

Welcome to Colgate-Palmolive India



COLGATE-PALMOLIVE (INDIA) LIMITED

ANALYST MEET – MAY 2008



COUNTRY STATISTICS

1. Economy* :
 - Inflation at 7.8% (# May 2008)
 - US \$ 300 bn in foreign exchange reserves
 - Infrastructure investment expected – US \$ 492bn
 - F/X @ 42.70/\$ (# May 2008)

2. Growth Rates* :
 - GDP 8.7%
 - Industry 8.9%
 - Agriculture 2.6%
 - Service sector 10.7%

3. Rural Bias** :
 - 772 mn people = 72% of the population live in villages
 - Agriculture contributes 20 % of India's GDP
 - Literacy rate 59% - communication is difficult
 - Only 80% villages are electrified

* Source : Citibank

** Source : 2001 Census Data

indicative



COUNTRY AND INDUSTRY PROFILE



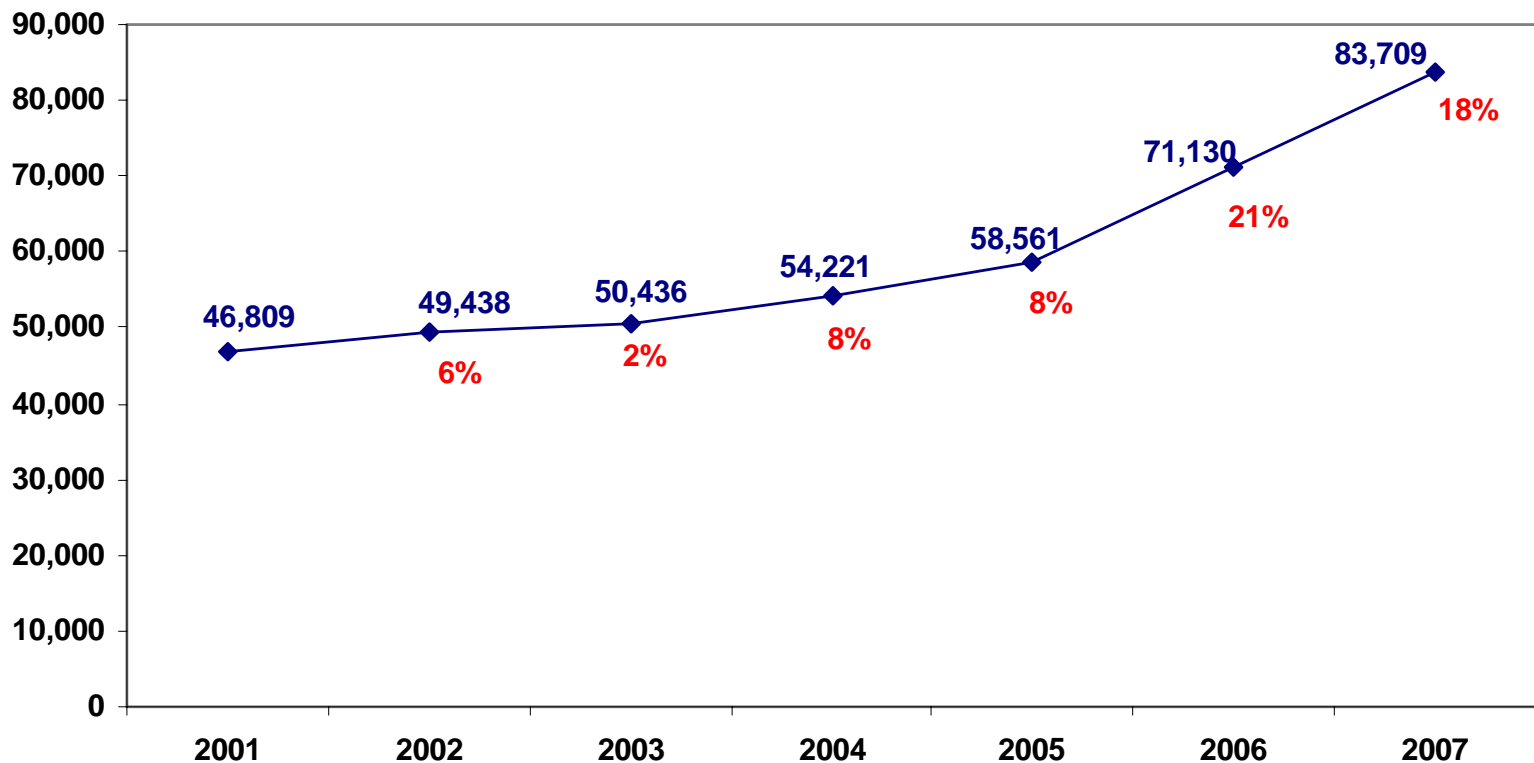
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ANALYST MEET – MAY 2008



FMCG sector continues to be buoyant

Rs. In Million



Source: AC Nielsen Retail Measurement Services

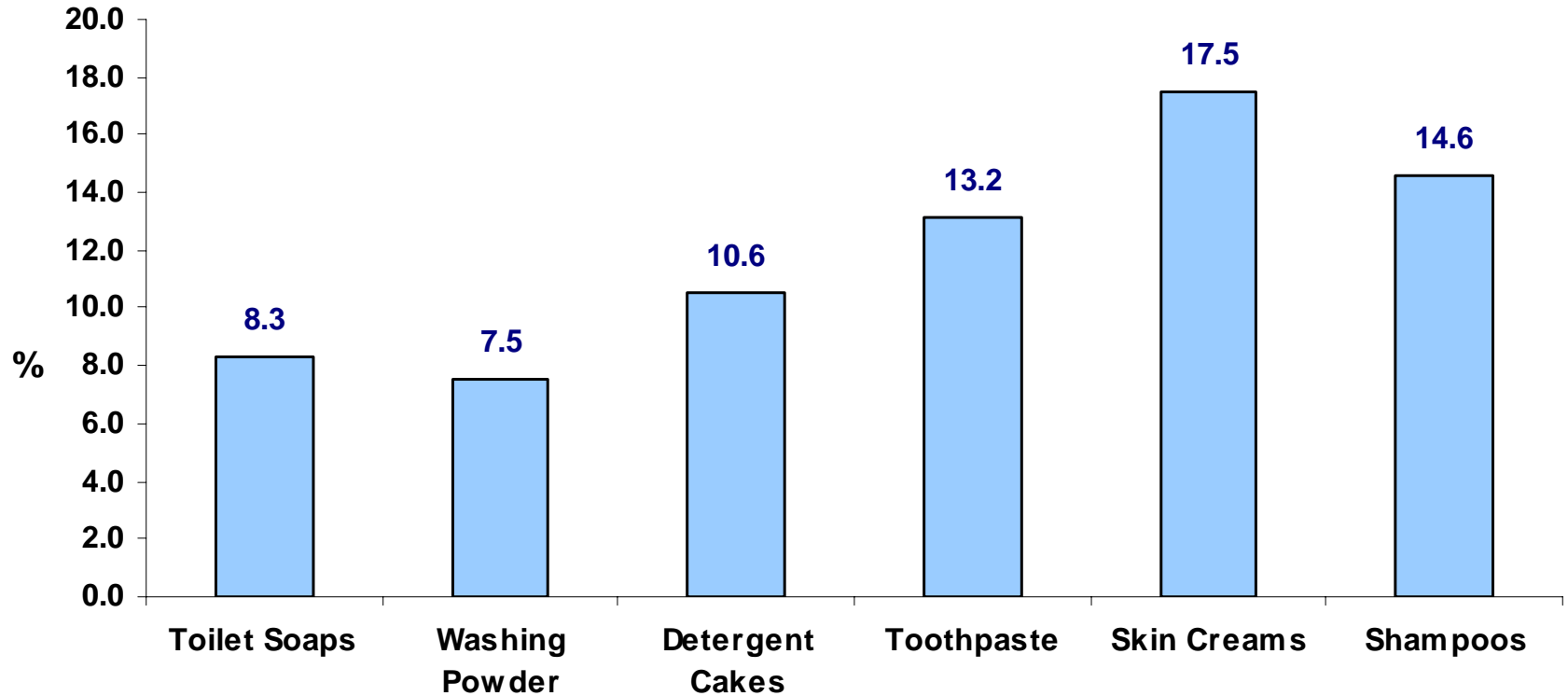


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Growth in all key categories including toothpaste

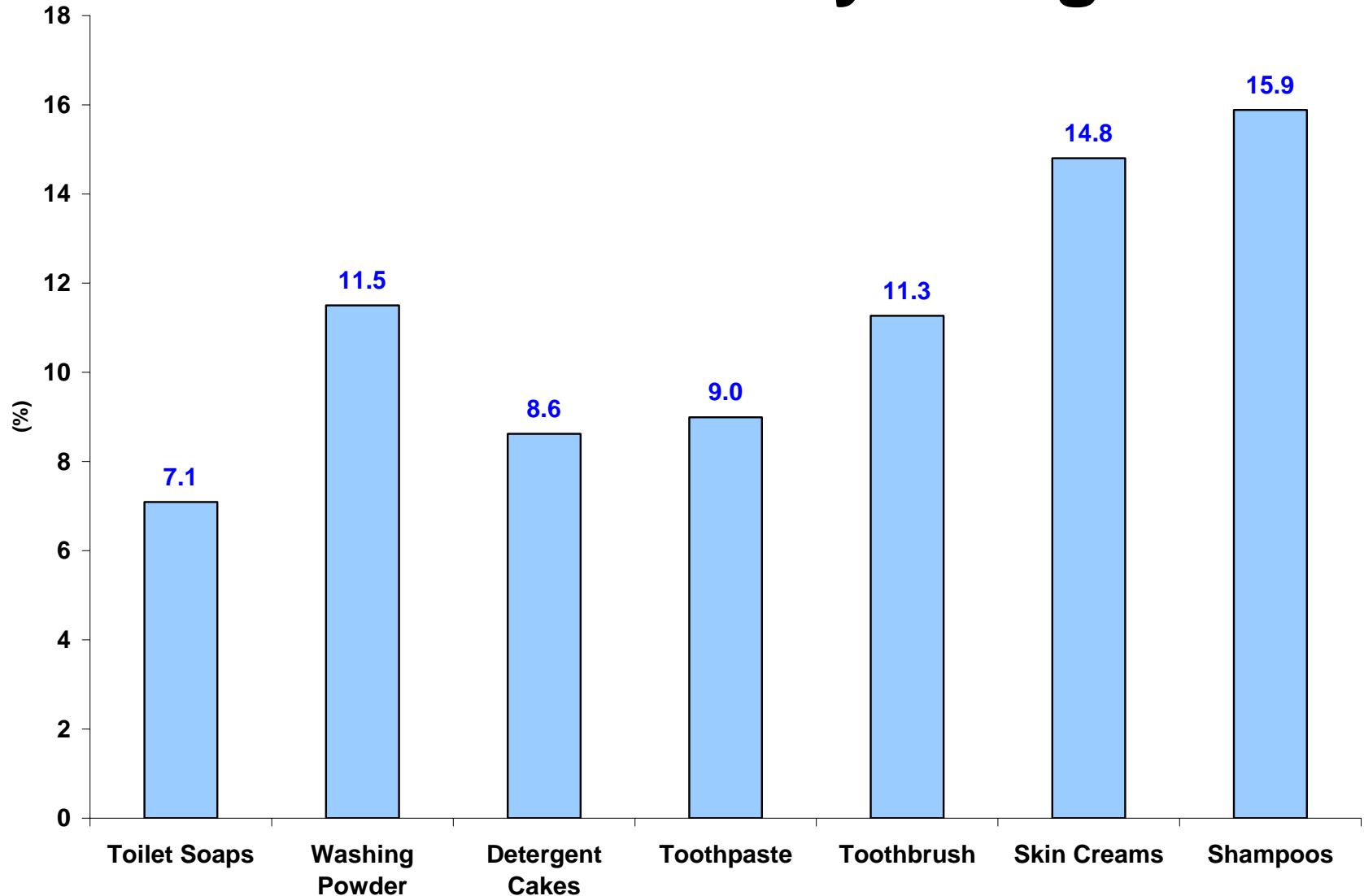


Growth in categories is Value based

Estimates based on data from AC Nielsen Retail Measurement Services



3 Yr. Growth in all key categories



Growth in categories is Value based

Estimates based on data from AC Nielsen Retail Measurement Services



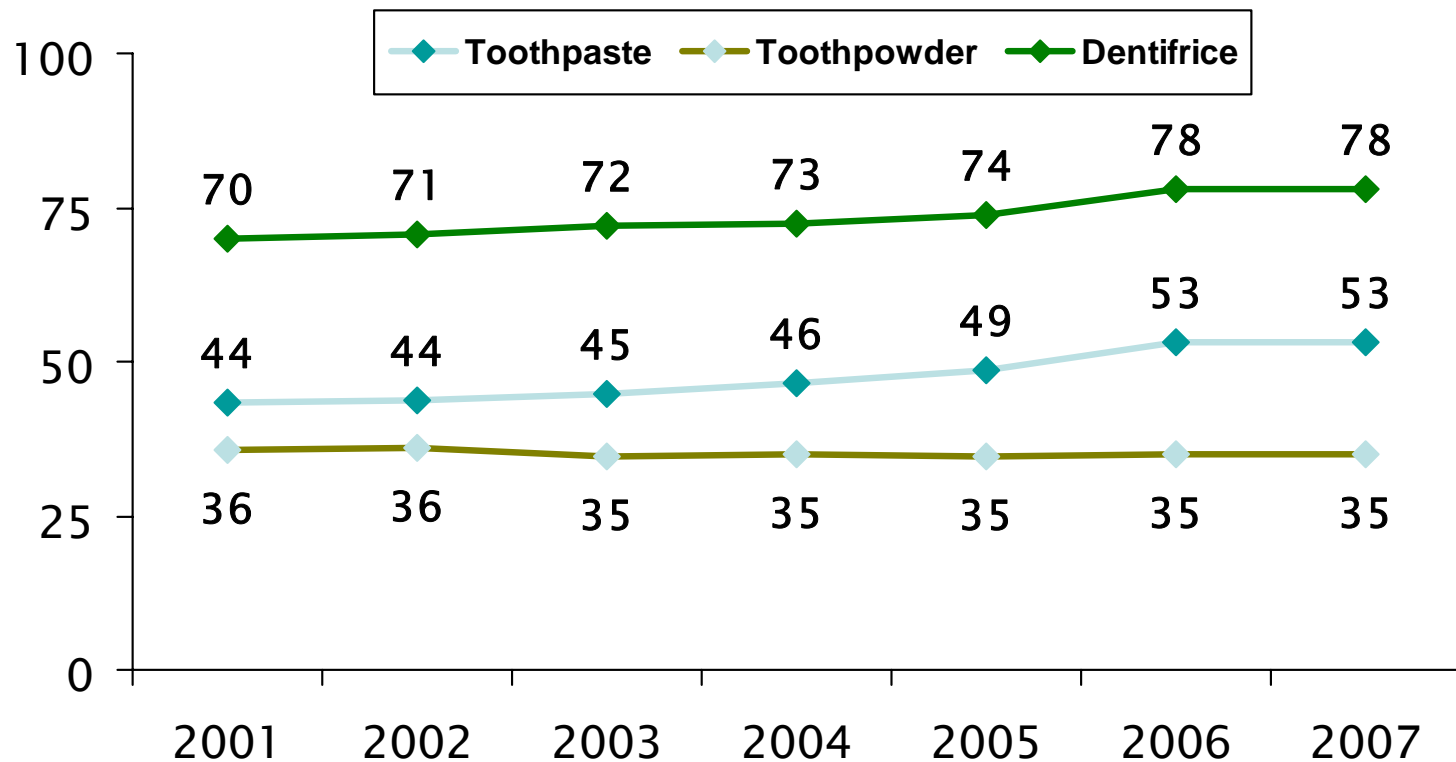
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Indian Oral Care market offers significant opportunities to drive penetration

