



K S Oils rides on a new brand launch and increased consumer demand to deliver higher volume growth and profitability

Net sales increased by 34% to Rs. 1,112 crores and
Net profit increased by 23% to Rs. 53 crores

Quarter highlights:

1. Kalash Soya, K S Oils' refined soybean oil brand launched in key Indian markets during Q2, gets an overwhelming response from consumers.
2. Kalash Soya surges to enter among India's top 5 soybean brands within 6 months of its launch, setting a record in the Indian edible oil sector.
3. K S Oils brand and marketing strategy is driving consumer demand and increased market share in key markets of East and North India. New market entry planned in Western India.

New Delhi, January 29, 2010: K S Oils Limited, one of India's leading FMCG led integrated edible oil company and the leader in branded mustard oil, posted a 34% growth in Q3 FY 09-10 on the back of increasing market visibility, launch of Kalash refined Soybean oil and robust consumer demand. The company declared a turnover of Rs. 1,111.84 crores during the third quarter FY 09-10 – an increase of 34% from Rs. 829.45 crores during the corresponding period of the previous year.

Newer market penetration, Kalash Soya's brand launch and increased demand in rural areas helped the company register higher per unit margins and record improved profits. The company reported a profit after tax (PAT) of Rs. 53.04 crores for the quarter ended December 31st, 2009 as compared to Rs. 43.08 crores during the corresponding period of the previous financial year. Company's third quarter EBIDTA also reported a healthy increase of 46% to Rs. 134.13 crores compared to Rs. 91.72 during the same period of last year.

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Announcing the results, Mr. Sanjay Agarwal, Managing Director, K S Oils said, “The Indian consumption story continues and with signs of a global economic recovery, we see local demand emerging stronger than ever. The launch of Kalash Soya, our first brand extension of our premium brand Kalash in refined soybean oil has proven that consumers are ready to move to branded products, if given the guarantee of purity, health and value. K S today is focused in building strong and trustworthy consumer brands to cater to the entire edible oil portfolio – mustard, soybean, palm and other refined oils. A renewed marketing focus, increased advertising spend and sharp consumer research led FMCG strategy will see the company register not only volume growth but increased profitability in the future.”

Kalash Soya was launched with a focused advertising and marketing campaign. The TVC focusing on youth and fitness received good consumer recall and demand for Kalash Soya exceeded company targets. Accustomed to KS’ adherence to strict quality standards in Kalash mustard oil, customers gave an overwhelming response to Kalash Soya brand as well; it is today among the top five soybean brands in India, within 6 months of its launch.

The company’s focus in rural markets of Tier II & Tier III markets are in line with macro economic trends like increased GDP in rural households due to the government’s rural focus and benefits like employment and financial grants from various government schemes. The company today gets 70% of its total sales from rural India and is gearing up to meet the increased demand. The new manufacturing plants are functioning at good capacity and it has helped the company increase production, maintain quality & taste as per consumer needs and drive cost efficiencies.

In its continuous effort to gain larger market share, K S Oils is reaching out to both urban and rural India through its retail and local distribution networks. During the quarter, the company has received exceptional response from increased penetration in newer markets like Rajasthan and Uttar Pradesh. The company is entering Western India market through Maharashtra and Gujarat.

K S Oils is focusing and improving its supply chain and distributor network from a FMCG company focus. The company added 6 C&F agents, 60 distributors, launched its products in over 61 new towns during the quarter. With these additions, the total number stands at 37 C&F agents, 1,193 distributors in 1,256 cities covering 388 districts all over India, reaching out to over 1,85,000 retailers. It’s distribution reach includes the states of North East (7 states), West Bengal, Bihar, Jharkhand, Uttar Pradesh, Uttaranchal, Delhi, Punjab, Haryana, Himachal Pradesh, J&K, Rajasthan, Madhya Pradesh, Chhattisgarh, Maharashtra, Gujarat and Orissa.

The company’s main focus in the following quarters is to strengthen its brand portfolio. The company, with its brand led FMCG focus, is committed to build a significant portfolio of brands for the entire edible oil sector, thereby gaining consumer trust and loyalty and delivering higher volume and profit growth. The

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company believes that the Indian edible oil market is set to register growth and it is tapping into a consumer demand opportunity which already exists and only needs to be met in a consolidated manner.

About K S Oil Limited (www.ksoils.com): K S Oils Limited is a leading Fast Moving Consumer Goods edible oil player from India with its premium brand Kalash. It has product offerings across all edible oils - mustard, soybean and palm (refined) oil. With an FMCG-led brand focus, the company's promise is to deliver purity, nutrition and health to millions of Indian consumers. Additionally, over the past two decades, the company has built significant market share across product categories. A professionally managed company, with operations across four countries in South Asia - India, Singapore, Indonesia and Malaysia, K S Oils is creating value across the entire edible oil food supply chain. Its international operations driven through its wholly owned subsidiary, K S Natural Resources Pte., Singapore <http://www.ksnr.com.sg/>. The company has three leading Private Equity players, CVC International, Barings Private Equity and The New Silk Route Partners (NSR) owning significant stake in the company and partnering in its growth. The company follows a sustainable environment-friendly business practice which ensures a better and healthier tomorrow for its consumers and other stakeholders.

