



Jyothy LABORATORIES LIMITED

Jyothy Laboratories Limited

Analyst Meet

June 3, 2011





Company Overview

Financial Summary for the Year Ended FY11

Category-wise Analysis

Recent Developments - Henkel Acquisition

JFSL Status Update





- A FMCG company with presence in the fabric care, household insecticide, surface cleaning, personal care and air care segments
- Promoted by Mr. M.P. Ramachandran in 1983
 - Mr. Ramachandran has over 37 years of experience in production, sales and management
- Leadership through Key Brands:
 - **Ujala**: #1 in Fabric Care: 72% all-India market share by value and 58.3 % by volume for the year ended March 2011*
 - **Maxo**: 21.9 % all-India market share by value and 24 % by volume for the year ended March 2011*

30.8% Rural India market share by volume for March 2011* - No. 1
24 % all-India market share by volume for March 2011 - No. 2
 - **Exo**: 23.3 % South India market share by value and 20.7 % by volume for year ended March 2011*



Liquid Blue Category

*Source: A.C. Nielsen



■ Extensive Distribution Network

- Available in ~ 2.9 mn outlets in India as of March 31, 2011 (Source: A.C. Nielson)
- Sales staff of over 1,800 people servicing approx. 3,500 distributors
- Field staff have a direct reach of ~ 1 million outlets
- Strong presence in both rural and urban markets

■ Manufacturing

- 28 manufacturing facilities in 16 locations across India - some of these are tax efficient units

Offering Value-for-Money Products to the Common Man



Financial Summary 2010-11



Profit & Loss Account



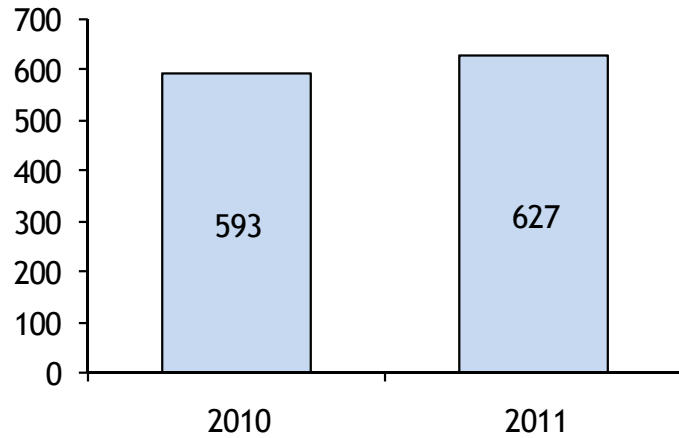
Particulars (Rs. in lacs)	3 months ended 31, March 2011	3 months ended 31, March 2010	12 months ended 31, March 2011	12 months ended 31, March 2010
Gross Sales	19,872	24,969	76,256	75,046
Net sales	15,598	18,984	59,983	57,476
Other income	1,050	811	2,760	1,819
Total Income	16,648	19,796	62,744	59,295
Cost of Goods Sold	(8,425)	(11,314)	(31,363)	(31,277)
Employee Cost	(1,919)	(1,529)	(7,479)	(6,734)
Advertisement & Sales Promo Expenses	(1,162)	(1,305)	(5,378)	(3,783)
Other Expenses	(2,557)	(1,783)	(7,846)	(6,288)
EBITDA	2,585	3,865	10,677	11,213
Depreciation	(201)	(321)	(1,079)	(1,046)
Interest and Finance Charges	(26)	(46)	(41)	(61)
Profit before and tax	2,357	3,498	9,557	10,106
Tax	(136)	(787)	(1,530)	(2,101)
Profit after tax	2,221	2,711	8,027	8,005
EPS	2.77	3.74	10.35	11.03
Book Value Per Share	80.95	54.97	80.95	54.97



Financials Highlights - Profit & Loss



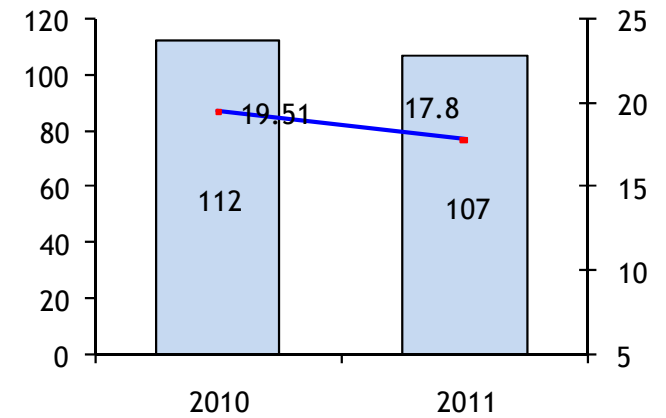
Total Income (Rs in crores)



