



# Pantaloon Retail (India) Limited Future Ventures India Limited

## Creating Growth Engines

Investor Presentation

9<sup>th</sup> November 2012



## Cautionary Statement & Disclaimer

---

The views expressed here may contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of this information.

Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Pantaloon Retail (India) Limited (PRIL) and Future Ventures India Limited (FVIL).

This presentation may contain 'forward-looking statements' – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Forward-looking statements by their nature address matters that are, to different degrees, uncertain.

For us, uncertainties arise from the behavior of financial markets and change in consumption patterns; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of an environmental, climatic, natural, political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

We do not undertake to update our forward-looking statements.

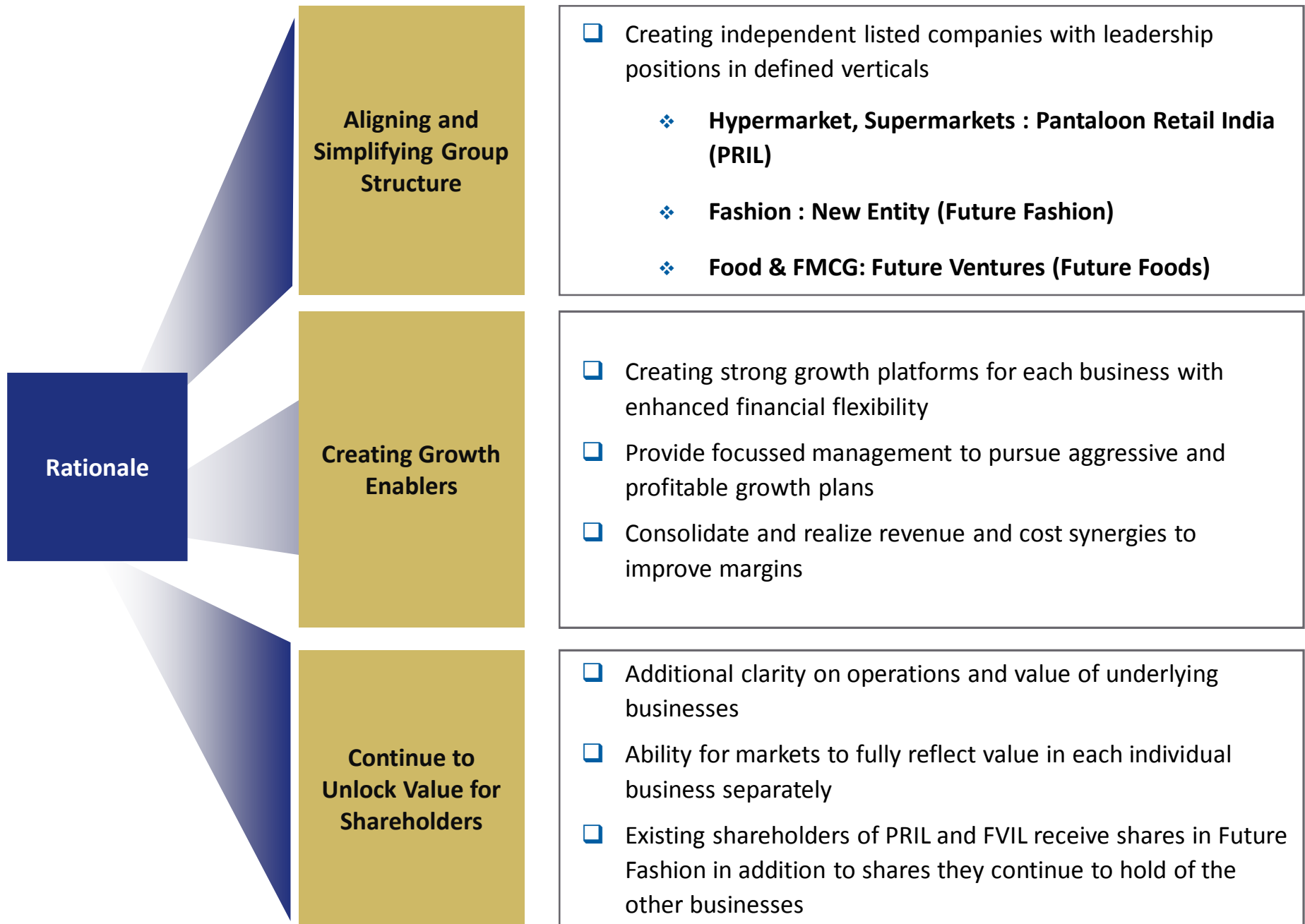
