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KEYNOTE

January 07, 2013

The Board of Directors
Marico Limited
Rang Sharda,
Krishnachandra Marg,
Bandra Reclamation, Bandra (West),
Mumbai, Maharashtra 400050

&

The Board of Directors
Marico Kaya Enterprises Limited
Rang Sharda,
Krishnachandra Marg,
Bandra Reclamation, Bandra (West),
Mumbai, Maharashtra 400050

Dear Sirs,

Reg: Fairness Opinion on the share exchange ratio with respect to Scheme of Arrangement

Keynote Corporate Services Limited ("Keynote" or "we" or "us") is Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We have been requested to issue a report on fairness on the share exchange ratio in respect of proposed Scheme of Arrangement. We have perused the documents/ information provided by you in respect of the said Arrangement and the Share Entitlement Ratio report as issued by Grant Thornton India LLP dated January 07, 2013 and state as follows:

Company Profile:

Marico Limited ('Marico'): Marico is engaged in the business of branded consumer products and services. The Company operates in two segments: Consumer Products and Others. Its Consumer Products include Coconut oils, other edible oils, hair oils and other hair care products, male grooming products, fabric care products, healthy foods, soaps, health care products and female beauty care products. Others segment is engaged in skin care. In India, it manufactures and markets products under the brands, such as Parachute, Nihar, Saffola, Hair & Care, Revive, Shanti, Oil of Malabar, Mediker and Manjal. Its international portfolio includes brands, such as Fiancee, HairCode, Camelia, Aromatic, Caivil, Hercules, Black Chic, Ingwe, Code 10, X-men, L'Ovite and Thuan Phat. It is present in Skin Care solutions business under the brand name Kaya in India and international markets and the brand Derma Rx in Singapore and Malaysia.

Marico Kaya Enterprises Limited ('MKEL'): KEL, a proposed wholly owned subsidiary of Marico, incorporated under the Companies Act, 1956, and having its Registered Office at Rang Sharda, Krishnachandra Marg, Bandra Reclamation, Bandra (West), Mumbai, Maharashtra 400050.



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Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028

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Rationale of the Report:

We have been informed by the management that the Kaya Business of Marico will get demerged into MKEL, which is in process of being incorporated. It is proposed that Marico will infuse capital into MKEL towards incorporation and meeting other expenses of MKEL. However, pursuant to the Scheme, this investment of Marico into MKEL will be cancelled and a mirror image shareholding will be created.

Hence, we have been requested by the management to issue a Fairness report on the share exchange ratio towards the proposed transaction.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- Share Entitlement Ratio report by Grant Thornton India LLP dated January 07, 2013
- 2011-12 Annual Report of Marico
- Financials of subsidiaries of Marico for FY 11-12
- Shareholding Pattern of Marico as at September 30, 2012
- Draft Scheme of Arrangement

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Our Recommendation:

As stated in the Share Entitlement Ratio report, Grant Thornton India LLP has recommended the following Exchange Ratio:

- **1 (One) equity share of MKEL of Rs. 10 each fully paid up for every 50 (Fifty) equity shares of Marico of Re.1 each fully paid up**

The aforesaid Arrangement shall be pursuant to the Draft Scheme of Arrangement and shall be subject to receipt of approval from the Jurisdictional High Court of Bombay and other statutory approvals as may be required. The detailed terms and conditions of the Arrangement are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

Based on the information, data made available to us, including the Share Entitlement Ratio report, to the best of our knowledge and belief, the methodologies used and corresponding share swap ratio suggested by Grant Thornton India LLP proposed under the Scheme of Arrangement is fair in our opinion.



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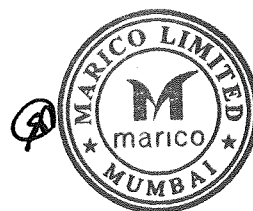
Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by Marico & MKEL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of Marico & MKEL. We have solely relied upon the information provided to us by Marico & MKEL. We have not reviewed any books or records of Marico & MKEL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of Marico & MKEL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of Marico & MKEL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by Marico & MKEL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of Marico & MKEL with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the managements of Marico & MKEL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that Marico & MKEL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving Marico & MKEL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to Marico & MKEL for providing a fairness view on the exchange ratio and will receive a fee for our services. In the past, Keynote and its affiliates have not provided financial advisory and financing services to Marico & MKEL and their affiliates and have not received fees for the rendering of the services

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.



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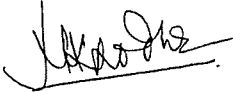
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It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of Marico & MKEL for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of Marico & MKEL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.


We express no opinion whatever and make no recommendation at all as to Marico's & MKEL's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of Marico & MKEL should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of Marico & MKEL will trade following the announcement of the transaction or as to the financial performance of Marico & MKEL following the consummation of the transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, Marico & MKEL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



Nipun Lodha
Executive Vice-President
SEBI Registration No. INM000003606
(Merchant Banker)

CERTIFIED TRUE COPY
For Marico Limited

Hemangi Ghag
Company Secretary