

GODREJ CONSUMER PRODUCTS LIMITED

Godrej Consumer Products Limited, Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079

MEDIA RELEASE

Consolidated Q3 FY 10-11 Net Sales higher by 89% at ₹ 980 crore, PAT up 40% at ₹ 119 crore. 100% third interim dividend declared by the Board of Directors

Mumbai, January 22nd, 2011: Godrej Consumer Products Ltd, which is the largest Indian owned, home and personal care company in India, today announced its unaudited financial results for the third quarter and nine months ended 31st December 2010

Corporate Highlights Q3 FY 10-11

- Net sales higher by 89% at ₹ 980 crore
- Profit After Tax higher by 40% at ₹ 119 crore
- EPS higher at ₹ 14.7 as compared to ₹ 11.0 for the previous year third quarter (annualized), strengthened by positive EPS accretion of new acquisitions and excellent domestic business performance across all three categories of household insecticides, hair colour and soaps
- Continues to enjoy market leadership position in hair colours* & household Insecticides* markets in India, ethnic hair colour market in South Africa and is the second largest player in toilet soaps* in India and the household insecticides markets in Indonesia (*Source AC Nielsen)
- International business comprises of 34% of total consolidated revenues
- Board of Directors declare an interim dividend of ₹ 1 per share
- The figures for the current quarter are not comparable with those of corresponding quarter of the previous year because of the acquisitions made since then

Commenting on the results, Mr. Adi Godrej, Chairman, GCPL, said,

“Our performance is a reflection of our continuing endeavour to drive profitable growth. Enhanced penetration and improved volumes have driven our sales growth. Continuing focus on optimising our category mix is also enabling us to improve our profitability. Our international operations have also performed strongly during the period under review

The macro economic environment is improving. We continue to explore opportunities to strengthen our presence and competitive position in the home care, personal wash and hair care space”

FINANCIAL OVERVIEW (Consolidated)

Q3 FY 10-11 (October - December 2010) v/s Q3 FY 09-10 (October - December 2009)

- Net sales increased by 89% to ₹ 980 crore
- PBT was up by 40% at ₹ 147 crore
- PAT increased by 40% to ₹ 119 crore
- Earnings before Depreciation, Interest and Tax (EBDITA) up 69% at ₹ 173 crore, at 18% of sales
- EPS at ₹ 3.67 compared to ₹ 2.76 (Both figures not annualized)
- The Board of Directors has recommended a third interim dividend of 100% resulting in a total outflow of ₹ 32.4 crore

FINANCIAL OVERVIEW (Domestic)

Q3 FY 10-11 (October - December 2010) v/s Q3 FY 09-10 (October - December 2009)

- Domestic business includes business of Godrej Consumer Products Limited (GCPL) and Godrej Household Products Limited (GHPL). 49% of GHPL business is included in the base from October 2009 to December 2009
- Net sales increased by 48% to ₹ 645 crore
- PBT was up by 44% at ₹ 132 crore

- PAT increased by 39% to ₹ 105 crore
- Earnings before Depreciation, Interest and Tax (EBDITA) up 57% at ₹ 138 crore, at 21% of sales
- GHPL registered excellent business performance with gross sales growth of 24% in Q3 FY 10-11 (with the base at 100% of GHPL business)

BUSINESS OVERVIEW (DOMESTIC)

Home care

- GHPL continues to enjoy market leadership in household insecticides market with significant increase in market shares to 37.0% in Q3 FY 10-11 from 33.9% in Q3 FY 09-10
- Brand Goodknight across formats of coils, electrics, creame and HIT aerosols registered strong growth

Personal wash

- GCPL registered sales growth of 6% during the quarter and continues to be the second largest toilet soaps player with a market share of 10.0% for Q3 FY 10-11 on the back of successful marketing initiatives
- Fairglow was relaunched as specialist fairness soaps in new shape and packaging

Hair care

- GCPL continues to enjoy market leadership in hair colour market with significant market share of 29.4% in Q3 FY 10-11

Acquisition of Genteel and Swastik

- The acquisition of Genteel extends leadership in the specialty liquid detergents category and the acquisition of Swastik will consolidate number two position in the personal wash category in India

FINANCIAL AND BUSINESS OVERVIEW (INTERNATIONAL BUSINESS)

Despite tough operating conditions, international business reported sales of ₹ 337 crore, a growth of 296% during the quarter

International business accounts for 34% of total consolidated business revenues.

International business achieved a PBT of ₹ 16 crore, (after onetime expenses of ₹ 6 crore). The acquisitions made during the year have been EPS accretive

Rest of Asia

- Includes operations in Indonesia and Middle East
- Megasari continues to enjoy its number two position in household insecticides markets and leadership positions in air care and wipes markets in Indonesia
- Megasari's sales stood at ₹ 185 crore and EBDITA stood at ₹ 27 crore
- EBDITA before payment of technical and business support fee to GCPL stood at 19%
- Middle East contributed ₹ 4 crore to revenue

Africa

- Includes operations of Rapidol, Kinky and Tura
- Africa business continues strong growth with revenues at ₹ 53 crore and EBDITA at ₹ 5 crore
- Rapidol continues to enjoy its market leadership in ethnic hair colour market in South Africa
- EBDITA includes onetime expense on stocks differences and write-off of ₹ 3 crore

Latin America

- Latin American business comprises of Issue and Argencos business
- Issue and Argencos businesses merged operationally, led by CEO of Issue for combined business. Merger will realize significant purchase and distribution synergies; being the largest volume player in Argentina



- Sales stood at ₹ 63 crore and EBDITA stood at ₹ 6 crore

Other Geographies

- UK business revenues stood at ₹ 30 crore and EBDITA at ₹ 1 crore (excluding onetime expense on warehouse transition related dilapidation and leasehold write/off of ₹ 3 crore. Warehouse transition is expected to yield savings from FY 11-12)
- The ₹ growth deflated by around 4%, due to a weak GBP
- Sales (ex. cuticura, which had a high base effect due to H1N1 last year) recorded positive growths

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About Godrej Consumer Products Limited

Godrej Consumer Products (GCPL) is a leader among India's Fast Moving Consumer Goods (FMCG) companies, with leading Household and Personal Care Products. Our brands, which include Good knight, Cinthol, Godrej No. 1, Expert, Hit, Jet, Fairglow, Ezee, Protekt and Snuggly, among others, are household names across the country. We are one of the largest marketers of toilet soaps in the country and are also leaders in hair colours and household insecticides. Our 'Good knight' brand has been placed at an overall rank 12 and continues to be the most trusted household care brand in the country in Brand Equity's Most Trusted Brands Survey 2010.

We are driven by our mission to continuously enhance the quality of life of consumers in high-growth markets with superior-quality and affordable home care, personal care and hygiene products.

We also have a strong emerging presence in markets outside India. With the acquisition of Keyline Brands in the United Kingdom, Rapidol and Kinky Group, South Africa and Godrej Global Mideast FZE, we own international brands and trademarks in Europe, Australia, Canada, Africa and the Middle East. As part of increasing our global footprint, we have also recently acquired Tura, a leading medicated brand in West Africa, Megasari Group, a leading household care company in Indonesia and Issue Group and Argencos, two leading hair colorant companies in Argentina.



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