

Pantaloon Retail (I) Limited

Q2 / H1 FY12 Results Call



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

Expansion in H1 FY12

- Achieved a competitive advantage with a total retail space was 16.30 million as of December 31, 2011
 - Total space addition in H1 FY12 was 1.49 million across formats
- 11 Big Bazaar, 6 Pantaloons, 2 Central, 5 eZone and 3 Home Town and 23 KB's Fairprice stores opened
- In the value category, along with store additions in Big Bazaar the company added 9 stores of FBB (Fashion @ Big Bazaar)
- Marquee stores opened in two prime properties in India
 - Amanore Town Centre, Pune: Big Bazaar, Central, eZone, Home Town
 - Phoenix Market City: Pune – Pantaloons, eZone; Mumbai – Pantaloons; Bengaluru – Big Bazaar, Pantaloons

New store locations – H1 FY12



Note: Map is illustrative and not to scale.

Only standalone Food Bazaar stores plotted; all Big Bazaar stores have a Food Bazaar.
KB's FairPrice operates in only three cities, Bengaluru, Mumbai & Delhi/NCR.

Format	Store #	Sq. Ft.	City	Format	Store #	Sq. Ft.	City
BIG BAZAAR <small>WAVE YOUR BIG BAZAAR</small>	147	26,756	Ujjain	pantaloons	59	41,841	Pune
	148	37,796	Ghaziabad		60	22,000	Delhi
	149	26,498	Perambur		61	38,711	Mumbai
	150	48,569	Kanpur		62	31,659	Howrah
	151	54,240	Bilaspur		63	36,224	Bengaluru
	152	32,909	Patiala		64	37,033	Vishakapatnam
	153	17,119	Bilaspur	© CENTRAL	19	89,036	Pune
	154	79,892	Bengaluru		20	155,987	Nashik
	155	56,089	Howrah		ezone	32	12,520
	156	35,851	Dehradun	33		10,711	Pune
	157	100,668	Pune	34		5,526	Bengaluru
	FOOD BAZAAR	47	6,772	Durgapur		35	3,612
					36	10,622	Howrah
					HomeTown	13	78,122
				15		10,641	Gurgaon
				15		5,280	Mumbai

Renovations, Revamps & Right Sizing

BIG BAZAAR
NAYE INDIA KA BAZAAR

- ❑ Launched a new logo; Tagline changed to '**Naye India Ka Bazaar**' from '*Isse Sasta Aur Achcha Kahin Nahin*'
- ❑ Stores undergoing improvements and renovations to sport a new look
- ❑ Resizing stores to improve store productivity and efficiency

pantaloon

- ❑ Revamping Pantaloons into next generation stores
- ❑ Focus on evolving with the consumer preferences



HomeTown
EXPRESS

- ❑ Aligned all furniture and home stores in the group with Home Town and developing a hub and spoke model to improve efficiency and scale
- ❑ Extending Home Town's reach and presence within cities
- ❑ An extension of Home Town with limited categories & products

@zone

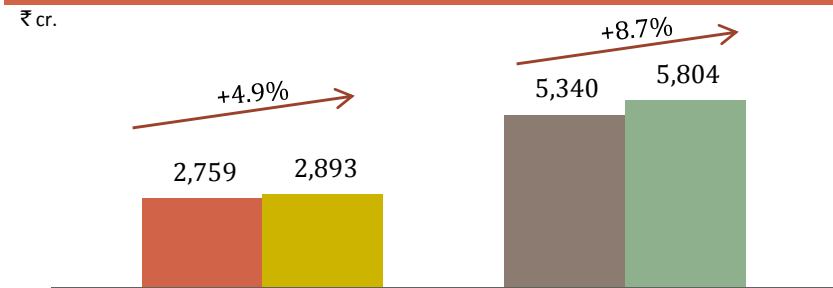
- ❑ Focus on five cities – Mumbai, Pune, Bengaluru, Mumbai, Hyderabad, Kolkata
 - ❑ Focus on optimization of advertising & supply chain costs
- ❑ Right sizing stores to achieve higher productivity & efficiencies

