



## Thomas Cook India Limited

Regd. Office: Thomas Cook Building, Dr. DN Road, Fort, Mumbai 400001, India

Results communication – Q3, 9M CY07

Mumbai, October 26, 2007

### Thomas Cook (I) delivers robust revenue and profit growth

**Accretive acquisitions drive 22% 9M EPS growth**  
**Revenues up 86%, PAT higher by 76%**  
**Significant margin enhancement – PBIT margins by 300 basis points and PBIDT margins by 80 basis points**

Thomas Cook (I) Ltd., a leading travel solution Company has maintained its strong financial and operating performance in the quarter ended Sept. 30, 2007. Both its key businesses namely travel and related services as well as financial services performed healthily.

The Company reported consolidated revenues of Rs. 2,258 million and Profits after Tax (PAT) of Rs. 305 million for the 9 months ended September 30, 2007, reflecting a robust growth of 86% and 76% respectively over the corresponding nine month period ending July 31, 2006. Profit before interest, depreciation and tax (PBIDT) also improved 91% to Rs. 729 million translating to a 32.3% PBIDT margin.

Also, on a quarterly basis, revenues and profits before interest and tax grew by 59% and 54% respectively.

Commenting on the performance, Mr. Madhavan Menon, Managing Director, Thomas Cook (India) Ltd said, *“Our robust financial performance is a testimony of the successful integration of the 2 accretive acquisitions we completed. A healthy macro economic environment combined with our various corporate initiatives has further bolstered our results. Further, as part of our continuing efficiency programme we have succeeded in rationalizing several costs resulting in margin expansion. From an overall perspective though our performance has been impacted by a depreciating US Dollar.*

*\*Note: The previous year represent published third quarter and nine months ending July 31<sup>st</sup> 2006 numbers of the previous year*

*These are exciting times for the travel segment with several factors including increasing exposure levels and higher disposable incomes driving the growth. We also propose to leverage the E-business space which will bring us closer to the consumers and deliver enhanced value. We are confident of our ability to sustain this healthy performance”*

## **Financial Overview**

### **Consolidated 9-month period (Jan 2007 – Sept. 2007)**

- Net revenues at Rs. 2,258 million (previous year Rs. 1,213 million)
  - Healthy growth of 86% on the back of acquisitions
- Profit Before Interest Depreciation and Tax (PBIDT) at Rs. 729 million (previous year Rs. 381 million)
  - PBIDT higher by 91% despite increasing long term investment towards branding and expanding franchise network – 22 franchisee outlets were added during the review period
  - PBIDT margins higher by 80 basis points to 32.3%
- Profit Before Interest and Tax at Rs. 670 million as compared to Rs. 323 million – an increase of 107%
  - Improvement in margins of over 300 basis points resulting from enhanced efficiency of operations
- Profit Before Tax (PBT) at Rs. 467 million (previous year Rs. 307 million)
  - Healthy improvement in Profit Before Tax despite significantly higher interest costs towards funding business growth
- Profit After Tax (PAT) Rs. 305 million (previous year Rs. 173 million) – a growth of 76%
- Diluted EPS (before exceptional items) Rs. 1.6 (Not Annualized) per equity share of face value Re. 1/- (previous year Rs. 1.3)

### **Consolidated Q3 Results**

- Net revenues at Rs. 763 million (previous year Rs. 479 million): a 59% increase
- Profit Before Interest Depreciation and Tax (PBIDT) improved to Rs 274 million (previous year Rs. 182 million) - growth of 51%.
- Profit Before Interest and Tax higher by 54% at Rs. 247 million as compared to Rs. 160 million previous year
- Profit Before Tax (PBT) at Rs. 169 million (previous year Rs. 157 million)

*\*Note: The previous year represent published third quarter and nine months ending July 31<sup>st</sup> 2006 numbers of the previous year*

- Increase of 8% after absorbing additional interest burden of Rs. 74 million i.e. an increase in the interest cost from Rs. 4 million to Rs. 78 million
- Profit After Tax (PAT) Rs. 116 million (previous year Rs. 100 million)

## Segmental Overview

(Rs. Mn.)