Category Penetration



Source: Indian Readership Survey
Dentifrice = Toothpaste or toothpowder



Opportunity to increase per capita consumption by increasing the frequency of brushing teeth

	Per Capita Consumption (Grams/HH/Month)	%age - twice a day brushing
China	219	61%
Malaysia	285	86%
India - Urban	92	7%

Source: AC Nielsen Retail Measurement Services
& Indian Readership Survey



COMPANY PROFILE



COLGATE-PALMOLIVE (INDIA) LIMITED

ANALYST MEET – MAY 2008



LEADERSHIP TEAM



ROGER CALMEYER
VP SOUTH ASIA & MD INDIA



MOSES A ELIAS
EVP & CFO

LAURENCE WHEELER
EVP – MFG & PSC



SHEKHAR BHARATWAJ
VP - CUSTOMER DEVELOPMENT

PRABHA PARAMESWARAN
VP - MARKETING



K V VAIDYANATHAN
LEGAL DIRECTOR &
CO. SECRETARY

VP - HUMAN RESOURCES



SANJEEV DALI
DIRECTOR GSSO

SURENDRA MANEK
V-P IGTC



HISTORY

- Incorporated in 1937
- Only CP subsidiary publicly listed with shares traded on a Stock Exchange

1937 – 1978	Pvt. Ltd. Co.	Colgate-Palmolive Co – 100%	Indian Public – NIL
1979 - 1993	Public Ltd. Co.	Colgate-Palmolive Co – 40%	Indian Public – 60%
1994 - 2005	Public Ltd. Co.	Colgate-Palmolive Co – 51%	Indian Public – 49%
2006	Public Ltd. Co.	Colgate-Palmolive Co – 40%	Colgate-Palmolive (Asia) Pte. – 11% Indian Public – 49% (Comprising of Indian Financial Institutions 13% Foreign Financial Institutions 8% Pvt. Corporates 4% Individuals 24%) Total nos shareholders : 136,015)

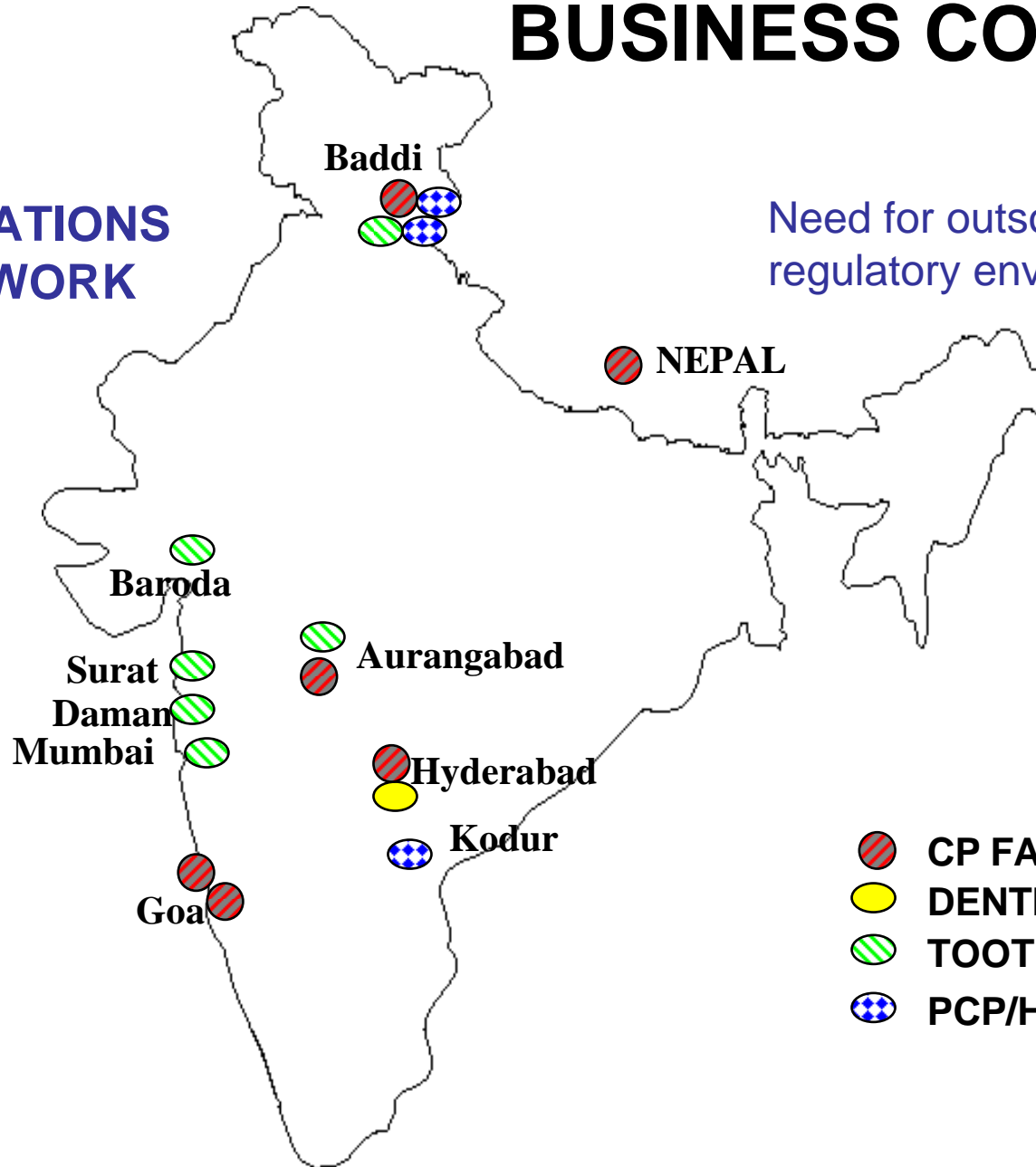
2007 Reduction of Capital (Face Value of share reduced from Rs 10 to Re 1)
Rs 9 paid back to shareholders in Dec 2007







BUSINESS COMPLEXITY

OPERATIONS NETWORK

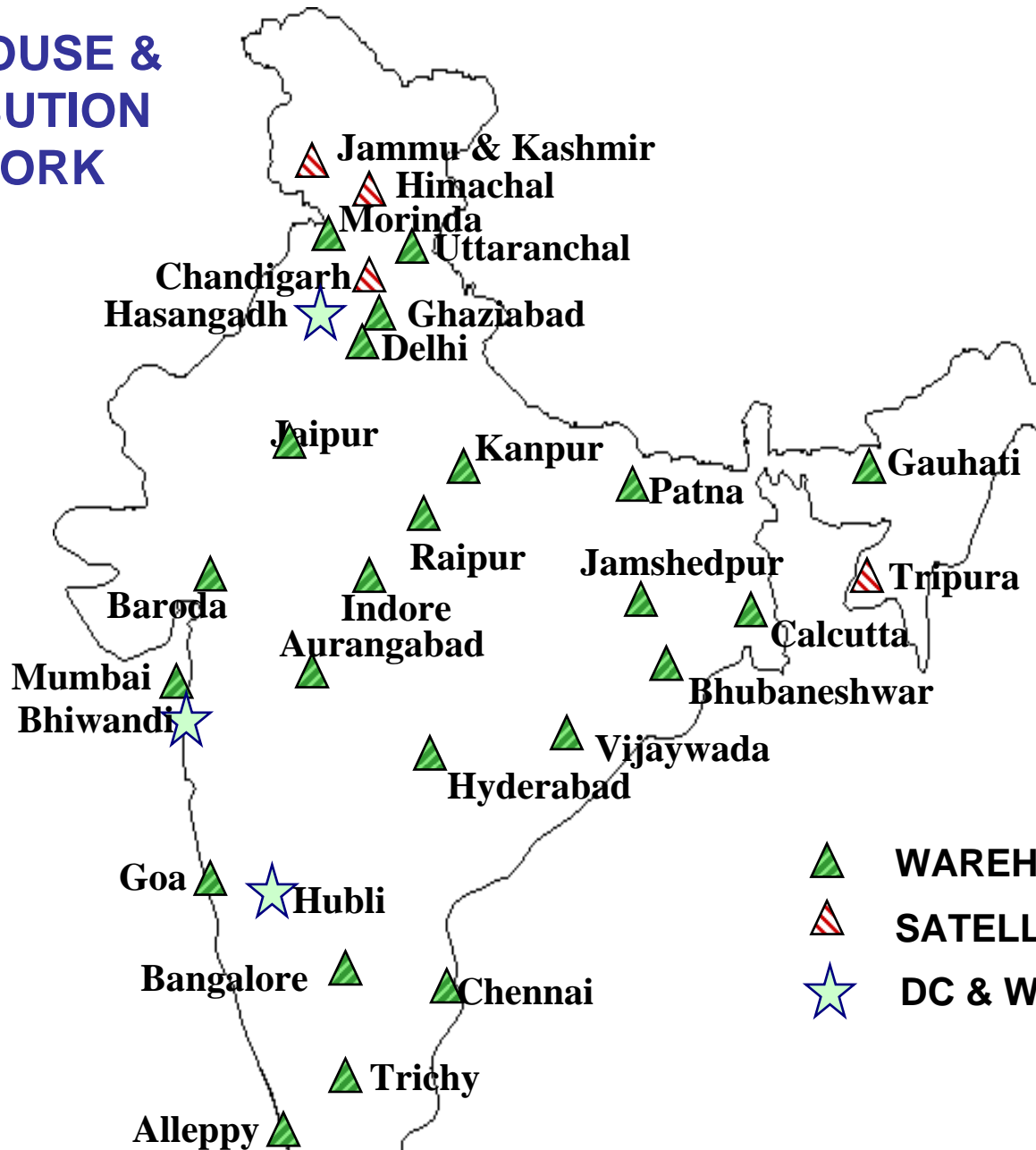
Need for outsourcing due to historical regulatory environment



-  CP FACTORIES - 6
-  DENTIFRICE CM's - 1
-  TOOTHBRUSH CM's - 6
-  PCP/HCP CM's - 3



WAREHOUSE & DISTRIBUTION NETWORK



Historically each State has had its regime of sales & local taxes, in addition to a Central Sales Tax

-  WAREHOUSES - 23
-  SATELLITE WH's - 4
-  DC & WAREHOUSES - 3



CATEGORIES / PRODUCTS



Oral Care

- ▶ Toothpastes
- ▶ Toothbrushes
- ▶ Toothpowder
- ▶ Whitening Products



Personal Care

- ▶ Shower Gel
- ▶ Shower Crème
- ▶ Thermal Spa
- ▶ Liquid Hand Washes
- ▶ Shave Preps
- ▶ Skin Care



From The Dentist

- ▶ Gingivitis Treatment
- ▶ Sensitivity Treatment
- ▶ Tooth Whitening
- ▶ Fluoride Therapy
- ▶ Mouth Ulcer Treatment
- ▶ Speciality Cleaning





Colgate



**INDIA'S MOST
TRUSTED
BRAND**

Colgate was voted “The Most Trusted Brand” in India for the fourth consecutive year in the Brand Equity ORG-MARG ACNielsen survey across all brands and categories. This is the sixth survey and “Colgate” has been the only brand to be consistently ranked in the top 3 for all the six years and to hold the leadership for four consecutive years.



MOST TRUSTED BRAND



- ✓ Ranked India's # 1 Most Trusted Brand for the **4th time in a row** in the Brand Equity – A.C. Nielsen 2007 Survey
- ✓ Only Brand to be ranked among the **top 3 in all the 6 surveys** conducted so far
- ✓ Only one to retain the **premier position across categories for 4 consecutive years**
- ✓ Prior to this, Colgate was also rated as the **#1 brand by the A&M- MODE Annual Survey for India's Top Brands for eight out of nine years** during the period 1992 to 2001.



