



Good afternoon ladies & gentlemen. It is with great pleasure that I welcome you to the 46th Annual General Meeting of your Company.

The milestones that your Company has achieved in the year 2009-10 reaffirm our faith in the power of our purpose, To touch and improve 'More' lives, 'More' completely, Now and for Generations To Come -- the essence of my address today. This overarching philosophy has, and will always be, our vision, our guiding principle and our growth strategy, all combined into one. It is this purpose that is inspiring our strategic choices, leading us to bigger and better innovations and driving brilliant execution. Most importantly, it is this purpose that compels us to make a meaningful difference to the lives of the consumers we serve and the communities we operate in.

Our evolution towards purpose-driven growth has been built on a keystone that has had a cascading impact on the different categories we are present in. It has helped us to not only meet the values and expectations of our loyal consumers and stakeholders, but also to register strong business results.

Your Company has been steadily achieving double-digit growth for over a decade now, strongly linked to the economic progress of the country. This year has been no different. I take great pride in reporting that your Company has achieved record sales of Rs.914 Crores, an 18% increase over the last financial year, fuelled by strong growth in both the feminine hygiene and healthcare categories. We also continued to maintain our market

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Touching & Improving More lives, More Completely – Now and for Generations to Come

leadership in both these categories as well as our commitment to strengthen our investment in the country as we grow.

I will now like to take you through some of the highlights of our Healthcare and Feminine Hygiene business for the financial year 2009 – 2010.

Healthcare Business

- The Healthcare Business posted a growth of 11% this year across Vicks Vaporub, Vicks Cough Drops, Vicks Action-500 and Vicks Inhaler ensuring consolidation of market leadership in their respective categories
- Vicks Vaporub continued its growth trajectory and had yet another record year, posting its highest ever market share, while the Vicks Cough Drops business grew by 15%
- The healthcare category growth was driven by a combination of product initiatives and investment into proven equity building advertising. Vicks will continue to innovate to ensure it stays the most trusted cough and cold care solution in India.

Feminine Hygiene Business

- The Feminine Hygiene Business registered 22% growth with all the variants of Whisper Sanitary Napkins showing healthy growth.
- Whisper Choice led robust growth in the category with a 40% increase in sales, helping your Company to grow in volume and value shares.
- The Feminine hygiene business delivered the highest sales and share growth for P&G across the globe with Whisper increasing its market share

and Whisper Ultra being the largest value share brand.

- Your Company, as part of its endeavor to touch & improve lives, has made a conscious decision to invest extensively to drive awareness of the importance of feminine hygiene and grow the underdeveloped category of sanitary napkins in India.

Touching and Improving Lives of 'More' consumers, 'More' completely, Now and For Generations to Come...

Let me come now back to our Purpose, that calls on us to touch and improve the lives our consumers now and for generations to come. As we at P&G globally think about the 4 billion people we connect with on the planet through our brands, or the 1 billion more we aim to reach by 2015, it is indeed very humbling. It causes us at P&G India to realize how empathic and relevant we need to be, to be able to connect with all of our country's people and be able to innovate and develop the products that truly improve their lives. This is why PGHH has always been not only committed to growing profitably but is equally, if not more, committed to serving - inspired by a clear purpose behind all its initiatives. This is why your company's continued growth is both encouraging and crucial.

Reaching out to 'More' Consumers, 'More' Completely

Every P&G brand lives and breathes a purpose that grows beyond its functional benefit, and our feminine hygiene brand Whisper is a great example – Whisper's purpose is not merely sanitary protection but that of empowerment of women. This

perspective to brand building is reflected in our ever-increasing investments in innovative new products, and is clearly illustrated through Whisper's initiatives this year.

