Pidilite

August 6, 2015

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 ended 30th June, 2015.

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 ended June 2015

Coverage

- Financial Highlights
- Segment wise performance
- Overseas subsidiaries performance
- Financial Results

Investor Communication

This investor update covers the Company's performance for quarter ended 30th June 2015.

Contact information

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Financial Highlights

Quarter ended 30th June 2015

Consolidated Performance

- During the quarter, Nina Waterproofing Systems Private Ltd. (NWSL), a subsidiary of Pidilite Industries Limited (PIL), has acquired the waterproofing business of Nina Concrete Systems Private Ltd. (NCS) on a slump sale basis. PIL holds 70% of the paid up capital in NWSL. The results include the performance of NWSL.

- Net sales at Rs 14,622 M grew by 9.3% over the same quarter last year.

- Material cost, as a % to sale, is lower than same quarter last year by 513 Bps mainly on account of lower prices of key raw materials & price increases taken last year.

- Total expenses during the quarter were higher by 9.2%.

- EBIDTA, before non-operating income & exceptional items at Rs 3,437 M grew by 43.0%.

- Profit before tax in current quarter is Rs 3,187 M, a growth of 41.1% and Profit after Tax at Rs 2,261 M is higher by 34.8%.

Standalone Performance

- Net sales at Rs 12,984 M grew by 7.5% over same quarter last year. This was driven by a 7.4% growth in sales of Consumer & Bazaar products whereas Industrial Products grew by 0.7%.
- Material cost, as a % to sales, is lower than same quarter last year by 542 Bps due to lower prices of key raw materials & price increases taken in last year.
- Total expenses during the quarter were higher by 6.9%.
- EBITDA, before non-operating income & exceptional items at Rs 3,278 M is higher by 40.7% over the same quarter last year.
- Other income is lower by 45.9% due to lower investment income.
- Last year the company had incurred an exceptional cost on voluntary retirement scheme of Rs 49.1 M which is Nil in current year.
- Profit before Tax at Rs 3,081 is higher than last year by 38.9% and Profit after Tax is higher by 33.6%.

Business segment wise performance

(Values in Rs Millions)

Particulars	Quarter ended		
	Jun-15	Jun-14	% Change
Segment Revenue			
a) Consumer & Bazaar Products	10,921	10,169	7.4%
b) Industrial Products	2,185	2,169	0.7%
c) Others	138	111	24.6%
Total	13,244	12,449	6.4%
Less : Inter Segment Revenue	261	376	-30.8%
Total Revenue	**12,984**	**12,072**	**7.5%**
Segment Results			
a) Consumer & Bazaar Products	3,270	2,413	35.5%
b) Industrial Products	335	161	108.4%
c) Others	-39	-33	18.6%
Total	3,566	2,541	40.4%
Less:			
Interest	14	13	13.6%
Other Unallocable Expenditure Net Of Unallocable Income	471	310	51.9%
Total Profit Before Tax	**3,081**	**2,219**	**38.9%**

Quarter ended 30th June 2015

CONSUMER AND BAZAAR PRODUCTS

- Segment revenue grew by 7.4%.
- Segment Profit Before Tax and Interest (PBIT) grew by 35.5%.

INDUSTRIAL PRODUCTS

- Segment revenue grew by 0.7%.
- Segment PBIT for the quarter grew by 108.4% due to lower input costs.

- Other unallocable expenditure net of unallocable income increased by 51.9% due to lower investment income.

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.
- The performance of the following geographies, **in constant currency terms**, is detailed below.

Sales - Rs mn	Q1 2014-15	Q1 2015-16
North America	680.3	633.9
South America	261.1	243.4
Middle East & Africa	131.5	216.5
South & South East Asia	267.7	341.0
Total	**1,340.6**	**1,434.9**

EBITDA- Rs mn	Q1 2014-15	Q1 2015-16
North America	52.5	75.5
South America	(12.8)	(10.7)
Middle East & Africa	(3.0)	(18.9)
South & South East Asia	58.4	91.5
Total	**95.1**	**137.4**

- Sales in constant currency grew by 7.0% during the quarter. However, due to translation impact the reported sales show a growth of 3.9%.

North America:

- **For the Quarter:** Sales growth was high in Q1 of last year due to initial orders from a new large customer. Sales declined by 6.8% as compared to high sales base of last year. EBITDA at Rs 75.5 Million grew by 4% due to improvement in customer & product mix and control on SGA expenses.

