GODREJ CONSUMER PRODUCTS LIMITED

Q4 FY 2014 – PERFORMANCE UPDATE

April 28, 2014

PERFORMANCE UPDATE

EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

OVERALL REPORTED PERFORMANCE

Q4 FY 2014			
Growth (%)	**Consolidated**	**India**	**International**
Net Sales	12%	12%	12%
Organic Constant Currency Sales	13%	12%	15%
EBITDA	22%	19%	30%
Net Profit*	13%	11%	20%

FY 2014			
Growth (%)	**Consolidated**	**India**	**International**
Net Sales	18%	14%	24%
Organic Constant Currency Sales	14%	14%	14%
EBITDA	16%	17%	14%
Net Profit*	14%	11%	28%

- *Adjusted for exceptional income in FY13/FY14 and includes tax reversal of Darling entities of Rs 16.5cr. Post minority 8.4cr Rs in FY13*

STRONG PROFIT DELIVERY IN A CHALLENGING ENVIRONMENT

Q4 FY 2014			
Growth (%)	**Consolidated**	**India**	**International**
Net Sales	13%*	12%*	14%*
Organic Constant Currency Sales	14%*	12%	17%*
EBITDA	24%*	19%	36%*
Net Profit	14%*	11%	21%*

FY 2014			
Growth (%)	**Consolidated**	**India**	**International**
Net Sales	20%*	15%*	26%*
Organic Constant Currency Sales	17%*	15%*	16%*
EBITDA	18%*	17%	21%*
Net Profit	15%*	11%	33%*

**Ex Foods Distribution Business and India contract manufacturing revenues*

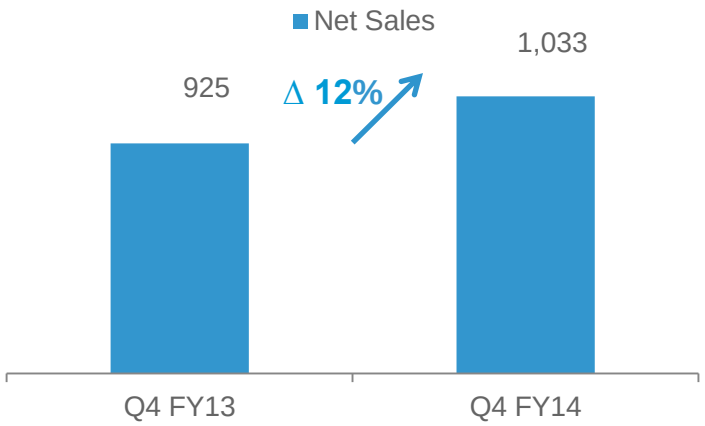
PERFORMANCE UPDATE

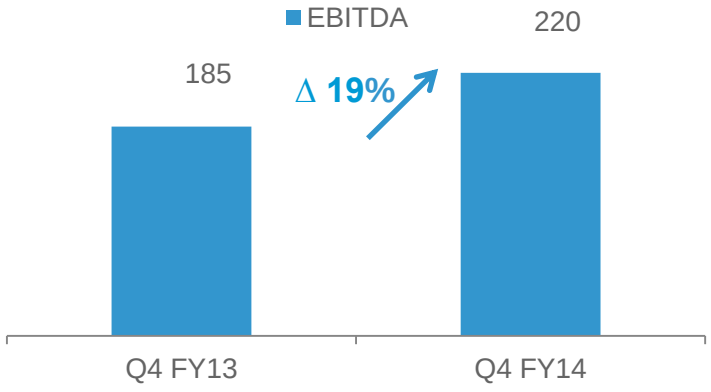
EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

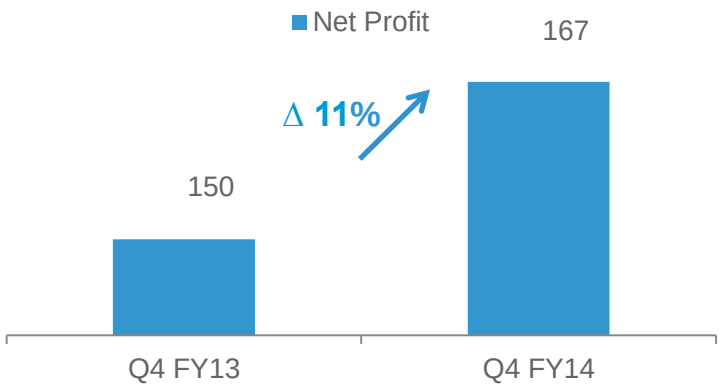
BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

