


Limited Review Report**Review Report to
The Board of Directors
Westlife Development Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of WDL group comprising Westlife Development Limited ('the Company') and its subsidiary (together, 'the Group'), for the quarter ended September 30, 2014 (the "Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 4 of the Statement in respect of pending approval from the Central Government for managerial remuneration paid by the subsidiary company, in excess of the limit specified under applicable Companies Act by ₹ 207.70 lacs, ₹ 51.78 lacs, ₹ 51.78 lacs and ₹ 103.56 lacs for the year ended March 31, 2014, for the quarter ended September 30, 2014, for the quarter ended June 30, 2014 and for the period ended September 2014 respectively. Our conclusion is not qualified in respect of this matter.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E




per Jayesh Gandhi
Partner
Membership No.37924

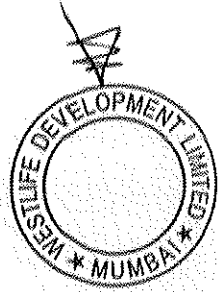


Place: Mumbai
Date: November 07, 2014

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Months ended 30/09/2014 (Rs. in Lacs)

Particulars	3 months ended 30/09/2014 Unaudited	Preceding 3 months ended 30/06/2014 Unaudited	Corresponding 3 months ended 30/09/2013 Unaudited	Year to date figure for current period ended 30/09/2014 Unaudited	Year to date figure for previous period ended 30/09/2013 Unaudited	Previous year ended 31/03/2014 Audited
1						
Income from operations						
Net Sales / Income from operations	18,586.88	19,999.77	18,182.10	38,586.65	37,846.59	73,381.62
Other Operating Income	115.54	86.54	160.03	202.08	332.08	648.88
Total Income from operations (net)	18,702.42	20,086.31	18,342.13	38,788.73	38,178.67	74,030.50
2						
Expenses						
(a) Cost of materials consumed	7,863.50	8,284.77	7,885.45	16,148.27	16,411.48	31,378.20
(b) Purchase of stock-in-trade					4.28	136.69
(c) Employee benefits expense	2,935.70	2,596.53	2,383.25	5,532.23	4,804.06	9,624.80
(d) Depreciation and amortisation expenses	1,258.64	1,184.80	1,061.14	2,443.44	2,002.78	4,350.30
(e) Other expenses	8,028.00	8,023.54	6,995.64	16,051.54	14,757.54	28,582.01
Total expenses	20,085.84	20,089.64	18,325.48	40,175.48	37,980.14	74,072.00
3						
Profit / (Loss) from operations before other income and finance costs (1-2)	(1,383.42)	(3.33)	16.65	(1,386.75)	198.53	(41.50)
Other Income	267.63	28.06	149.87	295.69	208.95	570.20
5 Profit / (Loss) from ordinary activities before finance costs (3+4)	(1,115.79)	24.73	166.52	(1,091.06)	407.48	528.70
Finance Costs	211.31	157.03	102.20	368.34	163.48	463.30
7 Profit / (Loss) before tax (5-6)	(1,327.10)	(132.30)	64.32	(1,459.40)	244.00	65.40
Tax expense / (credit) (Net)	2.15	2.15	(39.67)	4.30	(41.58)	(29.90)
9 Net Profit / (Loss) for the period (7-8)	(1,329.25)	(134.45)	103.99	(1,463.70)	285.58	95.30
Paid-up equity share capital - (Face value of Rs 2 each)	3,110.67	3,110.67	3,110.67	3,110.67	3,110.67	3,110.67
Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						52,992.48
Earnings Per Share (not annualised) - (Face value of Rs 2 each)						
Basic	(0.85)	(0.09)	0.10	(0.94)	0.27	0.07
Diluted	(0.85)	(0.09)	0.10	(0.94)	0.27	0.07

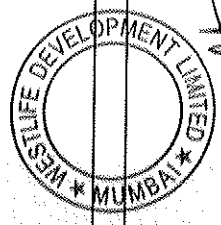
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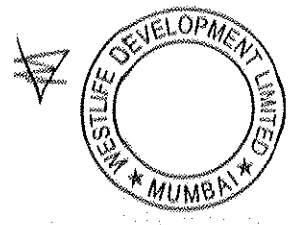
Select information for the Quarter and Six Months ended 30/09/2014

