

bajaj corp limited

February 8, 2012

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No. 2272 3719/2039 Stock Code: 533229	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, 'G'Block Bandra - Kurla Complex Bandra East Mumbai 400 051 Fax No. 2659 8237/ 8238 Stock Code: BAJAJCORP
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Dear Sir,

Sub: Investor Presentation

Please find enclosed a copy of Investor Presentation dated December 2011.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours faithfully,
For Bajaj Corp Limited



Sujoy Sircar
Company Secretary

Encl.: As above

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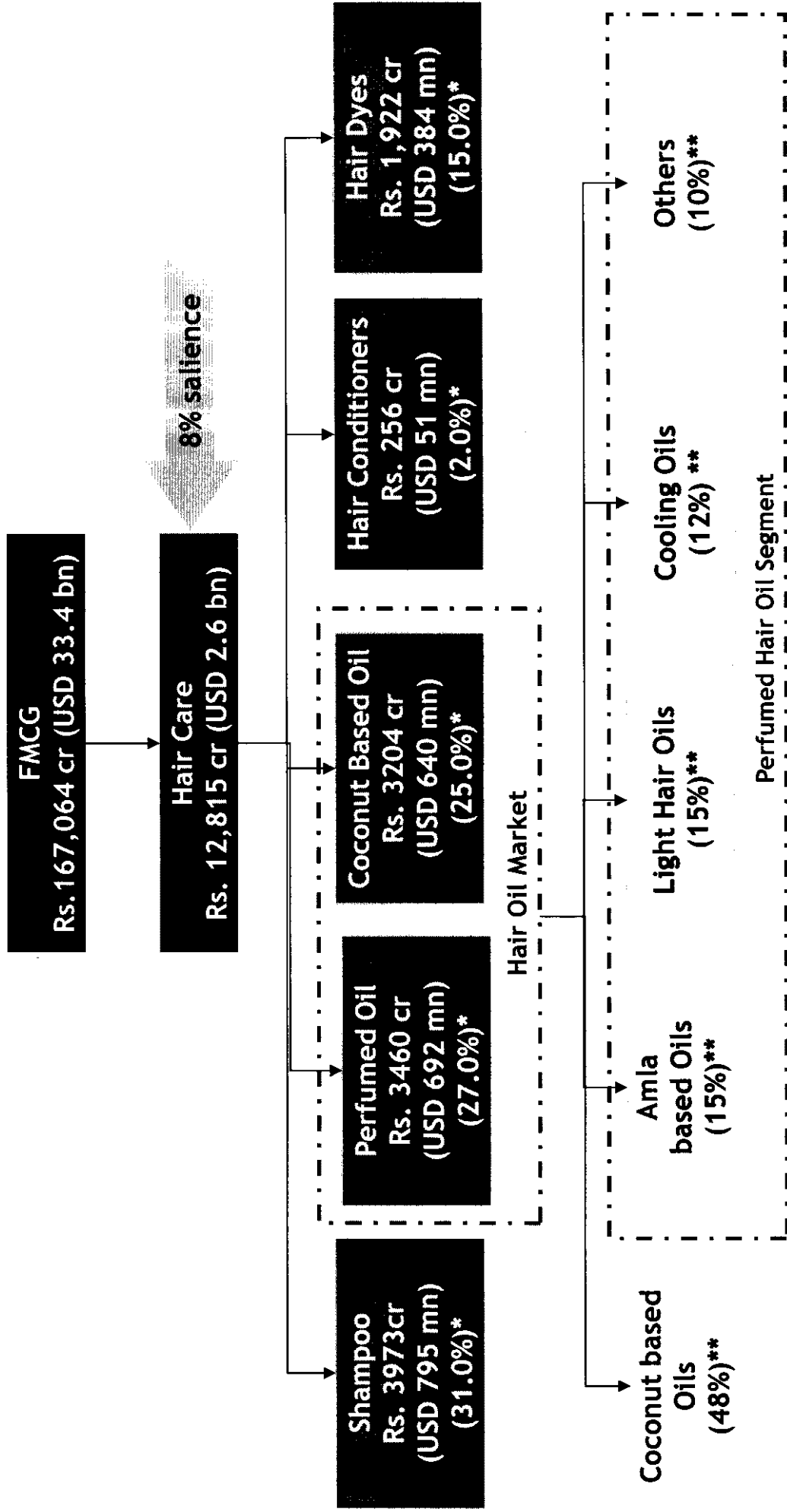
bajaj
Corp Ltd.

Investor Presentation

December 2011

Industry Overview

Industry Size and Structure



Source: The AC Nielsen Retail Audit Report.

Only branded products data for CY 2010

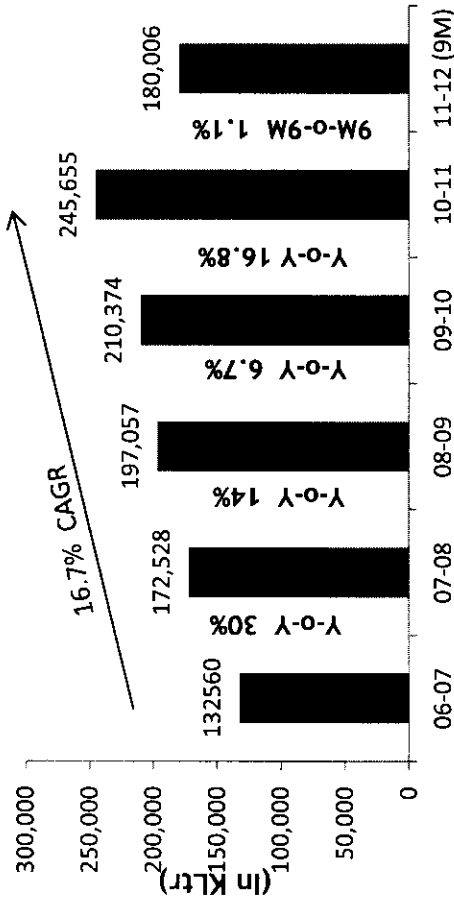
* Value based share of Hair Care Market

** Value based share of Hair Oil Market

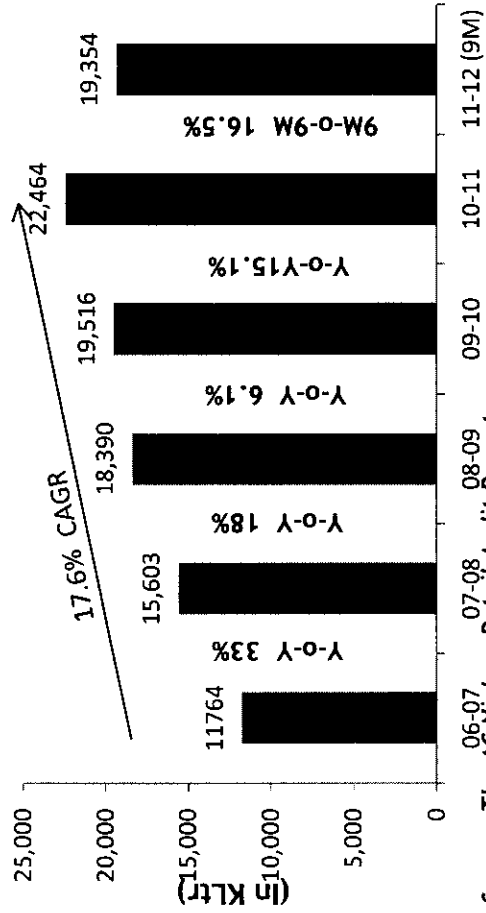
Light Hair Oil is now the largest non-coconut hair oil segment

