



Investor Communication

Dabur India Ltd.

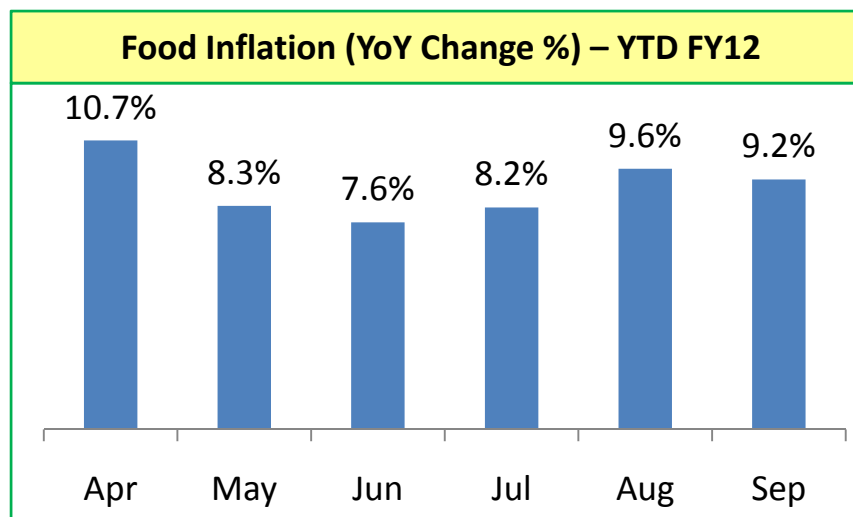
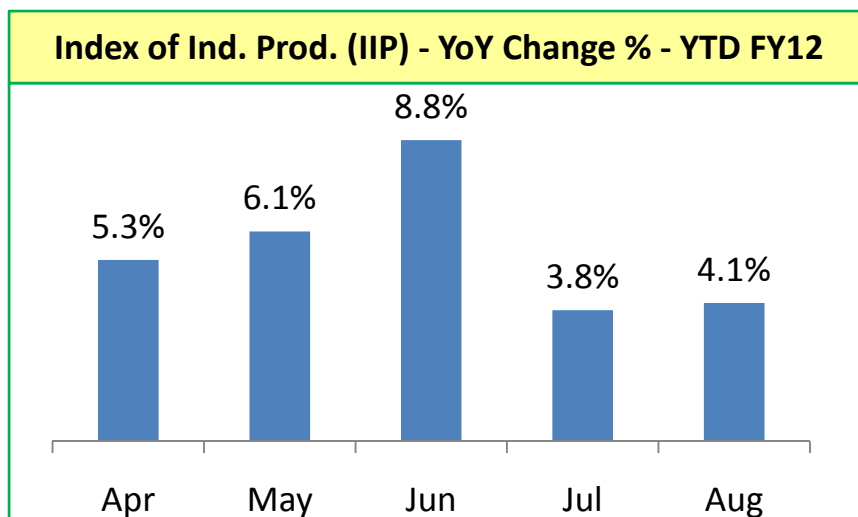
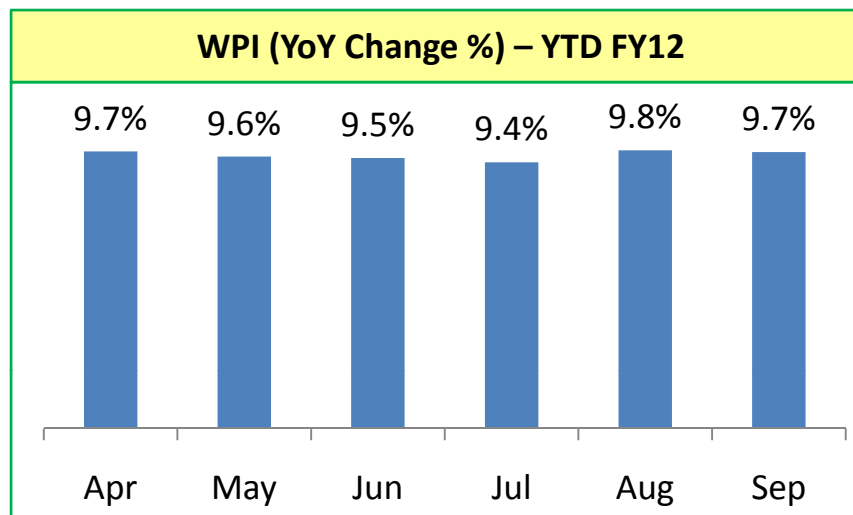
Quarter and Half Year ended September 30, 2011