INDIA BUSINESS DELIVERS AHEAD OF MARKET GROWTH COUPLED WITH STRONG PROFITABILITY







All values in INR crore

HOUSEHOLD INSECTICIDES GROWTH BACK TO NORMALCY

- HI growth rates back to healthy levels at 17%, well ahead of the category;
- GCPL continues to drive market share gains aided by success of Good knight Fast card and HIT Anti Roach Gel
- Good knight Xpress LV to bring further gains to GCPL franchise
- Production capacities now well in place to take care of expected future demand

OUR DIGITAL CAMPAIGNS ARE CREATING TREMENDOUS BRAND EQUITY

HIT is the No. 1 Indian brand in the home care space on Facebook as on Mar'14

HAIR COLOURS CONTINUES TO DELIVER HEALTHY GROWTHS

- Strong 16% value growth despite anniversarisation of Crème launch
- Advanced Gel relaunched with new packaging
- New ad campaign ‘best ever hair color’ launched for Godrej expert Crème
- Twin use pack for Crème launched as well
- Continued initiatives such as Salon engagement programs, occasion linked promotions, etc. to drive higher consumption and penetration for the category

SOAPS CATEGORY WITNESSING PRESSURE

- Value growth at 1%. Volumes witnessed a de-growth of 4%
- Category de-grew both in value and volume terms in mid to high single digits respectively
- New variant for Godrej No. 1 ‘Lavender and Milk Cream’ launched
- 360 degree campaign launched for Cinthol ‘Cool’ soap ahead of summers

PROTEKT - THE FIRST WAVE OF LAUNCH : HAND WASH, SANITISER & PERSONAL REPELLANT

Range differentiated on design, functional delivery & delightful usage experience

AER NOW IN GEL FORMAT IN BOTH CLICK AND TWIST FORMAT

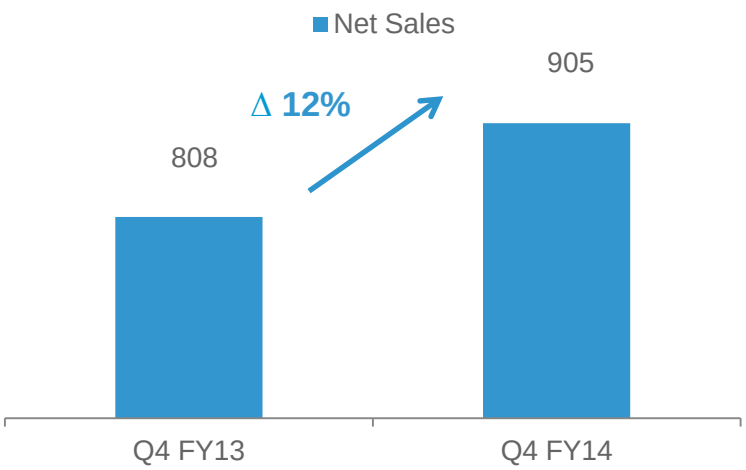
PERFORMANCE UPDATE

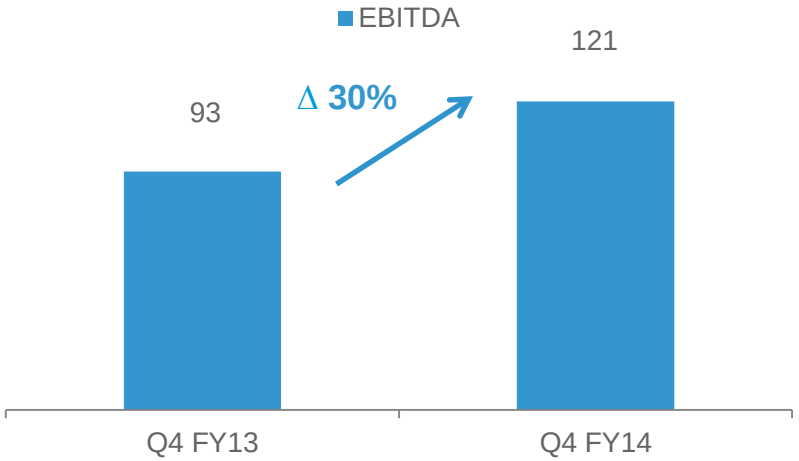
EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

