

FILE



FUTURE
LIFESTYLE
FASHIONS

YOU *are*
FASHION
annual report 13-14

For HER...
pg 20

*Investing
in the future*
pg 24

YOUNGISTAAN
pg 31



LEE COOPER: 1 exclusive store. Also available at Central, Brand Factory, fbb, IamIN, Pantaloons, Westside, Shopper's Stop, Lifestyle, Big Bazaar and HyperCity

Lee Cooper

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti, CHAIRMAN
& INDEPENDENT DIRECTOR

Mr. Kishore Biyani
MANAGING DIRECTOR

Mr. Rakesh Biyani
DIRECTOR

Dr. Darlie Koshy
INDEPENDENT DIRECTOR

Mr. Rahul Mehta
DIRECTOR

Mr. Chandra Prakash Toshniwal
EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER

COMPANY SECRETARY

Mr. Kuldeep Sharma
HEAD-LEGAL &
COMPANY SECRETARY

STATUTORY AUDITOR

NGS & Co. LLP

BANKERS

Axis Bank

IDBI Bank

ING Vysya Bank

State Bank of Hyderabad

Canara Bank

Bank of Baroda

Bank of India

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup (West)

Mumbai - 400 078

Tel: +91 22 2596 3838

Fax: +91 22 2594 6969

REGISTERED OFFICE AND CORPORATE OFFICE:

Future Lifestyle Fashions Limited

Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road,

Jogeshwari (East), Mumbai 400 060

Tel: +91 22 3084 2336 Fax: +91 22 3084 2502 Website: www.futurelifestyle.in

Corporate Identification Number: U52100MH2012PLC231654



Clarks

A group of four people (two men and two women) are sitting on the side of a wooden boat on a sandy beach. They are all smiling and looking towards the camera. The background shows a cloudy sky and the ocean. The man on the far left is wearing a light blue shirt and blue pants. The man next to him is wearing a checkered shirt and yellow pants. The man next to him is wearing a blue striped shirt and blue pants. The woman on the far right is wearing a patterned shirt and yellow pants, and a straw hat. The text is overlaid on the left side of the image.

₹. 2744
Crores Annual Revenues

₹. 294
Crores Operating Profits

₹. 330
Crores Profits from
Sale of Investments

FLF *at a* GLANCE

India's youngest fashion company is also home to some of India's most popular fashion brands and retail destinations. Our mission is to discover the idiom of fashion in India and we aim to create the country's most profitable fashion business. We live, think and breathe fashion.

CUSTOMERS

Everything FLF does begins with the customers; the goal is always to exceed their expectations. We offer brands, products and shopping destinations for all Indians, irrespective of their age, styles, dreams, and expectations; they are a source of continuous inspiration. FLF strives always to be attentive and to offer the best combination of fashion, quality and price.

Over **41 million** customers visited our stores.

And over **1 million** stayed in touch with our Brands on Facebook.

IDEAS *and* DESIGN

FLF's design team, trend spotters and buyers work together to create a broad and varied range of inspiring fashion for all – women, men, teenagers and children - complete with shoes and accessories. Quality, sustainability and trend awareness are always in focus. Themes, colors, silhouettes and materials reflect the direction each new season takes. Collections offer items with a high fashion sense as well as classics and personal favorites.

With **6779** employees across the country.

Including dozens of designers, merchandisers, trend spotters and brand creators.

