
WHIRLPOOL INDIA

ANALYST MEETING

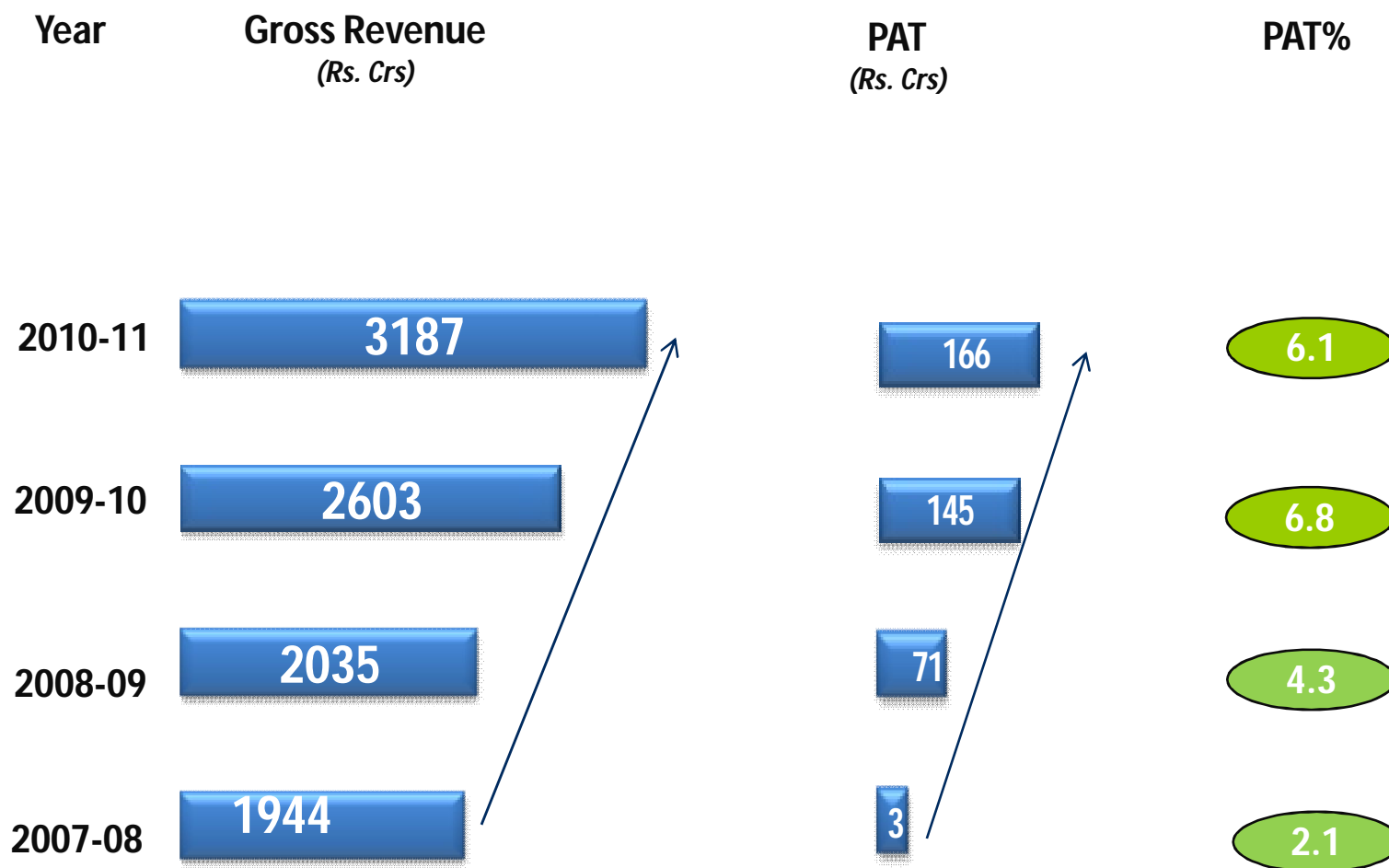


Gurgaon
June 14th 2012

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DELIVERING SUSTAINABLE PROFITABLE GROWTH

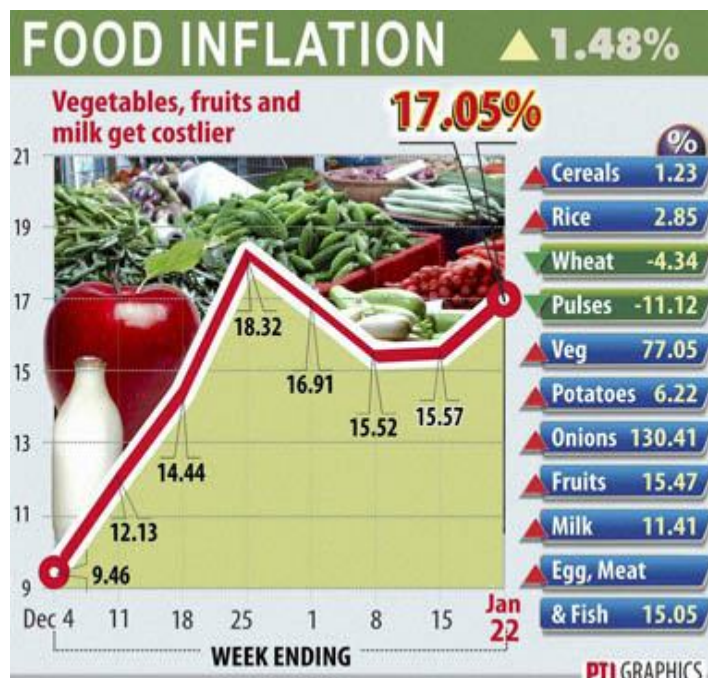


.... The External Environment is becoming more & more Challenging

2011-12.... THE WORST ECONOMIC ENVIRONMENT IN 70 YEARS



Unprecedented headwinds in demand, currencies, inflationary costs, and competitor pricing behavior...



Price rise: This is the third consecutive week in which food inflation has shown an upward movement.

NO RELIEF

Food inflation crosses 15% as rains hit supply

PTI summer spending and reduce

RBI targets inflation forcefully

C. R. L. NARASIMHAN

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It is time to reorient the lenders' centric nature of the credit policy to include depositors' concern in a more meaningful way

The Reserve Bank of India's unrelenting focus on inflation was once again in evidence and not merely because it hiked the two short-term policy

Growth slows to 9-year low, govt scrambles for options

OMINOUS Manufacturing sector stops growing, firms may hold back investment plans

HT Correspondent

letters@hindustantimes.com

NEW DELHI: Brace for more economic uncertainties as the government's troubleshooters struggle for options to turn around the economy buffeted by political compulsions, dipping investments and a sputtering world economy.

The growth — measured by GDP, or value of all services and goods produced in a specific period — crashed to a nine-year low of 6.5% in 2011-12, and by 5.3% during the January-March quarter, the worst in 36 quarters.

The national income data released on Thursday showed that the manufacturing sector contracted (-)0.3% during the quarter, confirming what most analysts had been fearing: Raising interest rates failed to tame price rise.

Slower industrial growth can result in fewer jobs and lower salary hikes as firms, squeezed in by lower sales, hold back on investments and hiring.

CONTINUED ON PAGE 6

INDIA STORY TURNING GRIM?

6.5%

GDP GROWTH RATE for 2011-12, down from 8.4% previous year and slowest in 9 years

5.3%

GDP GROWTH RATE for Jan-March 2011-12 quarter, down from 9.2% in same period previous year

THE GROWTH TRACKER



WHAT IS PULLING DOWN GDP?



- Manufacturing contracted
- Services grew 8.5% against 9.2%
- Investment dropped to 5.5% against 7.8%
- Foreign investors redrawing investment plans

WHAT IT MEANS



- Slower manufacturing growth hurts profits and jobs
- Firms are trying to keep revenues high, maintain profits with minimum layoffs
- European slowdown threatens revenues of IT firms

DANGER SIGNS



- Sharp food price rise affects family budgets as same amount now buys fewer goods
- Last three years saw home loan EMIs steadily going up
- If Europe faces recession, India too will be affected

THE DILEMMA



- Steps to fight inflation affected growth
- RBI may not cut rates further as inflation is climbing back
- Higher EMIs affecting sales of consumer goods

RUPEE'S FREE FALL



- ₹ hit a record intra-day low of 56.31 to dollar on Thursday
- ₹ fall makes imported raw materials and overseas loans costlier

LIMITED OPTIONS



- Lower taxes will limit govt's ability to spend more
- Govt can cut taxes, but it will result in lower revenues and force govt to borrow more

inside

Business

» Demand dip punches GDP P23
» Rupee takes a knock again

Comment

» Surrendering to price rise

P12

54, 55, 56... is the ₹ in a freefall?

IMPORT PRESSURE Analysts expect a 55-57 range against the \$ in near term; Sensex dips below 16,000

HT Correspondent

letters@hindustantimes.com

NEW DELHI: Falling for the sixth straight day, the rupee plunged to a new low of 56.20 against the dollar on Wednesday on the back of strong demand for the American currency from importers, before recovering slightly to close at 56.00.

A weakened rupee also softened sentiments in stock market as the 30-share Bombay Stock Exchange (BSE) sensitive index, Sensex, ended below the 16,000 level for the first time in more than four months. It ended Wednesday at 15,948, down 78 points or 0.5%. The 50-script National Stock Exchange index Nifty dropped 25 points, or 0.5% to 4,836.

