

Performance Update - 1Q FY17

July 29, 2016



PERFORMANCE UPDATE

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

1Q FY17 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales	7%	flat	14%
Net Sales – Organic*	1%	flat	2%
Net Sales – Organic Constant Currency*	3%	flat	6%
EBITDA	20%	14%	30%
EBITDA – Constant Currency	20%	14%	29%
Net Profit	109%	12%	-
Net Profit without exceptional items	18%	12%	15%

* Excludes Strength of Nature (USA) and Canon Chemicals (Kenya) inorganic sales of INR 114 crore

EXCEPTIONAL ITEMS

	1QFY17			1QFY16		
	Consolidated	India	International	Consolidated	India	International
Reported net profit	244	152	92	117	135	(11)
<i>Exceptional (post tax)</i>						
Add: Restructuring cost in Latin America	6		6	10		10
Add: Call / Put option liability, dividend paid to non-controlling shareholders and acquisition related expenses				85		85
Net Profit without exceptional items	250	152	98	212	135	85

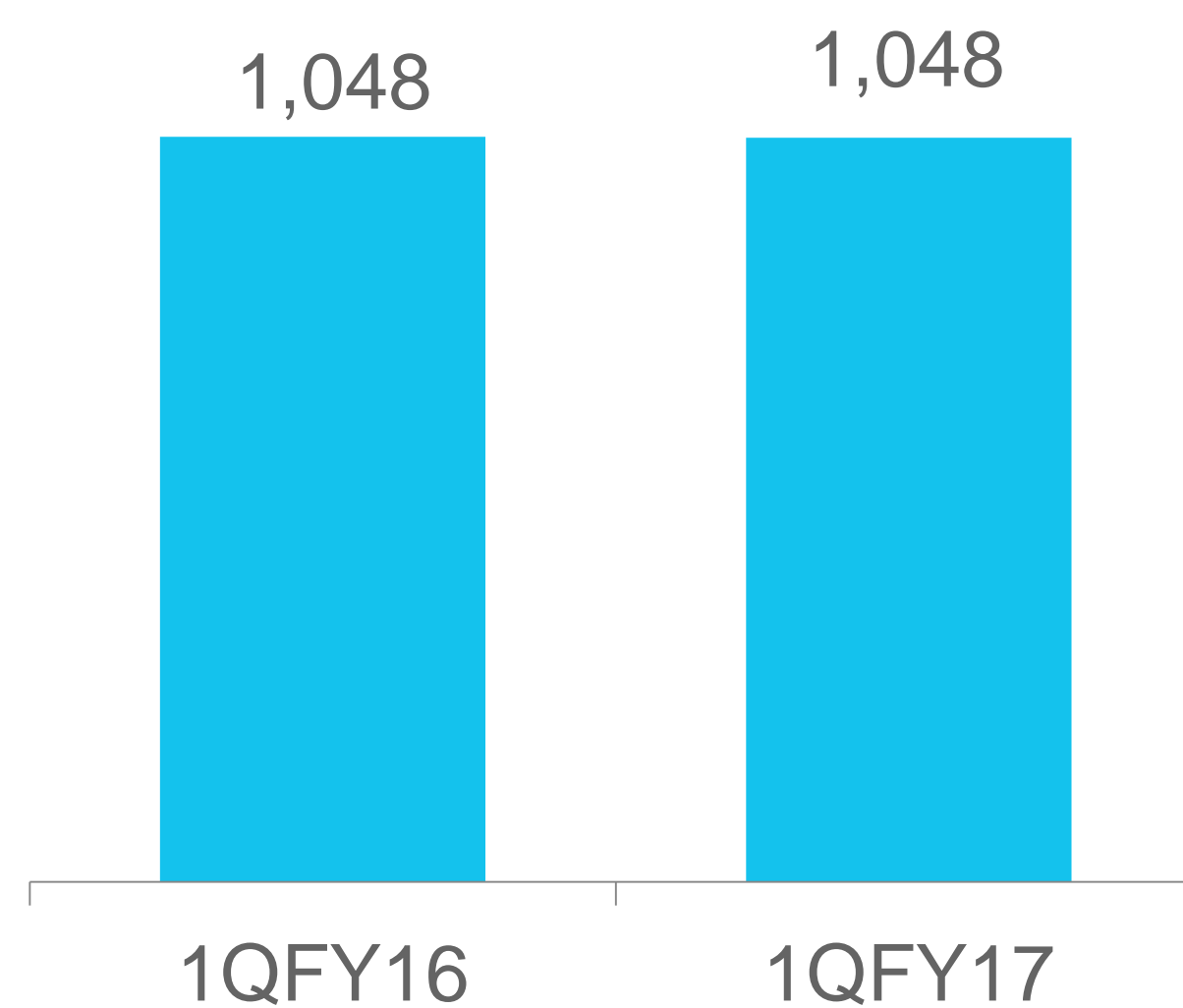
All values in INR crore

PERFORMANCE UPDATE

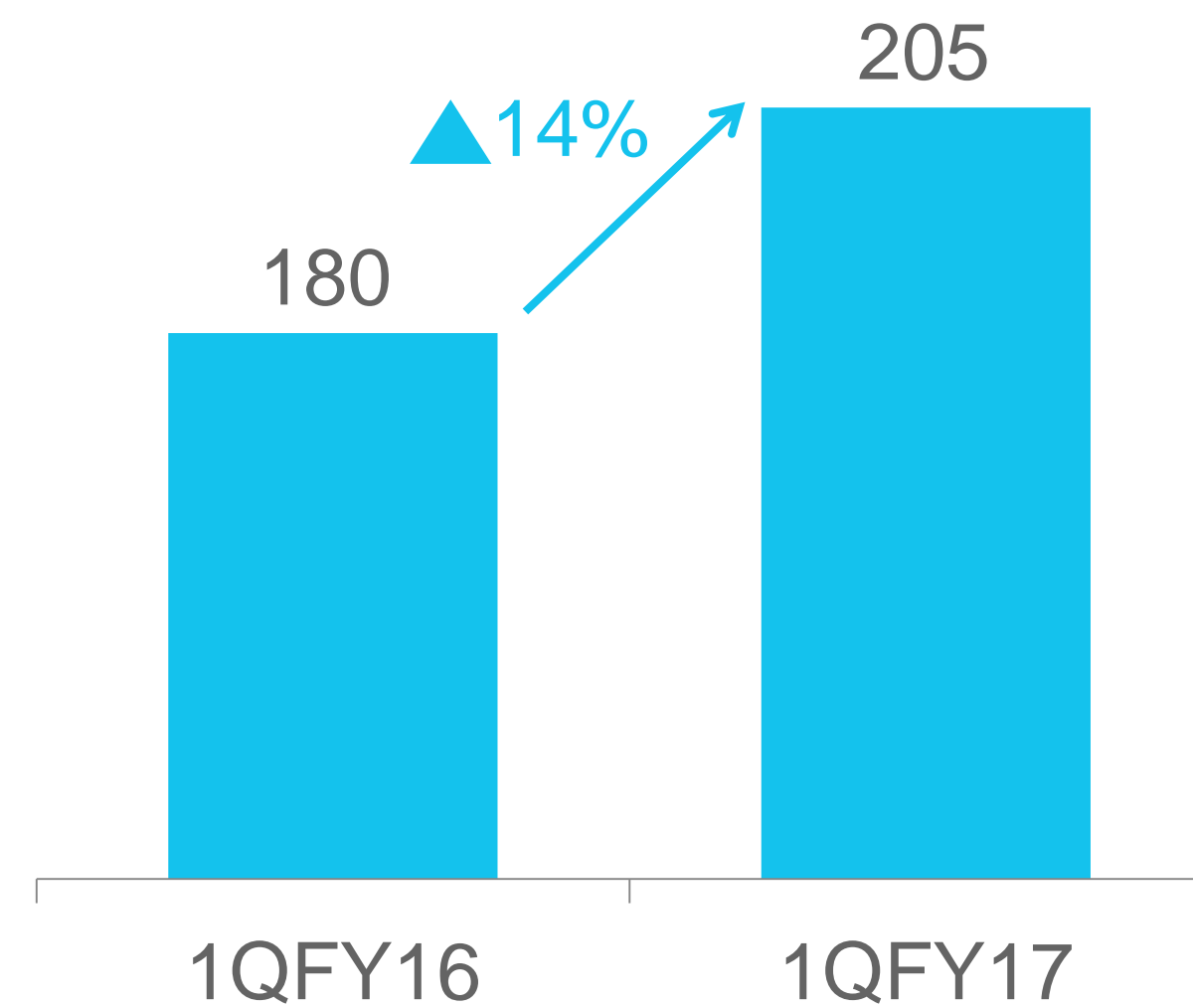
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ROBUST PROFIT GROWTH IN INDIA