BRANDS

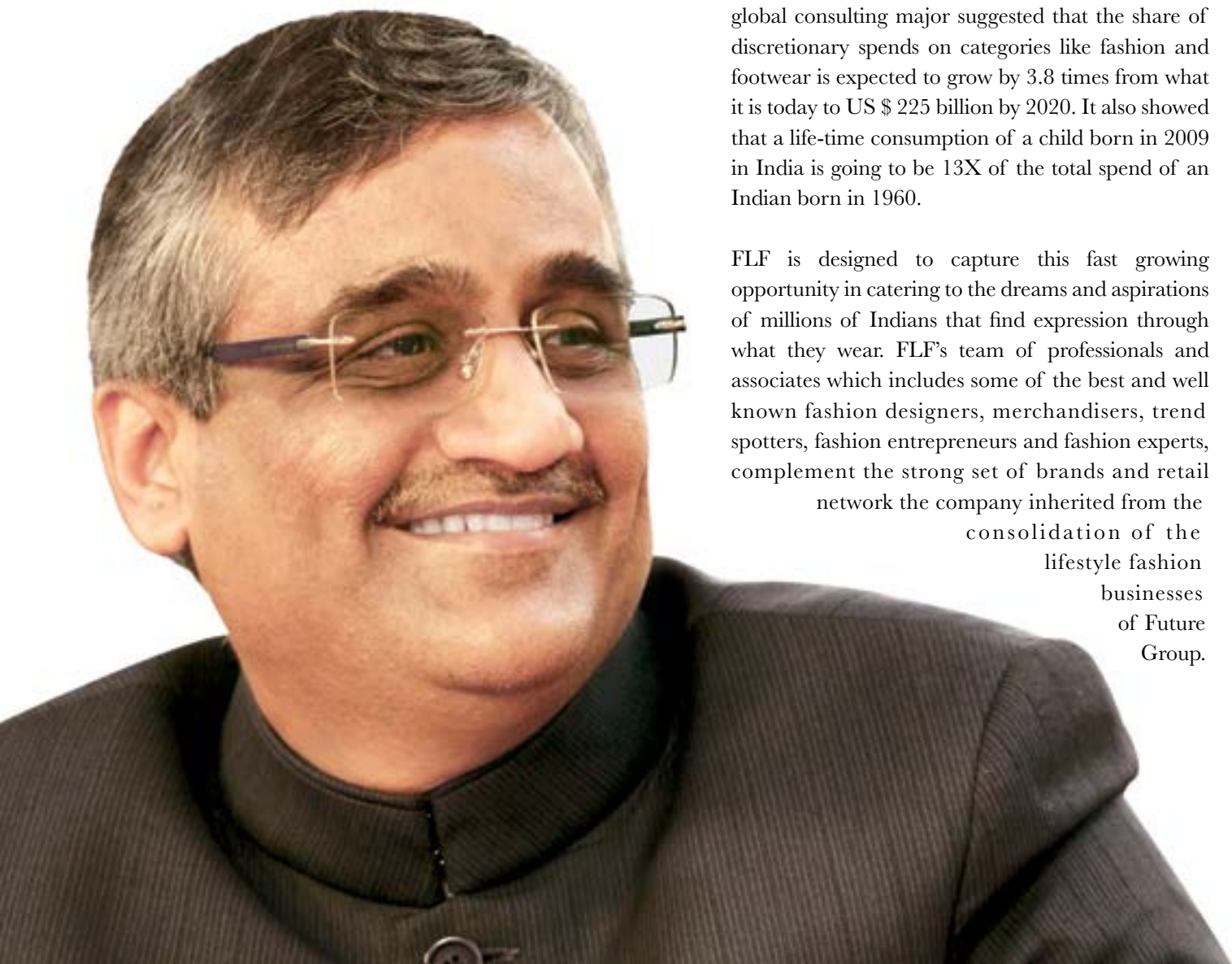
We take brands seriously. With over two dozen brands catering to almost every segment in men and women-wear, our brands are nurtured by dedicated teams based in multiple locations across the country - capturing trends, moods, aspirations and themes and transporting them into the store and then into our customers' wardrobes. Home-grown brands like Indigo Nation, Scullers, Jealous, RIG, Bare, John Miller complement international labels like Lee Cooper, Converse, Manchester United, Umbro, Champion. In addition we are investing in fast growing labels backed by strong designers and entrepreneurs.

STORES

FLF's retail network offers customers inspiring shopping experiences through multiple formats. Whether exclusive brand outlets located in high-streets, or Central department stores offering seamless shopping experiences with over 500 brands, or the niche sportswear chains of Planet Sports or the Brand Factory outlets offering the best brands at smart prices, it isn't hard to find the fashion destination near your home. And now increasingly, our brands are available online as well.

327 stores in 65 odd cities, spread over **4.48 million** square feet.

LETTER *from the MD*



Dear Stakeholders,

We are pleased to share with you the first full year annual report of Future Lifestyle Fashions (FLF). While it is the youngest company in the group, FLF draws upon the learnings and legacy of over two decades of the group's businesses in building brands and retail chains in the lifestyle fashion space in India.