Particulars	3 months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended 30/09/2013	Year to date figure for current period ended 30/09/2014	Year to date figure for previous period ended 30/09/2013	Previous year ended 31/03/2014
A.						
1	PARTICULARS OF SHAREHOLDING					
	Public shareholding					
	- Number of shares	58,806,119	58,806,119	58,806,119	58,806,119	58,806,119
	- Percentage of shareholding	37.81	37.81	37.81	37.81	37.81
2	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	b) Non-encumbered					
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	- Number of shares	96,727,476	96,727,476	96,727,476	96,727,476	96,727,476
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	62.19	62.19	62.19	62.19	62.19

Particulars	3 Months ended 30/09/2014
B.	
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	-
Disposed of during the quarter	-
Remaining unresolved at the end of the quarter	-



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Consolidated Statement of Assets and Liabilities (Rs. in Lacs)		
Particulars	As at Current half year end 30/09/2014	As at previous year end 31/03/2014
	Unaudited	Audited
A. EQUITY AND LIABILITIES		
1 Shareholders' Funds:		
(a) Share capital	3,110.67	3,110.67
(b) Reserves and surplus	51,618.09	52,992.48
Sub-total - Shareholders' funds	54,728.76	56,103.15
2 Non-current liabilities		
(a) Long-term borrowings	837.50	1,129.20
(b) Other Long-term liabilities	28.01	22.00
Sub-total - Non-Current liabilities	865.51	1,151.20
3 Current liabilities		
(a) Short-term borrowing	7,315.37	4,655.40
(b) Trade payables	5,884.10	5,909.63
(c) Other current liabilities	6,228.93	5,482.80
(d) Short-term provisions	509.52	479.90
Sub-total - Current liabilities	19,937.92	16,527.73
TOTAL - EQUITY AND LIABILITIES	75,532.19	73,782.08
B. ASSETS		
1 Non-current assets		
(a) Fixed assets	41,074.52	39,488.90
(b) Goodwill on consolidation	4,659.68	4,659.68
(c) Non-current investments	1,000.00	2,000.00
(d) Deferred tax assets (net)	30.02	34.30
(e) Long-term loans and advances	7,929.26	7,198.99
(f) Other non-current assets	9.63	9.60
Sub-total - Non - Current assets	54,703.11	53,391.47
2 Current assets		
(a) Current investments	15,123.32	13,863.10
(b) Inventories	2,431.94	1,994.70
(c) Trade receivables	546.62	645.90
(d) Cash and cash equivalents	621.24	1,214.40
(e) Short-term loans and advances	1,141.58	988.14
(f) Other current assets	964.38	1,684.37
Sub-total - Current assets	20,829.08	20,390.61
TOTAL - ASSETS	75,532.19	73,782.08

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Notes:-

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 07, 2014. The statutory auditors have carried out the limited review of the above results.
- 2) The consolidated financial results are prepared in accordance with applicable Accounting Standards.
- 3) The Company has opted to publish consolidated quarterly financial results for the current year. The comparative quarterly results are also published on a consolidated basis. The Standalone financial results are available on the Company's website "www.westlife.co.in". Key numbers of Standalone results of the Company are as under :

	(Rs. in Lacs)					
	3 months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended 30/09/2013	Year to date figure for current period ended 30/09/2014	Year to date figure for previous period ended 30/09/2013	Previous year ended 31/03/2014
Total Income from operations (net)	Unaudited 11.60	Unaudited 12.60	Unaudited 12.60	Unaudited 24.20	Unaudited 33.01	Audited 191.39
Profit / (Loss) before tax	(1.74)	(0.54)	(11.36)	(2.28)	(17.10)	(8.74)
Net Profit / (Loss) for the period	(3.89)	(2.69)	28.31	(6.58)	24.48	21.16

4) The subsidiary company has paid managerial remuneration to two whole-time directors, in excess of limits specified under the applicable Companies Act by Rs. 207.70 lacs for the year ended March 31, 2014, and by Rs.51.78 lacs, Rs. 51.78 lacs and Rs. 103.56 lacs for the quarter ended September 30, 2014, for the quarter ended June 30, 2014 and for the period ended September 30, 2014 respectively. The subsidiary company has applied to the Central Government for approval of such excess remuneration, which is awaited.

