



# Creating the Future, Today

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Chairman  
Gillette India Limited  
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**GILLETTE INDIA LIMITED**

Ladies and gentlemen, I welcome you to the 24th Annual General Meeting of Gillette India Limited.

Today we meet at a time when all around us there is great concern about where the Indian and the global economy is headed. This concern is most pertinent to financial markets but it would not be amiss to say that each and every investor in the country today is asking himself whether he has put his money in the right hands. The current crisis that has engulfed countries across the two hemispheres is as much a crisis of faith as it is of finance.

Faith and trust are intangibles that no ledger can fully grasp and pencil in. These are assets that are built over years, decades and centuries. These are assets that you draw upon to foretell the future, or, at the very least, reassure yourself about it. For it is history that often delineates the future.

Here we must understand that history is a by-product. It is created in the pursuit of future. Great leaders are visionaries who kept an eye on the future and prepared themselves accordingly. Today a glorious past stand testimony to their greatness.

Your company understands this. Gillette Brands and Procter & Gamble Company of which your Company is the ultimate subsidiary, is a more than a century old institution that has led the way into the future from the very first day in existence. Be it the invention of the world's first safety razor with disposable blades in 1901 by King C Gillette or the revolutionary Mach 3 razor that introduced the first new blade-edge technology in 30 years, Gillette has always been at the cutting edge of technology and trends. It wouldn't be too far off to say that Gillette, through the years, has shaped the future of grooming. Your parent Company has been a pioneer, an innovator *par excellence* and a harbinger of future, the ability to **create the future, today** is engineered into the DNA of the company. Your company, **Gillette India Limited**, a progeny of The Procter & Gamble Company, USA, is **built to last**.

Today, I want to share with you some of the things that your company is doing to shape the future in a manner that marries deep consumer understanding with our expertise in building brands.

Before I do that, I want to briefly take this opportunity of being with friends and valued shareholders to celebrate the achievements of last year. In 2007/08, we increased our total sales (net of excise) by 16% over the comparable period last year, from Rs. 506 crores to Rs. 589 crores. This growth was echoed by the rise in PAT, from Rs. 92 crores in 2006/07(comparable period) to Rs. 107 crores in FY0708. Our flagship business, Blades & Razors, grew by 15% while our Oral Care business continued to outshine and grew by 27%.

If I were to look back on last year and see what helped grow our business, it is precisely the same things that has ensured a century of success for the company. On our Blades and Razors business for example, our campaign was designed to inspire a generation of men with the rallying call of 'Be Your Best Today'. Globally, we created an elite league of sporting legends including Thierry Henry, Roger Federer and Tiger Woods. Our very own Rahul Dravid, then Captain of the Cricket team, and riding a tidal wave of success after the historic victory in the 2007 England Series, was a fitting addition to this prestigious club. Each of these Gillette Winners believed that yesterday is history and believed in being their best, today. Based on our extensive consumer research we now know that it is not enough to simply be the best razor to find favour with men who are reaching for the skies; it is equally important to inspire them, to share a philosophy with them. This is the marketing of the future.

Similarly our engagement with adolescents and young adults via *The Winning Edge* is a clear example of creating the future, today. This is a platform that coaches young boys of 15-17 years of age to groom themselves holistically - *speak good, feel good and look good* to get the winning edge. This platform provides a common space for adolescents to groom themselves in anticipation of the future ahead and a great opportunity for Gillette to become an integral part of their grooming routine for the rest of their life.

Another important building block of future growth is distribution. Being available at more places and providing a novel experience to more people, thereby generating more trials, is an important focus for your company. Here, synergies with P&G have been of great benefit. *Vector Plus* razors, for instance, now reaches 64% more outlets compared to pre-operational integration. Our Oral care brand became the first Gillette brand to cross a million stores, a growth of 67% between pre and post operational integration.

Of course, actions of a single individual or a company alone are not sufficient to create the future. There must necessarily be a match between what is happening in the environment and what we are doing. Zeitgeist must be the breeze that propels our plans.

In our case, we find a veritable whirlwind of opportunity giving us wings to fly. In recent years, survey after survey has talked about the growth in male grooming. The number of those men who now visit salons and spas, who believe in keeping themselves well groomed and contemporary, who don't think twice before heading for a pedicure, is on the rise.

This is a happy trend. A lion's share of the grooming market is the shaving care market. Men are no longer satisfied with the short shrift that they use to get, they clearly want more. The reigning stars of Bollywood - Shahrukh Khan, Salman Khan and Aamir Khan - all espouse the metrosexual look and are handsomely clean shaven. Gillette, with its propositions to pamper this new Indian man, is, always, the Best A Man Can Get.

This trend also helps our Oral care business. Shining teeth and healthy gums are an important part of looking good. As a result we see people adopting the right dental hygiene habits, an area most Indians didn't pay much attention to still recently. Oral B's unique 'Free Dental Check up' offer last fiscal is an engaging way of tapping into this trend and communicating with the consumer. I am confident that this and such other initiatives, coupled with superior quality toothbrushes that are the hall mark of Oral B across the globe, will continue to prime the business for robust growth in times to come.

From a macro economic standpoint, the current financial crisis and the wide collapse of lending institutions in the US and EU have clearly signaled a slowdown in consumption in those markets. It is clear the much of the growth in the world's GDP will come from emerging economies like India. Our country, with its population advantage, and robust domestic consumption is well positioned to ride through these tumultuous times and emerge stronger. This bodes well for your company.

I can say with confidence that your company will continue to leverage its consumer understanding to deliver propositions that delight consumers and build campaigns that talks to consumers in an engaging, heart opening manner. In doing so, I believe, consumers will reward us in the market.

Friends, your support has always been a source of encouragement for us and today as we look ahead with confidence, I want to thank you all for your faith in the future of this company.

Thank You.