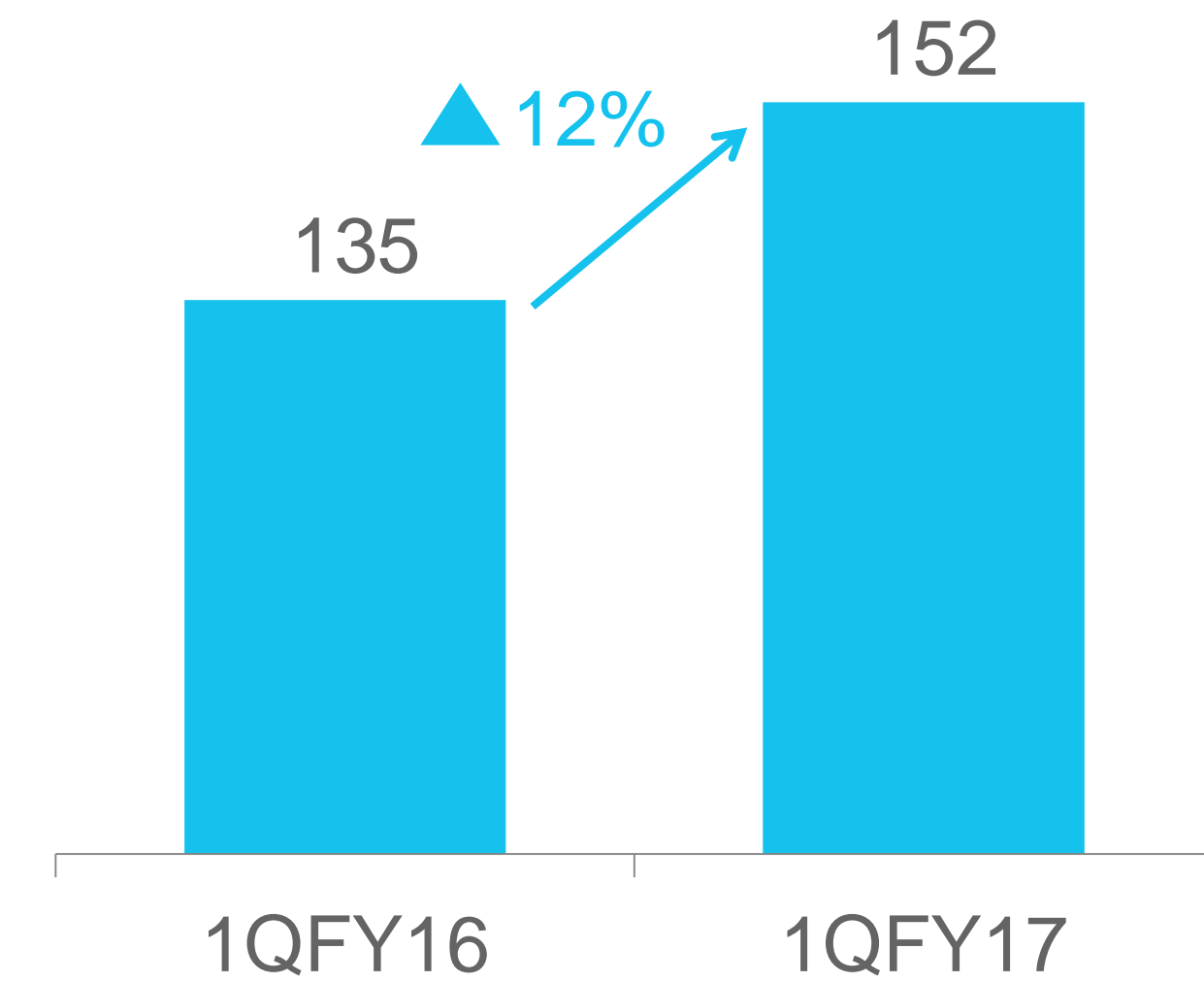
Sales impacted by weak Household Insecticides performance behind stretched summer and late onset of monsoon. Gross sales growth excluding Household Insecticides in high single digit.