The empowerment of women in India is strongly related to their health, hygiene and education; issues which need to be addressed through several social, economical and cultural challenges. One of these challenges is the poor state of menstrual hygiene in India which is reflected in the fact that out of the 355 million menstruating women population in India, 88% menstruating women have never used a sanitary napkin. As a result, women use suboptimal alternatives like cloth, ash, husk etc, for menstrual care which have a negative impact on their reproductive health, school attendance of adolescent girls as well as their overall wellbeing. Whisper has been taking strides in making small but significant changes to this situation by taking initiatives that aim at delivering the superior experience* of sanitary napkins available to women across India, who are hindered by the barriers of affordability and awareness.

Like I just mentioned, one of key barriers to the adoption of sanitary napkins, proven as the best solution for menstrual hygiene, is the lack of an affordable, yet reliable option for cloth users to convert to. Whisper Choice, the mid tier brand of the Whisper franchise reduced price by 17% to Rs.20 for 8 regular pads, to help break this affordability barrier. This initiative is aimed at driving cloth conversion at more than two times the current rate, thus enabling more women and girls to lead healthier, happier and more productive lives.

Whisper also brought its purpose to life this year, by expanding its portfolio with the launch of Choice Ultra. This product truly improves the lives of the middle income consumer more completely, by allowing her the enhanced experience of top-tier product in terms of improved longer, better coverage and higher absorbency, within the mid-tier price range.

Improving Lives, Now and for Generations to Come

Your Company believes in being in touch and in the lead, for now and for generations to come. This is reflected in the commitments and the investments we make in the markets we serve, and also in the fact that at P&G, we do not treat philanthropy and sustainability as something that is separate from our business. It is integrated across our growth pillars of sustainability and innovation.


The Whisper Point of Market Entry (POME) Program is an illustration of such an initiative, which I believe has important implications on the choices that a whole generation will make. It is an exclusive execution that Whisper pioneered 12 years ago and has been breaking new ground with adolescent girls and mothers at Government Schools, to raise awareness and dispel myths around female menstruation hygienic protection products and methods. By talking to adolescents, we ensure that enable them to make the right choice for their future, at the right time. This year, we significantly enhanced reach of this program, attributed to deeper and wider reach to lower class towns, via our Choice program and cities via our Ultra program - bringing the total number of girls impacted to 2.3 Million. Whisper touches the lives of these girls through this program that connects with them in the safety of their school, and in the comfort of their mother's presence, by helping them embrace an integral life change in a positive and healthy manner.

Another P&G program that is close to all our hearts and extremely relevant to our purpose of impacting the lives of a generation to come, is of course Shiksha. A program that has been working towards enabling millions of underprivileged Indian children access their fundamental right to education, Shiksha is now ¹⁵6th year, and has transformed into a National Consumer Movement. I am extremely proud to

announce that with the enhanced partnership of our NGO partners like CRY, Army Wives Welfare Association (AWWA), Navy Wives Welfare Association (NWWA) and Round Table India (RTI), Shiksha has touched the lives of over 150,000 children in over 602 communities and 435 villages across India. With a donation of ~~of~~ Rs 17 crores in the last 6 years, the Shiksha program, has been, and will continue to be committed towards improving the lives of millions of young children.

When we speak about providing products that improve the lives of our consumers over generations, Vicks comes to mind as a brand that truly embodies this purpose. Present for over 100 years globally, Vicks is renowned as one of the most trusted brands in the world, and continues to remain relevant and contemporary event today. In India, Vicks is now in its 58th year, and continues to grow stronger year on year. This was particularly true in the case of Vicks Cough Drops this year, which reached out to 22% more households through a holistic restaging campaign and increased sales by 50% during the half year period of January to June 2010.

The ability to serve others with the purpose of improving lives has given birth to bigger ideas, ensured driven employees, inspired customers and provided stronger results year on year. My sincere thanks to all our shareholders for your continued trust and belief in the Company and to my board members for their guidance. Thank you again for being with us on our journey towards touching and improving more consumers lives, more completely, now and for generations to come.



Thank you,
R.A. Shah

