



an integrated food & FMCG company

Sharing the Joy of Food

June 2016



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Integrated Food & FMCG Company

Food & FMCG Brands



Two Strong Pillars Supporting the Furtherance of Business Purpose

Distribution Network

- Access to a vast network of over 800 retail outlets including hypermarkets and convenience stores
- Recently forged strategic alliance for distributing brands via Star Bazaar stores
- Launched brands at Metro and Spar
- Leveraging General Trade Distribution of Kara and ~1,200 Rajasthan Fair Price Shops

Sourcing & Manufacturing

- Strong presence in sourcing of agri commodities and fresh produces
- Dairy & Bakery manufacturing facility in Southern India
- Frozen Vegetables / Snacks and Chutney facilities
- Oats facility in Sri Lanka
- International tie-up with global brands

FY 15-16 At a Glance (1/2)

1

Achieved a robust top line growth of 34%

2

Gross Margins stood at 16%; Significant improvement of 265 bps YoY

3

EBITDA turned positive to ₹ 30 mn on an annual basis

4

Tied up ~US\$ 75mn from marquee investors Proterra, IFC and Promoters

5

Well poised to achieve high growth and along with further improvement in profitability

FY 15-16 At a Glance (2/2)

1

Commissioned Oats manufacturing facility in Sri Lanka

2

- Food Park witnessed good traction with a visible pipeline of customers
- Rice Mill, Wafer Mill & Packaging Unit construction progressing well

3

Seasoned management team on board, highly experienced heads for Manufacturing & Supply, HR and Marketing

4

Tasty Treat emerging as a key brand, registered a 139% growth on YoY basis in Q4 FY16

5

Emergence of a pure Food & FMCG company

6

Rapidly expanding Modern Trade and General Trade

- a. Access to more than 2,000 stores (over 800 Future Group + Star Bazaar, Metro and Spar stores and over 1,200 Fair Price Stores in Rajasthan)
- b. Leveraging Kara's distribution network of 13 Carrying & Forwarding Agents & 140 Distributors for pushing sales of FCEL



BRANDS

Portfolio: Key Brands and Categories

Brands Business Constituted ~78% of Our Top Line in FY16

Lentils, Dry
Fruits, Oils,
Flour, Pulses,
Cereals, Spices,
Oilseeds



Staples (63%)

Milk, Butter,
Cheese, Cream,
Paneer, Curd,
Butter Milk,
Yogurt, Spreads



Bread, Buns,
Cookies, Rusk,
Drops

Dairy & Bakery (15%)

Tissues, Wipes,
Liquid Hand
Soap, Body Wash



Personal Care (3%)

Toilet & Floor
Cleaners, Utensil
Cleaners



Kitchen Aides,
Detergent
Powder & Bar

Home Care (3%)

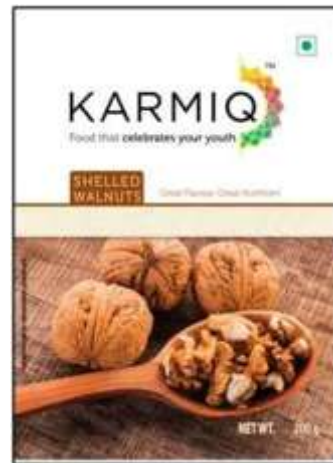
Wafers, Indian
Savories, Juices,
Ketchup, Sauces,
Pickles, Instant
Soup Mix &
Noodles



Breakfast Cereals,
Jam, Cookies,
Baked /Snacks,
Frozen Snacks /
Veg., Fruits &
Vegetables

Value Added Products and Others (16%)

Broad Portfolio of Branded Commodities



Entering into high margins products such as specialty flour, rice bran oil, olive oil among others

Expanding Dairy and Bakery Footprint / Portfolio

- Nilgiris operates a wide & integrated portfolio of dairy & bakery products
- Commenced Bangalore based milk procurement for ~2,000 litres per day, extending sourcing to Karnataka
- Catering to Delhi market via strategic tie ups with leading dairy manufacturers in North



