

FUTURE RETAIL



04th February, 2019

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 Quarter and Nine Months ended 31st December, 2018 / Presentation to Analysts / Investors.

With reference to the above and pursuant to the Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we enclose herewith the following:

1. Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 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 02:15 PM and concluded at 04:40 PM.

In terms of applicable provisions of SEBI Listing Regulations, please also find enclosed herewith the presentation being forwarded to Analysts / Investors on the Unaudited Financial Results of the Company for the Quarter and Nine Months ended 31st December, 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.

FUTURE RETAIL

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2018

(₹ in Crore)

Sr. No.	Particulars	3 months ended	Preceding	Corresponding	9 months ended	Corresponding	12 months ended
		31-12-2018	3 months ended	3 months ended in	31-12-2018	9 months ended in	31-03-2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Revenue from operations	5,301.07	4,928.52	4,693.39	14,768.30	13,808.71	18,477.97
	b) Other Income	5.21	5.88	2.68	14.32	8.03	11.67
	Total Income	5,306.28	4,934.40	4,696.07	14,782.62	13,816.74	18,489.64
2	Expenses						
	a) Purchases of stock-in-trade	3,989.18	3,746.97	3,768.02	11,238.01	10,693.44	14,422.55
	b) Changes in inventories of stock-in-trade - (Increase) / Decrease	(68.55)	(132.68)	(261.01)	(409.02)	(368.46)	(681.87)
	c) Employee benefits expense	277.24	270.31	235.32	798.91	679.98	929.95
	d) Finance costs	56.26	55.39	23.22	162.74	126.09	175.38
	e) Depreciation and amortisation expense	25.34	22.98	11.24	68.18	33.18	53.43
	f) Rent including lease rental	375.01	367.37	347.56	1,107.08	1,040.88	1,405.33
	g) Other expenses	450.37	428.96	388.58	1,287.07	1,127.95	1,569.69
	Total Expenses	5,104.85	4,759.30	4,512.93	14,252.97	13,333.06	17,874.46
3	Profit from ordinary activities before Exceptional Items and Tax (1-2)	201.43	175.10	183.14	529.65	483.68	615.18
4	Exceptional Items	-	-	-	-	-	(603.87)
5	Profit from ordinary activities before Tax (3+4)	201.43	175.10	183.14	529.65	483.68	11.31
6	Tax Expense	-	-	-	-	-	-
7	Profit for the period (5-6)	201.43	175.10	183.14	529.65	483.68	11.31
8	Other Comprehensive Income	0.00	(0.00)	0.00	(0.00)	0.00	1.96
9	Total Comprehensive Income (7+8)	201.43	175.10	183.14	529.65	483.68	13.27
10	Paid up equity share capital (Face value of ₹ 2/- per share)	100.52	100.51	100.40	100.52	100.40	100.40
11	Other Equity	-	-	-	-	-	2,995.87
12	Basic and Diluted EPS (Before Exceptional Items) (in ₹)	4.01	3.48	3.70	10.54	9.84	12.45
13	Basic and Diluted EPS (After Exceptional Items) (in ₹)	4.01	3.48	3.70	10.54	9.84	0.23

Notes:

- The above results were reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors of the Company at its meeting held on February 04, 2019. Statutory Auditors have issued Limited Review Report on the same.
- 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 quarter and nine months ended December 31, 2018 are not comparable with corresponding periods of previous year.
- During the quarter ended December 31, 2018, the Company has made allotment of total 30,000 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.
- 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.
- Figures for the previous financial period have been re-arranged and re-grouped wherever necessary.
- According to the requirements of Schedule III of the Companies Act, 2013, sales for the period up to June 30, 2017, presented in these financial results are inclusive of excise duty. Consequent to the applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, sales are shown net of GST.
- The Company has only one business segment i.e. "Retail".

