



Godrej Industries Ltd.

FY2010 INVESTOR UPDATE

26th May 2010



CONTENTS

- Key Corporate & Business Updates
- Consolidated Results
 - Financial Overview
 - Balance Sheet
- Business Structure
 - Economic Interests /Investments
 - Performance highlights – *Subsidiaries, JVs and Associates*



KEY CORPORATE & BUSINESS HIGHLIGHTS



CORPORATE HIGHLIGHTS

- **Developments on the Real Estate Front**

- **Godrej Properties Limited (GPL) successfully completed its IPO in Dec 2009.**

- Issue Size: 94.3 lac shares. Issue subscribed about 3.6 times; Priced at Rs. 490 per share of FV Rs. 10.
 - Shares listed on BSE and NSE on Jan. 5, 2010.

- **Development of property at Vikhroli.**

- The Board of GIL had approved a proposal in Oct 2009 to enter into a Memorandum of Understanding (MOU) with Godrej and Boyce Mfg. Co. Ltd. and Godrej Properties Limited for development of property at Vikhroli, Mumbai.
 - The MOU provides for setting up of suitable Special Purpose Vehicle(s) (SPV) to execute joint development of the property, the commercial terms for such development, etc. between GIL and GPL

- **FMCG business Consolidation**

- Consolidation of the Household Care Products – acquisition of Godrej Sara Lee Ltd
 - 49% through a scheme of amalgamation
 - an agreement to acquire remaining 51% from JV partner Sara Lee Corp.

This acquisition further consolidates GCPL's position in the Indian FMCG space making it the largest Indian home and personal care portfolio in India after the MNCs.

- Godrej Consumer Products Limited (GCPL) has been able to successfully acquire and integrate strong, local, personal and household care brands in key emerging markets
 - acquired during the year - **Megasari** – leading FMCG player in Household care sector in Indonesia.
 - agreement to acquire **Tura** – leading personal care player in Nigeria.
 - agreement to acquire **Issue Group** - leader in hair colour segment in Argentina and strong presence in other Latin American countries.

CORPORATE HIGHLIGHTS

- **Godrej Masterbrand and portfolio of product brands for a brighter living**
 - Our philosophy of Brighter Living continues to drive all our endeavors.
 - Brand “**Godrej**” achieved a historic high of 44th rank in the ‘Brand Equity Most Trusted Brands Survey 2009’ conducted by The Nielson Company on behalf of Brand Equity/Economic Times.
 - Godrej Sara Lee “**Good Knight**” Brand rose to its historic high by attaining the 21st rank.
 - Regaining the title of India’s highest ranked household care brand.
 - Relaunch of Brand “**Cinthol**” supported by innovative variants helped improve the ranking to 66th.
 - Godrej “**Expert**” awarded the ‘Most Trusted Brand 2009’ in the hair dye/hair colour category for the third consecutive year in the Readers Digest Asia Trusted Brands Survey.
- **GIL Rating – a reflection of its financial strength**
 - ICRA has reaffirmed credit ratings for Godrej Industries Limited
 - Commercial Paper : **A1+** (enhanced from Rs. 100 crore to Rs. 140 crore)
 - Short Term Line Of Credit : **A1+**
(A1+ rating indicates highest credit-quality carrying lowest credit risk)
 - Long Term Line Of Credit : **LAA**
(LAA rating indicates high-credit quality carrying low credit risk)

CORPORATE HIGHLIGHTS

- **Equity – Dividend & Buyback**

- **Final Dividend**

- Final Dividend proposed for FY 2009-10, subject to shareholders' approval, is Rs. 1.50 per equity share of Re. 1/- each (previous year Rs. 1.25 per equity share of Re.1/- each).
 - Dividend History

Financial Year	Dividend (Rs. per share)
FY 2009-10 (proposed)	1.50
FY 2008-09	1.25
FY 2007-08	1.25

- **Buyback**

- Under the buyback programme, the Company has bought back 21,33,710 shares
 - Total consideration Rs. 28.9 crore
 - Buyback Completed in July 2009.
 - Bought back shares have since been extinguished.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Godrej's CSR initiatives are aimed at building a brighter, more sustainable India. GIL has contributed and supported various causes and initiatives in the areas such as health, medical care and treatment, education, social awareness on health, environment and social welfare.

- Contributes towards development of Kanerao Village (Gujarat) by supporting educational needs of the village schools and providing various infrastructural facilities to the villagers.
- Godrej Garden City – Ahmedabad is one amongst the founding projects of the **Climate Positive Development Program, a Clinton Climate Initiative (CCI)** program which strives to reduce the amount of onsite CO₂ emission to below zero.
- Contribution to **Heroes Aids Project** and a national HIV Aids initiatives which seeks to address the spread of HIV Aids and reduce stigma and discrimination.
- Godrej supports the '**Table for Two**' initiative which is targeted to address hunger and malnutrition in the developing world.
- Godrej also supports '**Teach for India**' initiative to bridge the educational divide and increase the participation of highly skilled leaders in the education sector of India. This program is committed to teach in low income urban and rural public schools.
- Donation of fly catcher machines through Lions Club to various hospitals, orphanages, old age homes, home for blind, Municipal schools, etc.
- Contribution to Prime Minister's Relief Fund towards flood relief for the States of Andhra Pradesh, Maharashtra and Karnataka.

