



Press Release

Britannia Consolidated Revenue Grows 6% and Net Profit increases 5% in Q3

Mumbai, February 13th, 2017: Britannia Industries Ltd. (BIL), India's leading Food Company, reported consolidated revenue growth of 6% for the Quarter at Rs. 2,338 crores. Net Profit for the Quarter at Rs. 220 crores increased by 5%.

Commenting on the performance, Mr. Varun Berry, Managing Director, said,

"This Quarter has been really tough considering the way things panned out on the economic front. The positive market growth momentum witnessed in Q2 aided by good monsoon and flow through of 7th pay commission benefits was impacted with implementation of demonetization in Nov'16. The impact in terms of liquidity crunch was felt by our consumers and channel partners, thereby impacting our revenues with sales dropping in Nov'16 sequentially over Oct'16 by more than 10%. We took requisite measures to tide over the situation by providing credit to select business partners and improving our sales efficiency. Lower dependency on wholesale channel and our continued focus on enhancing direct reach also helped us during this time. With these steps and increase in availability of cash in the economy, our revenues in Dec'16 improved on a sequential basis but is still lower than what we would have expected it to be. Growth in our International business continued to be under pressure due to deteriorating geopolitical situation and currency fluctuations in geographies like Middle East and Africa.

On the commodity front, prices of key raw material have not shown respite with inflation in Q3 standing in excess of 10%. However, our accelerated cost efficiency program helped us mitigate it to a certain extent. We rationalized our Advertising spends as no amount of stimulus would have helped boost growth in the wake of demonetization (with lower cash in the hands of consumers). We also endeavoured to leverage our fixed costs to aid our operating margins.

We are actively working on opportunities in the biscuit business, adjacent macro snacking space and are also evaluating partnership opportunities to drive profitable growth for our Company.

We hope that the economic situation improves over the next few quarters as the impact of demonetization recedes and the requisite measures announced by the government in the budget with focus on rural socio economic mainstreaming, infrastructure development and the commitment to roll out much needed reform like GST shall bear fruit and act as a catalyst to drive growth in the near future."

For more details, please contact:

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