Hair Oil Market in India

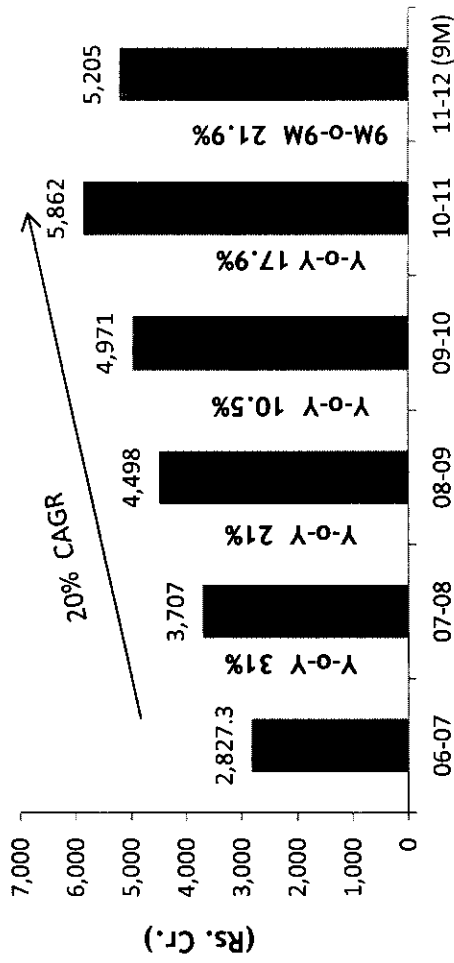
Overall Hair Oil Market - Volume



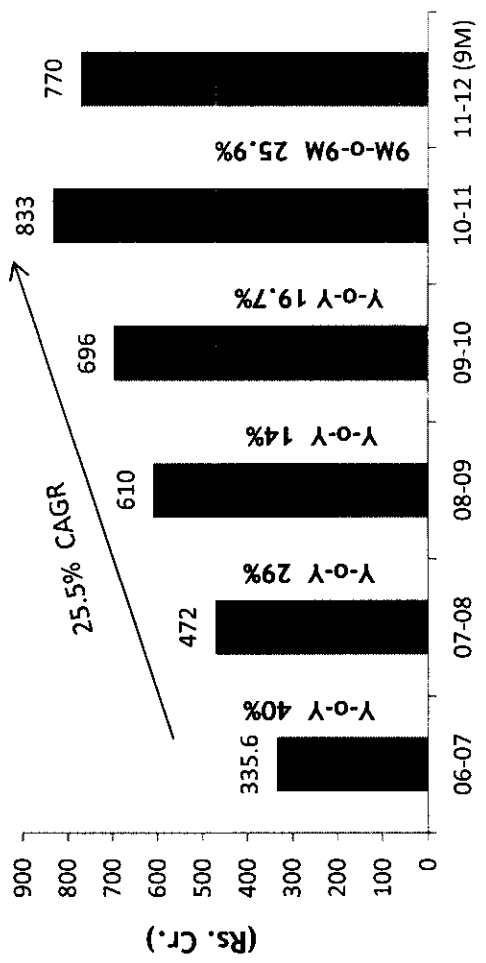
Light Hair Oil - Volume



Overall Oil Market - Value



Light Hair Oil - Value

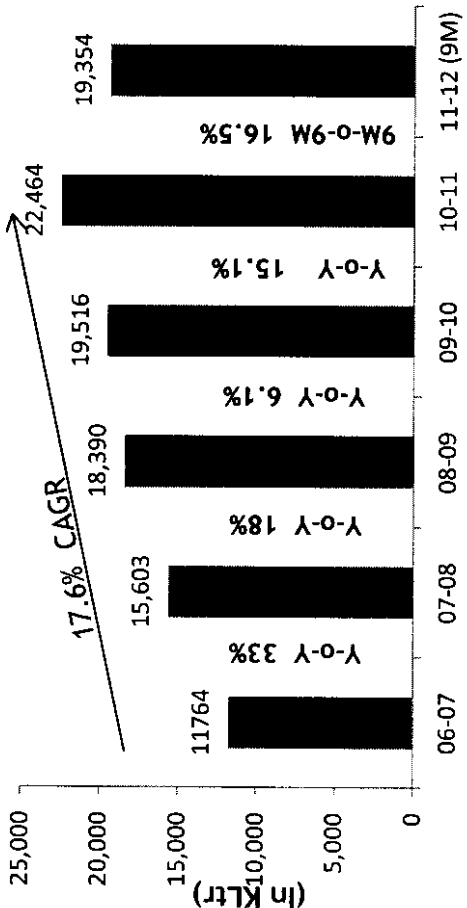


Source: The AC Nielsen Retail Audit Report.

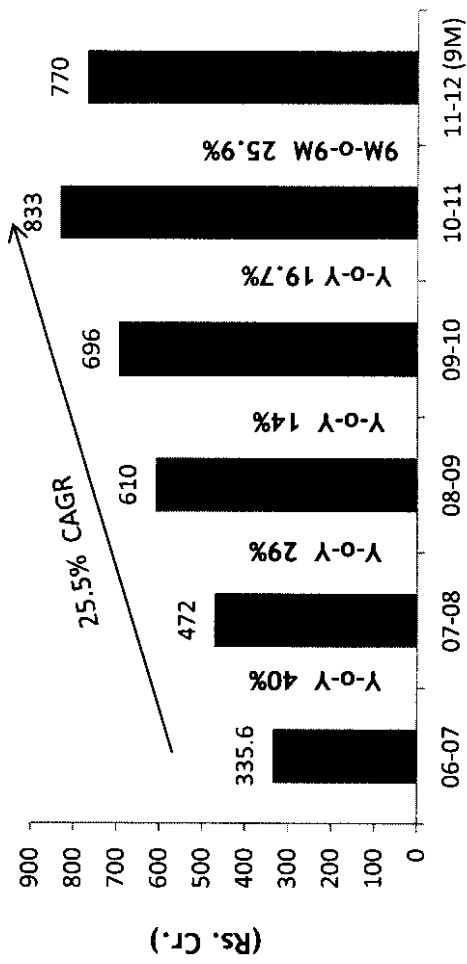
Light hair oils is one of the fastest growing segments in the hair oil market in India

Light Hair Oil Market in India

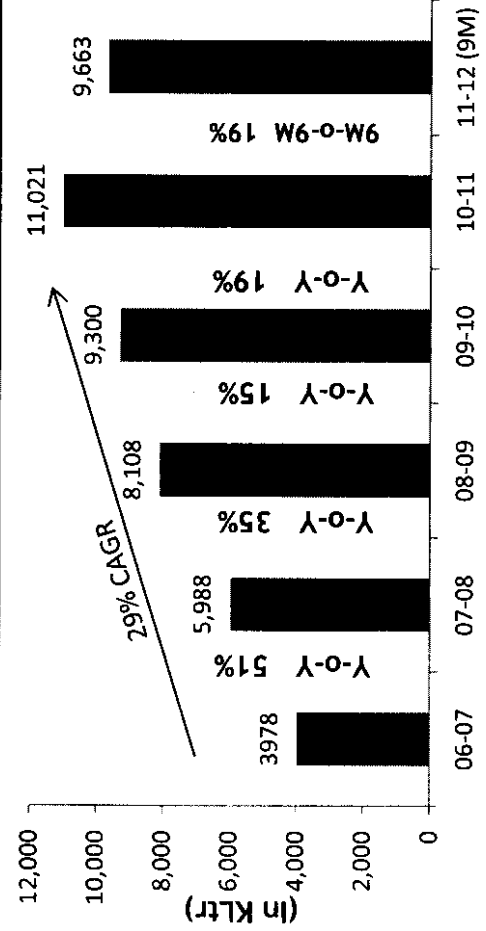
Light Hair Oil - Volume



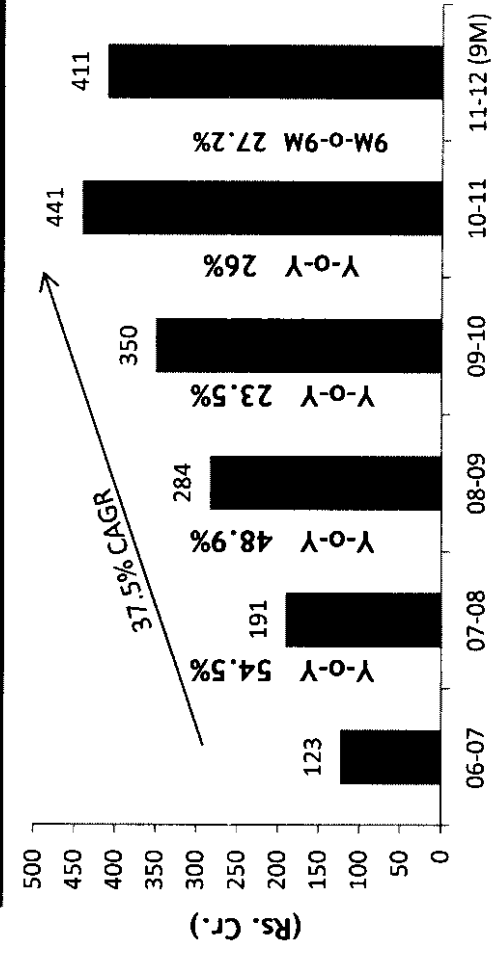
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

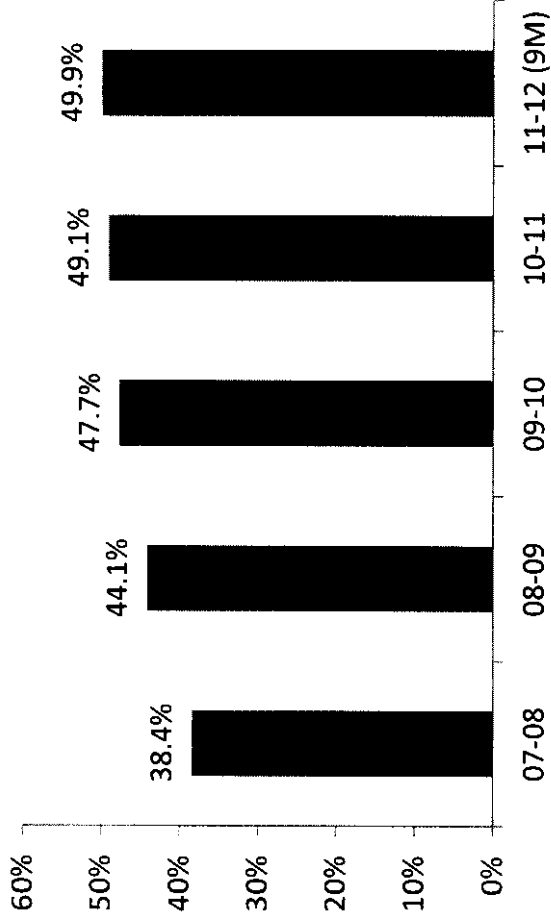


Source: The AC Nielsen Retail Audit Report.