DISTRIBUTION NETWORK

- 1843 direct accounts & 3,814,284 indirect accounts
- 2nd most widely distributed product in the country
- Numeric Distribution of CP Paste @ Dec 2007:

Urban	83.4%
Rural	76.2%
Urban + Rural	79.5%



Strategic Position

<u>Category</u>	<u>Value SOM %</u>	<u>Market Position</u>	<u>Relative Share</u>
Tooth Paste	48.4	1	1.6
Tooth Powder	44.3	1	1.4
Tooth Brush	34.9	1	2.2
Liquid Handwash*	6.9	4	0.1

Source: AC Nielsen Retail Measurement Services

Period : Jan+Dec 07

* Urban only



Share of Market Toothpaste

	2005	2006	2007	CY Q1 2007	CY Q1 2008	2007-2006
Colgate	46.7	47.8	48.4	48.2	48.3	0.6
Competitor 1	32.1	30.4	29.9	30.0	29.8	(0.6)
All Other	21.2	21.8	21.7	21.8	22.0	(0.1)

- Share of market - Value

- Source: AC Nielsen Retail Measurement Services



Share of Market Toothpowder

	2005	2006	2007	CY Q1 2007	CY Q1 2008	2007-2006
Colgate	46.6	44.2	44.3	44.2	45.5	0.1
Competitor 1	31.5	31.0	31.0	31.6	30.0	(0.1)
All Other	21.9	24.8	24.7	24.2	24.5	(0.0)

- Share of market - Value

- Source: AC Nielsen Retail Measurement Services



Share of Market Toothbrush

	2005	2006	2007	CY Q1 2007	CY Q1 2008	2007-2006
Colgate	30.9	34.4	34.9	34.9	37.2	0.5
Competitor 1	19.9	16.5	15.5	16.7	13.9	(1.0)
Competitor 2	11.6	9.9	15.9	13.2	17.6	6.0
All Other	37.7	39.2	33.7	35.2	31.2	(5.5)

- Share of market - Value

- Source: AC Nielsen Retail Measurement Services



BUSINESS MODEL

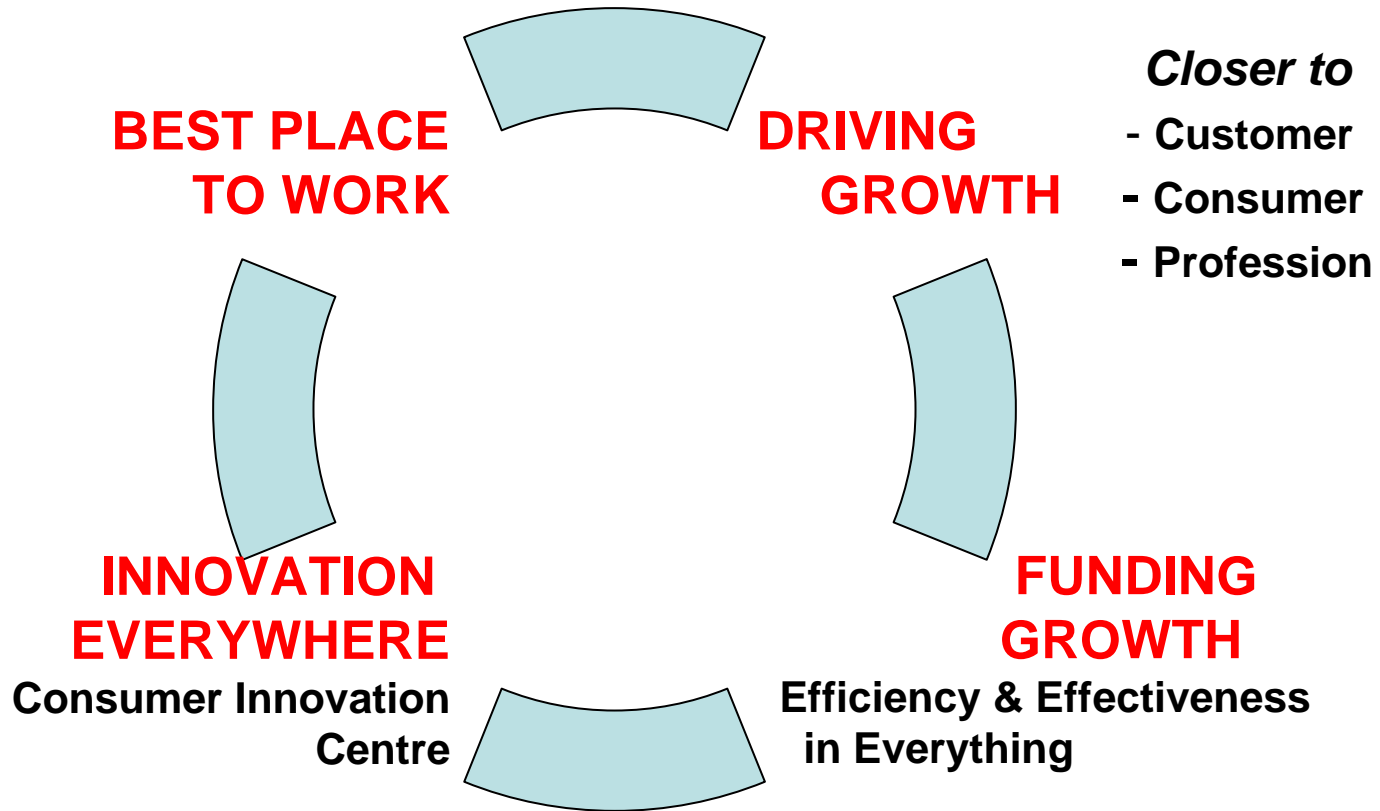


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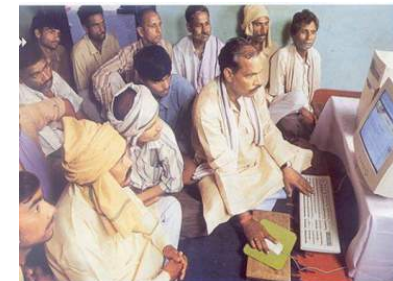


BUSINESS MODEL



Closer to the Customer....Disha & eChoupal

- 50% of India's GDP and purchasing power lies in rural
- Only 60% of villages are connected by an all weather road
- Currently CP reaches only 79% of the universe, barriers to further coverage expansion being
 - Inefficient last mile logistics
 - Scaling up distribution through stockist is expensive and difficult to track
- Advent of two new rural coverage projects for rapid distribution in rural areas :
 - ✓ *Ride with someone who goes deeper – eChoupal (village gathering place)*
 - ✓ *Train independent traders to go deeper - Disha*



Closer to the Customer....Disha & eChoupal

eChoupal

E-Choupal is a concept wherein trained farmers (Sanchalak) manage prominently located IT enabled Choupals

Activity increased from 120 choupals (Jan 05) to 5,335 choupals (Dec 07)

Disha

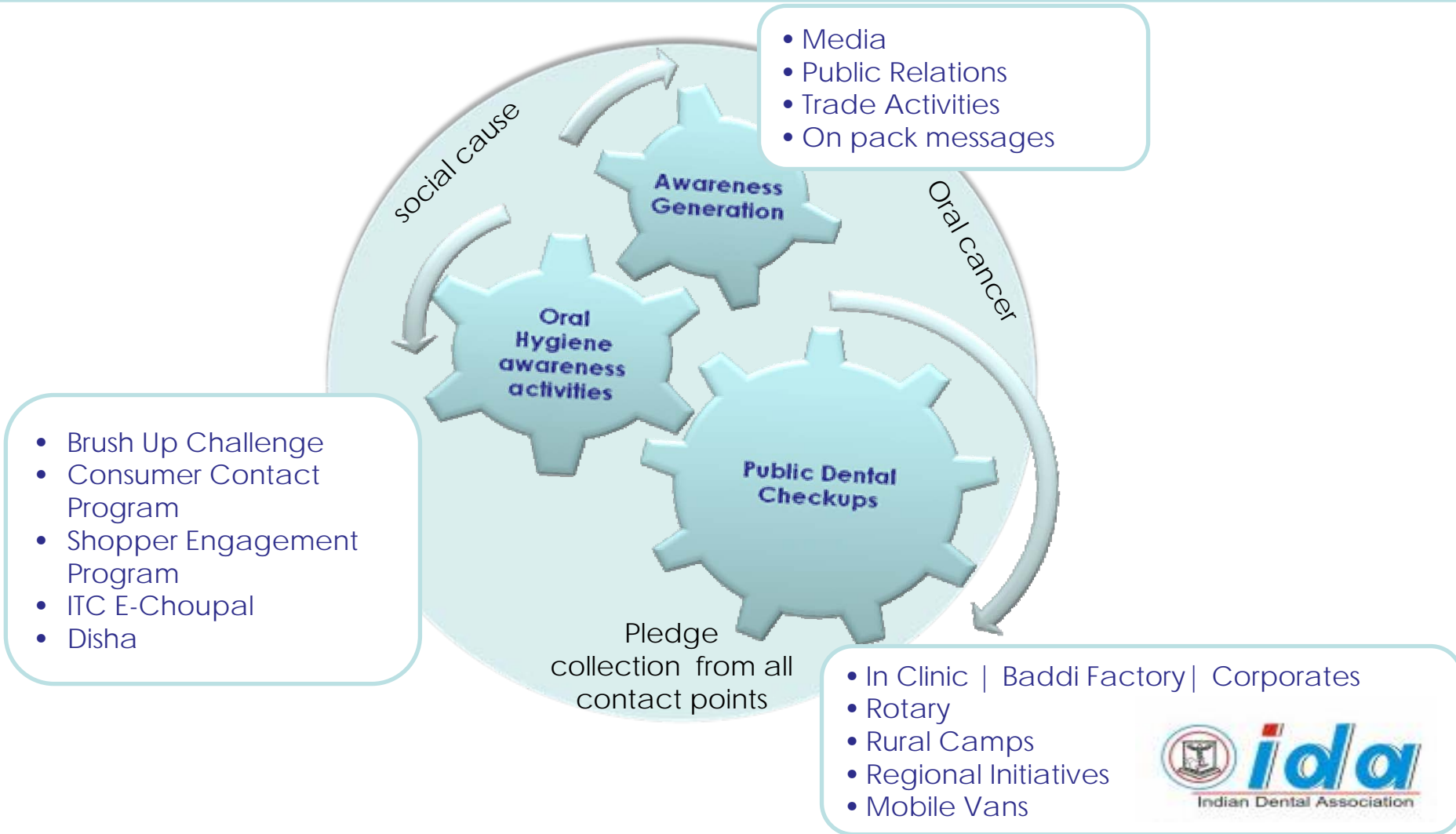
Disha covers 47,000 Haats – unregulated periodic markets (market size - US \$1.0 billion) at 1/100 of the conventional cost using unemployed youth in rural India

No of villages covered - increased from 162 (Dec 04) to 4,620 in (Dec 07)

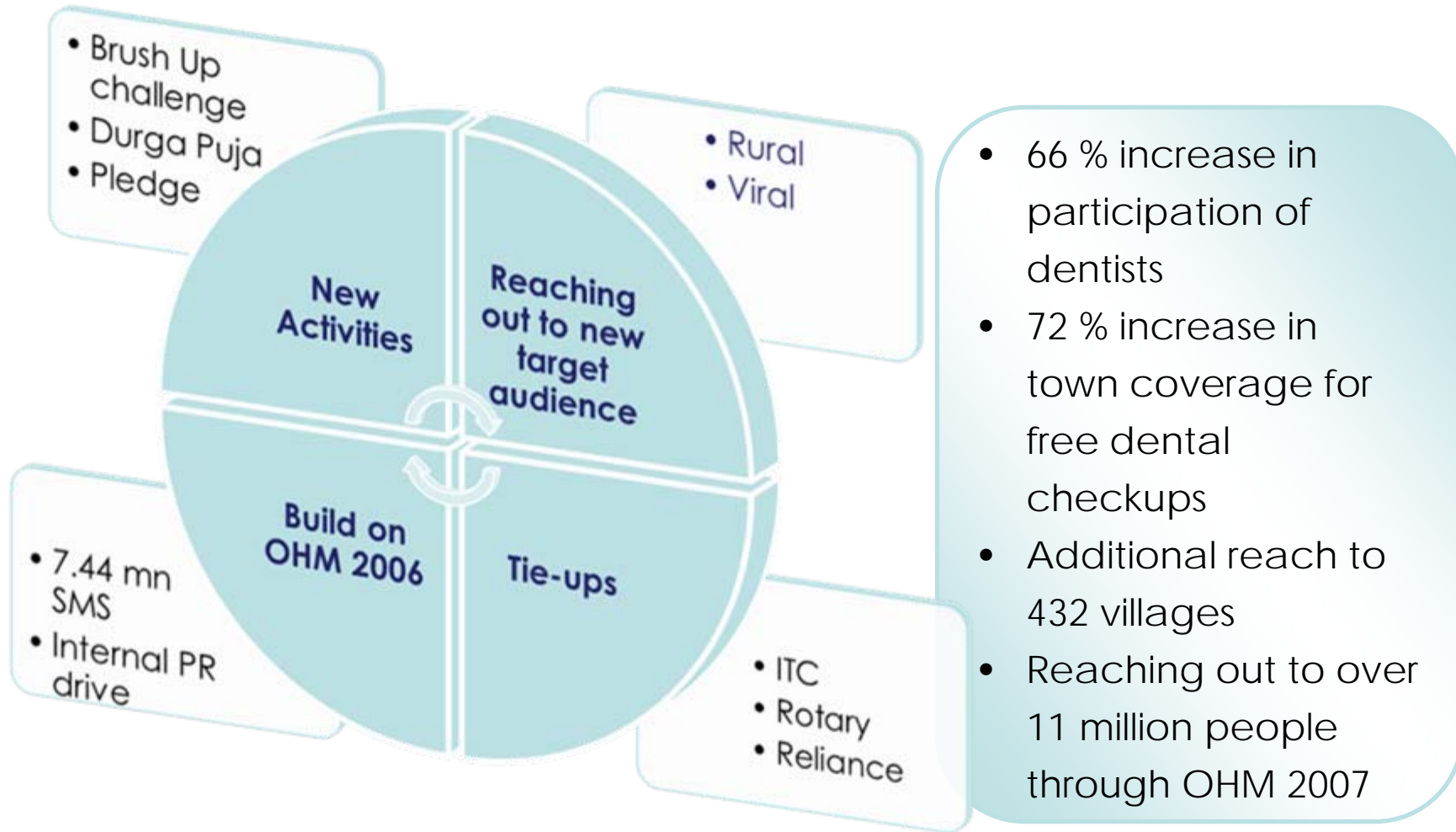


OHM 2007 – The wheels in motion...

