

Nurturing **growth**,
Creating **value**

GODREJ INDUSTRIES LIMITED

Performance Update – Q3 & 9M FY 2015-16

FEBRUARY 12, 2016

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

AGENDA

- Results
 - Financial Highlights – Consolidated
 - Segment Performance
- Business Performance
 - Performance highlights including Subsidiaries and Associates
- Other information

FINANCIAL HIGHLIGHTS – CONSOLIDATED

FINANCIAL HIGHLIGHTS - CONSOLIDATED

Particulars (₹ crore)	Q3 FY 2015-16	Q3 FY 2014-15	% Growth	9M FY 2015-16	9M FY 2014-15	% Growth
Total Income *	2,561	2,374	8%	8,463	7,120	19%
PBDIT *	267	183	46%	795	563	41%
Depreciation	34	25		91	68	
Interest	72	48		196	133	
Net Profit *#	139	91	53%	368	264	40%

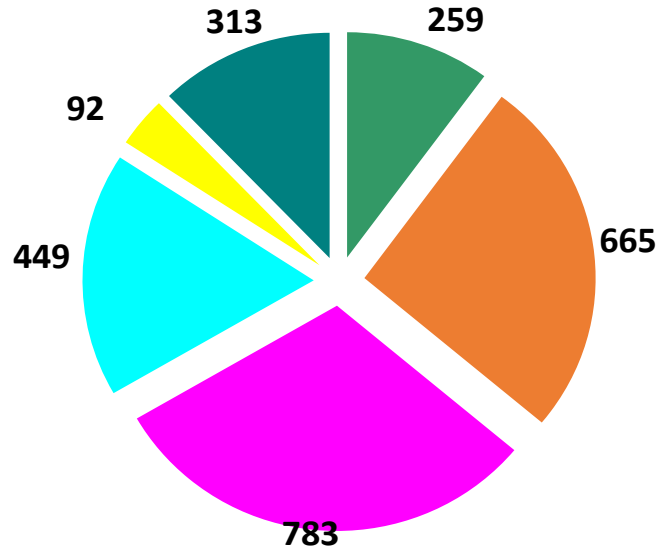
* Including other income and exceptional items ;

With share of profit in associate companies and post reduction of minority interest

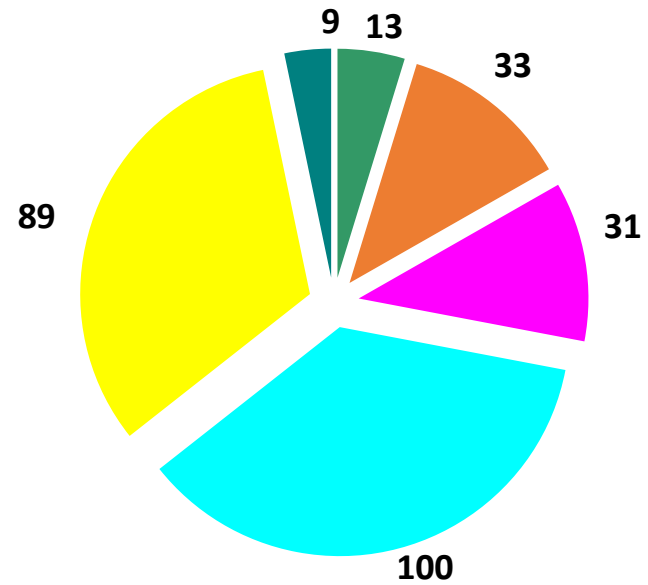
CONSOLIDATED RESULTS – SEGMENT PERFORMANCE

SEGMENT-WISE CONTRIBUTION TO FINANCIALS: Q3 FY 2015-16

Revenue * (₹ crore)



PBIT * (₹ crore)



*net of inter-segment revenue

■ CHEMICALS

■ ANIMAL FEEDs

■ VEGOILS

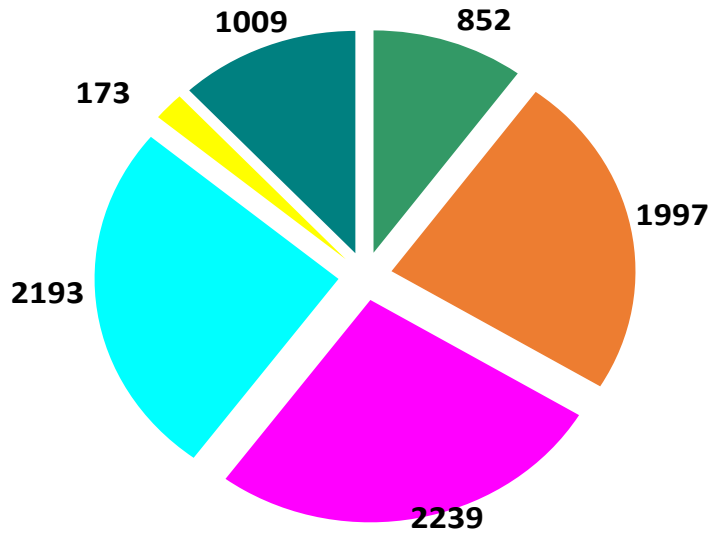
■ ESTATE & PROPERTY DEVELOPMENT

■ FINANCE & INVESTMENTS

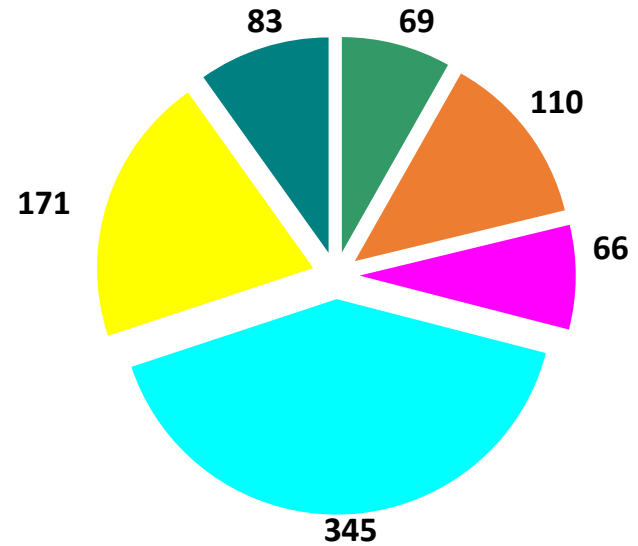
■ OTHERS

SEGMENT-WISE CONTRIBUTION TO FINANCIALS: 9M FY 2015-16

Revenue * (₹ crore)



PBIT * (₹ crore)



