



Future Group Announces Divestments in Future Capital Holdings Warburg Pincus Acquires Equity Stake in Future Capital Holdings

Mumbai, June 4, 2012: Future Group announced that it has executed definitive agreements to divest its stake in Future Capital Holdings [FCH] in favour of leading global private equity firm, Warburg Pincus. As part of the transaction, Pantaloon Retail India Limited and its wholly owned subsidiary Future Value Retail Limited will sell its stake in FCH at a price of Rs 162 per share to Cloverdell Investment Limited, an affiliate entity of Warburg Pincus.

Warburg Pincus also announced it has reached an agreement to infuse Rs. 100 crores of primary capital through a preferential allotment in FCH. The Board Directors of Future Capital Holdings has approved this preferential allotment of equity shares and / or convertible securities to Warburg Pincus.

This transaction will also result in Warburg Pincus making an open offer to the existing shareholders of FCH under the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011, the details of which will be announced shortly.

Mr. V Vaidyanathan, Vice Chairman and Managing Director, will continue to head the company and Mr. Vishal Mahadevia, Managing Director, Warburg Pincus will be inducted to the Board of Directors of FCH.

Formed in 2007, as a wholly-owned subsidiary of Pantaloon Retail, FCH is a leading Non-Banking Financial Corporation (NBFC) focusing largely on providing loans to MSMEs. It also

provides Gold Loans, Consumer Durable Loans, Two wheeler loans, Senior Secured Wholesale loans, Wealth Management and Broking services. As on 31st March 2012, the company had made advances of Rs 4670 crores and has a network of 197 branches in 41 cities.

Commenting on the transaction, Mr. Kishore Biyani, Founder and Group CEO, Future Group said, *“This transaction is in line with our stated intention to exit from non-core businesses of Pantaloon Retail and is aimed at deleveraging and further strengthening the balance sheet of the company. We are pleased to have Warburg Pincus as partners in Future Capital Holdings and are sure that they will have the support of all the existing shareholders and the management team in helping the company build and grow its financial services platform .”*

Commenting on the development, Mr. V Vaidyanathan, Vice Chairman and Managing Director, FCH said, *“We welcome Warburg Pincus on board as new shareholders. We also welcome the investment of Rs. 100 crores of incremental Tier 1 capital into the company. The company is on a firm footing and is well poised to grow in the MSME space, and we will continue to invest and grow in the chosen businesses. ”*

Vishal Mahadevia, Managing Director, Warburg Pincus India Private Limited said, *“Future Capital is led by a highly experienced and dedicated management team, and has developed a unique and differentiated financial services business. The Company is well placed to address the needs of the large underserved base of MSME and retail customers across India and we are excited to be part of this opportunity going forward. ”*

Morgan Stanley acted as the lead financial advisor to Pantaloon Retail India Limited and Future Value Retail Limited. Enam Securities acted as the co-advisor to Future Group.

About Future Capital Holding

FCH is listed on BSE and NSE (Stock Code: FCH). The company mainly provides loans to MSMEs, Gold Loans, Consumer Durable Loans, Two wheeler loans, and senior secured Wholesale loans. During the last year the company expanded its coverage to 197 branches spread over 41 cities with 1240 employees. The company reported a 115% increase in Profit after Tax to Rs. 105.83 crores in the year ending FY12, 2012, up from Rs 49.12 crores in the year ended FY11. The company also added 2000 clients to its Wealth Management Business as of March 2012. The company also offers broking services to retail and HNI customers through its subsidiary Future Capital Securities Limited. For more information, please visit www.futurecapital.in

About Warburg Pincus

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than US\$30 billion in assets under management. Its active portfolio of more than 125 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than US\$40 billion in over 650 companies in more than 30 countries.

Over the past decade, affiliates of private equity funds raised by Warburg Pincus have invested about US\$3 billion in Indian companies. The firm's past and current investments in India include Ambuja Cements, Au Financiers, Bharti Airtel, DB Corp, Diliigent Power, Gangavaram Port, Havells, HDFC, IMC, Kotak Mahindra Bank, Lemontree Hotels, NDR Group, Max India, Metropolis Healthcare, Piramal Healthcare, Quest Global, Quikr, Sintex and WNS Global Services. The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Port Louis, San Francisco, São Paulo and Shanghai. For more information, please visit www.warburgpincus.com.

About Future Group

Future Group operates multiple businesses across the consumption space in India. Its flagship company, Pantaloon Retail, operates some of India's leading retail chains including Big Bazaar, Central, Brand Factory, Food Bazaar, Pantaloons, Home Town, eZone, among other chains that attract over 300 million customers annually in 93 cities across the country. Group Company, Future Ventures is involved in mentoring and partnering with entrepreneurs and businesses building consumer brands in India. Other group companies are involved in life and general insurance, supply chain and logistics, development of retail and wholesale infrastructure, food and agricultural sourcing and in manpower training and development. Future Group employs over 40,000 people and considers Indianness as a core value driving the group. For more information, please visit www.futuregroup.in.