



Investor Presentation



Presentation Structure

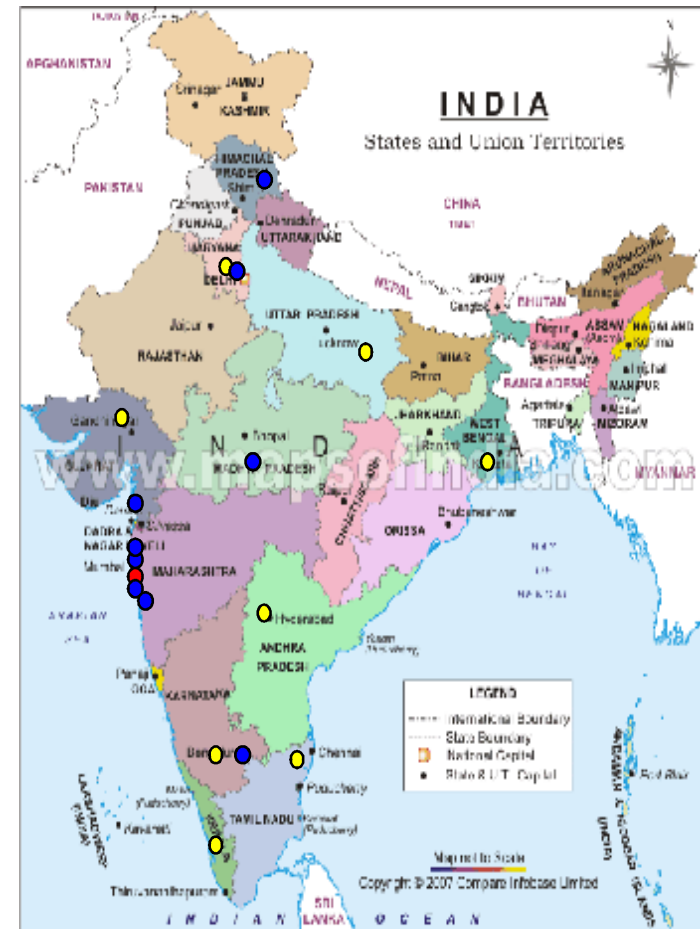


- q Overview of the Company
- q Performance
 - Factors affecting Business
 - Highlights
 - Key Trends
- q Business Review
- q Consolidated Results
- q Key Investment Considerations

Indian Operations : An Overview



- § Established in 1959
- § Pioneer in consumer and industrial specialty chemicals.
- § Strong market position in most products
- § "Fevicol" ranked as # 1 Household care brand.
- § Ranked as # 1 company in chemical segment by Business Today (2009)
- § Strong geographical presence
 - 9 Branches ●
 - 19 Manufacturing Plants ●
 - 20+ Toll manufacturing Plants
 - 26 + Depots / C&FA
 - 4000+ Industrial Customers
 - 4000+ Employees
 - 30000+ Shareholders
 - 60000+ Dealers



Global Operations : An Overview



- § Exports to more than 80 countries. Major exports to Middle East, Africa, USA & Europe
- § Export Turnover of \$42 mn in FY 2009-10
- § CAGR growth of 25% over last 5 years

- § 13 Overseas subsidiaries – (4 Direct and 9 Step down)
- § Total Revenue from Overseas subsidiaries of \$60mn.
- § Significant manufacturing and selling activities in USA, Brazil, Thailand, Singapore, Bangladesh, Egypt and Dubai
- § Manufacturing facilities in Egypt & Bangladesh established last year.

Performance

Standalone Performance Q1'10 vs Q1'11



| \$ mn | Q1 FY'10 | Q1 FY'11 | % Change |
|-----------------------------------|-------------|-------------|-------------|
| Net Turnover | 113 | 137 | 22% |
| Gross Profit | 54 | 66 | 21% |
| EBITDA | 27 | 34 | 26% |
| Profit Before Tax (pre forex adj) | 23 | 30 | 31% |
| Profit After Tax | 19 | 23 | 26% |
| Gross Profit - % | 48% | 48% | |
| Return on Capital Employed | 34% | 41% | |

- Ø Gross Profit up by 21% over LY mainly due to better realizations.
- Ø Input cost (material and freight) showing upward movement.
- Ø Forex gain / (loss) in Q1'11 is (\$0.2mn) as compared to (\$ 1.4mn) in Q1'10.
- Ø Effective tax rate higher than LY due to completion of first 5 year block of tax holiday period in 3 units.

