



CREATING VALUE FOR A
BRIGHTER FUTURE



INVESTOR AND ANALYST MEET

June 21, 2011

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AGENDA

- Company Overview
- Investment Rationale
- Godrej Agrovet Deep Dive
- Q&A

COMPANY OVERVIEW

COMPANY OVERVIEW

Part of Godrej Group

- Established in 1897
- US \$ 3.3 billion in revenues
- 25,000 employees
- Diversified, accomplished, trusted

Diversified business model

- Leveraging the “India growth story” through presence in multiple high growth industries
- Portfolio of high quality products that successfully cater to growing aspirations of all consumers
 - Urban & Rural, Domestic & Global
- Diversified businesses provides a hedge against adverse developments in particular industry

Experienced management team

- Sound qualifications along with strong entrepreneurial orientation
- Tremendous results track record

BALANCED PORTFOLIO OF GROWTH BUSINESSES

	BUSINESS SEGMENTS	FINANCIAL PERFORMANCE
CHEMICALS (own business)	- Fatty alcohols, fatty acids, glycerin & surfactants - Key ingredients for personal care, home care & specialized consumer products	Revenue growth in FY 11 – 31% PBIT growth FY 11 – 85%
GODREJ AGROVET (75.2%)	- Animal Feeds - cattle, layer, poultry & aqua feeds - Oil Palm plantations & Agro-chemicals - Poultry & processed meats	Revenue growth in FY 11 – 20% PBIT growth FY 11 – 103%
GODREJ PROPERTIES (70.6%)	- Townships, Residential & Commercial projects - Presence in 11 cities across India 83.6 million sq ft of development area	Income growth in FY 11 – 43% PBT growth FY 11 - 26%
VIKHROLI PROPERTY DEVELOPMENT (40%)	2.8 Mn sq ft to be developed in prime Mumbai suburb - Mixed use development with best-in-class design and sustainable green buildings	
FMCG (GCPL -21.6%) (GHL – 43.4%)	- Home care, Personal Care , Foods & beverages - Leadership in Insecticides & Hair color segment - Dominant presence in Soaps & confectionary - A third of revenues now coming from international operations	GCPL – Revenue growth in FY 11 – 78% Net profit growth in FY 11 – 52%

INVESTMENT RATIONALE

INVESTMENT RATIONALE



brand advantage

systematic **value creation** approach

Proven **track record** of value creation

strong value of **underlying assets**

POWERFUL BRAND

One of the most well known **brands** built around trust and reliability



500 million consumers use at least one Godrej product everyday

\$2.86 billion brand valuation determined by global brand consulting
agency *Interbrand*

LEADING MARKET POSITIONS

#1

Oleo-chemicals & Surfactants

Animal feeds

Oil Palm plantations

Hair color

Household insecticides

Liquid detergents

Soya milk

Processed Chicken

#2

Soaps

#3

Sugar confectionery

INVESTMENT RATIONALE

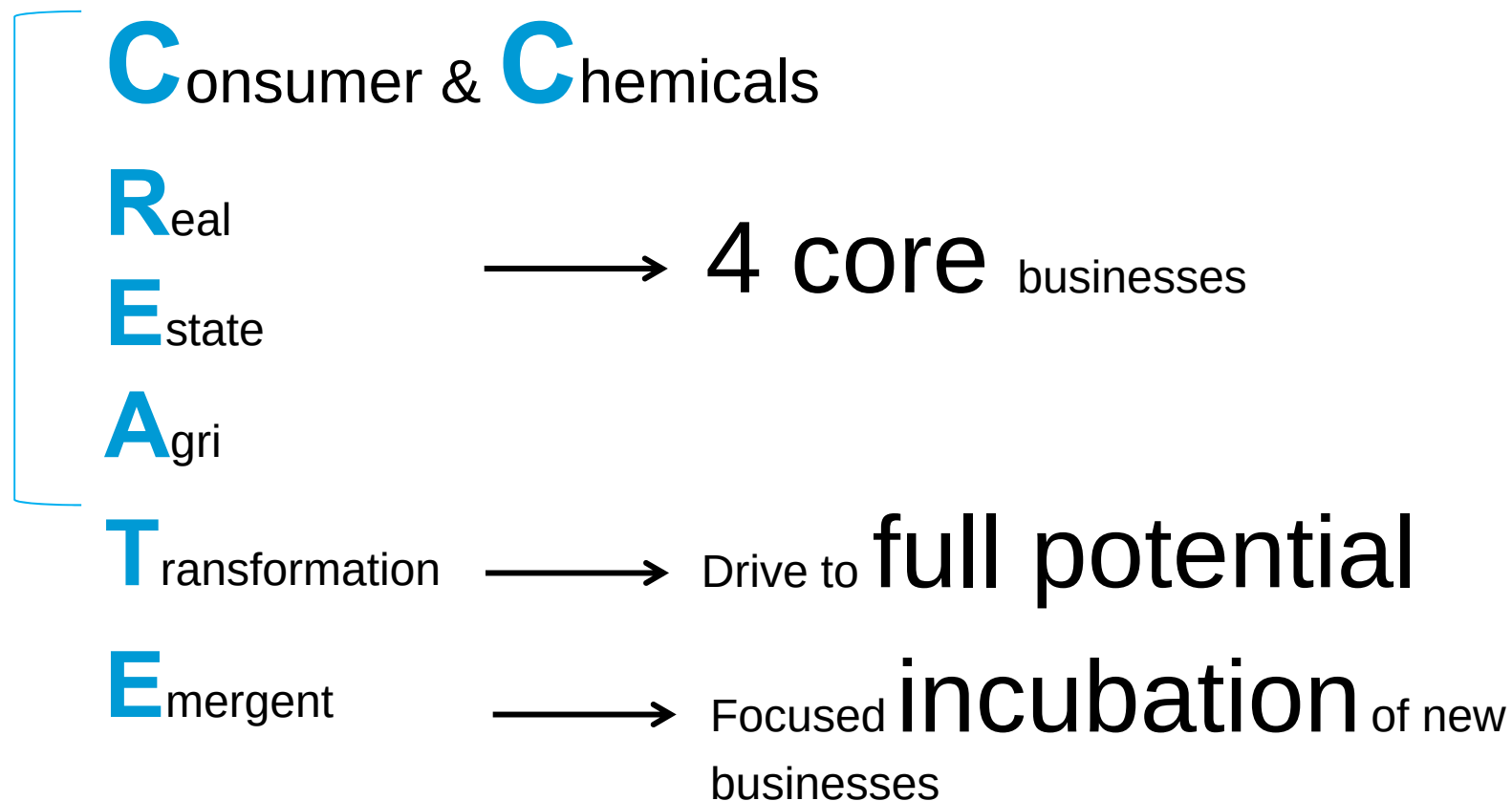
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OUR “CREATE” GROUP PORTFOLIO STRATEGY



CONSUMER (GCPL)

- Largest Indian home & personal care company
- Leading positions in core categories in the domestic market:
 - No. 1 in hair colours, household insecticides, and liquid detergents; No. 2 in soaps
- Sara Lee stake acquisition has led to a more diverse and balanced domestic portfolio
- Recent international acquisitions establish platform for becoming a leading emerging markets FMCG company
- Strong positions in core categories internationally – home care, hair care and personal wash
- A third of revenues now come from international businesses
- Unparalleled track record of value creation among FMCG companies in India



LEADING PRESENCE IN DOMESTIC CORE CATEGORIES

Key categories	Key brands	Category market share	Rank
Soaps	  	 10.1%	#2
Hair colour	  	 29.4%	#1
Household Insecticides	  	 36.6%	#1
Liquid detergents	  	86.3% 	#1

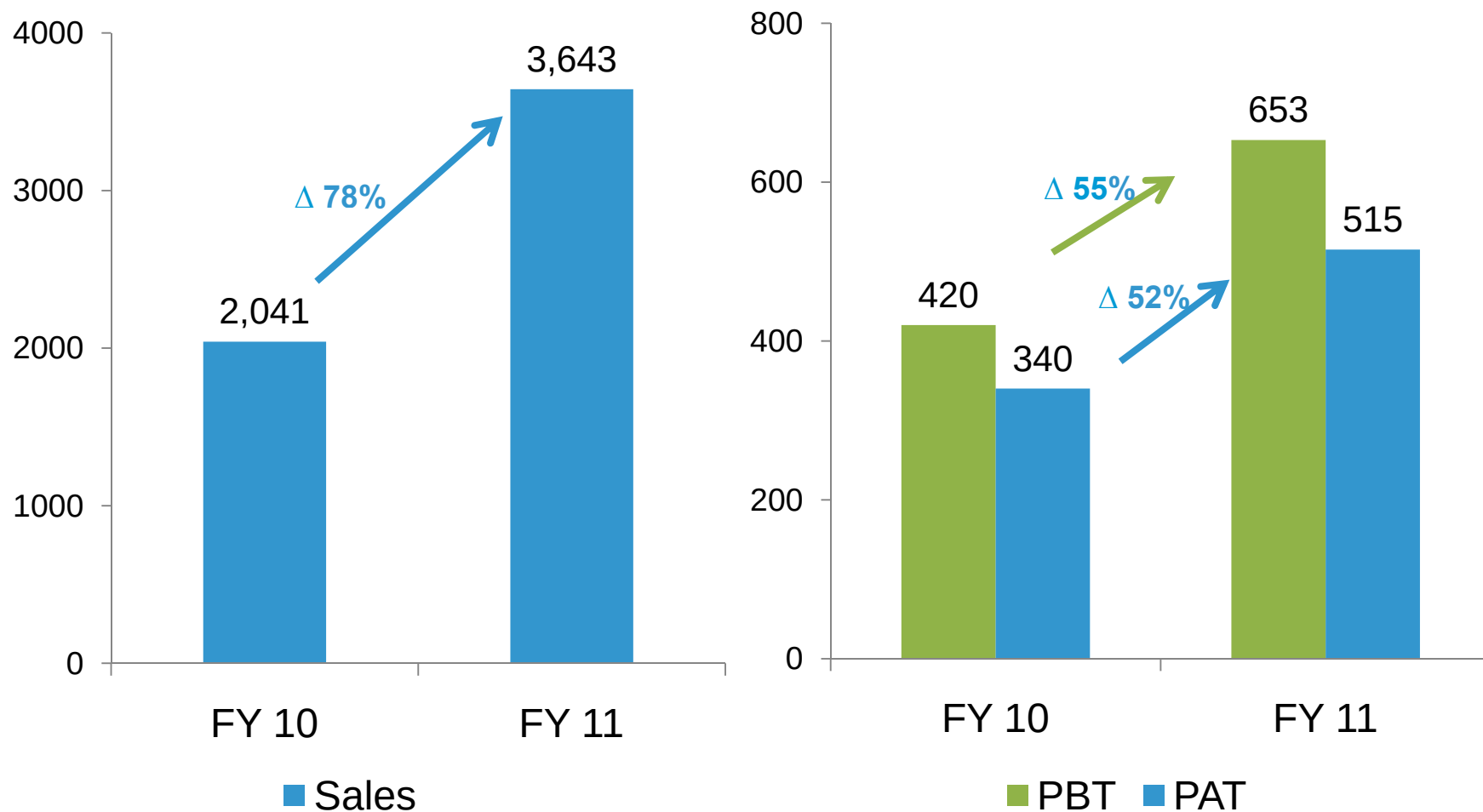
Source: A.C. Nielsen (MAT 11)

