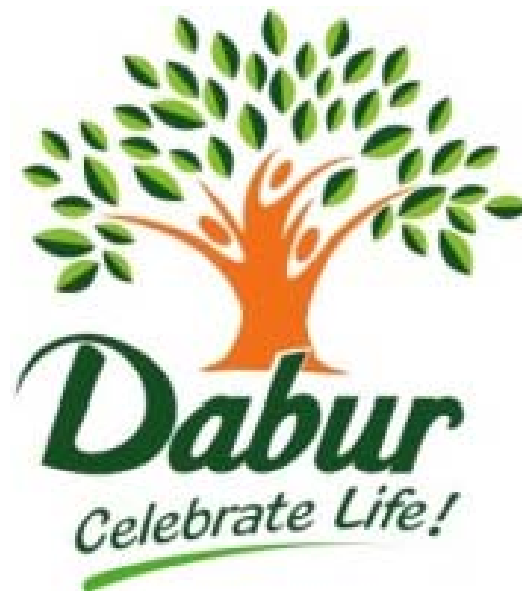


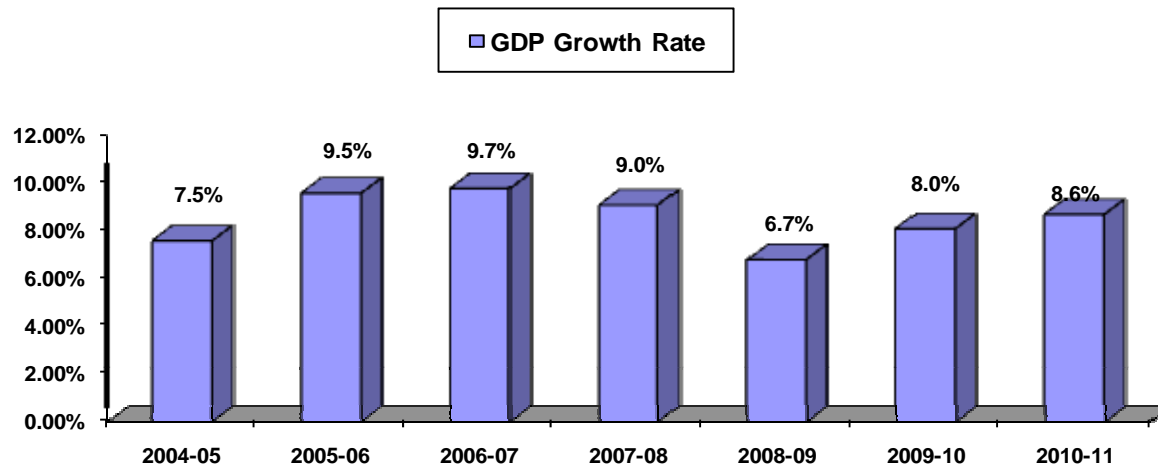
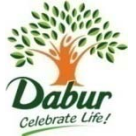
# Dabur India Ltd

## Investor Communication

**Quarter and Financial Year ended March 31, 2011**



# Economy Overview



Source: CSO Estimates

- ✓ GDP growth continues in 8-9% band
- ✓ High inflation ranging from 8% to 13% witnessed during the year
- ✓ Demand growth continued in spite of price increases in FMCG sector
- ✓ Competitive intensity building up with international majors vying for entry / market share

