

Performance Update - 2Q FY16

October 24, 2015



PERFORMANCE UPDATE

- 1 Executive Summary - Key Highlights
- 2 Business Overview - India
- 3 Business Overview - International

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2Q FY16 FINANCIAL PERFORMANCE - OVERALL BUSINESS

Growth y-y	Consolidated Business	India Business	International Business
Net Sales	10%	9%	11%
Net Sales – Organic*	8%	9%	8%
Net Sales – Organic Constant Currency*	12%	9%	15%
EBITDA	19%	15%	27%
EBITDA – Organic*	19%	15%	26%
EBITDA – Organic Constant Currency*	22%	15%	35%
Net Profit	22%	9%	59%
Net Profit without exceptionals & one-offs	37%	19%	89%

* Excludes Africa inorganic sales of INR 29 crore and EBITDA of INR 2 crore for 2QFY16

EXCEPTIONAL AND ONE OFF ITEMS

	2QFY16			2QFY15		
	Consolidated	India	International	Consolidated	India	International
Reported	287	190	97	235	174	61
<i>Exceptional (post tax)</i>						
Add: Restructuring cost in Argentina				0.7		0.7
Add: Severance cost in Chile	6.6		6.6			
<i>One-off Other Income (post tax)</i>						
Less: ESOP Income in India				12.0	12.0	
Less: Insurance claim receipt in Indonesia				6.8		6.8
Less: Insurance claim receipt in India				1.9	1.9	
Net Profit without exceptionals & one offs	294	190	104	215	160	55

