



Pidilite Industries Limited

Investor Update

Quarter and Period ended December 2009

Coverage

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- Overseas Subsidiaries
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Investor Communication

This investor update covers the Company's performance for quarter and period ended 31st December 2009

Contact information

Mr. P.C. Patel, Company Secretary

E-mail: pccpatel@pidilite.com

Telephone: 022-22822708

Issue of Bonus Shares

- The current financial year 2009-10 is the Golden Jubilee year for the company and recognising its significance, the Board of Directors has recommended issue of bonus shares in the ratio of 1:1 i.e. 1 new fully paid equity share of Re. 1 for 1 fully paid equity share of Re 1 each held in the company to the eligible members as on the Record date to be fixed for this purpose.

Financial Highlights

Quarter ended 31st December 2009

- Net Sales at Rs.4608 mn grew by 13.9% over the same quarter last year. Net Sales, excluding "Others", grew by 17.6% over the same period last year.
- EBITDA (before foreign exchange difference) grew by 213% to Rs.945 mn.

- Profit from ordinary activities before foreign exchange difference increased by 729.3% to Rs.763 mn.
- Material cost to Net Sales ratio dropped by 1140 basis points in comparison to same period last year due to lower raw material prices and strengthening of the Rupee vs the US Dollar.
- Expenses, other than material costs, were higher than last year due to increase in manpower costs and increased advertising & sales promotion expenses.
- The foreign exchange loss for the quarter is Rs.8 mn as compared to a loss of Rs.197 mn in the same quarter last year.
- Combined impact of the above has resulted in Profit Before Tax of Rs.755 mn in the current quarter as compared to a loss of Rs.105 mn in the same period last year.
- Tax expenses for the quarter are higher due to increase in the rates of Minimum Alternate Tax from 11.33% last year to 17% this year. The resultant Profit After Tax (PAT) for the Quarter is Rs.638 mn as compared to PAT of Rs. (93) mn last year. Write back of "Prior period tax provision" is due to MAT Credit adjustment pertaining to the year 2008-09.

Period ended 31st December 2009

- Net sales for the period at Rs.14829 mn registered a growth of 7.4%. Net Sales, excluding "Others", grew by 12.6% over the same period last year.
- EBITDA (Before foreign exchange difference) grew by 74.8% to Rs.3414 mn.
- Profit from ordinary activities before foreign exchange difference increased by 104.8% to Rs.2838 mn.
- Material cost to Net Sales ratio dropped by 740 basis points in comparison to same period last year.
- Expenses, other than material costs, were higher than last year due to increase in manpower costs.
- After considering the foreign exchange difference the resultant Profit Before Tax (PBT) and Profit After Tax (PAT) for the period is Rs.2746

mn and Rs.2342 mn respectively as compared to PBT of Rs.890 mn and PAT of Rs.788 for the same period last year.

- The foreign exchange loss for the period is Rs.92 mn as compared to a loss of Rs.496 mn in the same period last year. Out of the total unamortized foreign exchange losses of Rs.164 mn as on 31/03/09, an amount of Rs.104 mn has been reversed during the period ended 31/12/09 due to foreign exchange gains. Further an amount of Rs.24 mn has been amortized for the period ended 31/12/09. The balance unamortized foreign exchange losses as on 31/12/09 is Rs.36 mn.

Business segment wise performance

Segment Revenue	Rs. In Million					
	Q3 2009	Q3 2008	Growth %	Period Ended Dec 09	Period Ended Dec 08	Growth
Consumer & Bazaar Products	3557	2987	19.1	11594	10132	14.4
Industrial Products	1071	943	13.6	3392	3171	7.0
Others	38	354	-89.2	145	1187	-87.8
Less: Inter-segment Revenue	59	238	-75.3	301	683	-55.9
Total	4608	4046	13.9	14829	13807	7.4

Segment PBIT	Rs. In Million					
	Q3 2009	Q3 2008	Growth %	Period Ended Dec 09	Period Ended Dec 08	Growth
Consumer & Bazaar Products	893	386	131.2	3224	1950	65.4
Industrial Products	204	81	150.6	668	411	62.4
Others	-41	11	-467.7	-98	70	-241.1
Total	1056	479	120.6	3794	2431	56.1
Less: i) Interest	74	96	-22.4	228	222	2.8
ii) Other Unallocable Expenditure - Net of Unallocable income	227	488	-53.5	820	1320	-37.9
Total	755	-105	-818.7	2746	890	208.7

CONSUMER & BAZAAR PRODUCTS

- For the quarter ended December 2009 the segment posted revenue of Rs.3557 mn registering a growth of 19.1% over the corresponding period last year.
- For the Period ended 31st December 2009 revenue at Rs.11594 mn registered a growth of 14.4% over the corresponding period last year.
- The total exports of Consumer & Bazaar Products for Period ended 31st December 2009 at Rs.710 mn were 4.1% over the corresponding period last year.
- Profit before tax and interest for this segment for the quarter at Rs.893 mn posting a rise of 131.2% over the same quarter last year.

