Dabur India Limited

Investor Communication

Quarter and Half Year ended Sept 30, 2012

October 26, 2012

Performance Overview : Q2 FY13 and H1FY13

- Consolidated Sales grew by 20.6% in Q2FY13 to Rs. 1,523 crores and by 21.0% in H1FY13 to Rs. 2,985 crores

- EBITDA grew by 12.7% to Rs. 292 crores in Q2FY13 and by 16.5% to Rs. 532 crores in H1FY13

  - Material Costs witnessed moderation and eased to 49.4% of sales in Q2FY13 v/s 50.6% in Q2FY12 and to 49.7% in H1FY13 v/s 51.4% in H1FY12

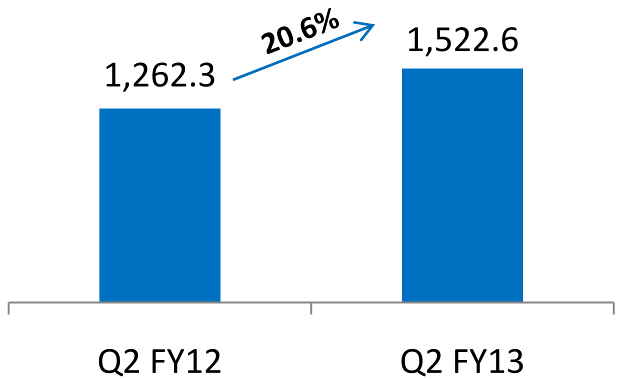
  - Investment behind brands continued with Adpro at 11.9% of sales in Q2FY13 v/s 10.1% in Q2FY12 and at 13.7% in H1FY13 v/s 11.3% in H1FY12

- Consolidated PAT (after minority interest) grew by 16.4% to Rs. 202.4 crores in Q2FY13 and by 16.6% to Rs. 352 crores in H1FY13

- The Board has proposed an interim dividend of 65% (Re. 0.65 per share)

Financial Performance: Q2 FY13

Revenue (in Rs. Cr.)



- Consol. Sales grew by 20.6% during Q2FY13
- Sales growth was a combination of volume growth, price increases and translation gains

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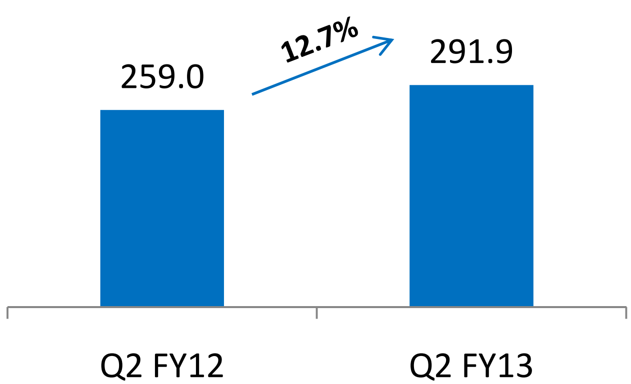
EBITDA (in Rs. Cr.)



- EBITDA increased by 12.7% and EBITDA margin was at 19.2% in Q2FY13 v/s 20.5% in Q2FY12
- Material costs eased, with material costs at 49.4% of sales in Q2FY13 v/s 50.6% in Q2FY12
- Adpro during the quarter increased to 11.9% as compared to 10.1% in previous year

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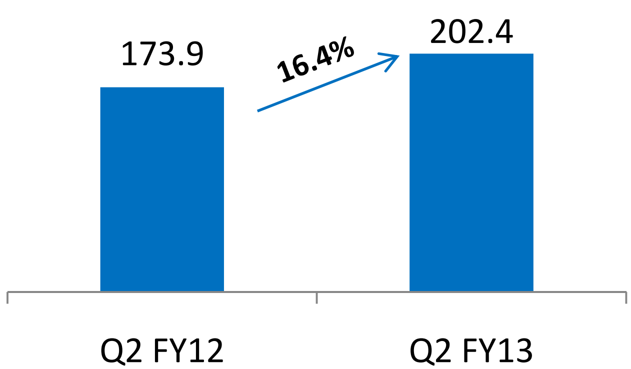
PAT* (in Rs. Cr.)

