

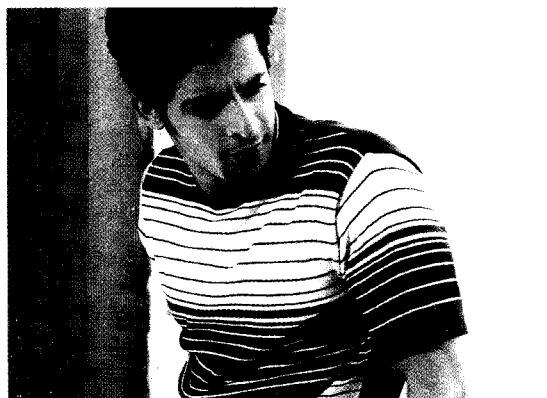
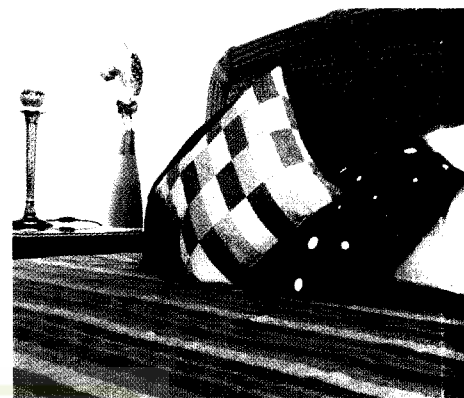
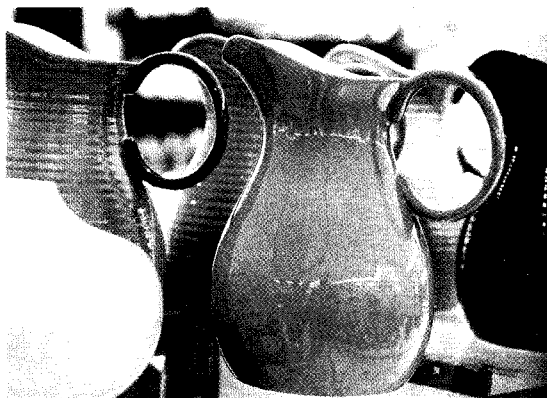
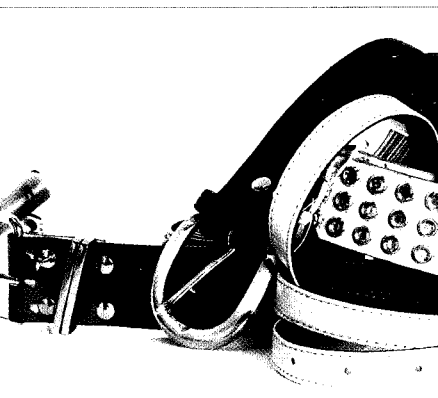
SHOPPER'S STOP LIMITED
ANNUAL REPORT 2005-06

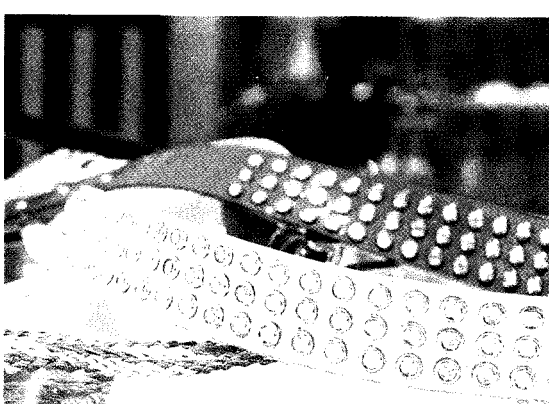
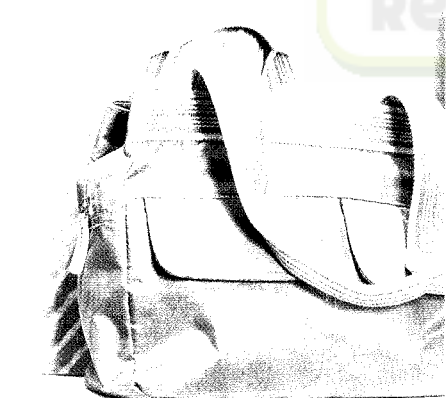
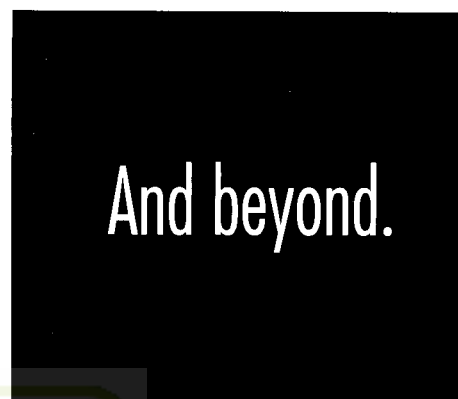
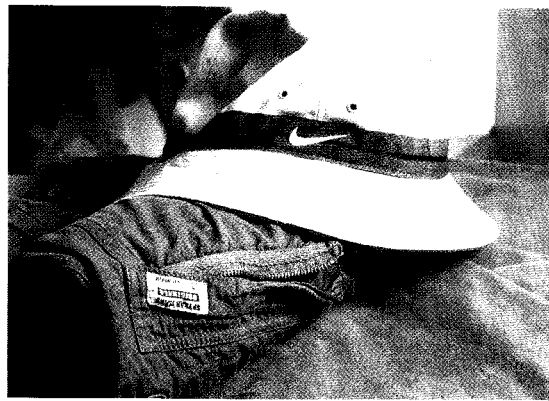