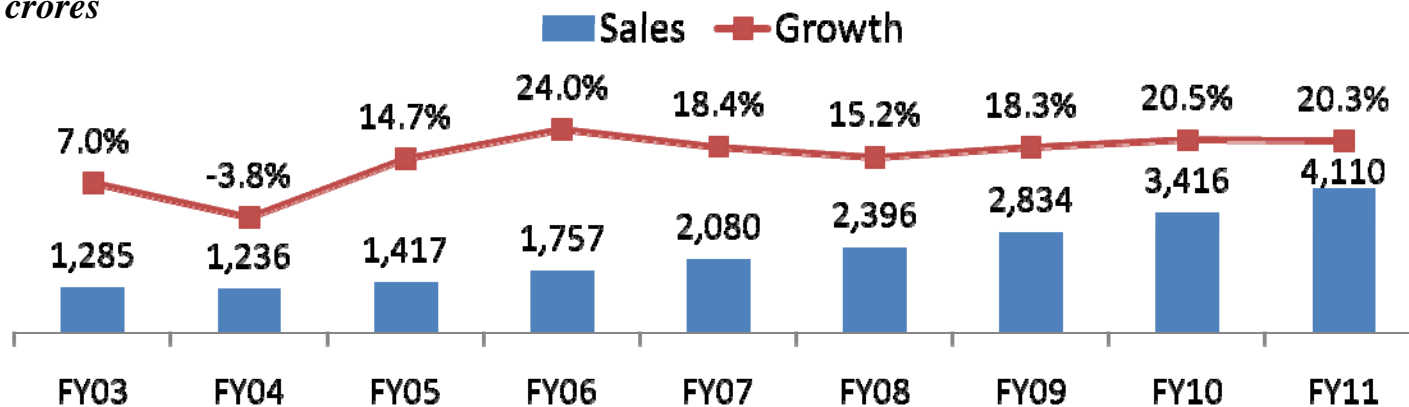
## Performance Overview FY 2010-11



- ✓ Consolidated sales increased by 20.3% during FY11 to touch Rs. 4,109.9 crores. Excluding acquisitions, growth was 15.2%
- ✓ Consumer Care Division (CCD) grew by 15.4% recording its best ever growth
- ✓ International Business Division (IBD) achieved growth of 17.6%
- ✓ Consolidated PAT increased by 13% to Rs. 568.5 crores for FY2010-11
- ✓ EBITDA Margins remained stable in spite of inflationary pressures
- ✓ Hobi acquisition completed on October 7, 2010 with acquisition of shares of the three entities of Hobi Group: Hobi Kozmetik, Zeki Plastik and Ra Pazarlama
- ✓ Namaste Laboratories acquisition completed and financials have been consolidated January 1, 2011 onwards
- ✓ Final Dividend of 65% which takes the total dividend for the year to 115% of par value

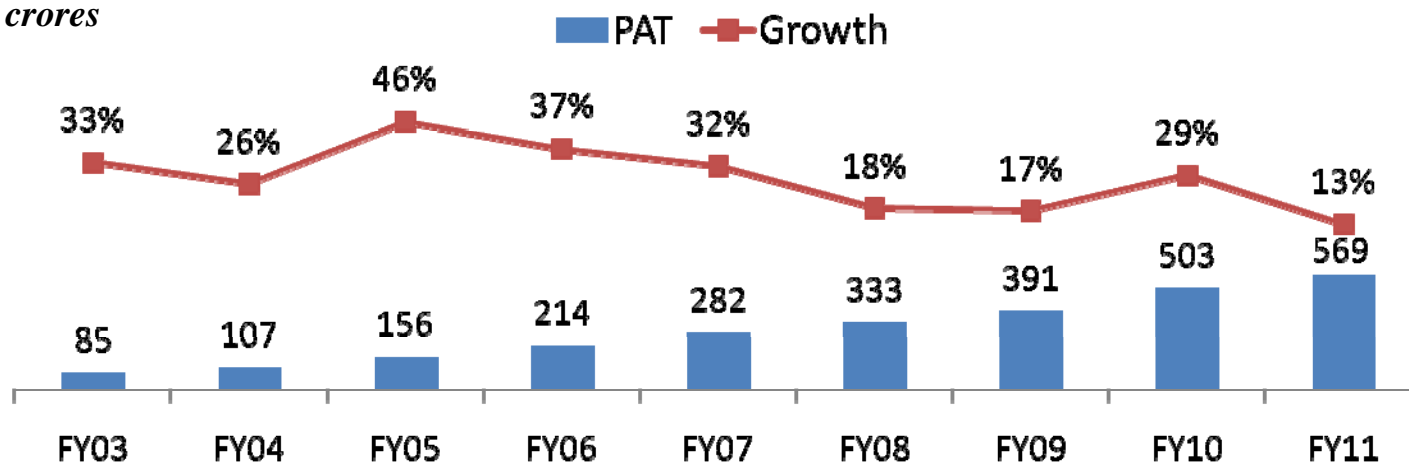
## Continued Y-o-Y growth for the last 36 Quarters

in Rs. crores



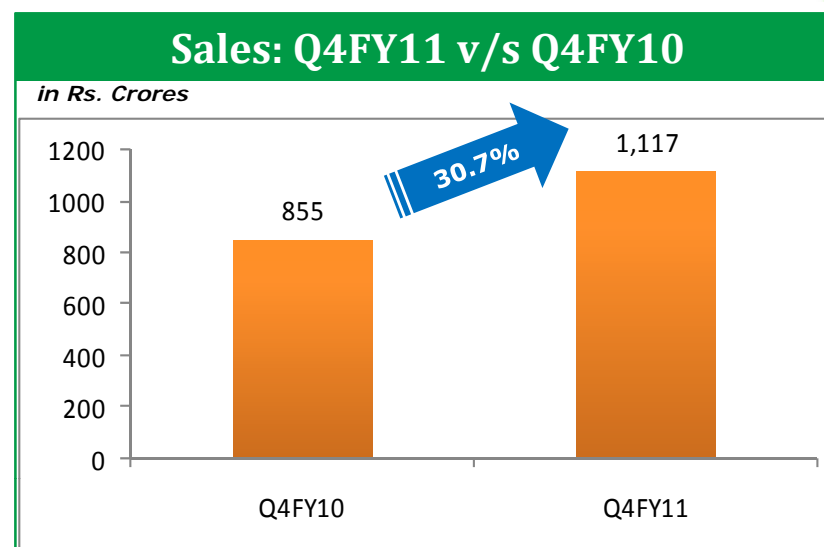
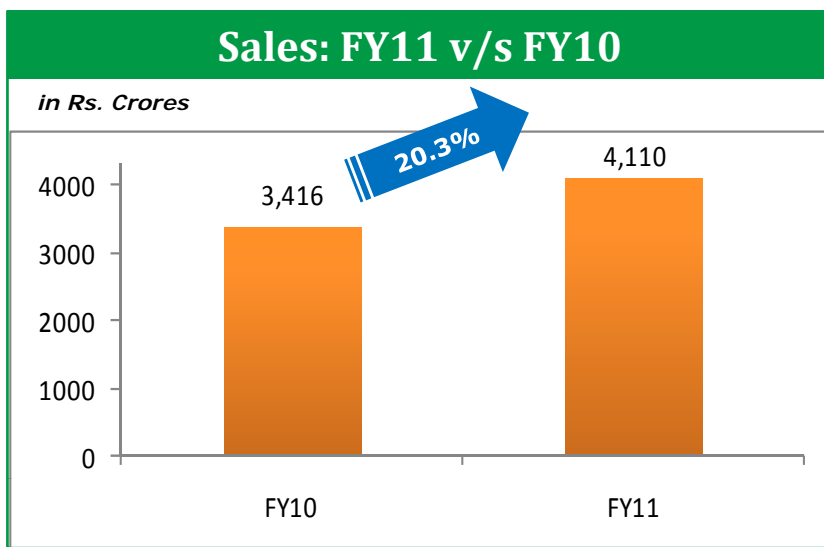
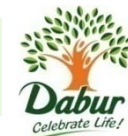
\* Demerger of Pharma Business into Dabur Pharma Ltd took place in FY04 which reduced Sales in Dabur India

