

FLF  FUTURE
LIFESTYLE
FASHIONS

Investor Presentation

May 2016



FASHION

Retail Brands
Distribution Investments

Key Highlights

- ❖ Focus continues on growing and expanding the Brands business and distribution network
 - Launched various multi channel promotional initiatives during the year
- ❖ Opened the first International Design Studio, “Future Style Lab” in London to stay ahead of ever evolving fashion trends
- ❖ Leveraging design ideas from “Future Style Lab”, launched “Cover Story”, India’s first fast fashion brand for women
- ❖ Launched new, redesigned and sophisticated Central with new and exciting features
- ❖ Expanded geographic presence in 12 new cities during the year
 - Current presence in 82 cities across the country
- ❖ Reported a robust top line of ₹ 3,300 cr with a Gross Margin of 38%
- ❖ Debt repayment of ₹ 104 cr largely achieved from internal accruals
 - Reduced finance cost by ₹ 23 cr as compared to FY15
- ❖ Reported first year of positive Free Cash Flow of ₹ 85 cr
- ❖ Key Appointments
 - Mr. Bijou Kurien, a retail sector veteran joins FLF’s Board of Directors*
 - Mr. Kaleeswaran Arunachalam appointed as the new CFO
- ❖ Board of Directors have approved a dividend of 20% (40 paisa per share)*

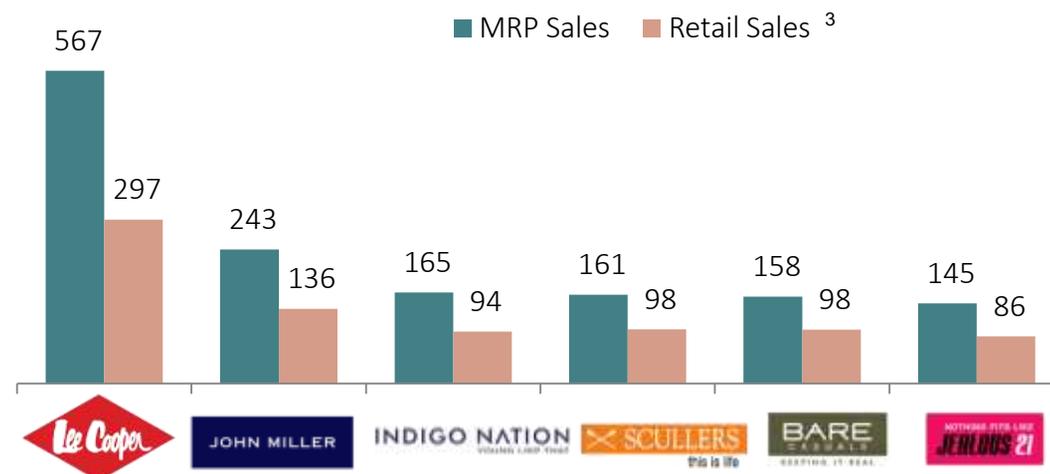


- ❖ Reported Total Income from Operations of ₹3,300 cr for FY16 as compared to ₹3,134 cr for FY15
- ❖ FLF Brands contributed 38% of Total Sales in FY16
- ❖ Top six brands contributed ~59% of Total Retail Sales of FLF Brands in FY16
 - ❖ Increased from 55% in FY15
- ❖ Lee Cooper continues to remain our leading brand registering a robust growth of 19% on MRP Sales on YoY basis
- ❖ John Miller, BARE and Indigo Nation reported strong double digit growth in MRP Sales as compared to FY15
- ❖ Reported SSGs of 8.6% & 10.3% in Retail & Central respectively
- ❖ Reported EBITDA margin of 9.9%
- ❖ Total debt reduction of ₹104 cr mainly through internal accruals
 - Resulting in finance costs of decreased by ₹23 cr for the year
- ❖ Gross space addition during FY16 was ~ 0.66 million sq ft

Total Sales ¹ Summary (₹ cr)	
Particulars	FY16
FLF Brands	1,376
- Owned Brands	460
- Licensed Brands	916
Third Party Brands ²	2,216
Total Sales	3,592

Less: Consignment / SIS	179
Less: Taxes	184
Net Sales after Tax	3,229

Top Brand Performance FY16 (₹ cr)



¹: Includes SIS & consignment sales

²: Third party brands represent non FLF brands and includes SIS sales and consignment sales

