PRESS RELEASE

4Q FY 2015 results – GCPL delivers an organic constant currency EBITDA growth of 15% on an overall constant currency net sales growth of 12%.

Mumbai, April 28, 2015: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ended March 31, 2015.

FINANCIAL OVERVIEW

- 4Q FY 2015 consolidated organic constant currency net sales increased by 12%
  - India business branded net sales increased by 12%, led by double digit growth across categories.
  - International business grew by 14% on an organic constant currency basis.
- 4Q FY 2015 consolidated organic constant currency EBITDA increased by 15%, driven by a strong growth of 13% in the India business and 20% in the international business.
- 4Q FY 2015 consolidated net profit plus A&P (adjusted for tax) increased by 27%.
- GCPL continues to gain market share across its core categories across geographies.
- The board has declared an interim dividend of 250% (INR 2.50 per share).

CHAIRMAN'S COMMENTS

Commenting on the financial performance of 4Q FY 2015, Mr. Adi Godrej, Chairman, Godrej Group, said:

Our performance in the second half of fiscal year 2015 has been much better than that in the first half. On a constant currency basis, sales in second half grew by 14%, whereas profits after tax grew by 26%. Our strong performance is on the back of a gradual recovery we are seeing in FMCG growth in India, aided by our continued focus on innovations and brand building, and supported by competitive marketing investments and enhancements in our go-to-market infrastructure. We have continued to consistently grow ahead of the market and have gained share in our core categories.

For Q4 FY15, we delivered a strong operational performance. Our India branded net sales grew by 12% led by volume growth of around 8%. Our international business grew by a healthy 14% (in constant currency terms), in spite of the temporary challenges in our Indonesian business. Organic constant currency EBTIDA grew by 15% on a consolidated basis; while our international business EBITDA grew at 20%. In this quarter, we also increased our marketing investments significantly to capitalise on the recovery seen in the Indian FMCG market. We believe that this investment will strengthen our brands and enable us to drive further growth in the quarters ahead. EBITDA plus A&P growth on a constant currency basis was 30%. Our reported results were impacted by adverse impact of translation due to depreciation of several emerging market currencies.

With four consecutive quarters of improvement in growth rates in the Indian FMCG sector, we are seeing a gradual improvement in demand. We remain optimistic that as the economy gathers pace in FY 16, FMCG growth in FY 16 will be better than that in FY 15. While the macro-economic environment in some of our international markets remains challenging, we are confident of continuing to grow ahead of the market and improve our market share. We will continue to focus on sustaining and extending leadership in our core categories. We will also accelerate the pace of new product launches as the macro-economic environment improves and capitalise on the uptick in demand. Overall, we will strive to deliver a stronger operating performance in the fiscal year 2016.

The medium and long-term growth prospects in India and our other emerging markets remain robust. We believe that there is still a lot of headroom for growth across these markets, given the low penetration and consumption rates in our core categories. I am confident that with our clear strategic focus, differentiated product portfolio, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.

BUSINESS REVIEW – INDIA

Performance Highlights

- 4Q FY 2015 India net sales increased by 10% to INR 1,134 crore.
    - India branded net sales increased by 12%.
- 4Q FY 2015 EBITDA increased by 13% to INR 248 crore.
- 4Q FY 2015 net profit increased by 13% to INR 188 crore.

Category Review

Household Insecticides

Household Insecticides continued its strong momentum with a growth of 11%. We continued to gain market share across formats and exited Q4 FY 2015 with our highest ever market share. Good knight Fast Card continues to see strong demand and add new customers, while expanding its category reach, especially in rural. Our Good knight brand has also crossed the INR 1,500 crore milestone.

Soaps

Our Soaps business delivered another strong quarter, with a healthy volume and mix led value growth of 15%. Our volume and value growths were well ahead of the category, which grew in single digits. Our Godrej No. 1 and Cinthol portfolios delivered double-digit growth, backed by well executed tactical strategies involving focused activation programmes, consumer offers and marketing campaigns. Godrej No. 1 has crossed the INR 1,000 crore and Cinthol, the INR 500 crore milestone. Gross margins during the quarter benefited from lower palm oil prices and have improved significantly.

