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May 23, 2010

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Scrip Code : 532424

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The National Stock Exchange of India Ltd
Exchange Plaza, 4th Floor,
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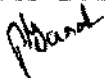
Fax No 26598237/38

Dear Sirs,

Sub: Acquisition of "Issue" Group, Argentina

We enclose a press release which is being issued today, in respect of the above acquisition.

Yours faithfully
For Godrej Consumer Products Ltd


P Ganesh
**Executive Vice President (Finance & Commercial) &
Company Secretary**

PRESS RELEASE

Godrej Consumer Products Limited to acquire Issue Group

- Issue Group enjoys a strong leadership position in the Argentine hair colour market and dominates the mass segment
- Issue Group is also the market leader in hair colours in Peru, Uruguay and Paraguay and has an emerging presence in Brazil
- Provides a self-sustaining platform for GCPL's ambitions in Latin America in hair care and household insecticides
- This move is in line with GCPL's Global 3 by 3 strategy targeting strong regional assets in the emerging world

May 23, 2010. Mumbai, India: Godrej Consumer Products Ltd (GCPL) today announced that it has entered into an agreement to acquire a 100% stake in Laboratoria Cuenca, Consell SA, Issue Uruguay and Issue Brazil (Collectively referred to as 'Issue Group'). The Issue brand enjoys volume leadership in Argentina with a market share in excess of 20%. The business had revenues of over 33 mn USD in 2009.

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

"The Issue Group provides us the perfect platform for establishing a strong presence in the fast growing hair colour markets in Latin America. Argentina and Brazil are leading vanguards of hair trends and innovations in hair care. The Issue Group enjoys market leadership in many countries in South America including a presence in Brazil.

We also hope to use the strengths of the offerings of the company and our own innovation funnel to create a sizeable business in hair colours in Brazil. Knowledge and exposure to these markets will also help strengthen our technology and product development funnel in India.

At the same time, the 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"

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

"This acquisition is an important step in establishing our footprint in Latin America. We continue to stay true to our battle-tested 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. The Issue Group has a heritage of over a quarter of a century in serving the needs of the Latin American consumer through innovative and complementary offerings. We also believe that the opportunities for capitalizing on the strengths of this business across our entire hair colors business are significant. We welcome the Issue Group to the Godrej Group and look forward to supporting the management team to take these companies to the next level."

Mr Roberto Hlace and Mr Oscar Villalba, promoters of the Issue group remarked:

"We are very happy to partner with the Godrej Group in Argentina. They are getting access to an extremely strong brand and a dedicated set of employees. We hope that they take the brand to greater heights throughout Latin America and we wish them the very best for the future."

Investment thesis

- The hair colorants market in Argentina is estimated to be around US\$200mn growing at a CAGR of more than 22% over the last two years
- Issue group is the largest player in the mass segment which complements Godrej's strengths in India
- The business provides a self-sustaining platform for GCPL's portfolio of products – Hair care and Household insecticides throughout Latin America

Transaction details

The acquisition is valued at approximately 8 times EBITDA and is expected to be EPS accretive in the first year of operations.

Elara Capital provided advisory support for the transaction.

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, household insecticides 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. It has recently entered into an agreement to acquire the remaining 51% stake in Godrej Sara Lee and will own 100% of that business post closing. The acquisition 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 announced its plans to acquire Tura, a leading beauty brand in West Africa and has completed the acquisition of the Megasari Group, a leading household care company in Indonesia

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