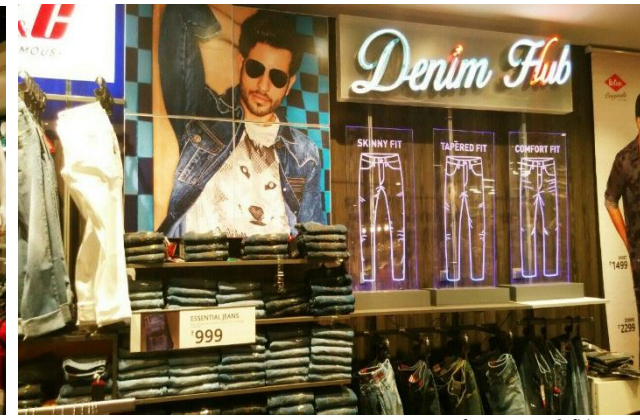


# FUTURE RETAIL

## Investor Update – Q3 FY2017





Representative images of Big Bazaar & fbb stores

## Section I: Overview



# Future Retail: Overview



231 Large Format Stores (Big Bazaar)

379 Neighborhood Stores (EasyDay)

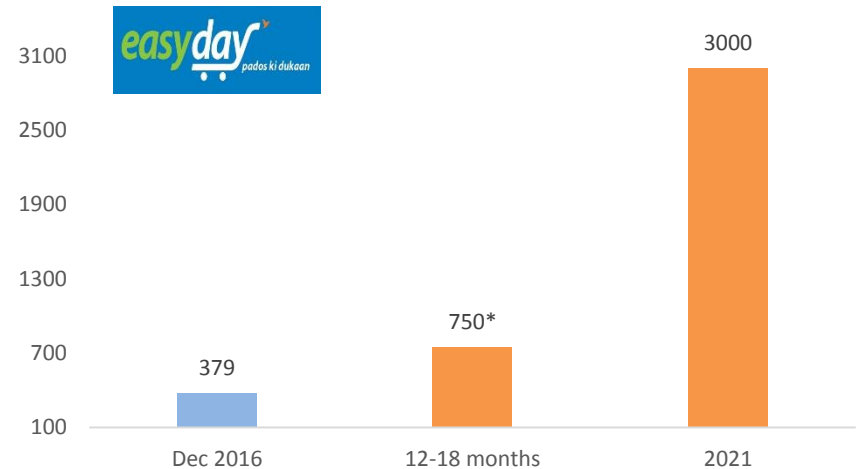
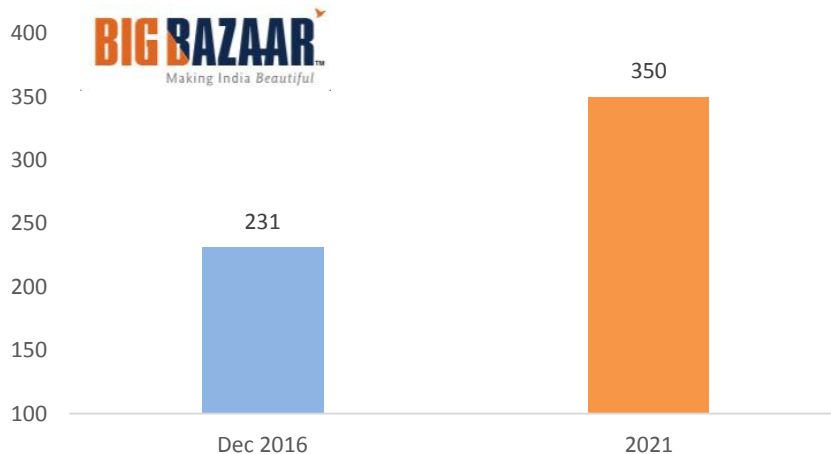
Pan-India Presence in 238 cities and towns

Balanced Merchandize Mix with ~65% of revenues from non-food categories (includes fashion, home appliances, home fashion, cookware, toys etc)

295 Million Customer Footfalls registered in FY 16

Backed by strong loyalty programs that have around 30 million members

Group brands present in fashion, FMCG, home appliances, cookware, luggage etc.