CONSOLIDATED RESULTS



FY 2010 FINANCIAL HIGHLIGHTS (CONSOLIDATED)

Rs. crore

Particulars	FY2010	FY2009	% Growth
Total Income #	3781	3614	5%
PBDIT *	413	328	26%
Depreciation	50	47	
Interest	150	150	
PBT *	213	131	62%
PAT	203	111	82%

* - Incl. exceptional items but excl. prior period and extraordinary items.

Incl. other income and exceptional items.

BALANCE SHEET (CONSOLIDATED)

Rs. Crore

Liabilities			Assets		
	31-03-10	31-03-09		31-03-10	31-03-09
Capital*	347	145	Net Fixed Assets**	997	999
Reserves	1734	1376	Investments	927	652
Debt	1481	1573	Net Current Assets	1541	1368
Def. Tax Liability	51	50	Cash & Bank bals.	148	125
Total	3613	3144	Total	3613	3144

* Capital includes Minority Interest

** Net Fixed Assets includes Goodwill on Consolidation

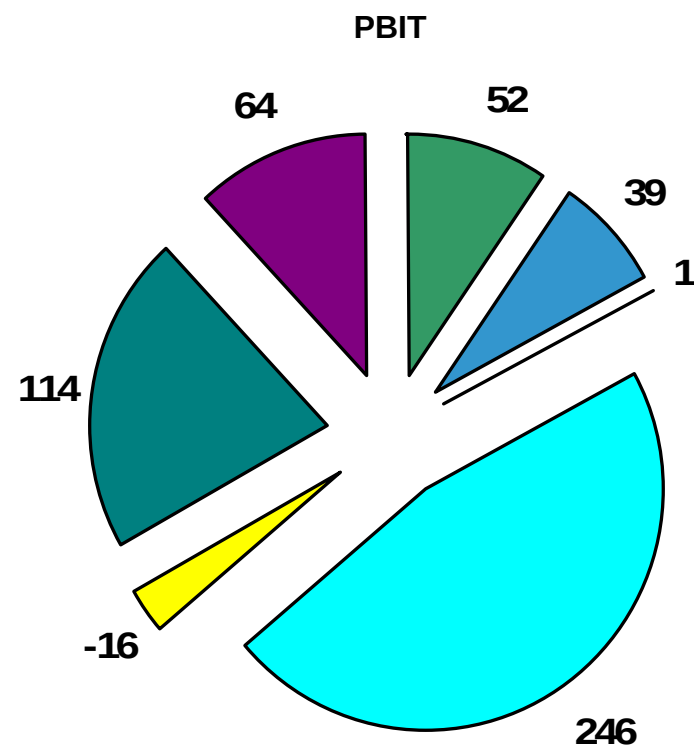
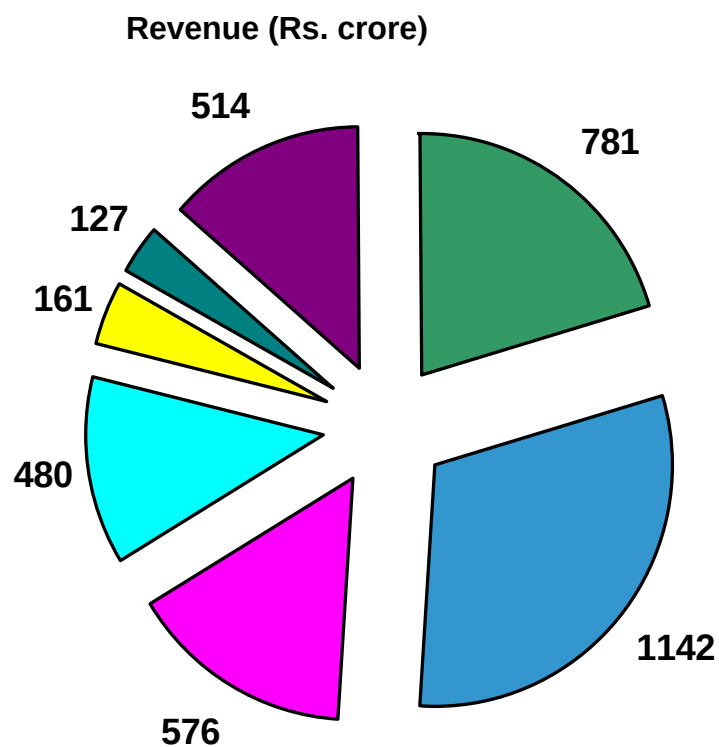
KEY RATIOS (CONSOLIDATED)

Ratio	FY2010 (%)	FY2009 (%)
PBDIT Margins	10.9%	9.1%
PBT Margins **	5.6%	3.6%
PAT Margins	5.4%	3.1%
ROCE*	10.7%	9.9%