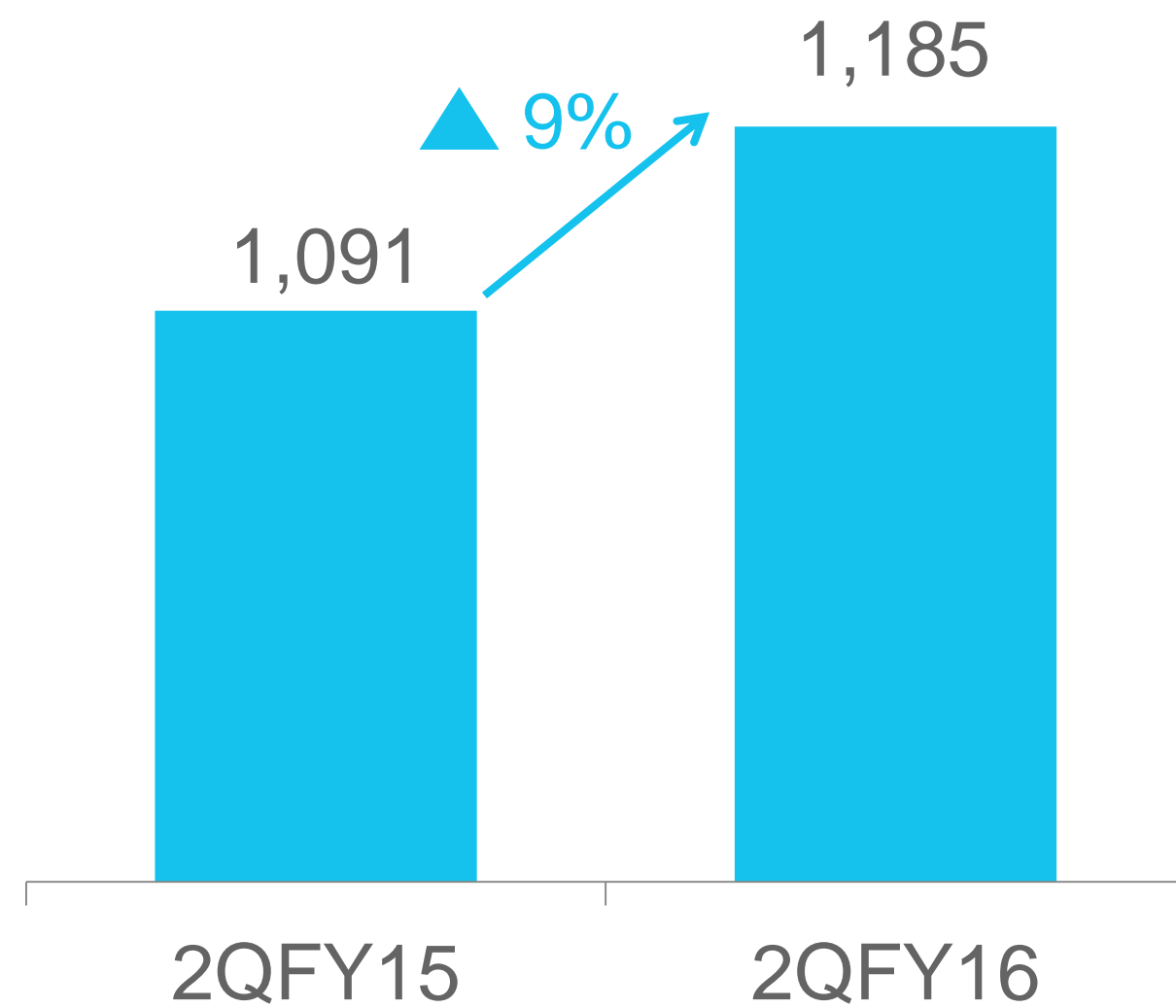
All values in INR crore

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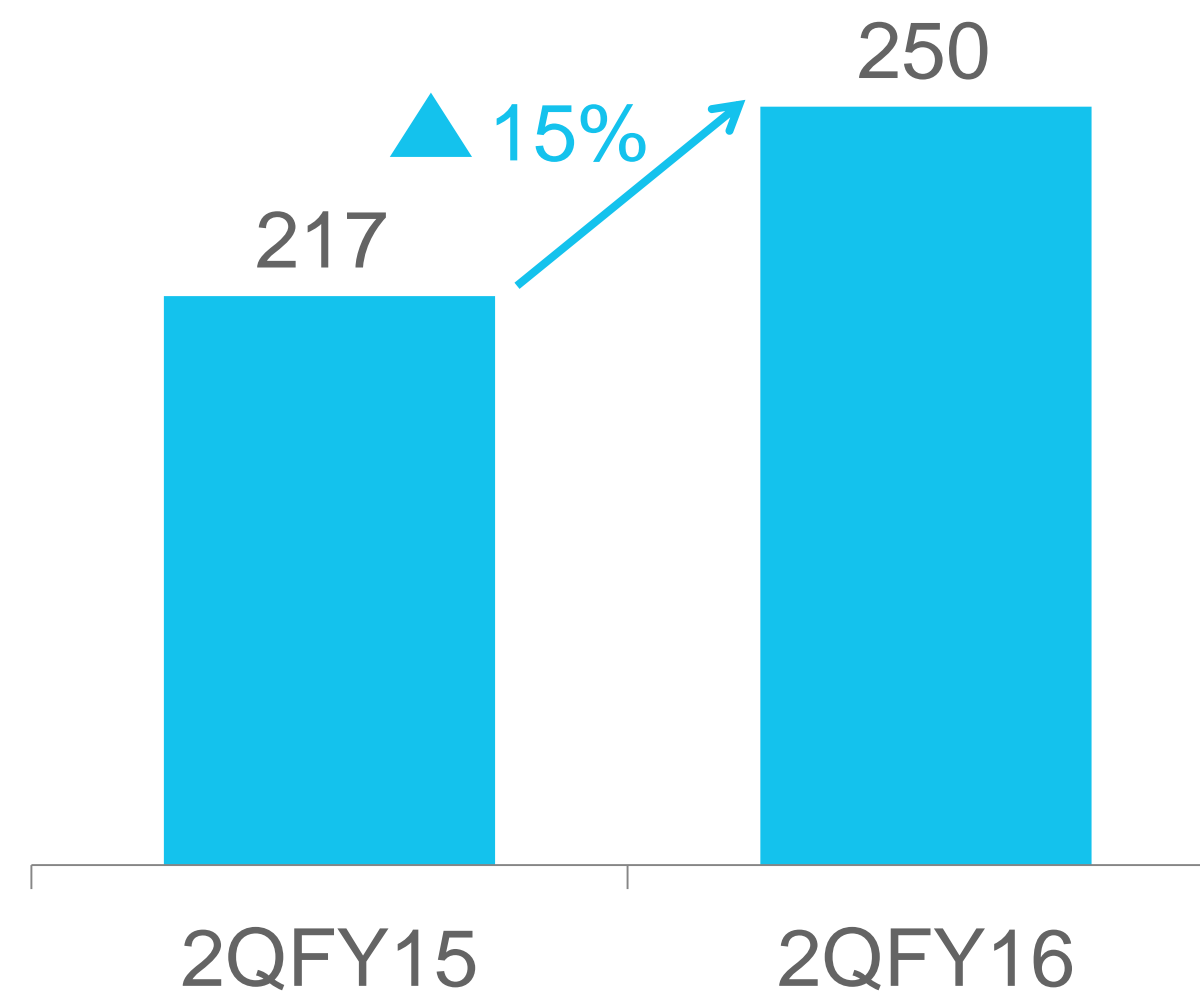
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COMPETITIVE AND PROFITABLE GROWTH IN INDIA

