

Investor Update – Q2 FY16  
(July 2015 – September 2015)

**FASHION**

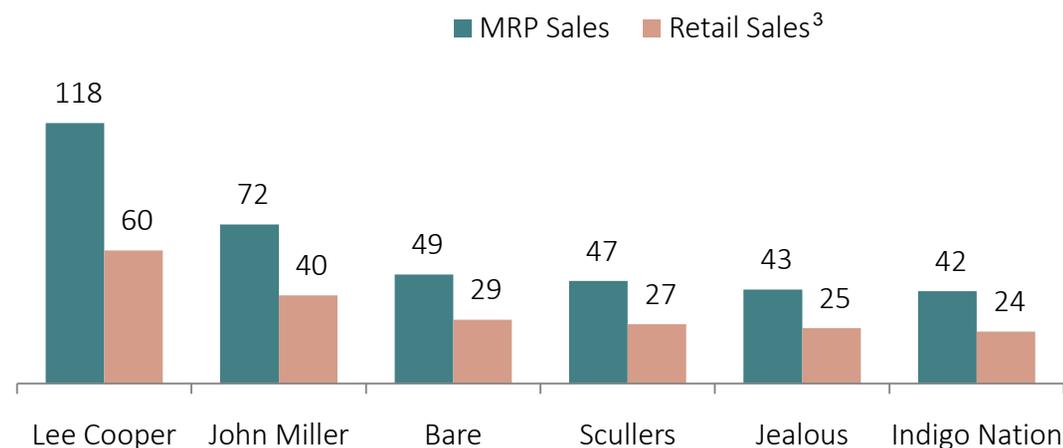
Retail Brands  
Distribution Investments

## Business Highlights – Q2FY16 & H1 FY16

- ❖ Total income from operations of ₹871 cr for Q2 FY16 and ₹1,573 cr for H1 FY16
  - ❖ Q2 FY16 was impacted by shift in festive season to Q3 FY16
  - ❖ Total income from operations witnessed a 24% growth compared to Q1 FY16
- ❖ Brand Business exhibited a growth of 19% compared to Q1 FY16
  - ❖ Jealous , John Miller, Scullers reported a growth of 50%, 36% and 30% respectively compared to Q1 FY16
- ❖ Reported SSGs of 3.1% in retail and 7.1% in Central
- ❖ Reported EBITDA margins of 8.5% in Q2 FY16
  - ❖ Largely impacted by 120bps decrease in gross margin
- ❖ Operates 4.83 million square feet of retail space across fashion formats (including EBOs)
  - ❖ Gross space addition during Q2 FY16 was ~0.10 million sq ft

Total Sales <sup>1</sup> Summary (₹ cr)		
Particulars	H1 FY16	Q2 FY16
FLFL Brands	643	350
- Owned Brands	214	117
- Licensed Brands	429	233
Third Party Brands <sup>2</sup>	1,065	593
<b>Total Sales</b>	<b>1,708</b>	<b>943</b>
Less: Consignment / SIS	82	42
Less: Taxes	88	47
<b>Net Sales after Tax</b>	<b>1,538</b>	<b>853</b>

## Top Brand Performance Q2FY16 (₹ cr)



<sup>1</sup>: Includes SIS & consignment sales

<sup>2</sup>: Third party brands represent non FLF brands and includes SIS sales and consignment sales

<sup>3</sup>: Retail Sales indicate Net Sales Before Tax

- ❖ Future Group opened its first International Design Studio, “Future Style Lab” in London to keep up with ever evolving trends of fashion and bring out the latest fashion styles and trends for the young and ambitious India

- ❖ Prior to the festive season, Future Group rolled out “The 11 Months Free Shopping Festival”
- ❖ 11 group formats including FLF stores are part of this program
- ❖ This program enables customer retention and repeat purchases throughout the year