Net Sales



EBITDA



Net Profit

All values in INR crore

SALES GROWTH IMPACTED BY SLUGGISHNESS IN HOUSEHOLD AND PERSONAL CARE (HPC) CATEGORY AND UNFAVOURABLE WEATHER

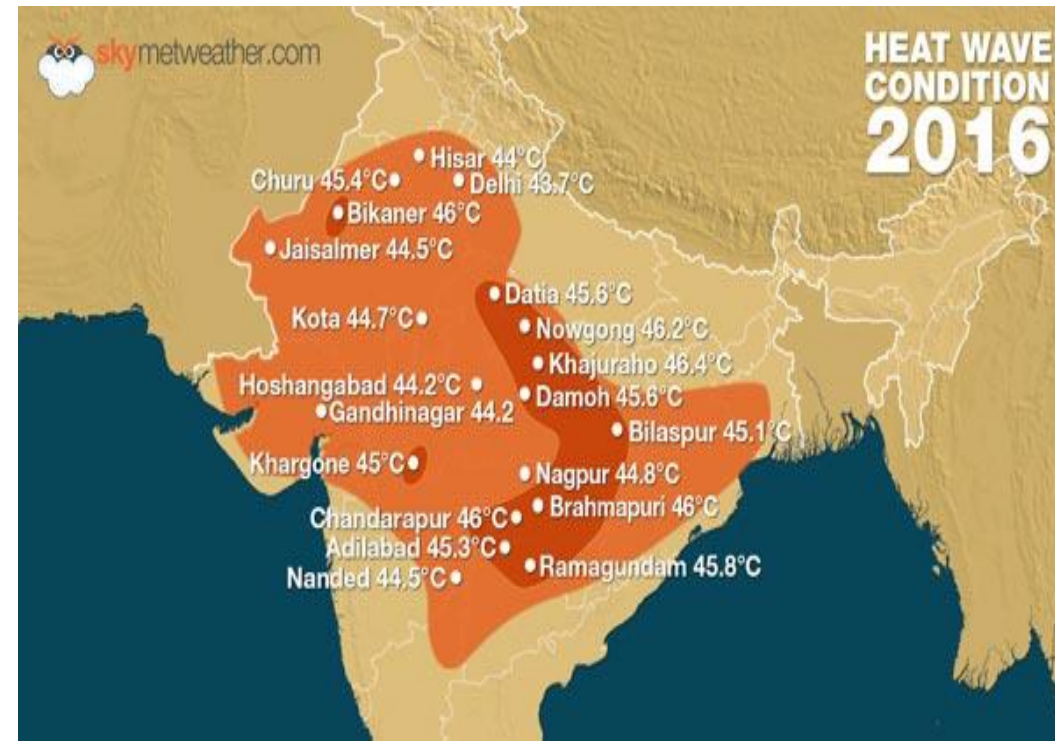
India Business	Sales (INR crore)	Growth (year-on-year)
Household Insecticides	393	(11%)
Soaps	473	1%
Hair Colours	163	4%
Other Brands	92	65%
Unbranded and Exports	50	5%
Total Gross Sales	1,170	flat
Sales and trade promotion spends, etc to be netted off from Sales as per Ind AS and Excise Duty	(122)	1%
Net Sales	1,048	flat
Total Branded Volume	-	3%

HOUSEHOLD INSECTICIDES PERFORMANCE IMPACTED BY UNFAVOURABLE WEATHER

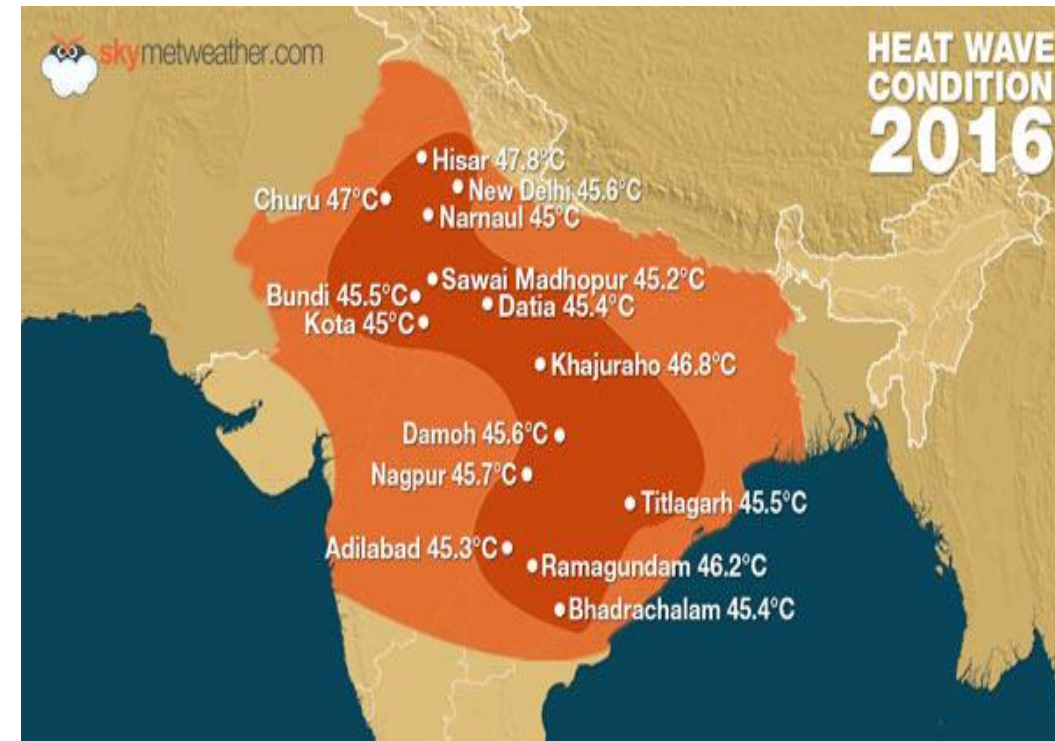
- Delay in onset of monsoon and stretched summer temporarily impacts Household Insecticides performance resulting in sales decline of 11%
- Growth rates looking up post onset of monsoon
- Continue to maintain innovation momentum with below launches in July 2016:
 - Good knight Neem Activ+ Liquid Vaporiser
 - Good knight Neem Activ+ Fast Card
 - Good knight Neem Activ+ Coil LUP pack (4 coils in a flowwrap at INR 12)
- Continue to maintain leadership positions across formats



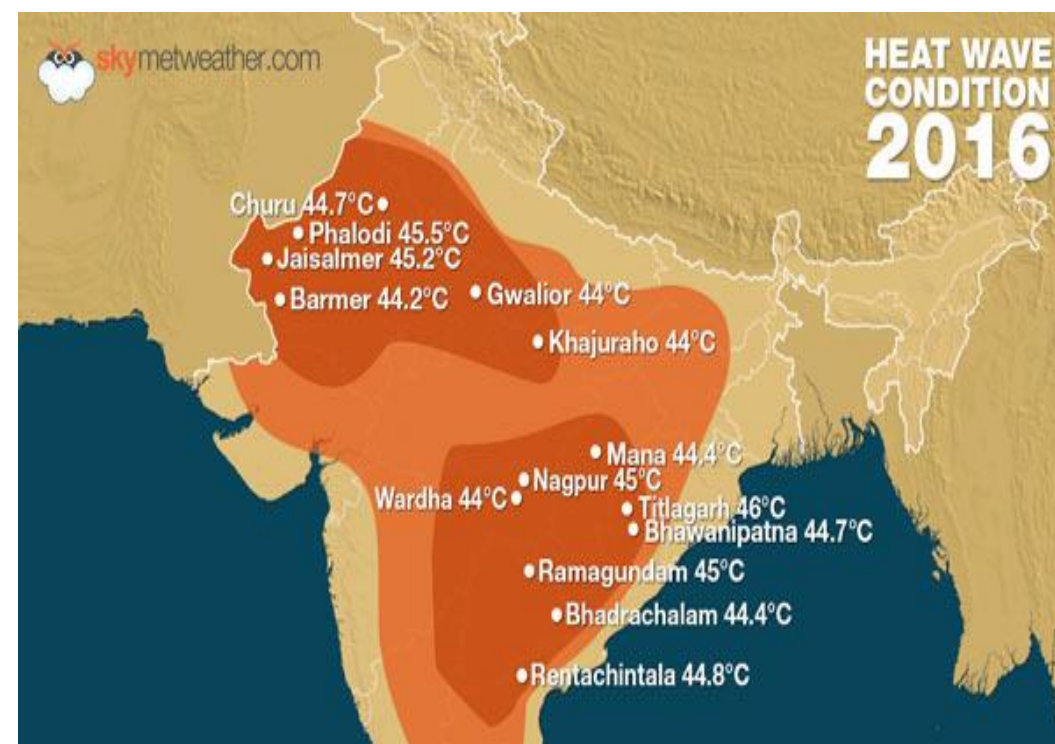
DELAY IN ONSET OF MONSOON AND STRETCHED SUMMER IMPACTS HOUSEHOLD INSECTICIDES GROWTH