Note :

1\$ =45.7

Gross Profit = Net Turnover less Material Cost

ROCE = EBIT / Capital Employed

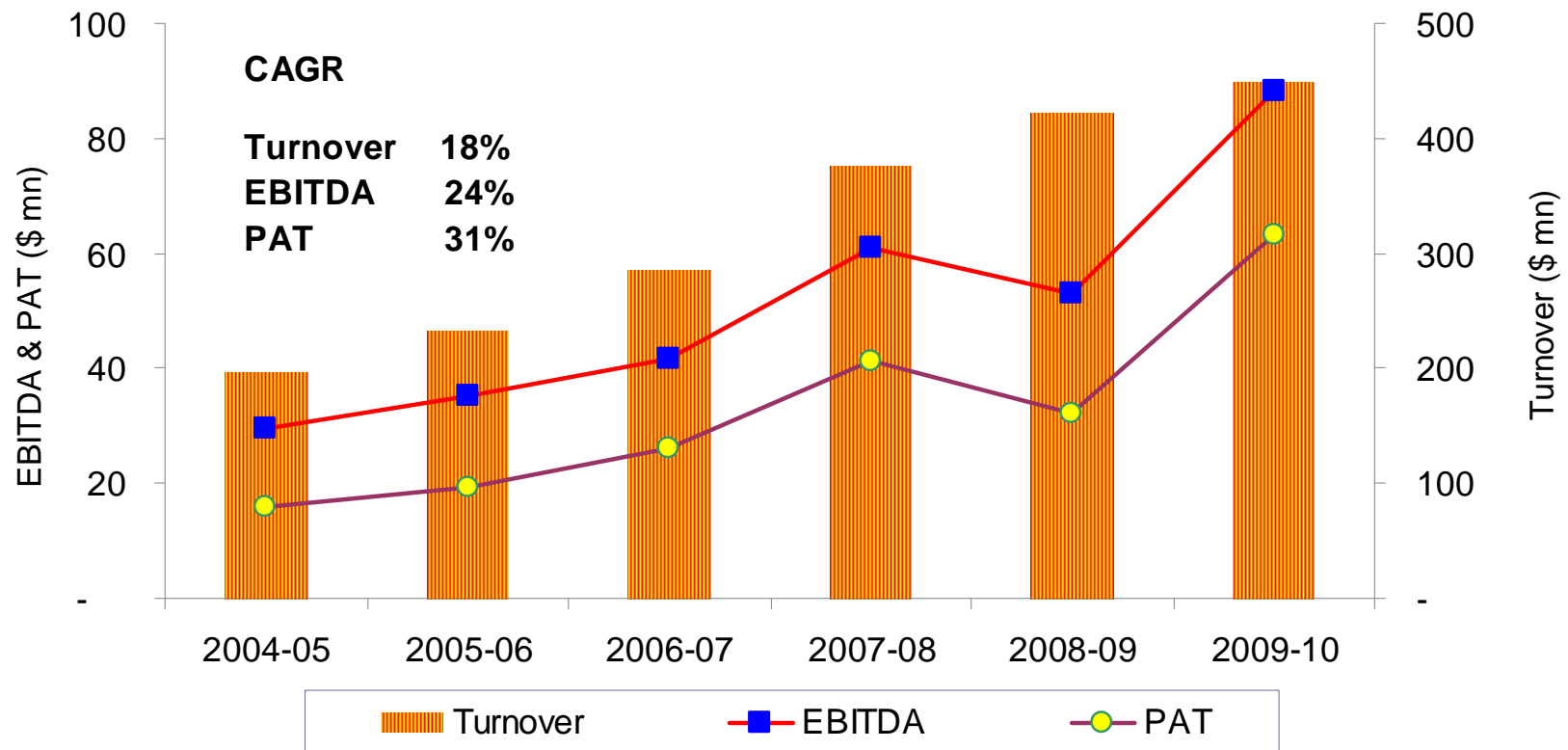
Cash Flow Statement



| \$ mn | FY'09 | FY'10 | Q1'11 |
|--------------------------------------|------------|------------|------------|
| Operating Profit* | 57 | 89 | 34 |
| Working Capital movement | 9 | 23 | 2 |
| Interest / Tax paid | (9) | (21) | (3) |
| Capex | (33) | (18) | (4) |
| Investment in Subsidiaries | (13) | (6) | (1) |
