

Disclaimer

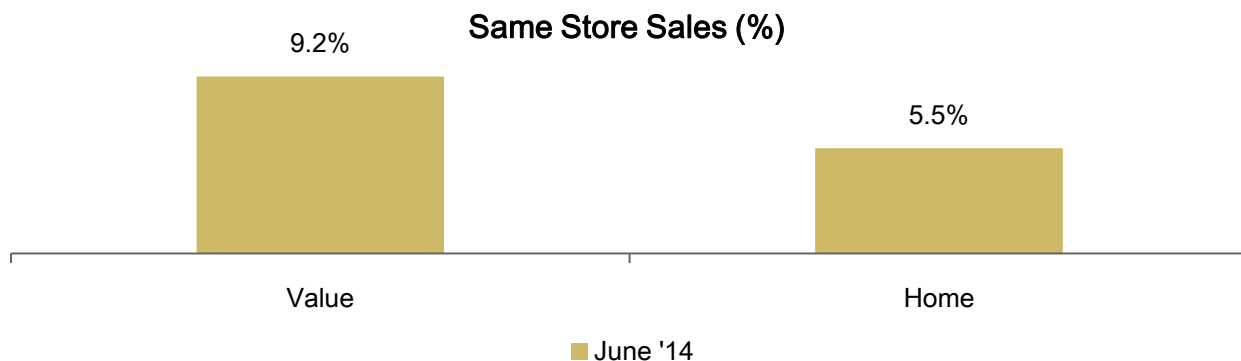
“Future Retail Limited (the “Company”) is proposing, subject to market conditions and other considerations, a rights issue of its equity shares and equity shares of Class B (Series – 1) and has filed a Draft Letter of Offer with SEBI and the Stock Exchanges. The Draft Letter of Offer is available on the website of SEBI at www.sebi.gov.in and the website of the Lead Managers at www.axiscapital.co.in, www.jmfl.com and www.edelweissfin.com. Investors should note that investment in equity shares and equity shares of Class B (Series – 1) involves a high degree of risk and are requested to refer to the section titled “Risk Factors” of the Draft Letter of Offer for details of the same.”

Q1 FY15 – Investor Update

Business Highlights

The Company's standalone business reported a total income from operation of ₹ 2,368 crore and EBITDA of ₹ 252 crore for the quarter ended June 2014. The Company reported EBITDA margins of 10.6%, an expansion of around 196bps compared to quarter ended June 2013, largely due to increase in Gross Margins and space and cost optimization.

The Same Store Sales Growth for value business that primarily operates Big Bazaar is 9.2%, while that for home and consumer durables chains Home Town and eZone is 5.5%.



Store Additions

The total gross addition during the quarter was 0.12 million sq feet space and total operational area increased to 10.36 million sq ft.

During the quarter, Big Bazaar and fbb established their presence in new cities. eZone expanded its network primarily through cut-in stores in Big Bazaar which included newer cities.

Corporate Actions

Fund Raise Plan

The Company proposes to raise funds upto ₹ 2,000 crore by issue of fresh capital. It proposes to issue equity shares on preferential basis to Brand Equity Treaties Limited for a total amount of upto ₹ 200 crore and warrants convertible into equity shares as well as warrants convertible into equity shares of class B (Series 1) to the promoters for a total amount of upto ₹ 100 crore each, aggregating to ₹ 200 crore. The residual equity shares of ₹ 1,600 crore, it proposes to raise through issue of equity shares and equity shares of class B (Series 1) on a rights basis to the shareholders of equity shares and equity shares of Class B (Series 1) shares as on a record date.

Status Update on Rights Issue

The Company has already filed its Draft Letter of Offer for issue of equity shares and equity shares of Class B (Series 1) on rights basis to its shareholders as on record date for issue size of ₹ 1,600 crore in accordance with the Companies Act, 2013 and Securities & Exchange Board of India (Issue of Capital and Disclosure Requirement Regulation, 2009, as amended). On receipt of observations from SEBI and incorporating the same in the Draft Letter of Offer, as may be necessary, the Company would be submitting the Letter of Offer with the stock exchange. Further, the rights issue would be completed after pursuing the due process.

FRL Standalone – P&L Summary

Particulars (₹ cr.)	3 months ended		
	30-Jun-14	30-Jun-13	31-Mar-14
Net Sales	2,317	2,217	2,295
Other Operating Income	51	39	50
Total income from Operations	2,368	2,256	2,345
Purchase of stock-in-trade	1,759	1,746	1,652
Changes in inventories	(58)	(90)	27
Gross Profit	668	599	666
Gross Margin %	28.2%	26.6%	28.4%
Employee benefits expense	93	86	90
Rent including lease rentals	134	126	131
Other Expenditures	198	197	204
Total Operating Expenses	424	409	425
Other Income	8	6	5
EBITDA	252	196	246
EBITDA Margin %	10.6%	8.7%	10.5%
Depreciation and amortisation	124	79	88
EBIT	128	117	158
Finance Costs	162	128	155
PBT before exceptional	(34)	(12)	3
Profit on sale of investment	100	0	(0)
PBT after exceptional	66	(12)	2
Tax Expenses	-	(4)	1
PAT	66	(8)	2