

Q3 FY12 — Investor Update

Financial & Operational Highlights

The core retail business turnover increased from ₹2,812 cr in Q3 FY11 to ₹3,026 cr in Q3 FY12. The EBITDA margins also expanded from ₹251 cr to ₹279 cr. The same store sales growth (SSG) for the quarter in lifestyle retail stood at 3.46%, for the value retail at 2.66% and -7.33% in home retail business. The SSGs were impacted by weak demand largely in home & electronic categories.

The company added 0.51 million square feet of total retail space during Q3 FY12, resulting in a total operational retail space of 16.33 million square feet. In the lifestyle segment, the company opened 3 Pantaloons and 1 Brand Factory. In the home category, the company opened 1 eZone and 2 Home Town stores. In the value segment, 6 Big Bazaar, 1 Food Bazaar, 2 KB's FairPrice were opened along with 5 FBB's (Fashion@BigBazaar).

Post a weak festive season in Q2 FY12, the company received a positive response from customers during the 'Sabse Saste 5 Din' and End of Season Sales across various formats in the month of January. The company was the first to create the 26th January shopping event 'Sabse Saste 5 Din' which now has become a norm for the industry. As a step towards creating new consumption events, this year the company launched the 'Public Holiday Sale' around 1st May – which is a non-religious holiday across the country. This event too received an encouraging response from customers and is expected to gain traction in the coming years.

Strategic Initiatives

The company is firmly committed towards deleveraging its balance sheet and strengthening its core businesses in retail. The company announced its intention to demerge its Pantaloons retail chain business and partner with Aditya Birla Nuvo Limited (ABNL). As part of the full demerger, the company's shareholder will own proportionate shares in the demerged entity and ABNL intends to acquire at least 50.01% stake in the business by subscribing to debentures worth ₹800 crore and through an open offer post demerger. This transaction will help reduce the company's debt by ₹1600 crore. At the same time, the alignment with ABNL's extensive fashion brand portfolio and network through Madura Garments will help the demerged company and its Pantaloons retail chain to strengthen its competitive edge over similar fashion-led retailers.

BCCL an existing shareholder of the company, is subscribing to a preferential share allotment in the company at ₹245 per share for a total sum of ₹200 crore. The allotment will complete post shareholder approval in the EGM on May 30th, 2012 and receipt of full subscription amount in cash from BCCL.

The company is proposing to sell its entire 53.67% stake in its subsidiary, Future Capital Holdings Limited (FCH), through a block deal on the stock exchange to its wholly owned subsidiary Future Value Retail Limited (FVRL). The company has reiterated its intention of monetizing some of its investments in financial services businesses by the end of this financial year.

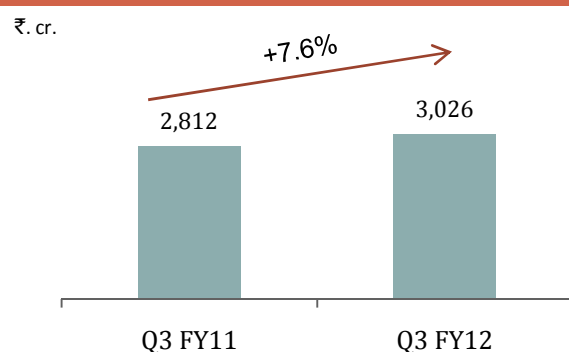
Launched in 2007, HomeTown is a unique retail network in India that provides a one-stop for every product and service that goes into home building and home improvement. In the last eighteen months, the company has been able to roll out a hub and spoke model that incorporates a large-sized flagship store, Home Town, coupled with smaller Home Town Express and Home Town Design & Build stores located in key catchment areas. The network now has over 38 stores in 20 cities and has its own management team & operational dynamics. The network is also focusing on growing the institutional business and penetrating Tier II & III cities which is dominated by unorganized players. In order to manage the scale, expand at a faster pace and bring in requisite investments, the company has decided to form a wholly owned subsidiary that owns and operates this business.