in Rs. crores



***“Dabur has reported 36 quarters and 9 years of consecutive Y-o-Y growth in Sales and PAT”***

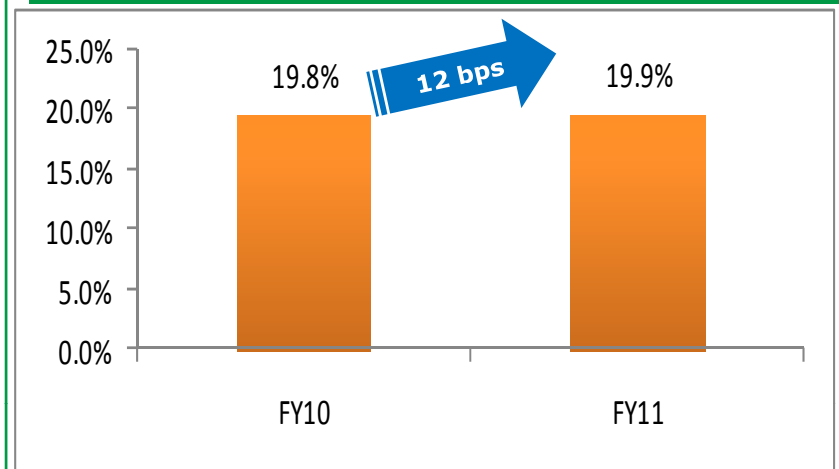
# Sales Performance



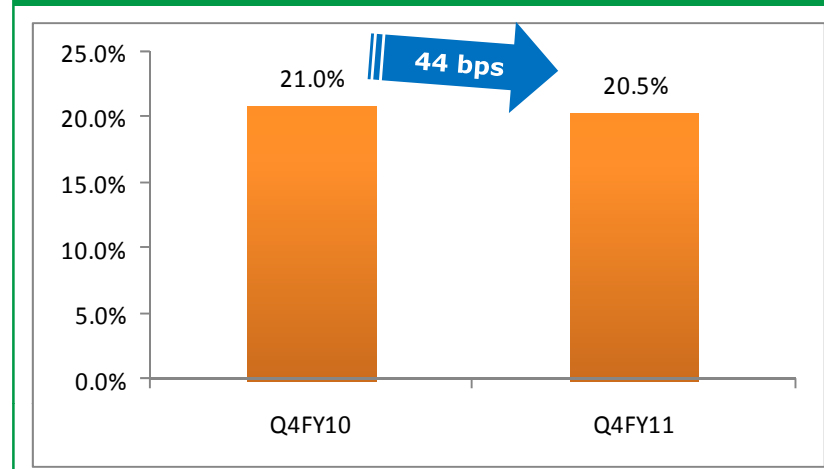
- Sales for FY11 increased by 20.3% driven by 12.7% volume growth and acquisitions contributing to 5% of FY11 topline growth
- Sales for Q4 FY11 increased by 30.7% backed by 9.3% volume growth and 4.7% price growth. Acquisitions contributed to 17% of sales growth in Q4FY11