³: Retail Sales indicate Net Sales Before Tax

Fashion Brands (Total Sales: ₹1,376 Cr) ¹

❖ Portfolio includes over two dozen brands, catering to men, women and kids wear



Retail & Distribution (FY16 Total Sales: ₹3,154 Cr) ²

❖ Operates 369 stores in 82 odd cities, spread over 4.97 million square feet #



Strategic Investments (Shareholding, FY16 revenues in ₹Cr) ³

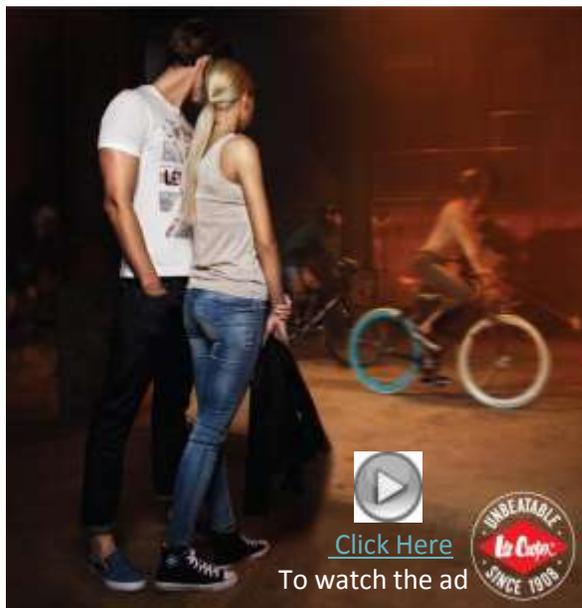
→ Turtle	26.0%	157
→ Clarks	50.0%	129
→ Tresmode	33.3%	51
→ Spunk	60.0%	34
→ Giovanni	96.0%	27
→ Desi Belle	27.5%	24
→ Mineral	52.4%	18
→ Holii	50.0%	7
→ Mother Earth	72.2%	3
→ Famozi	30.0%	3
→ Peperone	12.0%	
→ Future Style Lab	90.0%	

Divestments

26% stake in BIBA	to	
23% stake in AND	to	
31% stake in CELIO	to	

¹: Indicates revenues net of channel margins and markdown
²: Includes consignment and SIS sales, ³: As per latest filings, revenue figures are on unaudited basis
 # Data as on 31 Mar, 2016

	Own Brands	Licensed Brands	Investee Brands
Men	<p>INDIGO NATION CHANGEISM</p> <p>URBANA</p>	<p>DANIEL HECHTER PARIS</p> <p>LOMBARD</p> <p>JOHN MILLER</p>	<p>GIOVANI</p> <p>TURTLE</p>
Unisex	<p>SCULLERS this is life</p> <p>all the plus size store</p>	<p>Lee Cooper</p> <p>RIG UTILITY CLOTHING</p> <p>BARE CASUALS KEEPING IT REAL</p> <p>UMM</p>	
Women	<p>JERLOUS 21 NOTHING FITS LIKE</p> <p>MHR The Spirit of New India</p>		<p>CS</p> <p>mineral</p> <p>desi belle THE FASHIONISTA IN YOU</p>
Sports/ Active Wear	<p>URBAN YOGA FREE. SPIRITED. AND FULL OF LIFE</p>	<p>Champion</p> <p>CONVERSE</p> <p>umbro</p>	
Footwear / Access. / Other	<p>CERIZ</p>		<p>Clarks holii trèsmode</p> <p>F Famozi mother earth</p> <p>PEPERONE</p>



← **Licensed Global Denim Brand, positioned to cater to youth; Launched exciting commercials; FY16 sales at ₹297 Cr**

Men's fashion for the workplace; FY16 sales at ~ ₹136 Cr →



Positioned as a causal wear brand to be fashionable in one's own world and on own terms; FY16 sales at ₹98 Cr

