

Godrej Consumer Products Ltd.
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Tel. : +91-22-2518 8010/8020/8030
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Website : www.godrejcp.com
CIN : L24246MH2000PLC129806

April 1, 2016

BSE Ltd
Corporate Relations Department
1st Floor, Rotunda Bldg., P.J. Towers,
Dalal Street, Mumbai 400 023.

The National Stock Exchange of India Ltd
Exchange Plaza, 4th Floor,
Bandra - Kurla Complex, Mumbai 400 050

Dear Sirs,

Sub: Acquisition of 100% equity stake in Strength of Nature LLC

We attach herewith a Press Release and a Presentation on the acquisition of 100% equity stake in Strength of Nature LLC.

Details as required pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed herewith.

The exchanges are also informed that the Company has scheduled a concall with analysts on Saturday, April 2, 2016 from 9.00 am to 10.00 am with respect to the acquisition.

Yours faithfully
For Godrej Consumer Products Limited


Ramesh Iyer
Dy. Company Secretary



The Godrej logo, featuring the word "Godrej" in a stylized, cursive font with a color gradient from red to green.

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Disclosure under Para A of Part A of Schedule III of the Listing Regulations

Sr. No.	Particulars	Description
1	Name of the target entity	Strength of Nature LLC Net Sales: ~\$77.6mn in CY15 (calendar period Jan-Dec including inorganic growth, consolidated for one month)
2	Related party transaction	No
3	Industry to which the entity being acquired belongs	Wet Hair Care
4	Objectives and effects of acquisition	The acquisition will help us expand our Wet Hair Care presence in Africa
5	Brief details of any governmental or regulatory approvals required for the acquisition	Hart-Scott-Rodino ("HSR") Filing with the U.S. Federal Trade Commission and Department of Justice and their approval
6	Indicative time period for completion of the acquisition	Mid / End of April 2016
7	Nature of consideration	The consideration is payable in Cash. In view of confidentiality, the amounts are not disclosed.
8	Cost of acquisition	
9	Percentage of shareholding / control acquired and / or number of shares acquired	100% acquisition, through its wholly owned subsidiary.
10	Target information	<ul style="list-style-type: none"> - Incorporated in 2000 and located in Savannah, Georgia, USA, the company is one of the fastest growing companies in the hair care category for women of African descent. - Produces and sells hair care products across the categories of Relaxers, Maintenance, Styling and Shampoos. - Sells its products in USA, Africa, Caribbean and Middle East: CY 13 Revenue: ~\$45.8mn, CY14 Revenue: ~\$72.4mn, CY15 Revenue: ~\$77.6mn



Godrej Consumer Products Limited (GCPL) acquires Strength of Nature, a leading hair care company, to accelerate its growth in Africa

- Strength of Nature is a USA based company with a strong global presence. It has a compelling portfolio of leading hair care brands with affordable and innovative products, and has been serving women of African descent across 50 countries.
- The acquisition enables GCPL to turbo-charge, creating a strong platform for Wet Hair Care products in Africa and to forge a stronger presence in the USD 1.8 billion global Wet Hair Care category
- Strength of Nature complements GCPL's portfolio in Africa, building on its leadership position in Dry Hair Care and hair colours in the region
- This investment catapults GCPL to become one of the largest players globally, serving the hair care needs of women of African descent. It will, over time, provide a platform for GCPL to further build and drive global leadership.

Mumbai, India – 01 April, 2016: Godrej Consumer Products Limited (GCPL) today announced that it has entered into an agreement to acquire Strength of Nature LLC (SON), a leading company of hair care products for women of African descent. This acquisition is a further step to accelerate GCPL's global 3 by 3 strategy and scale up its presence in Africa by being at the forefront of serving the hair care needs of women of African descent. The acquisition is expected to be EPS accretive for GCPL from year one itself.

“Over the past few years, we have been scaling up our international presence with acquisitions that fit well in our 3 by 3 strategy – a presence in emerging markets in Asia, Africa and Latin America through 3 core categories – hair care, home care and personal care,” explained Adi Godrej, Chairman, Godrej Group. *“These strategic acquisitions have strongly aided our growth story. Through them, we have both extended our core businesses and implicitly broadened our presence to a wider canvas.”*

“We are delighted to welcome Strength of Nature into our fold. Strength of Nature enables us to further strengthen our foothold in Africa,” Godrej added.

SON, a USA based company with a significant presence in Africa and the Caribbean, is one of the fastest growing companies in the hair care category for women of African descent. It is driven by its strong commitment to consumer understanding and product innovation.

SON has a compelling portfolio of heritage, category-leading brands in Wet Hair Care, across relaxers, maintenance, styling and shampoos. This includes iconic hair care brands with affordable and innovative products, which have been serving women of African descent across 50 countries. Among them, are African Pride, TCB, Just for Me, Motions and Profectiv MegaGrowth. Annualised CY 2015 revenues for the company were USD 95 million.

Commenting on the acquisition, Vivek Gambhir, Managing Director, GCPL, said, *“Strength of Nature has a strong track record of serving consumers across Africa and the USA through its robust portfolio of heritage, category leading brands. We look forward to leveraging its strong brand equity for our business.”*

“Strength of Nature has a seasoned management team with over 100 years of combined experience in the industry,” he added. “Mario de la Guardia and his excellent team have built a great business over the last 16 years. We are very excited to partner with them to build a world-class global portfolio of hair care brands.”

Mario de la Guardia, Founder and President, SON, added, *“We are excited about Godrej Consumer Products’ investment in Strength of Nature. The investment is a great testimony to the value we have been delivering to our consumers through our innovative products and pioneering hair care brands. Godrej shares our vision and values to deliver the best quality products at affordable prices to meet the needs of our consumers.”*

Speaking on GCPL’s focus on Africa, Godrej said, *“Africa is a key part of our growth strategy and we strongly believe that it holds tremendous potential. Africa has more than half of the world’s fastest growing economies, a fast growing middle class population and increasing urbanisation. Our operating model has enabled us to build a strong business presence in Africa. We have a good understanding of the African market and know what it takes to be successful in the region. Our businesses in the region have been outperforming and we aspire to now double our business in Africa in the next four years.”*

SON complements GCPL’s portfolio in Africa, building on its leadership position in Dry Hair Care and hair colours in the region. The acquisition also enables GCPL to turbo-charge, creating a strong platform for Wet Hair Care products in Africa and to forge a stronger presence in the USD 1.8 billion global Wet Hair Care category.

“Over the last few years, we have been successfully establishing a leading presence in Sub Saharan Africa to serve the Dry Hair Care and hair colouring needs of women in the region,” said Gambhir. *“The Strength of Nature portfolio will enable us to address the complete hair care needs of women of African descent. We believe that many hair care needs of women are being under-served and we intend to bring the best quality and innovative products at affordable prices to meet the needs of our consumers.”*

De la Guardia added, *“We believe that with the expertise and resources from Godrej, we will be able to transform our business – both to serve our consumers and communities better and tap into new growth opportunities across the world, particularly in Africa. We are now even better positioned to provide our talented team stronger opportunities to learn, grow and contribute to serving our consumers.”*

“The USA market is at the forefront of innovation for hair care products and shapes global trends in this space,” Gambhir explained. *“Through Strength of Nature, we will be able to draw on consumer insights and product expertise that will enable us to launch more innovative products for women of African descent. Strength of Nature’s strong presence in the USA, with deep distribution and world-class manufacturing, additionally provides attractive opportunities for growth. African American women spend more than three times on hair care than other women in the region. There is also a marked increase in their spending power.”*

Describing the future potential of this investment, Gambhir said, *“This catapults us to become one of the largest players globally, serving the hair care needs of women of African descent. It will, over time, also provide a platform for us to further build and drive global leadership.”*

ABOUT STRENGTH OF NATURE

Strength of Nature is one of the fastest growing companies in the hair care category for women of African descent, driven by its strong commitment to consumer understanding and product innovation. A USA based company with manufacturing facilities in Savannah, Georgia, Strength of Nature is committed to providing value-priced, premium-quality hair care products to multicultural consumers around the world. Strength of Nature markets a number of leading brands including African Pride, Profectiv, MegaGrowth, Motions, Just for Me, TCB, Beautiful Textures, Dream Kids, Elasta QP, Proline, Soft & Beautiful and Soft & Beautiful Botanicals.

www.strengthofnature.com

ABOUT GODREJ CONSUMER PRODUCTS LIMITED

Godrej Consumer Products Limited is the largest home-grown home and personal care company in India. We are constantly innovating to delight our consumers with more exciting, superior quality products at affordable prices.

We have bold ambitions and are becoming more agile and future ready. We rank number 1 in hair colour, household insecticides and liquid detergents and number 2 in soaps. In India, you grow up with our brands - Good knight, Cinthol, Godrej Expert, Godrej No. 1 - and we are now on our way to becoming an emerging markets FMCG leader.