5) Employee benefits expense for the quarter ended June 30 2014 and period ended September 30 2014 is net of write back of provisions no longer required amounting to Rs. 107.40 lacs.

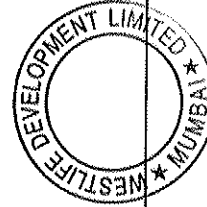
6) During the year, the Company has revised depreciation rate on certain fixed assets in accordance with the requirements of Schedule II of the Companies Act, 2013. Consequently, depreciation expense for the quarter ended September 30 2014, quarter ended June 30 2014 and period ended September 30 2014 is higher by Rs.8.56 lacs, Rs.18.63 lacs, Rs.27.19 lacs respectively and Rs. 9.47 lacs has been adjusted to opening balance of retained earnings on account of assets whose useful life is already exhausted as on April 01, 2014.

7) Figures for the previous periods have been regrouped wherever necessary.

Mumbai

November 07, 2014

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For and on behalf of the Board

Annit Jatia


Vice-Chairman

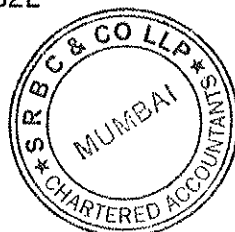
Limited Review Report

**Review Report to
The Board of Directors
Westlife Development Limited**

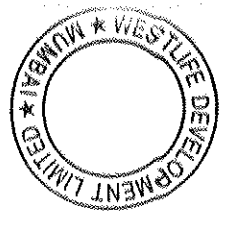
1. We have reviewed the accompanying statement of unaudited financial results of Westlife Development Limited ('the Company') for the quarter ended September 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E


per Jayesh Gandhi
Partner
Membership No.: 37924



Place: Mumbai
Date: November 07, 2014



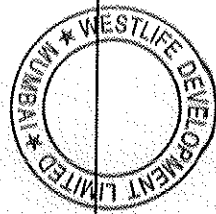
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WESTLIFE DEVELOPMENT LIMITED
 Regd. Office : 1001, Tower - 3, 10th Floor, Indiatulls Finance Centre,
 Senapati Bapat Marg, Elphinstone Road, Mumbai 400 012.
 CIN No. : L65990MH1982PLC028593 Tel : 022-4913 5000 Fax : 022-4913 5001
 Website : www.westlife.co.in | E-mail id : shataadru@westlife.co.in

PART I		Statement of Standalone Unaudited Financial Results for the Quarter and Six Months Ended 30/09/2014						(Rs. in Lacs)	
		3 months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended 30/09/2013	Year to date figures for current period ended 30/09/2014	Year to date figures for previous period ended 30/09/2013	Previous year ended 31/03/2014	Unaudited	Audited
1	Income from operations	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
	Net Sales / Income from operations	11.60	12.60	12.60	24.20	33.01	191.39	191.39	
	Total Income from operations (net)	11.60	12.60	12.60	24.20	33.01	191.39	191.39	
2	Expenses								
	(a) Purchase of stock-in-trade	-	-	-	-	4.28	136.69	136.69	
	(b) Employee benefits expense	-	-	2.30	-	7.42	8.17	8.17	
	(c) Rent	11.27	12.21	12.21	23.48	24.44	48.86	48.86	
	(d) Stamp Duty	-	-	109.83	-	109.83	109.83	109.83	
	(e) Depreciation and amortisation expenses	0.01	0.01	0.01	0.02	0.02	0.05	0.05	
	(f) Legal and Professional expenses	2.31	2.97	8.20	5.28	9.41	14.45	14.45	
	(g) Other expenses	6.63	4.96	10.75	11.59	14.66	22.06	22.06	
	Total expenses	20.22	20.15	143.30	40.37	170.86	340.09	340.09	
3	Profit / (Loss) from operations before Other Income (1-2)	(8.62)	(7.55)	(130.70)	(16.17)	(137.85)	(148.70)	(148.70)	
4	Other Income	6.88	7.01	119.34	13.89	119.95	139.96	139.96	
5	Profit / (Loss) before tax (3+4)	(1.74)	(0.54)	(11.36)	(2.28)	(17.10)	(8.74)	(8.74)	
6	Tax expense / (credit) (Net)	2.15	2.15	(39.67)	4.30	(41.58)	(29.90)	(29.90)	
7	Net Profit / (Loss) for the period (5-6)	(3.89)	(2.69)	28.31	(6.58)	24.48	21.16	21.16	
8	Paid-up equity share capital (Face value of Rs 2 each)	3,110.67	3,110.67	3,110.67	3,110.67	3,110.67	3,110.67	3,110.67	
	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						44,440.02	44,440.02	
10	Earnings Per Share (not annualised) - (Face value of Rs 2 each)								
	Basic	(0.00)	(0.00)	0.02	(0.00)	0.03	0.02	0.02	
	Diluted	(0.00)	(0.00)	0.02	(0.00)	0.03	0.02	0.02	