Personal and Home Care



Broad Range of Value Added Products



International Tie-ups with Global Brands

Sunkist, a \$1.2 billion global brand with around 700 SKUs in 77 countries
Exclusively licensed for distribution in India



Mibelle is a division of Migros Group – the largest retailer in Switzerland with an interest in various retail / consumer related businesses and a turnover of ~€25 billion

Entered into a joint venture to manufacture, distribute, market and sell personal care products in India

Co-Promotion Campaigns with leading FMCG Companies

Tasty Treat & Coca-Cola Present Special & Exclusive Offers



SAVE ₹79

Buy Tasty Treat Nankhatai 1kg + Coca-Cola 1.75l / MRP ₹225 for ₹195



SAVE ₹35

Buy Tasty Treat Chinese Noodles 800g + Coca-Cola 1.75l / MRP ₹150 for ₹115

Tasty Treat Sparkles This Festive Season! Joins Hands With The World's Largest FMCG Brand - Coca-Cola

Check out today's Times Of India, Hindustan Times, DNA, Vibha Karnataka, Eenadu, Sakshi, Deccan Chronicle... to taste this yummy partnership!



also available at **BIG BAZAAR**

Better when together

Buy Tasty Treat + Get Fresh & Pure Tea



Available at **BIG BAZAAR** Making India Beautiful

Energising starts Action-packed days!

BUY A COMBO PACK OF Kellogg's Corn Flakes Brownie Delite & Sunkist Nectar

FOR ONLY ₹224 **₹180** **SAVE ₹44**



Great Coffee deserves Tasty accompaniments

Buy Gold 80g Poly + Tasty Treat Water Biscuits Combo (Combo MRP Rs.145 / Offer Price Rs.95)

Buy Gold 80g Jar + Tasty Treat Protein Food Combo (20% off on Combo MRP)



BIG BAZAAR Making India Beautiful



DISTRIBUTION

3 Pronged Distribution Strategy

Franchised Convenience Stores

- Network of franchised stores focusing on urban and rural markets

Urban Network

- KB's Conveniently Yours stores focusing on Mumbai & North
- Nilgiris has a strong presence in the Southern market

Rural Network

- Aadhaar caters to Punjab & Gujarat

Access to Future Group's Retail outlets

Strong network of big format and small format stores

- Distribution pan India across Big Bazaar and Food Bazaar stores
- Establishing presence across recently acquired Easy Day stores

Expanding Modern Trade & General Trade Distribution

Making in roads in Modern Trade

- Forged strategic alliance with Star Bazaar for distributing FCEL products
- Added Metro and Spar stores to the distribution footprint



Expanding presence in General Trade

- Acquisition of Kara, one of the leading wet wipes brands in India, with access to a network of 13 Carrying & Forwarding Agents & 140 Distributors
- Establishing General Trade network in Varanasi and Allahabad
- Launch underway for Tasty Treat, Think Skin and Sunkist brands through other channels

Modern Public Distribution System, Rajasthan:

- Announced a PPP between Rajasthan State Food & Civil Supplies Corporation for providing better quality multi brand consumer goods via Fair Price Shops
- Extended distribution to around 1,200 Fair Price Shops

Strong Network of Franchised and Future Group Retail Outlets

Format		Stores
Large Format		228 ⁽¹⁾
Small Format		524 ⁽²⁾
Total Stores		752

Store data as of 31st March 2016

(1) Includes standalone Food Bazaar stores

(2) Includes KB's Conveniently Yours stores which are being branded now as Easy Day