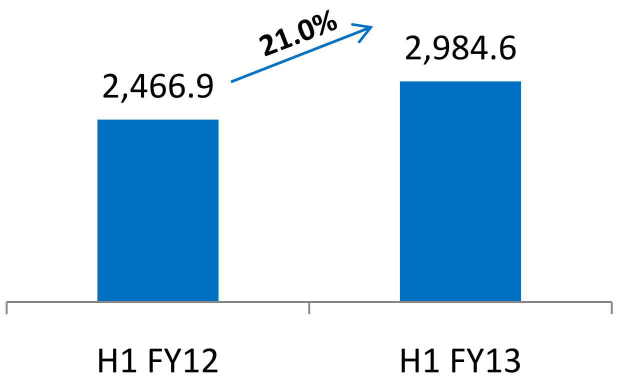


- Above factors translated into growth of 16.4% in Consolidated PAT

*After minority interest

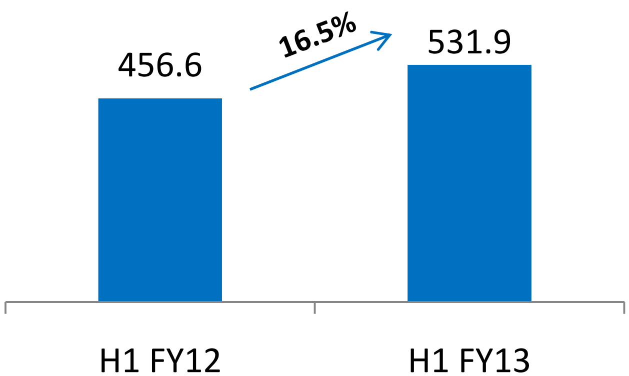
Financial Performance: H1 FY13

Revenue (in Rs. Cr.)



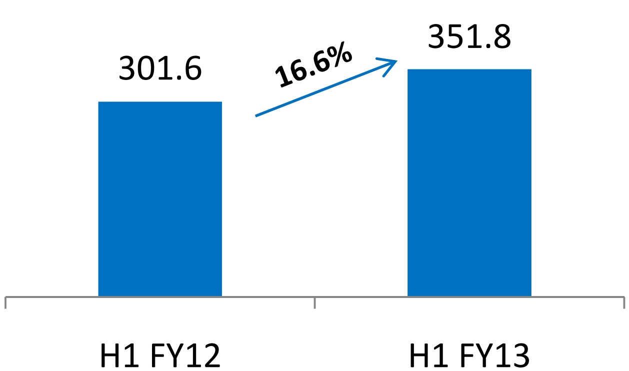
- Consolidated Sales grew by 21.0% during H1FY13
- Sales growth was a combination of volume growth, price increases and translation gains

EBITDA (in Rs. Cr.)



- EBITDA increased by 16.5% and EBITDA margin was at 17.8% in H1FY13 v/s 18.5% in H1FY12
- Material costs eased, with material costs at 49.7% of sales in H1FY13 v/s 51.4% in H1FY12
- Adpro increased to 13.7% as compared to 11.3% in previous year

PAT* (in Rs. Cr.)