Place : Mumbai
Date : February 04, 2019



By Order of the Board

Kishore Blyani
Chairman & Managing Director

LIMITED REVIEW REPORT

To,
The Board of Directors
Future Retail Limited

We have reviewed the accompanying Unaudited financial results of **Future Retail Limited** ("the Company") for the quarter and nine months period ended December 31, 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
February 04, 2019



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IMPORTANT UPDATES



1. Over the past four years, FRL has integrated its operations efficiently and built an unparalleled pan-India network of 1,444 stores in 409 cities of India -
 - ~85% of the business (Large Format) is growing at over 10% SSSG over the last 15 consecutive quarters and the remaining 15% (Small Format) is fast building distinctive strong MOATs for itself
2. FRL has been the only Retailer in India to have acquired five retail businesses, has successfully integrated them and continues to create superior businesses post acquisition -
 - Hypercity (Large Format) has delivered 3.6% EBITDA in Q3FY19 v/s -20% in Q4FY18 (quarter of acquisition)
 - Northern India Small Stores (largely Easyday) are EBITDA profitable v/s -6% in FY16 (year of acquisition)
3. With the completion of rapid inorganic growth phase, management now believes that this is an opportune time to let FRL chart its growth independently with the deployment of data and technology
4. The cash-flows and balance-sheet of FRL are well positioned for sustained growth potential with improving margins
 - ROCE of 19.4% (ROE 20.1%) in Sep' 18 v/s 13.4% (ROE 9.1%) in Mar'16
5. Promoters and Management are highly motivated to contribute towards an integrated growth for FRL
- 6. To this extent, Promoters are committing an Equity Infusion of Rs. 2,000cr at a price of Rs. 505 per share**
7. Above equity infusion, coupled with inflow of upside share, shall aid in reducing the lease rentals payable to FEL. The endeavor is to completely do away with lease rentals in next 18 months. Management firmly believes that this -
 - Shall be hugely accretive to margins for business and will give a strong philip to growth
 - Will maintain the strong trajectory of improving return on capital at FRL

Performance Snapshot

- Company delivered a Y-o-Y revenue growth of **13%**
- EBITDA increased by **30%** on Y-o-Y basis to reach **5.3%**
- PAT increased by **10%** Y-o-Y to reach **3.8%**
- Over 15 consecutive quarters of almost double digit SSG at Big Bazaar
 - 10.1% in Q3FY19
 - 5.9% Overall SSG in Q3FY19
- Strong base for Future Pay: ~**30%** revenue contribution on a run-rate basis. Future Pay is now attractively placed for management to reap sharp synergies across functions

Network Snapshot

- Present in **409** cities with 1,444 stores
- Over **50** cities with >1 million population have a Big Bazaar store
- Strategic focus on Tier 2/3 towns - **7** new large format stores
- Fast increasing network of small format stores consistent with Technology and Supply Chain investments

Business Snapshot

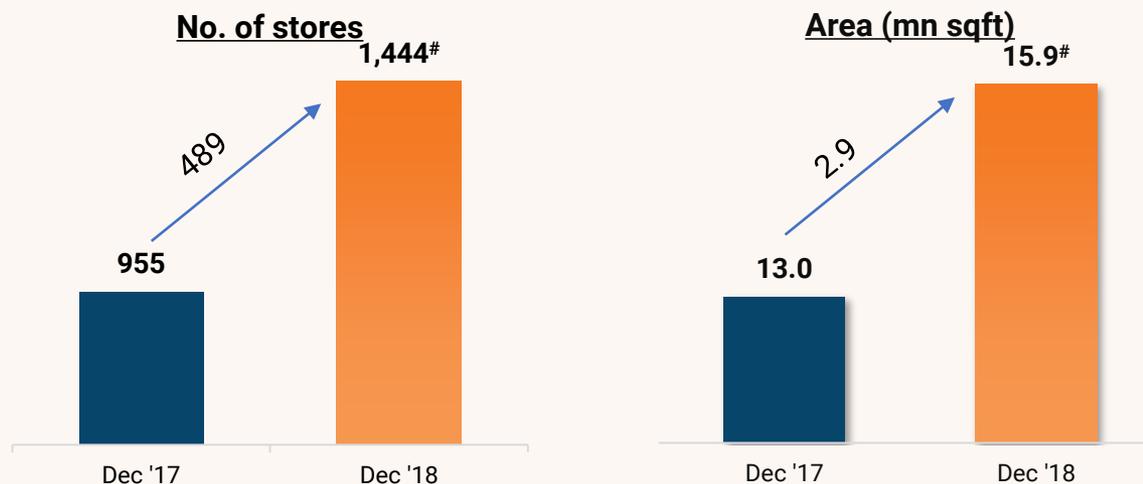
- Small Stores delivered a growth of 29% on a Y-o-Y basis
- Scale continues to empower operating leverage
- Customer Conversions – **7%** improvement on a Y-o-Y basis
- Building Tech and Digital capabilities are a focus area for management and Company is inching closer to a more robust O2O strategy