## EBITDA Margin

EBITDA Margin: FY11 v/s FY10

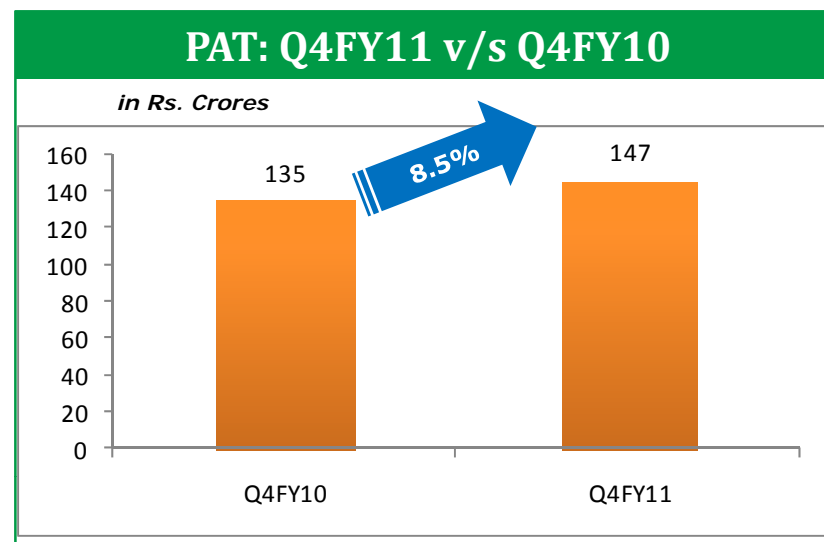
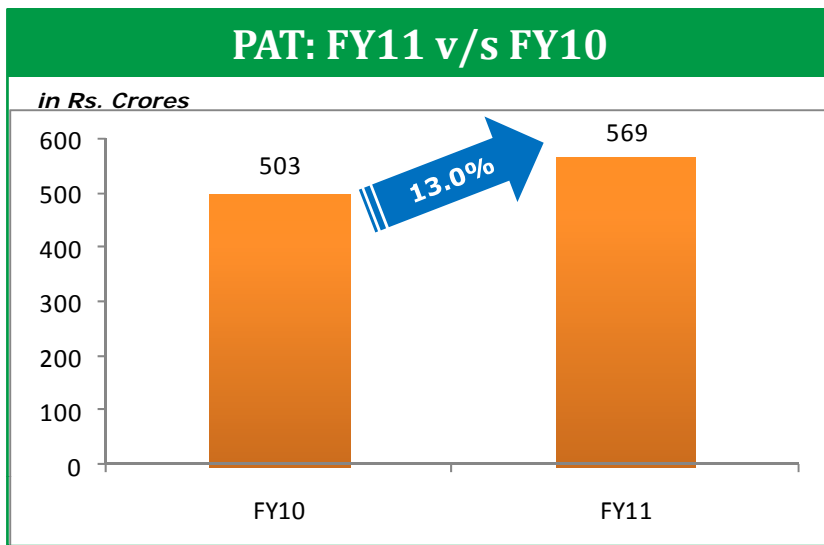


EBITDA Margin: Q4FY11 v/s Q4FY10



- EBITDA margin expanded by 10 bps to touch 19.9% in FY11 in spite of surge in input costs
- EBITDA margin decreased marginally by 44 bps and was at 20.5% in Q4FY11

# PAT Performance



- PAT increased by 13% during FY11 despite high input cost inflation and increased taxation
- PAT increased by 8.5% for Q4FY11 due to inflation, spike in tax rate and disturbances in our key international markets

Note: PAT is after Minority Interest

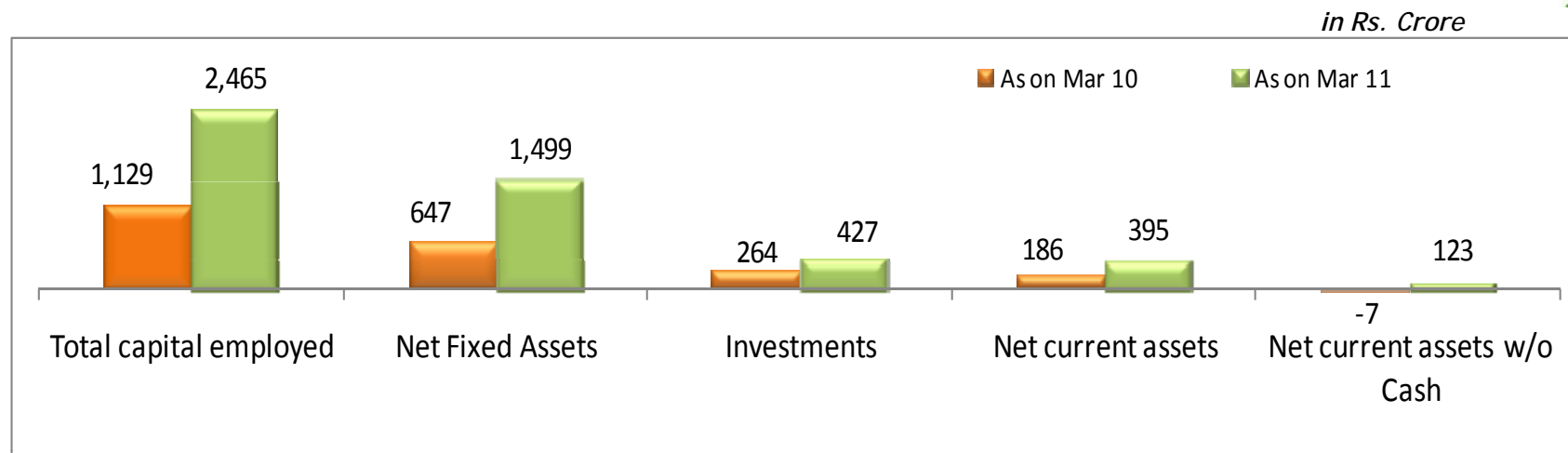
## EBITDA Analysis FY 2010-11



- EBITDA margin expanded by 12 bps to touch 19.9% in FY11
- Material costs increased to 46.4% of Sales as compared to 45.4% in the previous year
- A&P expenditure to sales was at 13.0% in FY11 v/s 14.4% last year
- Employee costs at 7.8% of sales in FY11 vis-à-vis 8.3% in the previous year
- Other expenditure was at 13.6% in FY11 vis-à-vis 12.7% in FY10
- Other non-operating income was at 0.8% of sales in FY11 as compared to 0.7% in FY10