In line with our 3X3 approach to international expansion, we are building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (home care, personal wash, hair care). In 2010, we acquired the Indonesia based Megasari group, a leader in household insecticides, air fresheners and baby care. With the acquisition of Rapidol, Kinky and Frika in South Africa, and the Darling Group, a leading pan-Africa hair care company, we have a strong presence in the fast growing African hair care market. We acquired the Issue and Argencos groups in Argentina, leaders in hair colour, in 2010, and expanded our footprint to Chile through the acquisition of Cosmetica Nacional. The UK based Keyline Brands, which we acquired in 2005, plays in hair and personal care. We also have a business in the Middle East and a strong presence across SAARC countries

www.godrejcp.com

PRESS ENQUIRIES

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01 April, 2016

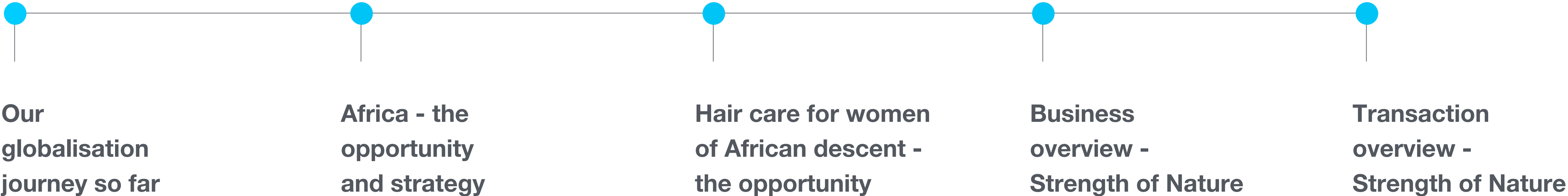
ACCELERATING LEADERSHIP IN AFRICAN HAIR CARE



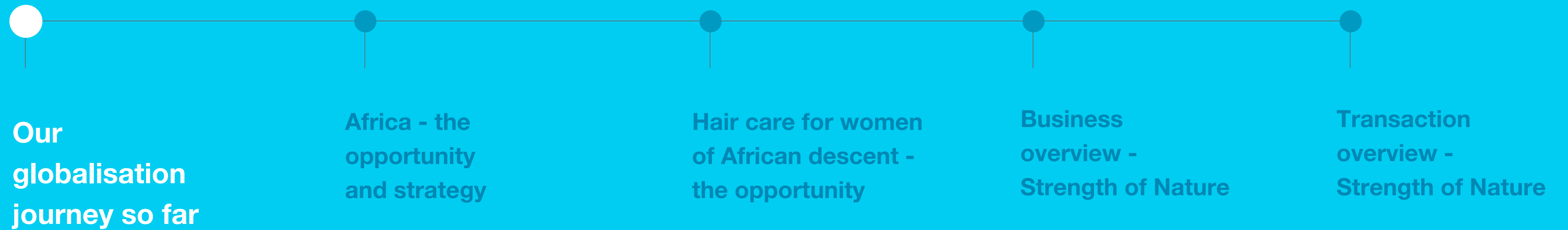
Disclaimer

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

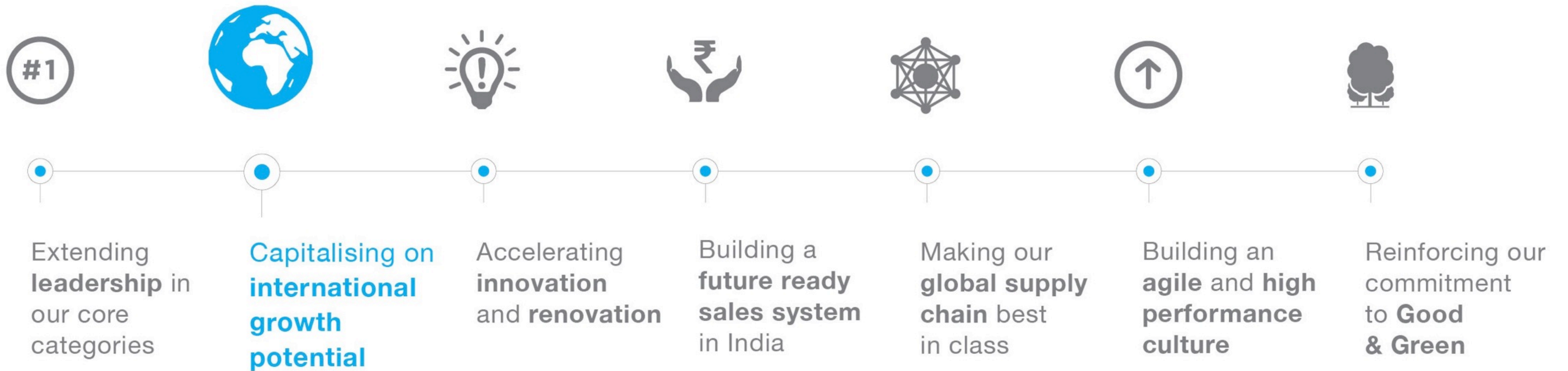
Overview



Our globalisation journey so far



Becoming more global is one of the seven pillars of our strategy



Acquisitions have been the most rewarding route to international growth

We follow a 3x3 strategy for international expansion; a presence across 3 emerging geographies in 3 categories



Our acquisitions have enabled us to extend our core

Home Insecticides



Hair Colour



Personal Wash



CINTHOL

Major acquisitions in Indonesia,
Africa and Latin America



Home Care



Hair Care



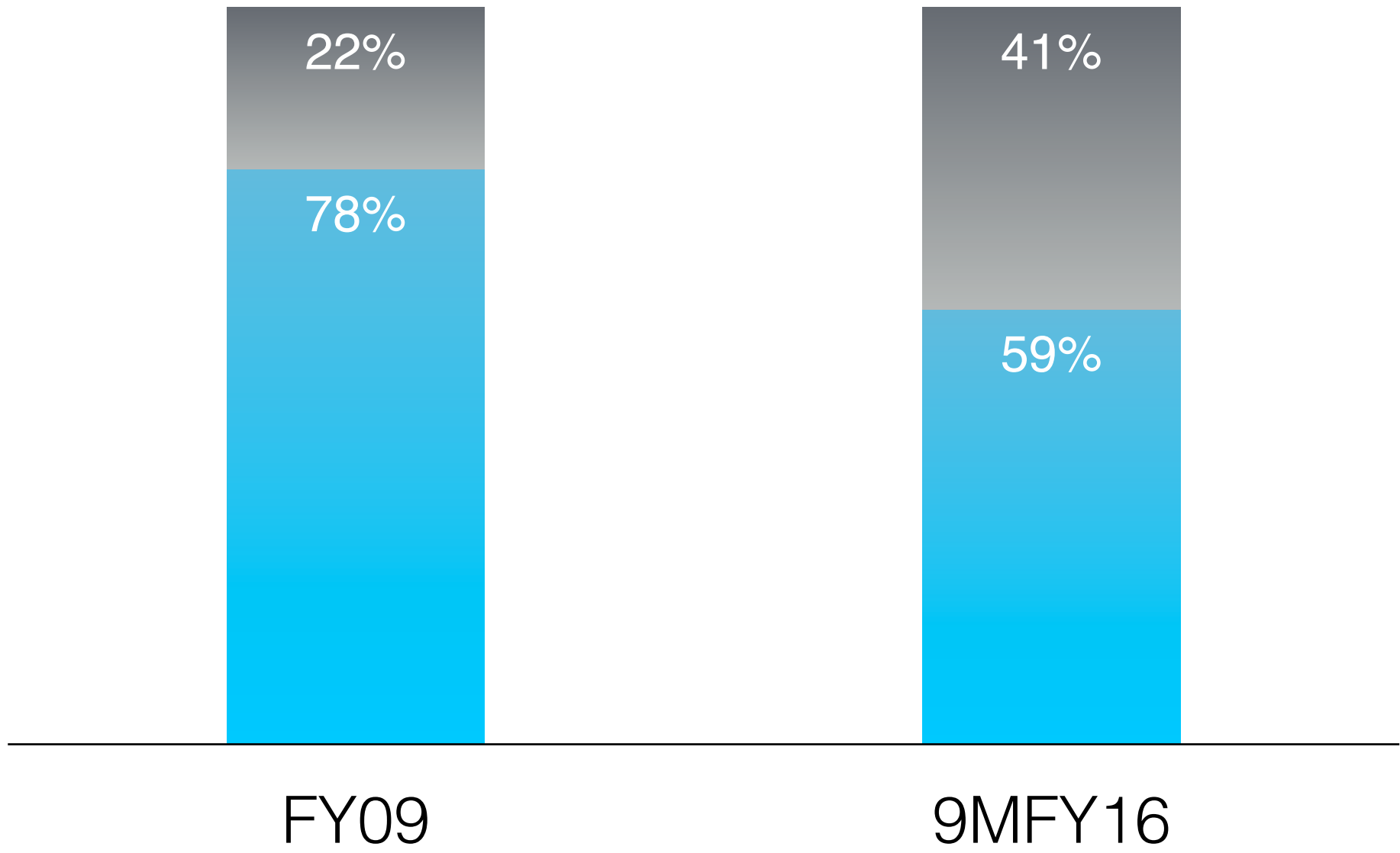
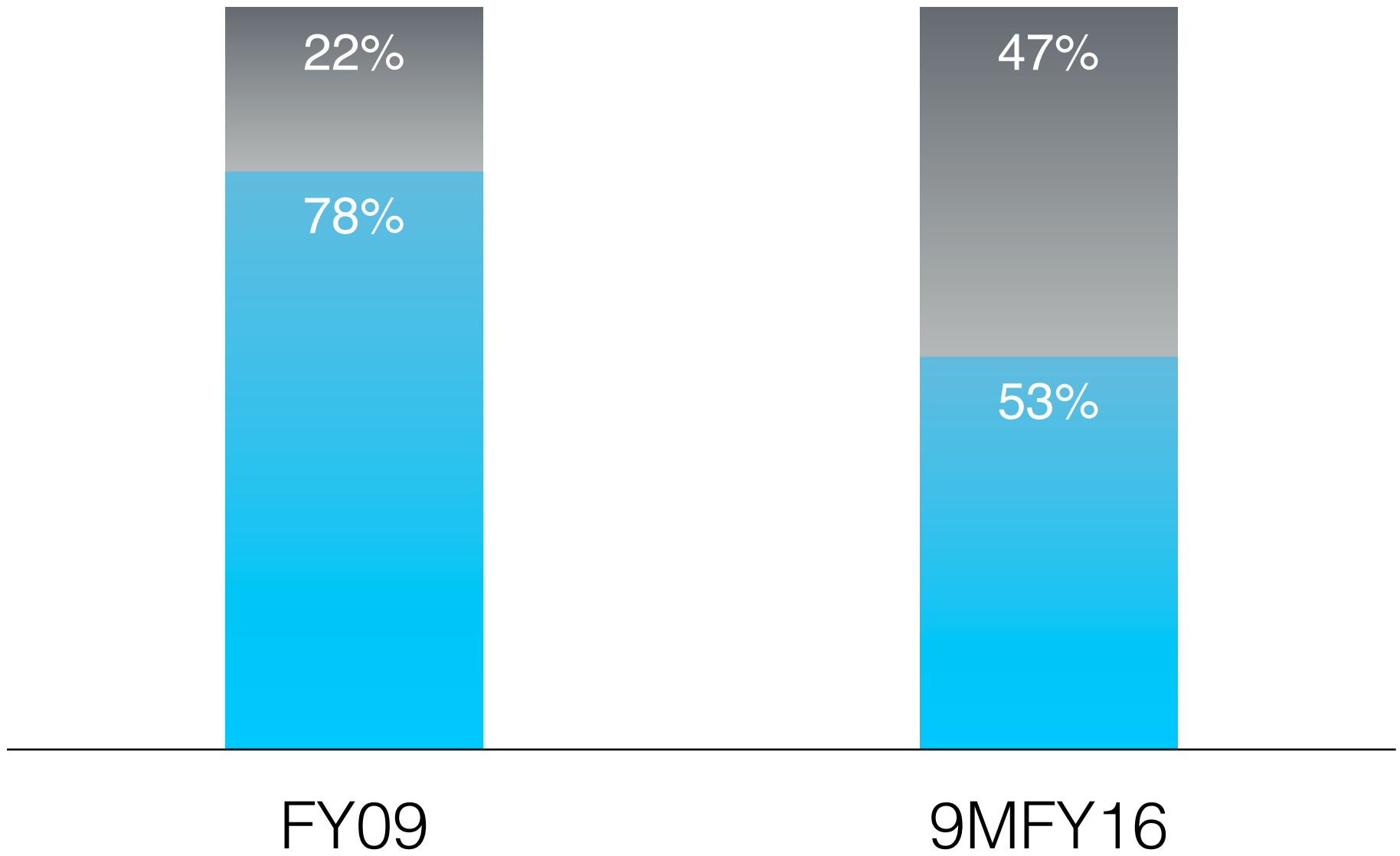
Personal Care

