## Executive Summary – Q1FY13 Consolidated Results

### Q1FY13 Performance Highlights

| | | | |
|---|---|---|---|
| **Revenue from Operations** | **INR 1270 Cr** | **Up** | **22 %** |
| **Volume Growth** | **14%** | | |
| **Net Profit** | **INR 124 Cr** | **Up** | **46%** |

Marico started the first quarter of the new financial year FY13 with a strong financial performance. Revenue from Operations was INR 1270 crore (USD 235 million) a growth of about 22% over Q1FY12. The growth in Profits was 46% led by gross margin expansion and volume growth of 14% at a Group level.

Marico continues to focus on expanding its consumer franchise as is evident from this quarter's performance. In the near term too Marico will continue to prefer maintaining and expanding consumer franchise over margins.

### Summary of growth during Q1FY13 across key categories/ Businesses

| **Categories/Businesses** | **Growth Q1FY13** | **Indicative share to Group's Turnover basis FY12 results** |
|---|---|---|
| Group : Total Reported value growth | 22% | |
| Group : Total Volume growth | 14% | |
| Consumer Products Business (India)* | 22% | 69% |
| Parachute Coconut Oil (Rigid packs) | 22% | 24% |
| | | |
| Value Added Hair Oil Brands | 33% | 14% |
| Saffola (Refined edible oil) | 20% | 15% |
| | | |
| International Business Group : Total | 17% | 24% |
| Kaya : (India + Middle East) (same store sales growth) | 12% | 7% |

* Without including revenue from Sweekar in the base – Q1FY12. (The Company had divested Sweekar in March 2011) and turnover from the acquired Paras personal care brands in the current quarter.

### Market Shares (Volume) in Key Categories - Basis 12 month Moving Average Total (MAT)

| **Brand & Territory** | **MS%** | **Rank** | **Brand & Territory** | **MS%** | **Rank** |
|---|---|---|---|---|---|
| Coconut Oils (India) (Parachute and Nihar) | 56% | 1st | Parachute Coconut Oil (Bangladesh) | 80% | 1st |
| Saffola (Refined Oils) - Premium Refined Oils in Consumer Packs (India) | 58% | 1st | Post wash Leave –On Serums (Livon and Silk & Shine) | 84% | 1st |
| Hair Oils (India) (Parachute Advansed, Nihar, Hair & Care) | 25% | 2nd | *X-Men Men's Shampoo (Vietnam) | 47% | 1st |
| Kaya Skincare solutions (India) | +35% | 1st | *Hair Code & Fiancée- Egypt | 57% | 1st |
| Deodorants (India) (Setwet and Zatak) | 6.3% | 2nd | *Hair Creams/Gels (India) (Setwet) | 37% | 1st |

***Value market shares**

Note : All numbers mentioned in INR in this note are converted to USD basis INR/USD of 54.

**Mode of Issue of this update**

We have issued this Information Update, first to the Stock Exchanges, posted it on Marico's website and then sent it to the financial community members who are on Marico's regular mailing list.

**Marico Investor Relations Team**


| | | |
|---|---|---|
| Anubhav Rastogi | Head – Investor Relations and M&A | (anubhavr@maricoindia.net), |
| Chaitanya Deshpande | EVP & Head - M&A and Investor Relations | (chaitanyajd@maricoindia.net) |
| Milind Sarwate | Group CFO | (milinds@maricoindia.net) |


**Contents of this Update**

1. Financial results and other developments during Q1FY13 for the Marico Group - Kaya Limited, Marico Bangladesh Limited, MBL Industries Limited, Marico Middle East FZE, Kaya Middle East FZE, Marico South Africa Consumer Care (Pty) Limited, Marico South Africa (Pty) Limited, MEL Consumer Care SAE, Egyptian American Investment & Industrial Development Company SAE, Marico Egypt Industries Company SAE (erstwhile Pyramid for Modern Industries), Wind CO, Marico Malaysia Sdn. Bhd., Derma Rx International Aesthetics Pte. Ltd., The DRx Clinic Pte. Ltd., The DRx Medispa Pte. Ltd., DRx Investment Pte. Ltd. , DRx Aesthetics Sdn. Bhd, International Consumer Products Corporation, Beauté Cosmétique Societé Par Actions, Thuan Phat Foodstuff Joint stock Company, Marico Consumer Care Limited, Halite Personal Care India Private Limited.
2. A Profile containing basic/historical information on Marico.

We recommend that readers refer to the Marico Group financials to get a better appreciation of the business performance. A copy of the latest Annual Audited Financial Results of Marico Limited (stand-alone and Consolidated) is available on Marico's website

**Disclosure of Information, Communication with Investors / Analysts / Financial Community**

Marico issues fresh information updates, like the one you are reading now on the day, it declares its Quarterly Financial Results. Some forward looking statements on projections, estimates, expectations, outlook etc. are included in such updates to help investors / analysts get a better comprehension of the Company's prospects and make informed investment decisions.

Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints.

All the aforesaid information is also available on Marico's Website: www.marico.com In view of this, information contained in such updates is made public and thus not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Marico holds periodic meetings/ conference calls, from time to time, with individual members of the financial community.

## Consumer Products Business in India (CPB)

The Consumer Products Business in India (CPB) achieved a turnover of INR 934 crore (USD 173 million), a growth of about 22% over Q1FY12 (excluding turnover of INR 6 crore from Sweekar which was divested in March 2011 from the base and also excluding turnover of INR 10 crore (USD 1.9 million) from the recently acquired personal care brands from Reckitt Benckiser). Even though the Company sold the brand "Sweekar" in the month of March 2011, it did still, as per the terms of the agreement, liquidate the stocks available during April 2011. The turnover of acquired brands (including Set Wet, Zatak and Livon) was consolidated from May 29, 2012 onwards. (More details on the acquisition are provided in a separate section later in this note).

The reported growth for CPB after considering the turnover from Sweekar in the base and that of the recently acquired brands is about 23%. The Turnover growth reflected healthy demand and continued business momentum manifest in a volume growth of about 16% over Q1FY12. The operating margin of CPB during Q1FY13 was about 20%. This profit profile is marginally higher than the medium term threshold the Company has chosen to target with a view to drive sustainable growth.

The chief contributors towards this growth were:

- Equity of Marico's brands that provided sufficient pricing power
- Steady growth in the coconut oils market and share gain by Parachute
- Share gain by Marico's portfolio of brands in value added hair oils
- Expansion in Saffola's franchise
- Performance of new products
- Investments behind improving direct distribution coverage

The table below summarizes volume growths reported across segments during Q1FY13.

| Categories | Q1Fy13 |
|---|---|
| Consumer Products Business (India) | 16% |
| Parachute Coconut Oil (Rigid packs) | 18% |
| Value Added Hair Oils portfolio | 25% |
| Saffola (Refined Edible Oil) | 12% |

**Parachute and Nihar:**

Marico participates in the INR 2300 crore (USD 425 million) branded coconut oil market through Parachute and Nihar.