FRL Store Network

Format	As on 31 Dec 2018	As on 31 Dec 2018		During Oct – Dec '18		
		Stores	Cities	Area (mn sqft)	Net Store additions	Area added (mn sqft)
Large Format	Making India Beautiful	286	144	12.5	2	0.14
		89	43	0.9	15	0.14
		11	5	0.1	1	0.02
Small Format*		1,050	312	2.3	91	0.20
Others	smarter living	8	5	0.1	(1)	(0.01)
Cumulative		1,444	409	15.9	108	0.49

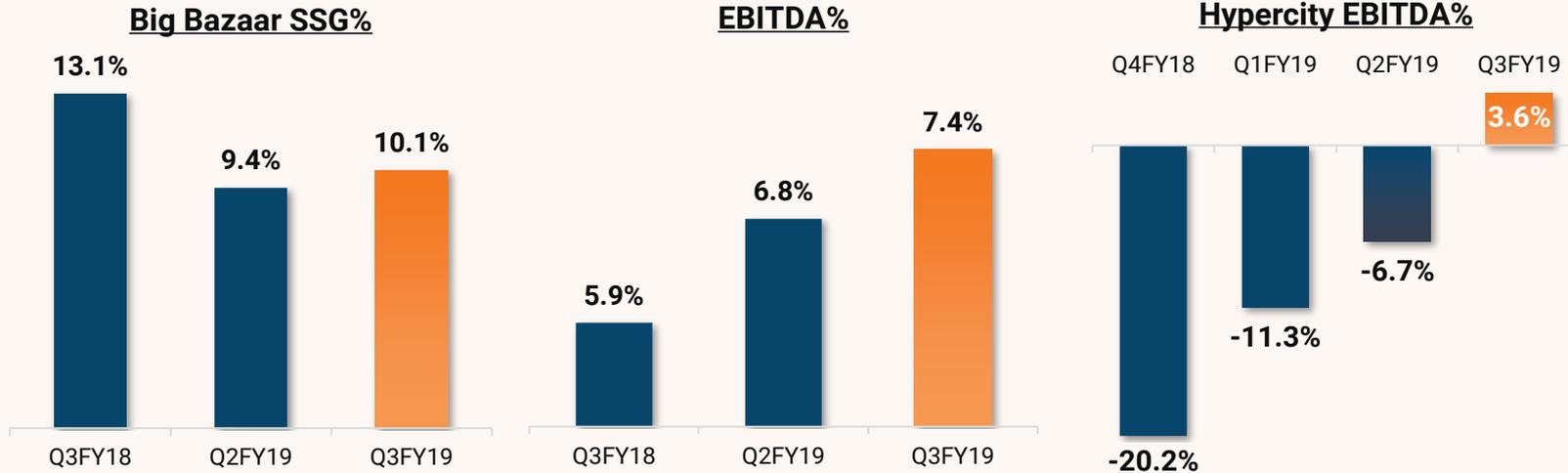
*The above store count includes 100 WH Smith stores having a total area of 0.06 mn sqft. WH Smith is a 100% subsidiary of Future Retail, the financial disclosures are on a standalone basis.