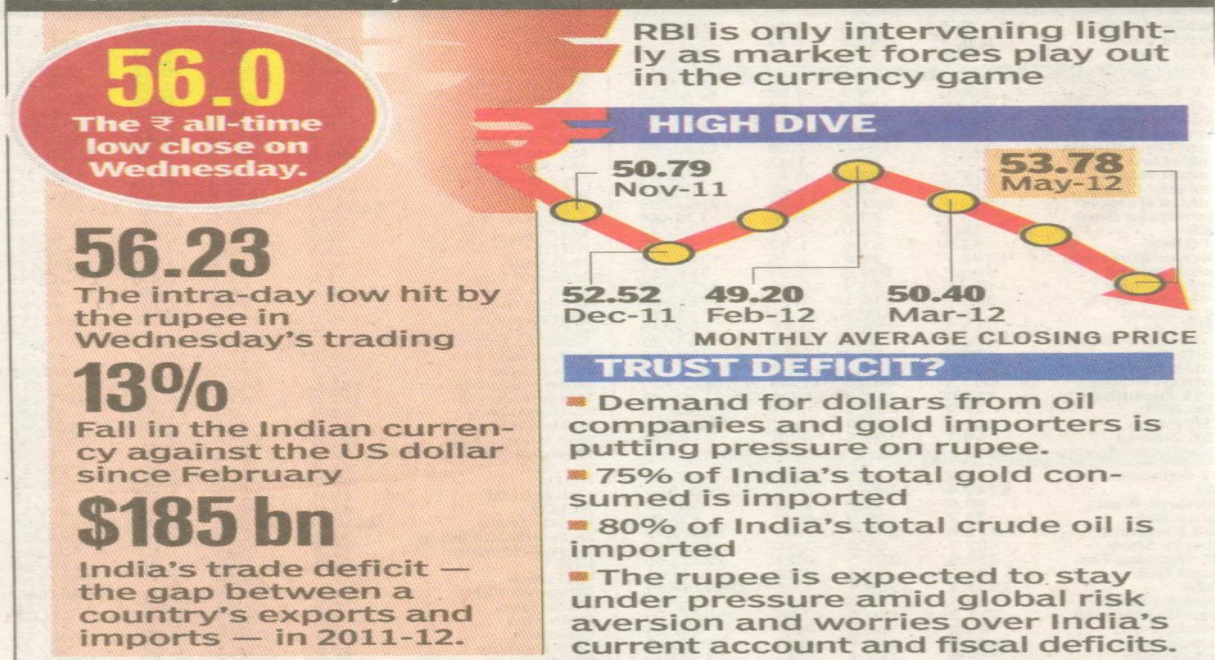
The rupee fell 61 paise on Wednesday against the US dollar despite what appeared to be a mild intervention by the Reserve Bank of India (RBI).

Analysts expect the Indian currency to see new lows in coming days.

"I do not see clear skies for India at the moment," said Pranay Gupta, Asia chief investment officer at Lombard Odier, which manages 145 billion Swiss francs for its clients. "The rupee still has some more downside."

The Indian currency has fallen around 13% since February on concerns over the high fiscal deficit, lack of policy actions from Indian government and concerns around the euro zone

DOLLAR DREAMS, RUPEE NIGHTMARES



crisis.

"RBI is not intervening aggressively because the regulator knows the depreciation is because of factors that are out of its control," said Anindya Banerjee, currency analyst at Kotak Securities. "Weakening sentiments among importers is leading to strong demand for dollars." He expects the rupee to trade in the range of 55-57 against the dollar in the next couple of weeks.

HT GRAPHIC; TEXT: HT BUREAU;

However, some factors such as cooling commodity prices and falling gold imports may come to the rescue of the falling rupee.

"Commodity prices have fallen, including crude oil prices, while gold import is also expected to come down," said Rajeev Mahrotri, head of trading, global markets group, IndusInd Bank. "Though the rupee may weaken further, we may see falling commodity prices helping it."

Real Bharat Bandh Continues A currency in decline, wobbly markets, economic growth for the latest quarter at a nine-year low, soaring deficits, deadlocked politics, paralysed policymaking and images of protesters pelting stones and burning tyres... welcome to UPA II-ruled India

Goodbye 2020,
Hello 1991!

Worse Comes to Worst As Sensex goes below 16k, ₹ hits a new low, euro crisis deepens & govt mulls austerity measures, ET brings you a detailed picture of what's happening and what's ahead

India, A Short Story?

Sensex sheds 1.8% as rupee slumps to an all-time low of 54.52 intra-day

OUR BUREAUS
MUMBAI | KOLKATA

Stocks and the rupee wilted as investors scrambled for safe havens, fearing a financial catastrophe if Greece exited the euro zone and amid few signs of the Indian government acting in a purposeful manner to fix the nation's deteriorating finances.

But Finance Minister Pranab Mukherjee said the India growth story was still intact and that austerity measures were in the pipeline, though he admitted it was politically difficult to raise prices of subsidised petroleum products such as diesel, a step recommended by most economists.

Stocks sank to a new four-month low and the rupee fell to its worst close as panic gripped investors and demand from importers overshadowed the Reserve Bank of India's US dollar sales, which proved to be too little, too late.

"Falling rupee and high inflation are only the symptoms and not the cause of India's economic woes," said Sanjeev Prasad, senior executive director and co-head of institutional equities at Kotak Securities. "They merely reflect the lack of governance, fractured politics and weak investment climate. The aversion to Indian equities is quite high currently, and reflects the disenchantment of investors with the lack of economic mo-

mentum and policy inaction."

The rupee has recorded the biggest drop since December at 1.3% to 54.49 per US dollar, making it the worst-performing currency in Asia this year. It touched an all-time low of 54.52 earlier in the day, and is down 6.6% this quarter. The 30-share BSE Sensex tumbled 1.8% to 16,030.09 on Wednesday, its worst close since January 9. Declines outpaced advances by 1.76 to 1. The MSCI Emerging Markets Index fell 2.5% and the Shanghai Composite declined 1.2%.

The debacle suffered recently by the Indian economy has led to some speculation over whether Indonesia, rich in resources and a stable macro economy, would replace the

second most-populous country in the BRICS grouping, a moniker coined by Goldman Sachs for the fastest-growing economies in the world.

On the rupee front, some called for more steps to check the slide in the currency. "RBI has used up most of the available ammunition to prevent the rupee's slide in the over-the-counter market, but without much success," said KN Dey, director at Basix Forex.

Films Spooked by Weak Rupee >> 17

Credit Offtake OK, Deposits Slump

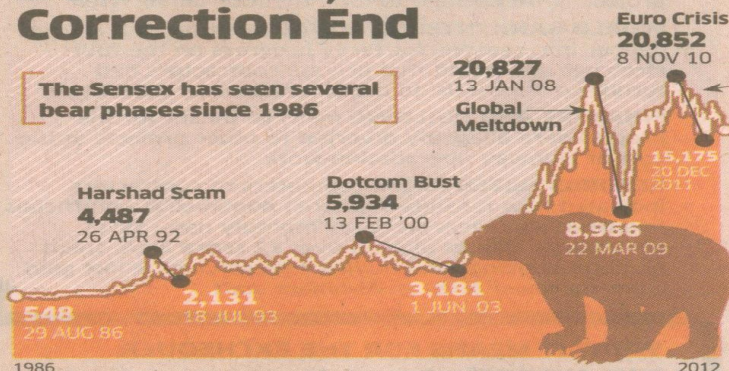
Credit growth fell to 17.27% year-on-year even as depositors pulled out funds, leading to a dip in deposits. >> 12

FM Vows Austerity

Finance Minister Pranab Mukherjee promised a fresh set of austerity measures, but said he was not pressing the panic button yet. >> 13

Don't Panic, Let the Correction End

The Sensex has seen several bear phases since 1986



Remain Invested to Cut Risk

Analysis based on average Sensex values from FY81 to FY12



Road Map for Retail Investors

STOCKS	MFs	ULIPS
No leveraged buying Don't try to be a contrarian. Markets will stabilise, but right now the trend is decidedly bearish Don't be guided by 52-week lows & highs Go for blue-chip stocks and defensive sectors	Don't stop your SIPs in equity funds Stick to large-cap funds that invest in blue-chips. Only large cos will be able to weather a slowdown Don't bet on thematic and sectoral funds. Go for diversified funds	Gradually shift to equity funds if you are in the debt option If a large premium payment is due, don't put the entire sum into equity option at one go Avoid withdrawing investment right now. If not ready to take risk, shift to debt option

ET VIEW

A Chance to Buy

For long-term investors, the market slump is an opportunity to buy. The India story is too strong to be crippled by external turbulence or incompetent political leadership internally. Of course, we can do with more coherence and boldness at the top, to restore macroeconomic balance and free up economic activity. Liberalising and investing in rural supply chains will contain inflation and boost growth. Decontrol of diesel will cut fiscal and current account deficits, strengthen the rupee and contain inflation after an initial spike. Willingness to take tough decisions will shore up business confidence, whose deficit hurts more than anything else.

Global Markets in a Tailspin

Markets went wild after a brief respite on Tuesday, with Greece set for fresh elections next month reports **Sudeshna Sen.** >> 19



PURNIMA

Steepest ever hike hits petrol

SANJEEV VERMA / HT PHOTO

FUEL CATCHES FIRE Diesel, LPG next; minister blames big fall in rupee against dollar, rise in global oil prices

Anupama Airy

letters@hindustantimes.com

NEW DELHI: In the first petrol price hike in six months, the state-owned oil marketing companies shocked the consumer on Wednesday by making petrol sharply costlier. Delhiites will now have to pay ₹7.54 a litre more — the steepest ever in 10 years.

Even though the government decontrolled petrol prices in June 2010, the last price hike came on November 4. Since then, the government did not allow any increase due to political compulsions despite oil prices shooting up following the huge fall in the value of the rupee against the dollar.

The oil companies, which had in the fiscal ending March 31, 2012 lost ₹4,860 crore on petrol sales, are now losing ₹6.28 a litre. After including the 20% VAT, the increase in petrol price in Delhi came to ₹7.54 a litre.

While no revision has been announced immediately in diesel and cooking gas prices, senior government officials said it might be announced shortly after the meeting of the empowered group of ministers — chaired by finance minister Pranab Mukherjee — on Friday or early next week.

The prices of diesel, kerosene and cooking gas were last raised in June and the EGoM, with representatives of key UPA allies such as the TMC and DMK, hasn't met for almost a year now.

Chairman of the prime minister's economic advisory council C Rangarajan had suggested in a report to the government that a ₹4 a litre hike in diesel prices was necessary besides charging market prices for cooking gas beyond four cylinders at subsidised prices a year.

Petroleum and natural gas minister Jaipal Reddy, who is now in Turkmenistan to sign a

gas pipeline deal, hinted on Tuesday at the hike, citing the free fall in rupee prices against the dollar as the reason.

He said, "If the rupee depreciates by one against the dollar, the OMCs (oil marketing companies) lose ₹8,000 crore annually. The rupee on Monday dipped to ₹55 to the dollar against ₹46 last year. This translated into a loss of ₹72,000 crore on account of rupee depreciation this year."

The Capital's filling stations saw long queues after the announcement of the hike, since the decision was to take effect from midnight Wednesday.

A Delhi Police officer said, "Some petrol pumps stop selling petrol claiming they are out of stock. They start selling after midnight when they can charge the increased amount. This makes motorist angry."

The hike saw howls of protest from the government's allies and opponents as it comes at a time when the UPA 2 is celebrating its three years in office.

The UPA's outside supporter Samajwadi Party dubbed it a "gift" to the common man from the government on the completion of its three years in office.