October 31, 2011

Investor Communication - H1 and Q2 FY2011-12

Indian Economy

- Indian Economy witnessing high levels of inflation; Food inflation continuing to remain high
- RBI increasing interest rates (repo rate is now at 8.5%) in an attempt to curb inflation
- Impact reflected in RBI trimming down GDP estimates for FY12 to 7.6% from 8% earlier and slow down in industrial growth



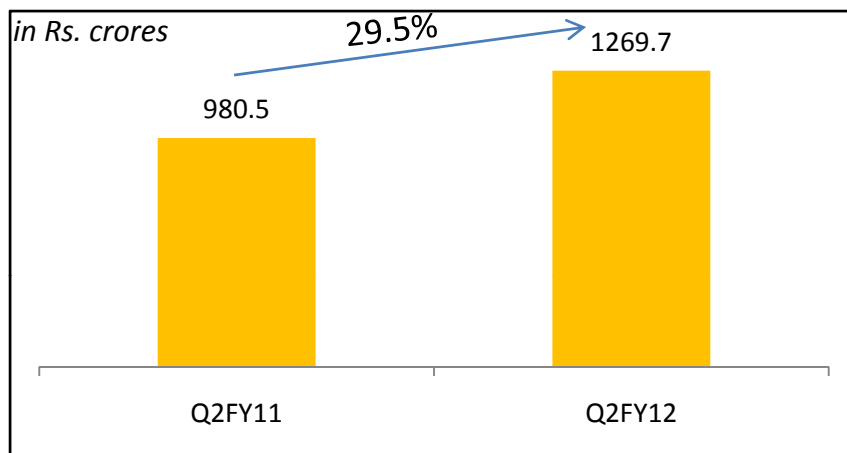


Performance Overview : Q2 and H1 FY12

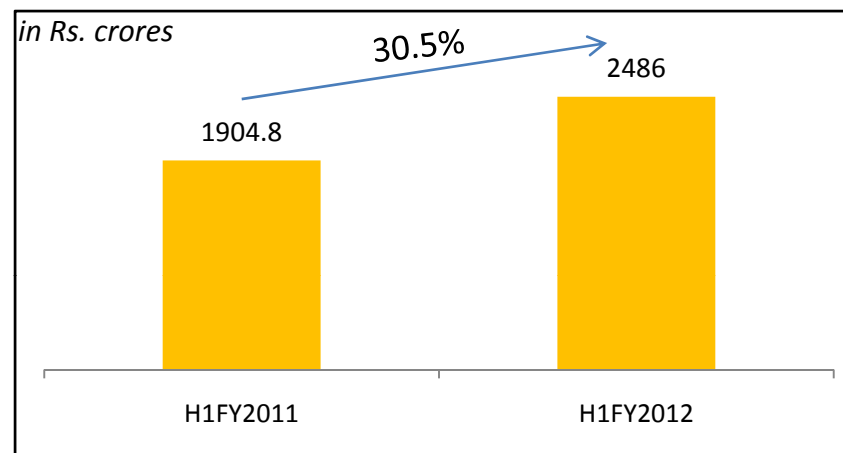
- Sales grew by 29.5% in Q2FY12 to Rs. 1,269.7 crore and by 30.5% in H1FY12 to Rs. 2,486 crore
- Growth in PAT of 8.4% in Q2FY12 increasing to Rs. 173.9 crore and 12.9% in H1FY12 increasing to Rs. 301.6 crore
- High material cost inflation continued to exert pressure on gross margins
- Distribution restructuring underway with Consumer Health Division merging with Consumer Care Division
- Dabur Lanka Pvt Ltd, wholly owned subsidiary of Dabur International Ltd. incorporated for setting up the new fruit juice facility near Colombo. Plans to invest Rs.70 crore over 2 years.
- The Board has recommended an interim dividend of 55%

