

Performance Update - 3Q FY16

January 27, 2016



PERFORMANCE UPDATE

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

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3Q FY16 FINANCIAL PERFORMANCE - OVERALL BUSINESS

Growth y-y	Consolidated Business	India Business	International Business
Net Sales	6%	8%	3%
Net Sales – Organic*	5%	8%	2%
Net Sales – Organic Constant Currency*	9%	8%	9%
EBITDA	15%	18%	11%
EBITDA – Organic*	15%	18%	11%
EBITDA – Organic Constant Currency*	19%	18%	20%
Net Profit	23%	18%	32%
Net Profit without exceptionals & one-offs	23%	18%	32%

* Excludes Africa inorganic sales of INR 12.2 crore and EBITDA of INR 0.7 crore for 3QFY16

EXCEPTIONAL AND ONE OFF ITEMS

	3QFY16			3QFY15		
	Consolidated	India	International	Consolidated	India	International
Reported	323	203	120	264	172	91
<i>Exceptional (post tax)</i>						
Add: Restructuring cost in Latin America	0.6		0.6	0.1		0.1
Net Profit without exceptionals & one offs	324	203	121	264	172	91

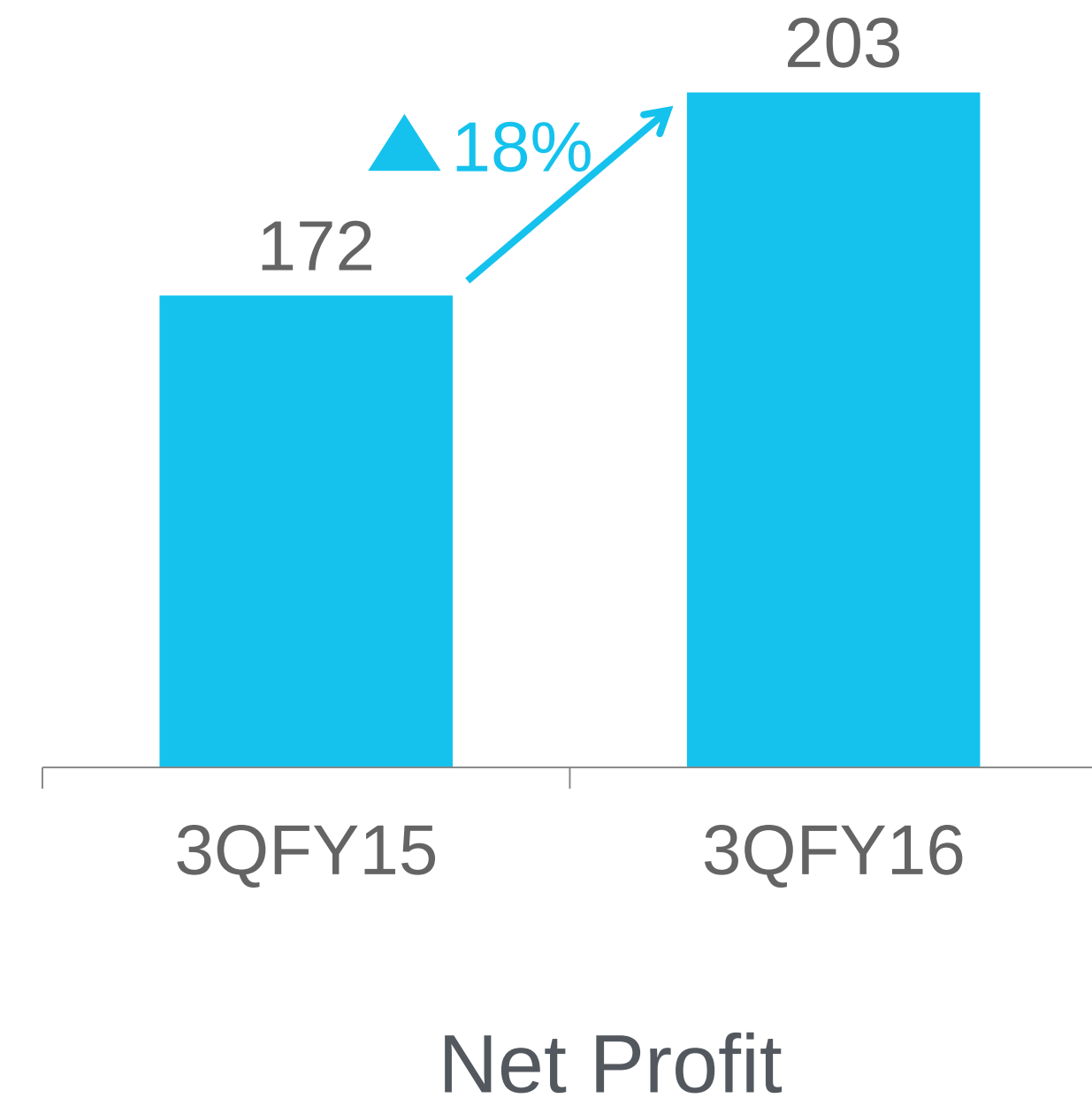
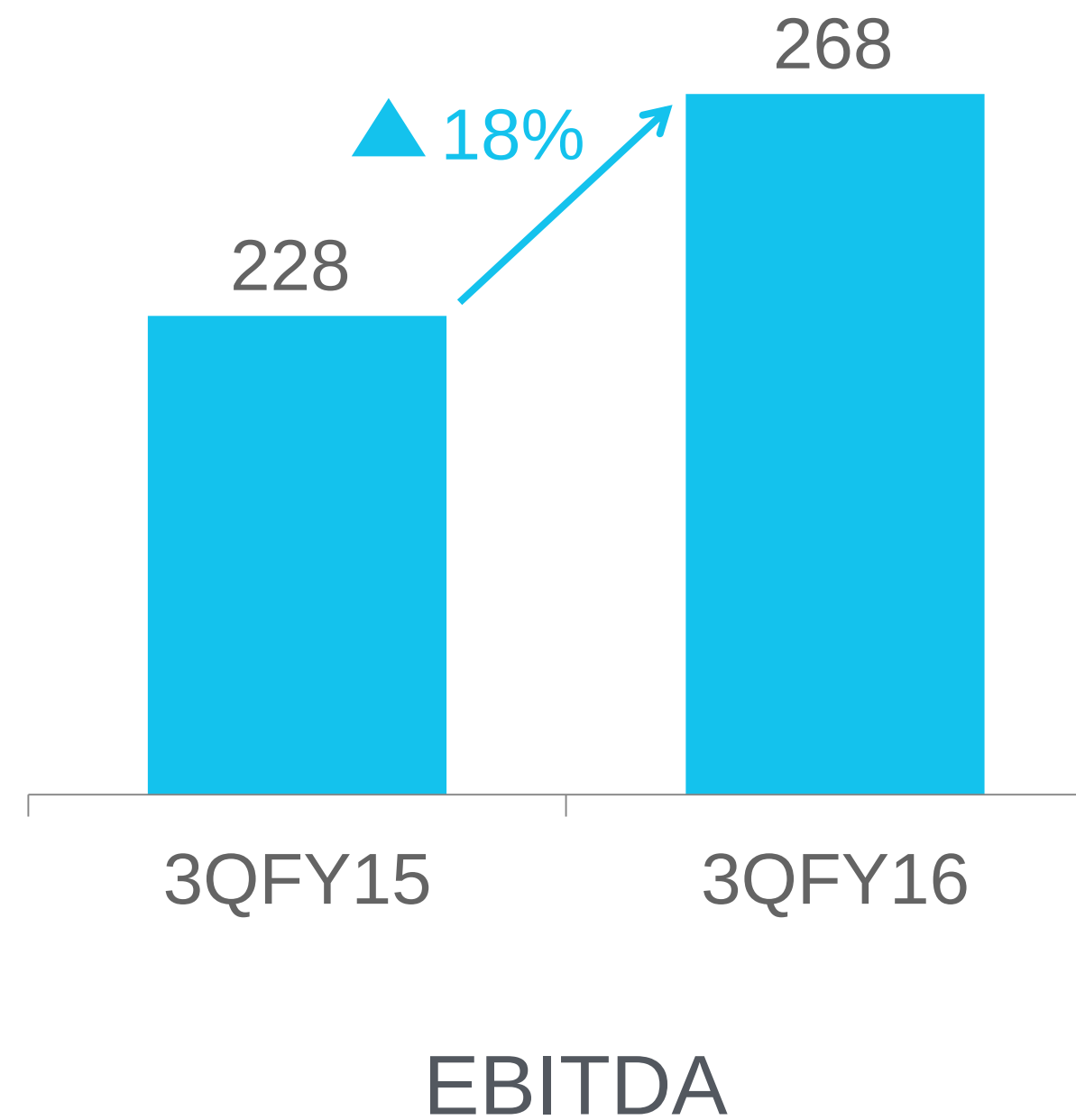
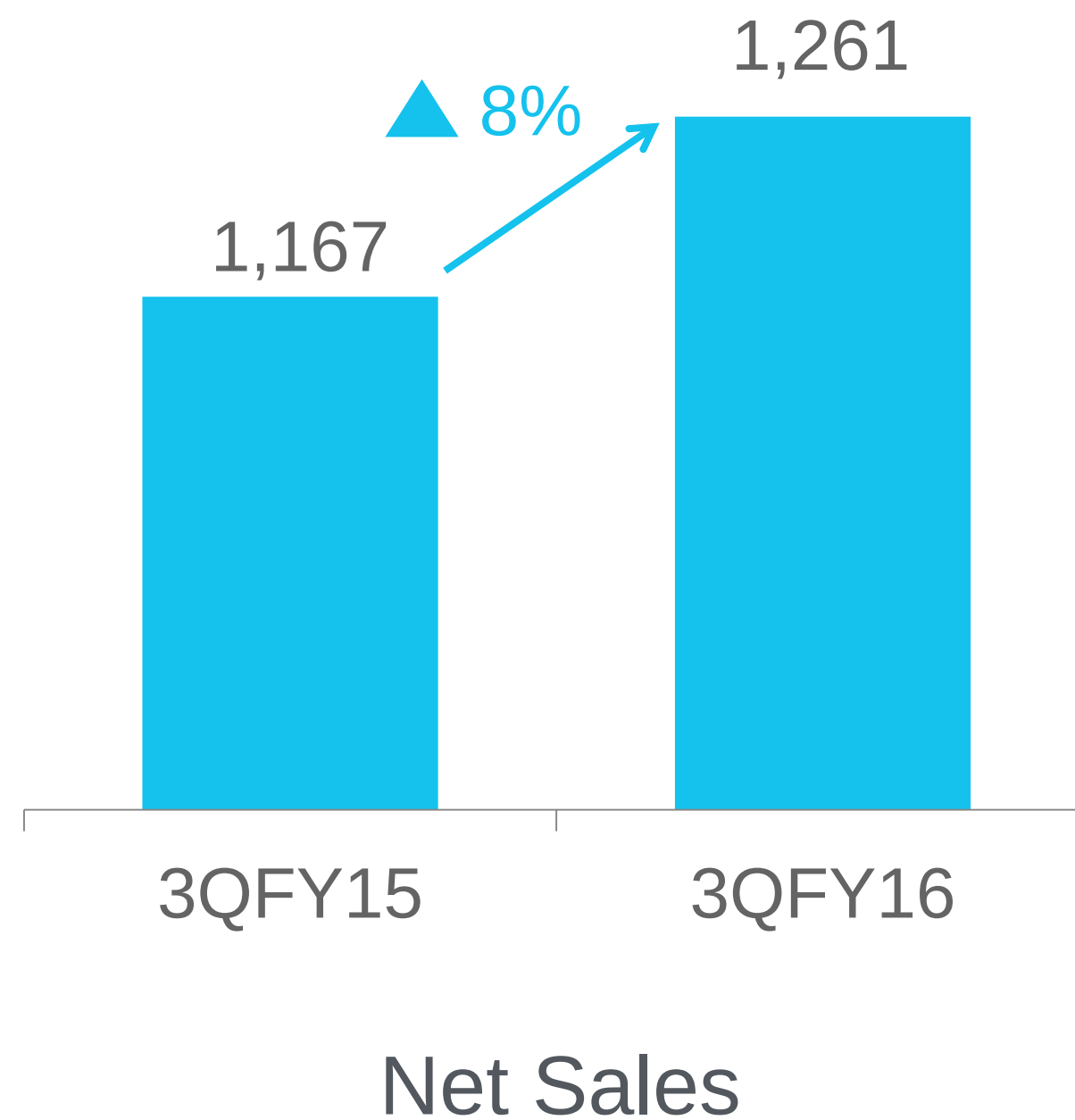
All values in INR crore

