

Dear Shareholders,

It is my privilege to write to you at the end of another eventful year at Marico.

This year, your Company continued to focus on expanding its consumer franchise and grow in volumes. We strengthened our position in all categories and geographies in a challenging macro-economic environment. The steady growth was enabled by sustained investments in marketing and brand building, distribution expansion in rural markets in India and driving operational efficiencies across the value chain.

The year had its set of challenges. Delay in policy implementation, persistent double digit inflation, high interest rate scenario and unfavorable currency movement were only a few of the roadblocks faced by the Indian economy. In our international markets too, the current environment presents a host of challenges. Inflation continues to remain high in Bangladesh and South East Asia. The overall environment in the Middle East and North Africa is relatively better but not without instances of sporadic protests and disturbances. None of these challenges are new; they have stayed with us in some form through the last couple of years.

Your Company, despite all challenges, recorded a revenue growth of 28% and Net Profit growth of 11% in FY12. This makes it a 5-year CAGR of 21% in Revenue and 23% in Net Profits. The domestic consumer business grew 37%, driven by a strong 14% volume growth. International business grew by 30% with robust volume growth and market share gain in all geographies. The integration of International Consumer Products Corporation, a leading FMCG company in Vietnam acquired in February 2011, has been completed successfully. It is growing at a very healthy rate and is gaining market share in the male grooming segment.

Kaya has been consciously trying to change its positioning from "cure" to "cure & care", moving from expert solution provider for skincare problems to a personal guide for total skin care. It also continues to introduce more Derma Rx products in India, as increased product sales will generate more throughputs from the clinics. The business has sustained the top line growth trend for the past few quarters on a same store basis, indicating early signs of the business moving in the right direction.

We have identified inorganic growth as a significant building block to create value for you over the long term. In line with our acquisition philosophy of participating in our focussed categories where we believe we can add value, we have entered into an agreement to acquire the personal care business of Paras Pharmaceutical Ltd. from Reckitt Benckiser. Brands in the portfolio rank No.1 in the hair gels and leave-on hair serum categories, and No.3 in the male deodorant category. This acquisition will give Marico access to a portfolio of youth brands that shall fast-forward our journey towards creating a portfolio for the future. The portfolio addresses the grooming needs of the youth and is supported by India's demographic profile. The Company will also leverage its distribution strength in India to provide a fillip to the growth of the brands. The acquisition of this business is expected to further reduce our dependence on edible oils and hair oils.

Our sustainability initiatives have gathered momentum over the last few years. The 4th edition of The Innovation for India Awards was organised by Marico Innovation Foundation in March 2012. India is clearly burgeoning with talent. The Innovation for India Awards acknowledge and encourage ideas that impact the community at large. Within the organization, our initiatives have significantly helped in reducing usage of energy, water and paper. Our target is that each of our business strategies and processes elegantly passes through a Green filter.

Overall the Company is well positioned to participate in the growth that is happening in the FMCG industry in India and other emerging markets. We hope that you will continue to support us in the same way that you have stood by us over the years. I would like to take this opportunity to thank each and every one of our stakeholders for their trust and encouragement.

With warm regards,



**Harsh Mariwala**  
Chairman and Managing Director