



Britannia Industries Limited
A Wadia Enterprise

Analyst Meet
Mumbai
4th February 2015

Disclaimer

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. The future involves risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include factors such as general economic conditions, commodities and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.

We Embarked On A Journey

.....To Strengthen our building blocks

• Revenue

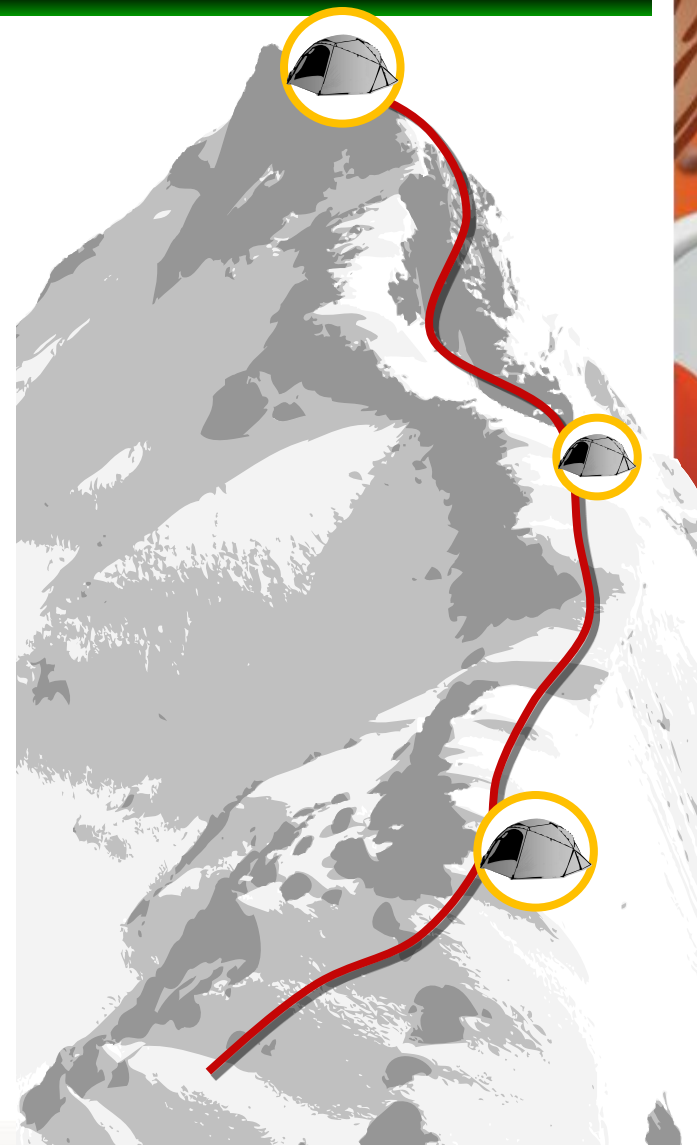
- Grow faster than market
- Strengthen GTM
- Invest in Brand Building

• Cost

- Focus on supply chain productivity & efficiencies
- Tight control on capital & fixed cost
- Large and technologically superior factories

• Capability

- Build a passionate & motivated team
- Simplify structure
- Deliver Organoleptically superior products



