



Investor Communication

*Quarter and Half Year ended 30th September,
2016*

October 26, 2016

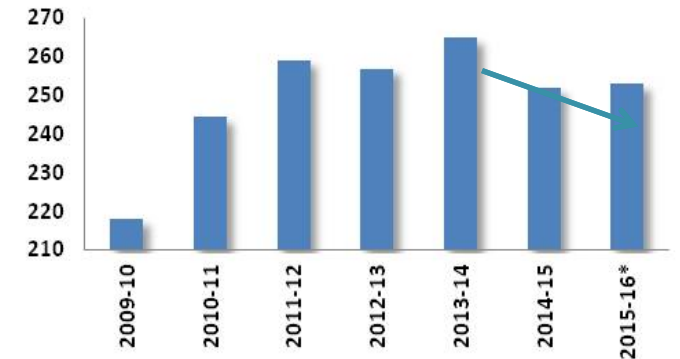
Demand Slowdown : Underlying Factors

Index of Industrial Production



Sources of income have been affected in recent months which has led to a slowdown in demand

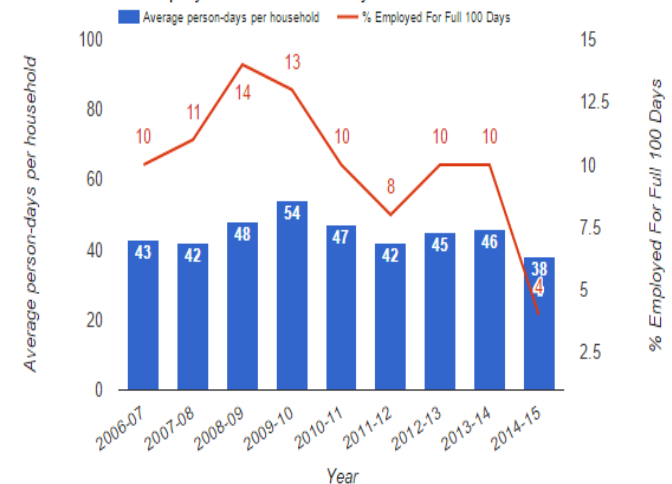
Food Grains Production in India (million tonnes)