*net of inter-segment revenue

■ CHEMICALS

■ ANIMAL FEEDS

■ VEGOILS

■ ESTATE & PROPERTY DEVELOPMENT

■ FINANCE & INVESTMENTS

■ OTHERS

**BUSINESS PERFORMANCE: Performance Highlights
incl. subsidiaries, JVs and Associates**

OUR “CREATE” GROUP PORTFOLIO STRATEGY

Consumer & **C**hemicals

Real

Estate

Agri

Transformation

Emergent

→ 4 core businesses

→ Drive to full potential

→ Focused incubation of new businesses

CONSUMER (GCPL)

Business and Financial Highlights for Q3 FY 2015-16:

- Consolidated organic constant currency net sales increased by 9%.
 - India business branded net sales increased by 8%, driven by a 9% volume growth; double digit volume growth in Household Insecticides and robust mid-single digit volume growth in Soaps.
 - International business grew by 9% on an organic constant currency basis.
- Consolidated organic constant currency EBITDA increased by 19%, driven by a 18% growth in India business and 20% growth in international business,
- Q3 FY 2015-16 consolidated net profit increased by 23%.
- GCPL continues to deliver competitive performance in its core categories, across geographies
 - Household Insecticides sustained its double-digit volume growth momentum with a sales growth of 15%.
 - Soaps business maintained its robust mid-single digit volume growth in a highly competitive environment.
 - Liquid Detergents delivered a double-digit, volume driven sales growth of 11%, despite of late onset of winter
 - The sales of Hair Colour declined by 1% in Q3 FY16.
- Declared 1st interim dividend of 100% (₹ 1.00 per share).



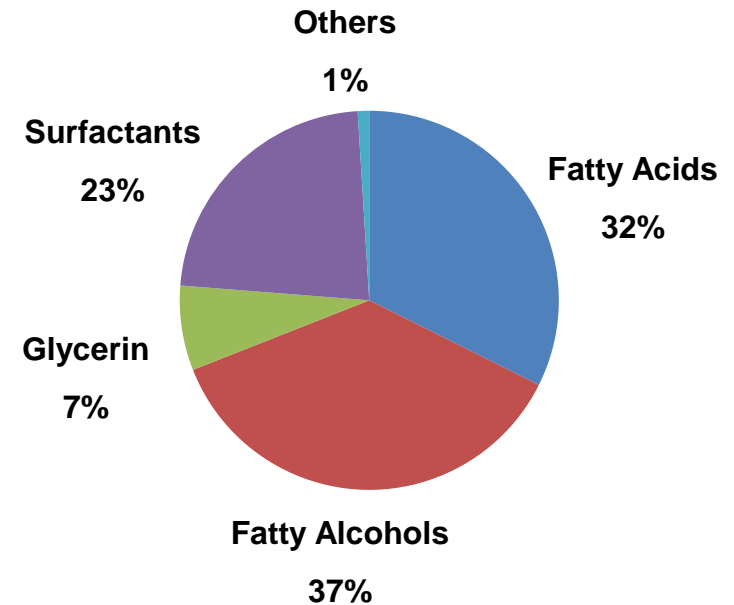
Financial Highlights for 9M & Q3 FY 2015-16:

₹ crore			FY 2015-16	FY 2014-15
Revenue	9M		852	1,017
	Q3		259	309
PBIT	9M		69	29
	Q3		13	(0)

- PBIT for 9M FY 2015-16 grew by 141%
- Exports in Q3 FY 2015-16 at ₹ 86 crore.

- Recognised by Chemexcil (an industry council setup by the Ministry of Commerce and Industry) for its past export performance and has received the 'Trishul Award' and 'Gold Award'.

Product Portfolio Q3 FY 2015-16



Mr. N B Godrej receiving award from Hon. Minister Ms Nirmala Sitharaman

Godrej Properties Limited (GPL) - Consolidated Financial Highlights:

₹ crore		FY 2015-16	FY 2014-15
Revenue	9M	2,195	1,208
	Q3	450	539
Net Profit after tax (after minority interest)	9M	213	139
	Q3	52	47

Business & Sales Highlights for Q3 & 9M FY 2015-16:

- **GPL's best ever launch:** The Trees, Vikhroli was the most successful launch in the history of GPL in terms of value of apartments sold in the launch quarter. 93% of launched inventory or 348 apartments with 455,503 sq. ft. for ₹ 862 crore sold within one month of launch
- Registered booking value of over ₹1200 crore for the third consecutive quarter of FY16
- 122% YoY growth in value of total bookings and 152% QoQ growth in the value of residential bookings
- **Construction Highlights:** Delivered 1.34 million sq.ft. at Godrej Genesis, Kolkata & 144 apartments measuring 0.21 million sq.ft. at Godrej Horizon, Pune

Awards and Recognitions: GPL received 6 awards in Q3 FY16, including

- **Brand Excellence Award in Real Estate Sector-** Brand Excellence Awards 2015
- **Best Real Estate Development Company – India** – 2015 Real Estate & Property Awards by Build Magazine UK

AGRI BUSINESS

Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

Feed Business

- Animal feed business faced strong head winds in most of its categories impacting its Q3FY16 performance
- The Bangladesh feed business – ACI JV has done well with top line growing by 51% over Q3FY15

Oil Palm business

- Seasonal shift in FFB arrival resulted in robust Q3 performance for Oil Palm business

Agri Inputs Business

- Agri Inputs business has shown significant resilience in spite of deficit monsoon clocking 11% growth in topline in Q3FY16
- Astec Life Sciences had a tough quarter with sale marginally down due to poor offtake in its export markets esp. Argentina
- Fledgling Seeds business suffered immensely due to very poor rainfall (-21%) in its critical Marathwada market

Food business

- Our processed poultry business GTFL grew by 12% this quarter over last year
- Creamline dairy recorded a healthy 14% sales growth this quarter over last year

MACROS IMPACTED THE AGRI INDUSTRY IN FY16

- India suffered
 - Two consecutive poor monsoons
 - Softer secondary commodity prices e.g. prices of Broiler, Shrimp, Milk, Palm Oil have been significantly lower than the previous year
- Poor monsoons and Softer commodity prices impacted the income levels of farmers in most parts of the country

	Avg. Milk Price/Ltr.	Avg. Broiler Price/Kg	Avg. Shrimp Prices/Kg	Avg. CPO Prices/MT
Apr-Dec 2014	24.6	76.3	412	49,521
Apr-Dec 2015	21.9	69.1	353	41,618

- This resulted in diminished rural demand for commodities and other products in rural India
- Critical for Agri Companies to control and mitigate their exposure in these turbulent times

