

Performance Update - 2Q FY17

November 7, 2016



PERFORMANCE UPDATE

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

2Q FY17 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales	11%	7%	16%
Net Sales – Constant Currency	15%	7%	25%
Net Sales – Organic*	3%	7%	(2%)
Net Sales – Organic Constant Currency*	7%	7%	6%
EBITDA	14%	12%	17%
EBITDA – Constant Currency	17%	12%	26%
Net Profit	44%	15%	170%
Net Profit without exceptional items	7%	15%	(8%)

* Excludes Strength of Nature (USA) and Canon Chemicals (Kenya) inorganic sales of INR 185 crore

EXCEPTIONAL ITEMS

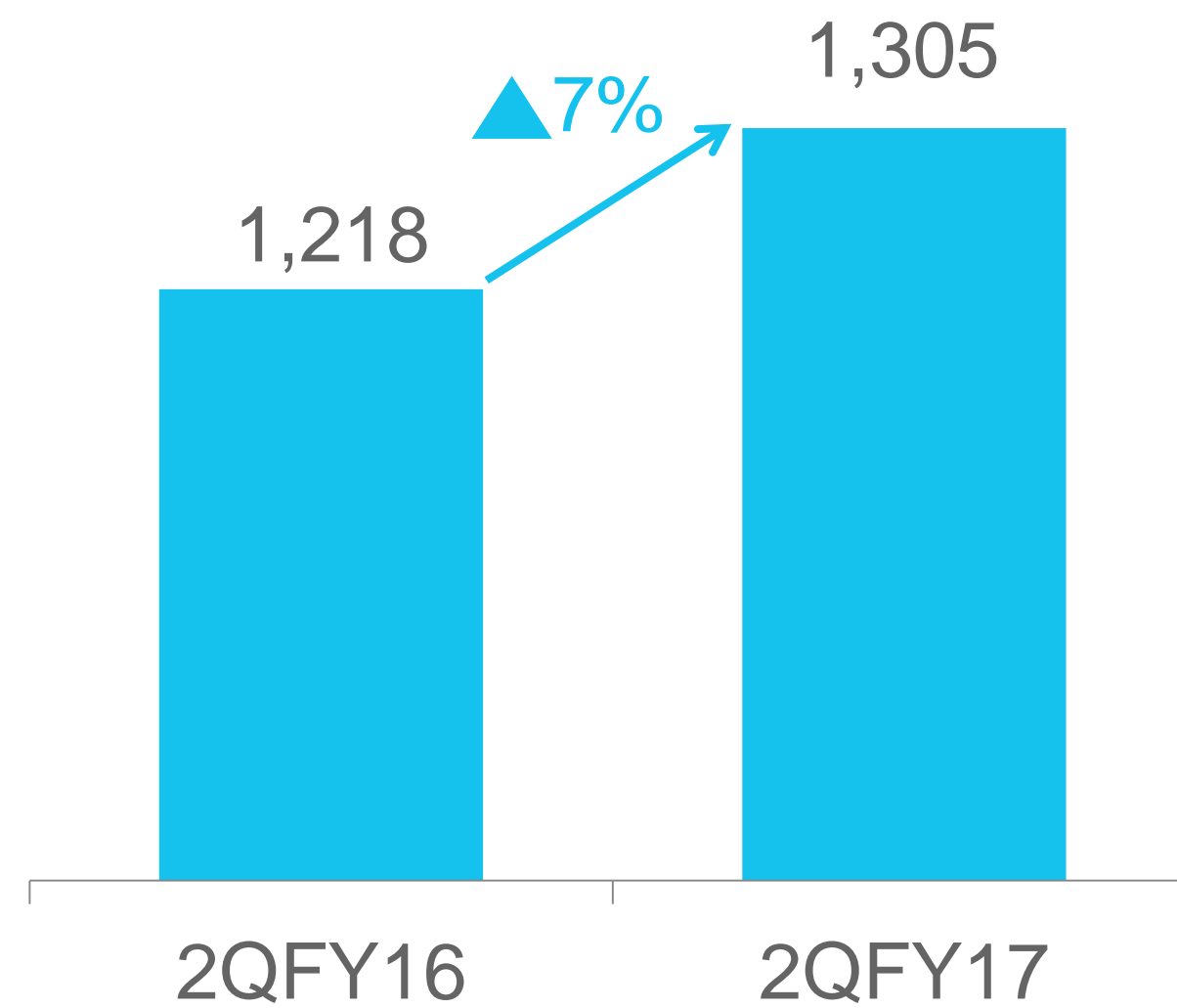
	2QFY17			2QFY16		
	Consolidated	India	International	Consolidated	India	International
Reported net profit	318	212	108	221	184	40
<i>Exceptional (post tax)</i>						
Add: Restructuring cost in Latin America	2		2	0.2		0.2
Less: Others	(2)		(2)			
Add: Call / Put option liability, dividend paid to non-controlling shareholders and acquisition related expenses				78		78
Net Profit without exceptional items	318	212	109	299	184	118