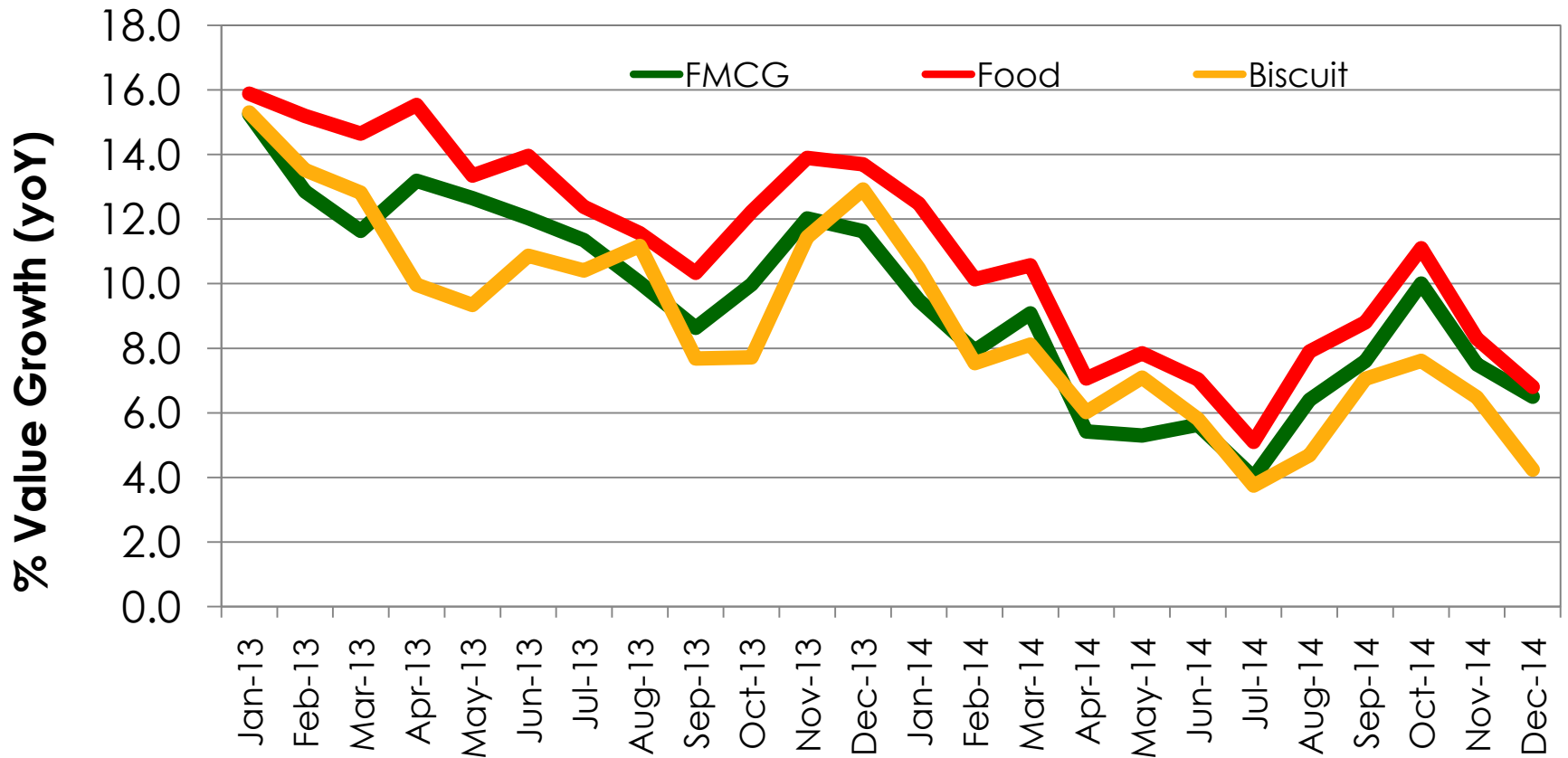


Revenue

In A Challenging Economic Environment & Growth Slowdown Of FMCG & Food...



FMCG, Food and Biscuit Growth

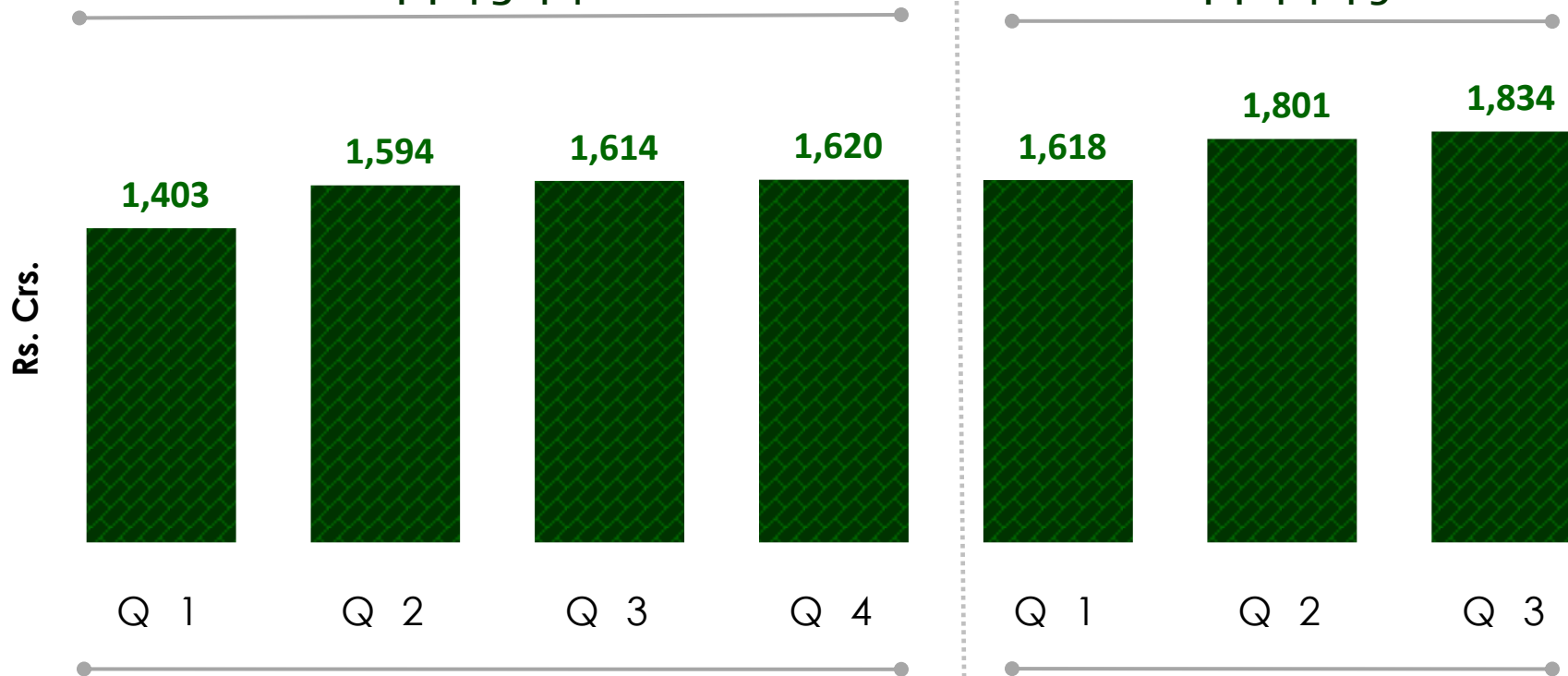


....Britannia Revenue Grew Faster Than Market

Standalone

FY 13-14

FY 14-15



	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Growth%	15%	14%	11%	9%	15%	13%	14%
24 months growth%	27%	24%	30%	24%	32%	29%	27%

Strengthened GTM

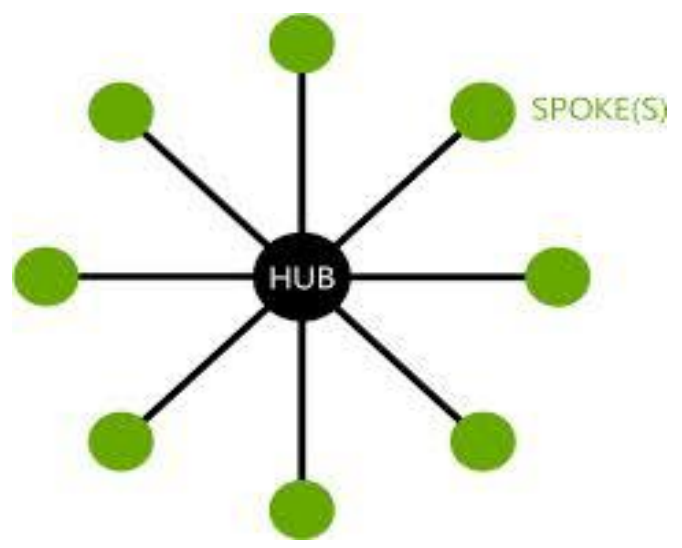
Increased depth of distribution
in Urban (sales / store)



Split Route

Total line sold increased ~ 25%

Increased width of distribution
in Rural (#stores)



Hub & Spoke model

No. of rural distributor increased ~ 50%

Direct Outlet Coverage Increased ~20%

Strengthened GTM

Structured Channel Programs

To drive rural growth in selected geographies and focused brands

To drive urban extraction in top towns which contribute >70% of ECO

Loyalty programs for high throughput retail outlets

What is the Scheme for you??