Sales Performance: Q2 and H1 FY12

Sales Performance Q2FY12 v/s Q2 FY11

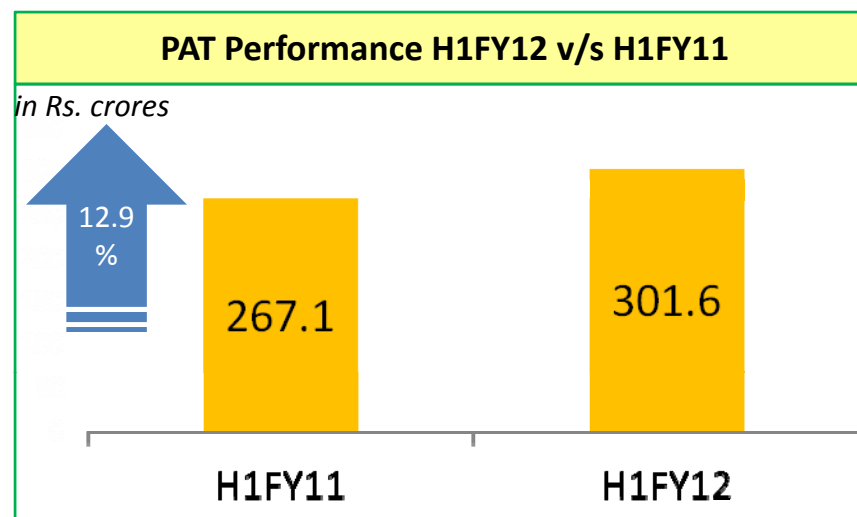
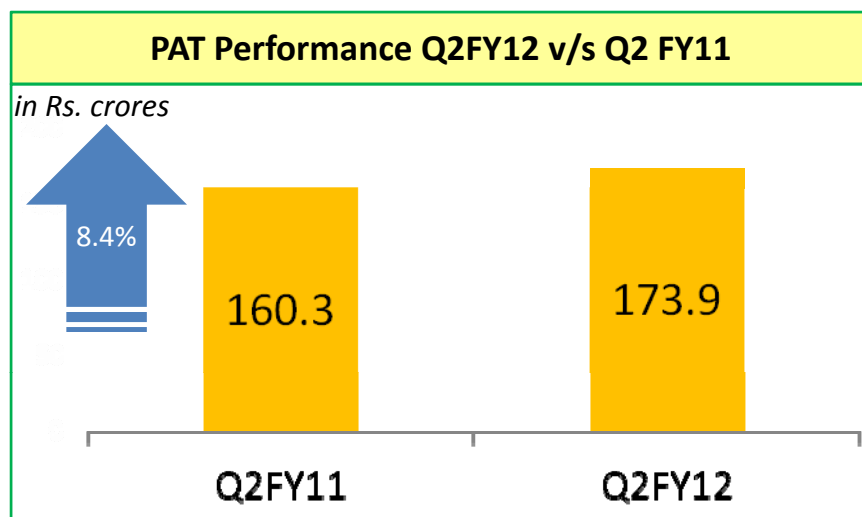


Sales Performance H1FY12 v/s H1FY11



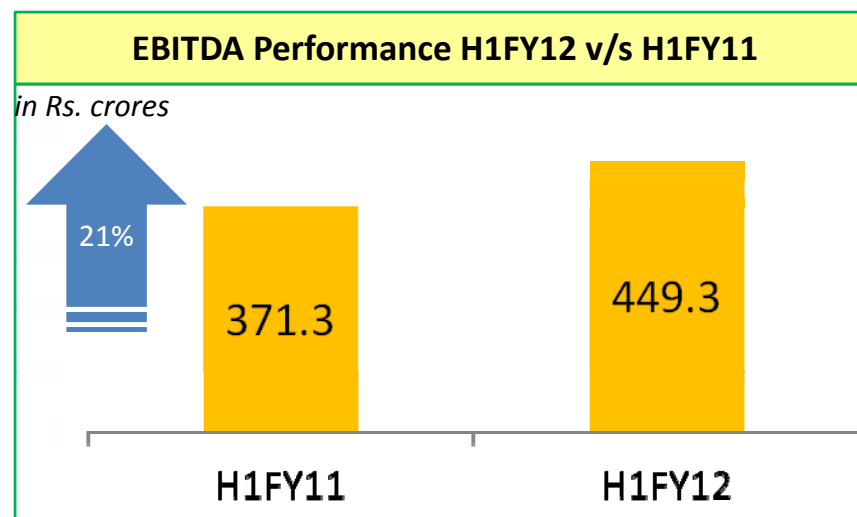
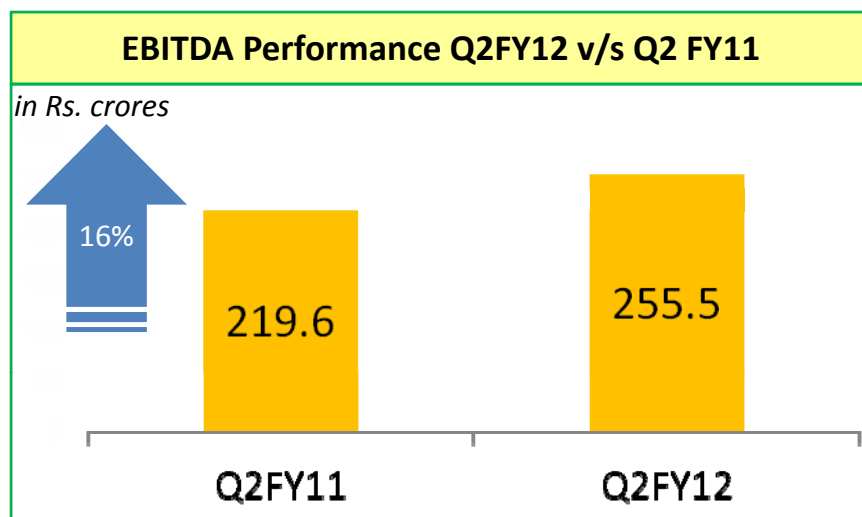
- Consolidated sales grew by 29.5% to Rs. 1,269.7 crores in Q2FY12. Sales for H1 FY12 grew by 30.5% to Rs. 2,486 crores
- Sales growth driven by mix of volume, price and acquisitions

