

Media Release

MARICO SUSTAINS VOLUME GROWTH AND MARGINS

Year	2009-10
Turnover	Rs. 2661cr
Net Profit	Rs. 232cr

Turnover and profit consistently growing over the corresponding quarter of the previous year, for the past 38 quarters and more

1 out of every 7 Indians is a Marico consumer.

Marico distribution network covers over 33lac retail outlets

Most Marico brands enjoy a leadership position (No. 1 or No. 2) in their respective categories

Parachute is the world's largest coconut oil brand

Kaya cosmetic dermatology has been a pioneer with over 100 clinics in India, Bangladesh and the Middle East

Marico was awarded the NDTV Profit Business Leadership Award 2009 in the FMCG (Personal Hygiene) category

Superbrands voted Parachute a Super Brand in UAE & Bangladesh and Hair Code in Egypt

Parachute ranked the 2nd Most Trusted Brand in Bangladesh

Kaya was awarded the 'Most Admired Retailer for Health and Beauty' at the Images Retail Awards '09

Marico's manufacturing unit won the Outstanding Achievement Trophy at the IMC Ramkrishna Bajaj National Quality Award (RBNQA) 2009

Healthy Volume Growth and Margin Expansion

Marico achieved revenue of Rs 602 Cr during Q4FY10, a growth of 6.5% over Q4FY09. Volume growth during the quarter was however higher at 14%. Revenue growth was lower owing to deflation in some of the companies key input materials part of which the company chose to pass on to the consumer in order to expand its consumer franchise. The PAT during Q4FY10 stood at Rs. 51 Cr, a growth of 15% over Q4FY09. The results for Q4FY10 include two items that are not strictly comparable with the corresponding quarter in the previous year. Adopting conservative principles, the company made a provision of Rs 1.1 crore towards excise duty on dispatches of coconut oil in packs up to 200 ml. The company withdrew its Kaya Life prototype resulting in a provision of Rs 5.7 Cr. The PAT growth before these exceptional items that pertain to the quarter was 37%.

Marico has kept up its track record of sustained growth. Q4FY10 is in Y-o-Y terms, the : 38th consecutive Quarter of growth in Turnover and 42nd consecutive Quarter of growth in Profits

THE BOARD OF DIRECTORS OF MARICO LIMITED AT ITS MEETING ON APRIL 28, 2010 DECLARED A SECOND INTERIM DIVIDEND OF 36% ON ITS EQUITY SHARE CAPITAL OF RS. 60.9 CRORE.

Consumer Products Business - India

Parachute, Marico's flagship brand, continued to expand its franchise during the year. Parachute coconut oil in rigid packs, the focus part of its portfolio, grew by over 10% in volume as compared to FY09. Similarly Nihar in rigid packs grew at about 9% in volume terms. Parachute's volume share in the 12 months ended February'10 was 43%. Together with Nihar and Oil of Malabar, Marico's share in the branded coconut oil segment in India was 53.3%.

Marico's second flagship brand, Saffola, is positioned strongly on the "good for the heart" platform and rides the trend increasing concern around health and heart health in India. During Q4FY10, the refined edible oils franchise of Saffola grew by about 13% as compared to the corresponding period in the previous year. The number of households buying Saffola has steadily increased. It is estimated to have gone up by over 12% during FY10. The Saffola refined oil franchise continues to hold its market leadership position in the super premium ROCP (Refined Oil in Consumer Packs) segment.

With rising incomes there has been an opportunity to serve consumers looking for value added options to their hair oiling needs. During Q4FY10, all Marico's hair oils brands recorded healthy growth and the portfolio as a whole grew by about 27% over FY09. Marico's hair oils franchise had a volume market share of 21% during the 12 months ended Feb 2010. Over the last few months however, it has been gaining share reaching about 23% in Feb 2010. This has been achieved through packaging and communication restaging in some of the brands and penetrative pricing action in others.

Marico seeks to continuously bring new and differentiated product propositions to its consumers. During Q4FY09, Saffola Arise, rice that keeps you feeling light after eating, yet keeps you fuller for longer, was launched across key Saffola markets at invitational pricing and has been supported by insightful advertising. The initial performance has been in line with expectations. Parachute Advanced Hot Oil, a new product that was launched during FY10, has received a good response from consumers. Parachute Therapie a coconut oil based hair vitalizer that heals

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damaged roots and controls hair fall was re-launched in October 2009 in a 100 ml pack size at a price point below Rs 100. The response is in line with expectations. The company plans to increase its participation in the hair oils category by entering the cooling oils segment. It is currently prototyping two differentiated cooling oil variants - Nihar Naturals Coconut Cooling Oil in Bihar and Parachute Advanced Coconut Cooling Oil in Andhra Pradesh.

Saugata Gupta, CEO-Consumer Products, commented, "Marico's consumer products business will continue to leverage multiple channels for growth – category expansion, market share growth, increased distribution reach by tapping into the rural markets and new product introductions."

