



PRESS RELEASE

FOR IMMEDIATE CIRCULATION

WESTLIFE DEVELOPMENT REPORTS REVENUE GROWTH OF 30.2% FOR APR-JUN

SSSG up 24.1% in Apr-Jun, Marks 3 years of positive SSSG growth

PAT surges over 5 times to ₹116.2 million

Highlights for the Quarter

Operating profit increases 124 per cent year-on-year to ₹354.9 million

Cash profit more than doubles year-on-year to ₹322.1 million

Company launched upgraded value platform McSaver, for all day parts

Opened 4 new restaurants and 7 new McCafés taking the total count to 281 & 156 respectively

Mumbai, July 27, 2018: Westlife Development Limited (BSE: 505533) owner of the Master Franchisee of McDonald's restaurants in west and south India, announced unaudited financial results for the quarter ended June 30, 2018. The results were taken on record by the Board of Directors at a meeting held today.

The company reported a double digit Same Store Sales Growth (SSSG) of 24.1% making it the 12th consecutive quarter of positive sales growth. Revenues grew by 30.2% to ₹3,416.8 million. Profit after tax surged over 5 times to ₹116.2 million and cash profit more than doubled to ₹322.1 million. Operating profit swelled 124% to ₹354.9 million and operating profit margins expanded by over 430 basis points to 10.4%.

Commenting on the financial results for the quarter ended June 30, 2018, Mr. Amit Jatia, Vice-Chairman of Westlife Development Limited said, "I am delighted to announce that the company has delivered excellent numbers both in terms of sales as well as profits.

Innovative menu options and value products have been the centrepiece of our strategy. Not only have they attracted more customers in our restaurants and McCafés they also have been a huge successes on our delivery platform McDelivery. Our industry-leading initiatives like the Good Food story – an initiative to re-engineer our food to make it more wholesome and nutritious have also resonated extremely well with customers.

While happy customers have propelled our sales, a tight control on costs and increasing number of restaurants functioning under the efficient Restaurant Operating Platform (ROP) 2.0 has led to strong profit growth."

During the quarter, the company enhanced its everyday value platform with 'McSaver' that offered new products and combos across all day parts. The company also for the first time launched exclusive Ramzan combos that were well received.

Brand extensions continued to be strong business drivers for the company. McCafé is now a well-established beverage destination that serves a range of specialty coffees, smoothies and share shakes. During the quarter McCafé extended its product range by launching the mixed fruit and raw mango splash besides adding 7 new outlets taking its total count to 156.



McDelivery has been beating its own records quarter after quarter. As the trend of ordering-in food gains popularity, orders from aggregators as well as the company's own web and app have shown a strong growth trajectory.

HRPL has been consistently increasing its footprint by entering new markets while adding more restaurants to cities it is already present in. During the quarter, the company opened 4 new restaurants including the first restaurant in Puducherry taking the total count to 281 restaurants across 38 cities.

Being the industry leader, the company has taken various eco-friendly initiatives to promote sustainability. Besides reducing the use of plastic in its operations, HRPL has become the first food company in India to power its logistic fleet in Mumbai with 100% biodiesel that is made by converting used cooking oil collected from its restaurants. The company is working on extending this biodiesel initiative to all regions it operates in. This will lead to a saving of over 2000 MT of carbon, which is equal to planting over 1 lakh trees.

HIGHLIGHTS FOR QUARTER ENDED JUNE 2018:

- 12th quarter of positive same store sales, driven by rising footfalls
- Launched upgraded value platform McSavers, for all day parts
- Introduced two exclusive festive combos during Ramazan
- McDelivery and McCafé are showing strong growth momentum
- Opened first McDonald's restaurant in Puducherry
- Opened 4 new restaurants and 7 new McCafés in Q1FY19 taking total count to 281 & 156 respectively

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED JUNE 2018:

- Revenue growth of 30.2 per cent year-on-year to ₹3416.8 million
- Operating profit increases 124 per cent year-on-year to ₹354.9 million
- Profit After Tax surges over 5 times year-on-year to ₹116.2 million
- Cash profit more than doubles year-on-year to ₹322.1 million

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NOTE TO THE EDITORS: Westlife Development Limited and Hardcastle Restaurants follow an April-March fiscal year. The results reported are for the second quarter for the fiscal year 2018.