* On Average Capital Employed

** Incl. exceptional items but excl. prior period and extraordinary items

SEGMENT-WISE CONTRIBUTION TO FINANCIALS – FY2010

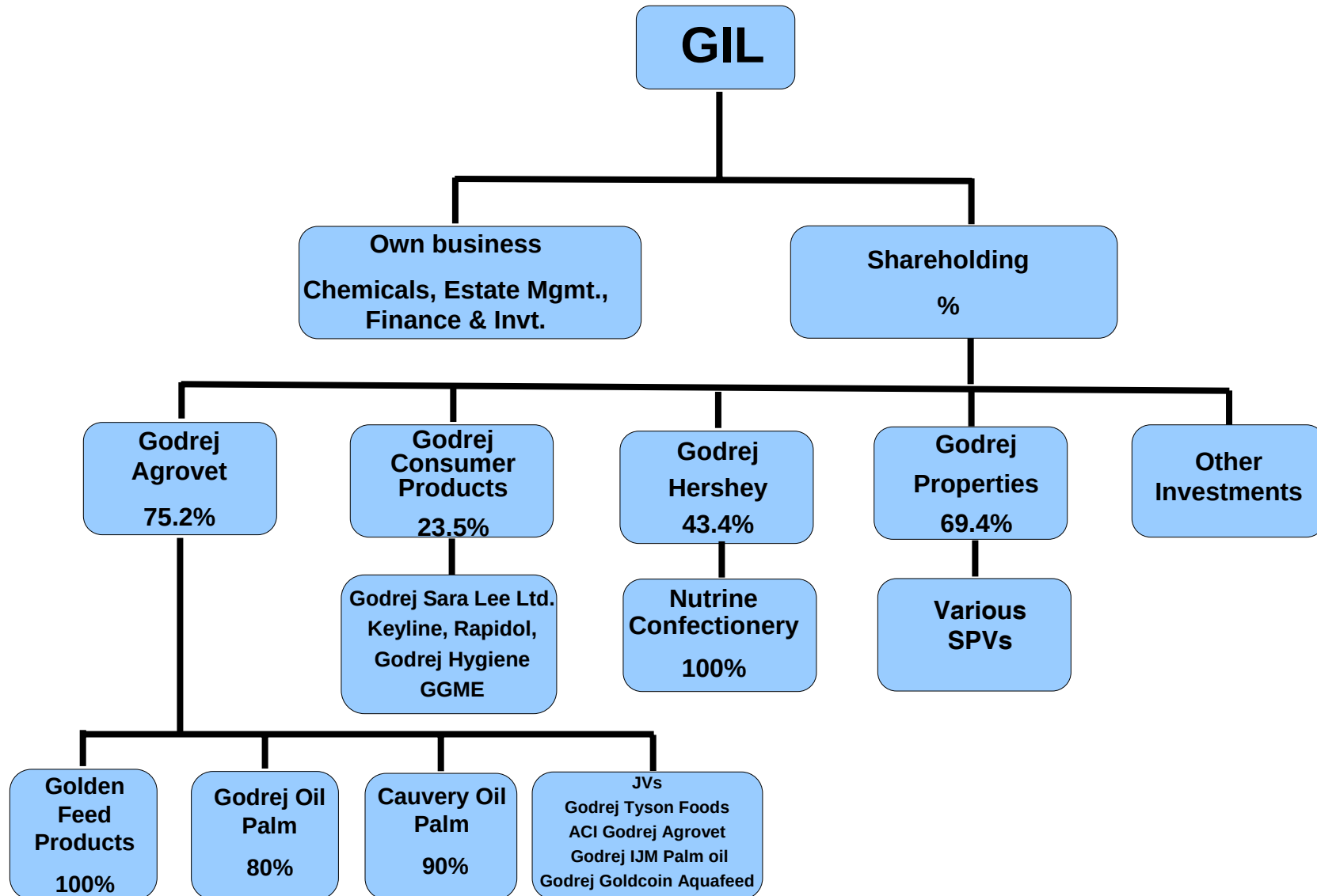


- CHEMICALS
- VEGOILS
- BEVERAGES & FOODS
- OTHERS (INCL. HOUSEHOLD INSECTICIDES)

- ANIMAL FEEDs
- ESTATE & PROPERTY DEVELOPMENT
- FINANCE & INVESTMENTS

BUSINESS STRUCTURE

(as on 31st March, 2010)



PERFORMANCE HIGHLIGHTS

MAJOR SUBSIDIARIES,JVS AND ASSOCIATES



INVESTMENTS AS ON MARCH 31, 2010

Company	Business	Investment at cost (Rs. Crore)	Holding (%)
Godrej Consumer Products	FMCG, Personal and Household Care Products	524	23.5
Godrej Properties	Real Estate and Property Development	185	69.4
Godrej Agrovet	Animal Feed, Agri-inputs, Poultry & Oil Palm	163	75.2
Godrej Hershey	Food, Beverages and Confectionery	177	43.4
Godrej International	International Trading	17	100.0
Others (CBay, Avesthagen, Verseon, Compass etc)	Medical Transcription, Bio- Technology, KPO, BPO, etc.	82	-
Total		1148	-

CHEMICALS DIVISION

(OLEO-CHEMICALS & SURFACTANTS)

Overview: The Chemicals division is the market leader in India in Oleo – Chemicals and Surfactants. The division caters to the needs of personal care, home care and specialized applications globally.