7 ACQUISITIONS MADE IN FY 11 GLOBALLY

Company	Key brands	Category	Rank
Godrej Sara Lee (India) – 51% stake		Household insecticides, home care	#1
Megasari (Indonesia)		Household insecticides, air care, baby wipes, & other	#2 (HI); #1 (Air care); #1 (Baby wipes)
Issue & Argencos (Argentina)		Hair color	#1 in several Latam markets
Tura (Nigeria)		Medicated Soaps	#2
Salon Selectives (UK)		Hair color	
Swastik & Genteel (India)		Personal care, laundry	#2 in laundry

Leading presence in core categories and a portfolio of marquee brands

STRONG FINANCIAL PERFORMANCE



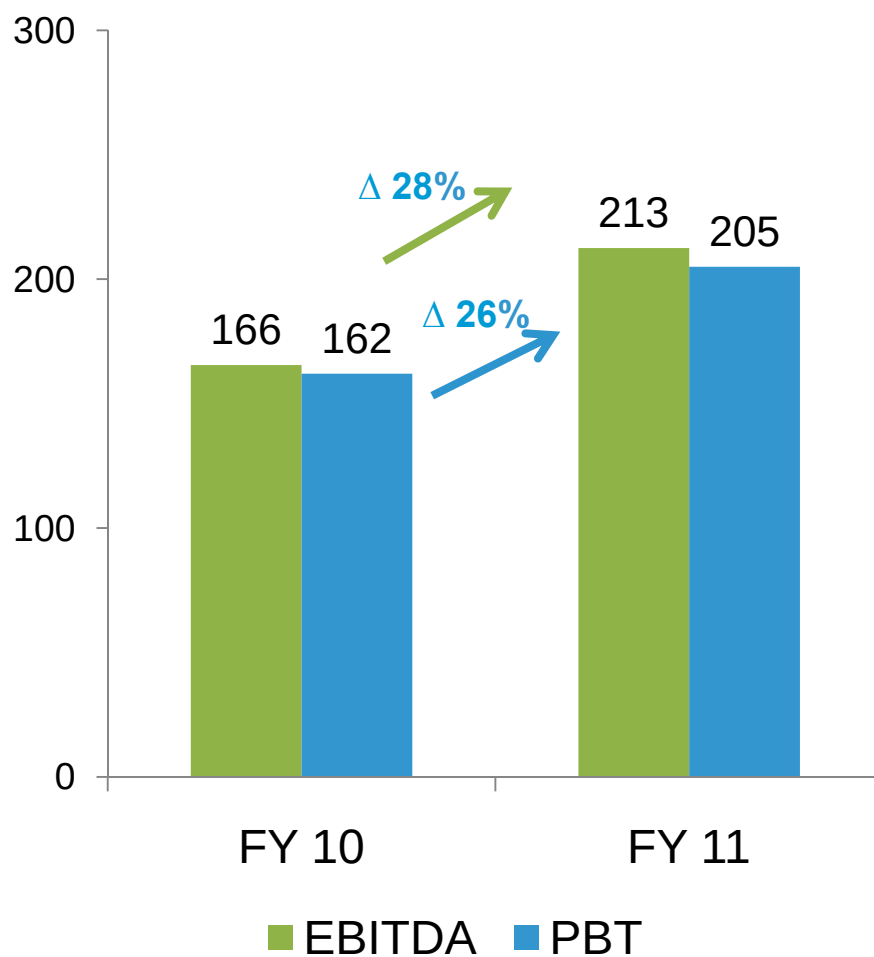
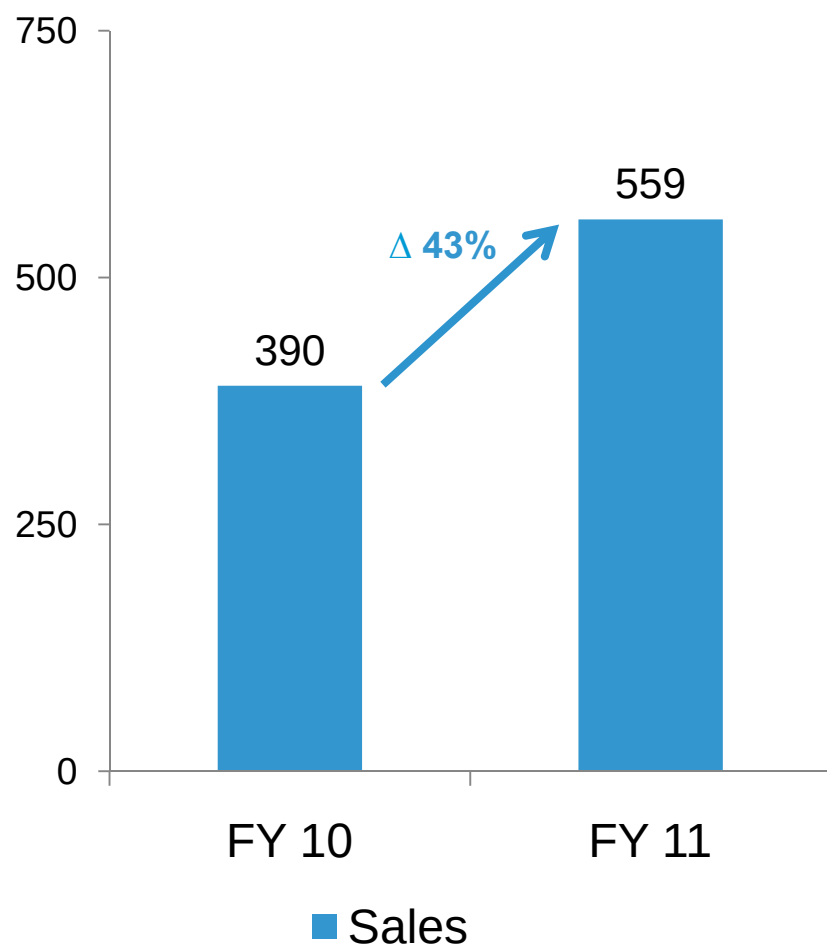
GODREJ PROPERTIES LIMITED

- Brings the Godrej Group philosophy of innovation and excellence to the real estate industry
- Key strengths are:
 - **Differentiated business model:** Joint venture model which is asset light, capital efficient, and highly scalable
 - **Godrej Brand:** Among India's most trusted brands in an industry known for relative lack of transparency
 - **Strong project portfolio:** A focus on metros and select Tier II high growth cities (Ahmedabad, Chandigarh, Mangalore)
 - **National presence:** With projects in 11 cities, has emerged as a successful national developer
 - **Godrej Group MOUs:** Access to land parcels owned by Godrej Group gives further ability to expand

NATIONAL PRESENCE FOR GODREJ PROPERTIES



FINANCIAL RESULTS FOR GODREJ PROPERTIES



Note: Values in ₹ Crore

VIKHROLI DEVELOPMENT PROJECT

- In January 2011, GPL unveiled its 35-acre mixed development project “**The Trees**” at Vikhroli
- Approx 2.8 million sq ft of prime property to be developed in Mumbai
- JV between GIL & GPL on profit sharing basis
- GIL would effectively be beneficiary of **82.4% of profits** (through its direct 40% share in profits + its 70.6% stake in GPL)
- GPL has already begun construction of “**Godrej One**” - a 0.75 million sq ft commercial office building – and progress is on schedule

CHEMICALS

- India's leading manufacturer of oleo-chemicals & pioneer in surfactants
- Caters to the raw material needs of high growth consumer goods sectors – Personal care, home care, tyre industry & specialised applications
- Reliable supplier to global MNCs
- Exports to over 60 countries across 6 continents
- FY 11 revenues of ₹ 1023 crore are 31% increase from previous year

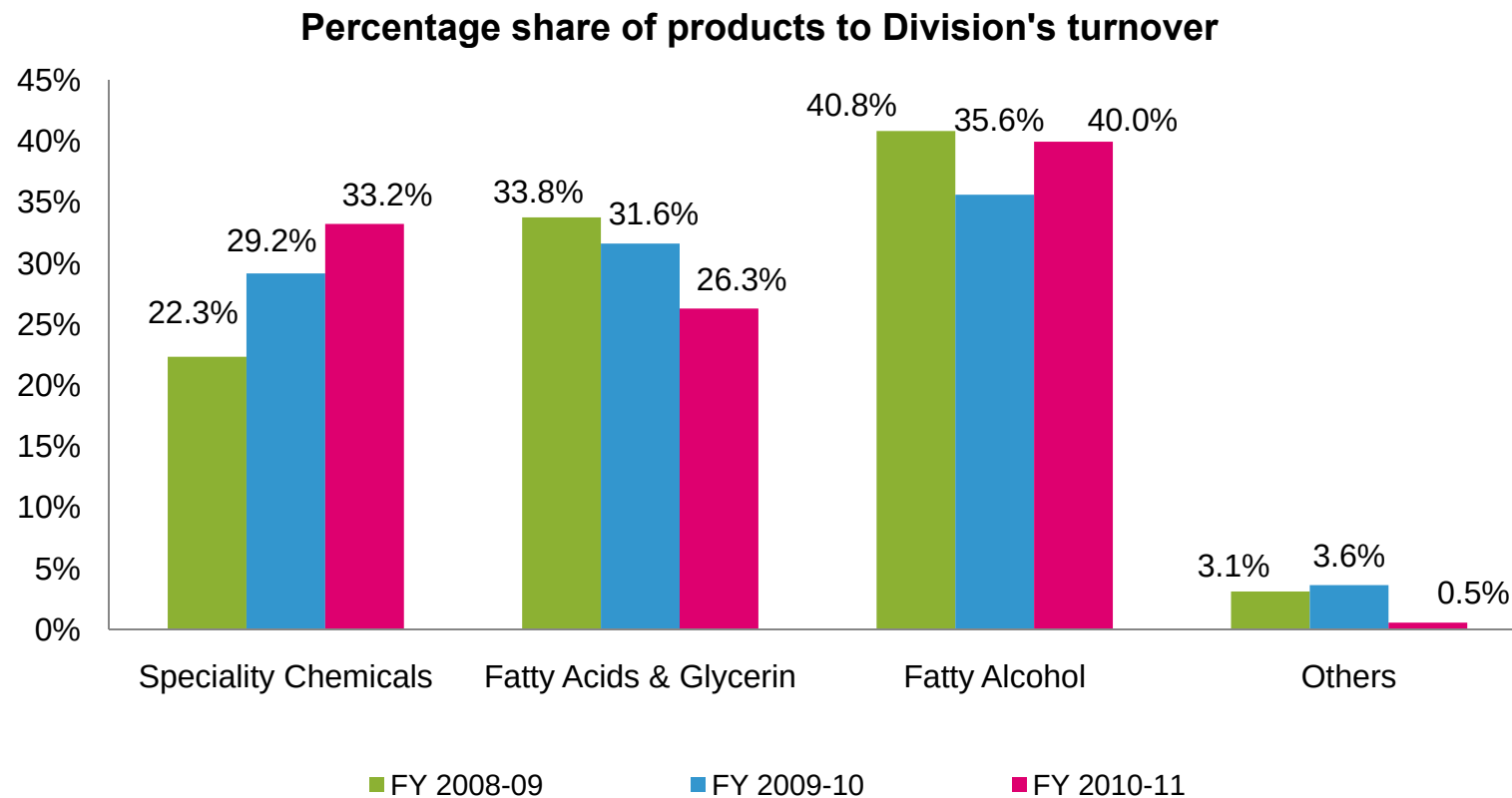
PRODUCTS USED AS INPUT MATERIAL IN A VARIETY OF APPLICATIONS

Products	Applications	Drivers for GIL
Fatty acids & glycerin	• Cosmetics (Shaving, Facial creams) • Rubber processing (Tyres) • PVC processing • Pharmaceutical, Humectants, Cosmetics	• Movement into specialty fatty acid to drive growth • GIL's positioning – Present across the range of applications
Fatty alcohols	• Cosmetics • Industrial applications, • Personal care, • Detergents,	• Export sales to drive growth • Developing direct relationships with MNC clients to meet their global requirements
Surfactants	• Shampoos, Conditioners • Toothpaste, • Cosmetics, • Detergents	• Export led growth • Plans to: • Gain greater share of existing customer businesses • Upgrade to value added variants

STRATEGIC SHIFT TO HIGH MARGIN PRODUCTS

De-risking strategy resulted in increased sales in high margin products.

