

GODREJ CONSUMER PRODUCTS LIMITED

2Q FY2015 – PERFORMANCE UPDATE

November 1, 2014



PERFORMANCE UPDATE

EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

BUSINESS OVERVIEW : INDIA

BUSINESS OVERVIEW : INTERNATIONAL

OVERALL 2Q FY15 FINANCIAL PERFORMANCE

2Q FY2015			
Growth	Consolidated	India	International
Net sales	5%	7%	2%
Constant currency net sales	9%	7%	12%
EBITDA	14%	12%	16%
Constant currency - EBITDA	18%	12%	27%
Organic - EBITDA	11%	12%	8%
Reported net profit	20%	22%	16%
Net profit w/o exceptional and one-offs	10%	12%	5%

Note: Organic excludes Darling trademarks licensing fees of INR 9 cr in EBITDA and INR 4.5 cr in Net profit from 2QFY15 from Uganda, Tanzania and Angola included in Other Operating Income

EXCEPTIONAL AND ONE OFF ITEMS

2Q FY15	CONSOLIDATED	INDIA	INTERNATIONAL
Net profit - reported	235	174	61
Exceptional (post tax)			
Add: Restructuring cost in Argentina	0.7		0.7
One-off Income (post tax)			
Less: ESOP income in India	12.0	12.0	
Less: Insurance claim receipt in Indonesia	6.8		6.8
Less: Insurance claim receipt in India	1.9	1.9	
Net profit w/o exceptional and one-off	215	160	55

All values in INR crore

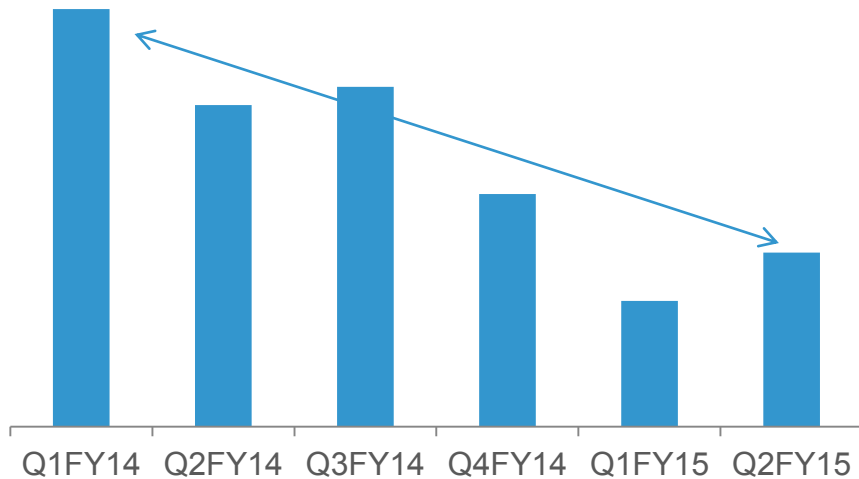
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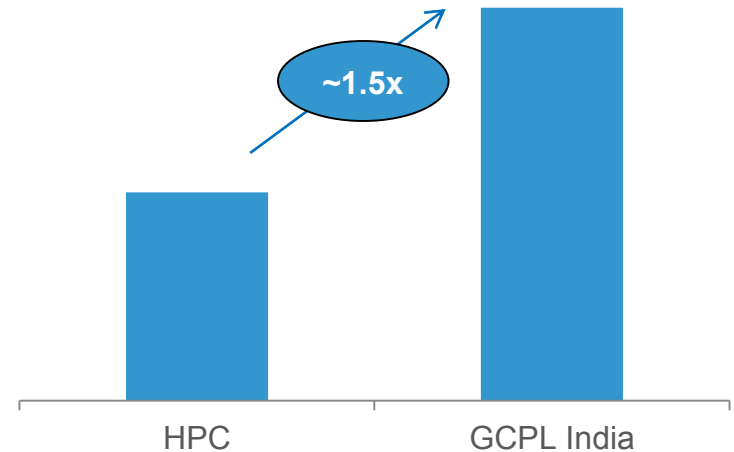
BUSINESS OVERVIEW : INDIA

