| CONSUMER PRODUCTS

PRESS RELEASE

Q1 FY 2015 results – GCPL delivers healthy PBT growth of 21%* on 12% overall constant currency net sales growth

Mumbai, July 28, 2014: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ended June 30, 2014.

FINANCIAL OVERVIEW

- Q1 FY 2015 Consolidated constant currency Net Sales increased by 12%
  - India business grew by 6%; nearly 2x of the overall household and personal care sector (HPC) growth
  - International business grew by 17% on a constant currency basis
- Q1 FY 2015 Consolidated EBITDA increased by 6%, driven by a strong growth of 15% in the international business EBITDA
- Q1 FY 2015 Consolidated Net Profit after Minority Interest increased by 8%
- GCPL continued to do well in its core categories in India, backed by the success of new innovations
- The company was ranked as the number 1 FMCG company to work for in India by the Great Place to Work Institute
- The board has declared an interim dividend of 100% (INR 1 per share)

** Adjusted for exceptionals*

CHAIRMAN'S COMMENTS

Commenting on the financial performance of Q1 FY 2015, Mr. Adi Godrej, Chairman, Godrej Group, said:

Quarter one of fiscal year 2015 has been a particularly challenging one. We witnessed the fourth consecutive quarter of a significant slowdown in growth in the household and personal care sector. GCPL continued to outperform in the India market, by growing at nearly 2x of the household and personal care sector growth this quarter. However, the overall market slowdown and high inflation in costs have affected both our top line and bottom line growth in India. At 17% constant currency sales growth, our international business performance was very strong, despite the macro economic challenges in our international geographies.

We feel optimistic that the worst is over. We are beginning to see improved consumer sentiment on the ground and are hopeful that this will start translating into better consumer demand in the quarters ahead. Growth in the second half of this year should be better than the first half. Consequently, our intent is to deliver a stronger performance overall this year, compared to the previous year.

Our teams are working hard on new market activation programmes and several exciting innovations, to prepare for an upturn in market sentiment and growth. Our market position is very strong in our core categories and our product portfolio is well differentiated. So, as the market environment improves, we believe that we are in a much stronger position to capitalise on the growth opportunities ahead. At the same time, we continue to prudently manage our business, transform our cost structure and drive more operational efficiencies to strengthen our company.

I am confident that with our clear strategic focus, innovations, superior execution and top notch team, we will continue to deliver industry leading results.

BUSINESS REVIEW – INDIA

Performance Highlights

- Q1 FY 2015 India Net Sales increased by 6% to INR 977 crore
- Q1 FY 2015 EBITDA was INR 147 crore
- Q1 FY 2015 Net Profit increased by 13% to INR 121 crore

Category Review

Household Insecticides

Household Insecticides grew at 9%, well ahead of the category. The overall category was affected by the delayed monsoons. At GCPL, growth was also impacted by higher base (24% in Q1 FY 2014) and some production capacity shortages that have now been addressed. We continue to drive market share gains, aided by success of our latest innovations – HIT Anti Roach Gel, Good knight Fast Card and the Good knight Xpress liquid vapouriser.

Soaps

The Soaps category continued to de-grow this quarter. Overall, the category has recorded a drop in consumption in the mass segment. GCPL value growth stood at 2%. We recently rolled out our marketing campaign for a Godrej No. 1 new variant 'Lavender and Milk Cream'. We also very recently entered in germ protection space of the soaps category with launch of Cinthol 'Confidence+'.

Hair Colours

We maintained a strong momentum in hair colours and delivered a sales growth of 14%+, despite a significantly higher base from last year. We continue to premiumise our product portfolio. We launched two new Godrej Expert Rich Crème Hair Colour shades (Cinnamon Red and Honey Brown) at a 15%+ premium to our base shades. Godrej Expert Rich Hair Crème continues to grow market share. Ongoing initiatives like salon engagement programmes and festival linked promotions are driving higher consumption and penetration for the category.

Air Fresheners

Godrej aer continues to do well, aided by consumer engagement initiatives.

Godrej Protekt

We recently launched a new portfolio of hand washes, a hand sanitiser and anti mosquito spray, which is being well received in modern trade.

BUSINESS REVIEW – INTERNATIONAL

Indonesia

Our Indonesia business registered a strong constant currency net sales growth of 21%. This was led by the success of new product launches and distribution expansion. Margins were up by 120 bps year-on-year, owing to calibrated price increases, cost saving projects and mix improvement. Stella continues to drive market share gains in the air freshener category. We also launched a new Hit aerosol variant, 'Lily Blossom'.

Africa

GCPL has a business presence in South Africa, Mozambique, Nigeria, Kenya and other markets across hair extensions, hair colours, household insecticides and personal wash. The business recorded a good quarter, with 12% constant currency net sales growth, backed by a good performance in the Darling business. Margins too improved to 14% in what was seasonally, a weaker quarter. We relocated part of our manufacturing from Nigeria to Ghana, to enable us to improve gross margins.

Latin America

Our business registered a constant currency net sales growth of 26%, led by healthy market share performance. We continued to maintain market leadership and attained our highest ever market shares (volume) in hair colour in Argentina and Chile. We also implemented a cost transformation project in Argentina. Margins witnessed a drop due to upfront marketing investments.

Europe

Our UK business reported strong constant currency net sales growth at 21%, backed by competitive marketing investments and distribution initiatives. Soft & Gentle continued to grow robustly in the deodorant category. Margins were marginally down year-on-year, due to brand investments in Soft & Gentle.

Note: The figures for the current quarter are not comparable with those of the corresponding quarter of the previous year, because of the acquisitions made since then.

ABOUT GCPL

Godrej Consumer Products Limited (GCPL) is a major player in the Indian FMCG market, with leading Household and Personal Care Products. Our brands, which include Good knight, Cinthol, Godrej No. 1, Expert, Nupur, aer, Hit, Protekt, and Ezee are household names across the country. We are one of the largest marketers of toilet soaps in the country and are also leaders in hair colours and household insecticides. Four of our brands (Good knight, Cinthol, Godrej No.1 and Godrej Expert Powder Hair Colour) are ranked among the '100 Most Trusted Brands' in the country by Economic Times - Brand Equity 2013.

We are driven by our mission to continuously enhance the quality of life of consumers in high-growth markets with superior-quality and affordable home care, personal care and hygiene products. We also have a strong emerging presence in markets outside India. As part of increasing our global footprint, we acquired 60% rights in Cosmetica Nacional, a Chilean hair colour company. The acquisition of the pan-African Darling Group, and Rapidol and Kinky in South Africa have given GCPL leading positions in the fast growing African ethnic hair care market. With acquisitions in West Africa, the Megasari Group, a leading household care company in Indonesia and Issue Group and Argencos, two leading hair colourant companies in Argentina, Godrej UK, and Godrej Global Mideast FZE, we own international brands and trademarks in Asia (excluding India), Latin America, Africa, Europe and the Middle East.

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