SOURCING

&



MANUFACTURING

Created Strong Backend Infrastructure

Sourcing Strengths

- Created fully integrated agri-commodity sourcing capabilities
 - 51 sourcing hubs across the country and APMC licenses in 26 states
 - Warehousing facilities at 32 locations
 - 11 processing centers - includes mechanized processing centers
 - Other centers are for cleaning / sorting / grading
- Dairy business procures 54,000 litres of milk everyday from a network of over 5,000 farmers and 200 milk traders in Tamil Nadu and Karnataka
 - Includes recently commenced Bangalore based milk procurement for ~2,000 litres per day

Dairy & Bakery Facilities

Dairy

- One manufacturing facility near Bangalore
- Daily milk handling capacity of 1lac ltr per day
- Installed capacities for dairy for wide range of products like milk, butter, different variants of cheese, curd etc
- “Dedicated” Chilling Center at Muthur
- Planning strategic tie ups with other dairy players in Northern & Western markets

Bakery

- One manufacturing facility near Bangalore
 - Daily dispatch of products from the Bakery factory ,materials stored at factory itself

Other Facilities

Oats Facility in Sri Lanka

- Recently launched an Oats manufacturing facility
- Enable to capture Oats segment in India with a wide variety of products

Other Facilities in Southern India (as part of Food Park)

- Facility for Frozen Vegetables & Frozen Snacks
- Sauces and Dips facility for brand Sangi’s Kitchen

Contract Manufacturing:

- Working with leading Food & FMCG manufacturers across segments
- Working with dairy players in North to cater to Delhi market

Key Management & Board of Directors

Business Backed by Strong Management Team

Kishore Biyani – CEO Future Group, Vice Chairman FCEL

- Kishore Biyani is the founder and Group CEO of Future Group
- Widely credited as the pioneer of modern retail industry in India, he is a mentor and role model for many Indian entrepreneurs
- Has over 25 years experience in the field of manufacturing, marketing and retailing of readymade garments
- Over the past two decades he has created and led some of India's most popular retail chains including Big Bazaar, Central, Pantaloons, Home Town , eZone, KB's and Aadhaar. These retail chains are present in around 200 cities and rural locations in India
- Received various prestigious awards including, 'CEO of the Year – 2001', 'Most Admired Retailer of the Year – 2004', 'Retail Face of the Year - Images Retail Awards 2005' , 'E&Y Entrepreneur of the Year - Services - 2006'



Business Backed by Strong Management Team



Brands

Devendra Chawla – Head Food & FMCG Brands

- Worked as VP & Head of Merchandising & Format at Reliance Fresh
- Served at Coca Cola as GM and Director Area Operations
- Big Bazaar won the “Most Admired Retailer of the Year – Private Label” under his leadership for 3 years

Murali Krishnan – Head Dairy & Bakery

- Joined Future Group, post the acquisition of Nilgiris by FCEL in November 2014
- A seasoned FMCG professional he has worked across geographies in India with some leading brands - Wipro Lighting, Gillette and Perfetti

Sourcing & Manufacturing

Narendra Baheti - Head Agri Business

- Instrumental in successfully leading agri-sourcing business of the group
- Helped in building strong brands such as Golden Harvest, Fresh & Pure, Premium Harvest, Ektaa
- Expected to drive better synergies across the business group and help take the agri-business to next level

Monangi Srinivasan - Head Food Park

- Currently heads the India Food Park Private Ltd. (IFPPL) as CEO
- Previously served as CEO at Olam International

Saurabhkumar Lal, Head Manufacturing-

- ~20 years of manufacturing and supply chain experience across FMCG, printing and packaging
- At HUL, looked after supply and operations of 3 company owned and 15 contract manufacturing plants of FMCG products

Corporate

Manoj Saraf, Chief Financial Officer

- Experience in various industries, including Dairy, Internet and Catalogue Retail and Media
- ~18 years of experience in financial accounting, taxation, strategic business planning, banking, development of strategic MIS and compliances