Financial & Business Highlights –

- PBIT for FY 2009-10 is at positive Rs. 52 cr. as against negative Rs. 18 cr. in FY 2008-09
- The business / industry has overcome the global recessionary impact which affected this division's performance in the previous year. During the economic downturn, we focused on various initiatives to de-risk our portfolio and improve our operational efficiencies (reduction in net working capital, conversion costs and fixed costs).

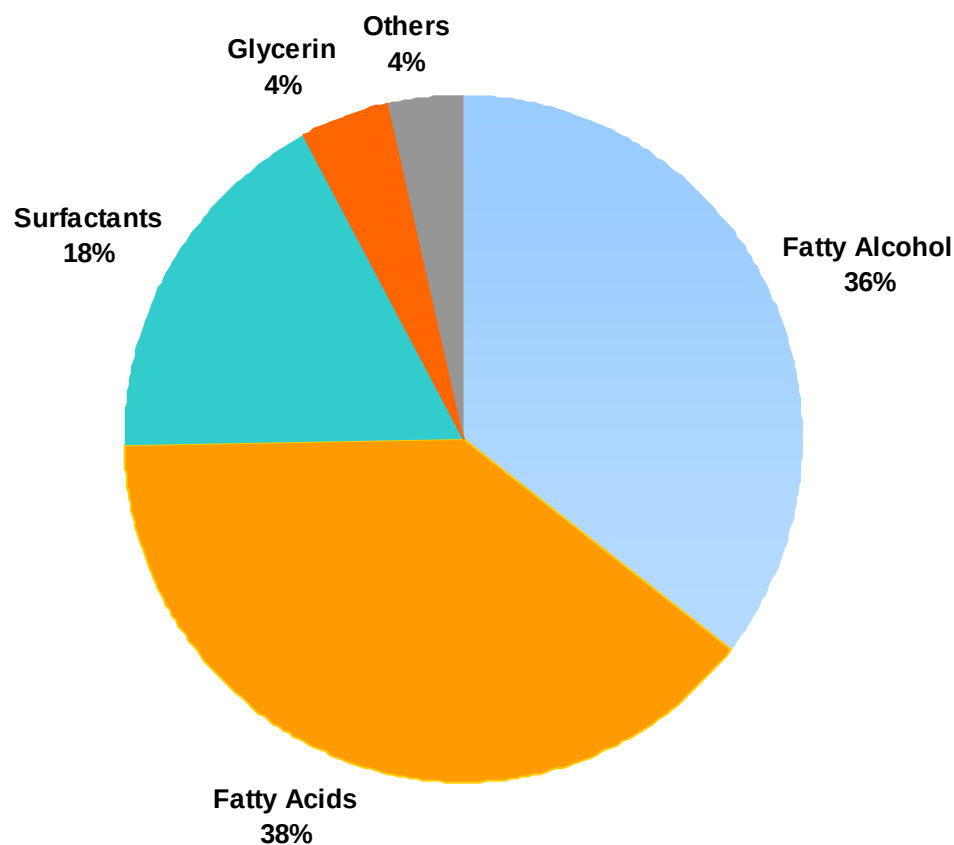
Customer Centricity and Recognition

- Chemicals Business has developed a customer relationship management website (eCRM initiative) that enables customers to track their orders and transactions and also receive updates through personalized web pages 24x7.
- This initiative has been accorded recognition from Businessweek magazine and GIL was adjudged as amongst the **top 25 unsung innovators**.

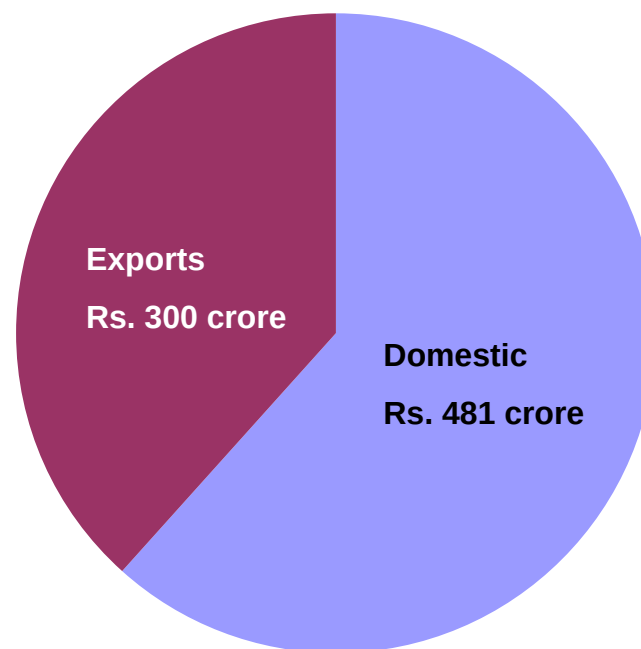
CHEMICALS DIVISION (Contd...)