GAVL-MANUFACTURING LOCATIONS



Feed mills



Palm oil mills



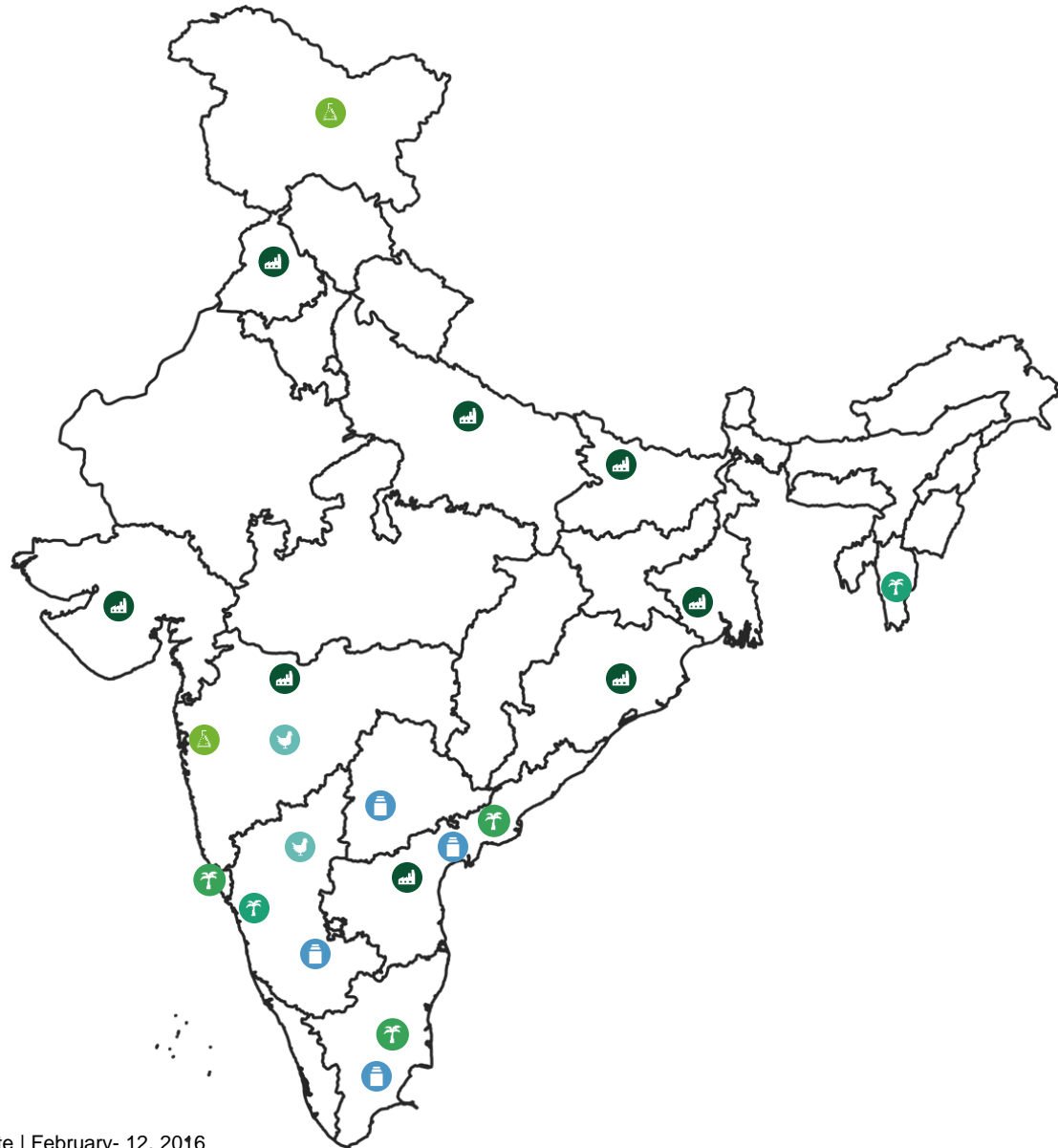
Agro chemicals



Poultry

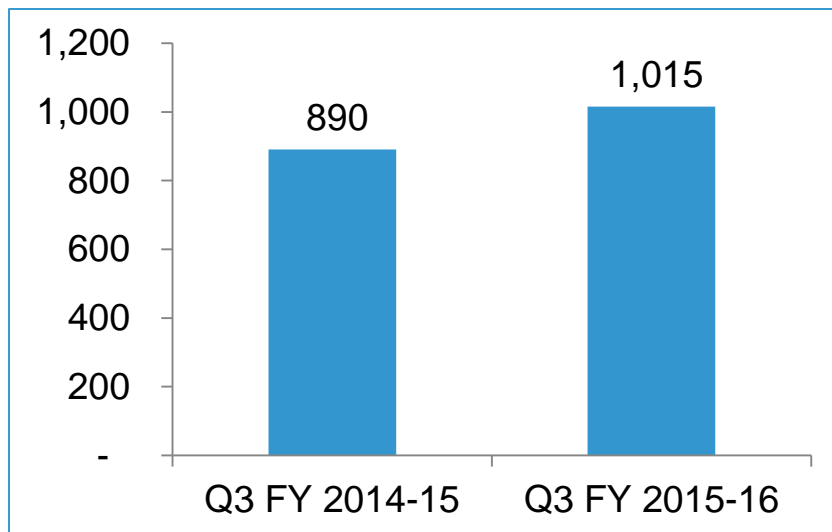


Creamline

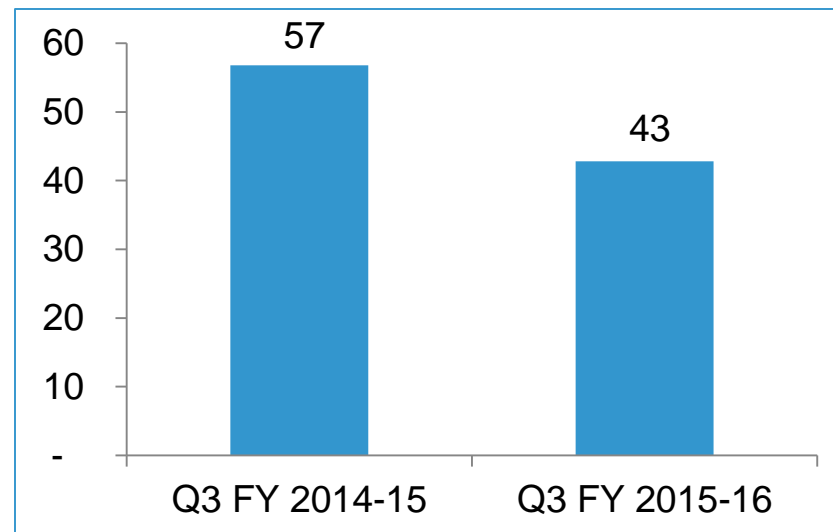


Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

Q3 Consolidated Total Income (₹ crore)



Q3 Consolidated PBT (₹ crore)

