

Noida, August 02, 2013

Immediate release

## Financial Highlights

### Q1 FY2014

**Total Income at Rs. 3,965 million, up by 26 %**

**EBITDA at Rs. 667 million, up by 16 %**

**Net Profit after tax at Rs. 340 million, up by 5%**

Note: 1. Figures have been rounded off for the purpose of reporting.

2. Financial discussion throughout this release is based on standalone reporting.

3. The financials of Dunkin' Donuts have been included in the results & related financial discussion.

**Jubilant FoodWorks Limited (JFL)**, India's largest and fastest growing Food Service Company, reported its financial results for the quarter ended 30 June, 2013.

**Commenting on the performance for Q1 FY14, Mr. Shyam S. Bhartia, Chairman and Mr. Hari S. Bhartia, Co-Chairman, Jubilant FoodWorks Limited said,** "It gives us great pleasure to discuss our results for the first quarter which marks the beginning of another exciting year for JFL. In the context of the variable economic operating environment, we believe, it is our compelling focus on operational fundamentals that has contributed to a healthy set of numbers. Our performance only helps to reinforce that the course of action followed over the last many years i.e. focus on brand development, increased network and customer satisfaction- is truly that of a long term value creation. JFL's relentless efforts towards innovation are definitely helping us to fortify our consumer base.

In Q1 FY14, we have continued to execute well on all our key areas such as brand development, menu innovation, and geographic growth, whilst successfully balancing solid cost discipline at all operational levels.

For the rest of the year, we will be focused on driving a unique balance in growth and costs, especially as we grow our restaurant network for both Domino's Pizza and Dunkin' Donuts and take advantage of the e-commerce platforms to showcase the full scope of our brands."

**Commenting on the performance for Q1 FY14, Mr. Ajay Kaul, CEO, Jubilant FoodWorks Limited said,** "Our restaurant network for both Domino's Pizza and Dunkin' Donuts has been on growth track with us opening 26 and 4 new restaurants respectively. We had planned for a continued arduous environment and have worked in line to deliver healthy results for the quarter.

During Q1 FY14, JFL delivered on its commitments as we continued to make progress on our long-term growth objectives whilst investing along many dimensions, including network expansion, e-commerce platforms and innovative offerings. Hence our activities are aimed at achieving the objectives of our business and driving improved customer satisfaction

*This quarter, with respect to Domino's Pizza we are now present across 128 cities and in case of Dunkin' Donuts we have increased penetration in the existing 4 cities by opening new restaurants. We witnessed the launch of new offerings for Domino's Pizza - the Spicy Baked Chicken and Lebanese rolls, along with an entire range of burgers in case of Dunkin' Donuts which is in line with our all day part food concept. All these recent innovations, though in the initial phase, are being well accepted by consumers.*

*For fiscal year 2014, perfectly in tune with our overall vision, our plans include continued efforts to tap opportunities to optimize costs across our operations, investing in our people, expanding market coverage, driving innovation and pursuing excellence in terms of customer satisfaction."*

## **Operating Highlights**

- **Domino's Pizza**
  - *New restaurants openings*
    - 26 new restaurants opened in Q1 FY14
    - Total Restaurants as on 30 June, 2013 at 602; was 489 as on 30 June, 2012
  - *Restaurants (Store) growth*
    - Same Restaurant (store) sales growth in Q1 FY14 at 6.3; was 22.3% in Q1FY13
  - *City/Town coverage*
    - Present in 128 cities as on 30 June, 2013, up from 110 cities as on 30 June, 2012
    - Presence of Domino's Pizza network in new cities such as Erode (Tamil Nadu), Baramati (Maharashtra), Hosur(Tamil Nadu), Cuttak (Orissa) and Haldwani ( Uttranchal)
  - *Online Ordering (OLO)*
    - A strong platform for distribution and a key driver for Domino's Pizza
    - Currently, there are over 8.1 lakh downloads of the mobile ordering app across various smartphones
    - OLO contribution to delivery sales was at 20% during the quarter
    - Mobile Ordering sales' contribution to overall OLO was at 10% during the quarter.
- **Dunkin' Donuts**
  - 4 new Restaurants opened in Q1 FY14
  - Total Restaurants as on 30 June, 2013 at 14
  - Present across Delhi, NCR and Chandigarh
  - Launched Dunkin' Burgers in veg & non-veg. The veg range includes --- Potato Hash Brown Burger, Spicy Veg Burger, Green Veg Burger and Chef's Special Veg Burger. The non-veg

