

CHAIRMAN'S LETTER TO SHAREHOLDERS

A PERSONAL MESSAGE

Dear Shareholders,

We have just closed a rather challenging year for FMCG companies, including Marico. FY11 witnessed high inflation, particularly food inflation, unprecedented cost push, especially in one of your Company's key input materials - copra, a rise in interest rates and strengthening of the Indian Rupee against the US Dollar. In addition, there was political unrest in North Africa and the Middle East region – one of the key markets for your Company's international business operations.

Notwithstanding the challenges of the year, I am happy to state that your Company turned in a good performance. Revenue during the year grew by 18% over FY10 and Net Profit was higher by 24%. This makes it a 5-year CAGR of 22% in Revenue and 27% in Net Profits.

Growth in Marico's top line was supported by robust volume growths across its franchises of coconut oil, value added hair oil and premium refined edible oils in India as well as its international FMCG business. In the Kaya business, whilst there was a same clinic sales decline in the first half of the year, this trend was reversed to deliver same clinic sales growth in the second half. Your Company, therefore, has stayed the course of franchise expansion across its businesses. In addition to this organic growth, Marico made acquisitions during the year, adding new franchises to its portfolio. Your Company has expanded the footprint of its skin aesthetics business to Singapore through the acquisition of Derma Rx. In South Africa, it made a bolt-on acquisition, adding the Ingwe range of immuno boosters, to complement the existing Hercules business. In February 2011, Marico took up 85% stake in International Consumer Products Corporation, a leading FMCG company in Vietnam, operating primarily in the male grooming segment of the Vietnamese market. In line with its strategy to execute its plans for the wellness segment in India through Saffola, your Company rationalized its portfolio by divesting the non-focus refined edible oil brand 'Sweekar'.

Marico continued on its journey to live its purpose – its reason to exist beyond making profit – by focusing on sustainable profitable growth, it has enhanced shareholder value. Saffola launched a campaign, 'know your heart's age', around World Heart Day this year, to raise awareness about heart health amongst consumers. The Company facilitated lifestyle management programs for its employees, many of whom have benefited by feeling healthier and being more productive. Your Company continues to work with its associates through initiatives such as improving productivity of safflower farmers and providing inputs to distributors to enhance their returns on investment. Marico has been contributing towards propagating innovation in India, through the Marico Innovation Foundation. Your Company's 'Think Fresh Be Green' initiative aims to ensure it behaves responsibly with respect to the environment and institutionalizes a 'green mindset' amongst its members. The Company would continue to aim at managing the mutual interests of all its interdependent stakeholders.

Thank you for placing faith in the Company. I wish to thank all members of the Marico team and all our business associates for their contribution to Marico's success. I look forward to your continued support and co-operation.

With warm regards,



Harsh Mariwala
Chairman and Managing Director