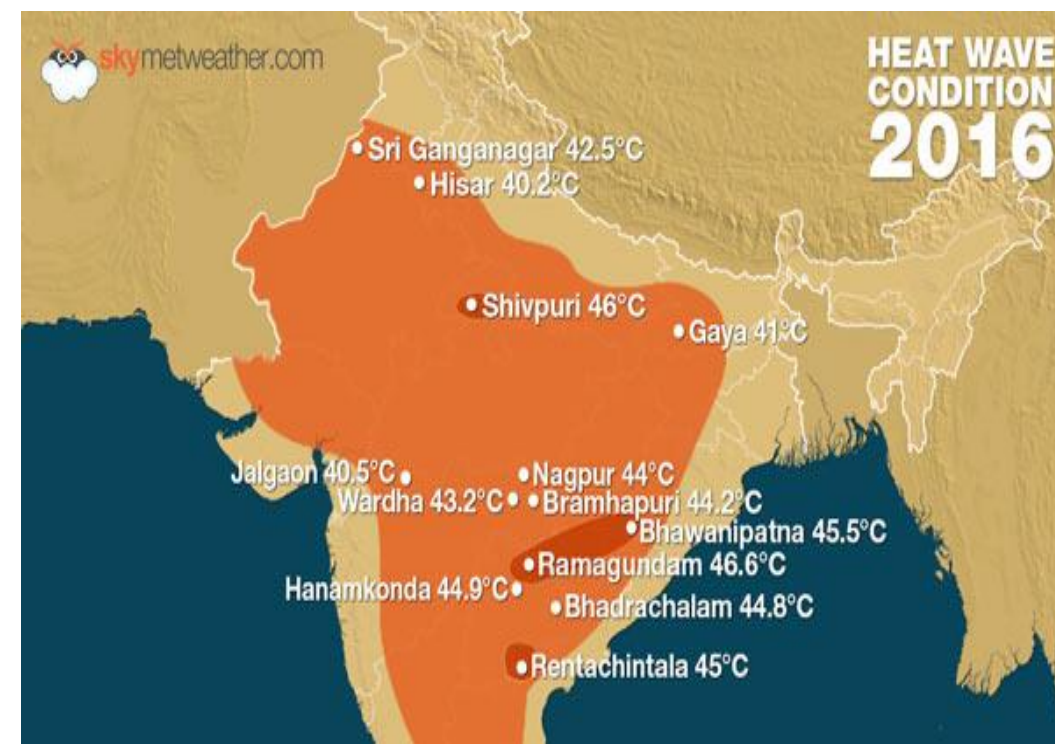
May 15, 2016



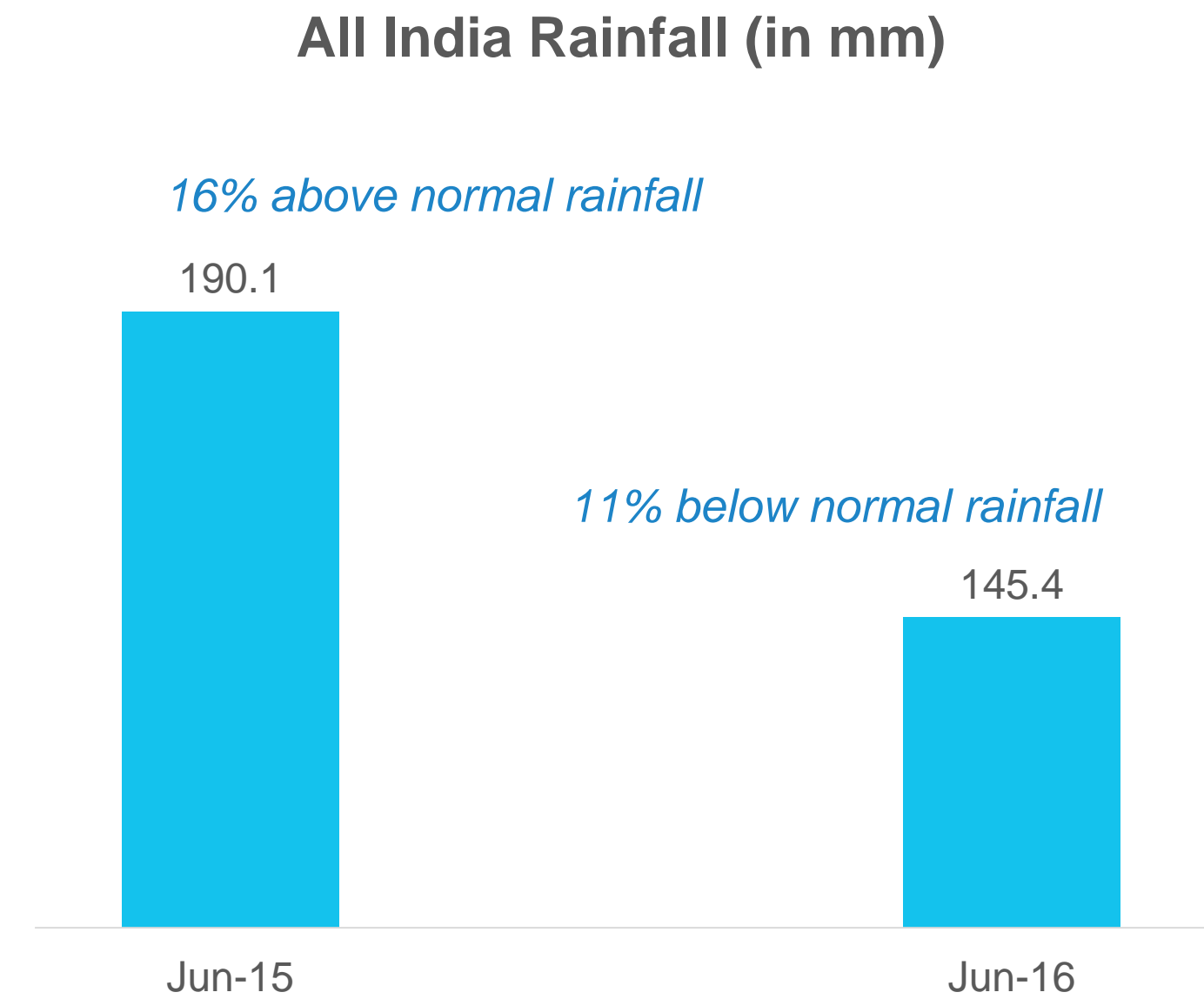
May 23, 2016



May 24, 2016



May 27, 2016



HAIR COLOURS DELIVER STEADY GROWTH

- Sales growth of 4% led by high double-digit volume growth in Godrej Expert Rich Crème
- New communication for Godrej Expert Rich Crème has helped further improve sales momentum and penetration levels
- Godrej Expert Rich Crème becomes first crème hair colour to reach one crore households
- New media campaign launched in powders to improve its sales going ahead