\* Includes Heritage Stores

231 Stores; 9.8 million square feet

Created in 2001, it is a multi-category large format chain with typical store size of 30,000 – 40,000 square feet

Brand Promise: 'Making India Beautiful'

Kept up with the changing times and pioneered multiple consumption events such as sales on 26<sup>th</sup> Jan, 15<sup>th</sup> August, Public Holiday Sale, Wednesday Bazaar, Exchange Mela among others

Among India's Top 15  
Most Trusted Brands

## BRAND EQUITY

MTB 2016 -11 TO 100

	2016	2015	
11	Vodafone	24	
12	Dove	4	
13	Ariel	26	
14	Big Bazaar	27	
15	Horlicks	6	
16	Head & Shoulders	28	
17	Bournvita	19	
18	Pond's	14	
19	Clinic Plus	36	
20	Good knight	25	
21	Maaza	9	
22	Pepsi	22	
23	Frooti	33	
24	Britannia	12	
25	Maggi	95	



As per ET Brand Consumer Survey



Designed to take customer experience to a new level with sit-down checkouts, experience zones with multi-sensorial, interactive displays, shelf talkers

Launched in Infinity Malad, R-City Ghatkopar and Mall of India, Noida



# India's Neighborhood Stores



India's "Pados ki Dukaan", with a dominant presence in NCR, Punjab, Haryana and Western Uttar Pradesh, complements the large format stores network in the Northern Region.

Closer to the homes and a higher throughput adds to the company's scale and efficiency.

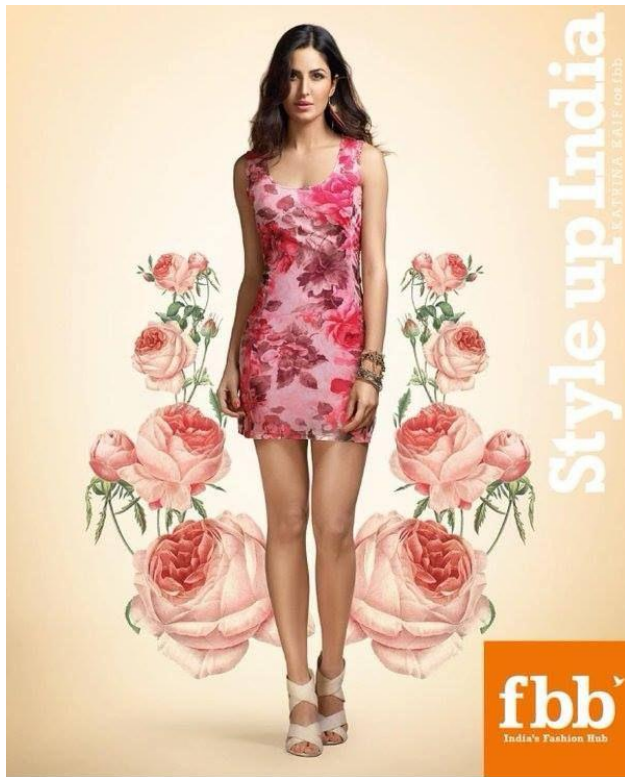
379 Stores in over 128 cities, attracting over 50 million footfalls annually.

Format to be expanded through organic growth in northern markets as well as through upcoming merger with Heritage brand in Southern markets. Expected to touch 3,000 stores by 2021.





# Fashion for the Youth

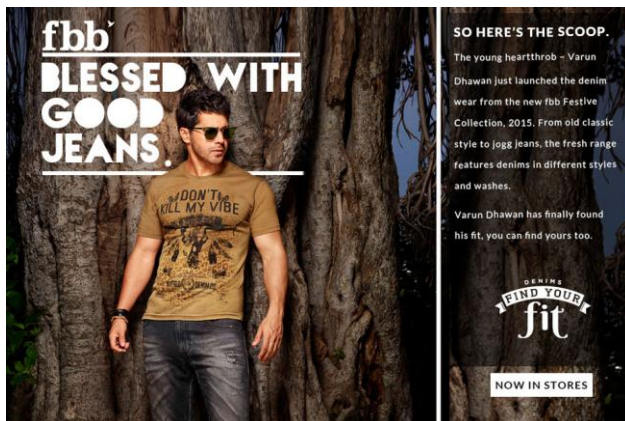


Fashion destination endorsed by celebrities, beauty pageant winners & at leading music events. Attracts next generation customers within Big Bazaar.

54 Standalone stores along with presence in all Big Bazaar stores.

Company-owned brands contribute more than 90% of total sales in the chain.

Aggressive expansion planned in new and Tier 2 cities and towns.



# The Gourmet Food Chain of India



Foodhall enhances the company's ability to cater to the evolved food consumers. Also serves as a learning platform to identify, experiment and then mainstream forthcoming trends, cuisines and categories in the food space.