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AHEAD OF MARKET AND PROFITABLE GROWTH IN INDIA

- Branded business net sales growth of 8% driven by a robust volume growth of 9%
- Double-digit volume growth in Household Insecticides and mid-single digit volume growth in Soaps
- Growth rates adversely impacted by Chennai floods and late onset of winter



SUSTAINED STRONG VOLUME LED GROWTH

India Business	Sales (INR crore)	Growth (year-on-year)
Household Insecticides	629	15%
Soaps	376	2%
Hair Colours	132	(1%)
Other Brands	150	11%
Total Branded Gross Sales (A)	1,287	9%
<i>Total Branded (Volume)</i>	-	9%
<i>Excise duty on Branded Sales</i>	79	15%
Total Branded Net Sales	1,208	8%
Total Unbranded & Export Gross Sales (B)	54	1%
Total Gross Sales (C = A+B)	1,341	8%
Excise Duty (D)	80	15%
Total Net Sales (E = C-D)	1,261	8%

DOUBLE DIGIT VOLUME LED GROWTH MAINTAINED IN HOUSEHOLD INSECTICIDES

- Double-digit, volume-driven sales growth of 15%
- Consistent market share gains across formats with highest ever market share led by success of new launches, effective communication and superior on ground execution
- Good knight continues to lead category penetration and drive market development initiatives
- Lower crude oil prices continue to boost gross margins



TEMPORARY DIP IN HAIR COLOUR SALES

- Sales decline by 1%
 - Godrej Expert Rich Crème growth in high teens
 - Decline in powders behind:
 - channel destocking in 3QFY16 driven by up-stocking towards the end of previous quarter ahead of price hike
 - loss of value growth behind price off trade offer (pack of 9 Powder Hair Colour with price off of INR 8)
- Launched Godrej Expert Rich Crème in a multi application pack priced at INR 120 during the quarter
- Godrej Expert Rich Crème continues to gain market share and lead distribution reach and household penetration in the crème category
- New advertisement campaign launched for Godrej Expert Rich Crème
- Expect growth rate to stabilise from next quarter



