

GODREJ CONSUMER PRODUCTS LIMITED PERFORMANCE UPDATE

Q2 FY 2011-12

October 21, 2011



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AGENDA

- Executive Summary : Major Highlights
- Performance Highlights : Consolidated
- Business Overview : Domestic
- Business Overview : International

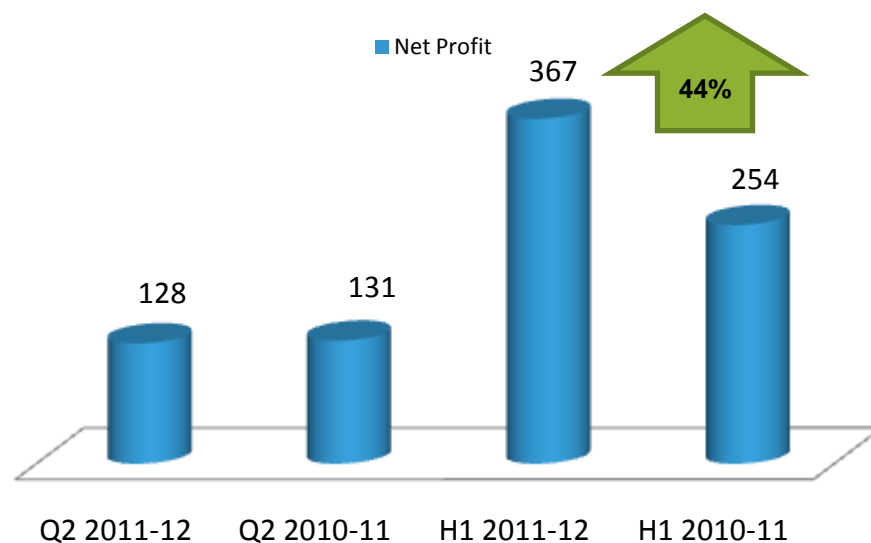
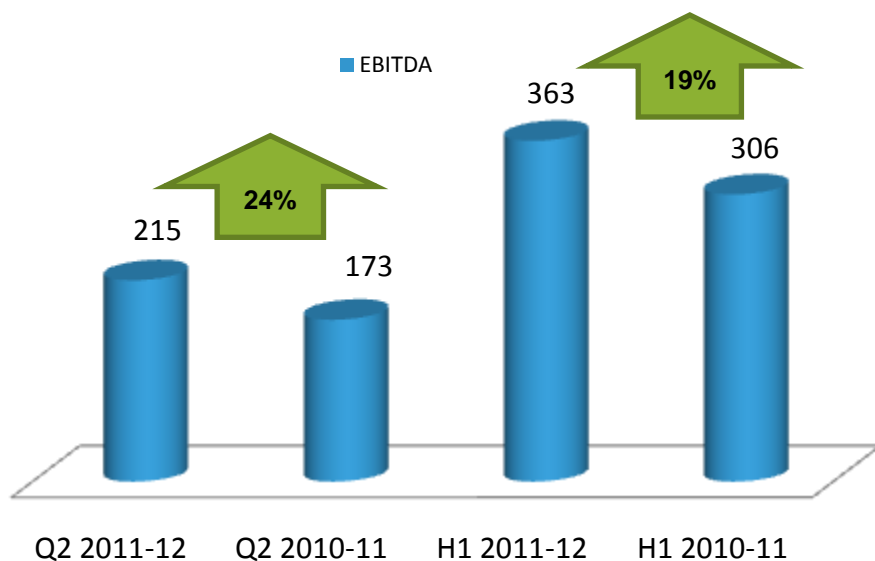
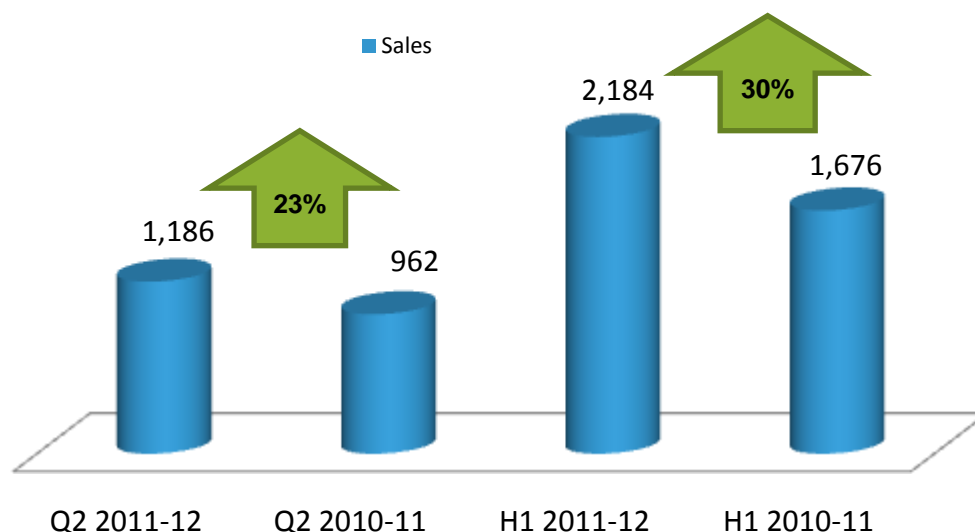
Executive Summary : Major Highlights