Source: Dept of Agriculture, GoI

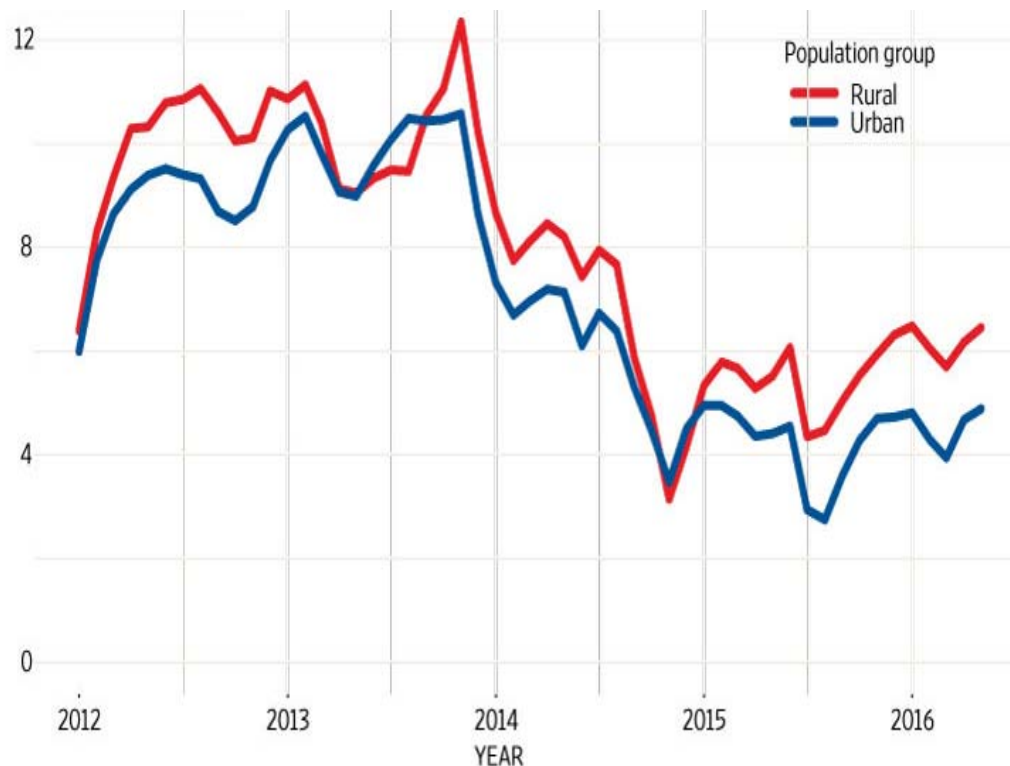
*2nd Advance estimate

Average Person-days For NREGA Households, and % Employed For Full 100 Days



FMCG Industry Trends

CPI: Rural and Urban Trend

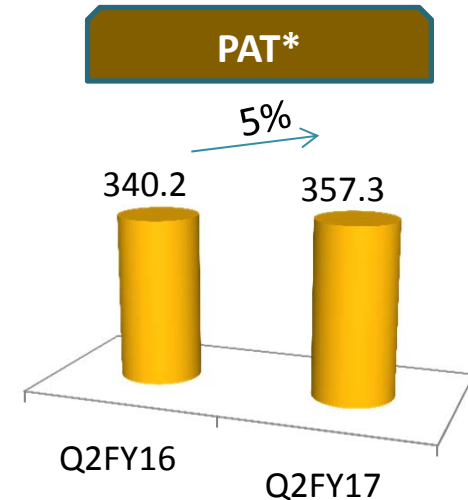
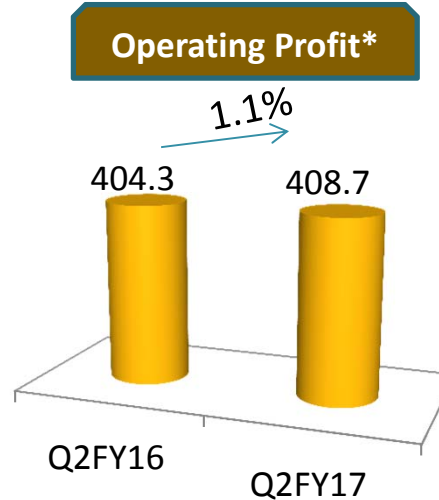
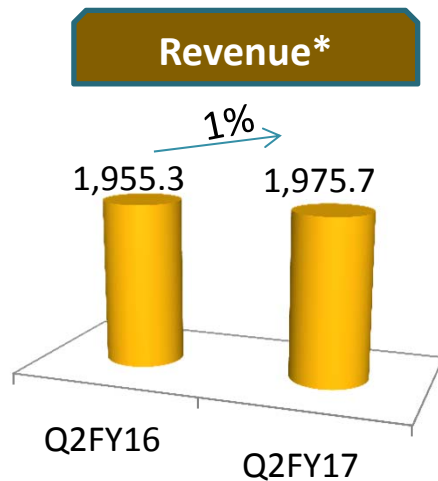


Slowdown in FMCG category growth rates

Enhanced promotions across categories

Continued stress in rural demand

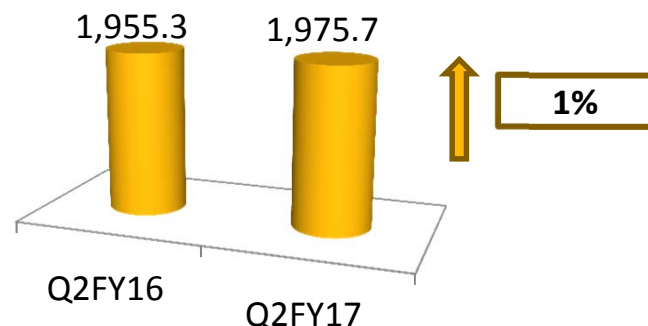
Financial Highlights Q2FY17



- Consolidated sales grew by 1% and PAT by 5%
- India Standalone business reported topline growth of 2.3% with profit growth of 17.7%
- Domestic FMCG Business grew by 2.4% driven by volume growth of 4.5% inspite of a stressed demand environment
- International business witnessed a slowdown due to geo political disturbances in the MENA region and adverse currency impact