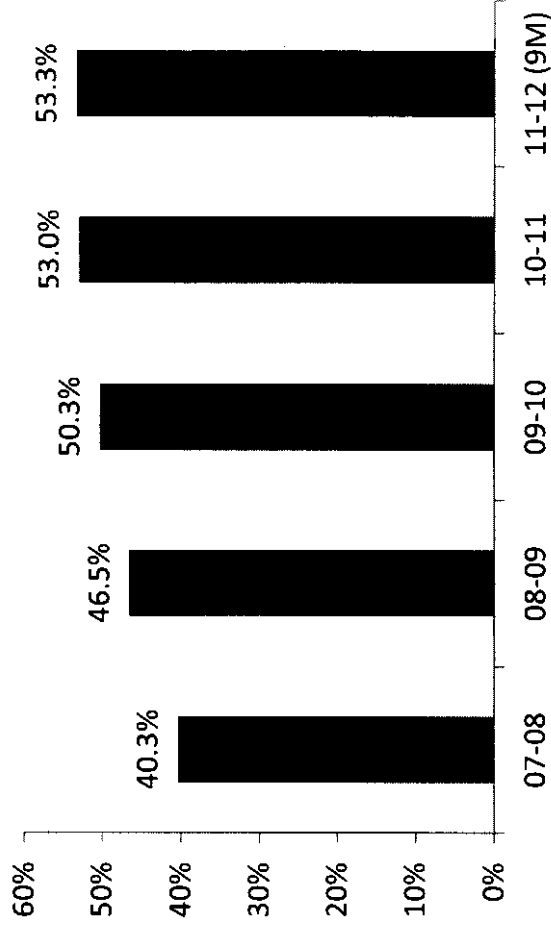
Almond Drops is the brand which is driving light hair oils and in turn the overall market

Market Shares Trends (All India - Urban Plus Rural)

Volume MS



Value MS



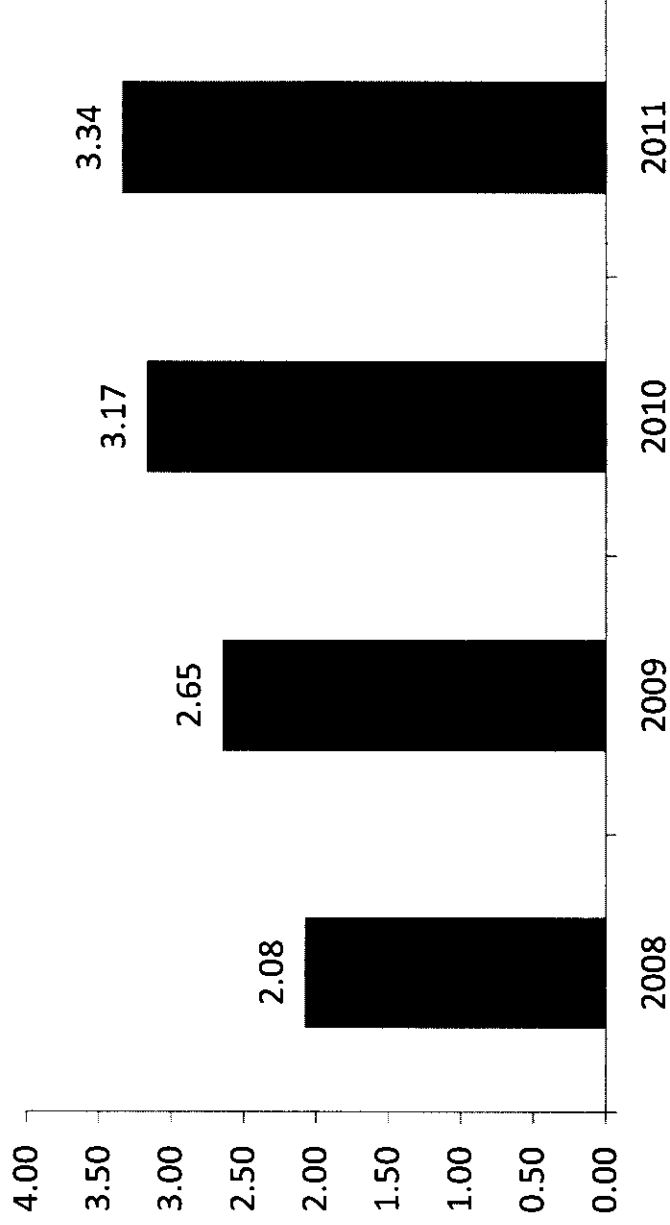
*Market Share in the Light Hair Oil Category

Source: The AC Nielsen Retail Audit Report.

ADHO - Relative Market Share - Value Trend

Relative Market share is the ratio of Almond Drops market share to the next largest competitor in LHO segment

Relative MS – Val Trend



Source - The AC Nielsen Retail Audit Report

Growth in Relative market share demonstrates the strength of the brand

ADHO - Relative Market Shares - Value

State	Relative MS	Rank
Delhi	2.6	1st
Rajasthan	1.8	1st
Uttar Pradesh	2.5	1st
Punjab	3.2	1st
Haryana	2.8	1st
Uttaranchal	4.2	1st
North Zone	2.9	1st
Assam	4.6	1st
Bihar	6.4	1st
Orissa	2.2	1st
West Bengal	1.8	1st
Jharkhand	2.4	1st
East Zone	3.4	1st
All India	3.3	1st

State	Relative MS	Rank
Madhya Pradesh	3.8	1st
Chhattisgarh	2.3	1st
Central Zone	3.8	1st
Gujarat	2.1	1st
Mumbai	2.6	1st
Maharashtra	3.1	1st
West Zone	2.6	1st
Andhra Pradesh	1.7	1st
Karnataka	3.8	1st
Kerala	0.4	3rd
Tamil Nadu	1.3	1st
South Zone	2.1	1st
All India	3.3	1st

Relative Market share is the ratio of Almond Drops market share to the next largest competitor in LHO segment
Rank is the position of ADHO in respective state

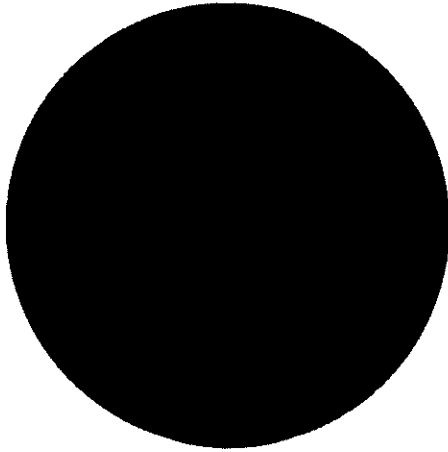
Statewise Market Share

Oct10-Sep11	LHO Volume		Proportion %		ADHO Market Share % (Vol)		
	Saliency	Urban	Urban	Rural	Total	Urban	Rural
All India (U+R)	100.00	66.0	66.0	34.0	49.9	48.2	53.1
Punjab	6.0	70.3	70.3	29.7	47.2	42.8	57.5
Haryana	5.1	80.5	80.5	19.5	45.8	43.6	54.6
Delhi	7.0	100.0	100.0	0.0	48.6	48.6	NA
Rajasthan	8.8	64.4	64.4	35.6	47.2	46.7	48.1
Uttar Pradesh (U+R)	20.9	62.5	62.5	37.5	54.0	51.3	58.6
Uttaranchal	0.9	52.7	52.7	47.3	59.2	56.7	61.9
Assam	5.4	37.6	37.6	62.4	49.5	40.5	54.9
Bihar	5.1	55.9	55.9	44.1	66.9	63.3	71.4
Jharkhand	1.1	72.4	72.4	27.6	47.8	47.7	48.0
Orissa	1.4	56.0	56.0	44.0	38.3	40.5	35.5
West Bengal	7.9	62.7	62.7	37.3	28.5	29.8	26.2
Gujarat	6.2	74.2	74.2	25.8	52.4	51.3	55.7
Madhya Pradesh	10.2	48.1	48.1	51.9	59.0	61.9	56.4
Chattisgarh	2.7	48.5	48.5	51.5	49.1	44.8	53.2
Maharashtra	7.8	82.5	82.5	17.5	51.7	51.1	54.5
Karnataka	1.0	90.2	90.2	9.8	56.0	56.9	47.9
Andhra Pradesh	1.7	69.6	69.6	30.4	34.1	39.1	22.8
Tamil Nadu	0.6	94.3	94.3	5.7	25.0	26.4	1.3
Kerala	0.2	85.0	85.0	15.0	10.2	11.2	4.5

Source: The AC Nielsen Retail Audit Report.