Financial Performance - Q2 / H1 FY12

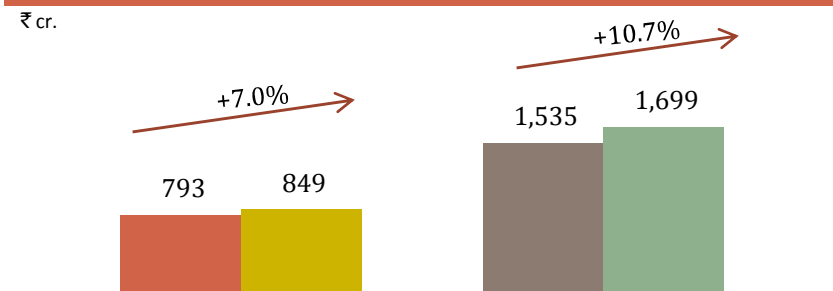
Key Highlights

- ❑ H1 FY12 witnessed muted consumer sentiments across categories which translated into lower sales growth of 8.7% over the previous period and stood at ₹5,804
 - ❑ Festive season sales did not pick up in Q2 FY12 resulting in sales growth of 4.9% over the previous period and stood at ₹2,893
 - ❑ Despite the festive season sales being slow, in January 2012 customers came back to the stores and showcased strong signs of consumer sentiment recovery
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- ❑ Gross margins expanded from 28.8% in Q2 FY11 to 29.4% in Q2 FY12, as COGS were reduced by 59 bps
 - ❑ In H1 FY12, COGS were reduced by 52 bps increasing Gross margins from 28.7% to 29.3%
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- ❑ Core Retail EBITDA margins expanded from 8.8% in Q2 FY11 to 9.2% in Q2 FY12
 - ❑ For H1 FY11 EBITDA margins expanded from 8.7% to 9.1%
 - ❑ Employee costs were maintained at 4.4% of sales in Q2 FY12 & H1 FY12
 - ❑ Cost controlling measure taken up by the management have resulted reduction in operational & employee cost

