

FUTURE RETAIL



9th August, 2018

To
Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Listing Department
The National Stock Exchange Limited of India Limited
Bandra Kurla Complex,
Bandra East,
Mumbai – 400 051

Scrip Code: 540064

Symbol: FRETAIL

Dear Sir / Madam,

Sub.: Board Meeting outcome and declaration of Unaudited Financial Results for the First Quarter ended 30th June, 2018 / Presentation to Analysts / Investors.

Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Unaudited Financial Results for the First Quarter ended 30th June, 2018;

These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held today.

2. Limited Review Report on the above Unaudited Financial Results duly issued by M/s. NGS & Co., LLP, the Statutory Auditors of the Company.

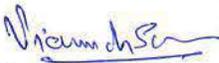
The meeting of the Board of Directors commenced at 02:00 PM and concluded at 03:45 PM.

Further, please also find enclosed herewith the presentation being forwarded to Analysts / Investors on the Unaudited Financial Results of the Company for the First Quarter ended 30th June, 2018. The same is also available on Company's website www.futureretail.co.in.

The above is for your information and record, please.

Thanking you,

Yours faithfully,
For Future Retail Limited


Virendra Samani
Company Secretary



Encl.: as above.

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Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2018

(₹ in Crore)

Sr. No.	Particulars	3 months ended	Preceding	Corresponding	12 months ended
		30-06-2018	3 months ended 31-03-2018	3 months ended in previous year 30-06-2017	31-03-2018
		Unaudited	Audited	Unaudited	Audited
1	Income				
	a) Revenue from operations	4,538.71	4,574.65	4,704.93	18,477.97
	b) Other Income	3.23	3.14	2.51	11.67
	Total Income	4,541.94	4,577.79	4,707.44	18,489.64
2	Expenses				
	a) Purchases of stock-in-trade	3,501.86	3,653.96	3,615.67	14,422.55
	b) Changes in inventories of stock-in-trade - (Increase) / Decrease	(207.79)	(313.41)	(87.37)	(681.87)
	c) Employee benefits expense	251.36	244.50	221.84	929.95
	d) Finance costs	51.09	46.38	53.47	175.38
	e) Depreciation and amortisation expense	19.86	18.01	10.77	53.43
	f) Rent including lease rental	364.70	359.51	368.02	1,405.33
	g) Other expenses	407.74	428.60	377.19	1,569.69
	Total Expenses	4,388.82	4,437.55	4,559.59	17,874.46
3	Profit from ordinary activities before Exceptional Items and Tax (1-2)	153.12	140.24	147.85	615.18
4	Exceptional Items	-	(603.87)	-	(603.87)
5	Profit/(Loss) from ordinary activities before Tax (3+4)	153.12	(463.63)	147.85	11.31
6	Tax Expense	-	-	-	-
7	Profit/(Loss) for the period (5-6)	153.12	(463.63)	147.85	11.31
8	Other Comprehensive Income	0.00	1.96	-	1.96
9	Total Comprehensive Income (7+8)	153.12	(461.67)	147.85	13.27
10	Paid up equity share capital (Face value of ₹ 2/- per share)	100.50	100.40	94.36	100.40
11	Other Equity	-	-	-	2,995.87
12	Basic and Diluted EPS (Before Exceptional Items) (in ₹)	3.05	2.79	3.02	12.45
13	Basic and Diluted EPS (After Exceptional Items) (in ₹)	3.05	(9.24)	3.02	0.23

Notes:

- The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at its meeting held on August 9, 2018.
- Consequent to the Demerger of Home Retail Business Undertaking and vesting with Praxis Home Retail Limited and vesting of demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company, the financial results for the three months ended June 30, 2018 are not comparable with corresponding periods of previous year.
- During the quarter, the Company has acquired entire share capital of Travel News Services (India) Private Limited ("TNSI") and consequent to this TNSI become a wholly owned subsidiary of the Company effective from May 11, 2018. By virtue of said acquisition, the following subsidiary companies of TNSI have also become step down subsidiary/ies of the Company (a) TNSI Retail Private Limited ("TNSI Retail"), a wholly owned subsidiary of TNSI; and (b) Welcome Retail Private Limited ("WRPL"), a joint venture in which TNSI holds 51% of the share capital.
- During the quarter ended June 30, 2018, the Company has made allotment of total 5,28,763 Equity Shares of ₹ 2/- each to the concerned employees of the Company, upon exercise of the vested options granted to them under FRL ESOP Plan, 2016. None of the employees is in receipt of equity shares exceeding 1% of the equity share capital of the Company against the vested options exercised by them under FRL ESOP Plan, 2016.