All values in INR crore

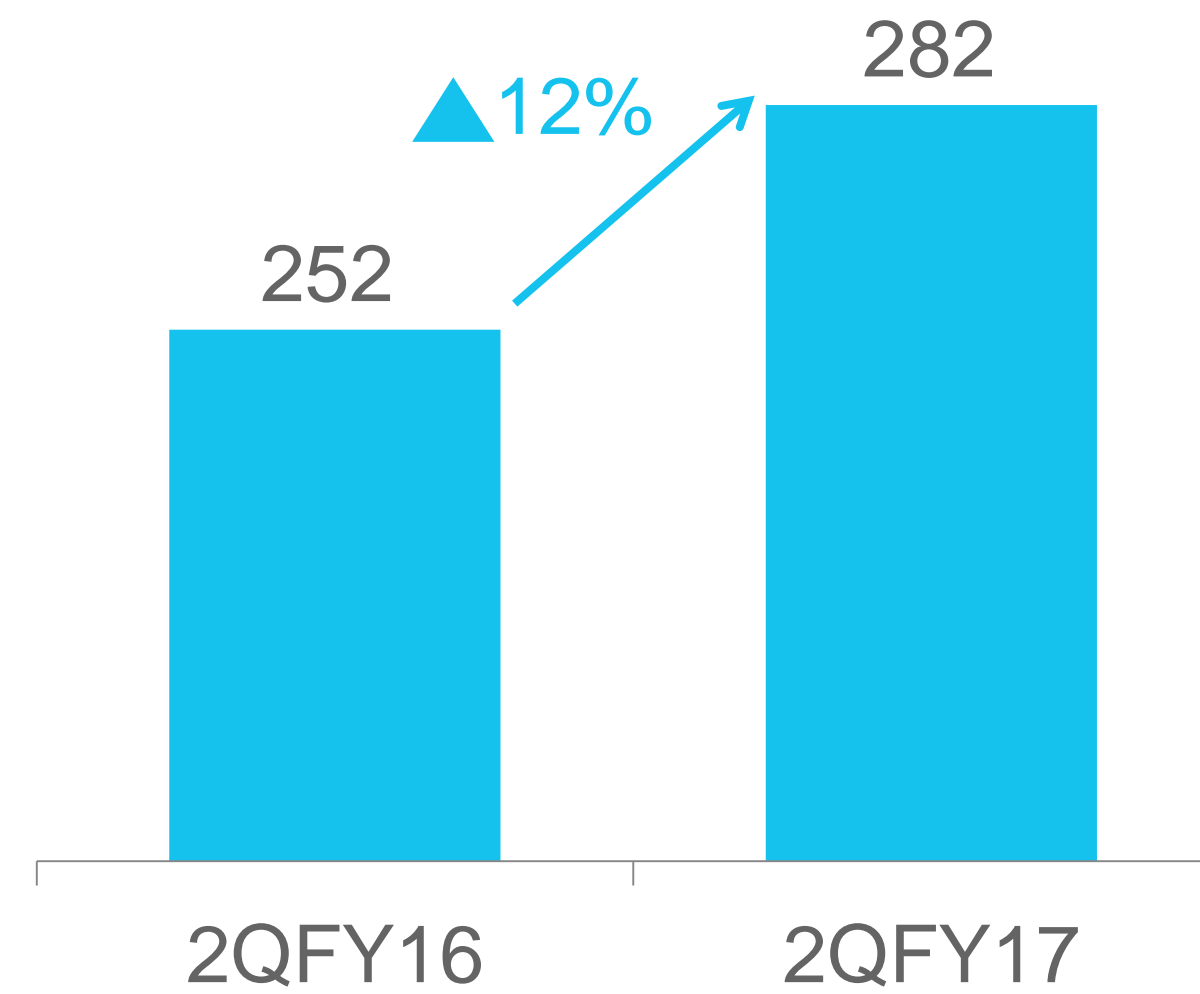
PERFORMANCE UPDATE

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

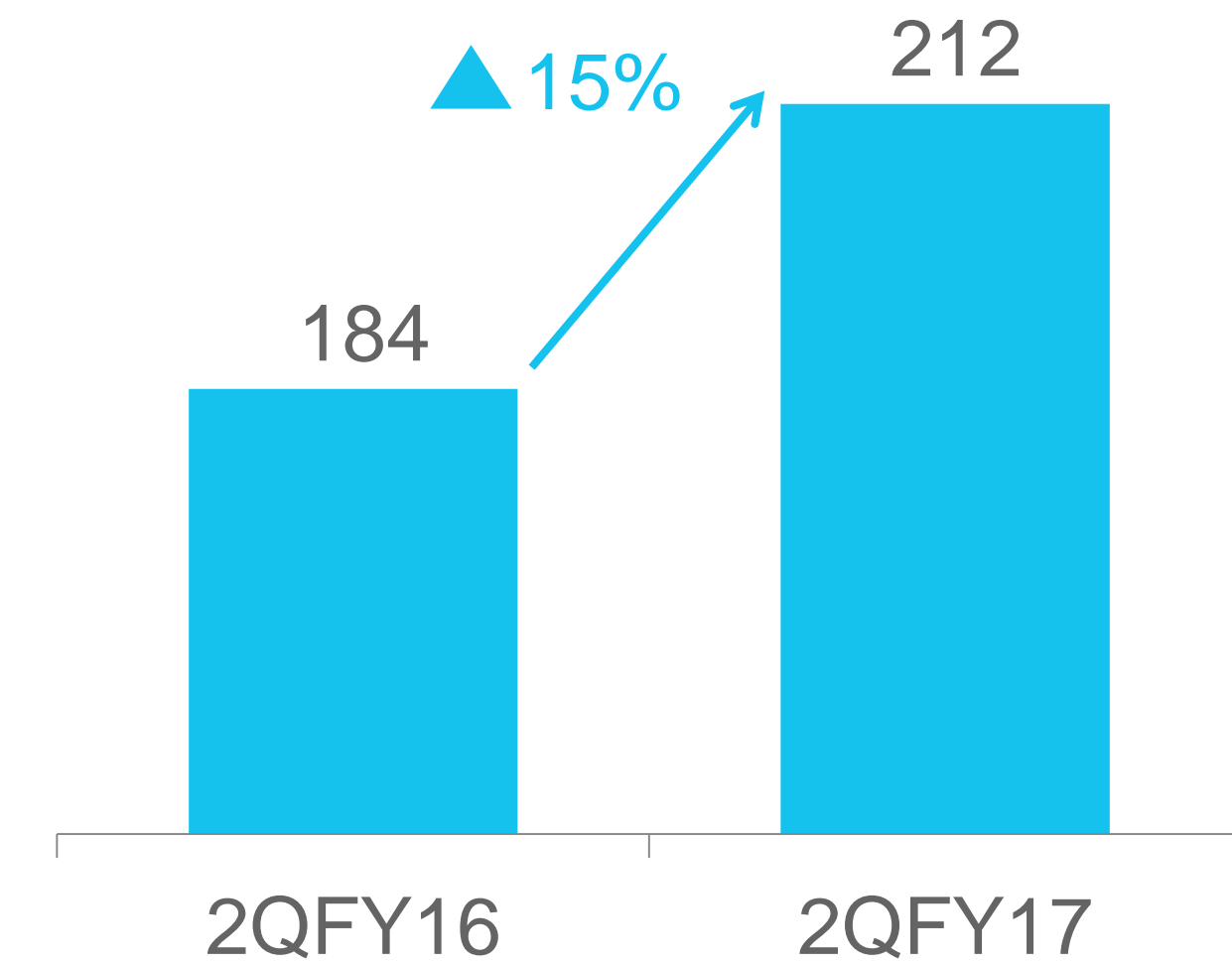
AHEAD OF MARKET SALES GROWTH AND COMPETITIVE PROFIT GROWTH IN INDIA



Net Sales



EBITDA



Net Profit

All values in INR crore

VOLUME LED SALES GROWTH

India Business	Sales (INR crore)	Growth (year-on-year)
Household Insecticides	696	18%
Soaps	377	(10%)
Hair Colours	139	flat
Other Brands	105	62%
Unbranded and Exports	47	(3%)
Total	1,365	8%
Sales and trade promotion spends, etc to be netted off from Sales as per Ind AS	(59)	33%
Gross Sales	1,305	7%
Branded Volume Growth	-	9%

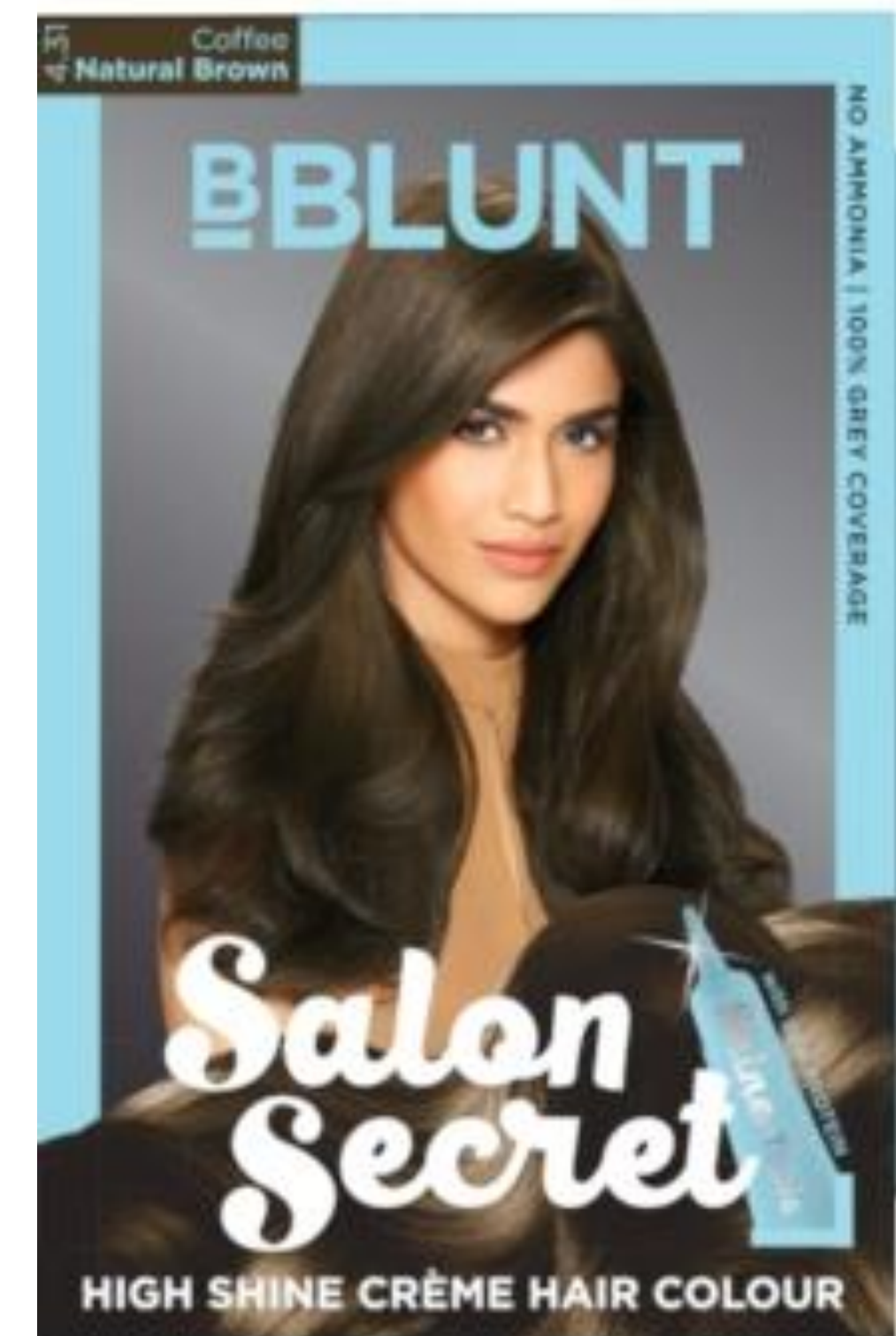
STRONG GROWTH RETURNS IN HOUSEHOLD INSECTICIDES

- Double-digit volume led sales growth of 18%
- Continue to focus on driving penetration and consumption through awareness campaigns and activations
- Leading category development and strengthening Good knight's leadership by driving awareness on morning mosquitoes with our *Subah Bolo Good knight* campaign
- Recently launched Good knight personal repellents range is receiving encouraging response from trade and consumers
- Continue to maintain leadership position across formats



HAIR COLOURS PERFORMANCE DRIVEN BY CRÈME FORMAT

- Sales was flat behind high base (17% growth in 2QFY16) while crème continues to be a lead growth driver
- Crème hair colours delivered strong double-digit growth in high teens
- Household penetration continues to see robust improvement behind effective communications
- BBLUNT hair colour being successfully rolled out in the market and initial response positive