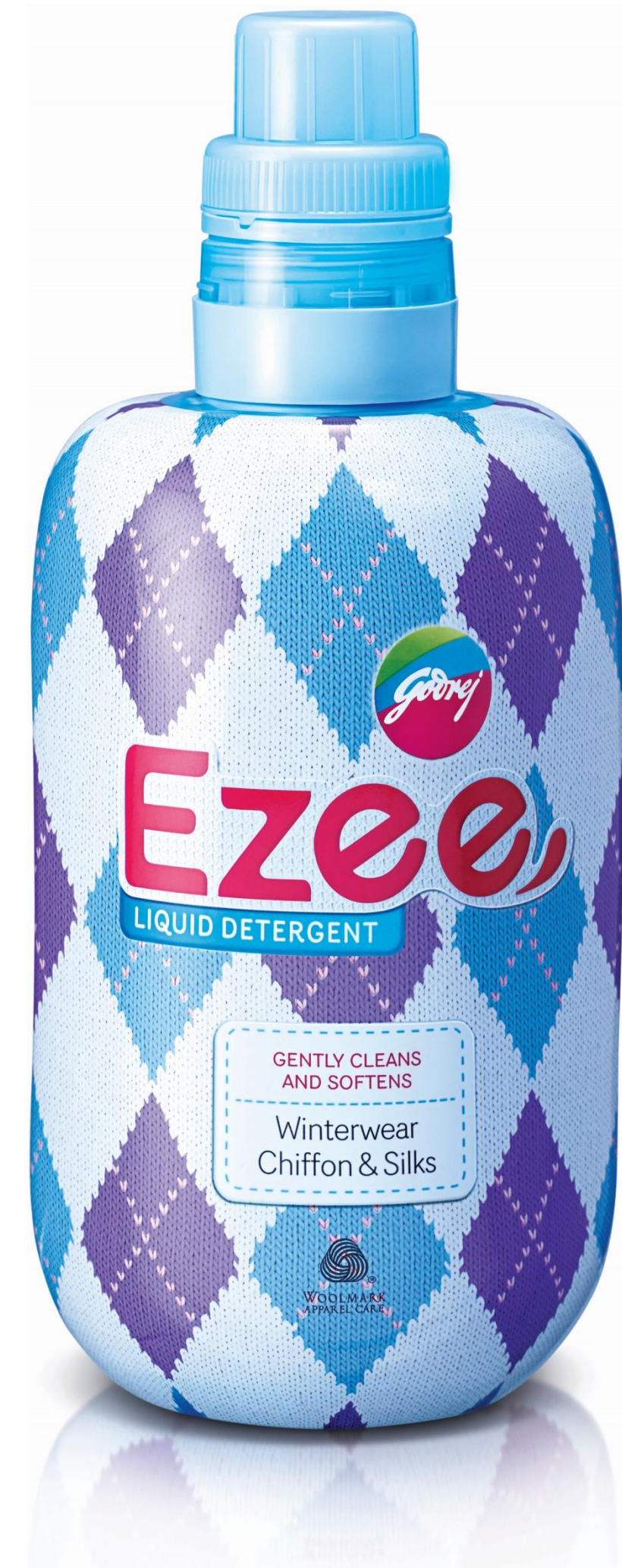
VOLUME LED GROWTH IN SOAPS

- Robust mid-single digit volume growth was offset by deflationary pressure, resulting in 2% value growth in a highly competitive category environment
- Continue to remain competitive on sales promotion investments
- Cinthol continues to lead value and volume growth
- In our efforts to premiumise portfolio, Godrej No.1 enters winter soap space with the launch of 'Nature Soft - Glycerin & Honey' variant
- Lower palm oil prices continue to boost gross margins



LIQUID DETERGENTS DELIVER HEALTHY GROWTH

- Double-digit, volume driven sales growth of 11% despite late onset of winter
- Ezee brand restaged with new bottle design and pack graphics
- New insight driven communication launched to drive brand relevance and penetration



LAUNCHED AER POCKET IN BATHROOM AIR FRESHENERS



Slim gel technology | last 30 days | INR 49 (introductory price)

We have filed the provisional patent application titled “NOVEL DELIVERY DEVICE FOR VOLATILE ACTIVES” at the Mumbai Patent Office

PREMIUMISING OUR PORTFOLIO

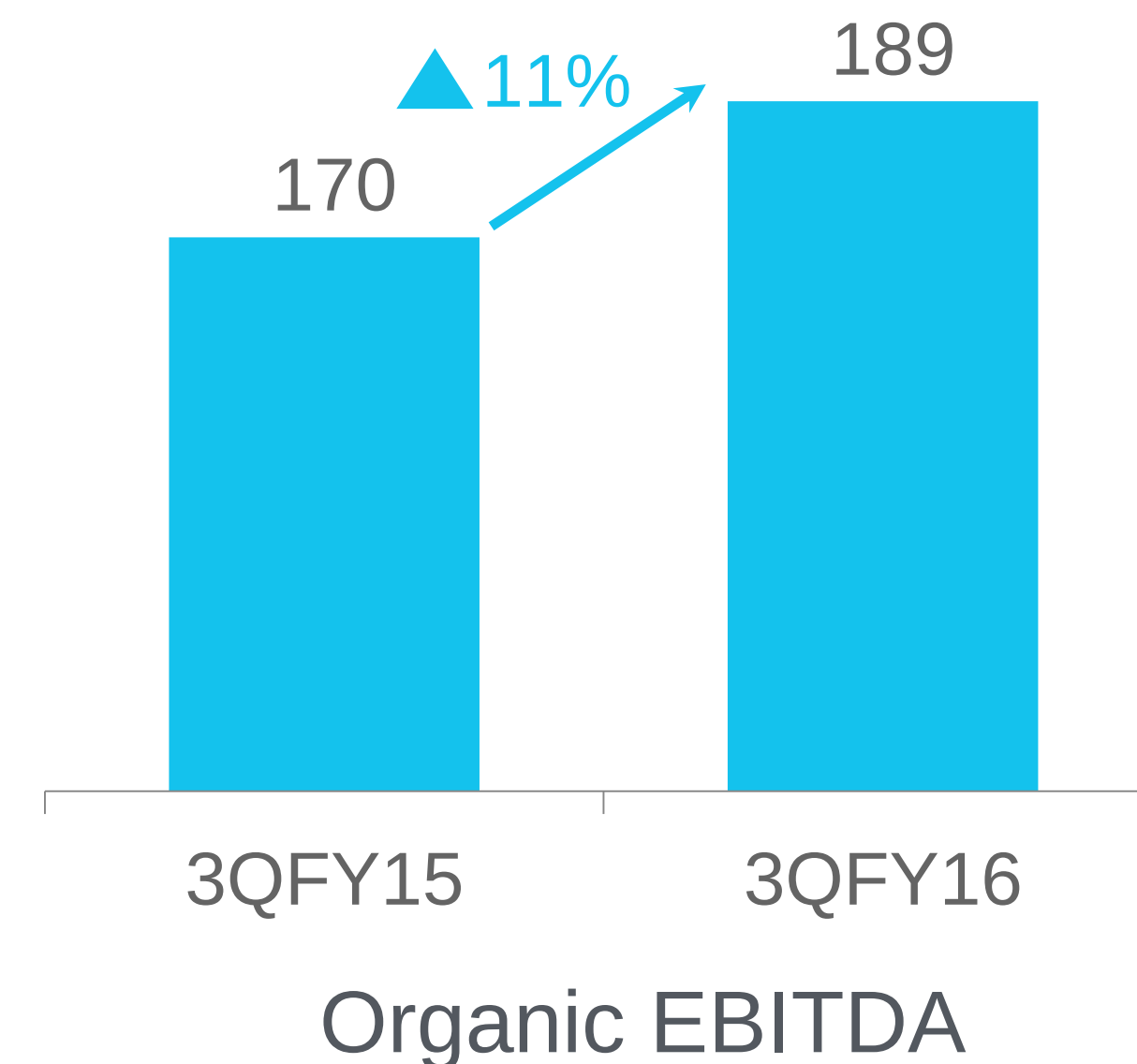
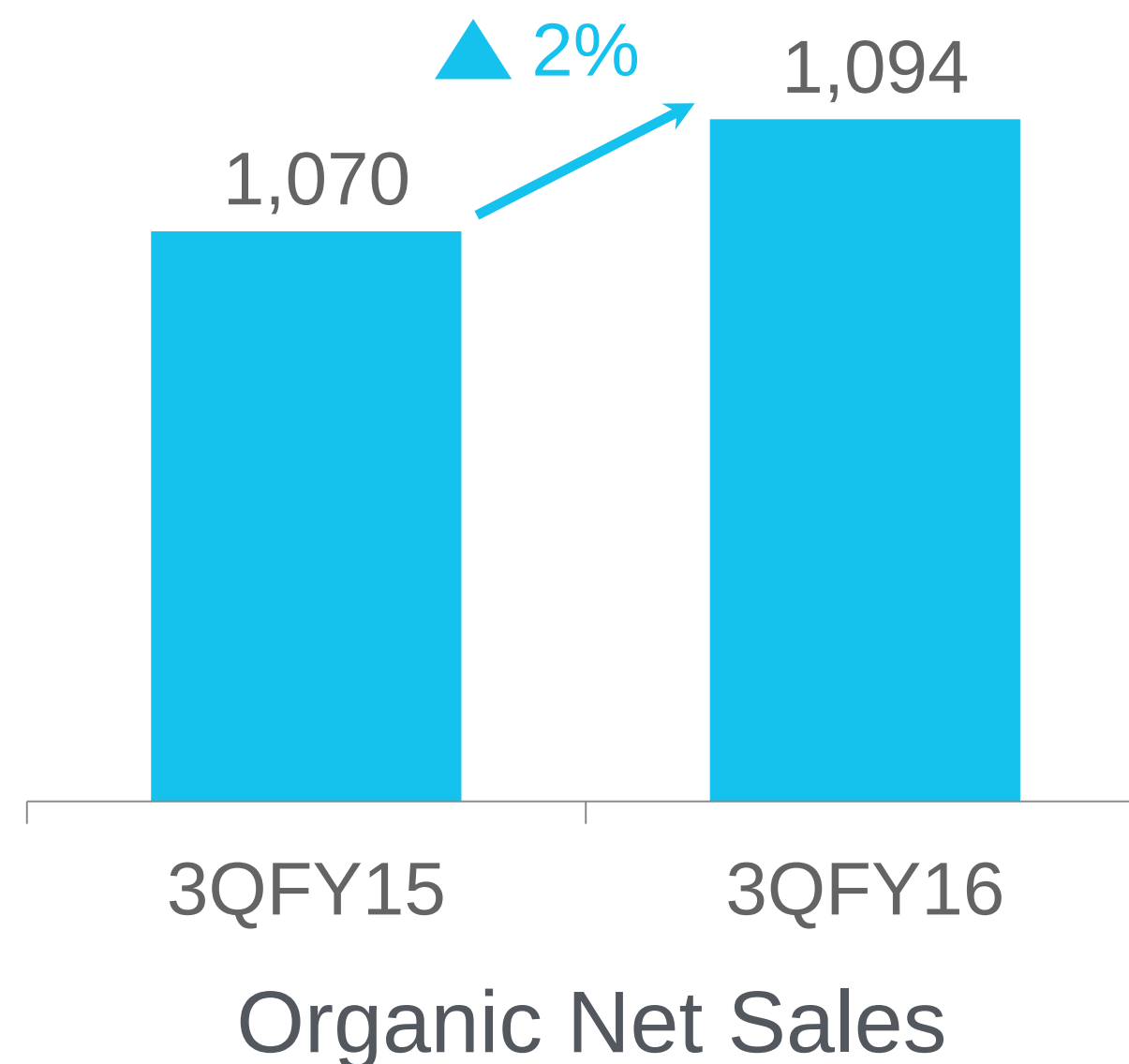