## Consolidated Capital Employed

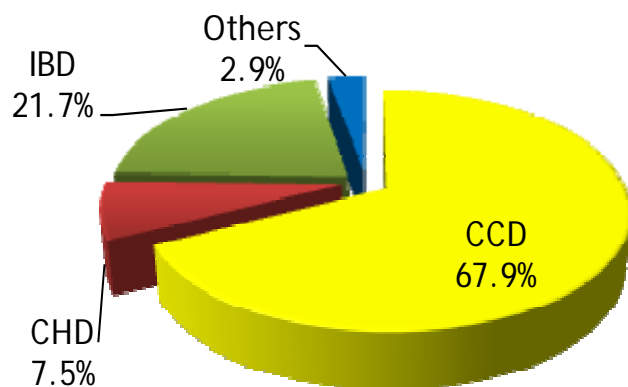


- Total Capital Employed increased on account of acquisition of Hobi Group and Namaste laboratories
- Working capital was higher mainly due to acquisitions, strategic stocking and higher advance tax
- As of March 31, 2011, total debt was at Rs. 1,051 crores and Net Debt (excl. Cash and Investments) was at Rs. 351.2 crores

# SBU Performance FY11

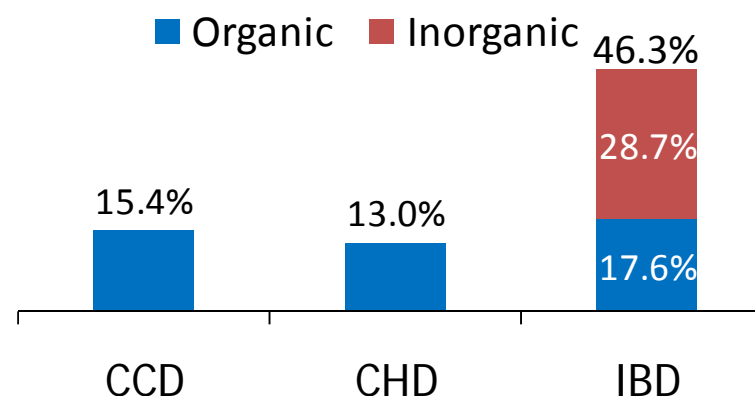


## SBU Sales Contribution: FY11



Note: IBD above includes Hobi and Namaste

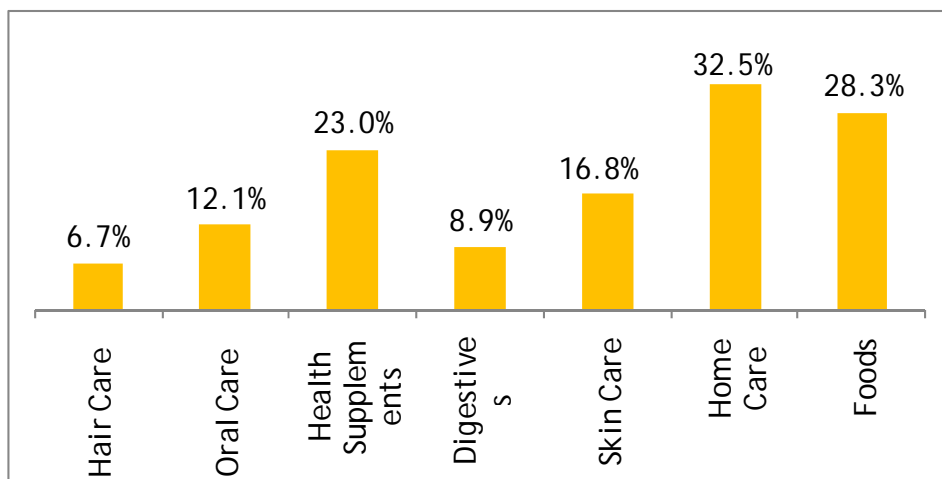
## SBU Wise Growth : FY11



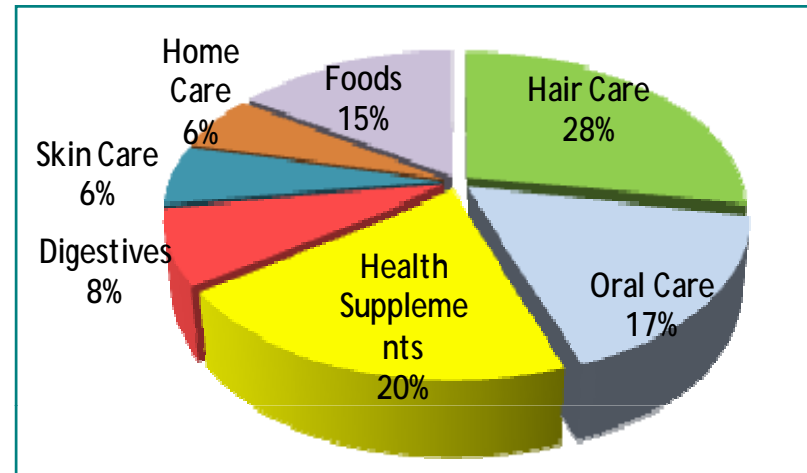
- CCD recorded its best ever growth of 15.4% in FY11, which was primarily volume led
- CHD growth was at 13% for FY11
- IBD posted growth of 46.3% in FY11. Excluding acquisitions, growth was at 17.6% (22.1% in constant currency terms)