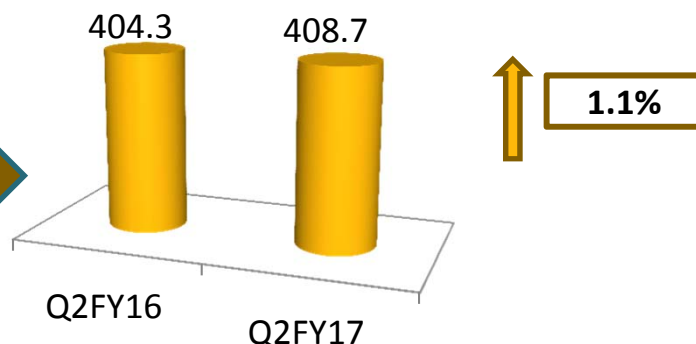
Financial Analysis Q2FY17

Revenue*
(In Rs.Crs)



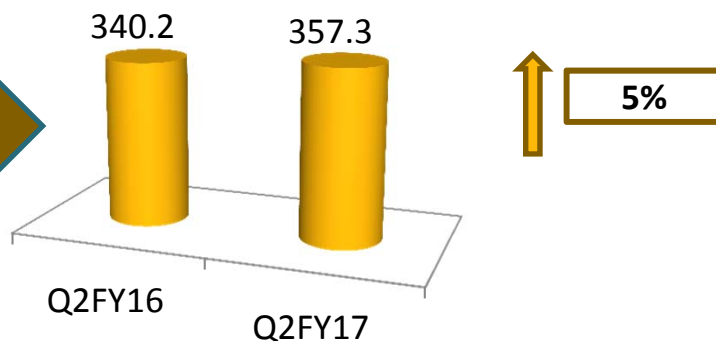
- Consolidated sales grew by 1%
- Domestic FMCG Business reported growth of 2.4% driven by volume growth of 4.5%
- International business reported a decline of 2.3% as per IND AS

Operating Profit*
(In Rs.Crs)



- Operating margin remained stable at 20.7% in Q2FY17
- Material Costs were at 49% of sales in Q2FY17 vs 48.7% in Q2FY16
- Adpro stood at 7.6% in Q2FY17 compared to 8.5% in Q2FY16

PAT**
(In Rs.Crs)



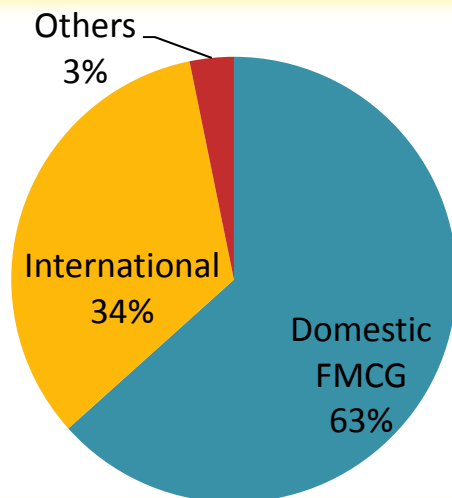
- Consolidated PAT grew by 5%
- Depreciation and interest costs increased due to Capex
- Higher other income & tax rate
- PAT Margins increased to 18.1% in Q2FY17 from 17.4% in Q2FY16