MAJOR HIGHLIGHTS - Q2 FY11-12

- One of the strongest sales growth quarter, with growth accelerating to 23%
 - 24% growth in domestic business with healthy growth across the categories of soaps, household insecticide and hair colours
 - 19% comparable International business growth led by Indonesia & Latam
- Continued focus on innovation backed by healthy advertisement spends. Investments to support launches in earlier quarters yielding early benefits
- Completed the acquisition of 51% stake in Darling, South Africa and Nigeria
- EBITDA margin strengthens to 18.1%, a growth of 24% and sequential increase of 320 bps, led by gross margins expansion, efficient advertisement spends and integration synergies

Performance Highlights : Consolidated

PERFORMANCE HIGHLIGHTS - FINANCIALS (CONSOLIDATED)



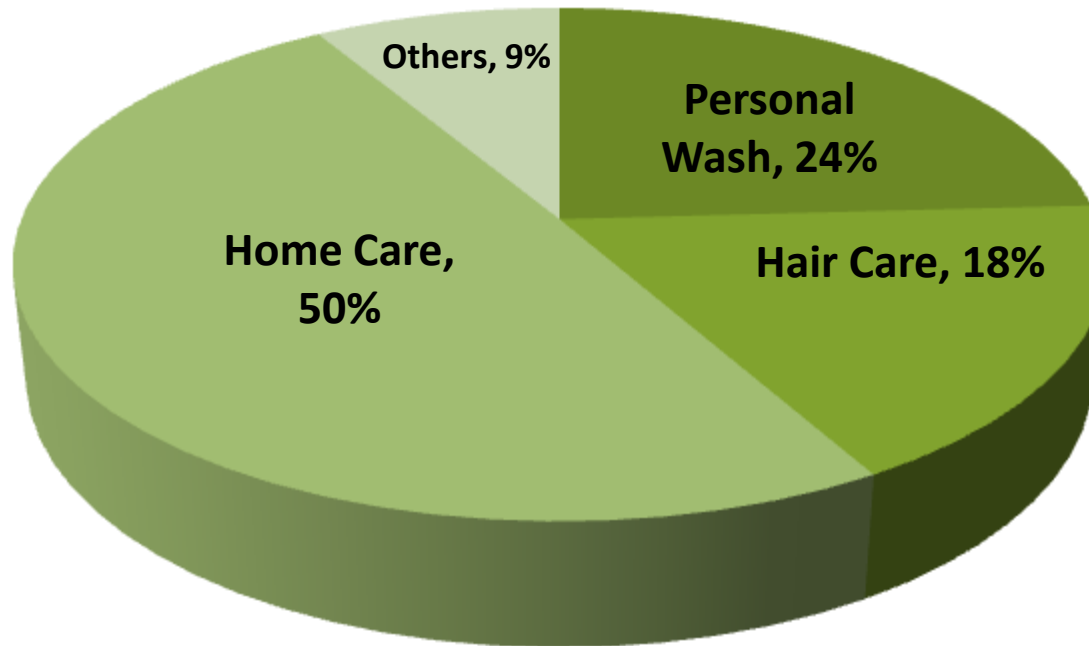
PERFORMANCE HIGHLIGHTS – BALANCE SHEET

| Particulars | 30 th Sep 11 | 31 st Mar 11 |
|---|-------------------------|-------------------------|
| Shareholders funds and Minority Interest | 2008 | 1725 |
| Loan funds | 2498 | 2005 |
| Deferred tax | 4 | 1 |
| Total | 4510 | 3732 |
| Fixed assets | 1556 | 1553 |
| Goodwill on consolidation and Investments | 2119 | 1540 |
| Net working capital | 834 | 639 |
| Total | 4510 | 3732 |
| Net Loan funds after cash and Bank balance | 1949 | 1779 |
| Net working capital w/o cash and Bank balance | 285 | 412 |

