



Investor Update – Q2 FY14



**45 MILLION NEW PINCHES IN A YEAR.
25 BRANDS. ONE COMPANY.**

THERE IS ONE COMPANY THAT'S BEHIND 45 MILLION SMILING FACES ACROSS THE COUNTRY IN A YEAR AS THEY TRY OUT THEIR NEW GARMENTS FROM ITS DIVERSE PORTFOLIO OF FASHION LABELS AND RETAIL FORMATS. IT'S HELPING A COUNTRY LOOK A LITTLE MORE FASHIONABLE THAN YESTERDAY, EVERY DAY.

Growth and expansion

- All major brands including **Indigo Nation**, **Jealous 21**, **Manchester United**, **Scullers** and **Urban Yoga** grew by upwards of 26%
- Brands entered tier II cities like Dehradun, Raipur and Amravati through exclusive brand outlets (EBOs), taking the number of EBOs to 172
 - More EBOs in tier II cities planned for the December quarter
- **Manchester United** was introduced in Shoppers Stop

New launches

- Launched **Urbana Celestial Collection** – An exclusive range of premium occasion-wear, targeting the growing market for garments for marriage and festive occasions. Range included, *bandhgalas*, products crafted from luxurious Egyptian cotton; collection that includes
- During the quarter , launched **Scullers Sport** targeting 22 years to 28 years age group focusing on men engaging in different active sports
- Ranbir Kapoor launched the **Indigo Nation's** Besharam.IN collection with over 25 options

Other highlights

- Boosting the brands growing presence in social media and ecommerce channels, **Jealous 21** crossed half a million fans on Facebook



Retail Presence:

- Operates 4.05 million square feet of retail space across fashion formats
 - Added ~0.26 million sq ft of gross space during the quarter

New store openings:

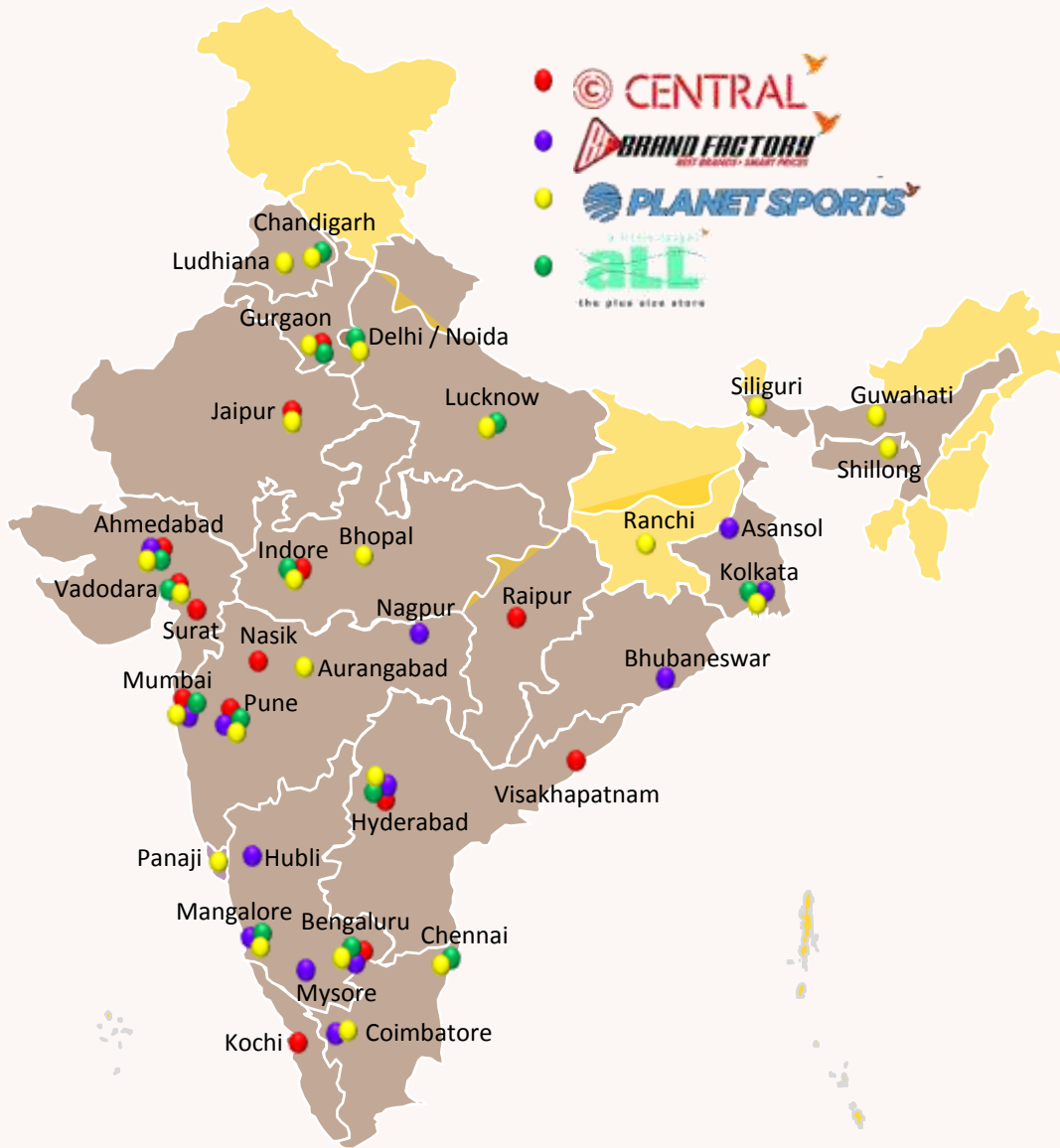
- Opened the first Central store in Kochi with retail space of 138,722 sq ft. The city of Kochi has been gaining increasing prominence with retailers due to growing consumer spends and had recently witnessed the launch of Lulu International Shopping Center, the first in India from UAE-based EMKE Group.
- Brand Factory entered Hubli and Asansol and added its fourth store in Kolkata.
- aLL expanded its presence in Mumbai, Bengaluru and Delhi
- Planet Sports opened stores in Mumbai and Pune