STRONG VOLUME LED GROWTH IN SOAPS

- Sales growth of 1% behind deflationary pressures, volume growth in early double digit
- Value added soaps portfolio strengthened further with the launch of Godrej No. 1 Germ Protection soap in the health and wellness space
- New launches are being backed by competitive media investments
- Continue to remain competitive on sales promotion investments and consumer offers
- Margins continue to benefit from lower palm oil prices



ENCOURAGING RESPONSE TO NEW LAUNCHES



PREMIUMISING OUR PORTFOLIO



LAUNCHED BBLUNT 'SALON SECRET' HIGH SHINE CRÈME HAIR COLOUR



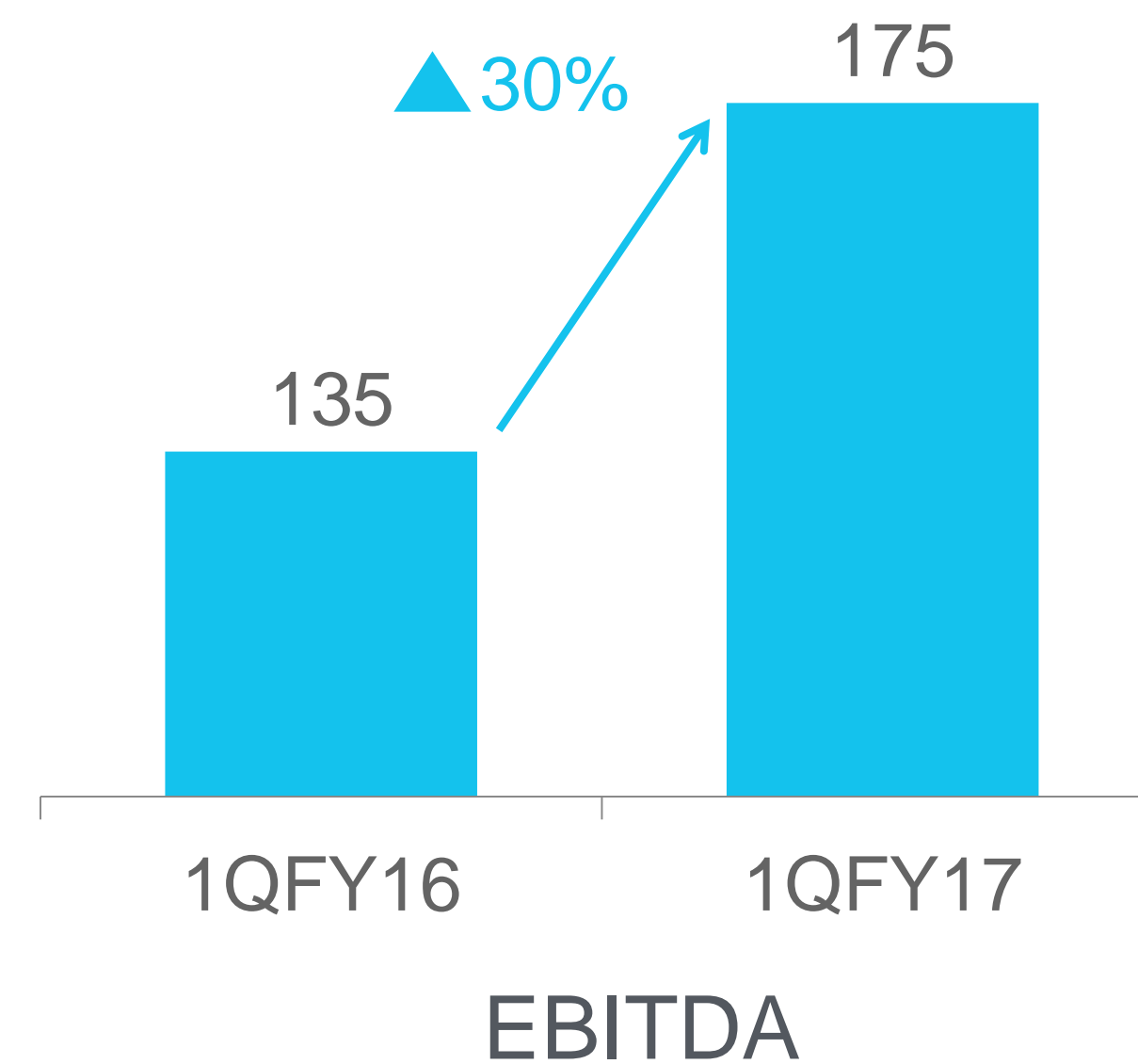
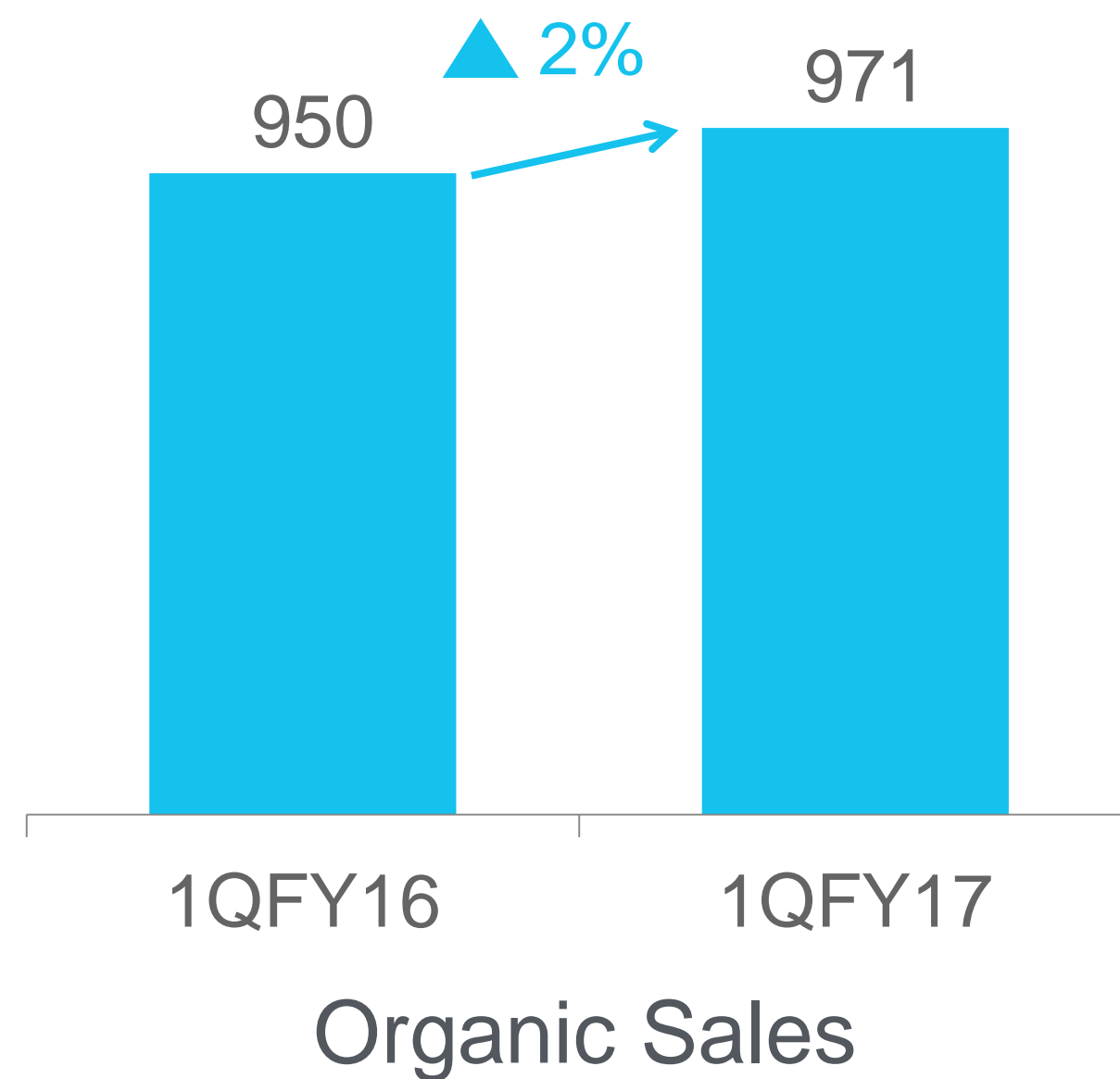
- Launched for the first time in India, a 3-part system with shine tonic that gives better shine and hair feel that a regular 2-part home hair colour has never been able to deliver
- It is a no ammonia hair colour that gives 100% grey coverage
- Targeting the brand conscious home hair colour user and attracting the salon goers
- Available in 7 shades
- Available at an extremely competitive price of INR 199