**ALIGNING BUSINESSES TO UNLEASH GROWTH  
AND UNLOCK SHAREHOLDER VALUE**

# Background

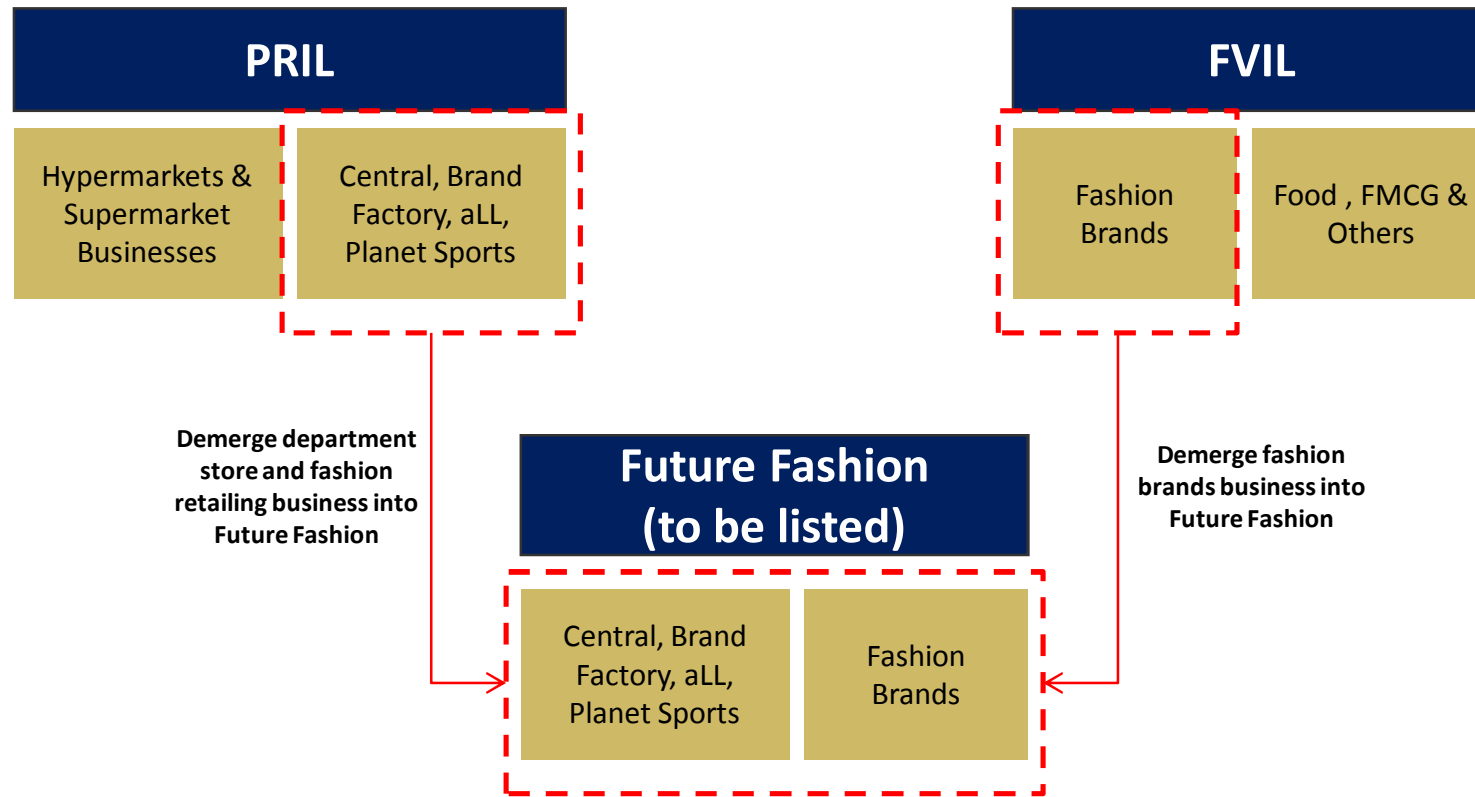
---

- The last decade saw Future Group grow its revenues by over 60 times, as we established our leadership in modern retail in India, in an emerging and young industry
  - ❖ We created presence across several formats of retailing including hypermarket, supermarket, convenience store, department store, home improvement, electronics, apparel, specialty and services
  - ❖ We also created support services such as logistics, media, sourcing, processing to enable our businesses to grow
  - ❖ We also incubated and scaled up a spectrum of brands across various consumer categories including Fashion, Food and FMCG
- We have achieved critical size and scale in some of our formats and businesses that require us to realign and consolidate into focussed independent entities to propel them into their next phase of growth and unlock value for shareholders