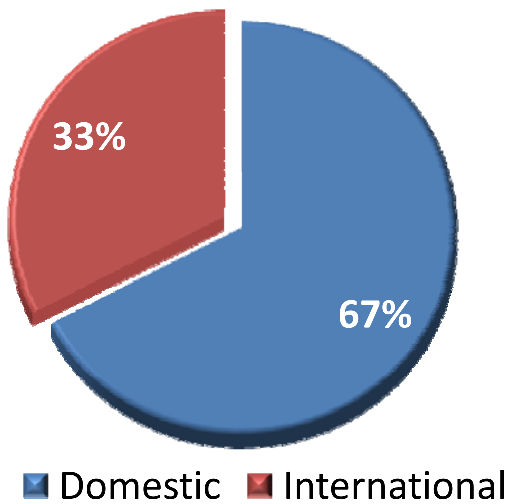


- Above factors translated into growth of 16.6% in Consolidated PAT

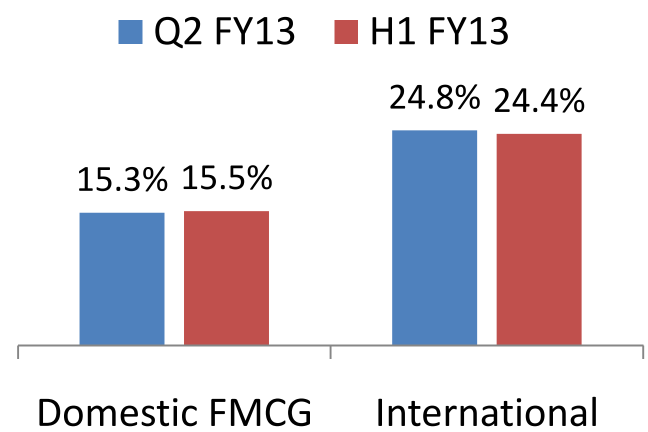
* After minority interest

Business Overview

Sales Contribution (H1 FY13)*

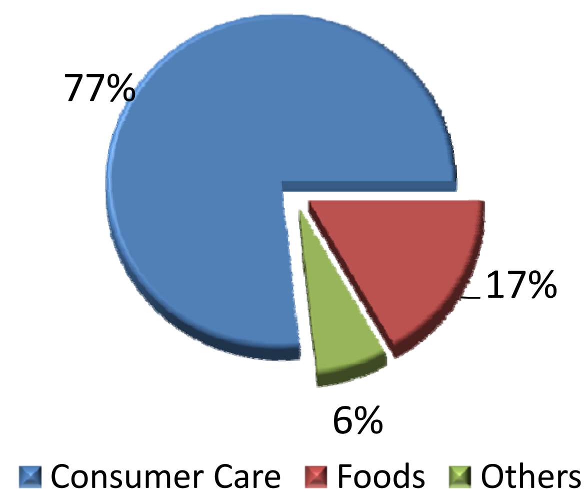


Domestic and International Growth Rates



Note: International includes Namaste and Hobi

Domestic Sales Split (H1 FY13)