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SUBDUED HOUSEHOLD AND PERSONAL CARE (HPC) SECTOR GROWTH; OUR INDIA BUSINESS GROWS NEARLY 1.5X OF HPC GROWTH RATES

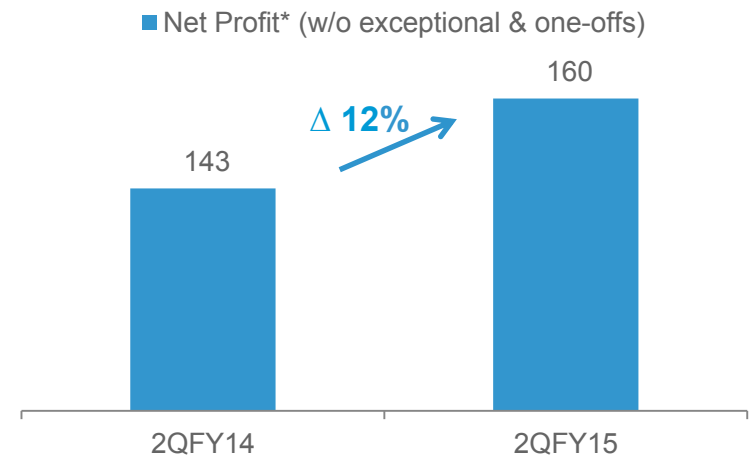
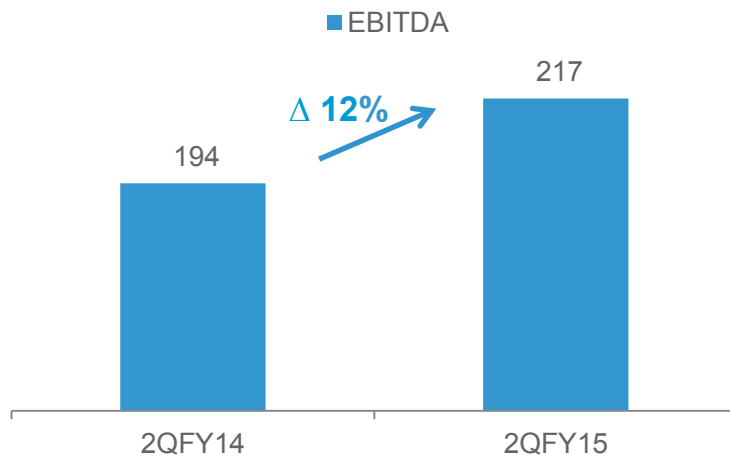
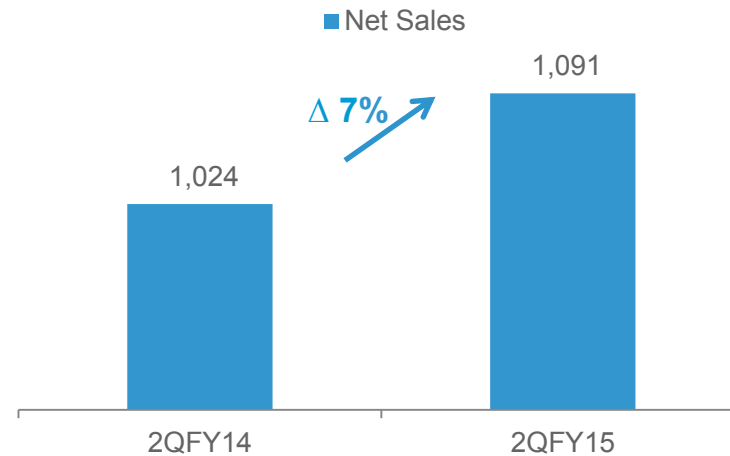