| Dividend received | 0 | 1 | - |
| Dividend Paid | (11) | (11) | - |
| Net Cash Flow - Pre financing | (0) | 57 | 29 |
| Opening Net Debt | 77 | 90 | 27 |
| Closing Net Debt | 90 | 27 | 0 |
| Closing Gross Debt | 122 | 92 | 82 |
| Gearing - Gross Debt | 43% | 31% | 27% |
| Gearing - Net Debt | 36% | 12% | 0% |

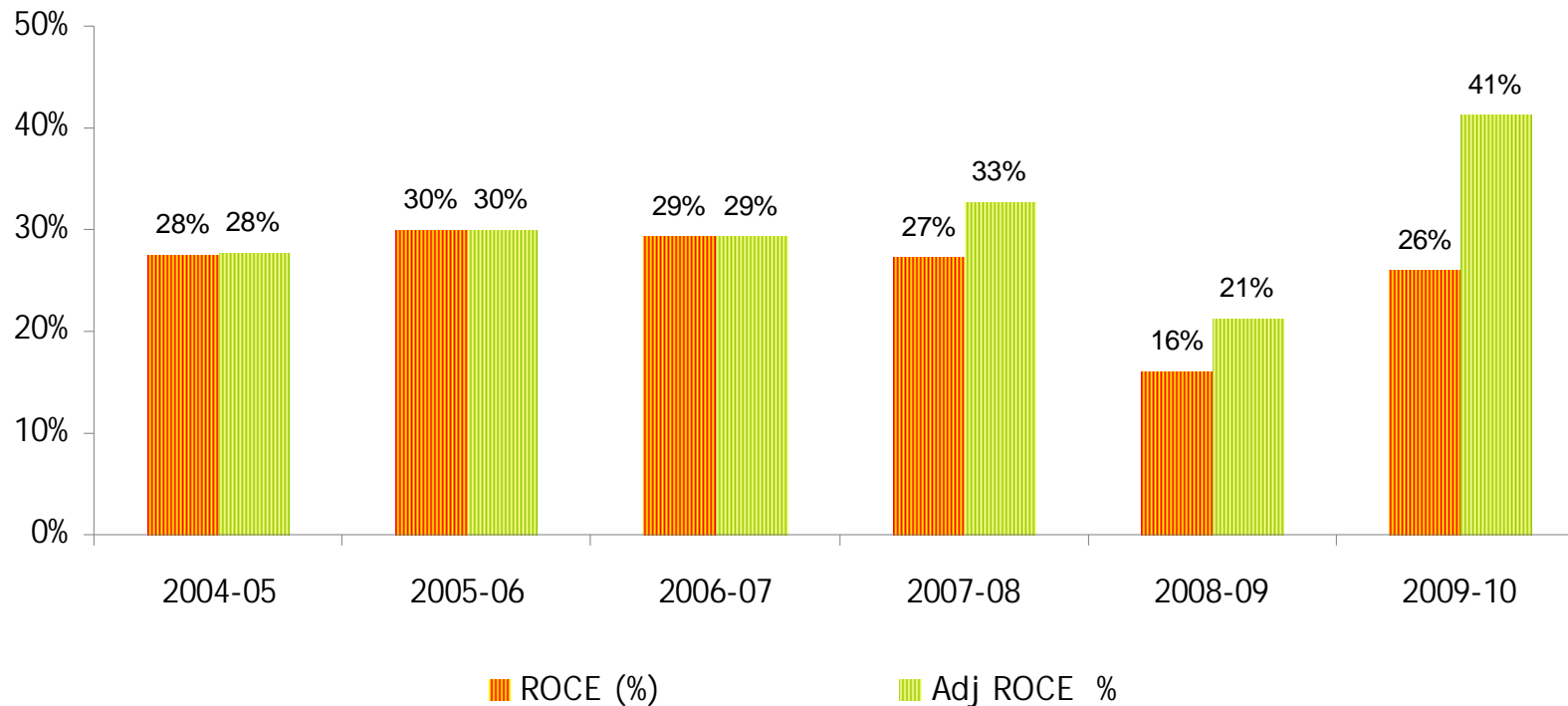
Ø Surplus Cash presently parked in various Short term Debt instruments of Mutual Funds.

