



Gillette India Limited

## Chairman's Speech 2013-14

### WELCOME & INTRODUCTION

Good morning, ladies & gentlemen, and a warm welcome to the 30<sup>th</sup> 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 robust results over the previous fiscal year, and will serve as our primary objective for the coming years.

Your Company'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 delivered increased Net Sales of ₹ 1,746 crores, up 22% versus last year, with robust growth across all segments including Grooming, Oral Care and Portable Power.

- We delivered Profit After Tax (PAT) at ₹ 51 crores while Profit Before Tax stood at ₹ 81 crores. The base business sustained strong results delivering Profit Before Tax + 26% versus year ago, while ongoing investments in *Oral-B* toothpaste continued as per plan.

### OUR RESULTS

#### BUSINESS RESULTS IN EACH CATEGORY

- The Personal Grooming business recorded yet another exceptional year of robust growth with sales for the Financial Year up 19% versus last year, driven by the strength of our portfolio.
- The Oral Care Business delivered robust sales growth of 31% versus last year driven by product innovations including launch of *Oral-B* toothpaste and our focus on brand fundamentals.
- The Portable Power business continued to deliver sustained growth with sales for the Financial Year up 21% versus last year.

#### INNOVATION DRIVEN BY CONSUMER INSIGHTS

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

The consumer is the focus of all our innovation and we continue to bring her & him, superior product propositions that will delight the Consumers. Meeting the need that lower income users have for a safe & affordable shave, has helped us reach more consumers with *Gillette Guard* last fiscal. Consumers, dentists & customers have rewarded us with their trial & purchase of *Oral-B* brushes & toothpaste. It is with this focus that our Blades & Razors, Oral Care and Portable Power businesses understand and meet consumer needs successfully, which is reflected in our results over the past fiscal year.

#### SUPERIOR PRODUCTS BRINGING INNOVATION TO CONSUMERS: GILLETTE FUSION POWER PHANTOM AND ORAL-B TOOTHPASTE

Your Company's focus on innovation and productivity was the key enabler for brand building and launching superior products this year as well. The year witnessed the launch of *The Gillette Fusion Power Phantom Razors* that bring advanced electronics to deliver the best powered wet shave ever. *Gillette Fusion Power Phantom Razor* represents India's most superior technology — A battery operated shaving system which has 5 blades on the front and one precision trimmer at the back, to step change the shaving experience for Indian men.

Similarly driven by innovation, *Oral-B Pro-Health* toothpaste is based on 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.

### **INNOVATION IN COMMUNICATION: 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 communication has resulted in best-in-class output and rewarding results right through the value chain.

To take the example of Gillette, a multi-city outreach and influencer advocacy movement was undertaken titled *Unshaved is Unbathed*, based on the insight that women prefer men clean shaven as they look bathed and fresh. The movement helped us achieve our highest ever market share and grow key equities.

Another movement that grew our equity this year was the *Gillette Because You are Role Model Movement* which was based on the insight 'A boy's first shave is with his father – his role model'. Renowned cricketers like Rahul Dravid, Anil Kumble, VVS Laxman and Venkatesh Prasad came together to create awareness for this movement. The movement culminated with a *Limca World Record of the largest gathering of Father – Sons shaving together for the first time at a Gillette event*.

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

India & the globe are in the midst of uncertain times. However, this challenging and changing business environment has been an opportunity 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**

Over the past decade, P&G's sustainability mantra '*to touch and improve the lives of consumers, now and for generations to come*' has inspired an enduring CSR strategy supported by three pillars — social responsibility via health & hygiene awareness & children's education, environmental sustainability and effective disaster relief efforts.

This dedicated commitment is the driving force behind our Corporate Social Responsibility initiatives like 'P&G Shiksha' which has built and supported over 330 schools and will impact the lives of over 600,000 children. P&G, over the past year, continued its efforts to provide timely aid and relief to families affected by natural disasters. Over 15,800 families affected by the Uttarakhand Floods and the Odisha Cyclone, received relief aid in the form of hygiene kits

comprising of P&G products as well as Children's Safe Drinking Water sachets.

### **CONCLUSION & WAY FORWARD**

In closing, any Company that wants to drive growth and create value 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, more completely.



**B. S. Mehta**