# Media Release

Godrej | INDUSTRIES

Mumbai, February 12, 2016

**Consolidated Total Income* for Q3 FY 2015-16 at ₹ 2,561 crore up by 8%**
**Consolidated PBDIT* for Q3 FY 2015-16 at ₹ 267 crore up by 46%**
**Consolidated PBT* for Q3 FY 2015-16 at ₹ 161 crore up by 46%**
**Consolidated Net Profit*# for Q3 FY 2015-16 at ₹ 139 crore up by 53%**

Godrej Industries Limited today reported its consolidated financial performance for Q3 & 9M FY 2015-16.

## HIGHLIGHTS OF CONSOLIDATED FINANCIAL PERFORMANCE (Q3 & 9M FY 2015-16)

| ₹ crore | Q3 FY 2015-16 | Q3 FY 2014-15 | % Increase | 9M FY 2015-16 | 9M FY 2014-15 | % Increase |
|---|---|---|---|---|---|---|
| Total Income* | 2,561 | 2,374 | 8% | 8,463 | 7,120 | 19% |
| PBDIT* | 267 | 183 | 46% | 795 | 563 | 41% |
| PBT* | 161 | 110 | 46% | 507 | 361 | 40% |
| Net Profit* # | 139 | 91 | 53% | 368 | 264 | 40% |

** Including other income and exceptional items*
*# With share of profit in associate companies and post reduction of minority interest*

## CHAIRMAN'S COMMENTS

**Commenting on the performance for Q3 & 9M FY 2015-16, Mr. A. B. Godrej, Chairman, Godrej Industries Limited, said:**

*"I am pleased to share that the overall performance of Godrej Industries Limited during the quarter has been good, with net profit growing by 53%.*

*In a challenging environment for the real estate sector, Godrej Properties has surpassed ₹1,200 crore in bookings for the third consecutive quarter of this financial year. The launch of 'The Trees' in Vikhroli has been the most successful launch in the history of Godrej Properties Ltd in terms of value sold in the launch quarter.*

*Despite a poor monsoon and subdued commodity prices, Godrej Agrovet had a steady performance in this quarter with Total Income increasing by 14% over the corresponding quarter of the previous year.*

*During the quarter, Godrej Agrovet announced the acquisition of controlling stake in Creamline Dairy Products Ltd. Godrej Agrovet intends to build an entire cattle feed to high quality milk/milk product value proposition.*

*Godrej Consumer Products' delivered a resilient and competitive performance in Q3 FY16, despite challenging operating environment. Operating earnings growth was ahead of sales growth across most of our geographies, aided by lower commodity costs, calibrated price hikes, stringent cost management and the effective leveraging of brand platforms*

*Our Chemicals business also had a steady performance in Q3FY 16.*

*Going forward, through our CREATE strategy, we will continue to strengthen our position in all our core businesses while fostering an inspiring place to work and creating shared value for all our stakeholders.''*

## CORPORATE HIGHLIGHTS

### Business Highlights – Godrej Consumer Products Limited (GCPL)

- Q3 FY16 Consolidated organic constant currency net sales increased by 9%.
  - India business branded net sales increased by 8%, driven by 9% volume growth, double digit volume growth in Household Insecticides, & robust mid-single digit volume growth in Soaps.
  - International business grew by 9% on an organic constant currency basis.
- Q3 FY16 Consolidated organic constant currency EBITDA increased by 19%, driven by an 18% growth in the India business and 20% growth in the international business.
- Consolidated net profit increased by 23%.
- Declared 1st interim dividend of 100% (₹ 1.00 per share).

### Business Highlights – Godrej Agrovet Limited (GAVL)

- Agri Inputs business sales in Q3 & 9M FY 2015-16 increased by 11% over Q3 & 9M FY 2014-15 respectively. Astec Life sciences acquisition will help the business augment its retail product portfolio.
- Sales growth in feeds business was flat due to lower prices of all feed output agri commodities which impacted the compound feed consumption in the country.
- ACI Godrej business topline grew by 51% & 36% in Q3 & 9M FY16 respectively, primarily driven by strong volume growth in Cattle Feed, Aqua and Poultry Feed.
- Oil Palm business in Q3FY16 clocked 53% topline growth, driven by higher volumes.
- Godrej Tyson business sales grew by 12% & 13% in Q3 & 9M FY 2015-16 respectively.

**Business Highlights – Godrej Properties Limited (GPL)**

- GPL's had its best ever launch 'The Trees',Vikhroli where 93% of launched inventory or 348 apartments with 455,503 sq.ft. were sold for ₹ 862 crore within one month of launch.
- Registered booking value of over ₹ 1,200 crore for the third consecutive quarter of FY16.
- 122% YoY growth in value of total bookings and 152% QoQ growth in the value of residential bookings.
- Net Profit (after minority interest) in Q3 FY 2015-16 & 9M FY 2015-16 increased by 10% & 53% respectively over Q3 FY 2014-15 & 9M FY 2014-15.

**Chemicals Business (Godrej Industries Limited)**

- PBIT for 9M FY 2015-16 grew 141% respectively over the preceding year.
- Recognised by Chemexcil (an industry council setup by the Ministry of Commerce and Industry) for its past export performance and has received the 'Trishul Award' and 'Gold Award'
- Exports in Q3 FY 2015-16 stood at ₹ 86 crore

***- ENDS -***

**About Godrej Industries Limited**

A Godrej Group Company, Godrej Industries Limited. (GIL) is a conglomerate with a significant presence in Home and Personal Care, Animal Feeds, Dairy and Agri-products, Poultry, Oil Palm Plantation, Real Estate Development, Oleo-chemicals and Vegetable Oils, both directly and through subsidiaries/associate companies.

For more information on the Company, please log on to www.godrejinds.com

Disclaimer:

*"Some of the statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations."*

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Nurturing growth,
Creating value

# GODREJ INDUSTRIES LIMITED

Performance Update – Q3 & 9M FY 2015-16

FEBRUARY 12, 2016

# DISCLAIMER

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# AGENDA

- Results
  - Financial Highlights – Consolidated
  - Segment Performance
- Business Performance
  - Performance highlights  including Subsidiaries and Associates
- Other information

# FINANCIAL HIGHLIGHTS – CONSOLIDATED

# FINANCIAL HIGHLIGHTS - CONSOLIDATED

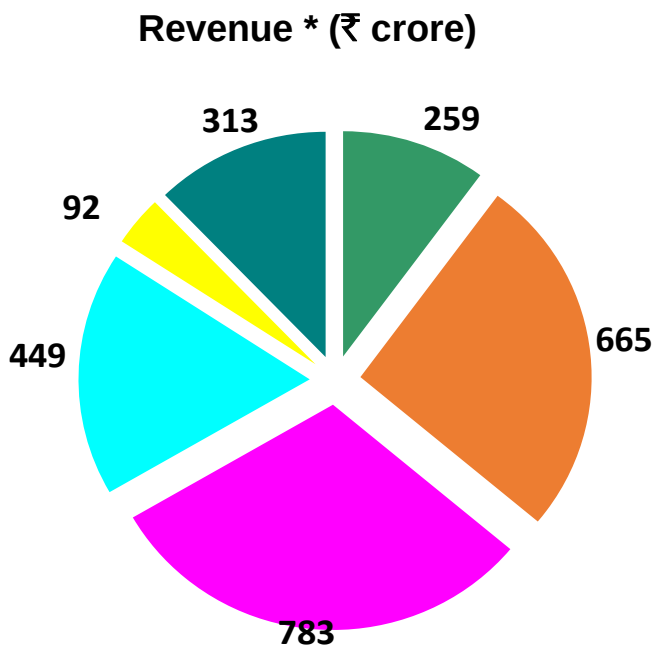
| Particulars (₹ crore) | Q3 FY 2015-16 | Q3 FY 2014-15 | % Growth | 9M FY 2015-16 | 9M FY 2014-15 | % Growth |
|---|---|---|---|---|---|---|
| Total Income * | 2,561 | 2,374 | 8% | 8,463 | 7,120 | 19% |
| PBDIT * | 267 | 183 | 46% | 795 | 563 | 41% |
| Depreciation | 34 | 25 | | 91 | 68 | |
| Interest | 72 | 48 | | 196 | 133 | |
| Net Profit *# | 139 | 91 | 53% | 368 | 264 | 40% |

