

GODREJ CONSUMER PRODUCTS LIMITED

1Q FY2016 – PERFORMANCE UPDATE

July 29, 2015



PERFORMANCE UPDATE

EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

OVERALL 1Q FY16 FINANCIAL PERFORMANCE

1Q FY2016			
Growth	Consolidated	India	International
Net Sales	11%	12%	11%
Net Sales – Organic*	10%	12%	8%
Net sales - Organic constant currency*	12%	12%	13%
EBITDA	30%	23%	40%
EBITDA – Organic*	29%	23%	37%
EBITDA – Organic constant currency*	32%	23%	44%
Net profit	39%	12%	176%
Net profit w/o exceptionals & one-offs	53%	30%	126%

* Excludes Africa's inorganic sales of INR 27.4 crores and EBITDA of INR 3 crores for 1QFY16

EXCEPTIONAL AND ONE OFF ITEMS

	----- 1QFY16 -----			----- 1QFY15 -----		
	Consolidated	India	International	Consolidated	India	International
Reported	199.2	135.8	63.1	143.4	120.8	22.6
Exceptional (post tax)						
Add: Restructuring Cost in Argentina and Darling Nigeria	10.4		10.4	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	209.6	135.8	73.5	137.4	104.8	32.6

All values in INR crore

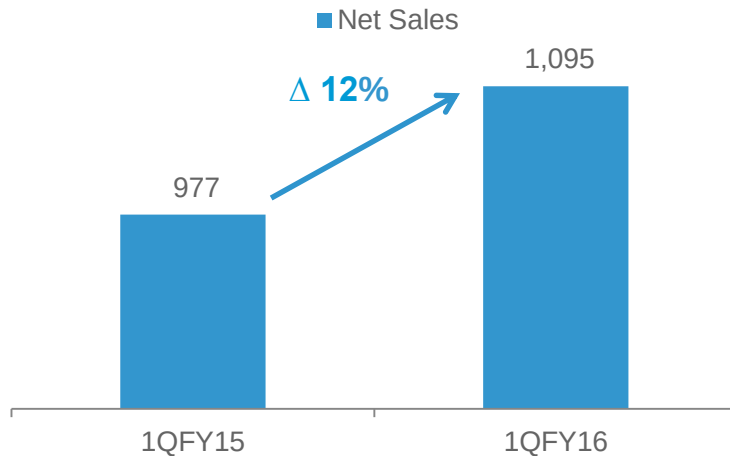
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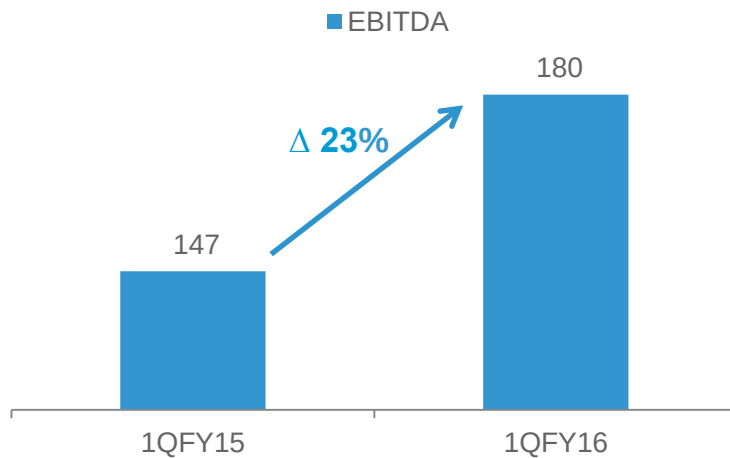
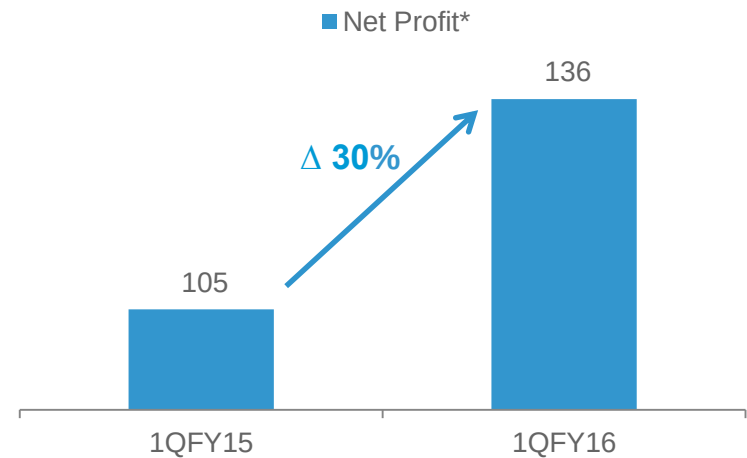
BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