South America:

- **For the Quarter:** After reasonable sales growth in Jan - March quarter, sales in April - June quarter were lower than last year due to difficulties in Brazil economy. Losses at EBITDA level declined by 16 % due to lower SGA expenses.

Middle East & Africa:

- **For the Quarter:** Sales grew by 121.7% in Dubai largely due to transition from third party distribution to own distribution model for Pidilite industries products in the region. Adjusting for this revenue, sales declined by 68% over same quarter last year. Egypt sales grew by 4.9%. Loss at EBIDTA level increased to Rs 18.9 M due to higher SG&A expenses.

South & South East Asia:

- **For the Quarter:** Sales grew by 66.1% in Bangladesh whereas sales declined by 9.1% in Thailand. EBIDTA increased by 56.6% mainly due to lower material costs.

PIDILITE INDUSTRIES LIMITED

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STATEMENT OF STANDALONE & CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2015

(Rs. In Lakhs)

	Part I	Standalone				Consolidated			
Sr. No.	Particulars	For the Quarter ended			For the Year ended	For the Quarter ended			For the Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015	30.06.2015	31.03.2015	30.06.2014	31.03.2015
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	**Income from Operations**								
	a) Net sales / Income from Operations (Net of excise duty)	129836	96244	120724	437480	146215	103744	133810	482044
	b) Other Operating Income	731	569	565	2327	731	609	565	2367
	Total Income from Operations (net)	**130567**	**96813**	**121289**	**439807**	**146946**	**104353**	**134375**	**484411**
2	Expenses								
	a) Cost of materials consumed	53160	49913	59919	226881	61113	53780	64895	247381
	b) Purchases of stock-in-trade	5456	4063	4016	16811	5841	5531	5531	21985
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7538	(3308)	4121	(678)	7910	(3755)	4951	(1224)
	d) Employee benefits expense	11639	9759	10370	40939	14230	11372	12793	49725
	e) Depreciation and amortisation expense	2804	2833	2278	10772	3214	3056	2518	11776
	f) Other expenses	19990	22461	19555	79748	23483	24039	22189	88886
	Total Expenses	**100587**	**85721**	**100259**	**374273**	**115791**	**94023**	**112857**	**418529**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**29980**	**11092**	**21030**	**65534**	**31155**	**10330**	**21518**	**65882**
4	Other Income	941	780	1738	4277	1045	898	1800	4549
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	30921	11872	22768	69811	32200	11228	23318	70431
6	Finance Costs	142	332	125	950	390	464	269	1564
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**30779**	**11540**	**22643**	**68861**	**31810**	**10764**	**23049**	**68867**
8	Exceptional items	-	1270	491	1761	-	-	491	491
9	**Profit from ordinary activities before Foreign Exchange Difference Expense/ (income) (7-8)**	**30779**	**10270**	**22152**	**67100**	**31810**	**10764**	**22558**	**68376**
10	Foreign Exchange Difference Expense - (Income)	(34)	240	(33)	246	(55)	470	(33)	583
11	**Profit from ordinary activities before tax (9-10)**	**30813**	**10030**	**22185**	**66854**	**31865**	**10294**	**22591**	**67793**
12	Tax Expense	8859	2308	5757	16668	9259	2344	5826	16941
13	**Net Profit from ordinary activities after tax (11-12)**	**21954**	**7722**	**16428**	**50186**	**22606**	**7950**	**16765**	**50852**
14	Extraordinary Items	-	-	-	-	-	-	-	-
15	**Net Profit for the period (13-14)**	**21954**	**7722**	**16428**	**50186**	**22606**	**7950**	**16765**	**50852**
16	Share of Profit of associate	-	-	-	-	36	142	101	502
17	Minority Interest	-	-	-	-	(89)	(28)	(14)	(98)
18	**Net Profit after taxes, minority interest and share of profit of associate (15+16+17)**	**21964**	**7722**	**16428**	**50186**	**22653**	**8064**	**16852**	**51256**
19	Paid-up Equity Share Capital (Face value of share Re. 1/-)	5127	5127	5126	5127	5127	5127	5126	5127
20	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				229818				221931
21	Earnings per share (before and after extraordinary item)(of Re 1/- each)								
	a) Basic	(@) 4.28	(@) 1.51	(@) 3.20	9.79	(@) 4.40	(@) 1.57	(@) 3.29	10.00
	b) Diluted	(@) 4.28	(@) 1.51	(@) 3.20	9.78	(@) 4.40	(@) 1.57	(@) 3.29	9.99
	PART II Select information for the Quarter ended 30.06.2015								
A	**PARTICULARS OF SHAREHOLDING**								
1	**Public Shareholding**								
	- Number of Shares	155139030	155139030	153468530	155139030				
	- Percentage of Shareholding	30.26	30.26	29.94	30.26				
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	357523800	357523800	359173800	357523800				
	- Percentage of Shares (as a % of the total shareholding of promoter and of promoter group)	100	100	100	100				
	- Percentage of Shares (as a % of the total share capital of the Company)	69.74	69.74	70.06	69.74				
	Particulars	3 months ended 30.06.2015							
B	**INVESTOR COMPLAINTS**								
	Pending at the beginning of the quarter	Nil							
	Received during the quarter	1							
	Disposed of during the quarter	1							
	Remaining unresolved at the end of the quarter	Nil							