International FMCG Business

Marico's International business, (Key geographies - Bangladesh, Middle East and North Africa [MENA] and South Africa), has been growing steadily and comprises about 23% of the group's turnover. During Q4FY10 the business grew by about 16% over Q4FY09. The growth in Indian Rupee terms was partly deflated owing to the appreciation of the Indian Rupee. Business growth (excluding the currency movement) was higher at 22%.

In Bangladesh, Parachute's market leadership position has been strengthened further and it now commands a volume share of about 75%. Parachute has achieved the status of second most trusted brand in the country (Bangladesh Brand Forum 2009), a testimony to its brand equity. Hair Code hair dye has been able to establish itself as the second largest hair dye brand in the country. In the Middle East, both Parachute Cream and Parachute Gold hair oil experienced healthy growths and registered improvement in market shares. Marico's business in Egypt comprising the hair cream and hair gel brands Fiancée and Hair Code achieved a growth of 19% during FY10. Several promotional campaigns, including digital and viral marketing initiatives have helped improve the salience of the brands with the market share now standing at 57%. Despite a difficult macro economic situation in South Africa, impacted by the global downturn, Marico's business in ethnic hair care and health care through its portfolio of brands Caivil, Black Chic and Hercules performed well. All the brands registered healthy growths and Marico improved its market share in ethnic hair care by about 100 basis points.

Said Vijay Subramaniam, CEO, International Business, "Marico has established a significant presence in three developing markets – Bangladesh, MENA and South Africa. Our recent entry into Malaysia provides another avenue for growth. We will now focus on meaningful cross fertilization of product portfolios and ideas across our geographies even as we focus on entering new territories."

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Kaya

Kaya skin business achieved revenue of Rs 182 Cr in FY10, a growth of 15% over FY09. Over the last few years it has built scale and it now offers its services through 101 Kaya skin clinics across 27 cities in India, 9 in the Middle East and 1 in Dhaka, Bangladesh.

Kaya has faced a challenge in same clinic growth in India during the year. Same clinic revenue experienced a decline of 13% during Q4FY10. The Kaya business achieved revenue of Rs 45 core in Q4FY10 and incurred a loss of Rs 5.3 Cr during the period. The company has identified declining customer retention and high skin practitioner attrition as two of the issues being faced. Kaya's performance in the Middle East however, despite the turbulence in Dubai, has been good with the clinics registering a same clinic growth of 17%. It has begun to put measures in place to improve upon these. Kaya Everyday Radiance, a new service launched in Q3FY10 seeks to attract customers on a more repetitive basis. Other packages to increase the life time value of a customer to Kaya are being initiated. These will include the introduction of more products in the Kaya portfolio. The company remains confident about the medium and long term growth and profitability prospects of Kaya Skin Clinic.

Ajay Pahwa, CEO, Kaya explained, "We have already experienced profitability at both clinic level and regional level in a few accounting periods. Marico's belief in the Kaya Business model is therefore intact, especially as we perceive the long term opportunity in skin care solutions to be significant. During FY11 Kaya plans to work on improving its revenue streams from the existing clinics in India and build scale through new clinic expansion in the Middle East".

Marico had launched the Kaya Life prototype to offer customers holistic weight management solutions. The prototype had reached a capacity of 5 centers, all in the city of Mumbai. While clients had been experiencing effective results on both weight loss and inch loss, the prototype has had less than expected progress in building a sustainable business model, despite the passage of a reasonably long period of time. Marico has therefore decided to withdraw the Kaya Life prototype from the market.

Milind Sarwate, Chief- Finance, HR & Strategy, commented, "Our businesses have remained focused on building franchises in their existing segments and creating new ones with a view to delivering long term sustainable profitable growth. We will continue to enhance stakeholder value through both, organic and inorganic routes."

Established in 1990, Marico is one of India's fastest growing Consumer Products & Services groups, in the Global Beauty and Wellness space. During 2009-10, the company generated a turnover of Rs. 26.6 billion (about USD 600 Million). Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Kaya, Fiancée, Hair Code, Caivil, Code 10 and Black Chic. Today one out of every seven Indians is a Marico consumer. Marico's brands occupy leadership positions and significant market shares in their respective categories. Marico is also present in the Skin Care Solutions segment through 101 Kaya Skin Clinics in India, Middle East and Bangladesh.

Marico's focus on sustainable profitable growth is manifested through its consistent financial performance – a CAGR of 23% in Turnover and 28% in Profits over the past 5 years. Marico has successfully achieved several consecutive quarters of y-o-y growth- 42 for Profits and 38 for Sales. The Marico scrip is listed on the Bombay Stock Exchange (BSE) (Code 531642) & on the National Stock Exchange (NSE) (Code "MARICO"). Marico Websites: www.marico.com, www.maricobd.com, www.saffolalife.com, www.kayaclinic.com, www.haircodeworld.com, www.parachuteadvanced.com, and www.maricoinnovationfoundation.org