

MR VIJAY KUMAR

HEAD – INTERNATIONAL
BUSINESS
RELIANCE RETAIL



Indian Economy

Fiscal Year	GDP at current prices (US\$ Billion)
2005-6	804
2009-10	1133
2014-15	1721

Sources

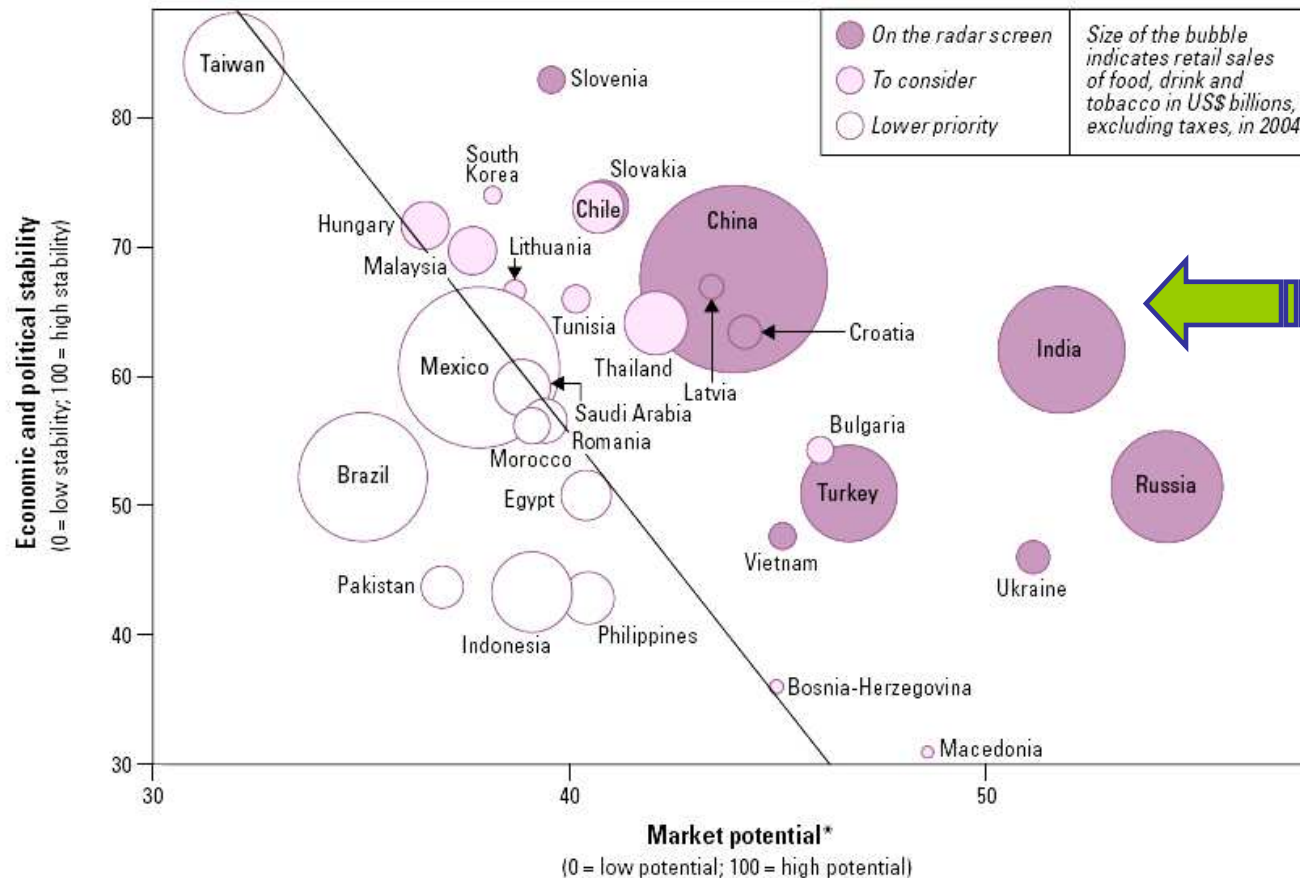
- 2006 GDP :Central Statistical Organization (CSO)
- Growth Rates :Goldman Sach's BRIC report

