



PRESS RELEASE

FOR IMMEDIATE CIRCULATION

WESTLIFE DEVELOPMENT REPORTS REVENUE GROWTH OF 32.3% FOR JUL-SEPT

SSSG up 25.7% in Jul-Sept, rising for 13th consecutive quarter

PAT increases by 552.7 per cent to ₹ 78.7 mn

Highlights for the Quarter

Total revenue grew by 32.3 per cent to ₹ 3500.9 million

Operating EBITDA increases by 40.9 per cent year-on-year to ₹ 285.6 million

Company's cash profit increased by 55 per cent at ₹ 286.9 million

Reported robust same store sales growth of 25.7 per cent for Jul-Sept quarter

To remain relevant to our ever-evolving customers, the company took another bold move and successfully launched the new rice platform and introduced rice bowls

As per expansion strategy, the company opened 06 new restaurants and 14 new McCafé's taking the total count to 287 & 170 respectively

Mumbai, October 26, 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 September 30, 2018. The results were taken on record by the Board of Directors at a meeting held today.

The company reported a strong Same Store Sales Growth (SSSG) of 25.7% making it the 13th consecutive quarter of positive sales growth. Revenues grew by 32.3 per cent to ₹ 3500.9 million. Net profit surged over 5.5 times to ₹ 78.7 million and cash profit stood at ₹ 286.9 million. Operating EBITDA reported growth of 40.9% to ₹285.6 million and operating profit margins expanded by 50 basis points to 8.2%.

Commenting on the financial results for the quarter ended September 30, 2018, Mr. Amit Jatia, Vice-Chairman of Westlife Development Limited said, "I am happy to announce that the company has reported yet another quarter of profitable performance.

We made a bold move by launching the new rice platform in this quarter which worked very well for us and has got tremendous response from our customers. This new platform has helped us expand our addressable market while adding to our range of nutritious and wholesome meal options.

Our investments in brand extensions continue to reap excellent results as both McCafé and McDelivery have become strategic levers for the company."

Innovation in menu and platforms have always been the cornerstone of McDonald's success strategy in India. During the quarter, the company launched the new Rice platform and introduced two innovative variants of rice meals – Cheesy and Spicy-at great value. The company aims to continue building on this platform. Through this, McDonald's is living up to its commitment of delivering convenience, glocal taste and a modern experience across all age groups.



Earlier in April this year, the company introduced 'The Good Food Story' to make its food more wholesome and nutritious. HRPL has taken yet another bold step in this direction by introducing the whole wheat buns. McDonald's is the first QSR to offer a whole wheat option across its range of burgers including breakfast.

The company has been rapidly growing its McCafé footprint. It added 14 new McCafé's in the quarter, taking the total count to 170. McCafé now is an established beverage destination for premium coffees and shakes, it has been instrumental in helping the company broaden its addressable market and growing baseline sales.

McDelivery is significantly contributing to our growth. It has been expanding its footprint through our digital channels- the mobile application and the website. The strategic partnerships with food aggregators to optimize the delivery process has expanded our reach significantly. The company launched McBreakfast in the south market in this quarter.

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 six new restaurants including the first restaurant at Kakinada in Andhra Pradesh taking the total count to 287 restaurants across 39 cities.

HIGHLIGHTS FOR QUARTER ENDED SEPTEMBER 2018:

- 13th quarter of positive same store sales, driven by rising footfalls
- Launched new platform and introduced rice meals in two variants
- McDelivery and McCafé are showing strong growth momentum
- Opened first McDonald's restaurant in Kakinada, Andhra Pradesh
- Opened 6 new restaurants and 14 new McCafé's in Q2FY19 taking total count to 287 & 170 respectively

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED SEPTEMBER 2018:

- Revenue growth of 32.3 per cent year-on-year to ₹ 3500.9 million
- Operating EBITDA increases 40.9 per cent year-on-year to ₹ 285.6 million
- Profit after tax increased by 552.7 per cent year-on-year to ₹ 78.7 million
- Cash profit stood at ₹ 286.9 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 reimagining 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 September 30, 2018			
<i>(₹ in millions)</i>			
Particulars	For the quarter ended September 30, 2018	For the quarter ended September 30, 2017	Growth
	Amount	Amount	%
REVENUES			
Sales by company owned restaurants	3,455.5	2,633.1	31.2%
Other Operating Income – Restaurants	45.4	13.6	233.8%
TOTAL REVENUES	3,500.9	2,646.7	32.3%
OPERATING COSTS AND EXPENSES			
Restaurant Operating Cost and Expenses			
Food & Paper	1,273.1	986.2	29.1%
Payroll and Employee Benefits	363.2	336.0	8.1%
Royalty	159.5	103.4	54.2%
Occupancy and Other Operating Expenses	1,223.7	869.3	40.8%
TOTAL OPERATING COSTS AND EXPENSES	3,019.5	2,294.9	31.6%
Restaurant Operating Margin	481.4	351.8	36.8%
General & Administrative expenses	195.8	149.1	31.4%
Operating EBIDTA	285.6	202.7	40.9%
Other (income)/expenses, (net)	(41.6)	(14.0)	198.5%
Assets written off for closure / rebuild of restaurants	6.0	0.4	100.0%
EBIDTA	321.2	216.3	48.5%
Net Financial Expense (Interest & Bank Charges)	41.3	35.7	15.6%
Depreciation	197.0	168.5	16.9%
Profit before Tax	82.9	12.1	587.7%
Income tax	4.2	-	0.0%
Profit after Tax	78.7	12.1	552.7%
Cash Profit	286.9	185.2	55.0%

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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 287 (as of September 30, 2018) McDonald's restaurants across 39 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.