, Thane
170	690	2-Feb-11	Kakrol Housing Complex, New Delhi
171	1,055	2-Feb-11	Braham Puri, Delhi
172	805	2-Feb-11	Nangloi, Nilothi Ext., New Delhi
173	805	2-Feb-11	Balbir Nagar, Shadara, Delhi
174	1,093	6-Feb-11	Swarganga Complex, Virar (W), Thane
175	920	6-Feb-11	Nalasopara (East), Taluka Vasai, Thane
176	955	12-Feb-11	Palam Colony, Sadh Nagar, New Delhi
177	823	12-Feb-11	Vishwas Nagar, Block No. 01, Delhi
178	966	14-Feb-11	Arakere Main Road, Bengaluru
179	828	16-Feb-11	Central Park, Nalasopara (E), Thane
180	874	18-Feb-11	Jai Bharathi Nagar, Bengaluru
181	874	23-Feb-11	C.V. Raman Nagar, Bengaluru
182	633	24-Feb-11	Nasheman Colony, Mumbra, Thane
183	914	28-Feb-11	Rehman Mansion, Dadar(E), Mumbai
184	1,035	28-Feb-11	Shankar Mutt, Kirloskar, Bengaluru
185	782	28-Feb-11	Karawal Nagar, DTC Bus Depo, Delhi
186	782	28-Feb-11	Pooth Kalan, Delhi
187	805	1-Mar-11	Raghubir Nagar, Delhi
188	978	3-Mar-11	Khajuri Colony, Delhi
189	772	3-Mar-11	New Seelam Pur, Delhi
190	989	5-Mar-11	Babusha Palaya, Bengaluru
191	759	7-Mar-11	Kalamboli, Guruvihar, Navi Mumbai
192	949	12-Mar-11	Gandhinagar, Dombivali(E), Thane
193	920	22-Mar-11	Sonia Vihar, Khasra No 274, Delhi
194	874	26-Mar-11	Dombivali MIDC, Thane
195	978	26-Mar-11	Jaya Nagar, 4th T Block, Bengaluru
196	1,208	29-Mar-11	Indira Park, Kailash Puri, Delhi
197	978	29-Mar-11	Laggere, Peeny Post, Bengaluru
198	805	31-Mar-11	Mahipal Pur, New Delhi

Note: As of 31st Mar 2011. 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

One Pantaloons store closed during Q3 FY11: TDI Mall, Agra (11,000 sft.)

One Food Bazaar store closed during Q3 FY11: Lumbini Mall, Hyderabad (9,810 sft.)

Nine KB's FairPrice stores closed during Q3 FY11 in Delhi, Mumbai and Bengaluru (8,290 sft.)

- ❖ **Registered Office:** Knowledge House, ShyamNagar, Off Jogeshwari-VikhroliLink Road, Jogeshwari(E), Mumbai 400 060. India. P +91 22 6644 2200 F +91 22 6644 2201 www.pantaloonretail.in
- ❖ **Disclaimer:** This update may contain forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.
- ❖ **IR Contact:** Ashish Chakravarti Mobile: +91 9323948747 ✉: ashish.chakravarti@futuregroup.in