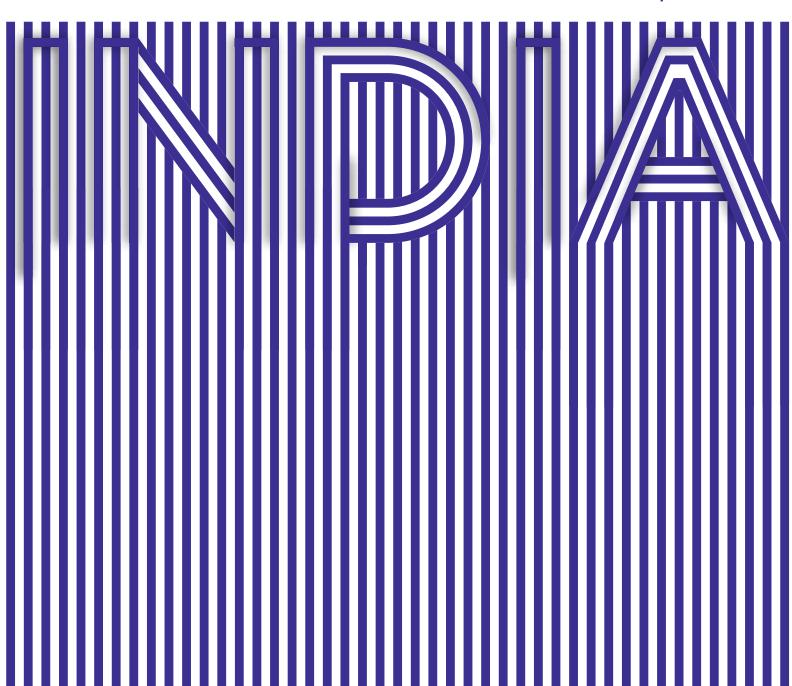


FAST FORWARD Annual Report 15-16







Fashion is a reflection of social, economic, political and cultural changes. It expresses modernity, symbolizing the spirit of the times. And it also expresses identity, symbolizing the rituals, beliefs and context that we grow in.

Future Lifestyle Fashions (FLF), India's youngest fashion Company, is also home to some of India's most popular fashion brands and retail destinations.

With stores in every fast growing city and two dozen brands, we transport India's changing trends, moods, aspirations and themes from factories to stores and into the wardrobes of the new Indian consumer.

Our mission is to keep discovering the Indian idiom of fashion that captures both modernity and tradition, culture and the context, life and the lifestyle of a fast changing India. We live, think and breathe fashion.



- I'm my own designer My concepts, my ideas!



- Modern India- New Rituals, New Festivals
- Distinct wardrobes- beach, work, travel
- New Festivals: 11+17, Sunburn and more
- Occasion specific attires -tuitions, dating



- Every moment is fashionable **Ff Y** O •••







- Everyday Indian wear sees a revival amongst women
- Megotiated aesthetics, Modernity = Neootiated Tradition

OUT CLOSET

- Coming out of closet of the alternate sexes-LGBT, Homosexuals.
- New communities, new fashion codesgeeks, innovators, BPO workers. - Clothing based on life stages

Tween

- Young adults in 13- 21 now becoming as large as that of the working professional

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shailesh Haribhakti

Chairperson and Independent Director

Kishore Biyani

Managing Director

Dr. Darlie Koshy

Independent Director

Bijou Kurien

Independent Director

Sharda Agarwal

Independent Director

Rakesh Biyani

Non-Executive Director

C. P. Toshniwal

Non-Executive Director

Avni Biyani

Non-Executive Director

CHIEF FINANCIAL OFFICER

Kaleeswaran Arunachalam

COMPANY SECRETARY

Sanjay Kumar Mutha

STATUTORY AUDITOR

NGS & Co. LLP

BANKERS

Allahabad Bank Canara Bank Axis Bank IDBI Bank

Bank of Baroda Union Bank of India

Bank of India Vijaya Bank

REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg,

Bhandup (West), Mumbai - 400 078

Tel: +91 22 2596 3838 Fax: +91 22 2594 6969 www.linkintime.co.in

REGISTERED OFFICE

Future Lifestyle Fashions Limited

CIN: L52100MH2012PLC231654 Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060

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LETTER FROM MANAGING DIRECTOR

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2015-16. Despite stiff competition from multiple channels and a muted economic environment, your Company was able to lead a transformation, posting improvements across financial and operational metrics as well rejuvenating its brand portfolio and the retail experiences for its customers. The Company posted a net profit of ₹ 29 Crore at a growth of almost 53%, on a standalone turnover of ₹ 3,300 Crore. The Company reported free cash flows of ₹85 Crore, while reducing its overall capital employed by ₹80 Crore and debt by ₹104 Crore, almost entirely through internal accruals.

The Company's flagship retail format, Central posted a same store sales growth of 10.3%, while the Company's leading brand, Lee Cooper turned in gross sales of ₹ 567 Crore, a growth of by 19%. The Company's other leading brands, John Miller, Bare and Indigo Nation - each with over ₹150 Crore of gross sales - posted double digit sales growth. The Company also made fresh investments in its investee companies that manage brands such as Holii, Mineral, Tresmode and Giovani. Collectively, these investee companies posted a turnover of an additional ₹ 610 Crore. The largest amongst them, Turtle posted a turnover of ₹157 and an operating profit of ₹ 22 Crore. The Company holds a 26% stake in the Turtle.