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PART II							
Select information for the Quarter and Six Months ended 30/09/2014							
Particulars	3 months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended 30/09/2013	Year to date figures for current period ended 30/09/2014	Year to date figures for previous period ended 30/09/2013	Previous year ended 31/03/2014	
A.							
1							
PARTICULARS OF SHAREHOLDING							
Public shareholding	58,806,119	58,806,119	58,806,119	58,806,119	58,806,119	58,806,119	
- Number of shares	37.81	37.81	37.81	37.81	37.81	37.81	
- Percentage of shareholding Promoters and Promoter Group Shareholding	-	-	-	-	-	-	
a) Pledged / Encumbered							
- Number of shares	-	-	-	-	-	-	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	
b) Non-encumbered							
- Number of shares	96,727,476	96,727,476	96,727,476	96,727,476	96,727,476	96,727,476	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	
- Percentage of shares (as a % of the total share capital of the Company)	62.19	62.19	62.19	62.19	62.19	62.19	
B.							
INVESTOR COMPLAINTS							
Pending at the beginning of the quarter	-	-	-	-	-	-	
Received during the quarter	-	-	-	-	-	-	
Disposed of during the quarter	-	-	-	-	-	-	
Remaining unresolved at the end of the quarter	-	-	-	-	-	-	



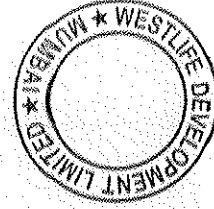
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Standalone Segment wise Revenue, Result and Capital Employed

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year to date figures for current period ended	Year to date figures for previous period ended	Previous year ended
	30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	31/03/2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1						
Segment Revenue						
(a) Leasing	11.60	12.60	12.60	24.20	25.20	50.40
(b) Services	-	-	-	-	3.52	3.52
(c) Trading	-	-	-	-	4.29	137.47
Net Sales / Income from operations	11.60	12.60	12.60	24.20	33.01	191.39
2						
Segment Results						
(a) Leasing	0.33	0.39	0.39	0.72	0.78	1.56
(b) Services	-	-	-	-	1.04	1.04
(c) Trading	-	-	-	-	0.01	0.78
Total	0.33	0.39	0.39	0.72	1.83	3.38
Other un-allocable (expenditure) net off unallocated income Interest and Dividend Income	(8.95)	(7.94)	(130.16)	(16.89)	(137.75)	(150.98)
	6.88	7.01	118.41	13.89	118.82	138.86
Profit / (Loss) Before Tax	(1.74)	(0.54)	(11.36)	(2.38)	(17.10)	(8.74)
3						
Capital employed						
[Segment Assets - Segment Liabilities]						
(a) Leasing	-	5.00	5.00	-	5.00	5.00
(b) Unallocated	47,642.85	47,592.08	47,508.99	47,642.85	47,508.99	47,545.69
Total	47,642.85	47,597.08	47,513.99	47,642.85	47,513.99	47,550.69