1. Achieve Month Value Target	Earn Rs. 1000
2. Bill to Minimum 15 outlets	Earn Rs. 500
3. Achieve Month Focus Brand Target (2 brands e.g. Good Day and Tiger)	Earn Rs. 250 for 1 Brand Earn Rs. 500 for 2 Brands
4. Get 3 Bills in a month (From 55) (Minimum bill size of Rs. 10,000)	Earn Rs. 500

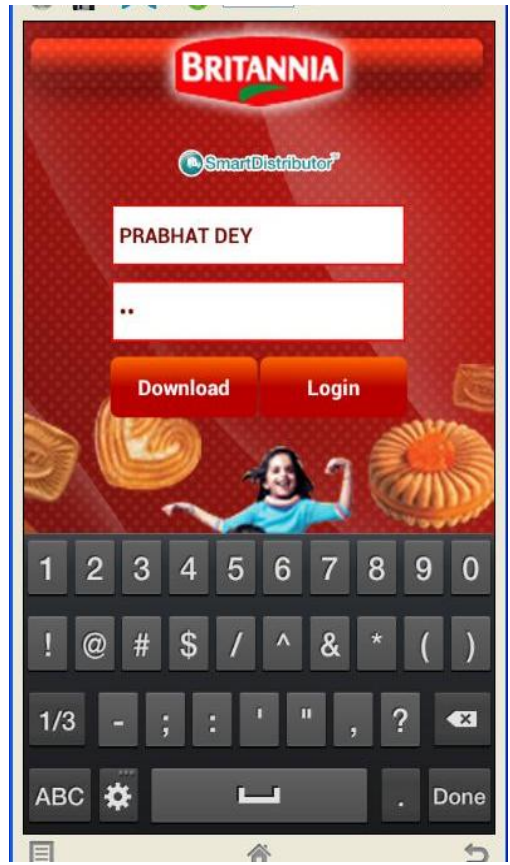
TOP-UP:
If you are on the Britannia RPD Mobile App, you earn 1.5 times of your month earning

Conditions:
1. Scheme is only relevant for RPDs who bill minimum twice in a month
2. Scheme is only relevant for following states: Uttar Pradesh, Uttaranchal, Madhya Pradesh, Rajasthan
3. Scheme is only relevant for RPDs defined on CRM/MSM listing of Britannia MSIS