Stores located within the most premium malls in Mumbai, Bangalore and Delhi.

Creating a strong set of upmarket food brands that capture increasing share of sales in tea, spices and world foods.



# Consumer Loyalty – FuturePay

## Price Match – Customer Assured of Lowest Price

Transaction Details

+ ₹ 100 Bill no. 123456  
28 July 2016

We have found lower prices and refunded you the difference

Refunded **₹100** Found **6**  
Lower Priced Items

Bill Date 28 July 2016  
Bill Amount ₹ 3,652.89  
Store Big Bazaar - Majiwada

Detailed Breakup

Item Name	Price Paid (₹)	Lower Price (₹)	Refund (₹)
NS Ustav Mfc Lc Gd W	1000	950	50
NS Ustav Mfc Lc Gd W	1000	950	50
NS Ustav Mfc Lc Gd W	1000	950	50
NS Ustav Mfc Lc Gd W	1000	950	50
NS Ustav Mfc Lc Gd W	1000	950	50

Over 1 million users with 20% customers having used the price match feature.

Wallet uploads in excess of Rs 27 crore

## Mobile Wallet with Loyalty Program Integration

My Wallet

Total Available Balance **₹ 10000.00**

Total Balance **₹ 5000.00**

Big Bazaar Profit Club  
Tap on icon to link your card with Future Pay

Payback  
Tap on icon to link your card with Future Pay

Total Balance **₹ 5000.00**

Offers Price Match My Wallet Profile

# Consumer Loyalty – EasyDay Savings Club



The graphic features a green background with a sunburst pattern. At the top right is the 'easyday' logo with the tagline 'pados ki dukaan'. Below it is a blue 'Savings Club' card with a green hand icon, the card number '9061 5573 1899 1000', and the tagline 'pados ki dukaan'. The main text reads 'JOIN EASYDAY SAVINGS CLUB' followed by 'GET 10% OFF\* & MANY MORE BENEFITS'. At the bottom, four icons represent benefits: '10% Off on Every Bill', 'Exclusive Free Vouchers', 'Direct to Store App\*\*', and 'Free Home Delivery'. A small vertical text on the right side of the card reads '\*T&C Apply. \*\*Coming Soon'.

**easyday** pados ki dukaan

**easyday** pados ki dukaan

**Savings Club**

9061 5573 1899 1000

pados ki dukaan

**JOIN EASYDAY SAVINGS CLUB**

**GET 10% OFF\***

**& MANY MORE BENEFITS**

**10% Off on Every Bill** **Exclusive Free Vouchers** **Direct to Store App\*\*** **Free Home Delivery**

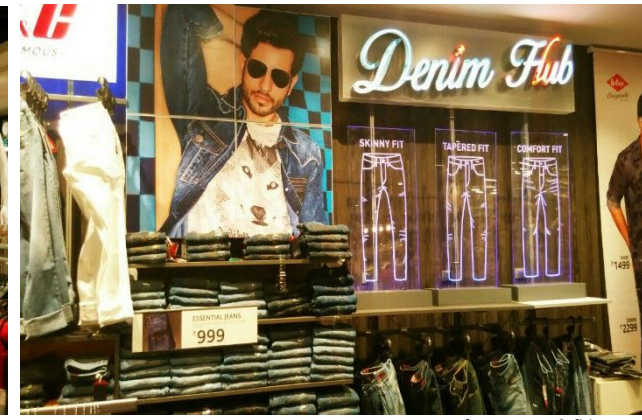
\*T&C Apply. \*\*Coming Soon

Pay Rs 999 and get 10% off for the year.

Customer gets guaranteed savings. Company passes on discount only to loyal customers.

Pilot project was successfully implemented in Jaipur stores. Over a 3 month period during pilot phase, average spend per member was Rs. 12,424.

Now extended in more than 340 EasyDay stores and garnered around 45,000 members in the previous month.