Mamata Banerjee, chief of the Trinamool Congress — the second biggest constituent of the UPA — reacted sharply, saying her party would not accept the hike. But she made it clear that she would not topple the government, as it would create economic and political instability.

Petrol in Mumbai will cost ₹78.57 a litre against ₹70.66 a litre. In Kolkata, the increase will be ₹7.85 per litre to ₹77.88 per litre



OIL'S NOT WELL

State-run companies announced the biggest petrol price hike in 10 years, inviting sharp reactions from UPA allies and Oppn

What you'll pay

	Old	New
Delhi	₹65.64	₹73.18
Gurgaon	₹66.63	₹74.23
Noida	₹69.81	₹77.76

All figures in ₹/litre

Price tracker

(Prices in ₹/litre in Delhi)



THE REASONS

- Oil cos cite high crude oil prices and rupee depreciation as main reasons
- Falling rupee increases oil import costs by refiners
- Every time dollar costs a rupee more, govt has to add ₹8,000 cr to fuel subsidy bill
- Re stood at 51.98 against dollar when prices were last hiked in Nov. Now, it is 56

THE POLITICS

- Govt decontrolled petrol prices in June 2010
- Prices hiked six times in 2011 alone, with last hike coming in Nov
- Oil cos wanted a hike in Jan 2012. But five state polls, budget session and passage of finance bill blocked hike
- Cos reported ₹4,853-crore loss on sales

IS THE HIKE ENOUGH?

Experts and industry say even this steepest increase in 10 years leaves a loss of ₹1.5-a-litre that has to be borne by oil companies

WHAT NEXT

- EGoM under FM Pranab Mukherjee to meet on Friday to decide on diesel and LPG price hikes
- Strong possibility of a partial rollback in petrol price hike
- Amid strong criticism by UPA allies and Opposition, Cong-ruled states may be asked to cut sales tax

THE TAX COMPONENTS

Petrol: On ₹65.64 a litre in Delhi, consumer paid ₹26.53 as taxes. States charged ₹10-19 while Centre received ₹15.59, including a ₹14.78 excise duty

Diesel: On ₹40.91 a litre in Delhi, consumer pays ₹7.42 as taxes. States charge ₹4.5-9 a litre while central taxes and duties amount to ₹2.96

"It was a difficult decision. But the government had no role as petrol is de-regulated and oil marketing companies decide its prices."
—Rashid Alvi, Cong spokesperson

"I cannot accept this unjust, unilateral hike. It was without our knowledge. But we don't want to topple the government... It will create economic and political instability"
—Mamata Banerjee, TMC chief

"We condemn the petrol price hike and seek its rollback. We won't allow it. A strong democratic agitation is on the cards"
—Prakash Javadekar, BJP spokesperson

inside P11 & 21

- » LPG, diesel hike likely
- » Friends, foes slam govt
- » Economy resilient: FM

Economy gasps as Q4 growth sputters to 5.3%

Worst Quarterly Show In 9 Years

TIMES NEWS NETWORK

New Delhi: India's economic growth dropped to a nine-year low of 5.3% in the January-March quarter of this year, showing up in bolder relief than ever before the signs of severe stress in the economy, and prompting calls for urgent action to reverse the trend.

Data released by the Central Statistics Office on Thursday showed

► **Manufacturing at 2.5%, P 24**
► **FULL COVERAGE, P 23 & 24**

growth in 2011-12 stood at 6.5%, much lower than 8.4% in the previous year. It was below the government's previous estimate of 6.9% and way off estimates handed out periodically by top government policymakers.

Growth in the manufacturing sector fell 0.3% in the March quarter compared to expansion of 7.3% in the same period of the previous year.

SLUGGISH ELEPHANT

March quarter GDP growth at **5.3%**, against 9.2% in Q4 of 2010-11

► **Manufacturing scrapes the bottom with 0.3% decline**, agriculture grows just 1.7%, services slow down to 7.9% from 10.6%

► **Overall 2011-12 growth at 6.5%**, lower than estimates of 6.9%

► Economists are **scaling down growth projection** for 2012-13

► **Industry in gloom.** Says govt should pull out all stops to stem the slide

COME AGAIN?

“There are several reasons that growth is almost universally predicted to be sustained at a high rate of 8-9% per annum and more, over the next few decades...”

— PRANAB MUKHERJEE ON AUG 6, 2011



Growth in core sectors slows to 2.2% in April

Growth in the eight core industries slowed in April, pointing to a rut. Coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity grew 2.2% in April, lower than the 4.2% posted in the same month last year. **P 24**

Govt in denial? FM hints worst is over

The finance ministry seemed to be in denial on Thursday, with officials saying India was still growing faster than many Eurozone countries. Pranab Mukherjee too suggested the worst was over, saying the factors for sluggishness had “bottomed out”. **P 23**

Gloom to Deepen: India Inc

TEAM ET

India Inc expects the economic climate to turn worse before it gets better, with a deteriorating fiscal situation and a drop in foreign investments likely to define the country in the medium term, an ET Poll of CEOs to gauge business confidence has revealed.

Along with dimming confidence in the government's ability to steer the country out of the economic morass it finds itself in, the poll of 50 bosses of some of India's most respected companies shows surprising patience — even sympathy — for the UPA, with more than half the respondents expecting it to retain power in the next general elections in 2014.

Finance Minister Pranab Mukherjee, under whose watch the economy has slipped and who has been criticised by some for presiding over a bad fiscal slippage, high inflation and slowing growth, emerges from the poll looking good. On a scale of one (very poor) to 10 (excellent), Mukherjee is rated six and higher by as many as 29 CEOs. The UPA's troubleshooter-in-chief also gets the most votes — at 16 — as the best finance minister in the present situation, 10 more than his predecessor P Chidambaram and far higher than his boss Prime Minister Manmohan Singh, widely viewed as the father of India's economic reforms. Mukherjee also ranked higher than Singh and Gandhi family

While all this may be music to the ears of the septuagenarian parliamentary veteran, what will not be is the finding that the government's policies and the prevailing economic environment do not inspire too many corporate bosses to step up investments. Twenty-four of the 50 CEOs polled said they were not planning any capital expenditure in India.

Some are actively considering investing overseas, a prospect that should worry Mukherjee.

Harsh Goenka, chairman of conglomerate RPG Enterprises and who was willing to go on record, sums up the mood. "We are increasingly investing outside India. The US and Latin America are much more business-friendly," he says.

While India Inc looks overseas, the government will not have the comfort of foreign investors looking favourably at India. A resounding majority — 39 CEOs — said they expected foreign direct investment flows to slow down, the government's recent attempts to soothe frayed investor nerves by putting on hold some of its recent controversial tax proposals having no impact on sentiment.

India's Image May be Hit >> 5

Low on Confidence, Lower on Certainty



Forget reforms, forget investments, forget new projects for

No Confidence

According to an ET poll of 50 CEOs on business confidence and the political economy



27 feel the govt is going after Vodafone



39

expect foreign investments to slow and populism to worsen the fisc



24 will not take up new projects in the next 12 months



25

identify Mamata Banerjee as the biggest stumbling block to growth

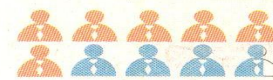


12

have given up on any policy steps being implemented

30

rate Pranab's FM tenure as 'average', marking him 5-6/10



18 still say he's the best man under the situation

ET VIEW

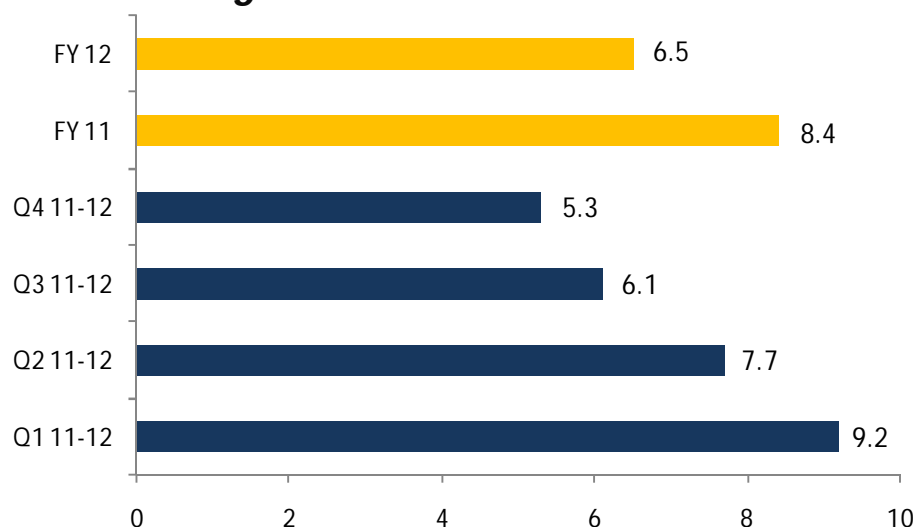
A Wake-Up Call for UPA

The political leadership would do well to prove wrong the small expectations this government elicits from India Inc. Decontrol diesel and scrap fertiliser subsidy, to cut both the fiscal and current account deficits. Tough pursuit of policy sense would both spur growth and win support. India's CEOs might be political innocents — witness the facile ruling out of an alternative to the Congress and the cavalier disregard for social schism implicit in choosing Narendra Modi for PM — but they count when it comes to investment and growth. As world growth tumbles, com-

