

Performance Update - 3Q FY17

January 30, 2017



PERFORMANCE UPDATE

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

3Q FY17 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales	8%	flat	19%
Net Sales – Constant Currency	12%	flat	28%
Net Sales – Organic*	2%	flat	4%
Net Sales – Organic Constant Currency*	6%	flat	13%
EBITDA	14%	15%	11%
EBITDA – Constant Currency	17%	15%	19%
Net Profit	(4%)	19%	(31%)
Net Profit without exceptional items	5%	19%	(16%)

* Excludes Strength of Nature (USA) and Canon Chemicals (Kenya) inorganic sales of INR 148 crore

EXCEPTIONAL ITEMS

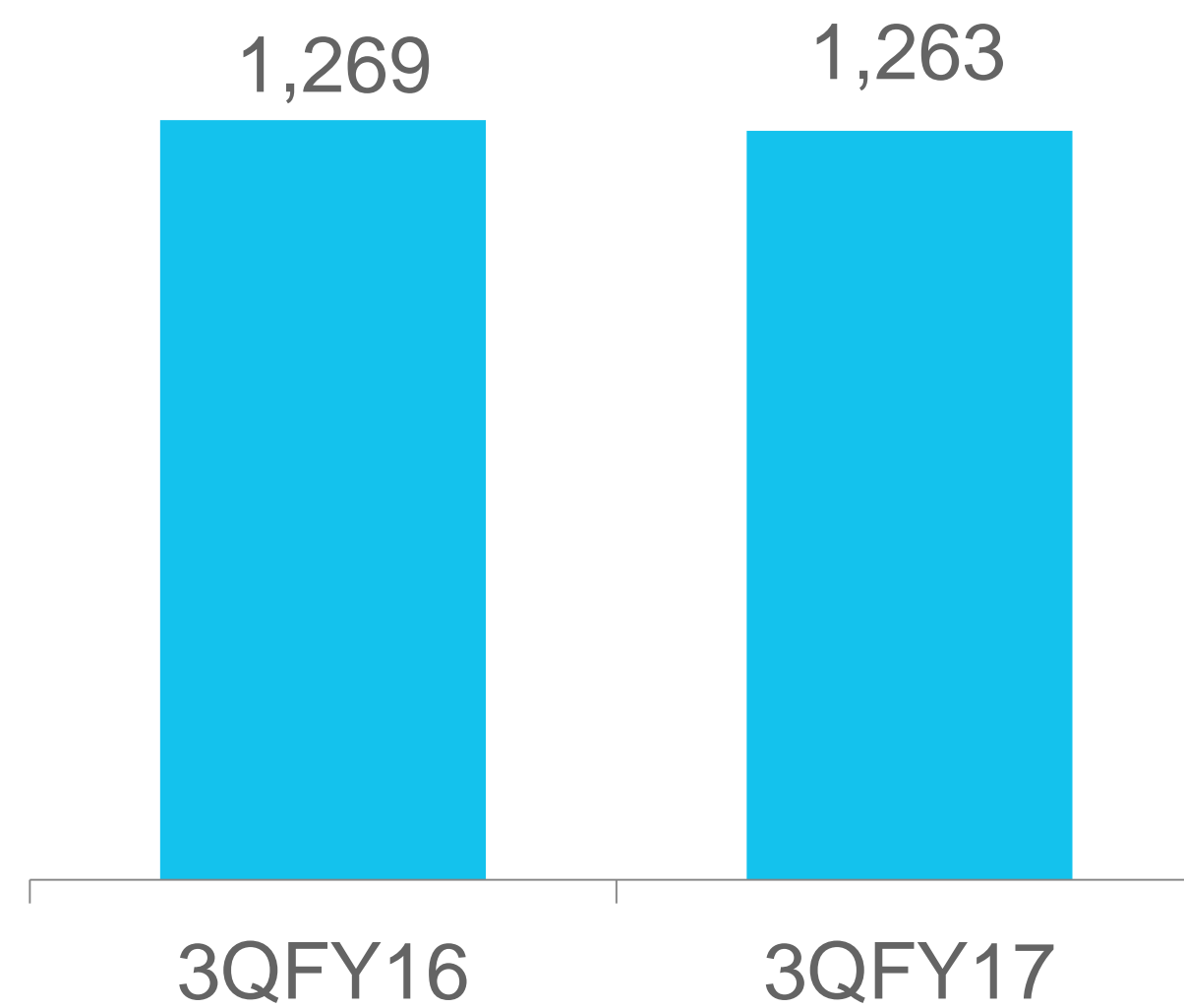
	3QFY17			3QFY16		
	Consolidated	India	International	Consolidated	India	International
Reported net profit	352	231	122	368	194	177
<i>Exceptional (post tax)</i>						
Add: Restructuring cost in Latin America	3		3	0.6		0.6
Less: Others	(6)		(6)			
Less: Call / Put option liability, dividend paid to non-controlling shareholders and acquisition related expenses				(37)		(37)
Net Profit without exceptional items	349	231	119	331	194	141