A WEAK QUARTER FOR SOAPS

- Sales decline by 10% with mid-single digit volume decline
- Volume decline behind transient effect of withdrawal of promotions and rebalancing of price / volume dynamics; in-line with the category
- Godrej No. 1 Germ Protection variant continues to perform well



ENCOURAGING RESPONSE TO NEW LAUNCHES



PREMIUMISING OUR PORTFOLIO

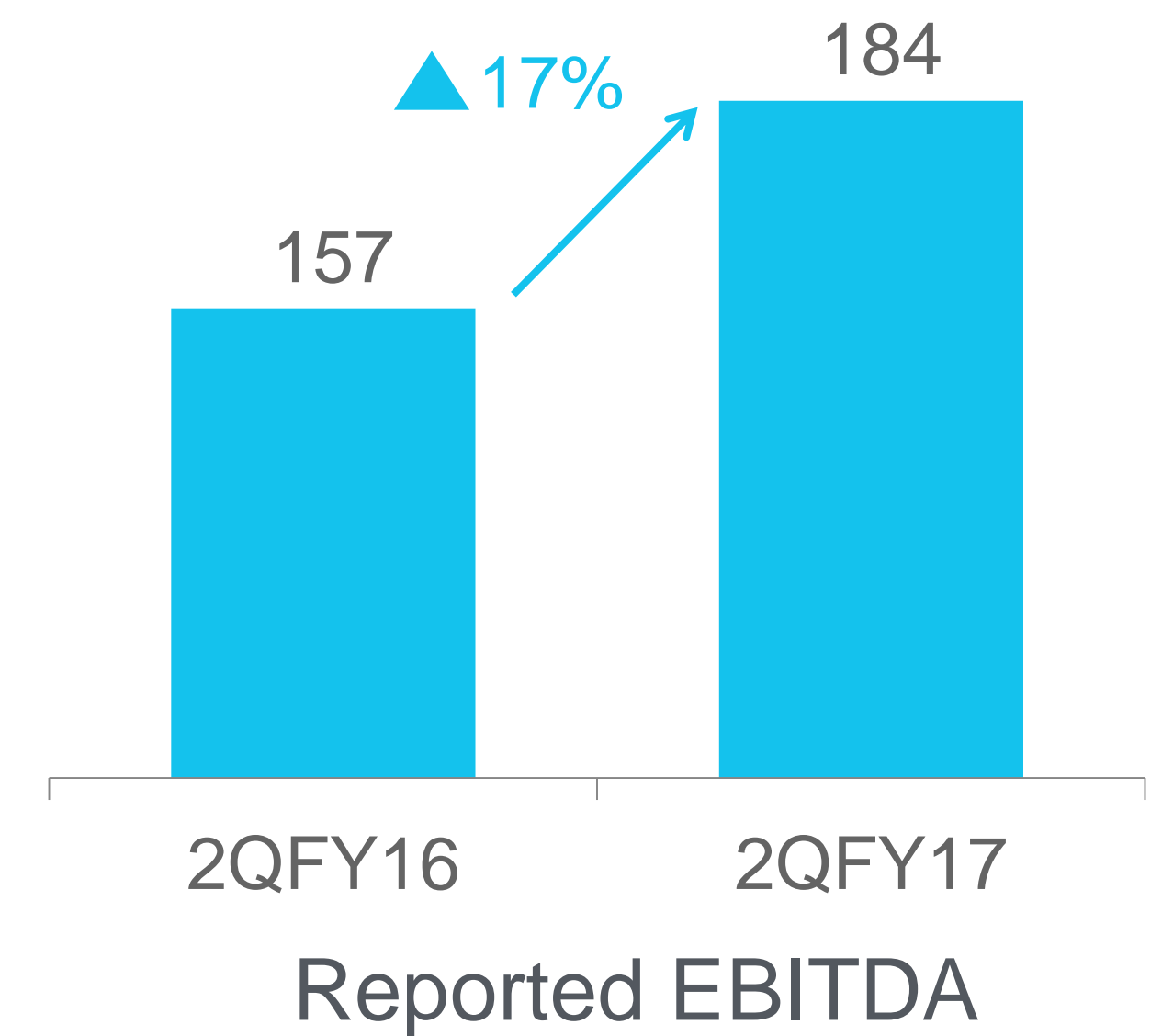
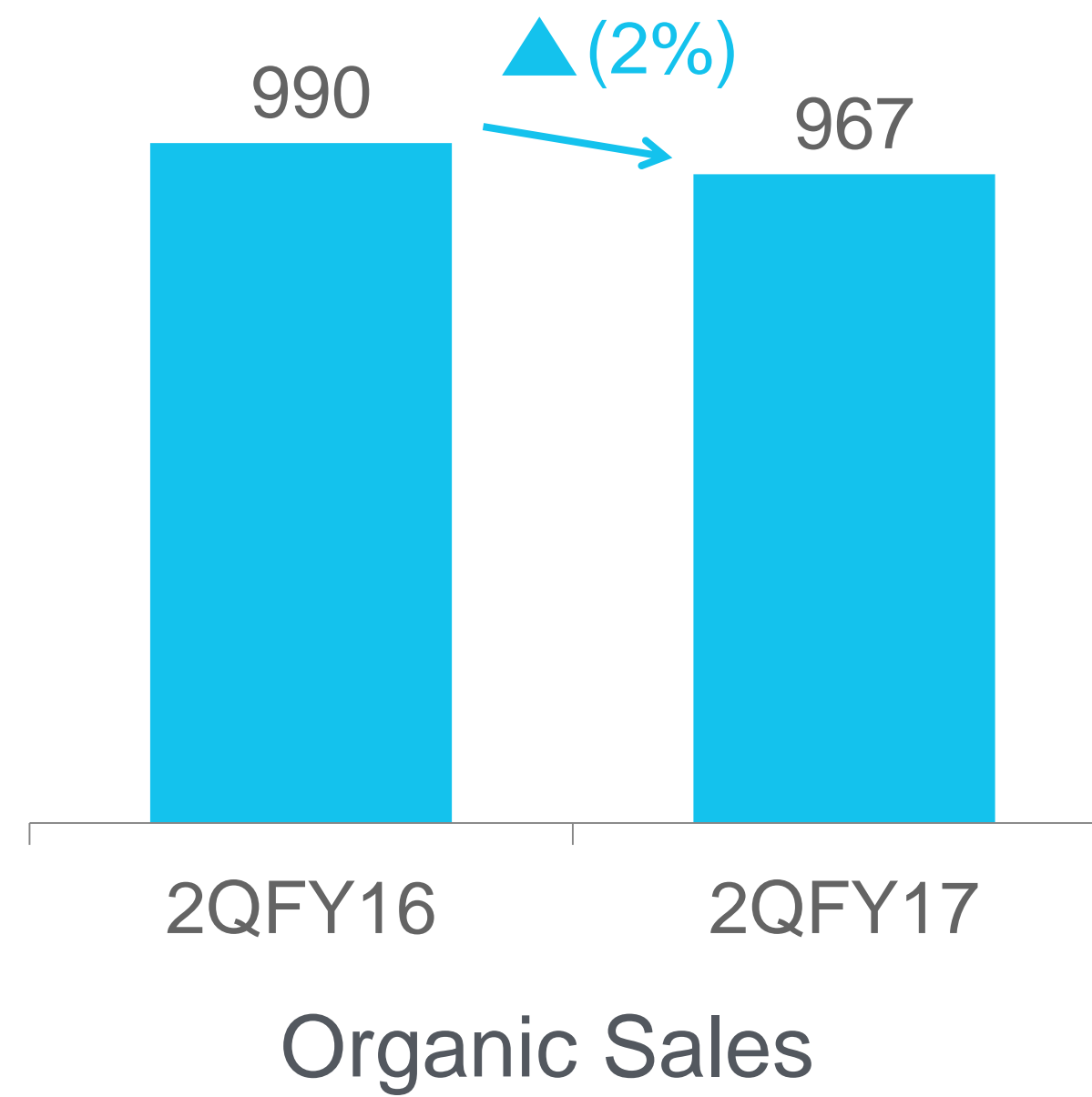
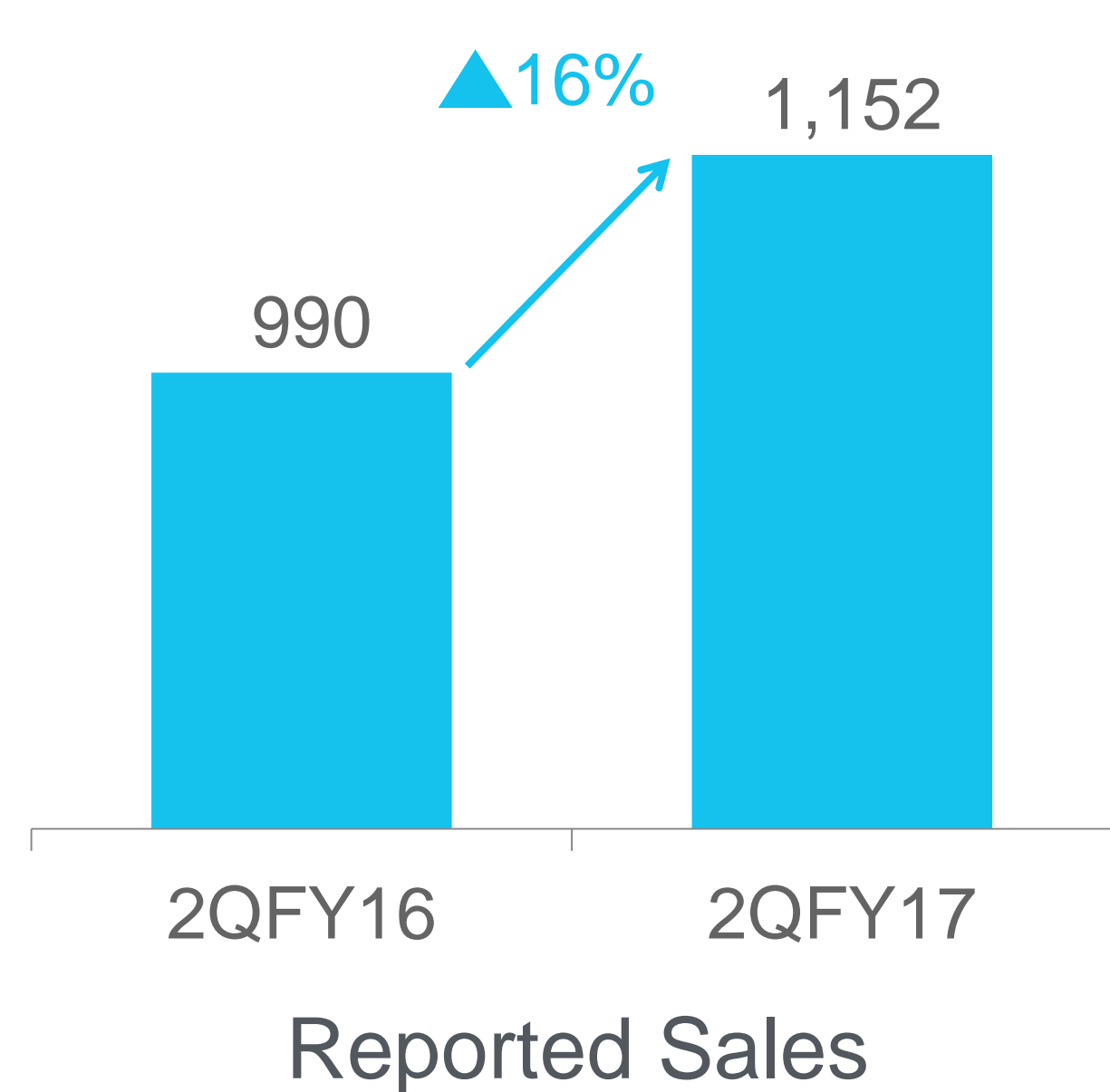