Sustainable Growth



Sustainable Growth y-o-y

Return on Capital Employed



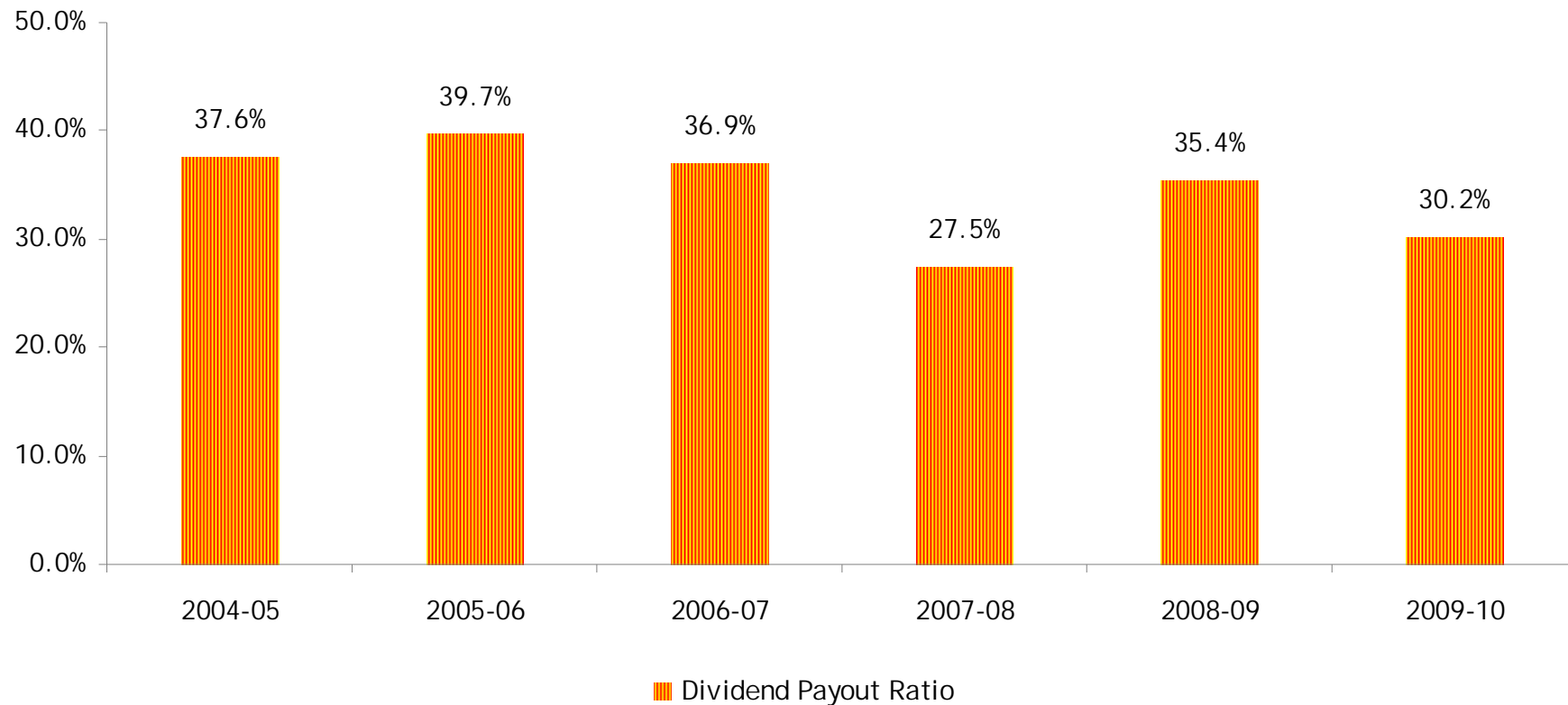
Delivering high Return on Capital Employed Consistently