INDUSTRIAL PRODUCTS

- Industrial products revenue increased by 13.6% over the corresponding quarter last year, posting revenue of Rs.1071 mn for the quarter.
- For the period ended 31st December 2009, revenue of Rs.3392 mn grew by 7.0% over the corresponding period last year.
- Exports of Industrial products, for the period ended 31st December 2009, at Rs.622 mn were lower by 20.5% over the corresponding period last year.
- Profit before tax and interest for this segment at Rs.204 mn posted an increase of 150.6% over the corresponding quarter last year. For the period ended 31st December 2009, profit before tax and interest for this segment stood at Rs.668 mn, a growth of 62.4% over the corresponding period last year.

OTHERS

- Since the pricing of bought-out VAM remained advantageous, the Company continued to import rather than operate the plant.
- Revenue for quarter at Rs.38 mn is on account of sale of raw materials.
- The loss before tax and interest from this segment was Rs.41 mn for the quarter.
- For the period year ended 31st December 2009 revenue was Rs.145 mn.

Overseas subsidiaries

REVIEW OF OVERSEAS SUBSIDIARIES

- The Company has 14 overseas subsidiaries (4 direct and 10 step-down subsidiaries) including subsidiaries having significant sales and manufacturing operations in the USA, Brazil, Thailand and Dubai
- Total revenue from overseas subsidiaries for the quarter ended 31st December 2009 stood at Rs.633 mn up by 19.0% over previous quarter and total revenue for period ended 31st December 2009 stood at Rs.2041 mn up by 15.0% over the same period for previous year. However, excluding the impact of the foreign currency translation, sales growth was 9.9% for the quarter and 4.2% for the nine months ended Dec'09.
- For the quarter, Overseas subsidiaries have recorded EBITDA of Rs 31 mn as compared to loss of Rs.64 mn for the same period in the previous year.
- For the period ended 31st December 2009, Overseas subsidiaries have recorded profits of Rs.48 mn at EBITDA level as compared to a loss Rs.125 mn for the same period in the previous year.
- During the quarter, PIL Trading Egypt (LLC), a subsidiary of the Company's step down subsidiary Pidilite Industries Egypt SAE, was incorporated. This company is set up for the purpose of carrying trading activities in Egypt, North Africa and COMESA countries.
- During the quarter, Pidilite International Pte Ltd., (PIPL) a wholly owned subsidiary of the Company has acquired the equity shares held by the remaining Shareholders of Pidilite Bamco Ltd., which has now become a wholly-owned subsidiary of PIPL.
- Pidilite Speciality Chemicals (BD) Pvt. Ltd has started operations in Bangladesh on 06/10/09. The revenue for the period ended 31/12/09 is Rs.6.9 mn.
- Chemson Asia Pte Ltd merger with Pidilite Innovation Centre Pte. Ltd is expected to be completed in the coming quarter.

Financials

PIDILITE INDUSTRIES LIMITED

REGD. OFFICE : 7th Floor, Regent Chambers, Jammnal Bajaj Marg,
208, Nariman Point, Mumbai - 400 021.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.12.2009

(Rs. in lac)