Y-o-Y

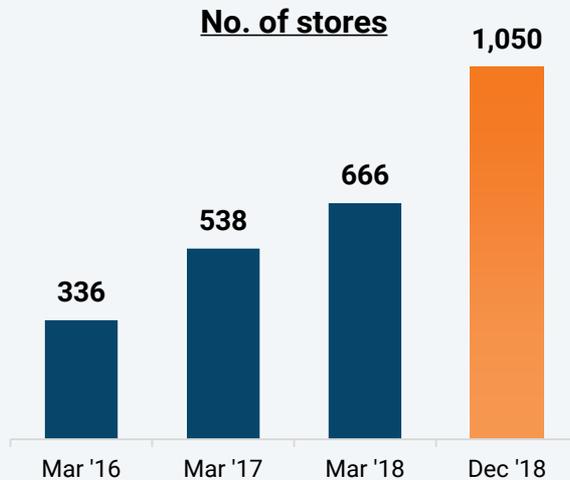


The store count and area as on 31 Dec 2018 include Hypercity and WH Smith stores not included in the base quarter

Large Formats (85% revenue contribution)



Small Format (15% revenue contribution)



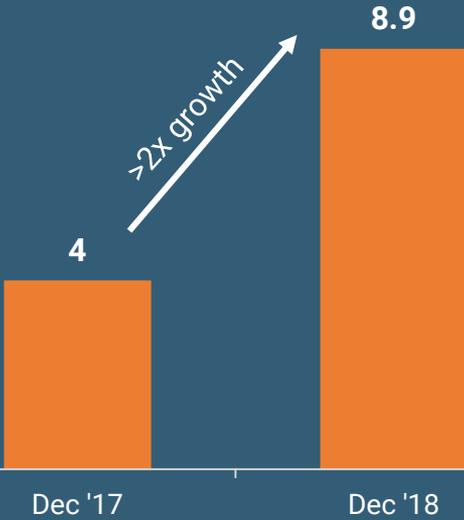
- >2 year old stores @ >1,500 members or more are profitable
- >1 year old stores @ 1,500 members or more at -0.5% EBITDA
- Stores with 1,500 members inching closer to BEP on a run rate basis
- Southern India stores continue to be under integration
- Key focus on supply chain capabilities and data-led technology deployments to reduce costs, improve availability and drive productivity

INTEGRATION WITH TECHNOLOGY AND LOYALTY





Future Pay Users (in mn)



~ 8.9 million users

Sale of >₹7,500 cr on an annualised basis

15 Average Yearly store visits

Average ticket size of ~ ₹1,500

~ ₹22,000 Average annual spend per user



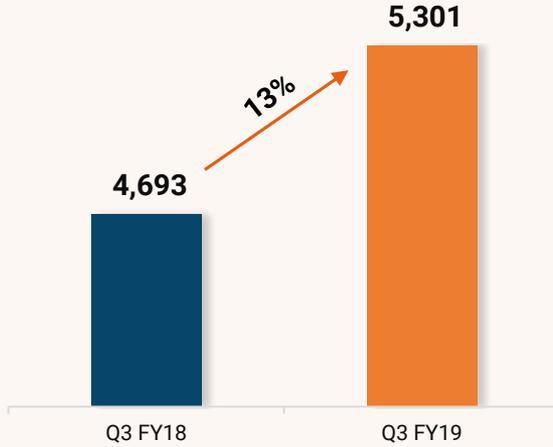
Easyday Club Members (in mn)