	Travel and Related Services			Financial Services		
	9 months ending Sept 07	9 months ending July 06	Growth	9 months ending Sept 07	9 months ending July 06	Growth
<b>Revenues</b>	1,854	889	108.5%	257	241	6.8%
<b>PBIT</b>	779	363	114.3%	147	152	-3.5%

**Note: Travel and related services also includes purchase and sale of foreign currencies and paid documents besides tour operations, travel management and travel insurance**

**Financial services business includes wholesale purchase and sale of foreign currencies and paid documents**

Performance of both these businesses was impacted by a depreciating US dollar.

### **Travel & Related Services:**

- Net Revenue from Travel and Related Services Business during the nine months under review increased to Rs. 1,854 million from Rs. 889 million in the previous year
  - Growth driven by accretive acquisitions and several organic initiatives
- PBIT from Travel and travel related business is Rs. 779 million (previous year Rs. 363 million)
  - Leveraging of synergies derived from acquisition enhance PBIT margins by 118 basis points
  - PBIT margins at 42% for the nine months under review

### **Financial Services:**

- Net Revenues from Financial Services segment is at Rs. 257 million for the three quarters under review (previous year Rs. 78 million)
- PBIT from Financial Services is Rs. 147 million in first nine months of CY07 (previous year Rs. 152 million)

The travel industry is witnessing strong growth traction on the back of increasing exposure higher disposable incomes and growing number of people both traveling abroad and visiting the country.

*\*Note: The previous year represent published third quarter and nine months ending July 31<sup>st</sup> 2006 numbers of the previous year*

Thomas Cook has continued its thrust towards leveraging these opportunities to drive growth. As part of its thrust on optimising its presence and reaching a larger audience, the Company has expanded its franchisee network to 22 offices in addition to its own 174 offices in India. This is part of the Gold Circle Programme wherein all these offices are supported by Thomas Cook infrastructure and branding and are exclusive to the Company. The objective of the Programme is to fulfill the needs of the discerning Indian traveler with a network of 'branded travel shops' across the country having a common look and feel offering high quality products.

Further, on the back of significantly increasing internet usage, the Company will shortly launch its E-business portal offering its range of services. We are confident that this new offering will surpass any existing and competing product. E-presence is expected to augment all businesses of the Company and provide support to its 174 existing counters across the country. Mr. Amitabh Pandey, a veteran of the industry and the erstwhile head of 'IRCTC online services' is heading the E-business initiative.

Additionally, as part of its emphasis on enhancing efficiencies, the Company continues its focus on rightsizing. Integration of people and infrastructure rationalization have combined to deliver considerable margin enhancement

The Company also recognizes the critical role people play in this industry. With a view to rewarding and retaining top notch talent in the Industry, in July 2007, the Board issued about 1.25 million shares as Stock Options to the senior management under the Thomas Cook Employees Stock Option Plan 2007 (ESOP 2007). These options can be exercised over a period of 3 years, after 1 year from the date of the grant.

### **About Thomas Cook (India) Limited**

Thomas Cook (India) offers a broad spectrum of travel and related services such as package tours, currency exchange and travel insurance as well as hotel and flight reservations. Thomas Cook has been present in India for over 125 years and operates a total of 174 offices at various locations in the country and has operations in Sri Lanka & Mauritius. It employs close to 2,500 staff and generated revenue of (annualized) Rs. 2,347 million in FY06. In its initiative to be a 'One Stop Shop', the Company offers unique travel products to its customers. It has launched the 'Thomas Cook Titanium Card' and foreign currency Debit Card and very recently has come up with products designed specially for students traveling abroad for higher studies. The Company was acquired by Dubai Financial LLC in 2006.

