Pidilite

November 6, 2013

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Stock Code : 500331

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051
Stock Code : PIDILITIND

Sub: Investor Update

Dear Sir,

Please find attached the Investor Update for the quarter and half year ended 30th September, 2013.

Thanking you,

Yours faithfully,
for **PIDILITE INDUSTRIES LIMITED**

SECRETARY

Encl: a/a

Pidilite Industries Limited

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Pidilite Industries Limited

Investor Update

Quarter and Half year ended September 2013

Coverage

- Financial Highlights
- Business segment wise
- Overseas subsidiaries performance
- Financial Results

Investor Communication

This investor update covers the Company's performance for quarter and half year ended 30th September 2013.

Contact information

Ms. Savithri Parekh, Company Secretary
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Telephone: 022-28357651

Financial Highlights

Quarter ended 30th September 2013

Consolidated Performance

- Net sales at Rs 10,941 M grew by 21.6% over the same quarter last year
- EBIDTA, before non-operating income at Rs 1,897 M grew by 32.3%. EBITDA, as a percentage to sales improved to 17.3% from 15.9% last year.
- EBIT (before exceptional items) at Rs 1,712 mn posted a growth of 29.5%.
- Profit (before tax) at Rs 1,650 M was up by 28.8% over the corresponding quarter last year.

Standalone Performance

- Net sales at Rs 9,851 M grew by 20.7% over same quarter last year. This was driven by 18.6% growth in sales of Consumer & Bazaar products and 26.8% growth in Industrial Products.

- Material cost to sales % is 20 bps higher than the same quarter last year.
- Other expenses during the quarter were higher than same quarter last year by Rs. 213 M.
- EBITDA, before non-operating income at Rs 1,846 M is higher by 25.8% over the same quarter last year.
- Profit (before Tax) at Rs 1,666 M is higher by 22%.

Half year ended 30th September 2013

Consolidated Performance

- Net Sales during the half year period was Rs 22,128 mn, up by 16.6% over the same period last year.
- EBITDA during the period grew by 25.9%, from Rs 3,324 mn last year to Rs 4,185 mn in the current period.
- EBIT (before exceptional items) at Rs 3,979 mn posted a growth of 23.9%.
- Profit (before tax) was higher by Rs 804 mn over LY to Rs 3,863 mn.

Business segment wise performance

(Values in Rs Millions)

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED			YEAR ENDED MAR '2013
	SEP '2013	SEP '2012	% CHANGE	SEP '2013	SEP '2012	% CHANGE	
1. Segment Revenue							
a) Consumer & Bazaar Products	7,883	6,645	18.6%	16,299	14,082	15.7%	26,743
b) Industrial Products	2,162	1,705	26.8%	4,025	3,553	13.3%	7,082
c) Others	100	42	139.1%	167	72	133.1%	198
Total	10,144	8,391	20.9%	20,491	17,707	15.7%	34,024
Less : Inter Segment Revenue	292	232	26.0%	541	471	14.8%	906
Total Revenue	9,851	8,159	20.7%	19,951	17,236	15.7%	33,118
2. Profit before tax and Interest							
a) Consumer & Bazaar Products	1,930	1,495	29.2%	4,346	3,494	24.4%	6,445
b) Industrial Products	247	166	48.5%	438	392	11.8%	807
c) Others	(6)	(20)	-67.4%	(4)	(45)	-91.7%	(97)
Total	2,171	1,641	32.3%	4,780	3,841	24.5%	7,155
Interest	30	3	786.4%	59	87	-31.6%	79
Unallocated corporate expenditure	475	272	74.4%	838	556	50.7%	880
Total Profit before tax	1,666	1,365	22.0%	3,883	3,198	21.4%	6,196

CONSUMER AND BAZAAR PRODUCTS

- Segment revenue grew by 18.6%.
- Segment Profit Before Tax and Interest (PBIT) grew by 29.2% due to lower material costs.

INDUSTRIAL PRODUCTS

- Segment revenue grew by 26.8% led by strong growth in exports.
- Segment PBIT for the quarter increased by 48.5% mainly due to sales growth and better price realisations for exports.

Overseas subsidiaries performance

- The Company has 14 Overseas subsidiaries (4 direct and 10 step-down) including those having manufacturing and selling operations in USA, Brazil, Thailand, Dubai, Egypt and Bangladesh.