India is Growing



- **India will be the third largest economy by 2040**

Attractive Retail Market

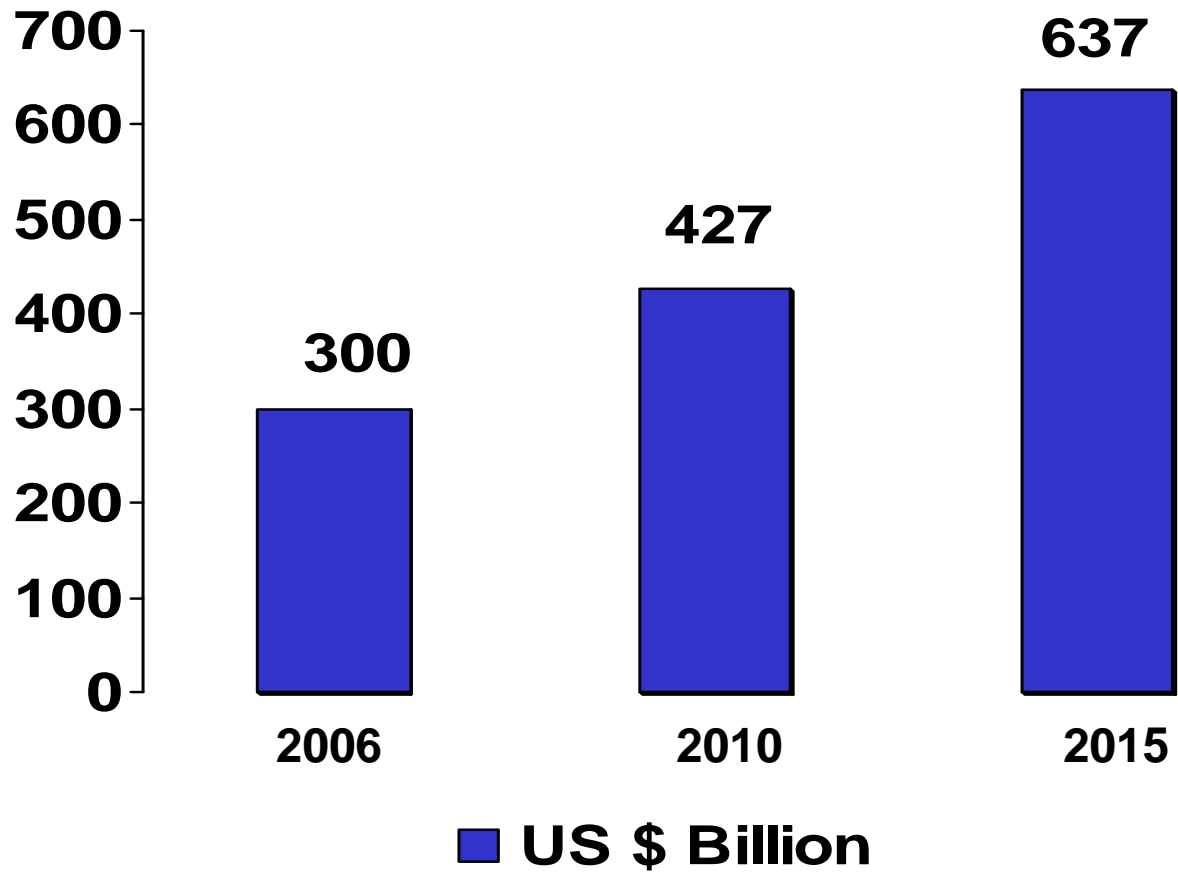


Source:
 AT Kearney
 Global Retail
 Development
 Index (GRDI)

India's retail market has grown by 10% on average for past 5 years
 ...steadily rising to top position in GRDI