Strategic acquisitions have strongly aided our growth story

Significant contribution of international to sales and profit growth

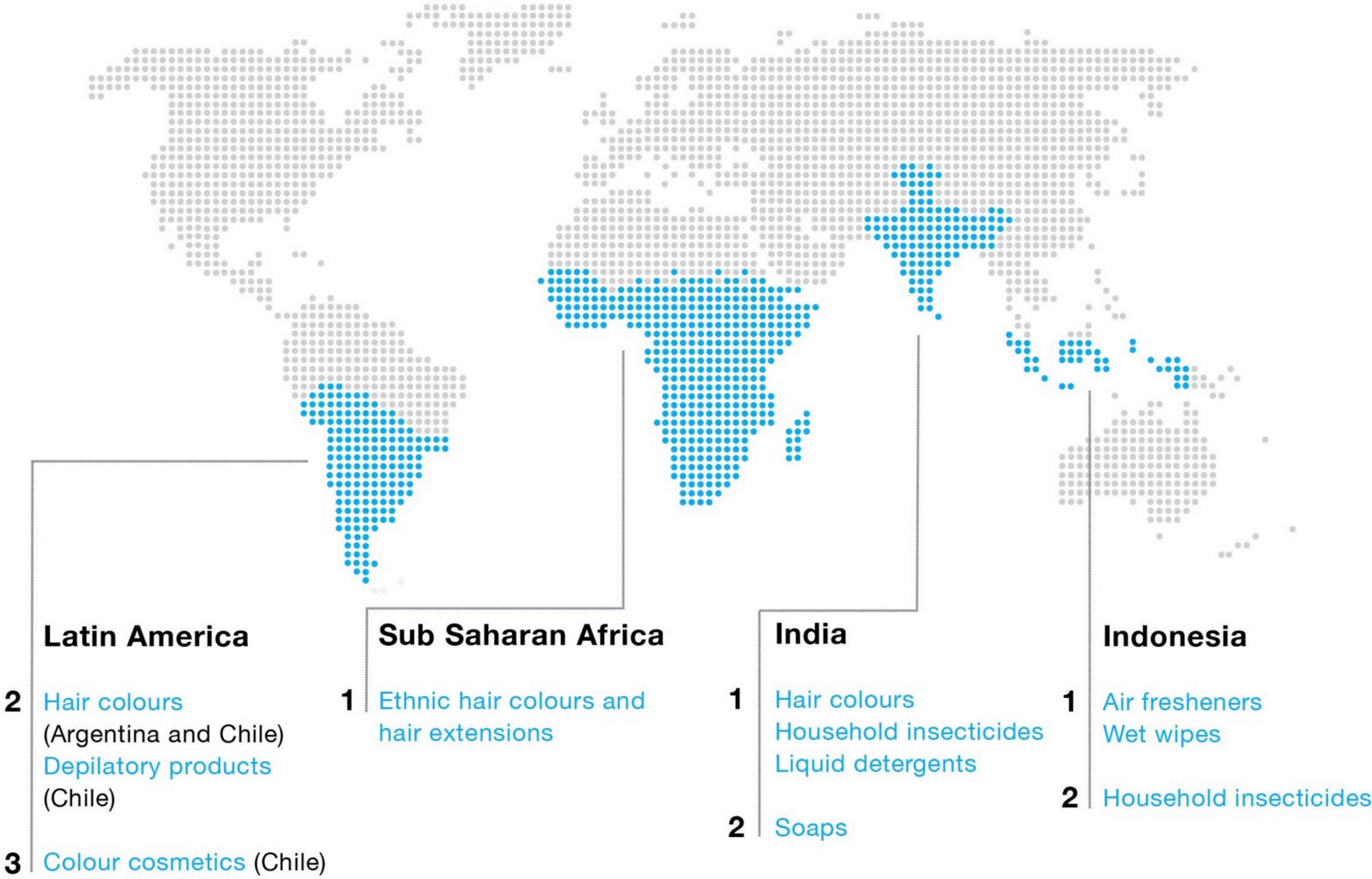
Sales

EBITDA



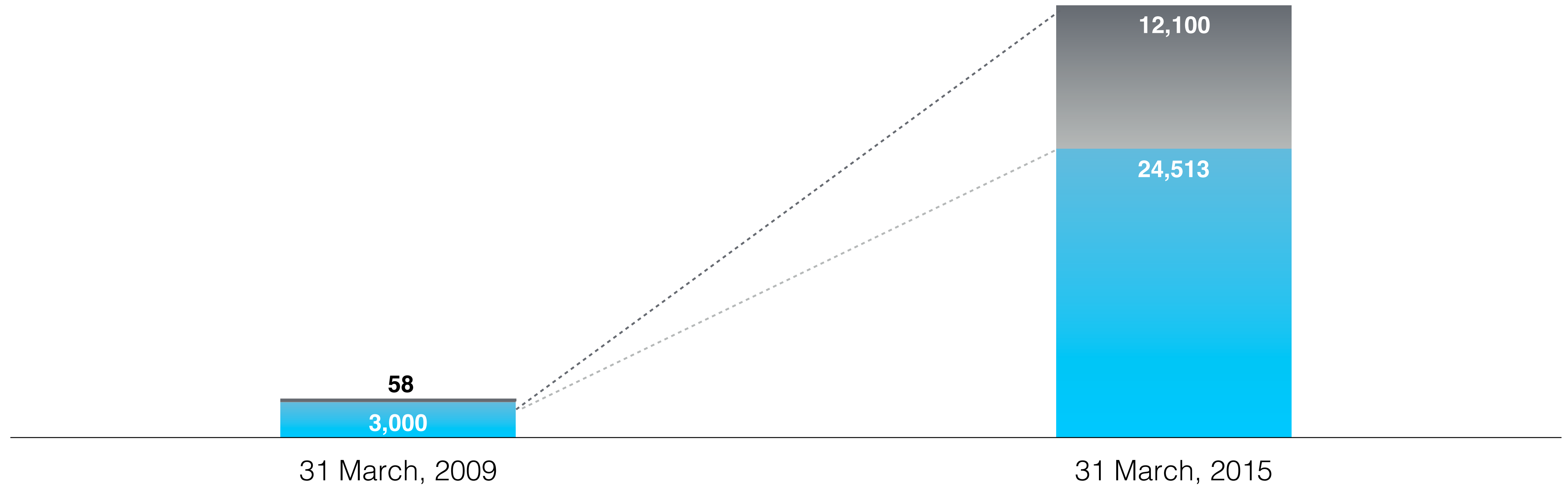
■ India ■ International

Today, we hold leading market positions in our key categories, across geographies



Our acquisitions have contributed significantly to value creation

Enterprise Value (INR Cr.)



