Annexure 1



AGENDA

1. INDUSTRY HIGHLIGHTS
2. OUR BUSINESS
3. OUR STRATEGY
4. COMPETITIVE ADVANTAGE

INDUSTRY HIGHLIGHTS

TOTAL
Variety and Value

EXPLOSIVE GROWTH POTENTIAL

- Lower Penetration- identified as an opportunity
  - Organised retail penetration in India at 8% in 2011 compared to 85% in developed markets like US & Japan* and 20% in growing markets like China & Vietnam
  - Organised retail penetration in India expected to be @ 20% by 2015 with revenue of 450 Billion USD*
- India Among the ten largest retail markets in the world
  - Ranked by A T Kearney in 2010 as third most attractive nation after China & Kuwait *for retail investment among 30 emerging markets
  - Bangalore- Retail capital of India with highest modern retail adoption
- Key Drivers – High GDP growths,Growing youth and working population, Easier availability of credit and aspirational consumer preferences, Urbanization, Growing rural incomes

HYPERMARKETS TO DOMINATE

- Value retail will be the primary route to adoption of modern retail
- One-stop / destination shop, value for money proposition and wider assortment
- Hypermarkets share in Organised Retail 11% currently, estimated to rise to 45% in 2015 with revenue of 202 billion USD*
- Potential for at least 70 Hypermarkets in Bangalore by FY2015

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*ICRIER (Indian Council for Research on International Economic Relations),GRDI-9th Annual Report(2010),BMI,IBEF

COMPANY HIGHLIGHTS

TOTAL
Variety and Value

"TOTAL" is an established Retail Chain in Bangalore	❑ Second largest retailer in Bangalore with 4 stores in the Hypermarket & Mall format ❑ 7 Lakh sqft under operation ❑ Located in Densely populated Affluent areas-Lower transit time & free of traffic hassles ❑ Serving over 8L customers every month
Concentrated Cluster approach to "Get it Right" before expansion	❑ All Stores located in Bangalore ❑ Concentrated sourcing – Largest buyers in Bangalore for various categories including Staples, Fruits/Vegetables/FMCG ❑ Less Complexity of Management because of one location ❑ Cost Efficiencies
Positioned on Assortment Leadership	❑ Differentiates itself on "Assortment" - Uniqueness of merchandise across categories of fresh food, apparel, home needs, consumer durable, staples and FMCG ❑ Constant innovation through Category expansion and Addition to suit local tastes ❑ Smart Sourcing leading to "Best Prices" for similar products ❑ Unique blend of National Brands and Regional products

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COMPANY HIGHLIGHTS

TOTAL
Variety and Value

Brands & Private Labels complement to drive Sales/Sq ft

- First time in value retail format around 400 popular brands in Apparels, Accessories ,Footwear, Home such as Levis, Adidas, Gini&Jony, Hush Puppies, Fila, G&D, Portico, Bombay Dyeing, Birla Centuary, Zuari, Godrey, Kurl On, Gitanjali Gems sit with private labels such as Madison Street & Bangles
- Besides all Electronics & FMCG Brands

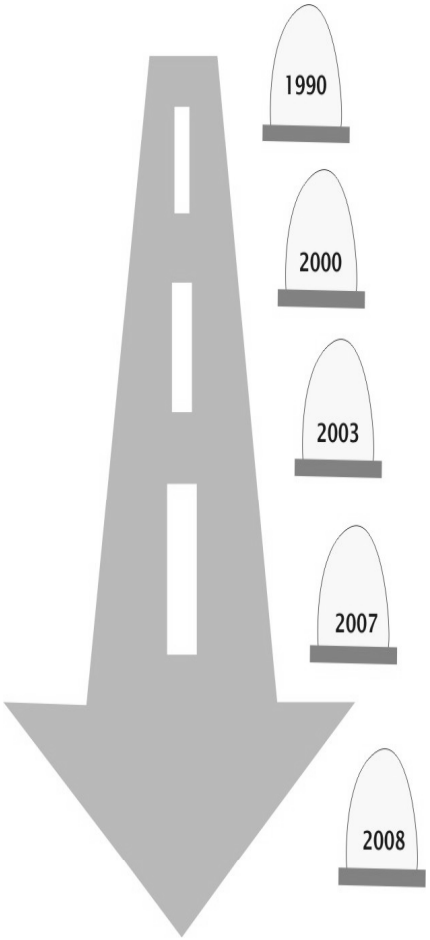
Business Plan

- Expand to 10 stores by FY 2014 in Bangalore
- Currently 100% held by promoters of Jubilant Bhartia Group
- Total Investment as on March 31, 2011 Rs 343 crores
  - Equity of Rs 183 crores and
  - Debt of Rs 160 crores

