



2003 - 2004



A SMILE, A THOUGHT, A FEELING, A MOMENT, A REASON,

A DREAM, TO WORK, LEARN AND REJOICE THE OCCASION,

IT'S NOTHING BUT A BAGFUL OF EXPERIENCES . . .

WITH EXPERIENCES WE SHARE OUR STORY

THAT MAKES SHOPPERS' STOP WHAT IT IS TODAY

AND DETERMINES WHAT IT WILL BE IN YEARS

TO FOLLOW.



OUR STORES

WWW.SHOPPERSTOP.CO



Andheri (Mumbai)



Bangalore



Hyderabad



Jaipur



Delhi



Chennai



Chembur (Mumbai)



Pune



Bandra (Mumbai)



Gurgaon



Kandivli (Mumbai)



Kolkata



Mulund (Mumbai)



Malad (Mumbai)



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BEGINNING

Modest Beginnings...

Shoppers' Stop is one of India's leading retailers and have been promoted by the K. Raheja Corp Group, (Chandru L. Raheja Group) one of the leading groups in the country in the business of real estate development and hotels.

Shoppers' Stop opened its first store on October 27, 1991 and now operates a chain of department stores with 14 stores across the country.

Shoppers' Stop redefined every aspect of the service industry and created new chapter in retailing.

A 2800 sq. ft. mens store twelve years ago is a 634,647 sq. ft. retail conglomerate today.





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Where is Indian Retailing Heading? ...

With close to 12 million retail outlets, India has the largest retail density in the world.

Share of organised retail in the total retail sector in India was less than 2% in FY 2002, and is expected to increase in line with the experiences of other developing nations such as China and Poland.

The Indian retail industry is evolving in line with changing demographics. India has a median age of 24 years for its population who will spend more as it enters the earning phase. The number of households with income of over Rs. 45,000 is expected to grow from 49 mn in 1999-2000 to 80.7 mn by 2005-06 (source: The Marketing White Book 2003-04, Business World). Of this, 56% (44.8m households) is expected to be concentrated in Urban India. This large base of households with growing disposable income is expected to drive demand for organized retail. The increase in consumer spend is driven by, nuclearisation of families, increasing population of working women and new job opportunities in emerging service sectors.

However, significant challenges in terms of regulations and infrastructural barriers such as differential sales tax rates across states, multiple-point octroi collection, funding from banks and financial institutions has to be overcome in order to realise its full potential.



OPPORTUNITIES

This could be our play ground...

We consistently evaluate opportunities and look at alternative delivery formats or product categories to strengthen our existing format.

Our Growth Strategy include -

- * Increasing our penetration in existing cities and expanding our reach across the country
- * Furthering Shoppers' Stop as an experiential retail brand through unique national and international promotions
- * Enhancing our Merchandise width, by adding product categories
- * Introducing new brands and developing private labels to offer a better depth in each category
- * Increasing our First Citizen base
- * Utilising economies of scale as we grow in size and expand our reach
- * Enhancing our operational efficiencies and
- * Enhancing our human capital.





2003 - 2004

PERFORMANCE

Let's see how we have fared...

With 14 stores across nine cities, Shoppers' Stop provides a spacious uncluttered environment enabling the customer with a sense of freedom and relaxation.



Key Highlights 2003 - 04

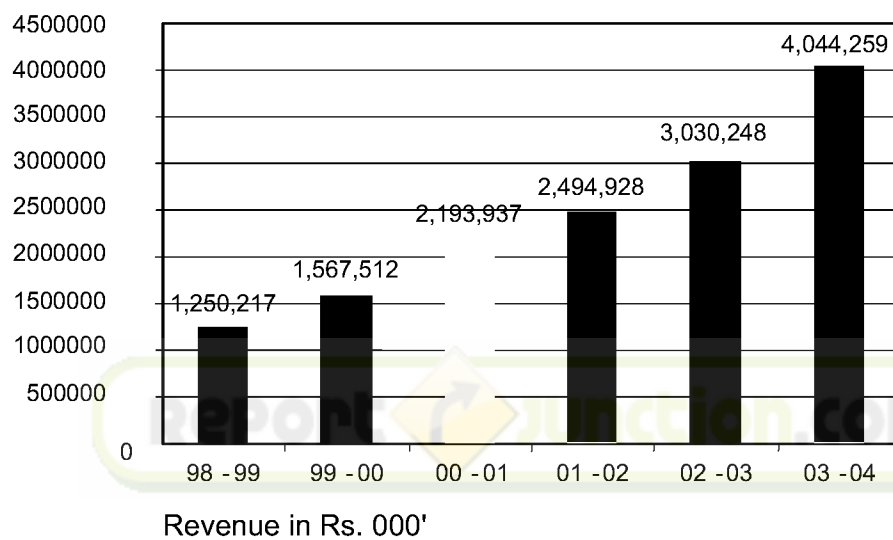
- * A 34% sales growth
- * Like to Like store sales grown by 12%
- * 2 new stores launched
- * Introduced international brand Austin Reed with exclusive licence for India.