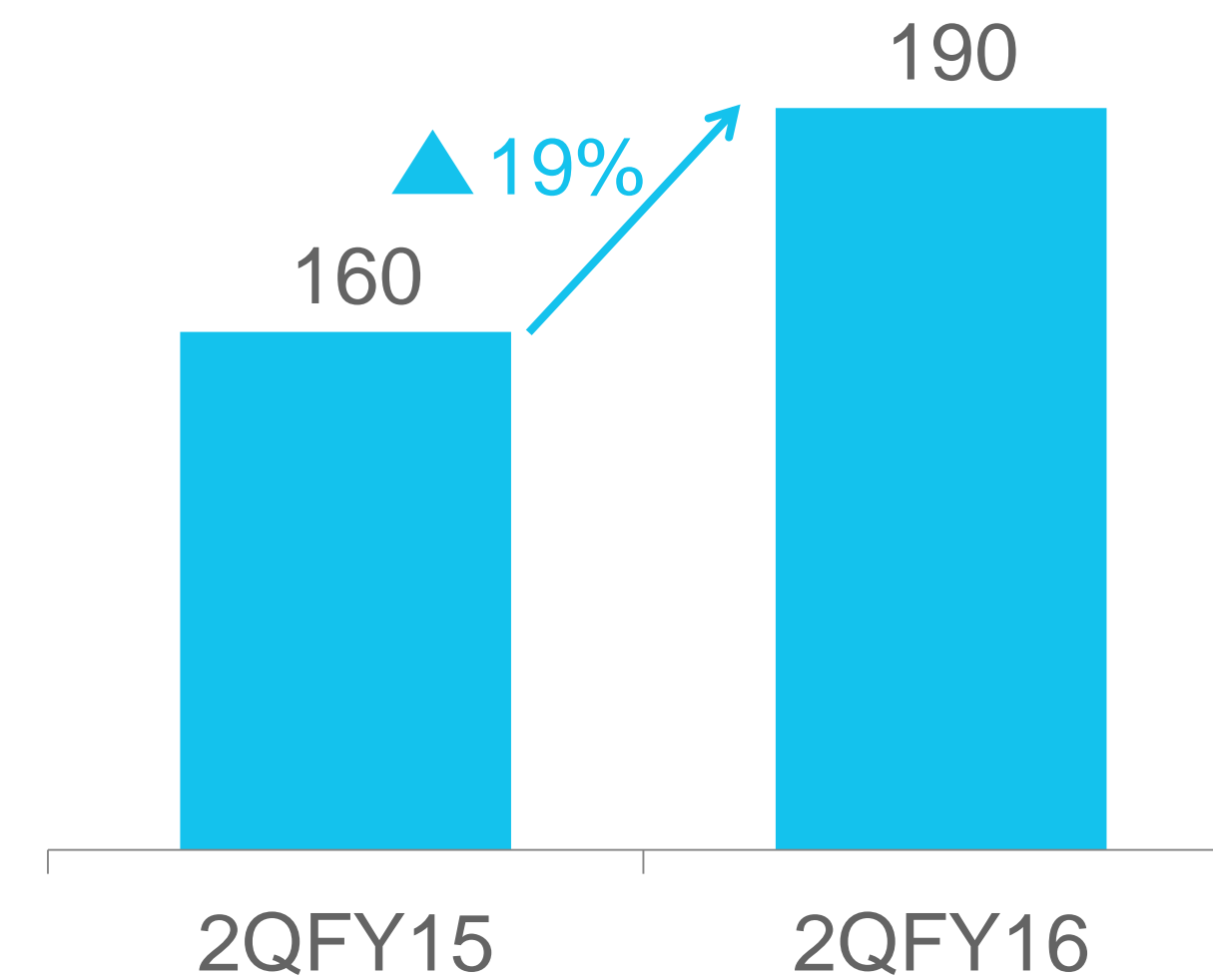
- Branded business net sales growth of 10% was driven by a robust volume growth of 9%
- Double-digit volume growth in Household Insecticides and Hair Colours; mid-single digit volume growth in Soaps



Net Sales



EBITDA



Net Profit*

All values in INR crore

* Net Profit without exceptionals and one offs

STRONG VOLUME LED, AHEAD OF MARKET GROWTH

India Business	Sales (INR crore)	Growth (year-on-year)
Household Insecticides	592	13%
Soaps	419	3%
Hair Colours	139	17%
Other Brands	65	16%
Total Branded Gross Sales (A)	1,215	10%
<i>Total Branded (Volume)</i>	-	9%
<i>Excise duty on Branded Sales</i>	77	13%
Total Branded Net Sales	1,138	10%
Total Unbranded & Export Gross Sales (B)	48	(13%)
Total Gross Sales (C = A+B)	1,263	9%
Excise Duty (D)	78	12%
Total Net Sales (E = C-D)	1,185	9%

HOUSEHOLD INSECTICIDES MAINTAINS DOUBLE DIGIT GROWTH DESPITE DEFICIENT MONSOON

- Double-digit, volume-driven sales growth of 13% was partially impacted by deficient monsoon
- Good knight drives category penetration especially in rural areas led by superior on ground execution, effective communication and the success of innovative launches such as Good knight Fast Card, Good knight Xpress and Neem Low Smoke Coil
- Consistent market share gains across formats with highest ever market share
- Lower crude oil prices continue to boost gross margins



LAUNCH OF *SUBAH BOLO GOOD KNIGHT* CAMPAIGN

Increase awareness on Dengue



Drive behaviour change encouraging proactive usage

Encourage day time usage

Improve overall consumption rates

GROWTH MOMENTUM ACCELERATED IN HAIR COLOURS

- Sales growth of 17% was aided by early double-digit volume growth
- Initiated price increase in Expert Original powder hair colour towards the end of the quarter
- Godrej Expert Rich Crème sustains strong growth led by continued initiatives such as festival linked campaigns, large scale activations, salon engagement programmes, etc
- Initial consumer response to the Godrej Nupur Coconut Henna Crème launch was encouraging



DRIVING COMPETITIVE GROWTH IN SOAPS

- Robust mid-single digit volume growth was partially offset by deflationary pressure, resulting in 3% value growth in a highly competitive category environment
- Continue to remain competitive on sales promotion investments to gain market share
- Cinthol continues to lead overall value and volume growth driven by distribution expansion and effective communication
- Lower palm oil prices continue to boost gross margins



