



Press Release

K S Oils posts strong growth in Q3 FY08-09 on the back of robust domestic consumer demand

Kalash, the company's flagship brand registers leadership growth

- Sales increased by 47% to Rs. 829 crores in the quarter
- PAT up 33% to Rs. 43 crores
- The company added 2 C&F agents, 184 distributors during the quarter taking the total number to 31 C&F agents and 912 distributors all over India

Mumbai, January 20th 2009: K S Oils Limited, one of India's leading agri-based integrated edible oil company in the FMCG sector and the leader in branded mustard oils, continued its growth journey on the back of a strong consumer demand. The company clocked a turnover of Rs. 829.45 crores during the third quarter FY08-09. This is an increase of 47% from Rs. 563.67 crores during the corresponding period of the previous year.

Strong consumer demand in the domestic market and increased brand led retail sales helped the company register higher per unit profit and increased the overall profits. The company reported a profit after tax (PAT) of Rs. 43.08 crores for the quarter ended December 31st, 2008 as compared Rs. 32.43 crores during the corresponding period of the previous financial year.

Kalash, the company's flagship brand maintained its leadership market share in branded mustard oils segment. The company has spent Rs. 6 crores in advertising and brand building on a national basis this quarter. Coupled with a new packaging, advertising thrust and on ground promotion activities, Kalash is gaining acceptance as the first national brand in the mustard oil FMCG space. Today, both Kalash and Double Sher are available in modern and small retail outlets across India.

Announcing the results, **Mr. Sanjay Agarwal, Managing Director, K S Oils** commented, "Strong consumer demand for healthy oil is helping us grow on a steady basis. Retail led brand sales and increased geographic penetration in Central and Western India is helping us expand and grow our markets and increase profitability continuously. We are strengthening our flagship brand Kalash across India."

The company's plan for creating a strong distribution network is bearing results; in the quarter the company added 2 new C&F agents and 184 distributors. Today it has strength of 31 C&F agents and 912 distributors in the states of North East, West Bengal, Bihar, Orissa, Jharkhand, UP, Uttaranchal, Delhi, Punjab & Haryana, Himachal Pradesh, J&K, Rajasthan and Madhya Pradesh. The consumer response in new markets for the brands Kalash and Double Sher has been encouraging and demand growing.

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K S Oils will continue its focus on retail led growth through modern retail and small retail formats; the company's products are currently available in Big Bazaar, More, Spencers, Spinach, Reliance Fresh, Reliance Mart and Vishal Mega Mart outlets in Northern and Eastern India.

Demand for palm oil is increasing across the world; in India, it is the highest consumed edible oil. K S Oils is well positioned to benefit from this new consumer shift and demand for palm oil through its international procurement and backward integration strategy. Our Haldia refinery will add to our presence in the East India markets

K S Oils foresees a robust agricultural production in the coming year and a bumper production of mustard seeds. The company feels that this bumper harvest coupled with efficient sourcing will ensure that the increased consumer demand for branded mustard oil is met by the company. A good harvest will ensure value price realization for the farmers and affordable price for the consumers.

With the Haldia acquisition, the company today has seven manufacturing facilities located strategically across India to take benefit of procurement and logistics efficiencies. With a bumper mustard crop harvest expected in the coming season, K S leadership position as the largest capacity crusher of mustard seeds in India, will help in meeting the increased production capacity.

Commenting on the overall economic scenario, **Mr. Agarwal** added, "Agri-based food companies are well positioned even in the current situation. With raw material prices coming down, consumers can afford better quality and healthy oil. The Indian consumer story remains unchanged and bullish. FMCG led Indian edible oil companies are geared to meet the new consumer demand."

About K S Oil Limited (www.ksoils.com): K S Oils Limited is a leading integrated edible oil FMCG company with product range constituting mustard and refined oils. The company is headquartered in Morena in Madhya Pradesh and the promoters have a history of over 100 years in the commodities industry. It is listed in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and is the largest processor of mustard seeds in India. Managed by a team of leading professionals with rich industry experience and backed by the promoters - The Garg family - with a consistent track record of performance, the company is today amongst the top 5 edible oil companies in India and is poised to become a global player in the years to come.