Representative images of Big Bazaar & fbb stores

## Section II: Q3FY17 Business Updates





## Emergence of a stronger FRL amidst unprecedented challenges

Particulars (Rs cr)	Q3 FY17	YTD FY 17
Income From Operations	4,420	12,591
Gross Margins %	24.6%	24.8%
EBIT	156	398
Net Profit	101	245
Same Store Sales Growth %	12.5%	11.5%
Gross Space Addition (mn.sq.ft)	0.25	0.83

### ❖ Q-o-Q performance:

- Business grew by 5%
- Expansion in EBIT margins by 52 basis points
- Increase in PAT by 37%

### ❖ Key Q3FY17 Takeaways:

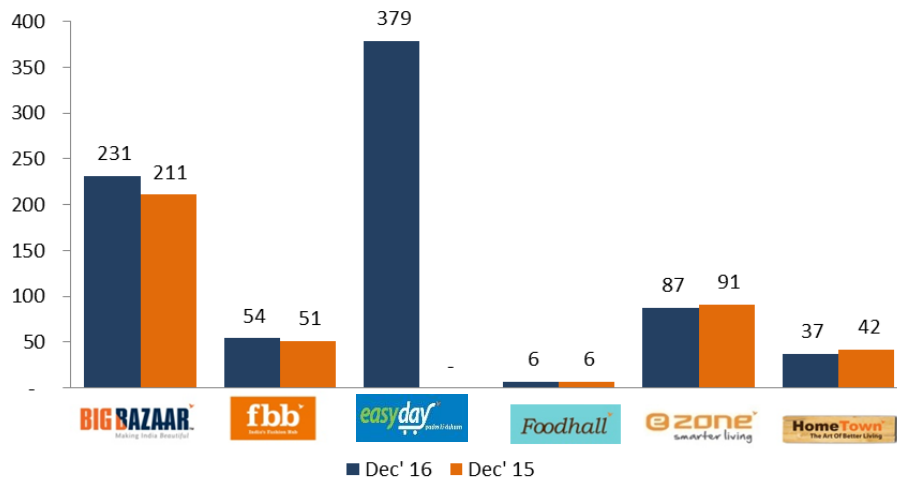
- Better conversion from the footfalls
- Drove higher value per customer
- Cost savings kicking-in from operating leverage
- Greater focus on social media campaigns & loyalty programs

- ❖ Heritage Retail: Stock exchange approvals have been received while CCI approval is awaited; filed for NCLT approval



## Store Network & Retail Space (y-o-y)

Dec' 16	9.81	0.54	0.83	0.08	0.49	1.28
Dec' 15	9.13	0.52	0.00	0.10	0.51	1.43



## Geographical Spread

	Stores	States	Cities
<b>BIG BAZAAR</b> Making India Smarter	231	25	124
<b>fbb</b> Smart Future Day	54	18	32
<b>easyday</b> Smarter Living	379	10	128
<b>Foodhall</b>	6	4	4
<b>ezone</b> Smarter Living	87	17	29
<b>HomeTown</b> The Art Of Better Living	37	12	21
<b>Cumulative</b>	<b>794</b>	<b>25</b>	<b>238</b>

\* As on 31 Dec 2016

Total retail space: 13.03 mn sq.ft (31 Dec 2016)

## New Cities Entered

- Big Bazaar: Bodhgaya in Bihar, Jammu in Jammu and Kashmir
- Fbb: Bhopal in Madhya Pradesh

Continued to invest further in expanding our retail presence while improving the throughputs

- **Top Consumption Micro-Markets** – We continue to maintain our focus on expansion only in the targeted markets

- In this quarter, we furthered our presence in NCR and Bangalore

- Customer Proposition: Targeted assortment with a high degree of shopping experience at attractive pricing & loyalty benefits






- Increase in private brands across these stores shall enable the Company achieve better inventory controls as well as margins

## Roll-out Strategy

Cluster	New Stores	
	Q2 FY17	Q3 FY17
NCR (Delhi, Faridabad, Ghaziabad, Gurgaon, Noida)	8	30
Bangalore Cluster	0	12
Ludhiana Cluster	7	3
Others	2	1
<b>Total</b>	<b>17</b>	<b>46</b>

## Execution update

### Progress till Dec 31' 2016

Reduction in Head-office costs	
Assortment enhancement	
Closure of loss-making stores	
Deep presence in “Top Consumption Micro-Markets”	
Synergies of Scale -	
Supply-chain efficiencies	
Shared services (marketing, data analytics)	
Omni-channel consumption	