Parachute, Marico's flagship brand, recorded robust volume growth during the quarter. Parachute in rigid packs, the focus part of its portfolio, grew by about 18% in volume as compared to Q1FY12. The Company believes that such growth during the quarter is an outlier. During Q1FY13 Parachute improved its market share by about 300 bps over Q1FY12.

Marico has continued to drive conversion from loose oil usage to branded oil and this was well complemented by gain in market share. It is estimated that the loose market comprises about 40% of the coconut oil market in volume terms. This is expected to continue to be a source of growth in the medium term. There has been a declining trend in input prices (copra), over the last two or three months leading to an increase in the relative competitive intensity in the market place. This is likely to impact the pace of gain in market share and hence the growth rates. Meanwhile the conversions from loose oil are expected to continue. However, the company is cautious about the possible impact on demand in the near future on account of inadequate monsoons and the resultant inflation.

During the 12 months ended June 2012, Marico's volume share represented by Parachute and Nihar was circa 56.5% (Q1FY12: 53.1%). Its share in the rural markets however is lower in the range of 35% to 40%. The relatively lower share in rural markets provides headroom for growth through market share gains.

**Saffola**

The Saffola edible Oils franchise grew by about 12% in volume terms during Q1FY13 compared to Q1FY12. The brand has recorded healthy volume growth over several quarters indicating strong brand equity and a category tailwind.

Over the recent years, Saffola has been leveraging the consumer trend of proactively managing a healthy lifestyle. Adopting Saffola is one of the shifts that consumers continue to make. The Saffola range of blended refined oils (available in four variants) operates in the premium niche of the refined edible oils market. Saffola is estimated to reach about 2.5 million households of the 21.4 million SEC A/B households in India. With rising awareness about heart health in the country, this provides significant headroom for growth. The brand maintained its leadership position in the super premium refined edible oils segment with a market share of about 58.3% during the 12 months ended June 2012. (53.3% in Q1FY12).

In the long term, Saffola expects to establish itself as a leading healthy lifestyle brand that offers healthy food options during all meals of the day. The Company has prioritized the breakfast space in the near term. It entered the breakfast cereals market with the introduction of Saffola Oats which met with a favorable response with trials building rapidly. Encouraged by that, the company introduced Savory variants of Oats in Tamil Nadu and later extended it to other parts of South India. It also extended the range by offering more flavors. Saffola has over 12% value market share in the Oats category and has emerged as the number two player. Participation of various players in the Oats market is helping to fast forward the growth in this category, estimated to be about 35%-40% per annum.

The company will continue to innovate in the packaged food space and prototype new products in the near future.

**Hair Oils (Parachute Advansed, Nihar and Hair & Care)**

During Q1FY13, all Marico's hair oils brands (Parachute Advansed, Nihar and Hair & Care) recorded healthy growth. The portfolio grew by about 25% in volumes over Q1FY12.

Marico's hair oils franchise continued its track record of gaining market share in Q1FY13 also. It recorded an overall revenue growth of about 33% in Q1FY13 as compared to Q1FY12. There has been a positive shift of around 270 basis points in Q1FY13 compared to Q1FY12. Its volume market share during the 12 months ended June 2012 was about 24.8% up from 17%-18% about 5 years ago. These market share gains have been achieved through providing consumers with specific solutions, product innovation, packaging restaging, participation in more sub-segments of the value added hair oils category, continued media support in some of the brands and penetrative pricing action in others and expansion of Marico's direct retail reach in the rural markets.

Marico has a "category play" in the segment whereby it offers its consumers a basket of value added hair oils for their pre-wash and post wash hair conditioning, nourishment and grooming needs in the approximately INR 3800 crore (USD 700 mio) branded hair oils market. Hair oiling remains a deeply ingrained hair conditioning habit on the Indian sub-continent. The Company has carried out scientific research and conducted successful clinical trials to establish the benefits that hair oiling provides to consumers. The study has proved that hair oiling improves the strength, thickness, length and softness of hair. Moreover, hair oiling leaves the hair less damaged. The recent advertisement campaign effectively communicates the benefits of hair oiling. With rising incomes in India there exist increasing opportunities to serve consumers looking for value added options to their hair oiling needs.

The Company's aim is to participate in all the sub-segments and have a wider portfolio to drive growth. Nihar, Parachute Advansed and Hair & Care have each established significant franchises. This is being built upon further through the introduction of new products such as Parachute Advansed Ayurvedic Hot Oil, Parachute Advansed Ayurvedic cooling oil and Parachute Advansed Ayurvedic Hair Oil. All these have grown the overall hair oils franchise by bringing specificity and creating more occasions for use. Nihar Shanti Amla continues to gain market share and achieved a volume market share of over 20% for the 12 months ended June 2012 in the Amla hair oils category (MAT Q1FY12 : 14.7%). The market share gain in the Amla category during Q1FY13 as compared to Q1FY12 is about 670 bps. On a sequential quarter basis it gained 100 bps.

The Company is now focusing on scaling up its presence in all the sub segments of Value Added Hair Oils.

**Entry into Mass Skin Care:**

In line with the Company's strategy to participate in the Beauty and Wellness space - in specific in Hair Care and Skin Care, it launched a differentiated body lotion under the brand Parachute Advansed nationally in H2FY12. The results have been very encouraging. Subsequently, the Company also introduced a summer variant in order to remain salient in the non peak months of April to September. Feedback from consumers and the trade is very positive. Parachute Advansed Body Lotion has achieved a market share of 5% (moving 12 months basis) within a short period of time and has become the number 3 participant in the market. Its market share during the quarter ended June 2012 is higher at about 8%.

The Company believes that even though the category is competitive there is a lot of head room for growth. The penetration levels are still below 20%. The total skin care segment is estimated to be around INR 5000 Cr (USD 1 billion) out of which the body lotion segment is around INR 550 Crore (USD 100 mil).

**Input Costs and Pricing**

Copra prices had seen an unprecedented increase in H2FY11 and remained high until Q3FY12. There has been a decline in market prices since Q4FY12 Average copra prices in Q1FY13 were about 38% lower than Q1FY12. The company has initiated temporary price changes and consumer offers on some its SKUs. It will assess the trend in input prices before taking a decision on the price changes for the other SKUs. During July 2012, there were signs of copra prices starting to increase.

The market prices of the other key inputs such as Safflower Oil and Rice bran oil were up 46% and 20% respectively during Q1FY13 as compared to Q1FY12. The cost push in these two is higher than that of other edible oils. Accordingly, there is an inflationary pressure on Saffola. However the Company wants to observe the situation for some more time before it decides to take any pricing action.

