

GODREJ CONSUMER PRODUCTS LIMITED

Q1 FY 2015 – PERFORMANCE UPDATE

July 28, 2014



PERFORMANCE UPDATE

EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

OVERALL REPORTED PERFORMANCE

Q1 FY 2015			
Growth (%)	Consolidated	India	International
Net Sales	10%	6%	14%
Constant Currency Net Sales	12%	6%	17%
EBITDA	6%	flat	15%
Reported Net Profit	8%	13%	(11%)
Net Profit w/o exceptional and one off	3%	(2%)	24%

EXCEPTIONAL AND ONE OFF ITEMS

Q1 FY 2015	Consolidated	India	International
Reported	143.4	120.8	22.6
Exceptional (post tax)			
Add: Restructuring Cost in Argentina and Darling Nigeria	18.7		18.7
Less: ESOP income in India	6.9	6.9	
One off other Income (post tax)			
Less: Land Sales in Indonesia	7.7		7.7
Less: Plant Sales in Darling Nigeria	1.0		1.0
Less: ESOP income in India	9.1	9.1	
Net Profit w/o exceptional and one off	137.4	104.8	32.6

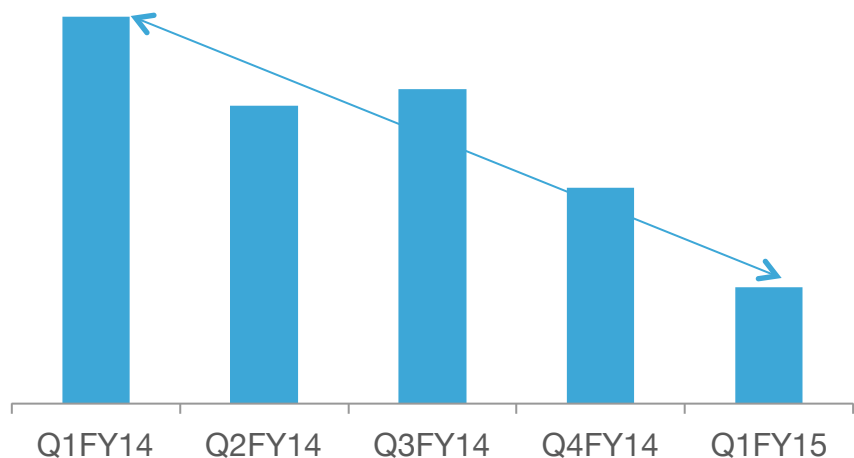
PERFORMANCE UPDATE

EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

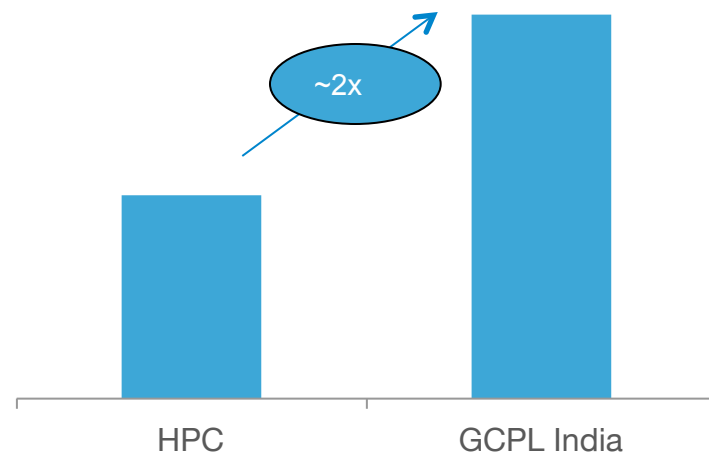
BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

HOUSEHOLD AND PERSONAL CARE (HPC) SECTOR GROWTH CONTINUES TO BE CHALLENGING; OUR INDIA BUSINESS SALES GROWTH NEARLY 2X OF HPC GROWTH RATES