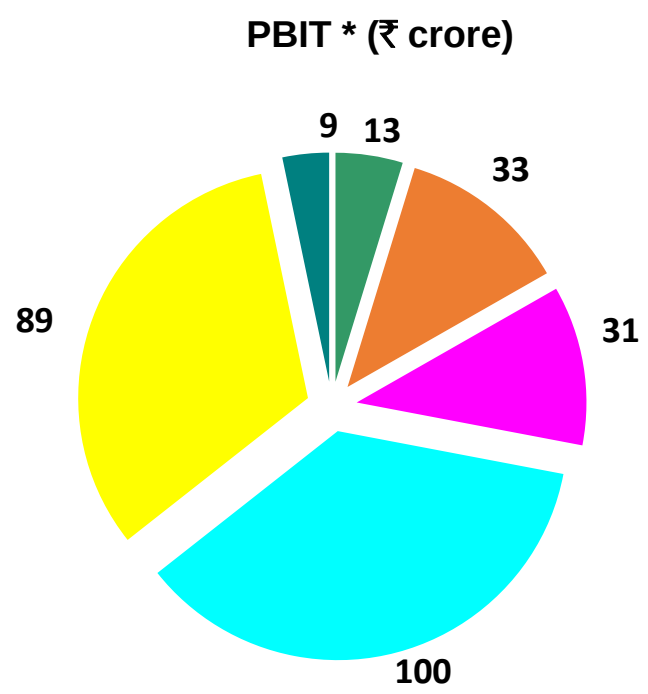
** Including other income and exceptional items ;*

*# With share of profit in associate companies and post reduction of minority interest*

# CONSOLIDATED RESULTS – SEGMENT PERFORMANCE

# SEGMENT-WISE CONTRIBUTION TO FINANCIALS: Q3 FY 2015-16

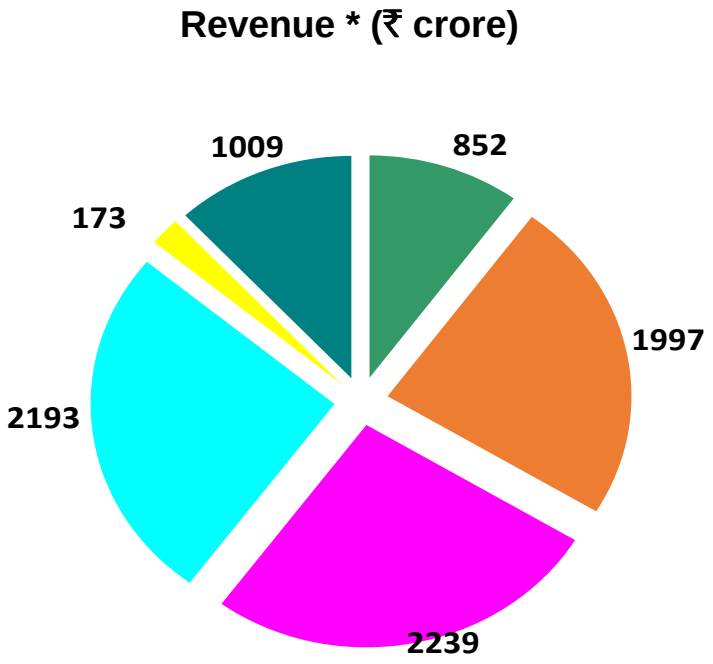


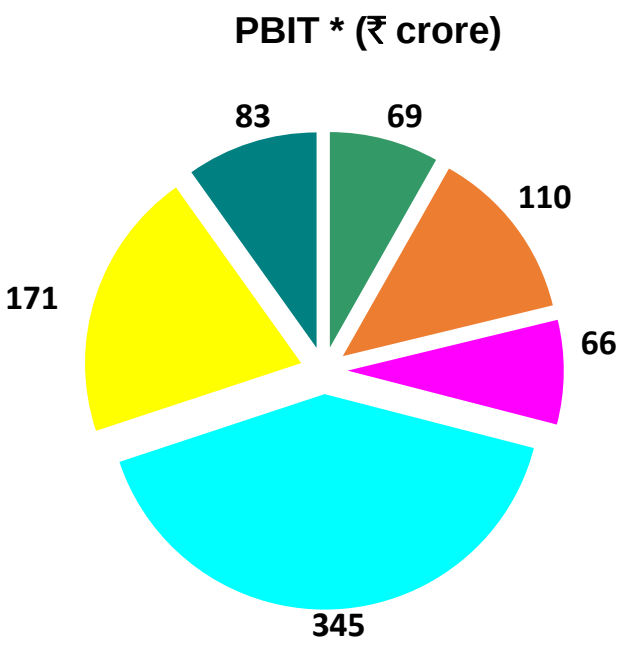




*net of inter-segment revenue

- CHEMICALS
- ANIMAL FEEDs
- VEGOILS
- ESTATE & PROPERTY DEVELOPMENT
- FINANCE & INVESTMENTS
- OTHERS

# SEGMENT-WISE CONTRIBUTION TO FINANCIALS: 9M FY 2015-16




*net of inter-segment revenue

- CHEMICALS
- ANIMAL FEEDs
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- FINANCE & INVESTMENTS
- OTHERS

# BUSINESS PERFORMANCE: Performance Highlights incl. subsidiaries, JVs and Associates

# OUR "CREATE" GROUP PORTFOLIO STRATEGY

**C**onsumer & **C**hemicals

**R**eal
**E**state
**A**gri

→ 4 core businesses

**T**ransformation → Drive to full potential

**E**mergent → Focused incubation of new businesses

# CONSUMER (GCPL)

## Business and Financial Highlights for Q3 FY 2015-16:

- Consolidated organic constant currency net sales increased by 9%.
  - India business branded net sales increased by 8%, driven by a 9% volume growth; double digit volume growth in Household Insecticides and robust mid-single digit volume growth in Soaps.
  - International business grew by 9% on an organic constant currency basis.
- Consolidated organic constant currency EBITDA increased by 19%, driven by a 18% growth in India business and 20% growth in international business,
- Q3 FY 2015-16 consolidated net profit increased by 23%.
- GCPL continues to deliver competitive performance in its core categories, across geographies
  - Household Insecticides sustained its double-digit volume growth momentum with a sales growth of 15%.
  - Soaps business maintained its robust mid-single digit volume growth in a highly competitive environment.
  - Liquid Detergents delivered a double-digit, volume driven sales growth of 11%, despite of late onset of winter
  - The sales of Hair Colour declined by 1% in Q3 FY16.
- Declared 1st interim dividend of 100% (₹ 1.00 per share).

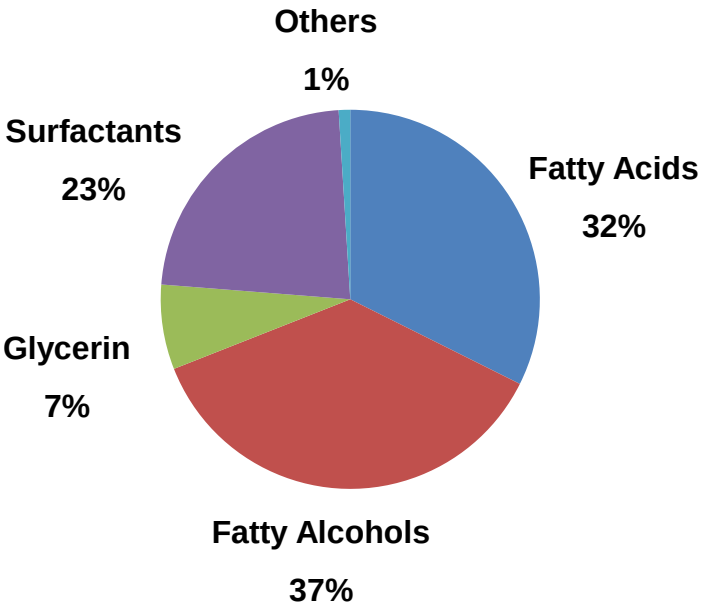
# CHEMICALS

## Financial Highlights for 9M & Q3 FY 2015-16:

| ₹ crore | | FY 2015-16 | FY 2014-15 |
|---|---|---|---|
| Revenue | 9M | 852 | 1,017 |
| | Q3 | 259 | 309 |
| PBIT | 9M | 69 | 29 |
| | Q3 | 13 | (0) |

- PBIT for 9M FY 2015-16 grew by 141%
- Exports in Q3 FY 2015-16 at ₹ 86 crore.