Sales - Rs mn	Q2 2012-13	Q2 2013-14	H1 2012-13	H1 2013-14
North America	381.7	473.6	820.2	973.2
South America	316.8	390.0	594.2	749.7
Middle East & Africa	70.2	74.4	156.1	151.5
South & South East Asia	121.9	211.3	266.3	400.9
Total	890.5	1,149.2	1,836.9	2,275.3

EBITDA*- Rs mn	Q2 2012-13	Q2 2013-14	H1 2012-13	H1 2013-14
North America	11.8	39.0	34.1	74.2
South America	(41.4)	(10.6)	(83.6)	(26.2)
Middle East & Africa	0.0	(16.5)	1.2	(25.3)
South & South East Asia	21.3	40.7	50.7	80.7
Total	(8.2)	52.6	2.3	103.4

* Before exceptional items

Sales in constant currency grew by 13.2%. However, due to a favourable translation impact the reported sales show a growth of 29.0%.

The performance of the various geographies, in constant currency terms, is detailed below.

North America:

- Sales of Sargent Art (Art Materials) grew by 9.4% and that of Cyclo (Car care chemicals) declined by 1.6%. Material costs as % to Sales declined by 380 bps owing to price increases and better product mix. Growth in sales coupled with margin improvement resulted in a 172% growth in operating profits.

- For the half year ended sales at Sargent Art grew by 7.6% and that of Cyclo grew by 2.7% and operating profit grew by 92.9%.

South America:

- Sales grew by 16.8%.

- Material cost to sales came down by 300 bps over LY resulting in drop in operating losses from Rs (-) 50.4 M to Rs (-) Rs 12 M. SG&A expenses were lower by 17.9%. Higher sales and better margins resulted in operating loss coming down by 76.2%.

- For the half year ended sales grew by 24.0% and operating loss declined by 69.2%.

Middle East & Africa:

- Sales for the quarter declined by 7.7%, partly due to political disturbance in Egypt and subdued performance in UAE. Drop in sales resulted in higher operating losses.

- For the half year ended sales declined by 9.9% resulting in higher operating loss.

South & South East Asia:

- Sales in constant currency grew by 45.8% led by strong growth in Bangladesh and Thailand. EBIDTA grew by 107% over last year due to the strong sales performance and product mix improvement.

- For the half year ended sales grew by 32.3% and operating profit increased by 55.4%.

PIDILITE INDUSTRIES LIMITED
REGD. OFFICE : 7th Floor, Regent Chambers, Jamnalal Bajaj Marg,
208, Nariman Point, Mumbai - 400 021.

STATEMENT OF STANDALONE & CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30.09.2013

(Rs. In Lakhs)