Future Retail Limited (Formerly known as Bharti Retail Limited)

Registered Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060

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- 5 According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, revenue from operations for the quarter ended June 30, 2017 was reported inclusive of excise duty. Goods and Service Tax ("GST") was implemented with effect from July 1, 2017, which replaced excise duty and other input taxes. As per Ind AS 18, revenue from operations for the quarter ended June 30, 2018 is reported net of GST. Therefore, revenue from operations for the current periods are not comparable with the corresponding earlier periods.
- 6 The Company has adopted Ind AS 115 'Revenue from Contracts with Customers w.e.f. April 01, 2018. The application of Ind AS 115 does not have any material impact on the financial results of the Company.
- 7 Figures for the previous financial period have been re-arranged and re-grouped wherever necessary.
- 8 The Company has only one business segment i.e. "Retail".

Place : Mumbai
Date : August 09, 2018



By Order of the Board

Kishore Biyani
Chairman & Managing Director

LIMITED REVIEW REPORT

To,
The Board of Directors
Future Retail Limited

We have reviewed the accompanying Statement Unaudited Financial Results of Future Retail Limited ("the Company") for the Quarter ended June 30, 2018 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE)2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No: 119850W



Ashok A. Trivedi
Partner
Membership No.042472
Mumbai
August 9, 2018



FRL Store Network:

	Brand	As on 31 March 2018			Store additions	As on 30 June 2018		
		Stores	Cities	Area (mn sqft)		Stores	Cities	Area (mn sqft)
Large Format	BIG BAZAAR <small>Making India Beautiful</small>	285	135	12.1	-	285	137	12.1
	fbb <small>DAIRY FARMER BRL</small>	61	36	0.6	6	67	38	0.7
	Foodhall	10	5	0.1	-	10	5	0.1
Small Format	easyday Club Heritage fresh	666	13*	1.5	83	749	13*	1.7
Others	ezone <small>smarter living</small>	13	8	0.1	(1)	12	8	0.1
Cumulative		1,035	321	14.5	89	1,123	339	14.8

*Clusters

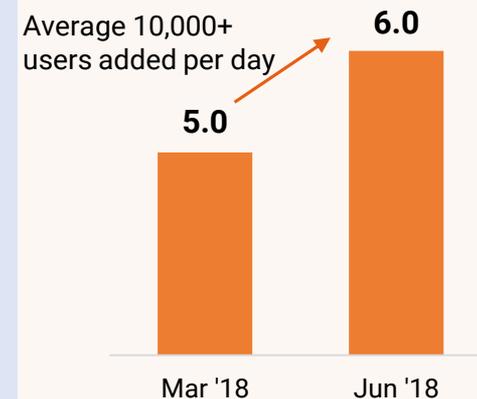
Key performance Highlights for Q1 FY19:

- Underlying growth in Income from Operations of 7.1%
- EBITDA increased to 5.8% - Increased by 100 basis points y-o-y, on a like to like basis
- Large format stores EBITDA margins expanded by 170 basis points
 - MOATS of networking effect & scale benefits continue to drive up the operating margins
- Big Bazaar SSG at 10.1% and 3.6% for FRL

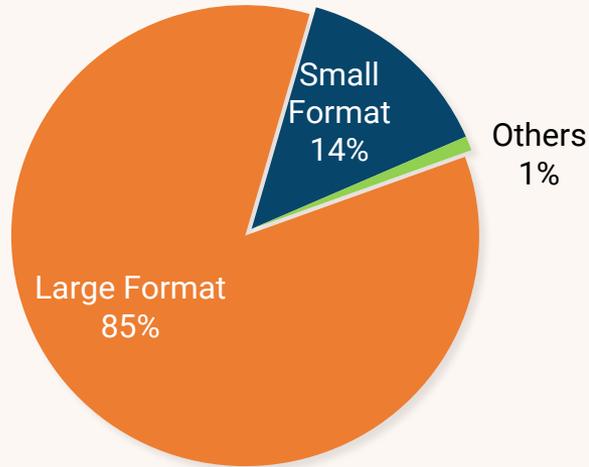
Key Strategic Updates:

- Acquired 38 stores of Foodworld aggregating to ~0.1mn sqft w.e.f. 1st June 2018

Future Pay Users (in mn)