*\*Note: The previous year represent published third quarter and nine months ending July 31<sup>st</sup> 2006 numbers of the previous year*

**For further information contact:**

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*Some of the statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ from those expressed or implied. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, litigation and labour relations.*

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**THOMAS COOK (INDIA) LIMITED**

Regd Office: Thomas Cook Building  
Dr. D.N. Road, Mumbai 400 001



**UNAUDITED FINANCIAL RESULTS  
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2007**

(Rupees in Lakhs)

	1	2	3	4	5	6	7	8	9	10
	Quarter ended 30th September 2007 (Unaudited)	Quarter ended 31st July 2006 (Unaudited)	Consolidated for Quarter ended 30th September 2007 (Unaudited)	Consolidated for Quarter ended 31st July 2006 (Unaudited)	Nine months ended 30th September 2007 (Unaudited)	Nine months ended 31st July 2006 (Unaudited)	Consolidated for Nine months ended 30th September 2007 (Unaudited)	Consolidated for Nine months ended 31st July 2006 (Unaudited)	Fourteen Months ended 31st December 2006 (Audited)	Consolidated for Fourteen Months ended 31st December 2006 (Audited)
1 Income from Operations	5,273.7	4,331.0	7,331.8	4,621.5	16,286.9	10,887.5	21,110.6	11,648.2	19,619.9	20,909.4
2 Other Income	282.0	85.1	296.1	167.2	590.1	237.6	1,465.4	479.9	2,113.6	2,041.1
3 Total Expenditure										
(a) Staff Cost	1,774.3	1,280.8	2,454.3	1,386.3	4,829.7	3,161.0	6,915.3	3,447.7	6,186.5	6,668.8
(b) Advertising Cost	248.9	117.1	343.9	175.9	1,497.6	885.6	1,781.2	1,047.1	1,372.9	1,579.3
(c) Other Expenditure	1,631.0	1,275.5	2,094.4	1,410.1	5,029.0	3,367.4	6,585.2	3,818.7	6,465.9	7,120.9
4 Interest	774.2	35.9	775.5	36.6	1,981.7	160.3	2,034.0	162.8	572.7	577.8
5 Depreciation	198.3	201.4	267.2	212.1	569.9	551.6	590.6	581.8	1,101.1	1,154.3
<b>6 Profit before Taxation and exceptional item</b>	<b>929.0</b>	<b>1,505.4</b>	<b>1,692.6</b>	<b>1,567.7</b>	<b>2,969.1</b>	<b>2,999.2</b>	<b>4,669.7</b>	<b>3,070.0</b>	<b>6,034.4</b>	<b>5,849.4</b>
7 Provision for Taxation (net)	385.0	425.0	596.0	480.8	1,145.0	968.2	1,598.8	1,045.7	1,864.1	1,998.9
8 Deferred Tax (net)	(172.7)	72.2	(111.6)	74.2	(224.3)	24.6	(93.7)	26.6	(1.5)	(80.5)
9 Fringe Benefit Tax	35.0	10.7	45.5	11.7	83.1	76.0	112.8	79.0	140.5	152.7
<b>10 Net Profit after Tax and before exceptional item</b>	<b>681.7</b>	<b>997.5</b>	<b>1,162.7</b>	<b>1,001.0</b>	<b>1,965.3</b>	<b>1,930.4</b>	<b>3,051.8</b>	<b>1,918.7</b>	<b>4,031.3</b>	<b>3,778.3</b>
11 Exceptional item, net of tax	-	-	-	-	-	183.8	-	183.8	183.5	183.5
<b>12 Net Profit</b>	<b>681.7</b>	<b>997.5</b>	<b>1,162.7</b>	<b>1,001.0</b>	<b>1,965.3</b>	<b>1,746.6</b>	<b>3,051.8</b>	<b>1,734.9</b>	<b>3,847.8</b>	<b>3,594.8</b>
13 Paid-up Equity Share Capital Face Value of Re. 1 per Share	1,607.8	1,458.3	1,607.8	1,458.3	1,607.8	1,458.3	1,607.8	1,458.3	1,458.3	1,458.3
14 Reserves excluding Revaluation Reserve	-	-	-	-	-	-	-	-	3,695.8	3,793.9
15 Dividend per Share (Rupees)	-	-	-	-	-	-	-	-	0.5	-
16 Basic EPS before Exceptional item	0.34	0.68	0.64	0.69	1.00	1.32	1.67	1.32	2.76	2.59
Basic EPS after Exceptional item	0.34	0.68	0.64	0.69	1.00	1.20	1.67	1.19	2.64	2.47
Diluted EPS before Exceptional item	0.32	0.68	0.61	0.69	0.96	1.32	1.61	1.32	2.42	2.27
Diluted EPS after Exceptional item	0.32	0.68	0.61	0.69	0.96	1.20	1.61	1.19	2.31	2.16
17 Aggregate of Non-promoter Shareholding										
- Number of Shares	61,447,720	58,333,330	61,447,720	58,333,330	61,447,720	58,333,330	61,447,720	58,333,330	46,498,720	46,498,720
- Percentage of Shareholding	38%	40%	38%	40%	38%	40%	38%	40%	32%	32%