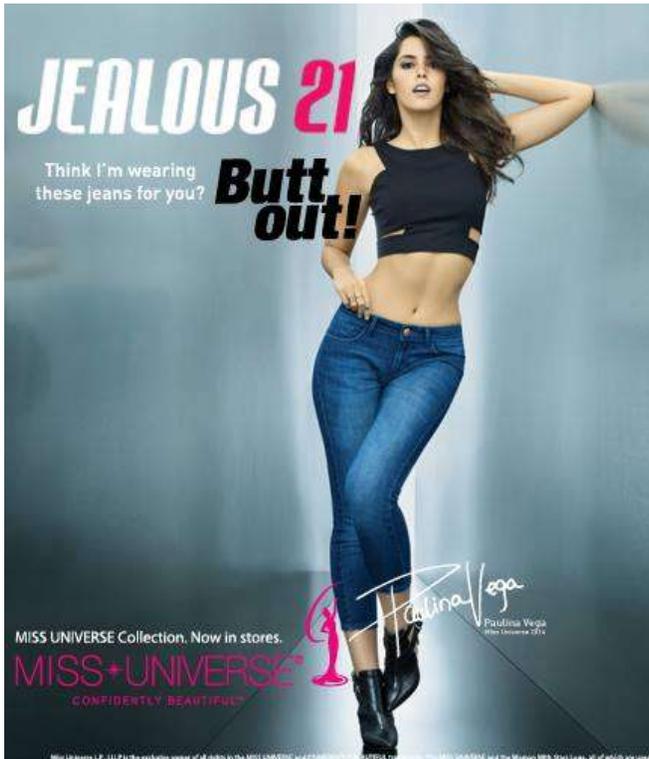


Stylish Casual Wear Brand with a range of products for men, women and kids; FY16 sales at ₹98 Cr



Delivering Fast fashion to the young Indian dude who forever aspires to be IN; FY16 sales at ~ ₹94 Cr





← Women's fashion with the right fit for Indian women body type; FY16 sales at ~₹86 Cr

↑ Fashion for the Plus size; FY16 sales at ₹106 Cr

FLF PRESENTS “COVER STORY,” A FAST FASHION BRAND FOR WOMEN

- ❖ Launched “Cover Story”, India’s first fast fashion brand for women offering the latest fashion trends
- ❖ Designed at Future Style Lab in London, Cover Story is perfect blend of modern and traditional clothing
- ❖ Launched at Gurgaon Central, followed by launches at various Central stores across India
- ❖ First Exclusive Outlet to open at Infinity 2 Malad, Mumbai in end of May’16



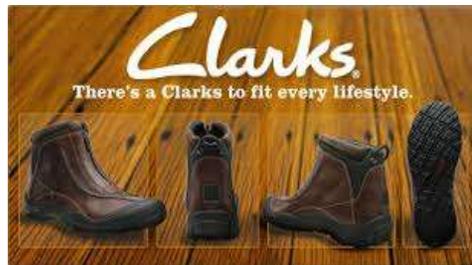
introducing **COVER STORY**
A story of high fashion, global style, and exquisite choice.

WEAR YOUR STORY

Now available at Central, Oberoi Mall, Goregaon.

styled in LONDON
The hottest global trends captured and curated from the catwalks of the world by a stellar international design team in London.

For regular updates on upcoming trends, and for exclusive previews, write to info@coverstory.co.in



Benefits to Future Lifestyle Fashions

- ❖ Fill the gaps within its portfolio especially in categories like footwear, handbags, accessories among others
- ❖ Current portfolio of investments expected to generate significant value in the near future

Benefits to the Brand

- ❖ Opportunity to join hands with a Group with over 2 decades of experience in the fashion industry
- ❖ Direct access to over 4.97 million sq ft across 82 odd cities in India (as on 31 Mar, 2016)

Overview	FY16 Retail Sales ¹	FY15 Retail Sales ¹	Growth Rate (%)
 <ul style="list-style-type: none"> ❖ Department store chain that offers a complete shopping experience ❖ Operates 31 stores spread over 3.19 million square feet 	₹2,060 cr	₹1,921 cr	7%
 <ul style="list-style-type: none"> ❖ Outlet model positioned as a stopover hub for graduating to lifestyle retailing ❖ Operates 42 stores spread over 1.29 million square feet 	₹818 cr	₹741 cr	10%
 <ul style="list-style-type: none"> ❖ India's leading multi-brand sportswear and sports goods chain ❖ Operates 55 stores spread over 0.15 million square feet 	₹87 cr	₹133 cr	-35%
EBOs & Others <ul style="list-style-type: none"> ❖ Includes franchise, <i>I am In</i>, BARE, aLL and Lee Cooper brand stores ❖ Operates 241 stores spread over 0.34 million square feet 	₹189 cr	₹181 cr	4%

¹: Includes consignment and SIS sales. Excluding Institutional Sales

²: Planet Sports includes Converse and other sportswear formats

Who are we and how are we positioned?