THE FOLLOWING DEFINITIONS APPLY TO THESE TERMS AS USED THROUGHOUT THIS RELEASE:

^[1]Comparable sales (SSSG) represent sales at all restaurants operated by the Company, in operation at least thirteen months excluding those temporarily closed. Some of the reasons restaurants may be temporarily closed include reimaging or remodeling, rebuilding, road construction and natural disasters. The number of weekdays and weekend days, referred to as the calendar shift/trading day adjustment, can impact comparable sales. In addition, the timing of holidays also can impact comparable sales.

^[2]Restaurant Operating Margin represents the total revenue of company operated restaurants less the operating costs of these restaurants (including royalty etc.) before depreciation and corporate overheads; expressed as a percent of total revenue.



WESTLIFE DEVELOPMENT LIMITED			
Consolidated Financial Performance per IGAAP for the quarter ended June 30, 2018			
<i>(₹ in millions)</i>			
Particulars	For the quarter ended June 30, 2018	For the quarter ended June 30, 2017	Growth
	Amount	Amount	%
REVENUES			
Sales by company owned restaurants	3,405.2	2,600.1	31.0%
Other Operating Income – Restaurants	11.6	24.4	(52.5)%
TOTAL REVENUES	3,416.8	2,624.5	30.2%
OPERATING COSTS AND EXPENSES			
Restaurant Operating Cost and Expenses			
Food & Paper	1,228.8	1,033.1	18.9%
Payroll and Employee Benefits	341.3	297.0	14.9%
Royalty	157.6	103.3	52.5%
Occupancy and Other Operating Expenses	1156.9	913.5	26.7%
TOTAL OPERATING COSTS AND EXPENSES	2,884.6	2,346.9	22.9%
Restaurant Operating Margin	532.2	277.6	91.7%
General & Administrative expenses	177.3	119.2	48.7%
Operating EBIDTA	354.9	158.4	124%
Other (income)/expenses, (net)	(7.4)	(24.3)	(69.4)%
Assets written off for closure / rebuild of restaurants	14.6	11.1	32.1%
EBIDTA	347.7	171.6	102.6%
Net Financial Expense (Interest & Bank Charges)	40.3	38.9	3.4%
Depreciation	186.4	159.8	16.6%
Profit before Tax	121.0	(27.1)	546.2%
Income tax	4.8	-	0.0%
Profit after Tax	116.2	(27.1)	528.5%
Cash Profit	322.1	149.4	115.6%

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About Westlife Development:

Westlife Development Limited (BSE: 505533) (WDL) focuses on putting up and operating Quick Service Restaurants (QSR) in India through its subsidiary Hardcastle Restaurants Pvt. Ltd. The Company operates a chain of McDonald's restaurants in west and south India, having a master franchisee relationship with McDonald's Corporation USA, through the latter's Indian subsidiary. Marquee investors such as Arisaig India Fund Ltd, SBI Mutual Fund, Tree Line Asia Master Fund (Singapore) and Ward Ferry Fund, among others are stakeholders in WDL.

About Hardcastle Restaurants:

Hardcastle Restaurants Pvt Ltd (HRPL) is a McDonald's franchisee with rights to own and operate McDonald's restaurants in India's west and south markets. HRPL has been a franchisee in this part of India since its inception in 1996.

HRPL serves approximately 200 million customers, annually, at its 281 (as of June 30, 2018) McDonald's restaurants across 38 cities in the states of Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala, Chhattisgarh, Andhra Pradesh, Goa and parts of Madhya Pradesh, and provides direct employment to over 8,700 employees. McDonald's operates through various formats and brand extensions including standalone restaurants, drive-thru's, 24/7, McDelivery and dessert Kiosks. The menu features Burgers, Finger Foods, Wraps and Hot and Cold Beverages besides a wide range of desserts. Several of the McDonald's Restaurants feature an in-house McCafé.

The pillars of the McDonald's system – Quality, Service, Cleanliness and Value – are evident at each of the restaurants where HRPL operates.

Disclaimer:

This document by Westlife Development Ltd ('the Company') contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. Forward-looking statements can be identified by terminology such as "may," "will," "would," "could," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," "expected", "outlook", "future" or the negative of these terms or other similar expressions or phrases or their variations. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results performance or achievements or industry results to differ materially from any future results, performance or achievement described in or implied by such statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its affordable platform, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in the Company's business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.