

PRESS RELEASE

Consolidated Q2 FY 10-11 Net Sales higher by 66% at ₹ 953 crore, PAT up 41% at ₹ 131 crore

100% second interim dividend declared by the Board of Directors

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 second quarter and half year ended 30th September 2010.

Major Highlights Q2 FY 10-11

- Net sales higher by 66% at ₹ 953 crore
- Profit After Tax higher by 41% at ₹ 131 crore
- EPS higher at ₹ 16.3 as compared to ₹ 12.1 for the previous year second quarter (annualized), strengthened by positive EPS accretion of new acquisitions and excellent performance in household insecticides and hair colours categories
- 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 35% 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)

Q2 FY 10-11 (July - September 2010) v/s Q2 FY 09-10 (July - September 2009)

- Net sales increased by 66% to ₹ 953 crore
- PBT was up by 42% at ₹ 165 crore
- PAT increased by 41% to ₹ 131 crore
- Earnings before Depreciation, Interest and Tax (EBDITA) up 58% at ₹ 181 crore, at 19% of sales
- EPS at ₹ 4.06 compared to ₹ 3.02 (Both figures not annualized)
- The Board of Directors has recommended a second interim dividend of 100% resulting in a total outflow of ₹ 32.4 crore.

FINANCIAL OVERVIEW (Domestic)

Q2 FY 10-11 (July - September 2010) v/s Q2 FY 09-10 (July - September 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 for 4 months from June 2009 to September 2009.
- Net sales increased by 32% to ₹ 619 crore
- PBT was up by 42% at ₹ 138 crore
- PAT increased by 38% to ₹ 111 crore

- Earnings before Depreciation, Interest and Tax (EBDITA) up 43% at ₹ 136 crore, at 22% of sales
- GHPL registered excellent business performance with gross sales growth of 38% in Q2 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 36.2% in Q2 FY 10-11 from 32.7% in Q2 FY 09-10
- Goodknight was voted No.1 brand in household care category and 12th in 100 Most Trusted Brand, in a survey released by Brand Equity
- HIT Aerosols also registered strong growth

Personal wash

- GCPL continues to be the second largest toilet soaps player with a market share of 10.4% for Q2 FY 10-11 on the back of successful marketing initiatives

Hair care

- GCPL continues to enjoy market leadership in hair colour market with significant market share of 29.9% in Q2 FY 10-11 up from 29.7% in Q1 FY 10-11
- A C Nielsen has started reporting more regional hair colour brands with correct base effect. With the above change, GCPL's absolute value offtakes have remained same as reported in the past, with changes in % market share

FINANCIAL AND BUSINESS OVERVIEW (INTERNATIONAL BUSINESS)

Despite recession and tough operating conditions, international business reported sales of Rs 337 crore, a growth of 205% during the quarter (in rupee terms)

International business accounts for 35% of total consolidated business revenues.

International business achieved a PBT of ₹ 25 crore, and the new acquisitions 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 ₹ 182 crore and EBDITA stood at ₹ 30 crore
- EBDITA before payment of technical and business support fee to GCPL stood at 21%
- Middle East contributed ₹ 4 crore to revenue.

Africa

- Includes operations of Rapidol, Kinky and Tura
- Africa business continues strong growth with revenues at ₹ 44 crore and EBDITA at ₹ 6 crore
- Rapidol continues to enjoy its market leadership in ethnic hair colour market in South Africa
- Kinky's retail business sales was lower due to lower retail demand following the strike of government employees
- Legal merger of Rapidol and Kinky has been initiated

Latin America

- Latin American business comprises of Issue and Argencos business
- Completed the acquisition of 100% stake in Argencos, a mid-sized Argentine hair care company on 8th July 2010
- Sales stood at ₹ 59 crore and EBDITA stood at ₹ 4 crore

Other Geographies

- UK business revenues stood at ₹ 48 crore and EBDITA at ₹ 5 crore



- The ₹ growth deflated by around 8%, due to a weak GBP
- Sales (ex. cuticura, which had a high base effect due to H1N1 last year) recorded good performance, despite tough environment in European markets

OTHER CORPORATE DEVELOPMENTS

- On October 14, 2010, Board of Directors approved the merger of Godrej Household Products Limited (GHPL) with Godrej Consumer Products Limited (GCPL), effective April 1, 2010. The merger will provide significant strategic and operational synergies.

---Ends----

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.



For further information contact:

P Ganesh / Sameer Shah
Godrej Consumer Products Ltd
Tel.: +91 22 2519 4467
Fax: +91 22 2518 8040
e-mail: p.ganesh@godrejcp.com /
sa.shah@godrejcp.com

Gavin Desa/Khushnum Pestonji
Citigate Dewe Rogerson
Tel.: +91 22 4007 5037/5023
Fax: +91 22 2284 4561
e-mail: gavin@cdr-india.com /
khushnum@cdr-india.com

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.