

FLF

ANNUAL REPORT 2014 - 15



STYLE

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The first part of the paper discusses the importance of the research and the objectives of the study. It then presents a literature review of the existing research on the topic. The second part of the paper describes the methodology used in the study, including the data collection and analysis techniques. The third part of the paper presents the results of the study, and the fourth part discusses the conclusions and implications of the findings.

The research was conducted using a quantitative approach, and the data was collected from a sample of participants. The results of the study show that there is a significant relationship between the variables being studied. The findings have important implications for the field of research, and they provide a basis for further investigation.

In conclusion, the study has shown that the research objectives have been achieved, and the findings are consistent with the hypotheses. The results of the study are presented in the following table:

Variable	Mean	Standard Deviation	Significance Level
Variable 1	1.2	0.5	0.05
Variable 2	1.5	0.6	0.01
Variable 3	1.8	0.7	0.001

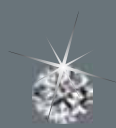



The table shows that the mean values for the three variables are 1.2, 1.5, and 1.8, respectively. The standard deviations are 0.5, 0.6, and 0.7, respectively. The significance levels are 0.05, 0.01, and 0.001, respectively. These results indicate that there is a significant relationship between the variables being studied.

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The future of fashion lies in new demographics and new expressions, new festivals and new occasions, new rituals and new role models. In a world where a carefully curated self goes much beyond the selfie and showing off has never been easier and, more celebrated, Future Lifestyle Fashions is bringing together a range of brands, fashion products and retail experiences that dreams, lives and breathes the fashionable life of tomorrow.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti

CHAIRMAN AND INDEPENDENT DIRECTOR

Mr. Kishore Biyani

MANAGING DIRECTOR

Mr. C. P. Toshniwal

EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Rakesh Biyani

NON-EXECUTIVE DIRECTOR

Dr. Darlie Koshy

INDEPENDENT DIRECTOR

Ms. Sharda Agarwal

INDEPENDENT DIRECTOR

COMPANY SECRETARY

Mr. Sanjay Kumar Mutha

CHIEF LEGAL & COMPANY SECRETARY

STATUTORY AUDITOR

NGS & Co. LLP

BANKERS

Allahabad Bank

Axis Bank

Bank of Baroda

Bank of India

Canara Bank

IDBI Bank

State Bank of Hyderabad

Union Bank of India

Vijaya Bank

REGISTRAR AND SHARE TRANSFER AGENTS

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LBS Marg, Bhandup (West)

Mumbai - 400 078

REGISTERED AND CORPORATE OFFICE

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LETTER FROM THE MANAGING DIRECTOR

Dear Stakeholders,

We are pleased to share the Annual Report of your Company for the financial year 2014-15. During the year, the Company's revenue from operations grew by 14.2% to ₹ 3,134 Crore and posted a net profit of ₹ 19 Crore. It has been an eventful year and seen in the context of the fast changing fashion landscape and consumer evolution, the period has been marked by new challenges and exciting opportunities. The role of brands in driving consumer choice is increasing every year while the role of experience in driving sales within retail environments is becoming a key determinant of consumer footfalls and conversion.

Fashion is no longer a functional purchase but a means of self expression. Your Company's focus on building and strengthening a wide portfolio of brands has started delivering results. We are happy to share that during the year, your Company's brands business has grown by 34% from ₹ 1,044 Crore in the previous financial year to ₹ 1,395 Crore in FY 2014-15. This was achieved through strong growth witnessed in flagship brands like Lee Cooper, John Miller, Jealous21, Scullers and Indigo Nation. The international portfolio of brands including Umbro licensed from Iconix Brand Group; Champion from the Hanes Inc. and

Converse licensed from Nike, Inc. also contributed substantially to the growth of the brands business.

While many of these brands are available through multiple channels, multi-brand outlets and department stores, the Company's network of around 358 stores covering 4.9 million sq.ft. of retail space also contributed to the growth of this business. During FY 2014-15, 88 new stores were added across formats including 5 Central, 4 Brand Factory, 12 aLL and 3 Planet Sport stores along with other brand outlets.

In order to further support the growth of our brands business, the Company, as part of Future Group, entered into an exclusive partnership with leading ecommerce website, Amazon.in. The global leader in ecommerce, Amazon, is today building micro-sites for many of the Company's brands with rich digital content and special focus on promotions, advertisements and sales of the Company's brands on its India portal. Through this exclusive partnership, the Company benefits from being able to maintain a better brand proposition and price consistency of its brands in the market, apart from benefiting from the extensive reach and

“DURING THE YEAR,
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digital content that the site offers. Simultaneously, the Company is building its own capabilities in the multi channel space and building ecommerce portals for a select few brands. The Company's joint venture with Clarks already has a ecommerce platform that has been well received by customers and over the course of the forthcoming year and the next, the Company will launching a number of multi channel and digital portals for its brands and formats.

Your Company's stores are also part of Payback loyalty program which added 1.3 million new members during the year through the Company's retail chains. The contribution from Loyalty Program members grew from 46%* in FY 2013-14 to 60%* in FY 2014-15 with ticket size being 48% higher than non-members.

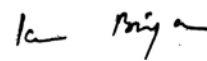
Your Company is also investing in fast growing fashion companies and building the portfolio of fashion brands backed by talented designers and entrepreneurs. This enables the Company to fill the gaps within its portfolio especially in categories like footwear, handbags, and accessories among others. Currently, your Company holds significant shareholding

** including Consignment sales & excluding SIS sales*

in 10 such national brands which includes a 26% stake in Turtle, a men's wear brand, which has a top line of ₹ 163 Crore with 13.5% EBITDA margins. The joint venture with an international brand Clarks has enabled creation of a ₹ 115 Crore brand, in a short span of four years. Fast growing footwear brand for men and women Tresmode and women's fusion wear brand Desi Belle with revenues of ₹ 39 Crore and ₹ 23 Crore respectively have achieved operating profitability. Similar trajectory is being witnessed in the other brands within the investment portfolio including recently acquired Giovani, Mineral and Famozi.

Your Company is today combining a strong brand portfolio, retail reach and knowledge with loyalty programs, data science and technology to create a strong, integrated play in the fashion space in India. We thank you for your attention, nurturing and patience in helping transform this very unique Company organization from its infancy to youth.

Rewrite Rules, Retain Values



Kishore Biyani

FLF BRANDS

We live, breathe and dream fashion; and brands are at the core of our business. FLF brands business grew by 34% during the year from ₹ 1,044 Crore to ₹ 1,395 Crore in FY 2014-15. FLF brands contributed 41%# of total sales in FY 2014-15, compared to 34%# in FY 2013-14. Each of these brands are retailed through Central and Brand Factory, while many have its own exclusive brand outlets and also available at other department stores and multi brand outlets.

In the following pages, gross sales of brands indicate revenues based on MRP and Total sales of brands indicate revenues net of channel margin and markdowns.

including Consignment sales & SIS sales

OWN BRANDS

INDIGO NATION
CHANGEISM

MEN

URBANA

MEN

SCULLERS
this is life

UNISEX

all
the plus size store

UNISEX

NOTHING FITS LIKE
JEALOUS 21

WOMEN

mohr

WOMEN

URBAN™
yoga

SPORTS/
ACTIVE/
WEAR

CÉRIZ

FOOTWEAR/
ACCESS/
OTHER