**Product Portfolio Q3 FY 2015-16**




- Recognised by Chemexcil (an industry council setup by the Ministry of Commerce and Industry) for its past export performance and has received the '**Trishul Award'** and **'Gold Award'**.

**Mr. N B Godrej receiving award from Hon. Minister Ms Nirmala Sitharaman**

# REAL ESTATE

## Godrej Properties Limited (GPL) - Consolidated Financial Highlights:

| ₹ crore | | FY 2015-16 | FY 2014-15 |
|---|---|---|---|
| Revenue | 9M | 2,195 | 1,208 |
| | Q3 | 450 | 539 |
| Net Profit after tax (after minority interest) | 9M | 213 | 139 |
| | Q3 | 52 | 47 |

## Business & Sales Highlights for Q3 & 9M FY 2015-16:

- **GPL's best ever launch:** The Trees, Vikhroli was the most successful launch in the history of GPL in terms of value of apartments sold in the launch quarter. 93% of launched inventory or 348 apartments with 455,503 sq. ft. for ₹ 862 crore sold within one month of launch

- Registered booking value of over ₹1200 crore for the third consecutive quarter of FY16

- 122% YoY growth in value of total bookings and 152% QoQ growth in the value of residential bookings

- **Construction Highlights**: Delivered 1.34 million sq.ft. at Godrej Genesis, Kolkata & 144 apartments measuring 0.21 million sq.ft. at Godrej Horizon, Pune

**Awards and Recognitions:** GPL received 6 awards in Q3 FY16, including

- **Brand Excellence Award in Real Estate Sector-** Brand Excellence Awards 2015

- **Best Real Estate Development Company – India** – 2015 Real Estate & Property Awards by Build Magazine UK

# AGRI BUSINESS

## Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

**Feed Business**

- Animal feed business faced strong head winds in most of its categories impacting its Q3FY16 performance
- The Bangladesh feed business – ACI JV has done well with top line growing by 51% over Q3FY15

**Oil Palm business**

- Seasonal shift in FFB arrival resulted in robust Q3 performance for Oil Palm business

**Agri Inputs Business**

- Agri Inputs business has shown significant resilience in spite of deficit monsoon clocking 11% growth in topline in Q3FY16
- Astec Life Sciences had a tough quarter with sale marginally down due to poor offtake in its export markets esp. Argentina
- Fledgling Seeds business suffered immensely due to very poor rainfall (-21%) in its critical Marathwada market

**Food business**

- Our processed poultry business GTFL grew by 12% this quarter over last year
- Creamline dairy recorded a healthy 14% sales growth this quarter over last year

# MACROS IMPACTED THE AGRI INDUSTRY IN FY16

- India suffered
  - Two consecutive poor monsoons
  - Softer secondary commodity prices e.g. prices of Broiler, Shrimp, Milk, Palm Oil have been significantly lower than the previous year

- Poor monsoons and Softer commodity prices impacted the income levels of farmers in most parts of the country

| | Avg. Milk Price/Ltr. | Avg. Broiler Price/Kg | Avg. Shrimp Prices/Kg | Avg. CPO Prices/MT |
|---|---|---|---|---|
| Apr-Dec 2014 | 24.6 | 76.3 | 412 | 49,521 |
| Apr-Dec 2015 | 21.9 | 69.1 | 353 | 41,618 |

- This resulted in diminished rural demand for commodities and other products in rural India

- Critical for Agri Companies to control and mitigate their exposure in these turbulent times