# Realignment Rationale

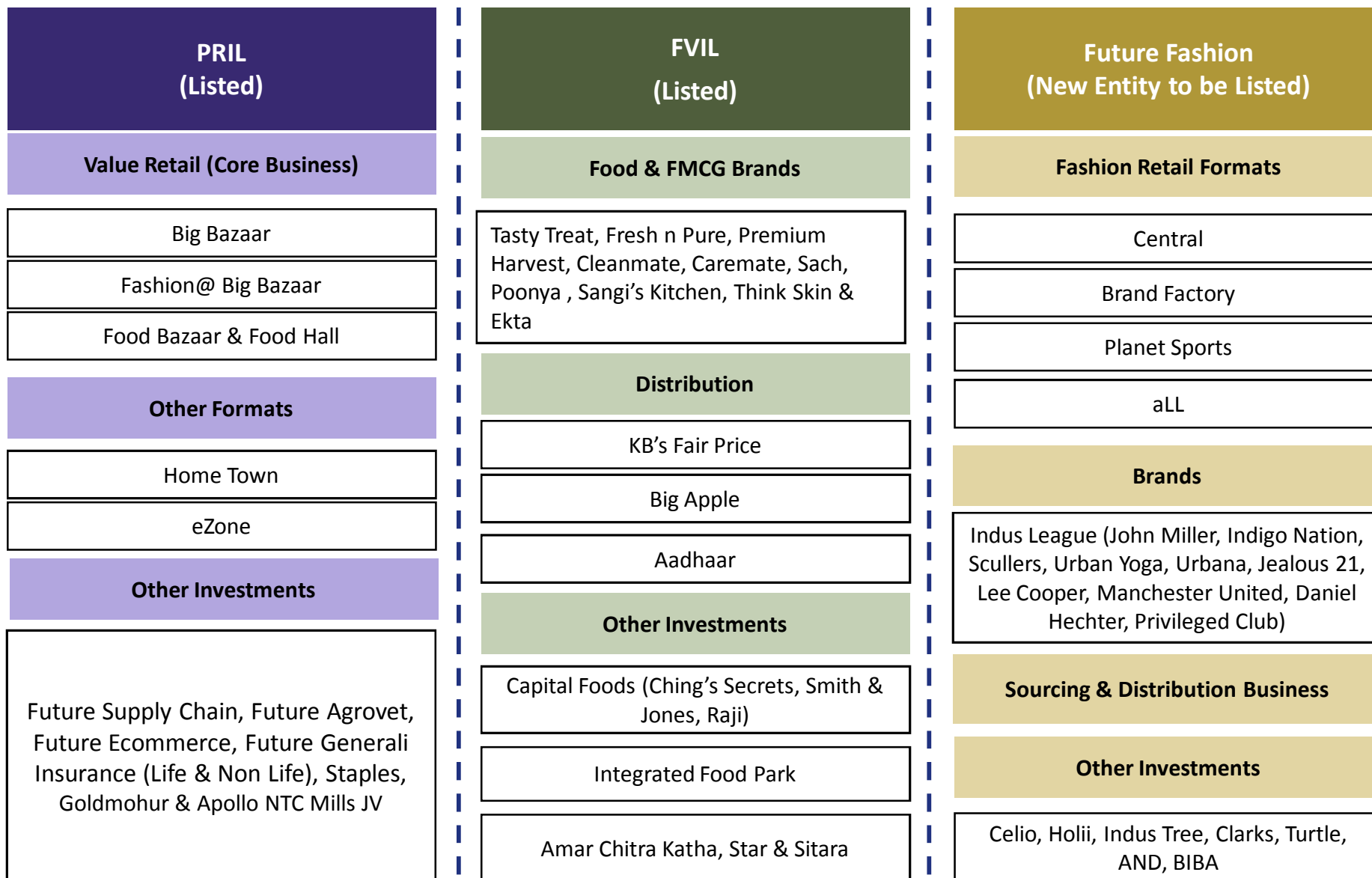


# Proposed Realignment



- ❑ In a composite scheme of arrangement, PRIL will demerge its fashion business (Central, Brand Factory, aLL, Planet Sports) into Future Fashion. Simultaneously, FVIL will also demerge its fashion business into Future Fashion
- ❑ Shareholders of PRIL and FVIL will receive shares in Future Fashion; Future Fashion to seek automatic listing
- ❑ Through a separate scheme of realignment, FVIL will emerge as an operating company

# Emerging Group Structure



# Benefits

---

- ❑ PRIL and FVIL shareholders get direct stake in Future Fashion in addition to their existing holdings
- ❑ New and partners have ability to choose specific business verticals
- ❑ Simplified structure to facilitate better understanding of each business
- ❑ Implementation of growth plans with strong focus and enhanced financial flexibility
- ❑ Synergies to improve operational efficiency and profitability
- ❑ FVIL becomes an operating company



# THE THREE GROWTH ENGINES

# PRIL: Leading Hypermarket & Supermarket Player

Value Retailing	Specialty Retail	Others