BRITANNIA
बुनियाद
सब से पहले बुनियाद, सब कामों की नींव



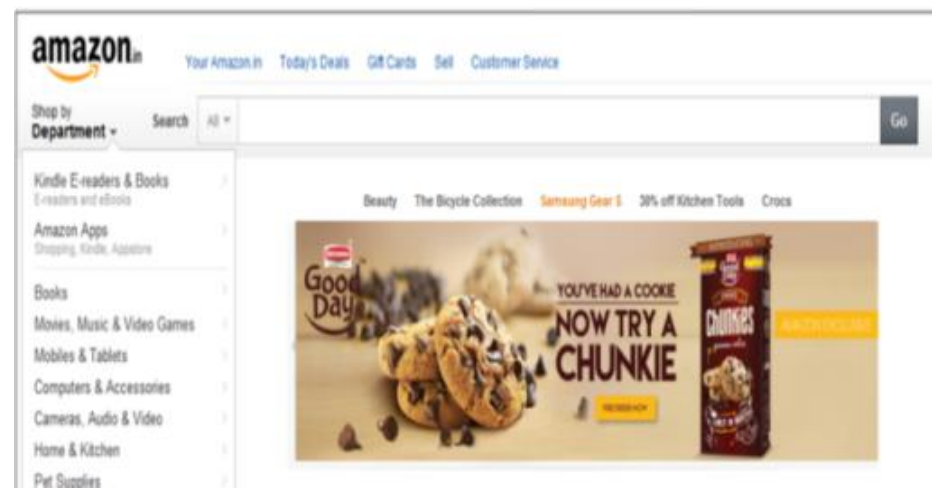
Intelligence Driven Sales System



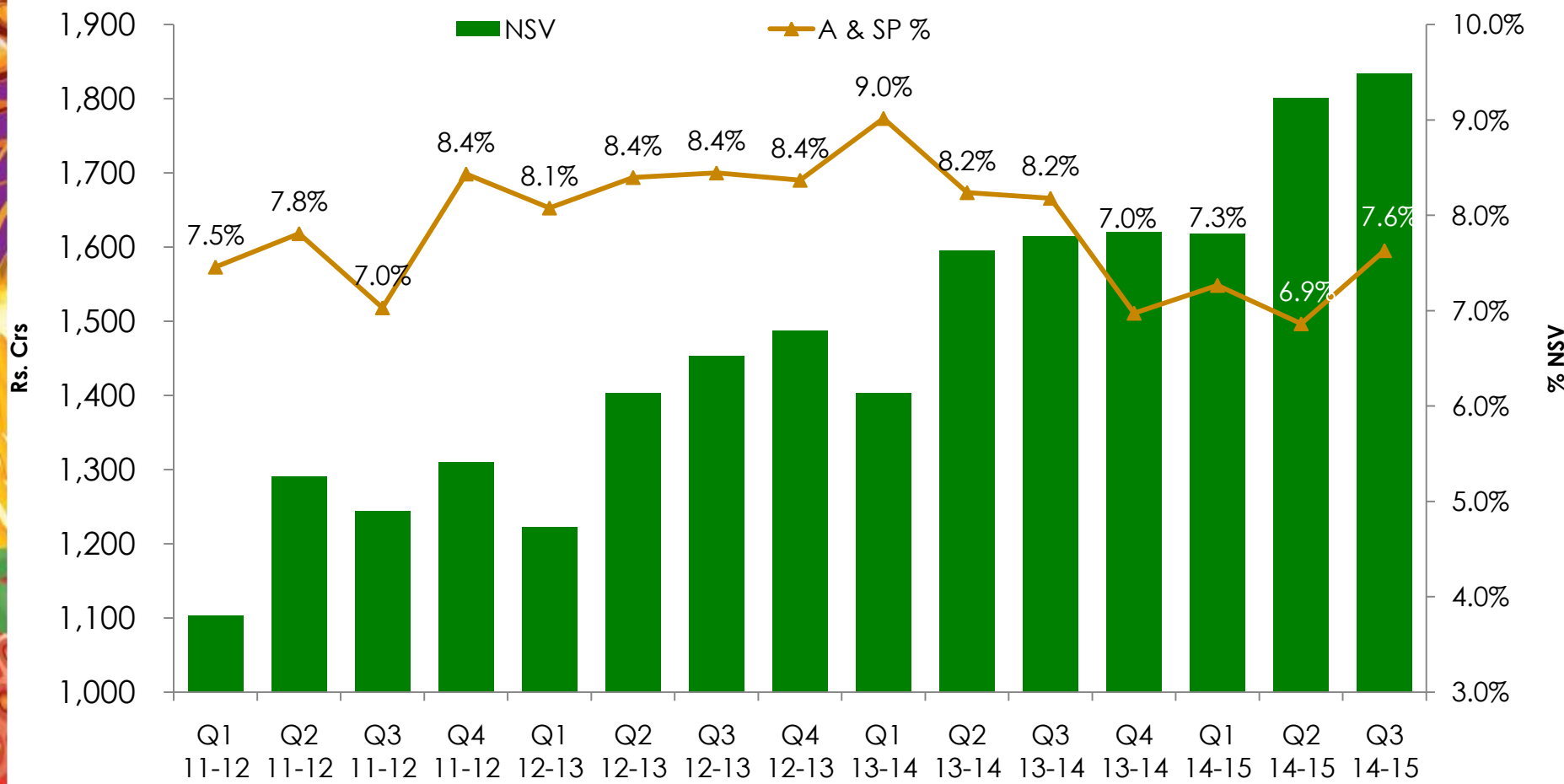
Focussed Investment Behind Brands



Focussed Investment Behind Brands



With Increased Extraction From A&SP Spend





Cost

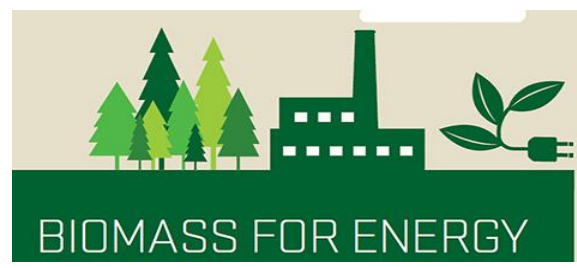
Cost Leadership



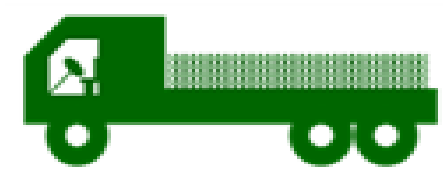
Manufacturing efficiency
(Automation, TQM, Kaizen, Lean)



Waste Reduction
(Tighter operating norms,
Recipe optimization)



Energy optimization
(Energy efficient ovens;
~40% of the production basis alternate fuel)



Distance travelled
(Reduced by 20% over last 3 years)

