



MARICO MAINTAINS MOMENTUM

With Sustained Organic & Inorganic Turnover Growth

Mumbai, January 19, 2007

Marico's focused efforts towards sustainable profitable growth continued to bear fruit, as it registered yet another quarter of growth in both topline and bottom-line. During Q3FY07, the Marico Group recorded a topline of Rs 410 crore, a Growth of 36% over Q3FY06, which was all-round - in Consumer Products as well as in Kaya skin care solutions, both in India and overseas.

Across categories, franchise expansion was the chief driver. The Company did not take any significant increase in consumer prices and ploughed back a larger part of the recent margin expansion into brand building through Advertising and Sales Promotion. Profit before tax (PBT) increased by 31% from Rs. 25.8 crore in Q3FY06 to Rs. 33.9 crore in Q3FY07. Profit after tax (PAT) increased by 30% from Rs. 21.9 crore in Q3FY06 to Rs. 28.4 crore in Q3FY07.

In December 2006, Marico acquired HairCode, a leading Egyptian brand in hair creams, hair gels and cream gels, with a market share of about 23%. This was Marico's second acquisition in Egypt- in September 2006 Marico had acquired Fiancée, another hair care brand. Marico now has a share of about 50% in the pre and post wash hair care segment in Egypt.

Marico also privately placed 29 lac equity shares through the QIP route to raise Rs 151 crore. This placement was at Rs 522 per share, a slight premium to the SEBI determined floor price of Rs 518 per share.

The Board of Marico Limited, at its meeting held on January 19, 2007, declared an interim dividend of 17% on its enhanced equity share capital of Rs. 60.9 Crore. Q3FY07 is now the 24th consecutive quarter of dividend distribution, as also the 25th consecutive Quarter of growth in Turnover and 29th consecutive Quarter of growth in Profits in Y-o-Y terms.

Releasing the quarter's results, **Mr. Harsh Mariwala, Chairman and Managing Director**, stated – "We look forward to staying on our stated sustainable profitable growth path in Beauty and Wellness, with continued brand-building efforts, supporting both our flagships and new products and services that need nurturing. Acquisitions could provide the additional growth drive."

In the Domestic market, the flagship brand, Parachute Coconut Oil achieved another quarter of double-digit volume growth. In the Premium Refined Oils market, Saffola, the company's second flagship, grew its franchise by 20% in volumes. The quarter saw two national launches from Marico. After a successful prototype in Mumbai, Parachute Therapie hair-fall solution was rolled out to the top 27 cities in the country in October 2006. In December 2006, Marico launched hair gels in India under the brand Parachute Advanced After Shower. Said **Mr. Saugata Gupta, Chief – Marketing and Sales**, "We are ploughing back margins generated from established products for creating and building new franchises".

During Q3FY07 Marico's International FMCG business excluding Egypt operations clocked a growth of 33% over the corresponding quarter in the previous year with a turnover of Rs 45.2 crore for the quarter. In addition, the company commenced marketing and distribution of Fiancee, which contributed to an additional Rs 12 crore of turnover during the quarter making the total growth over Q3FY06 in International business 68%. "Egypt is now a significant market for us", said **Mr. Vijay Subramaniam, CEO, International Business**.

During Q3FY07, the Kaya skin care solution business recorded a turnover of Rs 19.7 crore, a growth of 64% over Q3FY06. A new clinic was opened in Fujairah, UAE, during the quarter. Kaya Skin Clinic now reaches its customers through 43 clinics in India and 4 in the UAE, with a consumer base of over 200,000. The Kaya skin care business broke even during the quarter registering a PBT of Rs 1 crore. It is also expected to break even for the year as a whole during FY07. During the quarter, two new products were introduced, each complementing an existing service. Kaya Pimple-Free Cream to help control and occurrence of pimples and Kaya Post-Laser Cream to help the natural healing process of the skin following laser hair reduction. A new skin lightening service is now being prototyped in Chennai.

Kaya has won the Reid & Taylor Awards for Retail Excellence in the Beauty and Health category for the second year in a row. Kaya also won the Star Retailer Award, The Consumer Way, by Franchisee India Holdings, adjudged by KSA Technopak, in the Health & Beauty category. "This is a testimony to Kaya's focus on high levels of customer service and satisfaction", said **Mr. Rakesh Pandey, CEO – Kaya**.

At its meeting held on January 12, 2007, the Board of Directors of Marico Limited approved a sub-division of the nominal value of each equity share of the company from Rs 10 into ten equity shares of nominal value Re 1 each. Said **Mr. Milind Sarwate, CFO** "It is expected that the lower nominal value of Equity Shares will bring in additional interest from retail investors and contribute towards enhancement in the liquidity in the Marico scrip on the Stock Exchanges". He added, "This proposal is subject to shareholder approval that the company has sought to obtain at an Extra-Ordinary General Meeting to be held on February 8, 2007".

About Marico

Marico is a leading Indian Group in Consumer Products and Services in the Global Beauty and Wellness space. Marico's Products and Services in Hair care, Skin Care and Healthy Foods generated during 2005-06 a Turnover of about Rs.11.5 billion (USD 250 Million). Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Kaya, Sundari, Aromatic Fiancee and HairCode. Marico's brands and their extensions occupy leadership positions with significant market shares in most categories- Coconut Oil, Hair Oils, Anti-lice Treatment, Premium Refined Edible Oils, Fabric Care etc. Marico is present in the Skin Care Services segment through Kaya Skin Clinics (47 in India and the UAE), the Sundari range of Spa skin care products (in the USA & other countries) and also through a recently acquired nascent soap franchise (in India and Bangladesh).

Marico's branded products are also present in Bangladesh, other SAARC countries, the Middle East and Egypt. The Overseas Sales franchise of Marico's Consumer Products (whether as exports from India or as local operations in a foreign country) is one of the largest amongst Indian Companies and is entirely in branded products and services.

Every month, over 70 Million consumer packs from Marico reach approximately 130 Million consumers in about 23 Million households, through a widespread distribution network of more than 2.5 Million outlets in India and overseas.

Marico's focus on sustainable profitable growth is manifest through its consistent financial performance – a CAGR of 13 % in Turnover and 15% in Profits over the past 5 years- while setting a record of several consecutive quarters of year on year growth- 29 for Profits and 25 for Sales, and distributing dividends for 24 consecutive quarters.

The Marico scrip is listed on the Bombay Stock Exchange (BSE) (Code 531642) & on the National Stock Exchange (NSE) (Code "MARICO").

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