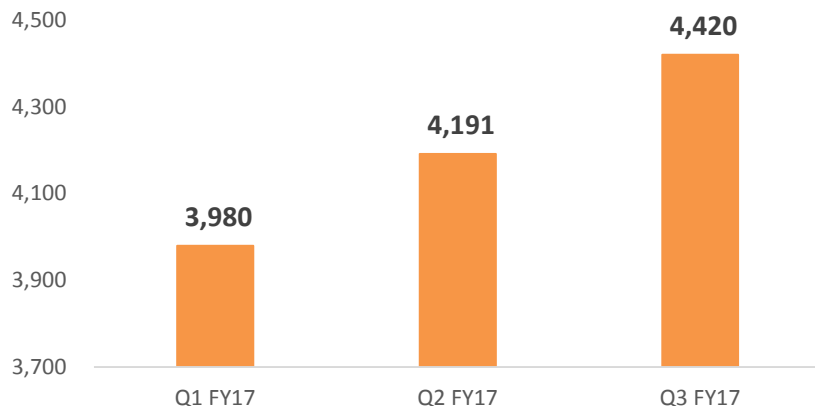


Representative images of Easyday stores

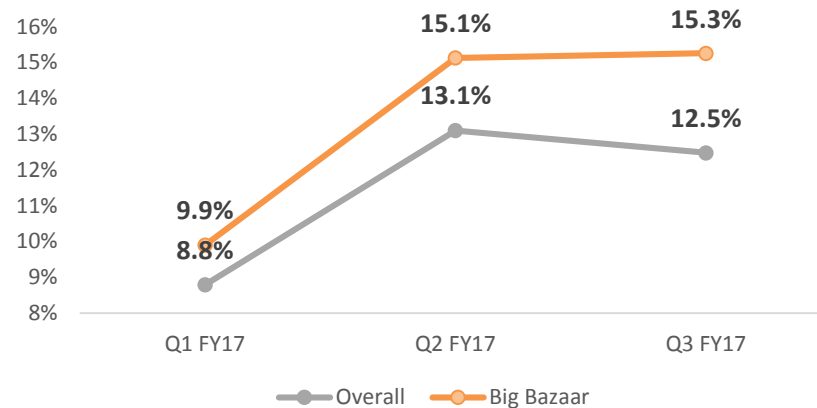
## Section III: Financial Updates



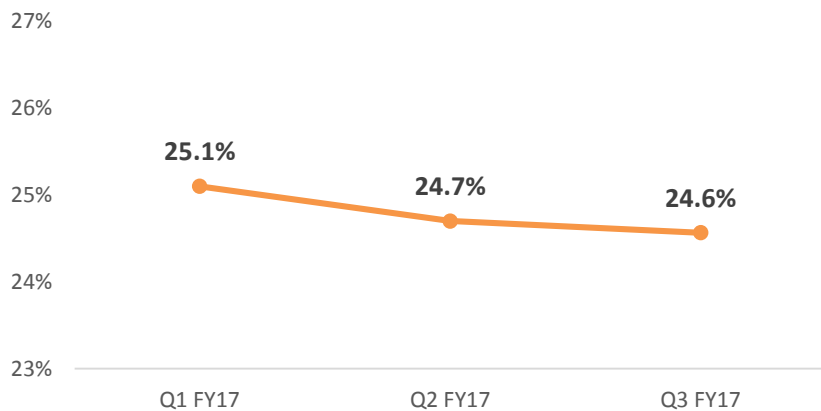
## Sales (Rs cr.)