Other Highlights

- Catch them Young: KidZania is a unique chain of global theme parks located within shopping malls, wherein kids are introduced to brands and experiences and also serve as educational zones. Central became an anchor establishment at India's first KidZania opened at RCity Mall in Mumbai.



Growing pan – India footprint across formats



Store Network as of 30th September 2013		
Format	# of stores	Retail space (mn sq ft)
Central	23	2.54
Brand Factory	30	1.01
Planet Sports	44	0.21
aLL	27	0.04
EBOs and Others	172	0.24
Grand Total	296	4.05

Stores Opened During Q2 FY14			
Format	Date of opening	Sq. Ft.	Location
Central	5-Sep-13	1,38,722	Centre Square, Kochi
Brand Factory	1-Jul-13	33,000	Sentrum Mall, Asansol
	6-Sep-13	25,323	Hubli
	25-Sep-13	24,200	Rajarhat, Kolkata

During the quarter added ~0.26 mn sq ft resulting in a total of 4.05 mn sq ft of retail space

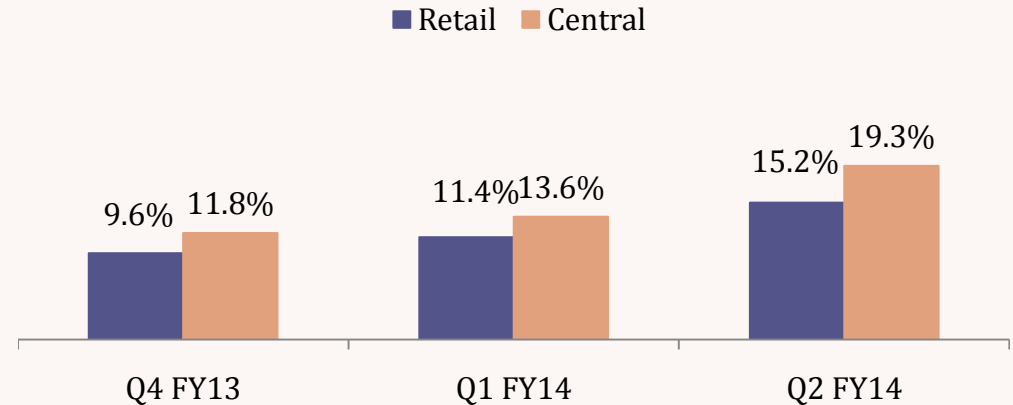
Financial Highlights

- Central posted same-store sales growth (SSG) of 19.3%, while entire retail business posted a SSG of 15.2%
- Gross margins for the quarter was 36.8% and EBIDTA margin was 10.8%. This quarter, like the Q4 quarter, is marked by End of Season Sales. The quarter beginning October (Q3) is a full-price quarter and is typically the highest-sale quarter. The market continues to be buoyant with both sales and margins expected to grow during the Oct-Dec quarter.