(OLEO-CHEMICALS & SURFACTANTS)

Category-wise revenue break-up :



Division exports to over 62 countries

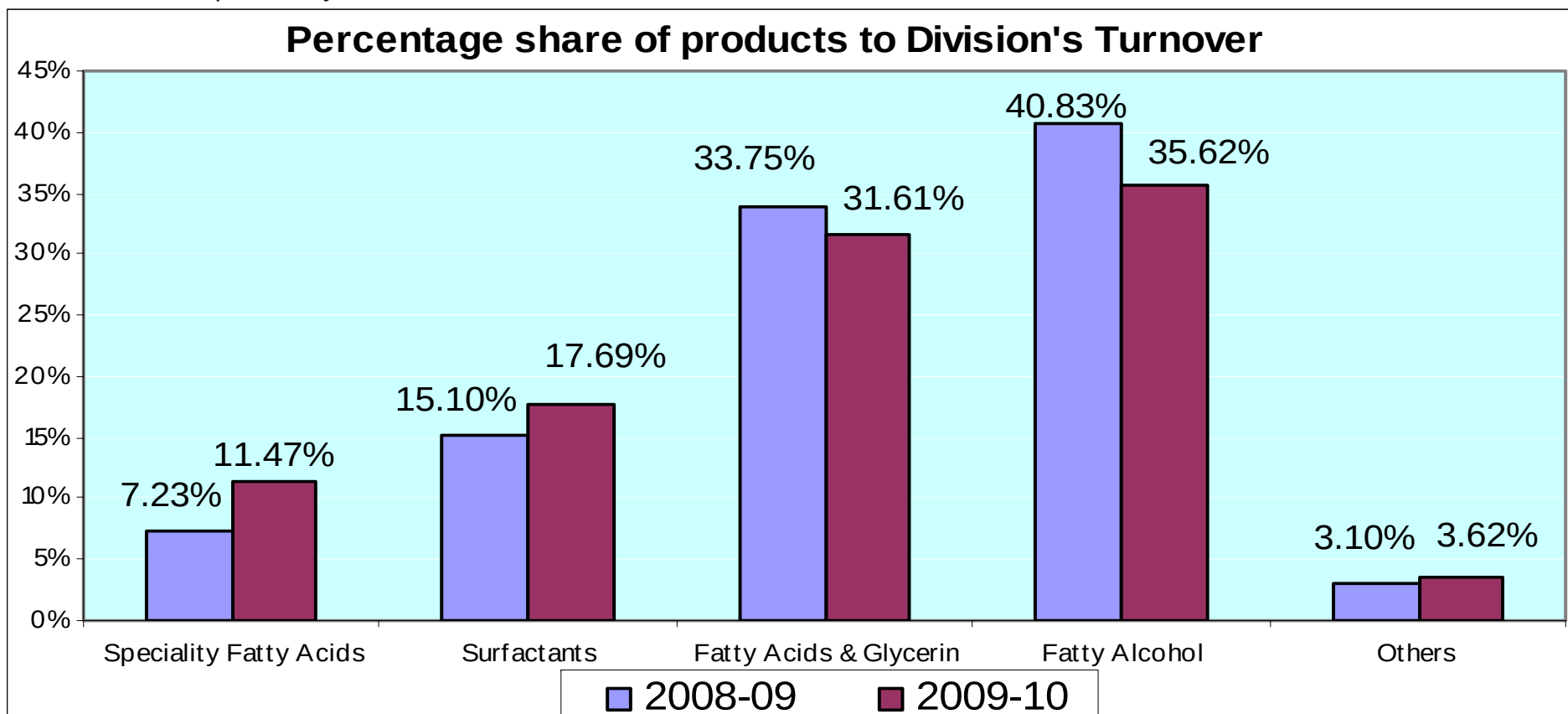


■ Domestic ■ Exports

CHEMICALS DIVISION (Contd...)

(OLEO-CHEMICALS & SURFACTANTS)

- **De-risking strategy resulted in increased sales of high margin products.**
 - Revenue of Specialty Fatty Acids business for FY 2009-10 up 59% over the previous year.
 - Revenue of surfactants business for FY 2009-10 up 41% over the previous year
 - Share of specialty fatty acids and surfactants increased to 29.2% in the overall revenue mix compared to 22.3% in the previous year.



GODREJ AGROVET (GAVL)

(ANIMAL FEEDS, AGRI INPUTS, POULTRY & OIL PALM)

Overview:

Diversified agribusiness conglomerate including animal feeds, agricultural inputs, oil palm plantation, and poultry.

Financial Performance

Consolidated total income for FY 2009-10 increased by 8% from Rs. 1493 crore to Rs. 1613 crore.

Consolidated PBT for FY 2009-10 grew by 40% from Rs. 27 crore to Rs. 38 crore.