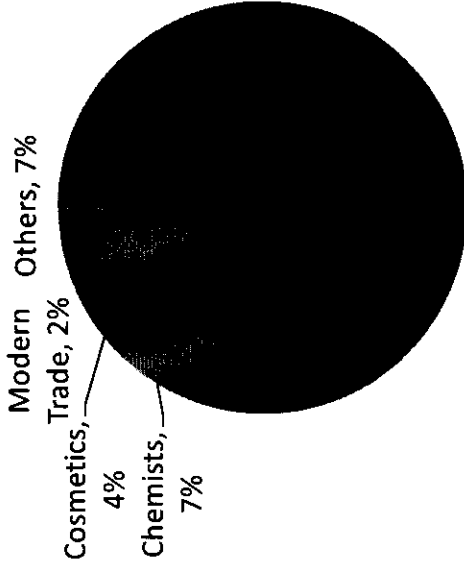
Light Hair Oil Market - Key Characteristics

Rural -Urban break up of LHO market



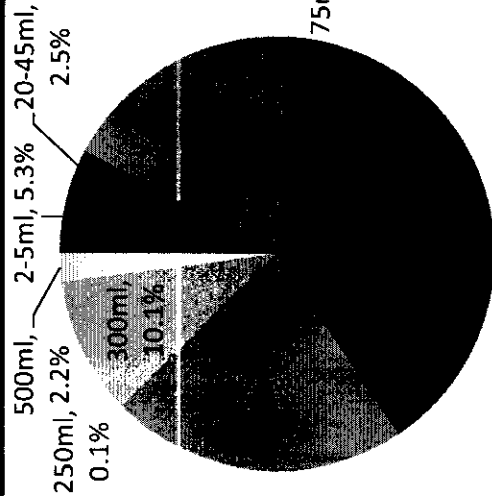
Urban dominated segment due to its relatively higher pricing

Share of Distribution Channels in LHO market - FY11



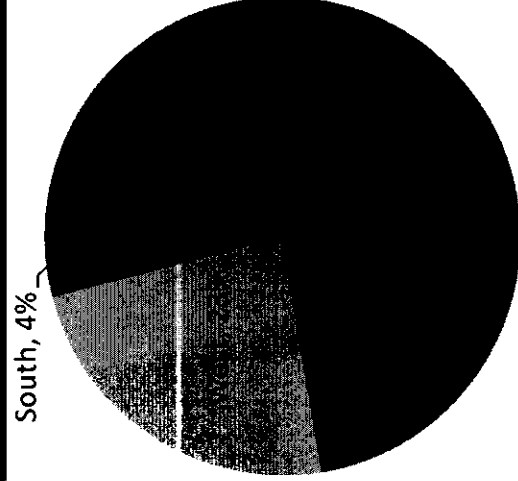
Traditional channels dominate distribution, but alternate channels like modern retail demonstrating higher growth rate

SKU wise break up of LHO market



Given the dominance of the urban market, larger units account for bulk of the sales. However, smaller units to increase rural penetration

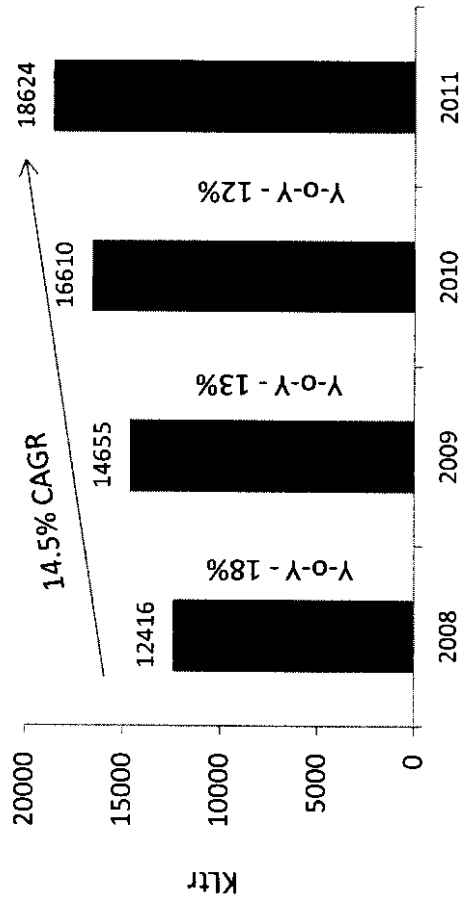
Region wise break up of LHO market



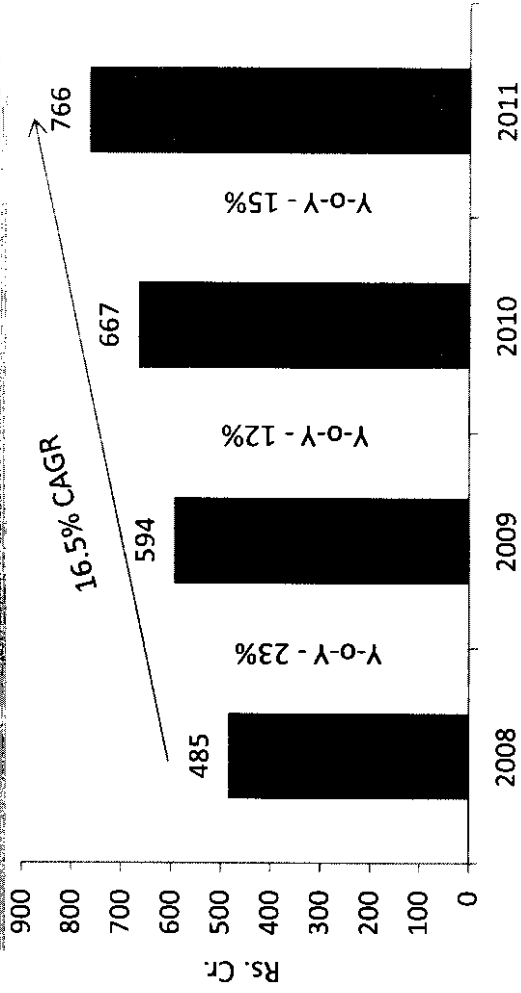
Sales tend to be concentrated in the Northern parts of the country, but West is the fastest growing region