LAUNCHED BBLUNT IN MODERN TRADE AND PREMIUM GENERAL TRADE



LAUNCHED PROTEKT IN GENERAL TRADE

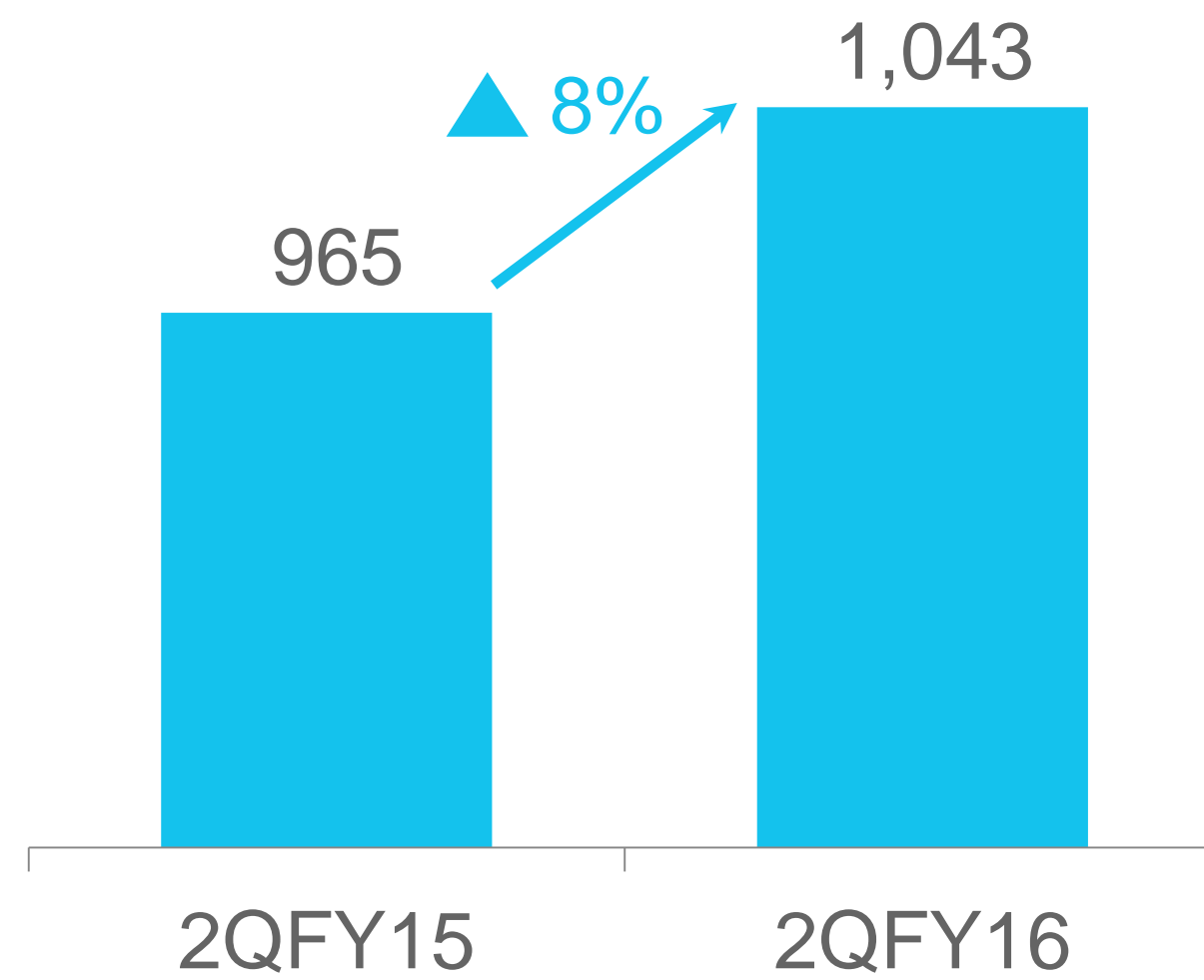


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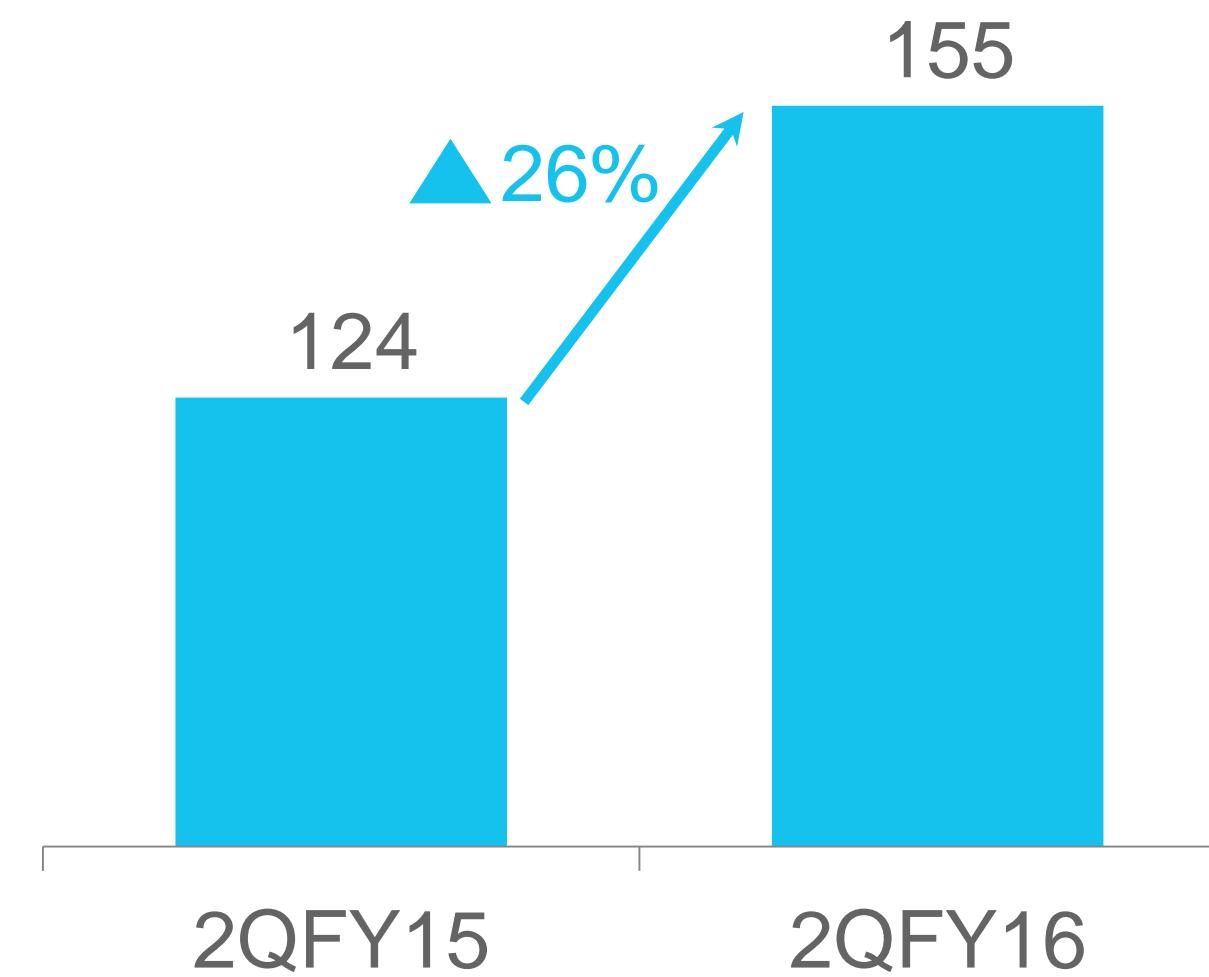
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CONSISTENT DOUBLE-DIGIT CONSTANT CURRENCY SALES GROWTH

- Strong organic constant currency sales growth of 15% was driven by robust performance in Africa and Latin America