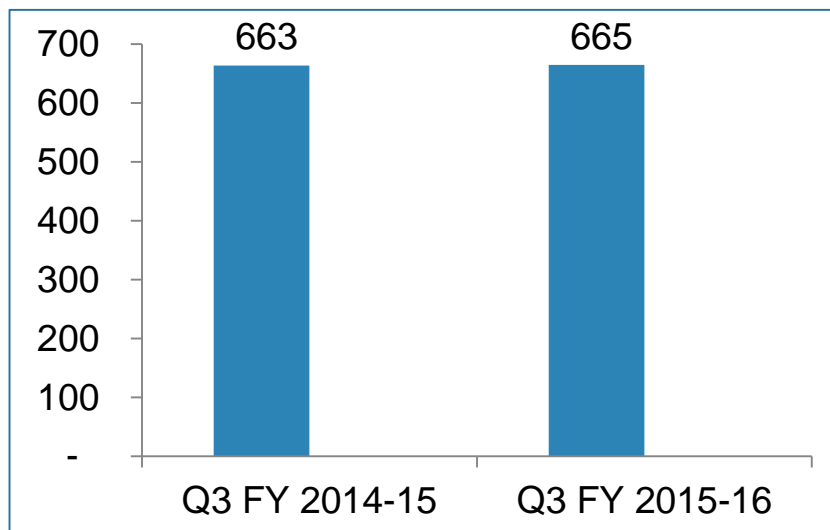


- Godrej Agrovet acquired controlling stake in Creamline Dairy Products Ltd. – a prominent South India based dairy company
- This acquisition marks GAVL's entry in high growth dairy sector of India – CDPL will focus on strengthening the Value added product portfolio in future
- Second acquisition announced by GAVL in FY16 after Astec Lifesciences
- We have started consolidating Astec Lifesciences from Nov 2015 and CDPL from 21st Dec 2015
- The twin factors of poor monsoon and subdued commodity prices will play throughout FY16 – it has adversely impacted our business portfolio this year

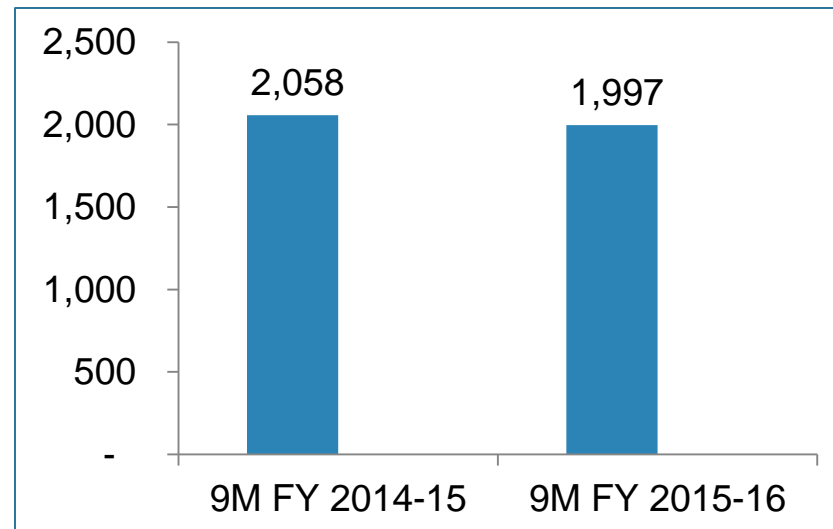


Animal Feed Business: Subdued output agri commodity prices continue to impact overall compound feed industry

Q3 Animal Feed Sales (₹crore)



9M Animal Feed Sales (₹crore)

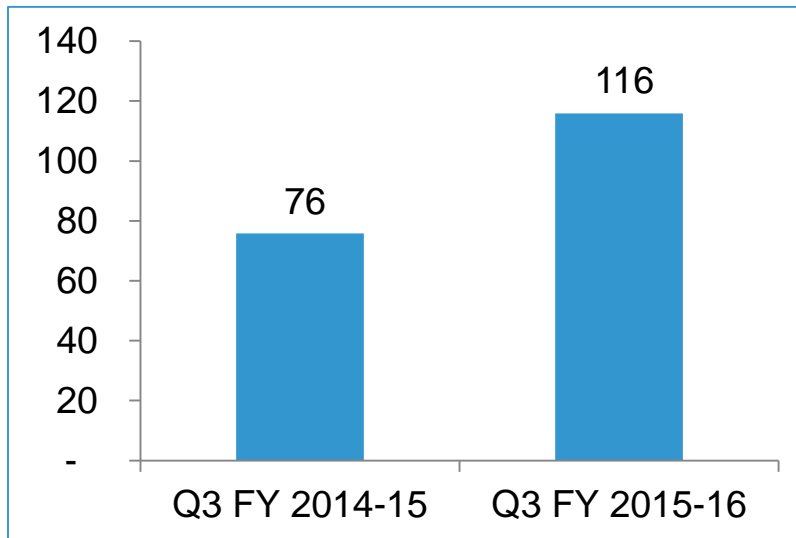


- Prices of all feed output agri commodities continue to be under pressure i.e. Poultry, Egg, Shrimp and Milk. Lower prices of these commodities impacted the compound feed consumption in the country
- Broiler feed sales were significantly impacted by broiler prices dropping below cost of production
- Fish feed saw good movement on the upside aided by good output prices
- We continue to focus on R&D initiatives to rationalize the cost of production to counter muted output prices

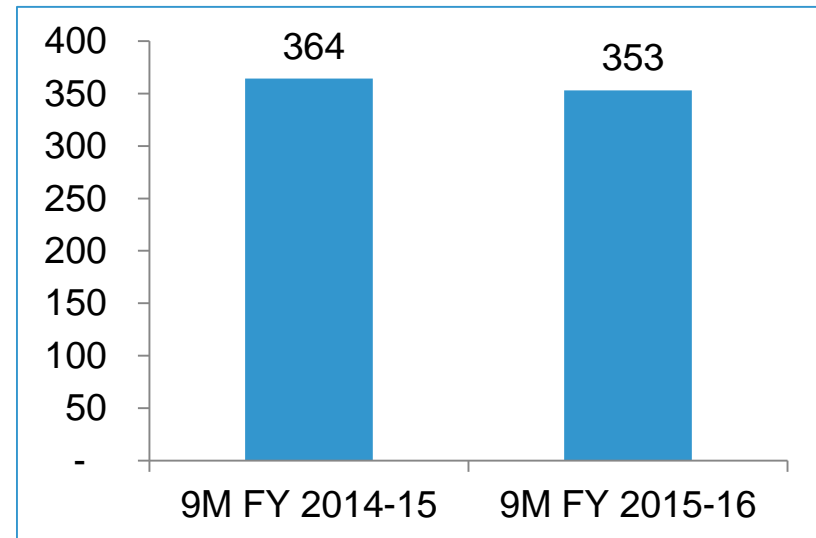


Oil Palm Business: Seasonality shift aided the outperformance of the business

Q3 Oil Palm Sales (₹ crore)