During the year, the Company also made substantial investments in reinventing the retail spaces, thereby making it a compelling experience for customers to visit, shop and celebrate fashion.

The Central chain now promises the experience of 'Brands in High Definition.' Starting with our earliest stores in Bangalore and Hyderabad, the retail chain is going through a rapid transformation. Digital interfaces, new and innovative customer services and an architecture and design that can compete with the best from across the world in lifestyle and luxury fashion, are being rolled out at these stores as well as in a new upcoming store at Aerocity in Delhi.

Your Company also introduced its first women's-only fast fashion brand Cover Story. Conceived, designed and led by a multinational team based out of the Company's Future Style Lab in London, the brand brings in global trends from the ramps to the wardrobes of Indian consumers within the shortest possible time frame. The first Indian fast fashion brand, Cover Story promises to offer new styles every week. The brand has met with an encouraging response within Central stores and set to open exclusive brand stores as well. Simultaneously, each of the Company's existing fashion brands went through a thorough review with individual teams now giving fillip to the growth and expansion of each of these brands.

As we look ahead, we believe we are at an interesting inflection point, both from the point of view of market and as an organization. The Indian market is showing a distinct promise for disproportionate growth in fashion brands and it therefore attracting the attention of global players. During the ten years of 2002 to 2012, China's fashion industry trebled in size, leading to the emergence of billion dollar fashion brands. Most agree, the inflection point was in 2002, when China's GDP crossed USD 2000. From this point, discretionary spending grew disproportionately, with fashion being the biggest beneficiary. With per capita GDP touching USD 2000, China's per Capita fashion consumption grew from USD 50 to USD 250 in ten years to around USD 400 today, outpacing consumption and economic growth. China's domestic fashion market today is now set to become larger than the United States' market.

India is at a similar position with GDP per capita is about USD 1700. Our per capita apparel consumption is around USD 35. However, more and more customers are visiting stores and buying fashion more frequently than ever before. As India approaches per capita, the USD 2000, it is expected that India's fashion market will grow beyond USD 80 billion, with branded apparel sector likely to outpace the industry growth rates by 1.5x through to FY 21.

With a wide portfolio of brands, retail formats and investments in fast growing fashion brands and entrepreneurs, along with the fundamental improvements that it brought in through the year, your Company is very well placed to shape and benefit from this growing opportunity. We thank you for your continued support and encouragement in making this journey worthwhile.

Rewrite Rules, Retain Values

Kishore Biyani

TOTAL INCOME

NFT PROFIT

TOTAL RETAIL SPACE

STORE COUNT

LEADING BRAND LEE COOPER POSTED GROSS SALES OF

LEADING RETAIL FORMAT CENTRAL POSTED SAME SALES GROWTH OF

FLF BRANDS

COVER/STORY

COVER STORY*

The just launched fast fashion brand for women is styled at Future Style Lab in London and promises new collections every week at exclusive stores and departmental chains.

INDIGO NATION

INDIGO NATION

Made for the young and restless, the men's brand comes with the credo of 'Subject to change'! It's #StartupNation campaign helped brand's gross sales grow by 11% to ₹ 165 Crore.



MOHR

A premium women's wear brand embodies the sensibilities, attitude, behavior and persona of the 'at ease' Indian woman. Stylish and easy it has an unpronounced Indian accent.



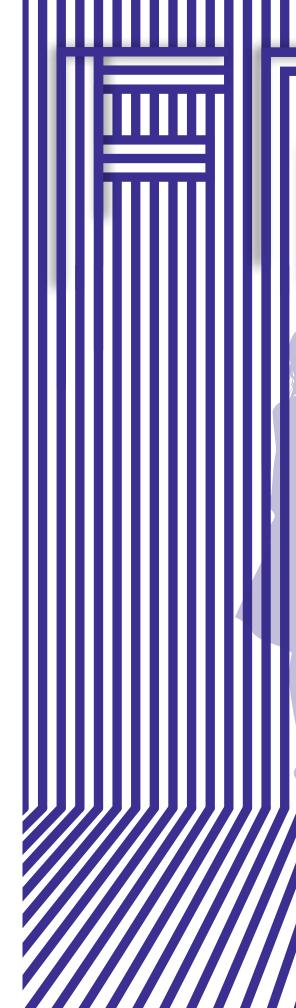
CERIZ

The footwear and accessories brand echoes women's signature style in bold, impulsive, powerful, sexy, or passionate ways. The CERIZ woman is Indian and global, stylish and sensible, high fashion and street.



LEE COOPER*

Defining global fashion trends since 1906 Lee Cooper denim wear offers products for all segments - men, women and kids and through sub- brands, Lee Cooper Original, LC Junior. Two TV commercials and concerned branding has helped the brand's gross sales grow by 19% to ₹ 567 Crore.



[#] Investee Brand

^{*} Licensed Brand