Animal Feed : GAVL is the market leader for cattle-feed, broiler-feed and layer-feed in India. This business includes the production and sale of compound feed for cattle, poultry, shrimp and fish, operating through 40 production units across India. This business undertakes R&D at its dedicated centre in Bangalore.

Key Highlights :

- GAVL is the largest commercial feed miller in India
 - The Animal Feed division processed approx. 730,000 MT of feed in FY 2009-10 with :
 - 250,000 MT of Cattle feed
 - 350,000 MT of Broiler feed
 - 110,000 MT of Layer feed
 - 20,000 MT of Aqua feed
- Revenue for FY 2009-10 has increased by 16% over FY 2008-09.
- “**Bovino**” a compound cattle feed which has the potential to improve the milk yield, SNF (Solids-not-fat) and fat content in milk had a growth of 70% over the previous year.

New products in FY 2009-10 :

- Cattle Feed Concentrate launched in North India under the Brand Name of “**MOO Magimix**” for cows & Buffaloes.

GODREJ AGROVET (GAVL) (Contd...)

(ANIMAL FEEDS, AGRI INPUTS, POULTRY & OIL PALM)

Oil Palm: GAVL along with its subsidiaries and JVs is India's largest crude palm oil producer. The Oil Palm business operates on a command area model, with State Governments allocating specific territories to corporates for the development of oil palm plantations. Growers are required to sell the entire production of Fresh Fruit Bunches at a pre-determined price (linked to output price) set by the Government.

Financial Highlights : Revenues for the Oil Palm business stood at Rs. 64 crore for FY 2009-10

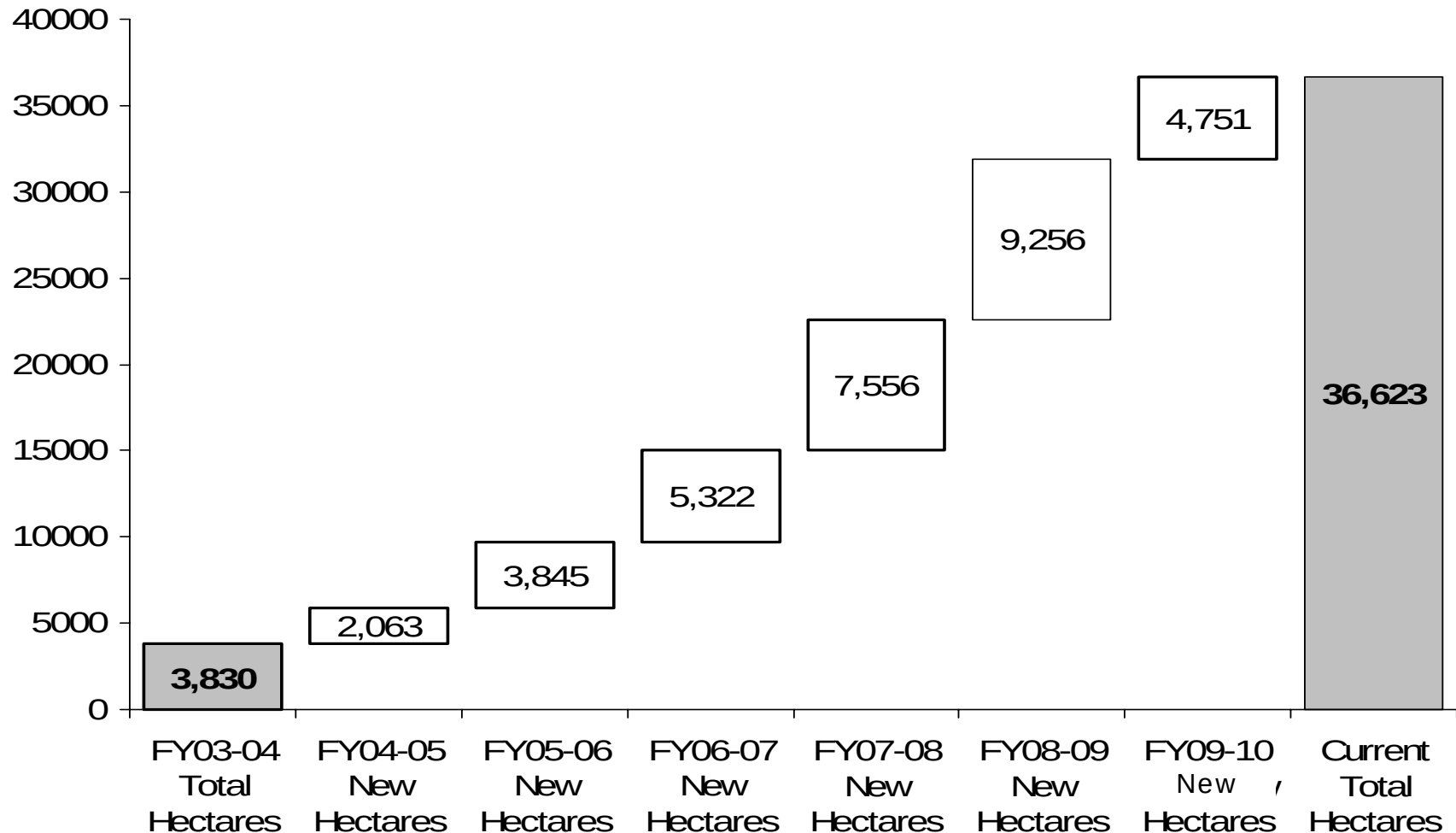
OPP BUSINESS INTEGRATED FROM SEEDLINGS TO CPO



GODREJ AGROVET (GAVL) (Contd...)