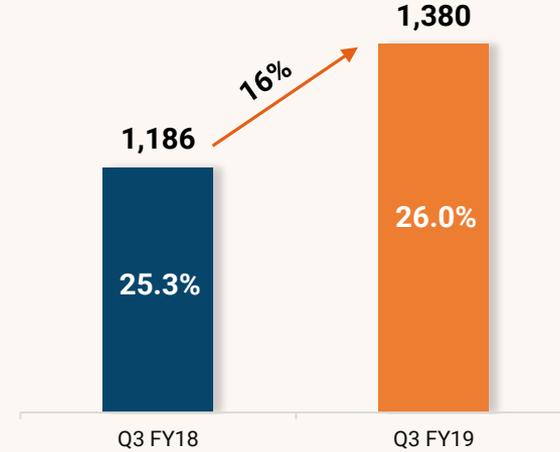
QUARTER IN NUMBERS



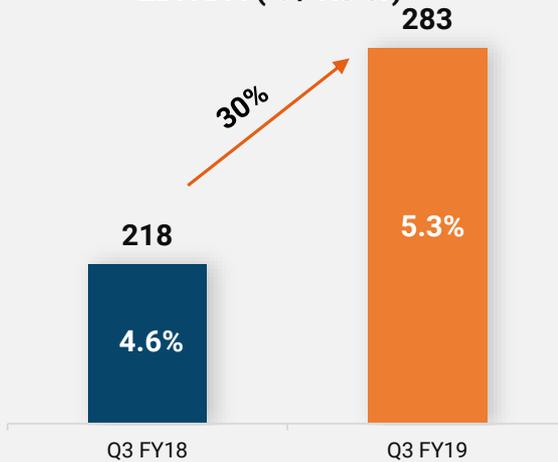
Income from Operations (Rs cr)



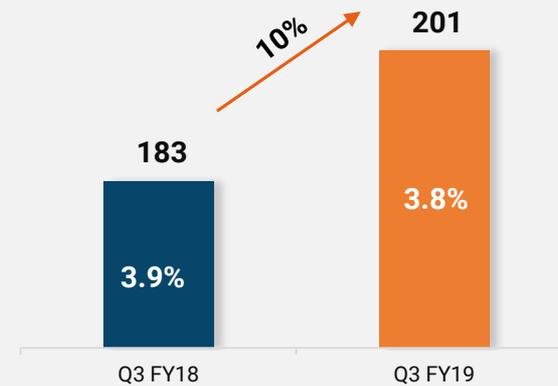
Gross Margin (% / Rs cr)



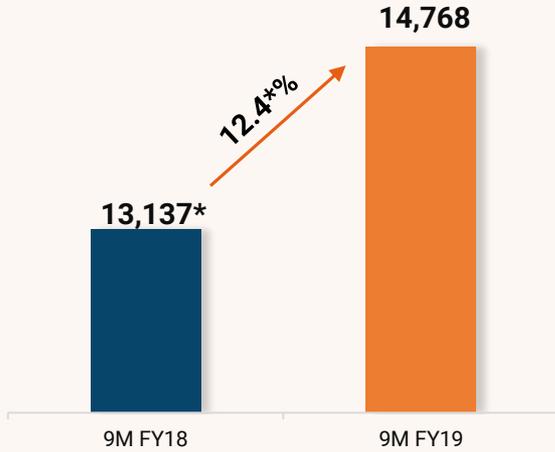
EBITDA (% / Rs cr)



PAT (% / Rs cr)

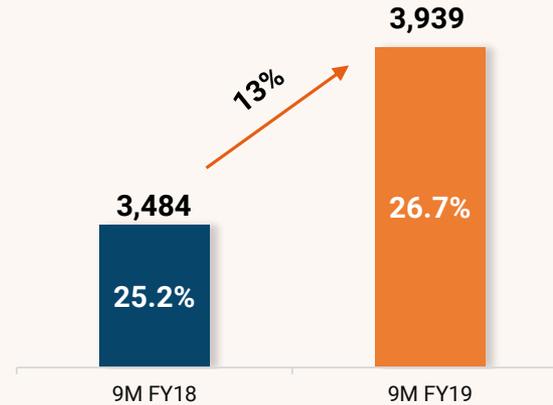


Income from Operations (Rs cr)