Jacob Peter – Head People Office

- HR professional with strong understanding of business and is passionate about Entrepreneurship and developing people
- Previously worked at KPMG India, Hay Group, Sun Microsystems, GE Capital and Mircoland Limited

Rahul Kansal – Chief Marketing Officer

- Joined from Times Group, most recently served as Executive President looking after brand and business strategy for TOI, Mirrors and language brands
- Previous experience of leadership positions at Leo Burnett, Mudra Communications, Ogilvy & Mather

Effective Board Members with Vast Experience

G. N. Bajpai, Chairman

- Previously been the Chairman of SEBI, LIC, the Corporate Governance Task Force of International Organisation of Securities Commission and the Chairperson of the Insurance Institute of India
- Served on the Board of Directors of various institutions

Frédéric de Mévius

- Founded Verlinvest & has been its managing director since then, serves as non-executive director of portfolio companies
- Acting as representative of DLF SA
- Previously served on the Board of Directors of Interbrew and Spadel
- Comes from an Investment Banking background with experience in Lehman Brothers and S.G. Warburg

Deepak Malik

- Acting representative of Proterra Investment Partners
- Managing Director of the private equity team in Proterra and serves on Board of various investee companies
- Prior to this, held various senior level managerial positions at Black River and Cargill post joining Cargill in 1995

Vibha Rishi

- Currently on the Board of prestigious companies like Asian Paints, Tata Chemicals, Indian Hotels, Go Airlines, Taj SATS Air Catering, PNB Metlife India Insurance, Tata Teleservices
- Previously served as TAS and PepsiCo

K. K. Rathi

- Qualified Chartered Accountant and company secretary
- Previously served as CEO of Future Ventures and CFO with erstwhile Pantaloon Retail India Limited
- Over 25 years of experience in corporate finance, strategic business planning and investment advisory

Adhiraj Harish

- Member of the Bar Council of Maharashtra & Goa and has been practicing as an Associate at D.M. Harish & Co., Advocates
- Primary expertise in the area of real estate laws & instrumental in successful completion of numerous real estate transactions
- Holds a Bachelors degree in Management Studies, & Masters degree in Legislative Laws

Ashni Biyani

- Instrumental in bringing in design-led thinking within the group
- Led the conceptualization and launch of a number of retail formats for Future Group
- Attended courses on scenario planning at New York's Parsons School of Design and the Summer Institute of General Management at Graduate School of Business, Stanford University

Financial Snapshot

Financial Performance Overview

FY16 vs FY15

EBITDA Turnaround – FY16

Top Line Growth

34%

Gross Margin
(%)

16%

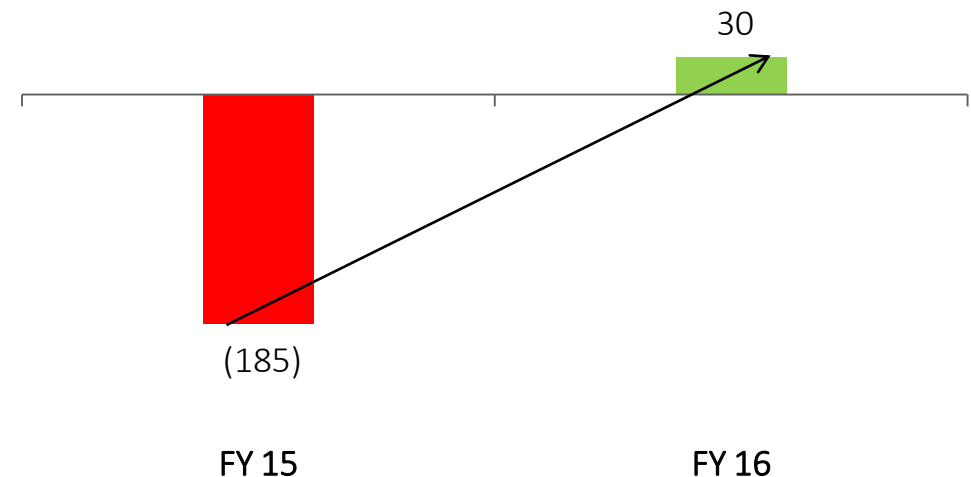
↑ 265 bps

EBITDA

₹30mn

↑ ₹215mn

EBITDA (₹ mn)