Notes:

- 1 Previous year's figures have been regrouped where necessary.
- 2 The relevant Accounting Standards have been complied with.
- 3 The results for the quarter and nine months ended 30th September 2007 have been subjected to a limited review by the statutory auditors in compliance with Clause 41 of the listing agreement with the Stock Exchanges.
- 4 The above results were reviewed by the Audit Committee at its meeting held on 26th October 2007 and approved at the meeting of the Board of Directors held on that date.
- 5 The results for the quarter and nine months are not comparable with the previous periods due to
  - a) The amalgamation of LKP Forex Ltd with the Company,
  - b) Consolidation of results of Travel Corporation (India) Limited, which was acquired on 28th December 2006 and exclusion of results of Hindustan Cargo Limited, which was sold on 30th December 2006, and
  - c) Change in Accounting year end from October to December. Accordingly the previous period figures given in these results pertain to the third quarter end of last year which is from 1st May 2006 to 31st July 2006.
- 6 The Equity Shares of the Company of the face value of Rs. 10/- each were sub divided into Equity Shares of Re. 1/- each with effect from 21st May 2007, the Record Date fixed by the Board of Directors for the purpose. Accordingly, the dividend for the period ended 31st December 2006 and the earnings per share (EPS) of the corresponding quarter and nine months ended 31st July 2006 and 14 months ended 31st December 2006 have been re-cast to make them comparable with earning per share of the current quarter.
- 7 The Company has preference shares of Rs. 10,387.6 lakhs. Proportionate Dividend amount on these preference shares (including Corporate Dividend Tax) of Rs. 141.6 lakhs and Rs. 363.3 lakhs for the quarter and nine months ended respectively has been considered in determining the EPS for the quarter and nine months ended 30th September 2007.
- 8 As on 1st July 2007 no investor complaints were pending. During the quarter ended 30th September 2007, 12 investor complaints were received, which were duly resolved.

For Thomas Cook (India) Limited

Place : Mumbai  
Date : 26th October 2007

**Madhavan Menon**  
Managing Director

**THOMAS COOK (INDIA) LIMITED**

Regd. Office : Thomas Cook Building  
Dr. D. N. Road, Mumbai 400 001



**BUSINESSWISE UNAUDITED FINANCIAL RESULTS  
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2007**

(Rupees in Lakhs)