Q3 FY12 — P&L Summary

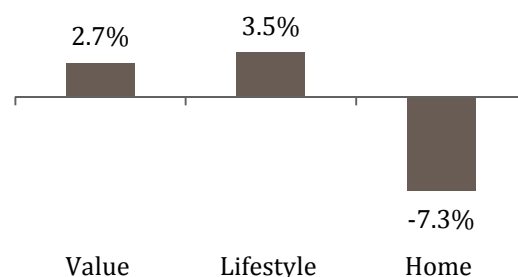
Q3 FY11 vs. Q3FY12

Particulars (₹ cr.)	Stand-Alone		Core Retail		Consolidated
	Q3 FY11	Q3 FY12	Q3 FY11	Q3 FY12	Q3 FY12
Sales & operating income	1,032	1,141	2,812	3,026	3,345
Other income	3	1	3	2	8
Total income	1,035	1,143	2,815	3,028	3,353
PBDIT	114	136	251	279	398
Depreciation	36	48	66	89	98
PBIT	78	88	185	191	300
Interest	48	79	110	173	269
PBT	30	8	76	18	31
Tax	10	3	25	6	16
PAT (before minority interest)	20	5	51	12	15
Cash profit	56	54	117	101	113

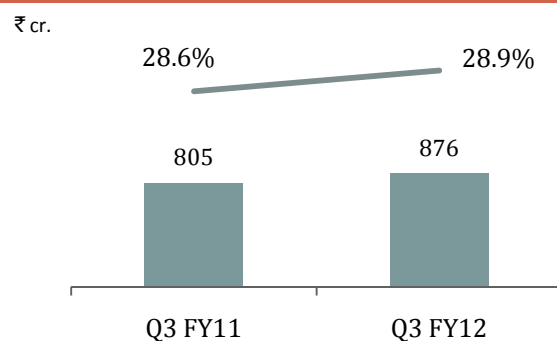
Core Retail Net Sales



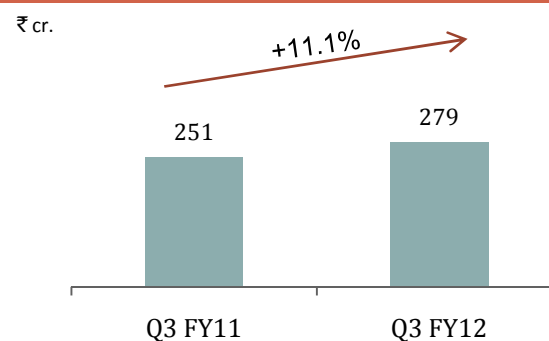
Same Store Growth – Q3FY12



Core Retail Gross Margins



Core Retail EBITDA

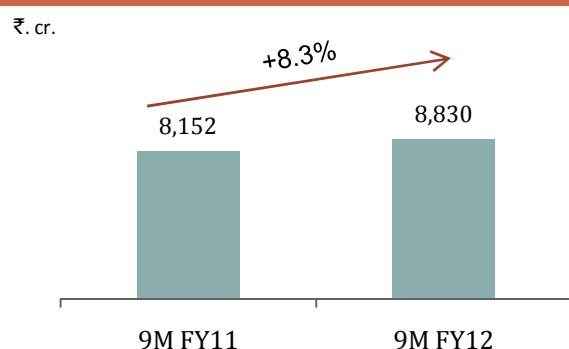


9M FY12 — P&L Summary

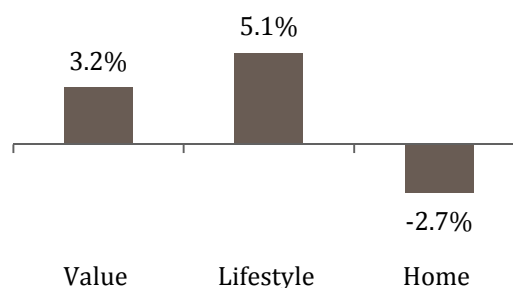
9M FY11 vs. 9M FY12

Particulars (₹ cr.)	Stand-Alone		Core Retail		Consolidated
	9M FY11	9M FY12	9M FY11	9M FY12	9M FY12
Sales & operating income	3,048	3,328	8,152	8,830	9,700
Other income	14	12	17	14	28
Total income	3,062	3,340	8,169	8,844	9,728
PBDIT	329	393	716	805	1,120
Depreciation	106	142	194	259	289
PBIT	223	250	522	545	831
Interest	136	219	311	461	723
PBT	87	32	211	84	108
Tax	29	8	70	26	65
PAT (before minority interest)	58	24	141	59	42
Cash profit	163	166	335	318	331