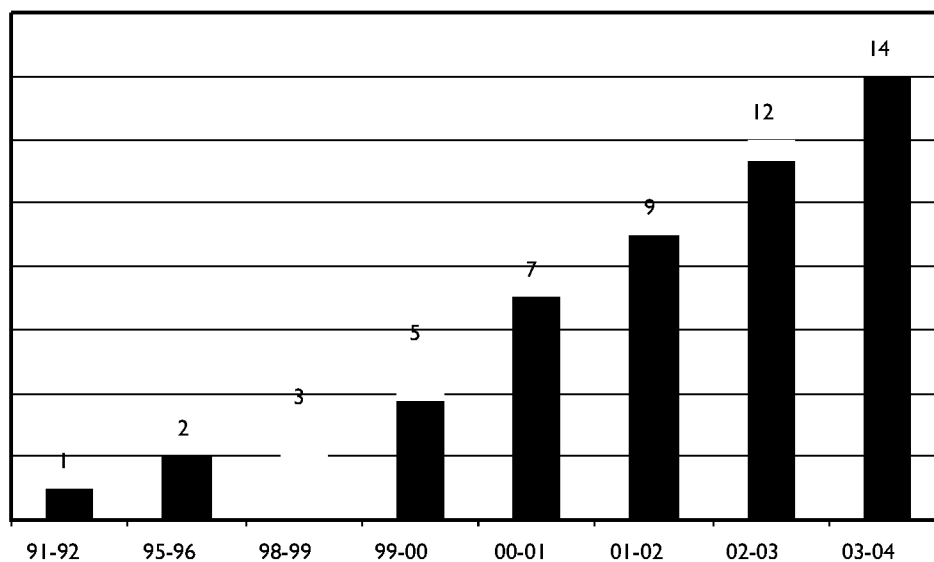
HIGHLIGHTS

What have we achieved...

Revenue Performance



Years Versus Number of Stores





2003 - 2004

FIRST CITIZEN

First Citizens' Programme

Shopping at Shoppers' Stop is always a fine experience. And when you're a First Citizen, it becomes rewarding too. The First Citizens' Programme is a Relationship Management Programme aimed at acquiring and doing business with loyal, high net worth customers. Currently the largest retail loyalty programme in the country, it is benchmarked against the best International Retail Loyalty programmes.

The First Citizens' programme is a triple tier loyalty programme:

- * Golden Glow
- * Silver Edge
- * Classic Moments

First Update - our exclusive magazine is sent to Golden Glow and some of Silver Edge First Citizens giving information on latest merchandise and in-store happenings.

We currently offer a Citibank First Citizen co-branded card to our Golden Glow and Silver Edge First Citizens. This card provides additional points over the regular reward points besides other benefits such as free insurance, offer alerts, and zero percent EMI schemes.



Experience the rewards...

What are the benefits of this programme to members?

Members get reward points on every purchase. Special offers, discounts on exclusive events and promotions are also organized. Various schemes, store level discounts, special events and in store fashion shows are also some benefits that First Citizens are entitled to.

What are the benefits of this programme to Shoppers' Stop?

Shoppers' Stop today has a loyal set of over 254000 members. The average cash memo size per First Citizen is significantly higher than that of non-First Citizen shoppers. First Citizens form about 15% of store entry but yet contribute to almost 50% of store sales.