STRONG VOLUME LED SALES AND PROFIT GROWTH IN INDIA



*Branded business net sales growth of **13%** driven by robust volume growth of **13%***



All values in INR crore

** Net profit w/o exceptionals and one offs*

STRONG VOLUME LED AHEAD OF MARKET GROWTH

India business	Sales (INR crs)	Growth y-y
Household Insecticides	442	15%
Soaps	468	13%
Hair Colours	156	12%
Other Brands	56	14%
Total Branded Gross Sales (A)	1,122	14%
<i>Total Branded (Volume)</i>	-	13%
<i>Excise duty on Branded Sales</i>	73	23%
Total Branded Net Sales	1,049	13%
Total Unbranded & Export Gross Sales (B)	47	(11%)
Total Gross Sales (C = A+B)	1,169	13%
Excise Duty (D)	75	22%
Total Net Sales (E = C-D)	1,095	12%

HOUSEHOLD INSECTICIDES CONTINUES TO DELIVER STRONG GROWTH

- Strong double-digit volume driven sales growth of 15% aided by success of new launches and deepening penetration
- Innovation and superior execution drives consistent market share gains across formats with highest ever overall market share
- Lower crude oil prices aid expansion in gross margins



CONSISTENT DOUBLE-DIGIT GROWTH IN HAIR COLOURS

- Strong double-digit volume driven sales growth of 12%
- Godrej Expert Rich Crème continues to gain market share led by increasing penetration
- Launched Godrej Nupur Coconut Henna Crème to address demand from herbal based powder users and up trade existing hair colour users



An **Oil based** hair colour with **Henna** in a crème format



Sources of business

- Herbal based powder users (~1/4th of the market) where we currently have no play
- Non users who will be attracted by the naturals platform and convenience together
- Up trades from henna and non-herbal powders and crème users

SOAPS SUSTAINS HEALTHY MOMENTUM

- Strong double-digit volume growth and mix driven sales growth of 13%
- Cinthol's strategy of focusing on functional benefits in the premium segment supported by 360 degree activations delivering encouraging results
- Positive momentum continuing in Godrej No. 1 led by re-launch and new positioning as "India's No.1 purest soap"
- Lower palm oil prices continue to boost gross margins