PAT Performance



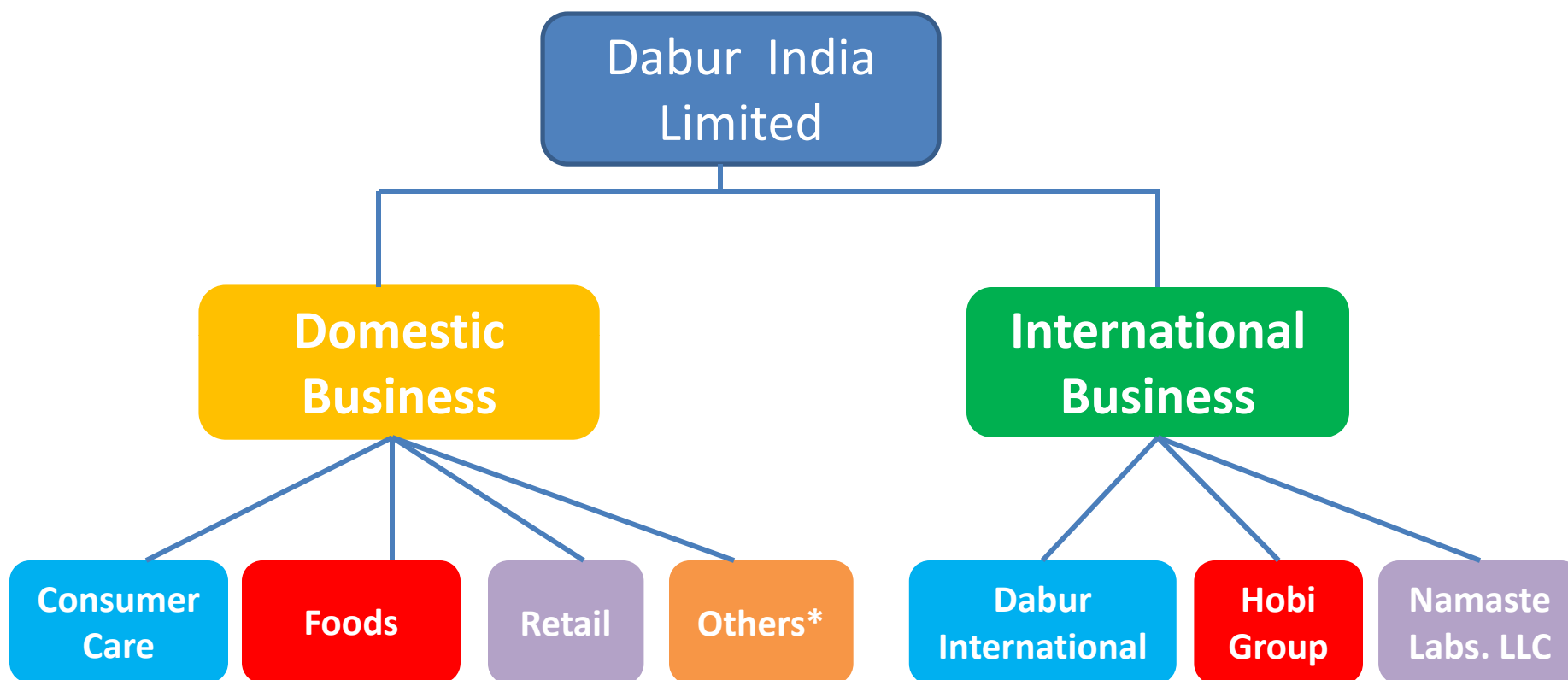
- PAT increased to Rs.173.9 crore in Q2FY12 recording growth of 8.4% and to Rs. 301.6 crore in H1FY12 recording growth of 12.9%
- PAT growth was slightly moderate due to cost pressures and higher interest and tax outgo