It was never easy to forecast commodity prices and it has become even more difficult to do so now. The Company derives comfort and confidence from the pricing power that its brands enjoy. The Company is confident that during an inflationary environment it can pass on the cost push to its consumers. Conversely, in a deflationary environment the Company is willing to pass back part of the benefit to the consumer especially in the lower price point (recruiter) packs in order to ensure regular upgrades from the unorganized market in case of the coconut oil category and from non Saffola users in the super premium refined edible oils category. This would ensure that we continue to expand our volume base – critical for an emerging market like India. The company would continue to exercise a bias for franchise expansion as long as margins remain within a band and do not fall below a threshold at the Group level.

**Update on Markets/Distribution Channels:**

Marico's rural sales continue to clock a faster pace of growth than its urban sales. Rural sales clocked a growth of 26% during Q1FY13 as compared to 18% in Urban. The continued focus on distribution expansion in rural markets has pushed the share of rural sales to circa 30% of total Indian FMCG sales. The Company continues to make investments behind strengthening rural distribution for the long term. While it has not yet seen significant signs of any slowdown in demand, if the current macro economic situation continues for an extended period and the inadequate monsoon fuels inflation, there could be a dampening of demand in the remaining quarters of this year, particularly in the rural markets.

The Company is also investing behind strengthening other channels such as modern trade, chemist/cosmetic stores to increase the saliency of its existing portfolio and that of the acquired new male grooming portfolio.

Sales in Modern Trade continued its good run and grew at 28% in Q1FY13 led primarily by Saffola franchise growth and Hair Oils growth.

There was a muted growth during Q4FY12 in CSD due to a planned reduction in stock levels. The situation with respect to the CSD is relatively better but not fully resolved. CSD is likely to keep its purchases at levels lower than in FY12. The company believes some of this shortfall in CSD will get serviced by general trade. However given CSD share of about 7%-8% in CPB sales, it does put some pressure on overall growth for the year and particularly in Saffola where the CSD contribution is higher.

**Acquisition of HALITE (Set Wet, Zatak, Livon) :**

Marico completed the acquisition of Halite Personal Care India Private Limited from Reckitt Benckiser on May 29, 2012, bringing into its fold the male grooming brands Set Wet and Zatak and the hair care brand Livon. It had agreed to allow Reckitt to continue secondary sales of stocks with its distributors during June 2012. Marico commenced primary sales of the acquired brands during the second half of June 2012. Sales during Q1FY13, reflected in the consolidated Group financials were INR 10 crore. Q2FY13 will be the first full quarter of business in Marico's hands.

The annual turnover of the acquired business was about INR 150 Crores during FY12. The Company believes that this business has the potential to grow by 25% to 30% over the next few years considering its presence in the fast growing male styling and grooming category.

This acquisition gives the Company an access to certain youth brands such as Set Wet, Zatak and Livon. Brands in the portfolio occupy amongst the top three positions in the hair gel, male deodorant and leave-on hair serum categories. Set Wet and Zatak provide Marico an opportunity to participate in the rapidly growing deodorant and male grooming categories in India. The portfolio addresses the grooming needs of the youth and is supported by India's demographic profile. Marico 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 Marico's dependence on edibles oils and hair oils.

The Company has a significant presence in the male styling/grooming categories in its overseas markets. Its brand X-Men is a leading player in male grooming in Vietnam. Hair Code and Fiancée provide leadership in hair creams and gels in Egypt. Code 10 participates in the male grooming market in Malaysia. This is expected to result in synergies through knowledge on the latest trends, formulations and an available new product pipeline.

**Update on Packaging Rules: Legal Metrology (Packaged commodities) Amendment Rules 2012: GSR417(E) dated June 5, 2012**

During the quarter there was an amendment to the packaging rules. The salient features are as follows

1. An extension up to November 1, 2012 has been granted to comply with the new regulations
2. There will not be any restriction on pack sizes that retail at INR 10 or lower
3. Pack size of 250 ml has been added to the list of standard packs in the edible oils category.

The Company believes the impact, if any, of the change in packaging rules will be minimal, if any.

# International FMCG Business Group ( IBG)

Marico's IBG encompasses the following key geographies based on FY12 financial performance:

| Geographies | Indicative Contribution to total IBG turnover |
|---|---|
| Bangladesh | 40% |
| Middle East and North Africa (MENA) | 25% |
| South Africa | 10% |
| South East Asia (including exports) | 25% |

IBG reported a turnover of INR 255 Crore (USD 47 million) during Q1FY13. This denotes a growth of about 17% over Q1FY12. The EBITDA margin for the quarter stood at approximately 8.5%.

The table below analyses the growth during Q1FY13

| **Factor** | | **Q1FY13 Growth %** |
|---|---|---|
| Organic growth | Existing Geographies | 3 |
| **Total Underlying Growth** | | **3** |
| Other Factors | FX changes | 14 |
| **Net Reported Growth** | | **17** |

**Bangladesh**

The business environment in Bangladesh was challenging during the last year and it continues to be so in the current quarter. GDP estimates have been revised downwards. High inflation, including food inflation and a sharp depreciation in the Bangladeshi Taka versus USD has resulted in cost push and pressure on overall spending including spends on consumer products. Consequently volume growths are under pressure. On the back of a very strong quarter during Q1FY12, the company's Bangladesh business posted a small decline of 2% in revenue.

Parachute nevertheless continues to play out its market expansion strategy by converting loose oil users to packed branded coconut oil. It was able to hold its market share of about 80% in the branded coconut oil market suggesting strong brand fundamentals. Parachute has been ranked number 1 in the Best Brands Awards (across categories) for FY12 in a study conducted by AC Neilson and Bangladesh Brands Forum. This was a study covering more than 5000 brands across 28 categories *(Source: Bangladesh Brand forum)*

In view of the long term potential that Bangladesh offers, the Company continues to make investments behind existing and new products such a Value Added Hair Oils and Hair Dye. These investments are expected to yield results in future.

Hair Code hair dye has achieved 29% value market share thus establishing itself as the number 1 player in the powdered hair dye market. In the INR 150 crore (USD 28 million) value added hair oils space, the Company strengthened its presence through increased volumes of Parachute Beliphool, a light hair oil with a floral fragrance, Parachute Advansed Cooling Oil and Nihar. This has resulted in ramping up market share from about 7% a few quarters back to over 18% in Q1FY13

The company has set up a copra crushing facility in Bangladesh, which is expected to commence commercial production in the coming quarter. This is yet another step in the backward integration journey which would help in improving the efficiency in the value chain.

There are early signs of a recovery in the economy in Bangladesh with an increase in inward remittances over Q1FY12 by 10%.

