



Procter & Gamble Hygiene and Health Care Limited Chairman's Speech 2012-13

Introduction

Good Afternoon Ladies and Gentlemen,

It is with immense pleasure that I welcome you to the 49th Annual General Meeting of your Company. The past fiscal witnessed us deliver another year of sustained growth and strong results, behind a sharpened focus on winning with our consumer. It is this dedicated approach towards value creation that will drive the business for years to come. We will ensure the right mix of innovation, productivity and operational discipline to drive year on year sustained growth.

We have maintained strong market momentum and will continue to focus on consumer benefits, technologies and to produce superior value propositions for our consumers. Consumers are in turn rewarding us, for our ever continuing dedication to address not just economic performance but also social responsibility and environmental accountability. It is with this sustained commitment to touch and improve the lives of all our stakeholders that I stand before you on the 49th Annual General Meeting of your Company with the recollections of yet another successful and eventful year.

Performance Review of your Company

Your Company's strong performance results for the Financial Year 2012-13, against a backdrop of economic

uncertainty, are testament to our focus on winning with the consumer.

- We have maintained our growth momentum by achieving a healthy double-digit sales growth with total Net sales of ₹ 1,685 crore as against ₹ 1,295 crore during the previous year. This is a sales growth of 30%.
- Earnings after tax increased at 12% at ₹ 203 crore as against ₹ 181 crore during the previous year.

Our Feminine Care Business Results

The Feminine Hygiene business in India recorded to its highest ever national share. Your Company also delivered robust value growth of 35%, which was fuelled by strong volume growth of 16%. *Whisper* also launched an innovation in product with the new proposition of "50% larger holes" on *Whisper Ultra*. This was in addition to innovations in the benefit segments of "soft" and "overnight protection" to keep pace with the evolving needs of our top tier consumers, further strengthening its market leader status in this category.

And as the business grows, we continue to improve more lives more completely with P&G's National Parivartan Programme (*Whisper School Girl Programme*) in schools. The program on an average reaches 2.5 million girls annually, across 15,000 schools, providing them with timely menstrual education and product samples. P&G's *Whisper School Girl Program*, over the

past 2 decades, has protected millions of adolescent girls in India from getting trapped in traditional practices of using unhygienic cloth for sanitary protection. Through a sustained outreach program in private and government schools across the country, last year alone P&G India reached out to close to 4 million adolescent girls on feminine hygiene, ensuring that they stay healthy and continue schooling.

Our Healthcare Business Results

We consolidated *Vicks'* market leadership position with a record share growth of 1.6 points. Your Company's health care sales posted a double-digit growth of 17% which were driven by a strong mix of pricing and commercial innovations.

To strengthen our consumers connect further, we designed & executed the *Vicks Cheer for Champions*.

Five reputed sportspersons including Dhanraj Pillay, Dilip Vengsarkar, Ashwini Ponappa & IM Vijayan, formed the *Vicks Cheer Panel* and encouraged fans to send in their cheers for India. India's love for singing gave birth to the idea of creating India's first-ever national sports anthem, titled *Cheer for Champions*. The campaign increased penetration in India's tier-2 cities and helped drive sales growth in target markets.

Cost-Effective Operations

Operational discipline coupled with a clear focus on improving execution

have been the pillars of the Company's performance over the previous year and will serve as the key driver of business over the coming fiscal. Also, in the face of key economic challenges, a streamlined focus on value creation will drive results for you, our shareholders.

Hence, your Company continues to lend focus on innovation to drive growth. We have also launched a number of initiatives aimed at purpose-inspired growth, which strengthens our efforts to not only serve our consumers with high quality and superior value propositions, but also to touch and improve their lives through dedicated contributions to the communities around us.

Our Commitment to CSR – P&G Shiksha

To 'touch and improve lives' is the vision that guides P&G and will continue to do so for generations to come. At P&G, we look at sustainability as a business driver, and focus on three key sustainability aspects – social responsibility, environmental sustainability and effective disaster relief efforts.

P&G Shiksha – our flagship CSR program – today, reaches over 420,000

children to access education by building and supporting over 220 schools across India, in partnership with a number of NGOs like Army Wives Welfare Association (AWWA), Navy Wives Welfare Association (NWWA), Round Table India (RTI) and Save the Children (STC). Till date, P&G Shiksha has made a cumulative donation of approx ₹ 30 crores towards building new schools, providing critical infrastructural amenities at existing schools and reviving non-operational government schools. It is through such dedicated outreach programs conducted at schools with the help of our sustainability partners, that we will be able to build a better future for generations to come.

Disaster Relief Work

P&G is committed to help rebuild lives after widespread disasters. Through our people, products and partners, we rely on our strengths and our disciplined processes to ensure that all of our efforts are making a meaningful difference.

As part of our *timely Disaster Relief* program, we reached out to over 10,000 afflicted families with P&G products along with relief materials like medicines, food & blankets, safe

drinking water & water-proof tents in partnership with our Sustainability NGOs *Save The Children* and *Himachal Pradesh Voluntary Health Association*.

Conclusion and Thank You

In closing, I would like to re-iterate that as a Company, we are keenly focused on ensuring value creation and disruptive innovation for our investors and consumers, as we continue to drive operational discipline.

P&G's dedicated pursuit of leading sustainable development initiatives has empowered us to truly make a meaningful impact on the lives of the communities around us.

Lastly, I would also like to express my gratitude to all our consumers, customers, employees, business partners and YOU, our valued shareholders for your unwavering trust in the Company. I look forward to your sustained support and participation in the growth of your Company as we continue to touch and improve lives.



R.A. Shah
Chairman