



Dear Investor / Shareholder,

Enclosed are the results for Pidilite Industries Limited on a stand-alone basis for 1st Quarter (Q1) for the financial year 2008-09. (the Year)

Shareholders of Pidilite Industries Limited had approved the scheme of arrangement for the Demerger of VAM manufacturing unit at Mahad of Vinyl Chemicals (India) Ltd., into the Company w.e.f. 1.4.2007. The Scheme of Demerger was sanctioned by the Hon'ble High Court of Judicature at Bombay on 14th December 2007. Accordingly, the figures for the current quarter ended June 30th 2008 and twelve months ended 31st March 2008 include the figures of the operations of the said Demerged unit but the quarter ended June 2007 does include the figures of the said Demerged unit

Highlights of 1st Quarter (Q1) 2008-09

- Gross sales for Q1 grew by 31.7% as compared to the corresponding period of the previous year. Gross sales for Q1 grew by 23.6% excluding the sales of the said Demerged unit.
- Profit before foreign exchange difference and tax grew by 10.6 % as compared to the corresponding period of the previous year.
- The foreign exchange difference (loss) for the quarter is Rs 1126 lacs as compared to foreign exchange difference (gain) of Rs 221 lacs in the same quarter last year. This is mainly due to depreciation of Re. as compared to US \$ resulting in increased liability on foreign currency loans including FCCB
- After considering the foreign exchange difference (loss) Profit Before Tax (PBT) and Profit After Tax (PAT) for the Q1 have declined by 9% to Re. 6435 lacs and by 5% at Rs. 5492 lacs respectively.

Pidilite Industries Limited

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- There has been significant increase in cost of raw material and packing material, which has adversely impacted the margins. The Company has initiated steps to increase prices but expects that the margins in the current year may be lower as compared to last year.
- Consumer and Bazaar Products Segment sales grew by 24 % during Q1
- Industrial Specialty Products Segment sales grew 23 % during Q1
- Other Segment which includes sales of the said Demerged unit was at Rs. 5002 lacs for Q1.
- The overseas subsidiaries had revenues of Rs.6250 lacs during Q1 2008-09 as compared Rs.3244 lacs during Q1 2007-08.

A handwritten signature in black ink, appearing to read "P.C. Patel", with a horizontal line underneath.

P.C Patel
President & Secretary
Pidilite Industries Ltd.

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