HPC growth rates have moderated by up to 60% over last 5 quarters



GCPL India growth was nearly 1.5x of India HPC growth rates

INDIA BUSINESS: PROFIT GROWTH WELL AHEAD OF SALES GROWTH



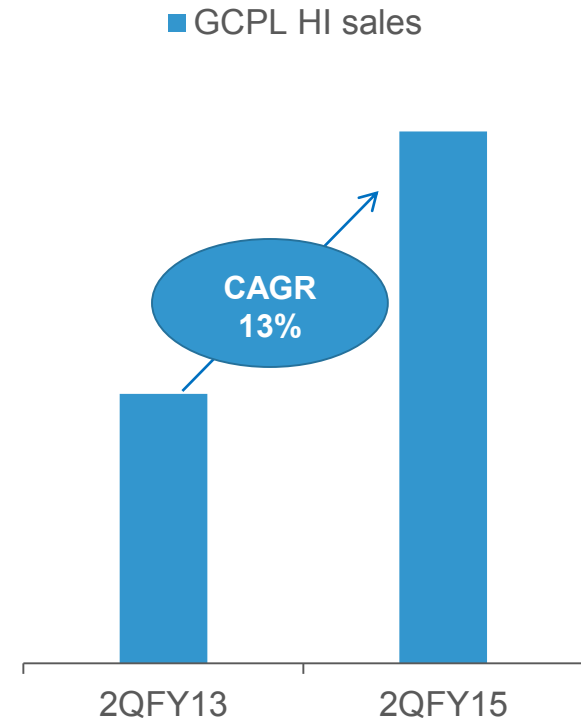
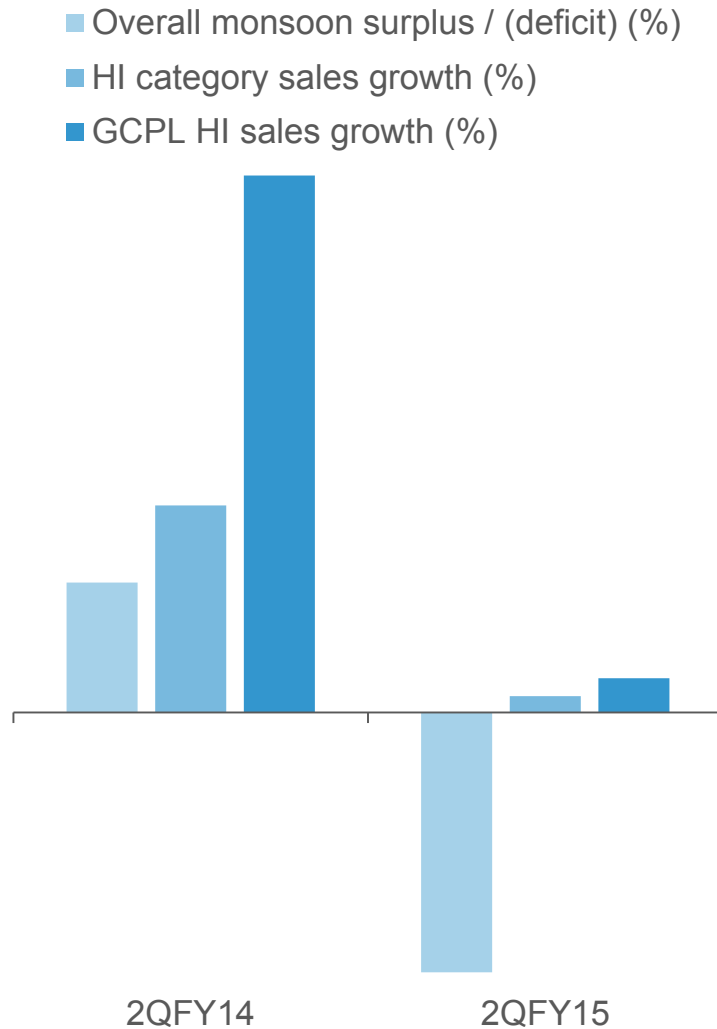
All values in INR crore