# CCD Category Performance

## Category Growths during FY11



## Category wise break up of Sales (FY11)



- Hair care the largest category posted growth of 6.7% during FY11 with Hair Oils growing at 15%
- Oral care posted 12.1% growth during FY11 with growth in toothpastes at 16.8%
- Health Supplements grew at 23.0% in FY11 driven by Glucose and Chyawanprash
- Skin care including the Fem portfolio grew by 16.8% for FY11
- Home Care surged 32.5% for FY11
- Foods reported robust growth of 28.3% during FY11

## Hair Oils

- Dabur Amla Hair Oil witnessed growth of 16.7% in FY11 and 21.7% in Q4FY11 in spite of increased competitive activity. Initiatives such as consumer promos on select SKUs continued
- Vatika Hair Oil grew by 13% in FY11 and by 25.9% in Q4FY11. Price increases were taken to offset inflation. Market share of Vatika in Coconut Oils category has increased from 4% in MAT March 2010 to 4.2% in MAT March 2011 (Value Share as per AC Nielsen)
- Anmol Coconut Oil recorded a growth of 13.5% in Q4FY11 (Value growth as per AC Nielsen)

## Shampoos

- Vatika Shampoos witnessed contraction of 22.3% in FY11
- Value proposition enhanced in Q4 FY11, by providing 40% extra millage, combined with strong trade/activation support
- As per AC Nielsen, Volume market share has been stable at 6.4% for MAT March 2011 as compared to MAT March 2010

## Health Supplements

- Health Supplements recorded 23.0% growth during FY11 and 20.7% during Q4FY11
  - Dabur Chyawanprash reported one of its best performances with 20.1% growth in FY11. Market share, in volume terms increased from 64.8% for MAT March 2010 to 66.8% in MAT March 2011 (AC Nielsen)
  - Dabur Honey recorded double digit growth in Q4FY11 and FY11. Growth has been driven by consistent increase in consumption of branded honey.
  - Dabur Glucose witnessed strong growth of 48% in FY11 and continued to gain market share, with share increasing to 24.9% in FY11 as compared to 22.7% an year ago (Volume share as per AC Nielsen)
  - Nutrigo Health Supplements, launched in Q3FY11, have been well accepted by consumers

## Foods

- Foods delivered growth of 28.3% in FY11
- Real Fruit Juices recorded growth of 29.6%
- Activ range grew by 22.5% in FY11
- Hommade brand having the culinary range witnessed strong growth in FY11
- Fibre enriched juices were launched under Activ brand which have done well

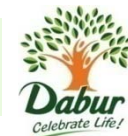
## Oral Care

- Oral Care category reported growth of 12.1% for FY11 and 8.9% in Q4FY11
- Toothpastes witnessed growth of 16.8% for FY11 and 11.8% for Q4FY11. We continue to grow ahead of the category as evidenced by volume growth for Dabur of 18.1% v/s category growth of 10.8% in FY11 (AC Nielsen)
- As per AC Nielsen, volume share in toothpastes increased to 14.1% in MAT March 2011 from 13.2% for MAT March 2010
- Dabur Red Tooth Paste and Babool were the strong performers driven by consumer activations
- Lal Dant Manjan witnessed marginal growth in FY11 as compared to previous years

## Digestives and Baby Care

- The Digestives category witnessed growth of 8.9% in FY11.
  - Hajmola brand reported growth of 6.4% during FY11 driven by new packaging and variants.
  - Lal Tail grew by 15.4% during FY11 and 21% in Q4FY11 driven by initiatives such as increasing reach among rural audience and consumer activations

## Skin Care



- Skin care grew by 16.8% in FY11 and 26.3% in Q4FY11
- Gulabari (with Variants) grew by 18.8% in FY11 driven by consumer promotions and consumer activations
- Fem portfolio grew by 16.1% in FY11. There was revival in growth in later half of the year largely driven by strong growth in bleaches
  - Hair Removing Cream has grown strongly post re-stage
  - Liquid Soaps were flattish due to change in formulation and re-launch on anti-bacterial platform
  - Fem Safe Handz launched in the hand sanitizer category
- Uveda finding increased acceptance driven by new product formats and distribution expansion

## Home Care

- Home care recorded consistent performance through the year with growth of 32.5% in FY11
- Odonil grew by 63.7% in FY11 post re-launch. Odonil Pluggy electrical air fresheners have found good acceptance in the market.
- Sanifresh grew by 22.7% in FY11
- Odomos reported growth of 24.8% in FY11, Odomos Rose launched during the year has witnessed positive response

➤ CHD registered 13% growth in FY11 and 13.9% in Q4FY11 driven by aggressive marketing efforts

➤ The key brands – Pudín Hara, Honitus, Shilajit and Dashmularishta performed well during FY11