Cooling Hair Oil Market in India

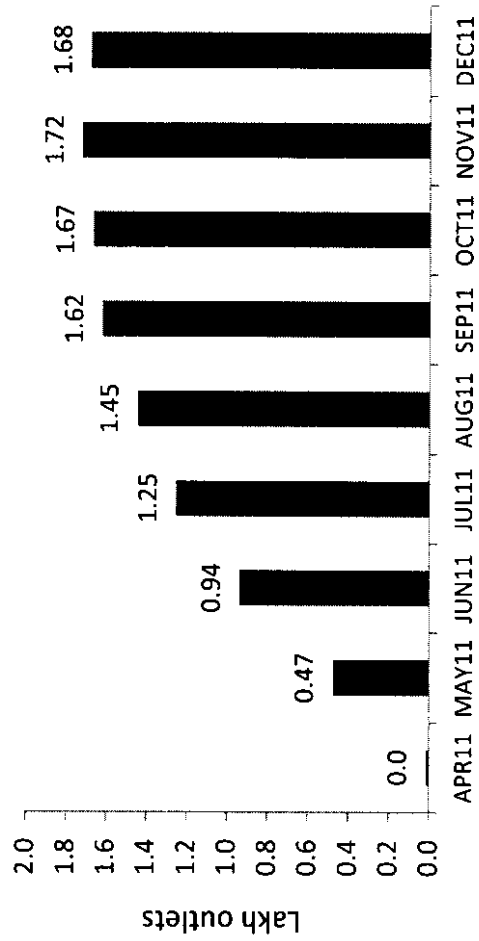
Cooling Hair Oil – Volume



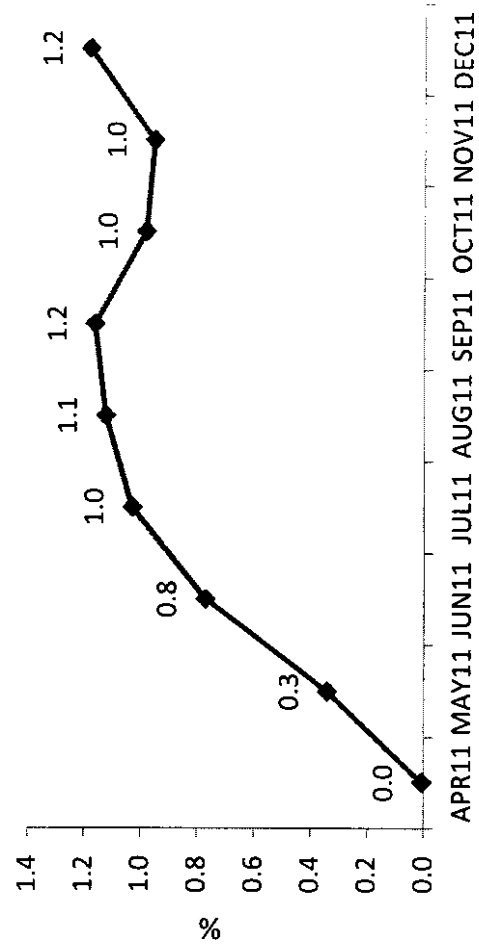
Cooling Hair Oil – Value



Kaillash Parbat – Distribution Trend



Kaillash Parbat – Volume Market Share Trend



Company Overview

Bajaj Corp Ltd. (BCL) - An Overview

- Part of Bajaj Group which has business interests in varied industries including sugar, consumer goods, power generation & infrastructure development
- Subsidiary of Bajaj Consumer Care Ltd. (BCCL)
 - BCL is the exclusive licensee of brands owned by BCCL
 - Brands licensed to BCL for 99 years from 2008
- 3rd largest player in the overall hair oils segment
- Key brand - Bajaj Almond Drops Hair Oil
 - Market leader with over 54% market share* of LHO market
 - Premium positioning commands one of the highest per unit prices in the industry
- New Product Launch: Bajaj Kailash Parbat Cooling Oil
- Other brands - Brahma Amla, Amla Shikakai and Jasmine (all hair oil brands) and Red / Black tooth powder



Bajaj Almond Drops Hair Oil - A premium perfumed hair oil containing almond oil and Vitamin E

Competitors - Keo Karpin (Dey's Medical), Hair & Care (Marico), Clinic All Clear (HUL)

Bajaj Kailash Parbat Cooling Oil - An ayurvedic formulation containing Sandal & Almond extracts

Competitors: Himani Navratna

Bajaj Brahma Amla Hair Oil - Traditional heavy hair oil. Brand has been in existence since 1953

Competitors - Dabur Amla, Dabur Sarson Amla

Bajaj Amla Shikakai - Variant in the heavy hair oil segment catering to price conscious consumers

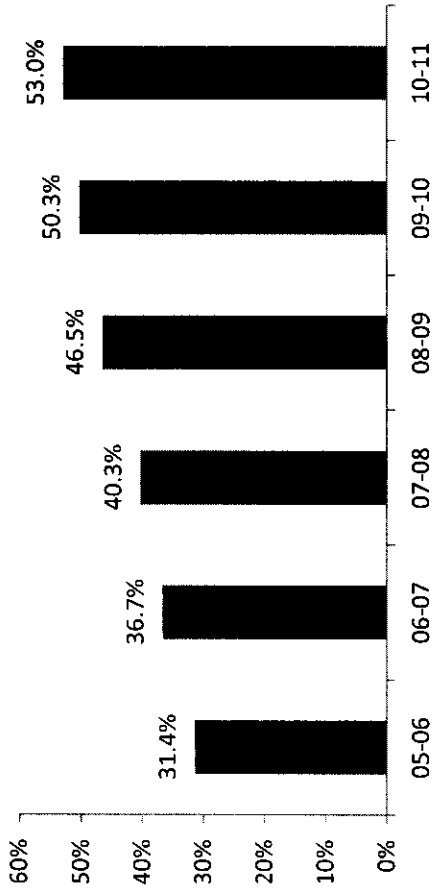
Competitors - Shanti Badam Hair Oil (Marico)

Bajaj Jasmine Hair Oil - A Jasmine flower perfumed hair oil. In demand due to cultural significance.

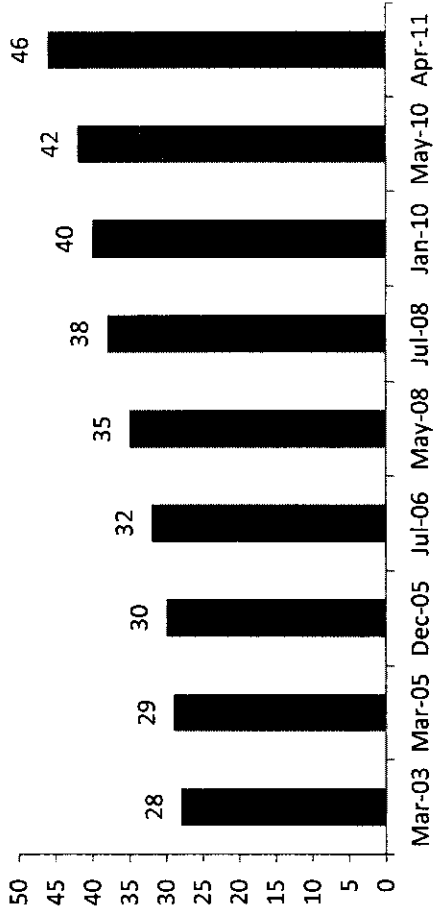
Bajaj Kala Dant Manjan - An oral care product for the rural market.

Bajaj Almond Drops - A Premium Brand

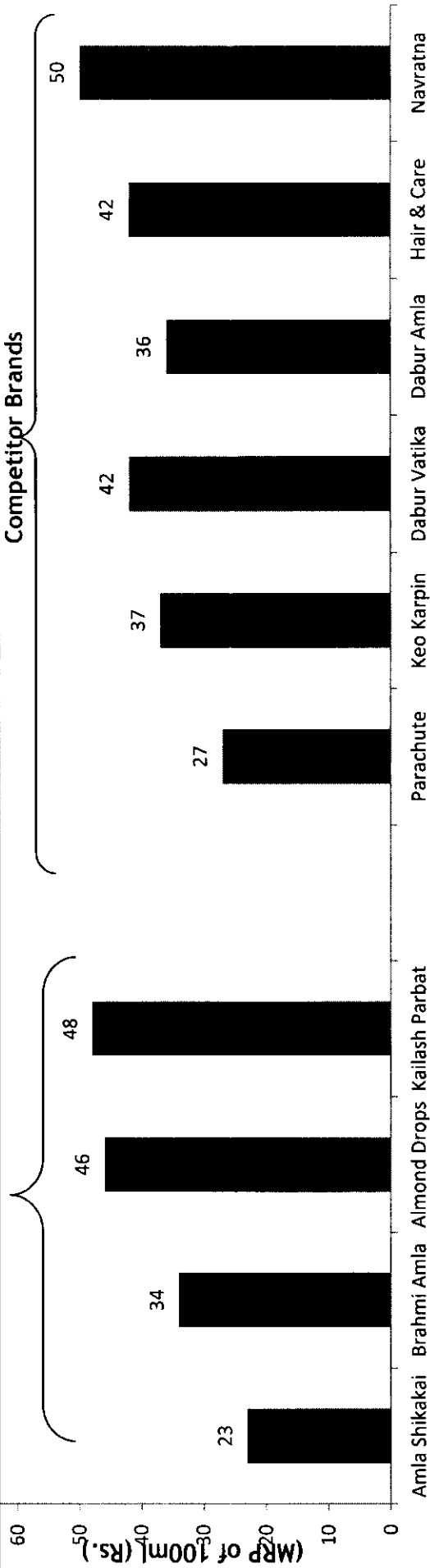
Strong Market Share Growth in Recent Years



... But not at the cost of pricing power



Comparative Price of Different Brands for 100 ml in the Hair Oil Segment



Source: The AC Nielsen Retail Audit Report, Kotak Institutional Research

Almond Drops has created a unique positioning for itself through initiatives like product differentiation (Almond based), focused marketing, unique packaging (glass vs. plastic used by competition etc.)