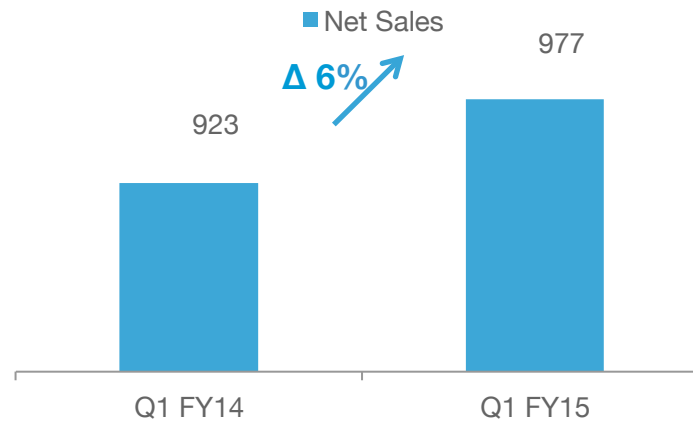
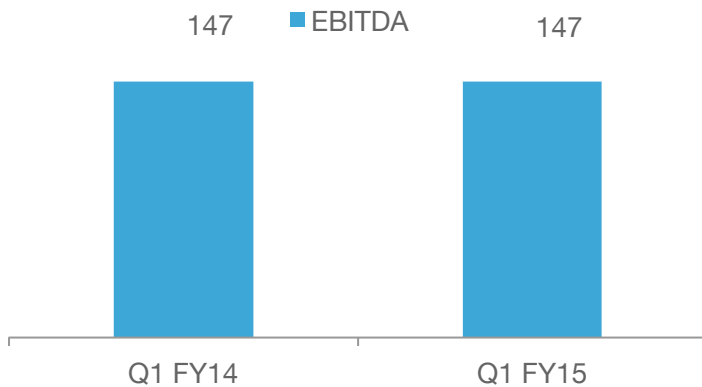
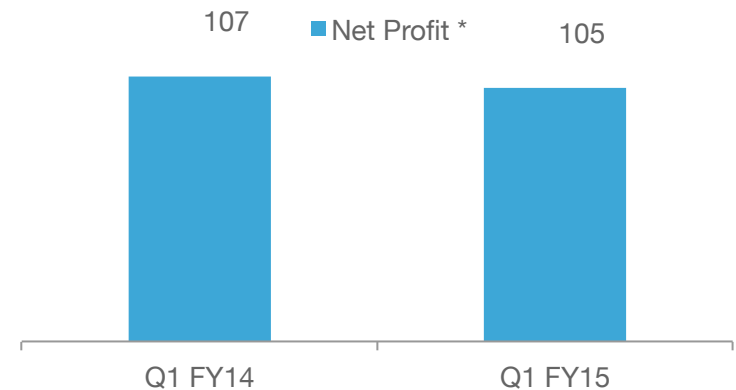


HPC growth rates have moderated by 3x over last 5 quarters



GCPL India growth was nearly 2x of India HPC growth rates

INDIA BUSINESS: RELATIVELY SOFT QUARTER IN A HIGHLY CHALLENGING MACRO ENVIRONMENT



HOUSEHOLD INSECTICIDES GROWTH RATE IMPACTED BY DELAY IN ONSET OF MONSOONS

- Household Insecticides growth rates at 9%, well ahead of the category. Category growth rates impacted by delayed monsoons in Q1
- GCPL growth rates also impacted by higher base (24% in Q1FY14) and some production capacity shortages for new products
- GCPL continues to drive market share gains aided by success of innovations – HIT Anti Roach Gel, Good knight Fast Card, Good knight Xpress Liquid Vapouriser
- Gradual pickup in monsoon with above average rainfalls in July should boost overall category growth rates in Q2FY15



HAIR COLOURS CONTINUE TO DELIVER STRONGLY

- Strong 14% value growth despite high base; growth predominantly volume driven
- Continue to premiumise with launch of two new Godrej Expert Rich Crème Hair Color shades (Cinnamon Red, Honey Brown) at 15%+ premium to base shades
- Crème continues to grow market share
- 'Best ever hair colour' campaign to drive consumer recruitment continues to gain traction



