

CHAIRMAN'S SPEECH

Ladies and Gentlemen,

I am happy in extending you a warm welcome to the 23rd Annual General Meeting of the Company.

In India's 60th Year of Independence, I begin by revisiting the visionary words of Jawaharlal Nehru, when he said, "a new star rises, a new hope comes into being".

His vision aptly describes how the successful operational integration of Gillette India with Procter & Gamble India, has resulted in the growth and benefits derived by your Company and also consolidated our leadership position in India. This makes us look back with pride, and look ahead with greater hope and determination.

I feel privileged and proud to inform that your Company in the last 18 months - January 1, 2006 to June 30, 2007 - has been living up to the inspiring motto 'With Synergy We Grow' and has yet again scaled new peaks.

Let me pause here for a minute and share with you the outstanding unaudited quarterly results that Board of Directors of your Company announced this morning. This July-September quarter recorded one of the highest growth with sales at Rs.137 crores up by 36% versus the corresponding quarter last year. The strong and broad-based growth in sales is in line with the synergy and benefits we envisaged with integration of the operations of your Company with that of Procter & Gamble India.

Profit Before Tax (PBT) at Rs.44.37 crores shows a very strong 56% growth over last year's PBT of Rs.28.42 crores when adjusted for one-time exceptional income of Rs.38.1 crores relating to financial restructuring and reconstruction. Due to this one-time exceptional item, Profit After Tax (PAT) at Rs.27.8 crores for this quarter is not comparable with PAT of Rs.50.5 crores of the corresponding period last year.

WITH SYNERGY WE GROW - REVIEW OF BUSINESS RESULTS

During the period, your Company's Double Edge business achieved an outstanding growth of over 20% and Personal Care also recorded over 20% growth.

The operational profit at Rs.174 crores is up by 22% compared to the last corresponding period. Gross Profit at Rs. 216 crore for the 18 month period is the highest ever achieved by your Company. The profit from the sale of our office premises in Gurgaon resulted in a gain of Rs 42 crore. After taking into consideration, this exceptional income, the Profit after Tax stands at Rs. 142 crore, up 44% from the last corresponding period.

The total sales at Rs. 683 crores were up by 8%, when compared to Rs. 630 crores for the corresponding period.

COMBINED STRENGTHS, CONTINUOUS GROWTH

The period under review witnessed new business landmarks being established by your Company. Much of the success can be attributed to the joint knowledge pool and combined expertise of arguably two of the most avant garde marketing companies in the world. The synergies have played out at very tangible level of brand and marketing excellence.

ORAL CARE - TOUCHING NEW HEIGHTS

I am delighted to inform you that this period had been a breakthrough one for the Oral Care business of your Company. By launching new products in the premium and the mid-tier

This year, I am proud to tell you that brands from your Company, including MACH3, Oral B, and Duracell, were part of this noble initiative and helped support the education of underprivileged children in India.

OUTLOOK

The strong economic outlook for India is inexorably linked with strong growth potential for your Company. India is currently the twelfth largest consumer market in the world.

According to a study by McKinsey Global Institute, India is likely to join the premier league of world's consumer market by 2025, improving its position to the fifth. India's fast moving consumer goods (FMCG) sector, which your Company operates in, is the fourth largest sector in the economy. India of 2007 presents a launch-pad for the future.

As all the synergies between your Company and Procter & Gamble play out over the months and years, we are confident of seizing the opportunity that India today presents to us. I can promise you that we will continue to aim high and aim to further consolidate our position as one of the fastest growing companies in India.

I would also like to thank all our employees and valued shareholders for their resolute trust and confidence in the Company and for their support to our endeavors to continue enhancing shareholder value. Together they ensure that "With synergy your Company grows".

Thank you!