

Media Release

Year 2010-11
Turnover Rs. 3128cr
Net Profit Rs. 286cr

Turnover and profit consistently growing over the corresponding quarter of the previous year, for the past 42 quarters and more

1 out of every 4 Indians is a Marico consumer.

Marico distribution network covers over 33 lac 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

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

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

Marico was awarded the 'IMC Ramkrishna Bajaj National Quality Award (RBNQA) .

Marico won the 'Gold Award' at the prestigious Economic Times 'India Manufacturing Excellence Awards' 2010.

Marico won 'Silver' at the Greentech Environment Excellence Award 2010

Marico awarded the Nasscom CNBC TV18 - IT User Award 2010, for excellence in IT application.

Marico continues to Record Strong Sales Growth

Marico achieved a turnover of ~INR 3128 crore during FY11, a growth of ~18% over FY10. The volume growth underlying this revenue growth was healthy at ~12%. With firming of input prices from the second half of FY11 the company took price increases in a phased manner in H2FY11 in select SKUs. Pricing power of its brands enabled the Company to pass on a part of the input cost increase to consumers. Overcoming an input material cost-push of 380 basis points, Marico recorded an Operating margin of 13.9% - down only 140 basis points Y-o-Y.

Each of the company's three businesses achieved topline growth over the corresponding period in the previous quarter. The Indian Consumer Products Business registered an 11% growth in volume terms – key contributors being Parachute Coconut Oil (in rigid packs) at 10%, Saffola Oils at 16% and Hair Oils at 24%. Marico's International Business grew by 19% in volume while its skin care solutions business grew by 31% aided by the acquisition of Derma Rx, Singapore in May 2010. Kaya, sans Derma Rx posted a revenue growth of 7%.

Marico has demonstrated Sustainable Profitable Growth over the last decade. Q4FY11 was in Y-o-Y terms the – 42nd consecutive quarter of Turnover growth and the 46th quarter of Net Profit growth.

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading Consumer Products & Services Group, in the global beauty and wellness space. During 2010-11, Marico recorded a turnover of Rs. 31.3 billion (~USD 695mn) through its products and services sold in India and 25 other countries in Asia and Africa. Marico touches the lives of 1 out of every 4 Indians, through its portfolio of brands such as Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar, Mediker, Revive and Manjal. The international portfolio contributes to 23% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancee, Aromatic, Caivil, Hercules, BlackChic, Ingwe, Code 10, X-Men, L'Ovite and Thuan Phat. Marico is also present in the Skin Care Solutions segment through Kaya Skin Clinics in India, Middle East and Bangladesh and Derma Rx in Singapore.

At Marico, we believe in transforming the lives of our stakeholders be it our consumers, members, associates or shareholders, by helping them maximise their true potential. This truly articulates the Mariconian spirit – to **'be more. every day'**TM. Marico's focus on sustainable profitable growth is manifest through its consistent financial performance – a CAGR of 22% in Turnover and 27% in Profits over the past 5 years

Business Unit-wise details have been given in the next two pages.

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Consumer Products Business

Marico's Consumer Products Business in India grew by 11% in volume and 17% in value during FY11 over FY10. This was achieved through growth across key established portfolios – Parachute coconut oil, Saffola refined edible oil and hair oils as well as the introduction of new products. The Company also achieved a higher rate of growth in its rural markets, taking the share of rural sales in its revenue to 27%.

FY11 witnessed a steep rise in copra prices, particularly from the second quarter. The Company passed on a part of this cost push through price increases and decided to absorb a part of this abnormally high upward movement of input costs, in order to continue to grow its franchise.

Marico's second flagship brand, Saffola, continues to ride the trend in increasing concern around health and heart health in India. The Saffola refined oils franchise retained its leadership position in the super premium segment of refined edible oils. Marico's hair oils franchise gained market share, increasing its volume market share to ~23% during the 12 months ended March 2011 (with exit share being higher). This 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 and continued media support in some of the brands and penetrative pricing action in others.

The Company's new product initiatives are tracking well. Saffola Oats introduced in the month of May 2010 has received a good response and is now participating in the fast growing category. Two new variants of Saffola Arise, Basmati Gold and Premium (a long grain variety) were introduced during the quarter to cater to the preference of the North market. Parachute Advansed Ayurvedic hair oil having performed well in the Tamil Nadu prototype has been extended to other Southern states.

During Q4FY11, Marico divested its refined edible oil brand Sweekar to Cargill India Pvt Ltd.

Saugata Gupta, CEO-Consumer Products, commented, "FY11, despite the challenge of all round inflation, has been satisfying with significant franchise expansion across all our key brands and laying strong foundations for an array of new product initiatives expected to blossom over the next couple of years."

International business

Marico's International business (comprising about 23% of the group's turnover) grew by 22% over FY10. The underlying business growth was higher at 27%, which was partly offset by the appreciation in the Indian Rupee.

In Bangladesh, Parachute has gone from strength to strength and was recognized last year as the 2nd most trusted brand in Bangladesh. Hair Code hair dye has achieved about 29% market share thus establishing itself as a strong number 2 player.

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Revenue for MENA (Middle East and North Africa) in FY11 was flat as compared to FY10. Growth witnessed during the first three quarters of the year was unfortunately negated by a fourth quarter that was badly impacted by the political unrest witnessed in the region. While our outlook on the long term trends in demand for personal care products in the region remains positive, the growth in the immediately ensuing quarters may be unpredictable.

The South African business continued grow handsomely and recorded a growth of ~33% aided by the acquisition of Ingwe. The organic growth during the year was 24%. Marico's Malaysian business has grown at a very healthy growth rate and has responded well to the renewed thrust to distribution in Code 10.

Marico increased its commitment to the South East Asian market by taking up 85% equity in International Consumer Products Corporation (ICP), one of the most successful Vietnamese FMCG companies. Its brands (X-Men, L'Ovite, Thuan Phat) have a significant presence across personal care, beauty cosmetics and sauces / condiments categories.

Said **Vijay Subramaniam, CEO, International Business**, "Despite business disruptions in certain geographies in the MENA region, the International business has turned in a healthy growth. We will now focus on adding depth in the geographies of our presence, namely Bangladesh, MENA, South Africa and South East Asia."

Kaya Skin Solutions Business

During FY11, Kaya's skin solutions business achieved a turnover of INR 239 crore recording a revenue growth of ~31% over FY10, boosted by the acquisition of Derma Rx in May 2010. The Kaya business without Derma Rx achieved a revenue growth of ~7% over FY10. On an overall basis Kaya made a small loss of INR 2.30 crore at the PBT level.

While Kaya had experienced some clinic decline in revenue during H1FY11, the trend was reversed during H2FY11. It recorded a same clinic Y-o-Y growth of ~8% in the second half of the year. Kaya introduced services priced at INR 990 for a single session to serve as traffic builders. Four new advanced skin care products addressing Acne and Skin Ageing concerns from the Derma Rx range were launched.

Ajay Pahwa, CEO, Kaya said, "We believe that introduction of these products makes the range of products at Kaya more complete. These products will set a new standard for Acne and Pigmentation management. With two quarters of same clinic growth behind us we are now confident about bringing Kaya firmly back on the growth path".

Milind Sarwate, Group CFO and CHRO remarked: "The medium term outlook for all our businesses remains positive, although we have just closed an unusual year with unprecedented input cost push and uncertain business environment in MENA. We will hold our focus on the building blocks for value creation – stronger and more consumer-centric brands, sustained volume growths, robust new product pipelines and competitive effectiveness across the value chain."

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