

Reliance Retail Ventures Limited

CIN: U51909MH2006PLC166166

MEDIA RELEASE

RELIANCE RETAIL TO ACQUIRE RETAIL & WHOLESALE BUSINESS AND THE LOGISTICS & WAREHOUSING BUSINESS OF THE FUTURE GROUP

Mumbai, 29th August 2020: Reliance Retail Ventures Limited (RRVL), subsidiary of Reliance Industries Limited, today announced that it is acquiring the Retail & Wholesale Business and the Logistics & Warehousing Business from the Future Group as going concerns on a slump sale basis for lumpsum aggregate consideration of INR 24,713 crore, subject to adjustments as set-out in the composite scheme of arrangement (Scheme).

The above acquisition is being done as part of the Scheme in which Future Group is merging certain companies carrying on the aforesaid businesses into Future Enterprises Limited (FEL). As a part of the same Scheme:

- (i) the Retail & Wholesale Undertaking is being transferred to Reliance Retail and Fashion Lifestyle Limited (RRFLL), a wholly-owned subsidiary of RRVL;
- (ii) the Logistics & Warehousing Undertaking is being transferred to RRVL; and
- (iii) RRFLL also proposes to invest:
 - (a) INR 1,200 crore in the preferential issue of equity shares of FEL to acquire 6.09 % of post-merger equity; and
 - (b) INR 400 crore in a preferential issue of equity warrants which, upon conversion and payment of balance 75% of the issue price, will result in RRFLL acquiring further 7.05% of FEL.

Ms. Isha Ambani, Director, Reliance Retail Ventures Limited, said: "With this transaction, we are pleased to provide a home to the renowned formats and brands of Future Group as well as preserve its business ecosystem, which have played an important role in the evolution of modern retail in India. We hope to continue the growth momentum of the retail industry with our unique model of active collaboration with small merchants and kiranas as well as large consumer brands. We are committed to continue providing value to our consumers across the country."

The acquisition of the retail, wholesale and supply chain business of the Future Group complements and makes a strong strategic fit into Reliance's retail business. This will help Reliance retail to accelerate providing support to millions of small merchants in increasing their competitiveness and enhance their income during these challenging times.

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Future Group's portfolio composition in apparel, general merchandise and own FMCG brands will allow for a wider offering to its customers.

This acquisition is subject to SEBI, CCI, NCLT, shareholders, creditors and other requisite approvals.

Shardul Amarchand Mangaldas and Khaitan & Co acted as the legal counsels for the transaction and advised and assisted Reliance Retail Ventures Limited (RRVL) and its wholly owned subsidiary, Reliance Retail and Fashion Lifestyle Limited (RRFLL) in the due diligence, scheme of arrangement, documentation and other aspects of the transaction. Cyril Amarchand Mangaldas, being the legal advisor to RRVL for its restructuring and fund-raising activities, advised on the structuring aspects of the transaction.

Ernst & Young LLP assisted in the financial and accounting due diligence. Deloitte Haskins & Sells LLP was involved in verification of property leases and physical verification of assets. Price Waterhouse & Co LLP provided the valuation report and Citigroup Global Markets India Private Limited issued the fairness opinion to the board of directors of RRVL and RRFLL.

About Reliance Retail Ventures Limited

RRVL is a subsidiary of Reliance Industries Limited, carrying on the Consumer Supply Chain Business and Consumer Retail Business through its subsidiaries. RRVL reported a consolidated Turnover of INR 162,936 crore and net profit of INR 5,448 crore for the year ended March 31, 2020.

About Reliance Industries Limited (RIL)

RIL is India's largest private sector company, with a consolidated turnover of INR 659,205 crore (\$87.1 billion), cash profit of INR 71,446 crore (\$9.4 billion), and net profit of INR 39,880 crore (\$5.3 billion) for the year ended March 31, 2020.

RIL's activities span hydrocarbon exploration and production, petroleum refining and marketing, petrochemicals, retail and digital services. RIL is the top-most ranked company from India to feature in Fortune's Global 500 list of 'World's Largest Companies' – currently ranking 96th. The company stands 71st in the 'Forbes Global 2000' rankings for 2019 – top-most among Indian companies. It ranks 10th among LinkedIn's 'The Best Companies to Work For In India' (2019).