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ROBUST CONSTANT CURRENCY SALES GROWTH WITH EXPANDING MARGINS

- International business delivers organic constant currency sales growth of 9% driven by robust performance in Africa, Latin America and Europe
- Reported growth impacted by currency translation impact of 7% and high base in Indonesia
- Organic EBITDA margin of 17% expands 130 bps year-on-year led by margin improvements in Indonesia and Latin America



All values in INR crore

COMPETITIVE, AHEAD OF MARKET PERFORMANCE ACROSS CORE MARKETS

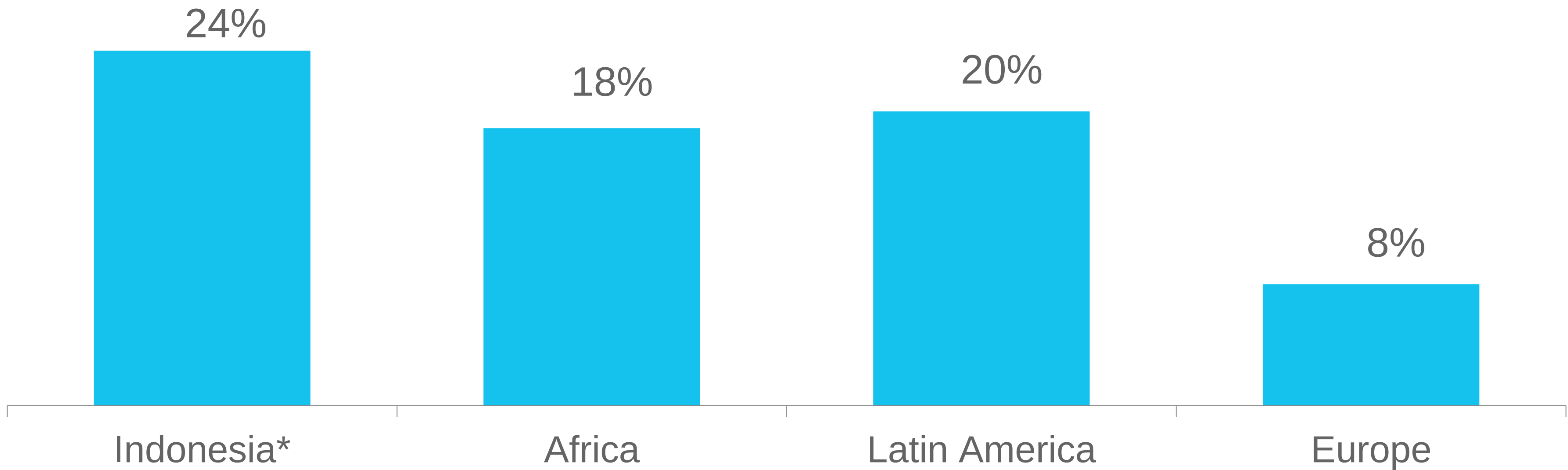
International Business	Sales (INR crore)	Growth (year-on-year)	Constant Currency Growth (year-on-year)
Indonesia	379	(3%)	3%
Africa*	404	7%	16%
Latin America	196	16%	28%
Europe	104	14%	10%
Others**	24	(42%)	(44%)
Total Net Sales	1,106	3%	10%