- Share of specialty chemicals increased to 33% in the overall revenue mix as compared to 29% last year



CAPEX – UPDATE

New Oleo-chemicals manufacturing facility at Ambernath, Maharashtra

The manufacturing facility at Ambernath will be on a 20 acre plot of MIDC land and would manufacture fatty acids, surfactants and glycerin

Capex Outlay

About ₹ 230 crore.

Capex Timeframe

2 – 3 years ; expected to be fully operational in FY 2013-14

Progress update

- Civil work of Phase-1 in progress (Boundary wall, Land Filling & Underground Water tank).
- MPCB permission obtained
- Other clearances / permission to be obtained on track

CAPEX – UPDATE (Contd)

New Plant at existing Factory at Valia, Gujarat

The new splitting plant and fractionation plant will augment capacity for manufacture of specialty chemicals

Capex Outlay

About ₹ 50 crore.

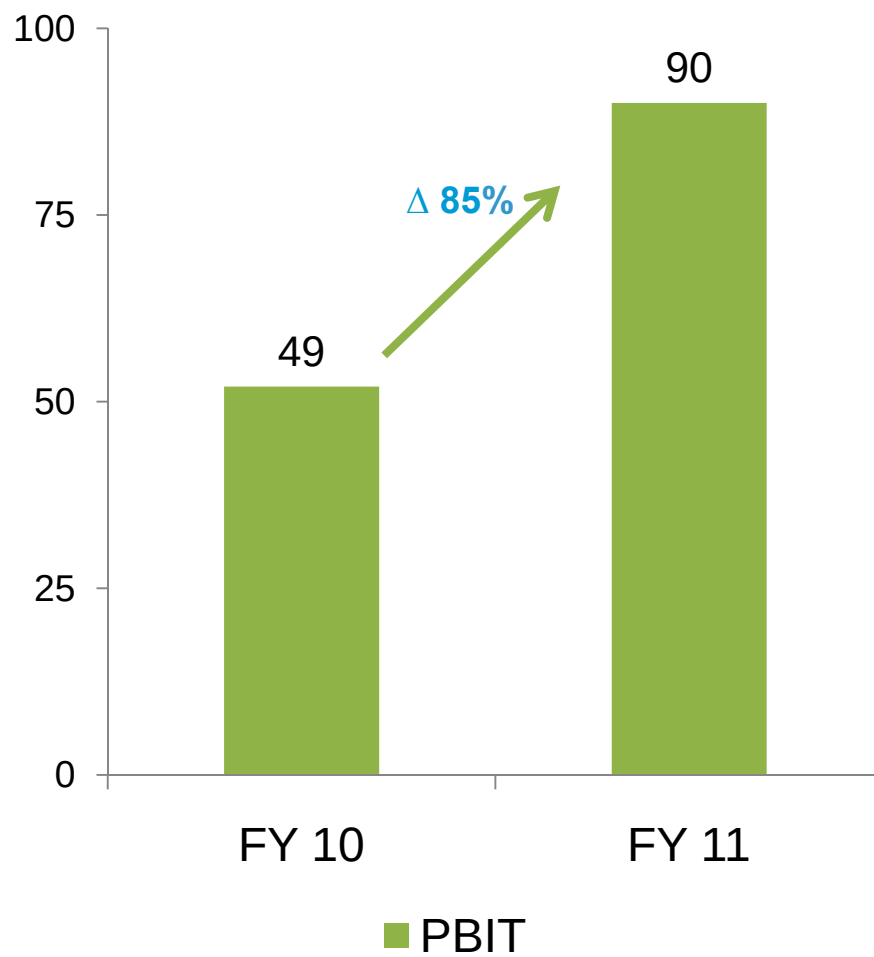
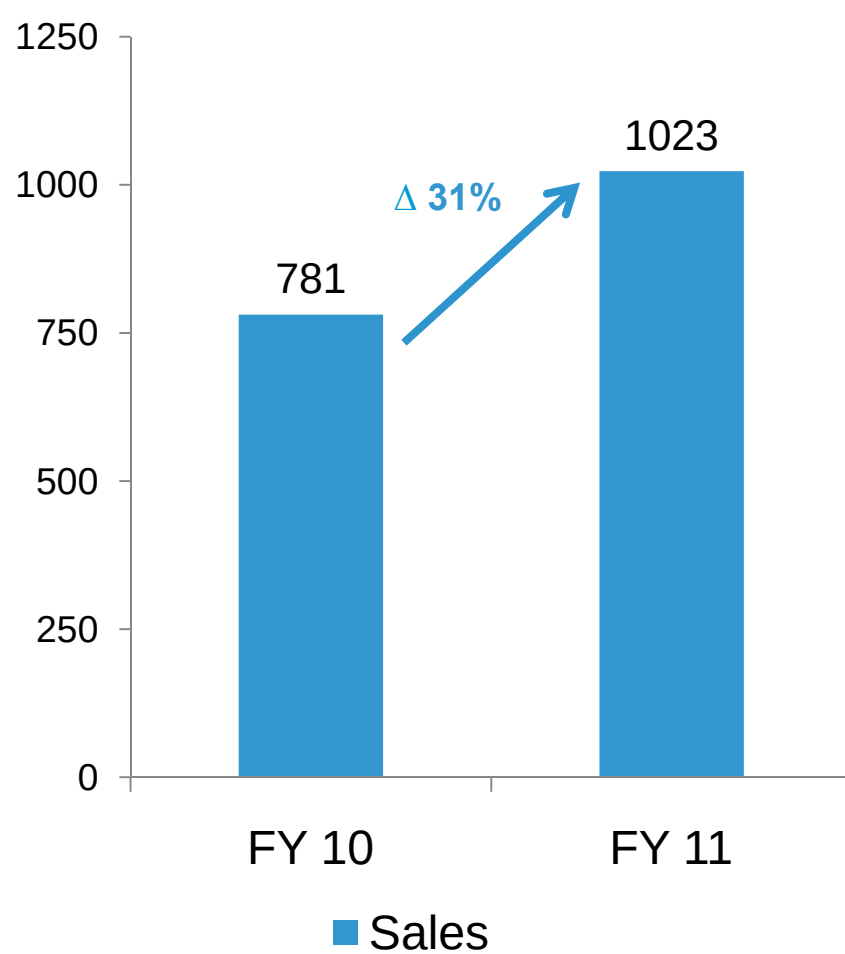
Capex Timeframe

15 – 18 months ; expected to be fully operational in FY 2013-14

Progress update

- Work undertaken for Phase-1: Fractionation column with storage tanks
- Phase-1 of the project expected to be completed by March 2012.

SALES CROSS ₹ 1000 CRORE



Note: Values in ₹ Crore

LOOKING FORWARD FOR CHEMICALS

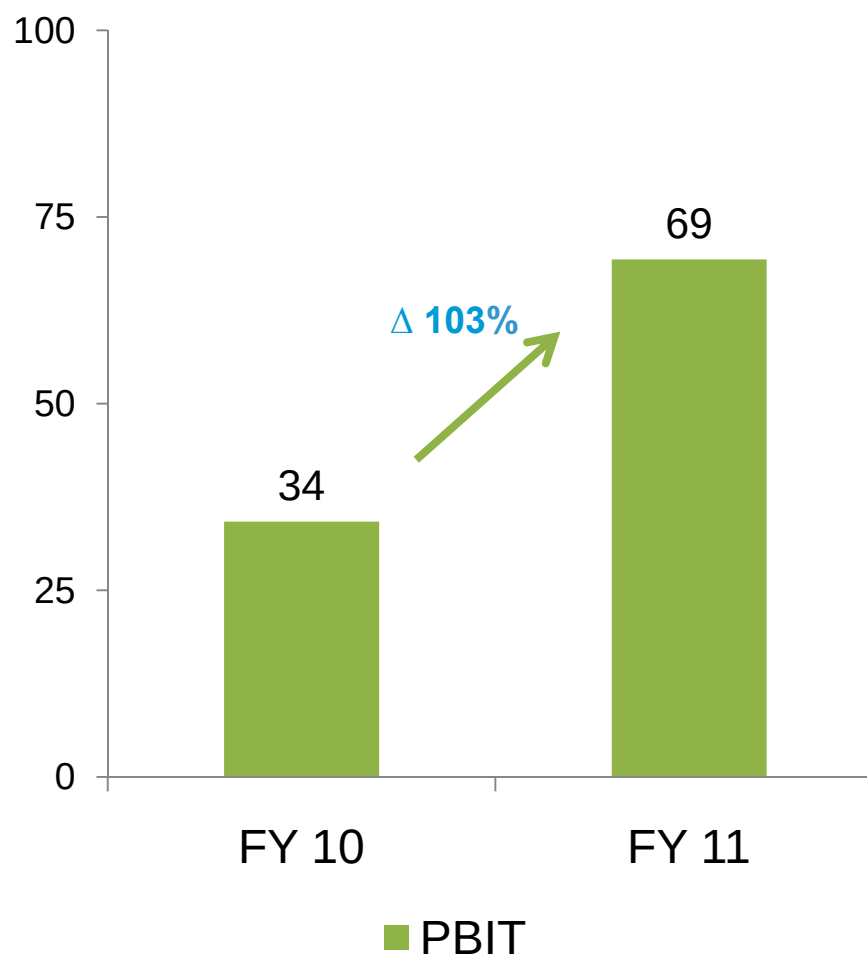
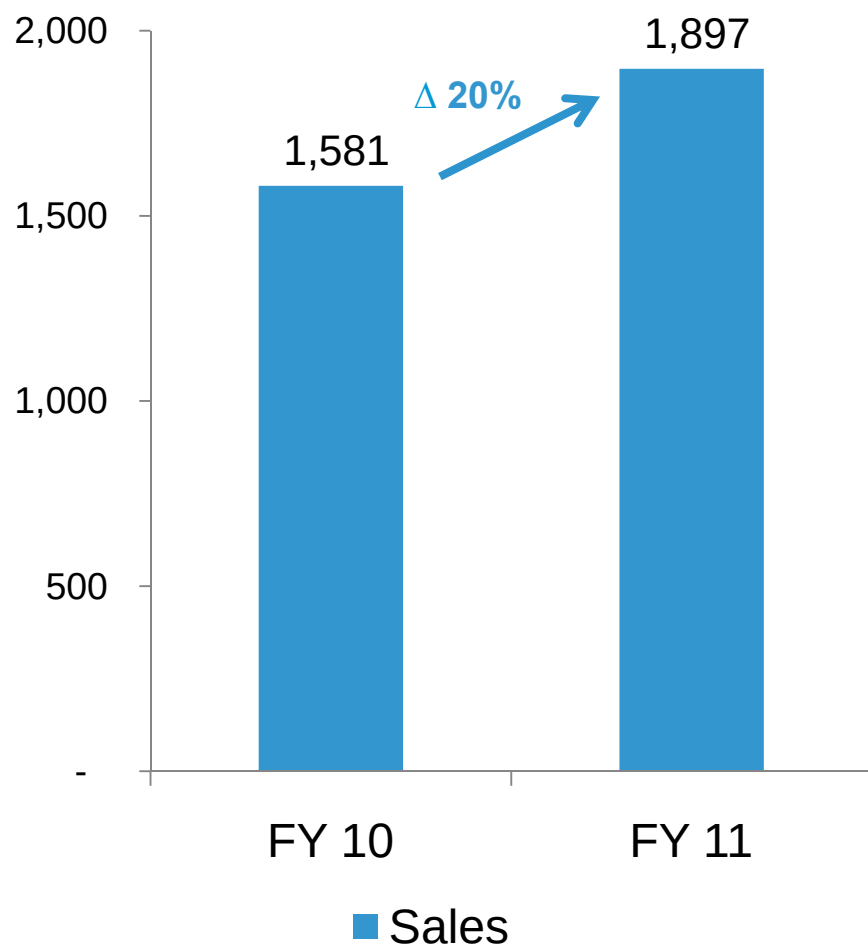
- Continue to build strong global position in ***long chain fatty alcohols***
- Leverage competitive advantage India has in Rapeseed oil – increase share of ***high margin derivatives of rapeseed oil*** in the portfolio
- Maintain leadership position as domestic supplier of ***Alpha Olefin Sulphonate***
- Expand product portfolio with ***adjacencies*** to current offering.