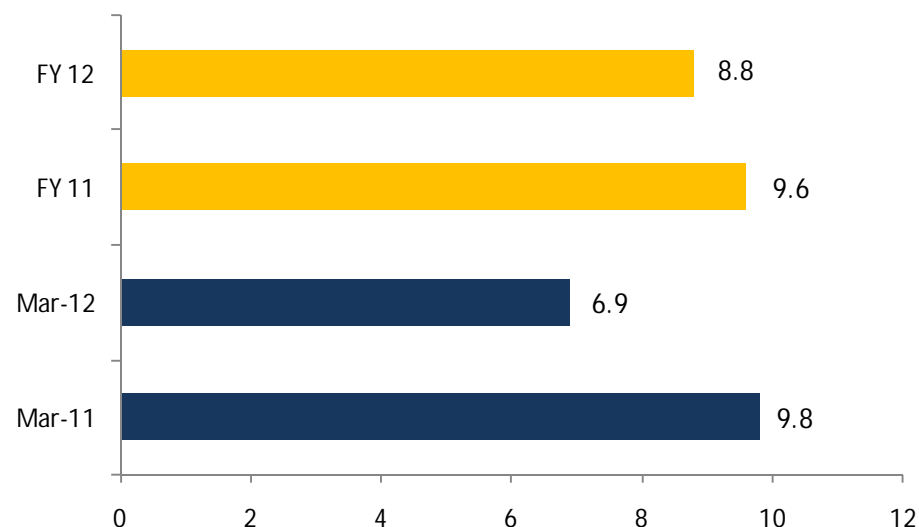
Major Shift in Macro Economic Outlook

INDIA 2011-12... MACRO-ECONOMIC OUTLOOK

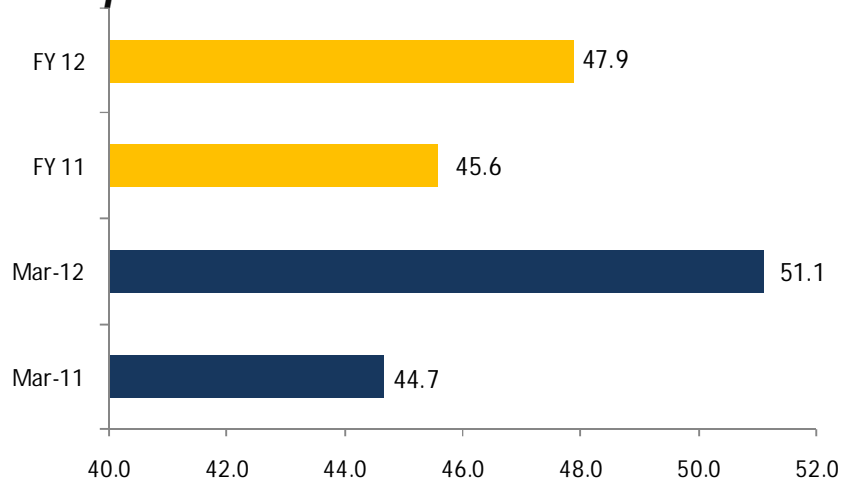
GDP growth...



Inflation continues to be high



Higher dollars demand from Corporates keeping rupee vulnerable



Outlook for FY 2012-13

	FY 11-12	FY 12-13
GDP Growth	6.5 %	7.0%
Inflation	8.8%	6.5%
Rs. /USD (Exit)	51.1	49.0

..... Impacting Industry Growth

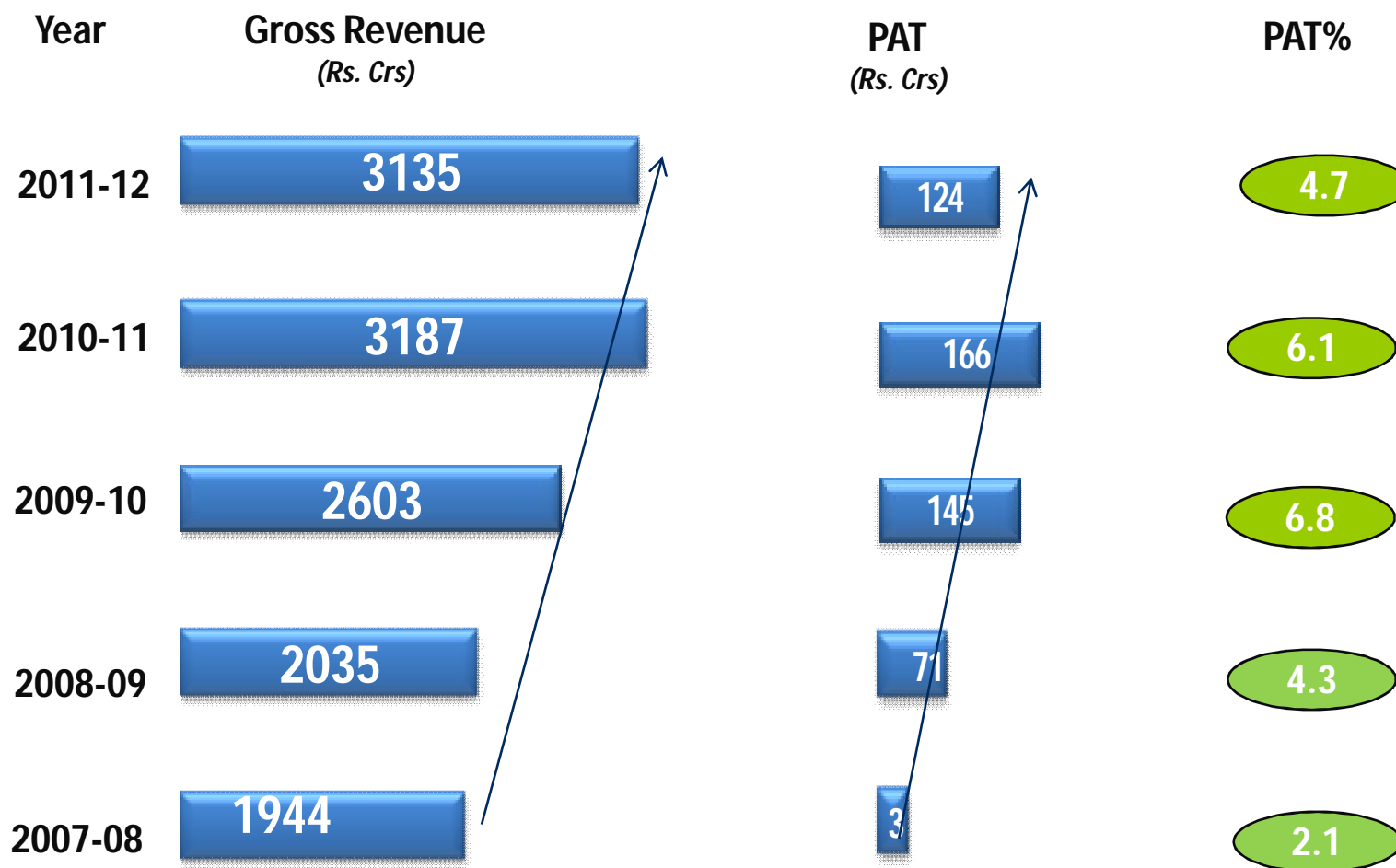
FROM STRONG DOUBLE DIGIT GROWTH TO NEGATIVE GROWTH

◆ T2 Growth



Economic environment impacting Consumer Sentiments and Demand

DESPITE CHALLENGES DELIVERED STRONG PROFITS



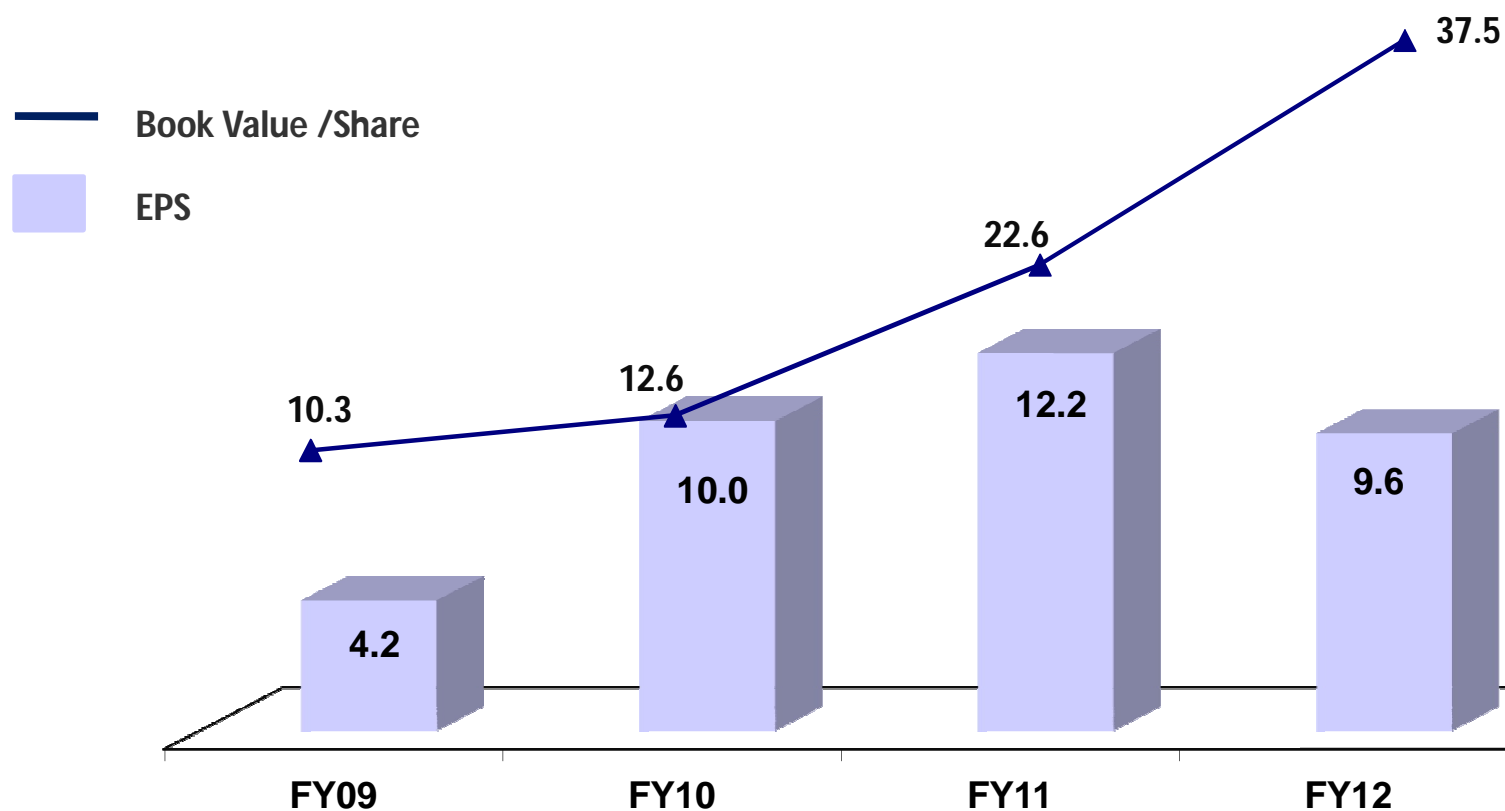
Continuing with Our Journey of Sustainable Profitable Growth

Q4' 2011-12 EXIT WITH HEALTHY MARGINS

	JFM'12	OND'11	JAS'11	AMJ'11		
	Q4'12	Q3'12	Q2'12	Q1'12	FY'12	FY'11
Volume Growth	0.9%	-9.4%	-4.7%	-9.5%	-6.7%	14.7%
Value Growth	6.0%	-1.2%	-0.9%	-7.4%	-1.8%	22.2%
Variable Margin to NR	37.5%	32.7%	32.8%	33.2%	34.0%	35.0%
EBIDTA to Total Income	9.8%	6.9%	7.2%	10.7%	8.9%	10.7%
PBT to Total Income	7.5%	4.8%	5.1%	9.0%	6.8%	8.9%
PAT to Total Income	5.7%	3.4%	2.5%	6.3%	4.7%	6.1%