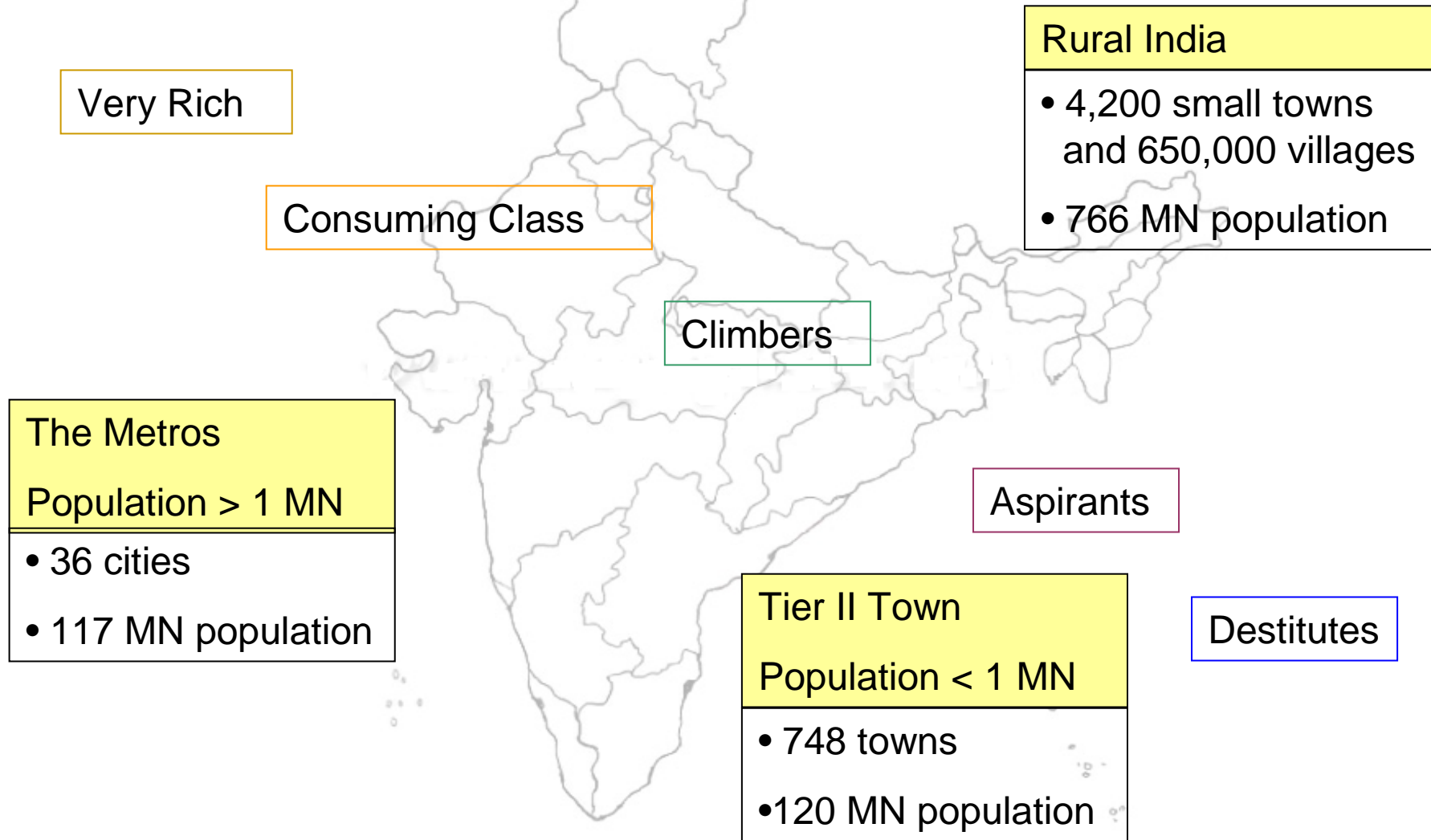
Indian Retail

Indian Retail Market



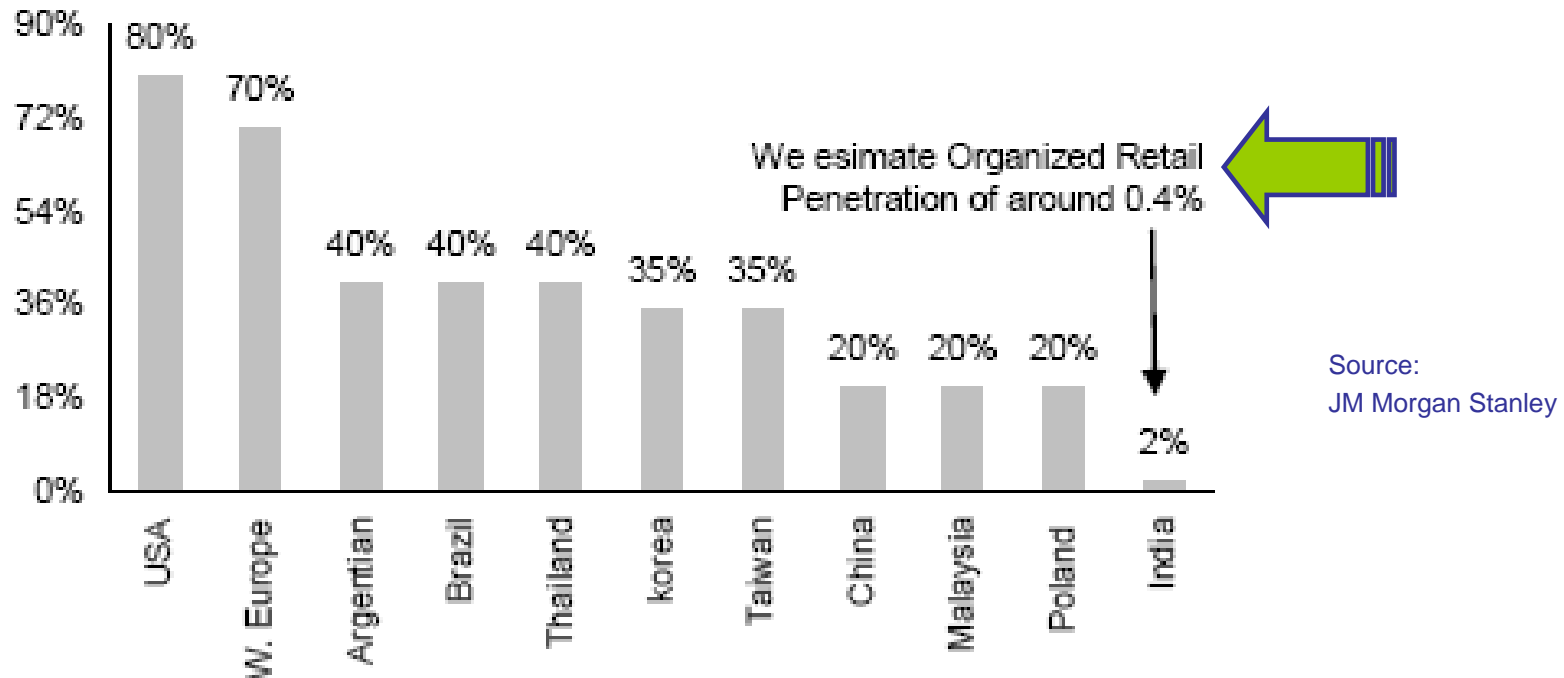
	% Split
Urban	45
Rural	55

The Challenge of Many INDIAs



Organized Retail still in its infancy

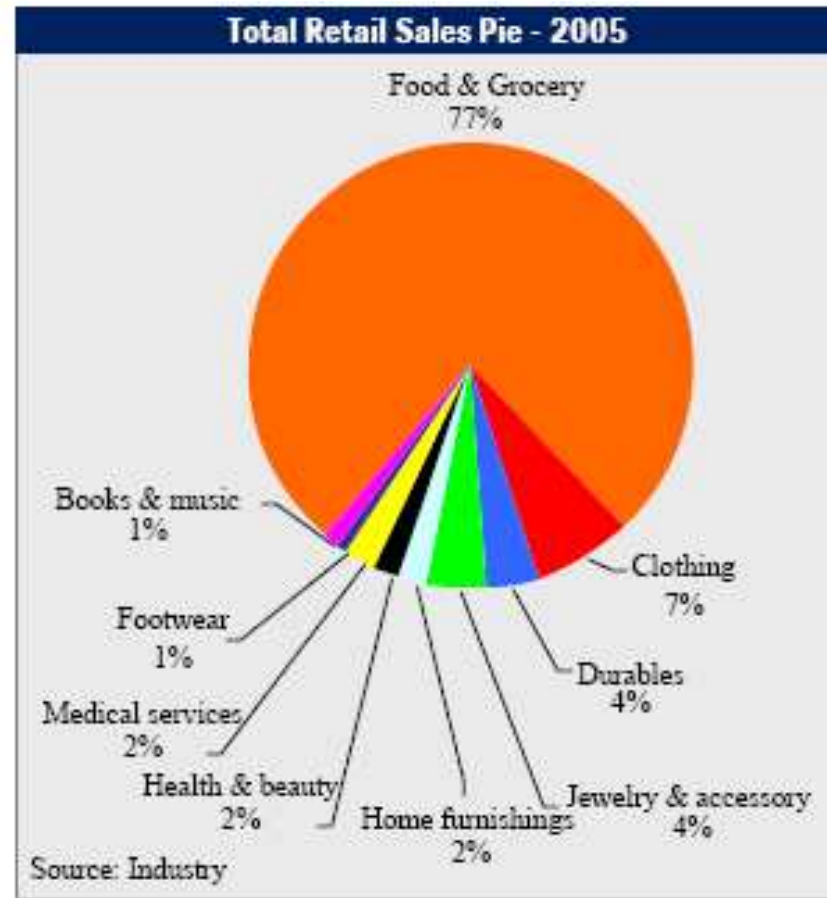
Penetration of Organized Retail



Source: FDI In Retail Sector (ICRIER), Morgan Stanley Research

- With just 2 to 3 % of retail being organized....
India represents a huge opportunity

FOOD - Large Consumption Share



Source: Ernst & Young

- At 77 %, Food & Grocery is the largest segment in retail sales

Indian consumers are evolving...



from traditional to...



... modernised traditional



from globalise to...



... Indianise



from functional to...

... lifestyle



from cautious to...

... experimental



from over-the-counter to...