PERFORMANCE UPDATE

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

ROBUST 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 10 bps year-on-year led by margin improvements in Africa (incl. SON), Latin America and Europe



All values in INR crore

AFRICA CONTINUES STRONG GROWTH MOMENTUM WHILE ADVERSE WEATHER IMPACTS INDONESIA GROWTH

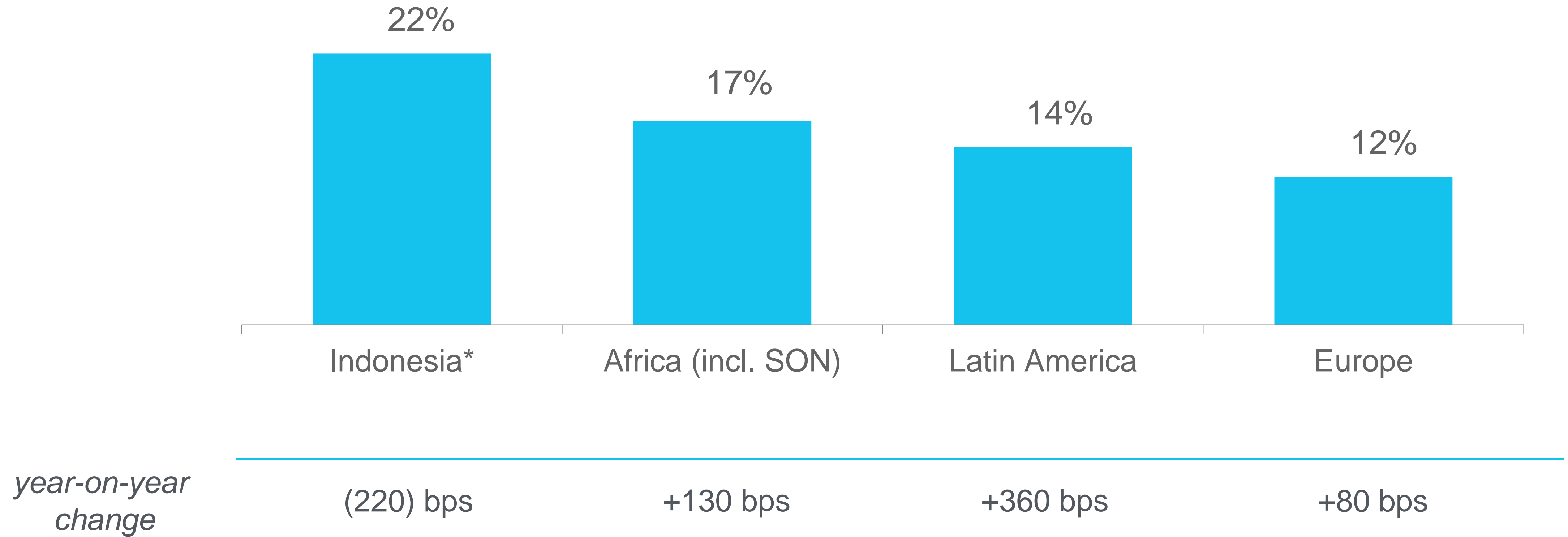
International Business	Sales (INR crore)	Growth (year-on-year)	Constant Currency Growth (year-on-year)
Indonesia	367	6%	(2%)
Africa (incl. SON)*	515	60%	75%
Latin America	131	(12%)	20%
Europe	104	(15%)	(2%)
Others**	35	(30%)	(34%)
Total Net Sales	1,152	16%	25%

* Includes Strength of Nature (USA) and Canon Chemicals (Kenya) inorganic sales of INR 185 crores

** Others include Sri Lanka, Bangladesh and Middle East

MARGIN IMPROVEMENT ACROSS MOST GEOGRAPHIES

EBITDA Margin



*Before payment of technical & business support fee

INDONESIA GROWTH IMPACTED BY ADVERSE WEATHER

- Constant currency sales decline by 2%
- Growth impacted by continued overall macro-economic slowdown and adverse weather impact in Household Insecticides. Constant currency growth (ex-Household Insecticides) at 13%.
- EBITDA margin declines 220 bps y-y behind upfront marketing investments. EBITDA + A&P growth ahead of sales growth.
- HIT gains further market share in Household Insecticides
- NYU range of hair colours being rolled out and initial response encouraging



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

- Constant currency revenue growth of 75% in Africa (incl. SON) business led by:
 - i) inorganic sales of INR 185 crore from Strength of Nature (SON) and Canon Chemicals
 - ii) organic constant currency sales growth of 18% in Africa business
- EBITDA margin improves 130 bps driven by 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



IMPROVEMENT IN LATIN AMERICA GROWTH

- Constant currency sales growth improves to 20% in a challenging operating environment
- EBITDA margin increases 360 bps y-y led by price hikes and stringent cost control
- Continue to focus on innovation and effective communication to navigate macro challenges
- Launched Project Symphony – a cost savings project - in Chile



EUROPE GROWTH IMPACTED BY MACRO CHALLENGES

- Constant currency sales declines 2% due to overall weakness in demand post Brexit, increased competitive intensity in deodorants and counterfeit issues in Bio-Oil
- EBITDA margin expands 80 bps y-y behind stringent cost control and relatively lower contractual A&P spends



2Q FY2017 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	2QFY16	2QFY17	Y/Y	2QFY16	2QFY17	Y/Y
Sales	1,218	1,305	7%	2,195	2,437	11%
Gross Profit	641	680	6%	1,142	1,299	14%
<i>Gross Margin (%)</i>	<i>52.6%</i>	<i>52.1%</i>	<i>(50) bps</i>	<i>52.0%</i>	<i>53.3%</i>	<i>130 bps</i>
EBITDA	252	282	12%	410	466	14%
<i>EBITDA Margin (%)</i>	<i>20.7%</i>	<i>21.6%</i>	<i>90 bps</i>	<i>18.7%</i>	<i>19.1%</i>	<i>40 bps</i>
Net Profit	184	212	15%	221	318	44%
<i>Net Profit Margin (%)</i>	<i>15.1%</i>	<i>16.2%</i>	<i>110 bps</i>	<i>10.1%</i>	<i>13.1%</i>	<i>300 bps</i>
EPS (INR)	5.40	6.22	15%	6.50	9.34	44%