Note :

ROCE = EBIT / Capital Employed

Adj ROCE is calculated after excluding CWIP (Elastomer project), Investment in liquid funds

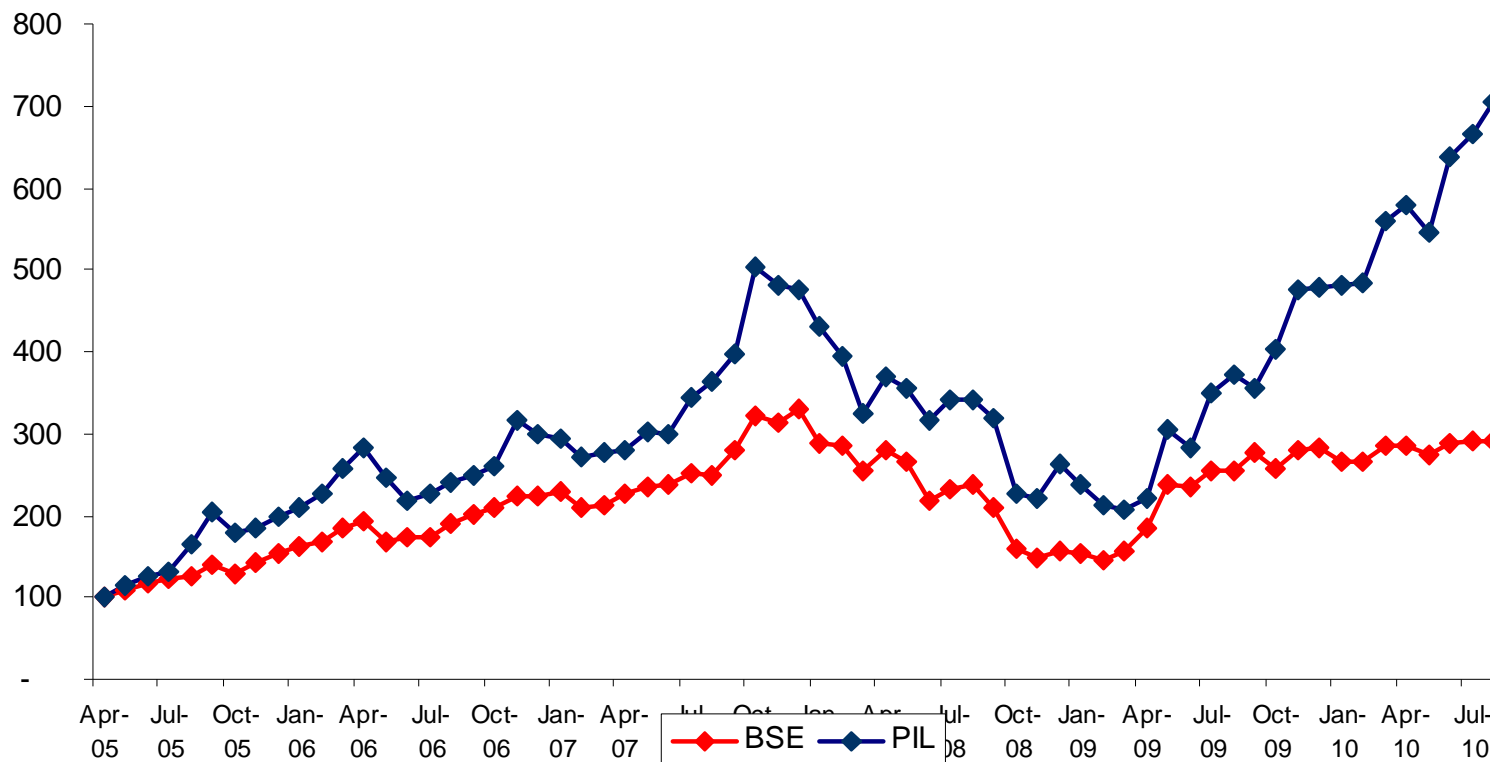
Consistent Dividend Payout



Note :

Dividend Payout = Dividend (incl Dividend Tax) / PAT

Share Price Performance



Outperformed the Benchmark Index

Business Review

Business Review



- Ø Consumer & Bazaar Products
- Ø Speciality Industrial Chemicals
- Ø International Businesses

Consumer & Bazaar Products



- ü Consumer & Bazaar Products accounts for 77% of Company's revenue.
- ü Consist of following product segment
 - o **Adhesive & Sealants (49% of Company's revenue)**