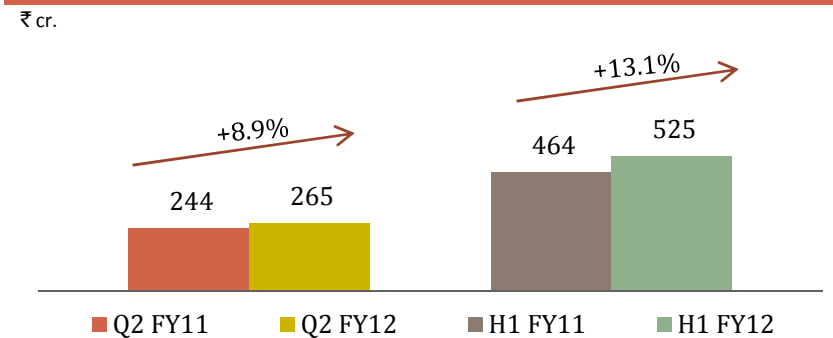
Core Retail Net Sales



Core Retail Gross Profit



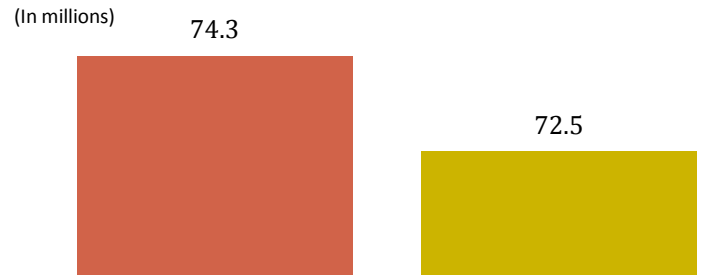
Core Retail EBITDA



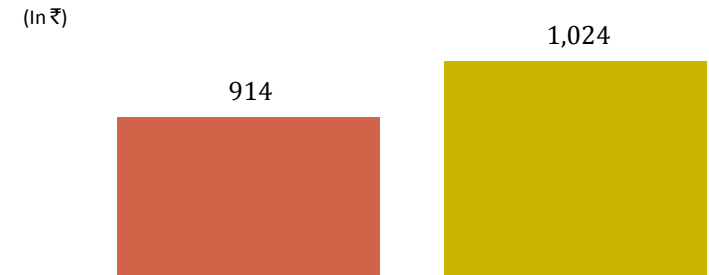
■ Q2 FY11 ■ Q2 FY12 ■ H1 FY11 ■ H1 FY12

Operational Performance - Q2 / H1 FY12

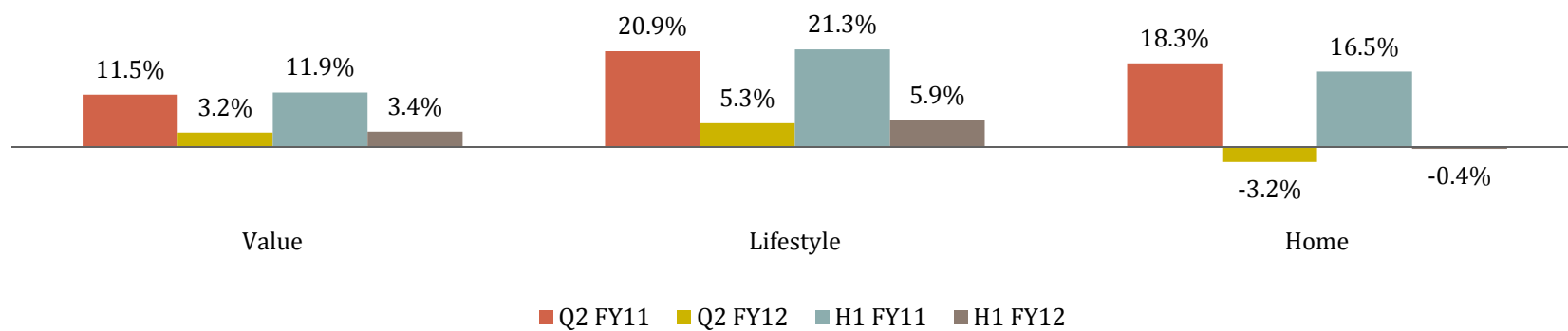
Customer Entry



Average Ticket Size



Same Store Sales Growth Trends

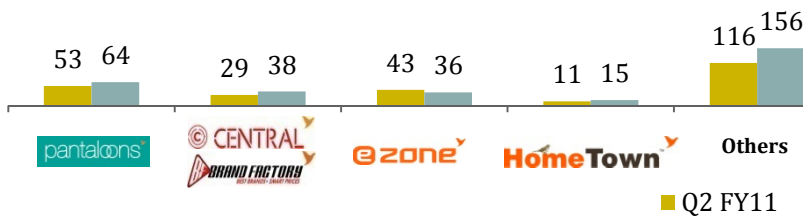


Q2 / H1 FY12 Store Count & Additions

Store Count and Space- PRIL

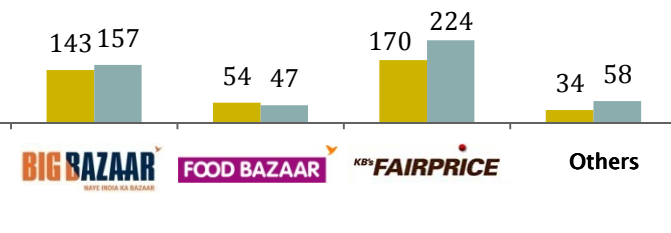
Selling Space (mn. sq. ft.)

1.45	2.36	0.53	1.11	0.38
1.94	2.97	0.42	1.24	0.72



Store Count and Space – FVRL

7.38	0.48	0.15	0.33
7.86	0.50	0.20	0.45



➔ Total space addition as on H1 FY12 was ~1.5million square feet across various formats

Total Store Additions / Outlook - PRIL

(Area in mn. sq. ft.)