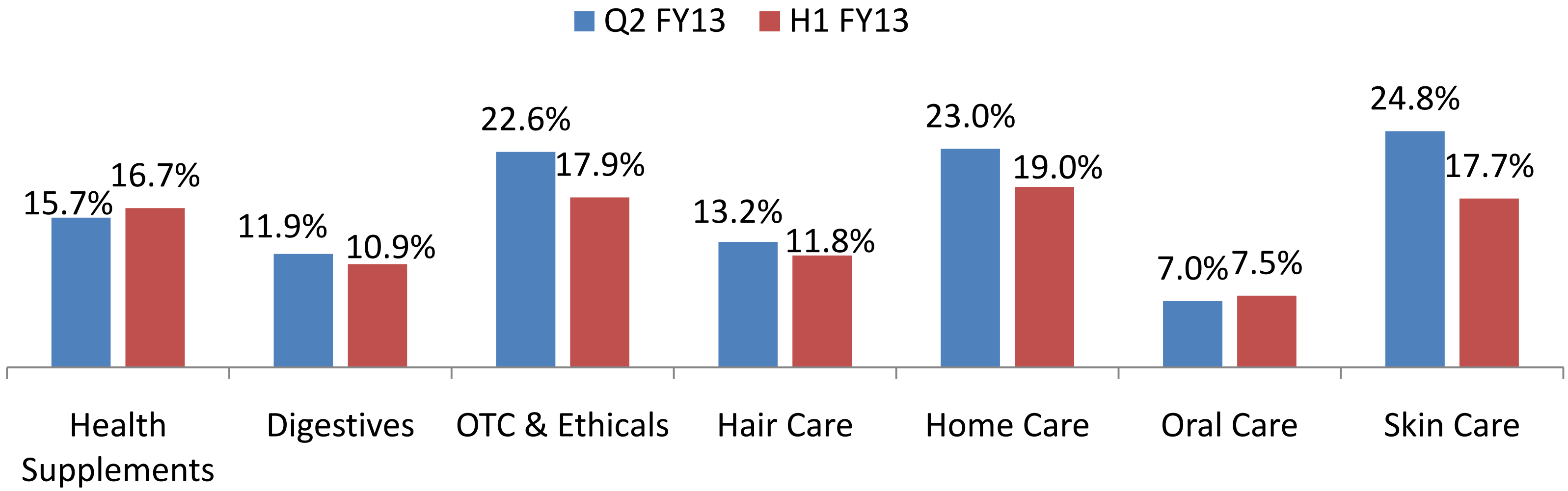


- Domestic FMCG business grew by 15.3% during Q2FY13 and by 15.5% in H1FY13
- International Business grew by 24.8% in Q2FY13 and by 24.4% in H1FY13

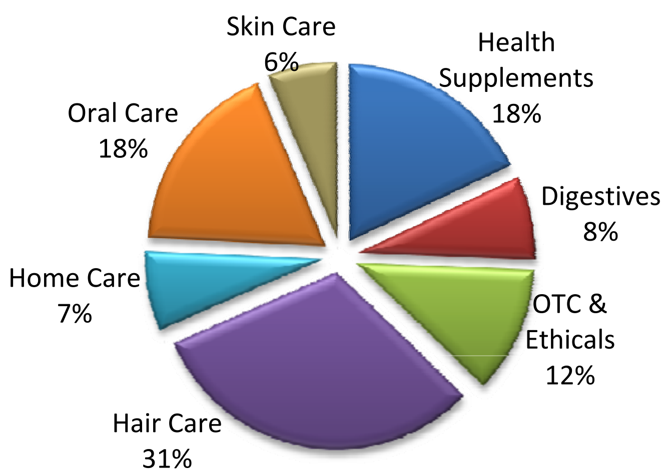
* Excludes Retail

Consumer Care Business

Consumer Care Category Growth Rates (%)



Category Contribution (H1FY13)



- Strong growth in Health Supplements of 15.7% during Q2FY13 and 16.7% in H1FY13 driven by Glucose and Honey
- OTC & Ethicals grew at a robust 22.6% in Q2FY13 and by 17.9% in H1FY13
- Shampoos continued on the recovery track and grew 40.2% in Q2FY13 and 31.3% in H1FY13
- Home Care performed well, growing by 23% in Q2FY13 and 19% in H1FY13
- Skin care reported robust growth of 24.8% in Q2FY13 and 17.7% in H1FY13

Health Supplements

- Health Supplements grew by 15.7% in Q2FY13 driven by strong growth in Dabur Honey and Glucose
- Chyawanprash grew in double digits during the quarter. The brand is all set for the forthcoming season with new packaging and a new campaign which will go on air soon.
- Dabur Honey reported robust growth across channels, regions and SKU sizes
- Glucose witnessed strong growth during the quarter albeit on a low base

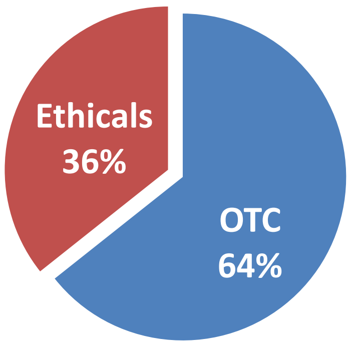
Digestives

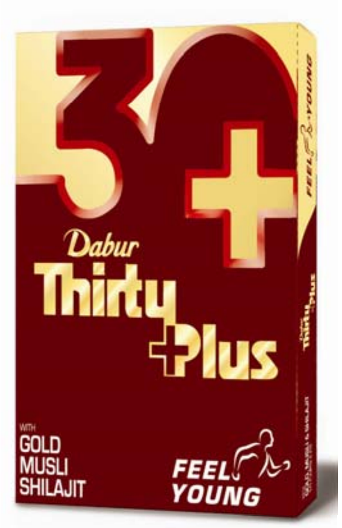
- Digestives grew by 11.9% in Q2FY13
- Hajmola franchise witnessed double digit growth in Q2FY13. Going ahead, new creatives and SKUs planned
- Pudin Hara, grew at a robust pace in Q2FY13 with growth across formats backed by packaging and media initiatives