EBITDA - India*	242
EBITDA - Acquisitions	4.7

EBITDA - India*	964
EBITDA - Acquisitions	476

We followed some key principles while integrating our acquisitions

Values based partnering with selective integration

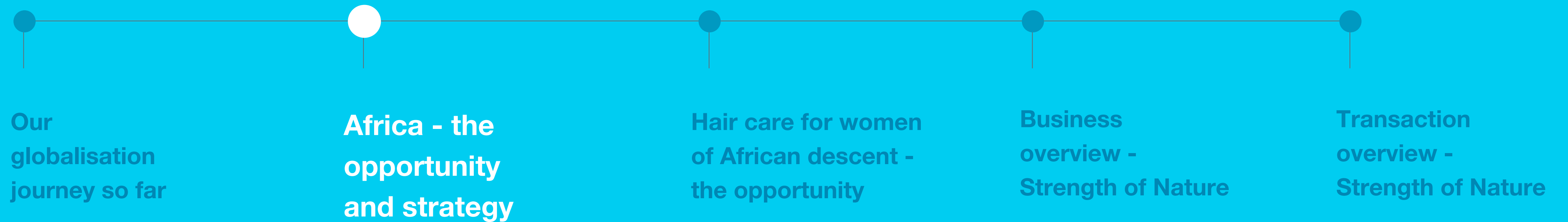
Maximise the potential of local brands and opportunities

- Local innovations and local agility are key differentiators
- Tap into back-end synergies and leverage common insights about specific categories
- Stay away from the typical MNC approach of standardisation and consolidation; acquired company is a separate entity
- Put necessary controls in place and integrate key processes (HR, Finance, Risk Management) and systems (ERP)

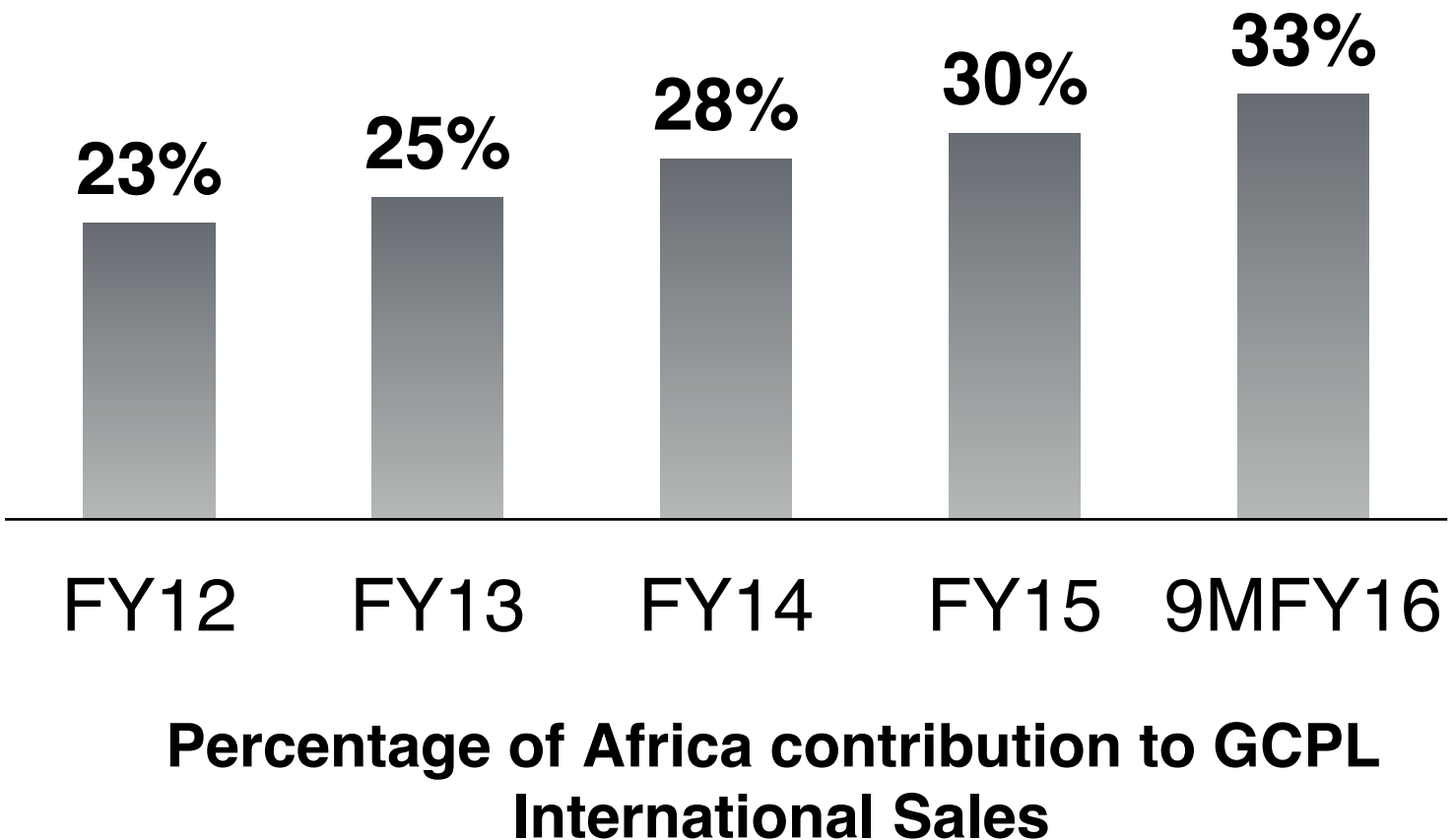
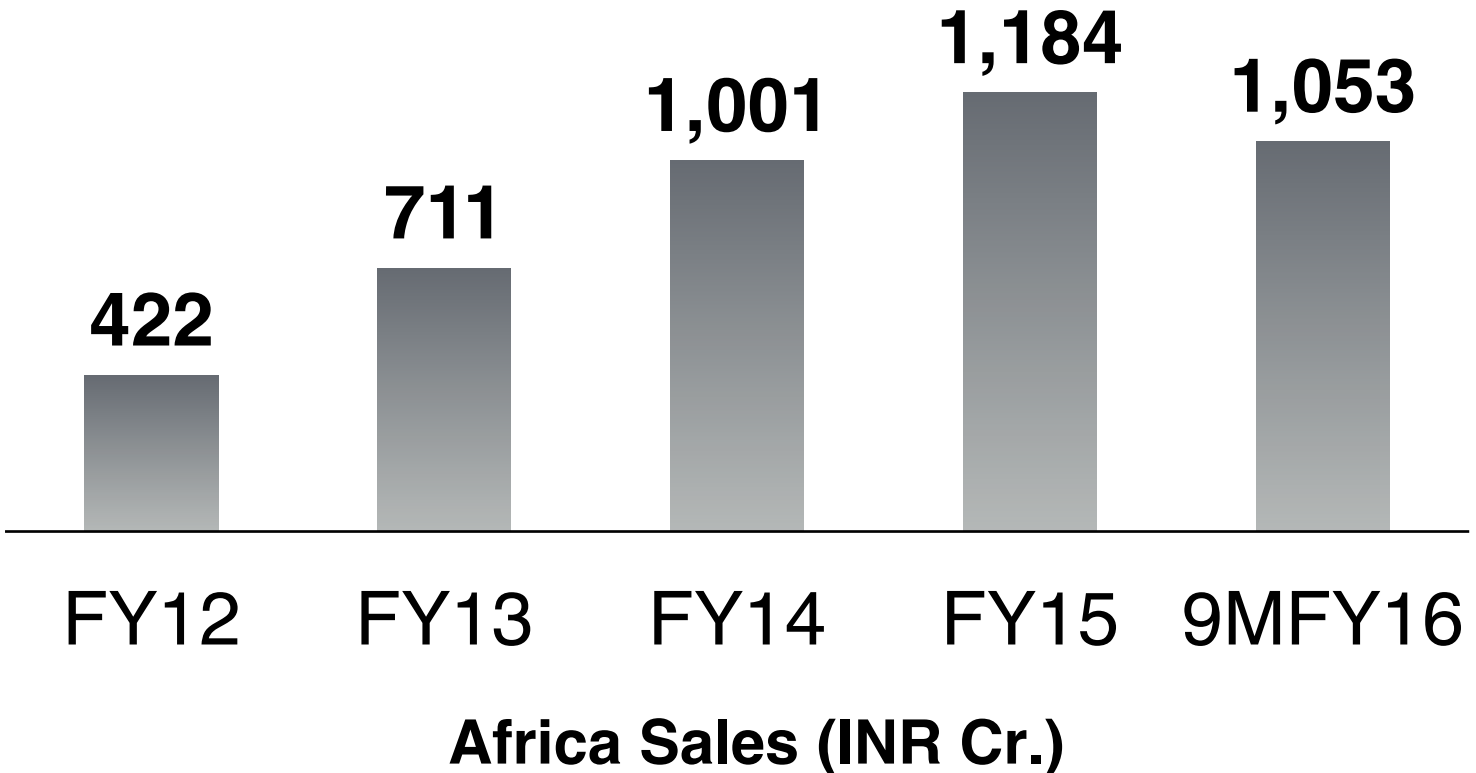
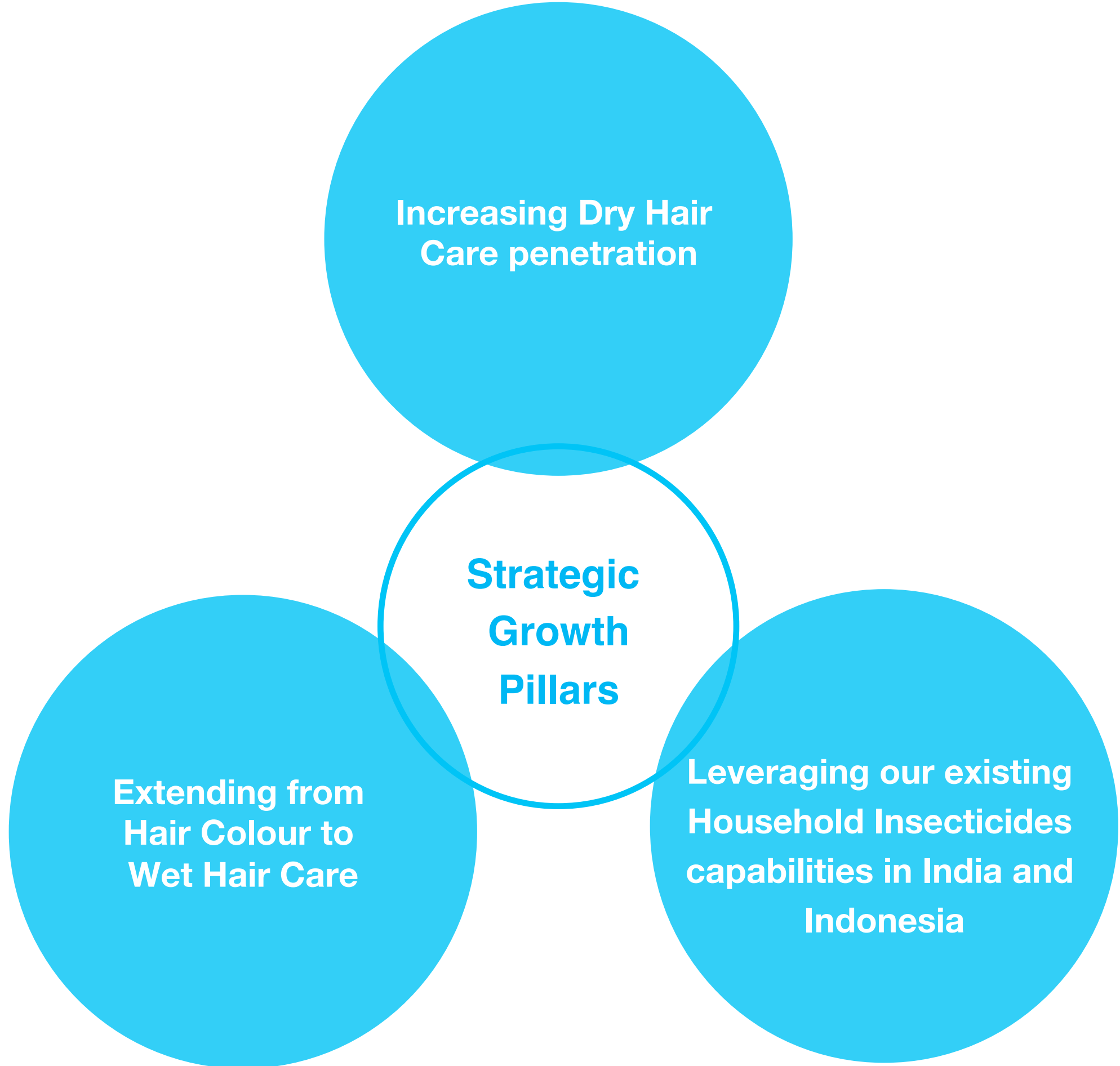
Cluster-based structure centered on federated decision making and operational autonomy