9M Oil Palm Sales (₹ crore)

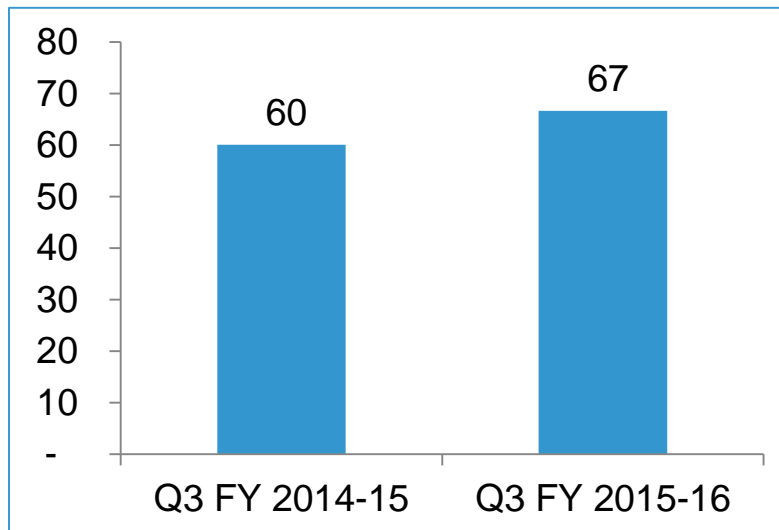


- Business clocked 53% topline growth driven by higher volumes (late arrival in Q2 lifted Q3)
- CPO prices continue to be under pressure; focusing on operational efficiency is offsetting, to an extent, decline in CPO prices
- We are working on developing additional revenue streams by enhancing the value of Biomass generated in the business

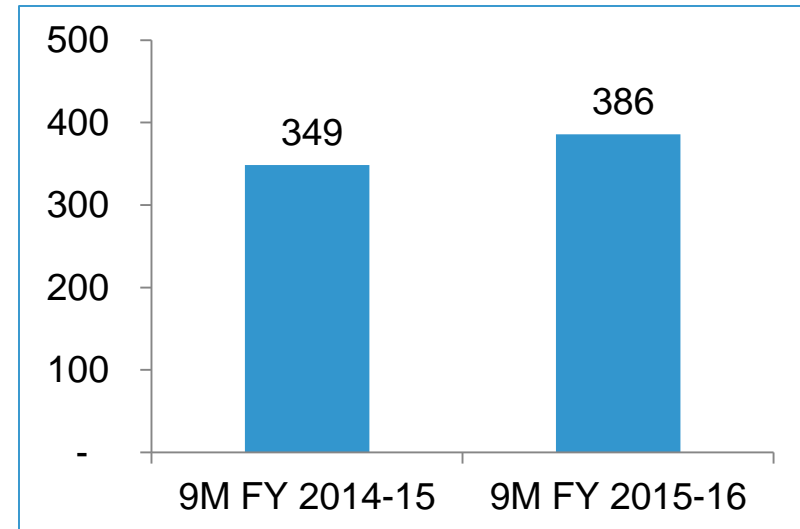


AGRI INPUTS Business: Business managed to clock steady growth in spite of deficit Monsoon

Q3 Agri Inputs Sales (₹ crore)



9M Agri Inputs Sales (₹ crore)

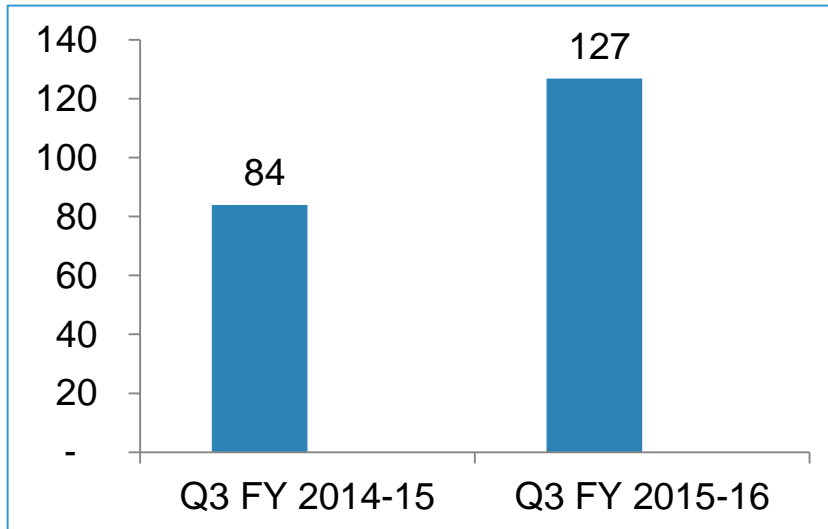


- The business grew by 11% over the corresponding quarter. Judicious sales planning across key categories helped us maintain our growth trajectory
- Astec Life sciences acquisition will help the business, and augment its retail product portfolio
- Agri inputs business will have access to the export markets with Astec having registration across more than 30 countries

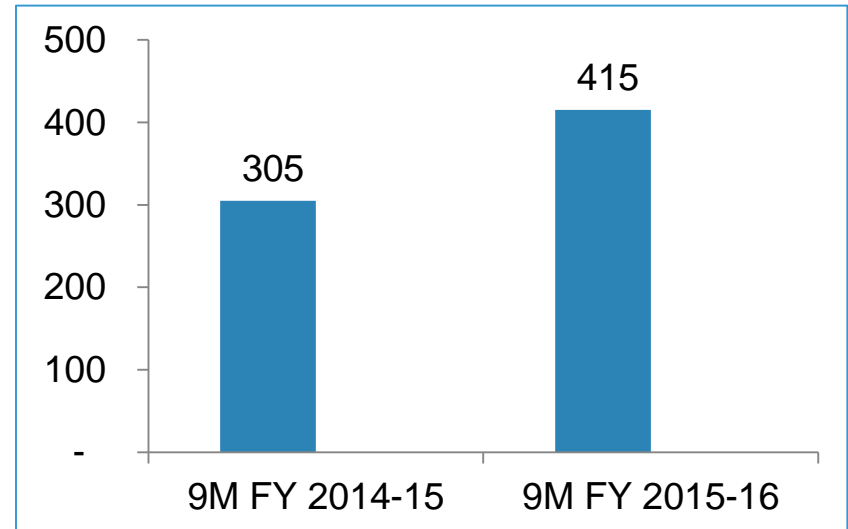
AGRI BUSINESS

ACI GODREJ (Bangladesh): Volume growth in all the business segments has helped in registering a robust sales growth

Q3 ACI - Godrej Sales (₹ crore)



9M ACI - Godrej Sales (₹ crore)