* Includes inorganic sales of INR 12.2 crores for 3Q FY16

** Others include Sri Lanka, Bangladesh and Middle East

MARGIN IMPROVEMENT IN INDONESIA AND LATIN AMERICA

EBITDA Margin



*year-on-year
change*

+490 bps

(100) bps

+670 bps

(40) bps

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

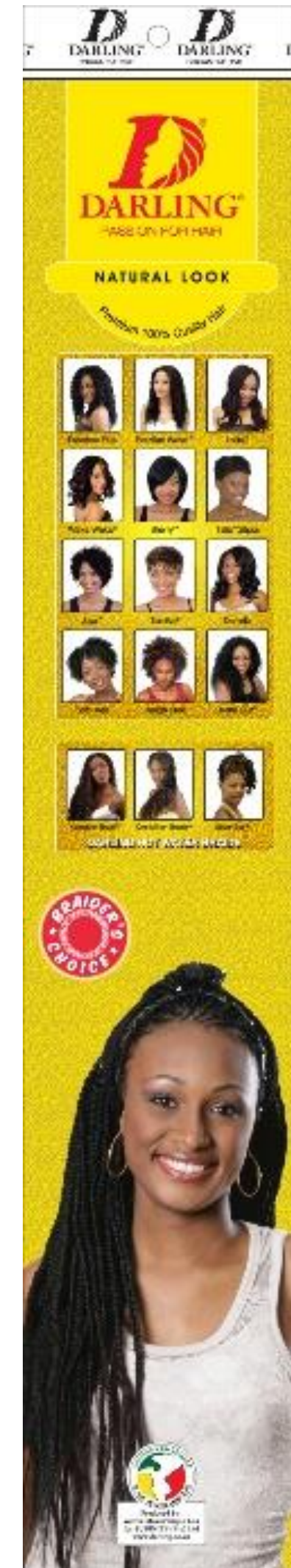
INDONESIA CONTINUES TO DELIVER AHEAD OF MARKET GROWTH

- Constant currency sales growth of 3% despite a high base of 27% growth in 3QFY15
- FMCG industry growth continues to remain flat impacted by overall macroeconomic slowdown in Indonesia
- EBITDA margin expands 490 bps y-y driven by calibrated price hikes, lower commodity costs and optimisation of marketing investments
- Hit and Stella continue to maintain competitive position in the market



DARLING SUSTAINS STRONG GROWTH MOMENTUM 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 20% in Darling business
- EBITDA margin declines 100 bps y-y behind upfront investments in marketing and sales infrastructure



HEALTHY GROWTH AND MARGIN IMPROVEMENT IN LATAM

- Robust constant currency sales growth of 28% was driven by strong performance in Argentina
- EBITDA margin increases by 670 bps y-y led by better gross margin and effective leveraging of brand platforms
- Hair colour market share continues to increase led by success of new launches, effective activation programs and superior on-ground execution



EUROPE DELIVERS STRONG GROWTH

- Constant currency sales increased 10% led by strong growth in own brands portfolio
- EBITDA margin declines 40 bps y-y behind higher brand and infrastructure investments



3Q FY2016 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	3Q FY15	3Q FY16	Y/Y	3Q FY15	3Q FY16	Y/Y
Sales	1,167	1,261	8%	2,226	2,354	6%
Gross Profit	644	749	16%	1,194	1,367	15%
<i>Gross Margin (%)</i>	<i>55.1%</i>	<i>59.4%</i>	<i>430 bps</i>	<i>53.6%</i>	<i>58.1%</i>	<i>450 bps</i>
EBITDA	228	268	18%	398	458	15%
<i>EBITDA Margin (%)</i>	<i>19.5%</i>	<i>21.3%</i>	<i>180 bps</i>	<i>17.9%</i>	<i>19.5%</i>	<i>160 bps</i>
Net Profit	172	203	18%	264	323	23%
<i>Net Profit Margin (%)</i>	<i>14.7%</i>	<i>16.1%</i>	<i>140 bps</i>	<i>11.8%</i>	<i>13.7%</i>	<i>190 bps</i>

All values in INR crore

9M FY2016 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	9M FY15	9M FY16	Y/Y	9M FY15	9M FY16	Y/Y
Sales	3,236	3,540	9%	6,160	6,691	9%
Gross Profit	1,717	2,083	21%	3,249	3,824	18%
<i>Gross Margin (%)</i>	53.1%	58.8%	570 bps	52.8%	57.1%	440 bps
EBITDA	592	699	18%	982	1,181	20%
<i>EBITDA Margin (%)</i>	18.3%	19.7%	140 bps	15.9%	17.6%	170 bps
Net Profit	466	529	13%	642	809	26%
<i>Net Profit Margin (%)</i>	14.4%	14.9%	50 bps	10.4%	12.1%	170 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