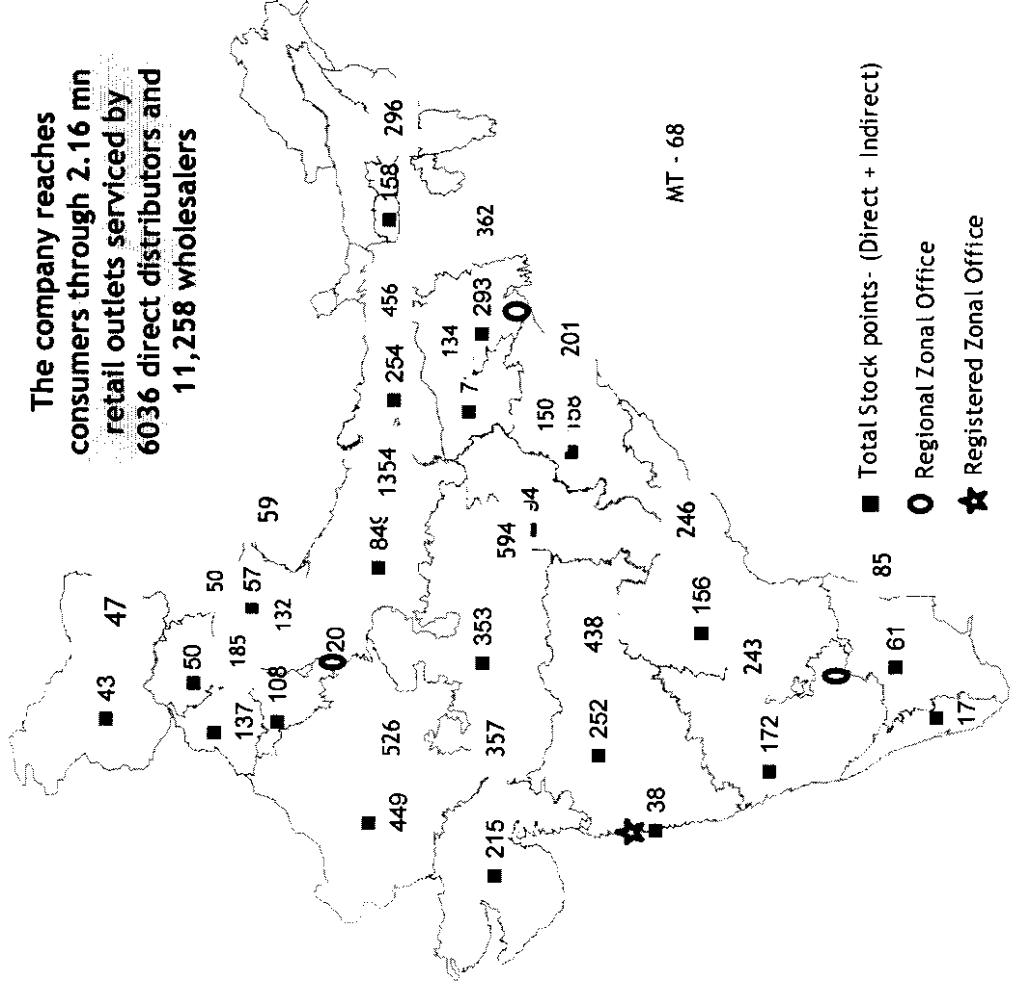
Consumer Profile- Almond Drops

- For Almond Drops the consumer is:
 - Gender
 - Male- 54%
 - Female- 46%
 - Age Group
 - 15 to 39 yrs (59% of users)
 - Urban Vs Rural
 - 61% are Urban consumers
 - Socio Economic Class (SEC)- Urban
 - A1- 11%
 - A2- 16%
 - B1- 15%
 - B2- 12%

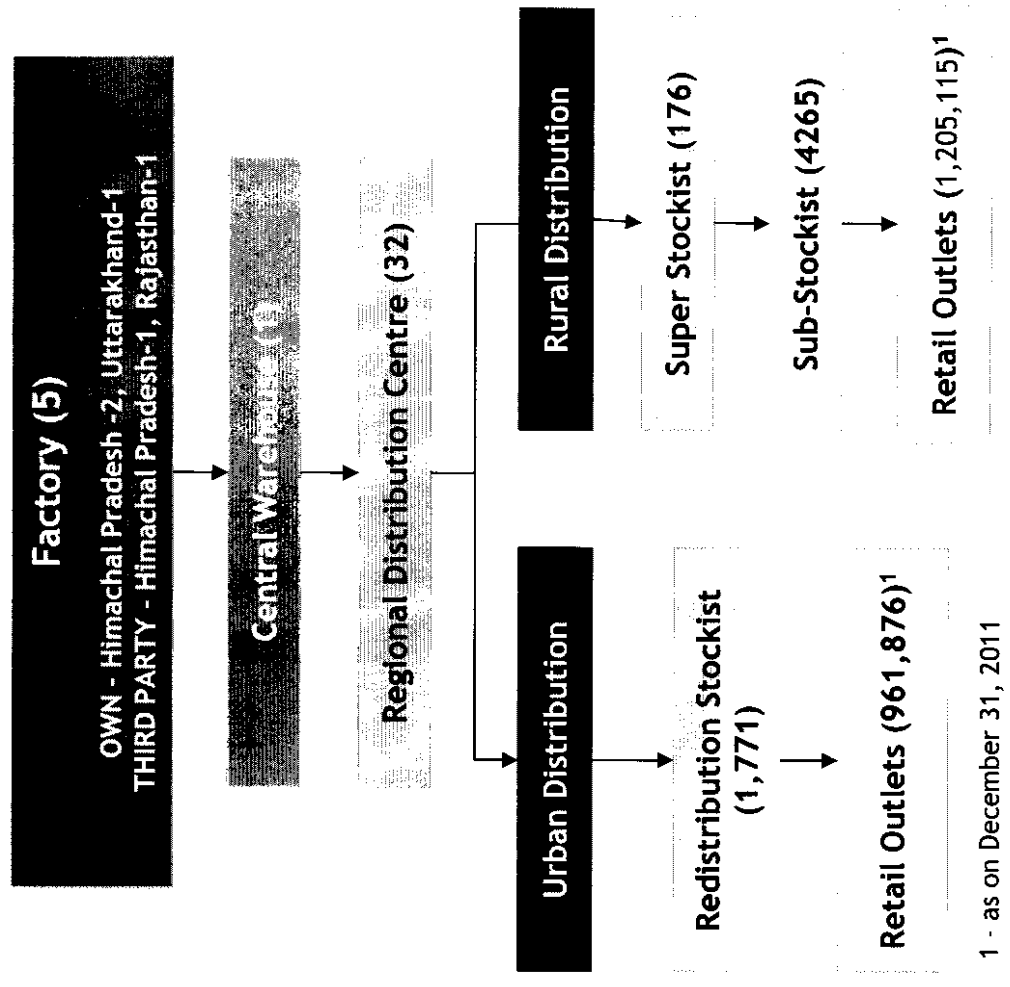
Source - IRS

Strong Distribution Network

Distribution Network

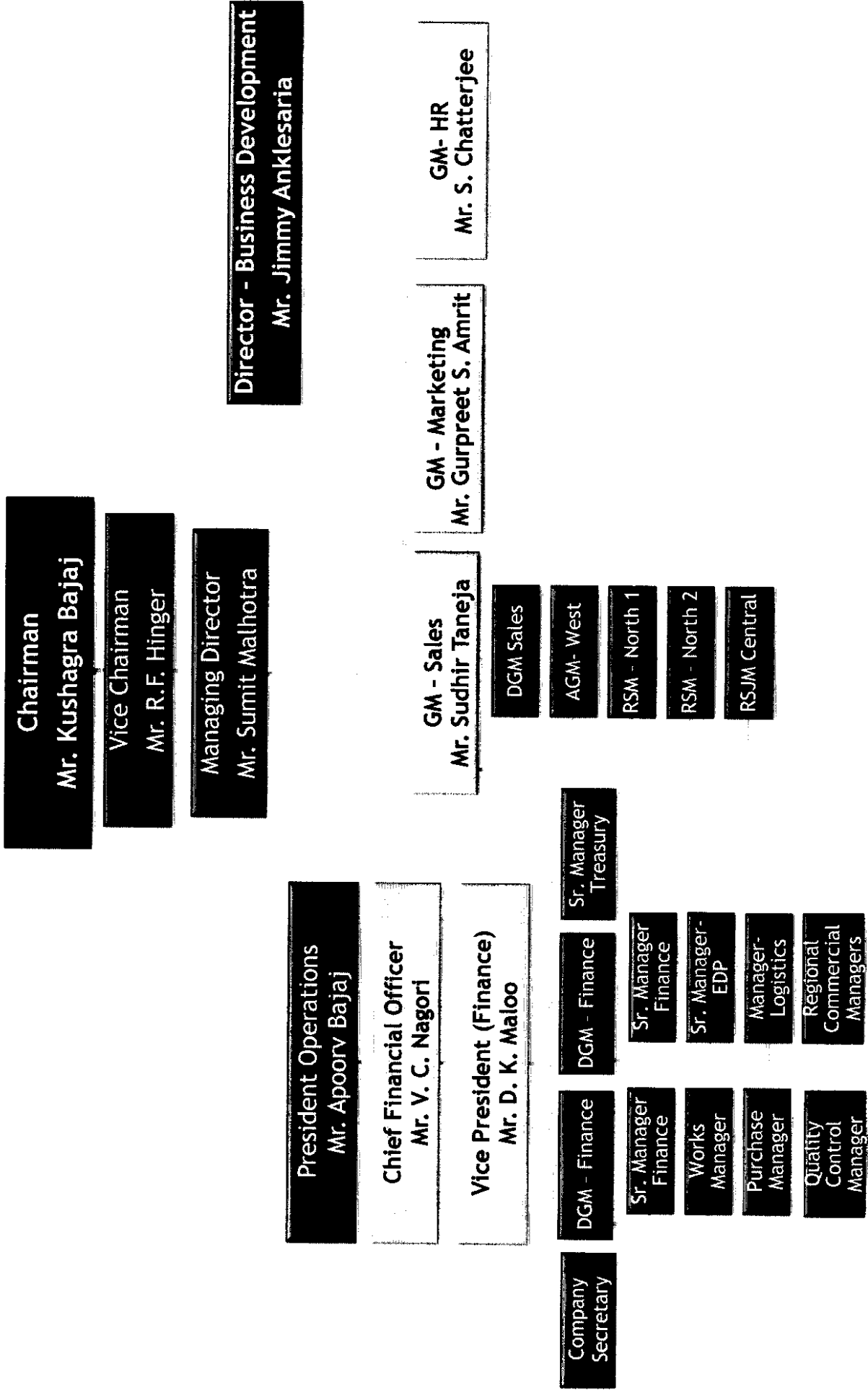


Distribution Structure



Over the years, BCL has created a large distribution network which can be leveraged to introduce new products