Hair Colours

Hair Colours maintained its competitive performance and delivered a volume led sales growth of 12%. We continue to outperform the category and gain further market share. The salience of the crème segment in the overall Hair Colour category continues to increase. Godrej Expert Rich Crème is the fastest growing brand in this segment. Our focus on expanding distribution reach and activation programmes, has aided further market share gains. Godrej Expert Rich Crème also featured on Nielsen's list of breakthrough innovations launched in 2012.

Air Fresheners

Aer, our air freshener brand, continues its strong sales and distribution ramp up. This has been aided by our innovative gel format technology and consumer engagement initiatives. Aer is now the number three player in home sprays and the number two player in car air care. We continue to strengthen our portfolio by introducing new fragrance variants.

Health and Wellness

Our recently launched Health and Wellness portfolio of hand washes, a hand sanitiser and anti-mosquito spray, under Godrej Protekt, is being well received in modern trade.

BUSINESS REVIEW – INTERNATIONAL

Indonesia

Our Indonesia business saw relatively moderate constant currency sales growth of 6%. This was due to a one-off de-stocking by leading Modern Trade retailers and floods that impacted our Household Insecticides growth. Our constant currency sales growth (ex-foods business) of 12% was much ahead of the overall FMCG growth in Indonesia. Operating margins increased by 200 bps year-on-year. This was driven by price hikes and cost efficiencies, which helped offset the adverse impacts of IDR depreciation and increase in utility costs. Hit and Stella continue to deliver competitive performance and maintain their leadership positions.

Africa

We have a business presence in countries in East, West and South Africa, across the hair extensions, hair colours, household insecticides and personal wash categories. Our Africa business recorded a strong constant currency sales growth of 23%, led by the significant outperformance of our Darling business. Steep currency depreciation, while causing a temporary drop in margins, has also created opportunities for market share gains. We continue to strengthen our systems, processes and talent infrastructure for sustainable growth across the Darling geographies.

Latin America

Our Latin America business continued its strong growth momentum, with constant currency growth of 27%, led by the success of new launches, market share gains and strong execution. Our operating margins improved significantly to 21%; expansion of 130 bps year-on-year. This was due to the implementation of Project Iceberg, price hikes and scale benefits. Our hair colour market share (by volume) in Argentina reached its highest ever level (on an exit basis). During the quarter, we launched an Illicit ammonia free hair colour and a Pamela Grant make up range extension.

Europe

Our Europe business saw strong recovery, with constant currency sales growth improving to 7%. This was led by the competitive performance of our owned brands, along with some improvement in the sales of distributed brands. Operating margins however, declined by 80 basis points year-over-year due to higher brand investments. During the quarter, we launched a new range of Soft & Gentle deodorants.

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

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products Limited is the largest home-grown home and personal care company in India. We are constantly innovating to delight our consumers with more exciting, superior quality products at affordable prices.

We have bold ambitions and are becoming more agile and future ready. We rank number 1 in hair colour, household insecticides and liquid detergents and number 2 in soaps. In India, you grow up with our brands - Good knight, Cinthol, Godrej Expert, Godrej No. 1 - and we are now on our way to becoming an emerging markets FMCG leader.

In line with our 3X3 approach to international expansion, we are building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (home care, personal wash, hair care). In 2010, we acquired the Indonesia based Megasari group, a leader in household insecticides, air fresheners and baby care. With the acquisition of Rapidol, Kinky and Frika in South Africa, and the Darling Group, a leading pan-Africa hair care company, we have a strong presence in the fast growing African hair care market. We acquired the Issue and Argencos groups in Argentina, leaders in hair colour, in 2010, and expanded our footprint to Chile through the acquisition of a 60% stake in Cosmetica Nacional. Our UK business acquired in 2005 has a play in hair and personal care. We also operate in the Middle East and have a strong presence across SAARC countries.

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