AGRI BUSINESSES

Godrej Agrovet (GAVL) is a diversified agribusiness with FY 2011 sales of about ₹ 1,900 crore

- **Animal Feed** – India's largest commercial feed miller; market leader in cattle, poultry and aqua feed
- **Oil palm plantations** – largest oil palm cultivator in India
- **Agri inputs** – niche player focused on plant growth regulators, herbicides, etc.
- **Poultry** – JV with Tyson Foods, the world's largest meat processor

STRONG FINANCIAL RESULTS FOR GAVL



Note: Values in ₹ Crore

TRANSFORMATION

A GREAT PLACE TO WORK

GIL | **1st** in excellence in HR through technology
among top **15 Best** Employers in **India**



GCPL | **4th** overall Best employer by
Outlook Business – Aon Hewitt



GPL | **1st** in real estate and construction industry
among top **100 Best** Employers in **India**



TRANSFORMATION

KEY HR INITIATIVES

- Godrej **Leadership Development** Series launched
 - 50 senior leaders went through extensive talent development process to receive individually tailored career planning input
 - Process supported by faculty from Harvard Business School and Columbia University
- **Succession planning** for key positions underway
- **Employee satisfaction** survey conducted across all domestic and international business units in collaboration with Aon Hewitt
- **Long-term incentive schemes** modified to further align with shareholder returns
- Investing in **new capabilities** – HR/IT transformation project with IBM

TRANSFORMATION

GODREJ BRAND EQUITY



Lifestyle reality show

Campaign awarded:

- Gold for “Best Campaign in Country – India”
- Gold in “Best Brand Building Campaign” category pan Asia

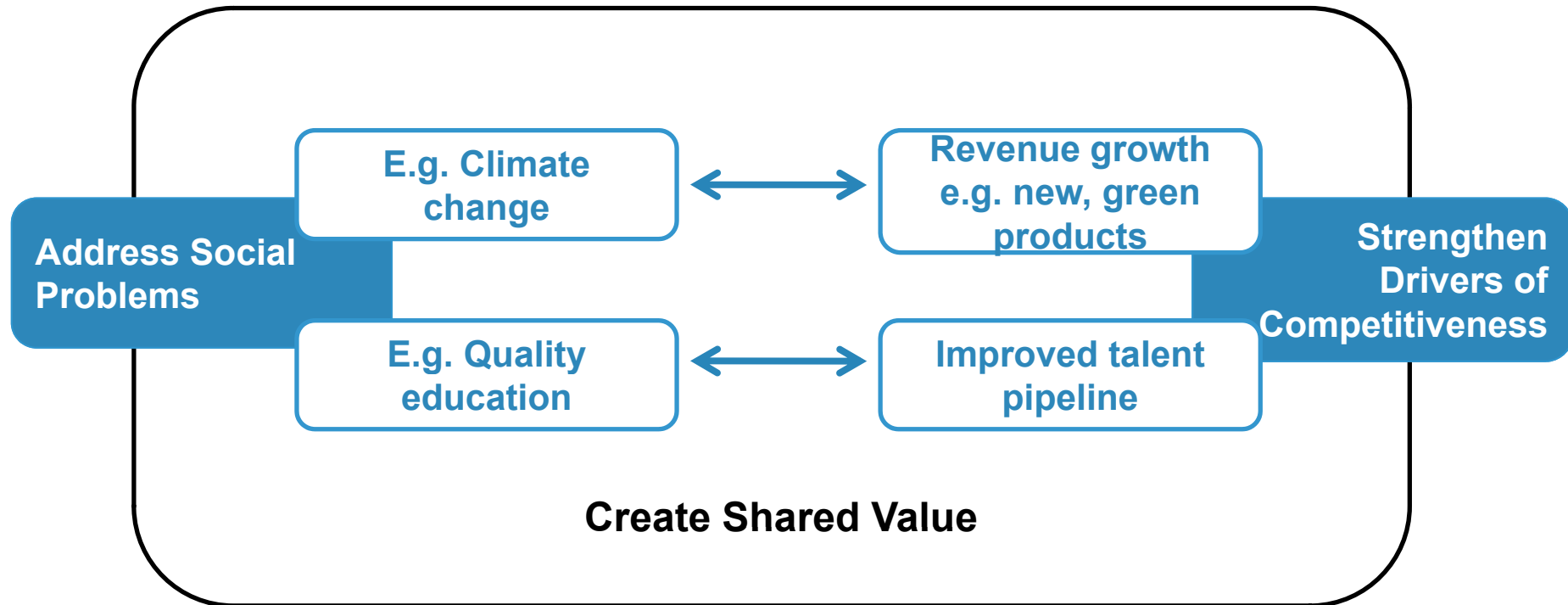


Hosted Godrej Power Play for the fourth season of the IPL

First brand in India to foray in mass multi-category loyalty, targeting consumers across brackets.

TRANSFORMATION

EMBRACING SHARED VALUE ACROSS THE GROUP



The concept of **shared value** can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.

GROUP WIDE INITIATIVE CALLED 'GOOD & GREEN' HAS BEEN LAUNCHED



Beyond Business: Building a More Inclusive and Greener India

by 2020...

**ensuring
employability**

train 1 million rural
and urban youth in
skilled employment

**creating a
greener India**

achieve zero waste,
carbon neutral, positive
water balance and 30%
renewable energy

**innovating for
good & green**

have a third of our
portfolio revenues
comprising good and/
or green products and
services

EMERGENT

GODREJ HERSHEY LTD

- JV with The Hershey Company, North America's leading chocolate manufacturer
- FY 2010-11 revenues were ₹ 360 crore
- Market leader in the candy segment with over 20% market share
- **Hershey's Milk Mix** sales grew by 47% in FY11; **Sofit** sales up by 35%; **Jumpin** sales by 8% ;
- Product launches during FY 2010-11:
 - **Nutrine 1-2-3**: 3 Flavored candies in pillow pack
 - **Coffee Eclairs**: Éclairs with a coffee flavor
 - **Maha Lacto Hattrick**: Three balls of Maha Lacto in flow wrap and with cricketing feel and design theme



EMERGENT

NATURE'S BASKET LTD

- Started in 2005 as a fresh food retailer; morphed into fine food retailer in 2008
- Now India's leading fine Gourmet retail chain and a leader in the niche space
- 14 stores located in premium residential catchments
 - 9 in Mumbai, 3 in Delhi, 1 in Pune and 1 in Gurgaon
 - 3 New stores opened in FY 10-11 (one each in Pune, Mumbai and Gurgaon)
- Caters to up-market urban consumers for authentic world food, ingredients, organic foods, health foods, delicatessen, boulangerie, and finest beverages including wines and beer
- Revenues at ₹ 56 crore for FY 10-11 grew by 63% over FY 09-10
- Awarded the 'Most Admired food retailer of the year in the Foreign Foods Category' at prestigious Coca Cola Golden Spoon Awards - 2011



INVESTMENT RATIONALE

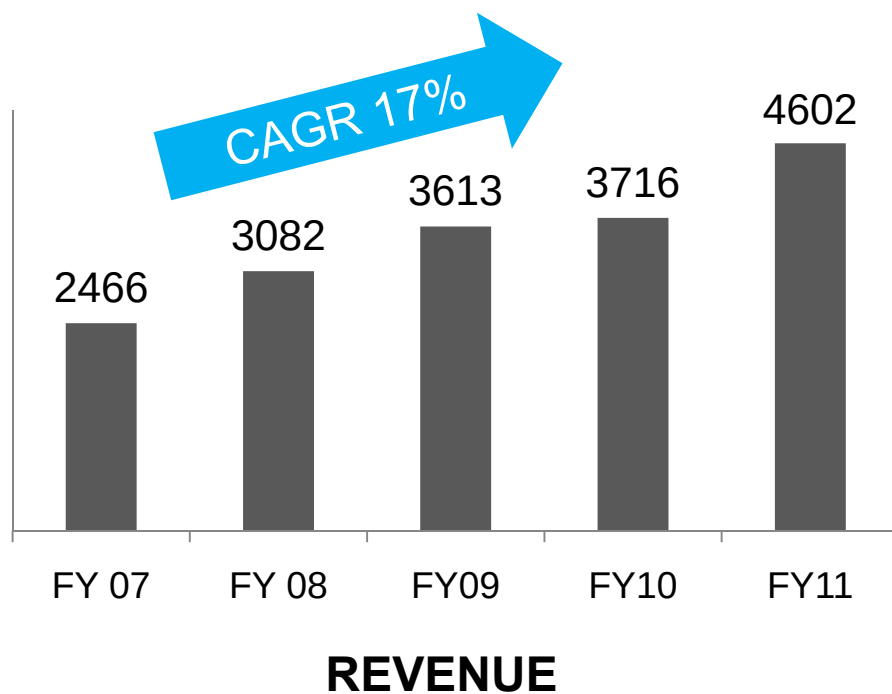
 brand advantage

systematic **value creation** approach

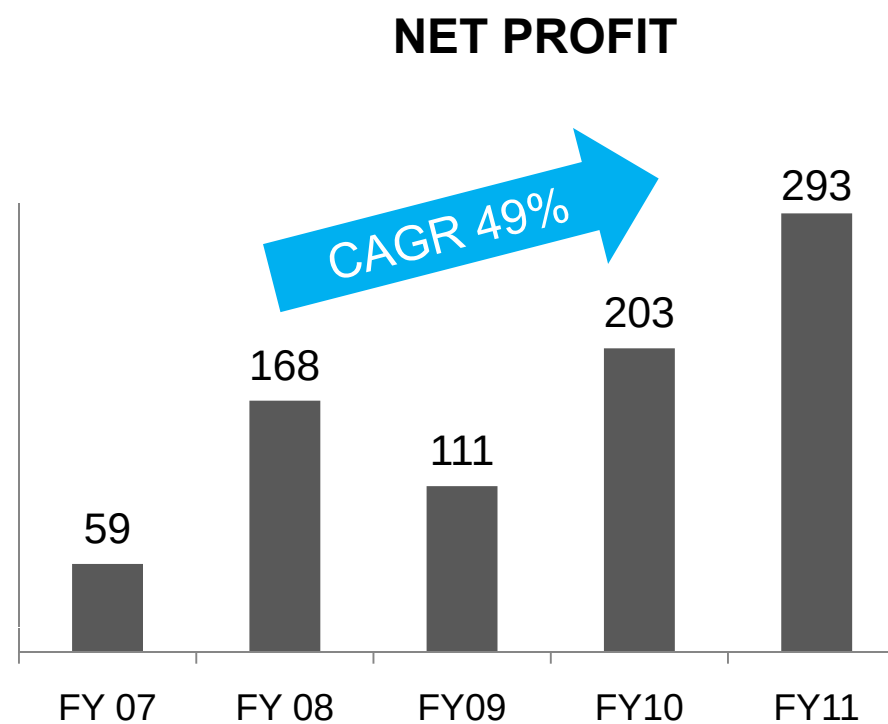
 Proven **track record** of value creation