Report Junction.com

Shopping.





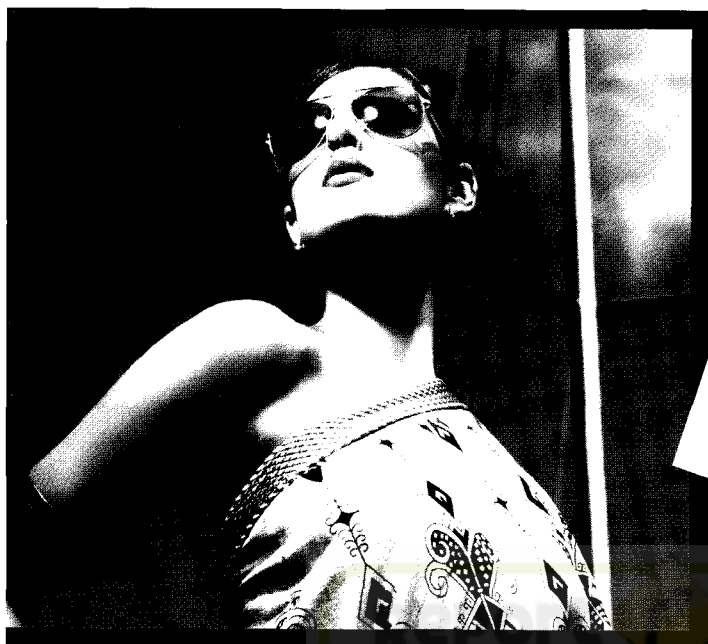


BEYOND VISION. FORESIGHT.



The vision at Shoppers' Stop is clear, the energies focused and the strategy in place. The vision of "Being India's No.1 Global Retailer in the Department Store category" has paved the way forward for the company and forms the foundation for charting a **business direction towards 2010**. The future at Shoppers' Stop will be dictated by :

- *Commitment to delivering higher levels of sensory experience and retaining our status as the 'most preferred brand' among consumers by offering fashionable merchandise, great store layout and ambience, educated staff, food and events for a complete shopping experience.*
- *Contemporising our product basket to offer premium and luxury value.*
- *Sustaining leadership in the Department Store category through a pan India presence, efficient processes and excellent service standards.*



Shoppers' Stop has evolved over the years to set trends, create new concepts and achieve greater successes. This has been possible by aligning all our resources and strengths to our vision. We have consistently applied foresight to set the pace of growth and shape the crux of our future business direction.

*- Ravi Raheja
Director*

- Continuing to be a learning and profitable organisation and contributing back to the community by being socially responsible in our activities.

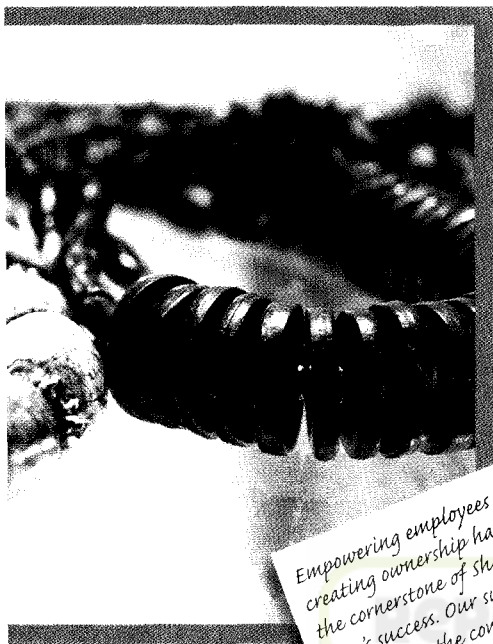
Plans are on to increase our **geographical spread to 22 cities** from the present 10, through 39 stores (by March 2008) covering an area of 2.5 mn. sq. ft.

With feet firmly grounded in an inspiring vision and sights on distant horizons, **Shoppers' Stop is at the growth turnpike.** Our resolve will drive us towards success. And beyond.

