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The Bombay Stock Exchange Limited

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The National Stock Exchange of India Ltd

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Dear Sirs,

We enclose a press release, which is being issued today, in respect of the acquisition of 60% stake in Cosmetica Nacional, a market leading hair colorant and cosmetics company in Chile.

Yours faithfully

For Godrej Consumer Products Limited



Ramesh Iyer

Dy Company Secretary



PRESS RELEASE

Godrej Consumer Products Limited (GCPL) to buy majority stake in Cosmetica Nacional, further expanding its leading presence in hair colors in attractive markets in Latin America

- Cosmetica Nacional, a hair color and cosmetics company, enjoys market leadership in Chile and Panama in the hair colourants category.
- With a strong stable of heritage brands such as Illicit, U2, and Pamela Grant, Cosmetica Nacional is a valuable addition to GCPL's presence in the Latin American hair care market.
- Exporting to 7 countries in the region, the Joint Venture will serve as an effective platform for further penetration of GCPL's portfolio into the LatAm Region.
- This move is in line with GCPL's global 3 x 3 strategy targeting strong regional assets in the emerging world.

Jan 21, 2012. Mumbai, India: Godrej Consumer Products Ltd (GCPL) today announced that it has entered into an agreement to acquire 60% stake in Cosmetica Nacional, a market leading hair colorant and cosmetics company in Chile. The company has a strong portfolio of brands in the hair care and color cosmetics segments. With its brands well positioned across income and age levels, Cosmetica Nacional enjoys greater than 30% market share (by volume) in the hair colorant space. With this move, GCPL continues to expand its focused presence in emerging markets in line with its global 3 x 3 strategy.

Cosmética Nacional (CN) was founded in 1979 by Fernando García, a chemist by training. He continues to lead the company as its Chief Executive Officer. CN had sales of about 36 million US dollars in the year 2011 and enjoys EBITDA margins of about 20%. It has a strong history of product innovation having won the "Most Innovating Product Award" by the Chilean "Society of Chemists" and the CORFO award for "Development & Design of Hair Coloring Products" for its brand Illicit. Illicit continues to remain a very successful brand with market leadership for the last 10 years.

Commenting on the partnership, Adi Godrej, Chairman, GCPL, said:

"Cosmetica Nacional is a natural addition to our earlier acquisitions – Argencos and Issue Group - in Latin America. The Chilean business will strengthen our presence in the region and set us on a firm footing to achieve our plans for Latin America. We believe that the Latin American market has strong growth potential in household and personal care and that this partnership positions us very well to further establish our presence in the region and take advantage of the future growth opportunities. With its low inflation at 3%, GDP growth of more than 5%, and an open foreign investment regime, Chile has been rated as the country with best business environment in Latin America (EIU 2009).

The Garcia family has done a fantastic job in building the Cosmetica Nacional business to these heights. We hope that we can partner with them and their professional management team to take the business to the next level and introduce new categories from the GCPL portfolio into Chile and other geographies in Latin America.

Exposure to this market will also help strengthen our technology and product development funnel in India. This acquisition represents another important step towards GCPL becoming a leading emerging markets multinational and dovetails well with our global 3 by 3 strategy – presence in 3 continents – Asia, Africa and Latin America through 3 core categories – home care, personal wash and hair care. Over the last few years, we have been following a very disciplined and focused approach to identifying acquisitions that represent a strong fit with our business, both strategically and operationally”.

Commenting on the partnership, Fernando García, CEO, Cosmética Nacional, said:

“We are delighted to establish this strategic alliance with Godrej Consumer Products, a leader in emerging markets in household and personal care. We believe that together we will be able to scale new heights in the LatAm region. We are proud that our tremendous efforts over the last three decades have been recognized by Godrej, with whom we also share the vision, values and the way of doing business.”

Mr. A. Mahendran, Managing Director, GCPL, added:

“Our partnership with Cosmetica Nacional is an important step in further strengthening our footprint in Latin America. We continue to pursue a focused approach of acquiring pioneering local brands with strong leadership positions in attractive geographies that have demonstrated an excellent track record of results and are run by seasoned management teams. Cosmetica Nacional has a rich heritage of more than 3 decades in serving the needs of the Latin American consumer through superior quality innovative products. We believe that we can leverage the strength of this company very well across our hair care portfolio. We welcome Cosmetica Nacional to the Godrej Group and look forward to supporting the management team to take the business to the next level.

We expect significant synergies across the value chain between Cosmetica Nacional and our existing Latin America businesses. The integration of Issue and Argencos has very successful and well ahead of plan. We believe that we have a robust integration blueprint in place in Latin America that will allow to harness further synergies in a very effective manner.”

Investment thesis

- Chile’s real GDP growth for year 2011 at 5.3% and projected to stay in the same range. Private consumption growth of around 9% expected to boost consumer products markets.
- Chile is ranked 31st (highest rank among Latin American countries) in the Global Competitiveness Index 2011-12, published under the aegis of the World Economic Forum.
- Vibrant and supportive economy with over 4000 non-Chilean companies from at least 60 countries having operations in Chile.
- Cosmetica Nacional is the market leader in the US\$110m Chile hair color space, with a volume market share of 30%.
- Through its existing exports infrastructure, gives access to Latin American markets with high growth potential.
- Strong R&D capabilities and proven track record of successful launches.
- Synergies across the value-chain between Cosmetica Nacional and Argentine businesses.

About Godrej Consumer Products Limited



Godrej Consumer Products Ltd (GCPL) is a major player in the Indian FMCG market with leadership in the hair color and fabric care categories. It is also one of the largest marketers of toilet soaps in the country with leading brands, such as Cinthol, Godrej Fairglow and Godrej No.1. GCPL is also the market leader in India in the Household Insecticides market with its brands GoodKnight, HIT and JET. The acquisition of the pan-African Darling Group, and Rapidol and Kinky in South Africa have given GCPL leading positions in the fast growing African ethnic hair care market. As part of increasing its global footprint, GCPL recently acquired Tura, a leading beauty brand in West Africa, Megasari Group, a leading household care company in Indonesia, and Argencos and Issue Group, leading hair colorant companies in Argentina.

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.”