'Supporting the treatment of oral cancer patients' *Collection of pledges* from all contact points



OHM 2007 -Innovation Everywhere



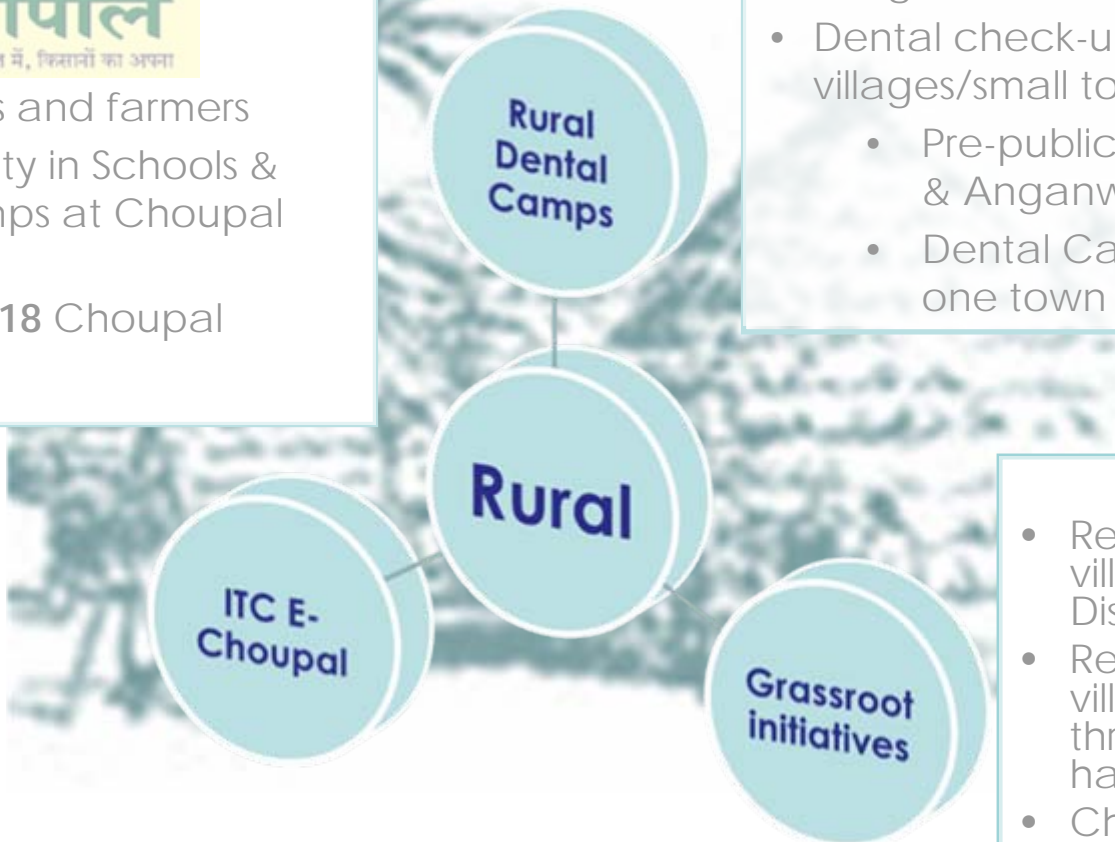
OHM 2007 - Rural Initiatives

Reaching out to Rural India for the first time with a 3 tier approach



- Target Schools and farmers
- Brushing Activity in Schools & Checkup camps at Choupal Sagars
- **181** villages & **18** Choupal Sagars

- Target: **30K – 100K** population villages
- Dental check-up camps in **42** villages/small towns
 - Pre-publicity unit in schools & Anganwadis for 1 day
 - Dental Camp for 2 days in one town



- Reaching out to **156** villages with project Disha in UP
- Reaching out to **36** villages in Maharashtra through schools and haats
- Checkups in Kota Dussera Mela

Pledge collection at all customer contact points



Colgate Brush Up Challenge

Created a Guinness record in '*Most people brushing their teeth (multiple venue)*' with 177,003 kids brushing at the same time



Centralized Brushing

- 9th October - Delhi
- 5,000 Students
- Celebrity Saif Ali Khan to flag off event
- Indian Dental Association supervision

Satellite Brushing

- 9th October 2007
- Across 390 schools in 22 cities
- 190,000 students
- Indian Dental Association supervision



CERTIFICATE

The most people brushing their teeth simultaneously was 177,003 at 380 locations across India for an attempt organized by Colgate-Palmolive (India) Ltd in association with the Indian Dental Association (IDA) on 9 October 2007



GUINNESS WORLD RECORDS LTD

***Closer to the* Professional....Professional Oral Care**

- Leverage long standing partnership with the Indian Dental Association built on trust with the profession
- Professional endorsement / recommendation for our brands drives consumer preference
 - Builds credibility
 - Reinforces therapeutic superiority
- Dental profession also a source of business for professional products
- Significant enhancement of dentist detailing reach
 - 30,000 dentists (60% of dentist universe) under detailing coverage in 2007
- Professional oral care distribution network consolidated in 60 towns



Closer to the Profession.... Professional Oral Care

	Year	BRMO		BUMO	
		Colgate	Comp	Colgate	Comp
Toothpaste	2007	80%	4%	87%	5%
	2006	77%	3%	86%	5%
	2005	75%	6%	82%	5%
Toothbrushes	2007	71%	14%	75%	16%
	2006	61%	17%	66%	21%
	2005	54%	23%	62%	23%

BRMO - Brand Recommended Most Often by Dentists

BUMO - Brand Used Most Often by Dentists

Source : Dentist Track 2006 and 2007



Efficiency & Effectiveness in Everything....

GTC India

Competencies

- ✓ Product Development : Dentifrice, Soaps, Creams, Talc
- ✓ Analytical & Micro : Across all Categories
- ✓ Global Stability Studies : UAP, PCP and OC
- ✓ Technical Consumer : Oral Sensory Panel
Skin Sensory Panel
Odor Evaluation Board
- ✓ Clinical : UAP, Skin, Oral care
- ✓ Global Statistical Support



Efficiency & Effectiveness in Everything....

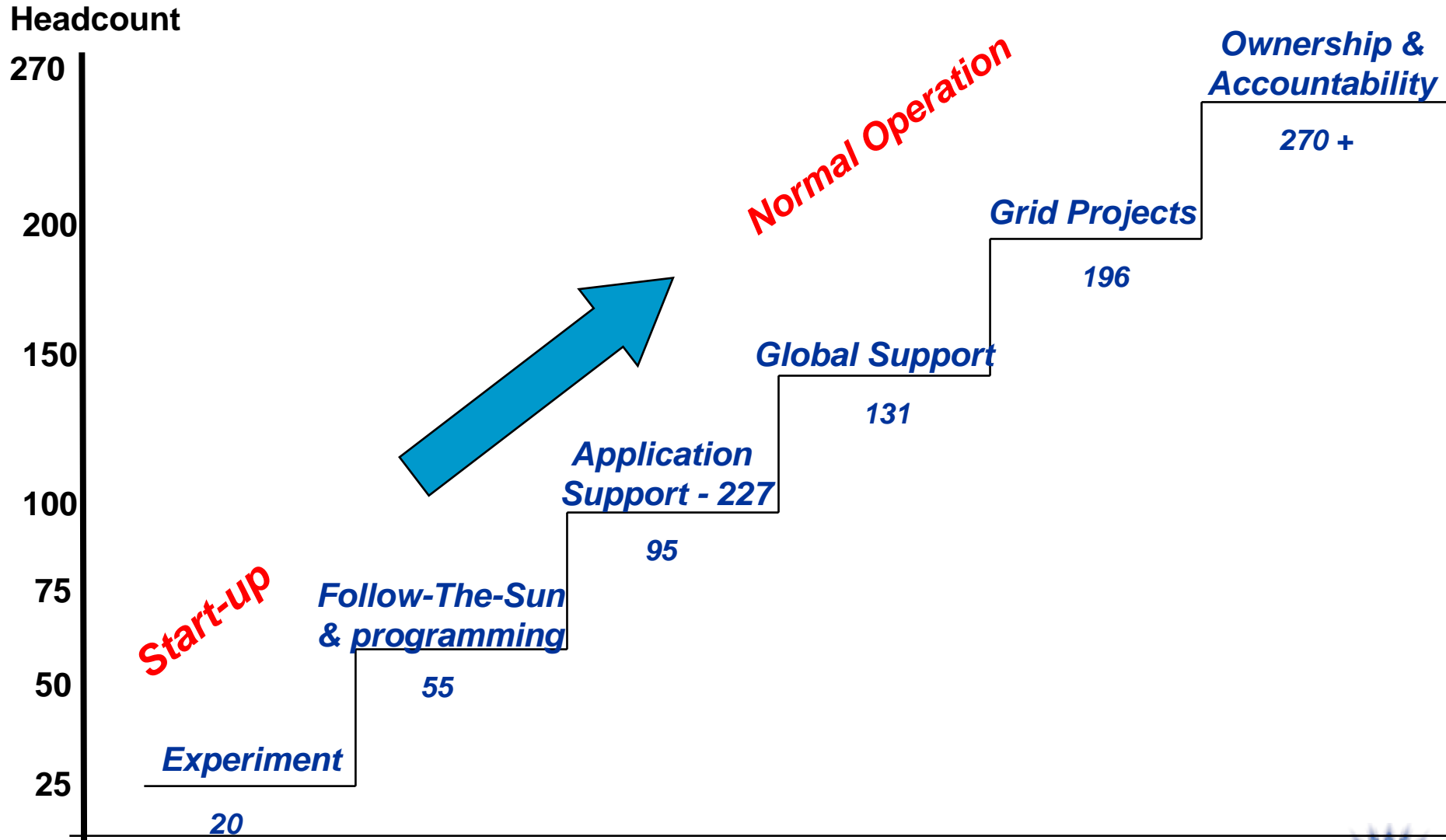
Global Shared Services Organisation - GSSO

- Expanding Global IT capacity & providing resources with leading edge Technology talent
- Provide world class IT Services to Colgate Business worldwide
- Performance and Reliability as #1 priority
- Integrate seamlessly (ONE team) with all Shared service Organizations, Global Development and Enterprise Data center
- Leverage time difference - Follow-the-Sun approach (Enterprise Data Center / End User Computing)



Efficiency & Effectiveness in Everything....

GSSO Ramp up



October 2004
COLGATE-PALMOLIVE (INDIA) LIMITED

October 2005
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October 2006

January 2008
ON THE GROUND

Efficiency & Effectiveness in Everything....

Billing Update on Mobile Phones

- Provide the latest billing information to concerned CP Sales employees via an SMS.
- “In-house” web application to keep track of sales performance
- Integration of Colgate’s application with the mobile service provider’s application, allowing billing data to be downloaded from SAP
- Billing information is now available from anywhere on a 24x7 basis
- Cost savings and an effective use of technology in a very inexpensive manner.



Innovation Everywhere

Consumer Innovation Centre

- Dedicated to new product development for the Indian consumer
- A cross-functional team that generate ideas and follow a rigorous innovation process to deliver world class products to satisfy consumer needs.



Best Place To Work

- “You Can Make A Difference” Program
 - ✓ 3 Global Award winning projects in last 5 years
 - ✓ 550 winners from FY2000 till 2007

- Global Talent Pool

	2005	2006	2007
International Training	25	50	30
Short Term Assignments / Secondments	13	8	16



FINANCIAL REVIEW



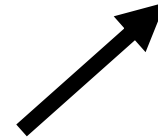
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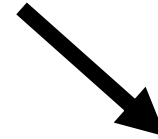


