

# CHAIRMAN'S LETTER TO SHAREHOLDERS A PERSONAL MESSAGE

Dear Shareholders,

Three years ago the Marico Group crossed the Rs.1000 crore mark. We then set ourselves a target of reaching the Rs.2000 crore mark in four years. I am pleased that your Company is very comfortably placed to achieve that target having recorded a turnover of Rs.1907 crore in 2007-08.

Over the last three years, your Company has achieved a topline CAGR of 29%, making it amongst the fastest growing FMCG companies in India. All three businesses, those of consumer products in India, consumer products in the international markets and the skin care solutions business of Kaya have contributed to the growth.

Your company is committed to maintaining a high rate of growth. In categories where it has a strong leadership position such as in Parachute coconut oil and Kaya, your company will endeavour to expand the market. In hair oils in India and hair creams in the Middle East, where it is a no.2, the company will seek to improve market share. Aided by a process of consumer insighting and product development capabilities, your company will introduce new product offerings to cater to the emerging needs of its target consumers. To complement its organic growth, your company continues to evaluate inorganic growth opportunities, both in existing territories and as a strategy to enter new geographies.

Your company has focussed on achieving sustainable profitable growth. Topline growth in your company has been accompanied by a healthy bottom line growth. During the last three years, your company achieved a net profit CAGR of 39%. Your company's brand building efforts over the years have helped create leadership brands with strong consumer franchises that yield healthy margins. The company continues on its journey towards building a higher value added and higher margin portfolio of brands. Simultaneously, its efforts at prudent cost management and systematic improvement in efficiencies continue unabated.

I am pleased to share with you that your company's endeavours have been receiving external recognition for remarkable work done across segments of its value chain. Marico was amongst eight Indian companies in Standard & Poor's list of Global Challengers in 2007. NDTV awarded the company Best Business Leader for FMCG in Personal Hygiene while your company was recognised as India's Employer of Choice by CNBC TV18. Marico's advertising work won several awards including a bronze for its Saffola World Heart Day campaign at the Asia Pacific Effie awards. Your company's marketing efforts in the Middle East received recognition at the Gulf Marketing Review awards for the second consecutive year. These and other awards coming our way, all during the same period, provides confidence that we are doing things right.

Thank you for placing faith in the company. I also thank the very committed members of the Marico team and the company's business associates for their continued support. My team and I look forward to the challenges of delivering sustainable profitable growth in the years ahead with confidence.

I look forward to your continued support.

With Warm regards,



**Harsh Mariwala**  
Chairman and Managing Director