



*Statement delivered by the Chairman, Mr. Derrick Samuel, at the 69<sup>th</sup> Annual General Meeting of Colgate-Palmolive (India) Limited held in Mumbai on Thursday, July 15, 2010.*

**Ladies and Gentlemen:**

It gives me immense pleasure in extending to you a warm welcome to the sixty-ninth Annual General Meeting of the Company. I am extremely delighted to have this maiden opportunity to address you all as the Chairman of this prestigious Company having been Managing Director here 8 years ago. Let me say at the outset that I appreciate your interest in your Company and want you to know how pleased we are to have you with us today.

The global economic scenario improved considerably during the year 2009-10 on recovering from the after effects of the economic downturn. The Indian economy has shown resilience and recovered faster from the crisis due to the combined and timely efforts of the Government of India and Reserve Bank of India. This is reflected in the industrial output growth of 10.4 per cent for the year 2009-10 as against 2.8 per cent growth recorded in the previous year. In this environment, I am pleased to state that your Company has delivered a commendable performance not only in the area of sustained business growth but also in other key areas as are evident from the following:

- a) Sales increased by 16 per cent to Rs. 1,962 crore;
- b) Toothpaste business registered an impressive volume growth of 14 per cent;
- c) Profit after tax grew by 46 per cent to Rs. 423 crore;
- d) Earnings per share registered a robust growth of 46 per cent;
- e) Strong cash generation of Rs.397 crore.

Considering the Company's impressive business performance and strong cash generation, your Board declared a dividend of Rs. 20 per share for the year 2009-10 as against Rs.15 per share in the previous year – an increase of 33 per cent.

Your Company ended 2009-10 with an excellent business performance. We have begun 2010-11 with positive business momentum with the expectation that the country will be blessed with a good monsoon. The market shares of your Company's products are steadily improving. Although your Company expects competitive and economic challenges to continue, your Board remains confident that the Company has the right strategy to build on its past successes.

Your Company will continue to focus on its following four well-defined proven strategic initiatives:

- Focusing on consumers, the profession and customers
- Driving innovation
- Increasing effectiveness and efficiency and
- Strengthening leadership

These initiatives have helped your Company succeed in strong as well as weak economic environments. I will now share these initiatives in brief so that the shareholders will have an idea how sound the Company's business strategy is to achieve its business goals set for the year and thereafter.

Strengthening your Company's connection with consumers and providing them with innovative, value-added products is the cornerstone of your Company's strategy to drive growth. With more than half of purchase decisions now being made in the store, connection with consumers while they shop has become increasingly important to study their behavior. The shopper marketing initiatives focus on analyzing in-store behavior to convert shoppers into buyers. Your Company is also reaching consumers with integrated marketing communications that include a mix of traditional and new media as well as creative promotional activities. These initiatives not only enable your Company to build a good connection with consumers but also help develop innovative, value-added products to meet consumer needs and drive growth.

Your Company's strong relationship with dental professionals builds credibility and earns their endorsement and long-term brand loyalty for Colgate's oral care business. Colgate has recently developed a training program for the Company's professional sales force known as Detailers who visit dental clinics. This program develops Colgate Detailers to serve as oral care consultants to provide valuable scientific information to dental professionals. This strategy builds credibility with the dental professionals and has contributed to Colgate toothpaste being the brand recommended and used most often by dentists.

Your Company has been working closely with thousands of small shop owners and local wholesalers to ensure greater availability of products as well as provide the right assortment of products with best visibility on the store shelf. This initiative helps your Company identify ways to offer shoppers the best value and service to drive growth. Your Company firmly believes in treating all customers with transparency, fairness and integrity. In fact, all employees dealing with customers are required to complete a workshop on implementing the Company's commercial selling principles which set forth guidelines on how to achieve Colgate's business goals in a dynamic marketplace while maintaining the Company's commitment to its values and to upholding the highest ethical standards in its business dealings.

Innovation is a cornerstone of Colgate's strategy to drive growth. While innovation in new product development is key, equally important is innovation throughout all of the Company's business functions and processes. Innovation is encouraged and rewarded across all functions and processes because creative thinking is a key ingredient in driving profitable growth.

Your Company continuously looks for more efficient ways of doing business in order to fund marketing activities and deliver greater profitability. One of the initiatives taken by your Company is Colgate Business Planning, a fully integrated commercial planning and execution discipline, from the budget process through to the store shelf. Supported by SAP software, this incorporates a strong return on investment methodology into all work routines, which together with greater focus on the customers and regular meetings to assess performance against goals, fosters executional excellence.

Your Company's long-term success and sustainable business growth are linked to its culture which encourages all Colgate people to demonstrate personal leadership everyday. Personal leadership involves not only delivering superior business results but also dedication to Colgate's global values of caring, continuous improvement and global teamwork. Your Company's commitment to developing personal leadership is a formal process that includes goal setting, training courses to strengthen skills and support personal development with ongoing feedback from managers.

Leadership at Colgate extends to caring for our community. Your Company has been conducting a school education program (now called Bright Smiles Bright Futures Program) wherein your Company partners with Indian Dental Association (IDA) to spread oral health awareness among school-going children in urban and rural schools. To date, 83 million school children in urban and rural areas have benefited from this program. Your Company also conducts in conjunction with IDA a Teachers' Training Program to enable teachers to instill good oral habits among school-going children on an ongoing basis and till date, 2,43,500 teachers have undergone this training.

In addition to our sound business strategy, the most important competitive advantage of your Company is the brand "Colgate" – an iconic and the Most Trusted Brand in India which enjoys unrivalled equity with consumers, trade and dental profession alike.

The most critical source of your Company's competitive advantage is our people. Your Company is well known for attracting, developing and retaining amongst the best talent in India. Finally your Company continues to leverage Colgate's world-class Global R&D capability to develop products for consumers of all socio-economic segments, besides working on all aspects of the supply chain to reduce the cost of materials and effect import substitution, to improve operational efficiency and productivity.

We are, therefore, confident that with the India's Most Trusted Brand, proven business strategy, committed people and unstinted support from the world-class Global R&D, your Company is well equipped to achieve the business goals set for the year.

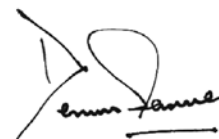
Finally, I would like to sincerely thank all my colleagues on the Board for their continued assistance, support and wise-counsel.

I would also like to express my appreciation for the efficient and loyal services rendered by the Company's employees at all levels. Without their daily efforts and contributions, our success would simply not be possible.

I must also express my gratitude to our many business partners, our stockists, distributors, retailers and suppliers for their continued support.

Most importantly, I want to thank you, our shareholders, personally and on behalf of the Board for your sustained support and confidence in the Management of your Company.

We remain, as always, committed to serving you and we will continue to do our best to deliver superior value to all stakeholders.

A handwritten signature in black ink, appearing to read "Anurag K. Mehta", written over a horizontal line.

Chairman

Mumbai, July 15, 2010

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(This does not purport to be the proceedings of the Annual General Meeting)