**46 DAYS OF SHOPPING GETS YOU 11 MONTHS OF FREE SHOPPING.**

SHOP MORE TO EARN MORE FREE SHOPPING

future group  
India's No. 1 Retailer

YOU SHOP FOR (₹)	YOU GET 11 MONTHS FREE SHOPPING (₹)
6,00,000	1,37,500 (100% 11 Months)
4,00,000	82,500 (70% 11 Months)
3,00,000	60,500 (50% 11 Months)
2,00,000	38,500 (30% 11 Months)
1,00,000	18,700 (15% 11 Months)
50,000	8,250 (7% 11 Months)
25,000	3,850 (3% 11 Months)
10,000	1,375 (1% 11 Months)

★ THE 11 MONTHS FREE SHOPPING FESTIVAL 1<sup>st</sup> Oct - 15<sup>th</sup> Nov 2015

To avail the benefits of your Special Privileges Card during the festival, keep watching this space!

SHOP AT ANY FUTURE GROUP OUTLET FROM 1<sup>ST</sup> OCTOBER TO 15<sup>TH</sup> NOVEMBER, 2015

GET FREE MONTHLY SHOPPING BENEFIT ON YOUR FUTURE GROUP SHOPPING CARD

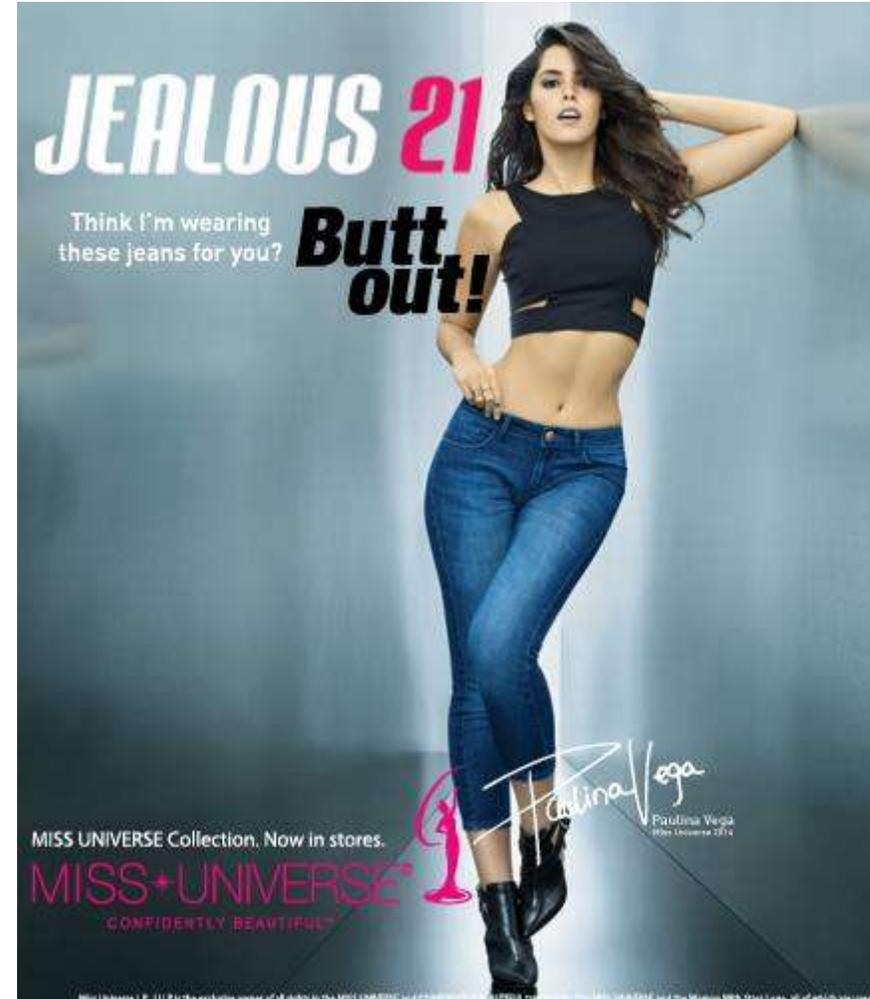
USE THE CARD FOR FREE SHOPPING FOR THE NEXT 11 MONTHS AT ANY FUTURE GROUP OUTLET OF YOUR CHOICE