... touch-and-feel



from value for money to...

... value for time and convenience



Consumption Shift

Processed food consumption

- ✓ From “packaged is stale” to “packaged is hygienic and high quality”
- ✓ Increased tendency towards disposability
- ✓ Shift from price consideration to design and quality

Lifestyle

- ✓ Aspiration
 - ✓ looking and feeling good
- ✓ Health conscious
 - ✓ Growing health/dietary supplements
 - ✓ Growing organic produce

Consumption is moving out of the home... it's moving into lifestyle products, eating out, events, entertainment. And that is going to continue.

Source: AT Kearney

The Shift Drivers

- ❖ Demographic advantage: Young population
- ❖ Increasing discretionary incomes
- ❖ Increasing retail space
- ❖ Credit availability

RELIANCE

Reliance: Contribution to Indian Economy

Turnover: USD 34.7 billion

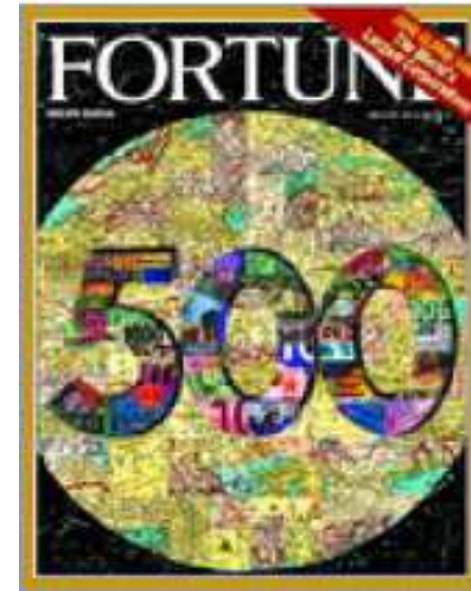
Gross Profit : USD 4.9 billion

- Revenues equivalent to 2.9% of India's GDP
- 12% of India's total exports
- 6.5% of the Government of India's indirect tax revenues
- 5.7% of the total market capitalization
- 13.4% weightage in the BSE Sensex
- 11.7% weightage in the Nifty Index

Reliance: Global Ranks

Global Rank

Net Sales	269	↑	73
Net Profit	179	↑	15
Net Worth	190	↑	36
Assets	299	↑	52



Source: Fortune Global 500, 23rd July 2007

- ✓ India's only private sector company to list in Fortune 500 list
- ✓ Amongst the fastest growing companies in Fortune 500

Reliance: Major Initiatives

- ✓ Exploration & Production
- ✓ Refinery – Jamnagar
- ✓ Special Economic Zones
- ✓ Reliance Retail