OTC & Ethicals

- OTC & Ethicals portfolio grew by 22.6% in Q2FY13
- OTC portfolio grew by 18% in Q2FY13, with its biggest brand Lal Tail growing strongly in Q2FY13
- Thirty Plus has been re-launched during the quarter
- Ethicals portfolio reported robust growth of 32.4% in Q2FY13

OTC v/s Ethicals Sales Split (H1FY13)





Thirty Plus launched

Note: Lal Tail has been reclassified into OTC category from Digestives category
Pudin Hara and Isabgol have been reclassified under Digestives category from OTC category

Hair Oils

- Hair Oils grew by 9.1% in Q2FY13
- Perfumed Oils performed well during the quarter. Priyanka Chopra is now the brand ambassador of Amla Hair Oil.
- Coconut based oils declined marginally on account of high price differential between our offerings and competing products consequent to decline in coconut prices
- Almond Hair Oil - launched in Nov 2011, continues to receive positive consumer response

Shampoos

- Vatika Shampoos performed well, growing by 40.2% in Q2FY13
- Re-launched with new packaging and renamed as Vatika Premium Naturals range.

Skin Care

- Skin Care grew by 24.8% in Q2FY13
- Gulabari reported strong double digit growth in Q2FY13
- Fem portfolio grew by 27.7% in Q2FY13, largely driven by bleaches. Bleaches have been re-launched in new packaging
- Uveda – going ahead, NPDs planned and new channels to be developed

Oral Care

- Oral Care reported growth of 6.9% in Q2FY13
- The toothpaste portfolio reported growth of 10.2% in Q2FY13
- The premium offerings, Red Toothpaste and Meswak reported good growth during the quarter
- The economy brand, Babool remained under pressure, but there is more focus on improvement in margin profile and going ahead, value added variants planned
- Toothpowder declined marginally in Q2FY13

Home Care

- Home Care grew strongly at 23% in Q2FY13
- Odomos grew at a robust pace in Q2FY13 driven by impactful media and activations
- Sanifresh continued to perform well in Q2FY13 on the back of successful restage
- Odonil reported moderate growth as compared to earlier quarters. However, investments in innovation and A&P will continue to drive the brand

Foods

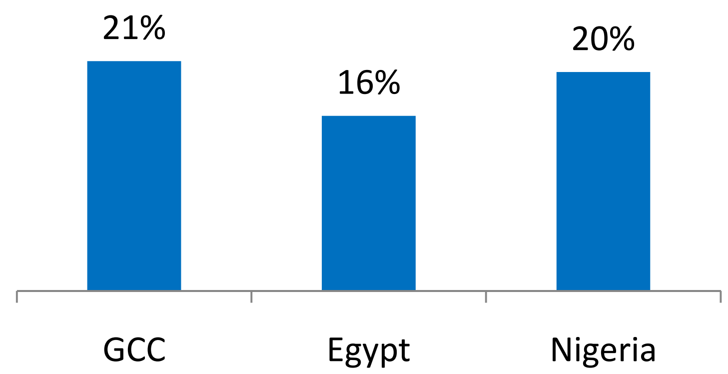
- Foods grew by 18.1% in Q2FY13 driven by strong volume growth and new variants
  - Real Juices reported good growth during Q2FY13. More extensions and variants are planned in both Real and Activ range.
  - Culinary portfolio was flattish in Q2FY13

Internationally designed Real Greetings Packs for Diwali this year

International Business

- International Business grew by 24.8% in Q2FY13
- Namaste business under some pressure due to distribution restructuring in Africa and changeover in branding in US
- Hobby business performed well with strong growth in revenue in its domestic as well as overseas markets driven by investment behind brands and distribution expansion

Key Growth Markets – H1FY13 (%)



