

# Q5 FY12 — Investor Update

## Financial & Operational Highlights

The core retail business turnover increased from ₹2,911 cr to ₹3,060 cr for quarter ended September 30<sup>th</sup>, year-on-year basis. The EBITDA margins expanded from ₹260 cr to ₹278 cr due to optimization of operating costs. The same store sales growth (SSG) for the quarter in lifestyle retail stood at 10.8%, for the value retail at -0.2% and -3.5% in home retail business.

In 2012, the festive season has shifted by three weeks with Dussehra being celebrated on 24<sup>th</sup> October in 2012 compared to 6<sup>th</sup> October in 2011. Last year, a part of the festive season sales was captured in the September quarter. However, in 2012 the full impact of the festive season sales will be captured in the December quarter. This has resulted in September 2012 quarterly number not being entirely comparable to last year.

The festive season beginning with Onam in Kerela in September 2012 and Dussehra in South and East in October 2012, has reaffirmed the change in consumer behavior with better traction across categories. The company observed pick up in the fashion segment especially in men's category compared to last year. Fashion category witnessed better tractions inspite of lower mark downs during the sale period of the quarter.

The company added 0.17 million square feet of gross retail space during the September quarter. In the lifestyle segment, the company opened 2 Pantaloons, 1 Brand Factory and 2 HomeTown Express stores. In the value segment, opened 2 Big Bazaar stores. With a continued focus on profitability and improving store efficiencies, the company rationalized space across formats resulting in a total operational retail space of 16.36 million square feet by the end of the quarter. The company is entering the last quarter with a positive sentiment that consumer behavior will be favorable for the sector.

The company's flagship format Big Bazaar was ranked 3<sup>rd</sup> Most Trusted Brand in the service sector in this year's The Economic Times Brand Equity Most Trusted Brands 2012 survey.

## Proposed Strategic Initiatives

The Boards of Directors of Pantaloon Retail India Ltd (PRIL) and Future Ventures India Ltd, (FVIL), in their respective meetings held today, approved a proposal to consolidate the fashion businesses of Future Group into a new "to be listed" entity. The respective Boards approved the demerger of the fashion businesses of PRIL consisting of its Central, Brand Factory, aLL, Planet Sports formats and the sourcing and distribution arms of the business as well as the demerger of the fashion businesses of FVIL into a new company. **Simultaneously, Future Value Retail, the wholly-owned subsidiary, which operates Big Bazaar and Food Bazaar chains, will merge with the parent company PRIL.** The scheme for amalgamation has been filed with the stock exchanges and the Bombay High Court.

## Announced Strategic Initiatives

**Pantaloons Fashion Format Demerger:** On 9<sup>th</sup> September 2012, the board of PRIL approved the proposal to demerge business undertaking, comprising of all business, activities and operations pertaining to the Pantaloons format business of the company and transfer to Peter England Fashions and Retail Ltd (PEFRL) by way of a scheme of arrangement under the provisions of sections 391-394 of the Companies Act, 1956.

The board approved the share entitlement ratio of 1 fully paid equity share of ₹10 each of PEFRL shall be issued and allotted for every 5 equity shares (including class B series 1 share) of ₹2 each held in the company. The company had already received approvals from both stock exchanges on the Scheme. Also, the Scheme of Arrangement has been filed with the Bombay High Court and the court convened shareholders meetings is scheduled on 6<sup>th</sup> December 2012.

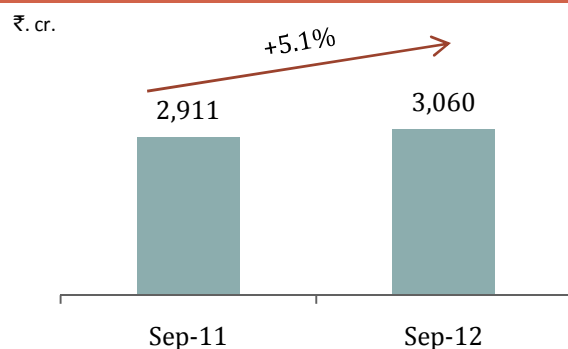
**Future Capital Holding (FCH) Divestiture :** On 28<sup>th</sup> September 2012, pursuant to Share Purchase Agreement dated June 04, 2012, Cloverdell Investment acquired 2,59,19,394 Equity Shares of ₹10/- each representing 40% of the existing paid up capital of FCH from PRIL and its wholly owned subsidiary FVRL. Post the completion of the open offer on 5<sup>th</sup> November 2012, Pantaloon Retail India Ltd (PRIL) sold additional stake to Cloverdell. PRIL continues to hold 11.47% of stake in FCH which it can offload in the market at a later stage. PRIL will no longer consolidate FCH in its accounts.

