Jyothy LABORATORIES LIMITED

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UJALA

May 5, 2011

By Fax at Fax Nos:022-26598237/38 26598247/48 66418125/26
By Hand-Delivery / By email at cmlist@nse.co.in

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Script Id: JYOTHYLAB

Sub: Press Release dated May 5, 2011

Please find attached herewith Press Release dated May 5, 2011.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For Jyothy Laboratories Limited

M. L. Bansal
Company Secretary

Encl: Press Release dated May 5, 2011

Jyothy LABORATORIES LIMITED

Jyothy Laboratories Ltd to acquire majority stake in Henkel India Limited

Thursday, May 5th 2011: The Board of Directors of Jyothy Laboratories Ltd (JLL) met today and approved the buy-out of 50.97% stake in Henkel India Limited (HIL) from Henkel AG & Co. KGaA (Henkel AG). JLL had earlier acquired 14.9% stake in HIL from the Indian promoter Tamilnadu Petroproducts Ltd in March 2011.

In a deal structured by MAPE Advisory Group, JLL proposes to acquire 59,360,203 equity shares, constituting 50.97% of Henkel India Limited at a price of Rs. 20/share aggregating to Rs. 1,187 million.

JLL will refinance the existing debt of HIL as also buy out the redeemable cumulative preference shares in HIL held by Henkel AG. The aggregate debt owed by Henkel India Limited to its lenders is approx. Rs.4,540 million. JLL will purchase 68 million preference shares in HIL from Henkel AG for Rs. 439 million, subject to regulatory approvals. The per share equity consideration payable to Henkel AG is subject to customary closing adjustments based on the debt and cash position in HIL.

Further, JLL and Henkel AG have agreed that Henkel AG shall have an option to acquire upto 26% of the equity share capital of Jyothy Laboratories Ltd. through primary and/or secondary transactions, after a period of 5 (five) years, subject to the terms and conditions to be mutually agreed.

This acquisition will trigger the mandatory 20% open offer to the public Shareholders of HIL as per applicable SEBI Regulations. MAPE Advisory Group will be the Manager for the public offer.

Both JLL and HIL have strong synergies in various business segments, as both are present in Home Care, Fabric Care, Dish wash, Personal Care and Household Cleaning segments and the acquisition will elevate JLL to amongst the top five FMCG players in India. With its array of well-known brands like Ujala, Exo and Maxo, JLL enjoys a dominant position in all its categories. With this acquisition, JLL will add to its stable internationally renowned brands like Henko, Pril, Fa & Mr. White and popular Indian brands like Margo, Chek & Neem. HIL is strong in urban India (70% of Sales) with more than 12% Sales coming from modern trade, while JLL is very strong in rural India (65% of Sales) – together they form a strong complementary portfolio of brands and reach.

Mr. MP Ramachandran, Chairman & Managing Director, JLL said: "This is a historic and much anticipated move from Jyothy Labs which will help us in strengthening our position in urban India. It will also give us access to any new product launches of Henkel AG & Co. KGaA in the future."

Mr. Marco Swoboda, Corporate Vice President, Henkel AG & Co. KGaA said: "We are happy to join forces with Jyothy Laboratories, bringing in R&D and international brands and benefiting from Jyothy's outstanding competence in marketing and sales In India. We look forward to a long lasting successful cooperation."

Mr. Ullas Kamath, Deputy Managing Director, JLL said : "We are delighted to partner with Henkel. This is a transformational deal for Jyothy and we will enter the next phase of exciting growth with this move. "

ABOUT JYOTHY LABORATORIES LIMITED:

Jyothy Laboratories Ltd, a fast moving consumer goods Company, was founded in 1983 by Mr. M P Ramachandran. Over the years the company has evolved from a single product proprietary firm into a multi brand company involved in the manufacturing and marketing of products in Fabric Care, Mosquito Repellent, Surface Cleaning & Personal Care.

The company has 28 manufacturing facilities in 16 locations across India.

The Company has recently forayed into the organized laundry business to provide "World class laundry at affordable price at your doorstep" through its subsidiary Jyothy Fabricare Services Limited.

ABOUT HENKEL INDIA LIMITED:

Henkel India Ltd is majority owned by Henkel AG & Co, KGaA, a Fortune Global 500 company with sales of 15 billion Euros. The Indian business was incorporated in 1987 as a joint venture between Henkel AG & Co. KGaA and Tamilnadu Petroproducts Ltd to manufacture eco-friendly, zeolite based phosphate free detergents. Company has presence in Fabric Care, Dish Wash, Household Cleaning and Personal Care categories. The Company has 750 distributors and a world class state of the art detergent manufacturing facility in India.

For more information, please contact:

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