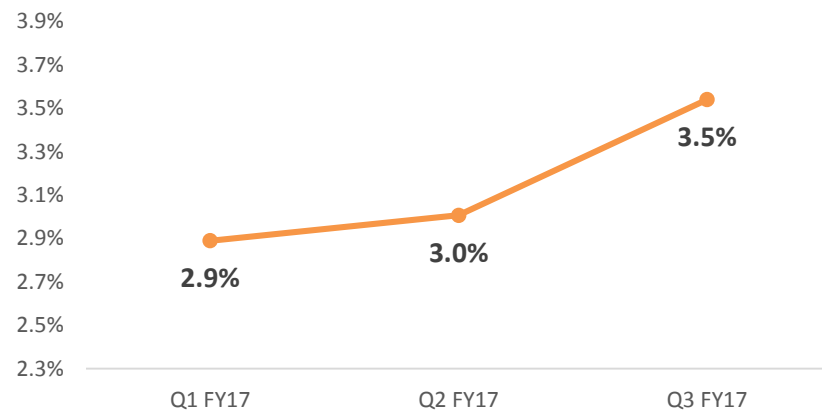
## Same store sales Growth



## Gross Margins

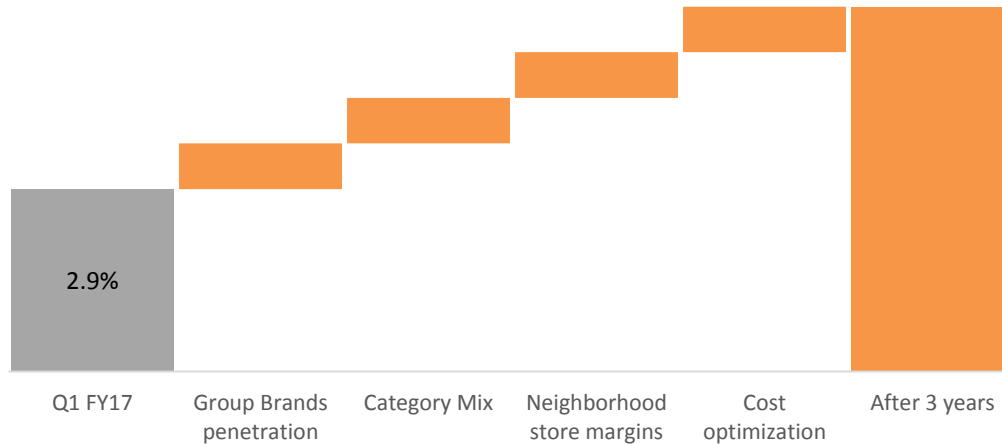


## EBIT Margins











**Consistently improving operating performance**

## Targeted Margin Trajectory




- ❖ Group brand strategy is being pursued across categories
- ❖ Demonstrated ability to sell top-quality value-apparel which continues to be a differentiator
- ❖ With deeper penetration in targeted micro-markets, Neighborhood stores are projected to yield higher margins & greater synergies
- ❖ With an increased base of retail network, costs are expected to rationalize

## Group Brands

Category	Penetration <sup>1</sup>	YTD movement <sup>2</sup>
Food		
Fashion		
General Merchandise		
Household and Personal care		

- ❖ Well regarded & accepted merchandise in Fashion:
  - ❖ Built a high level of customer trust on quality and design
  - ❖ Control on value chain, thereby delivering high margins
- ❖ Product innovation at the core that also differentiates our retail stores

1. Refers to the extent of penetration of private brands with  being the target

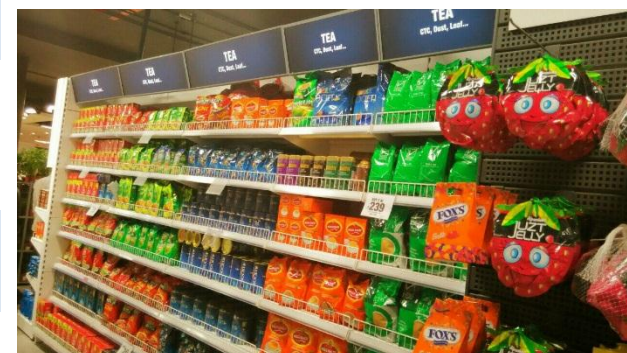
2. YTD movement is an indicator of change in share of private brands' revenue in total revenue



# P&L Statement

	Quarter ended			9 months ended
Particulars (Rs cr.)	31-Dec-16	30-Sep-16	30-Jun-16	31-Dec-16
<b>Net Sales</b>	<b>4,322</b>	<b>4,130</b>	<b>3,892</b>	<b>12,343</b>
Other Operating Income	98	62	88	248
<b>Total income from Operations</b>	<b>4,420</b>	<b>4,191</b>	<b>3,980</b>	<b>12,591</b>
Purchase of stock-in-trade	3,391	3,344	3,109	9,844
Changes in inventories	(56)	(190)	(130)	(376)
<b>Gross Profit</b>	<b>1,086</b>	<b>1,037</b>	<b>1,000</b>	<b>3,123</b>
<b>Gross Margin %</b>	<b>24.6%</b>	<b>24.7%</b>	<b>25.1%</b>	<b>24.8%</b>
Employee benefits expense	202	202	189	593
Rent including lease rentals	346	333	331	1,010
Other Expenditures	382	375	364	1,121
Other Income	9	6	6	21
EBITDA	165	135	122	422
Depreciation and Amortisation	9	8	7	24
<b>EBIT</b>	<b>156</b>	<b>126</b>	<b>115</b>	<b>398</b>
<b>EBIT Margin %</b>	<b>3.5%</b>	<b>3.0%</b>	<b>2.9%</b>	<b>3.2%</b>
Finance Costs	55	53	45	153
PBT	101	74	71	245
Tax Expenses	-	-	-	-
<b>PAT</b>	<b>101</b>	<b>74</b>	<b>71</b>	<b>245</b>
<b>PAT %</b>	<b>2.3%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>2.0%</b>

- ❖ Better throughput from customer footfalls over the previous quarter
- ❖ Continuously improving ticket-size with thrust on customer loyalty programs
- ❖ Deploying data analytics to ensure optimum assortment & availability
- ❖ Focus on “Getting More out of Same”






Representative images Big Bazaar Gen Next stores

## Section IV: Key Marketing Updates




fbf's Denim Dance campaign took the nation by storm!

