

Q6 FY12 — Investor Update

Quarter Highlights

Improved consumer sentiments, lower interest outgo and higher operational efficiencies marked the final quarter of the financial year for the company. The core retail business turnover increased from ₹2,893 cr to ₹3,171 cr for quarter ended December 31st, year-on-year basis. The same store sales growth (SSG) for the quarter in lifestyle retail stood at 12.7%, for the value retail at 5.1% and -3.4% in home retail business. The EBITDA margins were at 9.0% for the quarter ended December 31st. The interest outgo came down from ₹176 cr for quarter ended September 30th, to ₹157cr for quarter ended December 31st.

The festive season during the quarter witnessed brisk sales vis-à-vis the previous year. After quite a few consecutive quarters of weak consumer sentiments, sales during the festive season improved significantly indicating an improvement in consumer sentiments. Categories like fashion, footwear, home appliances and home fashion which were hit hard during the slowdown, registered encouraging sales at full price. The forthcoming quarters will provide a clearer indication of whether the demand upswing remains consistent.

The company ended the quarter with 16.38 million sq ft of retail space. The company added 0.41 million square feet of gross retail space during the December quarter. In the lifestyle segment, the company opened 2 Pantaloons, 4 Brand Factory and 3 eZone stores. In the value segment, it opened 6 Big Bazaar and 2 FBB stores. While Big Bazaar entered cities like Jorhat and Silchar in the East, it strengthened its presence in Jaipur, Delhi and Kolkata. FBB stores were opened in new markets like Lucknow & Guwahati. New Pantaloons stores were opened in Patna and Ranchi, while Brand Factory entered cities like Bhubaneswar and Mysore. eZone added stores in Bengaluru, Pune and Hyderabad - cities in which it already has a strong presence.

The company entered the new year with a renewed focus on driving profitability within the stores and in full preparedness for the upcoming sale season across both the lifestyle and value segment. While spaces within some stores have been rationalized during the quarter, the company also added merchandise in preparation for the promotion period in January and February. Encouraging response from customers during the promotion has resulted in the promotion period ending on time by mid-February and fresh merchandise entering stores on time to be sold at full price.

Financial Year Highlights

The company posted a turnover of ₹18,024 cr for its core retail business for the 18 months ended December 31st. The company added 2.93 million square feet of gross retail space during the year. During the last 18 months, the company reconstructed its assortment across categories. On one hand, the company renewed focus on categories like value fashion, home appliances, footwear and home fashion. On the other hand, the company reduced dependence on low margin categories like mobiles and jewellery in most stores. While these impacted SSGs to an extent, it helped the company earn an EBITDA margin of 9.1% for entire financial year.

During the year, the company invested heavily in renovation and up-gradation of Big Bazaar stores to make them more contemporary and in line with higher value and more aspirational merchandise being introduced, especially in the fashion category. These steps have met with an encouraging response from customers and have started yielding higher sales in these stores. In the year ahead, the company will continue to selectively renovate existing stores even as it adds new, upgraded stores.

The company posted a consolidated turnover of ₹20,186 cr, net profit of ₹276 cr and EPS of ₹12.19 per equity share for the 18 months ended December 31st and announced a dividend of 55% per equity share.

Strategic Initiatives

Pantaloons Fashion Format Demerger: The next court hearing of the petition regarding the demerger of Pantaloons Fashion Format is scheduled on 1st March 2013. The company expects the court approval to come through by March 2013 and both parties remain committed to the completion of the transaction.

Future Lifestyle Fashions: During the September quarter, the company announced the creation an integrated fashion entity, Future Lifestyle Fashions, by merging the fashion businesses of PRIL & FVIL. The company has got the requisite clearances from CCI and the stock exchanges and filed an application for demerger in the court. As per the direction of the court, a shareholders meeting has been convened to be held on 4th March 2013, to consider the approval of the scheme by the members.

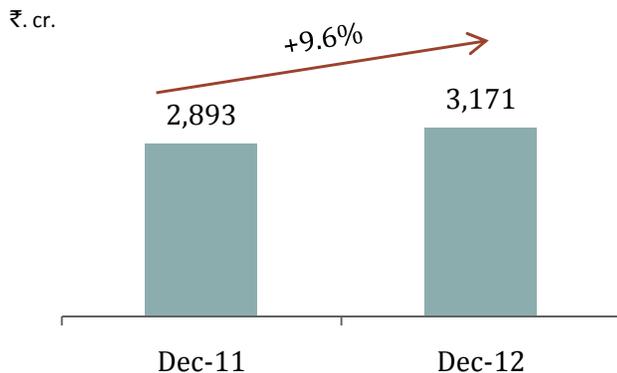
The completion of these transactions will result in the total debt reducing by ₹2,820 cr, further improve operational efficiency, reduce costs and unlock value for its shareholders.