Launch of Medicated Toothpaste in Nigeria

Consolidated P&L

in Rs. crores	Q2FY13	Q2FY12	YoY (%)	H1FY13	H1FY12	YoY (%)
Net Sales	**1522.6**	**1262.3**	**20.6%**	**2,984.6**	**2,466.9**	**21.0%**
Other Operating Income	4.9	4.4	13.1%	14.7	10.1	45.2%
Material Cost	752.4	638.1	17.9%	1,484.1	1,267.1	17.1%
% of Sales	49.4%	50.6%		49.7%	51.4%	
Employee Expense	121.2	97.9	23.7%	227.4	189.3	20.1%
% of Sales	8.0%	7.8%		7.6%	7.7%	
Ad Pro	180.8	127.8	41.5%	410.0	279.2	46.8%
% of Sales	11.9%	10.1%		13.7%	11.3%	
Other Expenses	203.7	156.6	30.1%	392.6	313.4	25.2%
% of Sales	13.4%	12.4%		13.2%	12.7%	
Other Non Operating Income	22.5	12.7	77.0%	46.7	28.6	63.4%
EBITDA	**291.9**	**259.0**	**12.7%**	**531.9**	**456.6**	**16.5%**
% of Sales	19.2%	20.5%		17.8%	18.5%	
Finance Costs	14.9	17.2	-13.5%	36.1	29.8	21.1%
Depreciation & Amortization	27.0	25.2	7.2%	53.7	50.1	7.3%
Profit Before Tax (PBT)	**250.0**	**216.6**	**15.4%**	**442.1**	**376.7**	**17.4%**
Exceptional Item				-4.7		
Tax Expenses	46.4	42.7	8.7%	84.2	75.0	12.3%
PAT(Before extraordinary item)	**203.6**	**173.9**	17.1%	**353.2**	**301.7**	17.1%
% of Sales	13.4%	13.8%		11.8%	12.2%	
Extraordinary Item	0.1			0.1		
PAT(After extraordinary Items)	203.7	173.9	17.1%	353.3	301.7	17.0%
Minority Interest - (Profit)/Loss	1.3	0.0		1.5	0.2	
PAT (After Extra ordinary item & Minority Int)	**202.4**	**173.9**	**16.4%**	**351.8**	**301.6**	**16.6%**
% of Sales	13.3%	13.8%		11.8%	12.2%	

Consol. Statement of Assets & Liabilities

Consolidated Statement of Assets and Liabilities		(Amount in Rs.Cr.)
Particulars	As at 30/09/2012 (Audited)	As at 31/03/2012 (Audited)
Â EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	174.29	174.21
(b) Reserves and surplus	1726.00	1542.97
Sub-total - Shareholders' funds	1900.29	1717.18
2. Share application money pending allotment		
3. Minority interest	3.65	3.03
4. Non-current liabilities		
(a) Long-term borrowings	531.76	683.02
(b) Deferred tax liabilities (net)	32.08	27.40
(c) Other long-term liabilities	2.98	
(c) Long-term provisions	625.27	579.93
Sub-total - Non-current liabilities	1192.09	1290.35
5. Current liabilities		
(a) Short-term borrowings	400.39	340.91
(b) Trade payables	316.51	258.08
(c)Other current liabilities	698.35	771.27
(d) Short-term provisions	277.38	241.49
Sub-total - Current liabilities	1692.63	1611.75
TOTAL - EQUITY AND LIABILITIES	4788.66	4622.31
B ASSETS		
1. Non-current assets		
(a) Fixed assets	934.48	885.36
(b) Goodwill on consolidation	780.38	782.63
(c) Non-current investments	91.39	89.28
(d) Long-term loans and advances	409.83	372.69
(e) Other non-current assets	90.70	101.92
Sub-total - Non-current assets	2306.78	2231.88
2 Current assets		
(a) Current investments	368.44	393.24
(b) Inventories	744.32	823.92
(c) Trade receivables	425.79	461.68
(d) Cash and cash equivalents	596.86	418.42
(e) Short-term loans and advances	283.78	260.96
(f) Other current assets	62.69	32.21
Sub-total - Current assets	2481.88	2390.43
Total -Assets	4788.66	4622.31

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