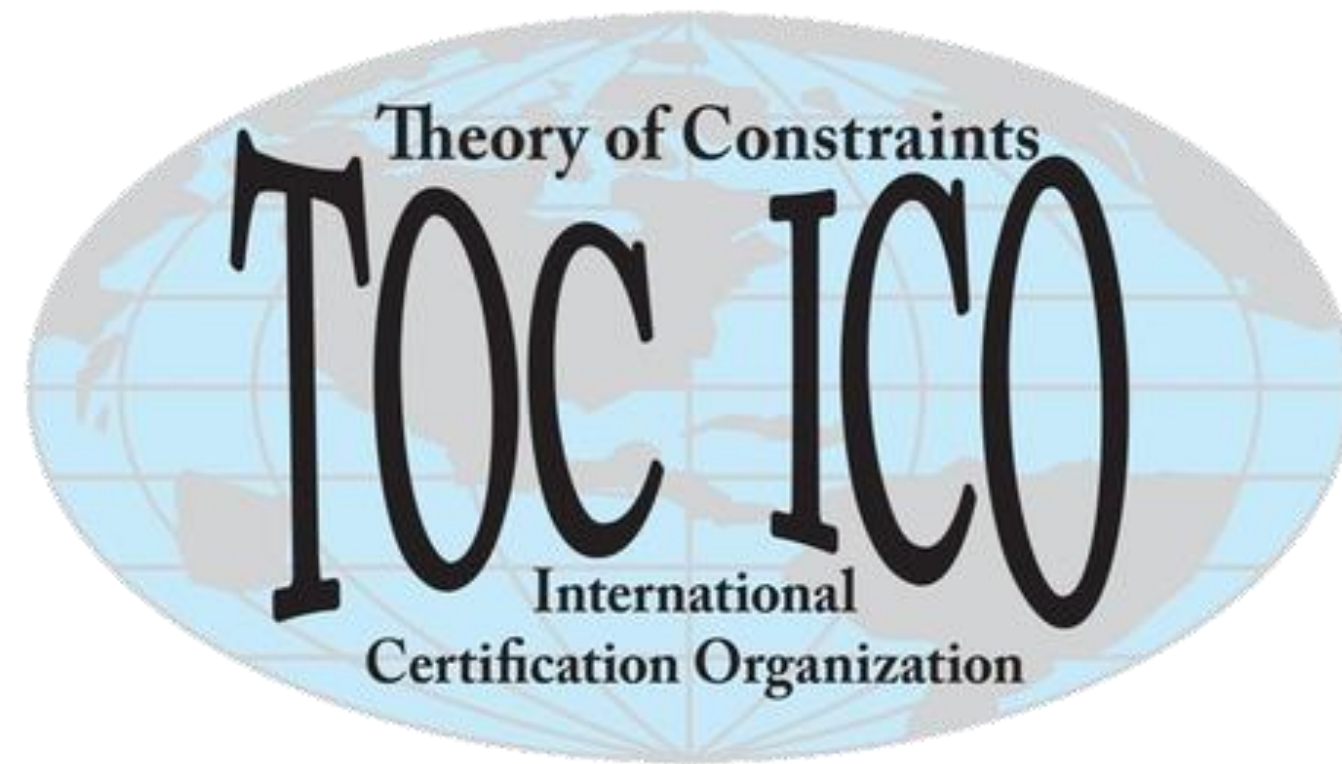


#1 in FMCG
#6 overall
12th year in a row on the list



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'