PREMIUMISING OUR PORTFOLIO



WE ARE THE HIGHEST RANKED INDIAN COMPANY IN FORBES' THE WORLD'S 100 MOST INNOVATIVE GROWTH COMPANIES 2015



Forbes's The World's 100 Most Innovative Growth Companies 2015

We ranked #24, with an innovation premium of 65%

We were ranked #31 in 2014

In both years, we have been the highest ranked Indian company on the list



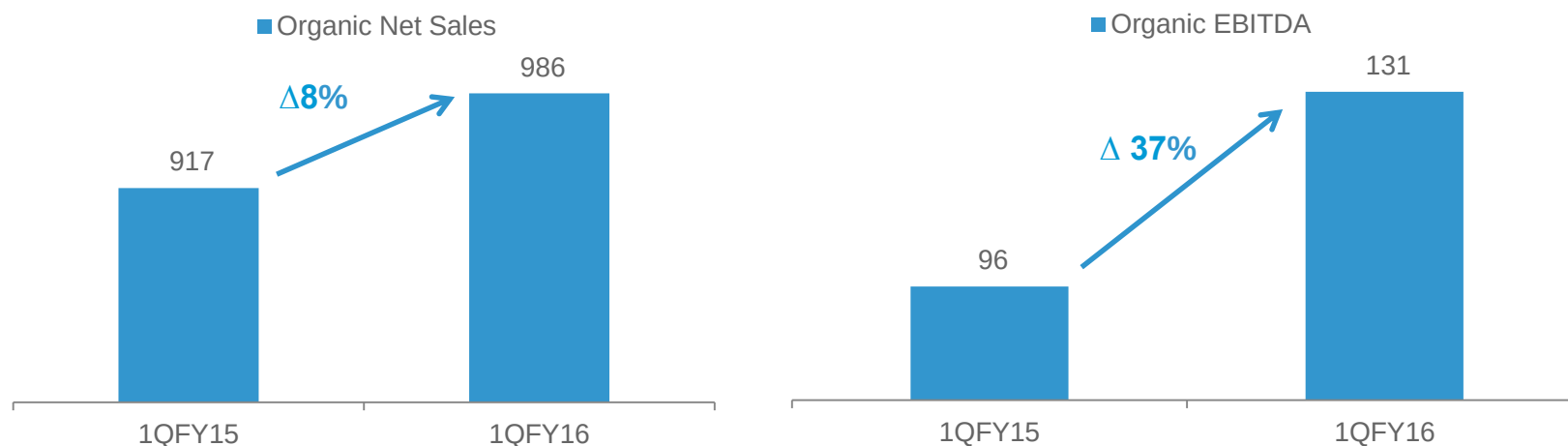
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CONSISTENT DOUBLE-DIGIT CONSTANT CURRENCY GROWTH



- Strong organic constant currency sales growth of 13% driven by robust performance in Africa and Latin America
- Organic EBITDA margins of 13% expands 290bps y-y led by significant margin improvements in Indonesia and Latin America

All values in INR crore

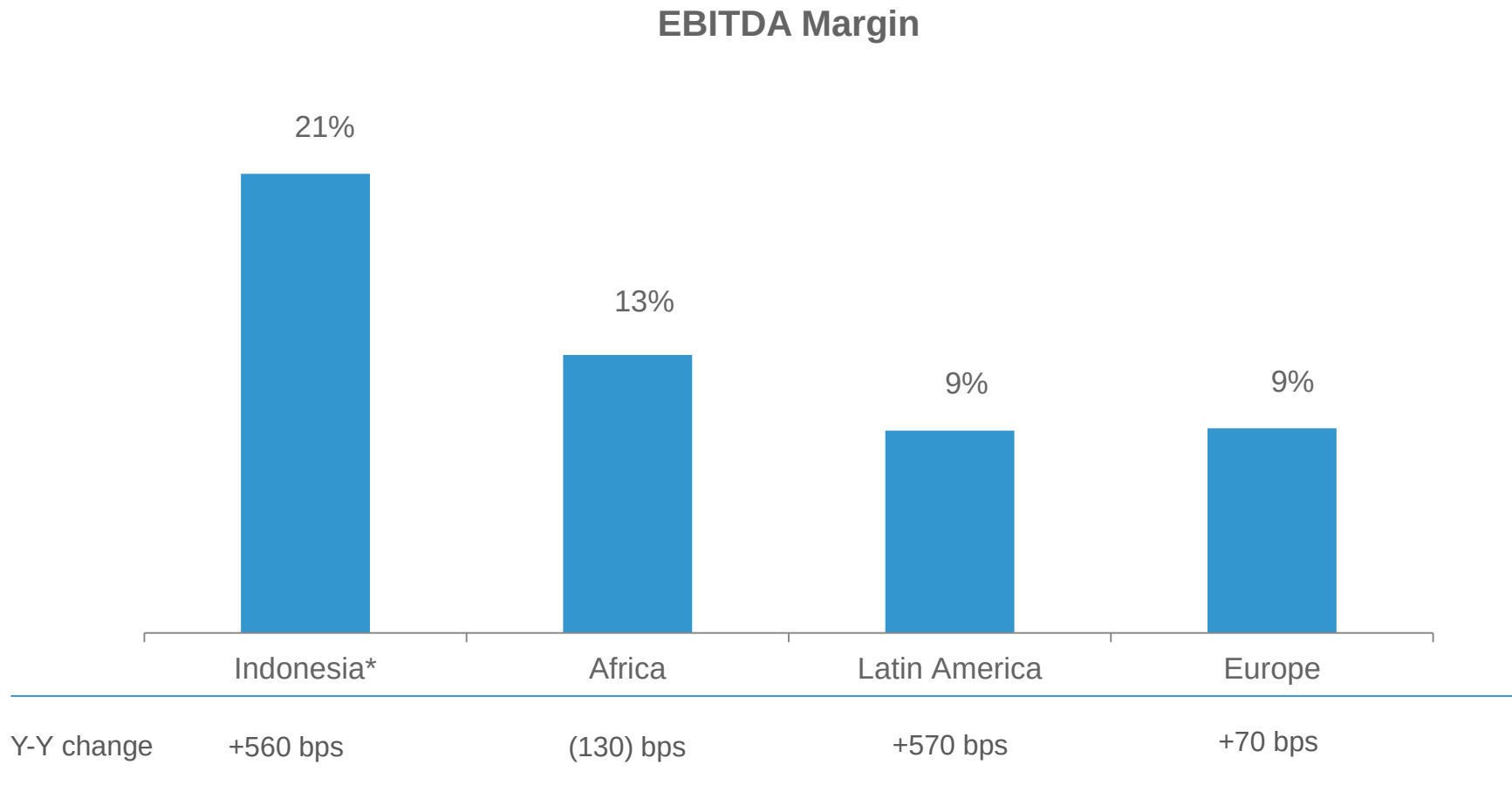
AFRICA AND LATAM DELIVER ROBUST SALES GROWTH