- Organic EBITDA margin of 15% expands 210 bps year-on-year, led by margin improvements in Indonesia and Africa



Organic Net Sales



Organic EBITDA

DOUBLE DIGIT CONSTANT CURRENCY GROWTH ACROSS MARKETS

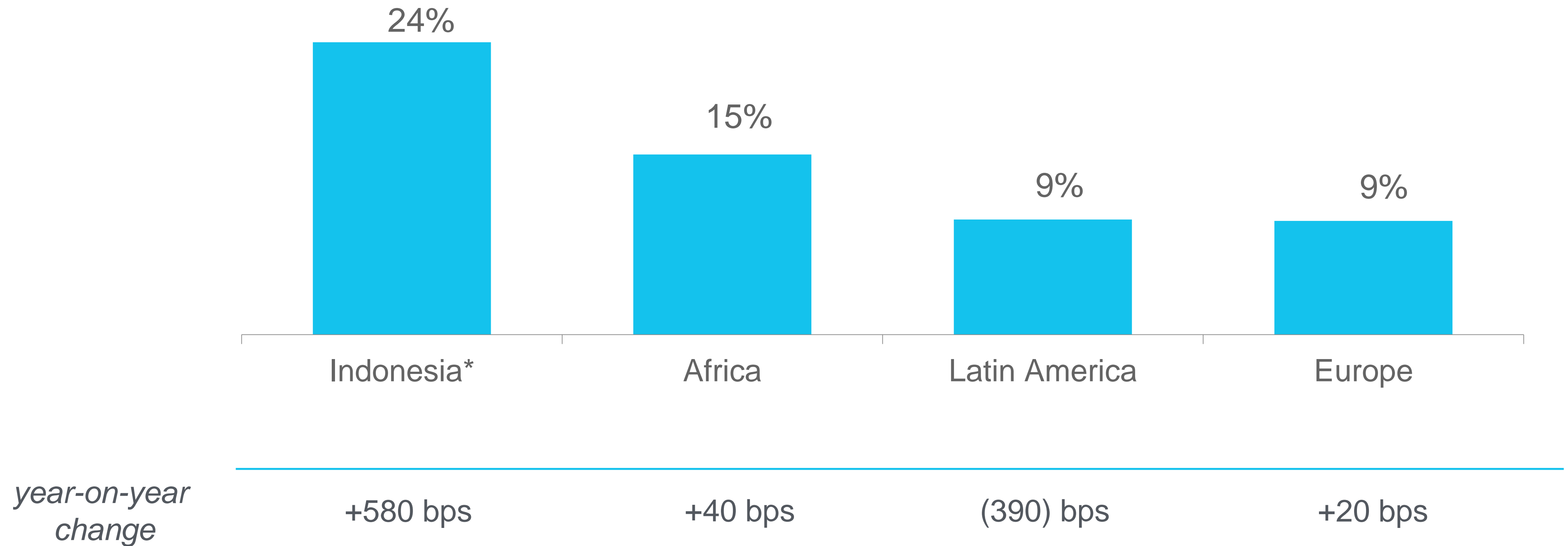
International Business	Sales (INR crore)	Growth (year-on-year)	Constant Currency Growth (year-on-year)
Indonesia	357	(2%)	7%
<i>Indonesia (ex-Foods)</i>	-	-	10%
Africa*	336	23%	33%
Latin America	173	18%	24%
Europe	149	12%	13%
Others**	57	26%	19%
Total Net Sales	1,072	11%	18%