# GAVL-MANUFACTURING LOCATIONS

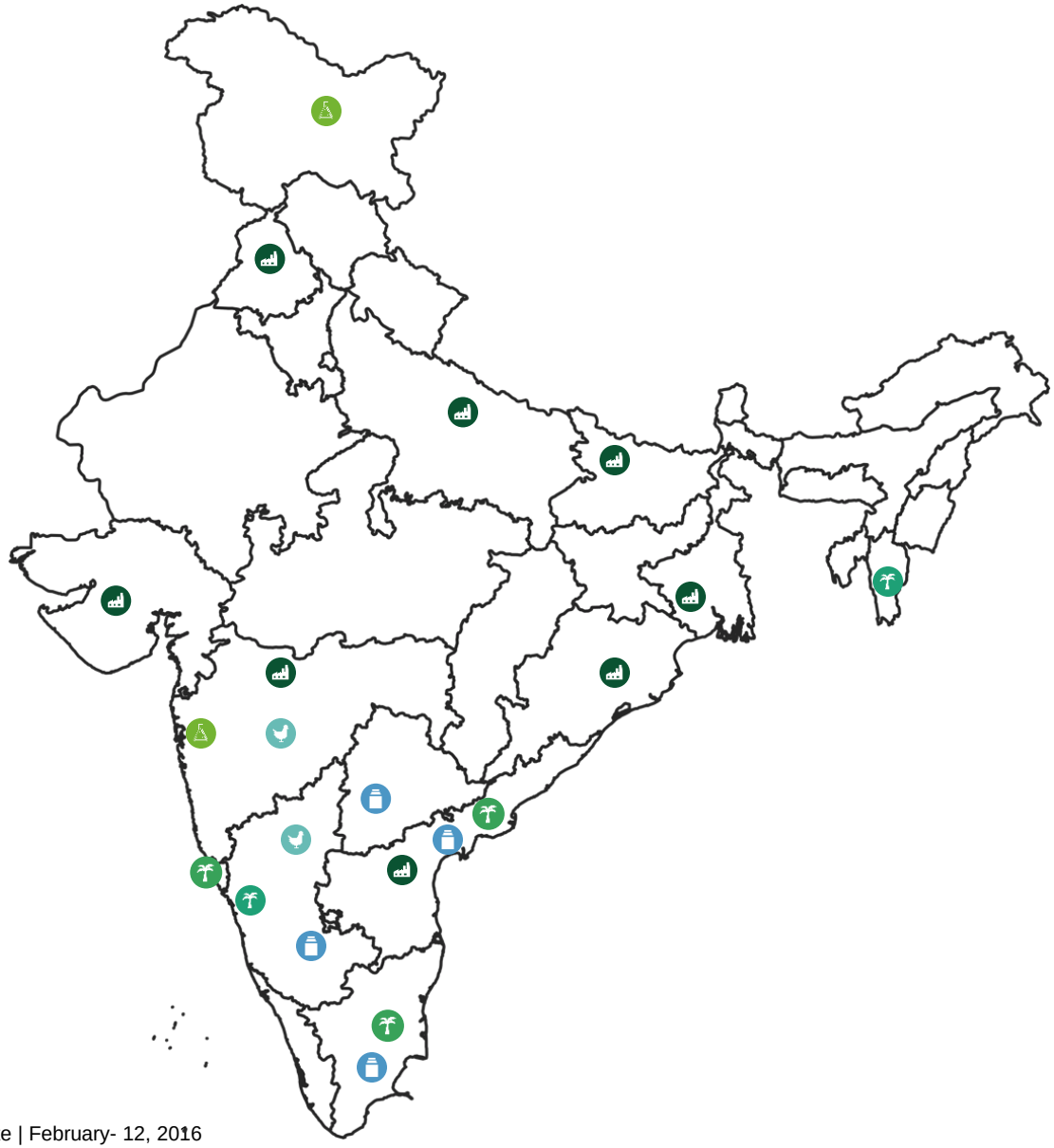
Feed mills

Palm oil mills

Agro chemicals

Poultry

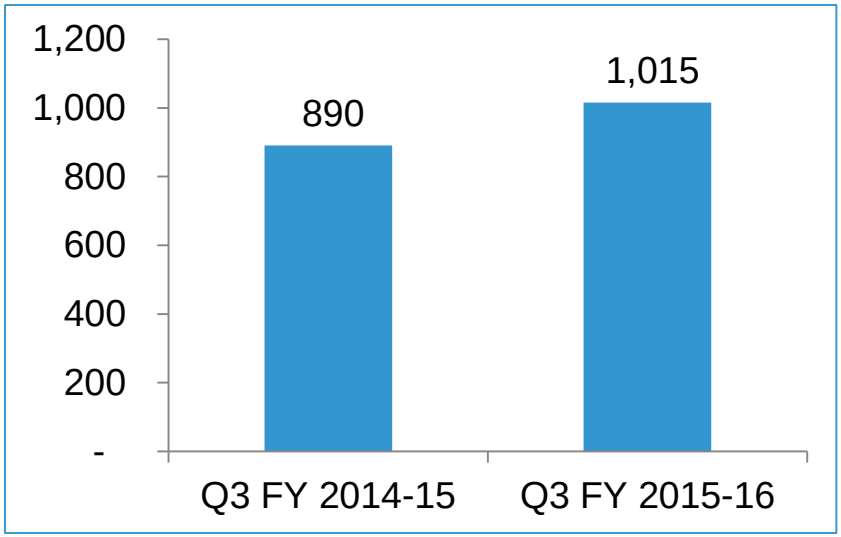
Creamline



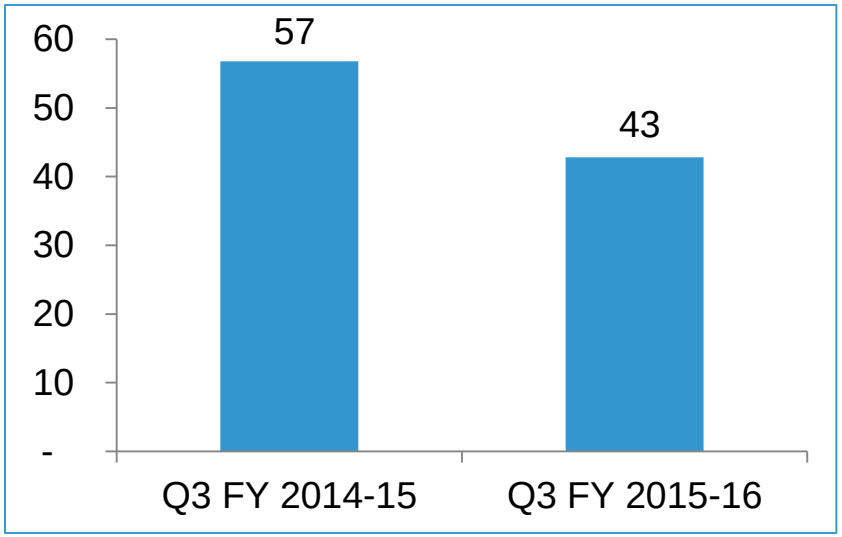
# AGRI BUSINESS

## Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

Q3 Consolidated Total Income (₹ crore)




Q3 Consolidated PBT (₹ crore)

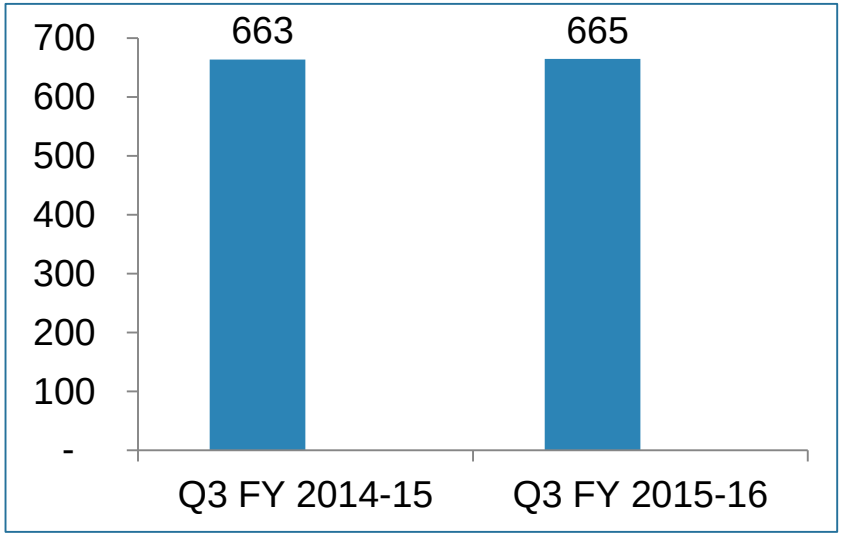



- Godrej Agrovet acquired controlling stake in Creamline Dairy Products Ltd. – a prominent South India based dairy company
- This acquisition marks GAVL's entry in high growth dairy sector of India – CDPL will focus on strengthening the Value added product portfolio in future
- Second acquisition announced by GAVL in FY16 after Astec Lifesciences
- We have started consolidating Astec Lifesciences from Nov 2015 and CDPL from 21st Dec 2015
- The twin factors of poor monsoon and subdued commodity prices will play throughout FY16 – it has adversely impacted our business portfolio this year

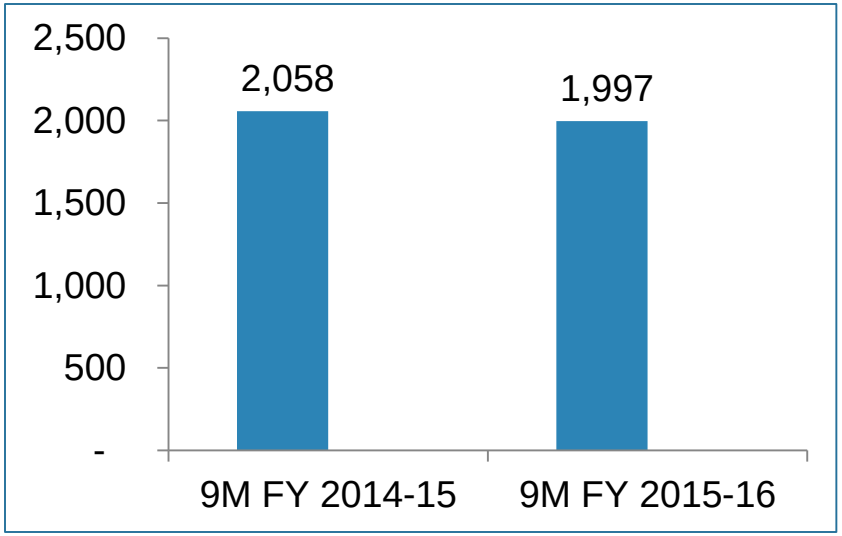
# AGRI BUSINESS

## Animal Feed Business: Subdued output agri commodity prices continue to impact overall compound feed industry

Q3 Animal Feed Sales (₹crore)




9M Animal Feed Sales (₹crore)