		<ul style="list-style-type: none"> <li>• Future Supply Chain</li> <li>• Future Generali – Life &amp; Non Life</li> <li>• Future Media</li> <li>• Staples Future</li> <li>• E-commerce</li> <li>• Future Agrovet</li> <li>• Apparel Parks</li> </ul> <p><b>Listed Investments :</b></p> <ul style="list-style-type: none"> <li>• 9.3% Stake in FVIL</li> <li>• 19.7% Stake in Future Fashion</li> </ul>

## Store Network




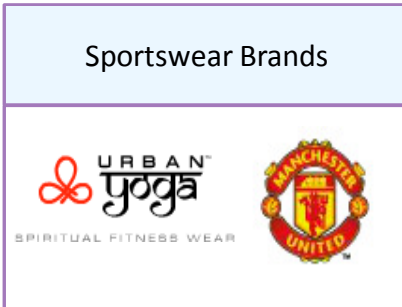




315 Stores covering retail space of ~11.0 M Sq Ft

### Financial Profile

- Debt to Reduce by ~Rs. 1,226 Cr
- 12month Pro Forma Est. (December 2013)
  - Revenues of ~Rs 9,800 Cr



# Future Fashion: India's Leading Fashion Company

Retail	Brands			
Retail Formats	Men's Formals/ Semi Formals Brands	Men's Casuals Brands	Women's Casuals Brands	Kids wear Brands
		 	 	 

## Store Network

- 22 Centrals , 20 Brand Factory, 81 Planet Sport, aLL – 19 Standalone & 49 cut-ins
- Portfolio of 24 leading Brands retailing across 121 cities through ~200 own stores and ~1,000 MBOs
- Total Retail Space under coverage of ~3.5m sf.

