



Gillette India Limited Chairman's Speech 2012-13

Welcome & Introduction

Good morning, ladies & gentlemen, and a warm welcome to the 29th Annual General Meeting of Gillette India Limited.

Your Company is committed to creating consistent and sustainable value for consumers, customers and shareholders.

Commitment to Creating Value for Stakeholders

Value creation comes from two primary drivers: Innovation, and Productivity. We believe that value is the yardstick by which companies can achieve sustainable growth in today's changing business environment. It is this commitment that has enabled us to deliver strong results over the previous fiscal year, and will serve as our primary objective for the coming years.

Gillette India Limited's results are testament to the fact that consumers are rewarding us for our superior value propositions. I am pleased to announce that our results have been in line with the objectives set at the beginning of the fiscal year.

Key Results

- We recorded a robust growth of 17%, delivered by consistent growth across all three businesses.
- We strengthened our strong growth momentum with Annual Net Sales at ₹ 1,435 crores, an increase over last year's ₹ 1,229 crores.

- We delivered an increase of 15% in Profit After Tax (₹ 87 crores) behind rigorous cost control and consumer-meaningful innovation.

Our Results

Business Results in each Category

The Personal Grooming business recorded yet another exceptional year of high growth with net sales recording ₹ 1,036 crores vs last year's ₹ 884 crores, increasing by 17%, marked with the introduction of unique product propositions such as *Gillette Fusion Power* strengthening our distribution network to reach to newer consumer categories.

The Oral Care business showed significant growth with net sales at ₹ 331 crores vs ₹ 288 crores in the previous year, delivering a 15% increase, ending with the launch of *Oral-B* toothpaste in the highly competitive and attractive toothpaste category.

The Portable Power business recorded net sales at ₹ 70 crores from the previous year's ₹ 61 crores, registering robust growth of 15%. The continued demand enabled *Duracell* to maintain its leadership in the alkaline segment with the new "Value for Money" proposition.

Innovation driven by Consumer Insights

Gillette India Limited has consistently sought to innovate in all we do, to continue to touch and improve the lives of our consumers.

Our focus on innovation in the value chain, a critical driver of growth, is reflected in our evolving product portfolio. This can be easily demonstrated with the successful launch of the *Oral-B* toothpaste and the *Gillette Fusion Power* range this year, each supported by superior technology and value propositions.

It is with this focus that our Blades & Razors, Oral Care and Batteries businesses understand and meet consumer needs successfully, which is reflected in our results over the past fiscal year.

Superior Products bringing Innovation to Consumers: *Oral-B* toothpaste

This year, witnessed the launch of *Oral-B Pro-Health* toothpaste in the Indian toothpaste market. *Oral-B Pro-Health* toothpaste continues your Company's legacy of developing advanced dental technologies. This formulation was in development for more than 15 years and went through multiple rounds of clinical studies before being introduced to India. Driven by the insight that the Indian family has a diverse set of dental needs, *Oral-B Pro-Health* toothpaste is designed with technological superiority to provide a one stop solution. To highlight the technological advancement in the oral care segment, the most innovative technology – 3D projection mapping – was used to bring the toothpaste to life to the media and consumers.

Innovation in Communication: Disruptive engagement that drives business

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 communication has resulted in best-in-class output and rewarding results right through the value chain.

To take the example of Gillette, through a multi-city outreach and influencer advocacy movement titled *Shave or Crave*, the brand encouraged women to get men to also shave in the evening for them. We tied this to the launch of the new *Gillette Fusion*, Gillette's best shaving technology with a 5 blade suspension, now enabling men in India to experience the Most Comfortable Shave at an affordable price. The movement helped drive business results, with key brand equities growing by 7% and market share reaching an all time high.

Gillette also created *Soldier for Women* – a 360 degree campaign that reached the masses – including both women and men – over an issue that was relevant and a definite need in the country. This was the need to respect and stand up for women. Gillette, a true male brand, identified and realized the need to step in through the campaign "*Gillette Soldier for Women*", that gave a voice to the thousands of Indian men who stand up for and respect Indian women. With over 2 million consumers pledging their support to the campaign, business results were positively impacted. Top of the Line Systems like *Fusion* and *Mach 3* reached highest ever off-take levels during the movement.

With the introduction of such groundbreaking products and powerful communication across segments, we ensured that we reached out to a fresh category of consumers and fortified our commitment to existing consumers.

Innovation driving Cost-Effective Operations

We innovate in reaching our consumers through superior product propositions that meet unmet needs and disruptive communication. Simultaneously, we also innovate to make our operations and systems more efficient.

Economically, the past financial year has challenged the "business as usual" approach in India as well as globally. India's GDP growth struggled in 2012-13. However, this challenging business environment, has been an opportunity for us for strengthened focus on innovation and cost control – in how we go to market, how we drive efficiency and scale, and also, how we generate cost savings that can be reinvested back into the business. As a result, we have gained market share in the categories we operate in.

Touching and Improving the Communities around us

To 'touch and improve lives' is the vision that guides P&G, a vision that we will continue to strive towards for generations to come. We achieve this through dedicated and continuous social responsibility, environmental sustainability and effective disaster relief efforts.

When floods struck Uttarakhand this year, we reached out to over 10,000 affected families with P&G products along with relief materials like medicines, food & blankets, safe drinking water & water-proof tents in partnership with our Sustainability partner NGOs, Save The Children and Himachal Pradesh Voluntary Health Association.

P&G India's flagship Corporate Social Responsibility program, P&G Shiksha, impacts the lives of over 420,000 underprivileged children today. Till date, the program has built or supported over 220 schools across India through a cumulative donation of approx. ₹ 30 crores made to 10 NGO partners.

Over the past decade, P&G's National Parivartan Program reaches 2.5 million girls annually, across 15,000 schools, ensuring that they stay healthy and continue schooling by providing them with timely menstrual education and product samples. Parivartan, or the Whisper School Program, continues to protect 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.

Conclusion & Way Forward

In closing, any Company that wants to win in the long run needs to adopt a mindset of 'winning with the consumer'. Ensuring we deliver value to our stakeholders, we will continue to innovate so we deliver superior products propositions, more efficient systems and drive results for you, the shareholders. As a company, we will build on our results with more focus, key operational discipline and value driven innovation and productivity. With sustainability as our clear priority as a Company, we will also continue to give back to the environment and the communities that we operate in.

Lastly, we very warmly acknowledge the contribution made by our consumers, customers, employees, business partners and YOU, our valued shareholders, to your Company's performance and for your dedication and commitment to maximize shareholder value. Together, we will continue in our journey towards touching and improving more lives.



S. K. Poddar
Chairman