FUTURE
LIFESTYLE
FASHIONS

REF: SEC/BM/BSE/NSE/2015-16

26 May 2016

Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Fax Nos.: 22723121 / 22722037

Scrip Code : 536507
Scrip Code of Debt : 950223/ 946822 / 947433

Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kurla Complex, Bandra (East)
Mumbai- 400 051

Fax Nos. 26598237 / 26598238

Scrip Code : FLFL

Dear Sir/ Madam,

Sub.: Presentations to Analysts/ Investors.

Please find enclosed herewith the presentations being forwarded to Analysts/ Investors on the Audited Financial Results of the Company for the Quarter and Year ended 31 March 2016.

The aforesaid presentation is also available on the Company's website www.futurelifestyle.in.

Kindly take the same on your records.

for **Future Lifestyle Fashions Limited**

Sanjay Kumar Mutha
Chief legal & Company Secretary

Encl: as above

FLF

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Investor Update – Q4 FY16 / FY16
(Jan 16 – Mar 16) / (Apr 15 – Mar 16)

FY 15-16 At a Glance

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)*

*Subject to shareholder approval

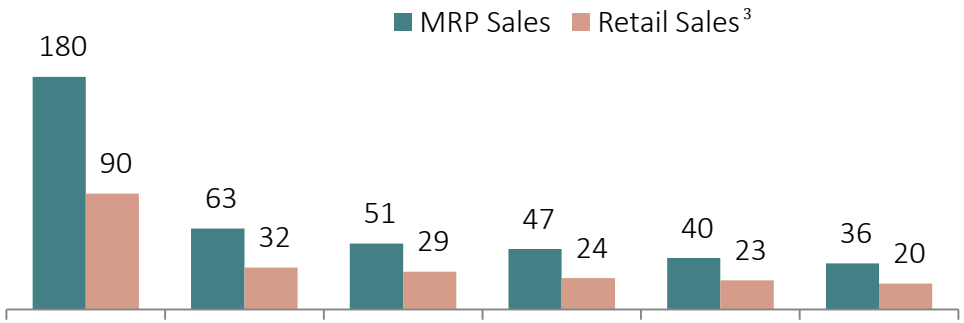
Snapshot – Q4 FY16

- Reported Total Income from Operations of ₹850 cr for Q4 FY16 compared to ₹ 801 cr for Q4 FY15
- FLF brands contributed 40% of Total Sales compared to 38% in Q3 FY16
- Top six brands contributed ~60% of Total Retail Sales of FLF Brands in FY16
- Scullers reported a robust 63% sequential growth in MRP Sales
- Jealous 21 also reported a strong double digit growth in MRP Sales as compared to Q3 FY16
- Reported SSGs of 9% and 8.2% in Retail & Central respectively
- Reported EBITDA margins of 10.2% for Q4 FY16
  - On YoY basis, EBITDA margins exhibited improvement of 161 bps
- Operates 4.97 million square feet of retail space across fashion formats (including EBOs)
  - Gross space addition during Q4 FY16 was ~0.28 million sq ft

Total Sales[1] Summary (₹ cr)

Particulars	Q4 FY16
FLF Brands	365
- Owned Brands	*129*
- Licensed Brands	*236*
Third Party Brands[2]	556
Total Sales	**921**
Less: Consignment / SIS	40
Less: Taxes	48
Net Sales after Tax	**834**

Top Brand Performance Q4 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

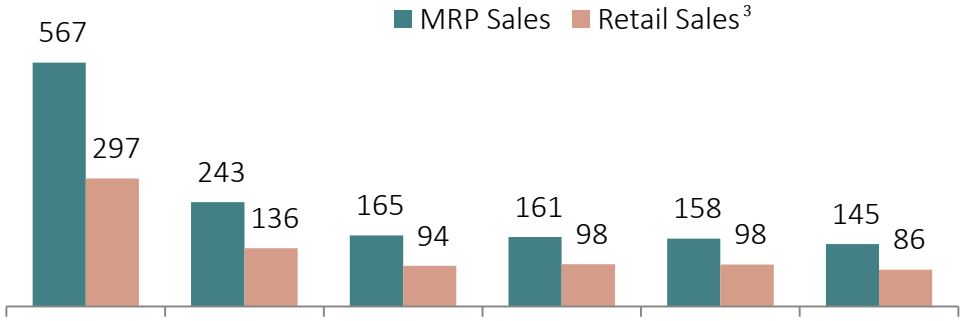
Snapshot – FY16

- 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)



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[2]: Third party brands represent non FLF brands and includes SIS sales and consignment sales
[3]: Retail Sales indicate Net Sales Before Tax