# Q5 FY12 — P&L Summary

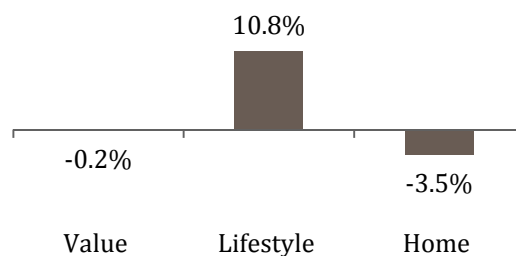
Quarter ended 30<sup>th</sup> September '11 vs '12

Particulars (₹ cr.)	Stand-Alone		Core Retail		Consolidated
	30-Sep-11	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-12
Sales & operating income	1,078	1,225	2,911	3,060	3,615
Other income	7	9	8	13	48
<b>Total income</b>	<b>1,086</b>	<b>1,234</b>	<b>2,919</b>	<b>3,073</b>	<b>3,663</b>
PBDIT	127	133	260	278	554
Depreciation	45	53	83	97	110
PBIT	82	79	177	180	444
Interest	66	81	131	176	421
PBT (excl. extraordinary items)	16	-2	47	4	23

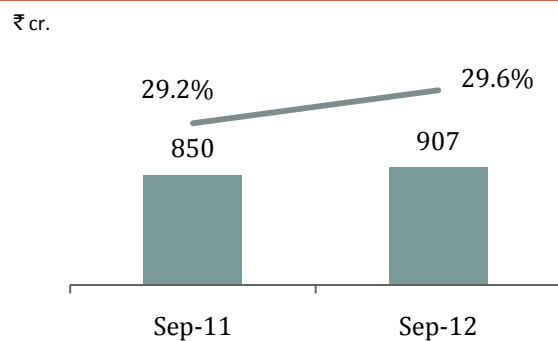
## Core Retail Net Sales



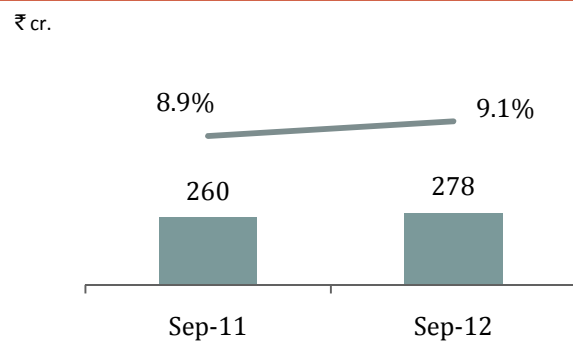
## Same Store Growth – Q5FY12



## Core Retail Gross Margins



## Core Retail EBITDA



# Q5 FY12 – New store additions

**Total space add nearly 0.17 million square feet during Q5 FY12**

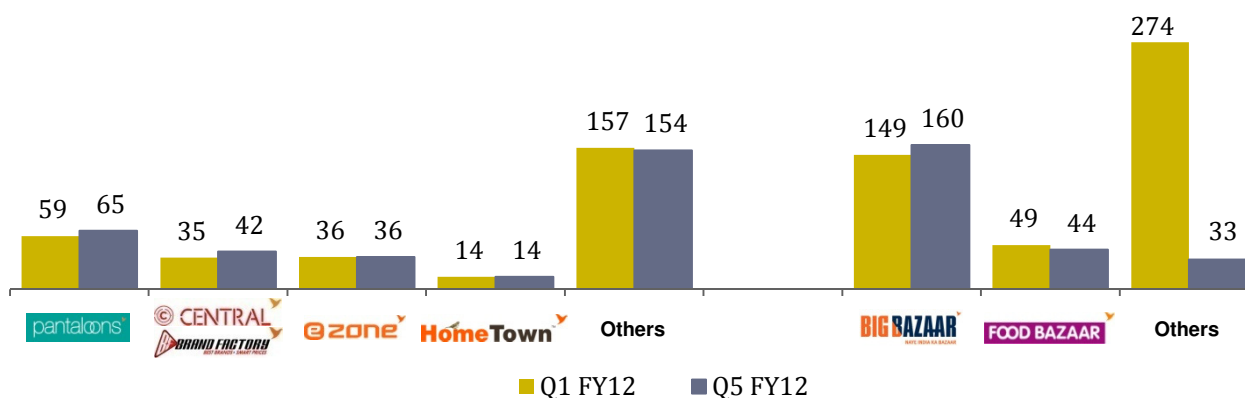
## Store Count - PRIL

Selling Space (mn. sq. ft.)

1.78	2.77	0.43	1.24	0.80
1.95	3.19	0.37	1.23	0.76

## Store Count – FVRL

7.61	0.51	0.56
7.94	0.49	0.42



## Store Count - PRIL

Format	Store #	Sq. Ft.	Date of opening	Location
pantalons	64	20,946	14-Sep-12	Diamond City, Kolkata
	65	24,548	22-Sep-12	Koramangalam, Bangalore

## Store Count – FVRL

Format	Store #	Sq. Ft.	Date of opening	Location
BIG BAZAAR	159	31,290	13-Aug-12	Mouza, Sambalpur, Orissa
	160	35,244	15-Sep-12	DCN Mall, Kolkata

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