- Decentralise decision making
- Establish stronger local entrepreneurial cultures, supported by global functions
- Retain top management and supplement the team over time
- Binding all our businesses with a common set of values and principles

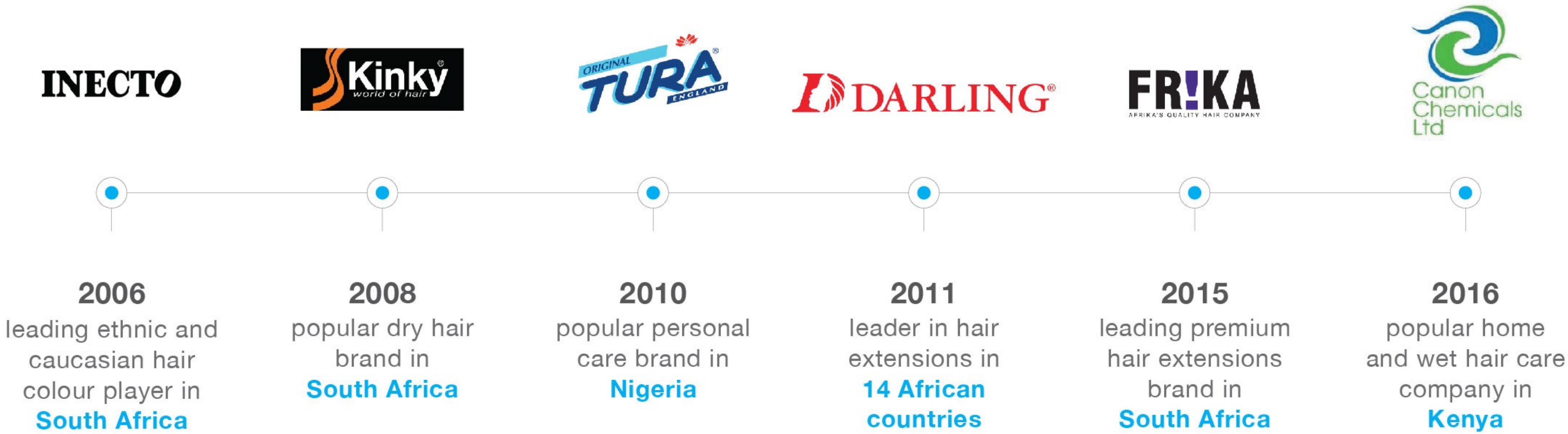
Africa - the opportunity and strategy



Africa is one of our key priorities and we have been focusing strongly on growing our business



The foundation of our Africa business has been built over the last decade



Despite macroeconomic challenges, Africa continues to hold tremendous potential



GDP Growth

- Africa has more than half of fastest growing economies in the world
- Expected real GDP growth of 5.1%



Exploding Population

- Fastest growing population
- Will account for 40% of the world's population by 2030
- By 2035, the number of Africans entering the working age population will be more than the rest of the world combined



Growing Middle Class and Increasing Urbanisation

- 34% Africans now classified middle class (300 million)
- Expected 500 million city dwellers by 2016
- Sub-Saharan Africa is among the fastest urbanising regions in the world; urbanisation increased to 37% in 2014 from 27% in 1990