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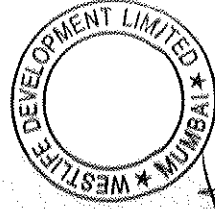
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Standalone Statement of Assets and Liabilities

Particulars	As at Current half year end 30/09/2014		As at previous year end 31/03/2014
	Unaudited	Audited	
A. EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
(a) Share capital	3,110.67		3,110.67
(b) Reserves and surplus	44,532.18		44,440.02
Sub-total -Shareholders' funds	47,642.85		47,550.69
2 Current liabilities			
(a) Trade payables	4.76		3.93
(b) Other current liabilities	11.98		21.04
Sub-total - Current liabilities	16.74		24.97
TOTAL - EQUITY AND LIABILITIES	47,659.59		47,575.66
B. ASSETS			
1 Non-current assets			
(a) Fixed assets	0.15		0.22
(b) Non-current investments	5,758.33		5,758.33
(c) Deferred tax assets (net)	30.02		34.32
(d) Long-term loans and advances	41,288.41		41,289.45
Sub-total - Non - Current assets	47,076.91		47,082.32
2 Current assets			
(a) Current investments	433.12		422.22
(b) Cash and cash equivalents	9.09		6.13
(c) Short-term loans and advances	10.82		25.04
(d) Other current assets	129.65		39.95
Sub-total - Current assets	582.68		493.34
TOTAL - ASSETS	47,659.59		47,575.66

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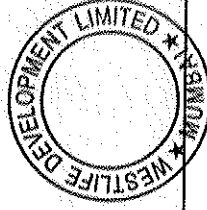
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Notes:-

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 07, 2014. The statutory auditors have carried out a limited review of the above results.
- 2) Figures for the previous periods have been regrouped wherever necessary.

Mumbai
November 07, 2014

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For and on behalf of the Board

A handwritten signature in black ink, appearing to be "Amit Jaitra".

Amit Jaitra
Vice-Chairman



PRESS RELEASE

FOR IMMEDIATE CIRCULATION

Westlife Development Ltd Announces Consolidated Unaudited Results for the Second Quarter

Mumbai, November 7, 2014: Westlife Development Limited (WDL), a company listed on the Bombay Stock Exchange (BSE: 505533), today announced its unaudited financial and operating results for the quarter ending September 30, 2014. The results were taken on record by the Board of Directors at a meeting held in Mumbai, today.

WDL reported sales of ₹1,870.2 million for the quarter ended September 30, 2014, Y-o-Y (year-over-year), riding on the restaurant operations of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL), a master franchisee for west & south India operations of McDonald's Restaurants.

The environment continued to be challenging in terms of inflation and a general economic slowdown. In this context, WDL continued to drive innovation and execution to strengthen its service, convenience, value and menu initiatives that differentiate the McDonald's experience.

Commenting on the financial results for the second quarter ended September 30, 2014, Mr. Amit Jatia, Vice-Chairman of Westlife Development Limited said, *"Our Q2FY15 results remained muted, with our business and financial performance being pressured by several external headwinds that impacted sales performance.*

Moving forward, we will continue to relentlessly work to navigate the current market scenario. Our long-term development plans are on target with our previously guided range of 175 - 250 new restaurants in the next 5 years. We will continue to expand the McDonald's restaurant base through a committed and disciplined restaurant unit growth.

McDonald's is a destination for 320 million customers, annually, in India and our top priority is to serve them great tasting, high-quality food in a contemporary setting. Our focus on remaining relevant to our customers is particularly important in today's economic environment, where weak economic growth and rising inflation continue to dampen consumer sentiment and purchasing power.

For the long term, we remain focused on fortifying the foundational elements of our business by concentrating our efforts on enhancing the customer experience across our entire business to become a more relevant and trusted brand".

