



PRESS RELEASE

FOR IMMEDIATE CIRCULATION

**WESTLIFE DEVELOPMENT LTD REPORTS
CONSOLIDATED FIRST QUARTER 2014 FINANCIAL RESULTS
RECORDS REVENUE GROWTH OF 20.13%**

Mumbai, August 14, 2013: Westlife Development Limited (WDL), a company listed on the Bombay Stock Exchange (BSE: 505533), today reported its consolidated unaudited results for the first quarter ended June 30, 2013. Westlife Development Ltd recorded a rise in revenues to ₹1,988.60 Mn, riding on the revenue growth of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL), a master franchisee for west & south India operations of McDonald's Restaurants.

FINANCIAL HIGHLIGHTS:

- ◆ **Total Sales increased by 20.13% to ₹1,988.60 Mn**
- ◆ **EBIDTA stood at ₹121.84 Mn**
- ◆ **Cash Profit stood at ₹119.00 Mn**
- ◆ **PAT stood at ₹21.95 Mn**

Commenting on the financial results, Mr. Amit Jatia, Vice-Chairman of Westlife Development Limited said, *"We continued to deliver a double-digit revenue growth of 20.13% in a challenging market situation on the back of new restaurant openings and innovative product offerings. Our first quarter results demonstrate our ability to consistently grow sales and increase our market share in the Informal Eating Out (IEO) industry despite a weak market environment."*

"The launch of the 'Masala Grill' Burger during the quarter strengthened our product portfolio with the addition of a 'Pakka Indian' flavour to our menu. We fortified our restaurant footprint, with the launch of new restaurants, in the existing markets taking the total restaurant count to 166 at the end of first quarter. With a portfolio approach, we will strive to build long-term competitive advantage through focus on quality of Real Estate."



While the company posted higher revenues and continued to maintain a positive cash flow; Comparable Sales (SSS) stood at 0.53% as against 5.20% in the same quarter of the previous year.

“During the period under review, the overall consumer sentiment remained weak. The Company’s margins were subdued on account of increased utility costs and new restaurant openings. This has led to higher depreciation and occupancy costs. 35 restaurants out of the total 166 restaurants form a part of the new restaurant base and as these new restaurants mature over the coming years, they will contribute positively to the cash flow.

“This quarter also saw higher expenses on account of marketing and promotions, which vary substantially Q-o-Q depending on the marketing activities and initiatives planned. However, these marketing and promotional expenses even out through the course of the year.

“Despite the slowdown in discretionary spends and cost pressures, our first quarter results underscore the strength of our brand, operational excellence and our earnings potential. Moving forward, we will remain focused on increasing our revenue by leveraging the strength of our menu variety, unsurpassed value and by increasing our restaurant footprint. We will sharply focus on efficiency improvements and cost containment initiatives throughout the organization which in turn will garner benefits in the coming quarters.”

The Company recently got an approval from the Bombay High Court on its scheme of arrangement for consolidation of its subsidiaries. The WDL Board also proposed preferential allotment of Equity shares to Arisaig India Fund Ltd, subject to shareholder approval.

~ENDS~

NOTE TO THE EDITORS: Westlife Development Limited and Hardcastle Restaurants follow an April-March fiscal year. The results reported are for the first quarter ending June 30, 2013 of the fiscal 2013-14.

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

Comparable sales represent sales at all restaurants operated by the Company, in operation at least thirteen months including those temporarily closed. Some of the reasons restaurants may be temporarily closed include reimaging or remodeling, rebuilding, road construction and natural disasters. Comparable sales are driven by changes in guest counts and average check, which is affected by changes in pricing and product mix. Management reviews the increase or decrease in comparable sales and comparable guest counts compared with the same period in the prior year to assess business trends. 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.

WESTLIFE DEVELOPMENT LIMITED
Consolidated Financial Performance

(₹ in millions)

Particulars	For the quarter ended June 30, 2013	For the quarter ended June 30, 2012	For the year ended March 31, 2013
REVENUES			
Sales	1,971.39	1,645.14	6,779.96
Other Operating Income	17.21	10.26	62.69
TOTAL REVENUES	1,988.60	1,655.40	6,842.65
OPERATING COSTS AND EXPENSES			
Store Operating Cost and Expenses			
Food & Paper	869.95	729.33	3,083.12
Purchase of Traded Goods	4.33	0.66	18.36
Payroll and Employee Benefits	161.94	134.31	575.99
Royalty	62.13	45.21	213.14
Occupancy and Other Operating Expenses	666.60	514.19	1,999.73
General & Administrative Expenses	105.86	83.55	355.82
Other Operating (Income)/Expenses, (net)	(4.05)	0.14	(56.14)
TOTAL OPERATING COSTS AND EXPENSES	1,866.76	1,507.38	6,190.02
EBIDTA	121.84	148.02	652.63
Net Financial Expense (Interest & Bank Charges)	4.86	0.12	5.89
Depreciation	94.16	69.39	313.36
PROFIT BEFORE TAX	22.82	78.51	333.38
Income tax	0.87	1.14	0.84
PROFIT AFTER TAX	21.95	77.37	332.54
CASH PROFIT	119.00	151.79	653.39



About Westlife Development:

Westlife Development Limited was set up by the eminent B.L. Jatia family. The company is listed on the Bombay Stock Exchange (BSE : 505533). Westlife Development Limited has widespread interests in trading, hospitality and the quick service restaurant industry. The company is headquartered in Mumbai, Maharashtra.

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 is guided by a leadership vision and a set of core values that ensure its operations are conducted in a socially and environmentally responsible manner. The Company is firmly committed to its People and the community in which it operates, and actively models its good corporate citizenship through initiatives focused on Sustainability, Nutrition, Wellbeing and Respect for Local Culture.

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

Celebrating over 17 years of leadership in food service retail in India, HRPL today serves approximately 165 million customers, annually, at 168 restaurants in the states of Andhra Pradesh, Gujarat, Karnataka, parts of Madhya Pradesh, Maharashtra, Tamil Nadu and Kerala, and provides employment to over 6500 employees.

For further information, please contact:

Ritika Verma

Corporate Communications

E: ritika.verma@mcDonaldsindia.com

T: 022 49135096 M: 098203.32757

Ankit Arora

Investor Relations

E: ankit.arora@mcDonaldsindia.com

T: 022 49135306 M: 099206.64475

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.