

Q4 FY12 — Investor Update

Financial & Operational Highlights

The core retail business turnover increased from ₹2,860 cr in Q4 FY11 to ₹2,963 cr in Q4 FY12. The EBITDA margins also expanded from ₹265 cr to ₹279 cr. The same store sales growth (SSG) for the quarter in lifestyle retail stood at 4.71%, for the value retail at 0.37% and -0.85% in home retail business.

The company added 0.55 million square feet of total retail space during Q4 FY12, resulting in a total operational retail space of 16.71 million square feet. In the lifestyle segment, the company opened 2 Central and 2 Brand Factory stores. In the value segment, 3 Big Bazaar, 3 Food Bazaar, were opened along with 2 FBB's. FoodHall, the premium lifestyle food destination launched its second store in Bengaluru.

For 12 months ended June 30th, 2012 (12M 2012), core retail business turnover increased 7.1% to ₹11,793 cr from ₹11,012 cr in 12M 2011. The gross space addition during the past 12 months was 2.37 million square feet, while the total operational space by the end of the year stood at 16.71 million square feet. During this period, the company focused as much on opening new stores in key locations as on improving store efficiencies. At a number of locations that weren't performing up to the mark, the company decided to rationalize spaces either through shutting down non-performing sections of the store, conversion of lifestyle formats to value formats or full closure of stores.

The overall slowdown in the economy and the muted consumer confidence has had its impact on the company's sales growth. Sales in the month of May was particularly sluggish and this severely impacted same store sales growth. The company believes that in such challenging times, the focus has to be on areas like better inventory management, prudent cost management and more efficient store operations. The company's focus on each of these areas have yielded some results. The gross margins expanded from 28.9% for 12M 2011 to 29.2% for 12M 2012 and EBITDA margin expanded from 8.9% to 9.1% for the respective periods.

On the consumer front, the company is focusing on gaining a larger share from existing customers by increasing and strengthening its offerings in the food business. Rather than attract new customers through increased marketing spends, the company's efforts are focused on improving its consumer loyalty programs that now have more than 7 million customers.

On 1st May 2012, the company also introduced a new retail initiative – Public Holiday Sale. The company expects that this initiative will within a short span of time achieve the same iconic status Big Bazaar's Sabse Saste 5 Din and Mahabachat promotions enjoy.

Strategic Initiatives

The company had announced its intention to demerge its Pantaloon retail chain business and partner with Aditya Birla Nuvo (ABNL). As part of this transaction, Pantaloon Retail India Ltd (PRIL) has made an allotment of 800 Optionally Fully Convertible Debentures (OFCDs) of ₹1 cr each aggregating to ₹800 cr to Peter England Fashions and Retail Limited on 14th June 2012.

During the quarter, the company executed definitive agreements to divest its stake in Future Capital Holding (FCH) in favor of Warburg Pincus. As part of the transaction, PRIL and Future Value Retail Ltd (FVRL) will sell its stake in FCH at a price of ₹162 per share to Cloverdell Investment Ltd, an affiliate entity of Warburg Pincus. The involved parties are seeking approval from regulatory authorities and an open offer to the existing shareholders of FCH will commence shortly. The transaction will be completed on the commencement of the open offer.

On 6th June 2012, PRIL made an allotment of 81,63,265 Equity shares of ₹2/- each at a premium of ₹243/- per share to Bennett, Coleman & Co. Ltd (BCCL) and received Listing and Trading approval from BSE and NSE.

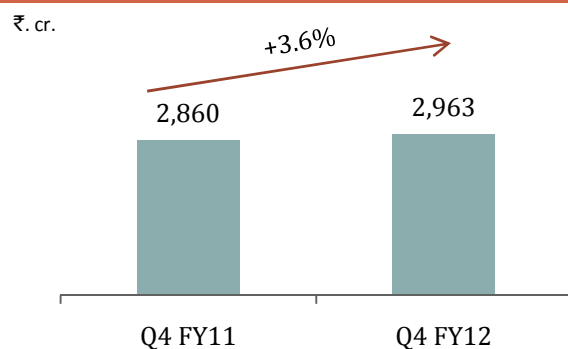
PRIL passed a resolution extending the financial period of the Company by six months from June 30 to December 31. Accordingly, the current financial period shall be a period of 18 months beginning from July 01, 2011 and ending on December 31, 2012. This decision ensures that the Company will be able to reflect the impact of various realignment and divestment proposals, at present under implementation, and to move towards changing the financial period to uniform accounting year.

