

## CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

The year 2003-04 was yet another year of sustained growth in topline and bottomline. It signified continued success in your Company's journey of moving up the value chain.

As one looks back, one can see that Marico has come a long way since the early 1990s when the FMCG business of the erstwhile Bombay Oil Industries was spun off as a separate company, with just two major brands: Parachute and Saffola. Even then, we had a clear growth vision, built around improving the quality of people's lives - their personal well-being and healthy living. Over the years, our 'Uncommon Sense' has enabled us to keep delivering in that direction.

We now have 12 brands. And we continue to explore new opportunities to create new brands and businesses that add value to their consumers and to Marico. Kaya, the skin care services business, is one such example.

We have also grown from being Indian to Global. International Business, now at 9% of turnover, is an important constituent of our growth strategies. Marico's products are now present in 18 countries, with local operations in Bangladesh, and a recently acquired US-based range of ayurvedic skin care products, Sundari.

Over the past 4 years, we have etched out a solid and enviable record of consecutive quarters of year on year growth - 14 in topline and 18 in net profits. Our return on capital employed has consistently been above 30%. Operating margins as a percentage of capital employed have been moving up, leading to an increasing Economic Value Added, year after year. And payout to shareholders has risen to over 50%.

We have thus moved up - from commodity conversion to technologically superior products and services. From Low Value Add to High Value Add, Hair Oils to Personal Care - hair care and skin care, Edible Oils to Healthy Oils and Foods, and from a local to a global presence.

Over the years, we have built a stimulating and meritocratic work culture that empowers people, promotes team building and encourages new ideas. Your continued support to our professional management team will spur it to continuously strive to greater heights of glory, making Marico a frontrunner among India's leading global FMCG Groups.

I am sure 2004-2005 will see Marico move further ahead in its journey from Good to Great!

With warm regards.

**Harsh Mariwala**  
**Chairman and Managing Director**