**MENA (Middle East and North Africa)**

Egypt witnessed the historical Presidential Election in the month of May 2012. The overall business environment is now near normal, but needs to be observed closely over the next few quarters.

HairCode business performed well during the year. The restage of the brand along with the new visual identity and the spout sachet packaging innovation, continues to yield good returns. This change was well supported by 360 degree marketing initiatives. Fiancée was backed by a campaign reinforcing its VFM positioning. Fiancée also made a foray into the Gel segment on a VFM platform towards the end of the quarter and the initial response is encouraging. The market share of Hair Code and Fiancée range was around 57%.

The company's Parachute business in the Middle East region saw a slow start to this quarter. The company is stepping up its efforts to communicate the transition to a new pack and new launches like Parachute Secrets effectively. The initial response to Parachute Secrets is encouraging. The Parachute business in Egypt continues to track well, supported by on air investments and strong on ground activation.

During Q1FY13, the company's MENA business registered a growth of 5% over Q1FY12.

**South Africa**

The South African business recorded a 12% Y-o-Y growth over Q1FY13. Caivil Just for Kids consolidated its leadership position in the Kids hair care market. Given the inflationary situation the market has been witnessing some degree of down-trading. However, Marico's representation in the VFM segment through Black Chic was able to capitalize on this trend. Overall Marico's hair care brands have been growing steadily and improving their market shares in the ethnic hair care market in South Africa.

**South East Asia**

Inflation in Vietnam has dropped to single digits and the Dong has remained relatively steady. It however posted a GDP growth of about 5% during Apr-Jun 2012 - slightly below expectations.

Amidst this, X-Men, a leading Men's grooming brand, saw an uptick in its market share in male shampoo to circa 47%, supported by a new campaign. It also registered handsome share gains in the deodorant segment on the back of a new campaign and trade activation programs. X-Men for Boss targeted at a slightly older audience and priced at a premium to X-Men is also performing well.

Marico's Malaysian business continues to grow at a very healthy rate. Code 10 has responded well to the brand restage and the Company has recently launched a range of extensions in male hair styling. The Company is leveraging synergies available in the South East Asia region. During the quarter male grooming range (shampoo and body wash) was launched under brand Code 10 in Malaysia supported by manufacturing in Vietnam.

During Q1FY13, the South East Asia business grew by 28% over Q1FY12.

## Kaya Skin Care Solutions

Kaya offers skin care solutions - its technology led cosmetic dermatological services and products through 107 clinics: 82 in India across 26 cities, 19 in the Middle East and 2 in Bangladesh in addition to the 4 Derma Rx clinics and medispas in Singapore and Malaysia.

During Q1FY13, Kaya achieved a turnover of INR 81 crore (USD 14.5 million) registering a growth of 29% over the Q1FY12. The Kaya business in India and in the Middle East achieved same store sales growth of about 12% in net revenues during Q1FY13 as compared to Q1FY12. The same stores sales growth in India was in single digits whereas it clocked double digits in the Middle East. Kaya thus continues to sustain the topline growth trend for the past 7 quarters on a same store basis. DRx business reported a healthy double digit top line growth.

This has been achieved through several initiatives taken over the last few quarter:

- Introduction of regular skin care services at affordable price points to serve as traffic generators and retain existing customers. During the latter part of FY11 and FY12 it introduced a range of Everyday skin care services such as Every Day Radiance, Aqua Radiance and more recently Kaya Signature Facial Therapies. Unlike ordinary facials, these services are created especially by dermatologists that combine the best of science and nature to give consumers a rehydrated, rebalanced smooth, supple and brighter skin. These services are not in the nature of problem solution which means that these services can be availed at short periodic intervals leading to regular foot fall in the clinic.
- Ongoing innovation in the range of these services to give a variety to the consumers.
- Unlocking of portfolio synergies by introducing products from Derma Rx in India and Middle East. These have experienced good acceptability from our customers.
- A 360 degree campaign on Juvederm XC (dermal filler for anti ageing) rolled out across key markets in order to penetrate the anti-ageing market.
- Kaya Smiles: Loyalty program in India designed to recognize and reward customers for their patronage to Kaya. This will be instrumental in improving customer retention and bolster CRM activities.

Kaya has been consciously making a shift in its positioning from "cure" to "cure + care" moving from expert solution provider for skincare problems to personal guide for total skin care. The new tagline 'Love what you see' is an expression of how consumers feel after a visit to Kaya. This re-branding was initiated about two quarters back. A new TVC was launched in the month of June 2012 to communicate this new brand proposition.

The products from Derma Rx introduced in India continue to gain good traction. The Company has started introducing these products in the Middle East during Q1FY13. About 25% of the revenues from Indian operations now come from the sale of products. This ratio was static at about 13% before the Company started focusing on products. The company will continue to introduce more products in India and in the Middle East in a phased manner. We believe that introduction of these products makes the range of products at Kaya more comprehensive. It also improves the stickiness of the brand as some customers may continue to use the products even after completing there package of service sessions. Higher product sales will generate more through-put from the clinics and help improve their ROCE.

During Q1FY13, Kaya recorded a revenue growth of about 29% over Q1FY12 and made a loss of INR 7.3 crore (USD 1.3 million) at the PBIT level. Losses at PBIT level for Q1FY12 were about Rs 5.58 Cr (USD 1 million). This increase in loss is primarily due to a one time exceptional loss of INR 4.8 crore (USD 0.9 million) on account of the proposed sale of Kaya Training Centre building. As a part of controlling costs, the training process has now been regionalized as against the practice of conducting training in Mumbai for all India operations. In addition, there is an increase in advertisement spends incurred to communicate the repositioning of Kaya. These investments are likely to yield results in future in the form of increase in client retention ratios and higher footfalls in the clinics.

## OPERATING MARGIN STRUCTURE FOR MARICO GROUP

| % to Sales & Services (net of excise) | Q1FY13 | Q1FY12 |
|---|---|---|
| Material Cost (Raw + Packaging) | 50.5 | 57.1 |
| Advertising & Sales Promotion (ASP) | 12.3 | 9.3 |
| Personnel Costs | 7.5 | 6.8 |
| Other Expenses | 15.0 | 14.7 |
| PBDIT margins | 14.8 | 12.2 |
| Gross Margins (PBDIT before ASP) | 27.1 | 21.5 |

1. The above ratios are generally calculated before considering the effect of exceptional and non comparable items to enable like to like comparison. There was no such item during Q1FY13 and Q1FY12
2. The quarter witnessed a sharp decline in copra prices that led to an overall reduction in the input costs. Market price of Copra, the input for coconut oil, which accounts for about 40% of the Group's raw material cost, was about 38% lower in Q1FY13 as compared to Q1FY12. Market prices of Safflower Oil and Rice Bran were up by 46% and 20% respectively.
3. There has been an increase in ASP as a result of investments made by the Company behind existing brands and new initiatives.
4. Employee costs during Q1FY13 were higher as compared to Q1FY12 due to normal wage increase and provision for incentives made in the current quarter for FY13. There were certain Kaya clinics opened in the Middle East during the last year which contributed to an increase in employee costs.
5. The detailed Financial Results and other related useful information are available on Marico's website – http://www.marico.com/investor_relations/latest_updates.html

## Capital Expenditure and Depreciation (section to be updated)

The Company plans to invest about INR 130-150 Crore (USD 24-28 million) in capital assets in FY13. This estimate excludes any potential acquisition opportunities and the below mentioned spend on additional office space.