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HEALTHY PROFIT GROWTH DESPITE MACRO ECONOMIC HEADWINDS

- International business delivers organic constant currency sales growth of 6% driven by Africa and Latin America
- EBITDA margin of 16% expands 190 bps year-on-year led by margin improvements in Indonesia, Africa (incl. SON) and Europe



All values in INR crore

GROWTH AHEAD OF MARKET ACROSS CORE GEOGRAPHIES

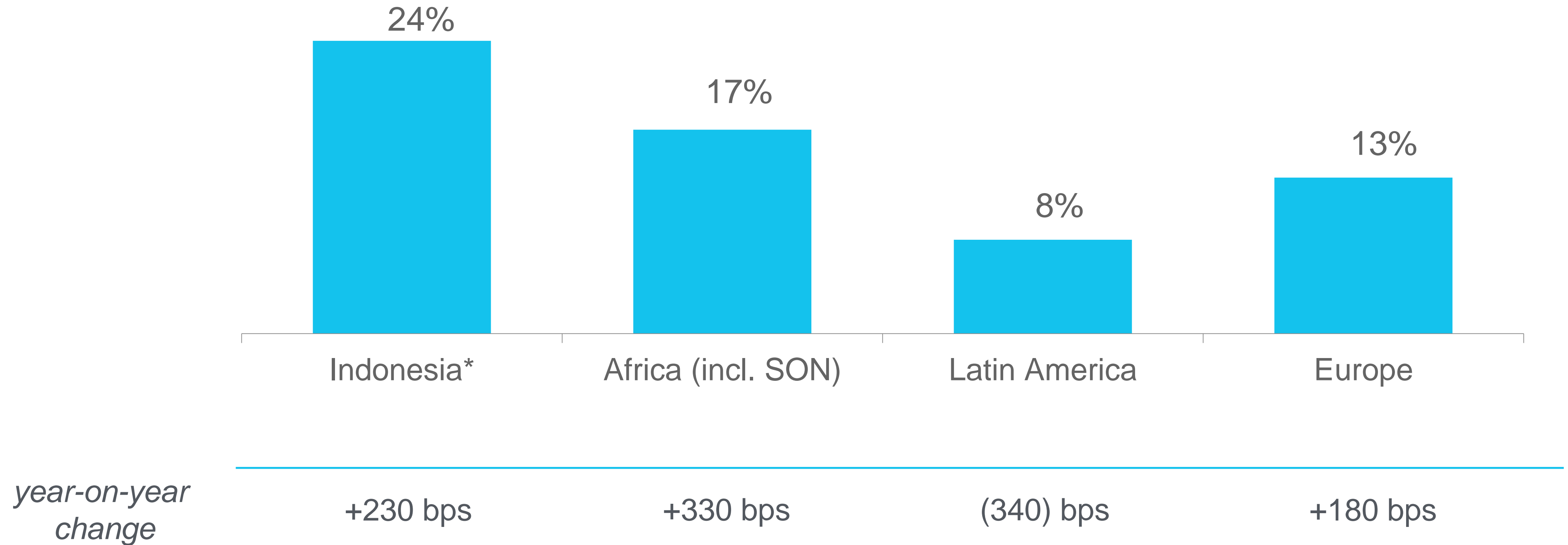
International Business	Sales (INR crore)	Growth (year-on-year)	Constant Currency Growth (year-on-year)
Indonesia	376	8%	3%
Africa (incl. SON)*	444	46%	52%
Latin America	111	(16%)	10%
Europe	128	(5%)	(3%)
Others**	27	(14%)	(15%)
Total Net Sales	1,085	14%	18%

* Includes Strength of Nature (USA) and Canon Chemicals (Kenya) inorganic sales of INR 114 crores

** Others include Sri Lanka, Bangladesh and Middle East

MARGIN IMPROVEMENT IN INDONESIA, AFRICA AND EUROPE

EBITDA Margin



*Before payment of technical & business support fee

INDONESIA DELIVERS COMPETITIVE, PROFITABLE GROWTH

- Constant currency sales growth of 3%
- Performance impacted by the sluggishness in FMCG industry growth, which remains impacted by overall macro-economic slowdown in Indonesia
- EBITDA margin expands 230 bps y-y driven by favourable mix and lower commodity costs
- HIT becomes no. 1 player in overall Household Insecticides category



CROSS POLLINATED HAIR COLOURS IN INDONESIA WITH THE LAUNCH OF 'NYU' CRÈME HAIR COLOUR



- A cream hair color in sachet format with fruits extract and vitamin oil that protects against damage and nourishes hair post-coloring
- It is a no ammonia hair colour that gives 100% grey coverage
- Available in 5 shades
- Targeting current crème users, upgrading powder users and recruiting new users
- Available at a competitive price of IDR 18,000