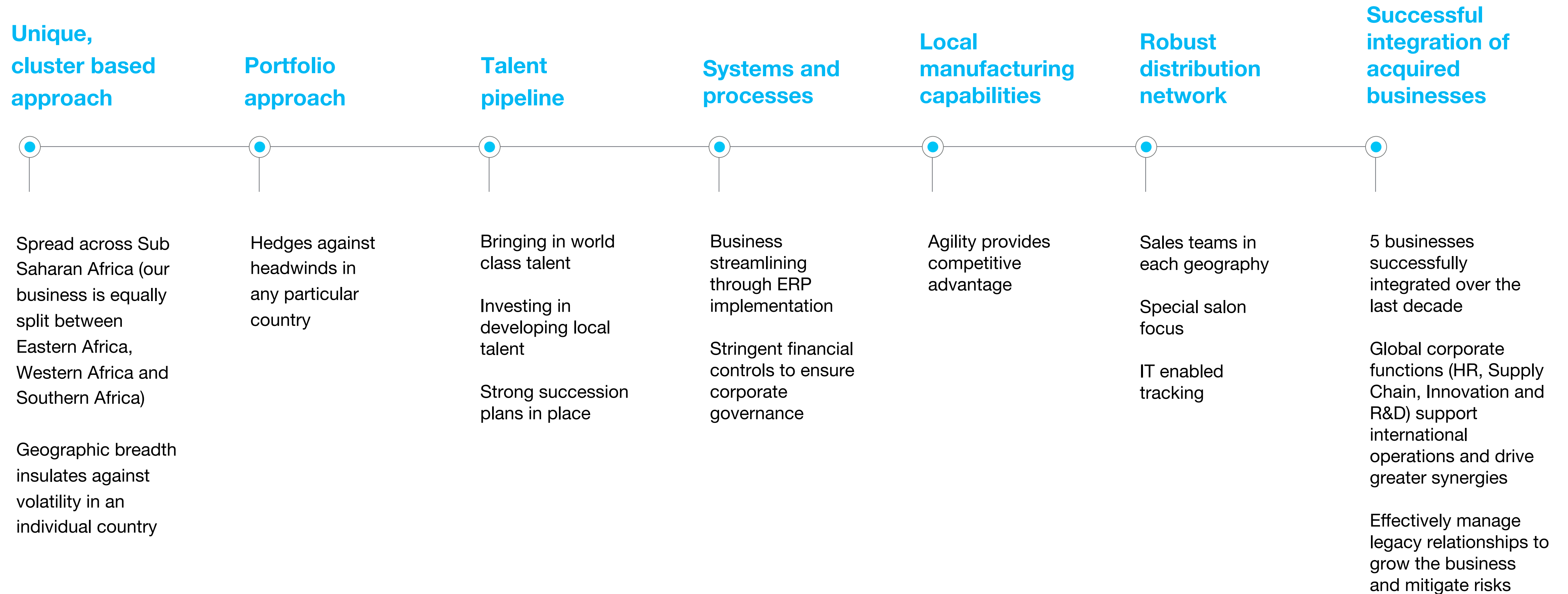
Political Stability and Improved Regulations

- All major African countries have witnessed stable governments for over a decade
- 30% of regulatory reforms which made it easier to do business in 2014-15, took place in Sub Saharan Africa

Source:
Euromonitor 2015
African Development Bank 2013
Cannock Global Income Distribution Database
World Bank & IMF

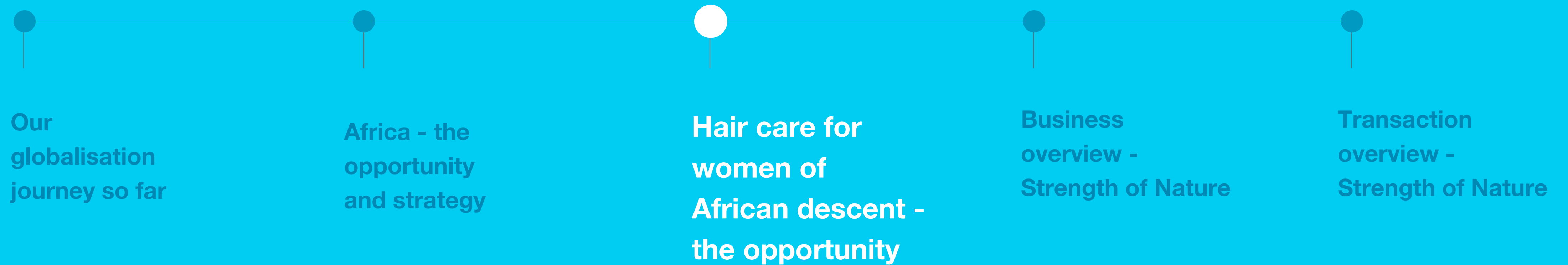
United Nations, Department of Economic and Social Affairs,
Doing Business 2016, : Measuring Regulatory Quality and Efficiency, a World Bank Group flagship publication

Our approach has enabled us to successfully navigate risks of currency and ease of doing business

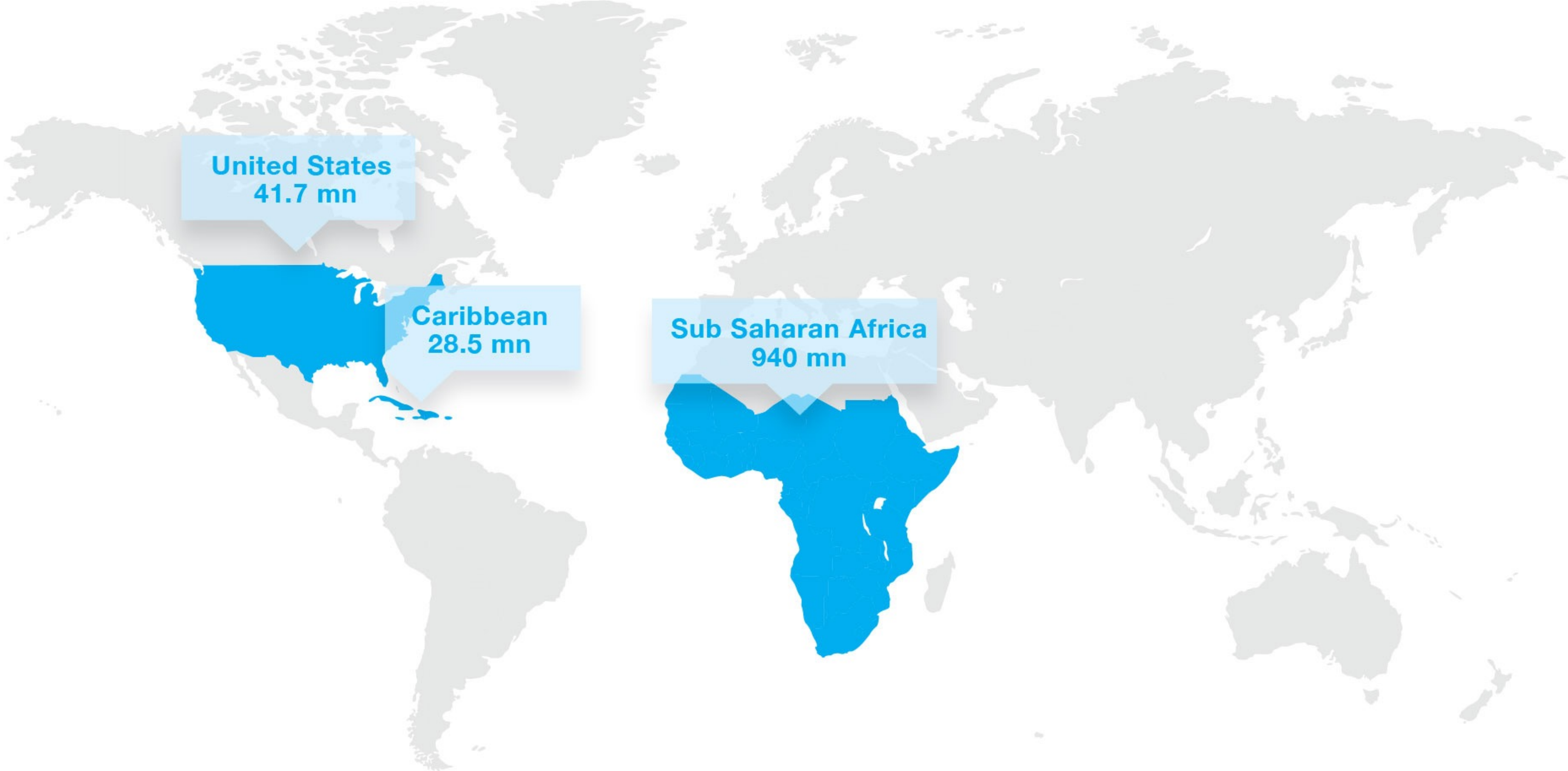


**We see tremendous opportunities
to further accelerate our growth
in Africa**

Hair care for women of African descent - the opportunity



The world has about 1 billion people of African descent, predominantly located in Sub Saharan Africa, the US and Caribbean



The hair care category for women of African descent can be divided into two broad segments - Dry Hair Care and Wet Hair Care



Natural Hair

Weak

Unmanageable

Kinky

Solution Desired

- Transform looks
- Prevent damage to hair
- Nourishment for scalp and hair



Dry Hair Care

Braids	Weaves
--------	--------



Wet Hair Care

Relaxers	Styling
Maintenance	Shampoos*

Note: *Shampoos includes only brands specifically targeted to ethnic hair

The Dry Hair Care category

Braids



The oldest form of hair extensions, braids involve patterns formed by interlacing three or more strands of flexible material like fibres

Weaves



A pre styled form of hair extensions, weaves often come in multiple sections which are then either sewed or bonded on to the natural hair; offers Western styling options to women of African descent

The Wet Hair Care category

Relaxers



Relaxers are used to make curly hair more manageable through chemical straightening

Maintenance



Hair of people of African descent is fragile by nature and requires extensive maintenance; maintenance products (including conditioners and special treatment) keep hair hydrated and the scalp well nourished

Styling



Styling products nurture hair and create new textures, construct shapes and provide flexible hold and shine