Q4 FY12 — P&L Summary

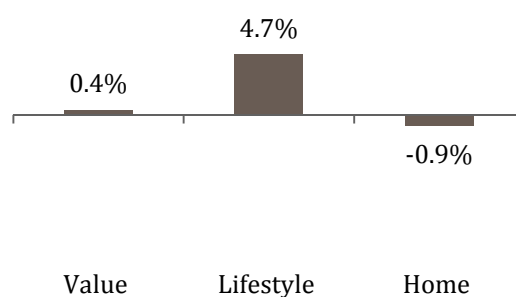
Q4 FY11 vs. Q4FY12

Particulars (₹ cr.)	Stand-Alone		Core Retail		Consolidated
	Q4 FY11	Q4 FY12	Q4 FY11	Q4 FY12	Q4 FY12
Sales & operating income	1,050	1,150	2,860	2,963	3,616
Other income	5	2	6	3	18
Total income	1,055	1,152	2,867	2,965	3,633
PBDIT	122	139	265	279	466
Depreciation	41	50	74	93	106
PBIT	81	88	191	186	360
Interest	52	85	118	180	324
PBT (excl. extraordinary items)	29	4	74	6	36

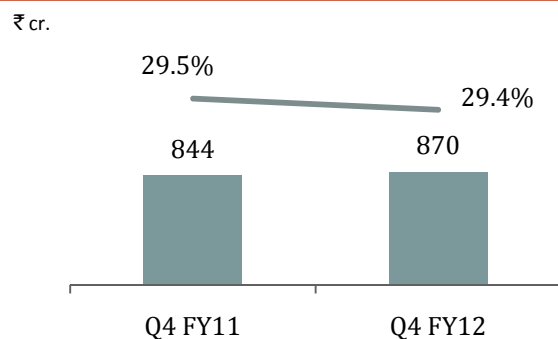
Core Retail Net Sales



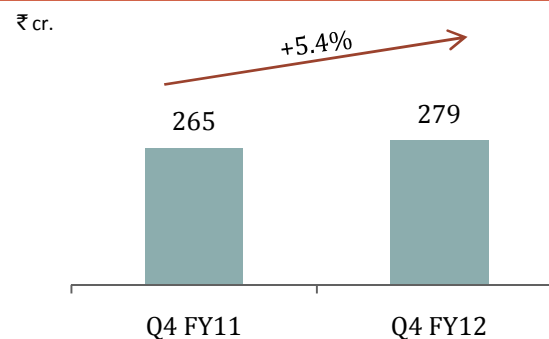
Same Store Growth – Q4FY12



Core Retail Gross Margins



Core Retail EBITDA



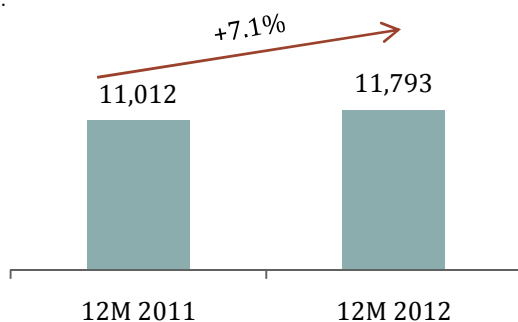
12M 2012 — P&L Summary

12M 2011 vs. 12M 2012

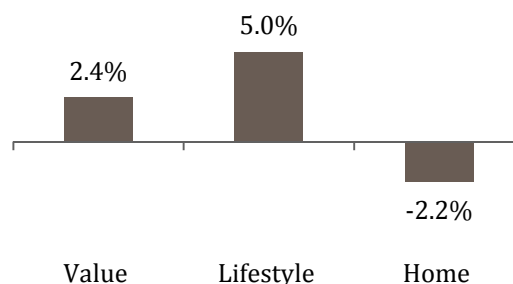
Particulars (₹ cr.)	Stand-Alone		Core Retail		Consolidated
	12M 2011	12M 2012	12M 2011	12M 2012	12M 2012
Sales & operating income	4,097	4,477	11,012	11,793	13,315
Other income	21	15	25	17	65
Total income	4,119	4,493	11,037	11,810	13,381
PBDIT	449	527	979	1,071	1,592
Depreciation	146	192	268	352	395
PBIT	303	334	712	719	1,197
Interest	188	299	427	629	1,053
PBT (excl. extraordinary items)	115	36	285	90	143

Core Retail Net Sales

₹. cr.

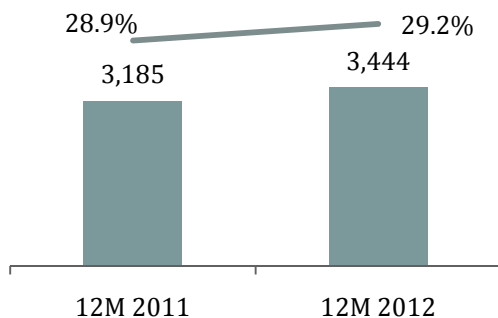


Same Store Growth – 12M 2012



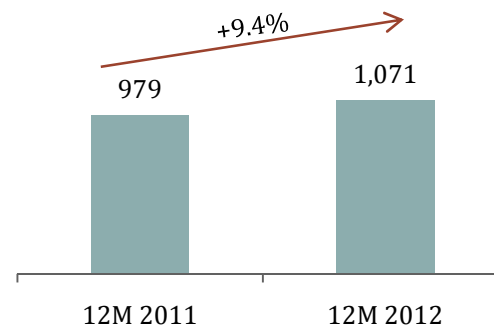
Core Retail Gross Margins

₹ cr.