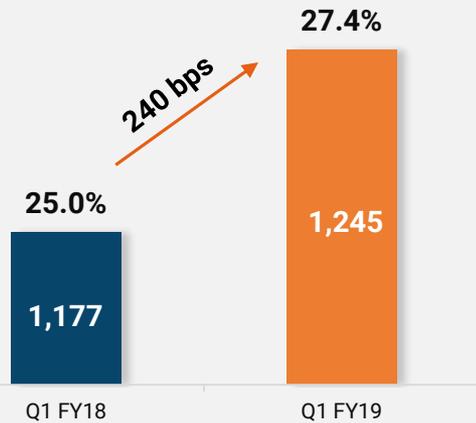
Revenue Share



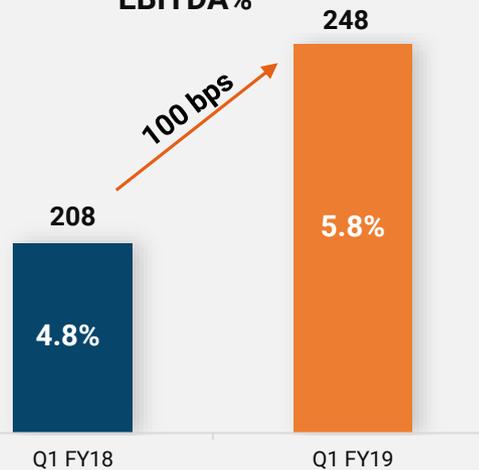
Increase in Revenue mix of high-margin categories



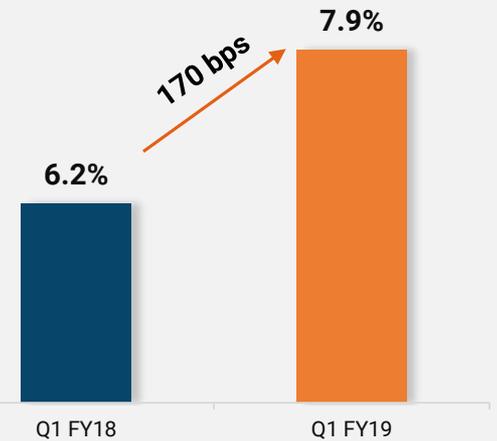
Gross Margin (%)



EBITDA%*



Large Format EBITDA%*



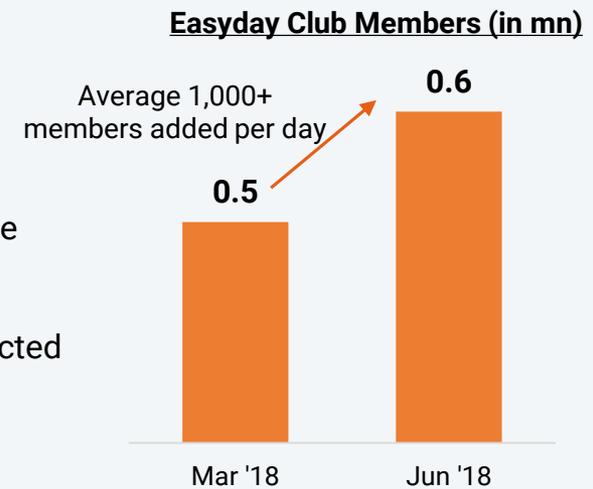
* On a like-to-like basis excluding Hypercity, Ezone and Home Town

Hypercity Integration:

- Renovations and upgradations continued until 30th June 2018 across the stores acquired
- EBITDA shrinkage reduced from ₹ 38cr in Q4FY18 to ₹ 22cr in Q1FY19
- In the next 6 - 9 months, we expect Hypercity stores to be at an EBITDA of over 5%

Update on Small Stores:

- Company continues to build this as a long term strategic fit
- 83 stores added in the current quarter
- Gross margin improved by 130 bps on Y-o-Y basis; the same was reinvested in the build-up phase
- Staples and staple connected category (35% revenue mix in the format) was affected by price deflation to the extent of 20 - 25%
- Easyday Savings Club (as of 30th June 2018):
 - 6.2 lakh members with an average of 1,011 enrolled per store
 - Members continue to visit 3 - 4 times a month
 - Program active in 612 stores



Particulars (₹ cr.)	3 months ended			Growth Y-o-Y
	30-Jun-18	31-Mar-18	30-Jun-17	
Income from Operations	4,539	4,575	4,705	7.1%*
Gross Profit	1,245	1,234	1,177	6%
Gross Margin %	27.4%	27.0%	25.0%	
Employee benefits expense	251	245	222	13%
Rent including lease rentals	365	360	368	-1%
Other Expenditures	408	429	377	8%
Total expenditure	1,024	1,033	967	6%
Other Income	3	3	3	-
EBITDA	224	205	212	6%
EBITDA%	4.9%	4.5%	4.5%	
Depreciation and amortisation	20	18	11	84%
EBIT	204	187	201	1%
EBIT %	4.5%	4.1%	4.3%	
Finance Costs	51	46	53	-4%
PBT	153	140	148	4%
PBT%	3.4%	3.1%	3.1%	
Exceptional non-cash item	-	(604)	-	
PBT (after exceptional item)	153	(464)	148	
Tax Expenses	-	-	-	
PAT	153	(464)	148	