Q4'12 Volume and Value Growth From RED to BLACK
Pricing & Cost Productivity driving Margin Improvement

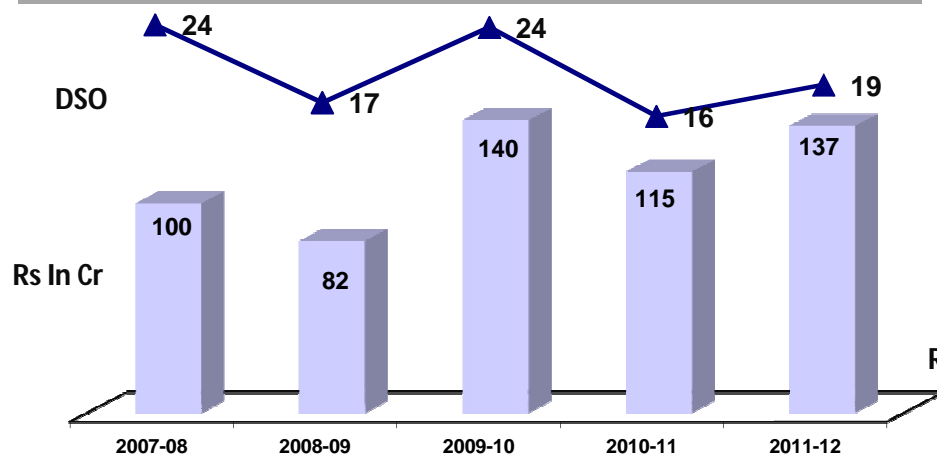
HEALTHY EPS & RISING BOOK VALUE / SHARE



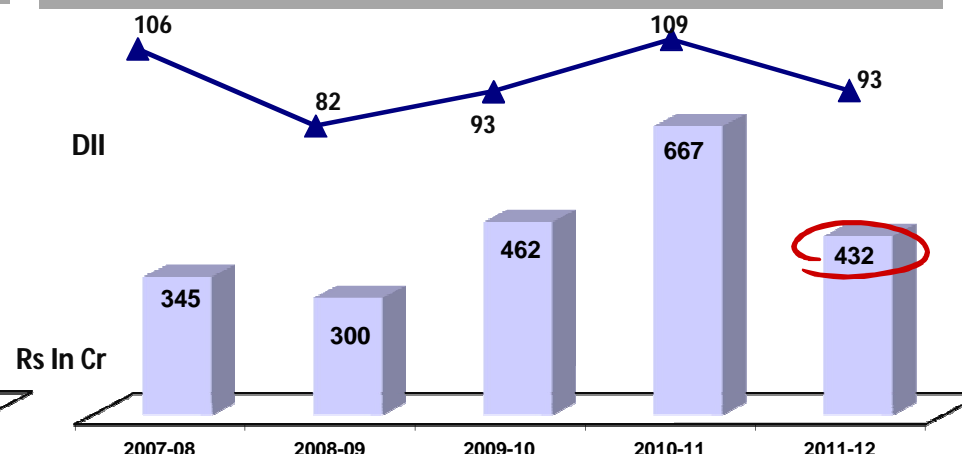
Creating Shareholders' Value Driven by Strong Fiscal Management

FISCAL MANAGEMENT

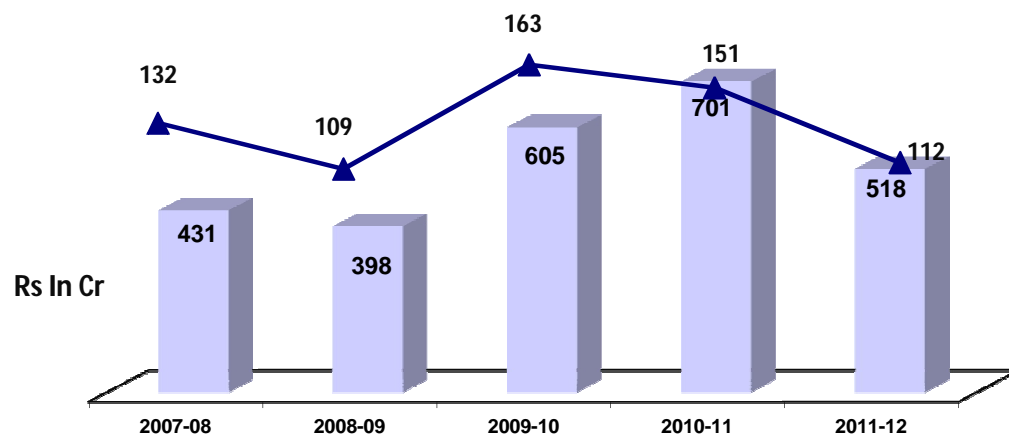
Receivables



Inventory



Payables

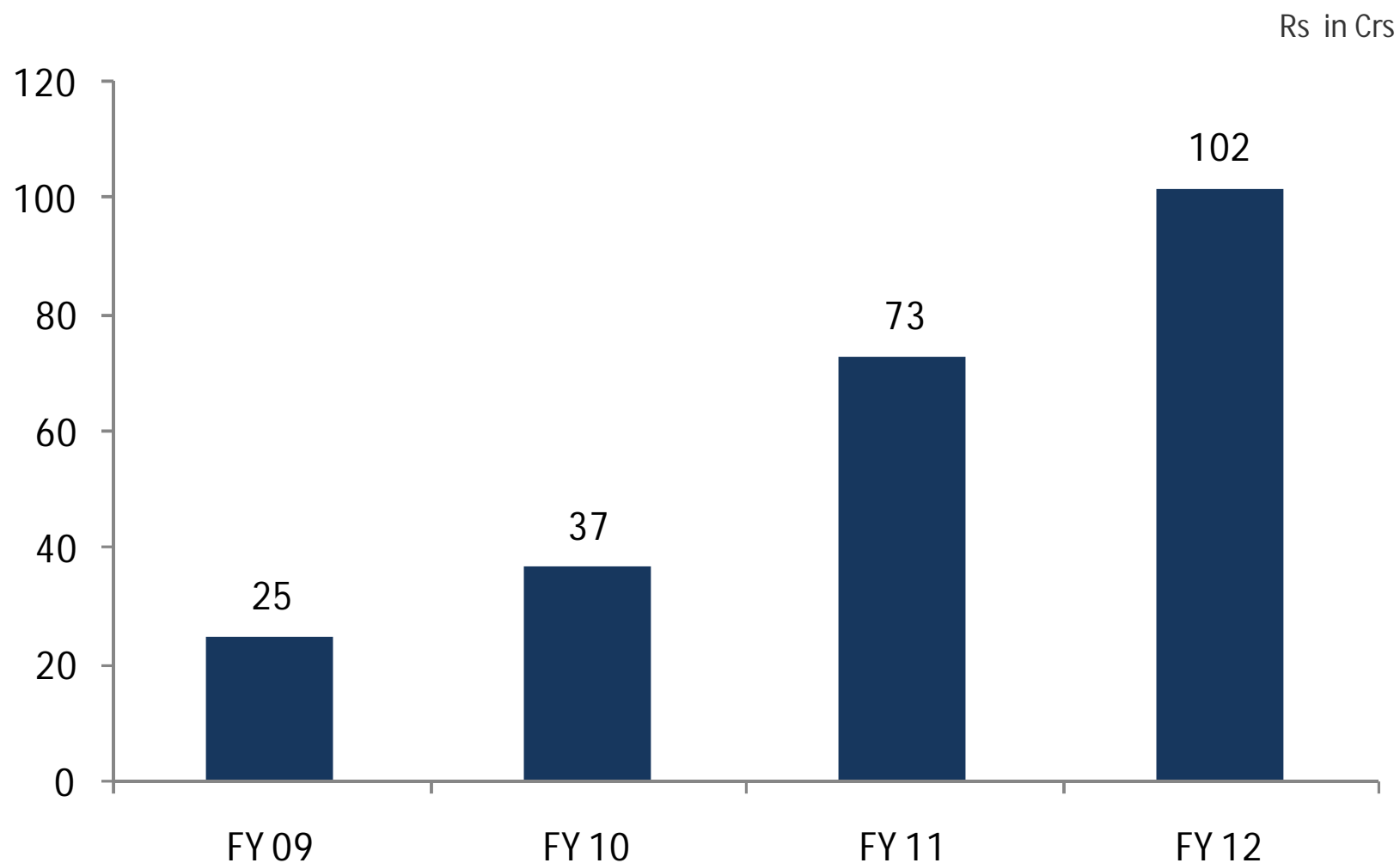


Change Vs Last Year

- ☐ Receivable (22) Crs
- ☒ **Inventory 235 Crs**
- ☐ Payable (183)Crs
- ☐ Net Impact 30 Crs

Strong Performance....Releasing Resources for Innovation and Growth

CAPITAL SPENDS



Increasing Investment in Growth and Innovation

ROAD AHEAD... INNOVATION IS THE KEY FOR FUTURE



GLOBAL LEADER WITH 100 YEARS OF APPLIANCE MASTERY



Leveraging 100 years of Global Technology

+

Designed through deep consumer understanding

Deliver The Best Performance On Core Benefits Across Categories

REFRIGERATORS: MASS INDIA

INDIA'S FASTEST COOLING MACHINE: DIRECT COOL



SKUs: 46

India's Fastest Ice Making Refrigerator

INNOVATIVE FEATURES MADE FOR INDIA



Quick Ice Technology



Power Cool



6th sense
Automatic Defrost technology

Deliver quick cooling and automatic defrosting

REFRIGERATORS: MIDDLE INDIA

INDIA'S FASTEST COOLING MACHINE: NO FROST



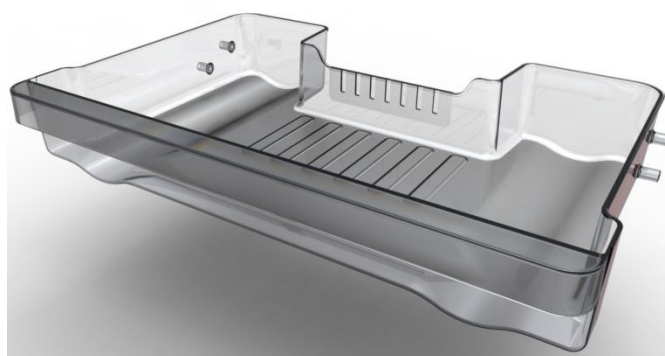
SKUs: 22

New Deep Freeze Technology : Chills 40% Faster

NEW WAY TO CHILL WITH INNOVATIVE FEATURES



Deep Freeze
technology



Quick chill bottle zone



Flexicool

Deliver quick chilling and bottle cooling

WASHING MACHINE: MIDDLE INDIA

INDIA'S BEST WASH QUALITY (CLEAN & CARE)



SKUs: 17

New & Advanced 6th Sense Technology: Removes 15 Tough Stains

SUPPORTED BY INTELLIGENT TECHNOLOGY & INTUITIVE INTERFACE



New and Advanced 6th
sense technology



In Built Heater



Intuitive interface

Assures best wash quality

INDIA'S BEST WASH QUALITY (CLEAN & CARE)



India's only washing machine with split basket for delicate clothes

AIRCONDITIONER : MIDDLE INDIA

AIRCON...INDIA'S FASTEST COOLING MACHINES

THE TURBO CHROME SERIES



SKUs: 4

REDUCES TEMPERATURE FROM 40C TO 18C IN 20 MIN.

