



2008-09 Financial Year Results Update and Performance Review

KS Oils charts aggressive growth, increases profitability and creates sustainable FMCG brands

KS Oils FY 09 sales crosses Rs. 3,000 crores, soars by 54 per cent

Annual highlights:

- Records net sales increase by 54 per cent to Rs. 3,144 crores
- Records net profit increase of 41 per cent to Rs. 170 crores
- Records EPS increase by 23 per cent to Rs. 5.01

Quarter highlights:

- Record net sales increase by 32 per cent to Rs. 887 crores
- Records net profit increase of 19 per cent to Rs. 47 crores
- Records EPS increase by 11 per cent to Rs. 1.33

Delhi, April 29, 2009: KS Oils Limited, one of India's leading FMCG led edible oil company and the leader in branded mustard oils, continued its growth journey on the back of a strong consumer demand. The company surpassed the Rs. 3,000 crores sales figure with a turnover of Rs. 3,144 crores and announced a 41 per cent growth in its net profit and a 54 per cent increase in net sales for the year ended March 31, 2009.

The company reported a net profit of Rs. 170 crores as compared to Rs. 120 crores of the previous year, an increase of 41 per cent. The net sales grew by 54 per cent to Rs. 3,144 crores from Rs. 2,044 crores as reported in the previous year. The company reported an EPS of Rs. 5.01 for the year ended March 31, 2009 as compared to Rs. 4.07 in the previous year.

KS Oils has achieved the sales and profitability target during the year by a threefold strategy of increasing sales, penetrating newer markets and strengthening its market share and brands in its current markets. Its two flagship brands Kalash and Double Sher have performed exceptionally well among the consuming class.

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Sales for the fourth quarter ended March 31st, 2009 soared by 32 per cent and stood at Rs. 887 crores, as compared to Rs. 674 crores, during the same period during the previous financial year. Net profit for the quarter ended March 31st, 2009 stood at Rs. 47 crores, an increase of 19 per cent from Rs. 39 crores during the corresponding quarter of the previous financial year. The company reported an EPS of Rs. 1.33 for the quarter as compared to Rs. 1.20 in the corresponding quarter.

Announcing the results, Mr. Sanjay Agarwal, Managing Director, K S Oils commented, “The Company’s growth and thrust on expansion and consolidation are reflected in our results. Strong consumer demand for healthy oil is helping us grow on a steady basis. With branded mustard oil gaining acceptability among the Indian consumers, we see a strong demand and profitability in that segment. Today we are able to serve the consumer the entire offering of edible oil – mustard, soybean and palm refined oil under our own brands. We hope to further build on this performance going forward. The thrust is to strengthen our top line and enhance profitability.”

Mr. Sanjay Agarwal further added, “With the completion of our domestic and international expansion plans, we will be better equipped not only to fulfill diverse customer needs in the domestic market but also further consolidate our presence in the global markets.”

Going forward, K S Oils will cement its strong retail-led consumer brand strategy and continue its backward integration plan of buying further oil plantations and other agri-assets across the globe.

Corporate Development:

➤ **Domestic:**

- **Kalash & Double Sher**

The company’s focus in creating two leading FMCG edible oil brands is bearing fruit. Today Kalash and Double Sher are available across leading modern retail formats in India and also stocked by small retailers across the country. .

- **Refinery Acquisition**

The Rs. 125 crores acquisition of an edible oil refinery at Haldia Port makes it the company’s first refinery in East India. This leads to enhanced access and logistics efficiency in one of its key markets of North East, WB, Bihar, Jharkhand, Orissa and UP. The refinery will give a boost to the company’s current refined oil strategy by adding an additional capacity of 500 metric tonnes per day. The refinery will produce KS Refined and KS Gold Refined oils for the eastern market.

- **Manufacturing Capacity**

During the year, the company’s three new plants in Kota (fully operational), Ratlam and Guna (commissioning stage) along with the mother plant in Morena and another two in Alwar and Jodhpur have given a significant production edge to the company. With these state-of-the-art plants, KS has

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the largest mustard processing capacity in the country and will be able to meet consumer demands in a better way, thus adding to retail penetration.

➤ International:

• IHQ status by Singapore EDB

The company has been awarded International Headquarter (IHQ) status from the Singapore Economic Development Board which would drive K S Oil's global expansion plans. This preferred status is a first for any Indian agri-company and will help the company in gaining better business, financial and intellectual rights for the company.

• Plantations

As part of the company's plans to become a fully integrated edible oil producer, the company has acquired 50,000 acres of palm plantation in Indonesia and 900 acres in Malaysia. The company proposes to invest around INR 370 crores towards plantations and in setting-up a crushing mill in next 3 years. It also plans to generate revenue of over \$1 billion annually in the next five years from its Singapore subsidiary. The palm plantation acquisition is a part of K S Oil's strategy to secure its raw material supplies and insulate itself against price fluctuations.

About K S Oil Limited (www.ksoils.com): K S Oils Limited is a leading integrated edible oil FMCG company with a 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 on 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 five edible oil companies in India and is poised to become a global player in the years to come.