SOAPS CATEGORY WITNESSING PRESSURE

- Value growth at 2%
- Category de-growth continues; drop in consumption at mass end of the category
- Marketing campaign for No. 1 new variant being rolled out
- GCPL enters germ protection space with the launch of New Cinthol variant “Confidence+”



GCPL CONTINUES TO EXPAND GROWTH INTO ADJACENCIES



- Aer air freshener growth momentum accelerated post gel format launch
- New portfolio of Protekt handwashes, sanitisers, and anti mosquito spray getting good response in Modern Trade

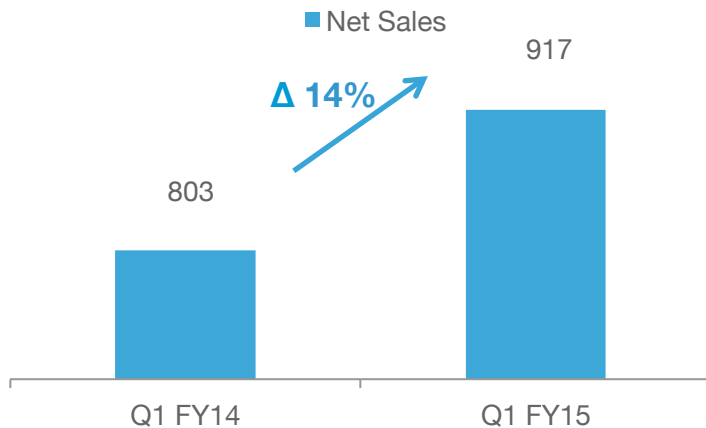
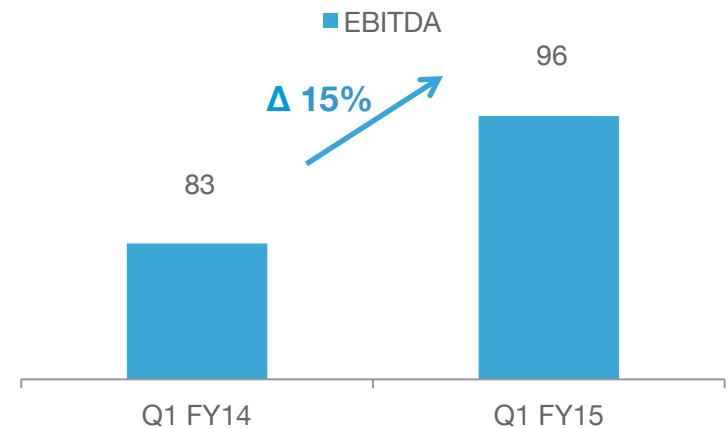
PERFORMANCE UPDATE

EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

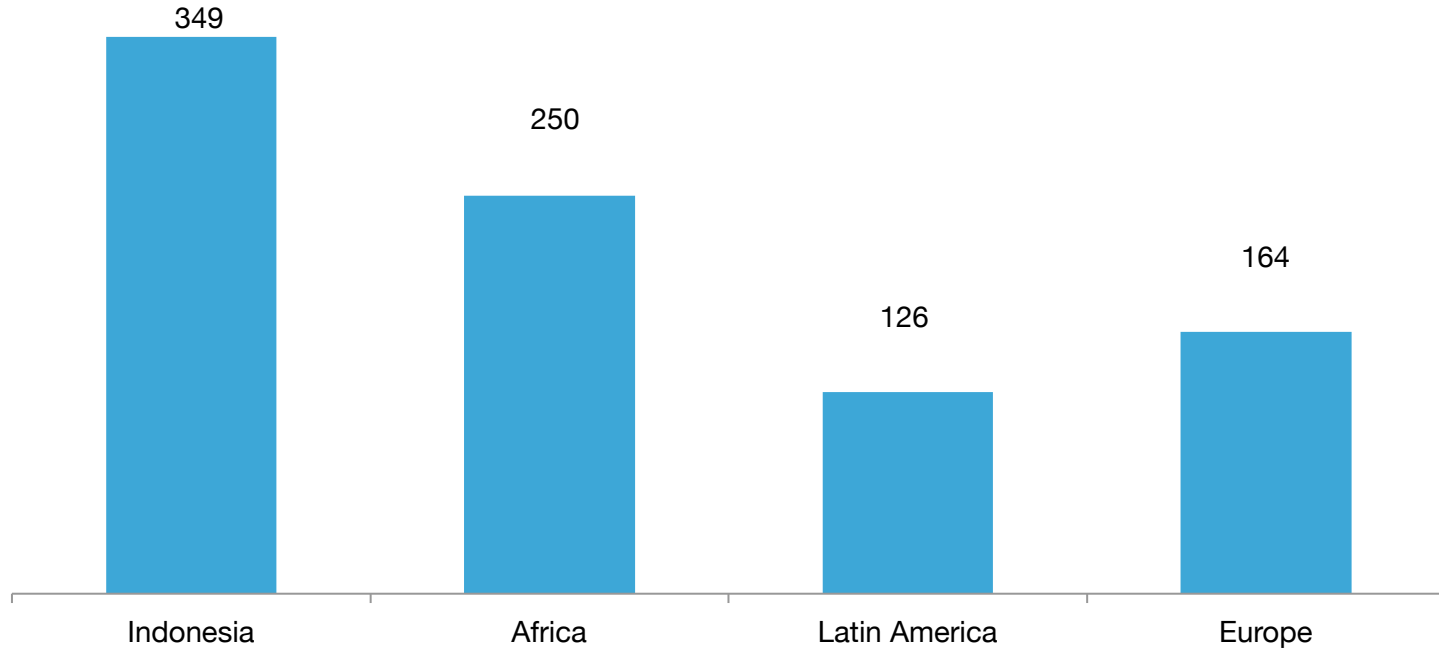
HEALTHY DELIVERY ON BOTH REVENUES AND PROFITS



- Strong sales growth quarter along with margin expansion
- 17% organic constant currency net sales growth
- 10.5% EBITDA margins (+10bps y/y) due to better Indonesia and Africa margins