All values in INR crore

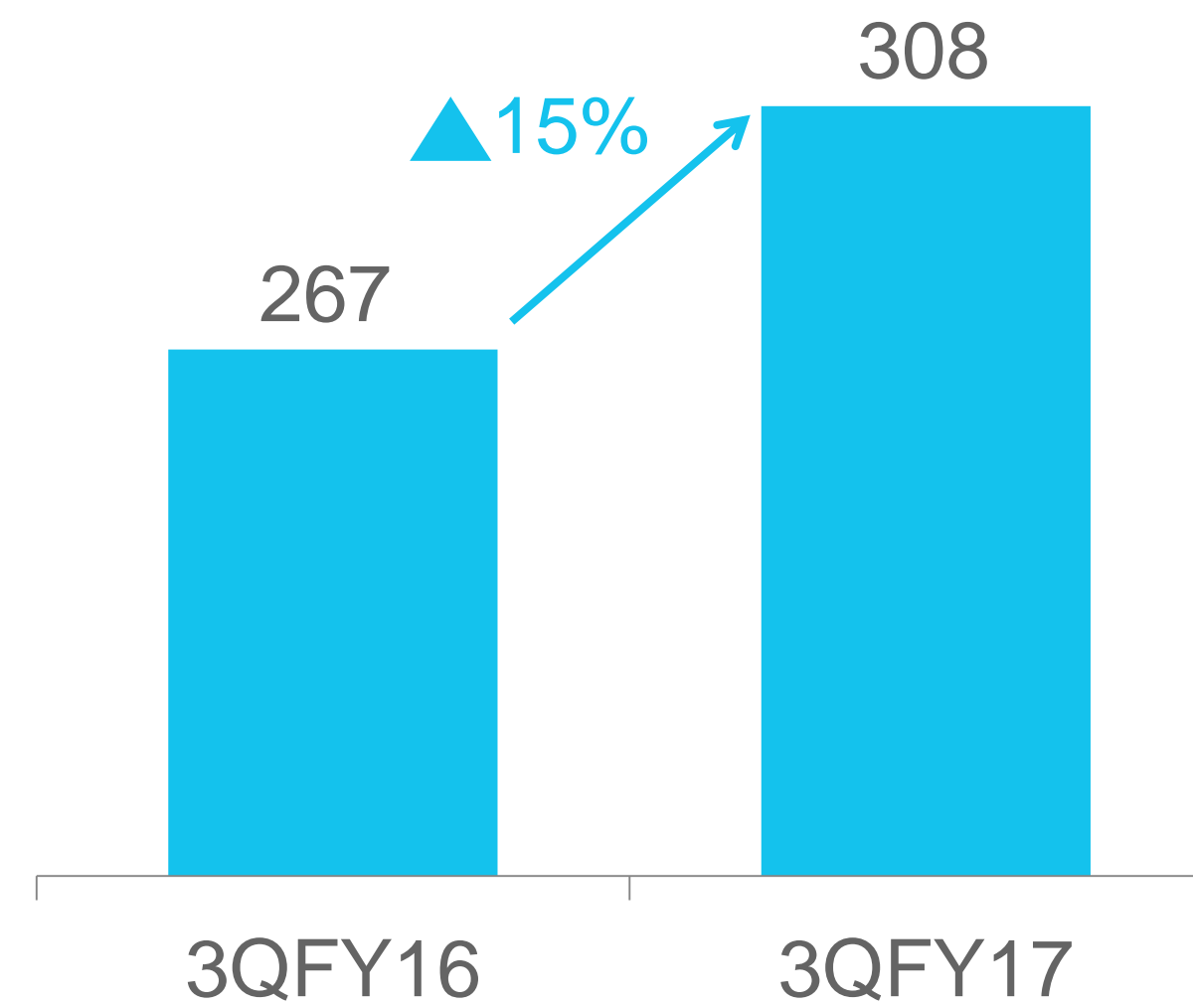
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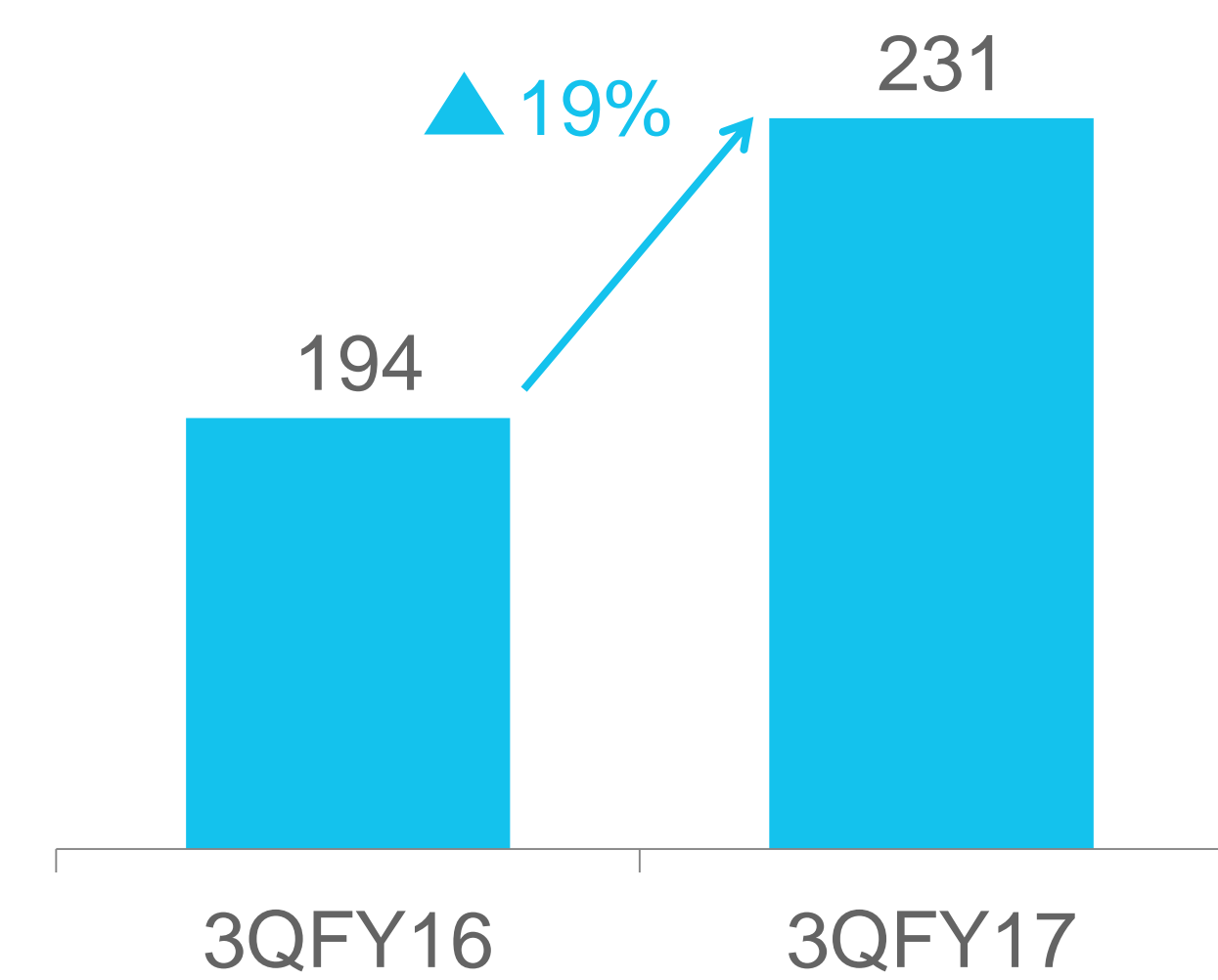
RESILIENT PERFORMANCE IN A CHALLENGING ENVIRONMENT; ROBUST EBITDA MARGIN EXPANSION CONTINUES