Organization Structure



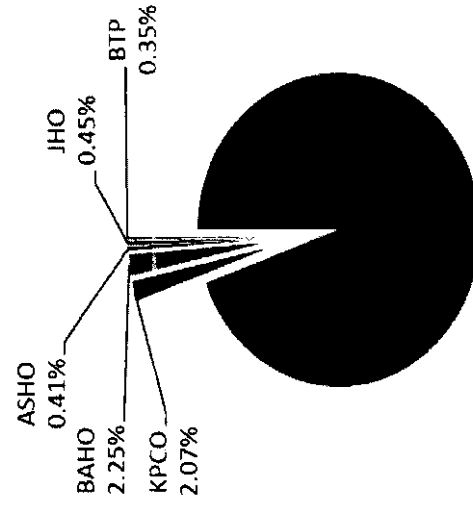
Financial Information

Summary Income Statement

Particulars (In Rupees Crores)	Q3 2012	Q3 2011	9M FY12	9M FY11
Sales (Net)	112.30	85.88	325.65	248.83
EBITDA	28.65	26.01	82.67	77.89
EBITDA Margin	25.51%	30.29%	25.39%	31.30%
Net Profit after Tax*	28.87	19.40	86.04	57.22
Net Profit Margin	25.71%	22.59%	26.42%	22.99%

* Net profit for Q3 FY11 & 9M FY11 after exceptional items (IPO expenses) of Rs. 6.32 Crore and Rs. 12.63 Crore respectively.

Sales Break Up in 9M 2012 by Brand



Summary Balance Sheet

Particulars (In Rupees Crores)	9M 2012	9M 2011	2010-11	2009-10
Shareholders Equity	462.83	375.66	376.31	25.67
Total Debt	-	-	-	-
Net Fixed Assets	38.61	21.22	21.97	18.36
Investments (including Bank FDs, Bank CDs & Fixed Maturity Plans of Mutual Funds)	368.44	352.47	396.06	11.24
Net Current Assets	55.78	1.97	-41.72	-3.93

Key Highlights

- Strong demonstrated growth track record
- Among the highest EBITDA margins in the industry
- In May 2011 the shares of face value of Rs. 5/- each were split into 5 shares of Re. 1/- each. Hence the total number of shares rose to 1475 lacs from 295 lacs
- Net Current Assets includes ICD of Rs 49.65 crores provided to subsidiary and accrued interest on Bank FDs and ICDs of Rs. 20.16 crores.

EBITDA & PAT Performance

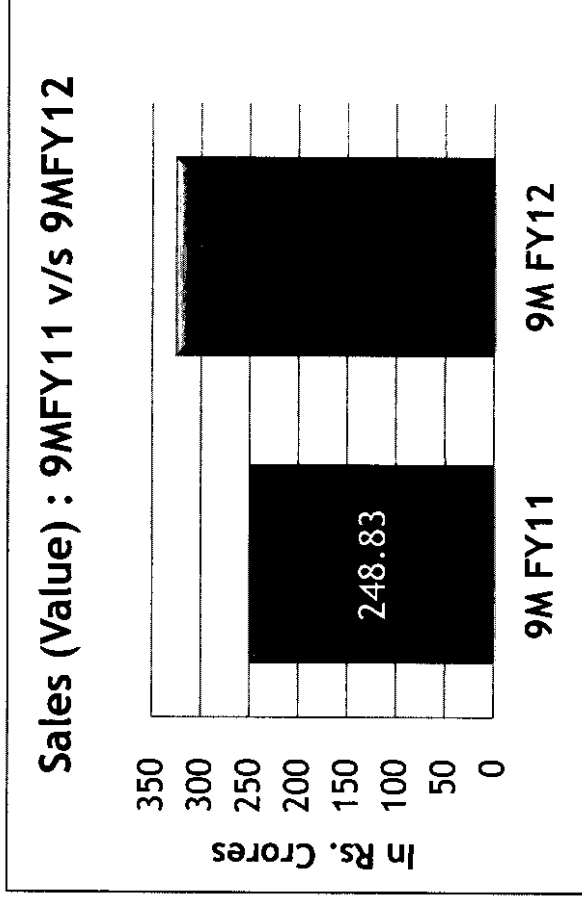
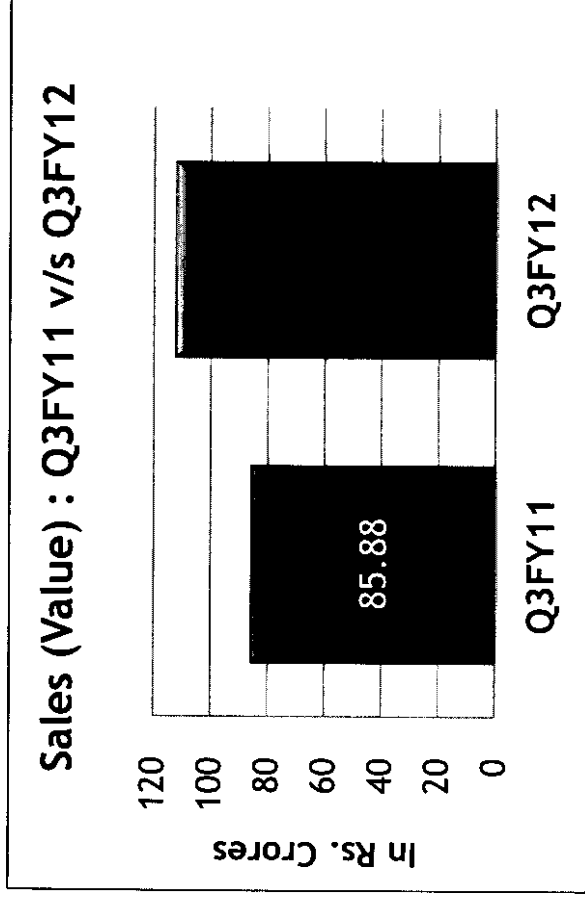
Particulars (In Rs. Crores)	Q3 FY12	Q3 FY11	YoY%	9M FY12	9M FY11	YoY%
EBITDA	28.65	26.01	10.11%	82.67	77.89	6.14%
Profit Before Tax & Exceptional Items	35.75	30.44	17.44%	108.15	83.96	28.80%
Exceptional Items (IPO Expenses)	-	6.32	-	-	12.63	-
Profit Before Tax (PBT)	35.75	24.12	48.20%	108.15	71.33	51.62%
Profit After Tax (PAT)	28.87	19.40	48.81%	86.04	57.22	50.37%

The Board has declared an interim dividend @ 400 % of share capital i.e. at the rate of Rs 4/- per share of face value of Re 1/- each. The dividend payout to the shareholders will be Rs. 5900.00 Lacs (Rs 6857.13 Lacs inclusive of dividend distribution tax). The record date for the same has been fixed as February 17, 2012 and the dividend shall be paid on February 27, 2012.