AFRICA (INCL. SON) SUSTAINS CONSISTENT DOUBLE-DIGIT GROWTH

- Constant currency revenue growth of 52% in Africa (incl. SON) business led by:
 - i) inorganic sales of INR 114 crore from Strength of Nature (SON) and Canon Chemicals
 - ii) organic constant currency sales growth of 14% in Africa business
- EBITDA margin improves 330 bps driven by calibrated price increases in hair extensions, effective cost control and favourable mix
- Focus on leveraging acquisition of Strength of Nature to turbo charge building our wet hair care platform in Africa



MACRO LED MODERATION IN LATIN AMERICA GROWTH

- Constant currency sales growth of 10% moderates in a challenging operating environment
- EBITDA margin declines 340 bps y-y due to lag between price hikes and increase in input costs behind currency depreciation
- Issue and Ilicit continue to gain market share in hair colours with Ilicit achieving highest ever volume and value share



EUROPE GROWTH WEAKENS DUE TO UNFAVOURABLE WEATHER

- Constant currency sales declines 3% as extended winter impacts sales of Soft & Gentle and Riemann and counterfeit issues in Bio-Oil
- EBITDA margin expands 180 bps y-y behind favourable mix and relatively lower contractual A&P spends



1Q FY2017 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	1QFY16	1QFY17	Y/Y	1QFY16	1QFY17	Y/Y
Sales	1,048	1,048	flat	1,985	2,120	7%
Gross Profit	590	571	(3%)	1,064	1,138	7%
<i>Gross Margin (%)</i>	<i>56.3%</i>	<i>54.5%</i>	<i>(180) bps</i>	<i>53.6%</i>	<i>53.7%</i>	<i>10 bps</i>
EBITDA	180	205	14%	316	380	20%
<i>EBITDA Margin (%)</i>	<i>17.2%</i>	<i>19.6%</i>	<i>240 bps</i>	<i>15.9%</i>	<i>17.9%</i>	<i>200 bps</i>
Net Profit	135	152	12%	117	244	109%
<i>Net Profit Margin (%)</i>	<i>12.9%</i>	<i>14.5%</i>	<i>160 bps</i>	<i>5.9%</i>	<i>11.5%</i>	<i>560 bps</i>
EPS (INR)	3.98	4.45	12%	3.43	7.17	109%

All values in INR crore

WE HAVE BEEN CONSISTENTLY RECOGNISED AS A GREAT PLACE TO WORK



Recognised among the top 10 best large workplaces in Asia. This is highest rank for any FMCG company.

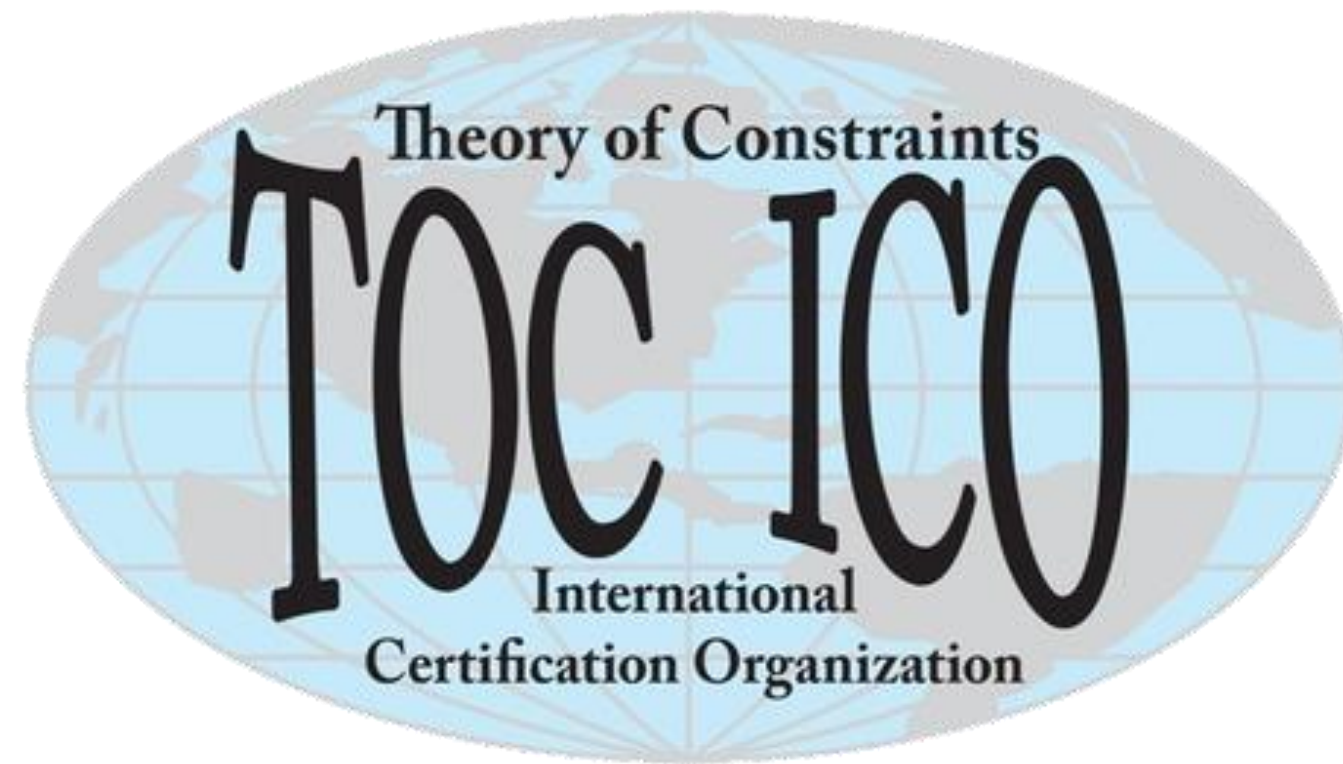


#1 in India FMCG
#5 in India Overall



Ranked among the best employers in India in 2016

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'



Ranked #26 in Forbes' list of 'The world's 100 most Innovative Growth Companies 2016'