HOUSEHOLD INSECTICIDES GROWTH SIGNIFICANTLY IMPACTED BY UNEVEN DISTRIBUTION OF RAINFALL

- Category growth adversely impacted by uneven distribution of rainfall. GCPL's Household Insecticides sales grew 2%; however, excluding Central-Northern India which had rainfall deficit of 24%, our growth was 7%.
- GCPL's HI market share at its highest level driven by strong gains across formats
- Recovery in monsoon towards the end of the quarter and expectations of normal North East monsoon should improve growth rates going forward



ADVERSE MONSOON TRENDS AND BASE EFFECT IMPACTS HI GROWTH



GCPL HI sales CAGR ~2.5x category growth rates

COMPETITIVE GROWTH IN HAIR COLOURS

- Strong volume driven sales growth of 9% (despite high base of 24% in 2QFY14) led by continued momentum of *Godrej Expert rich crème*. Growth well ahead of category
- *Godrej Expert rich crème* hair colour continues to gain market share and has become the highest selling crème colour by units within 20 months of its launch
- The recently launched premium shades of *Godrej Expert rich crème* hair colour have been well received
- Large scale wholesale activation programs, intensifying rural reach to sustain category outperformance



Godrej Expert rich crème hair colour features in Nielsen Breakthrough Innovation Report 2014

BBLUNT: OUR FORAY IN PREMIUM HAIR CARE IN INDIA

PREP

Shampoo-conditioner systems for every hair type.
Prepare your hair for great styling.



STYLE

Styling products and tools bringing salon smarts into your hands. Switch up your look - do it your way.

TRANSFORM

Hair colour and hair extensions. for makeovers,
short-term, long-term or just a few hours.



GOOD TURNAROUND IN SOAPS

- Strong value growth at 13%, well ahead of the category. Category de-growth continues
- *Godrej No. 1* witnessed sharp uptick in growth rates aided by new marketing campaign and focused activation programs
- Encouraging customer response to the launch of *Cinthol's* new germ protection variant “*Confidence+*”
- Lower palm oil prices to benefit margins in second half of FY15



GCPL FORAYS INTO FACE WASH CATEGORY



GCPL CONTINUES TO EXPAND INTO ADJACENCIES



- New portfolio of *Protekt* handwashes, sanitisers, and anti mosquito spray getting good response in modern trade
- *Aer* air freshener growth momentum accelerated post gel format launch