FINANCIAL STRATEGY

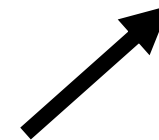
Grow Top line



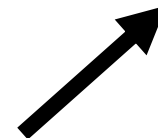
Reduce Costs



Invest in Brand Building
/ New Products



Grow NPAT



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2008

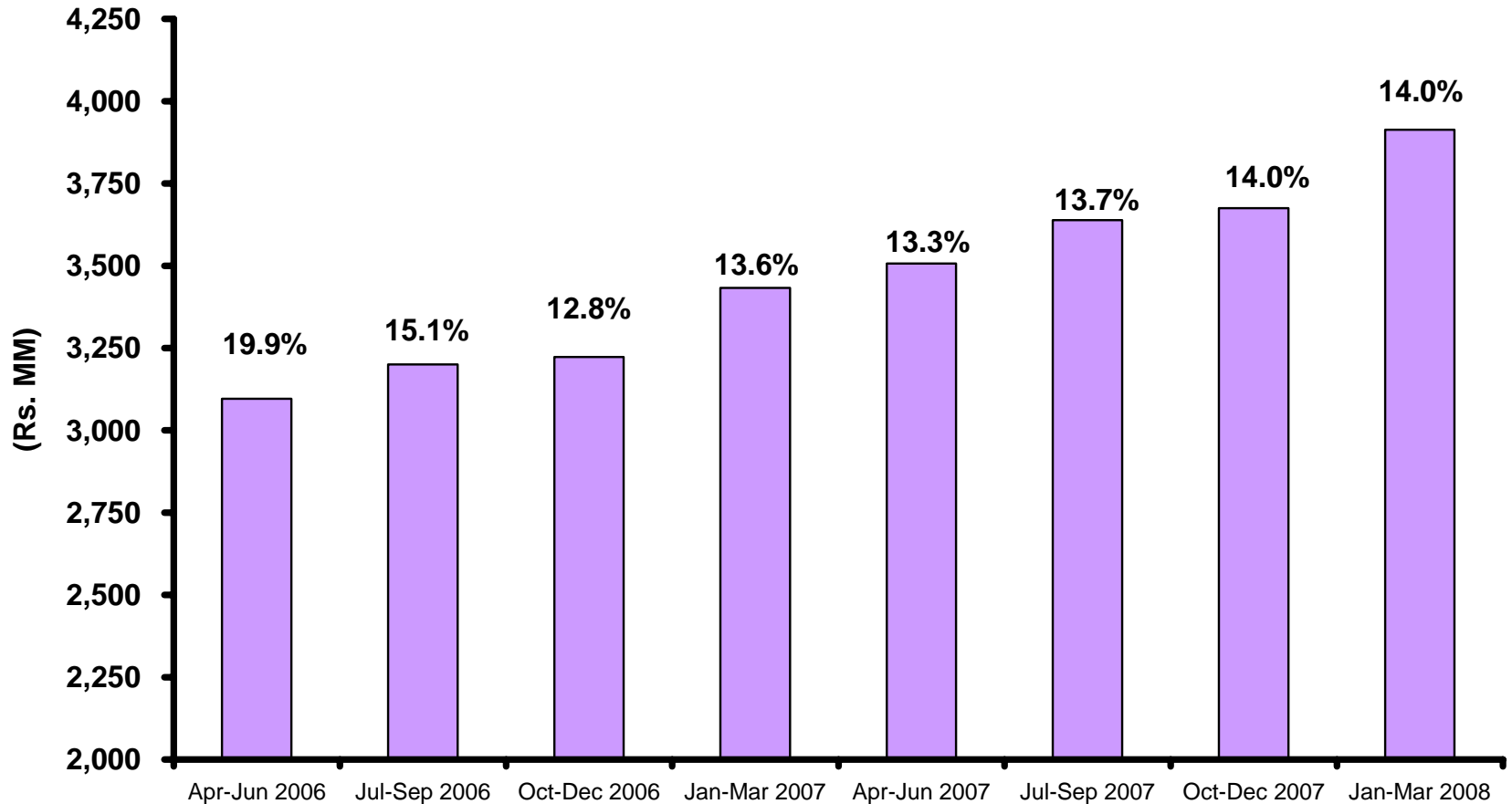
(Rs Crores)	Quarter Ended 31/Mar/08	Quarter Ended 31/Mar/07	Year Ended 31/Mar/08 (Audited)	Year Ended 31/Mar/07 (Audited)
- Net Sales (Excl. Excise Duty)	391.33	343.25	1,473.38	1,295.14
- Other Income	21.40	17.35	84.78	67.00
Total Revenue	412.73	360.60	1,558.16	1,362.14
- (Increase) / Decrease in Stock in Trade	3.68	0.13	(2.17)	(5.56)
- Raw and Packing Material Cost	75.47	59.14	280.03	239.27
- Purchase of Goods	97.65	94.61	354.92	342.65
- Employee Cost	30.74	25.09	117.28	111.91
- Voluntary Retirement Scheme	-	(0.78)	1.00	58.02
- Depreciation , Amortisation and Impairment	5.45	3.65	19.84	15.26
- Advertising & Sales Promotion	73.45	63.93	256.51	207.50
- Other Expenditure	59.78	46.81	237.26	190.50
Total Expenditure	346.22	292.58	1,264.67	1,159.55
Interest Expense	0.36	0.25	1.44	0.98
Profit from Ordinary Activities Before Tax	66.15	67.77	292.05	201.61
Provision for Taxation				
-Current Tax	12.87	13.94	58.25	53.98
-Deferred Tax	(2.64)	2.19	(2.16)	(16.74)
-Fringe Benefit Tax	0.30	1.05	4.25	4.20
Net Profit after Tax	55.62	50.59	231.71	160.17
Paid-up Equity Share Capital	@ 13.60	#136.00	@ 13.60	#136.00
(@ - Face value: Rupee 1 per share)				
(# - Face value: Rupees 10 per share)				
Reserves excluding Revaluation Reserve			148.61	144.53
Basic and Diluted EPS (Rs.)	4.09	3.72	17.04	11.78
Dividend (Rs.Per share)				
First Interim Dividend	-	-	6.00	4.25
Second Interim Dividend	-	3.25	-	3.25
Final Dividend (Proposed)	7.00	-	7.00	-
Special Dividend (Proposed)	-	2.00	-	2.00
Total	7.00	5.25	13.00	9.50
Aggregate of Public shareholding				
- Number of Shares	66,636,481	66,636,481	66,636,481	66,636,481
- Percentage of holding	49%	49%	49%	49%



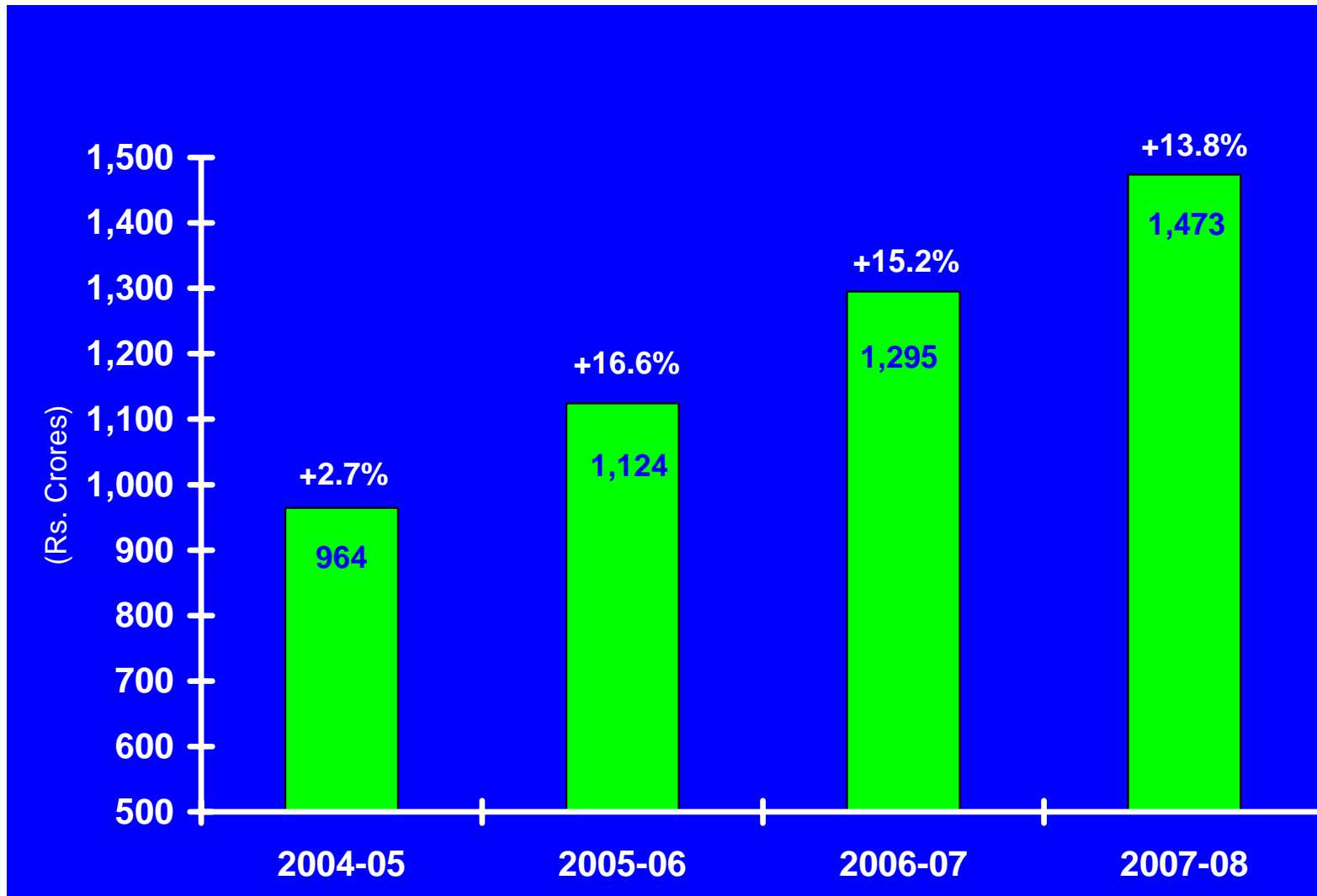
Grow Topline

Quarterly Sales Growth

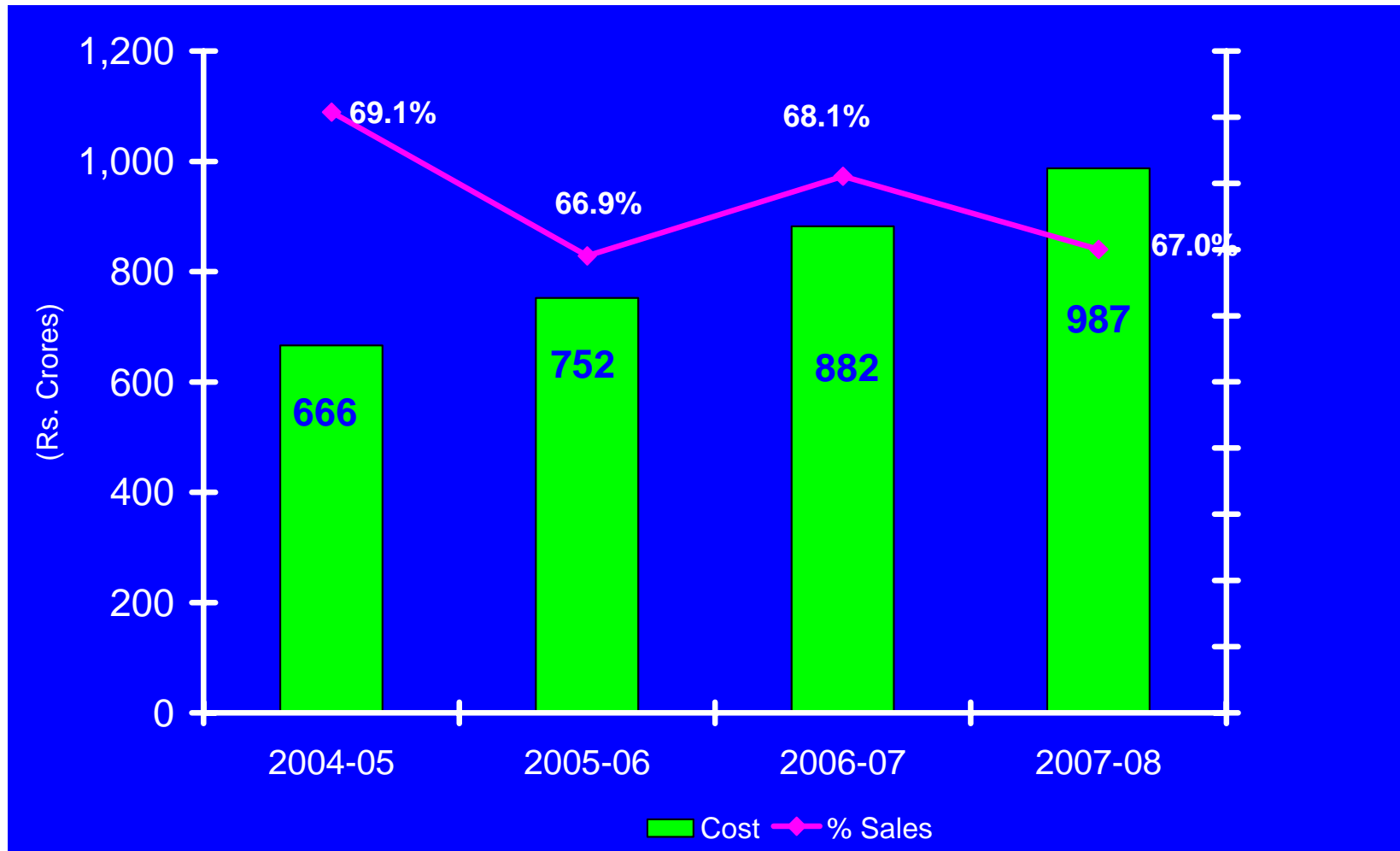
(% = current year vs previous year)



Net Sales



Costs (Excl. Advt. & Depre.)