Net Sales



EBITDA

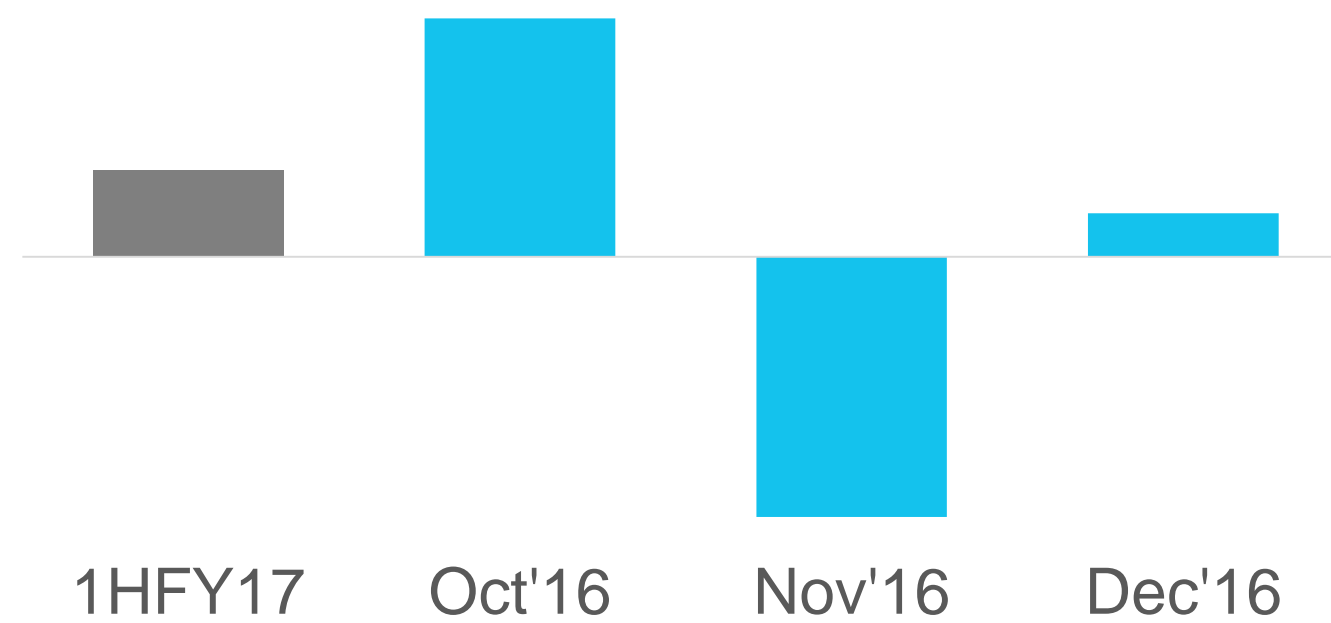


Net Profit

All values in INR crore

IMPACT OF DEMONETISATION

Primary sales growth



- Strong start to the quarter as reflected in Oct'16 double-digit growth
- Nov'16 growth impacted by demonetisation
- Recovery seen in Dec'16 as reflected in positive sales growth



- Urban wholesale and rural impacted most by demonetisation
- Dynamic response to on ground situation leads to recovery in Dec'16

Nov'16
Dec'16

DYNAMICALLY RESPONDED TO ON GROUND SITUATION

- Enhanced focus on direct distribution to compensate for loss of wholesale sales by incentivising sales representatives and channel partners
- Supported channel partners by extending calibrated credit to resolve liquidity issues. Credit days to revert to pre-Nov'16 levels starting Feb'17
- Fast tracked growth in cashless payment outlets (mainly modern trade, e-commerce, chemists, self-service stores, etc.)
- Continued media investments on new product launches and core brands to gain market share from unorganised or wholesale dependent players
- Maintained status quo on sales and trade promotion spends

AHEAD OF MARKET SALES PERFORMANCE; SECONDARY SALES GROWTH OF 2%

India Business	Sales (INR crore)	Growth (year-on-year)
Household Insecticides	619	(2%)
Soaps	354	(6%)
Hair Colours	129	(2%)
Other Brands	179	20%
Unbranded and Exports	50	(8%)
Total	1,331	(1%)
Sales and trade promotion spends, etc to be netted off from Sales as per Ind AS	(67)	(7%)
Gross Sales	1,263	flat
Branded Volume Growth	-	(3%)

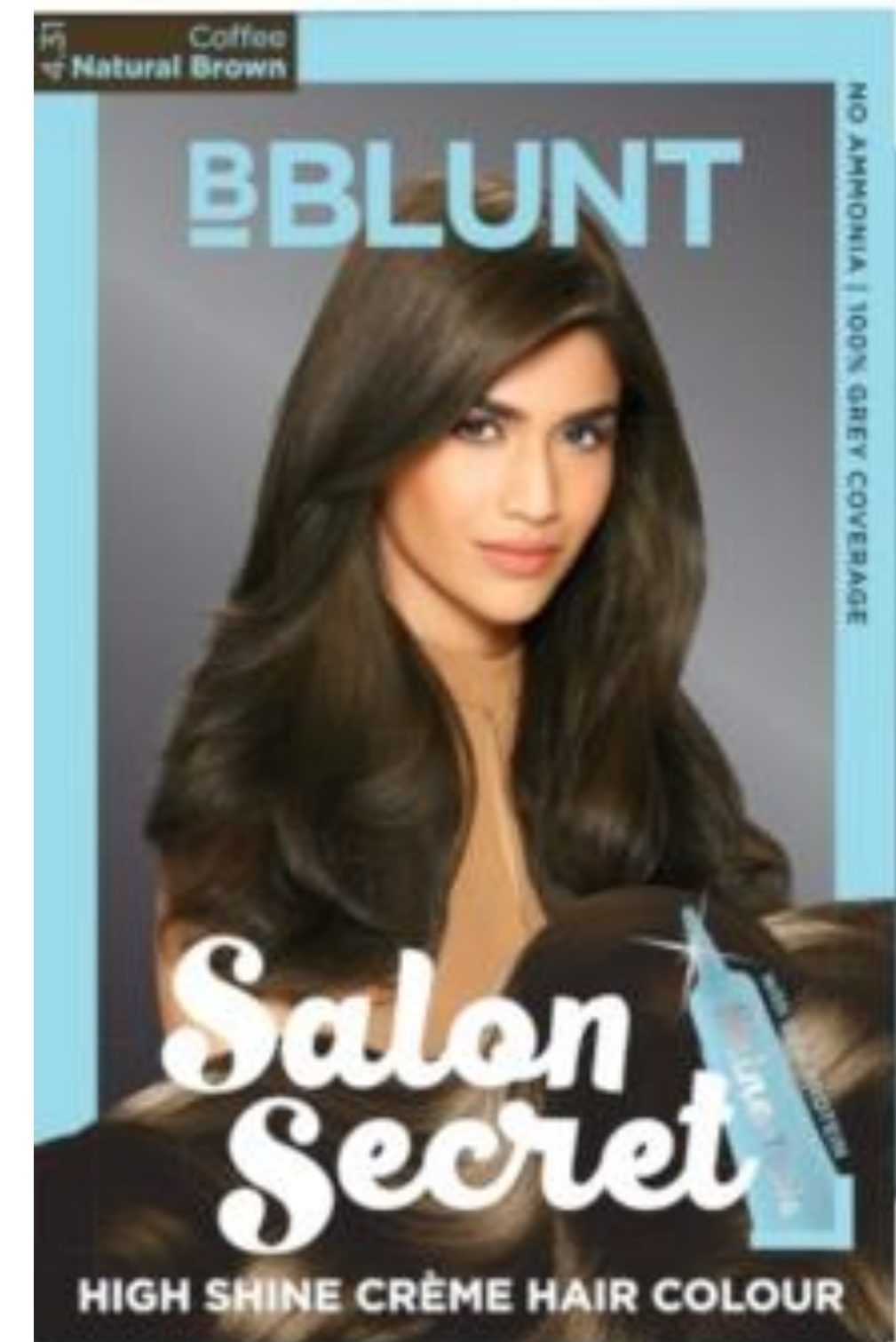
COMPETITIVE PERFORMANCE IN HOUSEHOLD INSECTICIDES

- Secondary sales flat while primary sales decline 2%
- Gained market share on exit basis
- Opportunity to strengthen rural distribution and gain further market share from unorganised and wholesale dependent players post demonetisation
- Continuous increase in penetration rates led by innovative launches, awareness creating campaigns and activations
- Healthy level of media investments maintained during the quarter
- Good knight personal repellents receiving encouraging response. Production capacity increased to meet higher demand.