## Financial Profile

- 12month Pro Forma Est. (December 2013)
  - Revenues of ~Rs 3,100 Cr

# FVIL: Emerging Foods & FMCG Player

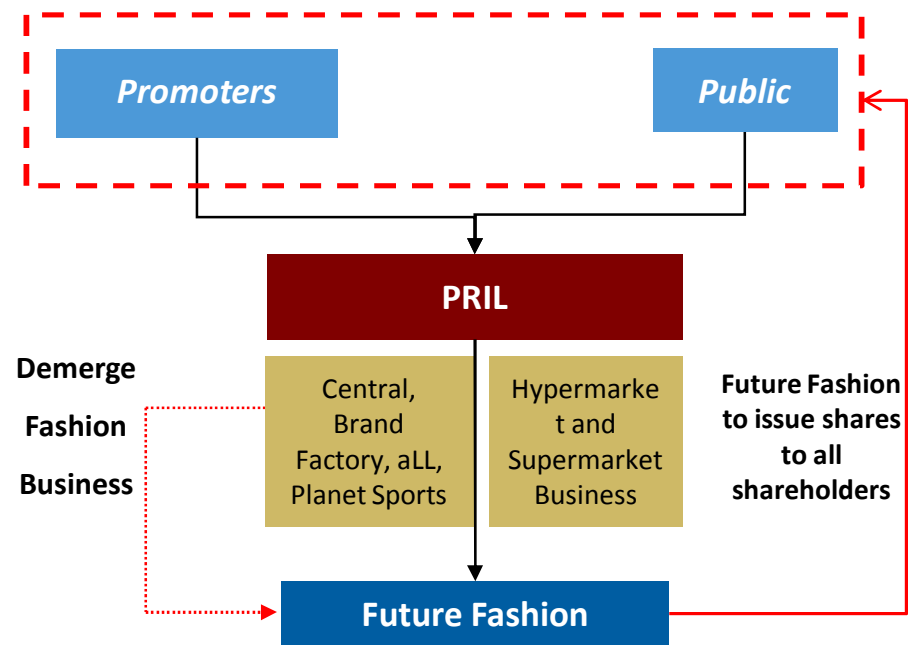
	Food + FMCG			Food Retailing			Others
Formats	Capital Foods	Future Consumer Enterprise	Integrated Food Park	Aadhar	KB's Fair Price	Express Retail (Big Apple)	Edutainment & Wellness
Brief Description	Product development & manufacturing capabilities in food items	Developing Food & FMCG products; manages the entire process of product creation	Establishment of Mega Food Park to facilitate establishment of strong food processing industry	Rural Wholesale Cash & Carry backed by Franchisee Network  37 Retail Outlets	'No-frills' format store retailing staple foods, FMCG & General Merchandise  191 Stores	Chain of stores retailing food & non food items through the "Big Apple" brand name  38 Stores	Amar Chitra Katha Media, owns IPR related to Amar Chitra Katha, Tinkle, Karadi Tales, Brainware  Star & Sitara Wellness, salon and spa, operates 35 salons across 15 cities
Financial Profile	<ul style="list-style-type: none"> <li>12month Pro Forma Est. (March 2014)                             <ul style="list-style-type: none"> <li>Revenues of ~Rs 1,350 Cr</li> </ul> </li> </ul>						



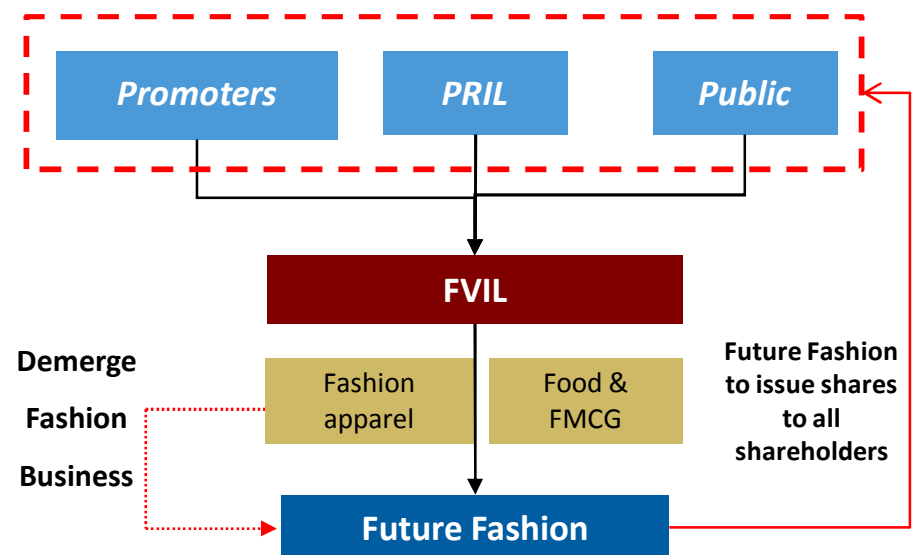
# **THE SCHEME OF ARRANGEMENT**

# Scheme Mechanics

- Under a Composite Scheme of Arrangement u/s 391-394 of the Companies Act, PRIL to demerge its fashion business comprising of Central, Brand Factory, Planet Sports and aLL to Future Fashion
- Future Fashion Shares to be proportionately issued to all equity and DVR shareholders of PRIL