FOUR OF OUR BRANDS FEATURED IN THE MOST TRUSTED BRANDS 2015

4 of our brands ranked in 100 Most Trusted Brands 2015 by Brand Equity



No.1



CINTHOL

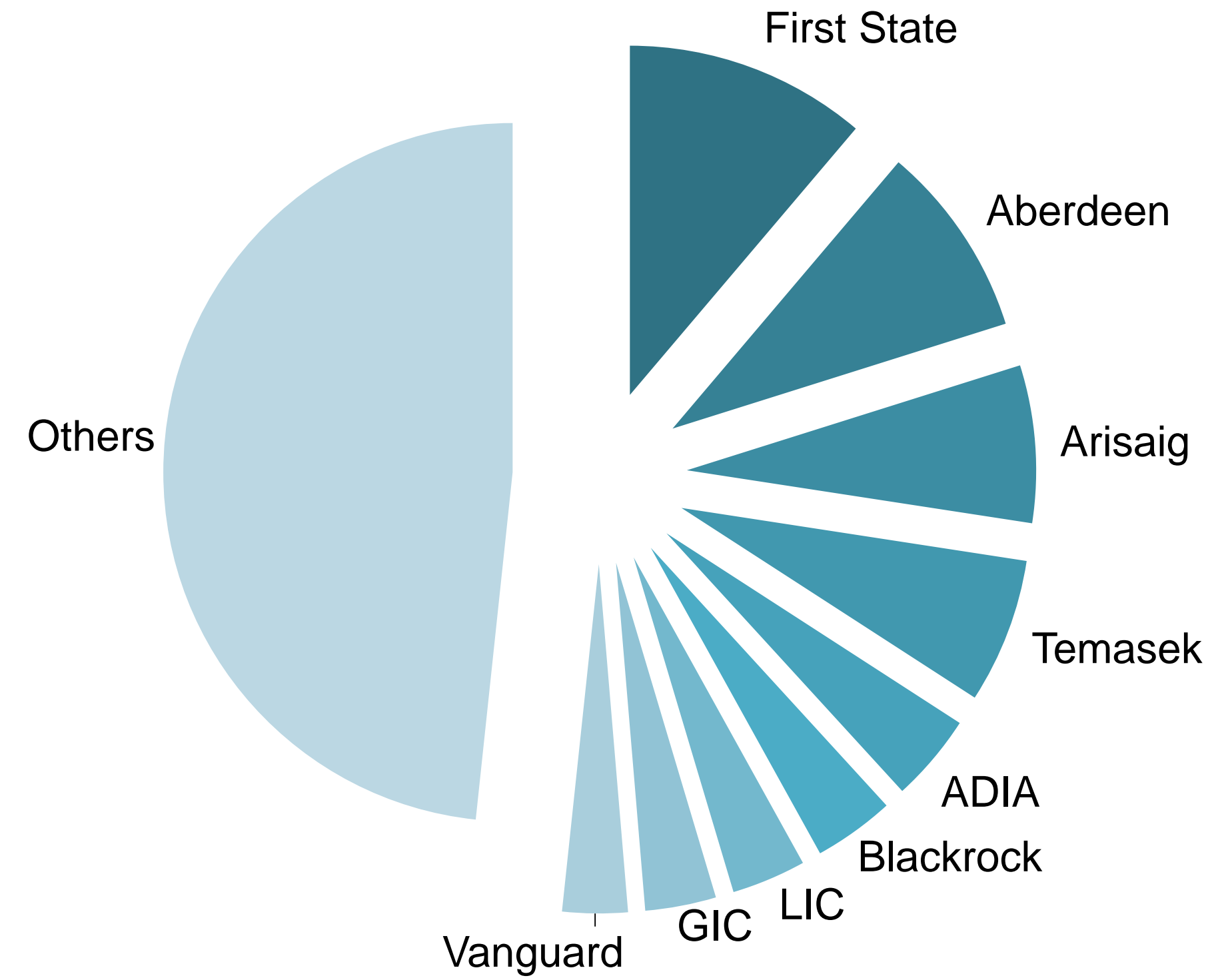
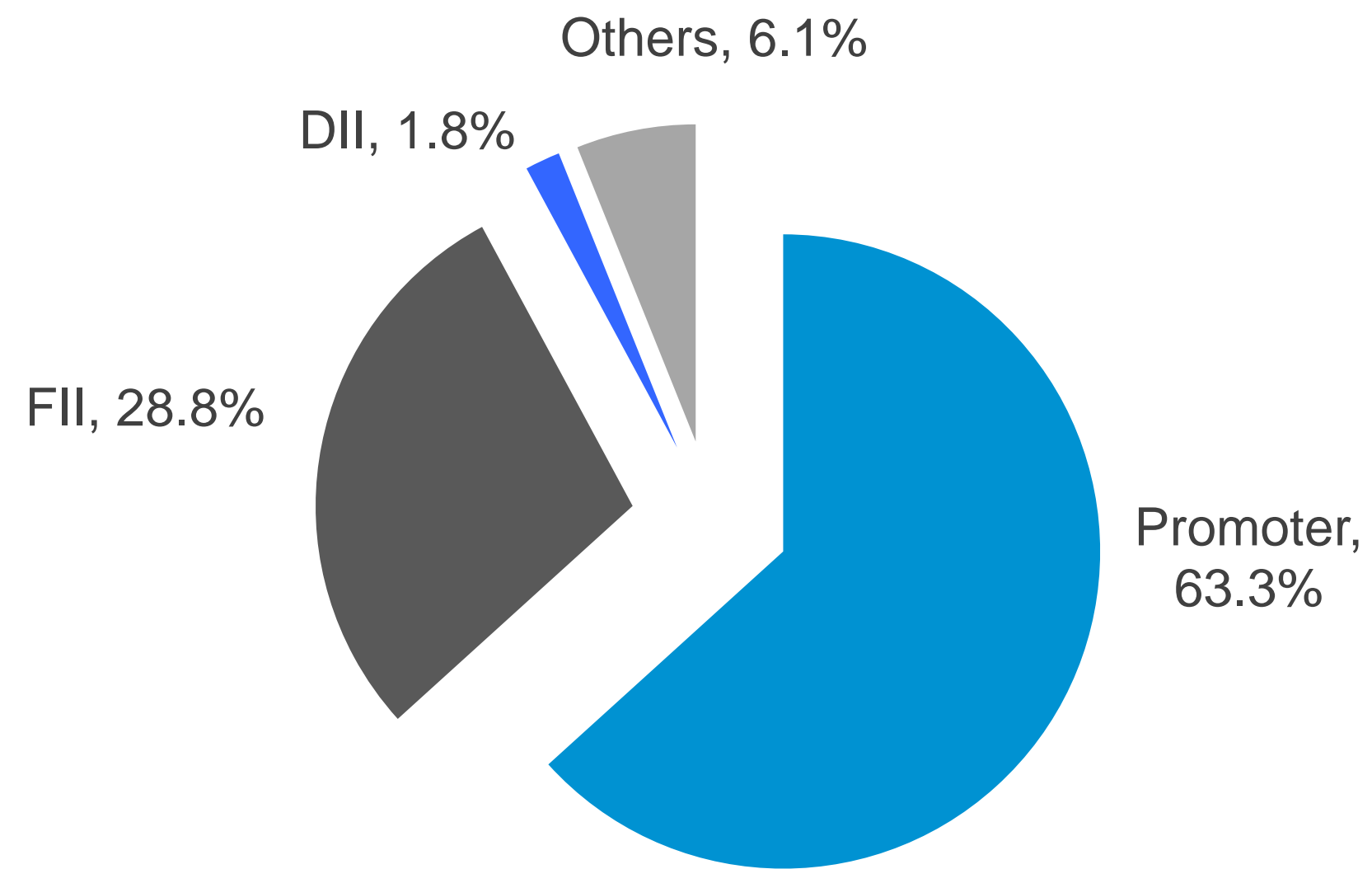
PERSONAL CARE

Godrej No. 1 Ranked 13th
Godrej Expert Powder Hair Colour Ranked 15th
Cinthol Ranked 17th

HOUSEHOLD CARE

Goodknight Ranked 2nd
HIT Ranked 7th

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