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OUR BUSINESS EVOLUTION

TOTAL
Variety and Value



1990 – FESL formed by Amalgam & M2S stores launched

2000 – M2S acquired by Jubilant in Sep 2000. A turnover of Rs 27 Lakhs, with only 1 store in Indira Nagar

2003 – Jubilant opens 2 new M2S Outlets
@ Koramangala : May 2003
@ JP Nagar: October 2003

2007 – Jubilant opens 2 new Hypermarkets
@ Mysore Road: Dec 2006
@ Madivala: July 2007

2008 – Jubilant opens 2 more Hypermarkets
@ Sarjapur Road : Feb 2008
@ Old Airport Road : Nov 2008

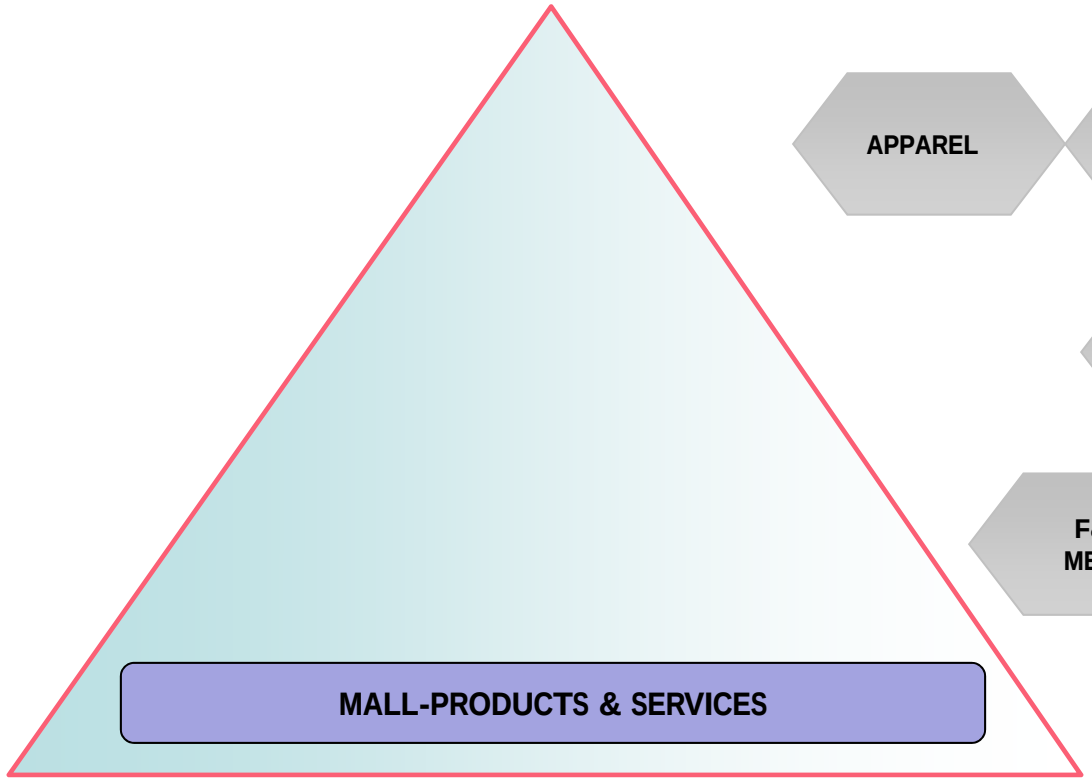
2011 – Jubilant will open 2 more Hypermarkets
@ Marathahalli: May 2011
@ Whitefield: Jul 2011

1. Jubilant spotted the retail opportunity in 2000
2. 10 years of learning
3. Hypermarket format of choice
   - Growth
   - Customer adoption opportunity

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OUR BUSINESS MODEL...