(ANIMAL FEEDS, AGRI INPUTS, POULTRY & OIL PALM)

OPP CULTIVATION SKYROCKETED OVER PAST 5 YEARS



GODREJ AGROVET (GAVL) (Contd...)

(ANIMAL FEEDS, AGRI INPUTS, POULTRY & OIL PALM)

Poultry: GAVL has a fully integrated poultry business that covers the entire value chain from breeding, hatching, and rearing of broilers. GAVL is also involved in a joint venture with Tyson foods which focuses on the front end of the production process including processing and marketing chilled chicken. This is delivered through the brand “ **Godrej Real Good Chicken**” and marketing of ready to cook range through the brand “**Godrej Yummiez**”.

- Real Good Chicken brand is market leader for fresh poultry in India.
 - 20% market share in processed poul
 - consumer loyalty over 80%.
- Yummiez brand introduced for quick serve poultry products.



GODREJ AGROVET (GAVL) (Contd...)

(ANIMAL FEEDS, AGRI INPUTS, POULTRY & OIL PALM)

Agri Inputs

GAVL has a well established Agri inputs business covering plant growth promoters, organic manure mix, pesticides and other innovative agri input products.

- Revenue for FY 2009-10 has increased by 20% over FY 2008-09.

New products / line of business:

- **“Zymegold Plus Granule”**, a natural seaweed extract of vegetative origin, helps in improving the yield in crops.
- As part of the initiative to be a one-stop solution provider to Indian farmers, GAVL has ventured in providing maize seeds to farmers.
 - This line of activity was started in the last quarter of FY 2009-10 as a pilot
 - Pilot yielded good results with a revenue of over Rs. 1 crore.
 - Activity will be expanded in the coming years

GODREJ AGROVET (GAVL) (Contd...)

(ANIMAL FEEDS, AGRI INPUTS, POULTRY & OIL PALM)

AGRI PORTFOLIO FOCUSED ON INNOVATIVE PRODUCTS



GODREJ CONSUMER PRODUCTS (GCPL) (FMCG – PERSONAL AND HOUSEHOLD CARE)

Overview: One of the leading companies in the Indian FMCG market with presence in the personal and household care products. It is also one of the largest marketers of toilet soaps in the country with leading brands such as **Cinthol**, **Godrej Fairglow** and **Godrej No. 1**.

Key Highlights:

- Continues to be the second largest toilet soaps player with a market share of 10.3% for FY 2009-10 compared to 9.4% in the previous year.
- Consolidation of the Household Care Products – acquisition of Godrej Sara Lee Ltd
 - 49% through a scheme of amalgamation
 - an agreement to acquire remaining 51% from JV partner Sara Lee Corp.

This acquisition further consolidates GCPL's position in the Indian FMCG space making it the largest Indian home and personal care portfolio in India after the MNCs.
- GCPL has recently acquired **Megasari**
 - Megasari is a leading household care Company in Indonesia
 - It manufactures and distributes a range of household products including household insecticides, wet tissues and air fresheners.
- GCPL has agreed to acquire **Tura**
 - Tura is a market-leading personal care company that manufactures and distributes a range of products including soaps, moisturising lotions and skin-toning creams.
 - Tura is established in Nigeria.
- GCPL has agreed to acquire the **Issue Group**
 - leader in hair colour segment in Argentina and strong presence in other Latin American countries.

GODREJ CONSUMER PRODUCTS (GCPL) (Contd...) (FMCG – PERSONAL AND HOUSEHOLD CARE)

Financial Performance:

- Consolidated Revenue for FY 2009-10 increased by 47% to Rs. 2041 crore from Rs. 1393 crore.
- Consolidated PBDIT for FY 2009-10 up by 94% at Rs. 410 crore from Rs. 211 crore.
- Consolidated PBT for FY 2009-10 grew by 101% at Rs. 420 crore from Rs. 209 crore.
- Consolidated PAT for FY 2009-10 increased by 97% to Rs. 340 crore from Rs. 173 crore.
- Fourth interim dividend – Re. 1.25 per share (i.e. 125%) totalling to 425% for FY 2009-10.
- EPS higher at Rs. 11.3 as compared to Rs. 6.8 of the previous year (annualised).