strong value of **underlying assets**

STRONG FINANCIAL PERFORMANCE



Figures in ₹ crore

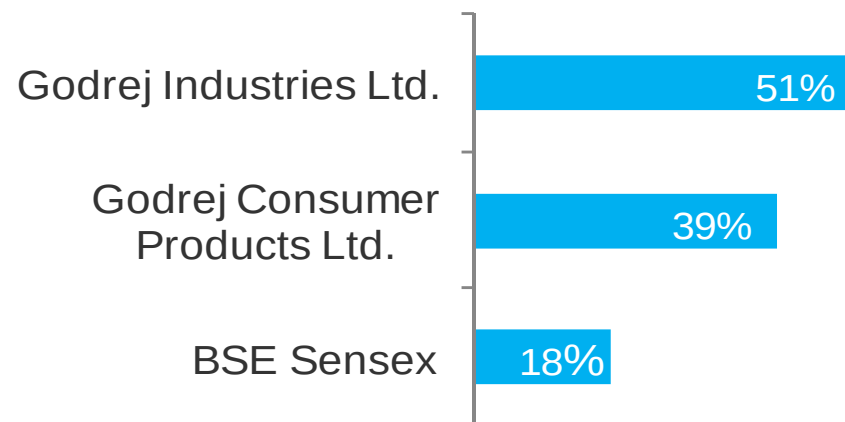


Due to JVs, restructurings, acquisitions, divestitures, etc. revenue and profit figures are not strictly comparable from year to year.

HISTORY OF VALUE CREATION

A proven track record of **value creation**

10 year compounded annual growth rate (CAGR)



Note: CAGR calculated on closing stock prices as of June 18th, 2001 and June 16th, 2011

INVESTMENT RATIONALE

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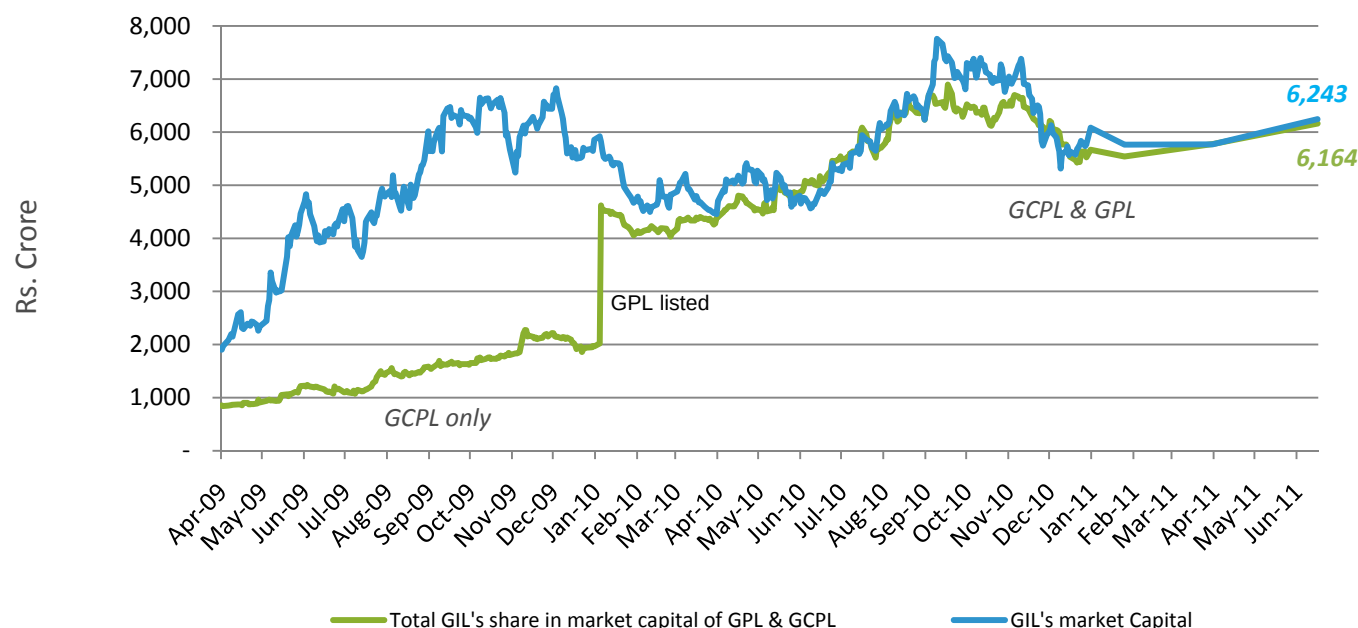
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SIGNIFICANT APPRECIATION IN INVESTMENT VALUE

Company	Business	Holding (%)	Investment at cost (₹ Crore)	Market Value* of investment (₹ Crore)
Godrej Consumer Products	FMCG, Personal and Household Care Products	21.6	495	2,550
Godrej Properties	Real Estate and Property Development	70.6	236	3,265
Godrej Agrovet	Animal Feed, Agri-inputs, Poultry & Oil Palm	75.2	163	
Godrej Hershey	Food, Beverages and Confectionery	43.4	221	
Godrej International	International Trading	100.0	17	
Natures Basket	Fresh food & Gourmet Stores	100.0	14	
MedQuist (formerly CBay)	Medical Transcription	3.7	38	84
Others	Bio- Technology, KPO, etc.		44	
Total			1,228	

* as on March 31, 2011

VALUE UNLOCKING POTENTIAL



- GIL represents a unique opportunity to participate in several high growth sectors in India while remaining de-risked from the vagaries of any single industry
- With a presence in industries that are cyclical (Properties) and more stable (FMCG); businesses that are rural (Agrovet) and urban (Properties); businesses that are global (FMCG) and domestic (Properties), GIL offers a multifaceted opportunity to participate in the India growth story

Other Valuable interests

Animal Feed
(FY 2011 Revenue :
₹ 1,293 crore)

Oil Palm Plantation
(FY 2011 Revenue :
₹ 115 crore)

Confectionary / Foods
(FY 2011 Revenue :
₹ 156 crore) (for
43.4% share)

Oleo Chemicals
Veg Oils, etc
(FY 2011 Revenue :
₹ 1,765 crore)

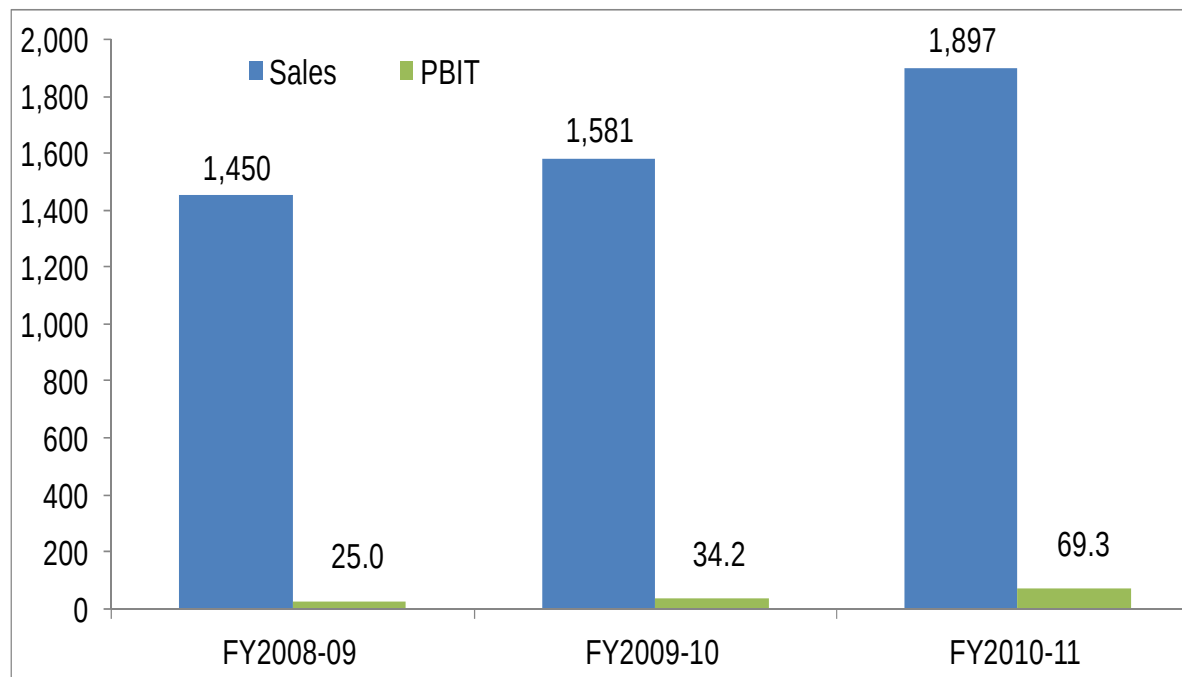
Other Agri / Poultry
(FY 2011 Revenue :
₹ 481 crore)

Vikhroli
Property
development

GODREJ AGROVET DEEP DIVE

GAVL DELIVERED EXCELLENT FY2010-11 PERFORMANCE

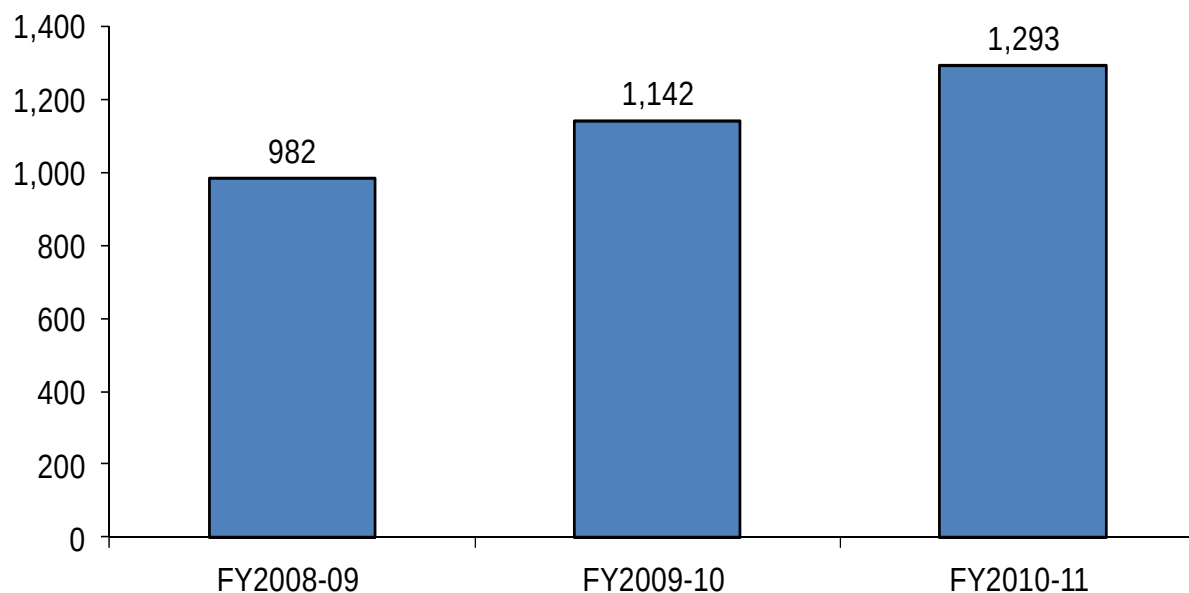
Annual Consolidated Results (₹ crore)