* Includes inorganic sales of INR 29 crores for 2Q FY16

** Others include Sri Lanka, Bangladesh and Middle East

MARGIN IMPROVEMENT IN INDONESIA AND AFRICA

EBITDA Margin



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

INDONESIA CONTINUES TO DELIVER COMPETITIVE PERFORMANCE AMIDST CHALLENGING OPERATING ENVIRONMENT

- Constant currency sales growth of 7% (ex-foods growth of 10%) in a challenging environment
- FMCG industry growth continues to remain flat impacted by overall macroeconomic slowdown in Indonesia
- Margins expand 580 bps y-y driven by lower commodity costs and optimisation of marketing investments
- Product innovation and effective communication drives highest ever exit market share in Hit while Stella continues to gain market share in Air Freshener category



DARLING CONTINUES TO DELIVER STRONG, CONSISTENT GROWTH IN AFRICA

- Business presence in East, West and South African countries across different categories such as hair extensions, hair colours, household insecticides and personal wash
- Strong constant currency sales growth of 41% in Darling business
- EBITDA margins increase 40 bps y-y led by calibrated price increases in hair extensions, operating efficiencies and stringent cost control



STRONG SALES GROWTH MOMENTUM SUSTAINED IN LATAM

- Strong sales growth of 24% was driven by the success of new launches and superior on ground execution
- Margins decline by 390 bps y-y partly behind one-off SKU rationalisation, adverse channel mix in Chile and upfront marketing investments across businesses
- Hair colour market share (in volume terms) in Argentina was at its two year high aided by Issue's strong performance. Market share in Chile increased on the back of robust performance of Ilicit Ammonia Free Hair Colour
- Completed acquisition of remaining 40% stake in Cosmetica Nacional



RECOVERY IN EUROPE BUSINESS

- Constant currency sales increased 13% led by double digit growth in own and distributed brands
- EBITDA margins improved 20 bps y-y behind favourable mix



2Q FY2016 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	2Q FY15	2Q FY16	Y/Y	2Q FY15	2Q FY16	Y/Y
Sales	1,091	1,185	9%	2,048	2,242	10%
Gross Profit	565	694	23%	1,064	1,277	20%
<i>Gross Margin (%)</i>	51.8%	58.6%	680 bps	52.0%	56.9%	490 bps
EBITDA	217	250	15%	342	407	19%
<i>EBITDA Margin (%)</i>	19.9%	21.1%	120 bps	16.7%	18.2%	150 bps
Net Profit	174	190	9%	235	287	22%
<i>Net Profit Margin (%)</i>	15.9%	16.0%	10 bps	11.5%	12.8%	130 bps

All values in INR crore

1H FY2016 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	1H FY15	1H FY16	Y/Y	1H FY15	1H FY16	Y/Y
Sales	2,069	2,280	10%	3,934	4,338	10%
Gross Profit	1,074	1,334	24%	2,056	2,457	20%
<i>Gross Margin (%)</i>	51.9%	58.5%	660 bps	52.3%	56.6%	430 bps
EBITDA	364	431	18%	583	723	24%
<i>EBITDA Margin (%)</i>	17.6%	18.9%	130 bps	14.8%	16.7%	180 bps
Net Profit	295	326	11%	378	486	29%
<i>Net Profit Margin (%)</i>	14.2%	14.3%	10 bps	9.6%	11.2%	160 bps