What started as a foot-tapping Denim Dance music video by celebrity choreographer Terence Lewis, concluded with a swooping Guinness World Record for making the 'world's largest photo book'!





Take the  
**#DoTheStretch**  
challenge.

Participate now & get fbf  
gift vouchers worth ₹500.

 Stretch like Katrina and  
click a photo / video

 Share it with #DoTheStretch  
on Facebook/Instagram/Twitter  
and tag fbf

 Get your fbf gift voucher code  
worth ₹500 via DM

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**#PageTurner**

KATRINA KAIF SPORTING  
A SPUNKY URBAN AVATAR  
WITH A BUTTON-DOWN  
HOODIE AND RIPPED JEANS






**BIG BAZAAR**  
MAKING THEM BRILLIANT



**IT'S DENIMS DAY  
TOMORROW!**

SPORT YOUR COOLEST DENIM  
'WEAR' TO 'WORK'.

Share your  
denim dance pose on

with #fbddenimdance  
and be a part of the  
Guinness World Record

JUST DO THE DENIM DANCE  
WITH TERENCE LEWIS

Created by: Internal Communications

Carrying thousands of photos of people in their denim-dance avatar, the book was showcased at the Infinity Mall in Mumbai on November 24, 2016



# Social Media Innovations – Price Discovery on Twitter

### ❖ #DecideYourPrice campaign on Twitter

Launched a first of its kind social media campaign with active consumer interaction

- A branded bestseller is announced
- Customers are required to retweet this announcement
- Every single retweet reduces the price of the product
- The lowest price is finally the price at which the product can be bought at any BB store on specified dates

8,630  
jeans sold  
over 2 days



**BIG BAZAAR**  
Making India Beautiful

**THE PEOPLE OF INDIA  
HAVE DECIDED THE PRICE!**

Now you can buy the **Men's Denim** at a whole new price.

**STORE PRICE**  
₹1,399

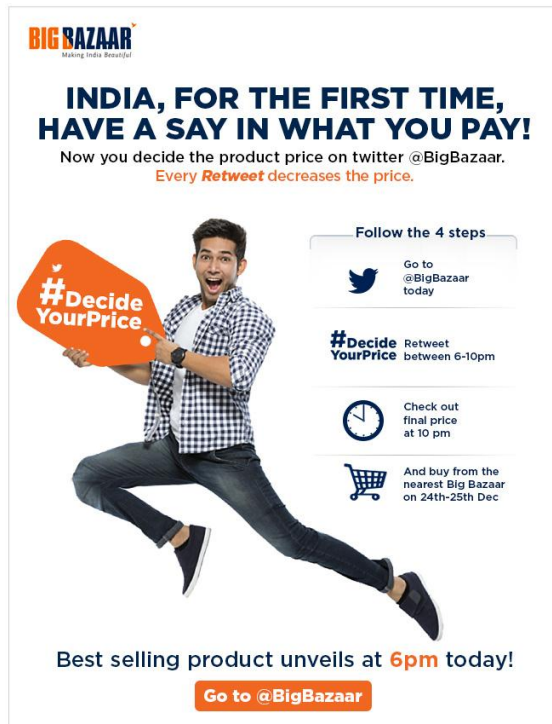
**INDIA'S PRICE**  
₹894

**KEY FEATURES**

- Mid Waist Slim fit jeans with a narrow leg.
- Available in Dark Indigo, Indigo, M.Stone and Stone colours.

Visit any Big Bazaar & fbb stores across the country.  
Price valid for 7<sup>th</sup> and 8<sup>th</sup> Jan only.

**FIND A STORE**



**BIG BAZAAR**  
Making India Beautiful

**INDIA, FOR THE FIRST TIME,  
HAVE A SAY IN WHAT YOU PAY!**

Now you decide the product price on twitter @BigBazaar.  
Every **Retweet** decreases the price.