INTERNATIONAL BUSINESS DELIVERS STRONG QUARTER ON PROFITABILITY



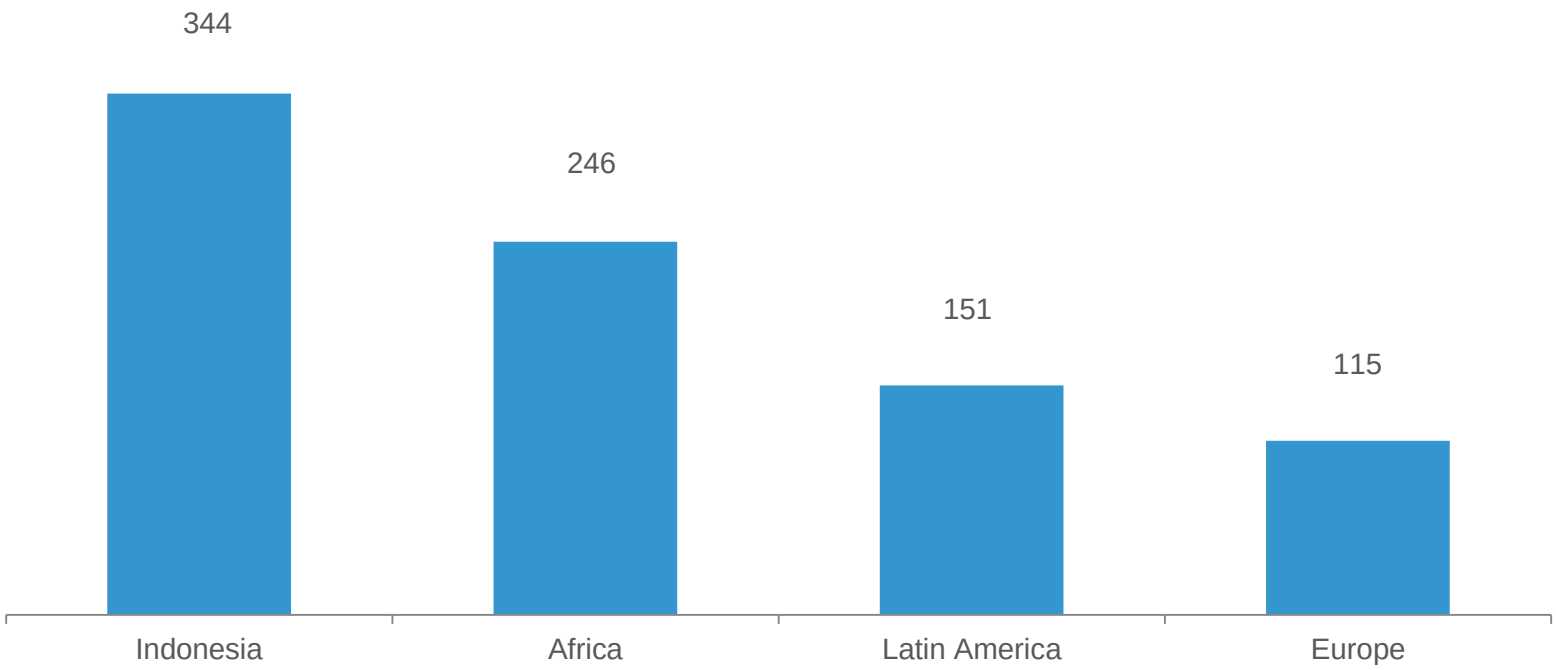


- 17% organic constant currency sales growth and 36% EBITDA growth (ex Indonesia's food distribution business)

- 13.6% EBITDA margins (up 210 bps y/y, ex foods distribution business) due to better Africa and Latam margins. Indonesia business also witnessed sequential improvement.