Debt – Equity ratio less than 1:1, at 0.97

Net working capital reduction ₹ 127 crore (net) post additional NWC of Darling as on 30th Sep 11

PERFORMANCE HIGHLIGHTS - CATEGORY SALIENCE (CONSOLIDATED)



Category salience is more favorable towards home care and hair care, which trend will continue in balance quarters

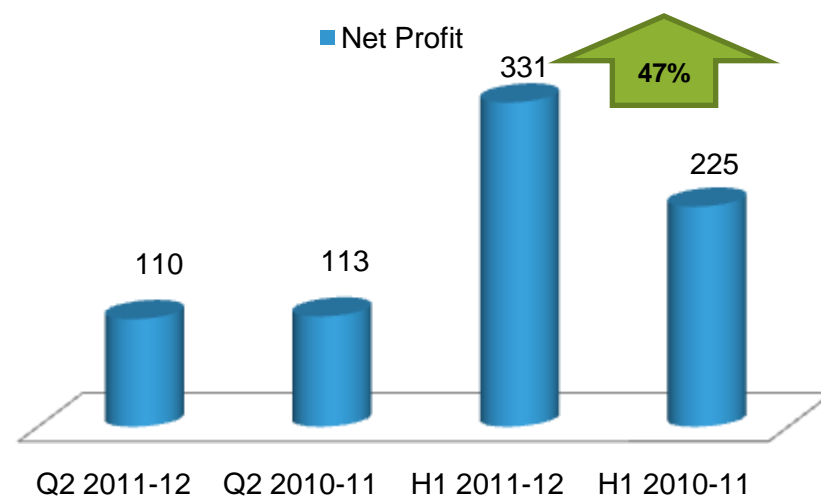
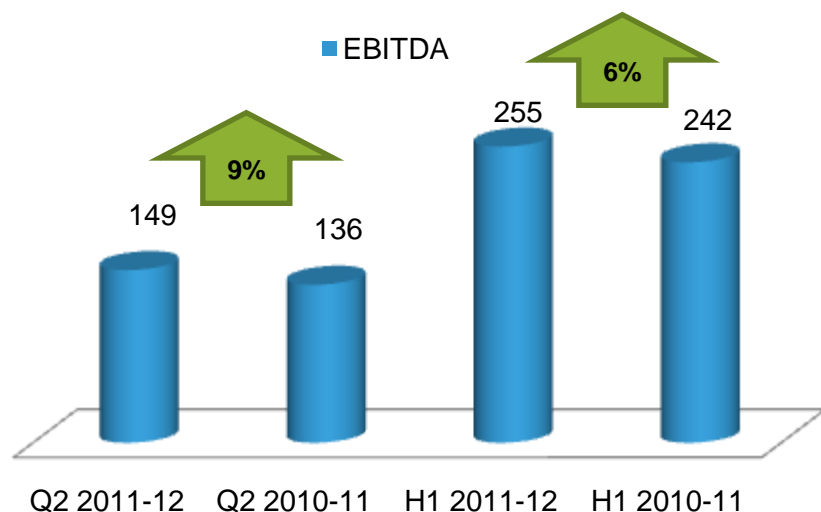
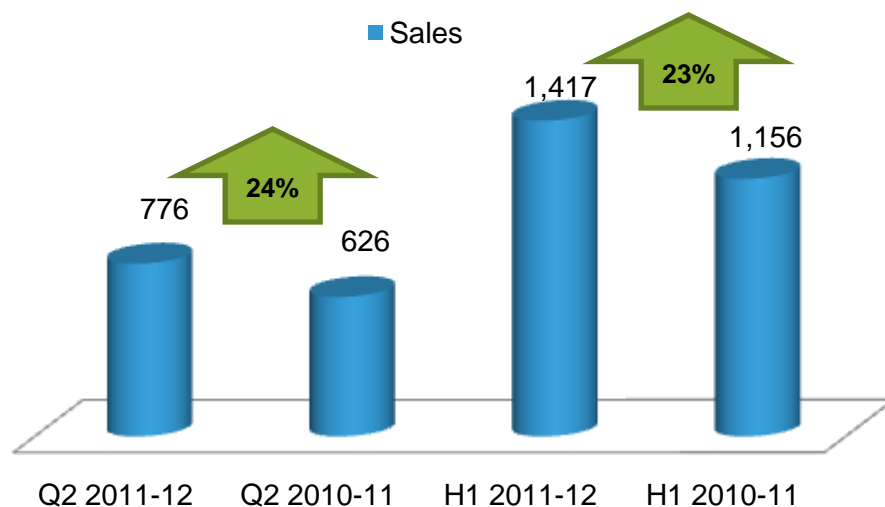
FOREX IMPACT