Performance improvement on the back of revenue growth and gross margin expansion

Consolidated Financials

Income Statement

Particulars (In ₹ mn)	12M Ended	
	FY16	FY15
Total Operating Income	17,578	13,166
<i>Y-o-Y Growth (%)</i>	<i>34%</i>	
Gross Margin	2,814	1,759
<i>Gross Margin%</i>	<i>16.0%</i>	<i>13.4%</i>
EBITDA	30	-185
Depreciation	603	490
Interest	611	319
Exceptional Items	-47	-93
PBT	-1,231	-1,088
Tax	1	6
Profit/(loss) in Associate / Minority Interest	104	66
Consolidated PAT	-1,128	-1,028
<i>PAT %</i>	<i>-6.4%</i>	<i>-7.8%</i>

- Achieved a robust top line growth of 34% in FY16
- In FY16 , reported a positive EBITDA of ₹30 mn compared to EBITDA loss of ₹185 mn during FY15

Balance Sheet ⁽¹⁾

Particulars (In ₹ mn)	As of	
	31-Mar-16	31-Mar-15
Shareholders' Funds	6,765	7,696
Minority Interest	215	338
Net Debt (before recent equity tie-ups)	5,580	5,301
Net Adjusted Capital Employed	12,560	13,335
Net Non-Current Assets	10,771	9,947
Net Current Assets	1,789	3,388
Total Net Assets	12,560	13,335

- Net Debt to Equity of 0.69x⁽¹⁾
- Secured equity tie-ups worth US \$75mn from external investors and promoters which will further strengthen the balance sheet

(1) Before Black River and IFC fund raise impact, Proposed IFC fund raise is subject to shareholder approval

Fund Raise Update

Tied Up US \$75mn from Marquee Investors & Promoters

FCEL had proposed to raise US\$75mn enabling the Company to meet the following objectives:

- Enhance Balance Sheet profile by repayment of debt
- Fund growth plans

This US\$75 mn fund raise has been successfully tied up as below:



US\$ 45mn (Completed)



US\$ 20mn (Announced)



US\$ 10mn (Completed)

Proposed IFC fund raise is subject to shareholder approval

Marquee Consumption Focused Funds Invested in FCEL

Shareholding Post Allotment to Proterra / Promoter and IFC #

Shareholder Category	Post Proterra, Promoter and IFC Allotment*	
	Number of Shares	%
Promoters	75,16,88,794	40.03%
Institutional Investors	49,34,12,827	26.28%
<i>Arisaig Partners</i>	<i>15,20,43,000</i>	<i>8.10%</i>
<i>Verlinvest SA</i>	<i>14,05,13,969</i>	<i>7.48%</i>
<i>Proterra Partners</i>	<i>13,19,18,269</i>	<i>7.03%</i>
IFC #	5,89,53,025	3.14%
<i>Other Institutional Investors</i>	<i>99,84,564</i>	<i>0.53%</i>
Others	63,26,88,174	33.69%
Total	1,87,77,89,795	100.00%

- Shareholding as per shareholder notice dated 19 May 2016
- Assuming no change in other shareholding
- # Proposed IFC fund raise is subject to shareholder approval

The Road Ahead..

- Strongly emerging as a leading integrated Food & FMCG Company
- Building a strong portfolio of brands in high margin categories
- Continue to build a strong distribution network across channels Pan India
- Roadmap to high growth with expansion of Gross Margins
- Leading to expansion of operating profit
- Significant portion of capital employed has recently got into commercial activity and should now gradually lead to value creation

Thank You

Disclaimer

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