

GODFREY PHILLIPS INDIA LIMITED
Unaudited Financial Results for the Quarter ended December 31, 2005

(Rupees in lacs)

Sl. No.	Particulars	Quarter ended 31.12.2005	Quarter ended 31.12.2004	Nine Months ended 31.12.2005	Nine Months ended 31.12.2004	Year ended 31.03.2005 (Audited)
		(1)	(2)	(3)	(4)	(5)
1	Gross sales	36348	33321	106695	95672	129570
2	Less: Excise duty	19347	15741	56193	45291	61274
3	Net sales	17001	17580	50502	50381	68296
4	Other income	645	569	1749	1499	2968
5	Total expenditure					
	a) Increase/(decrease) in excise duty on finished goods	(474)	425	335	(342)	(253)
	b) (Increase)/decrease in stock in trade	621	(631)	(794)	(245)	118
	c) Consumption of raw and packing materials	3952	4461	12343	11911	15808
	d) Purchases for resale (including transferred from raw and packing materials)	1381	1776	5083	5301	7611
	e) Staff cost	1278	1185	4162	4281	5691
	f) Advertising and sales promotion	2504	2565	7816	7760	9896
	g) Other expenditure	4841	5047	13467	15043	20171
6	Interest	90	544	210	867	572
7	Depreciation	463	295	1291	851	1655
8	Profit before taxation and exceptional items	2990	2482	8338	6453	9995
9	Provision for taxation (current and deferred)	1145	840	3237	2229	3635
10	Profit after taxation before exceptional items	1845	1642	5101	4224	6360
11	Exceptional items (net of tax) - Refer note 5	(68)	-	590	-	-
12	Net profit	1777	1642	5691	4224	6360
13	Paid up equity share capital (Face value of Rs. 10 per share)	1040	1040	1040	1040	1040
14	Reserves excluding revaluation reserves					31425
15	Basic and diluted earnings per share (Rs.)	17.09	15.79	54.72	40.62	61.16
16	Aggregate of non-promoter shareholding					
	- Number of shares	2847917	2828991	2847917	2828991	2835547
	- Percentage of shareholding	27.39	27.20	27.39	27.20	27.27
	Segmentwise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement					
1	Segment Revenue:					
	Cigarettes and Tobacco Products	35009	32231	103245	92566	125336
	Tea and Related Products	1339	1090	3450	3106	4234
	Gross sales	36348	33321	106695	95672	129570
2	Segment Results:					
	Cigarettes and Tobacco Products	2873	2224	8206	6009	9486
	Tea and Related Products	(73)	34	(217)	(59)	(104)
	Total	2800	2258	7989	5950	9382
	Add/(Less): i) Interest	(90)	(11)	(207)	(46)	(54)
	ii) Un-allocable income net of un-allocable expenditure	280	235	556	549	667
	Total profit before tax and exceptional items	2990	2482	8338	6453	9995
3	Segment Capital Employed:					
	Cigarettes and Tobacco Products	18097	16778	18097	16778	16028
	Tea and Related Products	1441	1360	1441	1360	1051
	Total segment capital employed	19538	18138	19538	18138	17079

Notes:

1. The above results are as per stock exchange regulations and have been taken on record by the Board of Directors at its meeting held on January 29, 2006 after being reviewed by the Audit Committee.
2. As per past practice, expenditure on cigarette advertising and sales promotion budgeted for the year is evenly spread over the year for the purpose of quarterly results and any excess or shortfall over the budgeted expenditure is adjusted in last quarter of the financial year.
3. Staff cost for the nine months ended December 31, 2004 includes a non recurring pay out of Rs. 740 lacs.
4. Provision for taxation for the quarter and nine months period ended December 31,2005 includes tax on fringe benefits.
5. Exceptional items comprise of:

	<u>Rs. Lacs</u>
i) Provision for luxury taxes on cigarettes and interest thereon made in earlier years, now reversed pursuant to assessment orders passed during the period by the tax authorities based on the Supreme Court Judgement in January, 2005.	4286
ii) Provision made (including Rs.102 lacs during the quarter ended December 31,2005) for estimated additional purchase consideration payable to small scale cigarette manufacturing units in Assam in view of the Supreme Court judgement in September,2005 which has the effect of denying them the benefit of exemption from payment of excise duty with retrospective effect. This provision has been made in addition to Rs.2733 lacs provided for as doubtful of recovery in an earlier year in respect of dues recoverable from these manufacturing units.	(3396)
Sub-total	890
Less: Income-tax thereon (current and deferred)	300
Exceptional items (net of tax)	590
6. During the quarter 28 investor complaints were received, all of which were responded to by the Company. No complaints were pending either at the beginning or at the end of the quarter.
7. Figures have been regrouped wherever considered necessary.

**Registered Office: Chakala Andheri (East), Mumbai 400 099
New Delhi: 29th January, 2006**

(S.V.Shanbhag)
Whole-time Director

The Limited review as required under clause 41 of Listing Agreement has been completed by Statutory Auditors. The Limited Review Report for the quarter ended December 31, 2005 does not have any impact on the above results and notes in aggregate except in respect of matter explained in note 2.

New Delhi: 29th January, 2006

(S.V.Shanbhag)
Whole-time Director