*Consolidated Business

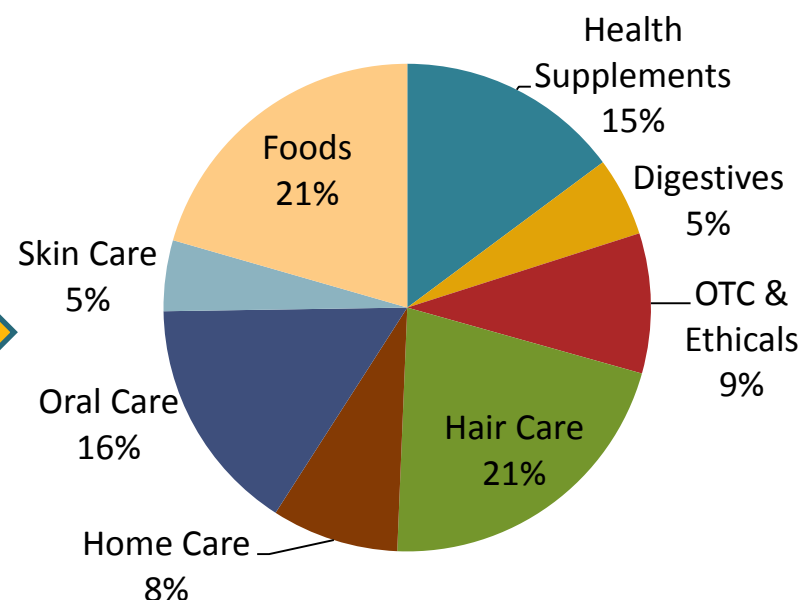
**After minority interest

Business Overview Q2FY17

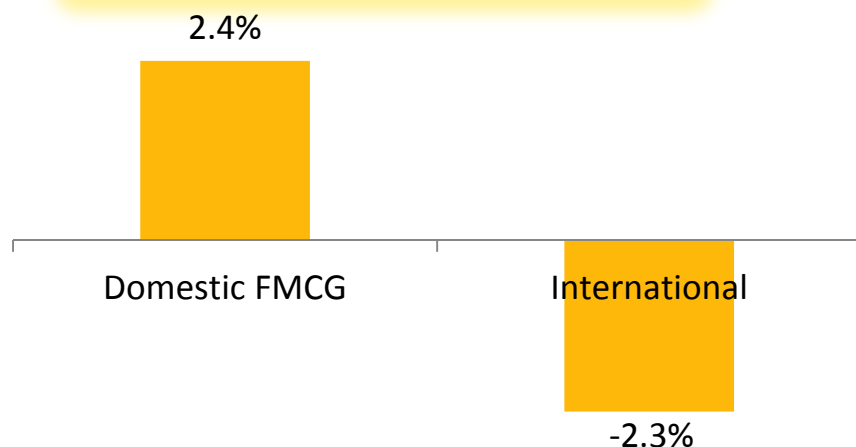
Sales Contribution*



Domestic FMCG- Category Breakup



International Sales Growth Rates



- Domestic FMCG Business reported growth of 2.4% driven by volume growth of 4.5%
- International Business declined by 2.3% basis IND AS
- International Business contributed to 34% of consolidated sales

Category Highlights -India

Home and Personal Care

- HPC comprising Oral Care, Hair Care, Home Care and Skin Care reported volume growth of 6% while growth in value terms was 1.6%.
- Oral care category including toothpowder was flattish in value terms. However volume growth for the category was 11%. Toothpaste portfolio clocked 4% value growth driven by good growth in Red and Meswak Toothpaste. This was off a high base of 28% growth in Q2FY16.
- Home care category reported good growth of 20% in value terms led by strong double digit growth in Odomos and Odonil. Visibility initiatives, print and TV campaigns and increased demand due to mosquito based diseases fueled sales.
- Skin care posted 7% growth with the Bleach portfolio growing by 10.5%. Fem Gold Ultra Bleach and OxyLife Tan Clear Facial kit launched during the quarter.
- Shampoo registered 2.7% growth. Trade Activation Programme “Vatika Maha Munafa” working well for the brand.
- Hair Oils were under pressure mainly due to decline in hair oil category and high base of 14.3% growth in Q2FY16. Dabur Almond & Sarson Amla hair Oils grew in double digits.

Innovation in Home & Personal Care



Oxy Salon Professional : TAN Clear



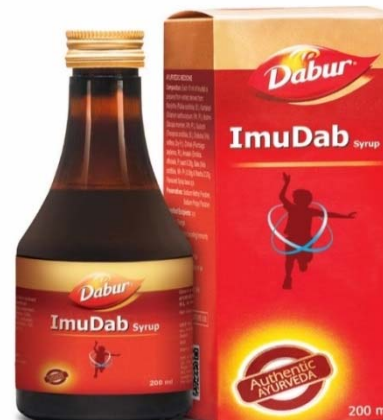
Dabur Brahmi Amla Hair Oil



Fem Gold Ultra Bleach

Healthcare

- The Healthcare portfolio comprising of Health Supplements, Digestives, OTC & Ethicals declined by 3.7%.
- Honey was flattish in volume terms on a high base of 32.5% growth during Q2FY16. Honey portfolio extended with the launch of Dabur Honey Ginger
- Pre season sales of Chyawanprash were low in anticipation of new promotional and media inputs starting next month.
- Honitus Hot Sip- A herbal infusion for Cough and Cold added to the Honitus Range
- In the Digestives category Hajmola Tablets clocked high single digit growth. Hajmola Amrud Tablet has been added to the portfolio
- Continued focus on Medical marketing – Ethicals portfolio clocked 11.3% growth



