





NEXT GENERATION INFRASTRUCTURE FUELING INDIA'S CONSUMPTION BOOM



In a country, with almost 400 million people born in the 21st century and consumption expenditure expected to cross USD 2.8 trillion by 2020, Future Enterprises Limited focusses on building and managing the next generation infrastructure that fuels India's consumption boom. The company builds, owns and leases the retail infrastructure

for leading retail chains in 221 cities and towns in the country, along with holding significant stakes in companies specializing in logistics and supply chain, life and general insurance, garment manufacturing units and minority stakes in leading retail and consumer goods companies of Future Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

V. K. Chopra

DIN: 02103940

Chairman & Director (From May 4, 2016)

Kishore Biyani

DIN: 00005740

Managing Director (up to May 1, 2016)

Vice-Chairman & Director (from May 4, 2016)

Rakesh Biyani

DIN: 00005806

Joint Managing Director (up to May 1, 2016)

Vijay Biyani

DIN: 00005827

Managing Director (from May 4, 2016)

S. Doreswamy

DIN: 00042897

Director

Anil Harish

DIN: 00001685

Director

Bala Deshpande

DIN: 00020130

Director

Dinesh Maheshwari

DIN: 00088451

Executive Director & Chief Financial Officer

(from May 4, 2016)

STATUTORY AUDITORS

NGS & CO. LLP.

RISK ADVISORS

Ernst & Young Pvt. Ltd.

COMPANY SECRETARY

Deepak Tanna

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

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LBS Marg, Bhandup (West),

Mumbai - 400 078.

Tel + 91 22 2594 6970

Fax + 91 22 2594 6969

BANKERS

IDBI Bank

Indian Overseas Bank

South Indian Bank

State Bank of India

ECL Finance Ltd.

Corporation Bank

State Bank of Patiyala

REGISTERED OFFICE

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Off. Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400 060.

Tel + 91 22 66442200

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CORPORATE OFFICE

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Vikhroli (West), Mumbai - 400 083.

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Fax + 91 22 61995019

Website: www.felindia.in

INVESTOR EMAIL ID

Investorrelations@futuregroup.in

CORPORATE IDENTITY NUMBER

L52399MH1987PLC044954

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EXPOSURE ACROSS THE VALUE CHAIN OF INDIA'S CONSUMPTION PIE

MAKE



Captive garment manufacturing capacity



MOVE



Future Supply Chain (FSC) operates a country wide logistics network. The company owns 70% stake in FSC and significant stakes in life and general insurance companies



SELL



FUTURE RETAIL



Big Bazaar, EasyDay, FBB, Home Town, Ezone & Foodhall. The company leases out retail infrastructure of 13 mn sq. ft. of retail space

The company owns 9% stake in FCEL, the FMCG arm of Future Group

FLF

The company owns 16% stake in FLF that operates Central, Brand Factory and markets over 24 fashion brands

STAPLES

The company owns 60% stake in Staples Office Products, an office supplies company

MESSAGE FROM VICE CHAIRMAN



Dear Stakeholders

We are pleased to present to you the Annual Report of your company, Future Enterprises Limited for the financial year 2015-16. During the year, your company announced combination of businesses between Bharti Retail Limited, now known as **"Future Retail Limited"** with itself.

The combination of businesses of Future Retail Limited and your company brought together seven leading retail formats, Big Bazaar, EasyDay, Home Town, eZone, Food Bazaar, fbb and Foodhall, which collectively operate 738 retail stores in 221 cities, spread over 13 million square feet of retail space. Along with the large retail, supply chain, manufacturing and technology infrastructure required to operate this network, it also brings together a large number of investments the companies had made in allied businesses.

Modern retail thrives in bringing together billions of merchandise seamlessly across physical and digital channels to millions of customers across the country. The infrastructure required to operate such a wide network is tremendous. The skills and expertise required to grow such a vast infrastructure are also quite distinct. The capital and balance sheet profile that is required to maintain and fuel such a network needs to be unique and distinct from that of operating the retail business.