Q6 FY12 — P&L Summary

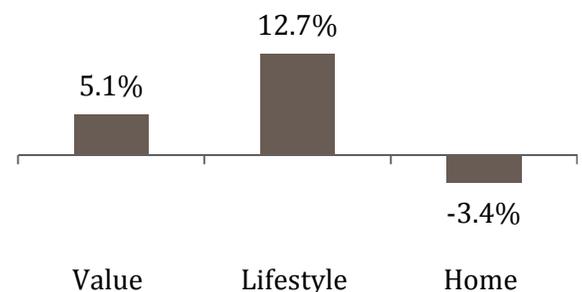
Quarter ended 31st December '11 vs '12

Particulars (₹ cr.)	Stand-Alone		Core Retail	
	31-Dec-11	31-Dec-12	31-Dec-11	31-Dec-12
Sales & operating income	1,108	1,286	2,893	3,171
Other income	4	4	4	7
Total income	1,111	1,289	2,897	3,178
PBDIT	129	140	265	285
Depreciation	48	66	88	121
PBIT	81	74	178	163
Interest	74	76	158	157
PBT (excl. extraordinary items)	8	-2	19	7

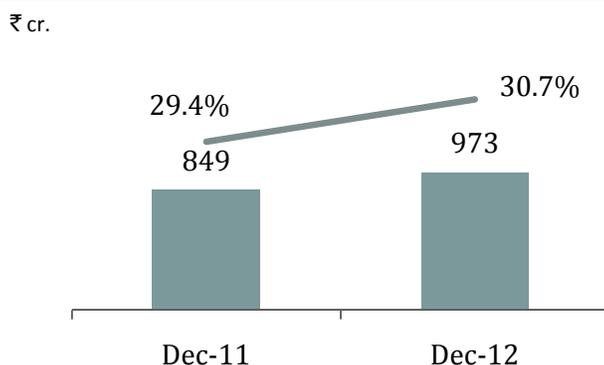
Core Retail Net Sales



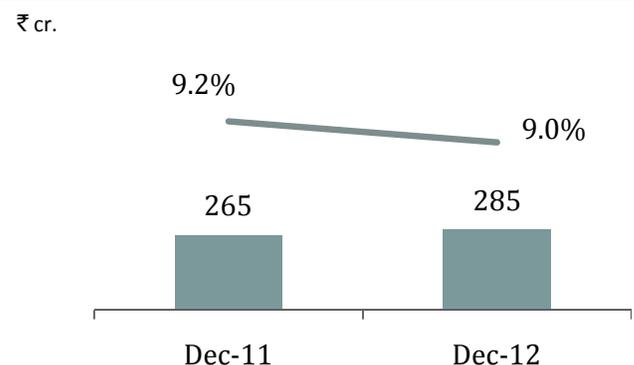
Same Store Growth – Q6FY12



Core Retail Gross Margins



Core Retail EBITDA



FY12 — Stand-Alone Balance Sheet

For the period ended December ' 12

Particulars (₹ cr.)	Stand-Alone as of	
	30-Jun-11	31-Dec-12
Shareholders Funds		
Share capital	107	46
Reserves and surplus	2,671	3,306
Money received against share warrants	100	-
Total - Shareholders' funds	2,878	3,352
Optionally Fully Convertible Debentures		800
Non-current liabilities		
Long-term borrowings	1,393	1,854
Deferred tax liabilities (Net)	87	95
Other long term liabilities	145	150
Long-term provisions	3	5
Total - Non current liabilities	1,628	2,105
Current liabilities		
Short-term borrowings	538	551
Trade payables	939	810
Other current liabilities	325	981
Short-term provisions	27	4
Total - Current liabilities	1,829	2,346
TOTAL - EQUITY AND LIABILITIES	6,335	8,603
Assets		
Fixed assets	1,567	2,493
Non-current investments	2,251	2,280
Long-term loans and advances	349	764
Total - Non current assets	4,167	5,537
Current Assets		
Inventories	1,762	2,140
Trade receivables	178	165
Cash and Bank balances	86	56
Short-term loans and advances	131	691
Other current assets	11	14
Total -Current assets	2,168	3,066
TOTAL - ASSETS	6,335	8,603

FY12 — Consolidated Balance Sheet

For the period ended December ' 12

Particulars (₹ cr.)	Consolidated as of	
	30-Jun-11	31-Dec-12
Shareholders Funds		
Share capital	182	121
Reserves and surplus	2,799	3,236
Money received against share warrants	159	-
Total - Shareholders' funds	3,140	3,357
Share Application Money Pending Allotment	2	36
Compulsorily Convertible Debentures	839	754
Optionally Fully Convertible Debentures		800
Minority Interests	331	59
Non-current liabilities		
Long-term borrowings	4,041	3,559
Deferred tax liabilities (Net)	156	220
Other long term liabilities	189	408
Long-term provisions	75	18
Total - Non current liabilities	4,461	4,204
Current liabilities		
Short-term borrowings	2,267	1,872
Trade payables	2,112	2,383
Other current liabilities	1,062	1,443
Short-term provisions	109	129
Total - Current liabilities	5,551	5,827
TOTAL - EQUITY AND LIABILITIES	14,324	15,037
Assets		
Fixed assets	3,622	5,185
Non-current investments	952	1,320
Long-term loans and advances	2,975	1,751
Other Non-Current Assets	37	0
Total - Non current assets	7,586	8,256
Current Assets		
Current investments	418	71
Inventories	3,679	4,469
Trade receivables	551	547
Cash and Bank balances	521	201
Short-term loans and advances	1,504	1,475
Other current assets	66	17
Total -Current assets	6,738	6,781
TOTAL - ASSETS	14,324	15,037