**#DecideYourPrice**

Follow the 4 steps

- Go to @BigBazaar today
- #DecideYourPrice** Retweet between 6-10pm
- Check out final price at 10 pm
- And buy from the nearest Big Bazaar on 24th-25th Dec

Best selling product unveils at **6pm** today!

**Go to @BigBazaar**



**BIG BAZAAR**  
Making India Beautiful

**India #DecideYourPrice**  
for **Men's Denim** worth ₹1399



3,935 bags  
sold over 2  
days



**BIG BAZAAR**  
Making India Beautiful

**THE PEOPLE OF INDIA  
HAVE DECIDED THE PRICE!**

Now you can buy our Best Seller - Converse All Star Laptop Bag at a whole new price.

**MRP**  
1,999

**STORE PRICE**  
₹999

**INDIA'S PRICE**  
₹403

**KEY FEATURES**

- Laptop Friendly
- Polyester Material
- 1 Main Compartment
- 2 Front Pockets
- 2 Puller Zippers

Visit any Big Bazaar store across the country.  
Prices valid for 24th and 25th Dec only.

**FIND A STORE**





Representative images Big Bazaar Gen Next stores

## Section V: FRL - A Resilient & Dynamic Model





## Demonetization & FRL

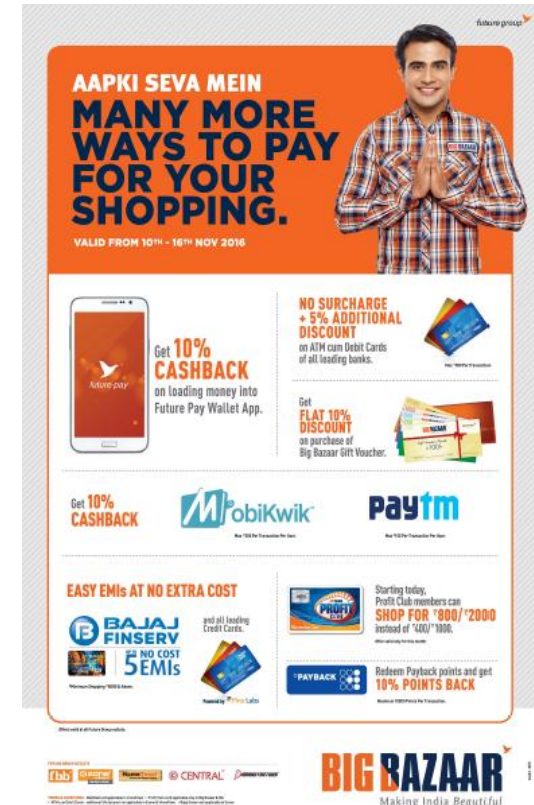
- **POS:** Quick POS deployment at Big Bazaar outlets



- **Payment Wallets:** Partnered with channels like Paytm and Mobikwik

- **Supply-chain:** Robust payments to trade partners. Increase in direct procurement; trend likely to sustain in future.

- **FRL currency:** In order to tap increased footfalls on a sustained basis, Company issued more vouchers



Driving Innovation in Retail

Continues to be Pivot of India's Modern Retail

Strong Loyalty Strategy



Demonetization & FRL

## Driving Innovation in Retail

- **Future Pay:** A unique loyalty wallet, comprising the Price Match feature that compares the price of items on the customer's bill with the competitor's advertised prices
- **Retail EMI card:** Future Group and Bajaj Finance launched India's first retail EMI card
- **Data Analytics:** Use of data analytics to enhance assortment, effectiveness and availability thereby improving the throughput



Continues to be Pivot of India's Modern Retail

Strong Loyalty Strategy



Demonetization & FRL

Driving Innovation in Retail

## Continues to be Pivot of India's Modern Retail

- **Strong SSGs:** Growth momentum from same stores at >12%
- **Premiumization:** One of the few pan-India retailers delivering growth along-with premiumization play across stores
- **Large contributor to national sales:** FRL contributes significantly to the revenues of several marquee brands like Samsonite, Patanjali, Tropicana, Kellogg's, Prestige Cookware, Fiamada-Wills, Mamy Poko Pants, etc



Strong Loyalty Strategy



# ...And a Unique Loyalty Platform



Demonetization & FRL

Driving Innovation in Retail

Continues to be Pivot of India's Modern Retail



Strong Loyalty Strategy

# Namaste!

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