➤ Honitus Day & Night tablets launched as part of the OTC expansion strategy

➤ New products planned in OTC segments such as gastro, pain management, supplements etc. going forward

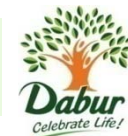
## Key Initiatives:



Launch of Day & Night as a part of OTC strategy

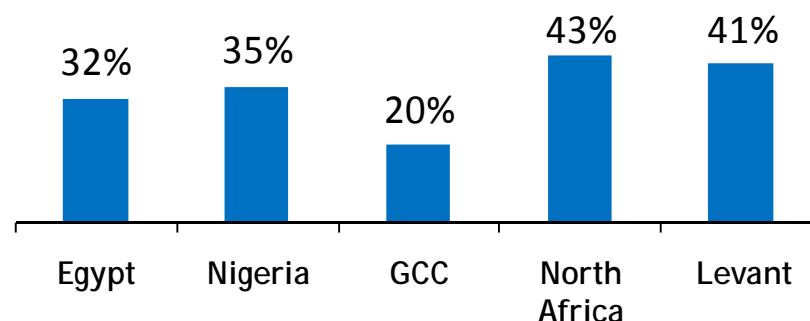


# International Business Division (IBD)



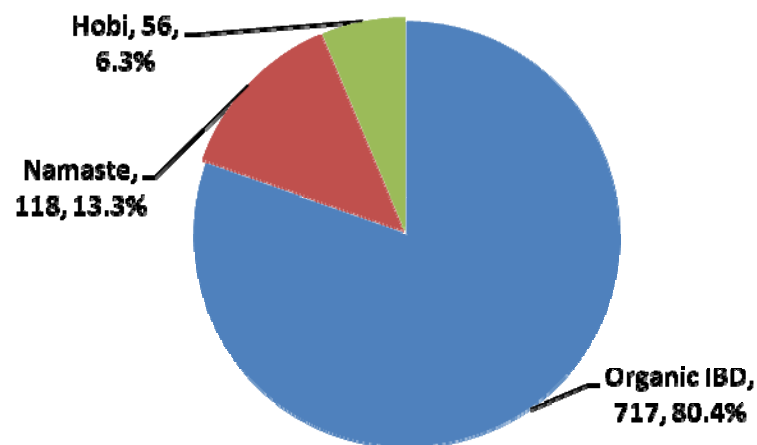
- IBD posted organic growth of 17.6% in FY11 and 22.1% in constant currency terms
- In Q4FY11, IBD grew by 9.5% and 12.9% in constant currency terms
- GCC, Egypt, North Africa, Nigeria, Levant were the key growth markets
- Key category drivers for growth were Shampoo, Vatika Hair Cream and Herbal Toothpaste
- Recent events in the Middle East and North Africa have impacted growth in Q4 FY11.
- Post acquisition of Namaste & Hobby IBD reported total sales of Rs.892 crore which was 22% of total consolidated sales

## Key Regions' Growth rate: FY11



*Note: Above growths are in constant currency terms*

## IBD Sales Breakdown for FY 2010-11



## Hobi Group Acquisition Update

- Dabur International Ltd completed the acquisition of Hobi Group, Turkey for a total consideration of US\$ 69 Million on October 7, 2010
- Acquisition funded through debt and internal accruals
- Post acquisition integration almost complete with initiatives to align the Turkish entity with Dabur international
- Plans to introduce Hobby products in other IBD markets and India
- YTD Sales for Hobi were Rs. 57 crores.



## Namaste Laboratories Acquisition Update

- Dermoviva Skin Essentials Inc., USA (a wholly owned subsidiary of Dabur India Ltd) completed the acquisition of US based Namaste Laboratories LLC on January 1, 2011
- Total consideration paid for the 100% stake was US\$100 million
- Acquisition cost has been funded through a mix of equity and debt
- Sales for Namaste during Q4 FY11 were Rs. 118.5 crores with EBITDA margin of 16%.