- ❖ Launched in 2004, a seamless mall and a department store chain that offer a 'complete shopping experience' with fresh product offering every season
- ❖ Introduced all new, redesigned and sophisticated Bangalore Central with exciting features such as assistance of fashion stylists, WhatsApp ordering, merchandise reserving etc.

Who is our Customer?

- ❖ Urban aspirational shopper across all age groups
- ❖ Positioned for the premium lifestyle segment, Central appeals to the fashion shopper with its spread of leading brands

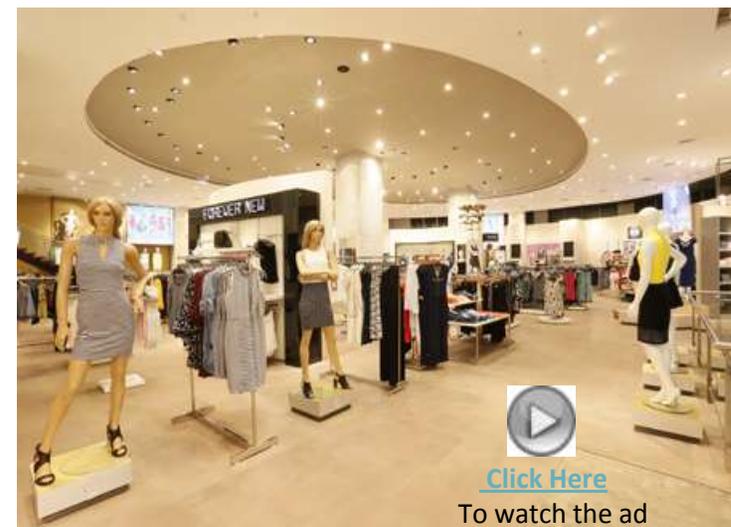
What is our reach?

- ❖ About 3.2 million sq ft of chargeable area
- ❖ Pan India Presence in around 24 cities, 31 stores
- ❖ More than 500 brands
- ❖ More than 33 million customers visit every year

Other Key Points

- ❖ Launched 1st TVC currently being shown on 33 channels
- ❖ Central format has an average store size of around 100,000 sq ft
- ❖ In FY16, Apparel contributed ~79%* of total sales within Central

* Excluding SIS & Consignment Sales



Who are we and how are we positioned?

- ❖ India's leading fashion discount chain, emerging as strong channel with exclusive line of merchandise
- ❖ Family shopping destination that typically offers 20% -70% discounts on more than 200 brands for men, women and kids
- ❖ Merchandise across categories- Apparels, Footwear, Accessories
- ❖ Launched innovative promotional campaigns taking the e-commerce players head on

What is our reach?

- ❖ About 1.3 million sq ft of chargeable area
- ❖ Pan India Presence in around 19 cities, 42 stores
- ❖ More than 12 million customers visit every year

Other Key Points

- ❖ Brand Factory has an average store size of around 30,000 sq ft
- ❖ Apparel contributed ~95%* of total sales in FY16 with balance coming from footwear, luggage and accessories

* Excluding SIS & Consignment Sales

Who is our Customer?

- ❖ Value seeking Suburban families
- ❖ Fashion following mini-metro/ smart shoppers
- ❖ Brand conscious explorative youth
- ❖ Young qualified, status seekers



amaz-off

STOP LOOKING ONLINE.
The lowest priced denims are only available at Brand Factory.

OFFER APPLICABLE ON ALL DENIMS IN-STORE

upto ₹1299
now ₹599

₹1300-₹2299
now ₹999

BRAND	WOMEN'S	MEN'S	KIDS	WOMEN'S	MEN'S	KIDS
Levi's	₹1199	₹1300	₹1330	₹1680	₹1825	₹999
Levi's	₹1299	₹1440	₹1299	₹1319	₹1191	₹999
Levi's	₹1317	₹1148	₹1183	₹1296	₹1317	₹999
Levi's	₹1079	₹1100	₹1400	₹1140	₹1380	₹999
Levi's	₹1299	N/A	₹1814	₹2079	₹1299	₹999

