



K S Oils continues strong growth momentum in Q1 FY 09-10 on the back of sustained retail consumer demand and volume growth

Kalash, K S Oils' flagship brand generating consumer loyalty and repeat purchases across India on Purity and Health platform

Quarter highlights:

- Net sales increased by 31% to Rs. 906 crores and Net profit increased by 20% to Rs. 49.21 crores
- The company today has over 1,000 distributors all over India driving its pan India level retail reach
- The Guna (M.P.) plant goes fully operation this quarter, after the Kota plant, which went fully operational last quarter

Mumbai, July 30, 2009: K S Oils Limited, one of India's leading FMCG edible oil companies and the leader in branded mustard oils, commenced the year FY09-10 with a sustained growth on account of rising consumer demand and a continued thrust on retail led branded sales. The company clocked a turnover of Rs. 906 crores during the first quarter FY09-10. This is an increase of 31% from Rs. 693 crores during the corresponding period of the previous year.

Strong consumer demand coupled with increased brand loyalty for KS brands, **Kalash & Double Sher**, due to purity and health benefits, helped sustain brand-led retail sales. The company registered a higher per unit profit and increased the overall profits with profit after tax (PAT) of Rs.49.21 crores for the quarter ended June 30th, 2009 as compared to Rs. 41.02 crores during the corresponding period of the previous financial year.

The company's focus on retail-led sales and the distribution network was strengthened with the Guna plant becoming fully operational this quarter after the Kota plant. This has led to increased capacity and ability to service the unmet consumer demand for **Kalash and Double Sher**, both products meeting the needs of purity, health and world class packaging.

KS Oils Limited

Jiwajiganj, Morena - 476001 (MP) India.

Phone : +91-7532-300000 • Fax : +91-7532-405060 & 300106

Email : mail@ksoils.com • Website : www.ksoils.com

BSE: 526209 • NSE:KSOILS • Bloomberg:KSO@IN • Reuters:KSOI.BO



Announcing the results, **Mr. Sanjay Agarwal, Managing Director, K S Oils** commented, “We are pleased to begin our first quarter of the current financial year with a good performance. A strong brand recall through retail pack-led sales, increased production capacity and further developing a deep pan India distribution and retail network have been the key to our success. Our international plans of backward integration are progressing well and this quarter we added a new Private Equity Investor, New Silk Route Advisors along with CVC International and Barings Private Equity Asia.”

With the monsoons commencing within the stipulated time, the danger of significant drop in crop production is reduced and the year should see good crop production. This will help the company in buying more produce from farmers and optimize capacity production in all their plants. However the company is closely following the sowing progress in the raw material belt of Madhya Pradesh, Rajasthan and nearby states and shall monitor the progress accordingly. This year, the company will see significant increase in the production capacity because of new plants going operational.

The company’s plan for creating a strong distribution network is bearing results; in the quarter the company crossed the 1,000 mark and today has a total of 1,036 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 the demand has been steadily growing. K S Oils will continue its focus on retail-led growth through modern retail and small retail formats.

One of the key focus areas this year will be addressing not only Tier II and Tier III cities but reaching out to **Rural India**. Rural retail is a reality today and village folks have increased spending power, more disposable incomes and better awareness. We are seeing an increased demand for our brands Kalash and Double Sher among rural customers and are developing a strong distribution network with an aim to reach every Indian village’s retail shops and kiranas.

Corporate Development:

➤ **Private Equity Investment :**

In the last quarter K S Oils has tied up for Rs. 450 crores equity infusion from three leading private equity players and promoters. While CVC International and Barings Partners reinvesting, The New Silk Route Partners came in as a new PE partner. The funds will be instrumental in expanding K S Oils’ palm plantation assets in South Asia.

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➤ **Acquisition:**

K S Oils is going ahead with its backward integration project to develop palm plantations in Indonesia and Malaysia. During the quarter, the company acquired an additional 35,000 acres of land in Indonesia. The Indonesian and Malaysian oil palm foray will assure supply of crude palm oil to India. The company will continue its backward integration plan of buying further oil plantations and other agri-assets across the globe.

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 two leading brands, Double Sher and Kalash. With a wide range of product offerings across all edible oils, like mustard, soyabean and palm oil, its products are available under the brand name of Kalash and Double Sher. 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. Today, the company has attracted the best investors with 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.