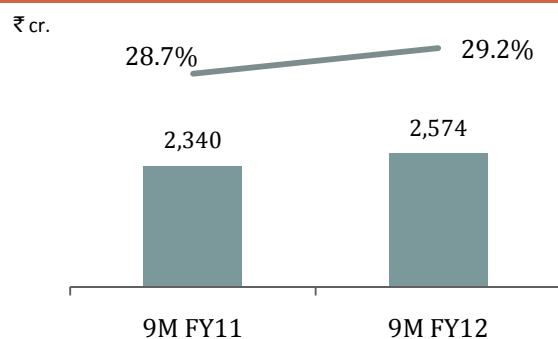
Core Retail Net Sales



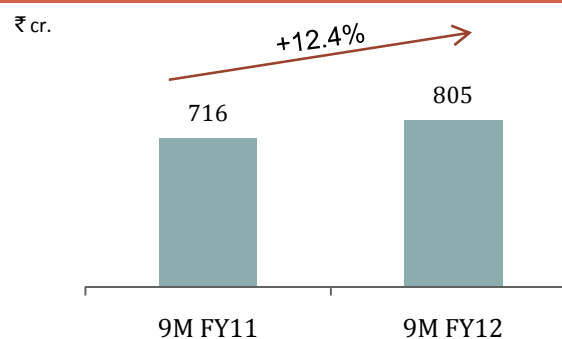
Same Store Growth – 9M FY12



Core Retail Gross Margins





Core Retail EBITDA



Q3 FY12 – New store additions

Total space add nearly 0.51 million square feet during Q3 FY12

Store Count - PRIL

Format	Store #	Sq. Ft.	Date of opening	Location
	63	18,728	11-Jan-12	Surya Tower, Ludhiana
	64	22,571	24-Feb-12	Rama Magneto Mall, Bilaspur
	65	29,029	17-Mar-12	Pheonix United Mall, Bareilly
	33	3,850	26-Jan-12	Surat
	16	37,336	13-Jan-12	Ambience Mall, Gurgaon
	17	2,255	24-Feb-12	Haiko Mall, Mumbai

Store Count – FVRL

Format	Store #	Sq. Ft.	Date of opening	Location
	155	24,107	17-Jan-12	Babasaheb Paranjape Marg, Latur
	156	16,192	20-Jan-12	Vaishali Nagar, Jaipur
	157	18,305	25-Jan-12	Sarjapura Main Road, Bengaluru
	158	132,000	22-Feb-12	Rajaji Nagar, Bengaluru
	159	40,934	11-Mar-12	Pheonix Market, Bareilly
	160	18,989	14-Mar-12	Maxus Mall, Mumbai
	44	8,327	3-Feb-12	Forum Value Mall, Bengaluru
	189	908	3-Mar-12	Kanjur Marg (E), Mumbai
	190	1,100	17-Mar-12	Konankunte, Bengaluru

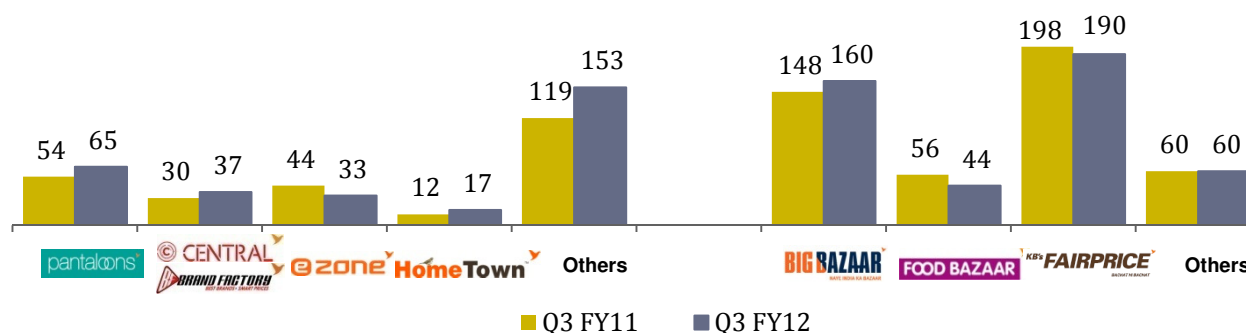
Store Count - PRIL

Selling Space (mn. sq. ft.)

1.50 2.52 0.54 1.17 0.39
1.97 2.88 0.38 1.28 0.70

Store Count – FVRL

7.62 0.52 0.18 0.40
7.99 0.47 0.17 0.49



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