All values in INR crore

WE HAVE BEEN CONSISTENTLY RECOGNISED AS A GREAT PLACE TO WORK



Recognised among the top 25 workplaces in Asia

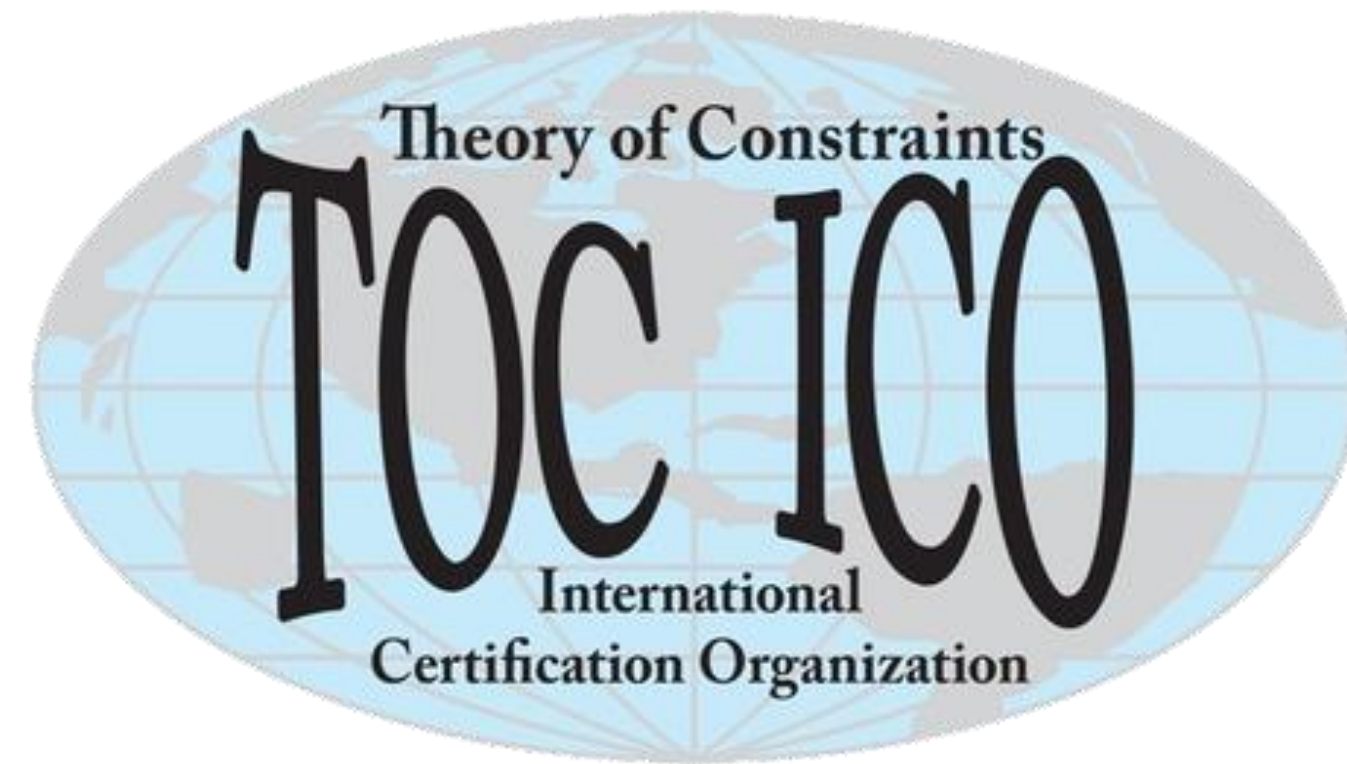


#1 in FMCG
#6 overall
12th year in a row on the list



Ranked among the best employers in India in 2015

OTHER RECOGNITIONS

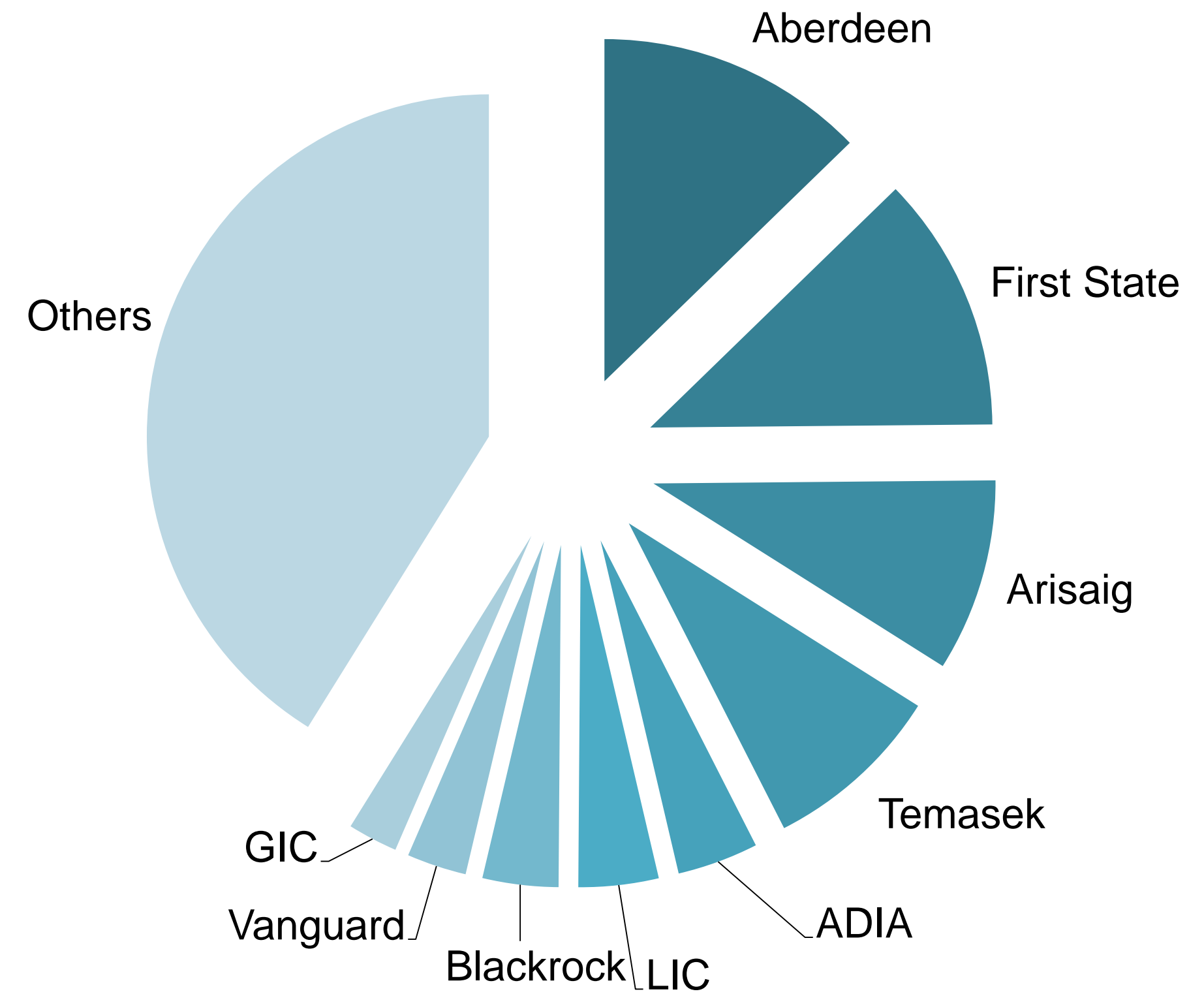
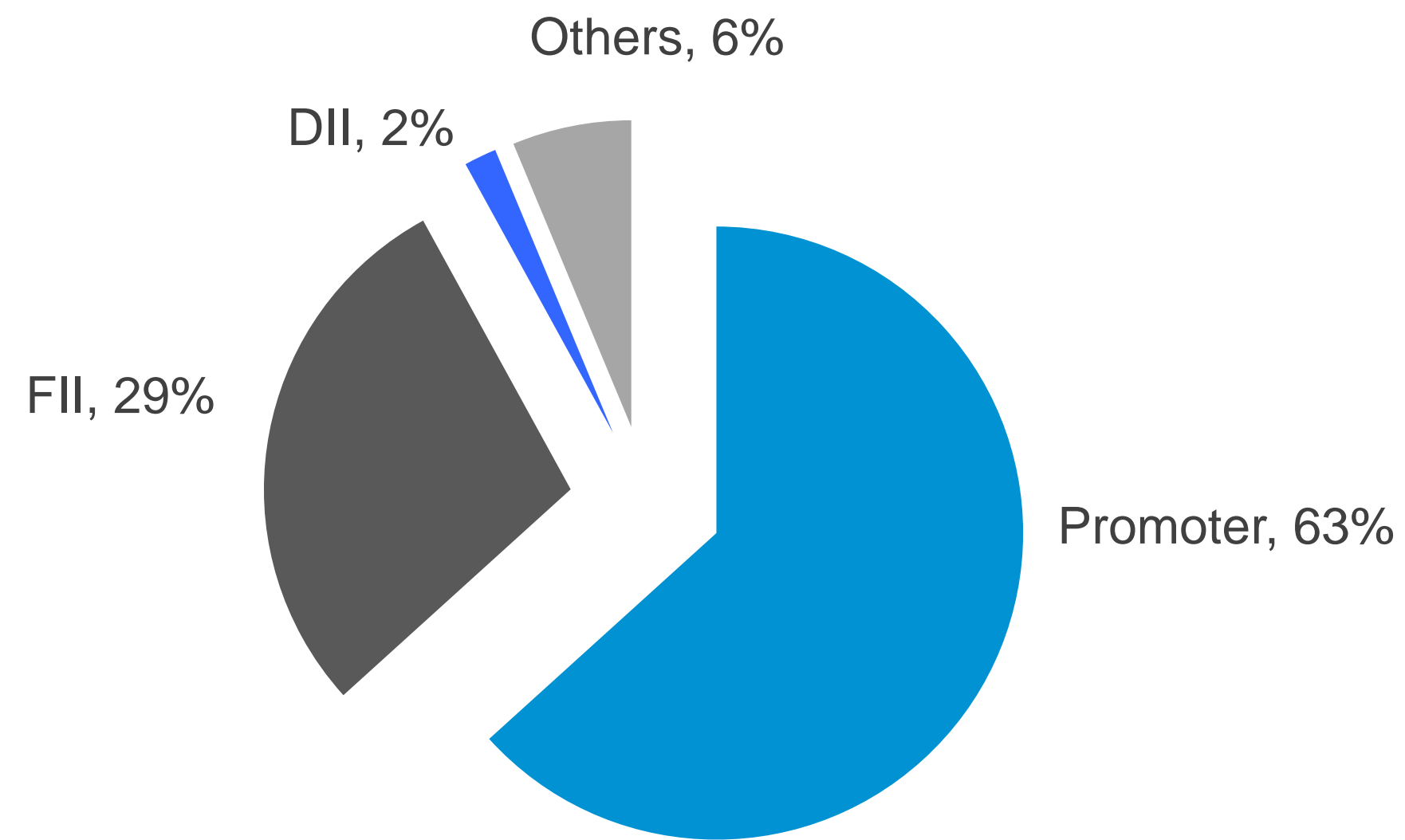


First company in the world to receive TOC ICO's 'Platinum Level International Achievement Award'



Received the award for 'Conscious Capitalist for the Year'

SHAREHOLDING PATTERN



Major investors

WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

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

CONTACT US

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THANK YOU FOR YOUR TIME AND CONSIDERATION