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



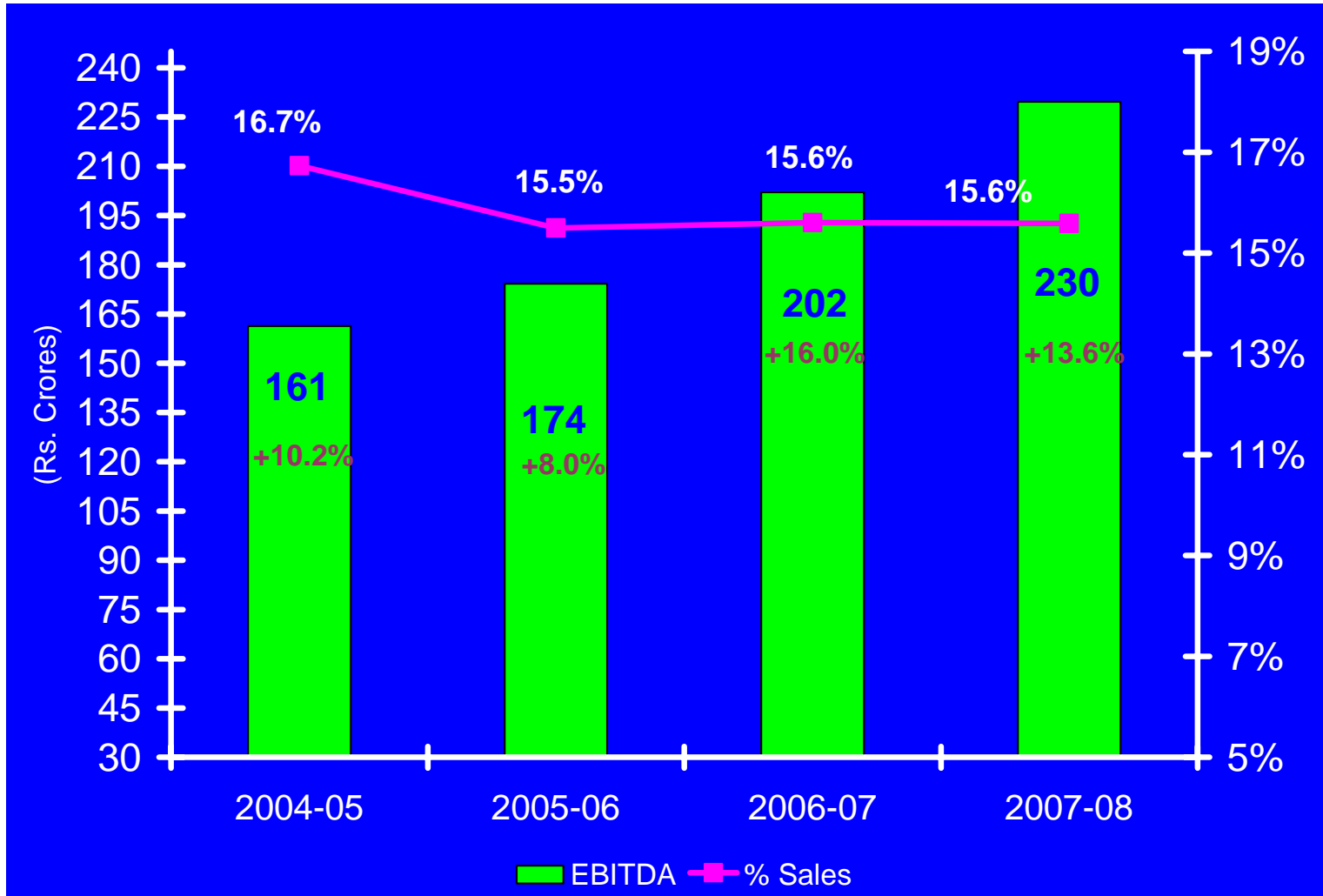
Advertising



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



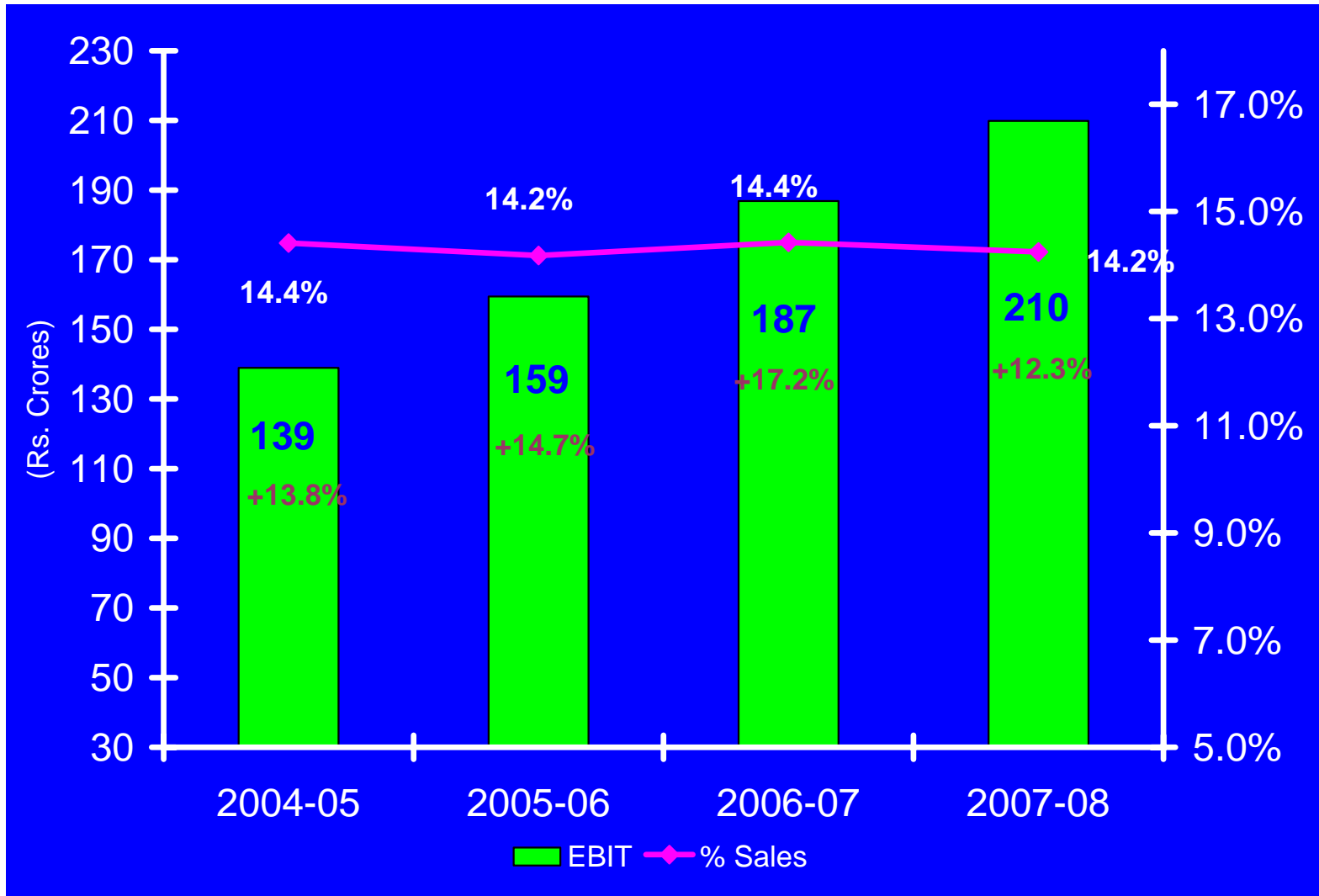
EBITDA



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



EBIT



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



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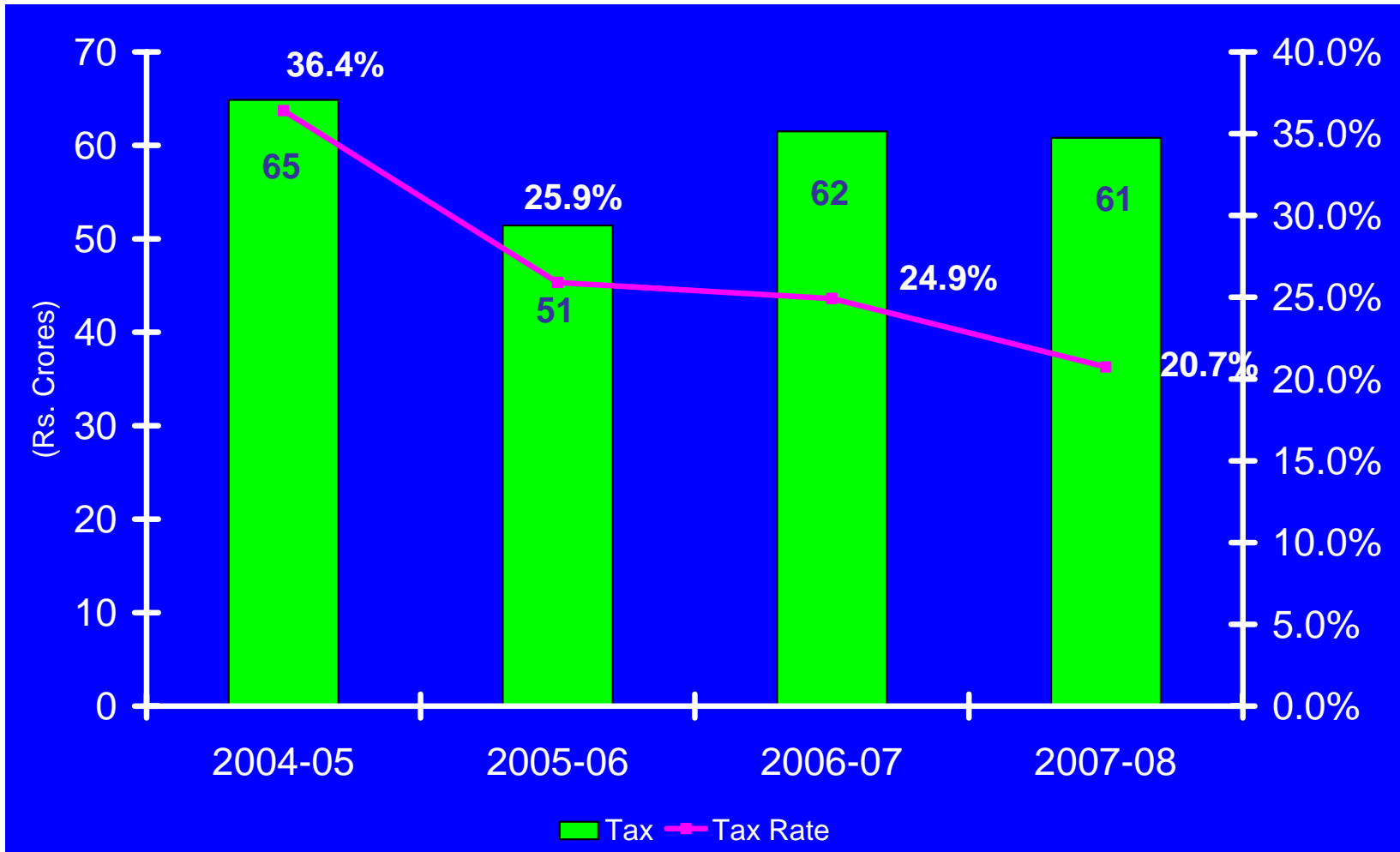
Profit Before Tax