*Underlying Y-o-Y growth adjusting for eZone rationalization, HomeTown demerger and GST impact

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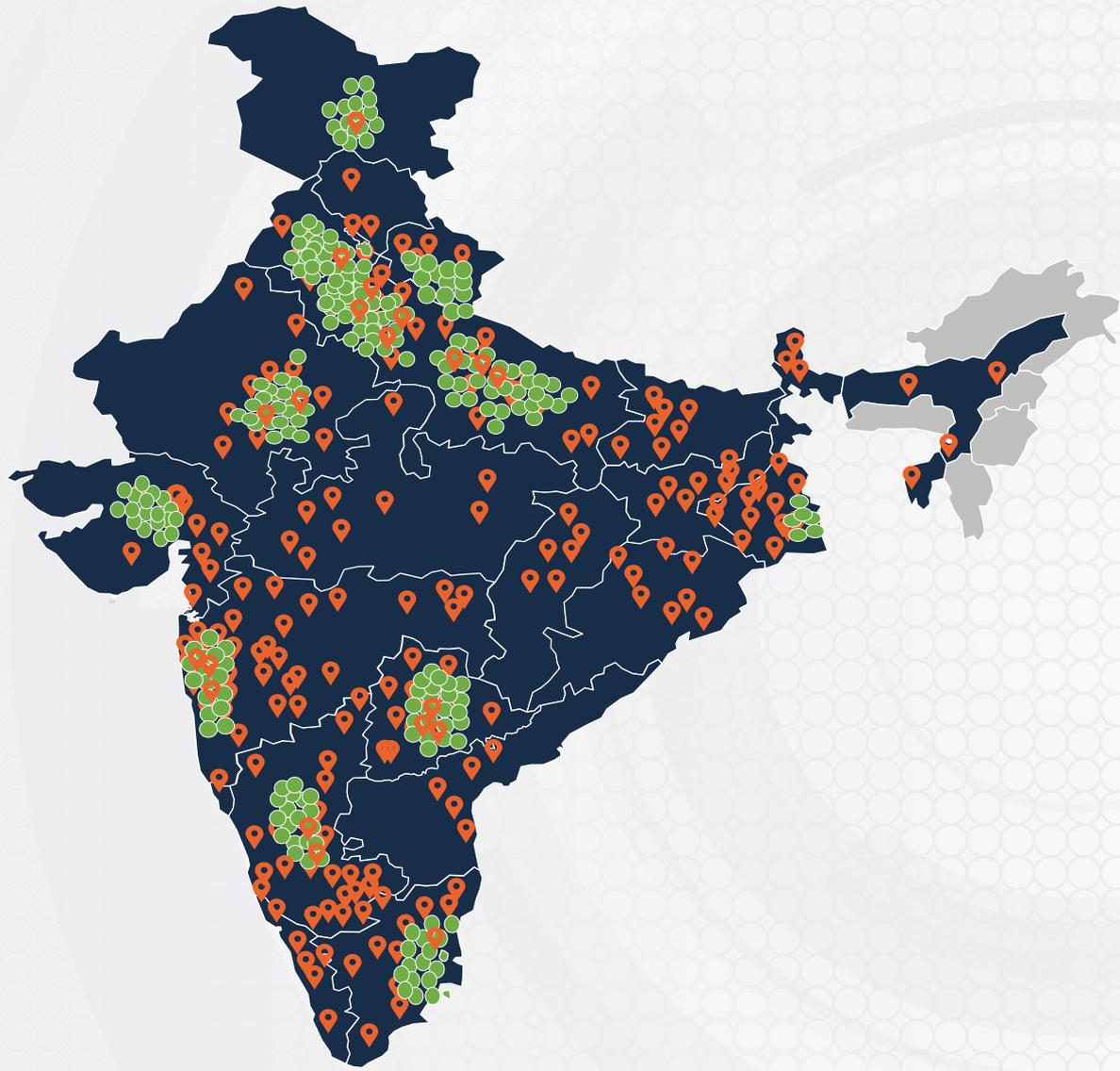
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Corporate Office:

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