AIRCON...INDIA'S FASTEST COOLING MACHINES

3 D COOL



SKUs: 6

MULTI POINT AIR CIRCULATION SYSTEM FOR FASTEST AND UNIFORM COOLING

MICROWAVE: MIDDLE INDIA

MICROWAVES...FASTEST CRISPY MEALS



SKUs: 21

Patented crisp plate: 210c in 2 mins.

COOKING : PREMIUM INDIA

WHIRLPOOL KITCHEN – WORLD'S NO. 1 KITCHEN APPLIANCE BRAND



BUILT IN HOBS – PATENTED IXELIUM COATING



SKUs: 15

World's only stainless hob that never loses its shine

COOKER HOODS – 6TH SENSE TECHNOLOGY



SKUs: 24

India's only hood which adjust motor speed automatically

BUILT IN OVENS – COOK 3



SKUs: 5

India's only oven that cooks 3 dishes at a time

BUILT IN MICROWAVE OVENS – DUAL EMISSION TECHNOLOGY



SKUs: 4

7 times faster de frosting than any other brand of MWO

BUILT IN REFRIGERATORS – BOTTOM MOUNT



SKUs: 1

Retains Cooling For 19 Hours In Power Failure Situation

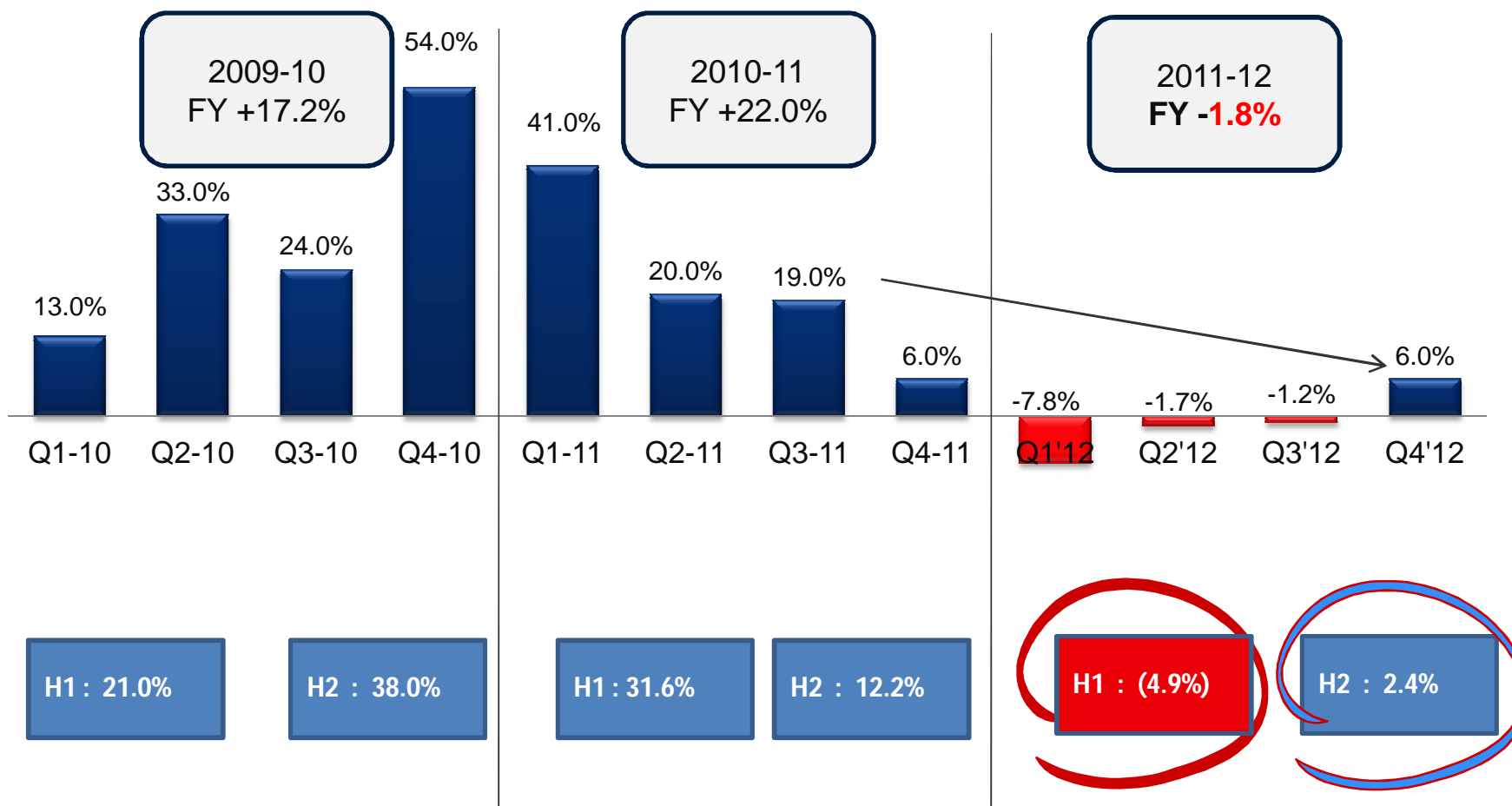
POSITIONING FOR LEADERSHIP

- ✓ MORE THAN 160 SKUs
- ✓ Rs. 10k – 100k
- ✓ 6 categories

FY 2011-12 PERFORMANCE

A DEEP DIVE

REVENUE TRENDS

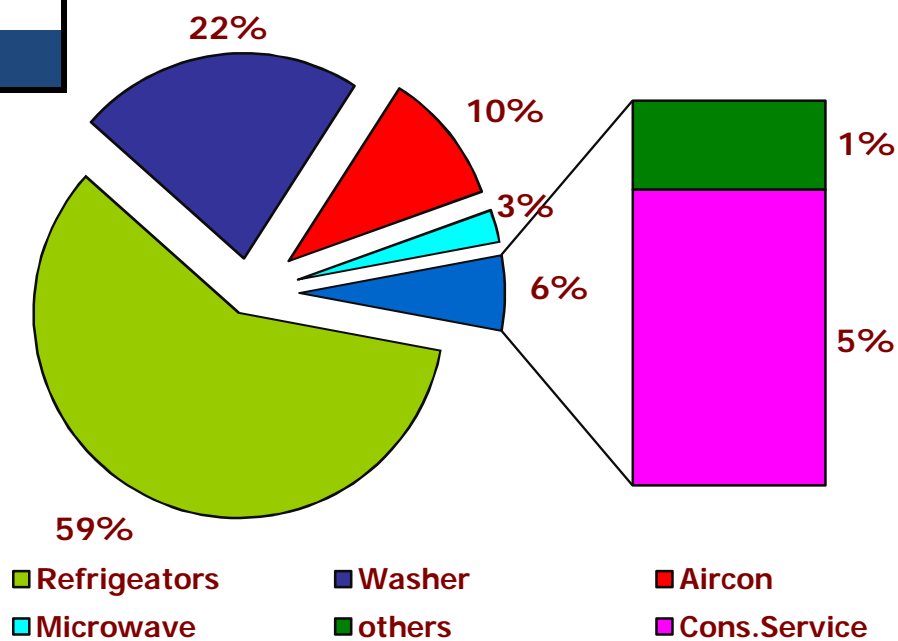


Growth Returns Despite Industry Decline

CATEGORY PERFORMANCE

Revenue

Rs. In Crs	2011-12	2010-11	B/W
Refrigerators	1,840	1,911	-3.7%
Washers	709	659	7.6%
Aircon	327	354	-7.6%
Microwave	80	78	2.7%
Other Products	34	44	-21.2%
Consumer Service	145	141	2.6%
Gross Sales	3,135	3,187	