	1	2	3	4	5	6	7	8	9	10
	Quarter ended 30th September 2007 (Unaudited)	Quarter ended 31st July 2006 (Unaudited)	Consolidated for Quarter ended 30th September 2007 (Unaudited)	Consolidated for Quarter ended 31st July 2006 (Unaudited)	Nine months ended 30th September 2007 (Unaudited)	Nine months ended 31st July 2006 (Unaudited)	Consolidated for Nine months ended 30th September 2007 (Unaudited)	Consolidated for Nine months ended 31st July 2006 (Unaudited)	Fourteen Months ended 31st December 2006 (Audited)	Consolidated for Fourteen Months ended 31st December 2006 (Audited)
<b>1. Segment Revenue</b>										
(a) Financial Services	739.7	674.8	725.6	685.4	2,514.0	2,363.6	2,570.5	2,406.5	4,123.1	4,219.0
(b) Travel and Related Services	4,534.0	3,656.2	6,606.2	3,795.9	13,772.9	8,523.9	18,540.1	8,892.1	15,496.8	16,089.8
(c) Other Services	-	-	-	141.1	-	-	-	383.8	-	616.9
<b>Total</b>	<b>5,273.7</b>	<b>4,331.0</b>	<b>7,331.8</b>	<b>4,622.4</b>	<b>16,286.9</b>	<b>10,887.5</b>	<b>21,110.6</b>	<b>11,682.4</b>	<b>19,619.9</b>	<b>20,925.7</b>
Less : Inter Segment Revenue	-	-	-	0.9	-	-	-	34.2	-	16.3
<b>Net Revenue from Operations</b>	<b>5,273.7</b>	<b>4,331.0</b>	<b>7,331.8</b>	<b>4,621.5</b>	<b>16,286.9</b>	<b>10,887.5</b>	<b>21,110.6</b>	<b>11,648.2</b>	<b>19,619.9</b>	<b>20,909.4</b>
<b>2. Segment Results</b>										
Profit before Taxation and Interest										
(a) Financial Services	427.2	424.7	430.4	428.6	1,444.8	1,506.5	1,469.0	1,522.0	2,371.1	2,401.6
(b) Travel and Related Services	2,112.2	1,985.2	2,881.5	2,011.4	6,050.9	3,673.1	7,787.2	3,633.2	6,030.0	5,999.6
(c) Other Services	-	-	-	35.6	-	-	-	97.7	-	(179.3)
<b>Total</b>	<b>2,539.4</b>	<b>2,409.9</b>	<b>3,311.9</b>	<b>2,475.6</b>	<b>7,495.7</b>	<b>5,179.6</b>	<b>9,256.2</b>	<b>5,252.9</b>	<b>8,401.1</b>	<b>8,221.9</b>
Less: Interest	774.2	35.9	775.5	36.6	1,981.7	160.3	2,034.0	162.8	572.7	577.8
: Common Expenditure	836.2	868.6	843.8	871.3	2,544.9	2,020.1	2,552.5	2,020.1	1,794.0	1,794.7
<b>Profit before Taxation</b>	<b>929.0</b>	<b>1,505.4</b>	<b>1,692.6</b>	<b>1,567.7</b>	<b>2,969.1</b>	<b>2,999.2</b>	<b>4,669.7</b>	<b>3,070.0</b>	<b>6,034.4</b>	<b>5,849.4</b>
<b>3. Capital Employed</b>										
(a) Financial Services	9,058.2	8,599.6	9,137.4	8,670.8	9,058.2	8,599.6	9,137.4	8,670.8	7,776.3	7,874.7
(b) Travel and Related Services	13,133.0	7,925.4	18,988.5	8,336.1	13,133.0	7,925.4	18,988.5	8,336.1	11,509.8	16,252.0
(c) Other Services	-	-	-	345.3	-	-	-	345.3	-	-
<b>Sub Total</b>	<b>22,191.2</b>	<b>16,525.0</b>	<b>28,125.9</b>	<b>17,352.2</b>	<b>22,191.2</b>	<b>16,525.0</b>	<b>28,125.9</b>	<b>17,352.2</b>	<b>19,286.1</b>	<b>24,126.7</b>
Add: Common Capital Employed	(4,534.7)	1,556.1	(9,285.9)	1,067.6	(4,534.7)	1,556.1	(9,285.9)	1,067.6	(3,594.9)	(8,338.5)
<b>Total</b>	<b>17,656.5</b>	<b>18,081.1</b>	<b>18,840.0</b>	<b>18,419.8</b>	<b>17,656.5</b>	<b>18,081.1</b>	<b>18,840.0</b>	<b>18,419.8</b>	<b>15,691.2</b>	<b>15,788.2</b>

**Note:**

- 1 Previous year's figures have been regrouped where necessary.
- 2 Other Services were in respect of Hindustan Cargo Limited, a subsidiary which was sold off in the last year.

