

# Thomas Cook (India) Ltd Chairman's Message

27th Annual General Meeting  
Friday, 27th February 2004.  
(November 2002 – October 2003)



Holidays • Corporate Travel • Travel Insurance • Foreign Exchange

It is my privilege to welcome you to the 27<sup>th</sup> Annual General Meeting of your company. Though I have visited India before, this is my first meeting with you all, and I do look forward to many more.

First of all I would like to convey that the Thomas Cook Group has a very positive image of India as an emerging market and especially the potential of Thomas Cook India in the Tourism and Foreign Exchange segment.

You all are aware that the last 3 years have been a trying time for the Tourism industry at large. Last year particularly was the toughest in the history of tourism with concurrent eruption of war and SARS.

Through such trying times, your company moved ahead with grit and determination to meet its objectives and targets.

For the year 2002- 2003, your company has performed admirably and declared a dividend of 37.5%. The revenue growth is 8% over the previous year and profit after tax growth is 12%. Your company's income is Rs 1089.5 million compared to Rs 1008.5 million in the previous year. Profit before tax is Rs 334 million and the profit after tax is Rs 216.3 million. The earning per share is 14.8 as compared to 13.3 the previous year.

The proposed dividend will absorb Rs 54,687,499/-. And your board of directors recommend a transfer of Rs 21,626,709/- to General Reserve out of the profits of your company. The total reserve will stand at a robust level of Rs 10,68,524,639/- as of October 31<sup>st</sup> 2003.

Your company continues to bag honour after honour. The most recent one is the National Tourism Award, in the category of highest foreign exchange earnings. For the second consecutive year your company also won the Golden Peacock Corporate Governance Award.

Many of you would have seen the brand campaign pegged on family emotions that your company had launched during the year. It won the trophy for Most Innovative Marketing Campaign. Branding is an important function of any business and one must continually keep promoting it to strengthen our market hold and to inculcate strong brand loyalty among our customers.

Your company which has been increasing its focus on the Leisure Travel segment has become the market leader in group tours to Europe, and has consistently managed to expand its market. The growth in domestic tourism too spurred by 50%, as compared to the previous year. Having already secured ground handling rights for new charters coming in from Belgium and Netherlands, your company is now preparing to tap the Chinese and Russian markets.

The Foreign Exchange business continued to flourish and retain leadership position despite market volatility and increased competition. Our new business of travel Insurance is growing rapidly and was recognised as the Top Business Partner by Tata AIG.

A long term focus and investment in technology ensured that your company was the first travel agent in India to issue an e-ticket which sets a new standard in customer convenience and high-tech travel. Your company also issued the first remotely printed international airline ticket at the office of one of our key customers.

The new distribution channels – website and call centre have been active in promoting and supporting the company's businesses. Thomas Cook was the first one to offer customers an online foreign exchange and Insurance purchase store. There was also a revenue-sharing deal with Yahoo! India, which was successful in increasing the site's reach and revenues tremendously. The site is fully integrated with our call centre and nation-wide network of 55 branches through an internal system.

After years of static trend during the seventies to mid-nineties, the tourism industry in India is now showing growth. Ready to take advantage of the upward swing, your company had planned geographical expansion as well as the shifting of old offices in some cities to prominent business locations. In Mauritius and Sri Lanka, new branches were opened. The year ahead will see a growth in our network.

This rising trend in the travel segment is an indication that the Travel and Tourism industry in India has come of age and is poised for tremendous growth. The Indian government is realising the potential of a lucrative 4 trillion dollar global tourism industry and the share that India can get from it. The Industry was granted “infrastructure status” about a year ago. This year’s budget has provided incentives in terms of abolition of Airport Tax, Inland Air Travel Tax, reductions in Air Turbine Fuel excise as well as development of new tourism sites.

I would like to place on record, sincere appreciation for the support and confidence that our shareholders, customers and associates have placed in the company. I also extend my gratitude to all the staff of Thomas Cook who have worked relentlessly to ensure the success of your company.

Thank you



Dr Thomas Doering  
Chairman