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED SEPTEMBER 30, 2014:

- Revenue growth of 1.9 per cent at ₹1,870.2 million
- Operating EBIDTA stood at ₹29.2 million
- Profit/(Loss) After Tax (PAT) stood at ₹ (132.9) million
- Cash Profit stood at ₹8.9 million
- Total restaurants at 192; gross addition of 24 new restaurants Y-o-Y; Q2FY15 addition at 04



Q2FY15 FINANCIAL RESULT ANALYSIS:

- WDL reported 1.9 per cent increase in total revenues in Q2FY15 to ₹1,870.2 million from ₹1,834.2 million Y-o-Y. Topline performance growth was driven by restaurant network expansion in the existing & new cities and by significant increase in accruals from new formats & brand extensions and innovative menu additions
- WDL expanded its restaurant base to 192; Y-o-Y gross additions stood at 24; 04 new restaurant openings in Q2FY15
- System-wide comparable sales (SSSG)¹¹¹ remained under pressure due to the overall dampened economic scenario and stood at (7.9) per cent as against (5.5) per cent in the same quarter of the previous year.
- Relentless focus on reduction in food, paper and distribution costs along with increased efficiency in product management and menu pricing helped in improving overall gross margins by ~90 bps in Q2FY15 as against the corresponding quarter in the previous fiscal
- Restaurant operating margin¹²¹ dipped by ~600 bps Y-o-Y in Q2FY15; gross additions of 24 new restaurants resulted in increased occupancy and utility costs; 45 percent of our total 192 restaurants form a part of the new restaurant base which is less than three years. These restaurants initially open with lower margins and will grow significantly over time contributing positively to the cash flow
- General and administrative expenses in Q2FY15 increased to ₹112.8 million compared to ₹102.9 million Y-o-Y on account of building capability and talent to meet the company's long term objectives of growth and brand.
- Operating EBITDA in Q2FY15 stood at ₹29.2 million compared to ₹138.3 million Y-o-Y
- Depreciation increased by 18.6 per cent in Q2FY15 on account of 24 restaurant openings Y-o-Y; resulting in PAT of ₹(132.9) million.
- Re-imaging initiative in Q2FY15 led to temporary restaurant closures which led to sales loss and resulted in write-offs of approximately ₹ 15.0 million
- WDL reported cash and cash equivalents of ₹1,674.5 million

During the quarter, WDL balanced its focus around actively building the Brand Extensions portfolio with strategic investments in expanding the online capabilities for McDelivery, increasing its McCafe footprint, and reimaging the restaurants to remain relevant to its customers. The company continued to invest in advancing the Drive-Thru format to help build brand differentiation and yield long term results.

Further commenting on the financial results Mr. Amit Jatia said, *“As customers evolve in their preferences and lifestyles, we sharpened our strategy of customer centricity to evolve and offer new, trendy, and value-oriented offerings for them. In Q2FY15, WDL expanded its restaurant footprint with additions of 04 new restaurants in Mumbai, taking the total count to 192 in west and south India.*



During the quarter, our new product initiatives successfully leveraged our brand heritage of quality food innovations. To cater to the evolving customer taste preferences, we launched two new products – Saucy Wraps, and Classics with a Twist¹ - a limited-time offer. Both products were launched in multiple variants to offer choices to customers. The launch of the new products was supported by a multi-channel advertising campaign.

Furthermore, we increased our accessibility and convenience by investing in further building our online capabilities for McDelivery to engage more effectively with our guests. We extended our McDelivery Mobile App to IOS, Android, Windows and Blackberry users. With the implementation of web and mobile ordering for McDelivery, it is very rewarding to report positive results in the face of an intensely competitive market.

We continued to modernize the customer experience through our major re-imaging initiatives, which provides contemporary restaurant designs and retailing efforts. A significant number of existing restaurants were re-imaged during Q2FY15 to accommodate McCafé's[®].

Tapping into the US\$230 million organized cafe market in India; we aggressively expanded our McCafé[®] footprint - an important growth lever - taking the total count to 27¹ across our markets in rest of west India. We seeded our first McCafé[®] in the city of Ahmedabad, Pune and Nasik, since the first McCafé[®] launch in October 2013, and continued to build on our McCafé[®] presence in Mumbai. We added 09 McCafé[®] during the quarter - 07 in Mumbai, 01 each in Ahmedabad and Pune. McCafé[®] has been a key factor in accelerating our beverage growth strategy and adding value to our customers' experience; it has also been a key driver in optimizing the use of our restaurants at all hours of operation thereby providing a higher profit margin. WDL is on track on its stated goal of establishing 75-150 McCafé[®] over the next 3-4 years, expanding its café market presence in west and south India.