Strengthening Manufacturing Footprint & R&D Capability

Significant investment
planned over 18 months
in capacity expansion



Larger & technologically
superior factories



Consolidate production
capacity

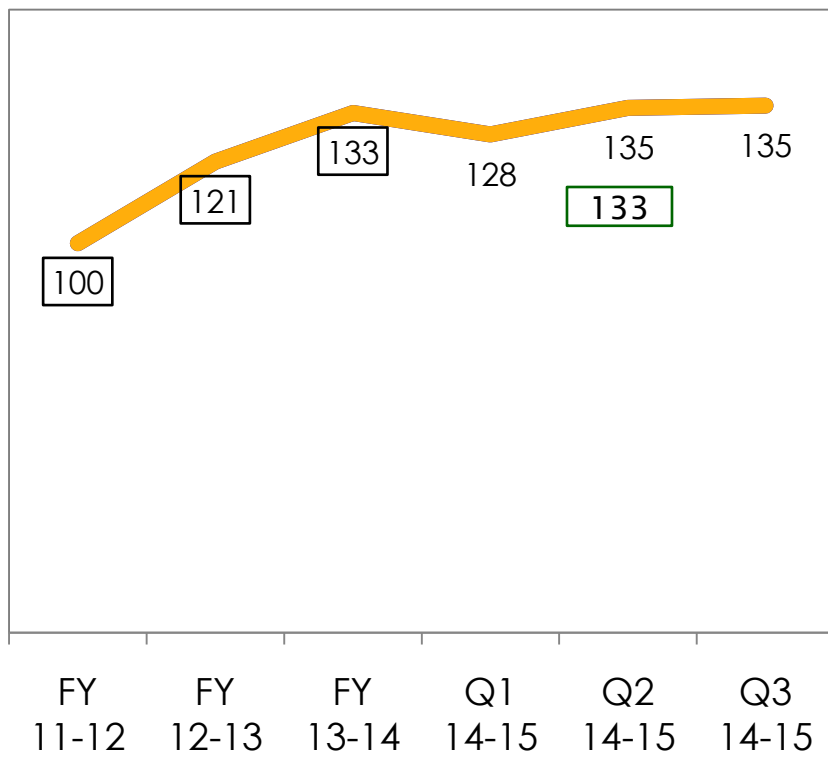


State of the art R&D facility
planned

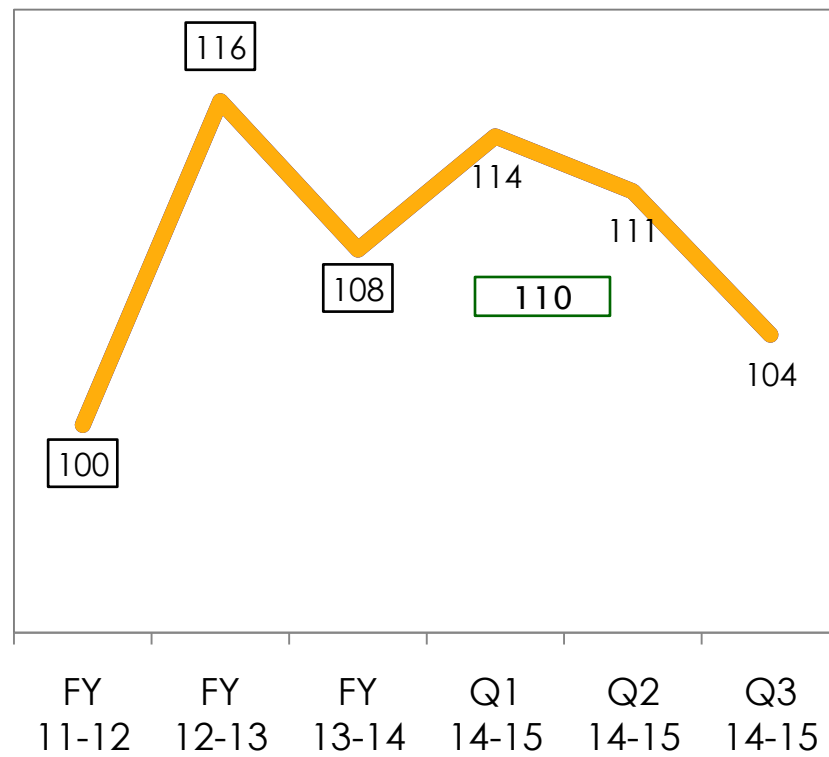


Commodity Prices Remain Moderate..

Flour Price
 (FY 11-12 = 100)

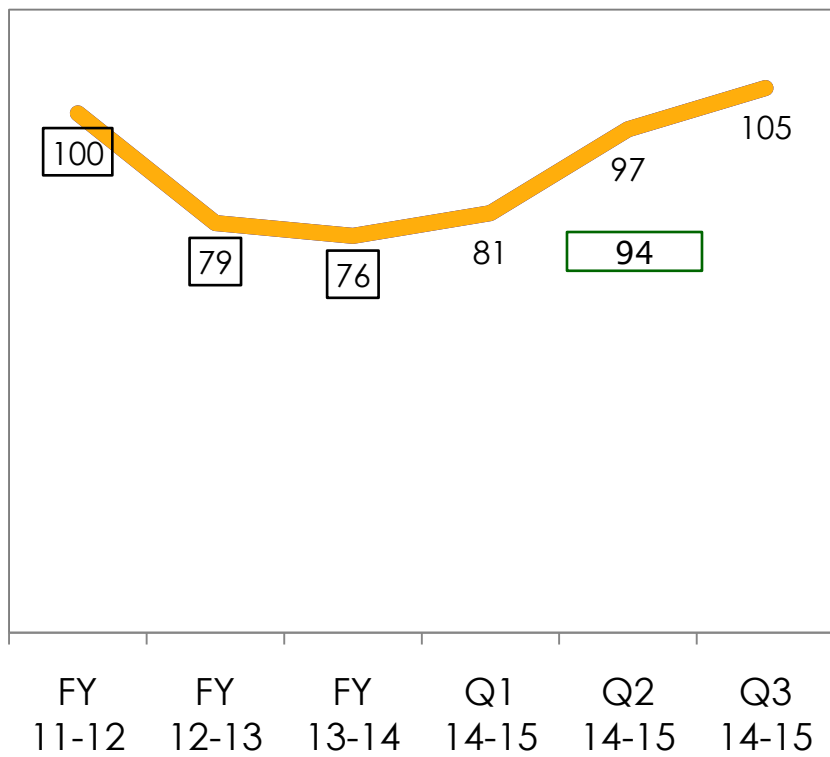


Sugar Price
 (FY 11-12 = 100)

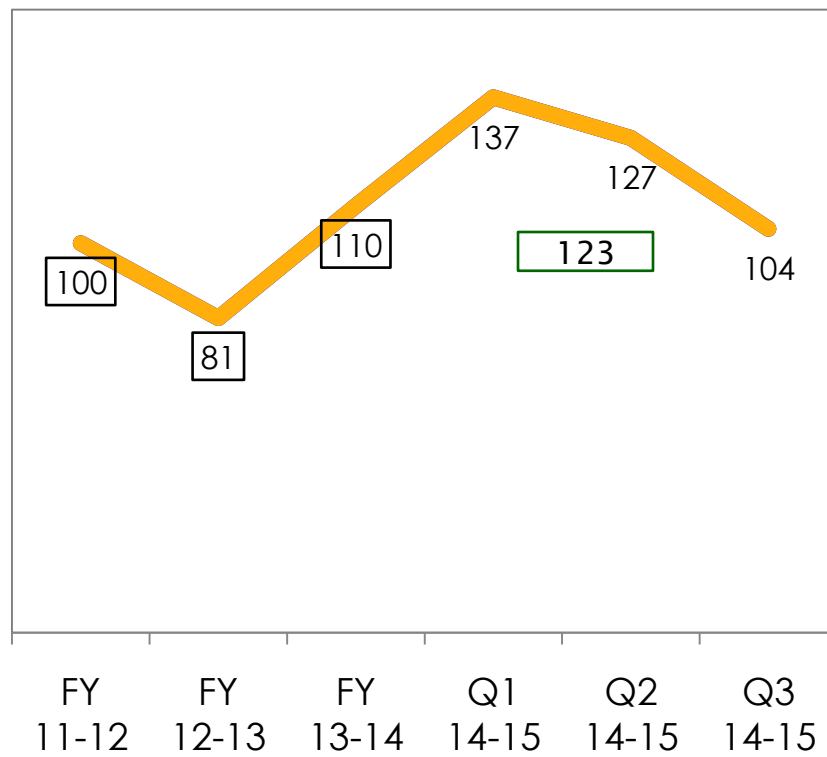


Commodity Prices Remain Moderate..