Participating Future Group Outlets

BIG BAZAAR, fbb, CENTRAL, GZone, BIRNIA FRYTOWN, HomeTown, BIG BAZAAR ONLINE FRANCHISEE, Foodhall, Planet Sports, CONVERSE

## Jealous 21 launches limited edition Miss Universe Collection

- ❖ Paulina Vega, the reigning Miss Universe from Columbia, launched Jealous 21's limited edition Miss Universe Collection in August, 2015
- ❖ The glamorous launch of the Miss Universe collection was showcased through a fashion show where models walked the ramp wearing the latest signature Jealous 21 collection



Autumn Winter Collection - 2015

EXPLORE MORE OF THE A/W'15 COLLECTION.

'BEHIND-THE SCENES' SPECIAL

( aLL )  
AUTUMN WINTER  
COLLECTION 2015

aLL  
the plus size store

EXCLUSIVE STORES AT: Alwar, Bangalore, Calicut, Cochin, Jaipur, Jodhpur, Kottayam, Mangalore, Mumbai, Nashik, Pune, Sikar, Tirur

Also available at: @OMTSA, | lstyle, | OMTSA, | | fbb, | amazon

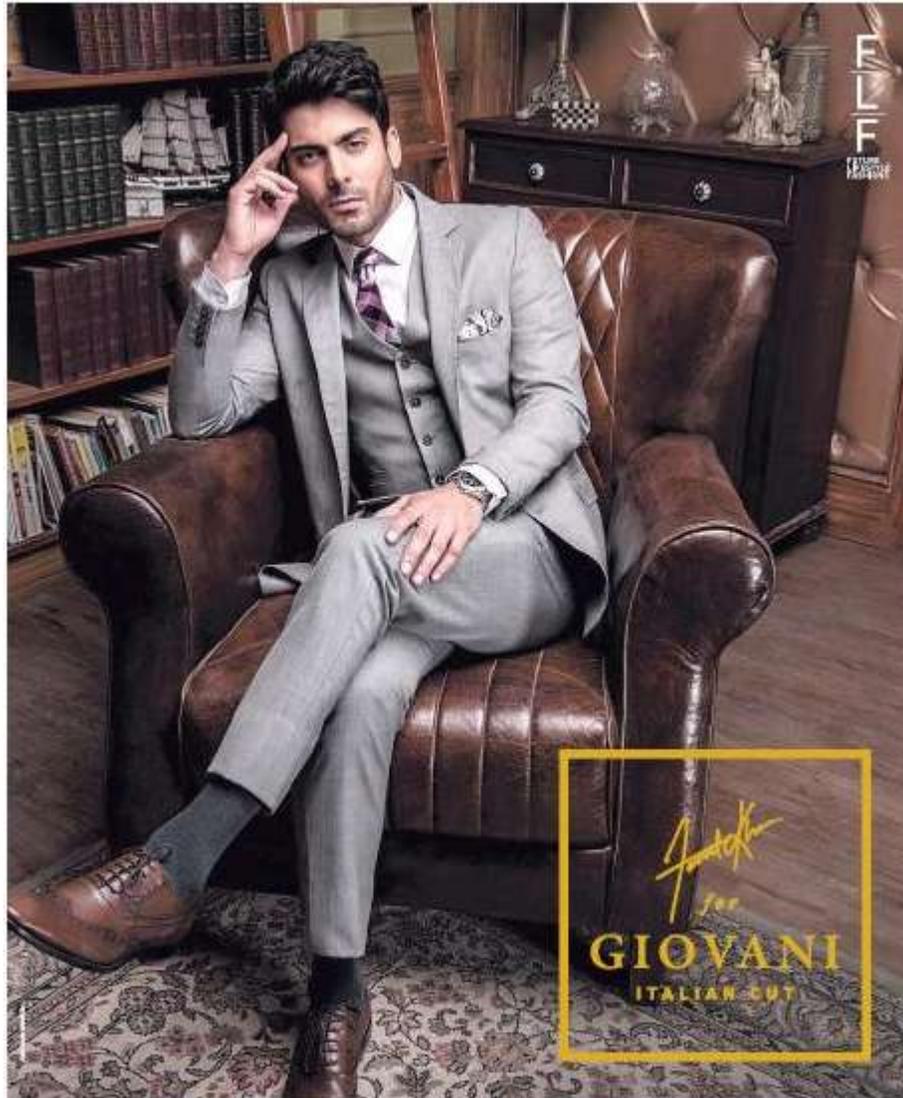
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## Retail Presence