EBITDA Performance



- EBITDA increased by 16% during the quarter and 21% during H1 FY12.
- EBITDA margins came down by 140 bps in the half year period due to inflationary pressure
- Adpro for the half year was at 11.2% as compared to 14.3% last year
- Employee costs were stable at around 8.0% of sales in H1FY12
- Other expenditure went up from 12.3% to 13% due to increase in Sales and marketing expenses and inflation in other expenses such as fuel, power and freight

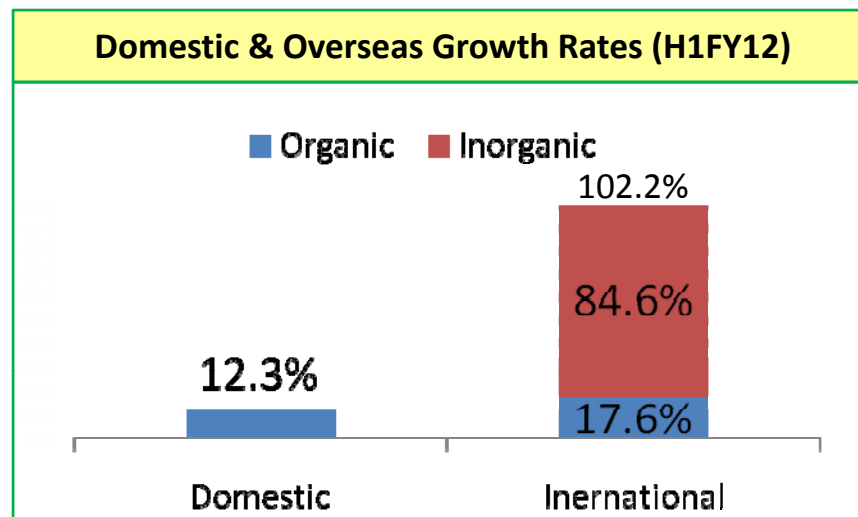
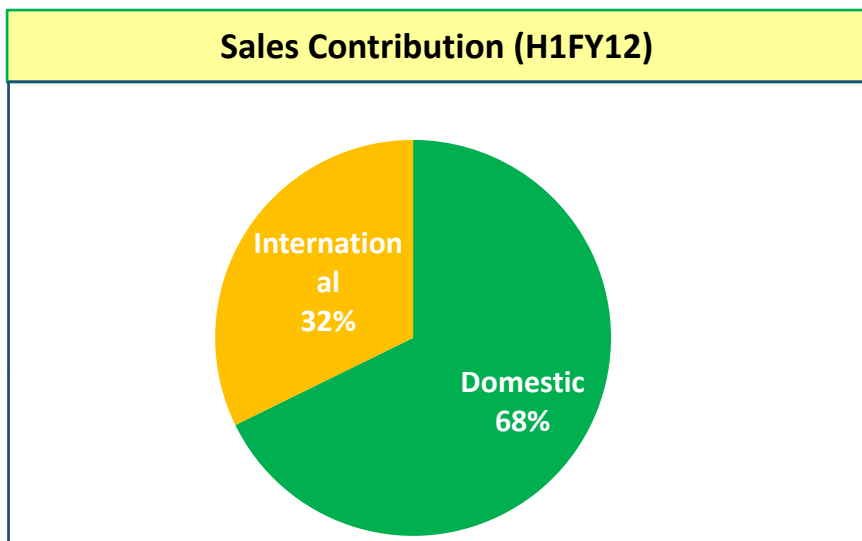
New Organization Structure



Distribution re-alignment done to capture greater synergy and scale: Consumer Health Division merged into Consumer Care Business