- Under Part B of the same Scheme, FVIL to demerge its fashion business comprising of Indus League, Lee Cooper, Celio, Holii, etc and strategic investments in Turtle, AND and Biba to Future Fashion
- Future Fashion Shares to be proportionately issued to all equity shareholders of FVIL



# Other Scheme Highlights

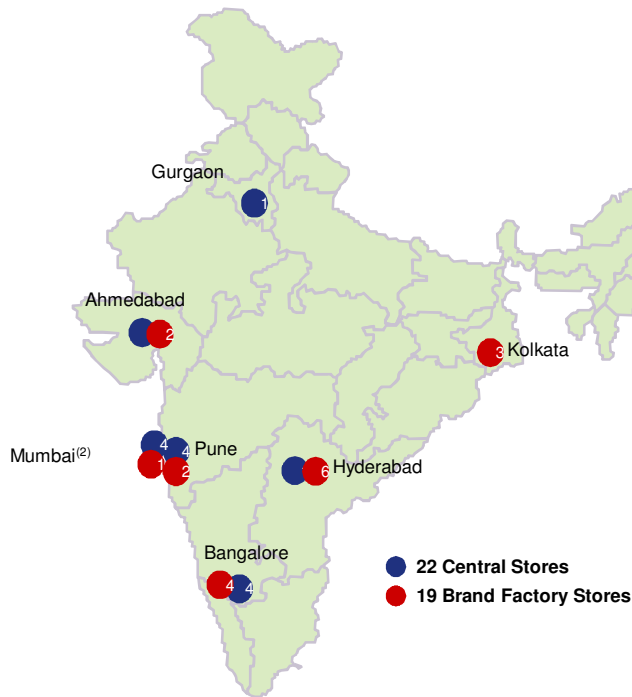
<b>Swap Ratio</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Swap Ratio: 1 equity share in Future Fashion for every 3 equity shares held in Pantaloon Retail (India) Limited</li><li><input type="checkbox"/> Swap Ratio: 1 equity share in Future Fashion for every 31 equity share held in Future Venture (India) Limited</li></ul>
<b>Appointed Date</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> January 1, 2013</li></ul>
<b>Shareholding Patterns of Future Fashion</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Proportionately by all shareholders of PRIL – 49.8%</li><li><input type="checkbox"/> Proportionately by all shareholders of FVIL – 30.5%</li><li><input type="checkbox"/> By PRIL – 19.7%</li></ul>
<b>Approvals Required</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Shareholders, Creditors, SEBI and Stock Exchanges, High Court, RBI and other applicable regulatory authorities, if any</li></ul>
<b>Timelines</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> ~ 6-8 months</li></ul>
<b>Other Key Details</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Capital Reduction in FVIL - Reduction of face value from Rs 10 to Rs 6 to reflect the size of the remaining business – No change in number of Shares outstanding</li></ul>

**THANK YOU**

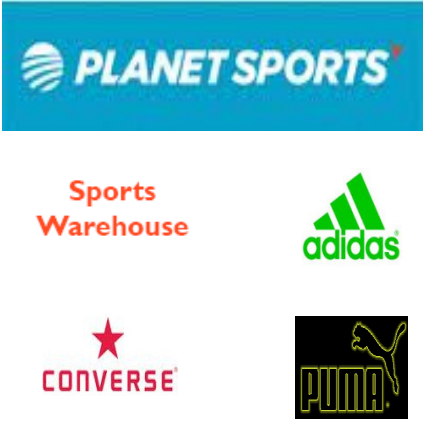
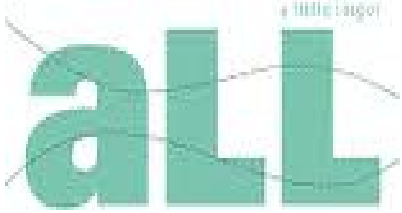