- ❖ Operates 4.83 million square feet of retail space across fashion formats (including EBOs)
  - Gross space addition during Q2 FY16 was ~0.10 million sq ft

## New Store Openings

- ❖ Q2 FY16 witnessed store opening in both smaller size brand stores and larger formats
  - ❖ Opened 1 Central store in Noida and 1 Brand Factory store in Pune
  - ❖ Opened 6 EBOs expanding presence in Calicut, Bhubneshwar, Raipur, Delhi and Manipal
  - ❖ Expanded Lee Cooper's presence - 10 stores in Mumbai, Pune, Nashik, Kottayam, Calicut, Kochin, Jaipur, Alwar, Jodhpur
  - ❖ Added 3 aLL stores in Pune and Jaipur
- ❖ During the quarter, 22 smaller format stores / EBOs were shut along with 1 Central store in Mumbai

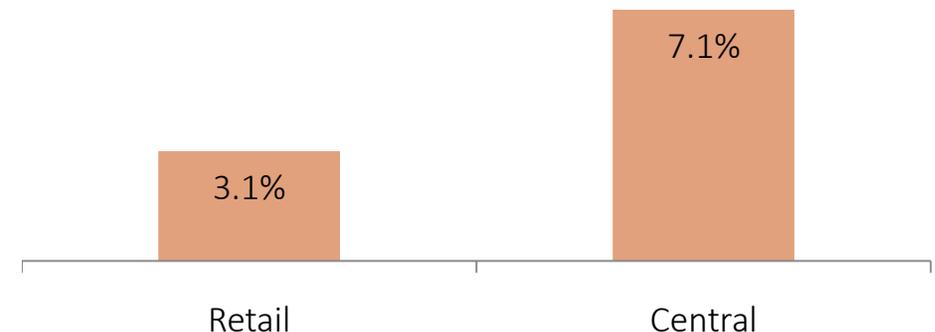
## Store Network as of 30th September 2015

Format	# of stores	Retail space (mn sq ft)
Central	29	3.00
Brand Factory	39	1.32
aLL	50	0.07
Planet Sports & Other	56	0.18
EBOs and Others	186	0.26
<b>Grand Total</b>	<b>360</b>	<b>4.83</b>

Planet Sports and Other includes Converse

EBO and Others includes franchise, *I am In* and Lee Cooper brand stores

## SSGs (%) for Q2 FY16



## Quarterly Income Statement

Income Statement (₹ cr.) Particulars	Quarter ended			Year ended
	Q2 FY16	Q1 FY16	Q2 FY15	FY 15
Net Sales	853	684	874	3,064
Other Operating Income	17	18	18	70
<b>Total Income from Operations</b>	<b>871</b>	<b>702</b>	<b>892</b>	<b>3,134</b>
COGS	560	424	563	1,919
<b>Gross Profit</b>	<b>311</b>	<b>278</b>	<b>329</b>	<b>1,215</b>
<b>Gross Margin %</b>	<b>35.7%</b>	<b>39.6%</b>	<b>36.9%</b>	<b>38.8%</b>
Employee Benefits Expense	48	45	44	169
Rent including Lease Rental	92	90	84	346
Other Expenditures	96	80	105	369
<b>Total Expenditure</b>	<b>236</b>	<b>215</b>	<b>233</b>	<b>885</b>
<b>EBITDA</b>	<b>74</b>	<b>63</b>	<b>97</b>	<b>330</b>
<b>EBITDA Margin %</b>	<b>8.5%</b>	<b>9.0%</b>	<b>10.8%</b>	<b>10.5%</b>
Other Income	2	12	2	22
<i>Other Income</i>	2	2	2	8
<i>Profit from sale of investment</i>	0	11	0	14
Depreciation	40	36	45	170
EBIT	36	39	53	182
Finance Costs	33	36	43	158
PBT	3	4	11	23
Tax expense	1	1	4	5
<b>Net profit</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>19</b>