# DIL Consolidated P&L



| In Rs. crores   | Q4FY11        | Q4FY10       | YoY (%)      | FY11           | FY10           | YoY (%)      |
|---|---------------|--------------|--------------|----------------|----------------|--------------|
| <b>Gross Sales</b>  | <b>1117.2</b> | <b>855.1</b> | <b>30.7%</b> | <b>4,109.9</b> | <b>3,415.8</b> | <b>20.3%</b> |
| Less:Excise Duty  | 9.0           | 6.5          |              | 32.4           | 25.3           |              |
| <b>Net Sales</b>  | <b>1108.2</b> | <b>848.6</b> | <b>30.6%</b> | <b>4,077.4</b> | <b>3,390.5</b> | <b>20.3%</b> |
| Other Operating Income                                    | 7.4           | 9.7          | -23.5%       | 33.0           | 25.3           | 30.8%        |
| Material Cost   | 489.0         | 384.3        | 27.2%        | 1,905.3        | 1,550.8        | 22.9%        |
| <i>% of Sales</i>   | 43.8%         | 44.9%        |              | 46.4%          | 45.4%          |              |
| Employee Costs  | 91.5          | 75.4         | 21.3%        | 322.2          | 284.7          | 13.2%        |
| <i>% of Sales</i>   | 8.2%          | 8.8%         |              | 7.8%           | 8.3%           |              |
| Ad Pro  | 127.4         | 115.6        | 10.2%        | 534.6          | 493.5          | 8.3%         |
| <i>% of Sales</i>   | 11.4%         | 13.5%        |              | 13.0%          | 14.4%          |              |
| Other Expenses  | 194.7         | 111.3        | 74.9%        | 560.7          | 432.4          | 29.7%        |
| <i>% of Sales</i>   | 17.4%         | 13.0%        |              | 13.6%          | 12.7%          |              |
| Other Non Operating Income                                | 16.3          | 7.5          | 117.6%       | 32.1           | 23.0           | 39.9%        |
| <b>EBITDA</b>   | <b>229.3</b>  | <b>179.1</b> | <b>28.0%</b> | <b>819.8</b>   | <b>677.3</b>   | <b>21.0%</b> |
| <i>% of Sales</i>   | 20.5%         | 20.9%        |              | 19.9%          | 19.8%          |              |
| Interest Exp. and Fin. Charges                            | 15.9          | 5.2          | 208.3%       | 30.3           | 20.2           | 50.1%        |
| Depreciation  | 18.7          | 13.1         | 43.2%        | 62.4           | 50.3           | 24.1%        |
| Amortization  | 6.2           | 1.8          | 245.8%       | 19.2           | 5.9            | 223.6%       |
| <b>Profit Before Tax (PBT)</b>                            | <b>188.4</b>  | <b>159.0</b> | <b>18.5%</b> | <b>707.9</b>   | <b>600.9</b>   | <b>17.8%</b> |
| Tax Expenses  | 41.4          | 25.8         | 60.4%        | 139.0          | 100.5          | 38.3%        |
| Provision for Taxation for Earlier years                  | 0.0           | -2.2         | -99.6%       | 0.0            | -2.0           | -99.5%       |
| <b>PAT(Before exceptional item)</b>                       | <b>147.1</b>  | <b>135.5</b> | <b>8.5%</b>  | <b>568.9</b>   | <b>502.4</b>   | <b>13.2%</b> |
| <i>% of Sales</i>   | 13.2%         | 15.8%        |              | 13.8%          | 14.7%          |              |
| <b>PAT(After exceptional Items)</b>                       | <b>147.1</b>  | <b>135.5</b> | <b>8.5%</b>  | <b>568.6</b>   | <b>503.2</b>   | <b>13.0%</b> |
| <b>PAT (After Extra ordinary item &amp; Minority Int)</b> | <b>147.0</b>  | <b>135.5</b> | <b>8.5%</b>  | <b>568.6</b>   | <b>503.2</b>   | <b>13.0%</b> |

# DIL Consolidated Balance Sheet



| <i>in Rs. crores</i>                             | As on Mar 11 |                | As on Mar 10 |                |
|--|--------------|----------------|--------------|----------------|
| <b>Sources Of Funds</b>                          |              |                |              |                |
| <b>Shareholders' Fund:</b>                       |              |                |              |                |
| Share Capital                                    |              | 174.1          |              | 86.9           |
| Reserves & Surplus                               |              | 1,217.1        |              | 848.5          |
|  |              | 1,391.2        |              | 935.4          |
| Minority Interest                                |              | 4.1            |              | 3.8            |
| <b>Loan Funds:</b>                               |              |                |              |                |
| Secured Loans                                    | 70.3         |                | 70.2         |                |
| Unsecured Loans                                  | 980.7        | 1,051.0        | 109.1        | 179.3          |
| Deferred Tax Liability                           |              | 18.9           |              | 10.7           |
| <b>TOTAL</b>                                     |              | <b>2,465</b>   |              | <b>1,129</b>   |
| <b>Application of funds:</b>                     |              |                |              |                |
| <b>Fixed Assets:</b>                             |              |                |              |                |
| Gross Block                                      | 1,933.7      |                | 985.7        |                |
| less: Depreciation                               | 435.1        |                | 339.1        |                |
| Net block  |              | 1,498.6        |              | 646.6          |
| Capital WIP                                      |              | 43.0           |              | 30.1           |
| <b>Investments</b>                               |              | 427.4          |              | 264.1          |
| <b>Current Assets,Loans &amp; Advances</b>       |              |                |              |                |
| Inventories                                      | 708.5        |                | 426.2        |                |
| Sundry Debtors                                   | 355.5        |                | 119.8        |                |
| Cash & Bank balances                             | 272.4        |                | 192.3        |                |
| Loans & Advances                                 | 516.1        | <b>1,852.5</b> | 367.4        | <b>1,105.7</b> |
| <b>Less: Current Liabilities and Provisions:</b> |              |                |              |                |
| Current Liabilities                              |              | 714.0          |              | 466.9          |
| Provisions                                       |              | 743.5          |              | 453.3          |
|  |              | <b>1,457.5</b> |              | <b>920.2</b>   |
| <b>Net Current Assets</b>                        |              | <b>395.0</b>   |              | <b>185.5</b>   |
| Miscellaneous Expenditure                        |              | 101.0          |              | 2.7            |
| Deferred Tax Assets                              |              |                |              |                |
| <b>TOTAL</b>                                     |              | <b>2,465</b>   |              | <b>1,129</b>   |

***Thank You***