- GCPL has a forex committee that monitors all the exposures and takes calls on hedging the exposures
- GCPL has covered its near term exposure on oil payables till Dec11, well before the INR depreciation started in Aug11
- As on 30th Sep11, GCPL had import exposure of US\$22 million. The earliest exposure is falling due in Jan12. This exposure has resulted in a mark to market impact of ₹ 11 crore in the standalone financials. The net exposure is US\$13 million and impact in the standalone financials after revaluation of export receivables is ₹ 8.5 crore
- There is a mark to market impact of ₹ 8 crore in our overseas subsidiaries on account of revaluation of inter company loans. These are long term loans and hence mark to market impact will reverse as and when the currencies appreciate
- The total mark to market impact at consolidated level aggregates to ₹ 16.5 crore

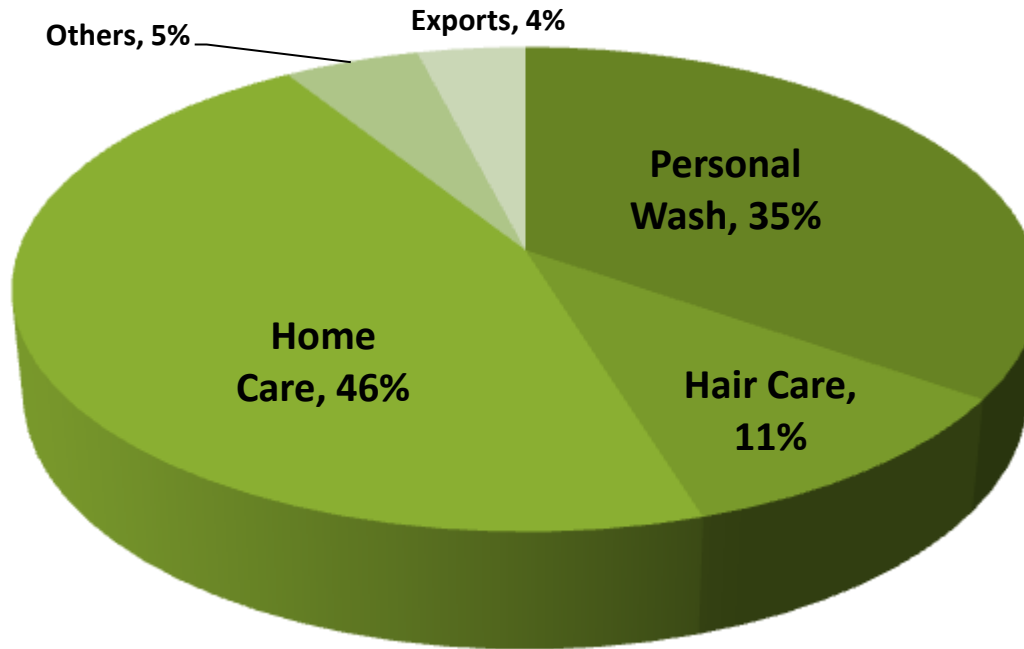
Business Overview : Domestic

PERFORMANCE HIGHLIGHTS – FINANCIALS

Indian Sub continent business



PERFORMANCE HIGHLIGHTS – CATEGORY SALIENCE



Category salience will be more favorable towards home care and liquid detergent in the balance quarters

BRAND EQUITY - MOST TRUSTED BRANDS 2011

GCPL has 3 of its brands ranked in 100 Most Trusted Brands 2011 by Brand Equity

- Cinthol
- Good knight
- Godrej No.1



PERSONAL CARE

Cinthol Ranked 9th

Godrej No. 1 Ranked 16th

Godrej Powder Hair Colour Ranked 25th

HOUSEHOLD CARE

Good Knight Ranked 2nd



CATEGORY HIGHLIGHTS - HOMECARE

HOUSEHOLD INSECTICIDES

- Sales growth of **29%** during the quarter, more than twice the category growth
- Innovative marketing campaigns
 - Goodknight : ‘Dhoondh ke Dikhao’ Challenge
 - HIT : Kill Malaria 360° activation
- Continues to gain and enjoy market leadership position across all three formats of coils, aerosols and electrics