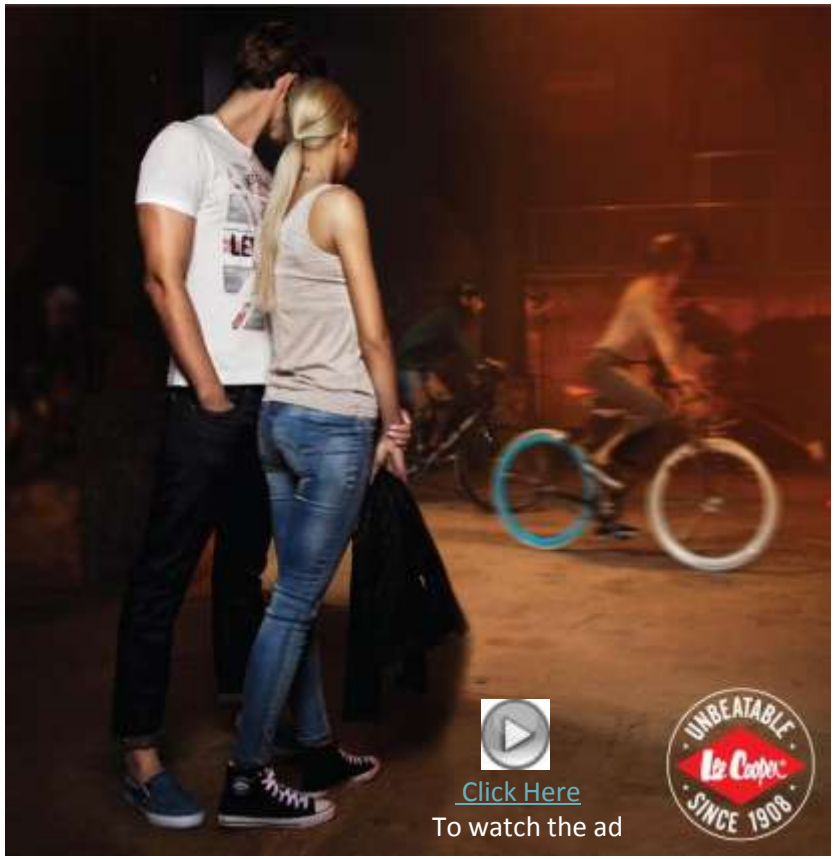
FLF Presents "Cover Story," a Fast Fashion Brand for Women

- 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 Gurgoan 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

Lee Cooper – Media Campaigns & New Collections

TV Commercial for Spring Summer 2016 Collection

- Lee Cooper launched an exciting new TV commercial to promote its Spring Summer '16 collection
- The collection focuses on the distressed worn-out look with unique fabrications



Click Here
To watch the ad

Brand Business – Media Campaigns

- Jealous 21 recently rolled out an Out-Of-Home media campaign at Mumbai Metro and Stations
- Campaign is targeted at young college girls and women, which are core customers of the brand
- Mumbai Metro branding provides a reach of over 7 lac commuters per day and is an effective channel to position the brand amongst the independent fashion conscious women of Mumbai

Brand Business – Promotions

Indigo Nation Styles Up India's Startup Superheroes

- Indigo Nation was the style partner for the India's biggest start up conference "Unplugged 2016"
- Over the past few months, Indigo Nation through its #StartUpNation campaign has built up a powerful connect with today's youth

Road to Converse Rubber Tracks

- Converse hosted the second season of "Road to Converse Rubber Tracks", a platform to showcase talent for unsigned bands
- A perfect platform to enhance the brand's appeal and stay relevant to its core consumers, "Music Aficionados"
- The event helps Converse further boost its strong brand image surrounding music and build a strong connect with its consumer

Spring Summer Collection Launches

aLL Spring-Summer Collection Brings to the Table Perfect Recipe to Beat the Heat!

Presenting the Summer Collection from Ceriz!

All New, Redesigned and Sophisticated, Bangalore Central Opens Doors!!

- Since its launch 12 years ago, the very 1st Central is back in a new, exciting avatar!
- Redesigned Central offers hassle free shopping, more space, minimalistic fixtures and a classy fashion boutique feel!