Cashew Price
 (FY 11-12 = 100)



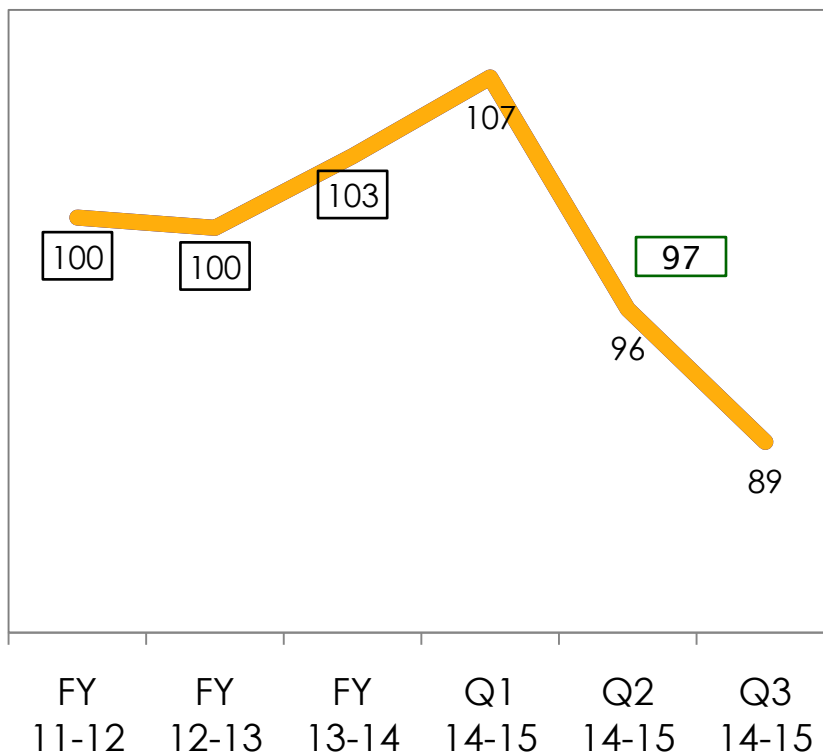
SMP Price
 (FY 11-12 = 100)



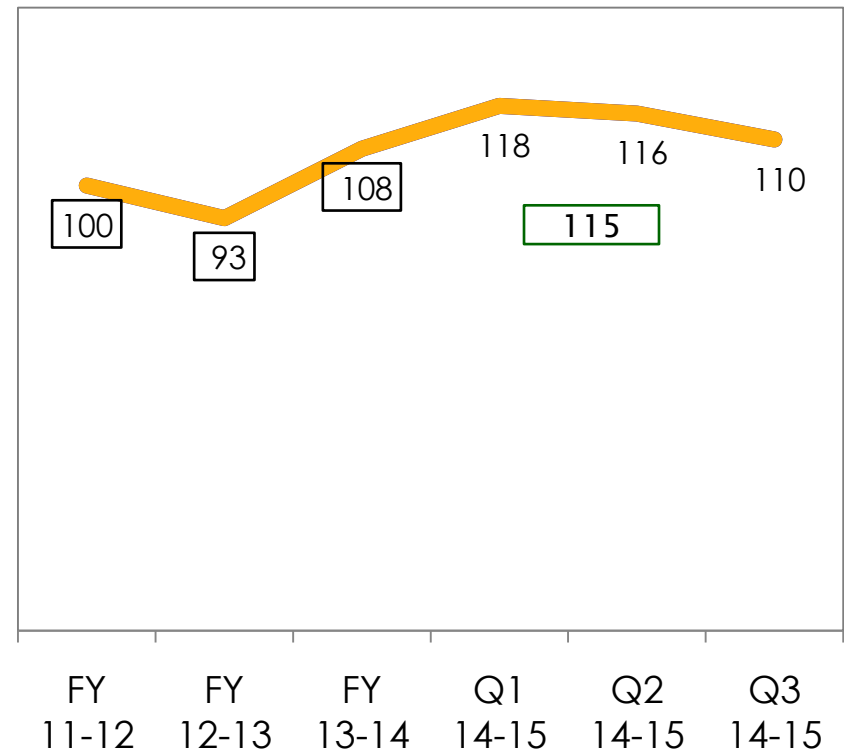
Commodity Prices Remain Moderate Except RPO Which Has Declined..



RPO Price (FY 11-12 = 100)



Butter Price (FY 11-12 = 100)



Benefit of Benign Commodity Prices Passed On To Consumers

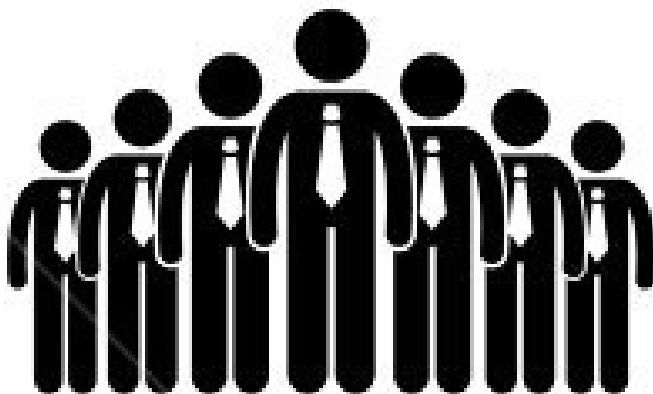




Capability

People

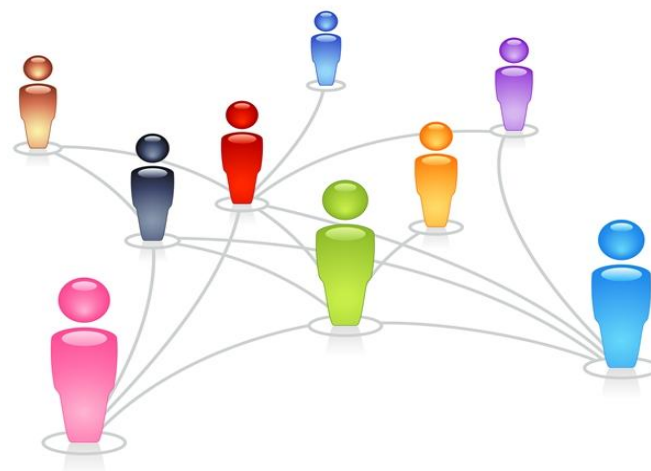
Senior leadership



Britannia for Britanniains - More than 50% are in-house talent with average Britannia experience of greater than 10 years

Others - Diverse experience in leading FMCG Companies

Simplified Structure



- Larger role with increased span of control.
- Leaner & Accountable team
- More cross-functional projects
- Competitive spirit

Building Efficiency Across The Value Chain Sales, an example



Right Skill

In Right
Place

With Right
Effort

For Right
Result

KPI

Retail Availability ↑

Revenue/Salesperson
↑↑

Value/Transaction
↑↑

Superior Organoleptic Products



A delight full of summer glazed oats and a generous sprinkle of plump winter cranberries make for a cookie that's true bliss. A cookie so glorious, you will know why we call it Heavens. Because that's where all good things go.