During the quarter the company purchased an office space in Kalina (near Bandra Kurla Complex), Mumbai. This is to cater to the growing infrastructural needs of the Marico group. The Company is in the process of drawing up plans for best utilisation of space in our existing offices together with the newly acquired space. More details will be shared once the Company concretizes its thoughts in due course.

Depreciation during Q1FY13 is INR 19.3 Crore (USD 3.6 million) compared to INR 16.9 Crore (USD 3.1 million) in Q1FY12. The increase is due to normal additions made during the last year and first quarter of current year.

## Effective Tax Rate:

The reported effective tax rate (as % of PBT) after considering MAT credit and deferred tax for Q1FY13 is about 24.5% as compared to about 20% during Q1FY12. The increase in the ETR is primarily due to higher taxable profits during the quarter as a result of growth in the coconut oil franchise.

The Company expects its effective tax rate to be around 22% during FY13 and FY14.

## Foreign Exchange

Marico Limited hedges its foreign currency denominated liabilities and assets using plain vanilla Forwards and plain vanilla Call & Put Options. The company also judiciously executes Interest Rate SWAPs in respect of its interest commitment on External Commercial Borrowings.

The exchange rate for INR/USD remained volatile during the quarter. Similar fluctuations were observed in other local currencies also. While a depreciating exchange rate of INR /USD is better in terms of reported consolidation of business results, a similar depreciation in local currencies added to the input cost pressure in the IBG geographies.

**Capital Utilization**

Given below is a snapshot of various capital efficiency ratios for Marico:

| Ratio | Q1FY13 | Q1FY12 |
|---|---|---|
| Return on Capital Employed<br>- Marico Group | 31.8% | 28.2% |
| Return on Net Worth – (Group) | 34.3% | 35.6% |
| Working Capital Ratios (Group)<br>- Debtors Turnover (Days)<br>- Inventory Turnover (Days) | <br>15<br>54 | <br>17<br>49 |
| Debt: Equity (Group) | 0.58 | 0.74 |
| Finance Costs to Turnover (%) (Group) | 1.3% | 0.9% |

* Turnover Ratios calculated on the basis of average balances

1. There has been no material variation between the ratios in two quarters under comparison.
2. The Debt : Equity ratio has declined mainly due to addition to the Equity. The Company raised INR 500 Cr during Q1FY13 to part fund the Halite acquisition.
3. There have been certain changes made to Schedule VI of the Companies Act requiring regrouping of certain kind of payables included in Current Liabilities and Loans. Some of these changes have not been done in Q1FY13 as there is no requirement to report schedule of assets and liabilities during quarterly results. This will however be prepared for half yearly results. We have therefore decided to share on NWC during the H2 results when the comparisons would be more accurate.

4. The Net Debt position of the Marico Group as of June 30, 2012 is as below-

| Particulars | Amount (INR/Cr) |
|---|---|
| Gross Debt | 883 |
| Cash/Cash Equivalents and Investments | 211 |
| Net Debt | 672 |
| | |
| Foreign Currency Denominated out of the total gross debt | 683 |
| Foreign Currency Denominated : Payable in One Year | 308 |
| Foreign Currency Debt as a % age of Gross Debt | 77% |
| | |
| Rupee Debt out of the total gross debt | 200 |
| Rupee Debt : Payable in One Year | 150 |
| | |
| Total Debt Payable with in One year | 458 |
| | |
| Average Cost of Debt (%) : Pre tax | 5.8% |

The company may roll over some of the loans when they fall due during the year or redeem investments for repayment. Marico has adequate cash flows to maintain healthy debt service coverage.

5. The Debt denominated in foreign currency is either hedged or enjoys a natural hedge against future probable exports the hence the MTM differences are routed through the balance sheet (Hedge Reserve) rather than the income statement.
6. The Company periodically reviews and hedges the variable interest liability for long term loans using Interest Rate Swaps.

7. Pursuant to the Announcement of the Institute of Chartered Accountants of India's ("ICAI") "Accounting for Derivatives" on encouraging the early adoption of Accounting Standard 30 ("AS 30"), "Financial Instruments: Recognition and Measurement", the Company had, commencing from the year ended March 31, 2009, decided on early adoption of AS 30 to the extent it does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company Law and other regulatory requirements. Accordingly, the net unrealised gain/ (loss) of Rs. (6,305.64) lacs as at June 30, 2012 [Rs. (3,392.52) lacs as at March 31, 2012 and Rs. 477.63 lacs as at June 30, 2011] in respect of outstanding derivative instruments and foreign currency loans at the period end which qualify for hedge accounting, stands in the 'Hedge Reserve', which would be recognised in the Statement of Profit and Loss on occurrence of the underlying transactions or forecast revenue.

**Other Developments – Issue of equity shares on a preferential basis:**

The Company has completed the process of equity issue of INR 500 Cr on a preferential allotment basis. These funds were used to fund part of the purchase consideration for Halite Personal Care India Private Limited. The shares were placed with two Private Equity Investors namely Indivest Pte Ltd, an affiliate of GSIC (Government of Singapore Investment Corporation) and Barings India Private Equity Fund III Listed Investments Limited in the ratio of 3:1. The stock was placed at a price of INR 170 per share, a premium of about 2.5% over the SEBI floor price. The equity share capital of the company stood enhanced from INR 61.5 crore to INR 64.5 crore, an increase of 4.9%.

**Short / Medium Term Outlook**

Marico has positioned itself, strategically, in emerging markets - India, South Africa (part of BRICSA), Bangladesh, Vietnam and Egypt (Part of N-11 Group) and the Middle East. These are 11 countries generally considered to be sources of growth potential and of profitable investment opportunities. We believe that in emerging markets, focus on the long term is crucial. Long term success can be ensured only through stronger brands that enjoy loyal consumer franchises. We have therefore chosen to prioritise expansion of consumer franchise over expansion of margins.