Innovation in Healthcare

Honitus and Honey portfolio extended with innovative offerings

**Honitus Hot Sip Sachet-
Cough & Cold Remedy**



**Honitus Hot Sip Sticks
Cough & Cold Remedy**



Dabur Honey Ginger



Foods

- Foods business registered strong growth of 15.2% in Q2FY17
- Market share in J&N category back to last year levels in spite of increasing competitive activity
- Enhanced visibility initiatives to capitalize on the festive season opportunity
- Variant extensions planned in the Beverages and Culinary range

Beverages: Enhanced Visibility Initiatives



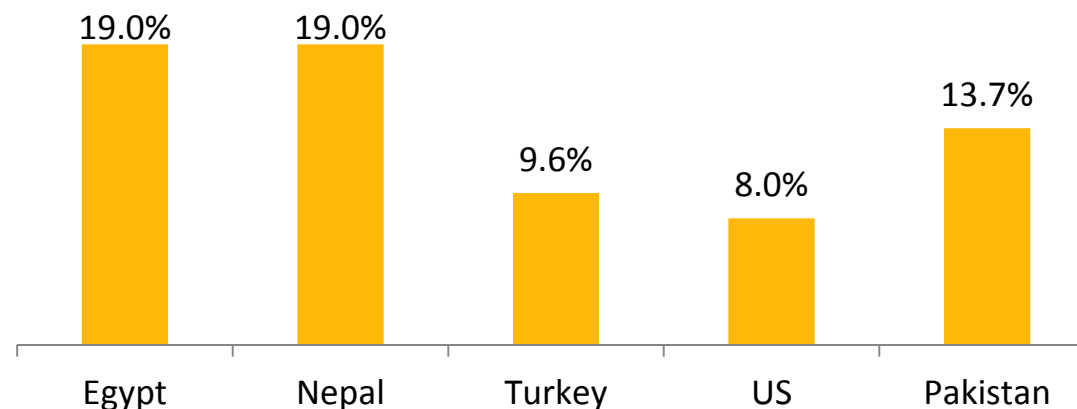
Key Initiatives driving growth in Juices