International business	Sales (INR crs)	Growth y-y	Constant Currency Growth y-y
Indonesia	353	1%	8%
<i>Indonesia (ex-Foods)</i>	-	-	13%
Africa*	314	26%	32%
Latin America	156	23%	29%
Europe	155	(6%)	(2%)
Others**	35	31%	25%
Total Net Sales	1,013	11%	16%

* Includes inorganic sales of INR 27.4 crores for 1QFY16

** Others include Sri Lanka, Bangladesh and Middle East

STRONG MARGIN GAINS ACROSS MOST BUSINESSES



**Including foods business in the base quarter and before payment of technical & business support fees*

INDONESIA OUTPERFORMING MARKET IN CHALLENGING OPERATING ENVIRONMENT

- Constant currency sales growth of 8% (ex-foods growth of 13%); well ahead of the FMCG industry growth in Indonesia
- FMCG industry growth was flat impacted by overall macro-economic slowdown in Indonesia
- Margin expands 560 bps y-y driven by lower crude oil prices and rationalisation of marketing and sales promotion investments
- Launched compact HIT aerosols



AFRICA GROWTH DRIVEN BY CONSISTENT AND STRONG PERFORMANCE IN DARLING

- Business presence in East, West and South African countries across different categories such as hair extensions, hair colours, household insecticides and personal wash
- EBITDA margins decline 130 bps y-y impacted by planned lag between price increases and increase in input costs, led by continuing currency depreciation
- This planned lag has helped deliver strong constant currency sales growth of 40% in Darling business



SUSTAINED STRONG SALES AND PROFITABILITY GROWTH MOMENTUM IN LATAM

- Strong sales growth of 29% driven by success of new launches and superior on ground execution
- Margins improve to 9% (highest ever 1Q margins); expansion of 570 bps y-y led mainly by the implementation of Project Iceberg and price increases
- Hair colour market share in Argentina increases behind robust performance of Issue while market share in Chile increases aided by successful launch of Illicit Ammonia Free Hair Colour



WEAKNESS IN EUROPE BUSINESS

- Constant currency sales de-grew by 2%, due to the impact of adverse weather for most part of the quarter
- EBITDA margins improved 70 bps led by mix and rationalisation of spends
- Working on listing of our products in more modern trade outlets and new product launches / re-launches to accelerate our medium to long term growth



1Q FY2016 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	1Q FY15	1Q FY16	Y/Y	1Q FY15	1Q FY16	Y/Y
Sales	977	1,095	12%	1,886	2,095	11%
Gross Profit	509	640	26%	991	1,180	19%
<i>Gross Margin (%)</i>	<i>52.0%</i>	<i>58.4%</i>	<i>640 bps</i>	<i>52.6%</i>	<i>56.3%</i>	<i>380 bps</i>
EBITDA	147	180	23%	242	315	30%
<i>EBITDA Margin (%)</i>	<i>15.0%</i>	<i>16.5%</i>	<i>150 bps</i>	<i>12.8%</i>	<i>15.0%</i>	<i>220 bps</i>
Net Profit	121	136	12%	143	199	39%
<i>Net Profit Margin (%)</i>	<i>12.4%</i>	<i>12.4%</i>	<i>-</i>	<i>7.6%</i>	<i>9.5%</i>	<i>190 bps</i>