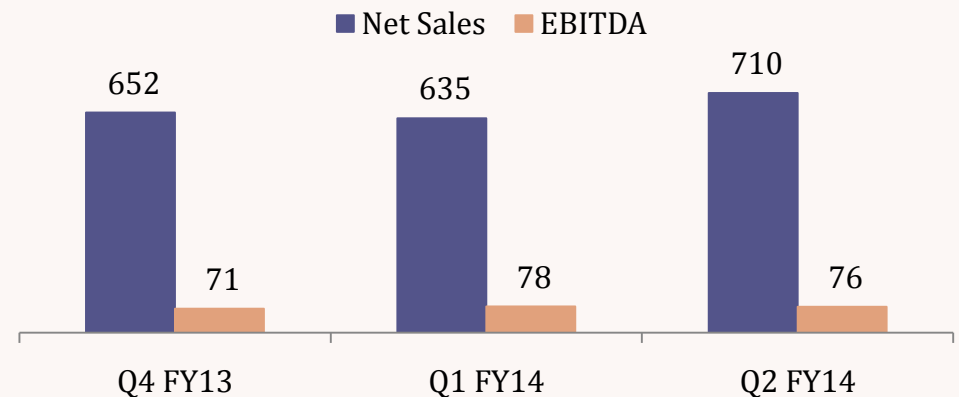
Divestments - BIBA

- During the quarter, the company divested its 25.8% stake in BIBA Apparels in favor of a leading PE fund.
- The Group had first acquired a 6.5% stake in BIBA in 2007, which was gradually increased to 25.8% in 2011.
- The profit from the sale was ₹190 cr.
- FLFL plans to exit its 22.9% stake in AND Designs during the December 2013 quarter

SSGs(%)



Net Sales and EBITDA (₹cr)



Financial performance - Standalone

Income Statement Particulars	Quarter ended (₹ cr.)		
	Q2 FY14 Jul-Sep '13	Q1 FY14 Apr-Jun '13	Q4 FY13 Jan-Mar '13
Net Sales	690	611	630
Other Operating Income	20	24	22
Total Income from Operations	710	635	652
COGS	449	392	412
Gross Profit	261	244	240
Gross Margin %	36.8%	38.3%	36.9%
Employee Benefits Expense	30	27	26
Rent including Lease Rental	71	67	67
Other Expenditures	84	73	78
Total Expenditure	186	167	170
Other Income	1	1	1
EBITDA	76	78	71
EBITDA Margin %	10.8%	12.2%	10.9%
Depreciation	27	27	24
EBIT	49	51	47
Finance Costs	42	40	42
PBT	7	11	5
Exceptional Items	155	0	0
Tax expense	52	4	2
Net profit	109	8	4

Note: : Standalone results do not include investee companies –
AND, Turtle, Clarks, Celio, Holii, etc.
Year ending for FLFL will be 31st March.

Balance Sheet as of Particulars	(₹ cr.) 30-Sep-13
Total - Shareholders' Funds	1,390
Non-Current Liabilities	
Long-Term Borrowings	935
Deferred Tax Liability (Net)	50
Long-Term Provisions	4
Total - Non Current Liabilities	989
Current Liabilities	
Short-Term Borrowings	355
Trade Payables	548
Other Current Liabilities	191
Short Term Provisions	60
Total - Current Liabilities	1,154
TOTAL - EQUITY AND LIABILITIES	3,534
Assets	
Fixed Assets	1,380
Non-Current Investments	126
Long-Term Loans and Advances	277
Total - Non Current Assets	1,782
Current Assets	
Current Investment	7
Inventories	1,132
Trade Receivables	222
Cash and Bank Balances	47
Short-Term Loans and Advances	344
Other Current Assets	0
Total -Current Assets	1,751
TOTAL - ASSETS	3,534

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