International Business- Q2FY17

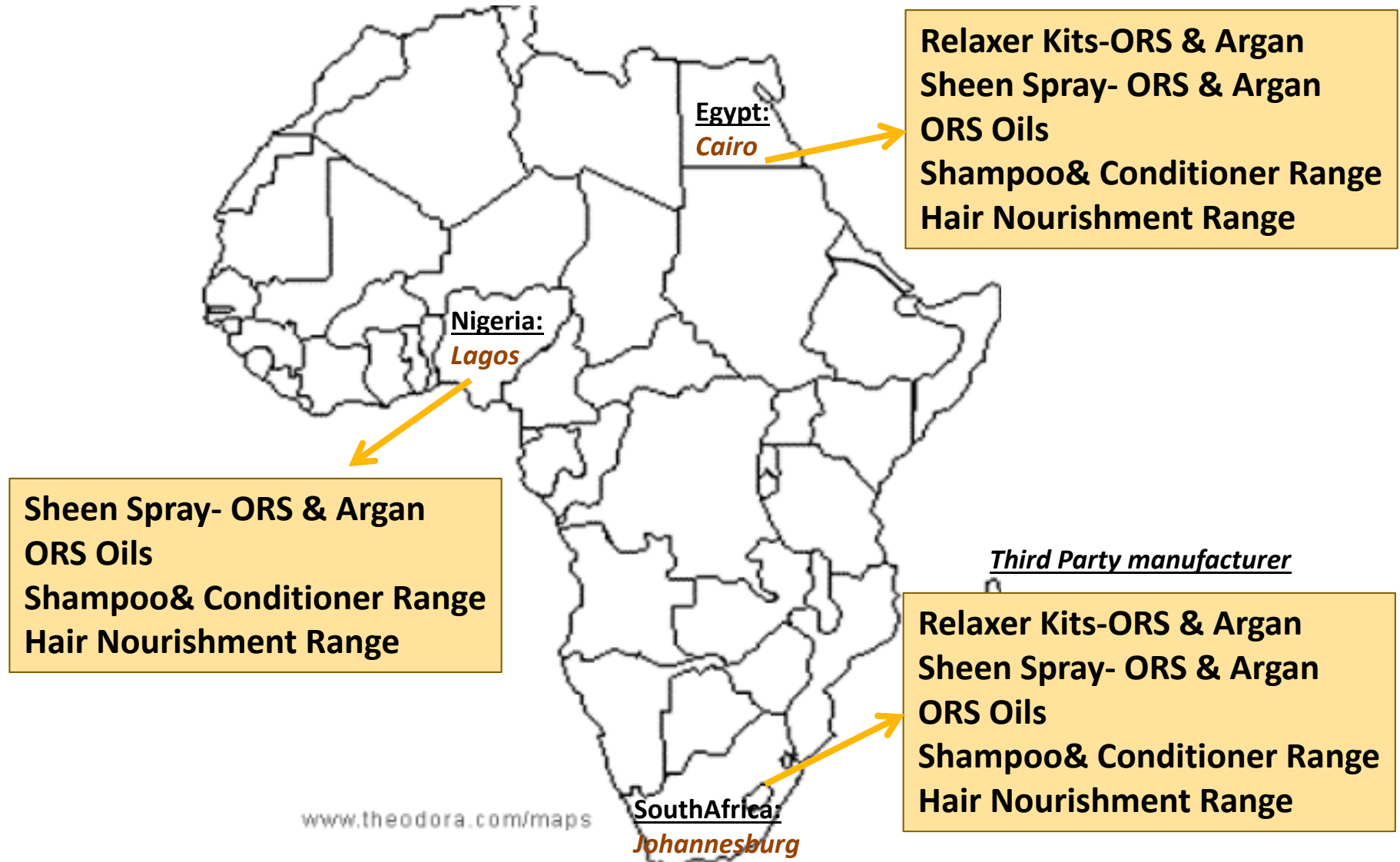
- International Business declined by 2.3% in Q2FY17. However, as per the old accounting standards of IGAAP the business clocked low single digit growth
- Sharp currency devaluation in Naira, Lira and Egyptian Pound impacted growth
- GCC markets were impacted by geo political disturbances and economic slowdown particularly in Saudi Arabia
- SAARC business performed well with Nepal and Pakistan growing in strong double digits
- Hobi and Namaste performed well and clocked high single digit growth

Local Currency Growth Rate



Namaste : Localisation in Africa

Manufacturing facilities commissioned and commercialised in Egypt and Nigeria



International NPDs

Vatika Shampoo Relaunch



Dermoviva Deep Pore Cleansing Wipes



Vatika Stand Tough Styling Gel



IGAAP vs IND AS Reco Q2FY17

	Consolidated		
Particulars	Q2FY17	Q2FY16	Gr %

<i>Gross Sales* as per IGAAP</i>	<i>2,161.0</i>	<i>2,114.4</i>	<i>2.2%</i>
----------------------------------	----------------	----------------	-------------

<i>Revenue Netting</i>	<i>185.2</i>	<i>158.4</i>	<i>16.9%</i>
------------------------	--------------	--------------	--------------

<i>Gross Sales* as per IndAS</i>	<i>1,975.7</i>	<i>1,956.0</i>	<i>1.0%</i>
----------------------------------	----------------	----------------	-------------

	India		
Particulars	Q2FY17	Q2FY16	Gr %

<i>Gross Sales* as per IGAAP</i>	<i>1,434.6</i>	<i>1,414.3</i>	<i>1.4%</i>
----------------------------------	----------------	----------------	-------------

<i>Revenue Netting</i>	<i>86.5</i>	<i>96</i>	<i>-9.9%</i>
------------------------	-------------	-----------	--------------

<i>Gross Sales* as per IndAS</i>	<i>1,348.1</i>	<i>1,318.4</i>	<i>2.3%</i>
----------------------------------	----------------	----------------	-------------

*inclusive of Excise Duty

Interim Dividend

- The Board of Directors have declared an Interim Dividend at 125% (Rs.1.25 per share) aggregating Rs.265.01 crore including tax
- 4th November, 2016 has been fixed as the record date for payment of Interim dividend