range includes Classic Chicken Burger, Smoked Chicken, Pepper Chicken Burger and the 'Heaven Can Wait' Chicken Burger

- Launched new Dunkaccino Range made by blending Dunkin' Donuts unique espresso coffee with ice, milk and great flavors available in 4 new delicious variants - Choco, Frosted Mint, Caramel Butterscotch and Muesli

## **Result Analysis**

JFL's **Total Income** stood at Rs. 3,965 million in Q1 FY14. Topline performance drove growth in Domino's Pizza on account of expansion in the network of restaurants, where coverage has improved both within existing cities and by way of entering new cities. An attractive menu mix with innovative additions helped garner demand. Dunkin' Donuts made further inroads in its chosen market of Delhi, NCR and Chandigarh with its promise of all day-part menu food options. Meanwhile Same Restaurant (store) Sales Growth was at 6.3% and has moderated from earlier levels following constrained discretionary spends on account of slowing economic growth.

**Total Expenditure** in Q1 FY14, was at Rs. 3,298 million. Increase in expenditure mapped the growth in business operation. This includes the costs associated with an expanding Domino's Pizza and Dunkin' Donuts restaurant network.

Total number of employees as on 30 June 2013 stood at 21,070 from 16,955 on 30 June 2012.

**EBITDA** for the quarter was at Rs. 667 million. Revenue momentum from restaurant additions and strict conformance with cost objectives gave a 16% growth in the EBITDA.

**Profit after Tax** in Q1 FY14 stood at Rs 340 million. Profits remained at stable levels owing to moderated consumer spends, increase in Income tax Surcharges from 5% to 10% and increase in depreciation expense due to rapid expansion of restaurant network and also on account of investments made in development of commissaries to support this expansion.

## **JFL's Outlook**

- **Expansion of network**
  - Grow the presence of Domino's Pizza with launch of 125 restaurants in FY14 as targeted. Of this the Company has successfully opened 26 restaurants in Q1FY14
  - For fiscal 2014, JFL plans to open 18 new Dunkin' Donuts restaurants of which 4 have been launched in Q1FY14
- **Offer customers more choices**
  - Drive measures to enhance customer satisfaction through constant menu innovation

- **Brand Development**
  - Efforts to increase Dunkin' Donuts brand presence in a systematic and sustainable manner
  - Strengthen Domino's Pizza's brand strength to widen consumer base
  
- **Maintain distinctive drive to generate value for all stakeholders**
  - Leverage JFL's scale and its ability to innovate whilst retaining a strong financial discipline

**Key achievements and awards received during the quarter**

- Domino's won two prestigious awards at the "Retailer Customer Service Awards 2013"
  - Best Customer Service in QSR (Quick Service Restaurants)
  - Best Customer Service in Home Delivery

**About us:**

Jubilant FoodWorks Limited (JFL/Company) is part of Jubilant Bhartia group and India's largest food service company, with a network of 602 Domino's Pizza restaurants (as of 30 June, 2013) across 128 cities. JFL & its subsidiary operate Domino's Pizza brand with the exclusive rights for India, Sri Lanka, Bangladesh and Nepal. The Company is the market leader in the organized pizza market with a 67% market share in India (as per Euro monitor report 2013). The Company also has exclusive rights for developing and operating Dunkin' Donuts restaurants for India and has launched 14 Dunkin' Donuts restaurants in India (as of 30 June 2013).

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