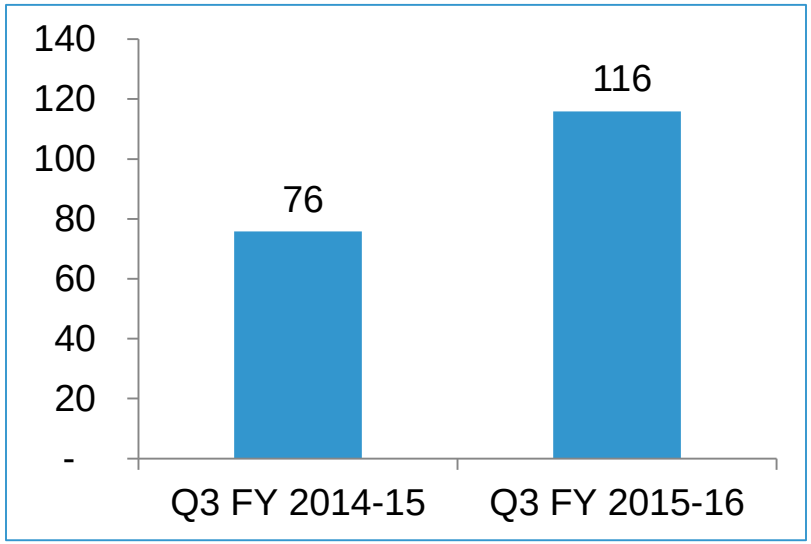



- Prices of all feed output agri commodities continue to be under pressure i.e. Poultry, Egg, Shrimp and Milk. Lower prices of these commodities impacted the compound feed consumption in the country
- Broiler feed sales were significantly impacted by broiler prices dropping below cost of production
- Fish feed saw good movement on the upside aided by good output prices
- We continue to focus on R&D initiatives to rationalize the cost of production to counter muted output prices

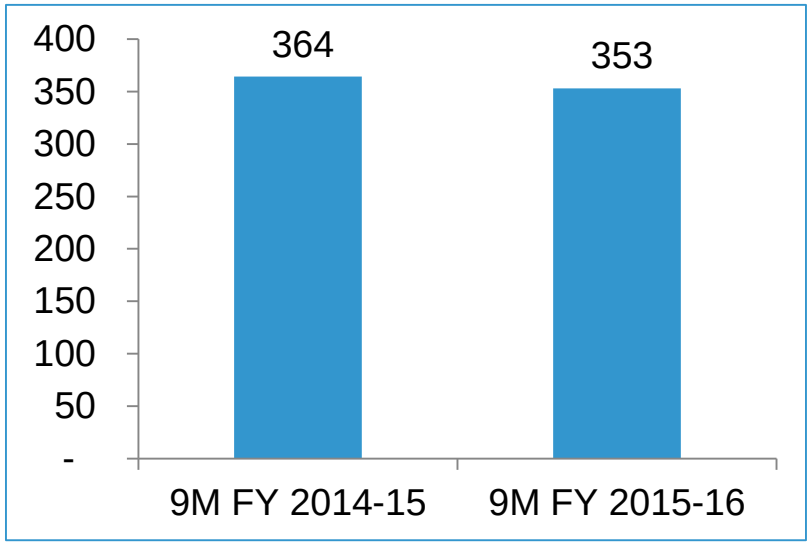
# AGRI BUSINESS

## Oil Palm Business: Seasonality shift aided the outperformance of the business

Q3 Oil Palm Sales (₹ crore)




9M Oil Palm Sales (₹ crore)

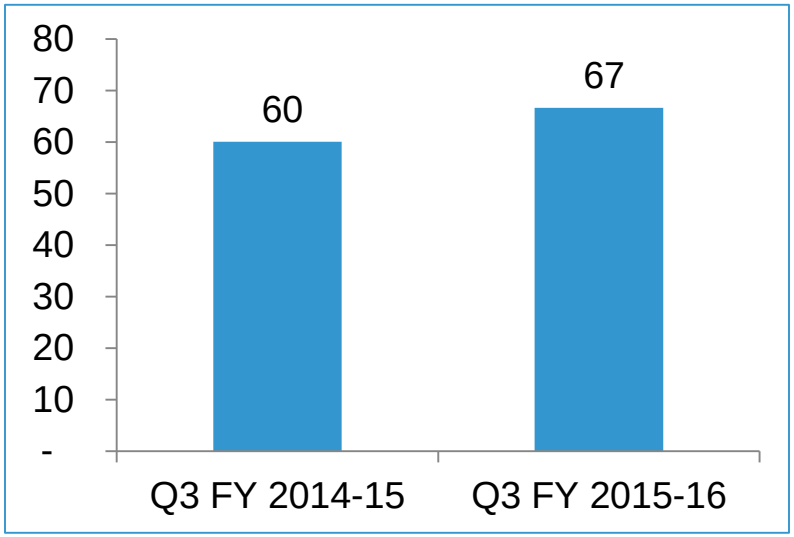



- Business clocked 53% topline growth driven by higher volumes (late arrival in Q2 lifted Q3)
- CPO prices continue to be under pressure; focusing on operational efficiency is offsetting, to an extent, decline in CPO prices
- We are working on developing additional revenue streams by enhancing the value of Biomass generated in the business

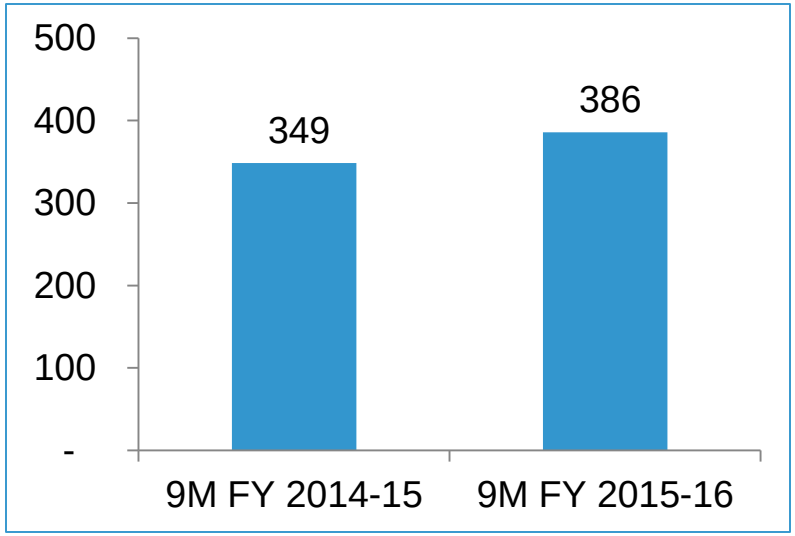
# AGRI BUSINESS

## AGRI INPUTS Business: Business managed to clock steady growth in spite of deficit Monsoon

Q3 Agri Inputs Sales (₹ crore)




9M Agri Inputs Sales (₹ crore)

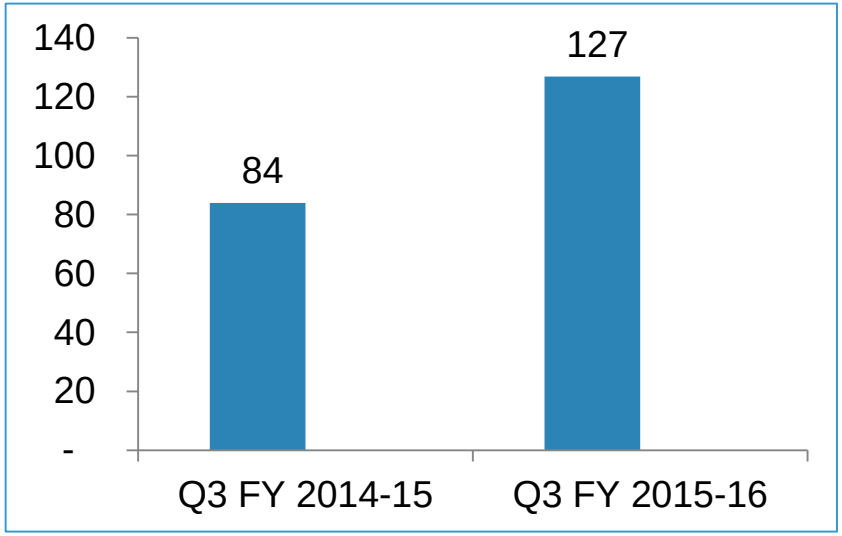



- The business grew by 11% over the corresponding quarter. Judicious sales planning across key categories helped us maintain our growth trajectory
- Astec Life sciences acquisition will help the business, and augment its retail product portfolio
- Agri inputs business will have access to the export markets with Astec having registration across more than 30 countries