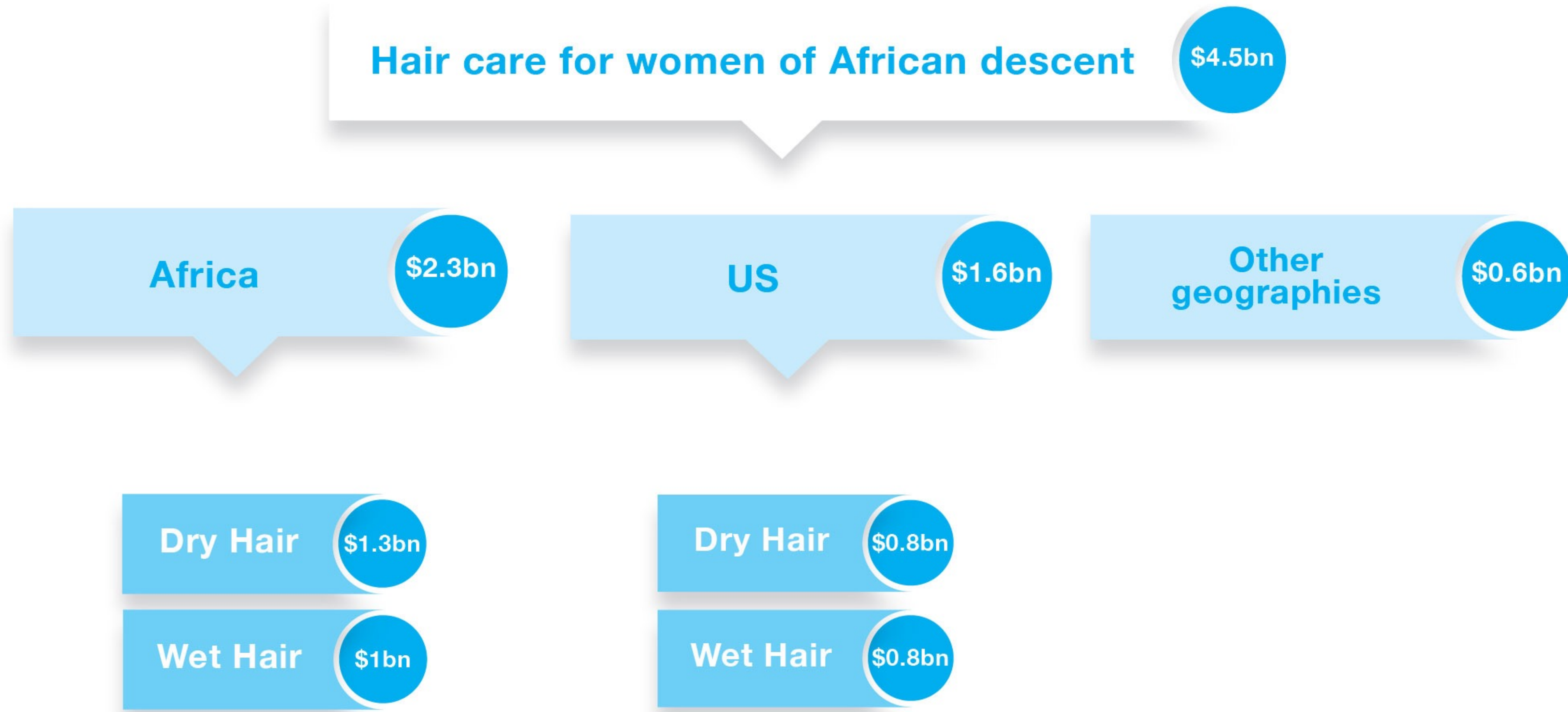
Shampoos*



Designed for frequent use and enriched with moisturisers to maintain natural oils

Note: *Shampoos includes only brands specifically targeted to ethnic hair

Hair care for women of African descent is a \$ 4.5 billion market



Note: As per internal estimates

So far, we have focused on driving leadership in Dry Hair Care in Africa



DARLING®

25%

**Darling pan-Africa
market share**



Our leadership position has been aided by innovative products, salon engagement and local manufacturing

Innovative products



Salon engagement



Local manufacturing



We seek to cater to the complete hair care needs of women of African descent and believe that there are significant opportunities for us in Wet Hair Care



Treat your hair to something extraordinary!

INTRODUCING ALIYANA

Any Hair. Any Style. Any Weather.



The US greatly influences hair care trends for women of African descent – both in the US and Africa

A presence in the US can be highly beneficial



US celebrities, publications and social media influence the style, colour and hair preferences of women of African descent

Image Source: Google Images

The US serves as the source of innovation in hair care

A presence in the US can be highly beneficial

Dry Hair styles originate in the US and move to Africa



US Wet Hair brands with global appeal



New formats



First crème sachet relaxer



Styling lotion

Attractive dynamics of the US market

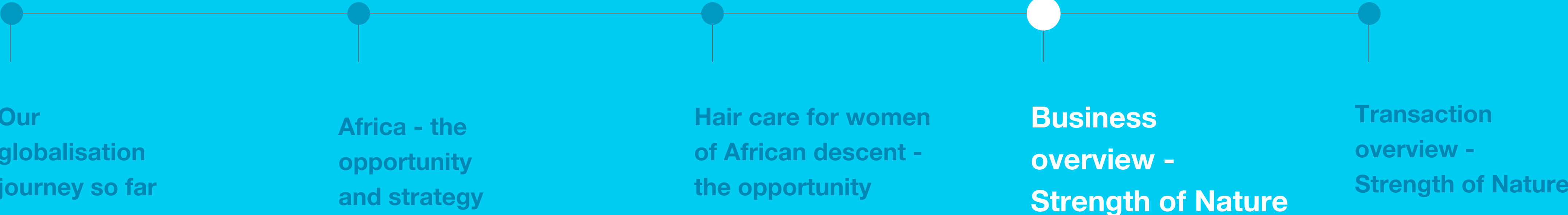
A presence in the US can be highly beneficial

Sizeable market of \$ 1.6 billion

- Growing at over 6% annually (faster than the general hair care market)
- Driven by an expanding population of people of African descent
- Fuelled by increasing purchasing power
- African women spend more than 3 times what Caucasian women spend on hair care
- Opportunity to participate in Dry Hair Care, given the fragmented market



Business overview - Strength of Nature



Company Overview

STRENGTH of NATURE®



Leader in **Wet Hair Care** in the US for women of African descent

~12% share in the Wet Hair Care market in the US; **24% share** in hair relaxers in the US

Seasoned management with over **100 years of combined experience** in Hair Care

Robust portfolio of brands across **relaxers, maintenance, styling** and **shampoos**

Portfolio of **heritage brands** targeted at **value-conscious consumers**

Superior quality at affordable prices

CY 2015 annualised Sales of **\$ 95 mn**

High single digit **organic growth** over last few years

EBIDTA margins >22% due to vertically integrated manufacturing

Consistent track record of inorganic growth

Extensive global retailer and distributor platforms; **120+ customers** spanning **six regions**

~40% of revenues come from its international business; expanding presence in **Africa** and the **Caribbean**

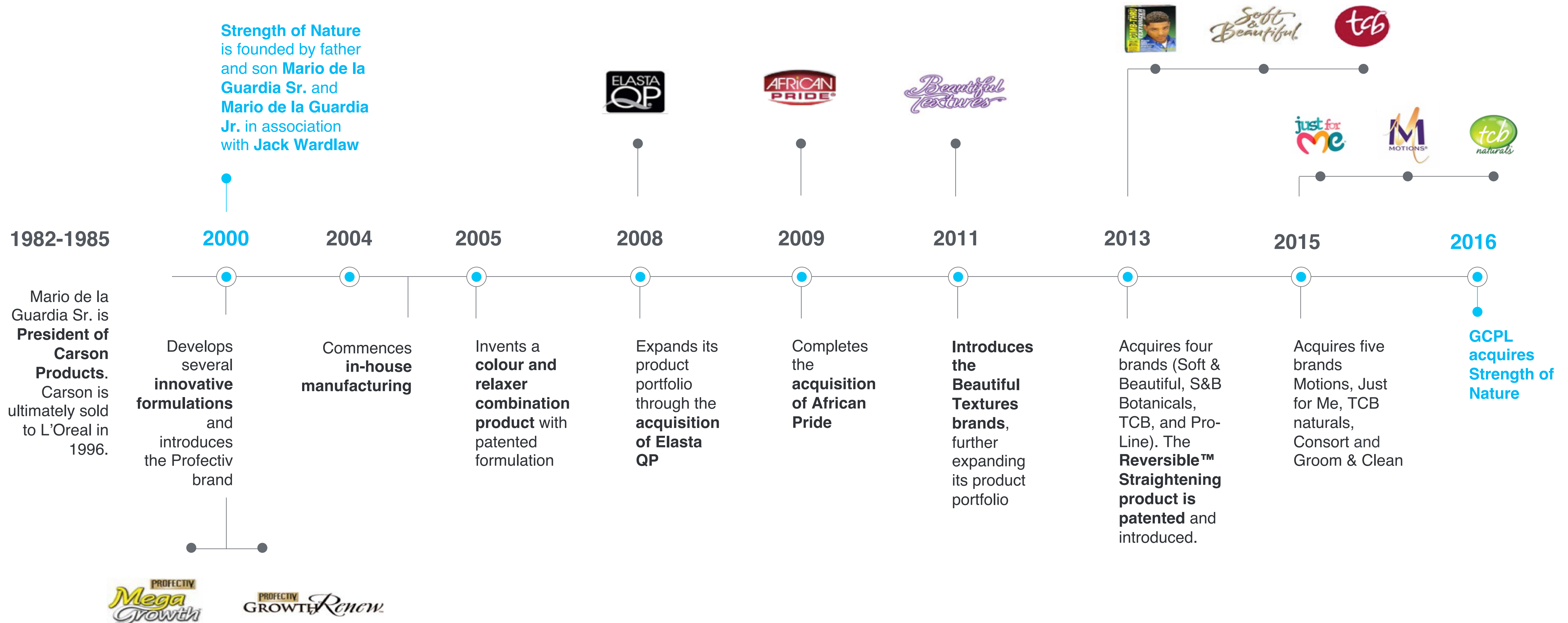
Vertically integrated manufacturing process is a competitive advantage