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

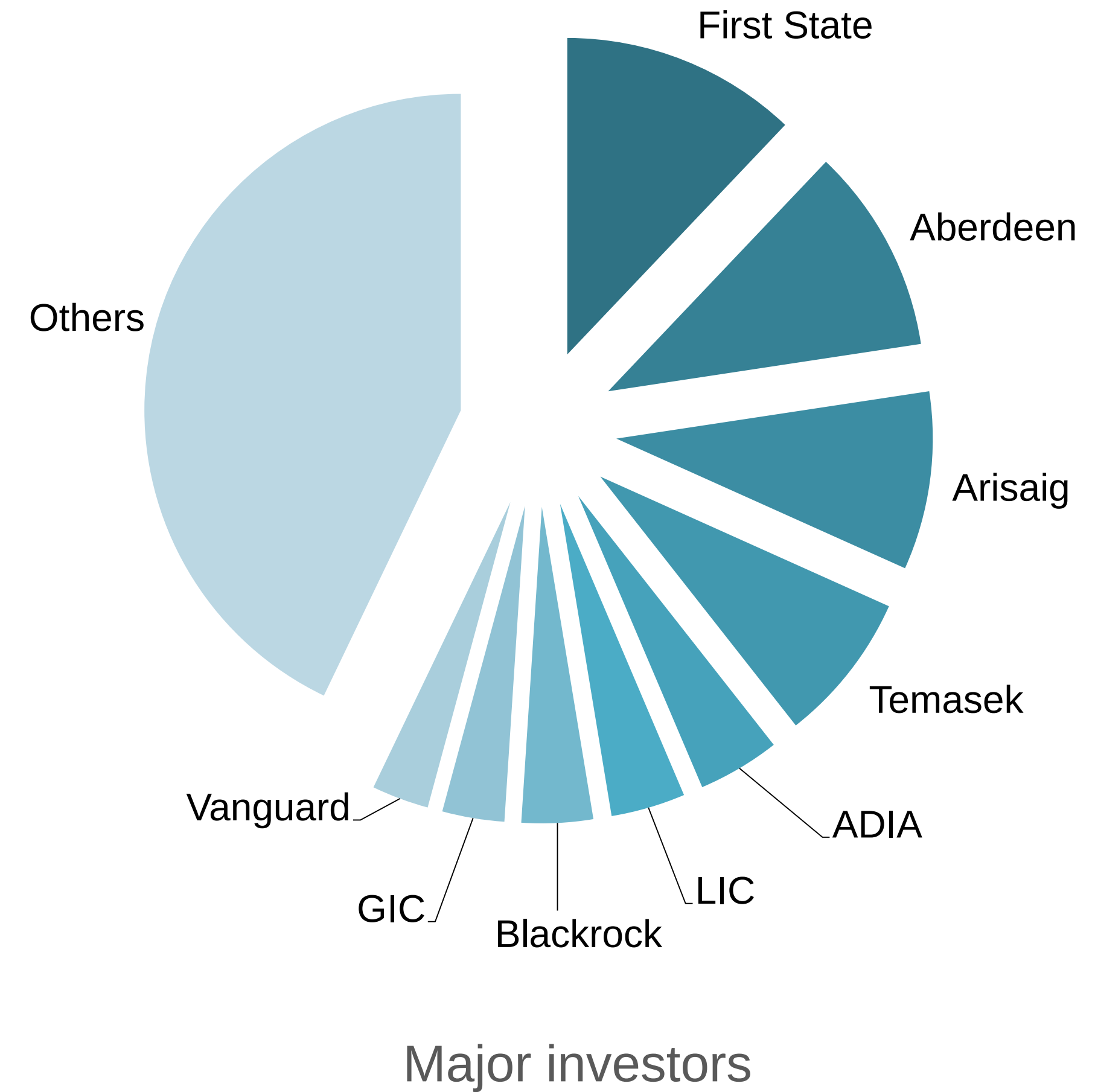
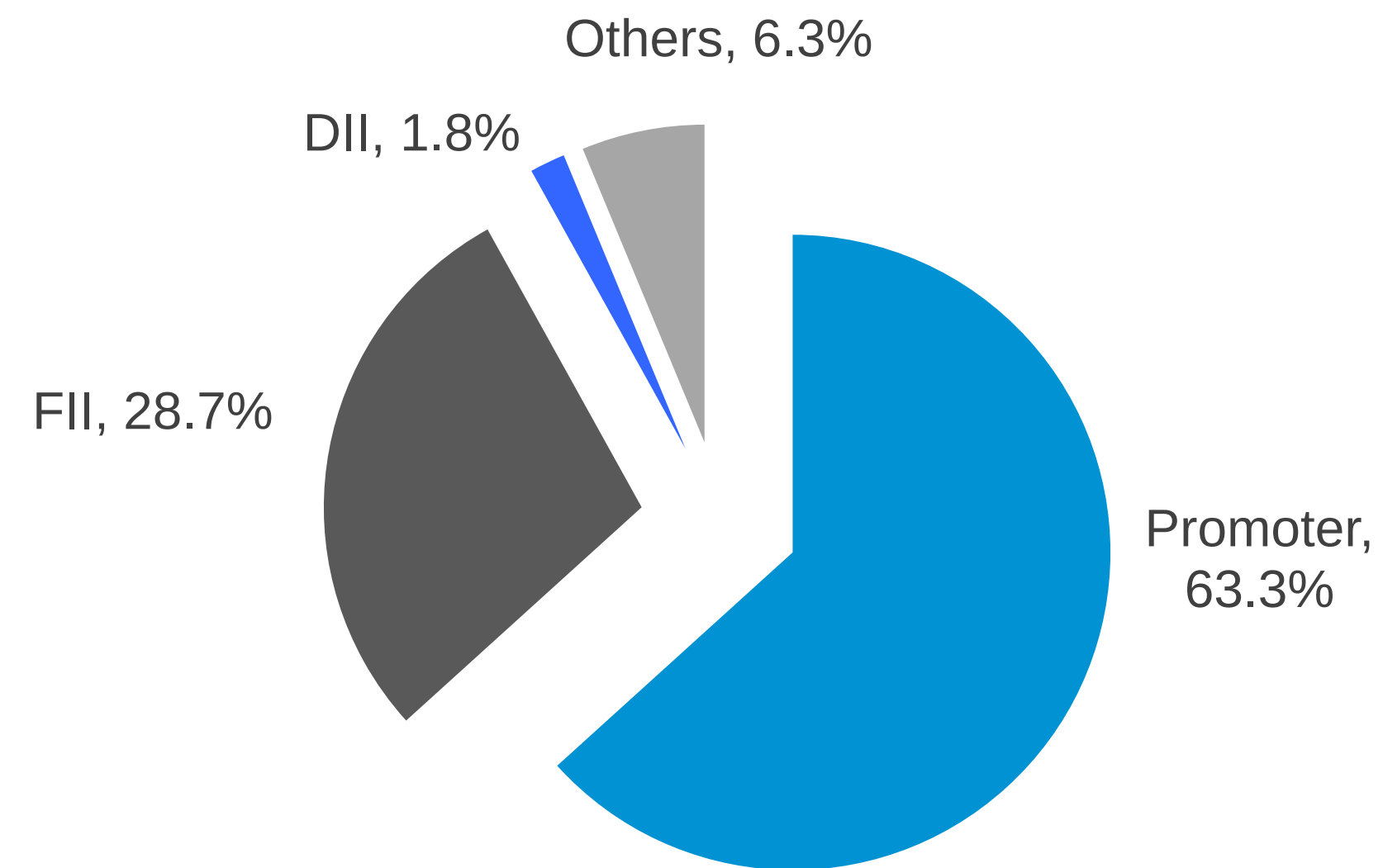
PERSONAL CARE

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



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