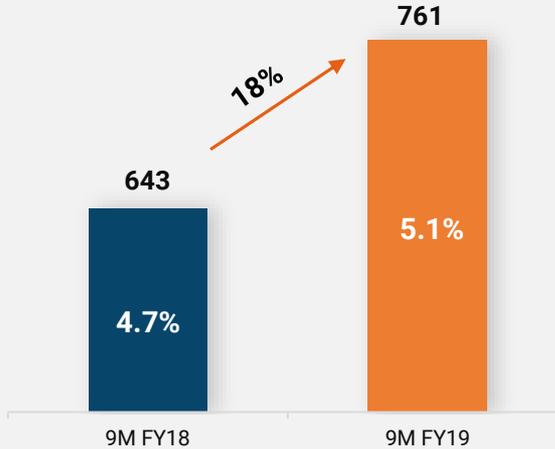


*Like-to-like basis

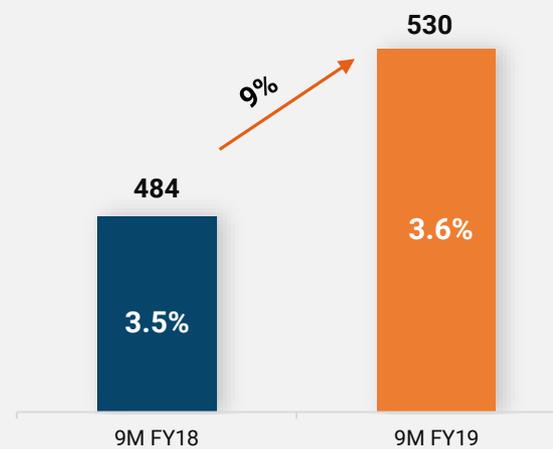
Gross Margin (% / Rs cr)



EBITDA (% / Rs cr)



PAT (% / Rs cr)



Particulars (₹ cr)	3 months ended			Growth	
	31-Dec-18	30-Sep-18	31-Dec-17	Y-o-Y	Q-o-Q
Income from Operations	5,301	4,929	4,693	13%	8%
Gross Profit	1,380	1,314	1,186	16%	5%
Gross Margin %	26.0%	26.7%	25.3%		
Employee benefits expense	277	270	235		
Rent including lease rentals	375	367	348		
Other Expenditures	450	429	389		
Total expenditure	1,103	1,067	971		
Other Income	5	6	3		
EBITDA	283	253	218	30%	12%
EBITDA%	5.3%	5.1%	4.6%		
Depreciation and amortisation	25	23	11		
EBIT	258	230	206	25%	12%
EBIT %	4.9%	4.7%	4.4%		
Finance Costs	56	55	23		
PBT	201	175	183		
Tax Expenses	-	-	-		
PAT	201	175	183	10%	15%
PAT%	3.8%	3.6%	3.9%		

MARKETING UPDATES



fbf

WINS BIG

at

ANNUAL
INDIA DIGITAL AWARDS



**BEST LEAD GENERATION
CAMPAIGN THROUGH MOBILE**

GOLD

NATIONAL JEANS DAY

SUNDAY, 16TH DEC 2018

future group
GROWING THE FUTURE

CELEBRATING OUR SUCCESS IN
WINNING THE TITLE FOR

MARKETING CAMPAIGN OF THE YEAR!



OUR PURSUIT FOR EXCELLENCE CONTINUES...

CREATED BY: TITAN COMMUNICATIONS

Congratulations

BIG BAZAAR
Making India Beautiful!