In order to streamline the combined businesses and ensure continuous growth, it was proposed to consolidate the backend infrastructure of the network, along with the investments in allied businesses in your company. The front-end operational businesses and formats of the network were consolidated within Future Retail Limited.

India is ranked as the second most attractive modern retail destination by global consultancy firm, AT Kearney. The total modern retail space is expected to cross 100 million square feet within the next two to three years. Setting up of new modern retail stores requires specialized skills and investments in project management, design, architecture, electrical engineering, supply chain and technology. Specialized furniture, fixtures, lighting, IT networks, point of sales technology, in-store warehouse infrastructure and much more go into setting up these stores. Modern retail stores are now also integrating digital platforms, interactive touch-screens, endless aisles, smart trial rooms and new age experiences within physical stores.

Your company is designed to deliver and build upon these assets and skills required to manage and grow them efficiently. The lease income from owning and managing these assets will be the key source of revenues for the company.

In addition, its subsidiary, Future Supply Chain Solutions has grown into one of the leading consumer-industry focused supply chain and logistics companies in the country. In order to fuel its growth further, the company has brought in a new investor, SSG Capital that will acquire a 40% stake in the company, valuing it at ₹ 1,450 Crore. Your company will own 57.4% stake, post completion of the transaction.

In addition, the company holds substantial stakes in life and general insurance companies, operated in partnership with Europe's largest insurer, Generali, as well as minority stakes in group companies. In addition, it operates joint ventures with National Textile Mills to operate two textile mills, Apollo and Goldmohur that are located in the heart of Mumbai. Its oldest business, manufacturing garments and supplying to various group businesses, continues to be part of the company. Over time, the company will explore ways to monetize each of these investments and create further value for its stakeholders.

The consumption sector will continue to be one of the most promising sectors that will drive growth and development in the country. Your company is well placed to play the role of the catalyst and benefit from this growth. We thank you for having your faith in us and look forward to your continued support and encouragement in our journey.

Rewrite Rules, Retain Values

Kishore Biyani

RETAIL INFRASTRUCTURE

As a part of the scheme of arrangement between erstwhile Future Retail Limited and Bharti Retail Limited, Future Enterprises Limited was created with combined retail backend and infrastructure of both these companies to support the retail front end. Lease rentals form an important source of income for the company, while the regular maintenance and security of the fixed assets will be responsibility of the Lessee.

The company has the inherent expertise and capabilities to set up and operate a very large number of multi-format retail stores. **The company owns the fixed assets used in setting up and operating hypermarket chain of Big Bazaar, medium-sized stores like fbb and Easy Day, specialty stores such as eZone and Home Town and smaller format stores within the Foodhall, EasyDay and KB's convenience store networks.** The fixed assets owned by the company include, furniture, specialized store fixtures, in-store warehousing, networking, payment systems, other technology infrastructure, electrical fittings and equipments within the stores, among others.

As on March 2016, the company owned the fixed assets and infrastructural assets of **738 stores across various retail chains, that are present in 221 cities and towns across the country, covering almost 13 million square feet of retail space. Collectively, these stores attracted over 295 million customer footfalls and over 150 million transactions, selling billions of merchandise units.** The company has the capability and expertise to roll out infrastructure assets for almost 3 million square feet of new retail space across the country, across various store sizes and formats.

The company will be incurring capital expenditure towards fittings and fit outs for setting up the new stores and for renovation or refurbishing of existing stores based on the requirement of the front end retail chains. The company has dedicated team of professionals, involved in execution of projects having good expertise in executing the projects.

FEL stands to benefit from having India's foremost Retail chain as the anchor customer and from significant potential of growth of Modern Retail in the country. Lease rentals represent steady and strong annuity cash flows to FEL in the coming years. Other than the Group retail network, your company is also exploring opportunities of leasing business outside the Group.