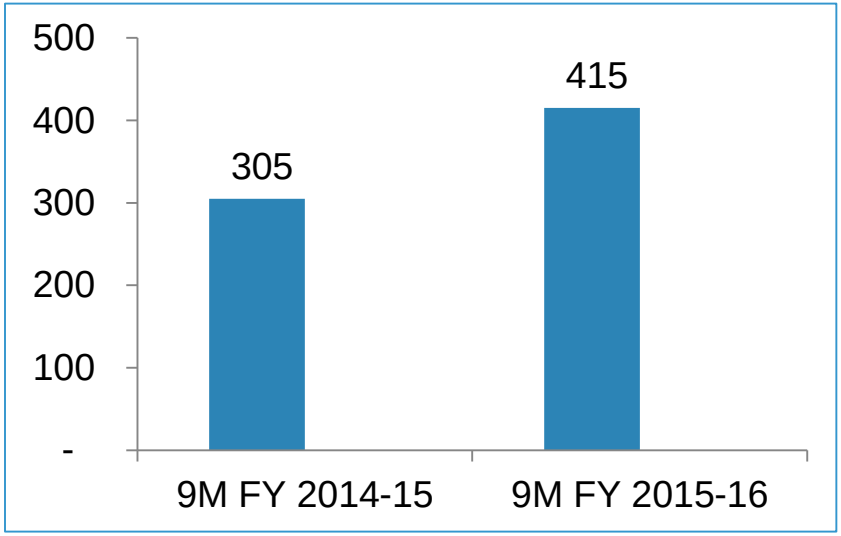
# AGRI BUSINESS

## ACI GODREJ (Bangladesh): Volume growth in all the business segments has helped in registering a robust sales growth

Q3 ACI - Godrej Sales (₹ crore)




9M ACI - Godrej Sales (₹ crore)

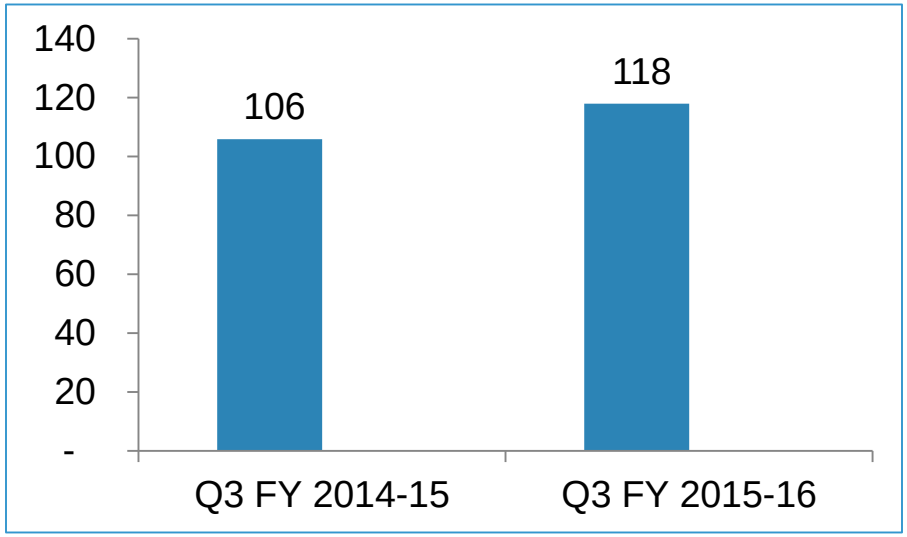



- ACI Godrej business grew by 51% driven by strong volume growth across categories of Poultry Feed, Cattle feed and Aqua Feed
- We continue to gain market share across all the business categories

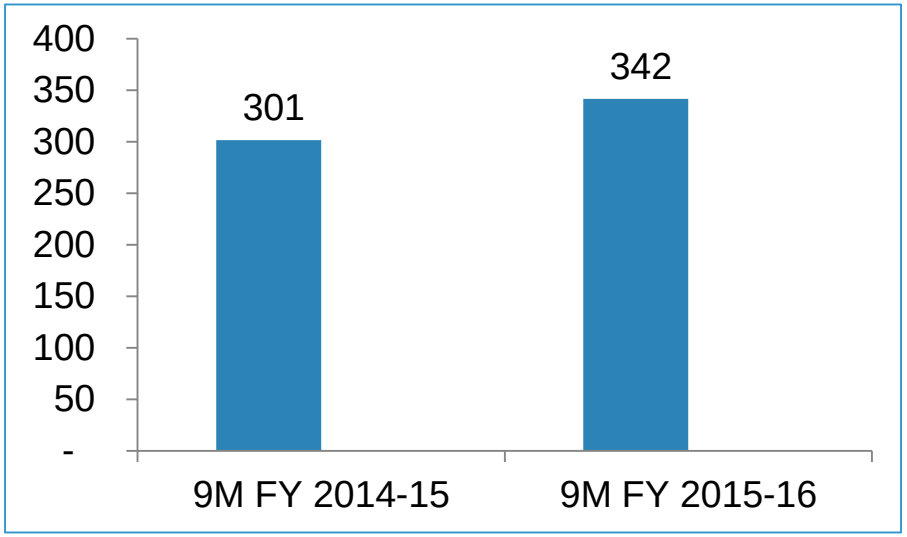
# AGRI BUSINESS

## GODREJ TYSON: Focus on Brands paying off in the poultry business

Q3 Godrej Tyson Sales (₹ crore)



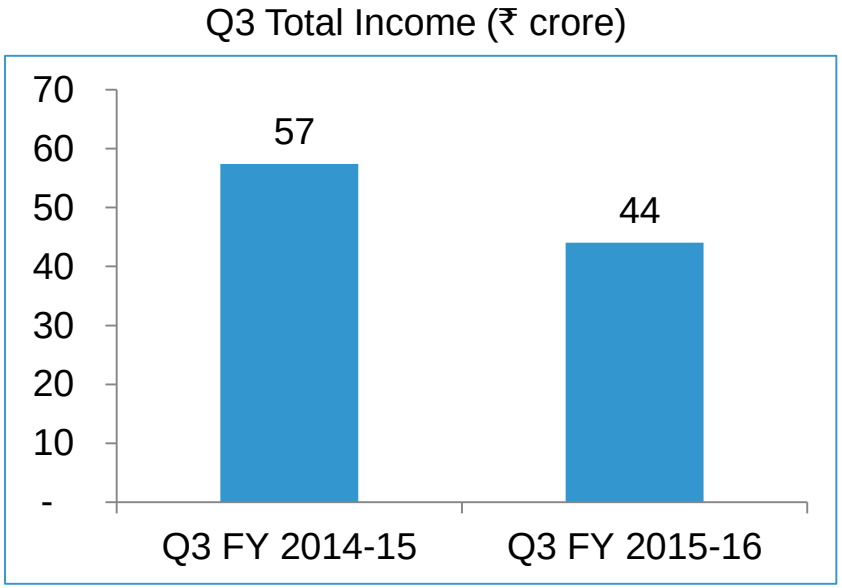

9M Godrej Tyson Sales (₹ crore)




- Live broiler prices were subdued for most of 3rd quarter barring a couple of weeks in December. Industry is seeing a lot of churn at individual farmer level due to prolonged losses
- Despite retail demand remaining tepid, GTFL posted a 12% growth in topline led by Yummiez brand
- We remain committed to our brand focus and will continue to invest in both veg and non-veg categories.