BEYOND PROFITABILITY. SUSTAINABILITY.

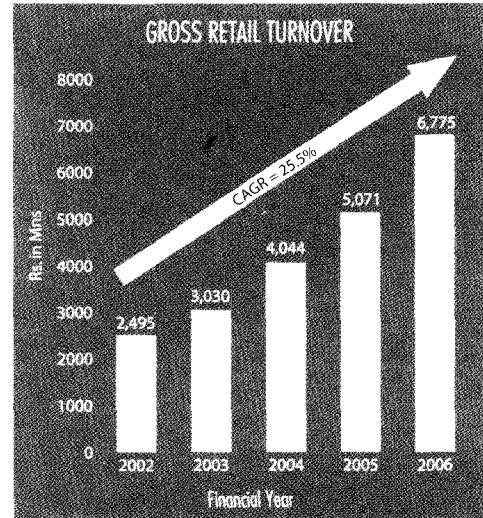


- Shoppers' Stop achieved a **Gross Retail Turnover of Rs. 6,775 million** and a **Profit After Tax of Rs. 271 million** which are 34% and 42% higher respectively than those achieved in the previous year.
- ✧ Crossword Bookstores Limited, which was a 51% subsidiary is now a **100% subsidiary** of Shoppers' Stop.
- ✧ The **Consolidated Turnover was recorded at Rs. 7,243 million** and **Profit After Tax at Rs. 243 million.**
- The **employee strength** of Shoppers' Stop and its subsidiaries this year was recorded at 2,509.
- The number of **First Citizens** crossed 632,000 this year.
- ✧ **First Citizen contribution** to sales accounted for **60%** of the turnover.
- ✧ **Private Labels** contributed **19%** to the business.
- ✧ The Designer Prêt section, **BUZZ**, is now available in five Shoppers' Stop stores in the country.
- ✧ **E3, the most advanced replenishment software**, will be implemented in our stores over the next 12 months.

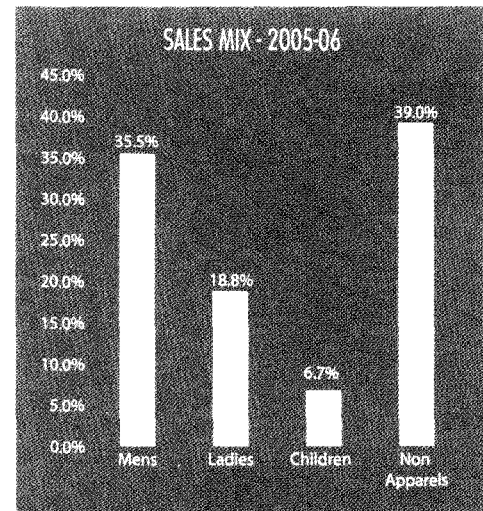
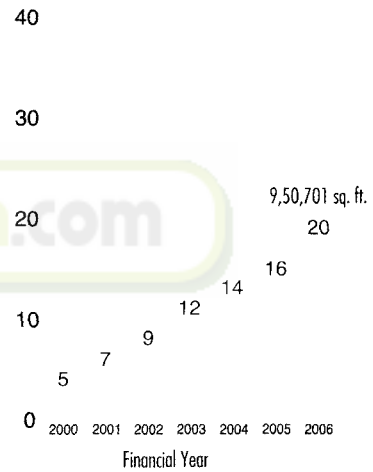


Empowering employees and creating ownership has been the cornerstone of shoppers' stop's success. Our sustainability stems from the common value that is created above all values when all employees take up ownership of customers and customer related issues.