EXPERT CRÈME DELIVERS DOUBLE-DIGIT GROWTH

- Primary sales decline 2% while crème continues to be a lead growth driver with strong double-digit growth
- Godrej Expert Rich Crème reaches highest ever market share on exit basis
- Effective communication campaign along with competitive media investments widens Godrej Expert Rich Crème's distribution and penetration lead over competition
- Opportunity to strengthen rural distribution and gain further market share from unorganised players post demonetisation
- BBLUNT hair colour being successfully rolled out in the market and initial response positive



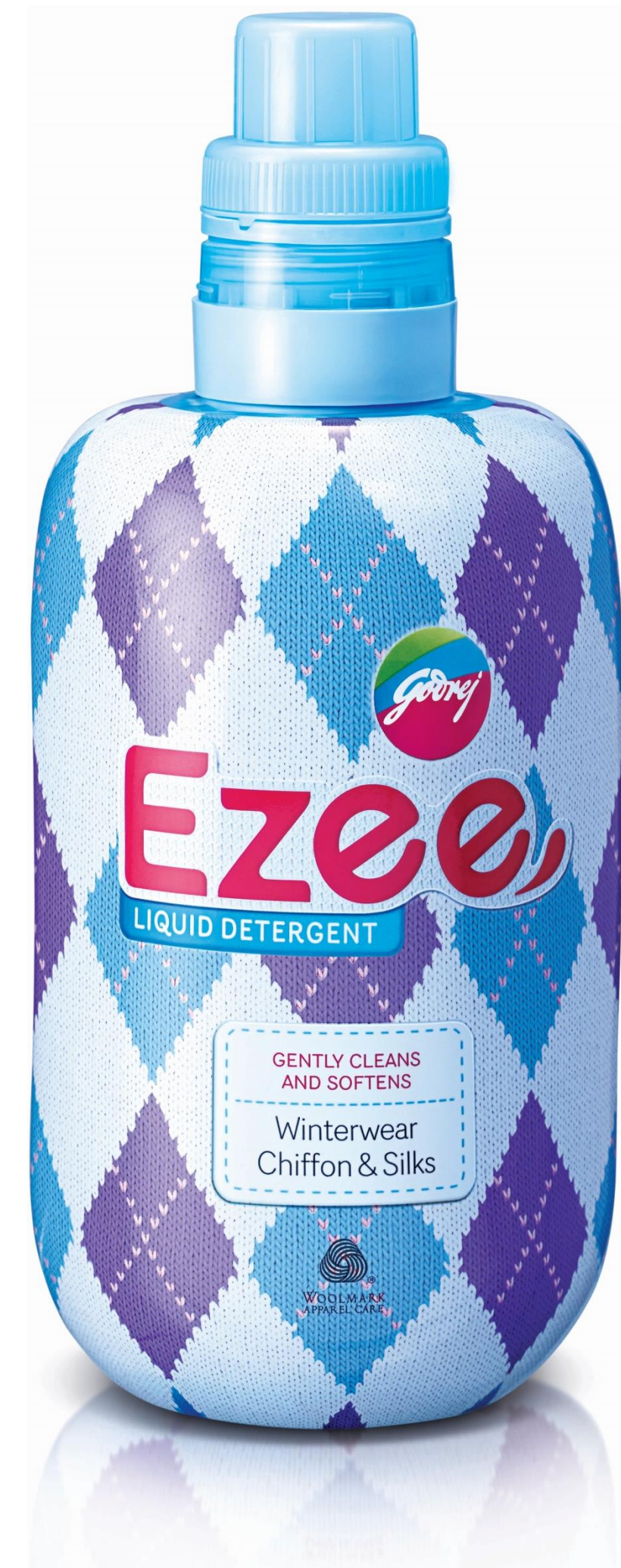
PRICE LED GROWTH RETURNING IN SOAPS

- Primary sales decline by 6% with high-single digit volume decline
- Volume decline driven partly by the transient effect of withdrawal of promotions and adverse impact of demonetisation
- Scaling back consumer, trade offers and initiated selective price increases



REASONABLE GROWTH PERFORMANCE IN LIQUID DETERGENTS

- Liquid Detergents saw reasonable growth performance with primary sales increase of 2% despite delayed winter and demonetisation
- Demonetisation impacted demand given the semi-discretionary nature of the category



