Cautionary Statement

This presentation, except for the historical information, may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the presentation as important factors could influence the Company’s operations such as Government policies, local, political and economic development, risks inherent to the Company’s growth and such other factors. The Company may alter, amend, modify or make necessary changes in the manner deemed fit to any such forward looking statement contained herein as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements to reflect the events or circumstances after the date hereof.
GSK Consumer Healthcare Ltd

Zubair Ahmed
Managing Director

Nov 29, 2011
GSKCH India History

• 53rd year of India Operations
  – 1958 Hindustan Milk food manufacturers Ltd.
  – 1979 HMM Ltd
  – 1991 SmithKline Beecham Consumer Brands Ltd
  – 1994 SmithKline Beecham Consumer Healthcare Ltd
  – 2002 GlaxoSmithKline Consumer Healthcare Ltd

• Horlicks available for +100 years
Robust supply network

- **Corporate Office**
- **GSK Sites – 3 HFD Plants**
- **3rd Party Sites – 9**
  - HFD manufacturing – 1
  - HFD Packing – 3
  - New Product Sites – 5
- **RSO – 4**
- **Depots – 23**
Extensive distribution footprint

- 4 Sales Regions
- 2 Mother warehouses
- 23 Warehouses
  - Complex tax structures
- 600+ Distributors
  - 5000+ Sub distributors
- GSK brands available in more than 1.5 million outlets
  - GSK Direct Reach of 700K
  - Horlicks present in 1+ million outlets

Source: AC Nielsen
Some of the most trusted brands in India

OTC- Consignment sales

Non-MFD
A vision crafted for the Organization in 2007

Profitably Doubling Business

2007 - 2011
Our Journey till now......

Sales (Rs cr)
- 2007: 1396
- 2010: 2431
- Double 2007

PBT (Rs cr)
- 2007: 245
- 2010: 452
- Double 2007

Vision 2011

Cost Efficiency → Funding A&P → Fuelling Growth
Horlicks Mega Brand Concept

- BOP
- Pro series
- Ready-to-Drink
- Toddler Food
- Healthy Snacking
- Breakfast Cereals
- Noodles

Mega Brand
Last 4 years: Accelerated Innovation Delivery
Entry into New formats

- Biscuits
- Instant Noodles
- Health & Stamina
- Breakfast
Horlicks Renovation – Keeping it relevant

Biggest packaging Transformation
Straddling multiple price points

Rs 5  Rs 25  Rs 70  Rs 75  Rs 149  Rs 155  Rs 275  Rs 290  Rs 515
18 g  90 g  250 g  250 g  500 g  500 g  1000 g  1000 g  2000 g
Product upgrades

• Horlicks Gold

✓ Targeting loyal Horlicks consumers
✓ Superior nutrition & product experience
✓ 30% premium over base Horlicks
Driving Line Extensions

- 1900: Horlicks
- 1980: Boost
- 1997: Mother’s
- 2003: Junior
- 2008: Lite
- 2010: Women’s
- 2011: Junior Stage 2, Horlicks Gold
Step change in portfolio profile

2007

- Base: 84%
- Extension & New formats: 16%

2011

- Base: 77%
- Extension & New formats: 23%
Driving down cost & Delivering efficiencies

- Reach expansion
- Distributor consolidation
- Integrated value chain
- Financial shared services
- Operational excellence
- Strategic cost saving projects

Enabled significant investments behind Brand Building

<table>
<thead>
<tr>
<th>Sales per field force</th>
<th>Fixed asset / TO Ratio</th>
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<tbody>
<tr>
<td>2007: 4.0</td>
<td>2007: 2.67</td>
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<tr>
<td>2010: 8.0</td>
<td>2010: 4.06</td>
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<table>
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<th>WC % sales</th>
<th>Return on Capital Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007: 2.1%</td>
<td>2007: 27.4%</td>
</tr>
<tr>
<td>2010: -4.5%</td>
<td>2010: 32.2%</td>
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Continued strong focus on People

- Best in class Retention, attrition @ 6.9%
- Large investments in capability & competency
- Healthy injection of fresh thinking

% outside hires in leadership teams

- Top Mgmt: 50%
- Marketing: 71%
- Commercial: 67%
External recognitions for performance & sustainability

Star MNC Award
Business Standard

Golden Peacock Award
Sustainability - 2011
On track to double business

GSKCH India, Net Sales INR Cr.
2007 - 2011

2011: 2,431
2010: 2,025
2009: 1,700
2008: 1,396
2007: 1,396

20% CAGR
Going forward
Opportunities are plenty
GSK market share’s are weak in North & West

Source: AC Nielsen HFD volume share
Rural India is an open canvas for HFD’s

Growing disposable income in rural India

- High government spending
- Changing source of income 35% from non-agricultural source.

High prevalence of malnutrition & infant mortality

- Weak health infrastructure
- Low awareness
- Unhealthy practices

Low category penetration (11% in rural vs. 40%+ in urban)
The Rising India: Have too much

6% Kids Obese
Rising to nearly 25% in some metros

25% overweight urban women
12% diabetic urban adults
The Other India: Have Little

- 28% Males Underweight
- 33% Females Underweight
- 55% Females Anemic
43% Kids Underweight

The Other India: Have Little
38% Kids Stunted
The Other India: Have Little

67% Kids Mild Anemia
GSK’s Internal business health at its best

- People
- Processes
- Base Brands
- New product pipeline
Amidst few macro economic challenges ...

- High fiscal deficit
- High Food Inflation
- Slowdown in reforms
- Socio-Political Scenario
But also some good news for FMCG industry ...

FDI in retail

Implementation of government policies
(e.g. GST and Direct tax code)
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