GOOD ON TASTE. GOOD ON HEALTH.

nutri CHOICE
Heavens
 Cranberries and Oats

Delicious cookie, packed with sun-kissed oats and juicy cranberries

Bite into a delicious, chunky bed of summer glazed oats, loaded with ripe bananas and crackling almonds. Heaps of goodness, in a cookie so divine, it's no wonder we call it Heavens. Because that's where all good things go.

GOOD ON TASTE. GOOD ON HEALTH.

nutri CHOICE
Heavens
 Almonds, Banana and Oats

Delicious cookie, packed with ripe banana and almonds

Good Day
CHOCO
Chunkies
 yummm cookies

Landed with
MELT-IN-MOUTH
 chocolate chips

Significant Opportunities Ahead

Biscuit Market

Huge potential in terms of Innovative products, Premiumisation of Categories etc...Yet to be exploited..

Dairy

Organised
Market size ~Rs.
75K Crs

Cakes

Nascent
market...
Huge potential
to grow..

Rusk

Nascent
market...
Huge potential
to grow..

International

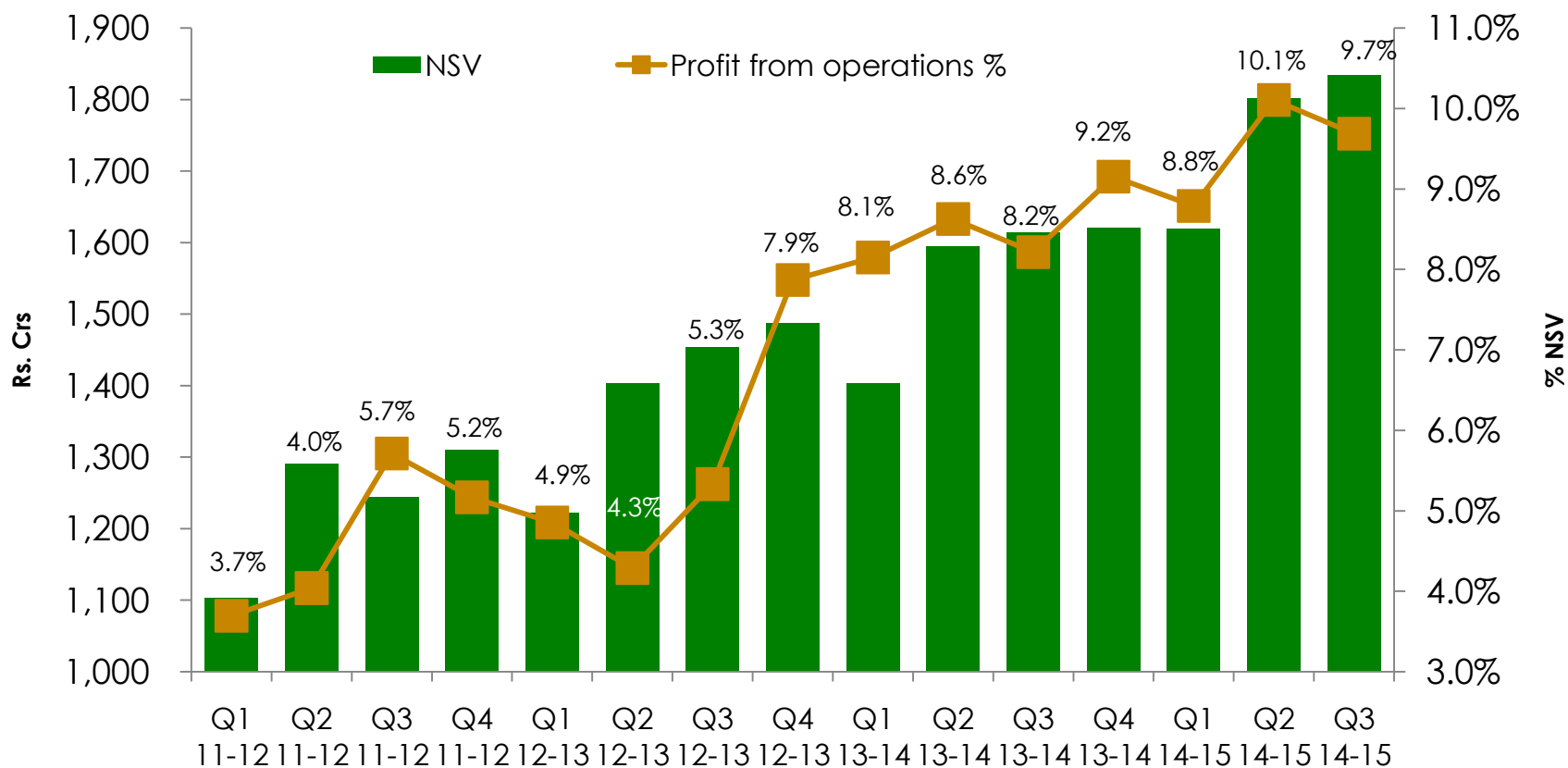
New
geographies yet
to be tapped...





As a result..

Strong Profitable Growth



Source: Standalone Results.

Note: Profit from Operations are on an equalized basis after excluding depreciation as per new Companies Act

In Summary...

Focused on Fundamentals in bakery

Successfully Executed Strategy

Large Opportunity yet to be exploited
(International, Dairy, Cake, Rusk, New Segments)

New to market products launched and more in pipeline

Continue to focus on fundamentals.
Extract from adjacencies

The Journey Has Just Begun....





Financials

Key Lines – Standalone & Consolidated – Q3

Rs. Crs.