BRAND FACTORY
BEST BRANDS • SMART PRICES

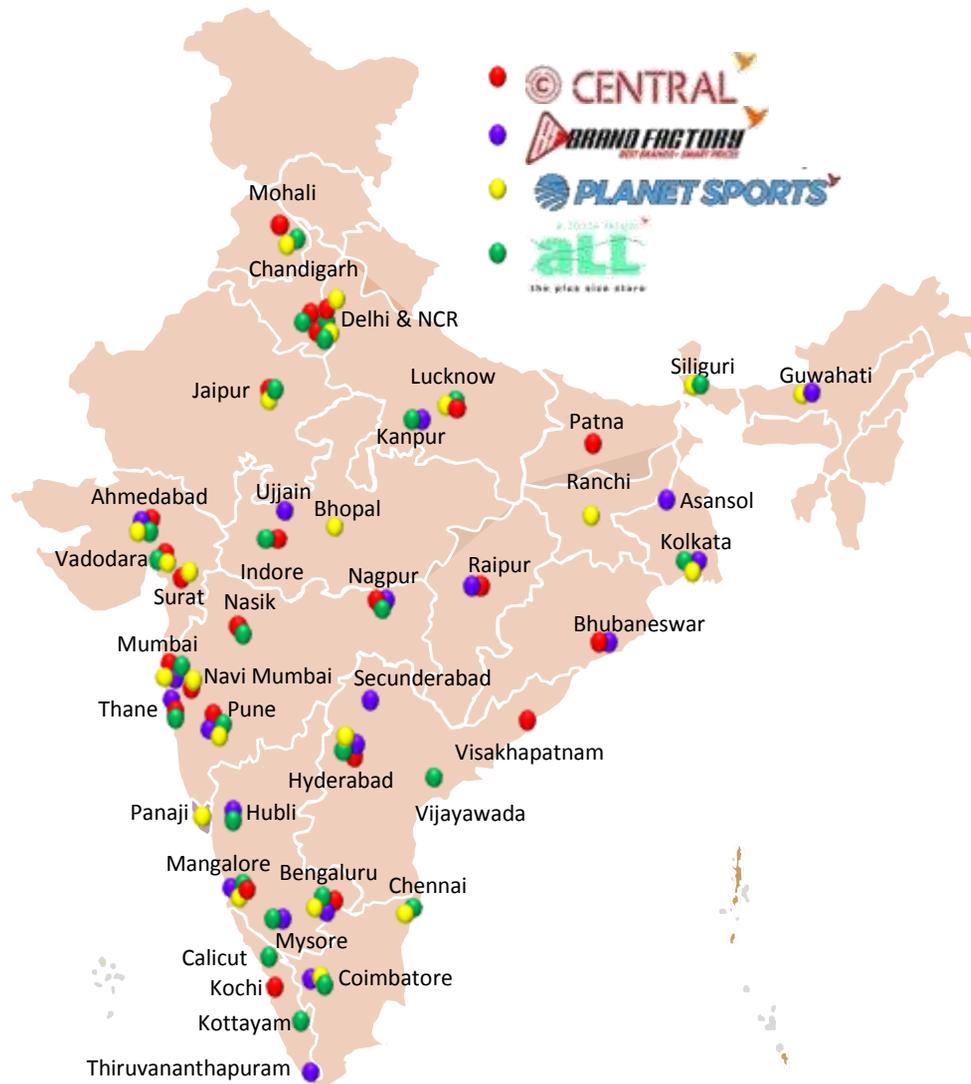
Find us on [brandfactoryofficial](#) #ShopOffline

18-20 DECEMBER
Pick Any Garment You Like.
ENTIRE STORE ON
50% OFF

BRAND FACTORY
BEST BRANDS • SMART PRICES

Lee, Levi's, HUGO BOSS, Allen Solly, S.K. Raju, WALLEGGIO, JOHN FURBER, ELLE, JACK & JONES, HUGO BOSS, JACK & JONES, and many more.

Additional Discount For Forum Group Employees On Special Privileges Card



Retail Presence

- ❖ Gross space addition during FY16 was ~0.66 million sq ft
- ❖ FLF is now present in 82 cities across the country,
 - During the fiscal year, FLF expanded its presence to network into 12 new cities
- ❖ Central is currently present in 24 cities
- ❖ Brand Factory has expanded its network to 19 cities

New Store Openings

- ❖ FY16 witnessed store opening in both large store formats and small store formats
 - During FY16 85 new stores were added across formats
 - 4 Central, 9 Brand Factory, 12 aLL stores, along with Planet Stores and other brand outlets

Note: The above map represents current store network of FLF excluding EBOs and other specialty formats.

Disclaimer: The map used is only for visual representation purpose and is not to scale.