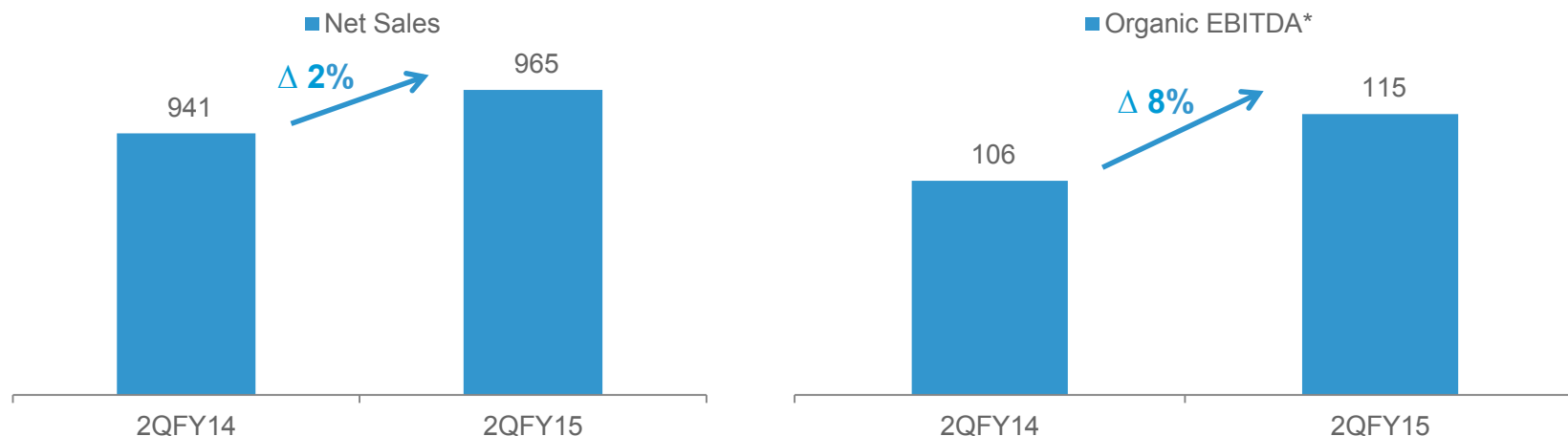
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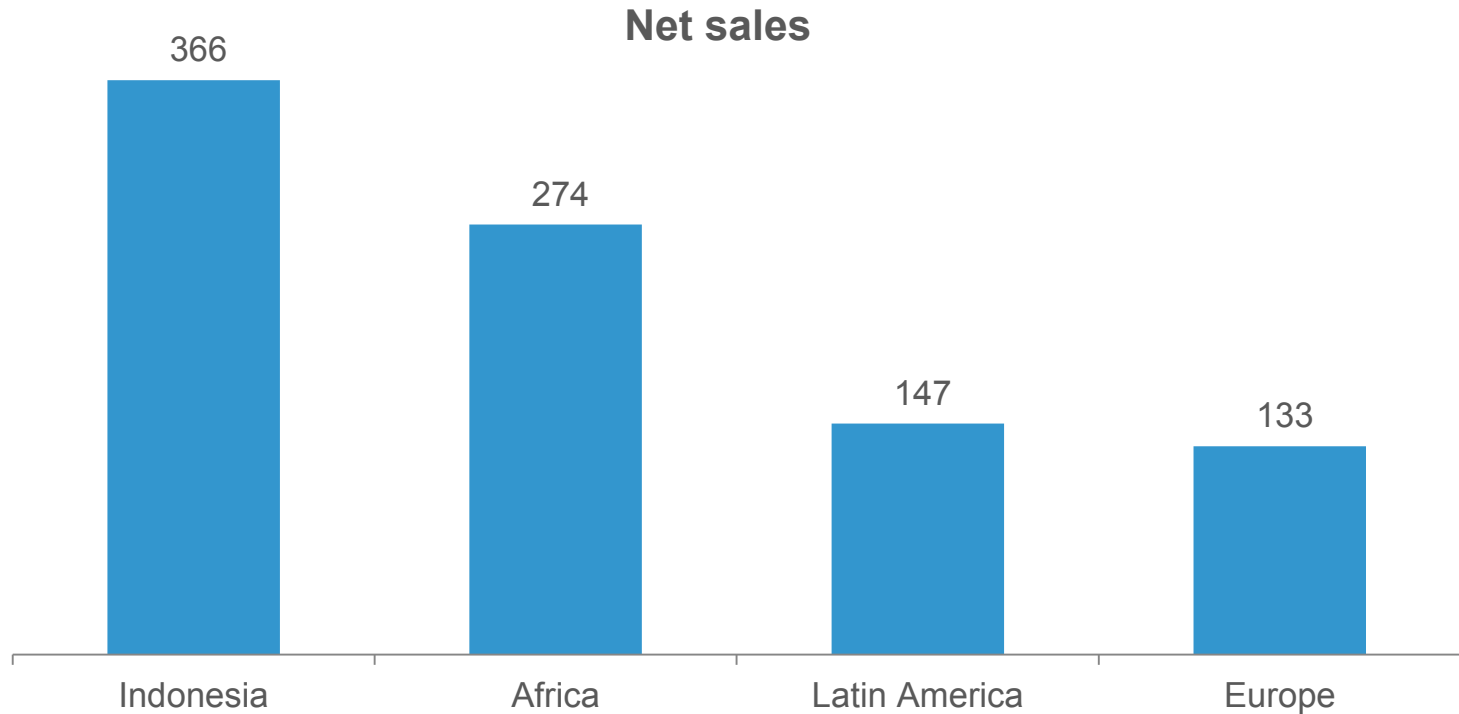
STRONG CONSTANT CURRENCY PERFORMANCE



