

Godrej Agrovet forays into Dairy Business

Acquires majority stake in Creamline Dairy

Mumbai, December 21, 2015: Godrej Agrovet Limited (GAVL), a subsidiary of Godrej Industries Ltd, today announced acquisition of controlling stake in Creamline Dairy Products Ltd (Creamline). GAVL is an existing shareholder in the company with a stake of 26%. With this transaction, Godrej Agrovet will own over 51% of Creamline.

India is the world's largest producer of milk and the Indian milk demand is expected to cross 200 million MT by 2020 from 135 million MT in 2014. The demand will be largely driven by the fact that milk will remain the preferred source of protein for the Indian population. As the per capita income in the country increases, the demand for value added dairy products like cheese, butter, curd, ice cream, flavored yoghurts is expected to grow at a faster pace compared to conventional dairy products. Dairy companies with strong backward linkages of milk procurement will be able to capitalize on these growth opportunities, going forward.

Creamline is a prominent dairy company in South India with significant operations across Telangana, Andhra Pradesh, Tamilnadu, Karnataka and at Nagpur in Central India. The company has very strong farm linkages across the four southern states, which assures it quality milk supply around the year. The retail presence of the company is strengthened by its "Jersey" Brand of milk and its derivatives. The company also operates dedicated "Jersey" milk parlors across southern India.

To increase its geographical foot print and fuel its future growth, Creamline is in the process of intensifying its procurement operations in Telangana, Andhra Pradesh, Tamilnadu, Karnataka and Maharastra and has forayed to setup three processing facilities along with facilities for value added products. It expects to increase its focus on the "Value added products" and new geographies to drive its future growth.

Commenting on the acquisition, Mr. Balram Singh Yadav, Managing Director Godrej Agrovet said "We have been shareholders of Creamline since the last 10 years and have seen the company build a highly successful dairy business during this time. As the company embarks on its ambitious future growth plan, we believe GAVL will be able to bring in significant value to the business by helping it develop successful brands and add more value added products to its current portfolio.

As the company scales up its operations in new geographies, Creamline can get immense leverage through the Godrej Agrovet brand which has a strong recall with dairy farmers through our cattle feed business”.

Godrej Agrovet has close to 20% market share in the organized cattle feed market. Godrej Agrovet hopes to build an entire cattle feed to high quality milk/milk product value proposition post this acquisition. The company has product offerings across the entire life cycle of cows, thereby helping the overall productivity of the animal.

K Bhaskar Reddy, Managing Director, Creamline Dairy said – “We value our decade long association with Godrej Agrovet immensely and are delighted to take it to the next level. Godrej Agrovet is one of the largest animal feed company with significant cattle feed presence. As we expand our business, we think Godrej Agrovet will add significant value to our business through their long association with Indian dairy farmers and knowledge on building long lasting brands. Creamline expects to close FY16 with more than INR 1000 crore in sales. Creamline envisages doubling its turnover in the coming 3 to 4 years.

..

About Godrej Agrovet Limited

Godrej Agrovet Limited (GAVL), a subsidiary of Godrej Industries, is a diversified agribusiness company with interests in Animal Feed, Oil Palm, Agri Inputs (including Agro chemicals), Hybrid Seeds, and Poultry. In Animal feed business, GAVL is one of the largest organized compound feed players in India. It has a pan Indian presence with sales of over 1 million tons annually of high quality feed and cutting-edge nutrition products for dairy cattle, poultry and aquaculture. Apart from these businesses, the company has two joint ventures – one with Tyson Foods in the processed poultry segment and other one with the ACI group of Bangladesh for animal feed business in Bangladesh. The company is a subsidiary of Godrej Industries Limited.

Creamline Dairy Products Ltd (CDPL) Fact Sheet

Procurement from over 135,000 dairy farmers across AP, TN, Karnataka, Maharashtra and MP	Six (6) ISO certified milk processing plants near Hyderabad, Chennai, Vijayawada, Ongole Bangalore & Nagpur
Scalable procurement ability with current procurement levels of 5,90,000 liters per day (LPD) with a cow/buffalo mix of 51:49	EIA certified state-of-the-art milk powder plant at Ongole. Combined processing capacity of 763,000 litres per day.
6,500 collection points supported by a fleet of 635+ vehicles and 118 CDPL operated chilling centers and 14 associate chilling centers	Captive power plant provides operating efficiency.
CDPL presently distributes its products to over 500,000 households through a network of 3000 milk agents and 470 milk distributors	Jersey products are available in over 10,000 conventional retail outlets and in 50 modern retail format, national and regional chain outlets
CDPL markets its products through a well laid distribution network comprising of company owned parlors, exclusive franchise outlets, retail points product push carts. CDPL also has a wide network of 170 franchise parlors, promoting the "JERSEY" franchise	CDPL has a strong presence in the states of Telangana, Andhra Pradesh, Karnataka and Tamil Nadu in fresh milk and milk products
Creamline Offers an extensive range of dairy products:	
LIQUID MILK: Whole Milk, Whole Milk Gold, Standard Milk, Toned Milk & Cow Milk	YOGHURT: Curd Pouch, Curd Cup, Curd Large Packs
GHEE: Ghee Large Packs, Ghee Jar, Ghee Pouch	BUTTER: Butter Large Packs, Butter Retail
OTHER PRODUCTS: Lassi, Flavoured Milk, Skim milk powder (SMP) in small packs for retail, Ice Cream, Sweets, Paneer and SMP for Institutions	