Core Retail EBITDA

₹ cr.



12M 2012 — Balance Sheet Summary

12M 2011 vs. FY12

Particulars (₹ cr.)	Stand-Alone as of	
	30-Jun-11	30-Jun-12
Shareholders Funds		
Share capital	107	46
Reserves and surplus	2,671	3,320
Money received against share warrants	100	-
Total - Shareholders' funds	2,878	3,366
Non-current liabilities		
Long-term borrowings ^(*)	1,540	2,787
Deferred tax liabilities (Net)	87	91
Long-term provisions	6	6
Total - Non current liabilities	1,634	2,885
Current liabilities		
Short-term borrowings	536	849
Trade payables	970	745
Other current liabilities	294	645
Short-term provisions	24	-
Total - Current liabilities	1,823	2,239
TOTAL - EQUITY AND LIABILITIES	6,335	8,490
Assets		
Fixed assets	1,567	2,184
Non-current investments	2,255	2,226
Long-term loans and advances	304	848
Total - Non current assets	4,127	5,257
Current Assets		
Current investments	-	45
Inventories	1,762	1,878
Trade receivables	185	189
Cash and Bank balances	86	337
Short-term loans and advances	173	783
Other current assets	1	1
Total -Current assets	2,208	3,232
TOTAL - ASSETS	6,335	8,490

* - Includes ₹800cr OFCDs issued to Peter England Fashions and Retail Ltd.

Q4 FY12 – New store additions

Total space add nearly 0.55 million square feet during Q4 FY12

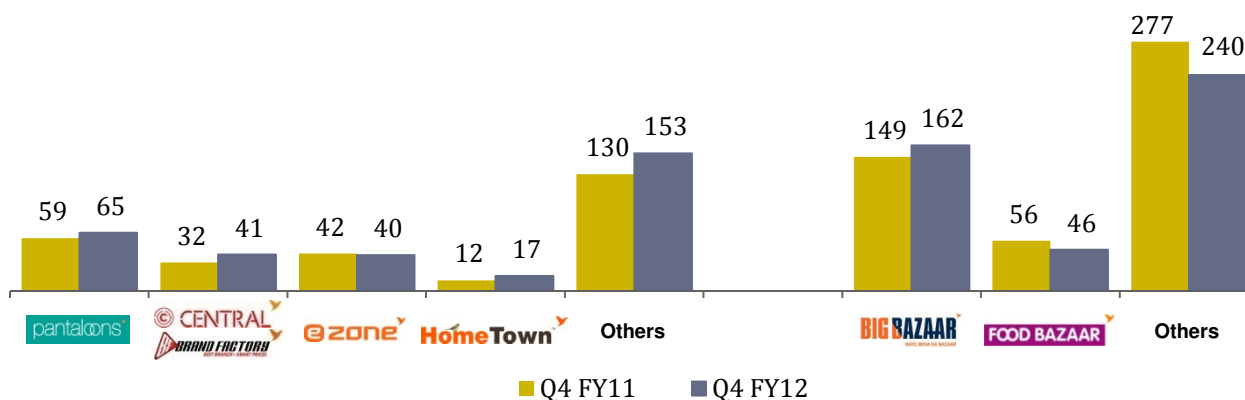
Store Count - PRIL

Selling Space (mn. sq. ft.)

1.74	2.59	0.50	1.15	0.45
1.94	3.16	0.40	1.25	0.73

Store Count – FVRL

7.64	0.55	0.62
8.05	0.51	0.65



Store Count - PRIL

Format	Store #	Sq. Ft.	Date of opening	Location
CENTRAL	21	64,584	20-Apr-12	Orion Mall, Bengaluru, Karnataka
	22	168,137	18-May-12	Msm Paranjape Mall, Pune, Maharashtra

Store Count – FVRL

Format	Store #	Sq. Ft.	Date of opening	Location
BIG BAZAAR	160	35,586	12-May-12	Shalimar Eldee Plaza, Lucknow
	161	35,651	29-Jun-12	City Centre, Jodhpur, Rajasthan
	162	26,363	29-Jun-12	MBD Mall, Jalandhar, Punjab
FOOD BAZAAR	44	9,790	12-Apr-12	Rajendra Place Metro Station, Delhi
	45	33,000	4-May-12	One M G Mall, Bengaluru, Karnataka
	46	13,352	18-May-12	Paranjape Mall, Pune, Maharashtra

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