- Strong constant currency sales growth of 12% despite macro headwinds in International markets
- Reported sales growth of 2% adversely impacted by currency translation
- Organic EBITDA margins of 12% expand 60bps y-y due to better Indonesia and LATAM margins

** Organic EBITDA excluding Darling trademarks licensing fees of INR 9 cr from Uganda, Tanzania and Angola*

KEY GEOGRAPHIES CORE PERFORMANCE ON TRACK

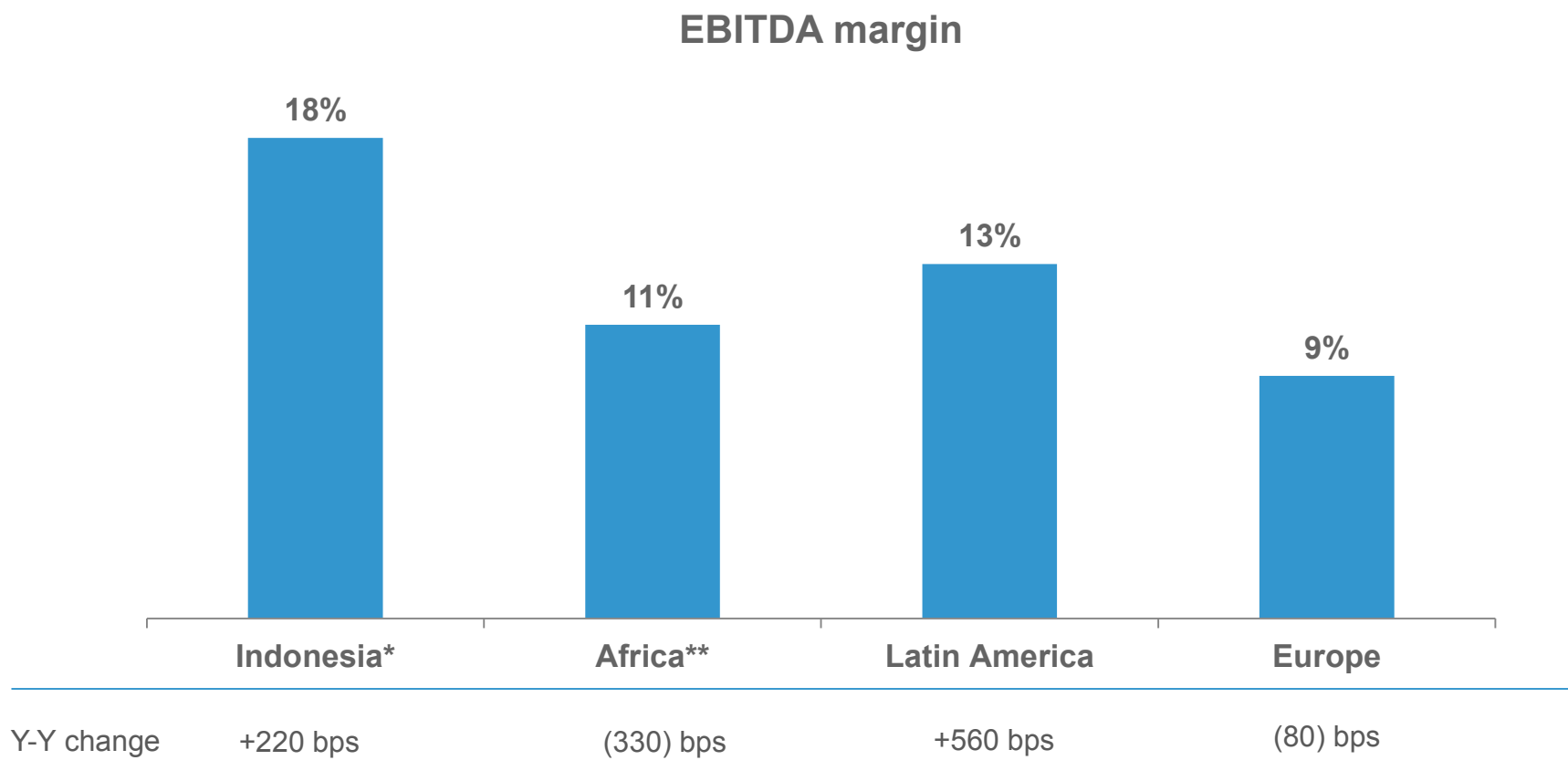


Net Sales Growth (%)

Constant currency	+15	+ 15	+31	(9)
Forex impact	(14)	(5)	(35)	+5
Y-Y Reported	+1	+ 10	(4)	(4)

All values in INR crore

ROBUST MARGIN EXPANSION



** Including foods business and before payment of technical & business support fees in 2QFY15, 2QFY14*

*** Excluding Darling trademarks licensing fees of INR 9 cr from 2QFY15 from Uganda, Tanzania and Angola*

CONSISTENT PERFORMANCE IN INDONESIA BUSINESS

- Strong constant currency sales growth of 15% (ex-foods distribution growth of 21%)
- Calibrated price hikes, better mix and cost optimization help improve margins 220 bps y-y
- *Stella* continues to gain market share and strengthen its leadership in air freshener category
- *Stella* membrane variants and *Mitu* changing diaper wipes launched



DARLING DELIVERS STRONG QUARTER DESPITE MACRO CHALLENGES IN AFRICA

- Business presence in South Africa, Mozambique, Nigeria, Kenya and other markets across hair extensions, hair colours, household insecticides and personal wash