New Launches / Initiatives:

- **New launches :**
 - Two new variants under the “**Godrej No. 1**” Brand - Lime and Aloe Vera and moisturizing soap with milk cream and almond.
 - New shades of “**Godrej Renew**” Plum Crazy and Wine Red under the Hair Colorants segment.
 - Under the Cinthol Brand portfolio,
 - two new deo sprays ‘Rainstorm’ (contemporary aquatic fragrance with undertones of lemon and bergamot) and ‘Unleash’ (a spicy woody fragrance built on a base of cedar wood, with a touch of leather).
 - “**Cinthol**” skin protection talc launched in South India.

GODREJ CONSUMER PRODUCTS (GCPL) (Contd...) (FMCG – PERSONAL AND HOUSEHOLD CARE)

New Launches / Initiatives:

- Under the Hand Hygiene category “**Godrej Protekt**” – Hand Sanitizers, Hand Wash & Wipes.
 - “**Godrej Protekt**” instant hand sanitizer integrates the “Insta sanitize technology” that kills 99.99 % of the most common illness causing germs in 15 seconds.
 - Available in three variants - Original, Citrus and Blossom.
- International business:
 - launched “**Evolution**” range of hair pieces to address the mass market segment
 - Introduced “**Godrej No. 1**” soap in South Africa.
 - launched 2 new colours in the “**Inecto**” range

GODREJ PROPERTIES (GPL)

(REAL ESTATE AND PROPERTY DEVELOPMENT)

Overview: GPL is one of the leading real estate development companies in India. The Company focuses on residential, commercial and township developments. GPL has real estate development projects in various cities in India like Mumbai, Pune, Bangalore, Kolkata, Hyderabad, Chandigarh, Ahmedabad, Mangalore, Chennai and Kochi.

Financial Highlights:

- Consolidated revenue for FY 2009-10 increased by 53% to Rs. 456 crore from Rs. 298 crore in FY 2008-09.
- Consolidated PBDIT for FY 2009-10 grew by 42% to Rs. 231 crore from Rs. 163 crore in FY 2008-09.
- Consolidated Net profit for FY 2009-10 up by 64% to Rs. 123 crore from Rs. 75 crore in FY 2008-09.
- Board recommended a dividend of Rs. 4 per share (i.e. 40%), subject to shareholders approval.

Business Highlights:

GPL witnessed considerable momentum in sales in FY 2010

- Approx. 1.89 mn sq. ft. of area was booked during the year.
- 3.9 mn sq. ft. of developed area handed over in FY 2010, significantly higher compared to 3.7 mn sq. ft. delivered from inception until FY 2009.
- The Company is well placed to deliver higher sales year-on-year going forward.

Joint development model

- Capital efficient, asset light, easily scalable
- Track record of successful joint development projects
- High return on investment

GODREJ PROPERTIES (GPL) (Contd...)

(REAL ESTATE AND PROPERTY DEVELOPMENT)

Business Highlights (Contd.):

Pan - India presence

- Approx. 82 mn. Sq. ft. of upcoming developable area.
- Projects in 10 cities in India
- Projects include residential, commercial and townships

Awards and Accolades -

- Planet Godrej received “Best Residential Project” award from CNBC
- Awarded ‘Best Business Practices’ by Accommodation Times.
- Ranked #1 in the Real Estate & Construction category in the Great Places to Work survey 2009.
- Ranked amongst Top 10 Construction & Real Estate companies by Construction World.

GIL currently holds 69.43% equity in GPL.

GODREJ PROPERTIES (GPL) (Contd...)

(REAL ESTATE AND PROPERTY DEVELOPMENT)

Key Projects:

Godrej Garden City - Ahmedabad

- GPL launched its first state of the art township in Ahmedabad in March 2010.
- Project received an overwhelming response.
- Booked approx. 1.3 mn. Sq. ft. of area within 10 days of the launch
- Phase II expected to be launched in Q1 FY 2011.

Godrej Prakriti - Kolkata

Godrej Waterside – Kolkata

Godrej Coliseum – Mumbai

Godrej Woodsman, Bangalore

GODREJ HERSHEY LIMITED

(FOODS, BEVERAGES, CONFECTIONERY BUSINESSES)

Overview: Production and sale of fruit pulp, tomato puree, fruit juices, nectars and drinks, other beverages and confectionery products and sale of refined vegetable oils and vanaspati (hydrogenated vegetable oil).

New Products launched / initiatives taken during the year:

- **Nutrine Lollipop** was relaunched with an innovative packaging and received excellent response from trade and consumers, thereby doubling the sales.
- **Nutrine Froot shoot** was relaunched with a modern and contemporary packaging.
- **Nutrine Chatkeeli Imli** was launched. GHL thus entered into the spicy/tangy segment of fruit candies.
- A customer relationship program 'Meet & Greet Dhoni' was held for Maha Lacto in Chennai which was participated by over 2000 channel partners.
- Trade activation on **Nutrine Éclair** too yielded good results.
- A consumer promotion program launched in which kids were invited to meet their idol M. S. Dhoni. The program saw an overwhelming response in many states.

Financial performance:

- **"Hershey Milk Mix"** sales for FY 2009-10 grew by 82% over FY 2008-09.
- **"Jumpin"** sales for FY 2009-10 higher by 13% over FY 2008-09.

Some of the statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Thank You