# ANNEXURES

Format	Description
	<ul style="list-style-type: none"> <li>• Unique Offering: Department store chain that offer a 'complete shopping experience' with 400+ brand partners and a fresh product offering every season</li> <li>• Leading Player in the Segment: Central is one of the leading players in the segment, operating nationwide with 22 stores across 13 cities covering ~2.4 MM square feet of space</li> <li>• One-stop Destination: Wide offering covering apparel, footwear, accessories, music, and books, coffee shops, food courts, supermarkets, restaurants, pubs and discotheques.</li> </ul>
	<ul style="list-style-type: none"> <li>• Outlet model positioned as a stopover hub for graduating to lifestyle retailing</li> </ul>







**Fastest Growing Lifestyle Retailer with Wide Array of Brands & Scalable Model**

Format	Description
 <p>The image displays five logos: Planet Sports (blue banner with white text), Sports Warehouse (red text), Adidas (green logo), Converse (red star and text), and Puma (black logo with yellow text).</p>	<ul style="list-style-type: none"> <li>• India’s largest multi-brand sports lifestyle retail chain with 80+ specialty stores across 33 cities operating 5 different formats:</li> <li>• Planet Sports is the flagship format, present in major cities across India</li> <li>• Sports Warehouse offers international brands at discount prices, specifically targeting the value market</li> <li>• Adidas single brand stores present in sports lifestyle driven markets</li> <li>• Converse single brand stores are one-stop destination for the latest products in sports apparel, footwear, and accessories</li> <li>• Puma exclusive outlets are highly popular for apparel footwear, and accessories among brand enthusiasts</li> </ul>
 <p>The image shows the logo for 'aLL' in a large, green, lowercase font. Above the 'L's, there is a small tagline that reads 'a little larger'.</p>	<ul style="list-style-type: none"> <li>• India’s leading plus-size apparel retailer with a pan-India presence, aLL offers a wide range of ready to wear fashionable western and ethnic wear and accessories that are otherwise not easily available for the plus size consumer</li> <li>• Operates through 19 stand-alone and 49 cut-in stores across 29 cities in India, with the average store being ~ 1,000 sq ft</li> <li>• Present in a largely untapped market – the potential plus size market in the country is in the range of Rs 13,000 – Rs 15,000 Cr</li> <li>• Lack of major brands in the category translates into restricted choice for consumers</li> </ul>

**Niche Formats catering to Exciting Fast-Growing Segments in Fashion Retailing**

# FVIL Fashion Business

	Business	Description
Owned	<p><b>Indus League</b></p> 	<ul style="list-style-type: none"> <li>• Unique Position: Uniquely positioned as a designer, manufacturer and retailer of ready-made garments in men's and women's casual and formal wear</li> <li>• Exciting Brand Portfolio: 9 Established Brands present across categories</li> <li>• Global Presence: Presence in Sri Lanka, Middle East Asia, UAE &amp; Bahrain</li> <li>• Distribution Reach: 201 EBOs and 1,000 MBOs across 121 cities</li> </ul>
		<ul style="list-style-type: none"> <li>• Lee Cooper (India): Has an exclusive license to manufacture &amp; market "Lee Cooper" products in India, including denims, trousers, jackets, shirts &amp; shoes</li> </ul>
JV's		<ul style="list-style-type: none"> <li>• Celio Future Fashion, a JV with Celio International, offers refined, stylish, and relaxed menswear. The brand is among the largest French menswear brands</li> <li>• Clarks Future Footwear retails a complete range of children's, men's, and women's footwear and handbags under the brand name "Clarks" in India</li> <li>• Indus Tree Crafts retails environmentally and socially sustainable products, including apparel, personal accessories, furniture, handicrafts and home linen</li> <li>• Holii Accessories is engaged in retailing fashion accessories including but not limited to leather handbags, wallets, accessories under the brand "Holii"</li> </ul>
Investee		<ul style="list-style-type: none"> <li>• Turtle focuses exclusively on menswear and is the most popular brand in Eastern India. Its brand, "London Bridge" offers international styles at affordable prices</li> <li>• BIBA Apparels retails ethnic wear segment in India such as ethnic ensembles, mix and match readymade clothing and unstitched fabric lengths</li> <li>• AND Designs primarily caters to the women's apparel market, with a focus on western wear. It also has a collection of men's wear</li> </ul>