- Strong constant currency sales growth of 15% led by Darling business
- Temporary margin decline of 330bps behind upfront marketing and sales infrastructure investments across businesses and sluggishness in South African market
- During the quarter, we licensed our rights of Darling trademarks for use in Uganda, Tanzania and Angola and acquired 100% stake in Ghana, effective October 2014



CONTINUED STRONG PERFORMANCE IN LATAM BUSINESS

- Constant currency net sales growth of 31% led by healthy market share gains
- Significant expansion in EBITDA margins of 560bps complemented by implementation of Project Iceberg in Argentina
- Launched new *Issue Crazy Colors* kit



EUROPE BUSINESS SUBDUED ON HIGH BASE

- Constant currency growth declined 9% due to high base of last year
- Growth also impacted by counterfeits in one of the lead brands that we distribute
- EBITDA margins down 80bps behind softer sales performance



2Q FY2015 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	2Q FY14	2Q FY15	Y/Y	2Q FY14	2Q FY15	Y/Y
Sales	1,024	1,091	7%	1,957	2,048	5%
Gross Profit	535	565	6%	1,052	1,064	1%
Gross Margin (%)	52.3%	51.8%	(50) bp	53.7%	52.0%	(170) bp
EBITDA	194	217	12%	300	342	14%
EBITDA Margin (%)	18.9%	19.9%	100 bp	15.3%	16.7%	140 bp
Net Profit	143	174	22%	195	235	20%
Net Profit Margin (%)	13.9%	15.9%	200 bp	10.0%	11.5%	150 bp

- Gross margins declined behind unfavorable category mix in India and unfavorable geography mix Internationally