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



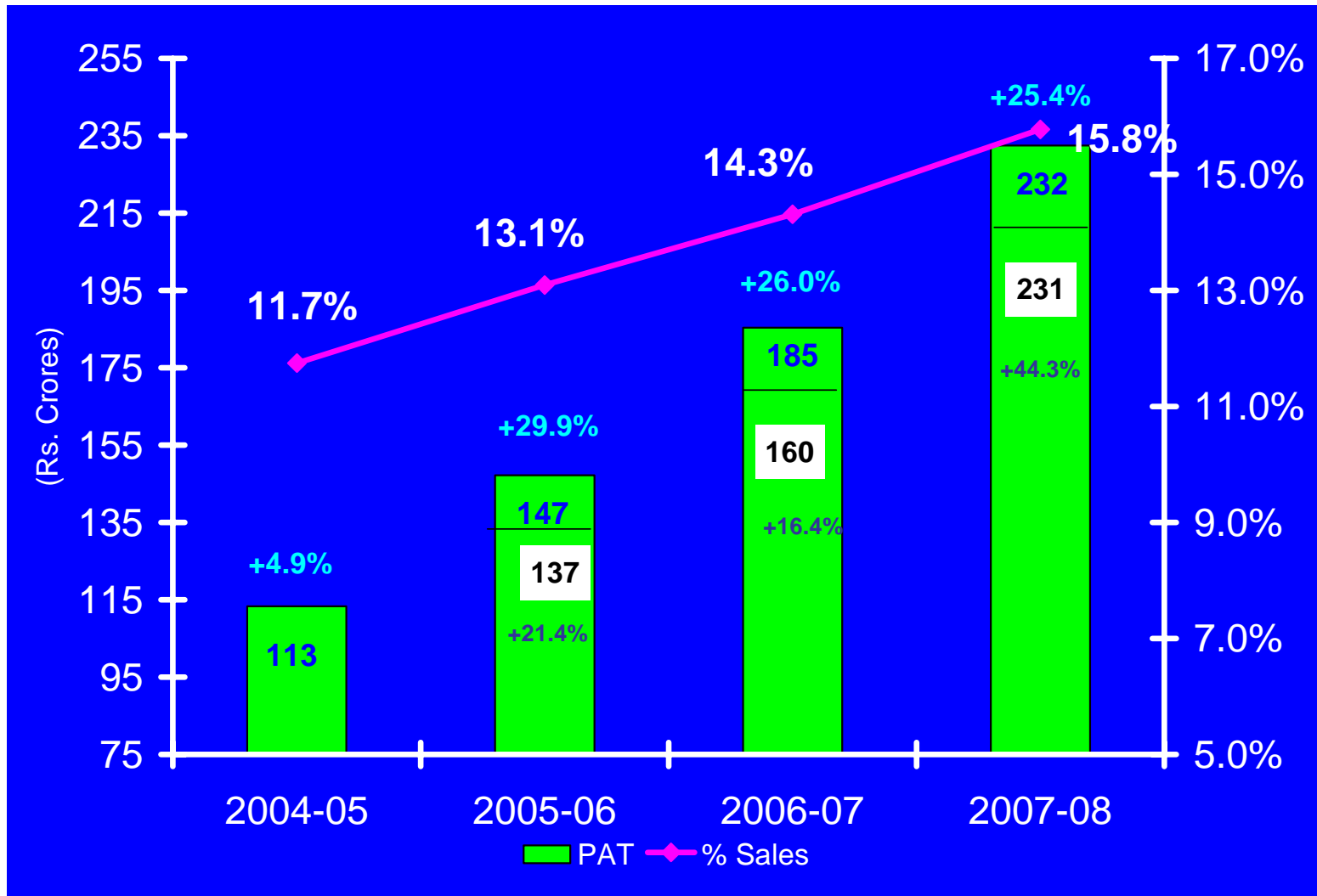
Income Tax



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



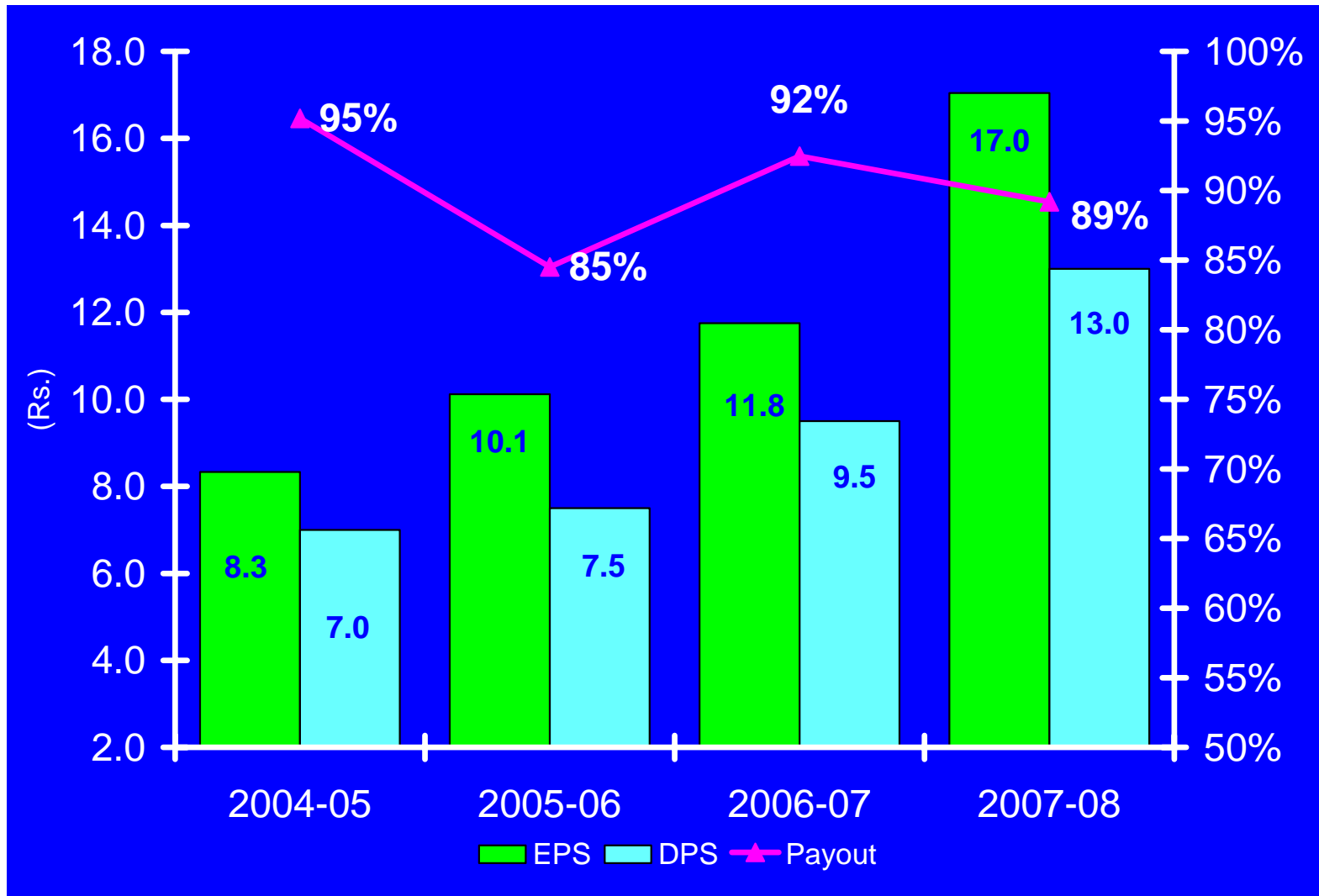
Profit After Tax



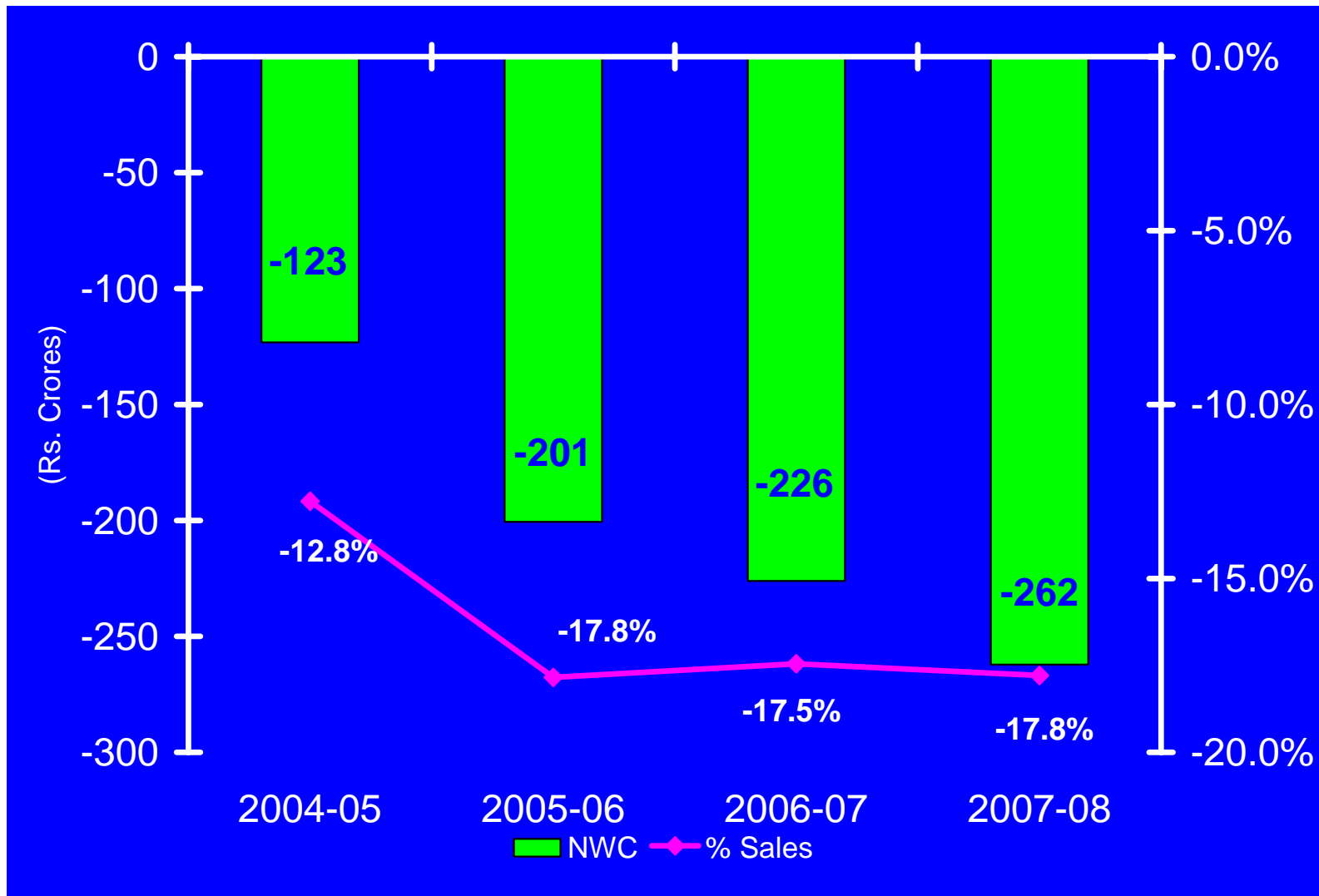
- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