STRONG SALES GROWTH ACROSS KEY GEOGRAPHIES

Net Sales

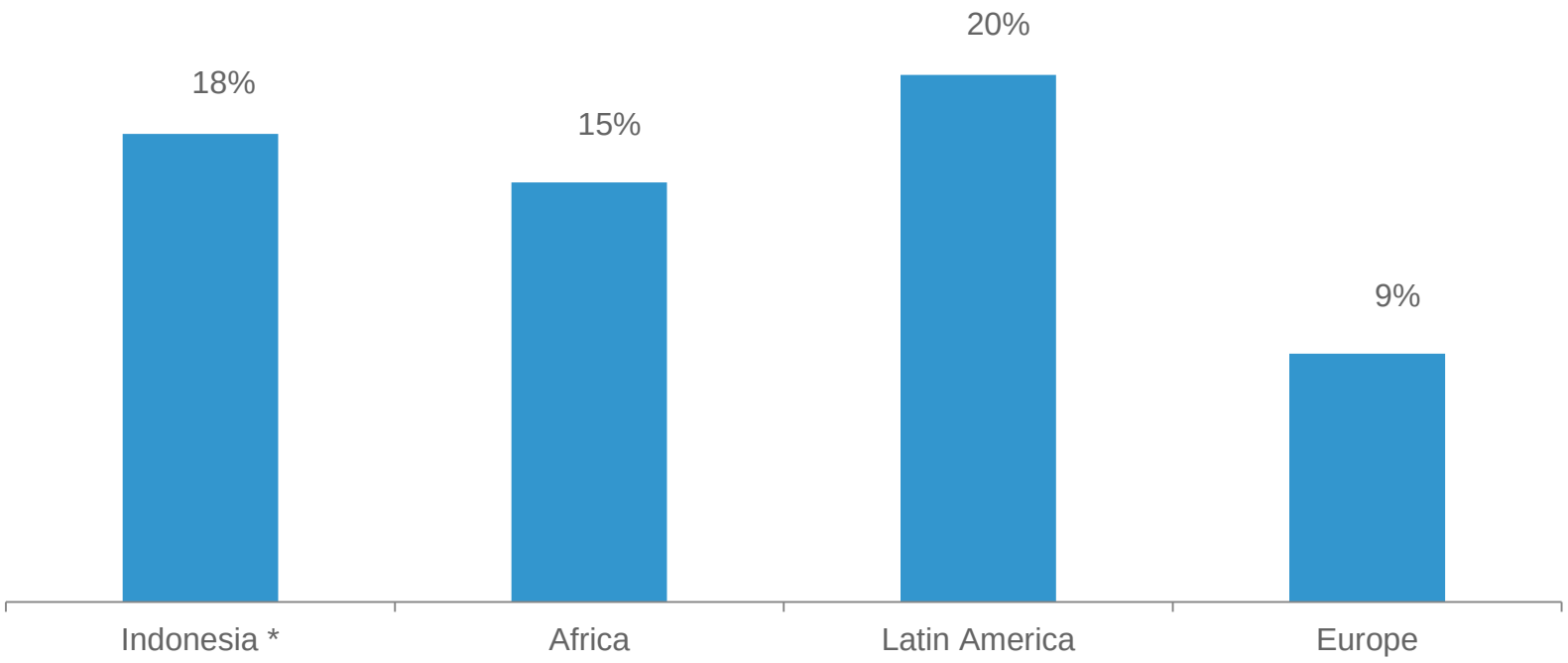


Net Sales Growth (%)

Constant currency	+8	+ 33	+ 28	(4)
Exchange	(7)	+ 6	(23)	+ 20
YOY Reported	+1	+ 39	+ 5	+ 16

All values in INR crore

OVERALL MARGINS HAVE BEEN STRONG



	Indonesia *	Africa	Latin America	Europe
YoY change	(110) bps	+ 850 bps	+ 1040 bps	(380) bps
Q3 FY14	16%	18%	9%	6%

* *Before payment of technical & business support fee and non food business*

INDONESIAN BUSINESS MARGINS RECOVERING TO NORMATIVE LEVELS

- Sales growth excluding foods distribution of 5% (constant currency – 12%) impacted by
  - Adverse forex movement of ~7%
  - Sluggish market environment
- With impact of price hikes kicking in, y/y margin dip narrowing down. Sequential improvement of ~150bps.
- **Stella car membrane** assumes market leadership within 8 months of launch. **Stella membrane for home** launched in March.

AFRICA BUSINESS DELIVERS A STRONG QUARTER ON SALES GROWTH AND MARGINS

- Business presence in South Africa, Mozambique, Nigeria and Kenya across hair extensions, hair colours, household insecticides and personal wash
- Business posts a solid quarter with 39% growth during the quarter driven by healthy Darling performance
- Darling, Tura (Nigeria), and Inecto (Rapidol SA) register strong quarter
- GCPL continues to strengthen and build processes and talent infrastructure for sustainable growth in Darling geographies. Nigeria first Darling business to come under 100% GCPL control.

LATAM BUSINESS ON AN UPWARD TREND

- Constant currency sales growth of 28% led by continued marketing investments and market share gains
- Exit Hair Color marketshare (Volume) in Argentina highest since Jan-Feb 2012. Exit value share highest since last two years.
- Millefiori continues to grow market share in value, consolidating its position as the 2nd brand in the Chile hair removal market
- Continued currency depreciation in Argentina and Chile impacting INR growth rates. Political situation continues to be volatile in Argentina.
- Margins improved on a y/y basis to 20% due to healthy sales base, cost effectiveness programs, and better product mix

