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May 12, 2010

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Scrip Code : 532424

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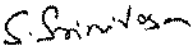
Dear Sirs,

Sub: Acquisition of balance 51% stake in Godrej Sara Lee Ltd

We enclose herewith a press release in respect of the acquisition of balance 51% stake in Godrej Sara Lee Ltd.

This communication is compliance of clause 36 and other applicable clauses, if any, of the listing agreement.

Yours faithfully
For Godrej Consumer Products Ltd


S Srinivasan
Dy. Company Secretary

PRESS RELEASE

Godrej Consumer Products Limited to acquire remaining 51% stake in Godrej Sara Lee Limited, becomes country's largest Indian home and personal care company

May 12, 2010. Mumbai, India: Godrej Consumer Products Ltd (GCPL) today announced that it has entered into an agreement, subject to shareholders' approval, to acquire the remaining 51% stake in Godrej Sara Lee Limited (GSL), owned by its JV partner Sara Lee Corp. Godrej Sara Lee Limited is the leading household insecticide player in India with brands like Good Knight and Hit. This acquisition further consolidates GCPL's position in the Indian FMCG space making it the largest Indian home and personal care portfolio in India after the MNC's.

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 GSL 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, Managing Director, Godrej Sara Lee 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 GSL 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 GSL business generated net 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).

Investment thesis

- Enables GCPL to further expand distribution in India for the full portfolio of GCPL and GSL 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

Transaction details

Purchase consideration for the transaction is Euro.185 million. This represents a 15 times multiple on Fiscal Year 2009-10 earnings.

HSBC provided advisory support for the transaction.

About Godrej Sara Lee Limited

Godrej Sara Lee Ltd (GSLL) is a premier FMCG company in India, with market leadership in the household insecticides category. GSLL's brand "Goodknight" has been adjudged as a Superbrand and is a generic name in the household insecticides category. Its other brands such as Hit and Jet have also been pioneers based on strong consumer-centric innovations. GSLL's manufacturing foot print is spread across the country and its distribution network reaches more than 16 lakh outlets. Its manufacturing facilities are located in Pondicherry, Chennai, Guwahati, Meghalaya, Jammu and Goa. GSLL exports to 51 countries with a significant proportion of its exports going to markets within the SAARC Countries and South-east Asian region. It also has full-fledged operations in Sri Lanka and Bangladesh. The company has a state-of-the-art research center based in Vikhroli, Mumbai. Equipped with all the modern amenities, a team of scientist carries out extensive research in 5 major sectors.

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. The acquisitions of Rapidol and Kinky in South Africa has 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 and Megasari Group, a leading household care company in Indonesia.