NEW LAUNCHES CONTINUE TO PERFORM WELL



PREMIUMISING OUR PORTFOLIO

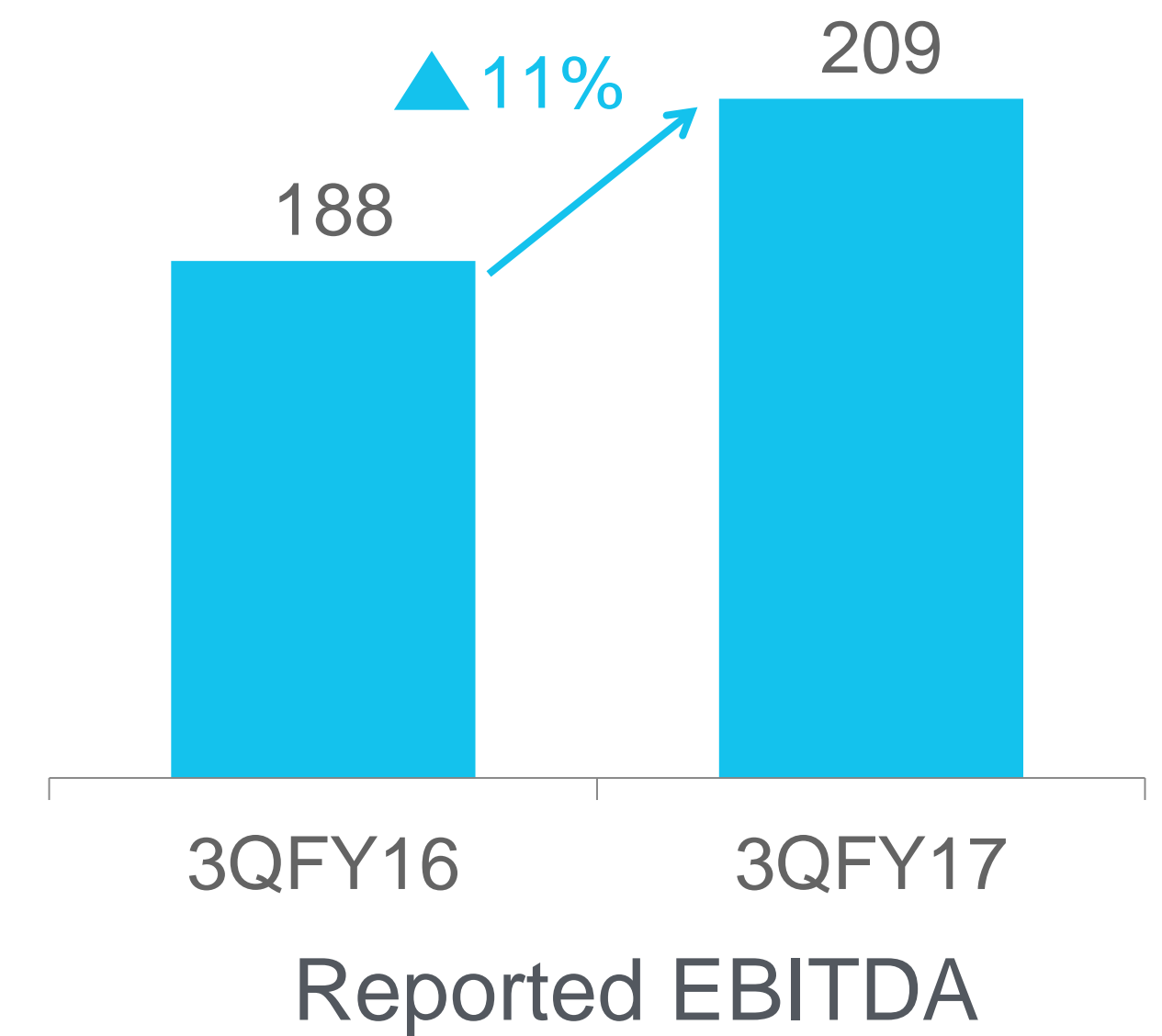
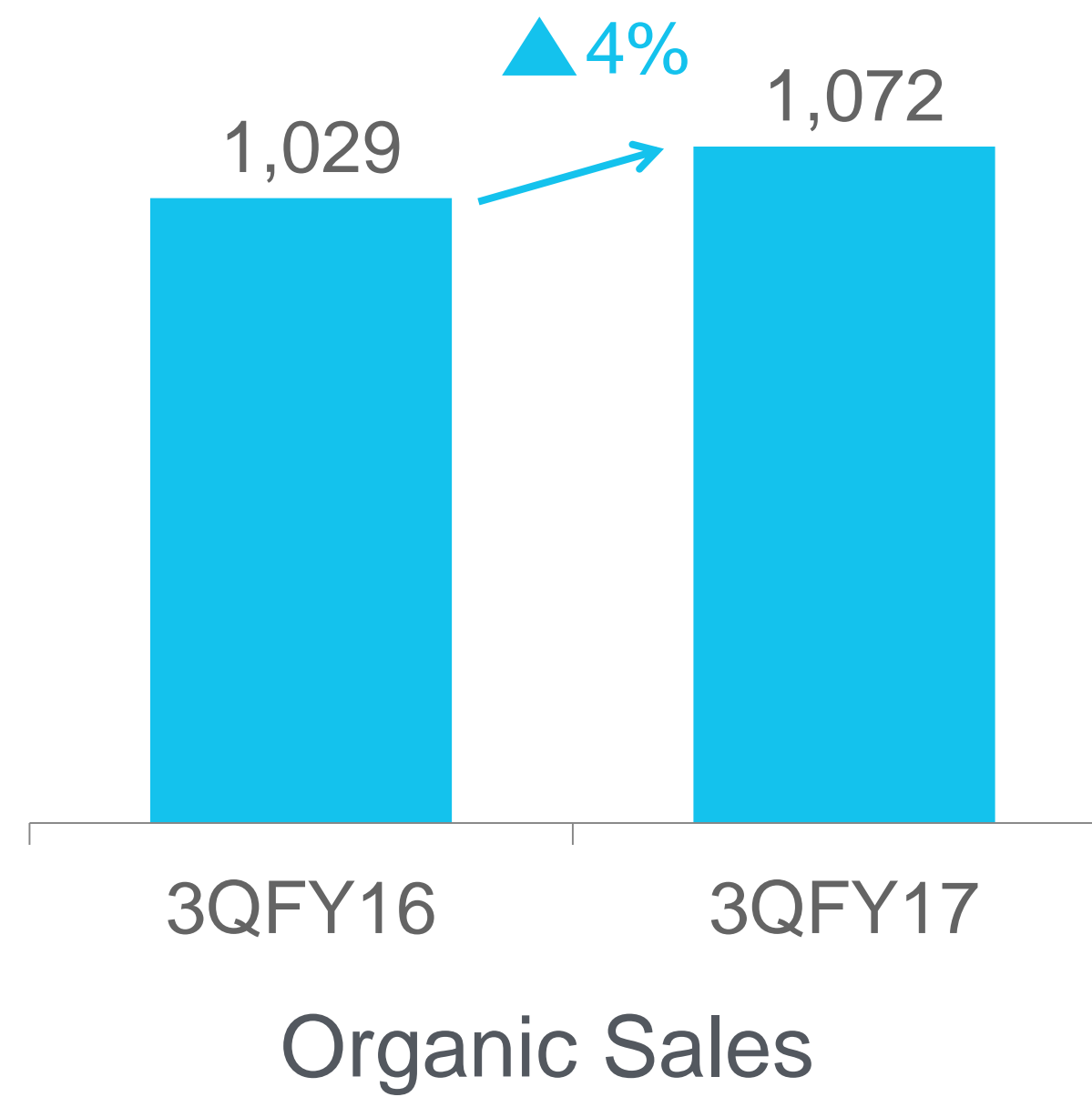
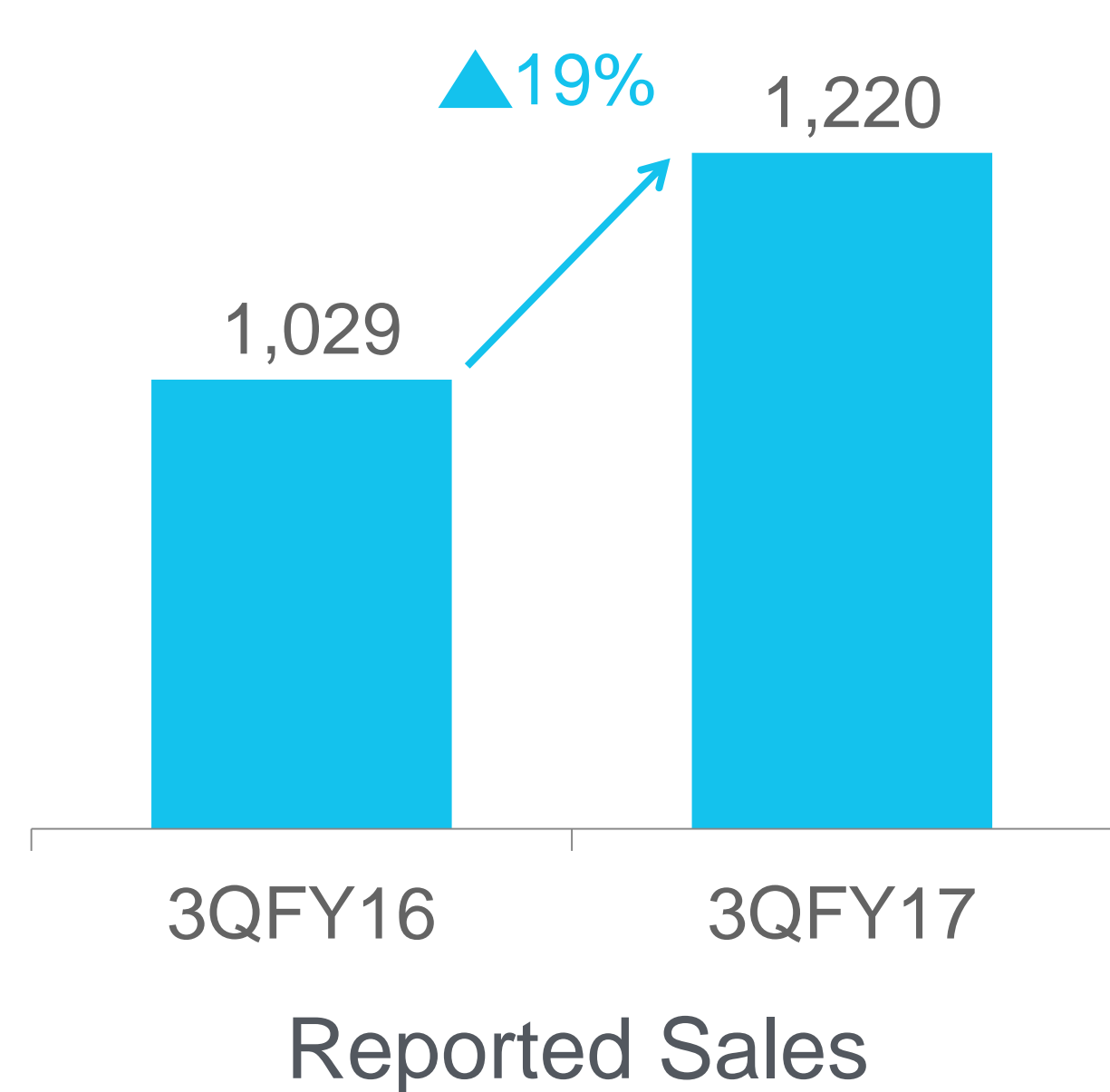