 - Leadership position in Adhesive and Sealant Segment
 - Established Brands
 - Extensive distribution network in place
 - o **Construction and Chemicals (18% of Company's revenue)**
 - High growth potential
 - Extensive product range
 - Focus on product application awareness
 - o **Art Materials and Others (10% of Company's revenue)**
 - Good growth potential
 - Wide products range - Art Stationary, Fabric care and Car care products

Major Brands



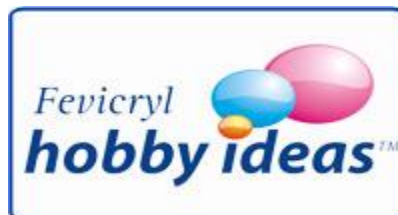
∅ Adhesive & Sealant



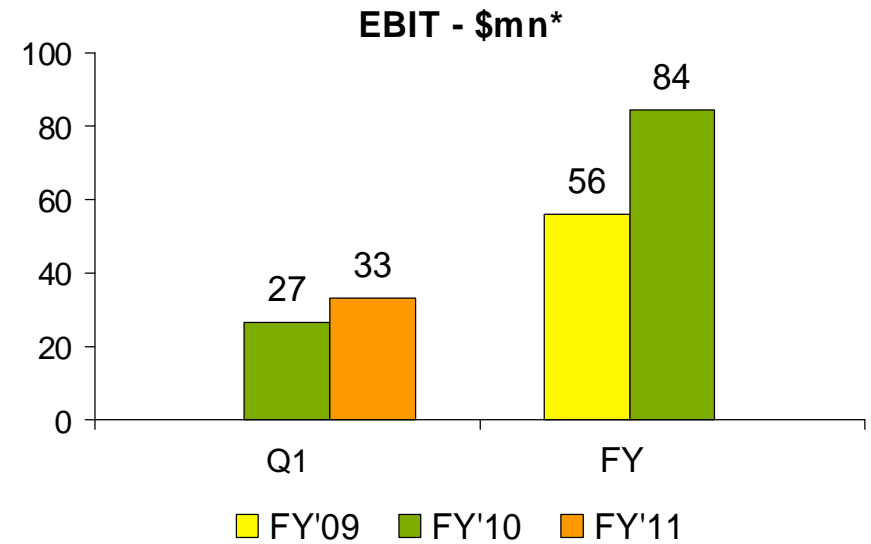
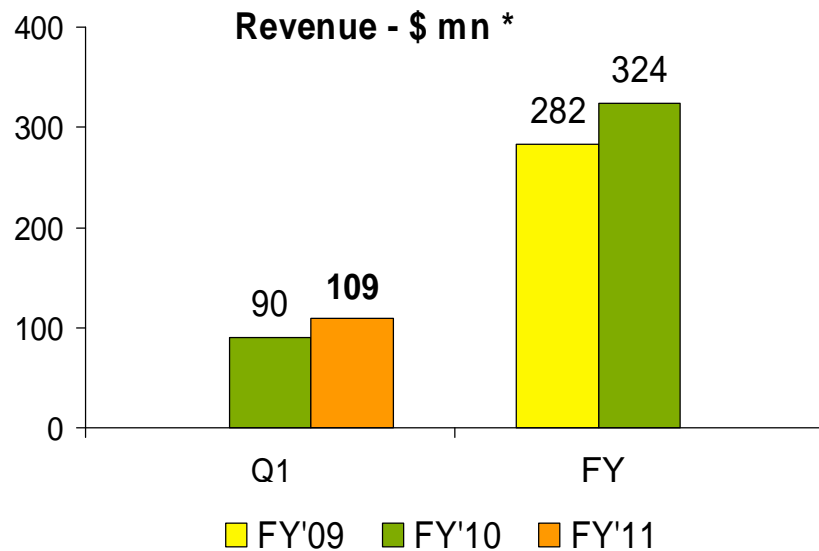
∅ Construction Chemical