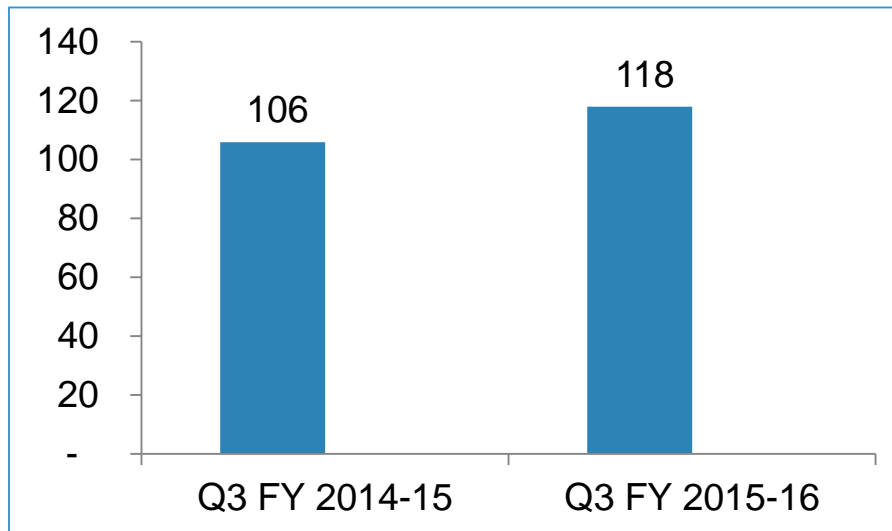


- ACI Godrej business grew by 51% driven by strong volume growth across categories of Poultry Feed, Cattle feed and Aqua Feed
- We continue to gain market share across all the business categories

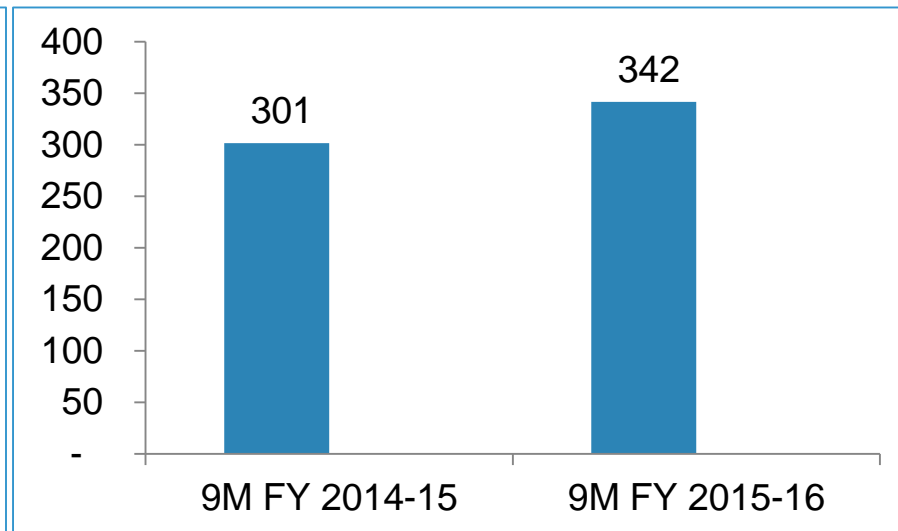


GODREJ TYSON: Focus on Brands paying off in the poultry business

Q3 Godrej Tyson Sales (₹ crore)



9M Godrej Tyson Sales (₹ crore)



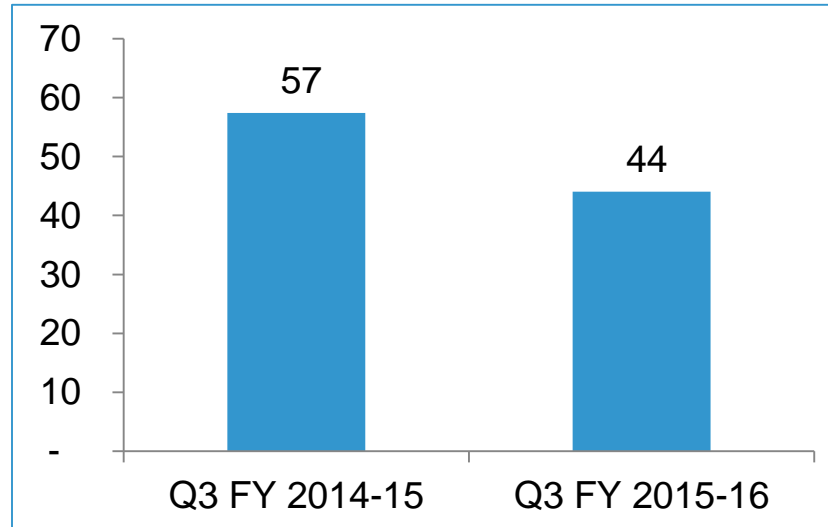
- Live broiler prices were subdued for most of 3rd quarter barring a couple of weeks in December. Industry is seeing a lot of churn at individual farmer level due to prolonged losses
- Despite retail demand remaining tepid, GTFL posted a 12% growth in topline led by Yummiez brand
- We remain committed to our brand focus and will continue to invest in both veg and non-veg categories.

AGRI BUSINESS (NEW)

ASTEC LIFESCIENCES LTD: Subdued demand in the export market has impacted the company's topline



Q3 Total Income (₹ crore)



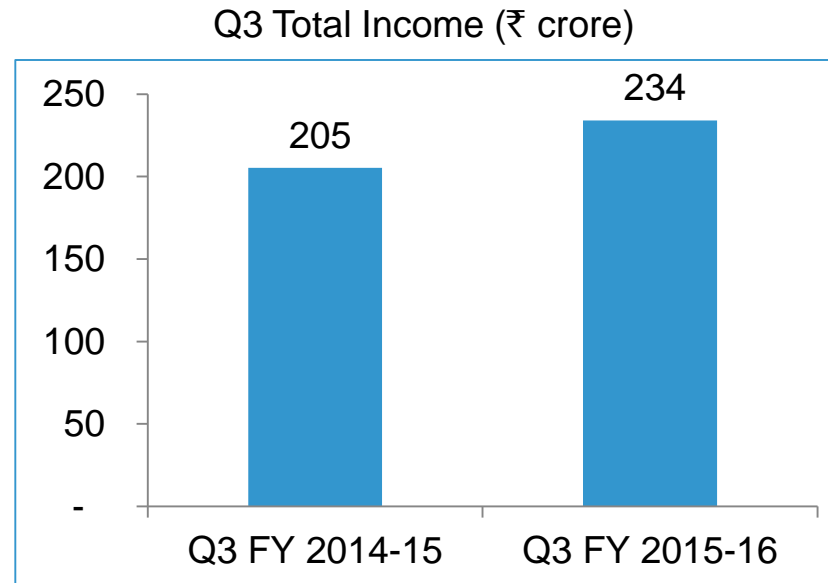
- The business registered 23% degrowth in Q3FY16 over corresponding quarter
- Export market has been witnessing some headwinds which has put pressure on our topline and bottomline
- Integration of Astec with GAVL's Agri Inputs business is underway; synergy benefits are expected to flow in from FY17 onwards