- Annual sales increased by 20% since FY2009-10
- Annual PBIT doubled, increasing by 103% since FY2009-10
- All businesses have seen significant increases in sales and profitability
- Investments in R&D, Quality, Marketing, and Tech Service have reshaped GAVL
- Launch of new businesses in drip irrigation and hybrid seeds underway

ANIMAL FEED BACK ON GROWTH TRAJECTORY

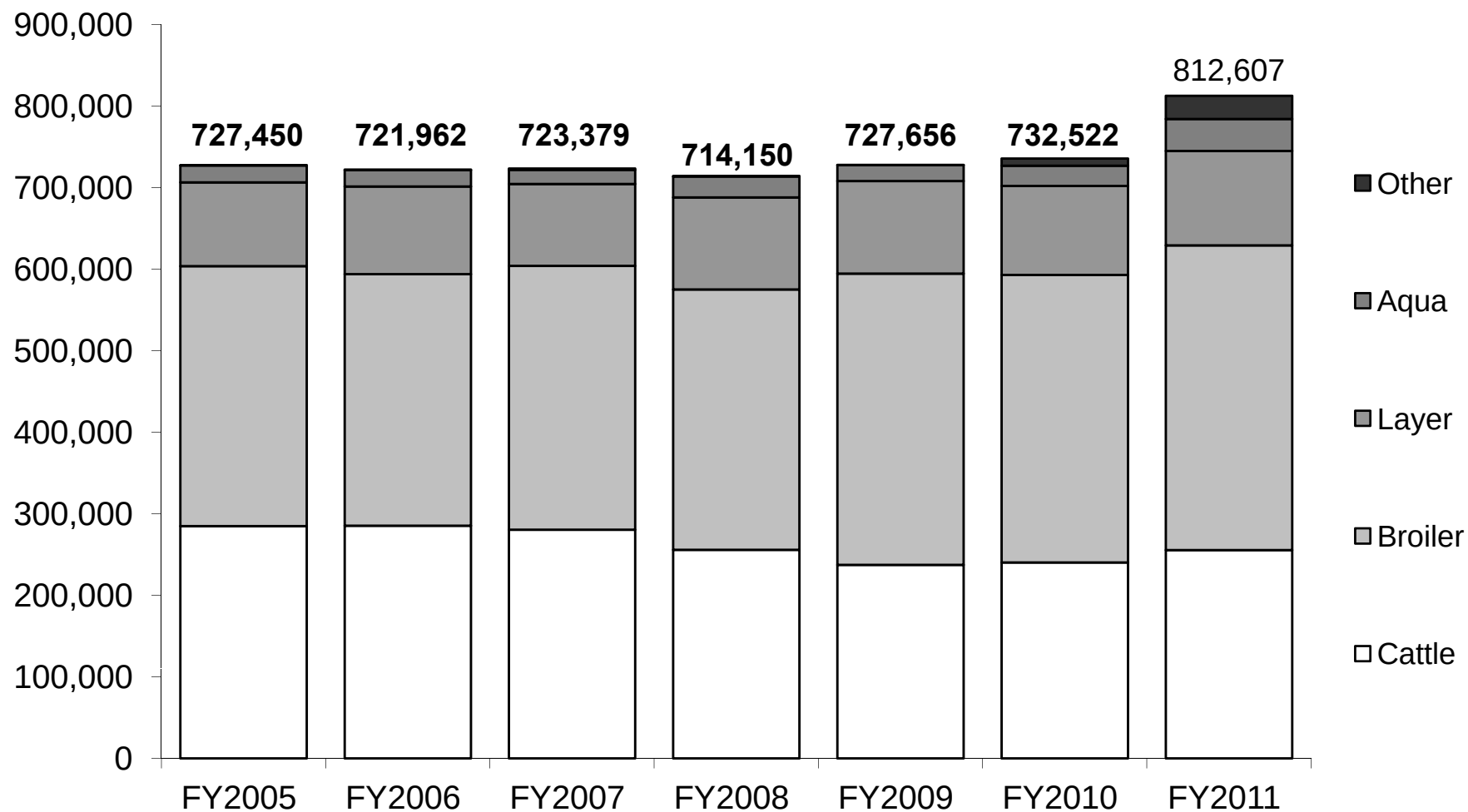
Annual Animal Feed Sales (₹ crore)



- Annual sales increased by 13% since FY2009-10
- Volume growth across all categories, with especially strong performance from aqua feed
- Return on Capital Employed (ROCE) for FY2010-11 was 133%
- Launched Super Star, the best performing broiler feed in India
- Acquired 51% Gold Coin stake in GGCAL and merged with Godrej Agrovet

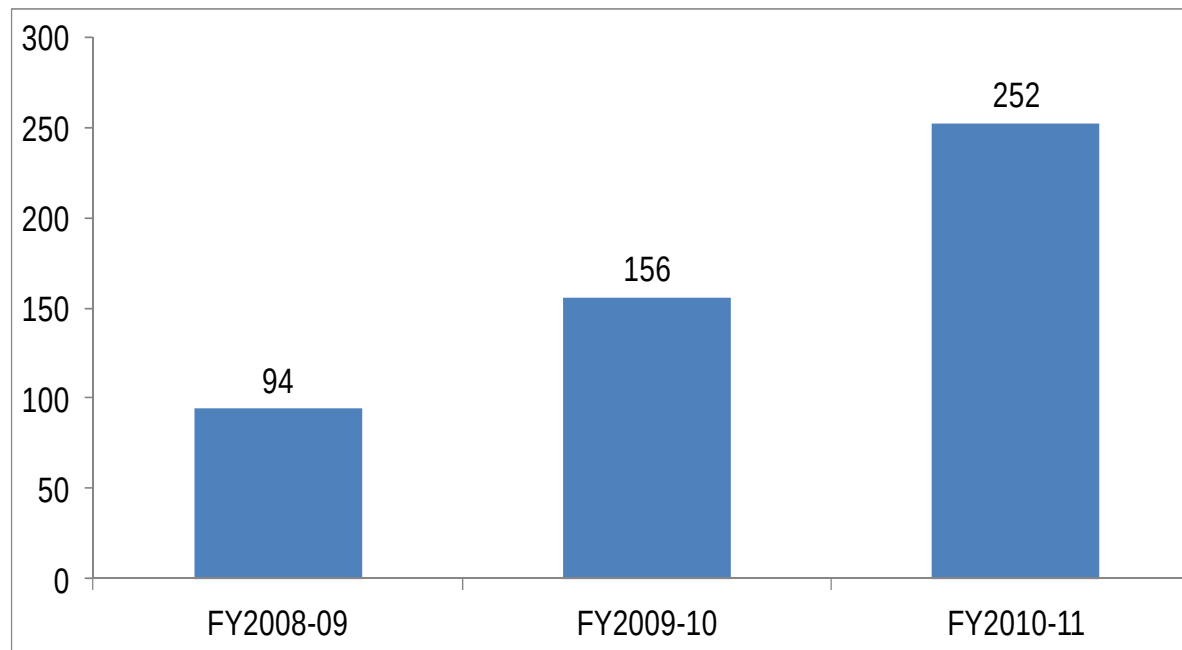
CURSE OF FLAT TONNAGES BROKEN IN FY2010-11

Animal Feed Volumes (MT)



BUSINESS CONTINUES TO BOOM IN BANGLADESH

Annual ACI Godrej Sales (₹ crore)



- Annual sales increased by 61% since FY2009-10
- Ramped up sale of layer feed and launched floating fish feed before competition
- Increased feed mill productivity from 296 TPD to 350 TPD
- Expansion of breeding farm planned for next year
- Planning to expand production capacity of floating fish feed and poultry feed

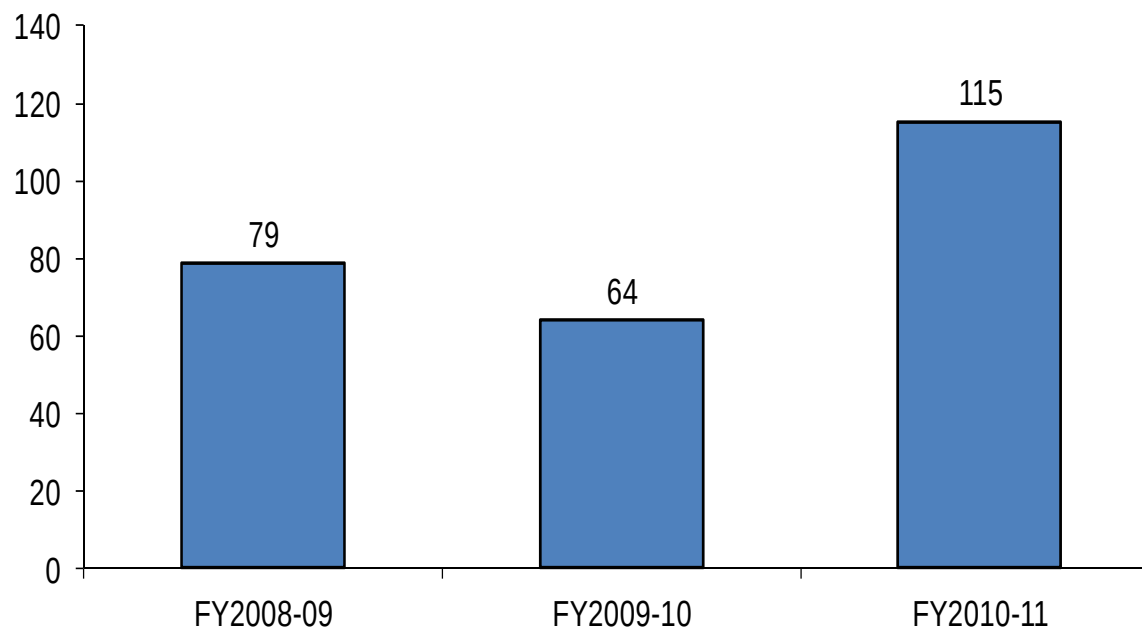
STRATEGIC PRIORITIES FOR ANIMAL FEED IN FY2011-12

- Highest growth in FY2011-12 expected from East, Central, and Aqua regions
- Augmenting capacities, with new feed mills being established at Varanasi, Kharaghpur, Erode and Vijayawada
- Expanding margins through nutrition R&D, strategic purchasing, and logistics
- Accelerating development of innovative livestock nutrition products
- Shifting cattle feed sales mix towards premium (Type 1) feed
- Continuing ANIC expansion, including completion of cattle nutrition R&D facility



