

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to share a message about another year of strong performance by Marico with you.

During the year, we have continued to strengthen our position in all our businesses through a sharp focus on four core categories of Hair Care, Health Care, Skin Care and Male Grooming. Your Company grew at a healthy pace despite the industry and global environment facing trying times. We were able to achieve this as a result of an effective category choice-making framework and the strategic building blocks we have put in place – strengthening the core, creating the portfolio of the future, managing costs and investing in people and process capability ahead of the growth curve. We believe these will continue to hold us in good stead in the long run.

The Indian economy is facing challenging times. Investor sentiment is muted, growth numbers are showing a decline and the political environment has not been encouraging. Your company's brands have been able to stand firm in this environment.

Our consolidated revenues grew by 15% and Net Profit After Tax grew by 25% year-on-year accompanied by an expansion in margin. The domestic consumer business grew by 18% driven by volume growth of 16%. Integration of the acquired portfolio of Youth brands was completed and the business grew by 18% over the corresponding period in FY12. International business saw mixed performance due to both macro factors and short term internal challenges and reported a lower growth of 8%. The Kaya business continues to record same store growth and improvement in EBITDA margin despite an environment not supporting discretionary spending. This reinforces our confidence in the current model.

In the month of January 2013, the Board of Directors of Marico passed a resolution approving the restructuring of Marico's businesses, corporate entities and organization, effective April 1, 2013. Marico's FMCG business and its Kaya skin care solutions business require different approaches and therefore, we believe, segregating them will help in delivering better value for both entities. The Indian consumer business and international consumer business will now form a unified FMCG business. With the overseas consumer business crossing the INR 1000 crore mark, we expect that consolidation of the domestic and international consumer product divisions will drive scale and portfolio synergies in the coming years. Kaya will be sharply redefined as a separate business. The skin solutions division will get focused attention and be run in an entrepreneurial manner more suited to its size and nature of business. We are awaiting regulatory approvals.

Marico has demonstrated the value of well-defined and focused strategy consistently. Our brands have delivered volume growths and gained market share across categories. We will continue our journey of sustainable profitable growth by leveraging opportunities in hair care, skin care, male grooming and health care in the developing and emerging markets of Asia and Africa, thereby delivering long term value to our stakeholders.

Today, we have the right structure and leadership in place to achieve our strategic goals, and I could not be more excited about the journey ahead. I thank you for your support and look forward to your continued trust.

With warm regards,



Harsh Mariwala
Chairman and Managing Director