Margins during Q1FY13 were higher than the band Marico intends to target. The company has decided to pass back some of the input cost benefit in Parachute to consumers and has initiated steps in select recruiter SKUs. Input prices for Saffola have remained firm. Moreover, there exists some uncertainty in the business environment with a possibility of an economic slow down, downward revision of GDP growth estimates or the likely impact of inadequate monsoons. Even though FMCG companies marketing items of daily consumption are not affected as much as some other industries might be, there could be an effect on consumer demand especially for items of discretionary consumption in our portfolio. The company therefore intends to proactively manage its margins within a reasonable band. In addition high inflation and weak currencies may have some impact on business in few of Marico's international markets. We believe the margins during Q1FY13 are unlikely to sustain during the remaining quarters of the year.

Here is a broad outline of Marico's strategies and the expected outcome for its various businesses:

**CPB:**

- In Parachute, the company will aim to grow by leading market expansion through its recruiter low unit size packs. In rural areas where the market share is relatively low as compared to overall market share the Company aims to gain market share. The Company expects to achieve volume growth 7% to 8% per annum in the medium term.
- In Nihar, Parachute Advansed and Hair & Care, Marico will focus on share gain through introduction of differentiated and innovative products and providing specificity of benefit to consumers accompanied by effective and insightful communication. Successful execution of this strategy is expected to result in annual volume growth of 15% to 17% in the value added hair oils portfolio over the next 2-3 years.
- The Company's efforts in expanding rural reach is also expected to contribute towards franchise expansion in coconut oils and hair oils.

- Saffola is riding a trend in healthy living being adopted by the Indian consumer. The brand expects to continue to grow its basket of premium refined edible oil by about 15% in volume each year. However, for FY13 the growth may be lower than expectations due to the ongoing concerns in the CSD channel impacting growth. In addition the Company plans to build a sizeable business in the healthy foods space by leveraging Saffola's equity. It aims to derive about 25% revenues of Saffola from healthy foods over a period of 3 years.
- Over the next few quarters the company will also focus on integrating the newly acquired brands, Set Wet, Zatak and Livon into Marico. Being in tail wind categories this portfolio is expected to have a rate of growth higher than Marico's existing portfolio.

**IBG:**

- Marico will focus on growing the categories where it has significant market share - such as in coconut oil in Bangladesh and male grooming in MENA and Vietnam.
- The Company will focus on complementing growth of Parachute Coconut Oil in Bangladesh by establishing other products introduced in the market. The pressure on growth experienced during Q1FY13 is expected to ease during H2FY13.
- In South Africa it would work on increasing share in key categories and over the medium term in expanding its footprint to other parts of sub-Saharan Africa.
- The overall environment in MENA is relatively better than it was during last year. In the near term the company will focus on driving penetration in Egypt and regaining the loss of momentum experienced in the Middle East during Q1FY13. .
- Both the X-Men business in Vietnam and Code 10 in Malaysia are expected to continue to show healthy growths.
- We will also explore other countries in the emerging markets of Asia and Africa as targets for expansion in the long term
- IBG is expected to come back to a growth trajectory of healthy double digits in constant currency terms by H2FY13 accompanied by EBDITA margins in the range of 11% to 12% for the year.

**Kaya:**

- Kaya will aim to grow its franchise by opening 3-4 new clinics in strategic locations in India. The near term focus is on same store sales growth to improve capacity utilization and clinic profitability.
- The company will aim to grow its 'care' portfolio of products and skin beauty services in line with its new positioning.
- Kaya has rolled out a new Retail identity in India. During FY13 new clinic openings and existing clinics will be remodeled in a phased manner.
- Derma Rx business in Singapore and Malaysia is expected to sustain its growth throughout FY13.
- In Middle East the business is focused on same store growth by increasing footfalls and retaining existing customers through innovation in Pain Free laser hair reduction, Anti-aging services and Kaya Couture range of regular skin care services. The addition of Derma-Rx range of products will accelerate top line growth
- We feel reasonably confident that the business will achieve sustained growth during FY13 and FY14.
- Kaya skin business in India is also likely to prototype a new retail format during FY13. This envisages a smaller store format of about 500 square feet that will focus on sales of products and customized skin beauty services. This model will be capital light with lower operating expenses and is expected to generate attractive returns.

**Overall:**

- The medium to longer term outlook on all the company's three businesses remains positive.
- In the medium term, the Company will focus on strengthening the building blocks for future value creation - strong equities for its existing brands amongst its consumers, volume growths, robust new product pipelines and operational effectiveness.

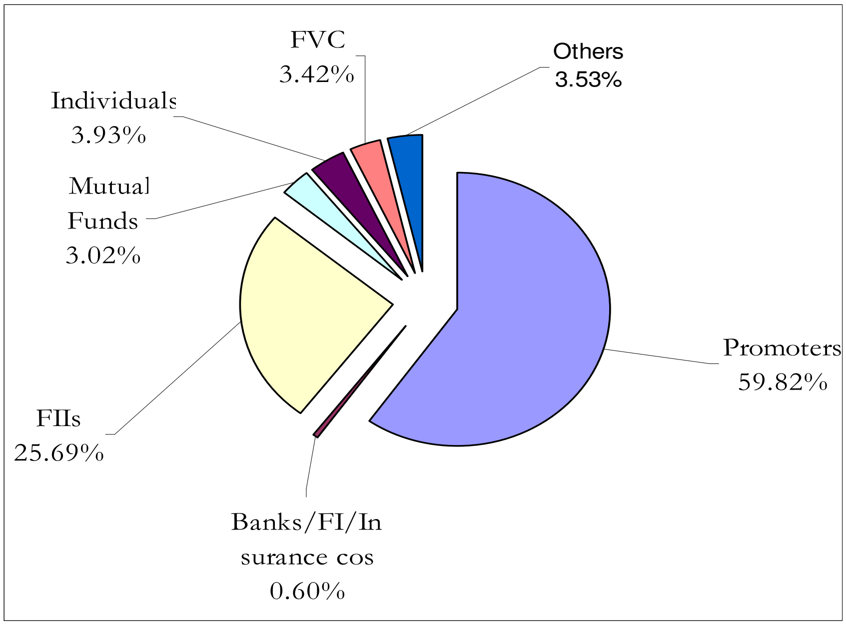
## Long Term Outlook

Our belief in the long term potential of our businesses continues to be strong. Our belief stands bolstered by the recent record of strong volume growths across categories. This emboldens us to spell out our preference for growing our volume franchise as compared to focusing on profit margins alone. Our recent acquisition of personal care brands in the male grooming/styling segments puts us in a good position to leverage the Indian demographic trends and build a portfolio of the future.