Consolidated P&L

DIL (Consolidated) P&L - in Rs. crores	Q2FY17	Q2FY16	YoY (%)	H1FY17	H1FY16	YoY (%)
Sales	1,975.7	1,955.3	1.0%	3,923.4	3,877.2	1.2%
Other Operating Income	5.9	4.1	42.4%	10.4	9.5	9.6%
Material Cost	967.4	952.3	1.6%	1928.8	1919.4	0.5%
% of Sales	49.0%	48.7%		49.2%	49.5%	
Employee Expense	215.8	200.6	7.6%	427.3	389.7	9.7%
% of Sales	10.9%	10.3%		10.9%	10.1%	
Advertising & Publicity	149.4	165.7	-9.8%	345.9	390.4	-11.4%
% of Sales	7.6%	8.5%		8.8%	10.1%	
Other Expenses	240.3	236.5	1.6%	474.3	461.9	2.7%
% of Sales	12.2%	12.1%		12.1%	11.9%	
Operating Profit	408.7	404.3	1.1%	757.5	725.3	4.4%
% of Sales	20.7%	20.7%		19.3%	18.7%	
Other Non Operating Income	89.2	55.8	60.0%	150.3	103.5	45.2%
EBITDA	497.9	460.0	8.2%	907.7	828.8	9.5%
% of Sales	25.2%	23.5%		23.1%	21.4%	
Finance Costs	16.6	12.5	33.1%	28.4	24.3	17.1%
Depreciation & Amortization	35.7	32.8	9.0%	70.1	65.3	7.3%
Profit Before Tax (PBT)	445.6	414.8	7.4%	809.3	739.2	9.5%
Tax Expenses	87.3	74.4	17.3%	157.4	136.4	15.4%
PAT(before minority interest)	358.2	340.3	5.3%	651.8	602.8	8.1%
Minority Interest - Profit/(Loss)	1.1	0.0		1.9	1.0	
Share of profit / (loss) of associates & joint venture	0.09	-0.07		0.15	0.30	
PAT (After Minority Int)	357.3	340.2	5.0%	650.1	602.1	8.0%
% of Sales	18.1%	17.4%		16.6%	15.5%	

Statement Of Assets and Liabilities

Particulars		As at 30/09/2016)	As at 31/03/2016(Audited)
A	ASSETS		
	Non-current assets		
	(a) Property, plant and equipment	1,252.94	1,235.11
	(b) Capital work-in-progress	73.30	44.80
	(c) Investment property	59.67	65.06
	(d) Goodwill	410.53	410.53
	(e) Other Intangible assets	16.33	18.12
	(f) Financial assets		
	(i) Investments	2,357.08	1,894.77
	(ii) Loans	15.69	15.83
	(iii) Others	30.87	28.64
	(g) Other non-current assets	100.02	21.09
	Total Non-current assets	4,316.43	3,733.95
	Current assets		
2	(a) Inventories	1,162.15	1,096.50
	(b) Financial assets		
	(i) Investments	783.47	808.98
	(ii) Trade receivables	830.80	809.52
	(iii) Cash and cash equivalents	119.61	131.15
	(iv) Bank Balances other than above	115.81	88.67
	(v) Loans	3.09	2.14
	(c) Other current assets	305.77	257.09
	Total current assets	3,320.70	3,194.05
	TOTAL ASSETS	7,637.13	6,928.00
B	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	176.15	175.91
	(b) Other Equity	4,494.47	3,994.70
	Equity attributable to shareholders of the Company	4,670.62	4,170.61
	Non Controlling Interest	23.70	21.68
	Total equity	4,694.32	4,192.29
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	509.07	342.44
	(ii) Other financial liabilities	4.67	4.96
	(b) Deferred tax liabilities (Net)	106.03	87.93
	(c) Provisions	53.60	50.88
	Total Non-current liabilities	673.37	486.21
	Current liabilities		
3	(a) Financial liabilities		
	(i) Borrowings	572.39	449.74
	(ii) Trade payables	1,268.42	1,327.33
	(iii) Other financial liabilities	88.36	103.69
	(b) Other current liabilities	210.44	247.56
	(c) Provisions	92.66	90.38
	(d) Current tax Liabilities (Net)	37.17	30.80
	Total Current liabilities	2,269.44	2,249.50
	TOTAL EQUITY AND LIABILITIES	7,637.13	6,928.00

Thank You