# AGRI BUSINESS (NEW)

## ASTEC LIFESCIENCES LTD: Subdued demand in the export market has impacted the company's topline



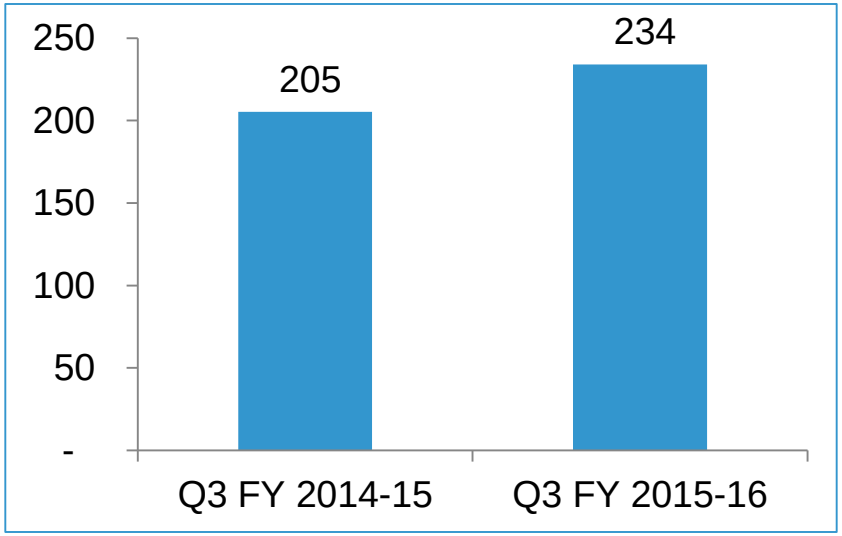

- The business registered 23% degrowth in Q3FY16 over corresponding quarter
- Export market has been witnessing some headwinds which has put pressure on our topline and bottomline
- Integration of Astec with GAVL's Agri Inputs business is underway; synergy benefits are expected to flow in from FY17 onwards

Note: Astec's financials are on a consolidated basis (includes subsidiaries of Astec)

# AGRI BUSINESS (NEW)

## CREAMLINE DAIRY PRODUCTS LTD: GAVL has become the majority shareholder; business delivered a steady quarter

Q3 Total Income (₹ crore)




- GAVL increased its stake in Creamline Dairy to become the majority shareholder
- Business grew by 14% majorly driven by value added products
- We will continue to focus on brand building and improving the mix of value added products in overall sales

# TRANSFORMATION – FOSTERING AN INSPIRING PLACE TO WORK

**GCPL**

**1st** in FMCG category

Overall Rank in 2015: **#6**

Rank in Asia Survey 2015: **#14**
(Highest for any Indian company)

**GPL**

**2nd** in real estate industry

Overall rank in 2015: **#48**

GREAT PLACE TO WORK®

Aon Hewitt Best Employers Survey:

**GAVL**

Ranked amongst **one of the best employers** in India in 2015

Aon Hewitt BEST EMPLOYERS

# TRANSFORMATION – CONTINUED COMMITMENT ON OUR 'GOOD & GREEN' VISION

1

## ENSURING EMPLOYABILITY

Train 1 million youth in skills that will enhance their earning potential

2

## GREENER INDIA

Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption & increase renewable energy utilization

3

## INNOVATING FOR GOOD & GREEN

Generate a third of our portfolio revenues from 'good' &/or 'green' products

4

## BRIGHTER GIVING

Structured Employee Volunteering

# EMERGENT

## NATURES BASKET

## (FRESH FOOD AND GOURMET STORES)

- 3 New Stores Opened – One each in Mumbai, Delhi/NCR & Pune
  - Total store count now at 36
- Good response to gifting initiatives
  - Sales through gifting ₹12.7 Cr in Q3FY16 (growth of 49% over Q3, LY)
- 2 new e-hubs opened taking total count of e-hubs taking the total count to 15.
  - Our own Pan-India Operations launched catering to 130 cities
  - Online sales ₹ 3.7 Cr in Q3FY16
- Private Label Sales ₹ 9.3 Cr in Q3FY16, equivalent to ~12% of Sales

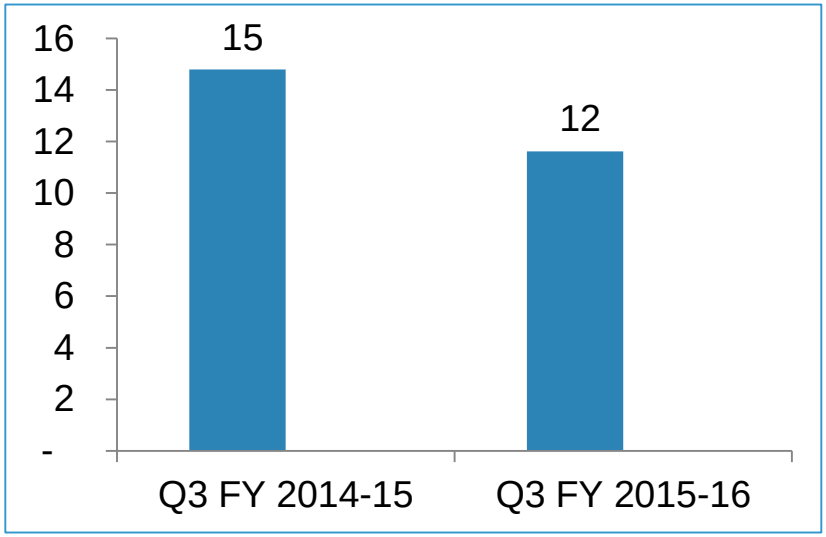
**Financial Highlights**

- Net Sales in Q3 FY 16 at ₹ 78 Cr; grew by 35% over the corresponding quarter of the previous year.
- Net sales for 9M FY 2015-16 at ₹ 201 Cr , which is a growth of 30% over the corresponding period of the previous year.
- Gross margin for the 9 months ended is at 25.9%.

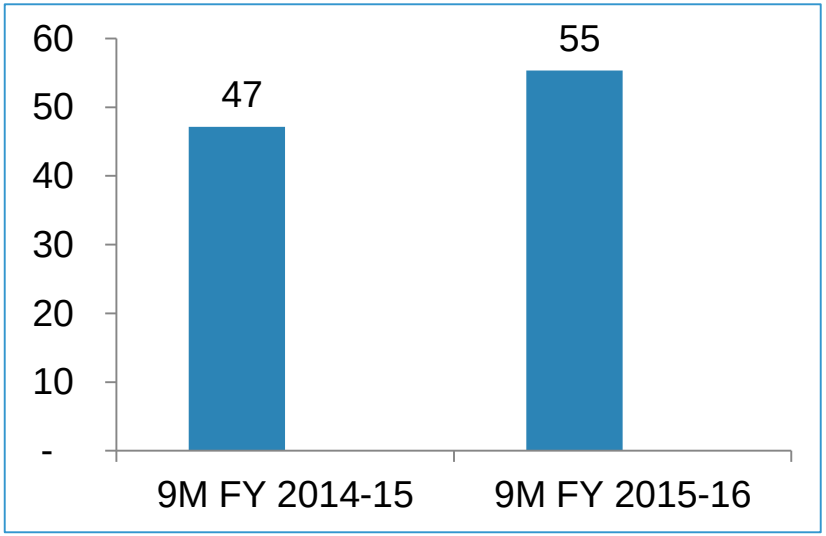
# AGRI BUSINESS

## GODREJ SEEDS: Non-conducive macro factors continue to affect the topline

Q3 Godrej Seeds and Genetics Sales (₹ crore)




9M Godrej Seeds and Genetics Sales (₹ crore)