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DOUBLE-DIGIT GROWTH DESPITE MACRO ECONOMIC HEADWINDS

- International business delivers organic constant currency sales growth of 13% driven by Africa, Latin America and Europe
- EBITDA margin of 17% declines 110 bps year-on-year



All values in INR crore

AFRICA CONTINUES ITS STRONG GROWTH MOMENTUM

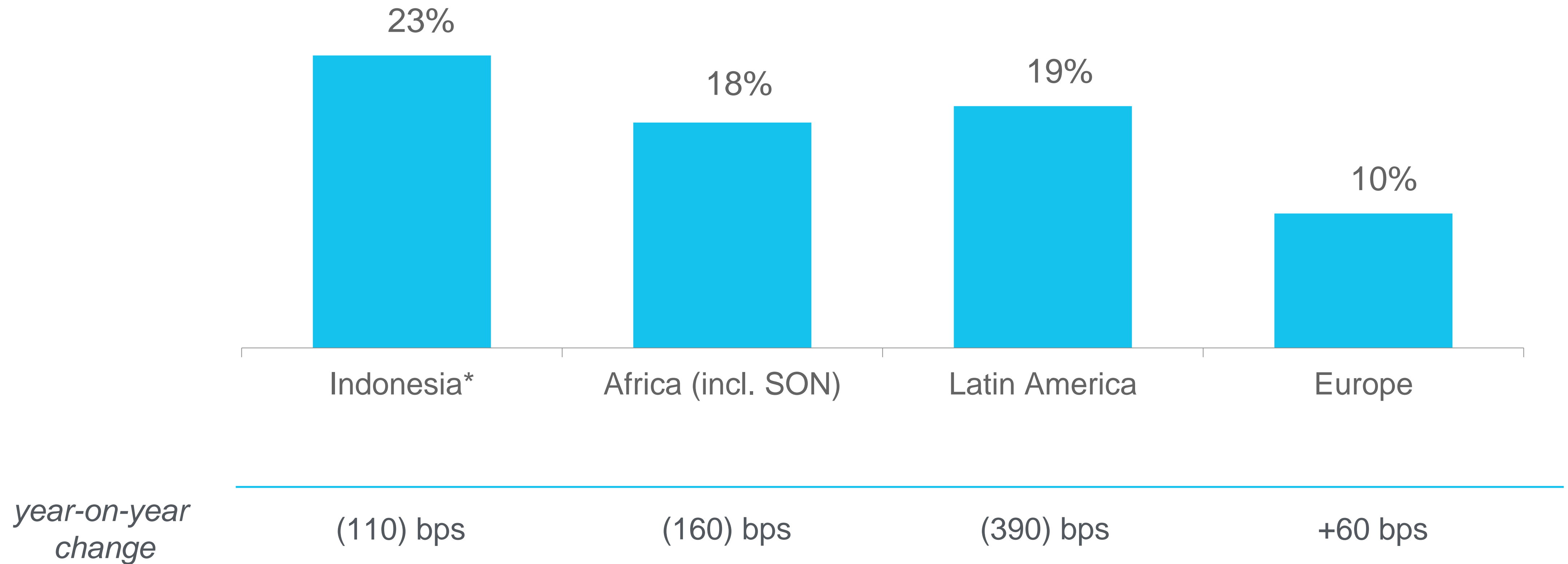
International Business	Sales (INR crore)	Growth (year-on-year)	Constant Currency Growth (year-on-year)
Indonesia	395	7%	flat
Africa (incl. SON)*	549	41%	54%
Latin America	161	(4%)	24%
Europe	81	(5%)	16%
Others**	34	95%	94%
Total Net Sales	1,220	19%	28%

* Includes Strength of Nature (USA) and Canon Chemicals (Kenya) inorganic sales of INR 148 crores

** Others include Sri Lanka, Bangladesh and Middle East

STEADY MARGIN PERFORMANCE

EBITDA Margin



*Before payment of technical & business support fee

INDONESIA DELIVERS COMPETITIVE PERFORMANCE IN TOUGH OPERATING ENVIRONMENT

- Constant currency sales flat; in-line with the overall FMCG market. Constant currency sales growth (ex-Household Insecticides) at 13%.
- Household Insecticides growth impacted by adverse weather and relatively higher competitive intensity
- EBITDA margin declines by 110 bps y-y on a high base (24% in 3QFY16) behind upfront sales and marketing investments
- Continue to gain share in Household Insecticides and Air Fresheners on MAT basis
- Initial response positive to the recently launched NYU range of hair colours



AFRICA SUSTAINS CONSISTENT, STRONG DOUBLE-DIGIT GROWTH MOMENTUM

- Constant currency revenue growth of 54% in Africa (incl. SON) business led by:
 - i) inorganic sales of INR 148 crore from Strength of Nature (SON) and Canon Chemicals
 - ii) organic constant currency sales growth of 19% in Africa business
- Temporary EBITDA margin decline of 160 bps y-y driven by currency depreciation and upfront investments on sales infrastructure
- Focus on leveraging acquisition of Strength of Nature to turbo charge building our wet hair care platform in Africa
- Renew becomes value and volume market leader in Caucasian hair colours in South Africa



