

FCEL acquires Nilgiris convenience stores chain

Acquisition creates a strong network in South India and extends the company's FMCG brand portfolio into dairy, bakery & chocolates

November 20th, 2014: Future Consumer Enterprise Limited (FCEL) today completed the acquisition of the Nilgiris convenience store chain in the southern states of Kerala, Karnataka, Andhra Pradesh and Tamil Nadu.

Nilgiris, an iconic brand with origins dating back to 1905 and a household name in South India, operates a franchisee operated convenience store chain with 140 stores in key urban centers in the four states. Apart from offering a wide assortment of products through its convenience store chain, Nilgiris, also owns a portfolio of brands in dairy, bakery, chocolates and staples along with their manufacturing facilities in Bangalore.

A select product range of the brand is also retailed through general trade along with in-store bakeries in few stores. The company manages the back end operations including procurement, logistics and IT for the stores. It operates 8 distribution centers along with a fleet of vehicles, including refrigerated vehicles that cater to the supply of its own dairy, bakery and chocolate brands to its network of stores.

This acquisition by FCEL will lead to geographical expansion of the convenience store network in Southern India, as presently FCEL's existing footprint is primarily concentrated in North and West India. Nilgiris branded bakery and dairy products will also be channelized across Future Group's existing channels including Big Bazaar, Foodhall and Aadhaar and also extended to other modern retailers. Similarly, the FCEL's existing portfolio of brands including Sunkist, Tasty Treat, Golden Harvest, Premium Harvest, Sach Ektaa, CleanMate and CareMate, will be channelised through Nilgiris store network. Additionally, Nilgiris' expertise in running a successful franchisee network will be leveraged to expand the existing footprint of convenience stores via a franchisee model.

Speaking on the acquisition, Mr. Kishore Biyani, Group CEO, Future Group, said, “FCEL’s acquisition of Nilgiris, a leading food and grocery convenience store chain in South India having a unique portfolio of food brands supported by its own manufacturing facilities for dairy and bakery, is another step towards building a robust convenience store network in India. This acquisition is synergistic as it enables strengthening and expanding convenience stores through franchises in an asset light model as well as brings in new manufacturing capabilities and brands within the company,” said.

About Nilgiris

With origins in 1905, Nilgiris is a leading food and grocery retail chain in South India operating 140 franchise stores. Nilgiris has grown from being a dairy farm specializing in butter to a supermarket chain with a strong presence in urban centers across India’s southern states. The company has a unique portfolio of food brands; supported by owned manufacturing facilities for dairy and bakery categories. With in-house capabilities centering on Bakery and Dairy products, Nilgiris has grown to become a household name in the south with consumers spanning successive generations.

About FCEL

Future Consumer Enterprises Limited is an integrated food and FMCG company that has presence across sourcing, processing, manufacturing, brands, retailing and distribution of food products. The company sources over 150,000 tons of agricultural produce from 52 centers across the country and offers a wide range of food and FMCG products through brands such as Sunkist, Tasty Treat, Fresh & Pure, Golden Harvest, Premium Harvest, Sach, Ektaa, CareMate and CleanMate. The company also operates extensive convenience store chains KB’s Fairprice and Big Apple in the cities of Delhi, Mumbai and Bengaluru as well rural distribution and wholesale chain, Aadhaar in the states of Gujarat and Punjab. The company also operates the India Food Park, a large scale food processing facility at Tumkur, Karnataka.

The company is headquartered in Mumbai and is publicly traded in National Stock Exchange (NSE) and The Stock Exchange, Bombay (BSE). FCEL is part of Future Group that operates modern retail networks in 102 cities and 40 rural locations through retail brands like Big Bazaar, Central, Foodhall, Brand Factory, among others as well as various consumer goods brands, logistics networks and infrastructure for the consumption sector in India.