

Godrej Consumer Products Limited completes acquisition of the remaining 51% stake in Godrej Sara Lee Limited (GSLL). GSLL to be renamed Godrej Household Products Limited (GHPL)

May 28, 2010. Mumbai, India: Godrej Consumer Products Ltd (GCPL) today announced that it has completed the acquisition of the remaining 51% stake in Godrej Sara Lee (GSLL), owned by its JV partner Sara Lee Corp. GSLL will be renamed as Godrej Household Products Limited (GHPL). This acquisition further consolidates GCPL's position in the Indian FMCG space making it the second largest home and personal care portfolio in India.

Commenting on the acquisition, Mr. Adi Godrej, Chairman, GCPL, said:

"This acquisition catapults GCPL to becoming one of the strongest performers in the home and personal care space in India. In the last 15 years, the GSLL JV has created significant value and has offered world class home insecticide products to the Indian and global consumer. The acquisition further strengthens our commitment to India being one of the key drivers of our revenue and profits."

"At the same time, the acquisition represents an 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."

Mr. A. Mahendran, Director, FMCG Portfolio Cell, Godrej Group added:

"Along with the Megasari acquisition in Indonesia, this purchase makes GCPL the second largest household insecticide player in Asia (outside Japan). The increased scale will provide significant benefits in accelerating the pace of innovation in the portfolio and leveraging branding, state-of-the-art research & development, marketing and distribution capabilities. We also believe that the strong commitment that both GCPL and GSLL have to the Godrej Group's values, ethics, innovation, consumers and employees will be a key enabler of our success"

In Fiscal Year 2009-10, the GSLL business generated revenues of Rs. 965 crores (20% growth over the previous year) and profits after taxes of Rs. 137 crores (31% growth over the previous year).

Four directors from Sara Lee Corporation have resigned from the Board. Mr. Bharat Doshi, Executive Director (ED) & Group CFO (Mahindra and Mahindra), Ms. Tanya Dubash, ED and President, Marketing (Godrej Industries Limited) and Ms. Nisaba Godrej, ED and President, Human Resources (Godrej Industries Limited) have been inducted into the Board of Directors of Godrej Household Products Limited.

Investment thesis



- Enables GCPL to further expand distribution in India for the full portfolio of GCPL and GSSL and improve penetration in channels such as chemists, modern trade and rural markets
- Strengthens GCPL's brand portfolio with leading brands such as Good Knight and HIT in one of the fastest growing FMCG categories
- Increased scale allows GCPL to more effectively compete with large MNC's in terms of investing in creating new platforms to develop innovative solutions to meet customer needs
- Provides ability to drive synergies in overheads and across the value chain
- Creates a unified platform in our key geographies to market the complete Godrej FMCG portfolio. One of the immediate priorities will be to take household insecticides to Africa

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 has a 100% stake in Godrej Household Products Limited, which is the market leader in India in the Household Insecticides market with its brands GoodKnight, HIT and JET. The acquisition of Rapidol and Kinky in South Africa have given GCPL leading positions in the fast growing South 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 Issue Group, a leading hair colorant company in Argentina.