Looking ahead, we expect economic challenges to persist in the near-term. However, the immediate challenges do not take away from the strong long-term prospects for growth in the market. The young and growing consumer base favours convenience and away-from-home eating options, and will continue to drive sales growth in the years to come. Despite the current challenges, the market remains substantially under penetrated and WDL is intent on optimizing current initiatives by strengthening its focus on menu choice, customer engagement and operations excellence to drive sales and profitability. WDL is well positioned to capture the demand."

~ends~

NOTE TO THE EDITORS: Westlife Development Limited and Hardcastle Restaurants follow an April-March fiscal year. The results reported are for the second quarter ended September 30, 2014.

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

¹¹ Comparable sales (SSSG) represent sales at all restaurants operated by the Company, in operation at least thirteen months excluding those temporarily closed. Some of the reasons restaurants may be temporarily closed include reimaging or remodeling, rebuilding, road construction and natural disasters. 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.

¹² Restaurant Operating Margin represents the total revenue of company operated restaurants less the operating costs of these restaurants (including royalty etc.) before depreciation and corporate overheads; expressed as a percent of total revenues of total revenue.

¹ 27 McCafé's as of date



WDL Consolidated Financial Performance

(₹ in millions)

Particulars	For the Quarter ended September 30, 2014	For the Quarter ended September 30, 2013
REVENUES		
Sales	1857.5	1,815.9
Other Operating Income	11.5	16.2
Other Trading Revenues	1.2	2.1
TOTAL REVENUES	1870.3	1,834.2
OPERATING COSTS AND EXPENSES		
Restaurant Operating Cost and Expenses		
Food & Paper	786.4	788.5
Payroll and Employee Benefits	231.8	176.2
Royalty	79.0	57.8
Occupancy and Other Operating Expenses	654.2	580.5
General & Administrative Expenses	112.8	102.9
Other (Income)/Expenses, (net)	(23.2)	(10.0)
TOTAL OPERATING COSTS AND EXPENSES	1,841.0	1,695.9
OPERATING EBITDA	29.2	138.3
⁽¹⁾ Extra-ordinary Expenses	14.9	14.7
Net Financial Expense (Interest & Bank Charges)	21.1	11.1
Depreciation	125.9	106.1
PROFIT BEFORE TAX	(132.7)	6.4
Taxes	0.2	(4.0)
PROFIT AFTER TAX	(132.9)	10.4
CASH PROFIT	8.9	115.5

⁽¹⁾Re-imaging initiative led to temporary restaurant closures which led to sales loss and resulted in some write-offs

About Westlife Development:

Westlife Development Limited (BSE: 505533), focuses on putting up and operating Quick Service Restaurants (QSR) in India through its subsidiary Hardcastle Restaurants Pvt. Ltd. (HRPL). The Company operates a chain of McDonald's restaurants in west and south India, having a master franchisee relationship with McDonald's Corporation USA, through the latter's Indian subsidiary.

Marquee investors such as Arisaig India Fund Ltd, Vontobel Fund and Tree Line Asia Master Fund (Singapore), Ward Ferry Fund, SBI Mutual Fund among others are stakeholders in WDL and the company will continue to broad base its investors over the coming years.

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 serves approximately 170 million customers, annually, at its 192 (as of September 30, 2014) McDonald's restaurants in the states of Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala and parts of Madhya Pradesh, and provides direct employment to over 7,500 employees. McDonald's operates through various formats and



brand extensions including standalone restaurants, drive-thru's, 24/7, McDelivery, dessert kiosks. The menu features Burgers, Finger Foods, Wraps, Hot and Cold Beverages besides a wide range of desserts. Several of the McDonald's Restaurants feature in-house McCafé.

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

For further information, please contact:

Ritika Verma
Corporate Communications
E: ritika.verma@mcdonaldsindia.com
T: 022 49135096 | M: 09820332757

Ankit Arora
Investor Relations
E: ankit.arora@mcdonaldsindia.com
T: 022 49135306 | M: 09920664475

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.