Fashion is amongst the most exciting and prospective sectors in the discretionary consumption space in India. Large brands are yet to emerge, but there is already a set of evolved customers and a growing number of young consumers who are aspirational, brand conscious and keen to establish their identity through what they wear. A study by a global consulting major suggested that the share of discretionary spends on categories like fashion and footwear is expected to grow by 3.8 times from what it is today to US \$ 225 billion by 2020. It also showed that a life-time consumption of a child born in 2009 in India is going to be 13X of the total spend of an Indian born in 1960.

FLF is designed to capture this fast growing opportunity in catering to the dreams and aspirations of millions of Indians that find expression through what they wear. FLF's team of professionals and associates which includes some of the best and well known fashion designers, merchandisers, trend spotters, fashion entrepreneurs and fashion experts, complement the strong set of brands and retail network the company inherited from the consolidation of the lifestyle fashion businesses of Future Group.

With more than two dozen brands in men-wear and women-wear cutting across occasions, price points and consumer groups along with exclusive licensees and joint ventures with globally renowned fashion brands, FLF has possibly the largest portfolio of fashion brands in the country. Apart from building their own distribution networks through other department stores and exclusive brand outlets, these brands leverage the company's extensive retail network which includes its flagship department stores, an outlet mall, a youth-fashion chain and a sportswear retail chain. This network help the brands compete shoulder-to-shoulder with other domestic and foreign brands and allows them to attain maturity in a much shorter time frame and lower brand building costs. In addition, the company invests in brands being developed by talented fashion designers and fashion entrepreneurs, mentors them through their initial growth stage and help them to achieve a size where they can compete with global brands. These brands also help in add more choice to our department store network and also allow the company to unlock significant value at the time of divestment.

During the financial year the company successfully divested two such investments to global private equity players. We acquired our first stake in BIBA in 2007 and in AND in the following year 2008. Between then and 2013, BIBA's turnover grew

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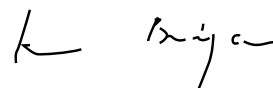
by five times and operating margins touched 27%. For AND, business grew by eleven times and operating margins touched 20%. The business growth and margin development is indicative of the potential that exists in this market when the right brand and organization meets a strong distribution network that provides the initial springboard for the brand. Against the total investments of ₹ 47 Crores in these two companies, the total proceeds from sale was ₹ 377 Crores.

During the financial year we also added 0.79 million square feet of retail space taking the total space under operation to 4.48 million square feet. Central entered Kochi and Nagpur while Brand Factory entered Kanpur, Raipur, Bhilai, Secunderabad, Asansol, Hubli and Faridabad. The company also made fresh investments in Mumbai-based women's fusion wear brands, Mineral, promoted by noted fashion designer Priyadarshini Rao and Desi Belle, promoted by fashion industry veteran, Sharmila Nadkarni. It also acquired

stakes in Mumbai-based fast-growing footwear brand, Tresmode and Delhi-based Famozi. The company also introduced a few brands including Umbro from the Inconix stable and Hanesbrands' second largest brand, Champion in India through an exclusive long-term licensing arrangement.

For the year ahead, FLF has a robust expansion plan of taking Central and its other retail formats to new cities and investing substantially in growing its existing brands. We will continue to invest and partner with exciting entrepreneurs who have the will and potential to shape the fashion business in India. And in the process we hope to capture the identity, dreams and aspirations of the new, changing India.

Rewrite Rules, Retain Values



Kishore Biyani

The YEAR

April: Best & Brightest

FLF decides to pick up stake in fast growing footwear brand Tresmode and Mineral, founded by noted fashion designer, Priyadarshini Rao



May: Ooh la la

MOHR, a premium women's wear brand is launched across Central stores. The first collection is designed by noted designer, Rahul Mishra



August: The Occasion

Urbana Celestial Collection, an exclusive range of ceremonial wear for premium occasions is launched. Elsewhere Priyanka Chopra is the talk of town as she launches her international single, Exotic in association with Jealous 21



September: Boys will be boys

Ranbir Kapoor sports the Indigo Nation look in Besharam and the brand launches the Besharam.IN collection in 25 styles. Scullers introduces Scullers Sports targeting 22 – 28 years age group for men engaging in active sports