Sr. No.	Particulars	Standalone					Consolidated				
		Unaudited		Audited		Unaudited		Audited			
		For the Quarter ended	For the Nine Months ended	For the Year ended	For the Quarter ended	For the Nine Months ended	For the Year ended				
		31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009	31.12.2009	31.12.2008	31.12.2008	31.03.2009	
1	a) Net Sales/Income from Operation	46076	40463	148294	138065	176112	52214	45312	168280	154872	198632
	b) Other operating Income	601	528	1441	1552	2080	523	543	1586	1905	2538
	Total Income	46677	40991	149735	139617	178192	52737	45855	169846	156777	201170
2	Expenditure										
	a) (Increase) / Decrease in stock in trade	(610)	5176	(703)	1702	928	(639)	5023	(352)	1857	91
	b) Consumption of raw materials	16057	14819	51930	57301	72614	16274	17817	58571	63834	82413
	c) Purchase of traded goods	2697	2156	7837	8602	8171	6050	2476	11792	3681	12553
	d) Employees cost	4582	4055	14677	11989	16395	6018	5387	18993	18334	22041
	e) Depreciation	1082	1141	3486	3461	4722	1731	1404	4881	4307	5882
	f) Other expenditure										
	1) Packing material consumption	5424	4589	17959	18878	21570	5424	4589	17959	18878	21570
	2) Others	8850	7145	24412	25546	32918	10409	8352	29120	29701	36609
	g) Total	38282	39081	119398	123479	157228	45267	44848	140954	142692	183164
3	Profit from Operations before Other Income, Interest & Exceptional Items	8395	1908	30337	16138	20944	7470	1007	28892	14085	18006
4	Other Income	129	19	536	83	329	695	11	1106	82	334
5	Profit Before Interest & Exceptional Items	8524	1927	30873	16221	21273	8165	1018	29998	14147	18340
6	Interest (Net)	741	955	2278	2216	3178	780	1043	2598	2489	3809
7	Profit / (Loss) After interest but before Exceptional Items	7783	972	28595	14005	18095	7385	(25)	27400	11678	14731
8	Exceptional Items										
	Donations	153	48	212	148	188	152	48	212	148	188
9	Profit from Ordinary Activities before Foreign Exchange Difference Expenses / (Income)	7630	924	28383	13857	17927	7233	(73)	27188	11530	14563
10	Foreign Exchange Difference - Expense / (Income)	84	1974	920	4962	1607	98	2073	712	5140	1812
11	Profit / (Loss) from Ordinary Activities before Tax	7546	(1050)	27463	8895	16320	7135	(2146)	26476	6390	12751
12	Tax Expenses										
	(Add) / Less: Provision for Current Taxation #	805	(442)	4074	860	1502	805	(443)	4074	864	1507
	(Add) / Less: Provision for Deferred Tax	381	319	(27)	154	180	361	319	(27)	154	180
13	Profit / (Loss) from Ordinary Activities after Tax	6380	(827)	23416	7881	14638	8969	(2022)	22425	5372	11084
14	Prior Years' Tax Provision written back	437	-	437	-	-	437	-	437	-	-
15	Minority Interest	-	-	-	-	-	(7)	18	(5)	54	69
16	Share of Profit / (Loss) in Associate Company	-	-	-	-	-	24	(7)	64	(15)	35
17	Net Profit / (Loss) for the period	6817	(827)	23853	7881	14638	6423	(2011)	22925	5411	11188
18	Paid-up Equity Share Capital (Face Value of Share - Re 1)	2531	2531	2531	2531	2531	2531	2531	2531	2531	2531
19	Reserves excluding Revaluation Reserve										66880
20	Earnings Per Share (EPS) in Rs.										
	a) Basic EPS	@ 2.52	@ (0.37)	@ 9.25	@ 3.11	@ 5.78	@ 2.36	@ (0.80)	@ 8.86	@ 2.12	@ 4.38
	b) Diluted EPS	@ 2.45	@ (0.36)	@ 9.00	@ 3.04	@ 5.64	@ 2.28	@ (0.78)	@ 8.62	@ 2.07	@ 4.27
21	Public Shareholding										
	- Number of shares	74293449	73685549	74293449	73685549	73688375					
	- Percentage of shareholding	29.36	29.12	29.36	29.12	29.12					
22	Promoters and Promoter Group Shareholding as on 31st December 2009										
	- Number of Shares										178773857
	- Percentage of Shares										100%
	(i) As a % of total shareholding of Promoters and Promoter Group										100%
	(ii) As a % of total share capital of the Company										70.64

Provision for Current Taxation includes Wealth Tax.

@ For the period only and not annualized.