Sr. No.	Part I	Standalone						Consolidated					
	Particulars	For the Quarter ended			For the Half year ended		For the Year ended	For the Quarter ended			For the Half year ended		For the Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Operations**												
	a) Net sales / Income from Operations (Net of excise duty)	98515	100993	81593	199508	172360	331177	109407	111881	89974	221288	189754	365784
	b) Other Operating Income	602	491	495	1093	973	1992	602	491	496	1093	975	2027
	Total Income from Operations (net)	**99117**	**101484**	**82088**	**200601**	**173333**	**333169**	**110009**	**112372**	**90470**	**222381**	**190729**	**367811**
2	Expenses												
	a) Cost of materials consumed	52481	45224	40082	97705	87125	169667	57173	48927	43375	106100	94062	184402
	b) Purchases of stock-in-trade	4626	5493	4057	10119	8017	15612	6188	7410	5109	13578	10666	21590
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2245)	3958	1152	1713	526	(3925)	(2574)	4333	1577	1759	842	(5182)
	d) Employee benefits expense	8822	9094	7278	17916	15156	30103	10866	11128	9057	21994	18730	37458
	e) Depreciation and amortisation expense	1684	1531	1282	3215	2519	5324	2084	1919	1698	4003	3312	6858
	f) Other expenses	16973	15318	14843	32291	28764	60352	19400	17897	17008	37097	33188	69490
	Total Expenses	**82341**	**80618**	**68694**	**162959**	**142107**	**277133**	**93117**	**91414**	**77824**	**184531**	**160798**	**314616**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**16776**	**20866**	**13394**	**37642**	**31226**	**56036**	**16892**	**20958**	**12646**	**37850**	**29931**	**53195**
4	Other Income	069	097	1214	1766	2606	6590	021	966	1383	1787	2978	7047
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	17645	21763	14608	39408	33832	62626	17713	21924	14029	39637	32909	60242
6	Finance Costs	377	359	181	736	1093	1217	618	545	406	1163	1515	2138
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**17268**	**21404**	**14427**	**38672**	**32739**	**61409**	**17095**	**21379**	**13623**	**38474**	**31394**	**58104**
8	Exceptional items	-	-	-	-	-	(584)	-	-	-	-	-	(183)
9	**Profit from ordinary activities before Foreign Exchange Difference Expense/ (Income) (7-8)**	**17268**	**21404**	**14427**	**38672**	**32739**	**62003**	**17096**	**21379**	**13623**	**38474**	**31394**	**58287**
10	Foreign Exchange Difference Expense / (Income)	610	(768)	772	(158)	762	46	592	(747)	810	(155)	803	154
11	**Profit from ordinary activities before tax (9-10)**	**16658**	**22172**	**13655**	**38830**	**31977**	**61957**	**16503**	**22126**	**12813**	**38629**	**30591**	**58133**
12	Tax Expense	4898	5945	3253	10843	8237	15881	4751	5981	3250	10732	8241	15951
13	**Net Profit from ordinary activities after tax (11-12)**	**11960**	**16227**	**10402**	**28187**	**23740**	**46076**	**11752**	**16145**	**9563**	**27897**	**22350**	**42182**
14	Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-	-
15	Net Profit for the period (13-14)	11960	16227	10402	28187	23740	46076	11752	16145	9563	27897	22350	42182
16	Share of Profit/(Loss) of associates	-	-	-	-	-	-	104	(35)	5	69	24	241
17	Minority Interest	-	-	-	-	-	-	(8)	(11)	(2)	(19)	(6)	(24)
18	**Net Profit after taxes, minority interest and share of profit / (loss) of associates (15+16+17)**	**11960**	**16227**	**10402**	**28187**	**23740**	**46076**	**11848**	**16099**	**9566**	**27947**	**22368**	**42399**
19	Paid-up Equity Share Capital (Face value of share : Re. 1/-)	5126	5126	5086	5126	5086	5126	5126	5126	5086	5126	5086	5126
20	Reserves excluding Revaluation Reserves as at balance sheet date						168117						160027
21(i)	Earnings per share (before extraordinary item)(of Re.1/- each) :												
	a) Basic	@ 2.33	@ 3.17	@ 2.05	@ 5.50	@ 4.68	9.04	@ 2.31	@ 3.14	@ 1.88	@ 5.45	@ 4.41	8.27
	b) Diluted	@ 2.33	@ 3.17	@ 2.00	@ 5.50	@ 4.57	9.04	@ 2.31	@ 3.14	@ 1.84	@ 5.45	@ 4.30	8.27
21(ii)	Earnings Per Share (after extraordinary items) (of Re.1/- each) :												
	a) Basic	@ 2.33	@ 3.17	@ 2.05	@ 5.50	@ 4.68	9.04	@ 2.31	@ 3.14	@ 1.88	@ 5.45	@ 4.41	8.27
	b) Diluted	@ 2.33	@ 3.17	@ 2.00	@ 5.50	@ 4.57	9.04	@ 2.31	@ 3.14	@ 1.84	@ 5.45	@ 4.30	8.27
22	Debt Equity Ratio				0.04	0.21	0.03						
23	Debt Service Coverage Ratio				83.85	33.05	2.96						
24	Interest Service Coverage Ratio				66.47	37.90	79.13						

	PART II Select Information for the Quarter and Half year ended 30.09.2013						
A	**PARTICULARS OF SHAREHOLDING**						
1	**Public Shareholding**						
	- Number of Shares	153468784	153468784	149418066	153468784	149418066	153475450
	- Percentage of Shareholding	29.94	29.94	29.38	29.94	29.38	29.94
2	**Promoters and Promoter Group Shareholding**						
	a. Pledged / Encumbered						
	- Number of Shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and of promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b. Non-encumbered						
	- Number of Shares	359173546	359173546	359166880	359173546	359166880	359166880
	- Percentage of Shares (as a % of the total shareholding of promoter and of promoter group)	100	100	100	100	100	100
	- Percentage of Shares (as a % of the total share capital of the Company)	70.06	70.06	70.62	70.06	70.62	70.06