All values in INR crore

WE HAVE BEEN CONSISTENTLY RECOGNISED AS A GREAT PLACE TO WORK



Recognised among the **top 25** workplaces in Asia

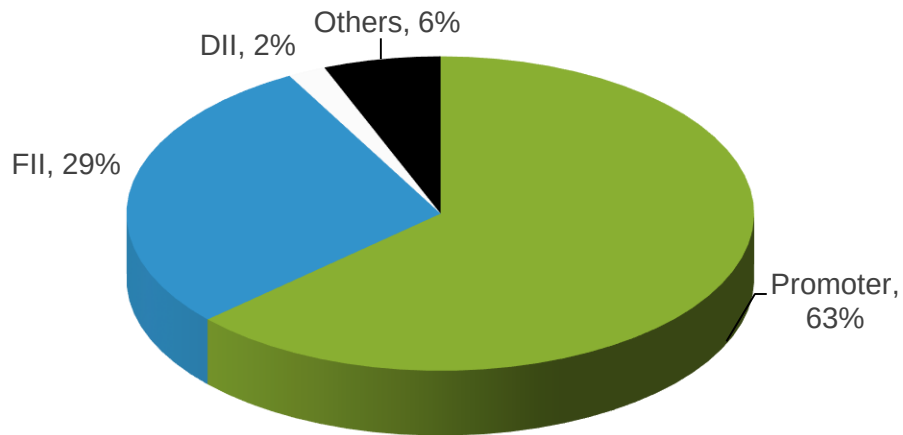


#1 in FMCG
#6 overall
12th year in a row on the list

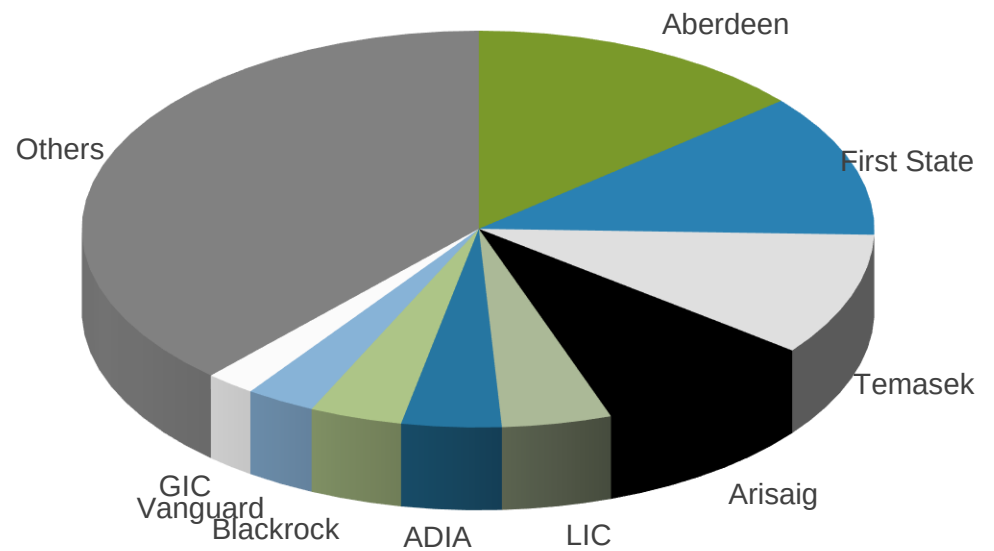


Ranked among the best employers in India in 2015

STOCKHOLDING PATTERN



MAJOR INVESTORS



As on June 30, 2015

WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

- Extending leadership in our core categories
- Capitalising on international growth potential
- Accelerating innovation and renovation
- Building a future ready sales system
- Making our supply chain best in class
- Building an agile and high performance culture
- Re-enforcing our commitment to Godrej Good & Green

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THANK YOU FOR YOUR TIME AND CONSIDERATION