* Others includes Commodity Exports etc

Business Overview

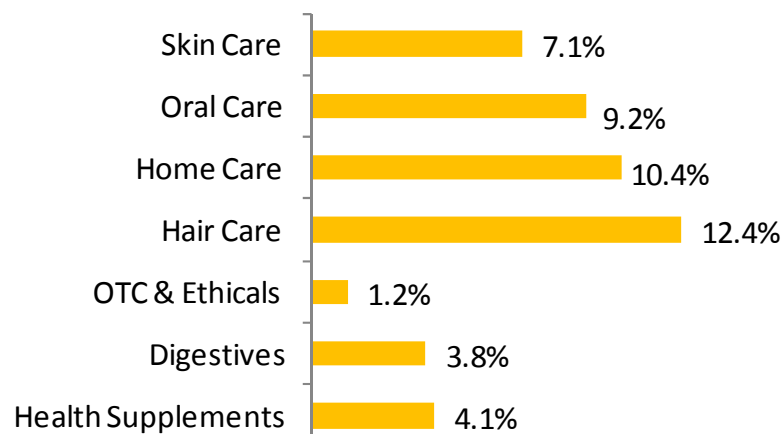


Note: Namaste and Hobi included in International in above charts

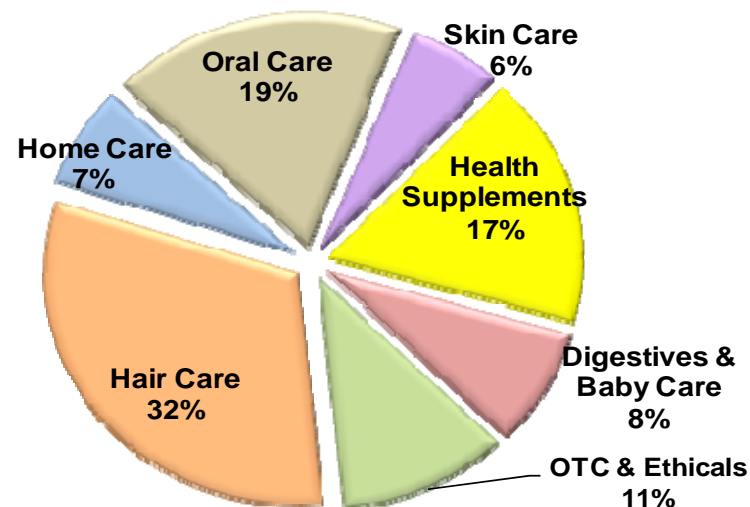
- Domestic business grew by 11% during Q2 and by 12.3% in H1FY12
- International (excl. acquisitions) grew by 22.8% in Q2FY12 and by 17.6% in H1FY12. Growth in constant currency terms was at 26% for Q2FY12 and 20% in H1FY12

Consumer Care Business

Category Growth Rates : H1FY12



Category Contribution: H1FY12



- Consumer Care growth primarily driven by the largest category Hair Care, growing by 12.4%
- Home Care grew by 10.4%
- Oral Care grew by 9.2%, with toothpastes growing by 10.8%
- Health Supplements growth was pulled down due to lower Glucose sales
- Growth rates in Skin Care and OTC & Ethicals were impacted in Q2FY12 due to realignment of distribution



Hair Care

- Hair Care grew by 15.9% in Q2FY11 and by 12.4% in H1FY11

Hair Oils

- Hair Oils have grown at a robust 26.6% in Q2FY12 and by 21.2% in H1FY12 driven by price increases and continued volume growth
- Both Amla Hair Oil and Vatika recorded market share gains on a Q-o-Q basis in Q2FY12 inspite of price increases and heightened competitive activity
 - Growth driven by media initiatives and consumer activations
- Anmol Coconut Oil also recorded good growth and gains in market share.

Shampoos

- Shampoos showed a decline of 25.4% in Q2FY12 and 23.5% in H1FY12
- Competitive intensity continues to remain high in the category
- Going ahead, media initiatives and activations have been planned to revive growth



Oral Care

- Oral Care reported growth of 6.0% in Q2FY12 and by 9.2% in H1FY12
- Toothpastes grew by 7.8% in Q2FY12 and by 10.8% in H1FY12 driven by activations and media campaigns
- Growth in toothpastes somewhat impacted by supply side constraints in Red Toothpaste brand during the quarter
- Toothpowder grew by 1.7% in Q2FY12 and by 4.9% in H1FY12.
- Both Toothpastes and Toothpowder recorded gains in market share in Q2FY12

Home Care

- Home Care grew by 0.5% in Q2FY12 and by 10.4% in H1FY12. Growth rate pulled down by decline in Odomos
- The biggest brand Odonil witnessed strong growth across formats (blocks, aerosols etc.) and across regions
- Odomos, primarily declined on account of high base of Q2FY11 and delay in some institutional orders
- Sanifresh performed well and recorded gains in market share in Q2FY12



Skin Care

- Skin Care was flattish in Q2FY12 and grew by 7.2% in H1FY12.
- In Q2 primary sales impacted by the distribution re-alignment.
- Fem Bleaches reported flattish primary sales in Q2 due to pipeline correction on account of distribution restructuring. However the brand witnessed market share gains and good secondary offtake.
- Uveda – portfolio expanded with launch of Anti Ageing cream and face scrub and the brand has now been extended to South India as well.