OIL PALM BENEFITS FROM GLOBAL COMMODITY BOOM

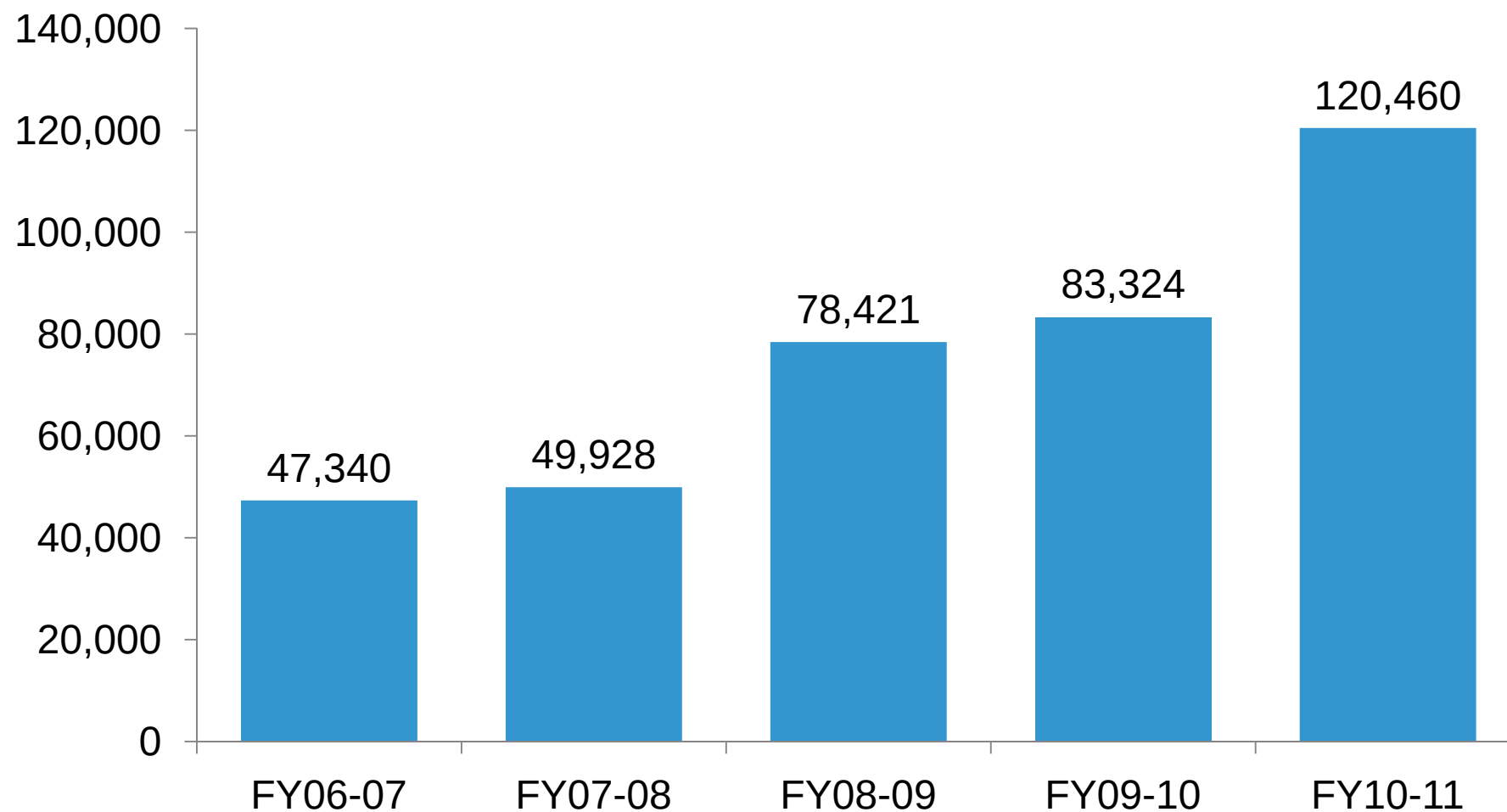
Annual Oil Palm Sales (₹ crore)



- Annual sales increased by 80% since FY2009-10
 - supported by good monsoon, high CPO prices
- Beginning to reap high volume growth from maturing plantations
 - fresh fruit bunch (FFB) volumes crossed one lac MT
- Union Budget delivering ₹ 300 crore to oil palm sector

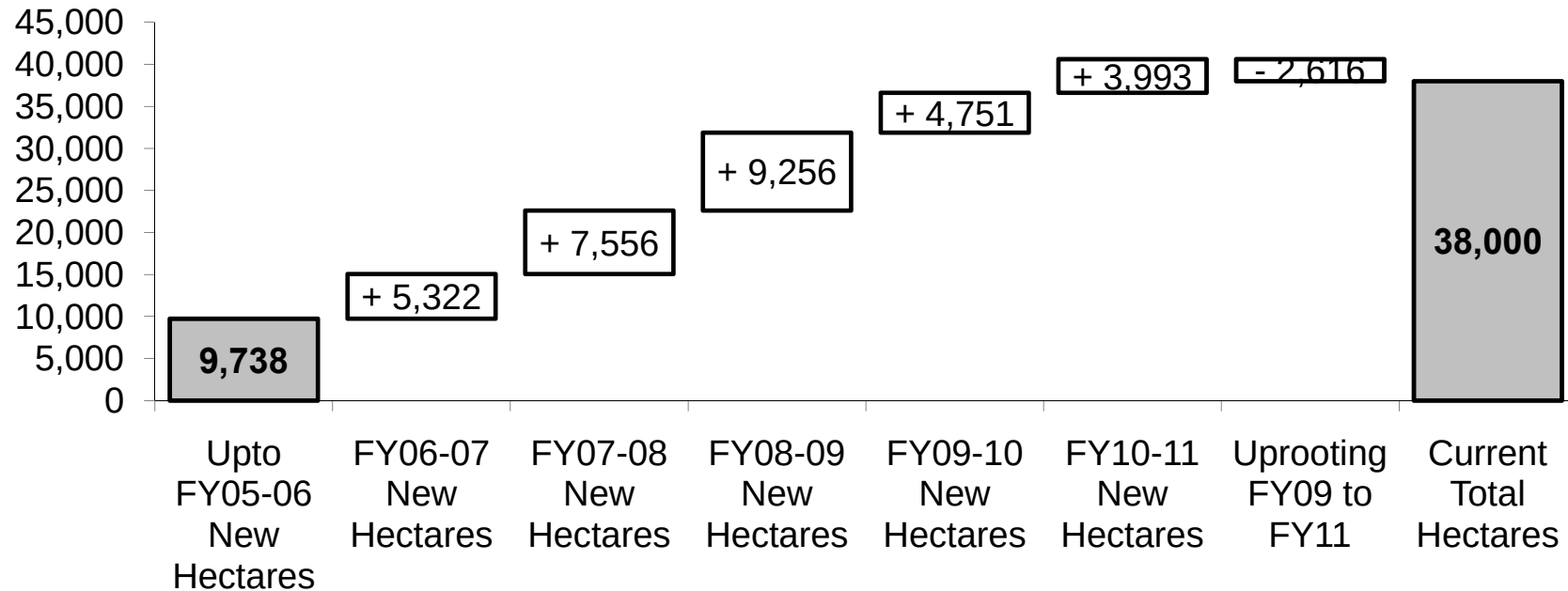
OIL PALM CROSSED 1 LAC MT OF FFB IN FY2010-11

Annual Oil Palm FFB Production (MT)



GOVT RENEWS FOCUS ON OIL PALM, PUSHES GROWTH

Oil Palm New Cultivation (Hectares)



- Some uprooting has taken place due to competition from other crops (e.g. sugar cane)
- ₹ 300 crore allocated to oil palm sector in Union Budget; targeting 60,000 new hectares
 - farmer subsidy increasing from ₹ 23,000/ha to ₹ 45,000/ha; should halt uprooting
- New allotments to GAVL by state governments offers some good news, future upside
 - Bharuch & Narmada in Gujarat; Bargad in Orissa
 - Sangli, Kolhapur & Sindhudurg in Maharashtra

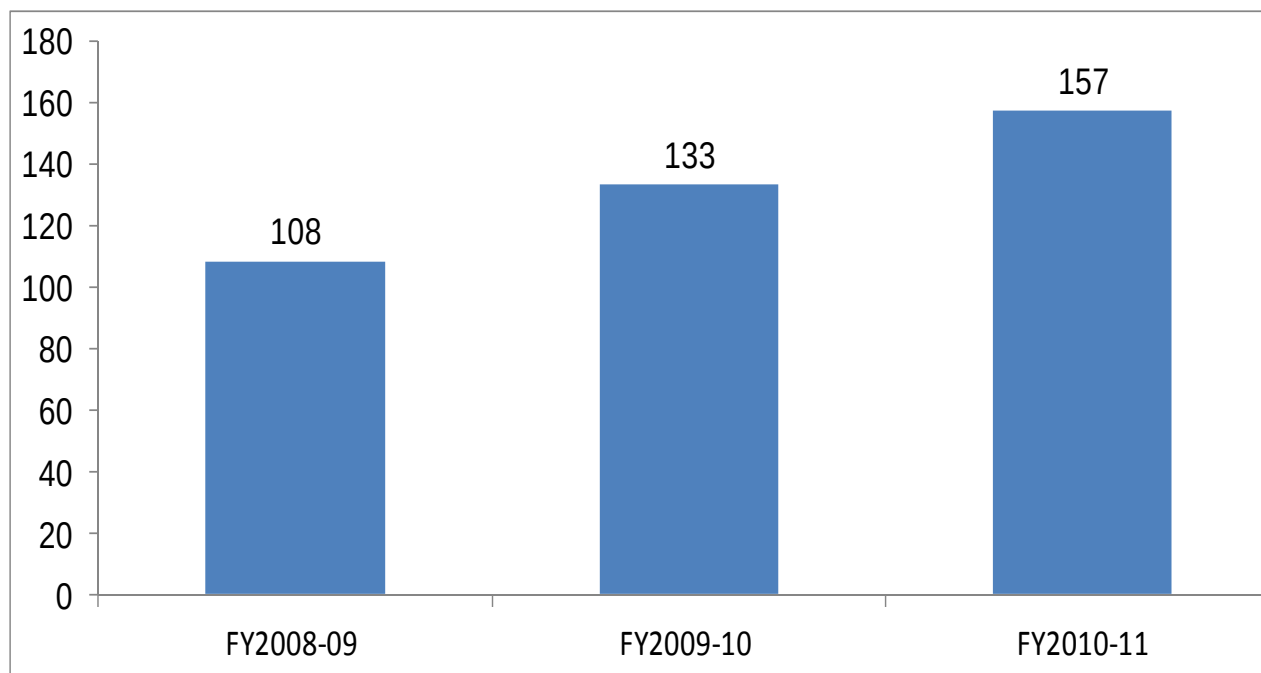
STRATEGIC PRIORITIES FOR OIL PALM IN FY2011-12

- Accelerating new area coverage, especially in TN and AP
- Coordinating with government on oil palm sector policy review
- Leveraging Farm Management System (FMS) to drive yield improvement
- Scaling up leaf & soil testing laboratory to provide farmers with custom advice
- Expanding oil palm area covered by drip irrigation
- Establishing oil mill (30 TPH, expandable to 60 TPH) at Chintampalli, AP



AGRI INPUTS SET FOR AGGRESSIVE FUTURE GROWTH

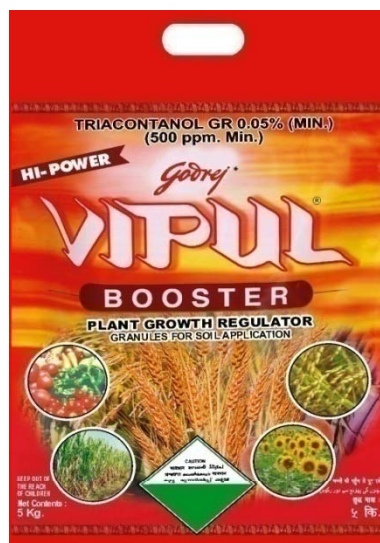
Annual Agri Inputs Sales (₹ crore)



- Annual sales increased by 18% since FY2009-10
- Agri Inputs focusing on plant growth regulators, herbicides for future growth
 - **Hitweed** sales reached 71 KL vs. 21 KL in FY2009-10
- Strong efforts underway to improve Agri Inputs product portfolio
 - paddy herbicide registration in process; R&D on next generation PGRs