- ❖ We are spread across over 82 cities in India, across 369 locations, across multiple formats
- ❖ We talk to the customer in their price language – We serve the youngest and swankiest customers on MG Road, Bangalore; the value seeking families in Trivandrum, the young professional with a limited budget in Thane and the aspirational crowd in Vijaywada
- ❖ We talk to the customers in all age groups – Young girls wanting to look like fairytale characters, teenagers who want to look like the latest teen sensation, young men who are hunting for formals for the first time in their lives, women who fashionably want to look younger, 35+ millennials – we serve them all with equal ease
- ❖ We talk to the customers across all locations – toniest locations in Mumbai, middle class locations in Nashik and the grand bazaar in Patna
- ❖ We talk to the customers with all kinds of tastes – middle aged women trying out western wear for the first time, younger women about to getting married buying Indian ethnic wear for the first time and much married men looking for Sherwanis worn during Indian marriages

Increasing Focus on Power Brands

- Aim to bring back the customer to our stores

Increasing Penetration of FLF Brands

- Improved profitability and increased contribution to the value chain

Staying ahead on the Fashion Curve

- Opened the first international Design Studio, “Future Style Lab” in London to keep up & bring the evolving trends to India
- Leveraging design ideas from “Future Style Lab”, launched “Cover Story”, India’s first fast fashion brand for women

Loyalty and Analytics is a Key Focus Area

- Customer loyalty program launched over an year back to leverage the nation-wide store network
- Partnered with Dunhumby and Manthan for Analytics and have added top talent for data driven retailing

Revamping the Stores Portfolio

- Keeping only the right stores at the right locations
- Launched new, redesigned Central, introduced new store layouts for Brand Factory attracting new set customers
- Top performing stores are being refurbished and aggressively positioned as destination stores in the city

Increase Returns Significantly in Next 2 Years

- Improve Store operating efficiencies and reduce net working capital
- Rationalize the Strategic Investment portfolio

Income Statement (₹ cr.) Particulars	Twelve Months ended	
	FY16	FY 15
Net Sales	3,229	3,064
Other Operating Income	71	70
Total Income from Operations	3,300	3,134
COGS	2,046	1,919
Gross Profit	1,255	1,215
Gross Margin %	38.0%	38.8%
Employee Benefits Expense	189	169
Rent including Lease Rental	373	346
Other Expenditures	368	369
Total Expenditure	929	885
EBITDA	325	330
EBITDA Margin %	9.9%	10.5%
Other Income	16	22
<i>Other Income</i>	6	8
<i>Profit from sale of investment</i>	11	14
Depreciation	161	170
EBIT	180	182
Finance Costs	135	158
PBT	45	23
Tax expense	16	5
Net profit	29	19

- ❖ Other Income
 - FY16 other income includes profit from sale of residual stake in BIBA
 - FY15 other income mainly includes profit from sale of stake in Celio
- ❖ Finance costs decreased by ₹23 cr compared to FY15
- ❖ Reported a PAT of ₹29 cr for FY16

Balance Sheet (₹ cr.) Particulars	As of	
	31-Mar-16	31-Mar-15
Shareholders' Funds	1,623	1,600
Total Debt	1,141	1,244
Total Capital Employed	2,764	2,844
Less: Current Investments	375	344
Less: Cash & Bank Balances	15	60
Net Adjusted Capital Employed	2,374	2,441
Fixed Assets	1,429	1,474
Non-Current Assets	344	306
Current Assets	1,818	1,766
Less: Non-Current Liabilities	141	138
Less: Current Liabilities	1,077	967
Total Net Assets	2,374	2,441

Cash Flow (₹ cr.)	FY16	FY 15
Net Cash From Operating Activities	358	231
Less:-		
Net Capex	138	321
Interest Paid	135	158
Free Cash Flow	85	-249
Repayment of Loan	-104	-311
Proceeds from Issue of Shares / CCD	0	302
Net Investment in Subsidiaries / Associates	-21	48
Interest & Dividend Income	4	6
Dividend Paid (Including DDT)	-9	-8
Net Increase in Cash & Cash Equivalents	-45	-211

- ❖ Total debt reduced by ₹104 cr in FY16
- ❖ Debt/Equity improved from 0.74x in FY15 to 0.69x in FY16
- ❖ Total Capital Employed witnessed a reduction of ₹80cr during the period

- ❖ Reported Free Cash Flow of ₹ 85 cr
- ❖ During the year, the Company further invested in Holii, Mineral, Tresmode, Giovanni
- ❖ Investments were also made in setting up Future Style Lab

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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