



## Procter & Gamble Hygiene and Health Care Limited

### Chairman's Speech 2014-15

#### INTRODUCTION

Good afternoon, Ladies and Gentlemen,

It is with immense pleasure that I welcome you to the 51<sup>st</sup> Annual General Meeting of your Company. I am pleased to share with you that this Financial Year 2014-15, your Company delivered another year of sustained growth and strong results. We all are aware that the FMCG industry is facing consumption blues due to the impact of slow economic growth. However, your Company delivered consistent growth by providing consumer-preferred brands and products that are leading value creators in their categories.

#### PERFORMANCE REVIEW OF YOUR COMPANY

Your Company's strong performance results for the Financial Year 2014-15, against a backdrop of economic uncertainty, are testament to our focus on winning with the consumers, customers and shareholders

- The Company delivered **total net sales of ₹ 2332 crores, up 14% versus year ago behind**

#### **strong volume growth and focus on improving mix;**

- Profit After Tax (PAT) for the Financial Year stood at **₹ 346 crores, up 15% versus year ago behind continued focus on productivity and cost efficiency.**

#### **OUR BUSINESS GROWTH RESULTS – DRIVEN BY INNOVATION AND PRODUCTIVITY**

Both the Feminine Care and Health Care businesses continued to deliver strong sales growth in a competitive market environment behind superior value propositions and strength of product portfolio.

Feminine Hygiene business recorded the 12<sup>th</sup> consecutive year of double-digit growth. This growth was led by all the variants of *Whisper* which continues to be the market leader despite stiff competition from other category players. As the business grows, we continue to improve more lives with *P&G's National Parivartan Programme (Whisper School Girl Programme)* in schools. The program reaches 4 million girls annually, providing them with timely menstrual education and

product samples. Over the past 2 decades, this program has protected millions of adolescent girls in India from getting trapped in traditional practices of using unhygienic cloth for sanitary protection.

The Company's Health Care sales posted a double-digit growth again this year behind the strength of its strong portfolio, which includes *Vicks VapoRub*, *Vicks Cough Drops*, *Vicks Action 500* and *Vicks Inhaler*. *Vicks VapoRub* had a record year posting the highest ever market share.

*Old Spice* is delivering in line with expectations. It continues to grow value sales behind investments on core business drivers, namely, product upgrades and new premium fragrance launches, scaling up distribution and presence in stores.

#### **INNOVATION: DISRUPTIVE ENGAGEMENT THAT DRIVES BUSINESS RESULTS**

Innovation is integral to every aspect of your Company's business, and this is also reflected in the way we take our products to our consumers. Engaging

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communication has resulted in best-in-class output and rewarding results right through the value chain. For example, on *Whisper*, 'Touch the Pickle' movement was conceived when we realized that majority of Indian women were following irrelevant period taboos that restricted them from achieving their dreams. Women across India overwhelmingly responded to our campaign with their own stories of breaking taboos, their personal tales of achievement and an overall movement to be unstoppable. The result was not only our consumers rewarding us by choosing *Whisper*, but the movement was recognised at the Cannes Festival of Creativity. It won two awards; a *Grand Prix in the Glass Lions Category for creativity of communication that encourages gender equality and a Bronze Lion for Use of Integrated Media*.

### EXCELLENCE IN EXECUTION

We are rededicating ourselves to the power of execution. We are raising our standards to be the best at execution. We are renewing focus

on gaining trial among consumers at the point of market entry. We are recommitting to superior advertising to create awareness and sampling clearly superior-performing products to attract consumers to our brands.

### COMMITMENT TO SUSTAINABILITY

At P&G, sustainability means making every day better for people through how we innovate and how we act. This strategy has inspired an enduring CSR strategy supported by two pillars — *P&G Shiksha* and *Timely Disaster Relief*. P&G's signature corporate sustainability program *P&G Shiksha* has till date built and supported over 450 (+120 since last year) schools across the country that will impact the lives of over 800,000 (+200,000 since last year) children. In this last year, *P&G Shiksha* initiated new frontiers in early childhood education to set up children for success as they enter the 1<sup>st</sup> standard. In line with *P&G Shiksha's* commitment towards improving the quality of education, this year we also forayed into improving learning effectiveness

across their primary and secondary education. P&G, over the Financial Year, continued its efforts to provide timely aid and relief to families affected by natural disasters. P&G sent out relief aid to over 5,000 families affected by the J&K floods comprising of P&G products.

### CONCLUSION AND THANK YOU

In closing, I would like to reiterate that as a Company, we are keenly working to innovate so that we grow sales, profit and cash more consistently and more sustainably to create value more reliably for you, the Shareholders.

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.