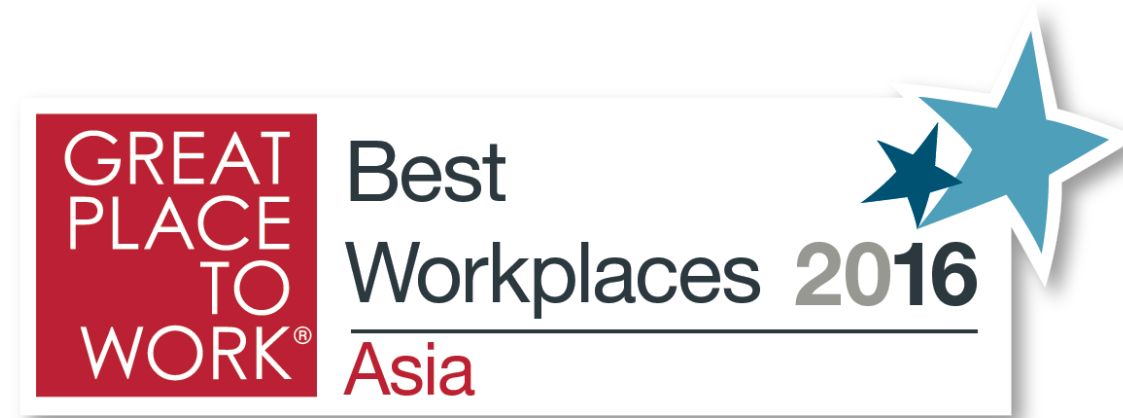
All values in INR crore

1H FY2017 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	1HFY16	1HFY17	Y/Y	1HFY16	1HFY17	Y/Y
Sales	2,341	2,424	4%	4,255	4,628	9%
Gross Profit	1,231	1,252	2%	2,206	2,436	10%
<i>Gross Margin (%)</i>	<i>52.6%</i>	<i>51.6%</i>	<i>(90) bps</i>	<i>51.8%</i>	<i>52.6%</i>	<i>80 bps</i>
EBITDA	432	487	13%	725	846	17%
<i>EBITDA Margin (%)</i>	<i>18.5%</i>	<i>20.1%</i>	<i>160 bps</i>	<i>17.0%</i>	<i>18.3%</i>	<i>130 bps</i>
Net Profit	319	364	14%	335	562	68%
<i>Net Profit Margin (%)</i>	<i>13.6%</i>	<i>15.0%</i>	<i>140 bps</i>	<i>7.9%</i>	<i>12.2%</i>	<i>430 bps</i>
EPS (INR)	9.38	10.67	14%	9.84	16.51	68%

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



Godrej South Africa has been certified amongst the Top Employers of South Africa

OTHER RECOGNITIONS



GCPL efforts to mitigate climate change have been recognised by CDP with GCPL being ranked A- on CDP India A List 2016



Received Porter Prize for Creating Shared Value 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