Profit & Loss Q3 & 9M FY2012

Particulars (In Rs. Crores)	Q2FY12	Q3FY12	Q3FY11	YoY%	9M FY12	9M FY11	YoY%
Net Sales	106.77	112.30	85.88	30.75%	325.65	248.83	30.87%
Other Operating Income	0.33	0.20	0.27		0.63	0.50	
Material Cost	49.87	51.79	37.92		152.33	105.28	
% of Sales	46.70%	46.12%	44.15%		46.78%	42.31%	
Employees Cost	5.70	5.96	3.99		17.06	12.22	
% of Sales	5.33%	5.31%	4.65%		5.24%	4.91%	
Advertisement & Sales Promotion Exp.	13.34	14.12	9.36		40.06	27.88	
% of Sales	12.50%	12.57%	10.90%		12.30%	11.20%	
Other Expenses	10.77	11.98	8.87		34.16	26.06	
% of Sales	10.09%	10.66%	10.33%		10.49%	10.47%	
EBITDA	27.42	28.65	26.01	10.11%	82.67	77.89	6.14%
% of Sales	25.68%	25.51%	30.29%		25.39%	31.30%	
Other Income	9.89	7.9	4.93		27.33	7.48	
% of Sales	9.26%	7.03%	5.74%		8.39%	3.01%	
Finance Cost	0.02	0.02	0.04		0.06	0.08	
Depreciation	0.54	0.78	0.46		1.79	1.33	
Profit Before Tax & Exceptional Item	36.75	35.75	30.44	17.44%	108.15	83.96	28.80%
Exceptional Items	0.00	0.00	6.32		0.00	12.63	
Profit Before Tax(PBT)	36.75	35.75	24.12	48.20%	108.15	71.33	51.62%
Tax Expenses	8.00	6.88	4.72		22.11	14.11	
Profit After Tax(PAT)	28.75	28.87	19.40	48.81%	86.04	57.22	50.37%
% of Sales	26.92%	25.71%	22.59%		26.42%	22.99%	
Diluted EPS (Rs.)	1.95	1.96	1.32		5.83	4.19	

Sales Performance



- ✓ Sales for Q3 FY12 increased by 30.75% in value terms and 20.46% in volume terms.
- ✓ Sales for the 9months FY12 has increased by 30.87% in value terms and 20.79% in volume terms.

Statement of Quarter wise Sales (Volume & Value)

STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		ASHO		Others		Total		% Increase over Pr. Year
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
Qtr1	765,858	654,856	28,777	0	14,125	14,888	4,451	6,232	4,249	5,494	817,460	681,470	19.96%
Qtr2	793,821	645,747	7,562	0	12,272	18,152	3,751	4,608	6,053	6,568	823,459	675,075	21.98%
Qtr3	846,456	703,022	998	0	15,798	12,207	4,247	4,241	6,020	5,714	873,519	725,184	20.45%
Total	2,406,135	2,003,625	37,337	0	42,195	45,247	12,449	15,081	16,322	17,776	2,514,438	2,081,729	20.79%

STATEMENT OF QUARTERWISE SALES (VALUE - In Rs. Crores)

	ADHO		KPCO		BAHO		ASHO		Others		Total		% Increase over Pr. Year
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
Qtr1	97.59	77.96	5.42		2.44	2.33	0.47	0.66	0.66	0.76	106.58	81.71	30.44%
Qtr2	102.15	76.90	1.17		2.08	2.94	0.40	0.49	0.97	0.91	106.77	81.24	31.43%
Qtr3	107.93	82.59	0.16		2.79	2.03	0.45	0.45	0.97	0.81	112.30	85.88	30.75%
Total	307.67	237.45	6.75	0.00	7.31	7.30	1.32	1.60	2.60	2.48	325.65	248.83	30.87%

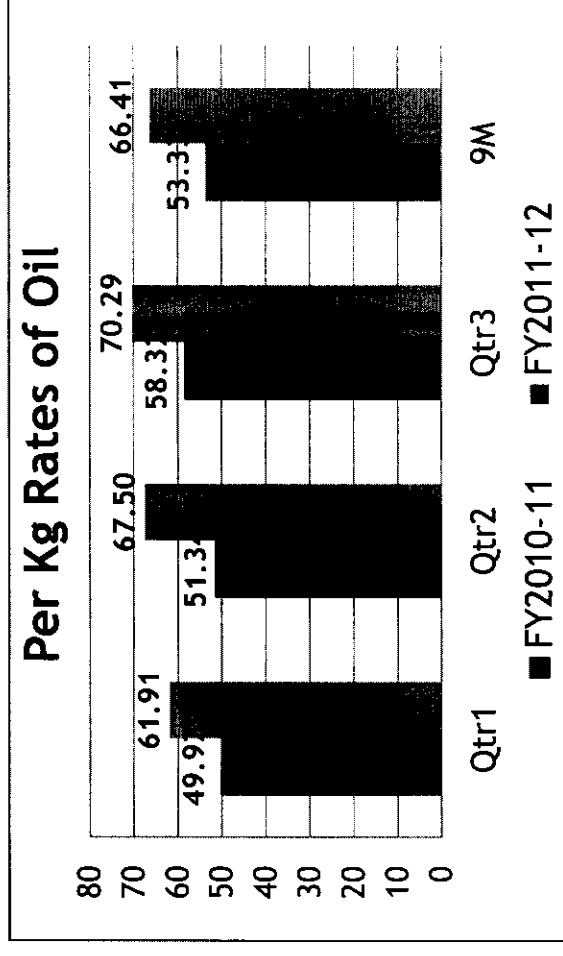
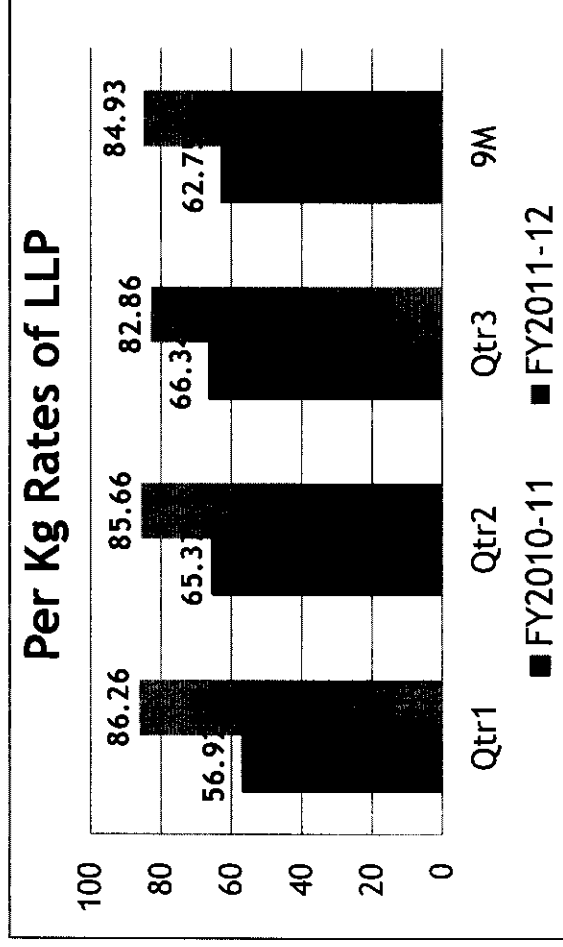
Breakup of RM/PM Costs (for 9M FY12)

Key Raw & Packing Material	% to Sales	% to Total Cost
LLP	19.0%	41.1%
Glass Bottles	11.4%	24.8%
Refined Veg. Oil	4.0%	8.6%
Perfumes & other additives	3.6%	7.7%
Corrugated Boxes	2.3%	4.9%
Caps	2.2%	4.8%
Others	3.7%	8.1%
TOTAL	46.2%	100.0%

*** Consumption is 46.2% of Sales**

**For Bajaj Almond Drops*

Change in Prices of Key Ingredients



- ✓ During the current quarter company faces major increase in the prices of its raw material's key ingredient namely LLP (Light Liquid Paraffin) and Refined Oil .
- ✓ Price of LLP increased to Rs 82.86/Kg from Rs 66.34/Kg in corresponding quarter of previous year i.e. an increase of 24.91%. This has adversely affected the overall profitability of the company.
- ✓ Prices of Refined oil for the Q3FY12 increased from Rs 58.32 per Kg to Rs 70.29 per Kg witnessing an increase of 20.53% over Q3FY11.
- ✓ Prices of our other key ingredients (except glass bottles with 10% increase) have remained more or less on the same level.

Growth Strategy

Strategy

Action Steps

- **Market share gains from other hair oil segments**
 - Convert coconut hair oil users to light hair oil users through sampling, targeted advertising campaigns, product innovation and creating awareness about product differentiation including communicating the advantages of switching to lighter hair oils. Aim for a market share of 65% by the year 2015-16
- **Focus on rural penetration**
 - Tap the increase in disposable income of rural India and convert rural consumer from unbranded to branded products by providing them with an appropriate value proposition
 - Among its key competitors, our Almond Drops is the only brand which is available in sachets - a marketing initiative to penetrate the rural market
- **Leverage existing strengths to introduce new products**
 - BCL has over the years created a strong distribution network across 2.16 mn. retail outlets which can be optimally utilized by introducing new products
 - BCL intends to extend 'Almond Drops' platform developed by its Almond Drops Hair Oil brand to other personal care products to leverage on the strong connotation of Almonds with nutrition
- **Pursue inorganic Opportunities**
 - Will seek inorganic growth opportunities in the FMCG and hair oil market as part of growth strategy
 - The inorganic growth opportunities will focus on targeting niche brands which can benefit from BCL's strong distribution network so that they can be made pan India brands

Thank You