STRONG CONSTANT CURRENCY SALES GROWTH ACROSS KEY GEOGRAPHIES

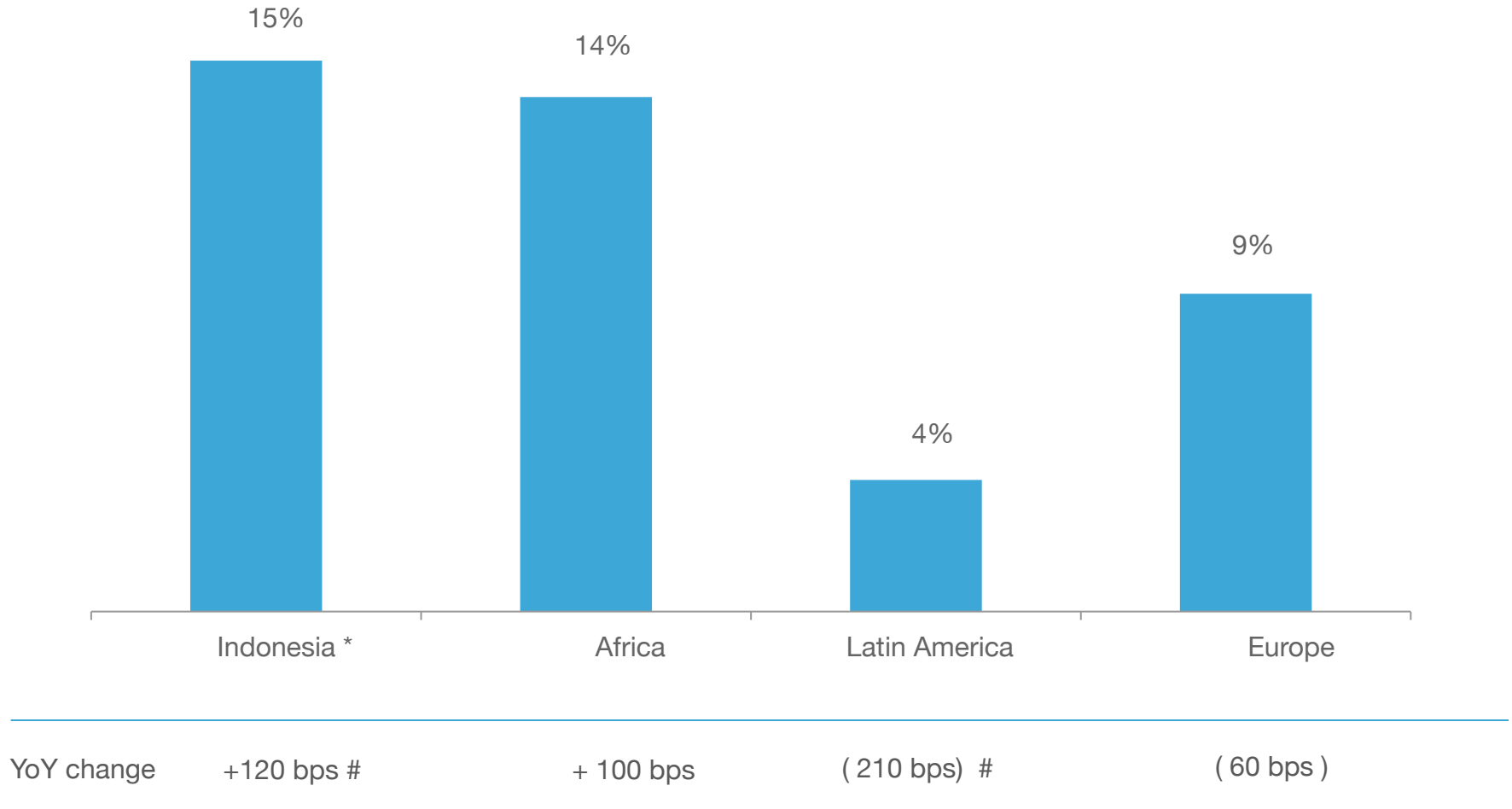
Net Sales



Net Sales Growth (%)

Constant currency	+21	+ 12	+ 26	+ 21
Exchange	(11)	+ 5	(30)	+ 21
YOY Reported	+10	+ 17	(4)	+ 42

OVERALL MARGINS HAVE BEEN ON A GOOD TRAJECTORY



INDONESIAN BUSINESS DELIVERS WELL ON BOTH REVENUES AND MARGINS

- Strong constant currency net sales growth of 21% driven by success of new product launches and distribution expansion
- Margins up by 120bps y/y driven by calibrated price increases, cost saving projects and mix improvement
- Stella continues to drive market share gains in air freshener category
- New HIT aerosol variant launch: Lily Blossom



AFRICA BUSINESS DELIVERS A STRONG QUARTER

- Business presence in South Africa, Mozambique, Nigeria, Kenya and other markets across hair extensions, hair colours, household insecticides and personal wash
- Africa margins improved to 14% in a seasonally weaker quarter
- Business recorded a 12% constant currency net sales growth during the quarter driven by performance in Darling business
- We relocated our manufacturing facility in Nigeria to Ghana to help improve gross margins



Divine Curl™



Joya™



**SUPER
STAR®**

LATAM BUSINESS ON AN UPWARD TREND

- Constant currency net sales growth of 26% led by healthy market share performance
- Market leadership and highest ever shares in Hair colour in Argentina and Chile
- Successful roll out of cost transformation project (Project Iceberg) in Argentina
- Margins drop due to upfront marketing investments



WE ARE IMPLEMENTING A COST TRANSFORMATION PROJECT IN ARGENTINA

- Traditionally Argentine business has been relatively lower operating profit margin business (in mid to high single digit range)
- This is on the back of high inflation, withdrawal of tax incentives for manufacturing units and high overheads in the business
- To improve the operating profit margins, we are implementing a program to restructure the operation. Improvement will be delivered over next 12-24 months

