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**IN CONVERSATION WITH
VIVEK GAMBHIR,
MD DESIGNATE, GCPL**

“We need to be very focused, proactive and agile and ensure that we can execute better than anyone else”



Vivek joined Godrej in 2009. He is responsible for enhancing the strategic capabilities within the Group companies, defining overall Group strategy, conducting portfolio analysis, guiding management teams of the various Group companies, driving mergers and acquisitions and leading special projects.

Prior to joining the Godrej Group, Vivek was a partner at Bain & Company, a global management consulting firm. He has worked with Bain in Boston, Singapore and New Delhi. He is a founding member of Bain’s consulting operations in India. Vivek led the Consumer Goods and the Technology, Telecommunications & Media Practices in India. He also oversaw the Organizational Capability area for Bain in India.

Vivek is an MBA from the Harvard Business School and a BS (Computer Science) and BA (Economics) from Lafayette College.

IN CONVERSATION WITH VIVEK GAMBHIR, MD DESIGNATE, GCPL

Q What changes can we expect under your leadership?

A I have been fortunate enough to be very closely involved with GCPL over the last few years. We have a robust strategy in place and an agile team that works well together to execute our strategy. We have amazing brands, strong values and a winning culture and so, in that sense, there is not going to be a significant shift from our current direction. Certainly, there are some areas where we need to do more and where we need to go faster. The good thing is that our company is in a strong position. That said, we have high aspirations and need to continue to push ourselves and raise the bar to win today and in the future.

Q What are the biggest opportunities you see for GCPL?

A The opportunities are immense as we aspire to become a leading emerging markets FMCG company. We see great opportunities in India and in other emerging markets such as Indonesia and sub-saharan Africa. As incomes increase, consumers with rising aspirations will seek new and exciting products and new categories will emerge. A large section of the population will also finally be able to afford branded consumer goods and will be looking for quality products at accessible price points. New distribution channels will improve availability and enhance the buying experience. All of this will provide tremendous opportunities for us. For GCPL, there is a lot of growth potential from both driving penetration and increasing consumption in our core categories. We also see a lot of opportunities in extending our core categories to attractive adjacencies. Growth will come from both urban and rural areas; from upper, middle and lower income consumers; from traditional mom and pop stores and hypermarkets and so, there certainly are opportunities galore. However, to fully capitalize on these opportunities, we need to be very focused, proactive and agile and ensure that we can execute better than anyone else.

Q What makes GCPL different?

A We are fortunate to be part of the Godrej Group that has a rich 116-year legacy of strong values built on trust and integrity. We have served generations of consumers with great quality, reliable and affordable products and services. Our unique understanding of the needs and aspirations of our consumers and providing the best price-value proposition to them is a key differentiator. I also believe that the way we work with our partners and the trust we forge with them to strike win-win relationships is a big strength. Our entrepreneurial culture, our agile approach, our enduring values and the way we all work together as a team provide us a distinct, competitive edge. And

finally, our commitment to our communities and our focus on inclusive, sustainable growth are key principles that we believe very strongly in.

Q What will be your key priorities?

A Since its inception, GCPL has demonstrated a tremendous results track record and delivered sustainable profitable growth. Over the last 10 years, we have achieved 14X sales growth at a compounded annual growth of 30% and 13X profit growth with profit after taxes growth at a compounded annual growth of 29%. The market has also rewarded us well for our strong performance, with a 30X appreciation in share price, delivering a compounded annual growth of 41% since year 2003 – making GCPL among the best performing FMCG stocks during this period. Our biggest priority will be to sustain our profitable growth trajectory, while strengthening the company to continue winning in the future. We will get more adept at faster, better and bigger innovations and create more exciting products for our consumers. We will also develop a deeper pool of talent to take our company to the next level. At the same time, we will become agile and learn how to operate more seamlessly as we transform into an emerging markets FMCG leader.

Q Are there any particular challenges that you see going forward?

A The economic environment, both in India and globally, continues to be uncertain. Competitive intensity also remains high. At the same time, the fundamental drivers of growth still are quite intact and so, we need to balance our focus on delivering strong results in the near term, while building capabilities for the future. As we get larger and more global, we will need to make sure that we remain agile. We also need to be more innovative in everything that we do. And we need to remain prudent while we navigate the uncertainties.

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CONTEXT

Accelerate sustainable, profitable growth, building on past strong track record

Transform from largely India only focus to emerging markets FMCG company

Develop capabilities for future success

ACTION IMPERATIVES

Articulate key priorities to strengthen GCPL's position

Create a 5 year roadmap for the business

Align the organization around a future strategic direction for the business

leap•frog

PROJECT OBJECTIVES

Prioritize 3 core categories – home care, hair care and personal care

Deepen focus on fewer scale brands

Selectively extend to adjacent categories of the future

Expand internationally to other emerging markets through a disciplined M&A approach

RESULTS



MERGER & ACQUISITIONS ROADMAP



LATIN AMERICA



Issue Group (2010)
 Argencos (2010)
 Cosmetica Nacional (2012)



INDIA

Godrej Household Products Limited (2010)
 Naturesse Consumer Care Products & Essence Consumer Care Products (2010)



AFRICA



Kinky (2008)
 Tura (2010)
 Darling Group (2011)

ASIA

Megasari Group (2010)



Soft & Gentle
(2013)

EUROPE