∅ Art Materials & Others



Consumer & Bazaar Products



§ Revenue up by 21% in Q1.

§ Increase in input cost and Higher AS&P spend impacted Q1 margin.

§ EBIT up by 24% in Q1.

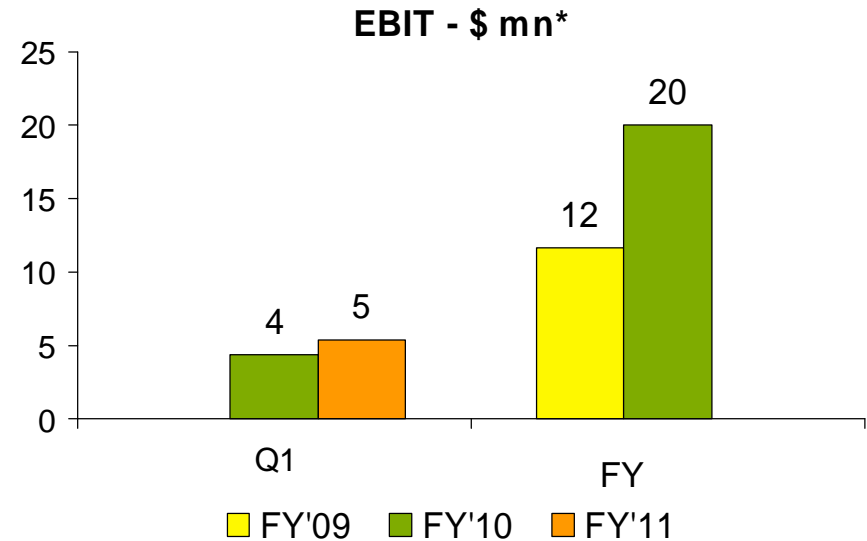
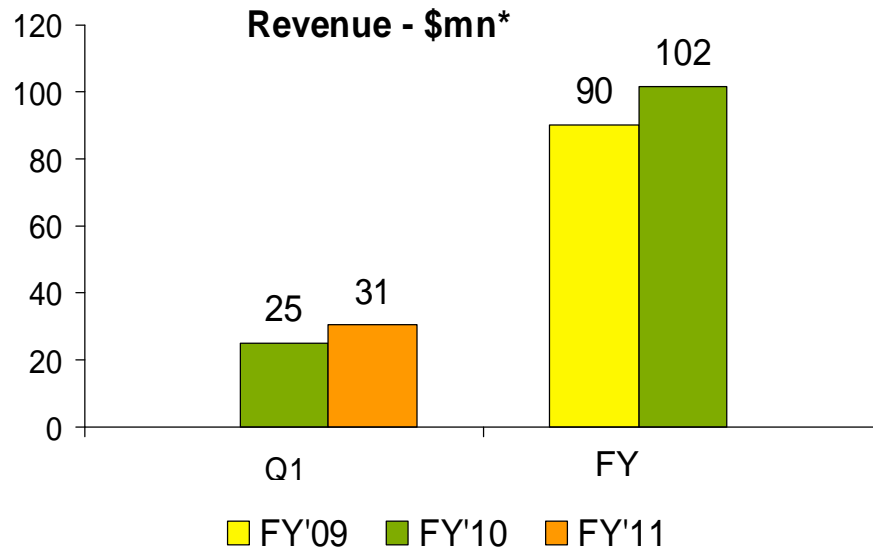
* Gross of Inter-segment