- ❖ Net Sales were impacted by shift in festive season as compared to last year
- ❖ Combining October sales with Sep quarter the growth would be in high double digits
- ❖ Bengaluru MG Road and Hyderabad Punjagutta Central stores were under renovation to create high definition experience stores which also impacted sales
- ❖ EBITDA witnessed a decline from 10.8% to 8.5% in Q2 FY16 compared to Q2 FY15
- ❖ Largely a trickle down effect of decline in top line, 120bps decrease in gross margin along with increase in rental cost compared to Q2FY15
- ❖ Finance costs reduced by ₹10 cr and ₹3 cr compared to Q2 FY15 and Q1 FY16 respectively
- ❖ FY15 other income includes profit from sale of stake in Celio

## Half Yearly Income Statement

Income Statement (₹ cr.) Particulars	Half Year ended		Year ended
	H1 FY16	H1 FY15	FY 15
Net Sales	1,538	1,557	3,064
Other Operating Income	35	34	70
<b>Total Income from Operations</b>	<b>1,573</b>	<b>1,591</b>	<b>3,134</b>
COGS	984	978	1,919
<b>Gross Profit</b>	<b>589</b>	<b>613</b>	<b>1,215</b>
<b>Gross Margin %</b>	<b>37.4%</b>	<b>38.5%</b>	<b>38.8%</b>
Employee Benefits Expense	92	83	169
Rent including Lease Rental	183	164	346
Other Expenditures	176	185	369
<b>Total Expenditure</b>	<b>451</b>	<b>431</b>	<b>885</b>
<b>EBITDA</b>	<b>138</b>	<b>182</b>	<b>330</b>
<b>EBITDA Margin %</b>	<b>8.8%</b>	<b>11.4%</b>	<b>10.5%</b>
Other Income	14	2	22
<i>Other Income</i>	3	2	8
<i>Profit from sale of investment</i>	11	0	14
Depreciation	76	87	170
EBIT	76	97	182
Finance Costs	69	81	158
PBT	7	16	<b>23</b>
Tax expense	2	5	5
<b>Net profit</b>	<b>5</b>	<b>11</b>	<b>19</b>

- ❖ Net Sales were impacted by shift in festive season as compared to last year
- ❖ Bengaluru MG Road and Hyderabad Punjagutta Central stores were under renovation to create high definition experience stores which also impacted sales
- ❖ EBITDA witnessed a decline from 11.4% to 8.8% in H1 FY16
- ❖ Impacted by decrease in gross margin along with increase in rental cost
- ❖ Finance costs reduced by ₹12 cr compared to H1 FY15
- ❖ Other income in Q1 FY16 includes profit from sale of residual stake in BIBA
- ❖ FY15 other income includes profit from sale of stake in Celio

Balance Sheet (₹ cr.) Particulars	As of date	
	30-Sep-15	31-Mar-15
Shareholders' Funds	1,604	1,600
Total Debt	1,135	1,244
<b>Total Capital Employed</b>	<b>2,740</b>	<b>2,844</b>
Less: Current Investments	370	344
Less: Cash & Bank Balances	15	60
<b>Net Adjusted Capital Employed</b>	<b>2,355</b>	<b>2,441</b>
Fixed Assets	1,430	1,474
Non-Current Assets	336	306
Current Assets	1,706	1,766
Less: Non-Current Liabilities	132	138
Less: Current Liabilities	985	967
<b>Total Net Assets</b>	<b>2,355</b>	<b>2,441</b>

- ❖ Total debt reduced by ₹109 cr in Sep 2015 compared to Mar 15
- ❖ Total capital employed reduced by ₹104 cr in H1 FY16

# Thank You

**Disclaimer:**

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

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