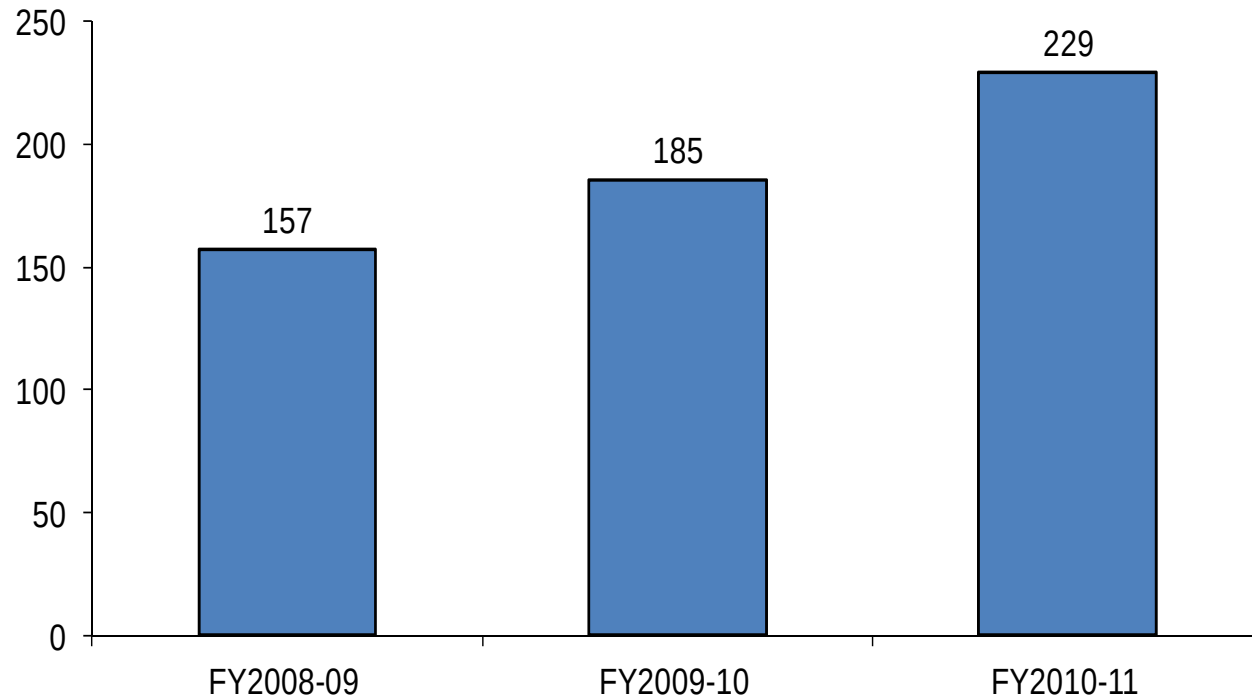
STRATEGIC PRIORITIES FOR AGRI INPUTS IN FY2011-12

- Driving sales growth through **Hitweed**, **Zymegold**, and **HBR**
- Augmenting and modernizing manufacturing capacities
- Reducing high working capital requirements through channel management
- Registering new paddy herbicide to kickoff sales in FY2012-13
- Accelerating R&D program with strong focus on plant physiology
 - herbicide synthesis, next generation PGRs , abiotic stress mitigation



GODREJ TYSON FOCUSING STRONGLY ON YUMMIEZ

Annual Godrej Tyson Sales (₹ crore)



- Annual sales increased by 24% since FY2009-10
- Very strong performance by Yummiez
- Planning to expand processing capacity next year

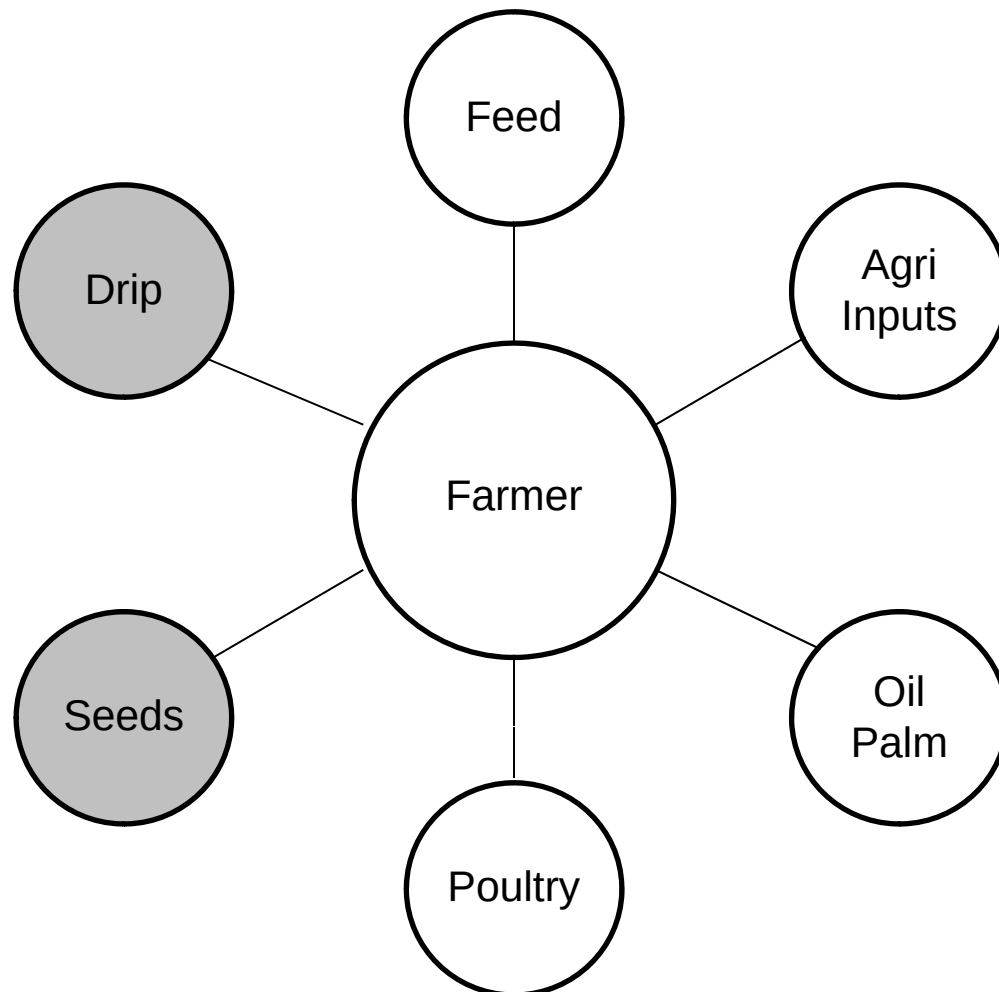


NEW BUSINESSES (DRIP, SEEDS) ARE BEING LAUNCHED

- Formally entering seeds sector through Godrej Seeds & Genetics Ltd (GSGL)
 - headquartered at Hyderabad, currently hiring leadership team
 - existing maize/paddy seed sales by Agri Inputs being shifted
 - GSGL to focus initial efforts on three major crops: maize, paddy, bajra
 - tied up with plant breeding R&D startups for elite hybrid germplasm
- Will enter drip irrigation industry via JV; to be officially announced in July 2011
 - planning to produce drip laterals, drippers, and related components
 - factory construction to commence in 2nd half of FY2011-12
 - strong synergy with Oil Palm business

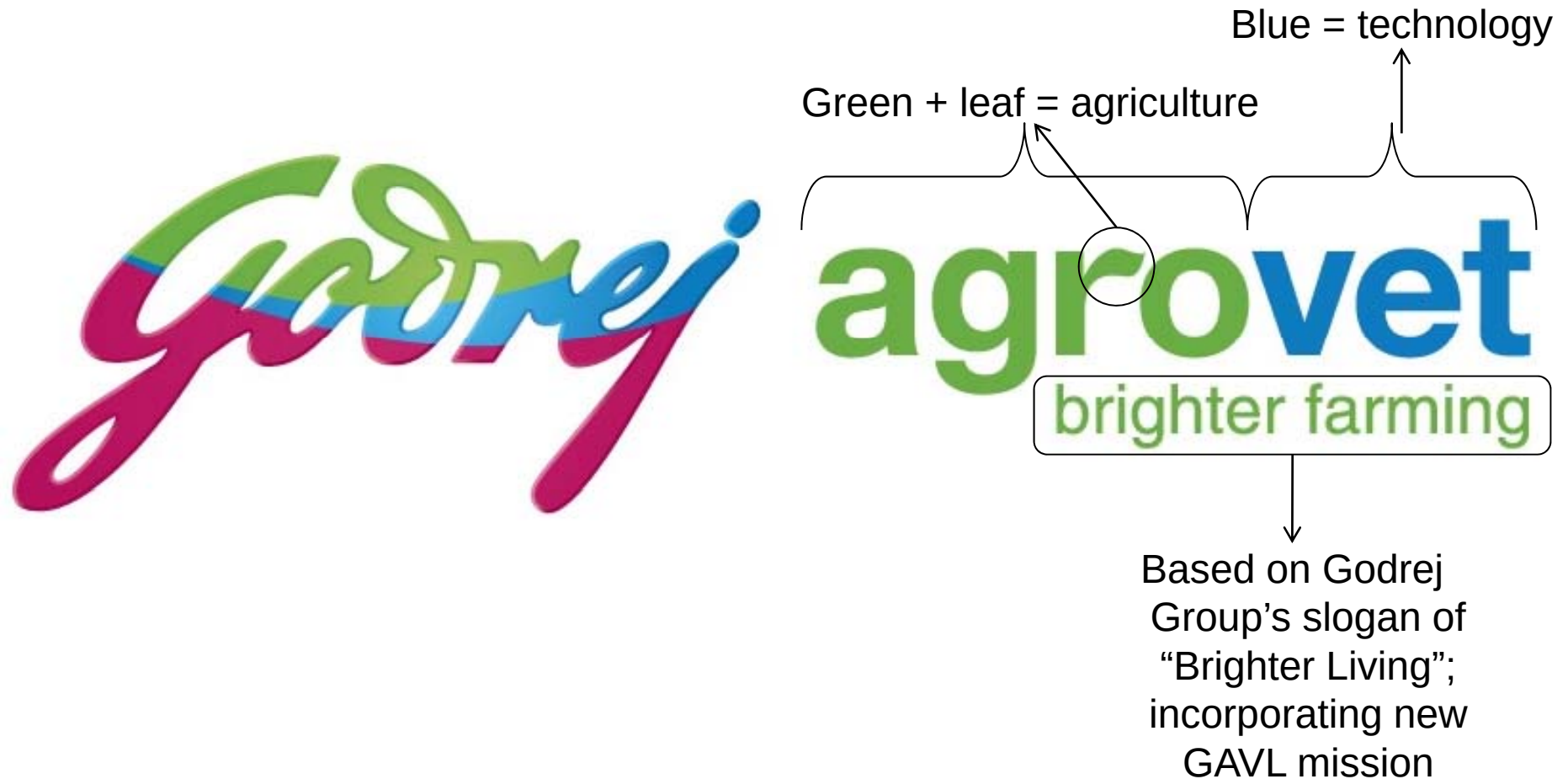
HOW SHOULD WE THINK ABOUT THE FUTURE OF GAVL?

Godrej Agrovet's mission is to improve the productivity of Indian farmers by innovating products and services that sustainably increase crop and livestock yields.



- We will innovate better products and services for Indian farmers
 - high performance animal feeds
 - next gen PGRs, herbicides
 - OPP extension services
 - high yield seeds, banana tissue culture
 - drip irrigation
- We will upgrade our capabilities to deliver business success
 - R&D, NPD, marketing
 - manufacturing
 - technical sales, agronomy

REVAMPED GAVL LOGO & SLOGAN REFLECTS MISSION





THANK YOU FOR YOUR TIME AND CONSIDERATION