THREE OF OUR BRANDS FEATURED IN THE MOST TRUSTED BRANDS 2014

3 of our brands ranked in 100 Most Trusted Brands 2014 by Brand Equity

- Goodknight
- Cinthol
- Godrej No.1



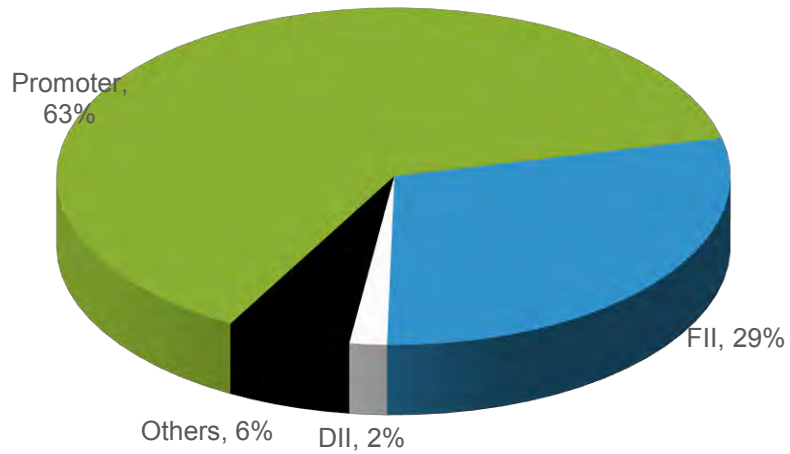
PERSONAL CARE

Cinthol Ranked 11th
Godrej No. 1 Ranked 15th
Godrej Expert Powder Hair Colour Ranked 26th

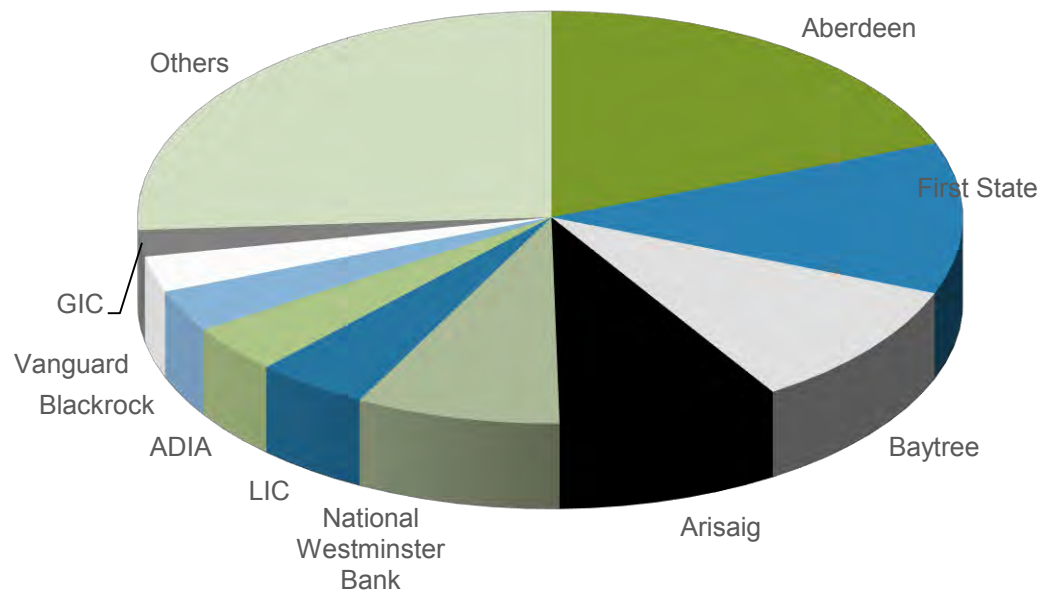
HOUSEHOLD CARE

Goodknight Ranked 1st
HIT Ranked 8th
Godrej Aer Ranked 11th
Jet Ranked 12th

STOCKHOLDING PATTERN



MAJOR INVESTORS



As on September 30, 2014

WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

- Extending leadership in our core categories
- Capitalizing on international growth potential
- Accelerating renovation and innovation
- Building a future ready sales system
- Making our supply chain best in class
- Building an agile and high performance culture

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THANK YOU FOR YOUR TIME AND CONSIDERATION