TOTAL STORES

738

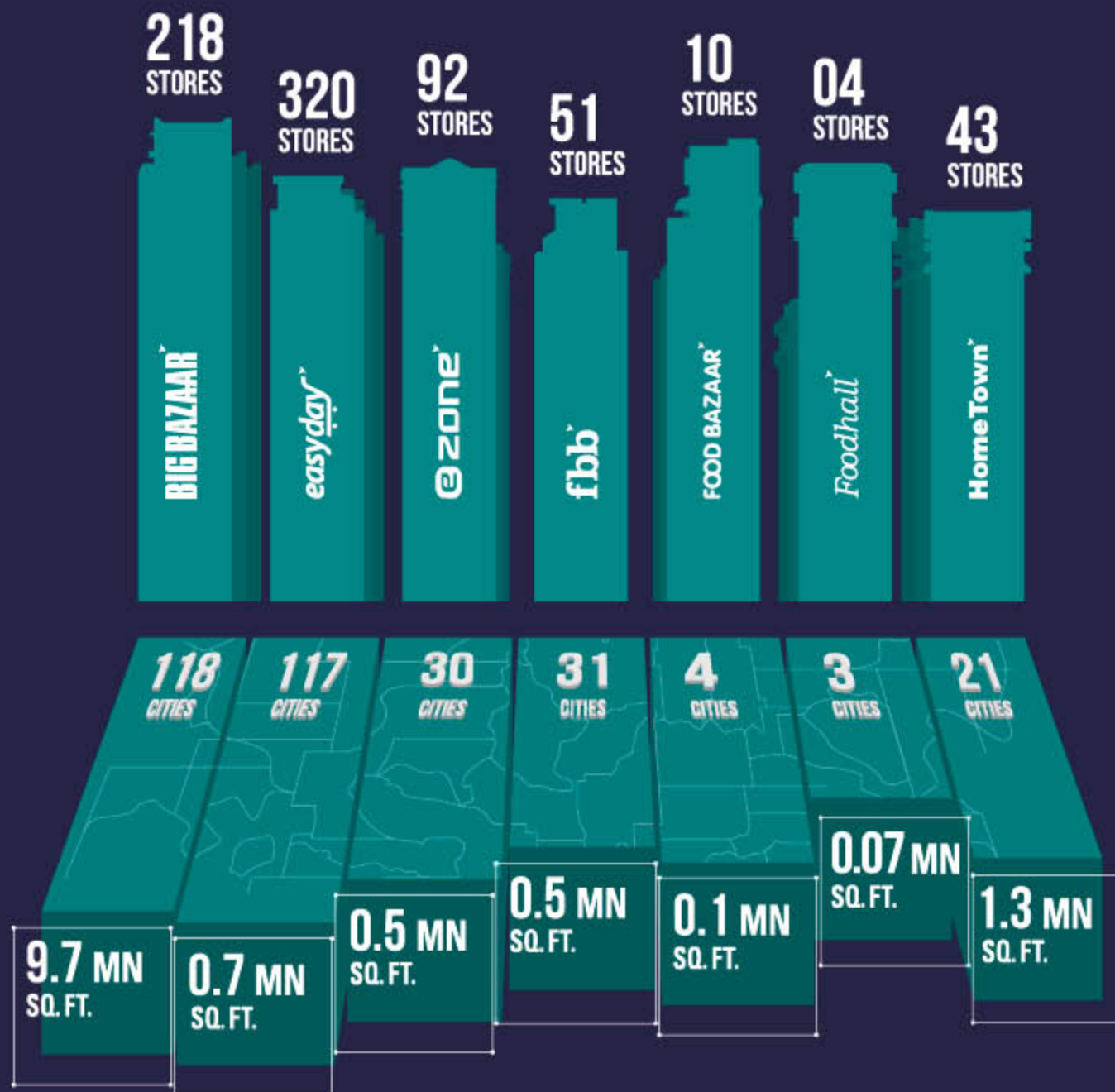
TOTAL CITIES

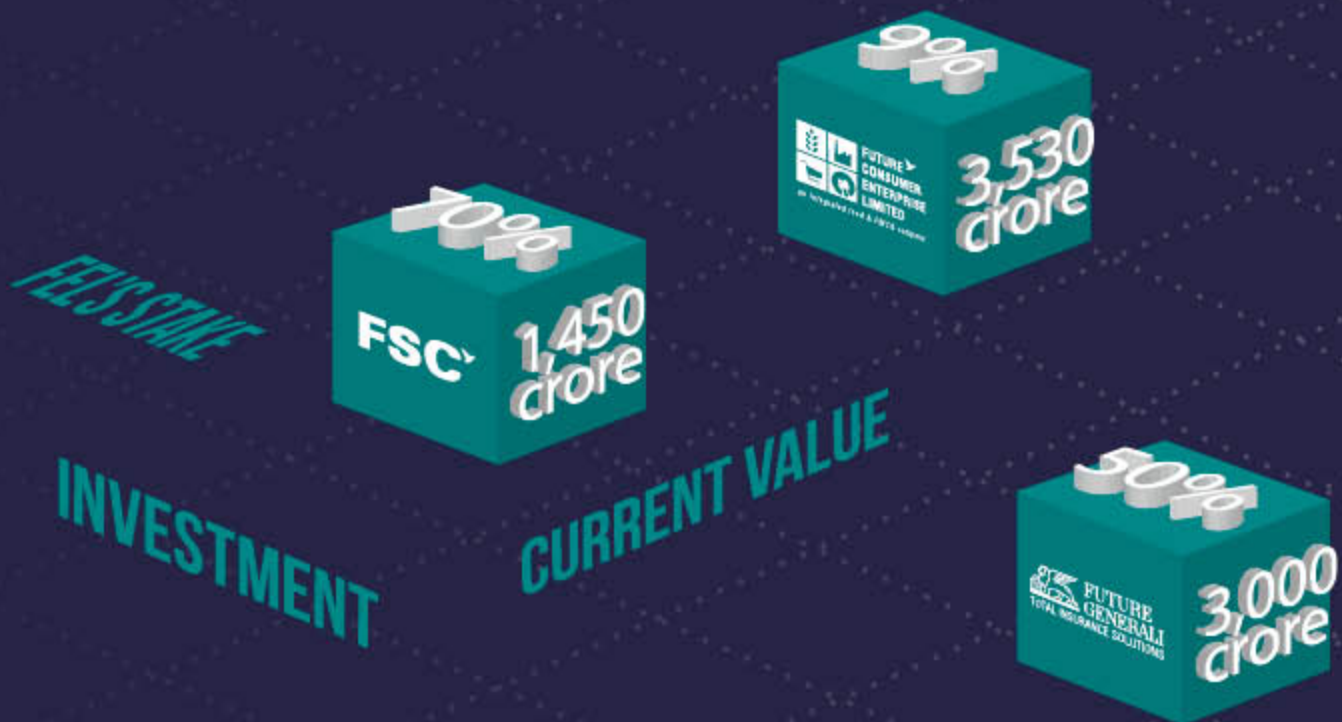
221

TOTAL AREA

13 MN.SQ.FT.

RETAIL INFRASTRUCTURE





INVESTMENTS

Future Supply Chain Solutions Limited

Future Supply Chain Solutions Limited (FSC) has one of the leading, technology-focussed, GST-ready consumption logistics in the country. The company posted a total income of ₹ 524 Crore, a growth of around 28% over the previous year.

The company has developed strong capabilities across all domains of supply chain including an integrated warehousing and distribution network, GST ready big box logistics parks, built to suit infrastructure for contract logistics, a pan India network covering 10,000+ pin codes for express and ecommerce logistics, and a dedicated division for cold chain logistics.

Almost 40% of its revenues now come from businesses outside the Future Group, leading companies including Tata Motors, Honda, Hitachi, Carrier, Mondelez, ITC, P&G Puma, Tupperware, J&J, Philips, among others as its clients.

Recently, FSC has also attracted PE investments from SSG Capital Management Group. The transaction was announced on April 07, 2016 involves SSG Capital acquiring a 40% stake from existing shareholders valuing the company at ₹ 1,450 Crore. FEL will continue to hold 57.4% in FSC post the transaction.