EUROPE BUSINESS DELIVER HEALTHY QUARTER OFF A HIGH BASE

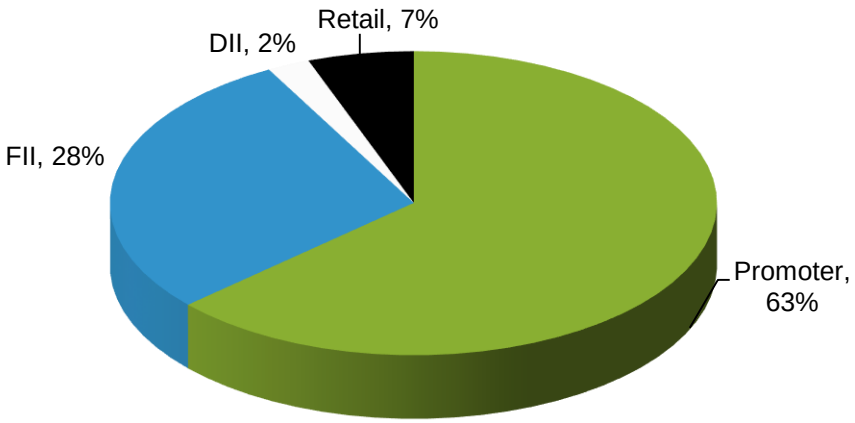
- UK constant currency growth negative on account of weak January month (wettest January since records began) and higher base effect in S&G
- Base was significantly higher for S&G driven by pent up demand from supply gap during business transition from erstwhile owner to GCPL
- EBITDA margins down y/y due to lower leverage, higher A&P spends, and high base.
- Bio Oil and Reimann registers strong growth rates
- Launch of limited edition Orange & Grapefruit and Pink Grapefruit spray and roll-on in March

Q4 FY 2014 REPORTED PERFORMANCE SNAPSHOT

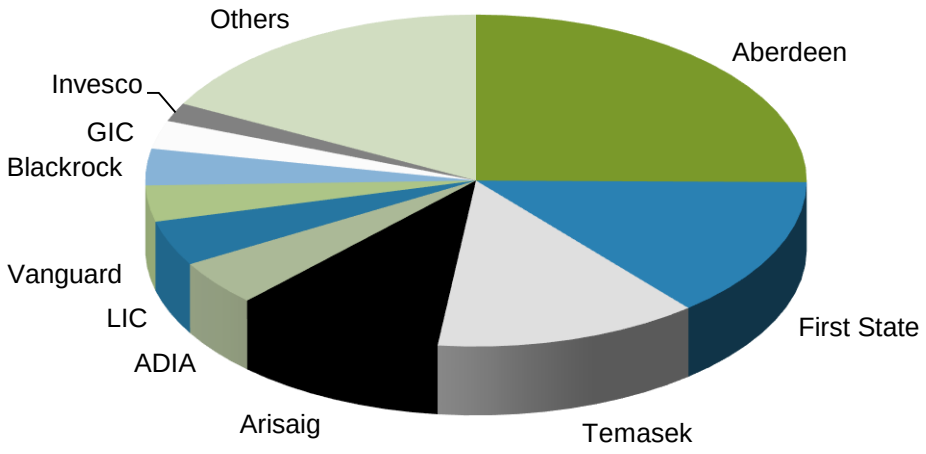
	India			Consolidated		
	Q4 FY14	Q4 FY13	Y/Y	Q4 FY14	Q4 FY13	Y/Y
Sales	1,033	925	12%	1,924	1,718	12%
Gross Profit	534	484	10%	1,001	928	8%
Gross Profit Margin (%)	51.7%	52.3%	(63)	52.0%	54.0%	(201)
EBITDA	220	185	19%	341	279	22%
EBITDA Margin (%)	21.3%	20.0%	126	17.7%	16.2%	150
Net Profit (Adj)	167	150	11%	233	205	13%
Net Profit Margin (%)	16.2%	16.2%	-	12.1%	11.9%	15

Y/Y change in margins is in bps
** Adjusted for exceptionals in Net Profit*

STOCKHOLDING PATTERN



MAJOR INVESTORS



As on Mar 31, 2014

WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

- Extending leadership in our core categories
- Capitalizing on international growth potential
- Accelerating renovation and innovation
- Building a future ready sales system
- Making our supply chain best in class
- Building an agile and high performance culture

CONTACT US

P GANESH
Email: p.ganesh@godrejcp.com
Tel: +91 22 2519 4313

SAMEER SHAH
Email: sa.shah@godrejcp.com
Tel: +91 22 2519 4467

for more details please visit http://www.godrejcp.com

THANK YOU FOR YOUR TIME AND CONSIDERATION