Note: Astec's financials are on a consolidated basis (includes subsidiaries of Astec)

AGRI BUSINESS (NEW)



CREAMLINE DAIRY PRODUCTS LTD: GAVL has become the majority shareholder; business delivered a steady quarter



- GAVL increased its stake in Creamline Dairy to become the majority shareholder
- Business grew by 14% majorly driven by value added products
- We will continue to focus on brand building and improving the mix of value added products in overall sales

TRANSFORMATION – FOSTERING AN INSPIRING PLACE TO WORK

GCPL

1st in FMCG category

Overall Rank in 2015: **#6**

Rank in Asia Survey 2015: **#14**
(Highest for any Indian company)

GPL

2nd in real estate industry

Overall rank in 2015: **#48**



Aon Hewitt Best Employers Survey:

GAVL

Ranked amongst **one of the best employers** in India in 2015



TRANSFORMATION – CONTINUED COMMITMENT ON OUR ‘GOOD & GREEN’ VISION

1

ENSURING EMPLOYABILITY

Train 1 million youth in skills that will enhance their earning potential

2

GREENER INDIA

Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption & increase renewable energy utilization

3

INNOVATING FOR GOOD & GREEN

Generate a third of our portfolio revenues from ‘good’ &/or ‘green’ products

4

BRIGHTER GIVING

Structured Employee Volunteering

EMERGENT NATURES BASKET

(FRESH FOOD AND GOURMET STORES)

- 3 New Stores Opened – One each in Mumbai, Delhi/NCR & Pune
 - Total store count now at 36
- Good response to gifting initiatives
 - Sales through gifting ₹12.7 Cr in Q3FY16 (growth of 49% over Q3, LY)
- 2 new e-hubs opened taking total count of e-hubs taking the total count to 15.
 - Our own Pan-India Operations launched catering to 130 cities
 - Online sales ₹ 3.7 Cr in Q3FY16
- Private Label Sales ₹ 9.3 Cr in Q3FY16, equivalent to ~12% of Sales

Financial Highlights

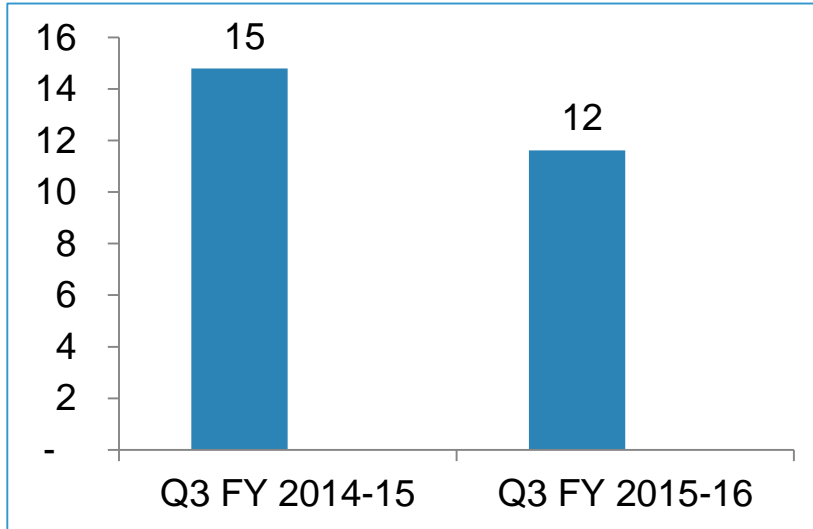
- Net Sales in Q3 FY 16 at ₹ 78 Cr; grew by 35% over the corresponding quarter of the previous year.
- Net sales for 9M FY 2015-16 at ₹ 201 Cr , which is a growth of 30% over the corresponding period of the previous year.
- Gross margin for the 9 months ended is at 25.9%.



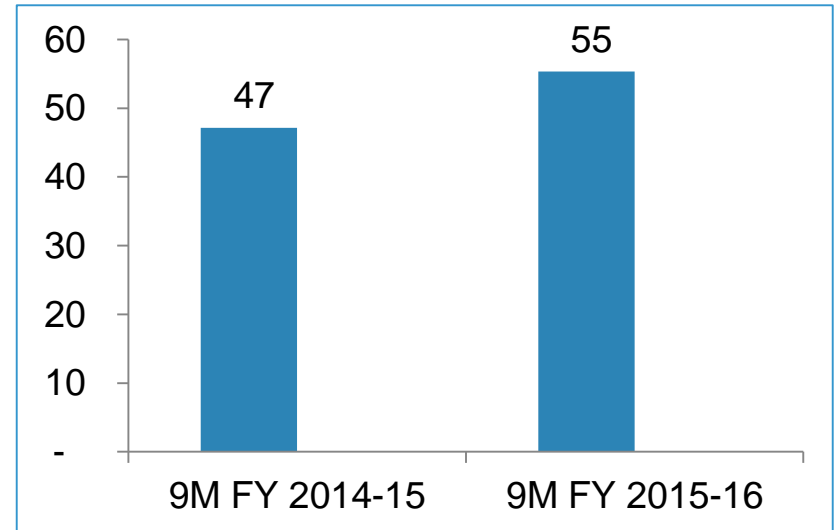


GODREJ SEEDS: Non-conducive macro factors continue to affect the topline

Q3 Godrej Seeds and Genetics Sales (₹ crore)



9M Godrej Seeds and Genetics Sales (₹ crore)