EUROPE BUSINESS DELIVERS YET ANOTHER EXCELLENT QUARTER

- United Kingdom constant currency net sales growth strong at 21% behind competitive marketing investments and distribution initiatives
- Soft and Gentle continued to deliver robust growth rates in deodorant category
- Margins marginally down y/y behind upfront brand investments in Soft and Gentle



Q1 FY 2015 REPORTED PERFORMANCE SNAPSHOT

	Standalone			Consolidated		
	Q1 FY15	Q1 FY14	Y/Y	Q1 FY15	Q1 FY14	Y/Y
Sales	977	923	6%	1,886	1,722	10%
Gross Profit	509	477	7%	991	922	8%
Gross Profit Margin (%)	52.0%	51.6%	40	52.6%	53.5%	(90)
EBITDA	147	147	0%	242	229	6%
EBITDA Margin (%)	15.0%	15.9%	(90)	12.8%	13.3%	(50)
Net Profit	121	107	13%	143	133	8%
Net Profit Margin (%)	12.4%	11.6%	80	7.6%	7.7%	(10)

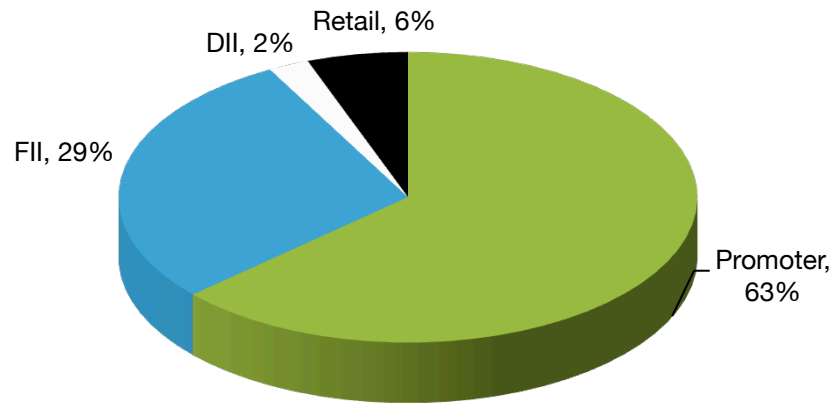
GCPL CONTINUES TO BE THE BEST PLACE TO WORK IN INDIAN FMCG SPACE



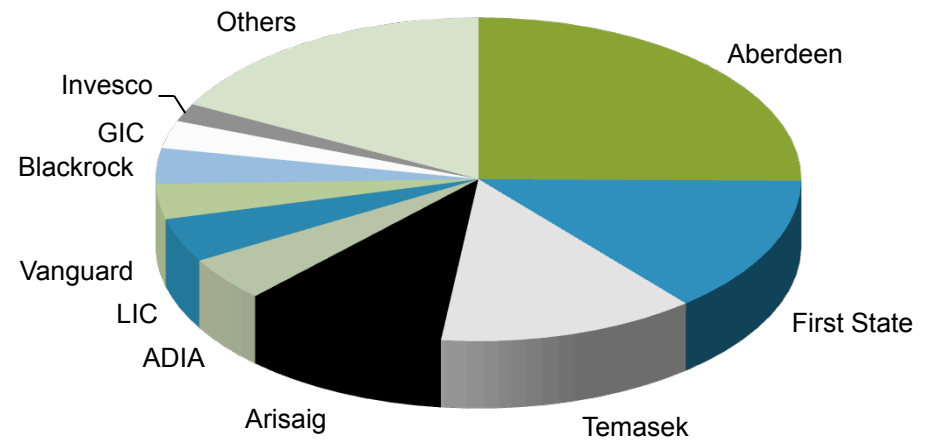
GCPL ranked **1st** in the FMCG
category

GCPL ranked **7th** (up vs. 11th last year)
in Great Place to Work survey by
Economic Times and Great Place to
Work Institute

STOCKHOLDING PATTERN



MAJOR INVESTORS



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
CFO

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

SAMEER SHAH

Head of Planning & Investor Relations

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