Key Exciting Features

- Fashion stylists advise on latest fashion trends, customers can also book an appointment to revamp their entire wardrobe
- Customers can WhatsApp their requirements, receive options and get the merchandise delivered at their home
- Merchandise can be reserved for up to 48 hours in store, if customers are not sure about the purchase instantly
- Beauty expert sessions will be held for customers where celebrity look make-up tips will be shared

Central's First TV Commercial

- Central makes its debut on the small screen
- Effectively targeting urban, up market consumer, the TVC is being telecasted on 33 channels including leading English movie channels, music channels and news channels etc.
- Showcasing Central's core strength – a complete and unique shopping experience for latest fashion
- Central will also connect and attract new customers via this TVC

Click Here
To watch the ad

Brand Factory – Media Campaigns and Network Expansion

Promotional Campaigns

- Brand Factory launched innovative promotional campaigns taking the e-commerce players head on
- Campaign kick started by 3 full-page ads in leading national dailies &in store promotions
- Reiterated its dominance in both quality and price

Network Expansion

- In April 2016, Brand Factory doubled its reach in Mumbai with the format now present in 6 locations across the city

Attracting New Customers

- Bringing new buyers to the format with new communication and new store layouts

Strong Channel for FLF

- Emerged as a strong channel, with exclusive lines designed for the format

Leveraging Loyal Customer Base

- With a loyalty customer base of ~1.8mn customers, launched targeted campaigns leading to significant customers stickiness

Growth and Expansion in Distribution Network (1/2)

Retail Presence

- Operates 4.97 million square feet of retail space across fashion formats (including EBOs)
  - Gross space addition during Q4 FY16 was ~0.28 mn sq ft

New Store Openings

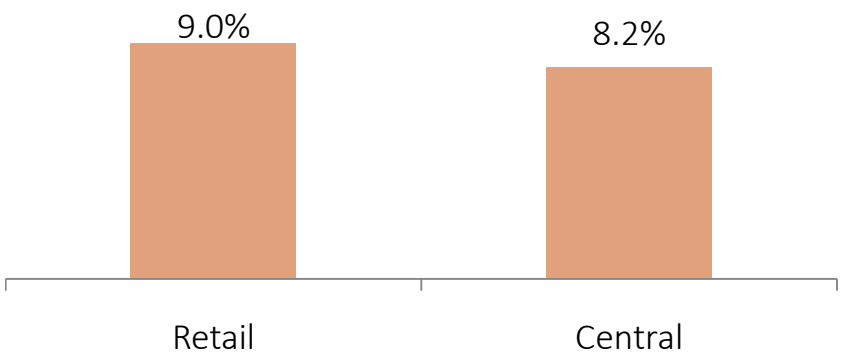
- Q4 FY16 witnessed store opening in both large store formats and small store formats
  - Established Central's presence in Bhubaneswar and Lucknow
  - Opened 3 Brand Factory stores in Mumbai, Hyderabad and Bangalore
  - Opened 2 aLL stores in NCR region and Mumbai
  - Lee Cooper established its presence in Palai (Kerala) with its 1st store in the city
    - Also opened 1 store in NCR region
  - Opened 10 EBOs & other small format stores:
    - Created presence in Ongole (Andhra Pradesh) with its 1st store in the city
    - Strengthened presence in Hyderabad, NCR region, Jaipur, Ahmadabad, Mumbai and Aurangabad

Store Network as of 31st March 2016

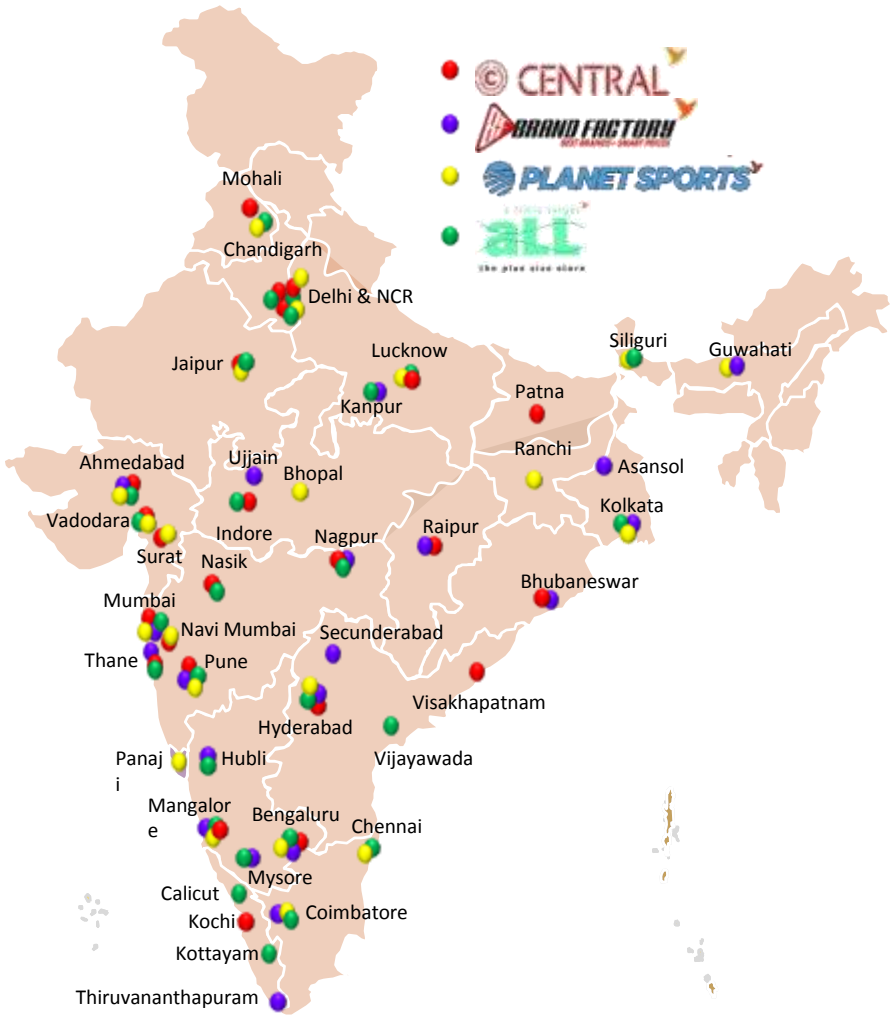
Format	# of stores	Retail space (mn sq ft)
Central	31	3.19
Brand Factory	42	1.29
aLL	53	0.07
Planet Sports & Other	55	0.15
EBOs and Others	188	0.27
Grand Total	**369**	**4.97**