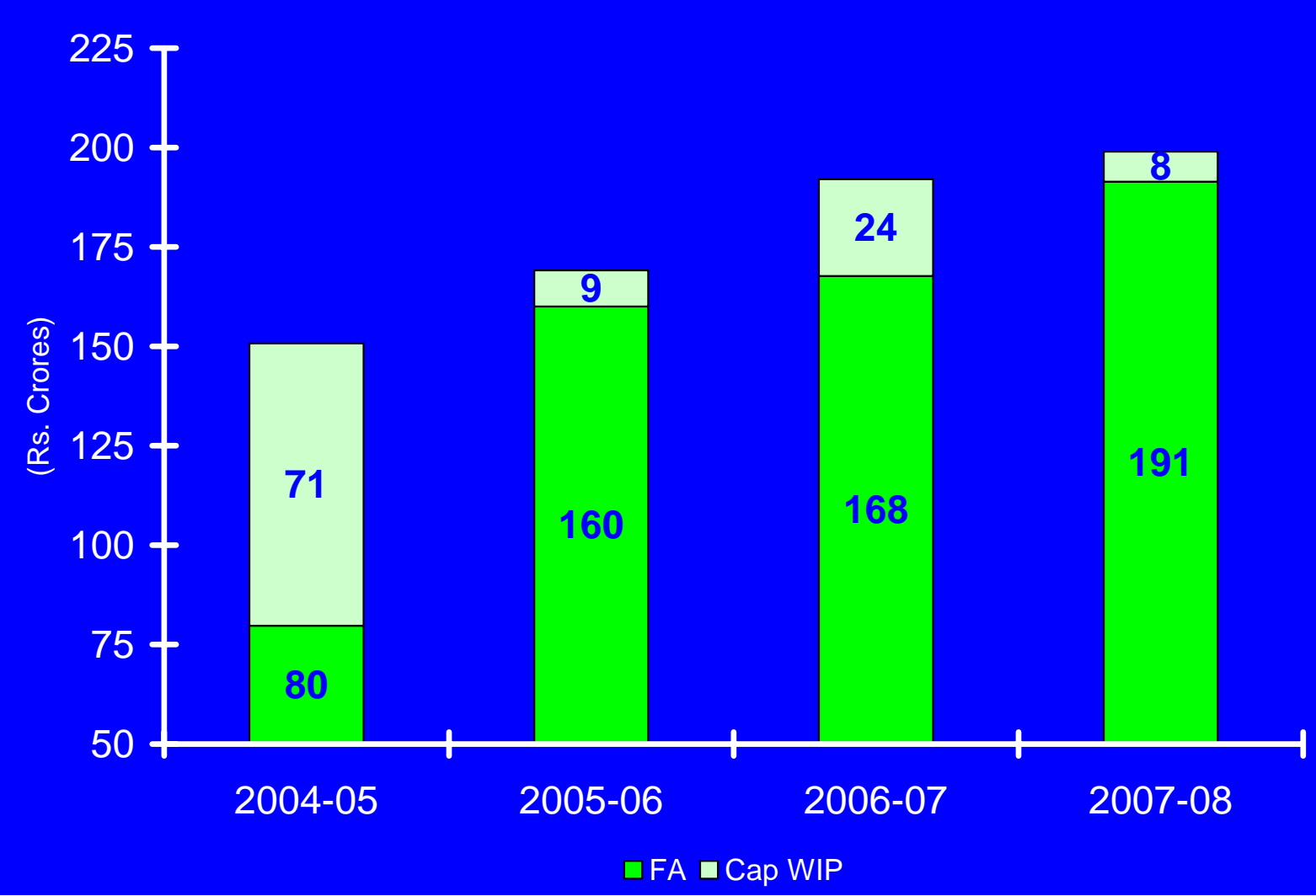
EPS, DPS & Payout



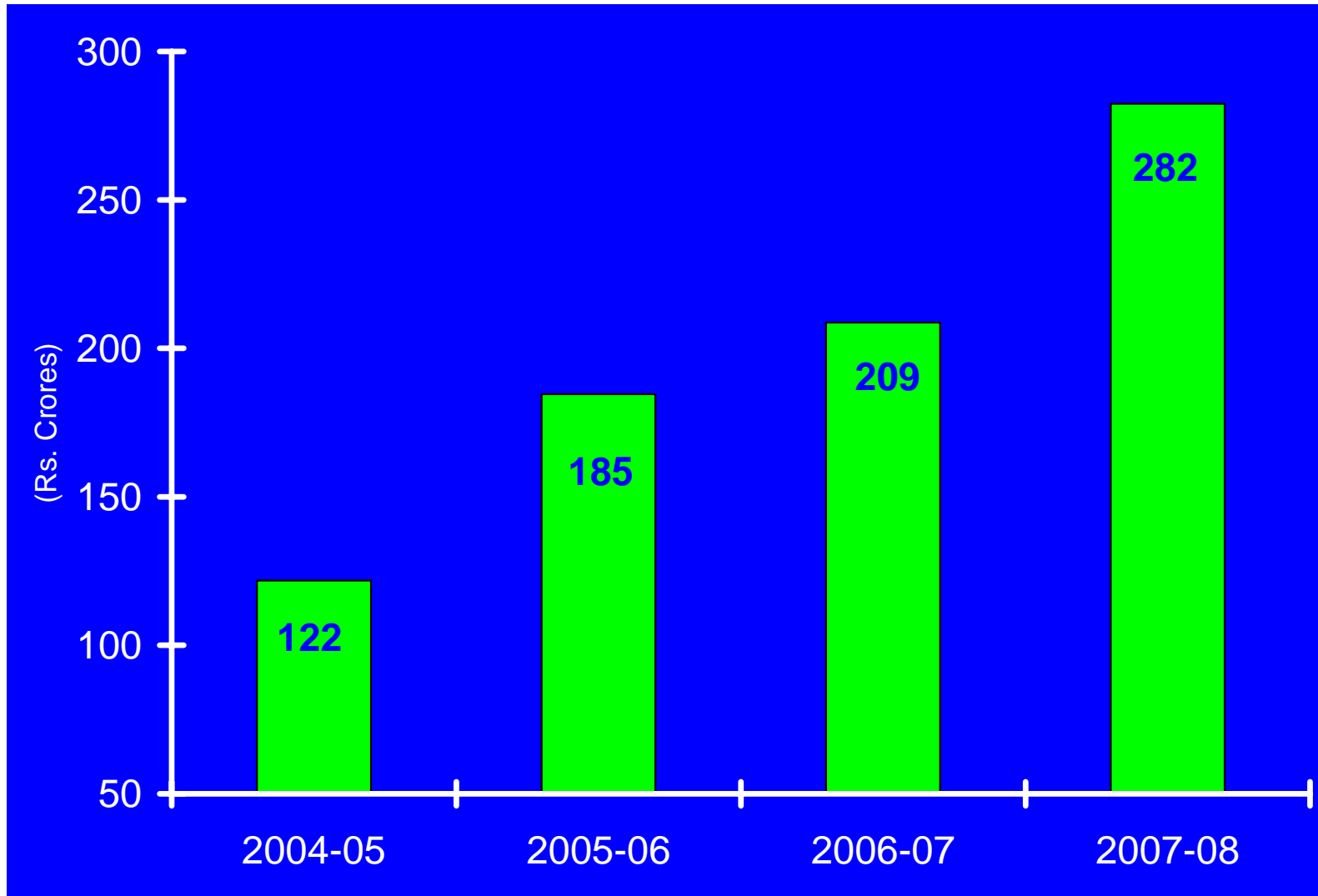
Net Working Capital



Fixed Assets



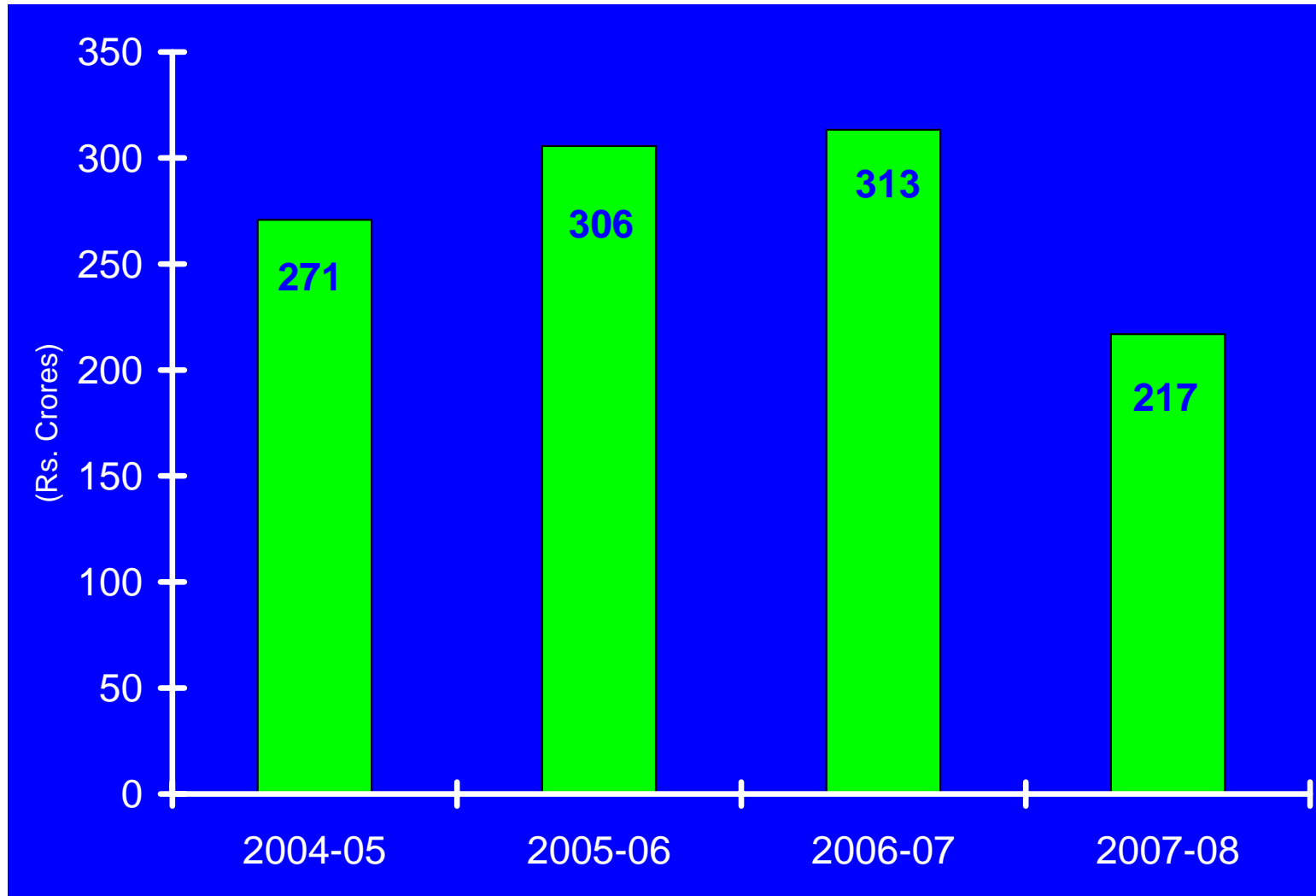
Cash Gen. from Operations



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



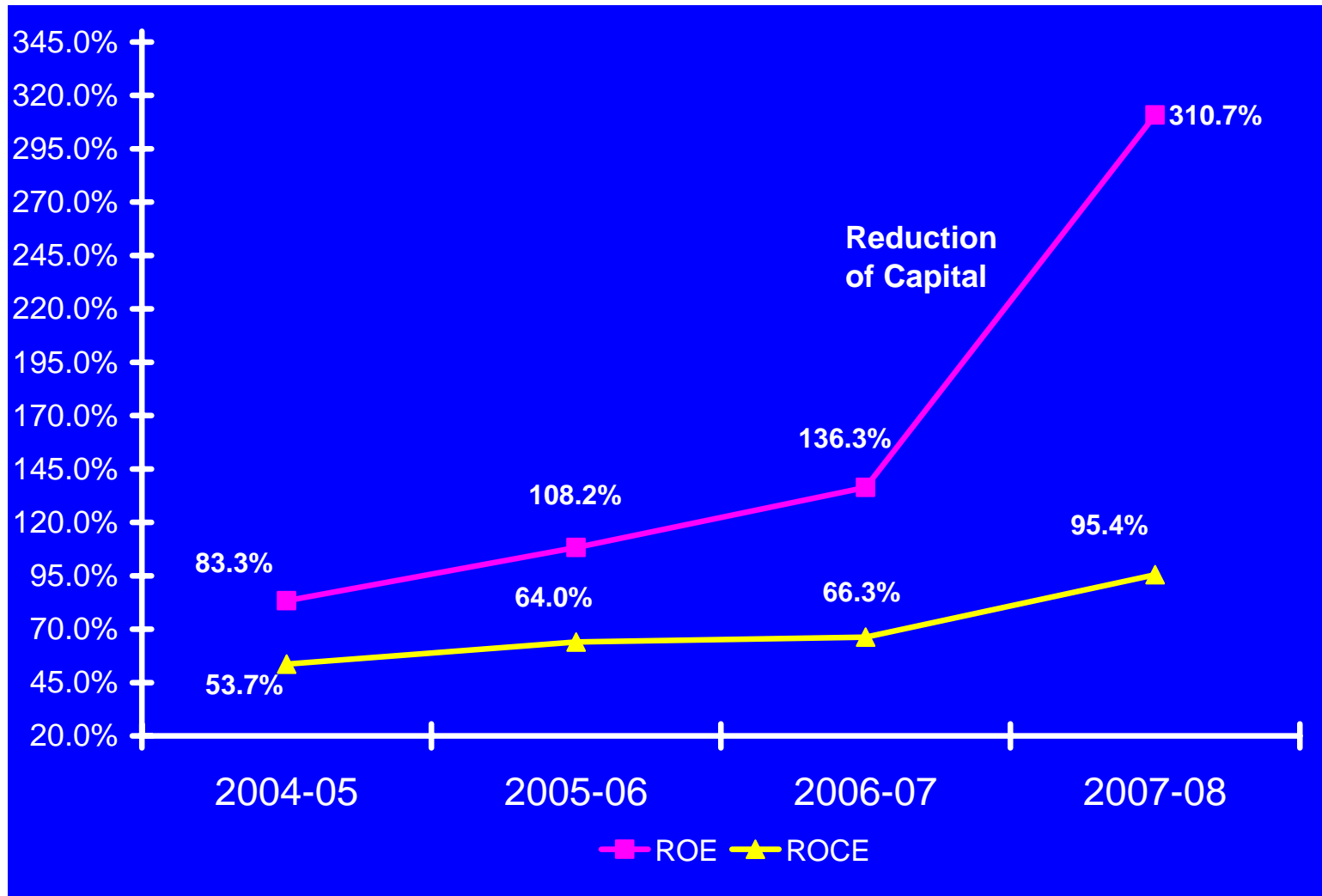
Treasury Portfolio



- 2007-08 numbers are post payout of Rs 143.20 crores on account of Reduction of Capital



Return on Capital & Equity



- All numbers adjusted to reflect Operating results for 2007-08, 2006-07 & 2005-06



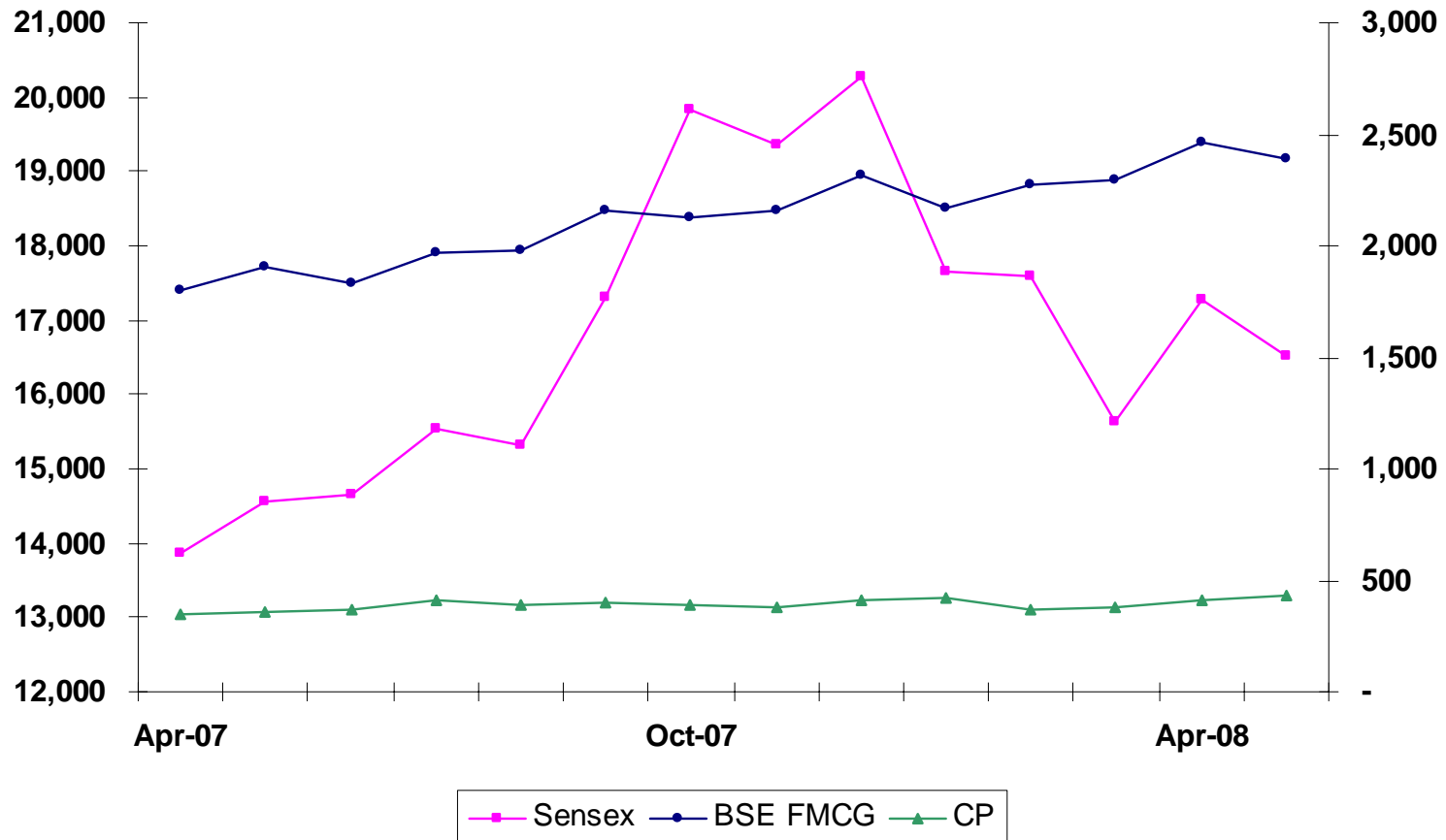
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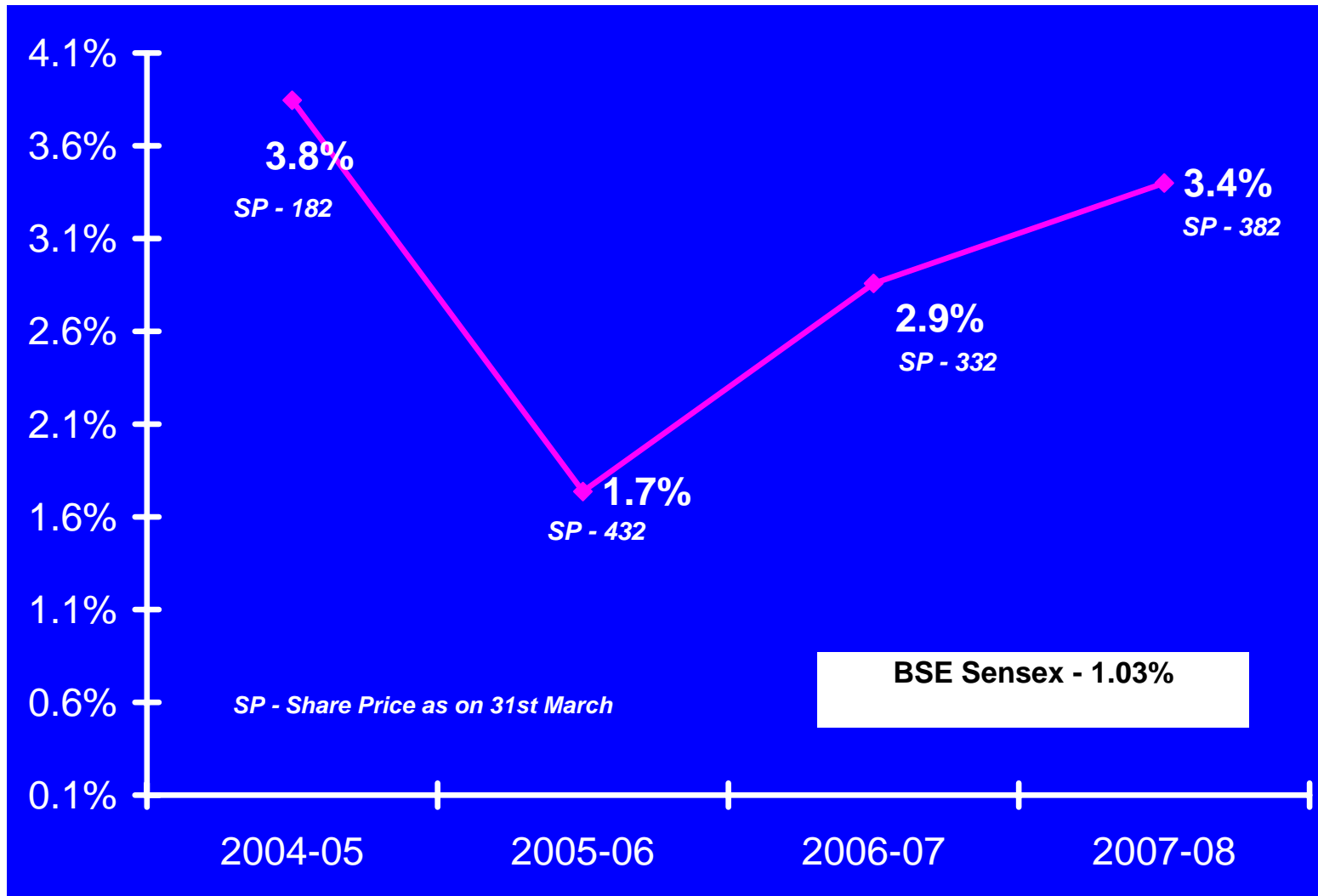


Share Price Performance

Sensex, BSE FMCG, COLGATE



Average Yield



Shareholder Returns

Year	Shares	Value (LC)
1978	IPO - 250	6,250
1994	Rights - 1,280	25,600
2008 *	Holdings - 14,080	53,78,560

** as on March 31, 2008*

Dividend Received **1,398,699**
(including Capital reduction of Rs. 9 per share)

Compounded return of 26% since the IPO



THANK YOU



COLGATE-PALMOLIVE (INDIA) LIMITED

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