Health Supplements

- Health Supplements grew by 7.8% in Q2FY12 and by 4.1% in H1FY12 driven by Dabur Honey and Chyawanprash
- Chyawanprash grew strongly on the back of lift in sales during monsoons and consumer activations
- Dabur Honey reported good growth driven by focused marketing efforts.



Digestives & Baby Care

- Digestives & Baby Care was flat during the quarter and grew by 3.8% in H1FY12 and
- Lal Tail performed well driven by consumer activations
- Hajmola Tablets reported growth in H1FY12, but was flat during Q2FY12 primarily due to supply issues on account of reconfiguration of one of the SKUs
- Recently launched Hajmola Mint Masti Candy has received a good response

OTC & Ethicals

- OTC and Ethicals portfolio witnessed temporary disruption on account of re-alignment of distribution.
- OTC portfolio contracted by 5.9% in Q2FY12 and grew by 1.6% in H1FY12
- Ethicals portfolio contracted by 11.6% in Q2FY12 and grew by 0.4% in H1FY12
- Growth expected to revive in H2FY12 under the new distribution system

Foods Business

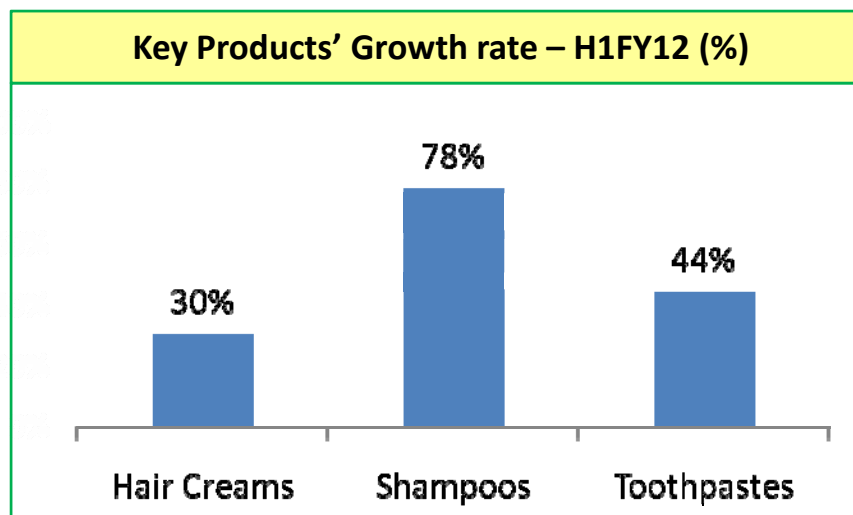
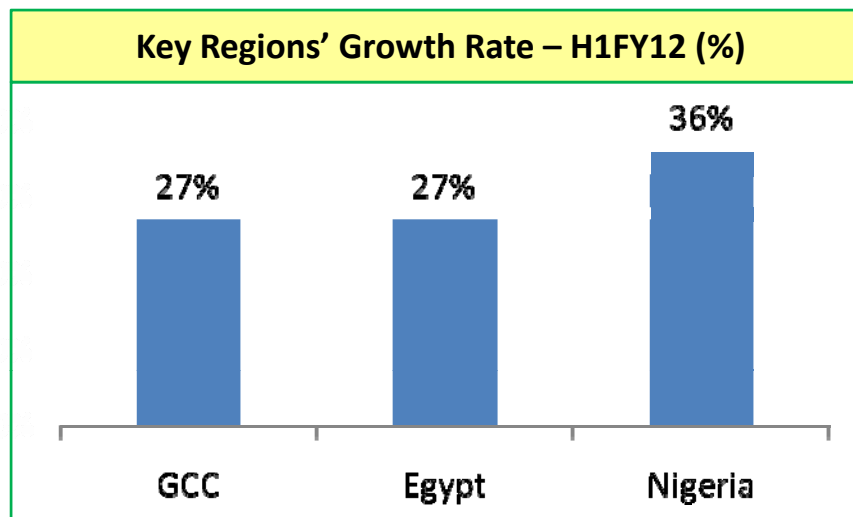
- Foods vertical was the star performer, growing by 27.5% in Q2FY12 and by 29.6% in H1FY12 with growth across regions and channels
 - Both Real and Activ performed well
 - The new fibre added juices under the Activ brand added to the growth momentum
 - More variants in pipeline under both Real and Activ brands
 - New Ad campaigns featuring Sonali Bendre for Real and Bipasha Basu for Activ had a positive response