DOUBLE-DIGIT GROWTH IN LATIN AMERICA

- Constant currency sales growth of 24% in a challenging operating environment
- EBITDA margin decreases by 390 bps y-y behind upfront marketing investments
- Continue to focus on innovation and effective communication to navigate macro challenges



STRONG PERFORMANCE IN EUROPE

- Constant currency sales increases 16% led by strong performance of own and distributed brands
- The overall weakness in demand post Brexit, increased competitive intensity in deodorants and counterfeit issues in Bio-Oil continue
- EBITDA margins expands by 60 bps y-y behind stringent cost control



3Q FY2017 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	3QFY16	3QFY17	Y/Y	3QFY16	3QFY17	Y/Y
Sales	1,269	1,263	0%	2,283	2,475	8%
Gross Profit	666	683	2%	1,205	1,334	11%
<i>Gross Margin (%)</i>	<i>52.5%</i>	<i>54.0%</i>	<i>150 bps</i>	<i>52.8%</i>	<i>53.9%</i>	<i>110 bps</i>
EBITDA	267	308	15%	455	517	14%
<i>EBITDA Margin (%)</i>	<i>21.1%</i>	<i>24.4%</i>	<i>330 bps</i>	<i>19.9%</i>	<i>20.9%</i>	<i>100 bps</i>
Net Profit	194	231	19%	368	352	(4%)
<i>Net Profit Margin (%)</i>	<i>15.3%</i>	<i>18.3%</i>	<i>300 bps</i>	<i>16.1%</i>	<i>14.2%</i>	<i>(190) bps</i>
EPS (INR)	5.69	6.79	19%	10.80	10.33	(4%)

All values in INR crore

9M FY2017 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	9MFY16	9MFY17	Y/Y	9MFY16	9MFY17	Y/Y
Sales	3,610	3,688	2%	6,538	7,104	9%
Gross Profit	1,883	1,927	2%	3,397	3,764	11%
<i>Gross Margin (%)</i>	<i>52.2%</i>	<i>52.3%</i>	<i>10 bps</i>	<i>51.9%</i>	<i>53.0%</i>	<i>100 bps</i>
EBITDA	699	795	14%	1,180	1,363	15%
<i>EBITDA Margin (%)</i>	<i>19.4%</i>	<i>21.6%</i>	<i>220 bps</i>	<i>18.0%</i>	<i>19.2%</i>	<i>110 bps</i>
Net Profit	513	595	16%	703	914	30%
<i>Net Profit Margin (%)</i>	<i>14.2%</i>	<i>16.1%</i>	<i>190 bps</i>	<i>10.7%</i>	<i>12.9%</i>	<i>210 bps</i>
EPS (INR)	15.07	17.47	16%	20.64	26.84	30%

All values in INR crore

BOARD OF DIRECTORS HAS APPROVED THE NOMINATION OF PIROJSHA GODREJ AND NDIDI NWUNELI AS DIRECTORS EFFECTIVE APRIL 1, 2017

Ndidi Nwuneli is the founder of LEAP Africa, a leadership development organisation, as well as the co-founder of AACE Food Processing & Distribution, an indigenous agro processing company. Ndidi is also the co-founder of Sahel Capital, an advisory and private equity firm focused on the agribusiness sector in West Africa. She is a Director of the African Philanthropy Forum. Ndidi started her career as a management consultant with McKinsey & Company, working in their Chicago, New York and Johannesburg offices. She holds a Master of Business Administration from Harvard Business School and an undergraduate degree from the Wharton Business School at the University of Pennsylvania. Ndidi's appointment will enable GCPL to leverage her strong expertise and background to guide GCPL's growth in Africa.

Pirojsha Godrej is Managing Director and CEO of Godrej Properties. In the years that he has led the company, Godrej Properties has been one of the fastest growing real estate developers in India and for the first time in fiscal year 2016, emerged as India's largest publicly listed real estate developer by sales. He is the recipient of several recognitions in recent years, including the 'Green Champion Award from the Indian Green Building Council' in 2016, 'Best CEO of the Year at the Construction Times Awards' in 2015, and 'Best People CEO Award by the National Human Resource Development Network' in 2014. Pirojsha holds a Bachelor's degree in Economics from the Wharton Business School at the University of Pennsylvania, a Master's degree in International Affairs from the School of International and Public Affairs (SIPA) at Columbia University, and an MBA from Columbia Business School.

