

29 August 2020

To
Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Scrip Code: 536507
Scrip of Debt: 957150

To
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kurla Complex, Bandra (East)
Mumbai- 400 051

NSE Symbol: FLFL

Dear Sir/Madam,

Ref: Notification under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Press Release

We enclose herewith press release titled as ***“Future Group reorganises its businesses; to sell retail, wholesale, logistics and warehouse businesses to Reliance Retail”***.

Kindly take the same on your records.

Thanking you,

Yours truly,

for **Future Lifestyle Fashions Limited**



Sanjay Kumar Mutha
Chief-Legal & Company Secretary

Encl: as above

Future Group reorganises its businesses; to sell retail, wholesale, logistics and warehouse businesses to Reliance Retail

29th August 2020, Mumbai: Future Group today announced a major reorganisation of its businesses in which the key group companies including Future Retail, Future Lifestyle Fashions, Future Consumer, Future Supply Chains and Future Market Networks will merge into Future Enterprises Limited (FEL).

Future Enterprises will subsequently sell by way of a slump sale the retail and wholesale business that includes key formats such as Big Bazaar, fbb, Foodhall, Easyday, Nilgiris, Central and Brand Factory to Reliance Retail and Fashion Lifestyle Limited (RRFLL), a wholly owned subsidiary of Reliance Retail Ventures Limited (RRVL). It will also sell the logistics and warehouse business to RRVL by way of a slump sale. RRFLL and RRVL will take over certain borrowings and current liabilities related to the business and discharge the balance consideration by way of cash.

After this transaction, FEL will retain the manufacturing and distribution of FMCG goods and integrated fashion sourcing and manufacturing business and its insurance JVs with Generali and JVs with NTC Mills.

RRFLL, as a part of the transaction, will also invest (i) a sum of Rs 1200 cr in the preferential issue of equity shares of FEL for a 6.09% stake, and (ii) Rs. 400 crores in warrants convertible into equity shares, which when converted upon payment of balance 75% consideration will result in RRFLL acquiring a further 7.05% stake.

This will be achieved by way of a composite scheme and will require the requisite regulatory approvals and consent of shareholders and lenders.

“As a result of this reorganisation and transaction, Future Group will achieve a holistic solution to the challenges that have been caused by Covid and the macro economic environment. This transaction takes into account the interest of all its stakeholders including lenders, shareholders, creditors, suppliers and employees giving continuity to all its businesses”, said Kishore Biyani, Group CEO, Future Group

“We are pleased that our strong retail franchise and brands, that we have created over time, are going in stronger hands and will continue to grow and delight Indian shoppers”, added Kishore Biyani

Post this exercise, FEL will emerge strong with businesses in manufacturing and distribution of FMCG products and integrated fashion sourcing and merchandising. These businesses will further benefit from supply agreement with RRFLL. This deal will also enable FEL to focus on the creation of new age brands in the FMCG and fashion space and expand its reach.

The transaction will help FEL to expand with a focussed business model and a stronger balance sheet.

B S R & Associates LLP, Chartered Accountants have provided the share swap ratio for the Proposed Amalgamation under the applicable SEBI Regulation. BDO Valuation Advisory LLP, Registered Valuer have provided the share swap ratio for the Proposed Amalgamation under applicable provisions of the Companies Act, 2013 and rules made thereunder. JM Financial Securities advised Future Group Promoters on the transaction. ICICI Securities Limited is the sole advisor to this Transaction and has also issued fairness opinions on the 'Share Swap Ratios' in relation to proposed amalgamation.

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