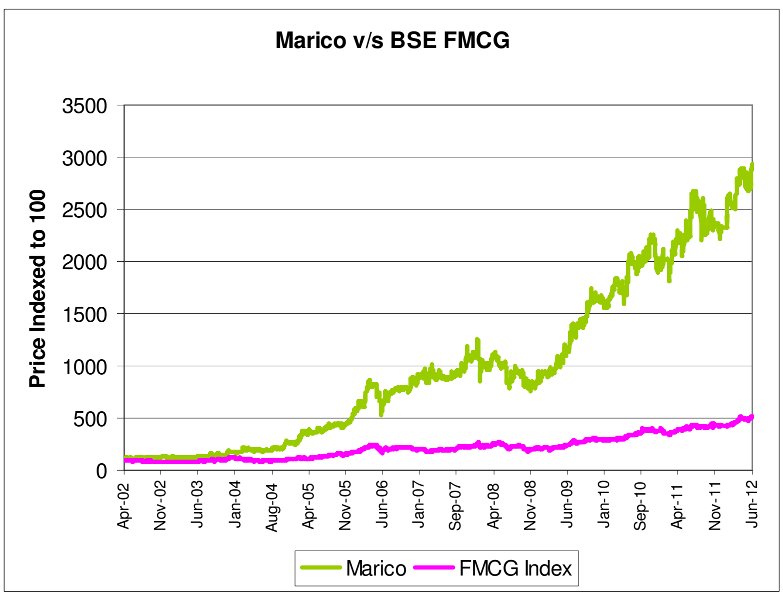
**THANK YOU FOR YOUR PATIENT READING**

## Annexure 1-A: SHAREHOLDING PATTERN

The Shareholding pattern as on June 30, 2012 is as given in the graph below:




## Annexure 1-B: SHARE PERFORMANCE ON STOCK EXCHANGES




- Marico's long term performance on the exchange vis-a-vis its peer group is depicted in the graph alongside.
- Marico's market capitalization stood at Rs. 11883 crs on June 30, 2012. The average daily volume on BSE and NSE during Q1FY13 was about 379522.

**Annexure 1- C Average Market Prices of Input materials**

(These prices are based on simple average of daily market prices and the company's actual procurement prices may be different based on quantities bought on various days.)

| | Rs/100KG | Rs/100KG | Rs/10KG | Rs/10KG | Rs/10KG | Rs /lt | Rs / kg |
|---|---|---|---|---|---|---|---|
| DATE | COCHIN Coconut OIL | COPRA CALICUT | Sun Flower OIL NOMINAL BOMBAY | KARDI OIL JALNA | RICE BRAN | LIQUID PARAFFIN | HDPE |
| Apr-11 | 9712 | 6639 | 672 | 814 | 478 | 58 | 74 |
| May-11 | 10148 | 6865 | 676 | 791 | 512 | 57 | 74 |
| Jun-11 | 9904 | 6675 | 684 | 821 | 533 | 61 | 74 |
| Jul-11 | 8958 | 5799 | 700 | 832 | 551 | 64 | 74 |
| Aug-11 | 9683 | 6292 | 702 | 862 | 563 | 67 | 75 |
| Sep-11 | 8726 | 5837 | 708 | 864 | 546 | 68 | 77 |
| Oct-11 | 7936 | 5323 | 713 | 877 | 553 | 67 | 77 |
| Nov-11 | 8154 | 5549 | 685 | 923 | 549 | 67 | 78 |
| Dec-11 | 7942 | 5383 | 702 | 993 | 539 | 68 | 80 |
| Jan-12 | 7414 | 5102 | 684 | 1109 | 548 | 67 | 81 |
| Feb-12 | 6584 | 4534 | 668 | 1103 | 541 | 68 | 80 |
| Mar-12 | 6472 | 4512 | 693 | 1097 | 567 | 65 | 85 |
| Apr-12 | 6489 | 4392 | 721 | 1216 | 610 | 66 | 90 |
| May-12 | 6064 | 3975 | 720 | 1153 | 608 | 67 | 92 |
| Jun-12 | 6117 | 4052 | 706 | 1181 | 607 | 67 | 92 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Q1FY13 YOY | -37% | -38% | 6% | 46% | 20% | 13% | 24% |
| Q1FY13 QOQ | -9% | -12% | 5% | 7% | 10% | -1% | 11% |

**Annexure 1- D Movements in Maximum Retail Prices ( MRP) in key SKUs**

| | 45 ml | 100 ml | 200 ml | 250 ml | 500 ml | 1 Ltr | 1 ltr | 1 Ltr | 1 ltr |
|---|---|---|---|---|---|---|---|---|---|
| **Month** | **Parachute Coconut Oil** | **Parachute Coconut Oil** | **Parachute Coconut Oil** | **Parachute Coconut Oil** | **Parachute Coconut Oil** | **Saffola-Kardi Oil** | **Saffola Tasty Blend** | **Saffola Gold** | **Saffola Active** |
| **Apr-11** | 12.00 | 27.00 | 53.00 | 61.00 | 116.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **May-11** | 12.00 | 27.00 | 53.00 | 61.00 | 116.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Jun-11** | 12.00 | 27.00 | 53.00 | 61.00 | 116.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Jul-11** | 12.00 | 27.00 | 53.00 | 61.00 | 116.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Aug-11** | 12.00 | 27.00 | 53.00 | 61.00 | 116.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Sep-11** | 12.00 | 27.00 | 53.00 | 61.00 | 116.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Oct-11** | 12.00 | 27.00 | 53.00 | 64.00 | 119.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Nov-11** | 12.00 | 27.00 | 53.00 | 64.00 | 119.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Dec-11** | 12.00 | 27.00 | 53.00 | 64.00 | 119.00 | 165.00 | 120.00 | 135.00 | 107.00 |
| **Jan-12** | 12.00 | 27.00 | 53.00 | 64.00 | 119.00 | 180.00 | 130.00 | 145.00 | 115.00 |
| **Feb-12** | 12.00 | 27.00 | 53.00 | 64.00 | 120.00 | 180.00 | 130.00 | 145.00 | 115.00 |
| **Mar-12** | 12.00 | 27.00 | 53.00 | 64.00 | 120.00 | 180.00 | 130.00 | 145.00 | 115.00 |
| **Apr-12** | 12.00 | 27.00 | 53.00 | 64.00 | 120.00 | 180.00 | 130.00 | 145.00 | 115.00 |
| **May-12** | 12.00 | 27.00 | 53.00 | 64.00 | 120.00 | 180.00 | 130.00 | 145.00 | 115.00 |
| **Jun-12** | 12.00 | 27.00 | 53.00 | 64.00 | 120.00 | 180.00 | 130.00 | 145.00 | 115.00 |
| | | Offer of Rs2/- off Wef July 2012 | | | | | | | |

**List of Key Promotional Offers Running in the markets as of today**

| | | | | | |
|---|---|---|---|---|---|
| **Edibles Oils** | | | | | |
| Saffola Gold | Gold 1Ltr + 20% xtra | 1 Ltr | Extra Volume | August | National |
| **Coconut Oil** | | | | | |
| Parachute Rigids | Rs 2 off | 100ml | Price off | July | National |
| Parachute Rigids | Rs 2 off | 45ml | Price off | August | National |