Total Income increased by 6%

EBITDA decreased 5%

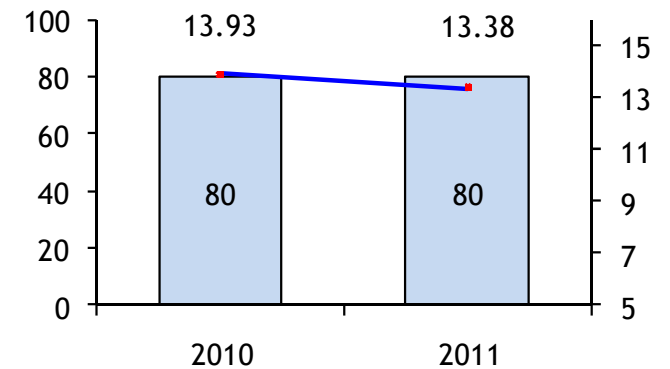
EBITDA (Rs crores) & EBITDA Margin (%)



EPS (INR)



PAT (Rs crores & PAT Margin %)





Rs. In lacs

Brand	2010-11	2009-10
Ujala	2,175	747
Maxo	818	879
Exo	914	902
Others	131	92
Total	4,038	2,620

Increase of Rs. 1,418 lacs when compared to 2009-10



Category-wise performance





Category-wise Revenue Mix for 12 M FY2011



Financial Snapshot - Sales



Category-wise Net Sales

Rs in Lacs

Category	3 Months Ended March		
	2011	2010	Growth %
Fabric Care	7,127	7,511	-5%
Mosquito Repellent	4,691	7,264	-35%
Dishwashing	2,797	3,216	-13%
Other Products	983	994	-1%
	15,598	18,984	-18%

Rs in Lacs

Category	12 Months Ended March		
	2011	2010	Growth %
Fabric Care	29,977	26,503	13%
Mosquito Repellent	14,594	17,853	-18%
Dishwashing	11,398	9,436	21%
Other Products	4,014	3,684	9%
	59,983	57,476	4%





Largest Brand in Fabric Whitener



Brand Facts

- Launched in 1983 - A 27-year old Brand
- Largest brand in the fabric whiteners segment

Positioning

- Positioned as a *liquid* fabric whitener that do not cause the clothes to “blue” or appear patchy

Market Share

- #1 in Product Category: 72% all-India market share by value for March 2011*
- Kerala - 99.99% by value for March 2010*

Brand Extension

- Washing Powder - Launched in 2003 in Kerala & extended to other southern states in January 2009.
- Ujala Stiff and Shine - Launched in Kerala in 2005 and nationally in March 2008

Brand Endorsement

- SACHIN TENDULKAR - Brand Ambassador for 30 months.

Going Forward

- Detergent - Rollout in other states underway
- Looking for Brand Extensions



* Source: A.C. Nielsen



Mosquito Repellent: MAXO



Largest Player in Rural Market



Brand Facts

- One of the leading brands in the mosquito repellent segment; launched in 2000

Positioning

- Positioned as a mosquito repellent offering “corner to corner” protection

Market Share Position

- 30.8% Rural India market share by volume for March 2011* - No. 1
- 24 % all-India market share by volume for March 2011* - No. 2

Brand Extension

- Liquids / Aerosols
- DEPA products for outdoor application

Going Forward

- Focus on liquid/aerosol/Depa
- Partial withdrawal of sales promotion schemes continues

*Source: A.C. Nielsen



Launched MAXO MILITARY on February 14, 2011





*Source: A.C. Nielsen

Brand Facts

- Exo Dishwash Bar - India's first anti-bacterial dish wash launched in 2000
 - Features Cyclozan, which gives a protective cover against bacterial contamination of utensils

Positioning

- Positioned as a brand giving consumers protection against bacterial contamination of utensils in addition to the promise of "clean and shiny" utensils - EXO Family HEALTHY Family.

Market Share

- 23.3 % market share by value in Southern India for March 2011*

Brand Extension

- Dishwashing liquid - Exo Liquid /Exo Gel
- Dishwashing scrubber - Exo Safai

Going Forward

- National roll out started in phased manner
- Presently available in 5 lakh retail outlets

* Southern states include T.N., Karnataka, Kerala and A.P.



