

CHAIRMAN'S LETTER TO SHAREHOLDERS A PERSONAL MESSAGE

Dear Shareholders,

It is my privilege to communicate with you at the end of another successful year at Marico.

During FY2010, the world economy and India with it experienced a relatively more stable environment as compared to FY2009, which was a year of high turbulence. In addition, there was a softening of input prices of your company's products. In order to expand its consumer franchise for the future, your company decided to pass on a part of this benefit to its consumers. Furthermore, your company stepped up investments behind its brands. This is expected to ensure sustainable and profitable growth. These investments notwithstanding, your company reported better margins during the year.

Your company achieved a Revenue Growth of 11% and Net Profit Growth of 23% in FY 2009-10. This makes it a 5 year CAGR of 21% in Revenue and 27% in Net Profits.

Apart from robust volume and value growth achieved by your company's brands, the company established a foothold in the South East Asian market through the acquisition of the hair creams and hair gels brand, Code 10, from Colgate Palmolive in Malaysia. As a part of its strategy towards localization, your company's subsidiary in Bangladesh, Marico Bangladesh Limited (MBL) made an Initial Public Offering in Bangladesh by diluting 10% of its holding in MBL.


Last year your company defined its Purpose - its reason to exist beyond making profit. We have defined this as, "To transform in a sustainable manner, the lives of all those we touch, by nurturing and empowering them to maximise their true potential". We have therefore sustained our profitable growth, by attempting to maximise the potential of the multiple stakeholders in each sphere of our business, in India and overseas - be it farmers whose communities we sustain - or consumers whose lives we have endeavored to transform through wellness and beauty solutions.

"Think Fresh Be Green" encompasses some of the initiatives your company has taken to ensure that it behaves responsibly with respect to the environment. Institutionalizing a "green mindset" among the company's members is helping conservation of non-renewable resources. Several projects have been implemented including rain-water harvesting at our Pondicherry plant, energy efficiency projects at all our manufacturing facilities, reduced plastic consumption, and paper reduction by leveraging information technology and planting trees at factory locations. These efforts are not only environment friendly but also result in cost savings for your company.

Your company's efforts have been recognized for the remarkable work done across its value chain. Kaya won the "Most Admired Retailer for Health and Beauty" at the Images Retail Awards; Marico won the "Best in Class" Award (second highest) for the Large manufacturing category by the Asia Pacific Quality Organization; Parachute was accredited with "Super Brand" Status in UAE and Bangladesh; and Marico won the IMC Ramakrishna Bajaj National Quality Award.

Thank you for placing your faith in the company. I wish to thank all members of the Marico team, and all our business associates for their contribution to Marico's success. I look forward to your continued support and co-operation.

With warm regards,



Harsh Mariwala
Chairman & Managing Director