FOUR OF OUR BRANDS FEATURED IN THE MOST TRUSTED BRANDS 2016

4 of our brands ranked in 100 Most Trusted Brands 2016 by Brand Equity



CINTHOL



HOUSEHOLD CARE

Goodnight Ranked 1st
HIT Ranked 8th

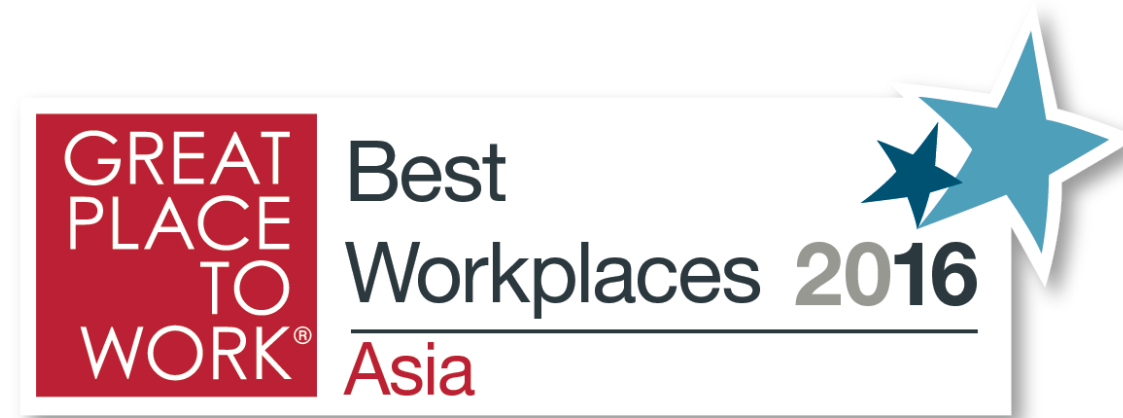
PERSONAL CARE

Cinthol Ranked 11th

FABRIC CARE

Godrej Ezee Ranked 9th

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



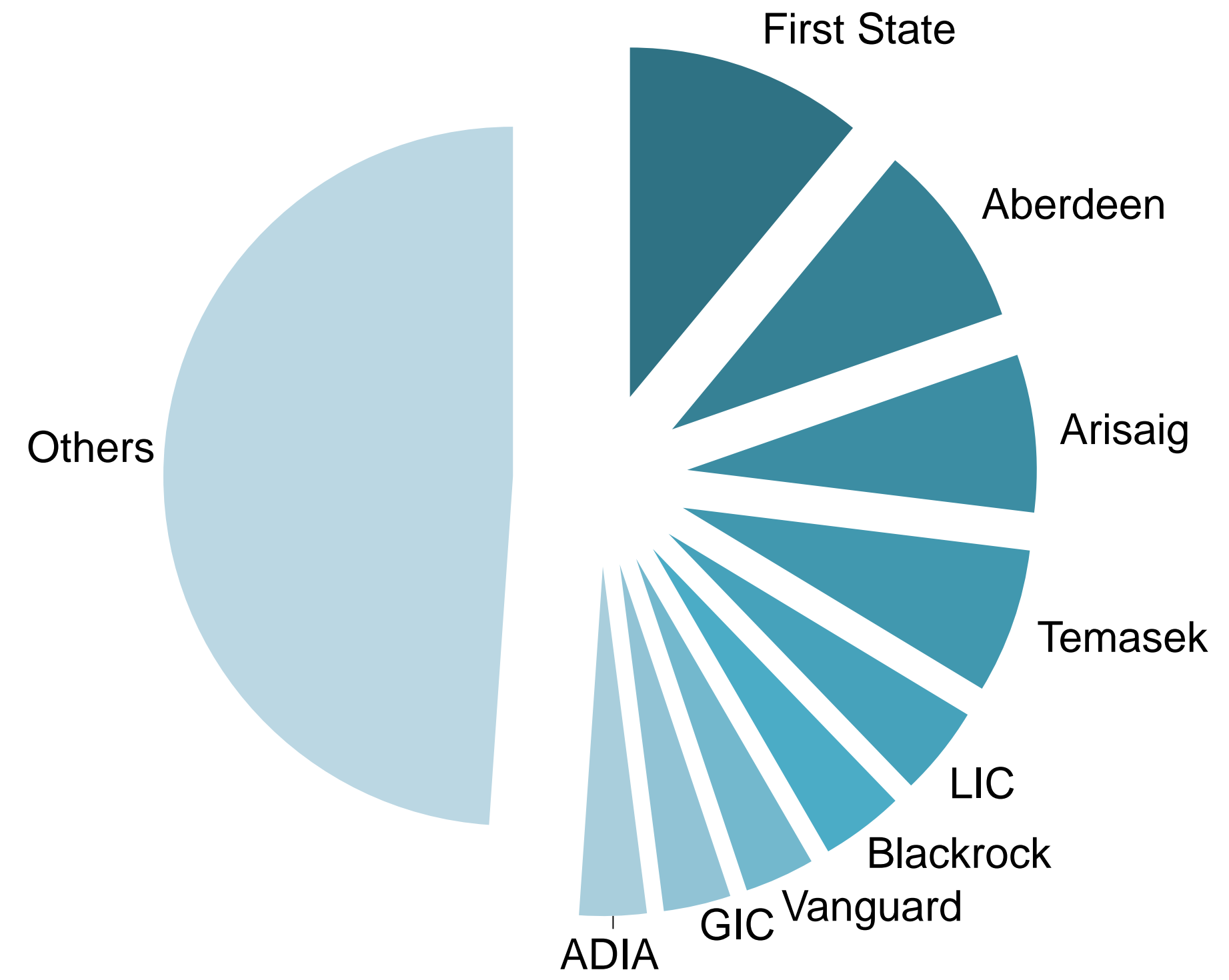
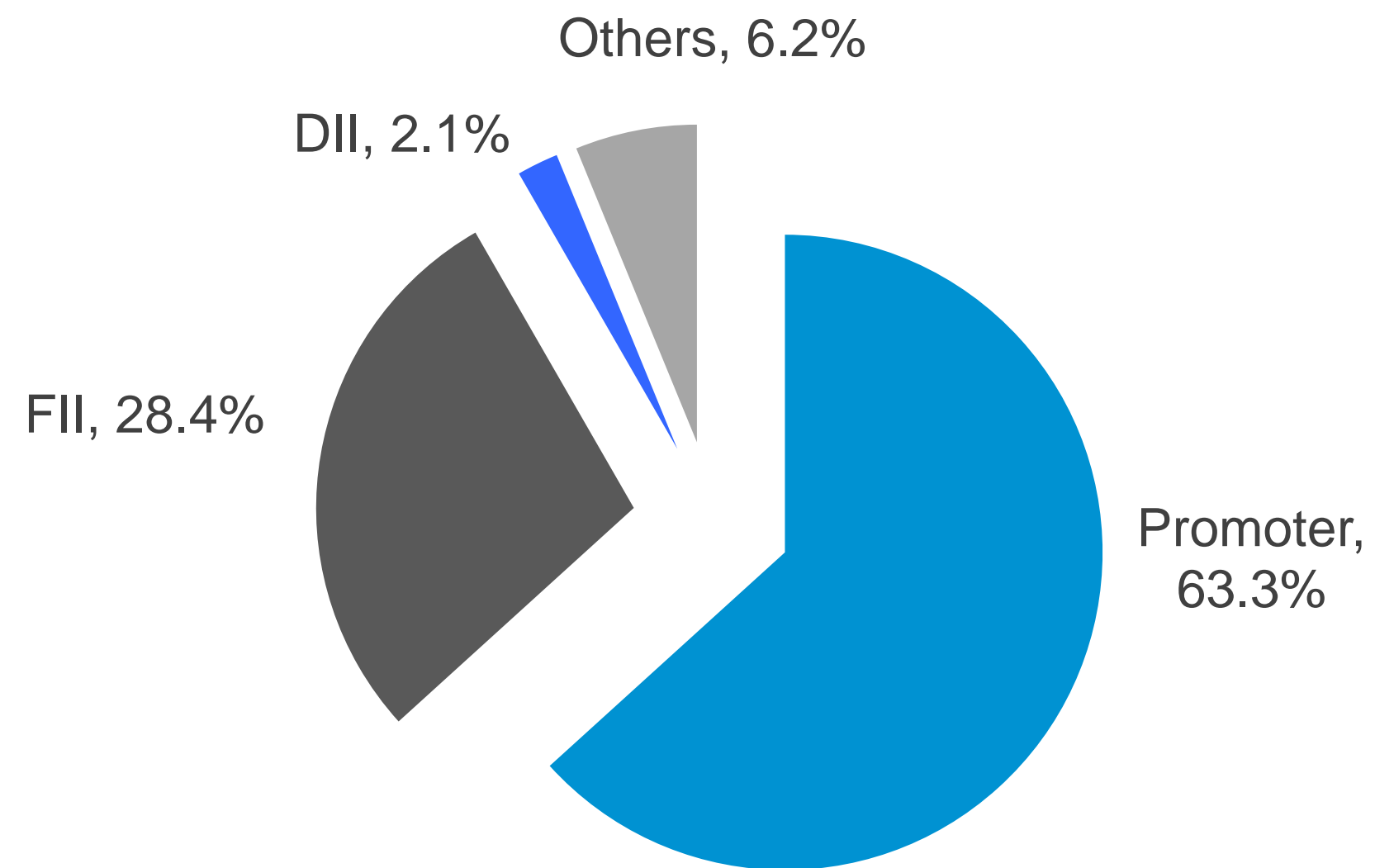
Godrej South Africa has been certified amongst the Top Employers of South Africa

GCPL INCLUDED IN FTSE4GOOD EMERGING INDEX



FTSE4Good Emerging Index is an extension to the FTSE4Good Index series, which is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices

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