Recent Development





- Acquired a Controlling stake in Henkel India Limited
- Board Re-constitution done on May 31, 2011



Brands very well known amongst consumers and retailers due to superior product quality





Brand	Size (Rs. In cr.)
Margo	80
Chek	20
Neem	10
Henko Champion	140
Mr. White	55
Pril	70
Fa	25
Total	400



Total Cost & Funding



Total Cost

INR Rs. Cr

Equity TPL - 14.9%	60.7
Henkel AG - 50.97%	142.9
Open Offer - 20%	100.2
Loans	429.6
Preference Capital	43.9
Others	10.0
Total for 86% stake	787.3

Sources of Funds

Bank Balance	200.0
Borrowing	587.3
Total	787.3



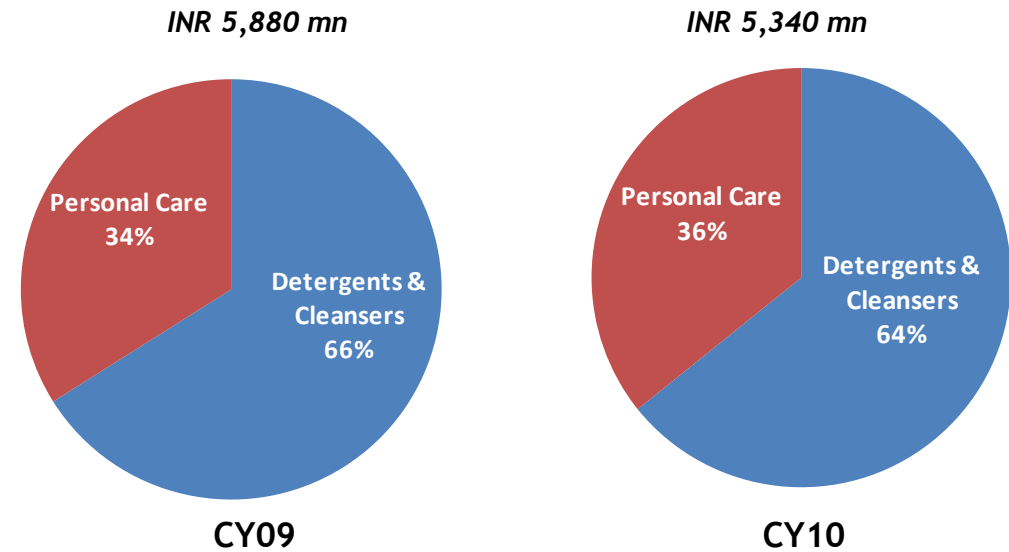
Snap shot of Henkel India: Leading FMCG Player With Strong Brands



Key Highlights

- Company has presence in the fabric care, dish-wash, household cleaning and personal care categories
- Key Brands:
 - *Fabric Care*: Henko, Mr. White, Chek
 - *Dish-Wash*: Pril
 - *Personal Care*: Margo, Fa, Neem

Gross Sales Breakup



*Source: Reported Results

Brand	Category	National Rank	Market Share (By Value)*
Henko	Detergent (Premium)	3	5.1% (~1.1% of Overall Detergent Market)
Pril Dish-Wash	Dishwashing (Liquid)	2	31.9%
Margo	Body Care (Soap)	NA	1.2% (of the overall soap market)
Fa	Personal Care (Deodorants,)	NA	~5.0%

*Source: A.C. Nielsen , Analyst Estimates

Notes:

1. Detergents & Cleansers includes fabric care, dis-wash and household cleaning categories
2. Personal Care includes Margo, Fa, Neem and Schwarzkopf (hair care business)



Henkel Transaction Highlights



- Margo, Chek, Neem - Indian Brands global rights
- Henko, Mr. White assignment of trademarks for India, Bangladesh and Srilanka
- Pril and Fa on licence @ 2% royalty on net sales for Technology support
- Henkel has an option to buy 26% stake in JLL after merger after 5 years
- Sales staff - 200
- Distributors - 750
- Sub stockists - 1700
- World class supply chain management system
- State of the art manufacturing facility at Karaikal - 45 acres of land (value Rs.100 crore approx.)
- Land in Ambattur and Kolkatta (value Rs.40 crore approx.)
- Carry Forward Loss in excess of Rs. 500 crore



Combined Entity Will Have Market Leading Brands In Multiple Categories



Product Basket post Acquisition

Fabric Care



Mosquito Repellent



Dishwashing Products



Personal Care



Our Turnaround Plan For The Business



Operational Measures

Clean up (6-12 months)

- Change top management - retain select middle managers handling brands and distribution
- Remove all sales promotions and offers
- Increase retail prices across products appropriate to their positioning
- Remove current advertising agencies

Revitalize (12-24 months)

- Recruit a fresh field force of 200 sales persons
- Appoint a Special Task Force at Key positions including CEO, Marketing head and Supply Chain
- Transfer a few best-in-class sales heads from Jyothy to drive transformation
- Focus on South & East based stockists / distributors in the first phase and increase their productivity based incentives
- Transfer all manufacturing to single low-cost contract manufacturer / Jyothy's tax free facilities
- Re-launch brands with new creative and positioning in a phased manner