**BAGS 2 AWARDS AT
THE MADDIES**

24 Hours
Facebook Live - Gold

Midnight Sale - Silver



Big Bazaar - 24 hours
Facebook Live, "The Big Bazaar"
Future Group
1 award Congratulations

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WINS BIG

at

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RISE WITH INDIA
IN QW
ETNOWNEWS.COM
Presents



STARS OF THE INDUSTRY AWARDS

**BEST EXPERIENTIAL AND
BRAND EXPERIENCE**

**BEST USE OF SOCIAL MEDIA
FOR MARKETING**

fbf AIRPORT
MAKEOVER

NATIONAL JEANS DAY

SUNDAY, 16TH DEC 2018

fbf AIRPORT TAKEOVER

THE FIRST FESTIVE FASHION SHOW AT THE AIRPORT

OCTOBER 12TH, 9 PM **LIVE**

CALL US

fbf AIRPORT MAKEOVER

WATCH THE HIGHLIGHTS

#fbfAirportMakeover

fbf AIRPORT MAKEOVER

THE FESTIVE

CLICK TO WATCH

BIG BAZAAR

24 HRS DHAMAAL SHOW

FUN, MASTI AND LOTS OF SHOPPING VOUCHERS & BUMPER PRIZES TO BE WON!

23RD JAN. 10AM ONWARD

JOIN US ON BIG BAZAAR

fbf

DON'T MISS A SINGLE ALWAYS hatke MOMENT DURING THE INDIA VS AUSTRALIA T20 SERIES ONLY ON

SONY LIV

21ST NOV - 25TH NOV

fbf

EVERYONE IS CELEBRATING NATIONAL JEANS DAY

SUNDAY, 16TH DEC 2018

SO JOIN THE FUN WEAR DENIMS ON 15TH DEC

PARTICIPATE IN JEANATHON

WEAR YOUR DENIMS 'N' HEAD TO THE 9TH FLOOR TOMORROW!

CALL TO ACTION: TAKE A PICTURE OF YOUR DENIMS | TAG @fbfonline ON INSTAGRAM | SEND TO fbmarketing18@futuregroup.in

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TIME FOR THE NEW

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Fill your shopping cart and **USE CODE : TALK100**

GET EXTRA ₹100 OFF ON PURCHASE OF ₹300 AND ABOVE

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Big Bazaar Recipe
Welcome to the official Big Bazaar Recipe Handle! Follow us for every day recipes, Cooking Tips & more.
#KuchNayaTry!Karein
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Creating a social impact

For The First Time Ever At BIG BAZAAR
A Preview Day Sale Only For Differently-Abled Shoppers!

₹ Get sabse sasta offers before everyone else

- Wheelchair Assistance
- Priority Bill Counters
- Shopping Assistance
- Home Delivery

SABSE SASTE 5 DIN 23-27 JAN

21st Jan, 10 AM

BIG BAZAAR Making India Beautiful

10% RuPay CASHBACK 50% Cashback

Your continuous support and contribution towards "School to School" initiative from 15th November - 15th January has been overwhelming.

Applauding Our Achievements

Zone	Sale Unit Wise
South	1,44,498
East	1,26,635
West	59,519
North	48,261
AP & TS	41,167
Mumbai	37,044
NCR	33,960
Grand Total	5,01,084

A heartfelt thank you for all the efforts and hard work put in.