The TOTAL Power Center



APPAREL | FOOT WEAR | FASHION ACCESSO RIES | JEWELLE RY

HOME NEEDS | CDIT

F&V, MEATS | FMCG | FOODS

BRANDS, FOOD COURTS,UTILITIES

Much more than just a hypermarket - Delivering Assortment leadership within a 5 km radius in primary catchment area

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...OUR BUSINESS MODEL

TOTAL
Variety and Value

STORES

- **Dense & wealthy primary catchment**
- **Large format sizes (1-1.2 sq ft) catering to the three specific lines of business**
  - food & FMCG,
  - apparel & accessories and
  - home & electronics
- **Attractive rentals with long tenures of lease agreements**
  - Long term leases of 20-27 years
  - Escalations after 3 years
- **Ample parking space & supporting infrastructure**

BACKEND

- **Distribution center : 1.1 lakh sq feet**
  - Stocking , processing & production
  - Essential & lifestyle
- **Shop in APMC yard : 2200 sq ft**
  - Wholesale license for sourcing from millers and farmers for groceries
- **Collection & consolidation center : 5500 sq ft**
  - **Grading, sorting & packaging of fruits & vegetables**
- **Staples cleaning & repacking machines @ warehouse, cold freezers @ stores**
- **Poly house contract – 50 tonnes/ week**
- **Information Technology**
  - RXL billing platform at stores
  - BAAN ERP for inventory & receipts

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OUR STORES

TOTAL
Variety and Value

CURRENT STORES

STORE 1- MYSORE ROAD
LAUCH : DEC 2006
AREA : 133,094 Sq Ft



STORE 2- MADIVALA
LAUNCH : JUL 2007
AREA : 169,034 Sq Ft



STORE 3- SARJAPUR ROAD
LAUNCH : FEB 2008
AREA : 209,588 Sq Ft



STORE 4- KEMPFORT
LAUNCH : NOV 2008
AREA : 171,590 Sq Ft



NEW PROJECTS

STORE 5- MARATHAHALLI
LAUNCH : MAY 2011
AREA : 142,000 Sq Ft



STORE 6- WHITEFIELD
LAUNCH : JUL 2011
AREA : 116,957 Sq Ft



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OUR STRATEGY – Profitability Drivers

TOTAL Variety and Value

Same Store Sales Growth

- **Customer Acquisition through higher footfalls**
  - Impactful Communication - higher reach and frequency, intense promotions
  - Primary Catchment focus
  - Store & Category delivery, pick up and drop initiative
- **Share of Wallet through business selection & build – ABCD process**
  - Assessment of Business Opportunity
  - Building Assortment and Product Mix
  - Customer Delivery – relevant Marketing and In Store Delivery
  - Data Review & Consolidation on Business KPIs periodically & systematically

Gross Margin Enhancement

- **Increase in margins due to volume increase**
- **Category Sales Mix shift towards Higher margin products categories-** apparels, accessories, furniture, furnishings etc
- **Category Margin Enhancement Initiatives** – Value Chain optimisation, eliminating middlemen, reducing wastage & reducing stock obsolescence

Backend Cost Spread/ Leverage

- **Costs reduces** from 8.7% of Revenue to 2.7% of revenue as number of stores increases
- **No significant Increase in backend cost** with increase in stores from 4 to 10
- **Optimising** sourcing, marketing, management and warehousing costs

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COMPETITIVE ADVANTAGE

TOTAL
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Ownership Culture

- B&M – trading manager & category manager are category CEOs
- Unit head, category store manager & supervisors are Section CEOs
- Marketing – profit center ideology
- HR – recruiting the right talent, driving the culture
- SCM – backward integration & shifting costs onto vendors
- IT– developing solutions that drive CSAT & business

Checks and Balances

- 100% monthly inventory & stock check – across categories
- Fresh business inventory – daily P&L statements
- Weekly category reviews on key metrics – GMROF, GMROI etc
- Periodic store walk through to innovate & improve

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TOTAL
Variety and Value

THANK YOU

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