**Real: Apricot variant
launched in Q2FY12**

International Business

- International business (excl. acquisitions) grew by 22.8% in Q2FY12 and by 17.6% in H1FY12
- Growth in constant currency terms was at 26% for Q2FY12 and 20% in H1FY12
- Key growth markets - GCC, Egypt and Nigeria
- Key growth categories - Shampoos, Hair Cream and Toothpaste
- YSL (Yemen, Syria & Libya) markets were impacted by political disturbance
- Dabur Lanka Ltd incorporated as a subsidiary of Dabur International Ltd, entailing an investment of Rs. 70 crores. Manufacturing plant to be set up for juices and expected to be operational in FY13.



Note: Above growth rates are in constant currency terms



Acquisitions Update

Hobi Group

- Hobi posted revenues of Rs. 65.5 crores in H1FY12 and Rs. 31.4 crores in Q2FY12
- Investments in brand building leading to good sales momentum
- Plans to introduce Hobi products in MENA and India in H2FY12 on track

Namaste Laboratories

- Namaste recorded revenues of Rs. 261.7 crores in H1FY12 and Rs. 131 crores in Q2FY12
- Local manufacturing for Namaste commenced in UAE; plans to set up manufacturing facility at Nigeria.

Consolidated P&L

in Rs. crores	Q2FY12	Q2FY11	YoY (%)	H1FY12	H1FY11	YoY (%)
Gross Sales	1269.7	980.5	29.5%	2,486.0	1,904.8	30.5%
Less:Excise Duty	7.4	7.7		19.1	15.6	
Net Sales	1262.3	972.8	29.8%	2,466.9	1,889.3	30.6%
Other Operating Income	8.4	9.8	-14.9%	16.3	17.4	-6.0%
Material Cost	630.9	458.2	37.7%	1,259.9	892.7	41.1%
<i>% of Sales</i>	49.7%	46.7%		50.7%	46.9%	
Employee Costs	101.4	77.9	30.3%	196.5	150.7	30.5%
<i>% of Sales</i>	8.0%	7.9%		7.9%	7.9%	
Ad Pro	127.8	121.5	5.1%	279.2	272.2	2.6%
<i>% of Sales</i>	10.1%	12.4%		11.2%	14.3%	
Other Expenses	165.7	112.1	47.8%	324.0	233.7	38.6%
<i>% of Sales</i>	13.0%	11.4%		13.0%	12.3%	
Other Non Operating Income	10.6	6.7	58.1%	25.7	13.9	84.4%
EBITDA	255.5	219.6	16.4%	449.3	371.3	21.0%
<i>% of Sales</i>	20.1%	22.4%		18.1%	19.5%	
Interest Exp. and Fin. Charges	17.2	4.6	275.5%	29.8	8.1	266.5%
Depreciation	17.5	14.2	23.0%	32.9	27.7	18.7%
Amortization	4.2	4.7	-10.8%	9.9	5.7	73.0%
Profit Before Tax (PBT)	216.6	196.0	10.5%	376.7	329.7	14.3%
Tax Expenses	42.7	35.6	20.0%	75.0	61.9	21.1%
PAT(Before exceptional item)	173.9	160.4	8.4%	301.8	267.8	12.7%
<i>% of Sales</i>	13.7%	16.4%		12.1%	14.1%	
Minority Interest - (Profit)/Loss	0.0	0.1		0.2	0.7	
PAT (After Minority Int)	173.9	160.3	8.4%	301.6	267.1	12.9%
<i>% of Sales</i>	13.7%	16.4%		12.1%	14.0%	

Consol. Statement of Assets & Liabilities



STATEMENT OF ASSETS AND LIABILITIES

in Crore

Particulars	As at 30.09.2011	As at 30.09.2010
	Audited	Audited
SHAREHOLDERS FUNDS :		
(a) Capital	174	174
(b) Reserves and Surplus	1358	1037
MINORITY INTEREST	4	4
LOAN FUNDS	1074	335
DEFERRED TAX LIABILITY (NET)	26	13
TOTAL	2636	1563
FIXED ASSETS	1615	705
INVESTMENTS	207	149
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Inventories	770	568
(b) Sundry Debtors	431	217
(c) Cash and Bank balances	334	401
(d) Loans and Advances	608	504
	2143	1690
Less : Current Liabilities and Provision		
(a) Liabilities	633	597
(b) Provisions	781	484
	1414	1081
NET CURRENT ASSETS	729	609
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)	85	100
TOTAL	2636	1563



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