For Thomas Cook (India) Limited

Place : Mumbai  
Date : 26th October 2007

Madhavan Menon  
Managing Director

**THOMAS COOK (INDIA) LIMITED**

Regd. Office : Thomas Cook Building  
Dr. D. N. Road, Mumbai 400 001



**REGIONWISE UNAUDITED FINANCIAL RESULTS  
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2007**

(Rupees in Lakhs)

	1	2	3	4	5	6	7	8	9	10
	Quarter ended 30th September 2007 (Unaudited)	Quarter ended 31st July 2006 (Unaudited)	Consolidated for Quarter ended 30th September 2007 (Unaudited)	Consolidated for Quarter ended 31st July 2006 (Unaudited)	Nine months ended 30th September 2007 (Unaudited)	Nine months ended 31st July 2006 (Unaudited)	Consolidated for Nine months ended 30th September 2007 (Unaudited)	Consolidated for Nine months ended 31st July 2006 (Unaudited)	Fourteen Months ended 31st December 2006 (Audited)	Consolidated for Fourteen Months ended 31st December 2006 (Audited)
<b>1. Segment Revenue</b>										
(a) India	5,165.9	4,199.2	6,991.5	4,390.3	15,658.1	10,190.6	20,018.3	10,672.9	18,377.5	19,176.1
(b) Rest of the World	107.8	131.8	340.3	231.2	628.8	696.9	1,092.3	975.3	1,242.4	1,733.3
<b>Net Revenue from Operations</b>	<b>5,273.7</b>	<b>4,331.0</b>	<b>7,331.8</b>	<b>4,621.5</b>	<b>16,286.9</b>	<b>10,887.5</b>	<b>21,110.6</b>	<b>11,648.2</b>	<b>19,619.9</b>	<b>20,909.4</b>
<b>2. Segment Results</b>										
Profit before Taxation and Interest										
(a) India	1,768.7	1,608.6	2,449.3	1,641.2	4,876.0	3,024.5	6,479.9	3,003.7	6,292.5	5,970.3
(b) Rest of the World	(65.5)	(67.3)	18.8	(36.9)	74.8	135.0	223.8	229.1	314.6	456.9
<b>Total</b>	<b>1,703.2</b>	<b>1,541.3</b>	<b>2,468.1</b>	<b>1,604.3</b>	<b>4,950.8</b>	<b>3,159.5</b>	<b>6,703.7</b>	<b>3,232.8</b>	<b>6,607.1</b>	<b>6,427.2</b>
Less: Interest	774.2	35.9	775.5	36.6	1,981.7	160.3	2,034.0	162.8	572.7	577.8
<b>Profit before Taxation</b>	<b>929.0</b>	<b>1,505.4</b>	<b>1,692.6</b>	<b>1,567.7</b>	<b>2,969.1</b>	<b>2,999.2</b>	<b>4,669.7</b>	<b>3,070.0</b>	<b>6,034.4</b>	<b>5,849.4</b>
<b>3. Capital Employed</b>										
(a) India	21,935.4	16,382.7	27,161.9	16,754.1	21,935.4	16,382.7	27,161.9	16,754.1	18,868.3	23,099.6
(b) Rest of the World	255.8	142.3	964.0	598.1	255.8	142.3	964.0	598.1	417.8	1,027.1
<b>Sub Total</b>	<b>22,191.2</b>	<b>16,525.0</b>	<b>28,125.9</b>	<b>17,352.2</b>	<b>22,191.2</b>	<b>16,525.0</b>	<b>28,125.9</b>	<b>17,352.2</b>	<b>19,286.1</b>	<b>24,126.7</b>
Add: Common Capital Employed	(4,534.7)	1,556.1	(9,285.9)	1,067.6	(4,534.7)	1,556.1	(9,285.9)	1,067.6	(3,594.9)	(8,338.5)
<b>Total</b>	<b>17,656.5</b>	<b>18,081.1</b>	<b>18,840.0</b>	<b>18,419.8</b>	<b>17,656.5</b>	<b>18,081.1</b>	<b>18,840.0</b>	<b>18,419.8</b>	<b>15,691.2</b>	<b>15,788.2</b>

**Note:**  
Previous year's figures have been regrouped where necessary.

For Thomas Cook (India) Limited

Place : Mumbai  
Date : 26th October 2007

**Madhavan Menon**  
Managing Director