

Marico's Q2 FY 04 Results Media Release dated October 22,2003

Marico extends growth run up the Value Chain

Consumer Products Turnover Up 13%, Profits Up 19%

Marico, the FMCG major, has extended its long held track record of consistent growth with yet another solid performance. For the Quarter ended September 30, 2003 (Q2 FY 04), Marico's Consumer Products business (Marico Industries and Marico Bangladesh) posted a turnover of Rs. 220 Crore, a growth of 13% over Q2 FY 03. Driven by strong volume growth in the high margin portfolio, PBT (Rs 18.2 Crore) was up 14% while PAT (Rs 15.5 Crore) grew by 19 %. With this Marico has delivered year on year growth for 16 consecutive quarters in bottomline and 12 consecutive quarter in topline.

Speaking on the occasion, Mr. Harsh Mariwala, Chairman and Managing Director, said- "Marico has the right strategies in place to leverage the favorable ambient macro economic conditions in our journey of moving up the value chain. We would continue to invest in new products and categories while consolidating flagships. Overall, the strategy would be to focus on growing the high margin portfolio by building enduring consumer franchise through brand building and innovation"

Volumes of high margin products grew by 15% in Q2 FY 04-. The coconut oil and hair oil franchises recorded healthy volume growths. The Quarter saw a growth in market shares of all Marico product categories except edible oils, where focus on margins had an impact. However, with improved availability of safflower oil, Saffola franchise was able to hold on to its volumes. New products in the Consumer Products portfolio grew by 16 % and now contribute about Rs. 150 Crore - 18% of the total turnover.

International business grew by 35% in volume and is now 7% of Marico's Consumer Products business. Parachute coconut oil is now a clear leader in Bangladesh, while Marico's hair oil franchise is now No. 2. Parachute Gold; a Perfumed Hair Oil and Parachute Hair Cream posted impressive growths in volumes in the Gulf market.

For the half year ended September 30, 2003 the Consumer Products business posted a turnover of Rs. 428 Crore with a growth of 14% over H1 FY 03, PBT (Rs. 37.1 Crore) was up 14% while PAT (Rs. 31.5 Crore) grew by 19%. Supported by this performance, Marico continued to nurture and strategically fund its new businesses - Skin Care Services (Kaya Skin Clinics, India and the UAE) and Global Ayurvedics (Sundari LLC, USA). The Kaya business grew with the opening of 2 more clinics and increase in the business of existing clinics. The Sundari Business continued its focus on the new channels of distribution and introduction of new products. The combined turnover of the new businesses attributable to Marico's stake was Rs. 2.8 Crore in H1 FY 04.

The Marico Industries Board has declared a second interim equity dividend of 20%. This is the 11th consecutive quarter of distribution to shareholders. The total distribution in FY 04 has so far been Rs. 14 Crore- a payout of 51% of Marico Group's PAT.

This release covers the unaudited Consolidated financial results of Marico for the quarter ended September 30, 2003 that comprise the audited financial results of Marico Industries Limited & Kaya Skin Care Limited and the unaudited financial results of Marico Bangladesh Limited & Sundari LLC for the quarter ended September 30, 2003.

Some forward looking statements on projections, estimates, expectations, outlook etc. have been included in this Release to help readers get a better comprehension of the business in terms of facts and prospects. 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.

Marico's Investor Relations Efforts are co-ordinated by

- Milind Sarwate, Chief Financial Officer and B. Ramakrishna, General Manager (Corp. Finance).

For further information / clarification, Marico may be contacted on:

- Tel: (91-22) 2644 37 11 Fax no.: 2641 01 06;
- E-mail: milinvrel@maricoindia.net; Website: www.maricoindia.com;

Other related Websites are www.healthykhana.com; www.kayaclinic.com; www.sundari.com

Marico is a leading Indian Group operating in Consumer Products, Skin Care Services and Global Ayurvedics businesses. Marico's FY 2002-03 Turnover was about Rs.7755 million (USD 163 Million) from 12 brands - Parachute, Saffola, Sweekar, Hair & Care, Shanti, Mediker, Oil of Malabar, Mealmaker, Sil, Revive, Kaya and Sundari. In Consumer Products, Marico's brands and their extensions occupy leadership positions with significant market shares in all categories- Coconut Oil, Hair Oils, Anti-lice Treatment, Refined Edible Oils, Fabric Care etc. Marico has entered the Skin Care segment through Kaya Skin Clinics in India and Global Ayurvedics segment through Sundari range of Ayurvedic skin care products in the US.

Marico has leveraged its four core sources of competitive advantage viz. Branding, Distribution, Cost Management and Innovation to set up a fast growing franchise of new products and businesses – their share in turnover has moved up sharply from 3% in FY00 to 18% in H1FY04.

Every month, over 4.6 crore consumer packs from Marico reach approximately 10 crore consumers in about 1.8 crore households, through a widespread distribution network of about 17 lac outlets in India. The Overseas Sales franchise of Marico's Consumer Products is one of the largest amongst Indian Companies.

Marico's shares are listed under the scrip name " MARICO INDUS" on BSE (Code 531642) and "MARICOIND" on NSE (Code 31642).