ॐ
GUNA... a voice, an effort
www.guna.org

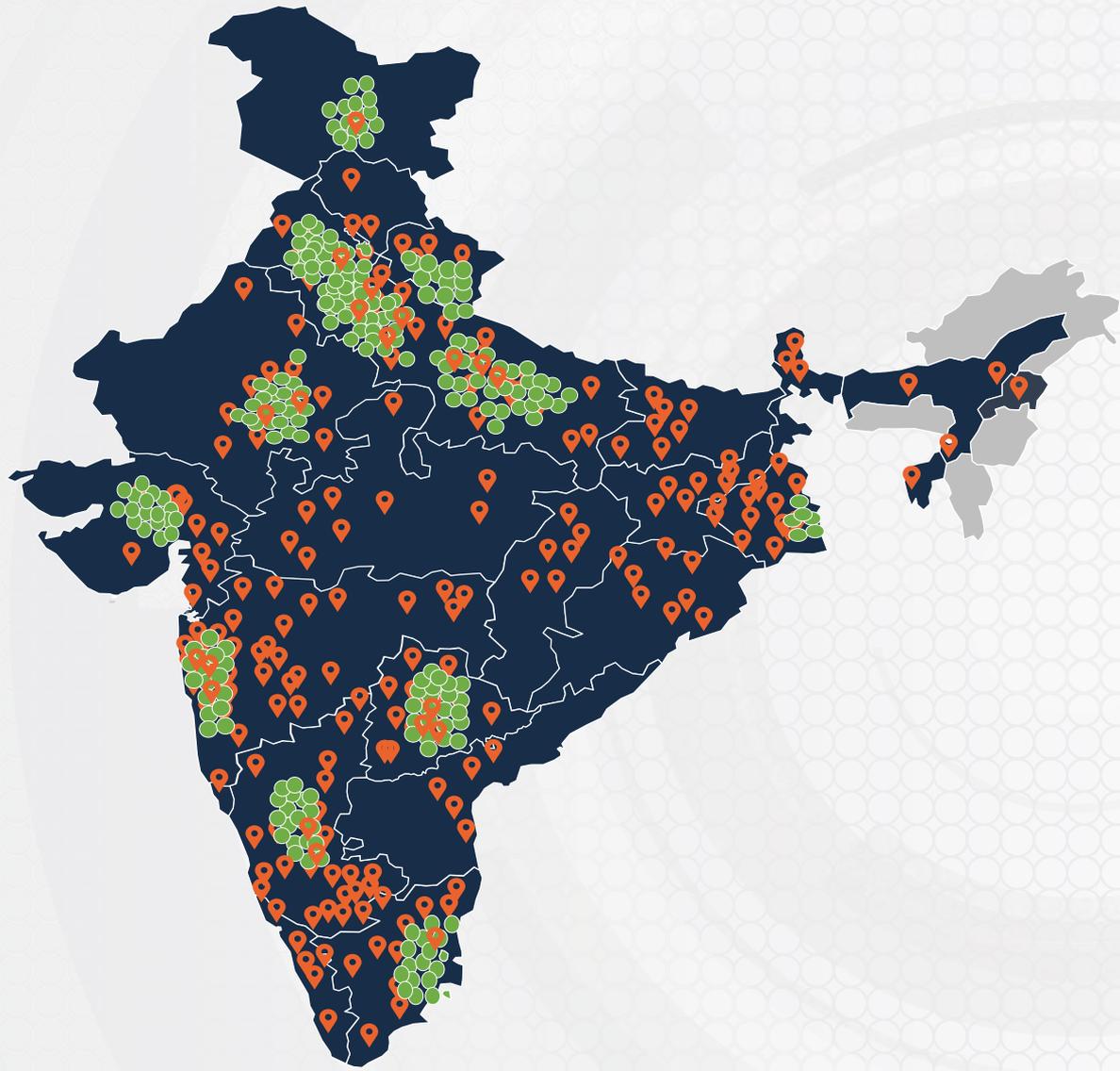
Big Bazaar believes in inclusiveness. Celebrating this value is Big Bazaar's 'Sab Ke Liye' spirit. Taking this thought ahead, we will be observing the 'Quiet Hour' at our Big Bazaar store in Matunga, Mumbai.

Our store is ready to provide qualified assistance to customers with autism. We humbly invite you and anyone close to you who may be a person with autism to join us in our effort to serve everyone better.

QUIET HOUR

December 03, 9:30am - 11:30am
Big Bazaar, New Era Road, Matunga Road, Matunga West

Customer Care: +91 22-49268116



**FUTURE
RETAIL:
RIGHT
NEXT TO
YOU**

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Corporate Office:

Future Retail Office, 9th Floor, Tower C, 247 Park, LBS Marg, Vikhroli (West) Mumbai: 400083 , +91 22 30842336 | www.futureretail.in