CATEGORY HIGHLIGHTS - PERSONAL WASH SOAPS

- Sales growth of **32%** during the quarter, way ahead of the category growth rate of around 10%
- Continued healthy advertisement spends behind newly launched Godrej No.1 saffron and milk cream, with huge rub off effect on the Godrej No.1 portfolio
- Sequential expansion of gross margins led by full impact of price increase and marginal decline in palm oil prices



CATEGORY HIGHLIGHTS - HAIR CARE

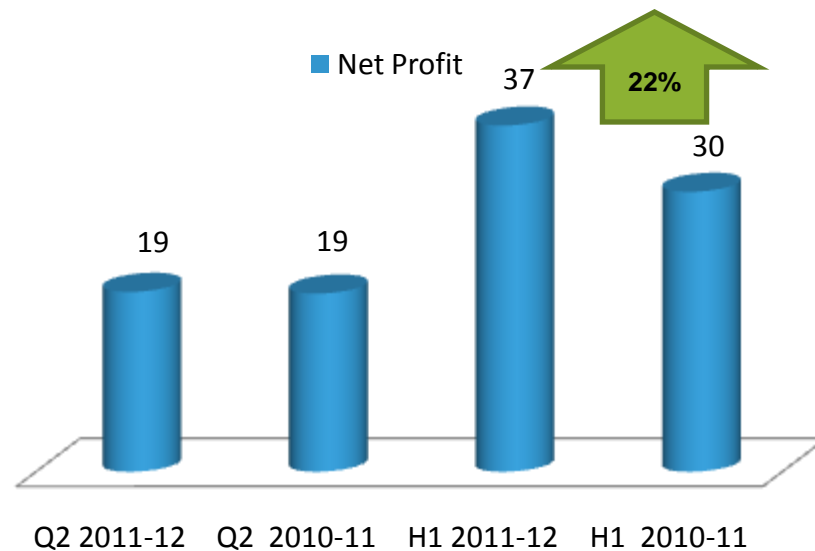
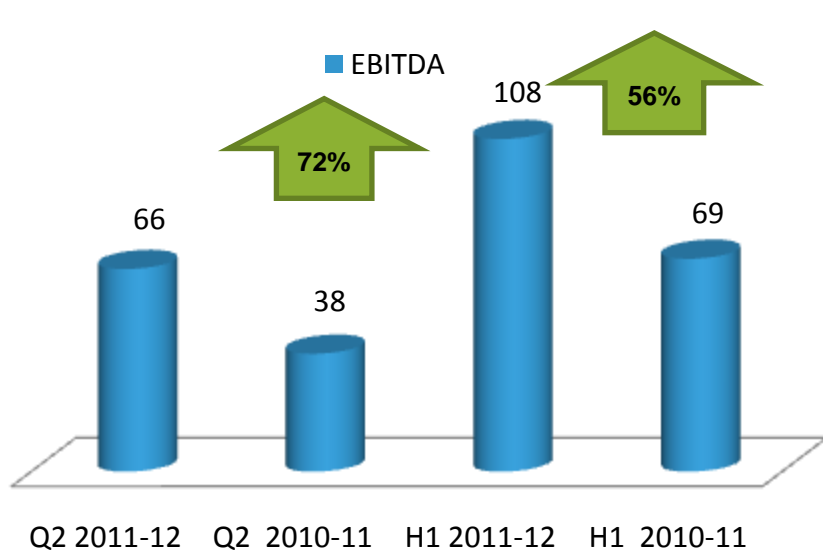
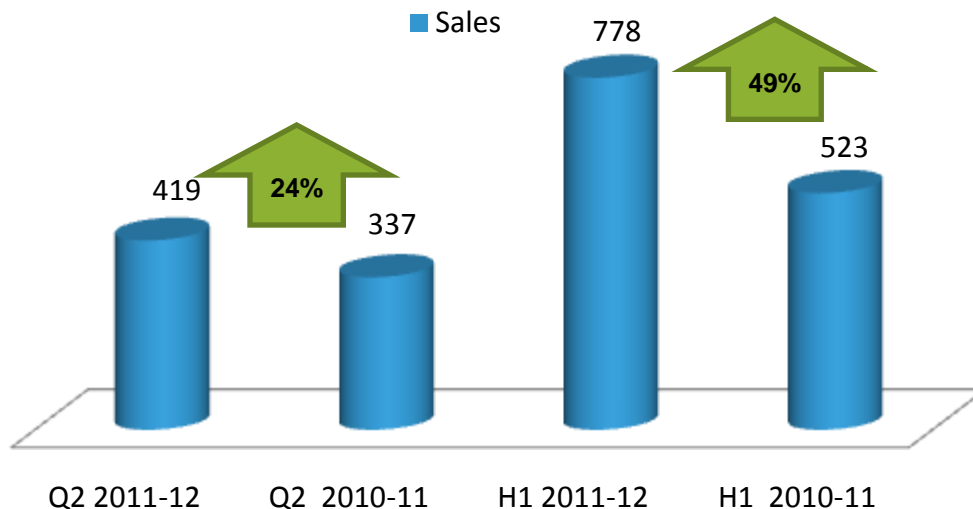
HAIR COLOURS