Expected Financial Impact

	Dec-10	6 -12 months	Year 1	Year 2	Year 3	Year 4
Revenue	5,339		5,000	7,000	10,000	12,000
<i>growth (%)</i>	-10%			40%	43%	20%
Gross Profit	2,406		1,500	2,100	3,000	3,600
<i>margin (%)</i>	45%		30%	30%	30%	30%
A&P Spend		Clean up phase; c.15-20% revenue degrowth possible	(800)	(980)	(1,200)	(1,200)
			16.0%	14.0%	12.0%	10.0%
Salaries			(230)	(265)	(304)	(350)
Sales force			(180)	(207)	(238)	(274)
Management			(50)	(58)	(66)	(76)
Overheads			(30)	(33)	(36)	(40)
EBITDA	(169)		440	823	1,460	2,010
<i>margin (%)</i>	-3.2%		8.8%	11.8%	14.6%	16.8%





Synergies

- Drive synergies in distribution - convert state agents to C&F agents (c.3% contribution improvement)
- Consolidate advertising and media buying
- Rural vs Urban / Kirana Stores vs Key Accounts
- Produce from Fiscal benefit areas thereby improving the margins
- Direct Coverage of 10 lacs retail outlets vs 2 lacs at HIL
- Shift the corporate office to Ujala House in Mumbai



Jyothy Fabricare Services Limited





Jyothy Fabricare Services Ltd.

- ❑ JFSL got private equity funding of Rs. 100 crore from IL & FS for business valuation of about Rs. 400 crore
- ❑ Acquired 100% stake in Delhi based Diamond Fabcare
- ❑ Acquired 100% stake in Mumbai based Akash Cleaners
- ❑ With this the footprint of JFSL has reached beyond Bangalore to Delhi and Mumbai with over 100 retail outlets
- ❑ Railways/BOOT/Rentals
- ❑ Taj Vivanta Yeshavanthpur (Bangalore) - Managing inhouse laundry





AKASH DRY CLEANERS

MAXIMUM CARE. MINIMUM FUSS.

Call Us Now! - 65161616
for FREE pick-up & delivery service across
Mumbai & Navi Mumbai

HOME

Acquired Akash Dry Cleaners, 14 year old w.e.f April 1, 2011

4 Retail Outlets at Bandra, Juhu, Colaba and Napean Sea Road

- STORE LOCATION
- SPECIAL OFFERS
- FEEDBACK
- QUIZ YOUR CLEANER

Get 10% off on every Invoice*

ENROLL NOW

* Terms & Conditions apply

Profitable with a Turnover of Rs. 8 crore appox

Real Estate of 1 acre in MIDC - Navi Mumbai

Store Location :

BANDRA

Processing plant of 6 ton capacity





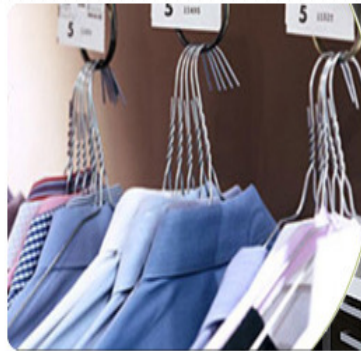
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WARDROBE
DRY CLEANING & LAUNDRY SOLUTIONS
Keep it new

Acquired Diamond Fabcare -
Wardrobe , 3 year old w.e.f
April 1, 2011

CLOTHES SO FRESH, FEELS LIKE NEW

Welcome To Wardrobe



“New as the breaking sunrays
New as a budding rose
New as the leaves of spring
New as a newborn”

WARDROBE
Keep it new



Home

About Us

Our Strengths

Plant Information & Infrastructure

Services

62 Retail Outlets across Delhi,
Gurgaon, Faridabad, and
Ghaziabad

Turnover of Rs. 9.5 crore

Processing plant of 8 ton
capacity

Dry Cleaning and Laundry services now come in a fresh new perspective. A promise of keeping your clothes new and shining.

Welcome to **WARDROBE**, a growing chain of fabric care centers that offers a world-class expertise, with cutting edge technology and superior services to ensure that your clothes retain their freshness and remain like new.



JFSL - Next 4 Year Business Plan



Rs. In lacs

Particulars	2011-12	2012-13	2013-14	2014-15
Service Income	5,795	11,291	19,257	34,978
Washing Expenses	2,408	4,302	6,988	12,855
Gross Margin	3,387	6,989	12,269	22,123
Gross Margin%	58%	62%	64%	64%
Manpower Cost	1,356	2,236	2,930	3,762
Rent	672	1,334	1,555	1,854
Other Overheads	1,036	1,846	2,766	4,503
EBITDA	323	1,573	5,018	12,004
EBITDA % to Income	6%	14%	26%	34%
PBT	(276)	718	4,022	1,189
PAT	(276)	718	2,950	7,459





Thank You