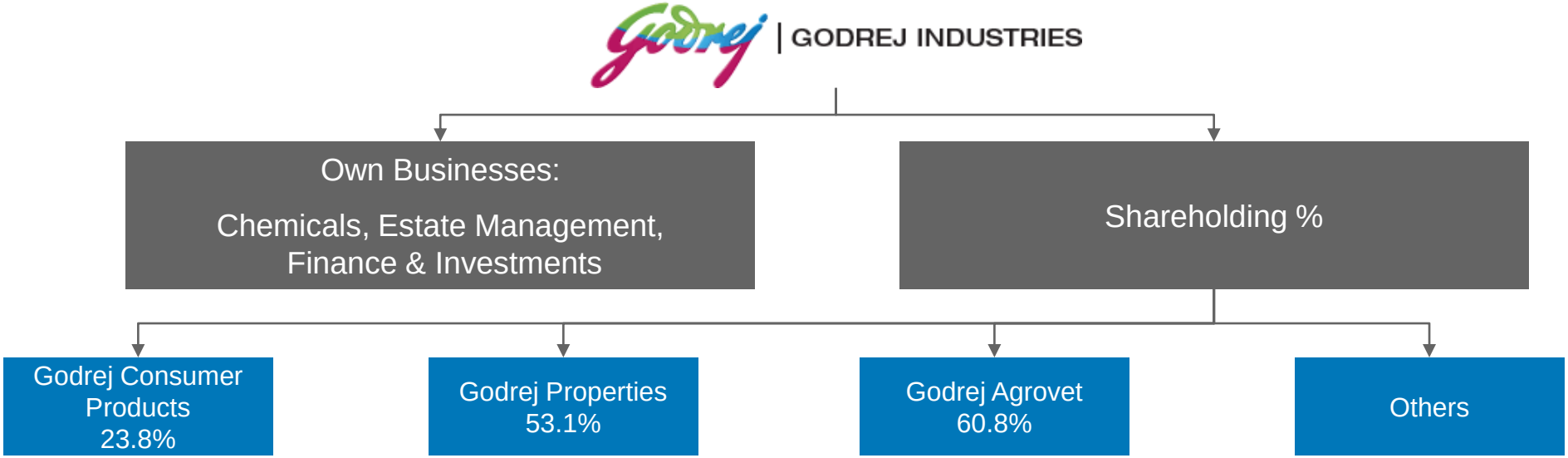



- Seeds business has been facing macro headwinds over the last 2 quarters. Late and slow rabi sowing only aggravated the seeds industry outlook for the 3rd quarter
- Seeds business witnessed a degrowth of 21% in sales.
- We are focusing on minimizing the working capital for next year

# OTHER INFORMATION

# GODREJ INDUSTRIES LIMITED

## CORPORATE STRUCTURE




- Nature's Basket (100%)
- Other investments

# SIGNIFICANT APPRECIATION IN INVESTMENT VALUE

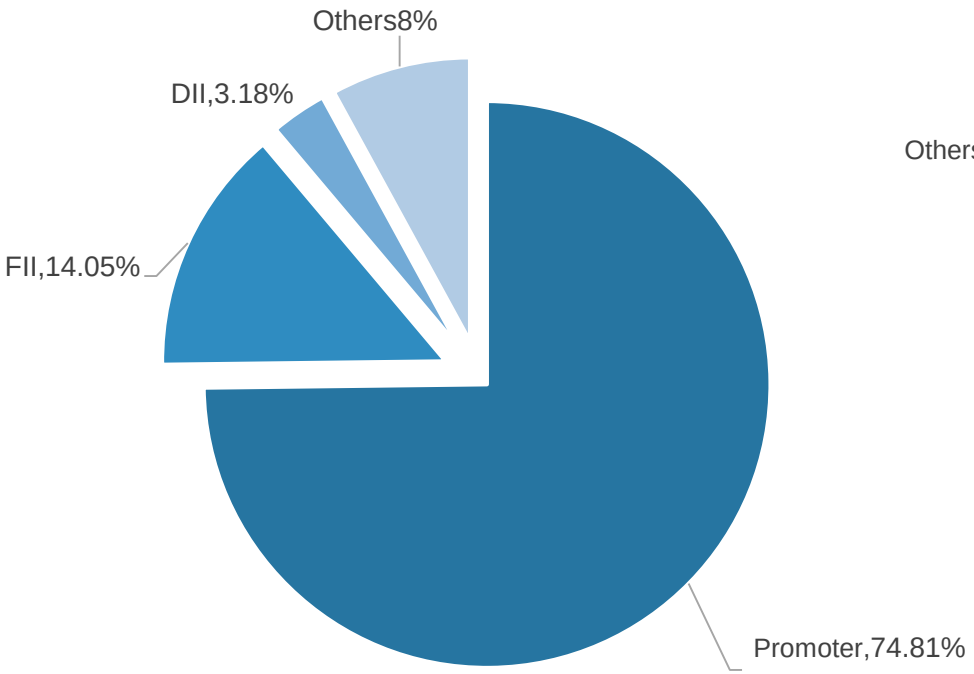
| Company | Business | Holding (%) | Investment at cost (₹ crore) | Market Value ^ of investment (₹ crore) |
|---|---|---|---|---|
| Godrej Consumer Products (GCPL) | FMCG, Personal and Household Care products | 23.8% | 1,366 | 10,674 |
| Godrej Properties (GPL) | Real Estate and Property Development | 53.1% | 575 | 3,579 |
| Godrej Agrovet | Animal Feed, Agri-inputs, Poultry & Oil Palm | 60.8% | 144 | |
| Godrej International | International Trading | 100% | 15 | |
| Godrej International & Trading | International Trading & Investments | 100% | 4 | |
| GIL Vikhroli Real Estate | Real Estate and Property Development | 100% | 152 | |
| Natures Basket | Fresh Food & Gourmet Stores | 100% | 207 | |
| Verseon | Technology-based Pharmaceutical | 4.4% | 23 | 137 |
| Others | | -- | 14 | |
| | **Total** | | **2,500** | |

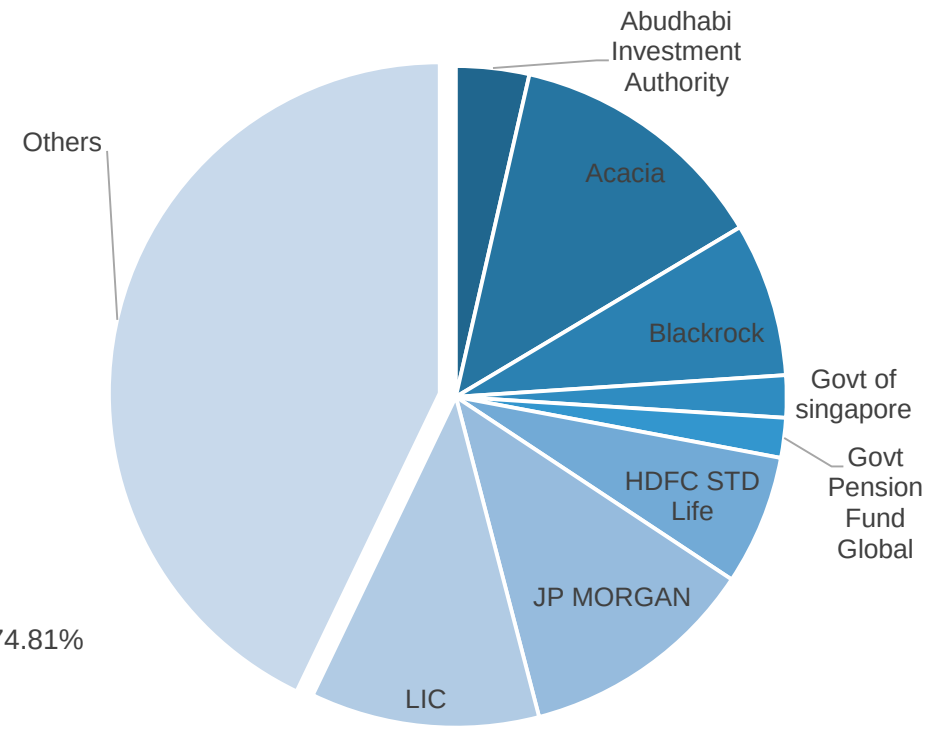
**Market Capitalization of GIL has increased by ₹ 2910 Cr, (30%) on YoY basis**



^ *as on December 31, 2015*

# SHAREHOLDING PATTERN AS ON DECEMBER 31, 2015




Major Institutional Investors

THANK YOU FOR YOUR TIME AND CONSIDERATION