RELIANCE

Reliance: Contribution to Indian Economy

Turnover: USD 34.7 billion

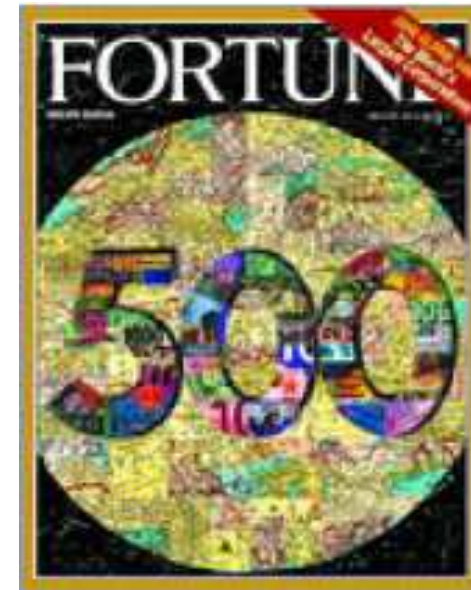
Gross Profit : USD 4.9 billion

- Revenues equivalent to 2.9% of India's GDP
- 12% of India's total exports
- 6.5% of the Government of India's indirect tax revenues
- 5.7% of the total market capitalization
- 13.4% weightage in the BSE Sensex
- 11.7% weightage in the Nifty Index

Reliance: Global Ranks

Global Rank

Net Sales	269	↑	73
Net Profit	179	↑	15
Net Worth	190	↑	36
Assets	299	↑	52



Source: Fortune Global 500, 23rd July 2007

- ✓ India's only private sector company to list in Fortune 500 list
- ✓ Amongst the fastest growing companies in Fortune 500

Reliance: Major Initiatives

- ✓ Exploration & Production
- ✓ Refinery – Jamnagar
- ✓ Special Economic Zones
- ✓ Reliance Retail



RELIANCE RETAIL

Reliance: Retail Vision



To be the most admired and successful organized retail company in India that materially enhances the quality of life of every Indian

By

- ✓ Providing unprecedented affordability, quality and choice
- ✓ Being the partner of choice in creating prosperity for Indian farmers and other vendor partners
- ✓ Unleashing the power of the Indian workforce through the generation of new & attractive employment opportunities

Reliance Retail - Formats

- Food & Grocery
- Apparel & Footwear
- Consumer Durables & Electronics
- Furniture & Furnishings
- FMCG & Personal Care
- Lifestyle Products and Services
- Healthcare, Financial, Membership, Travel, Auto and Entertainment Services



Reliance Fresh Concept

- ❖ 2000 - 4000 sq. ft pilot stores selling primarily fresh food and grocery items
- ❖ Targeted at all income groups
- ❖ Differentiation
 - ❖ Full range, consistent availability of high quality Fruits & Vegetables
 - ❖ State-of-the-art retail infrastructure and supply chain.
 - ❖ Modern, hygienic yet non intimidating store environment

Reliance Retail Store



Reliance Retail Store



Reliance Retail Store



Reliance Retail 3-5 yrs Plan

- 100 mn sq ft retail space
- Multiple Formats:
 - Convenience Store
 - Supermarket
 - Specialty Store
 - Hypermarket
 - Cash & Carry
 - Rural Business Hubs (RBH)
- Presence in 1600 urban/rural towns



Reliance Retail Infrastructural Investments

- Pan India Rural Business Hubs and Collection Centers
- Pre-cooling infrastructure and refrigerated vans for transport
- City processing centres and Distribution centres
- Logistics infrastructure for speedy transport of perishables

Reliance Retail

Benefits for stake holders

<p>Consumers</p> <ul style="list-style-type: none">•Wide assortment, affordable prices•Better shopping environment/ experience	<p>Vendors</p> <ul style="list-style-type: none">•Higher category growth•Improved supply chain efficiency•Ease in launching innovative products
<p>Farmer</p> <ul style="list-style-type: none">•Direct correlation between consumer preference & production•Better prices•Access to all info/services	<p>Country</p> <ul style="list-style-type: none">•Infrastructure•Employment•Revenue and tax generation

Reliance

How NZ Companies Can Engage

- Various models possible – product supply in bulk or IP licensing
- Reliance will be interested where speed to market is required to fill portfolio gaps or meet new opportunities
- Work through NZTE – find out where the opportunities exist



Thank You!