Q6 FY12 – New store additions

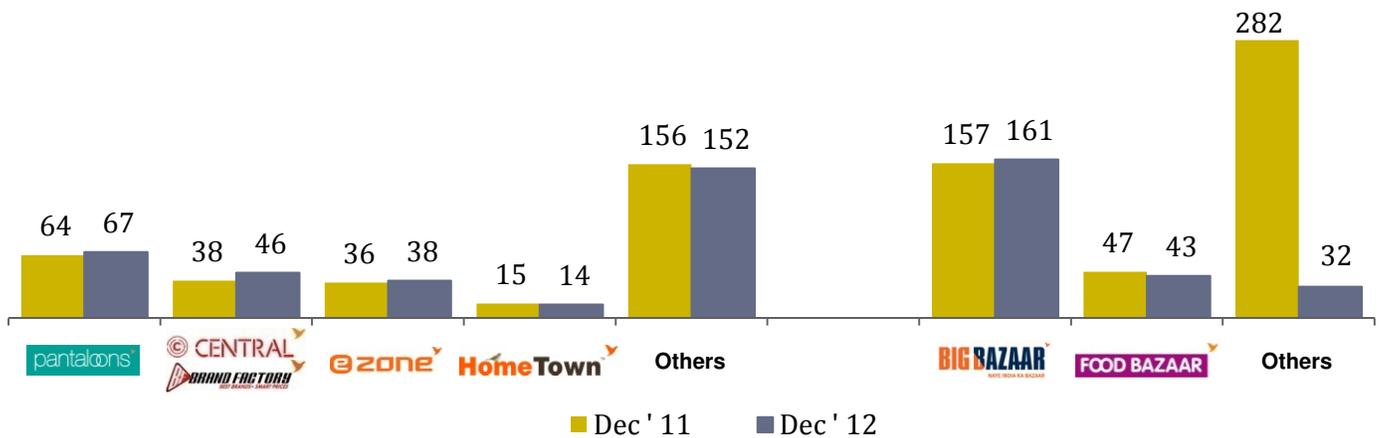
Total space add nearly 0.41 million square feet during Q6 FY12

Store Count - PRIL

Store Count – FVRL

Selling Space (mn. sq. ft.)

1.94	2.97	0.42	1.24	0.72	7.86	0.50	0.65	:Dec '11
1.99	3.28	0.38	1.20	0.75	7.88	0.48	0.41	:Dec '12



Stores opened quarter ended December ' 12

Format	Date of opening	Sq. Ft.	Location
	8-Oct-12	30,165	Wood Square Mall, Kolkata, West Bengal
	1-Nov-12	30,564	Triniti Mall, Jaipur, Rajasthan
	3-Nov-12	30,800	Nagarmahal, Jorhat, Assam
	6-Nov-12	44,000	Ulhasnagar, Mumbai, Maharashtra
	10-Nov-12	29,282	Goldighi complex, Silchar, Assam
	16-Nov-12	29,104	Mayur Vihar, Delhi
	3-Nov-12	9,550	Qaiser Bagh Circus, Lucknow, Uttar Pradesh
	5-Dec-12	11,013	Paltan Bazaar, Guwahati, Assam
	27-Oct-12	30,100	Vasundhara Metro Mall, Patna, Bihar
	6-Nov-12	36,026	Eastern Mall, Ranchi, Jharkhand
	20-Oct-12	22,899	Janpath, Bhubaneswar, Orissa
	7-Nov-12	33,000	Keerthana Complex, Mysore, Karnataka
	22-Dec-12	22,048	Rockline Mall, Bangalore, Karnataka
	24-Dec-12	22,225	LBS Road, Vikhroli, Mumbai, Maharashtra
	6-Oct-12	8,674	JP Nagar, Bengaluru, Karnataka
	6-Oct-12	2,200	MSM Paranjape Mall, Pune, Maharashtra
	6-Nov-12	7,424	Punjagutta, Hyderabad, Andhra Pradesh

- Registered Office: Knowledge House, ShyamNagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari(E), Mumbai 400 060. India. P +91 22 6644 2200 F +91 22 6644 2201 www.pantaloonsretail.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: Reenah Joseph ☎: +91 7498294637 ✉: reenah.joseph@futuregroup.in