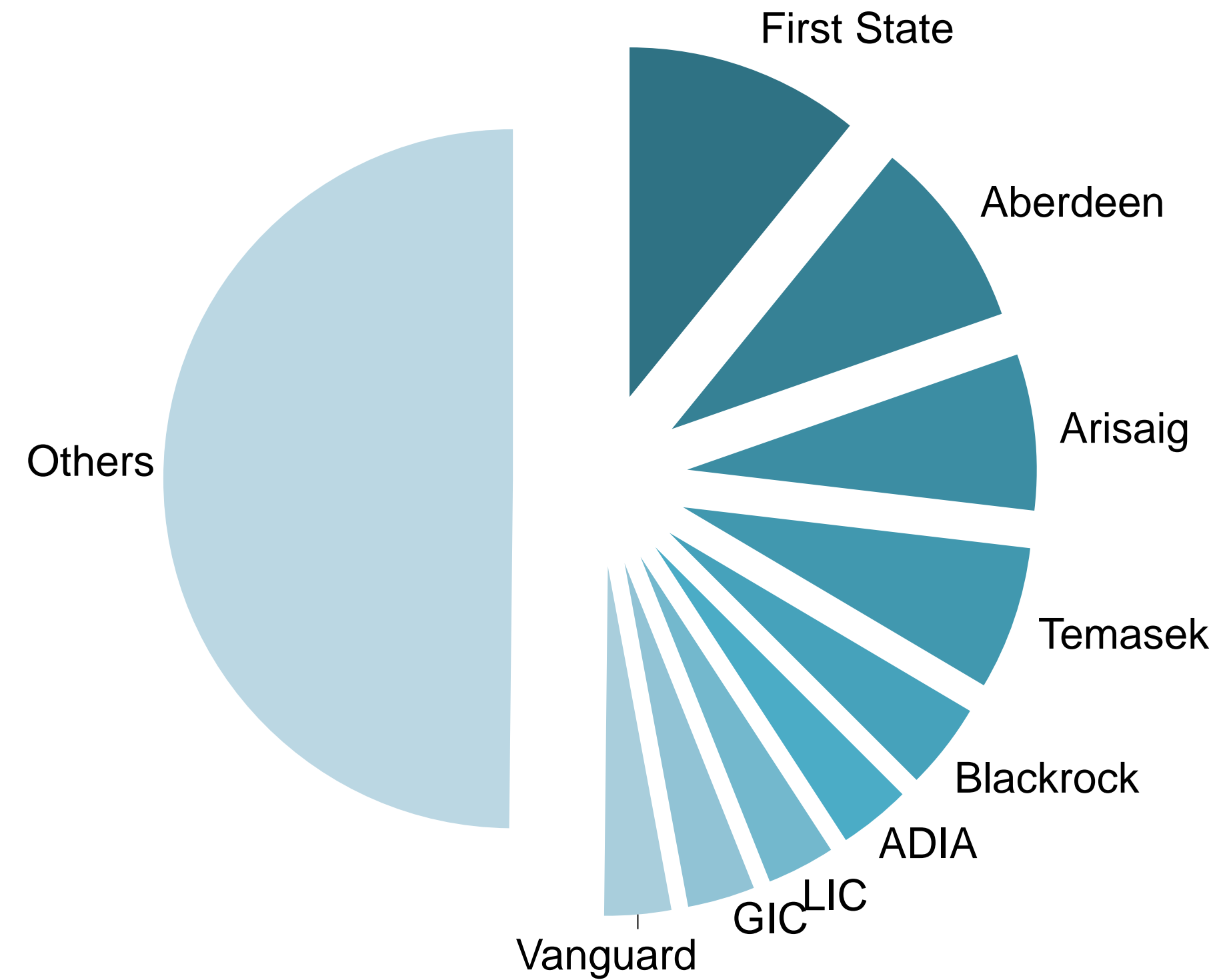
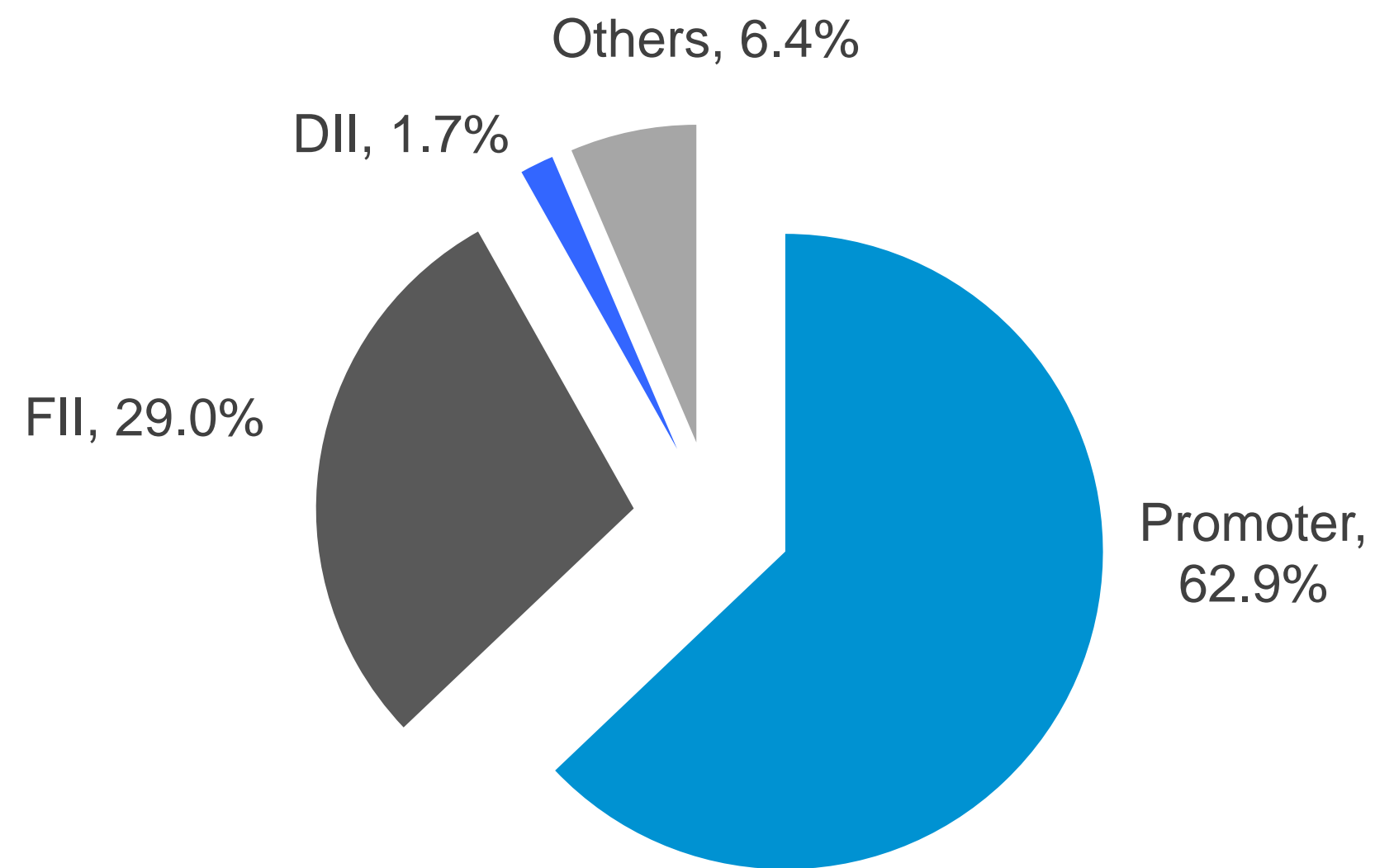
PERSONAL CARE

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

ANALYST AND INVESTOR SURVEY FEEDBACK

Suggestions / Feedback	Action
Calls with each cluster head once a year	Yes
Volume growth for International business	To be evaluated
Key category wise growth for Africa & Indonesia	To be evaluated
Quarterly disclosures of key Balance Sheet metrics	To be evaluated
Revisit the introductory part in the conference call	Yes
Visit to Indonesia, Africa and USA	Yes
Excel based financial trends of past quarters	Yes

CONTACT US

To know more, visit:
www.godrejcp.com

V Srinivasan

Email: v.srinivasan@godrejcp.com

Tel: +91 22 2519 4316

Sameer Shah

Email: sa.shah@godrejcp.com

Tel: +91 22 2519 4467

Tapan Joshi

Email: tapan.joshi@godrejcp.com

Tel: +91 22 2519 5433

DISCLAIMER

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 from those expressed or implied. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.



THANK YOU FOR YOUR TIME AND CONSIDERATION