

Future Lifestyle Fashions Completes Value Unlocking in Lee Cooper Business Through ₹250 Cr Fund Raise

March 31, 2017: Future Lifestyle Fashions Ltd (FLF) announced the completion of ₹250cr fund raise in the Lee Cooper business, a leading brand in its portfolio.

FLF has moved the Lee Cooper brand business to Future Speciality Retail Limited ("FSRL"), a step down subsidiary of FLF, on 29th March 2017. FSRL has issued Compulsorily Convertible Preference Shares ('CCPS') aggregating ₹250 crore to FSRL CCPS Trust. FLF has entered into an investment agreement with the CCPS subscribers, which also allows them to exit at an agreed price as per the terms of the investment agreement. The CCPS are convertible into 26% equity of FSRL on fully diluted basis on or before 48 months from the date of subscription of the CCPS. The articles of association of FSRL have been suitably amended to reflect the terms of the investment agreement.

This is an important step in FLF's endeavour to unlock value in the Lee Cooper brand. Going forward, FLF foresees a significant potential to scale up Lee Cooper business. Lee Cooper is one of the fastest growing denim wear brand and FLF is focusing on taking it to the leadership position in the segment.

This transaction along with the investee brands value unlocking has resulted in a combined ₹700cr fund raise for FLF. This gears FLF for a stronger growth combined with an expansion of the bottom-line resulting in higher returns on capital employed and equity.

About Future Lifestyle Fashions Ltd (FLF): FLF listed on NSE and BSE, is India's leading integrated fashion house. FLF has world class retail formats like Central and Brand factory along with a strong portfolio of brands such as Lee Cooper, John Miller, Indigo Nation, Scullers, and Jealous 21 etc. For the 9 months period ended Dec 31, 2016, FLF achieved a revenue of ₹2,890cr, with a strong growth of over 18% in 9MFY17 (primarily driven by robust same store sales growth). During this period, FLF reported net profit of ₹27cr. FLF operates over 5.5 Million square feet of retail space which is the largest in the country.