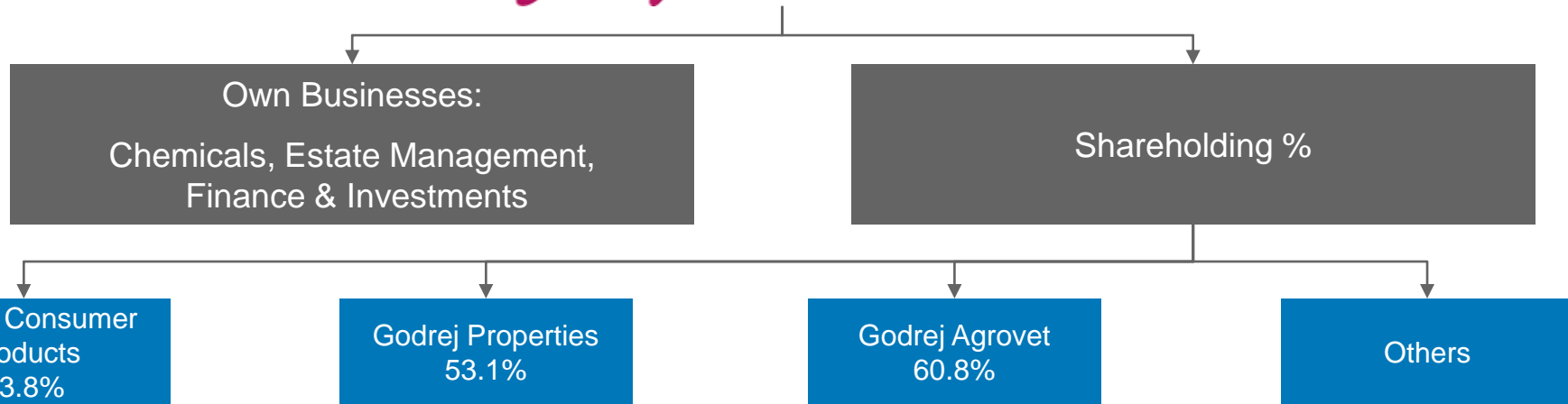


- Seeds business has been facing macro headwinds over the last 2 quarters. Late and slow rabi sowing only aggravated the seeds industry outlook for the 3rd quarter
- Seeds business witnessed a degrowth of 21% in sales.
- We are focusing on minimizing the working capital for next year

OTHER INFORMATION

GODREJ INDUSTRIES LIMITED

CORPORATE STRUCTURE



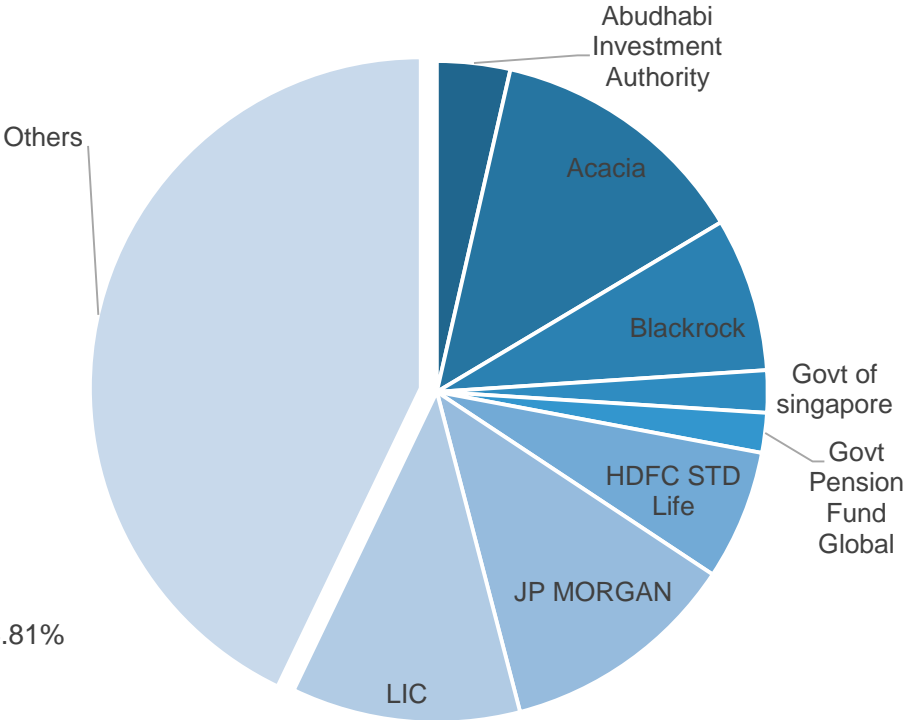
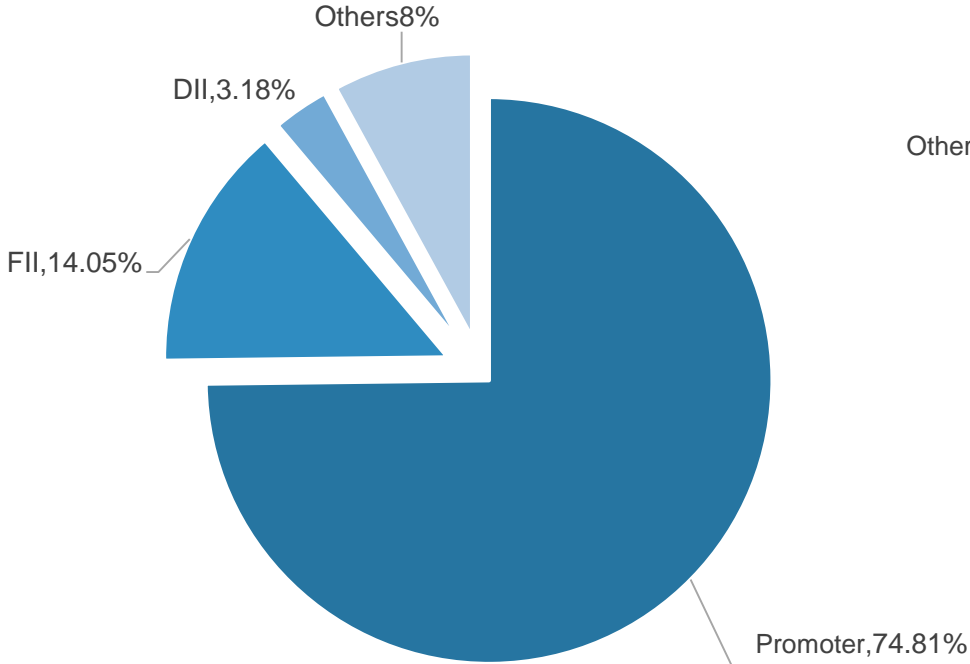
- Nature's Basket (100%)
- Other investments

SIGNIFICANT APPRECIATION IN INVESTMENT VALUE

Company	Business	Holding (%)	Investment at cost (₹ crore)	Market Value ^ of investment (₹ crore)
Godrej Consumer Products (GCPL)	FMCG, Personal and Household Care products	23.8%	1,366	10,674
Godrej Properties (GPL)	Real Estate and Property Development	53.1%	575	3,579
Godrej Agrovet	Animal Feed, Agri-inputs, Poultry & Oil Palm	60.8%	144	
Godrej International	International Trading	100%	15	
Godrej International & Trading	International Trading & Investments	100%	4	
GIL Vikhroli Real Estate	Real Estate and Property Development	100%	152	
Natures Basket	Fresh Food & Gourmet Stores	100%	207	
Verseon	Technology-based Pharmaceutical	4.4%	23	137
Others		--	14	
	Total		2,500	

Market Capitalization of GIL has increased by ₹ 2910 Cr, (30%) on YoY basis

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2015



Major Institutional Investors



THANK YOU FOR YOUR TIME AND CONSIDERATION