	Particulars	3 months ended 30.09.2013
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	0
	Received during the quarter	10
	Disposed of during the quarter	9
	Remaining unresolved at the end of the quarter	1

@ For the period only and not annualised

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lakhs)

Sr No	Particulars	Standalone						Consolidated					
		For the Quarter ended			For the Half year ended		For the year ended	For the Quarter ended			For the Half year ended		For the year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**												
	a) Consumer & Bazaar Products	78826	84165	66452	162991	140821	297432	89718	95053	74833	184771	158215	332049
	b) Industrial Products	21615	18632	17045	40247	35531	70819	21615	18632	17045	40247	35531	70819
	c) Others	998	677	417	1,675	718	1984	998	677	417	1,675	718	1984
	Total	101439	103474	83914	204913	177070	340235	112331	114362	92295	226693	194464	374852
	Less : Inter Segment Revenue	2924	2481	2321	5405	4710	9058	2924	2481	2321	5405	4710	9058
	Net Sales / Income From Operations	**98515**	**100993**	**81593**	**199508**	**172360**	**331177**	**109407**	**111881**	**89974**	**221288**	**189754**	**365794**
2	**Segment Results**												
	a) Consumer & Bazaar Products	19305	24153	14946	43458	34935	84449	19296	24310	14459	43596	34264	81810
	b) Industrial Products	2468	1915	1663	4383	3919	9071	2468	1915	1663	4383	3919	8071
	c) Others	(66)	27	(197)	(39)	(452)	(969)	(65)	27	(197)	(38)	(452)	(969)
	Total	21708	26095	16412	47803	38402	71551	21699	26252	15925	47941	37731	68912
	Less i) Interest	300	293	34	593	868	793	494	427	219	911	1207	1542
	ii) Other Unallocable Expenditure - Net Of Unallocable Income	4750	3630	2723	8380	5559	8801	4702	3699	2893	8401	5933	9237
	Total Profit Before Tax	**16658**	**22172**	**13655**	**38830**	**31977**	**61957**	**16503**	**22126**	**12813**	**38629**	**30591**	**58133**
3	**Capital Employed**												
	a) Consumer & Bazaar Products	65200	59683	48539	65200	48539	47795	86150	80518	67996	86150	67996	66311
	b) Industrial Products	30727	25315	20881	30727	20881	20978	30727	25315	20881	30727	20881	20978
	c) Others	4558	4297	4632	4558	4632	4247	4558	4297	4632	4558	4632	4247
	d) Unallocated	100945	100177	88355	100945	88355	100223	73467	72166	62794	73467	62794	73617
	Total Capital Employed	**201430**	**189472**	**162407**	**201430**	**162407**	**173243**	**194902**	**182298**	**156303**	**194902**	**156303**	**165153**

Notes

1 The above results have been reviewed by the Audit Committee on 28th October, 2013 and approved by the Board of Directors at their meeting held on 29th October, 2013.

2 The Statutory Auditors have carried out a "Limited Review" of the standalone financial results for the Quarter and Half year ended 30th September, 2013.

3 The Company has opted to publish Standalone as well as Consolidated financial statements.The Consolidated financial results prepared as per Accounting Standard (AS-21) and Accounting Standard (AS-23) comprise the results of Pidilite Industries Ltd. (Holding Company),18 subsidiary companies, one partnership firm and one associate Company.

4 Unallocated Capital Employed as at 30th September, 2013 includes a) Capital Work in Progress of Rs. 36595 lakhs (30th September, 2012 Rs. 36587 lakhs) of Synthetic Elastomer Project b) Investments in units of mutual funds/ term deposit with banks Rs.32396 lakhs (30th September 2012 Rs. 31403 lakhs).

5 Previous period figures are regrouped wherever necessary.

Mumbai
Dated : 29th October, 2013

M.B.PAREKH
Chairman & Managing Director