Specialty Industrial Chemicals



- ü Industrial Chemical accounts for 22% of Company's revenue
- ü Consist of following sub-segment
 - o **Industrial Adhesive (7% of Company's revenue)**
 - Leadership position in Adhesive
 - Extensive range of products catering to packaging, cigarettes, stock labels, stickers, footwear etc.
 - o **Industrial Resins (8% of total revenue)**
 - Specialty polymers and co-polymers for industries like paints, non-woven and flocked fabrics and leather
 - Significant Sales from Export
 - o **Organic pigments and preparations (6% of total revenue)**
 - Market leader in pigment dispersions for Textile segment
 - Pioneer in manufacturing Pigment Violet 23 in India
 - Significant Sales from Export

Specialty Industrial Chemicals



§ 24% jump in Revenue in Q1 (strong growth in both domestic & export business).

§ Increase in Input cost affected margins.

§ 24% growth in EBIT in Q1.

•Gross of Inter-segment
1\$ = 45.7

International Business



| Sales - \$ ('000) | Q1 | Q1 | FY |
|--------------------------|----------------|----------------|----------------|
| | 2010-11 | 2009-10 | 2009-10 |
| North America | 7,418 | 6,917 | 25,843 |
| South America | 6,134 | 5,484 | 22,382 |
| Middle East & Africa | 1,054 | 1,067 | 5,164 |
| South & South East Asia | 1,742 | 945 | 5,578 |
| | | | |
| Total | 16,348 | 14,413 | 58,967 |

- q All region except Middle East have shown good sales growth.
- q North and South America have reported 7% and 12% growth in sales respectively.
- q Bangladesh business which was started in H2 LY has performed well.
- q Economic slowdown impacted Dubai business.

International Business



| EBITDA- \$ ('000) | Q1 | Q1 | FY |
|--------------------------|----------------|----------------|----------------|
| | 2009-10 | 2010-11 | 2009-10 |
| North America | 344 | 483 | 465 |
| South America | 508 | 35 | 1,814 |
| Middle East & Africa | (227) | (449) | (935) |
| South & South East Asia | (109) | 298 | (98) |
| | | | |
| Total | 517 | 367 | 1,246 |

- q Higher Sales, coupled with costs saving (USA) has resulted in growth in EBITDA.
- q South America Q1 EBITDA is not comparable with LY to the extent of exceptional item of forex gain LY.
- q Middle East EBITDA was affected by lower Sales.

Consolidated Results

Consolidated Results



| \$ mn | Q1 FY'10 | Q1 FY'11 | % Change |
|----------------------------|---------------------|---------------------|---------------------|
| Net Turnover | 127 | 153 | 20% |
| Gross Profit* | 61 | 73 | 20% |
| EBITDA | 27 | 35 | 27% |
| Profit Before Tax | 22 | 29 | 33% |
| Profit After Tax | 18 | 23 | 24% |
| Gross Profit - % | 48% | 48% | |
| Return on Capital Employed | 33% | 39% | |

Note :

Gross Profit = Net Turnover less Material Cost

ROCE = EBIT / Capital Employed

Key Investment Considerations



- o High market share and strong position in most products and segments.
- o Strong portfolio of brands.
- o Majority sale from products and segment pioneered in India.
- o Track record of consistent growth.
- o Attractive return on capital employed.
- o Consistent dividend payout.

Disclaimer



This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.