Format	H1 FY12		Outlook - Q3 FY12	
	Stores	Area	Stores	Area
pantaloon's	6	0.21	6	0.14
CENTRAL BRAND FACTORY	6	0.38	6	0.33
@zone	5	0.04	0	-
HomeTown	3	0.09	1	0.03
Others	35 ⁽¹⁾	0.39	13	0.07

Net Store Additions / Outlook – FVRL

(Area in mn. sq. ft.)

Format	H1 FY12		Outlook - Q3 FY12	
	Stores	Area	Stores	Area
BIG BAZAAR	11	0.52	13	0.45
FOOD BAZAAR	1	0.01	3	0.04
KB's FAIRPRICE	23	0.02	45	0.04
Others	9	0.14	7	0.05

➔ Total incremental estimated space addition of ~1.1 million square feet in Q3 FY11

(1) Includes 24 HomeTown Express stores which were converted from Furniture Bazaar / Home Bazaar or cutins within Big Bazaar.

Profit & Loss for Q2 FY11 vs. Q2 FY12

Particulars (₹ cr.)	Stand-Alone		Core Retail		Consolidated
	Q2 FY11	Q2 FY12	Q2 FY11	Q2 FY12	Q2 FY12
Sales & operating income	1,024	1,108	2,759	2,893	3,175
Other income	4	4	5	4	12
Total income	1,028	1,111	2,764	2,897	3,187
PBDIT	111	129	244	265	368
Depreciation	35	48	65	88	98
PBIT	76	81	179	178	270
Interest	46	74	108	158	244
PBT	30	8	71	19	26
Tax	10	2	24	6	22
PAT (before minority interest)	20	6	47	13	4
Cash profit	55	54	112	101	102

Profit & Loss for H1 FY11 vs. H1 FY12

Particulars (₹ cr.)	Stand-Alone		Core Retail		Consolidated
	H1 FY11	H1 FY12	H1 FY11	H1 FY12	H1 FY12
Sales & operating income	2,016	2,186	5,340	5,804	6,355
Other income	11	11	13	12	20
Total income	2,027	2,197	5,353	5,816	6,375
PBDIT	214	256	464	525	722
Depreciation	70	94	128	171	191
PBIT	145	163	336	355	531
Interest	88	139	201	289	454
PBT	57	24	135	66	77
Tax	19	5	45	20	49
PAT (before minority interest)	38	18	90	47	28
Cash profit	107	112	218	217	219

Balance Sheet

Particulars (₹ cr.)	Stand-Alone as of	
	30-Jun-11	31-Dec-11
Sources of Funds		
Shareholders Fund	2,878	2,897
Loan Funds	2,173	2,827
Deferred Tax Liability	87	89
Total Liabilities	5,138	5,813
Application of Funds		
Fixed Asset	1,567	1,934
Investment	2,255	2,336
Current Assets	2,512	2,754
Current Liabilities	1,196	1,210
Net Current Assets	1,316	1,544
Total	5,138	5,813

Outlook

Macro environment

- ❑ Consumer sentiments expected to revive over the next few months enabling the company to achieve higher SSGs
- ❑ Fall in inflation and interest rates to spur consumption

Growth drivers

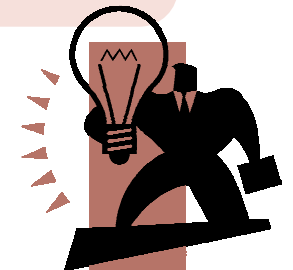
- ❑ Improve productivity and efficiency within stores and increase penetration in the existing cities to optimize distribution & advertising costs
- ❑ Margins are expected to remain stable backed by sales growth & improvement in operating costs

Category focus

- ❑ Focus on being an integrated food player with a robust back end & sourcing capabilities along with a vast store network of hypermarket, supermarket & convenience store space

Monetization / Realignment

- ❑ Working on various initiatives including alignment of businesses with global partners and monetization of non-core business
- ❑ Formed a Review Committee with the mandate to consider various options for realignment and divestments



THANK YOU