@ 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 year ended	For the Quarter ended			For the year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015	30.06.2015	31.03.2015	30.06.2014	31.03.2015
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	**Segment Revenue**								
	a) Consumer & Bazaar Products	109212	76682	101690	357744	125591	84182	114776	402308
	b) Industrial Products	21846	21573	21688	86921	21846	21573	21688	86921
	c) Others	1383	980	1110	4514	1383	980	1110	4514
	Total	132441	99235	124488	449179	148820	106735	137574	493743
	Less : Inter Segment Revenue	2605	2991	3764	11699	2605	2991	3764	11699
	Net Sales / Income From Operations	**129836**	**96244**	**120724**	**437480**	**146215**	**103744**	**133810**	**482044**
2	**Segment Results**								
	a) Consumer & Bazaar Products	32700	13726	24129	78754	33696	12694	24741	78725
	b) Industrial Products	3353	2880	1609	9667	3353	2880	1609	9667
	c) Others	(389)	(348)	(328)	(1072)	(389)	(348)	(328)	(1072)
	Total	35664	16258	25410	85349	36660	15226	26022	85320
	Less : i) Interest	142	332	125	950	390	464	269	1564
	ii) Other Unallocable Expenditure - Net Of Unallocable Income	4709	5896	3100	17545	4605	4468	3162	15963
	Total Profit Before Tax	**30813**	**10030**	**22185**	**66854**	**31865**	**10294**	**22591**	**67793**
3	**Capital Employed**								
	a) Consumer & Bazaar Products	90205	91257	61895	91257	121616	120018	89169	120018
	b) Industrial Products	25055	24735	23645	24735	25055	24735	23645	24735
	c) Others	4420	3935	3080	3935	4420	3935	3080	3935
	d) Unallocated	137223	115018	132170	115018	93041	78370	97288	78370
	Total Capital Employed	**256903**	**234945**	**220790**	**234945**	**244132**	**227058**	**213182**	**227058**

Notes

1. The above results have been reviewed by the Audit Committee on 27th July, 2015 and approved by the Board of Directors at their meeting held on 28th July, 2015.

2. The Statutory Auditors have carried out a "Limited Review" of the standalone unaudited financial results for the quarter ended 30th June, 2015.

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), 21 subsidiary companies, two partnership firms and one associate Company.

4. Unallocated Capital Employed as at 30th June, 2015 includes a) Capital Work in Progress of Rs. 36575 lakhs (30th June, 2014 Rs. 37111 lakhs) of Synthetic Elastomer Project b) Investments in units of mutual funds/ term deposit with banks Rs. 54839 lakhs (30th June, 2014 Rs. 49070 lakhs).

5. During the quarter, Nina Waterproofing Systems Private Ltd. (NWSP), a subsidiary of the Company (with 70% shareholding by the Company) has acquired the waterproofing business of Nina Concrete Systems Private Ltd. (NCS) on a slump sale basis.

6. Exceptional items include
(i) Provision for diminution in value of investment in a subsidiary company Rs. 1270 lakhs for the quarter and year ended 31st March, 2015 which is only in the standalone results.

(ii) Voluntary Retirement Scheme Rs. 491 lakhs for the quarter ended 30th June, 2014 and year ended 31st March 2015 in standalone and consolidated results.

7. The figures for the quarter ended 31st March, 2015 are the balancing figures between the audited figures in respect of the full financial year and the published year to date unaudited figures upto the third quarter of the financial year ended 31st March, 2015.

8. Previous periods' figures are regrouped/reclassified wherever necessary.

Mumbai
Dated : 28th July, 2015

M.B.PAREKH
Executive Chairman