Particulars (Standalone)	Q3 2014-15	Growth %	Re-stated growth% *
Net Sales	1,834	14%	14%
Profit from Operations	169	27%	34%
Profit Before Tax	177	28%	44%
Profit After Tax	121	25%	40%

Particulars (Consolidated)	Q3 2014-15	Growth %	Re-stated growth% *
Net Sales	2,015	14%	14%
Profit from Operations	187	35%	42%
Profit Before Tax	194	37%	52%
Profit After Tax	137	37%	51%

* Restated for impact of additional depreciation based on revised useful life of assets as per Companies Act 2013 & VRS related cost.

Key Lines – Standalone & Consolidated – YTD Dec

Rs. Crs.

Particulars (Standalone)	YTD 2014-15	Growth %	Re-stated growth% *
Net Sales	5,254	14%	14%
Profit from Operations	475	23%	30%
Profit Before Tax	679	68%	39%
Profit After Tax	481	73%	38%

Particulars (Consolidated)	YTD 2014-15	Growth %	Re-stated growth% *
Net Sales	5,743	14%	14%
Profit from Operations	516	30%	38%
Profit Before Tax	719	74%	46%
Profit After Tax	521	81%	49%

*** Restated for impact of additional depreciation based on revised useful life of assets as per Companies Act 2013, VRS related cost and Profit on Sale of land & building**

Key Performance Indicators - Standalone

Particulars	2011-12	2012-13	2013-14	YTD Dec 2014-15	YTD Dec 2014-15 Restated*
Profit from Operations %	4.7%	5.7%	8.6%	9.0%	9.6%
Profit before Tax%	5.1%	6.0%	8.7%	12.9%	10.7%
Profit after Tax%	3.8%	4.2%	5.9%	9.2%	7.3%
Debt : Equity Ratio	0.8	0.3	0.0	0.0	0.0

*** Restated for impact of additional depreciation based on revised useful life of assets as per Companies Act 2013, VRS related cost and Profit on Sale of land & building**

Key Performance Indicators - Consolidated

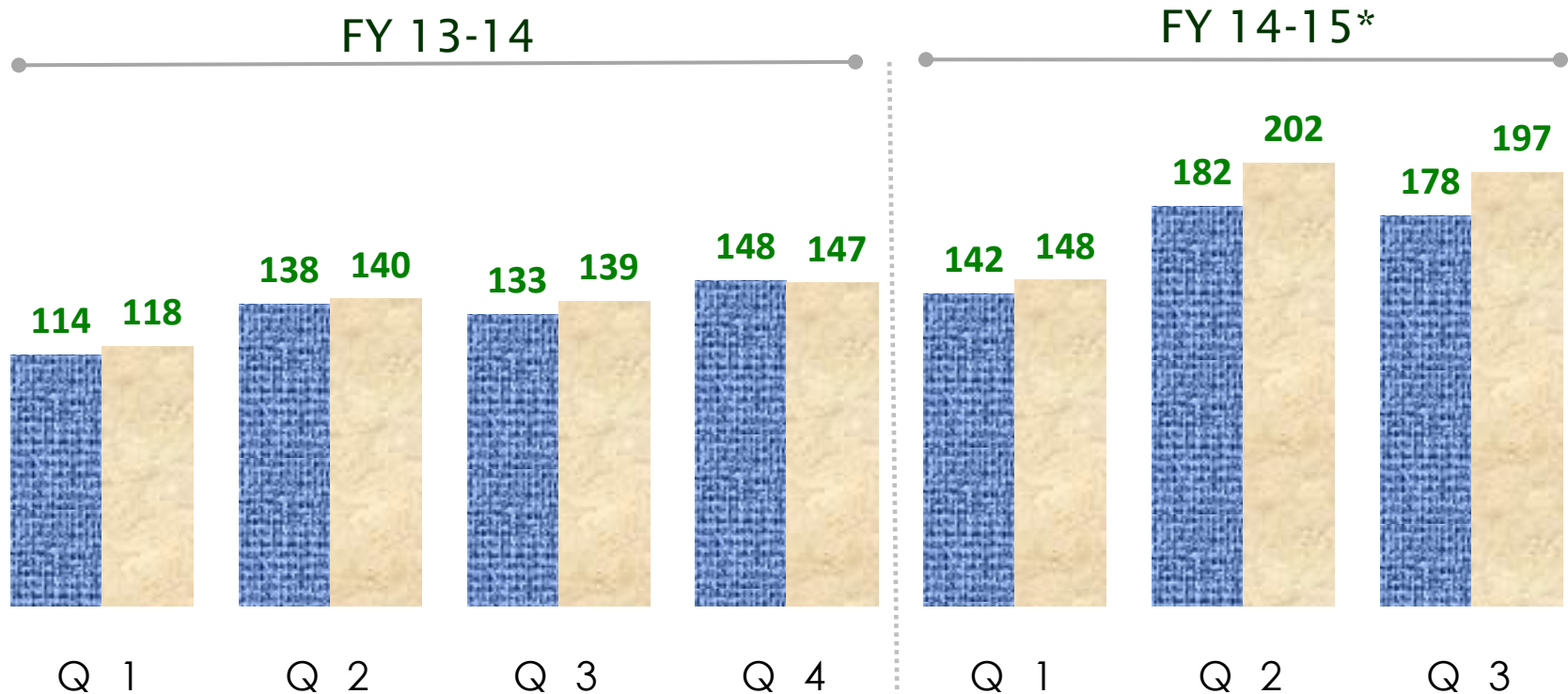
Particulars	2011-12	2012-13	2013-14	YTD Dec 2014-15	YTD Dec 2014-15 Restated*
Profit from Operations %	4.6%	5.7%	8.0%	9.0%	9.5%
Profit before Tax%	4.9%	5.8%	8.3%	12.5%	10.5%
Profit after Tax%	3.7%	4.2%	5.8%	9.1%	7.4%
Debt : Equity Ratio	1.5	0.7	0.2	0.1	0.1

*** Restated for impact of additional depreciation based on revised useful life of assets as per Companies Act 2013, VRS related cost and Profit on Sale of land & building**

Improved Subsidiary Profitability

Profit from Operations

■ Standalone ■ Consolidated



* Excluding additional Depreciation impact as per Companies Act, 2013.



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