- Sales growth of **15%**, led by strong performance of newly launched Expert care and advanced hair colours
- Continued strong media investments and trade marketing initiatives leading to high impact on the Expert portfolio



Business Overview : International

FINANCIAL HIGHLIGHTS



PERFORMANCE HIGHLIGHTS (Q2 FY11-12) - INDONESIA

- 55% of International business revenue
- Strong sales growth of 27%, with sales at ₹ 230 crore, on the back of distribution expansion and healthy performance of new product launches
- EBITDA margin of 19.4% (before payment of technical & business support fee) expands sequentially by more than 200 bps and yoy 180 bps, led by favorable category sales mix change, new products performance and prudent cost management
- Continued focus on innovation with launches of Stella bathroom, and Stella Car air freshners and Mitu Milk bath. HIT Magic, a disruptive innovative paper format mosquito repellent, launched last quarter, continues to gain high penetration replacing coils in the market



PERFORMANCE HIGHLIGHTS (Q2 FY11-12) - AFRICA

- Business comprising Rapidol, Kinky, Tura and the newly acquired Darling group - contributes 15% to International business revenue
- Sales growth of around 47%, with sales at ₹ 65 crore and EBITDA margin at around 26%
- Kinky opened 31st store with a hair salon and Rapidol entered new markets viz, Uganda and Rwanda



PERFORMANCE HIGHLIGHTS (Q2 FY11-12) - AFRICA

Darling Group

- GCPL closed the Nigeria and South Africa legs of the Darling transaction in Sep11
- We have begun a rigorous but selective process of integration in key areas of business
- The maximum benefits of integration would be derived between the Kinky and Darling businesses in South Africa
- This will reflect in Kinky margins from Q4FY12



PERFORMANCE HIGHLIGHTS (Q2 FY11-12) - LATIN AMERICA

- 16% of International business revenue
- Strong sales growth of 13%, with sales at ₹ 65 crore, led by distribution expansion and new product launches
- EBITDA margin of 7.4%, expands yoy by around 100 bps and huge expansion sequentially, due to stronger sales and prudent cost management
- Initial response to the Ammonia free Issue hair colour launched last quarter has been very positive. This continues to be backed by strong marketing investments.
- Continued focus on innovation with launches of
 - Diamond Black hair colour cream in kits, flowpack and sachet formats
 - Roby Glam & Gloss hair serum and hair gloss
 - Relaunch of 919 and Issue Professional color Natural Shine



PERFORMANCE HIGHLIGHTS (Q2 FY11-12) - UK

- 13% of International business revenue
- Strong sales growths of 10%, with sales at ₹ 53 crore and EBIDTA margins at 11%, yoy expansion of around 80 bps, despite the UK summer - reported as the coolest since 1993
- This is the running second quarter, strong sales growth performance led by Cuticura, Touch of Silver and Bio - Oil



DIVIDEND – Q2 FY11-12

| | |
|--|--------------|
| | |
| Dividend per Share | ₹ 1.0 |
| Dividend % | 100% |
| Total Dividend (including Dividend Distribution Tax) | ₹ 37.6 crore |
| YTD Dividend payout % YTD Standalone Net Profit | 23.0% |
| Dividend % till date for 2011-12 | 200% |

Thank You