Manufacturing and warehouse space located in **Savannah, Georgia**

History of **innovation**; introduced many market firsts

Proven track record of **brand acquisition** and **revitalisation capabilities**

Since being founded in 2000, it has grown into a leading independent manufacturer of hair care products for people of African descent



A strong, growing presence across geographies

United States



Caribbean



Europe



Middle East



Sub Saharan Africa

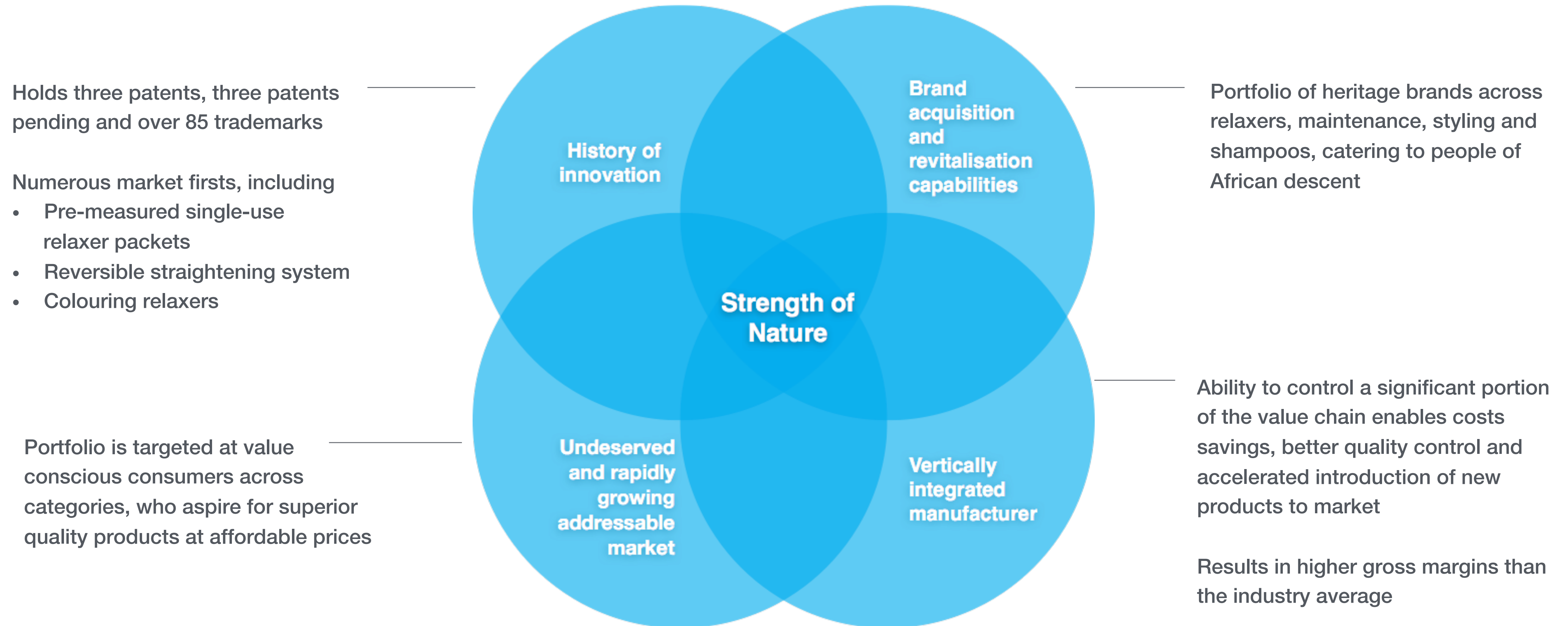


Heritage brands with over 15 year old legacies

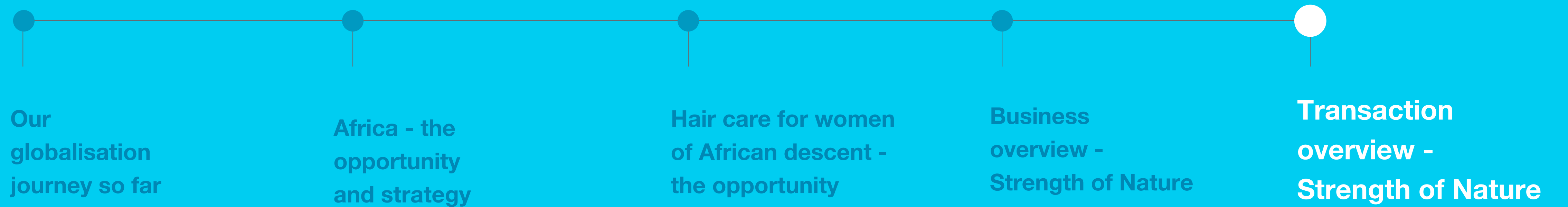


Distinct Value Proposition

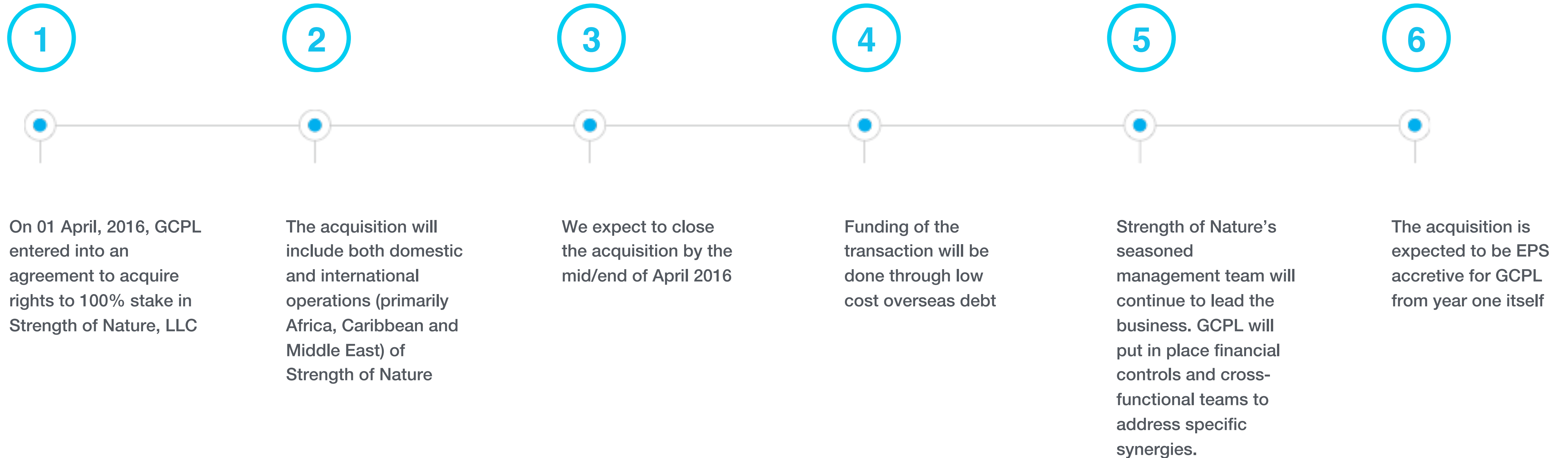
An outstanding platform for growth, driven by a commitment to innovation, brand acquisition and revitalisation capabilities and vertically integrated manufacturing



Transaction overview - Strength of Nature



Key Transaction Highlights



Investment Thesis

Strategic Rationale

- Turbo charges the Wet Hair Care platform for Africa
- Provides a compelling portfolio of Wet Hair Care brands with strong positions and heritage
- Presence in the US helps us accelerate innovation with cutting edge products and R&D
- Seasoned management with over 100 years of combined experience in the Wet Hair Care category
- Provide a platform for a future play in global hair care for women of African descent

GCPL Value Add

- Deep knowledge of African consumers, along with an understanding of the local business environment
- Localised manufacturing in Africa
- Track record of establishing scale business operations and successfully running them in Africa
- Design and R&D support for innovation
- Stronger processes in functions like Finance, Sourcing, HR and IT

This acquisition catapults us to become one of the largest players globally serving the hair care needs of women of African descent. Over time, this will provide us the platform to further build and drive global leadership.

Thank you

 | CONSUMER PRODUCTS