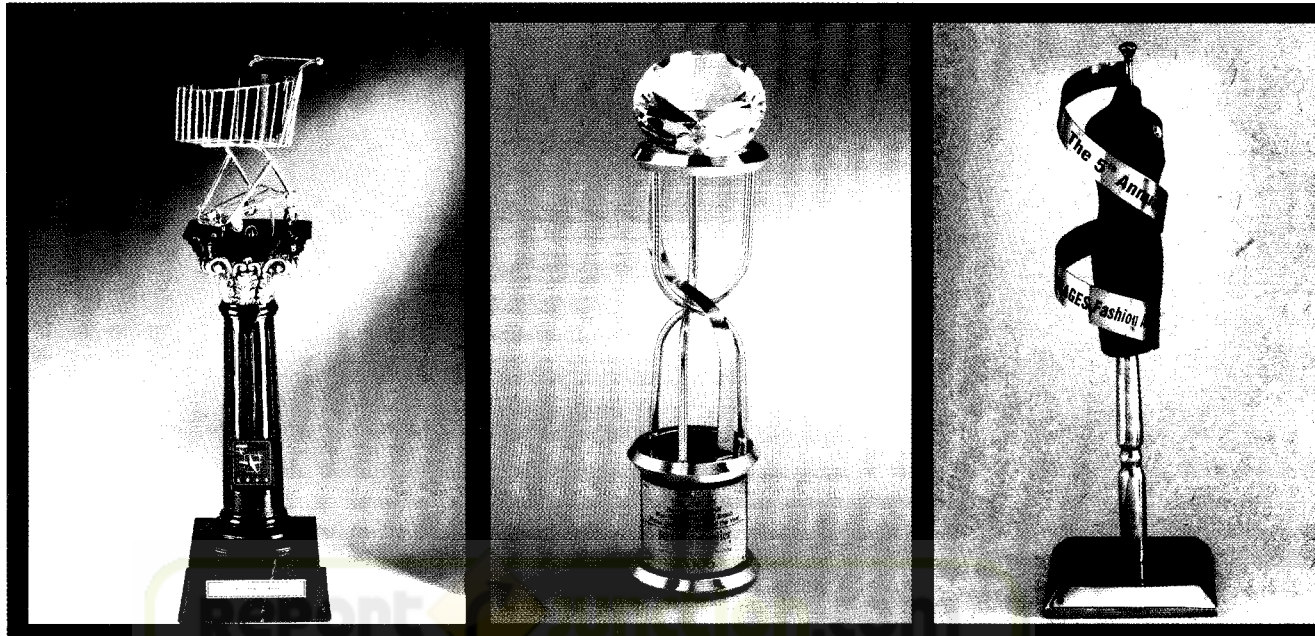
- B. S. Nagesh
Managing Director



EXISTING STORES (Store ramp-up)



BEYOND ASPIRATION. ACHIEVEMENT.

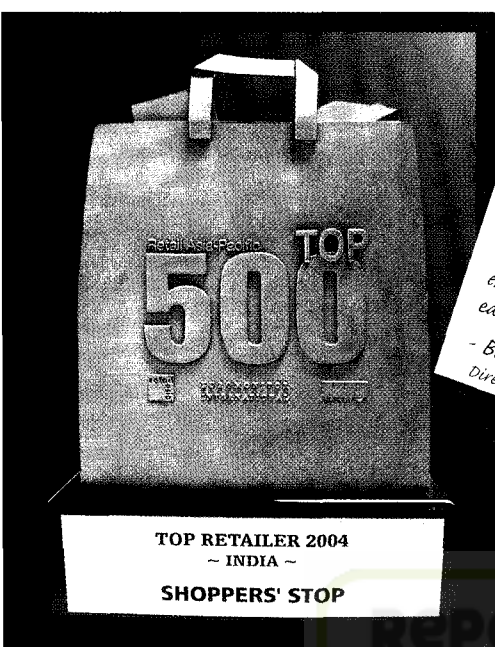


○
Listed on the Bombay Stock Exchange & the National Stock Exchange in May 2005. The issue was oversubscribed by 17.5 times.

○
Four more stores added in Mumbai (Juhu), Pune, Bangalore & Ghaziabad taking the total number of stores to 20 with an area of 950,701 sq. ft.

○
Retail Destination of the Year award won at the India Retail Forum, 2005.

○
Retailer of the Year award conferred at the India Retail Summit, 2005.



I have had the privilege of witnessing the evolution of Shoppers' Stop and seeing it grow into India's most respected fashion lifestyle retailer. Some of the key contributors to this success are a commitment to continuous learning, reverence towards institutionalizing knowledge and the ability of going beyond experience to deliver expertise in each and every area of business.

*- Bala Deshpande
Director*



Retail Professional of the Year was conferred upon our Managing Director, both at the Clothing Manufacturers' Association of India Apex Awards and the India Retail Summit, 2005.



Advertising Campaign of the Year won at the Clothing Manufacturers' Association of India Apex Awards, 2005.



Jamnalal Bajaj Uchit Vyavahar Puraskar - 2005 conferred with a "Certificate of Merit" for fair business practices under the category Trade / Service Enterprises - Large.



Most admired Fashion Shopping Destination of the Year won at the Images Fashion Forum, 2006.

BEYOND VALUE. VALUES.



Shoppers' Stop has been founded on the maxim: **"Nothing but the Best"**. In line with this belief, we have redefined the realms of retail and have brought to our customers a unique shopping experience. One that not only enhances the value of their purchase but also reinforces their trust and loyalty towards the store.

- Our value of "putting the customer first" has enabled us to pioneer a **reward-based loyalty program 'First Citizen'**. Today, this is the biggest and most successful program in this category. **Over 632,000 First Citizens** contribute to **60%** of Shoppers' Stop's sales annually.

We reiterate our commitment to consistently offer our First Citizens the best in **exclusive privileges, rewards and benefits** thereby increasing the value of this program and ensuring growth in this exclusive community.