

PRESS RELEASE

Godrej Consumer Products Limited to add Argencos SA to its Latin American hair care portfolio

- Argencos is the No.1 Hair styling spray company in Argentina and has strong mid-priced brands in the hair colour space
- Argencos' hair colour portfolio complements the Issue portfolio very well. Issue has a strong presence in the mass category while Argencos focuses on the mid-premium space in hair colours

June 02, 2010. Mumbai, India: Following up on its recent announcement of the acquisition of the Issue Group, Godrej Consumer Products Ltd (GCPL) today announced that it has entered into an agreement to acquire 100% stake in Argencos, a mid-sized Argentine hair care company. The company has a strong portfolio of brands in the hair care space. Roby enjoys market leadership in hair styling sprays while '919' occupies the mid-premium space. The combined sales of the two Argentine transactions would be over 45 mn USD. The equity value for both transactions is approximately 43 mn USD. This transaction makes the combined portfolio a clear market leader by volume in both hair colour and hair styling sprays.

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

"Argencos is a perfect, complementary add-on to our earlier acquisition of Issue Group. I expect the combination of the two businesses to set us on a firm footing in achieving our plans for Latin America. The two companies provide us with a tremendous 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. We will have market leadership in many countries in South America including a presence in Brazil.

The portfolios of the two companies are very complementary in the hair colorant space and they will add to each other's strengths. We also expect significant synergies across the value chain and a strong thrust for creating a sizeable business 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:

"The acquisitions of Issue and Argencos are important steps 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. These companies have a rich 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 these businesses across our entire hair colors business are significant. We welcome

Argencos and Issue to the Godrej Group and look forward to supporting the two management teams to take these businesses to the next level.”

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
- Argencos is one of the largest player in the kit format in hair colours with an market share of 17% in the format
- It is the No.1 Hair Spray company with its brand 'Roby' having immense brand equity in Argentina
- The Godrej hair colour portfolio will now enjoy a volume market share greater than 25% in hair colours and almost 50% in hair styling sprays
- Argencos has a manufacturing plant located in La Rioja which enjoys tax benefits due to its location
- Potential synergies between the two companies are significant

Pears Capital was the advisor on 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 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.

Press enquires:

Usha Iyer
DGM, Corporate Communications
Godrej Industries Ltd.

Tel: 09820093609

Sachin Bhandary
Perfect Relations

Tel: 09819954815