Planet Sports and Other includes Converse
EBO and Others includes franchise, *I am In* and Lee Cooper brand stores

SSGs (%) for Q4 FY16



Growth and Expansion in Distribution Network (2/2)



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.

Financial Performance – Quarterly Income Statement

Income Statement (₹ cr.)	Quarter ended		
Particulars	**Q4 FY16**	**Q3 FY16**	**Q4 FY15**
Net Sales	834	857	783
Other Operating Income	16	20	18
Total Income from Operations	**850**	**878**	**801**
COGS	529	533	502
Gross Profit	**322**	**344**	**299**
Gross Margin %	**37.8%**	**39.2%**	**37.4%**
Employee Benefits Expense	48	48	44
Rent including Lease Rental	94	96	92
Other Expenditures	93	99	95
Total Expenditure	**235**	**243**	**231**
EBITDA	**87**	**101**	**69**
EBITDA Margin %	***10.2%***	***11.5%***	***8.6%***
Other Income	1	1	8
Other Income	*1*	*1*	*3*
Profit from sale of investment	*0*	*0*	*5*
Depreciation	45	40	35
EBIT	42	62	41
Finance Costs	33	33	37
PBT	**9**	**29**	**5**
Tax expense	4	9	-1
Net profit	**5**	**20**	**6**

- Gross margins grew by 40bps on YoY basis to 37.8% in Q4 FY16
- EBITDA margins expanded from 8.6% in Q4 FY15 to 10.2% in Q4 FY16
  - Largely driven by optimization of total operating expenses
- Finance costs decreased by ₹3 cr compared to Q4 FY15
- Q4 FY15 other income mainly includes profit from sale of stake in Celio

Note: Standalone results do not include investee companies.

Financial Performance – Full Year Income Statement

Income Statement (₹ cr.)	Twelve Months ended	
Particulars	**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
Other Income	*6*	*8*
Profit from sale of investment	*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

Note: Standalone results do not include investee companies.

Balance Sheet and Cash Flow

Balance Sheet (₹ cr.)	As of	
Particulars	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, Giovani
- Investments were also made in setting up Future Style Lab

Note: Standalone results do not include investee companies.

Key Appointments

Bijou Kurien - Independent Director*

- Mr. Bijou Kurien appointed as an Additional (Independent) Director
- Mr. Kurien, a retail sector veteran has been associated with marquee brands in the fast moving consumer products, consumer durables and retail industry in India for over 34 years
- His previous assignments include Reliance Retail Limited, Titan industries Limited and Hindustan Unilever Limited
- Currently, he is an independent consultant and member of the Strategic Advisory Board of L Capital, Asia (sponsored by the LVMH Group)
- Also advises several consumer product companies and mentors a few start-ups
- He is also on the Advisory Board of leading Management Education institutions, the World Retail Congress, and Mentor to the FICCI Retail Committee

Kaleeswaran Arunachalam - CFO

- Mr. Kaleeswaran Arunachalam has about 15 years experience in Food & Fashion Industry
- Previously, he has worked with Mondelez International (Cadbury), Aditya Birla Nuvo Limited (Madura Garments) and TVS Motor Company Limited
- He led Finance and Business Transformation including Change Management, expertise in Financial Planning and Business Analytics with experience in working at India and abroad
- He is a qualified Chartered Accountant from ICAI, Master of Business Administration (Finance), Singapore and Bachelor of Commerce

*Subject to shareholder approval

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.

Registered and Corporate Office:

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Incase if any queries please contact: investorrelations@futurelifestyle.in