## Annexure 2 - Profile giving Basic / Historical Information

Marico is a leading Indian Group in Consumer Products & Services in the Global Beauty and Wellness space. Marico's Products and Services in Hair care, Skin Care and Healthy Foods generated a Turnover of about INR 40 billion (about USD 800 Million) during 2011-12. Marico markets well-known brands such as Parachute, Saffola, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Setwet, Zatak, Livon, Kaya, Derma Rx, Aromatic, Fiancée, HairCode, Caivil, Black Chic, Code 10, Ingwe, X-Men, L'Ovite and Thuan Phat. Marico's brands and their extensions occupy leadership positions with significant market shares in most categories - Coconut Oil, Hair Oils, Post wash hair care, Hair Gels/Creams, Deodorants, Anti-lice Treatment, Premium Refined Edible Oils, niche Fabric Care, Male grooming etc. Marico is present in the Skin Care Solutions segment through 107 Kaya Skin Clinics and Derma Rx clinics in India, The Middle East, Bangladesh, Singapore and Malaysia. Marico's branded products are present in Bangladesh, other SAARC countries, the Middle East, Egypt, South Africa, Singapore, Malaysia and Vietnam.

Marico's own manufacturing facilities in India are located at Goa, Kanjikode, Jalgaon, Pondicherry, Dehradun, Daman, Poanta Sahib and Baddi and are supported by subcontracting units. Marico's subsidiaries, Marico Bangladesh Limited, Egyptian American Investment and Industrial Development Corporation, Marico Egypt Industries Company (erstwhile Pyramid for Modern Industries), Marico South Africa Pty Ltd., and International Consumer Products Corporation have their manufacturing facilities at Mouchak and Shirir Chala, near Gazipur in Bangladesh, 6th October City, Egypt, Salheya City, Egypt, Sadaat City, Egypt, Mobeni in Durban, South Africa and Ho Chin Min City, Vietnam respectively.

Marico was incorporated in 1988 and during 1990 took over the then 40-year old consumer products business of The Bombay Oil Industries Limited. It made its initial public offer for equity shares in March 1996. Given below is an overview of Marico's market standing.

| Brands | Category | Indicative Market Share range % | Rank |
|---|---|---|---|
| Parachute, Oil Of Malabar, Nihar | Coconut Oil | 55 | 1 |
| Hair Oil (Hair & Care, Parachute Jasmine, Parachute Advansed, Nihar Naturals, Nihar Shanti Amla, Parachute Advansed Ayurvedic hair oil, Parachute Advansed Cooling oil) | Hair Oils | ~24 | 2 |
| Saffola | Super Premium refined Edible Oils | ~57% | 1 |
| Mediker | Anti Lice Treatment | ~ 90 | 1 |
| Revive | Fabric Starch | ~ 65 | 1 |

Source: ACNielsen Urban Retail Market Research and Company Sources

Marico's frontline brands have shown remarkable resilience against competition - refer the market share statistics given below:

| Brands | Category | 1992 (%) | Now (%) |
|---|---|---|---|
| Parachute, Oil Of Malabar, Nihar | Coconut Oil | 48-49 | 55-56 |
| Hair Oil (Hair & Care, Parachute Jasmine, Parachute Advansed, Nihar Naturals, Nihar Shanti Amla, Parachute Advansed Ayurvedic hair oil, Parachute Advansed Cooling oil) | Hair Oils | _ | 23-24 |

Source: ACNielsen Urban Retail Market Research and Company Sources

Marico has consistently sought to broad base its brand basket. The new products dealt in by the Company during last 5 years have now assumed a critical mass. In the process, Marico's dependence on Parachute has consistently been reducing. From a share in the range of 70% - 75% in early 90's, Parachute coconut oil in India today contributes about 30% to the top line of Marico. Its share in profits too has come down.

**Reach**

Marico today touches the lives of 1 out of every 3 Indians. Marico sells over 7.5 crore packs every month to around 7.5 crore households through about 40 lacs retail outlets services by its nation wide distribution network comprising 4 Regional Offices, 32 carrying & forwarding agents (CFAs) and about 5000 distributors and stockists. Marico's distribution network covers almost every Indian town with population over 20,000.

The table below provides an indicative summary of Marico's Distribution Network in India

| | Urban | Rural |
|---|---|---|
| Sales Territories | 135 | 49 |
| Town's covered (000's) | 4.1 | 27.0 |
| Distributor | 750 | - |
| Super Distributor | - | 145 |
| Stockists | - | 4,100 |

**Skin Care Solutions**

Marico entered the skin care solutions business through Kaya Skin Clinics offering a range of highly effective and safe services based on cosmetic dermatological procedures and products. Services offered at Kaya use US FDA approved technology and have been specifically customized for Indian skin. In-clinic dermatologists recommend a personalized series of treatments. The chain of Kaya clinics (all company owned) is now 105 strong, spread across 26 cities in India and a presence in the Middle East, Bangladesh, Singapore and Malaysia. Its customer base is now more than 700,000.

**Financial Highlights**

Marico has maintained a steady top line and bottom line growth over the past decade with a consistently healthy Operating Return on Capital Employed (ROCE).

| Particulars (INR crores) | FY 08 | FY 09 | FY 10 | FY11 | FY12 | CAGR % |
|---|---|---|---|---|---|---|
| Sales & Services | 1,905 | 2,388 | 2,661 | 3,128 | 3980 | 21% |
| Profit Before Tax | 205 | 230 | 298 | 376 | 400 | 22% |
| Net Profit (PAT) | 169 | 189 | 232 | 286 | 317 | 23% |
| Earnings per Share - Annualised (Rs)* | 2.80 | 3.10 | 3.80 | 4.70 | 5.15 | 22% |
| Book Value per Share (Rs)* | 5.20 | 7.40 | 10.70 | 14.90 | 18.59 | |
| Net Worth | 315 | 453 | 654 | 915 | 1,143 | 43% |
| EBITDA% | 12.9% | 12.7% | 14.1% | 13.3% | 12.1% | |
| ROCE % | 42 | 35 | 34 | 27 | 26 | |

* For a meaningful comparison of EPS and Book Value, the numbers for the previous years have been re-computed taking into account sub-division of equity shares to a face value of Re 1 per share.

**Business Model and Organization**

Marico's business model is based on focused growth across all its brands and territories driven by continuously improving value propositions to consumers, market expansion and widening of retail reach. Marico aims to be the leader in each of the businesses; by heightened sensitivity to consumer needs, setting new standards in the delivery and quality of products and services through processes of continuous learning and improvement.