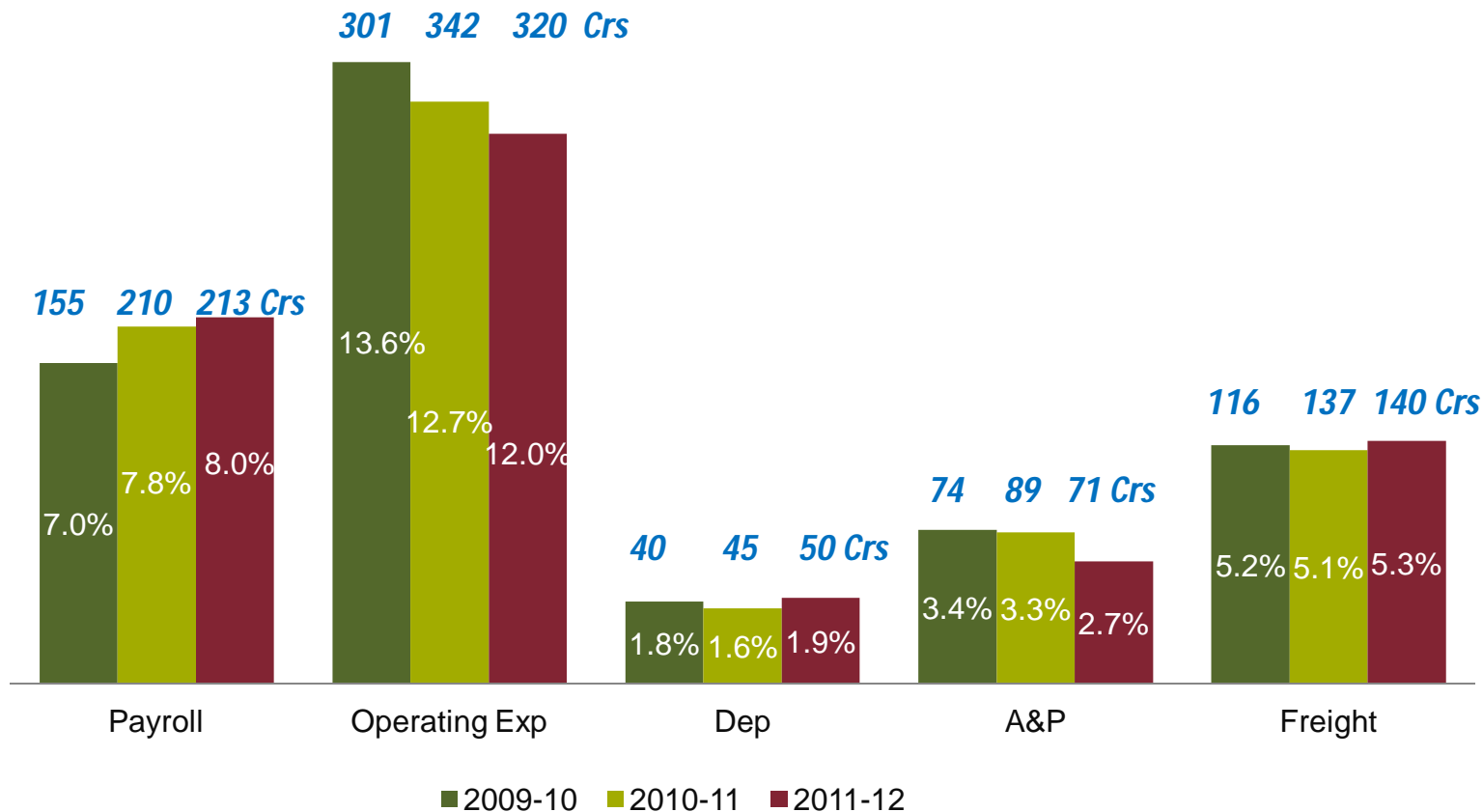


2011-12 FINANCIAL PERFORMANCE

	FY'12	FY'11	FY'12	FY'11	B/(W)
	Actual	Actual	% to Sales	% to Sales	Vs LY
Volume ('000)	2,734.2	2,932.0			
Net Revenue	2,564.0	2,611.9	96.5%	96.6%	-0.2%
Other Operating Income	94.0	90.9	3.5%	3.4%	0.2%
Total Income	2,657.9	2,702.8	100.0%	100.0%	
Material Cost	1,691.0	1,698.7	63.6%	62.8%	-0.8%
Staff Cost	213.4	210.1	8.0%	7.8%	-0.3%
Other Exps	530.4	530.5	20.0%	19.6%	-0.3%
Total Cost	2,434.8	2,439.2	91.6%	90.2%	-1.4%
Other Income	12.3	25.8	0.5%	1.0%	-0.5%
PBIDT	235.4	289.4	8.9%	10.7%	-1.9%
Finance Cost	4.4	5.6	0.2%	0.2%	0.0%
Depreciation	49.7	44.5	1.9%	1.6%	-0.2%
PBT before Extraordinary items	181.3	239.2	6.8%	8.9%	-2.0%
Tax Expenses	57.6	73.2	2.2%	2.7%	0.5%
PAT	123.7	166.0	4.7%	6.1%	-1.5%
EPS	9.6	12.2			-21.1%

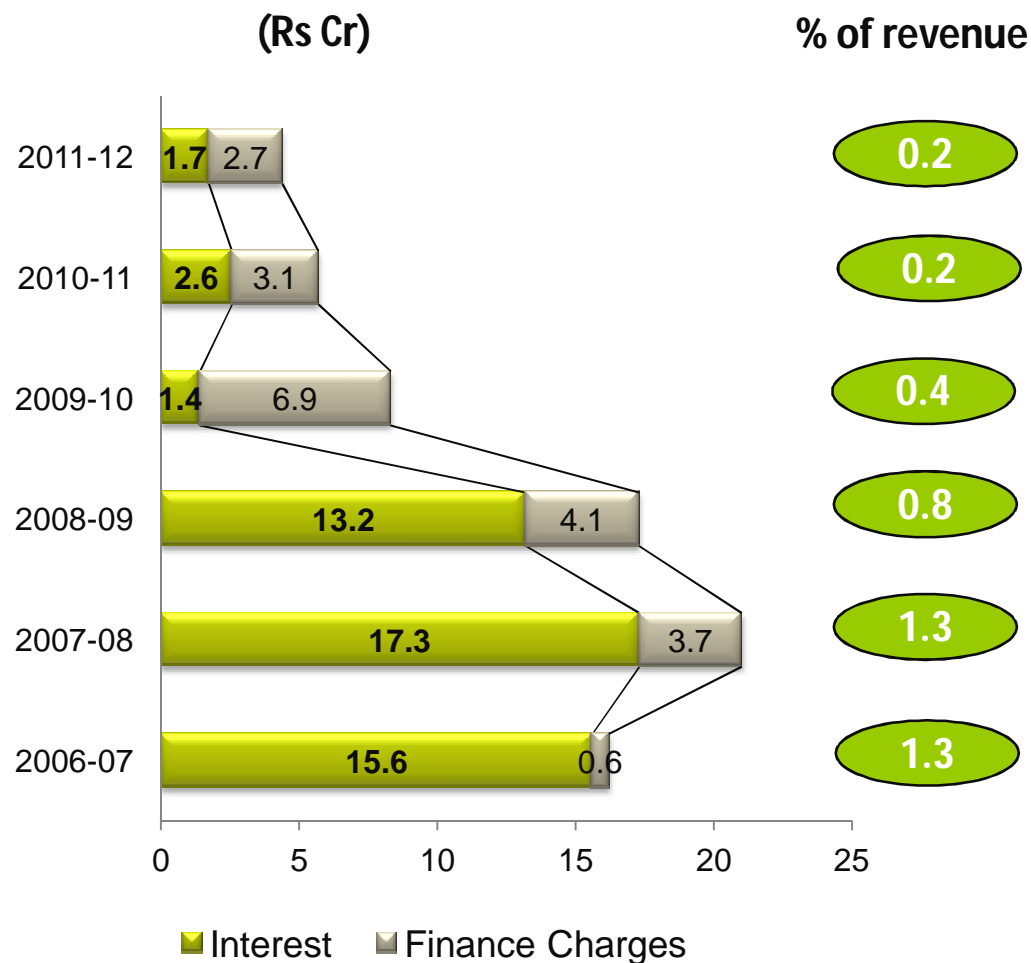
STRONG RESULTS IN A TOUGH OPERATING ENVIRONMENT

ECONOMICAL OPERATING COST



Tight Control on Discretionary Spend

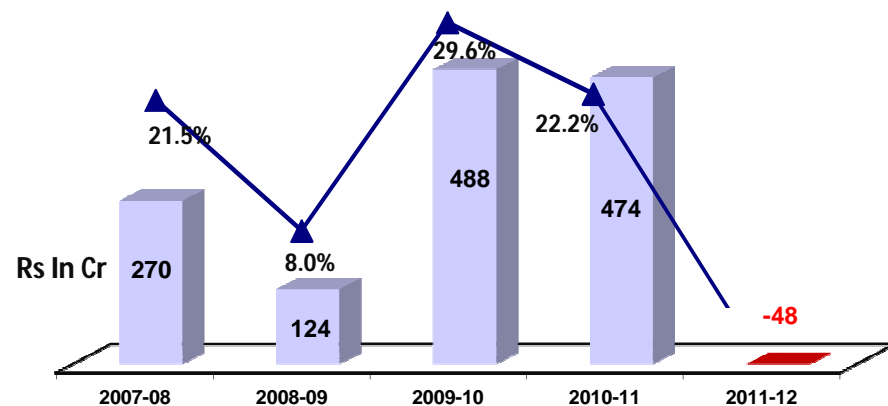
LOW INTEREST & FINANCE CHARGES



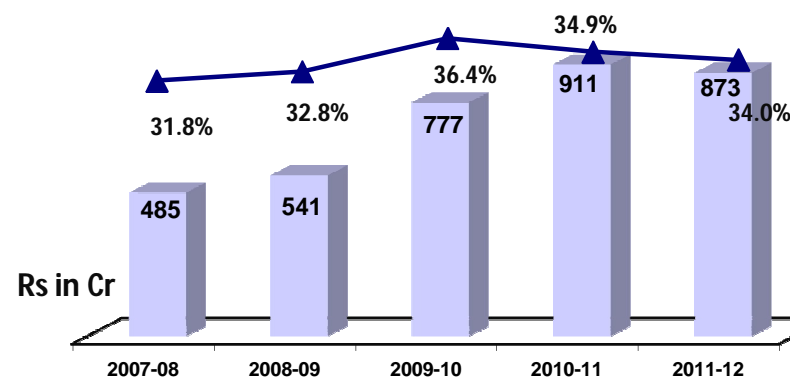
Continue to be Lowest as % of Sales...Reversal of Interest Cycle Has Started