Contd. -- 2 --

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Sr. No.	Particulars	Standalone						Consolidated					
		Unaudited				Audited		Unaudited				Audited	
		For the Quarter ended		For the Nine Months ended		For the Year ended		For the Quarter ended		For the Nine Months ended		For the Year ended	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009	31.12.2009	31.03.2009
1	Segment Revenue												
	a) Consumer & Bazaar Products	35572	29874	115939	101323	128944	41710	34723	135925	118130	151464		
	b) Industrial Products	10710	9428	33919	31709	41081	10710	9428	33919	31709	41081		
	c) Others	383	3544	1450	11866	14674	383	3544	1450	11866	14674		
	Total	46665	42846	151308	144898	184699	52803	47695	171294	161705	207219		
	Less: Inter Segment Revenue	589	2383	3014	6833	8587	589	2383	3014	6833	8587		
	Net Segment Revenue	46076	40463	148294	138065	176112	52214	45312	168280	154872	198632		
2	Profit before Interest and Tax												
	a) Consumer & Bazaar Products	8927	3861	32244	19496	25461	8555	2853	31577	17244	23056		
	b) Industrial Products	2040	814	6679	4114	5312	2040	814	6679	4114	5312		
	c) Others	(408)	111	(983)	697	928	(408)	111	(983)	697	928		
	Total	10559	4786	37940	24307	31701	10187	3778	37273	22055	28296		
	Less: i) Interest	741	955	2278	2216	3178	780	1043	2598	2469	3608		
	ii) Other unallocable expenditure - net of unallocable income	2272	4881	8199	13198	12203	2272	4881	8199	13198	12936		
	Total Profit Before Tax	7546	(1050)	27463	8895	16320	7135	(2146)	26476	6390	12751		
3	Capital Employed												
	a) Consumer & Bazaar Products	34541	42764	34541	42764	39089	29299	37516	29299	37516	34121		
	b) Industrial Products	14519	15436	14519	15436	14209	14519	15436	14519	15436	14209		
	c) Others	3393	3940	3393	3940	3122	3393	3940	3393	3940	3122		
	d) Unallocated	44762	9695	44762	9695	18942	44762	9695	44762	9695	17959		
	Total Capital Employed	97215	71835	97215	71835	73362	91973	66587	91973	66587	69411		

Notes :

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meetings held on 28th January 2010.
- The Statutory Auditors have carried out a "Limited Review" of the standalone financial results for the quarter ended 31st December 2009.
- The Company has opted to publish standalone as well as consolidated financial statements. The consolidated financial results prepared as per Accounting Standard (AS-21) comprises of the results of Pidilite Industries Ltd. (Holding Company), 18 subsidiary Companies and one associate Company.
- The Company had in March 2009 exercised the option permitted by the Central Government under Notification No G.S.R 225 (E) to treat foreign exchange difference relating to assets as adjustments in the carrying value of such depreciable assets and amortise other differences of a specified nature over the term of the relative item. Accordingly for the period ended 31st December 2009, the Company has credited the gain of Rs. 939.20 lacs to the carrying cost of the depreciable assets and credited Rs. 1047.10 Lacs to Foreign Currency Monetary Item Translation Account. Out of the said Foreign Currency Monetary Item Translation Account Rs. 240.30 Lacs has been amortised in the current period ended 31st December, 2009 including reversal of Rs. 20.10 lacs for the quarter ended 31st December, 2009.
- Unallocated Capital Employed as at 31st December 2009 includes Capital Work in Progress of Rs. 25,935 Lacs of Synthetic Elastomer Project presently under implementation.
- The Company raised US \$ 40 million from issue of zero coupon Foreign Currency Convertible Bonds (FCCB) in December 2007. After payment of US \$ 0.89 million for certain issue related expenses, the Company has utilised US \$ 21.32 million for investment in equity capital of its overseas subsidiaries, US \$ 13.94 million for capex, US \$ 0.75 million for buyback of FCCB and finance cost of US \$ 0.43 million. The balance amount is kept with banks.
- The Board of Directors at their meeting held on 28th January, 2010, subject to the approval of the Shareholders and others, if any, proposed to issue bonus shares to the Shareholders in the ratio of One Bonus Equity Share of Re. 1/- each for every One Equity Share of Re. 1/- each held in the Company, as on the Record Date which will be decided and announced in due course.
- During the quarter, Pidilite International Pte Ltd., (PIPL) a wholly owned subsidiary of the Company has acquired the equity shares held by the remaining Shareholders of Pidilite Baroco Ltd., which has now become a wholly-owned subsidiary of PIPL.
- In terms of Clause 41 of the Listing Agreement, details of number of investor complaints for the quarter ended 31st December, 2009 beginning - nil, received - one, disposed of - one and pending - nil.
- Previous period's figures are regrouped wherever necessary.

Mumbai
Dated 28th January 2010

M.B.PAREKH
Managing Director