KEY P&L METRICS – CREDITABLE TREND LINE

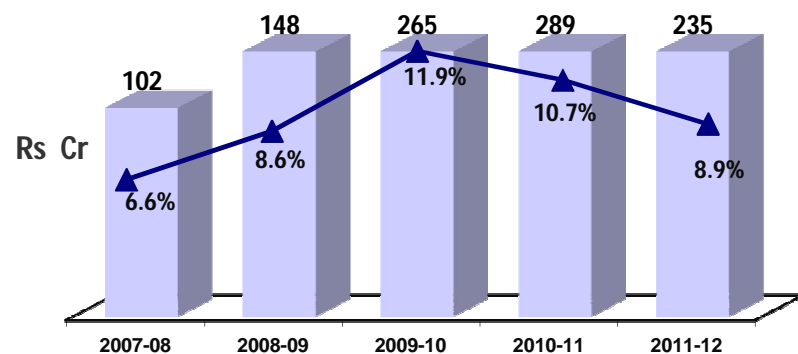
REVENUE GROWTH



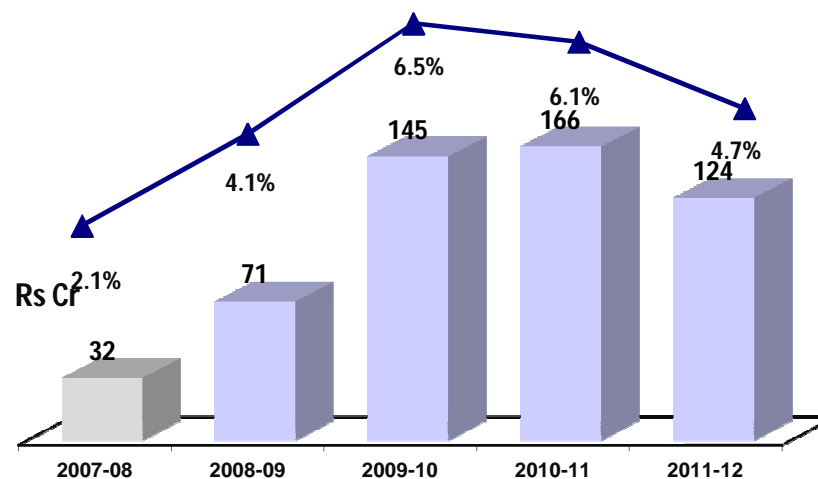
VARIABLE MARGIN



EBIDTA



PAT



IMPROVED CASH GENERATION

Rs Cr

Cash Generated

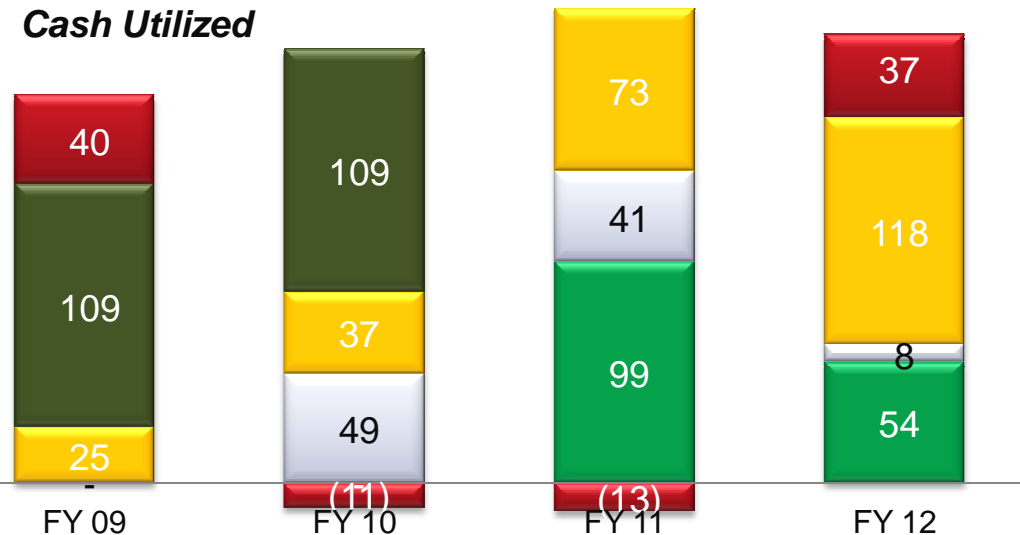
174 Crs
10.2%

184 Crs
8.3%

199 Crs
7.4%

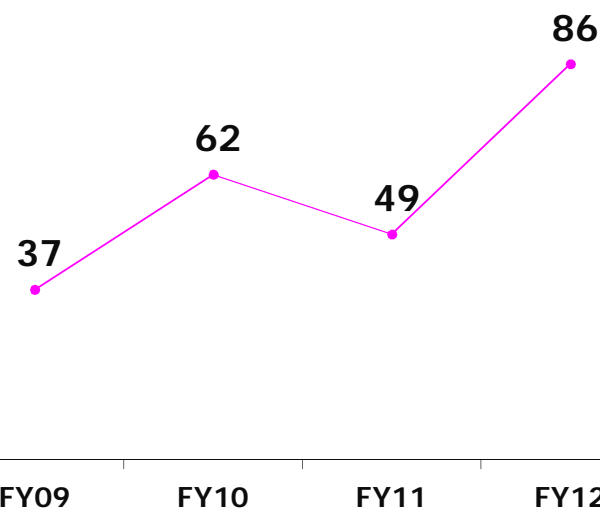
217 Crs
8.1%

Cash Utilized



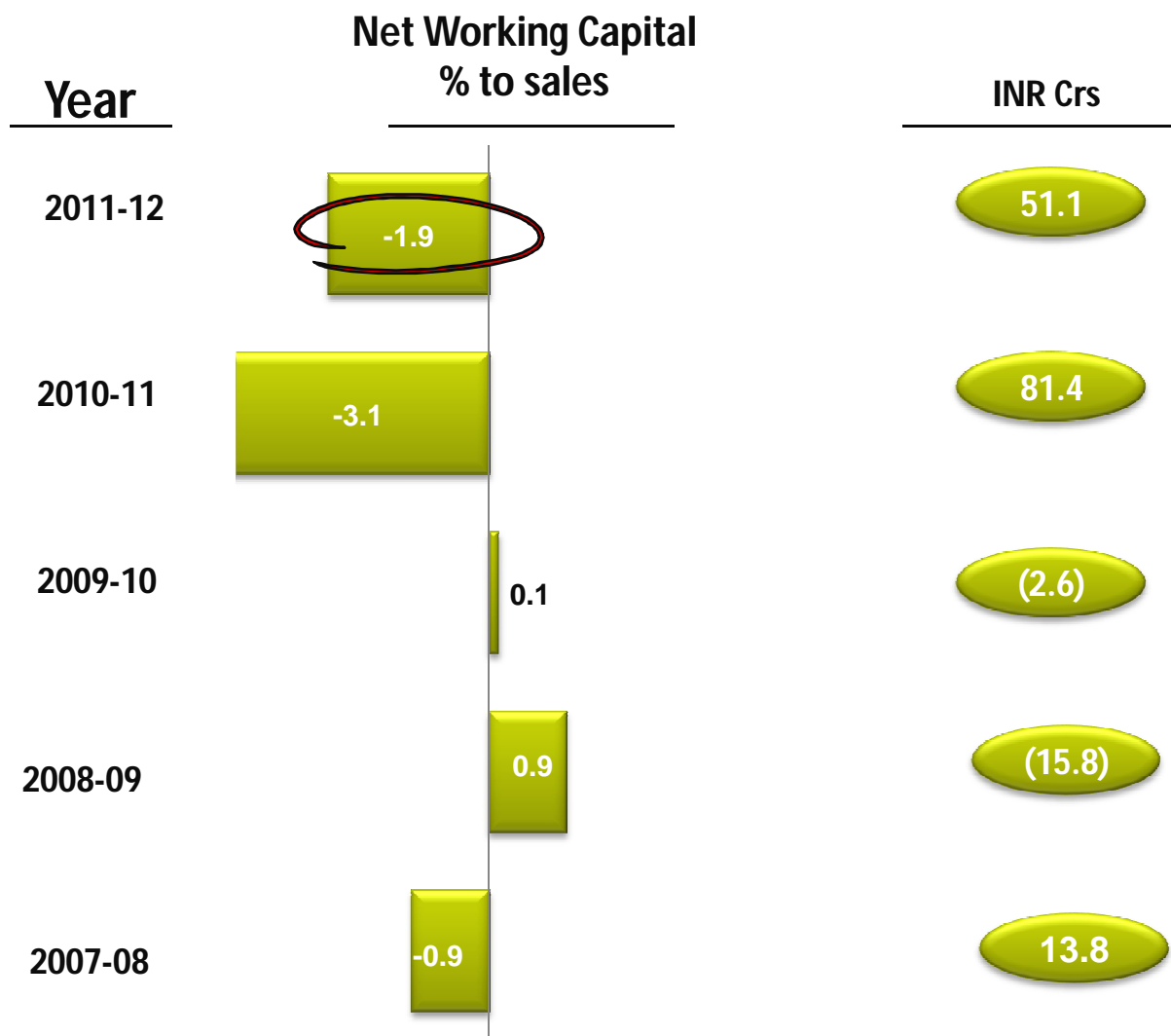
■ Pref Capital ■ Dividend ■ Capex ■ Debts ■ Cash Retained

(Net Debt)/ Cash Surplus



Continue To Be Zero Debt Company

WORKING CAPITAL



30 Crs (1% to Sales) improvement in Working capital...

HEALTHY BALANCE SHEET

(Rs. Crs.)		FY'12	FY'11	FY'12	FY'11
Particulars		Actual	Actual	% Total	% Total
EQUITY AND LIABILITIES					
Shareholders' funds		490	422	41%	32%
(a) Share capital		127	181		
(b) Reserves and surplus		363	242		
Non-current liabilities		77	84	7%	6%
(a) Deferred tax liabilities (Net)		21	21		
(b) Other Long term liabilities		9	11		
(c) Long-term provisions		47	52		
Current liabilities		620	807	52%	61%
(a) Trade payables		513	695		
(a) Other current liabilities		58	67		
(b) Short-term provisions		48	45		
Total		1,187	1,314	100%	100%
ASSETS					
Non-current assets		474	422	40%	32%
(a) Fixed assets					
(i) Tangible assets		336	314		
(ii) Intangible assets		2	3		
(ii) Capital work-in-progress		45	12		
(b) Long-term loans and advances		90	88		
(C) Other non-current assets		0	4		
Current assets		713	892	60%	68%
(a) Inventories		432	667		
(b) Trade receivables		137	115		
(c) Cash and bank balances		86	49		
(d) Short-term loans and advances		56	58		
(e) Other current assets		2	2		
Total		1,187	1,314	100%	100%

STRONG PERFORMANCE IN A CHALLENGING ENVIRONMENT

- ❑ Despite cost challenges ... delivered **6.8% of PBT**
- ❑ **EPS** of **9.6 per share** ...
- ❑ **Cash** from Operation at **8.1% of Revenue... 217Cr**
- ❑ Continue to deliver sustainable profitable growth in a challenging environment
- ❑ Innovation and New Product Launches to drive next Phase of Growth
- ❑ Working capital improved by 1.2%... 30 Crs... contributed by reduction in inventory
- ❑ Consecutive **3rd year of Debt Free** Operations

**Managing Uncertainties In a Proactive Manner
Creating Foundation for Next Phase of Growth**

..... IN SUMMARY

- **External environment remains challenging**

- Industry softness to continue Driven by soft consumer sentiments and uncertain economic environment
- Rupee volatility to remain one of our biggest challenge
- Competitive activities to remain intensive

- **Key priorities**

- Continue to invest behind Innovation and new Product Launches
- Continue balancing Smart Growth, PMR and Cost with focused approach to Cost take out actions
- Continue healthy fiscal management ...efficient working capital / asset management
- Enhance Organization engagement and effectiveness with 'Spirit of Winning'

THANKS