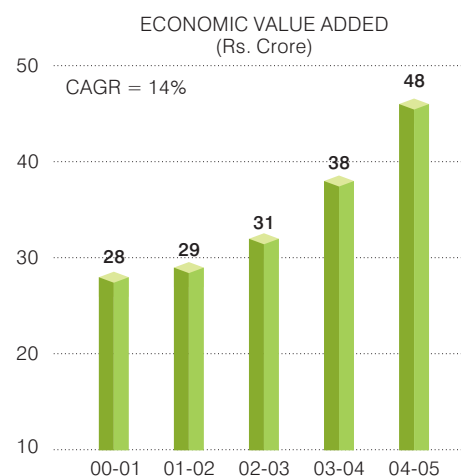


## ECONOMIC VALUE ADDED ANALYSIS

Economic Value Added represents the value added by a business enterprise to its shareholders by generating operating profits in excess of the cost of capital employed in the business. This concept is increasingly being deployed to understand and evaluate financial performance.

For the year ended March 31, 2005, Marico's Economic Value Added was Rs. 48 crores as compared to Rs. 38 crores in the previous year.

Over the past 5 years, Marico's Economic Value Added has grown at a CAGR of 14%.



ECONOMIC VALUE ADDED - OVER THE YEARS					
	(Amount in Rs. Crore)				
Year ended March 31,	2001	2002	2003	2004	2005
Average Capital Employed	160	192	209	209	225
Average Debt / Total Capital (%)	2.2	2.3	3.9	5.5	14.5
Cost of Equity (%)	13.1	15.0	13.0	11.0	12.0
Cost of Debt (Post Tax) (%)	6.5	-	1.0	1.1	3.7
Weighted Average Cost of Capital (%)	13.0	14.7	12.5	10.5	10.8
Profit After Tax (excl. Extraordinary Items)	46	53	56	59	70
Add : Interest Post Tax	3	4	1	1	2
Net Operating Profit After Tax	49	57	57	60	72
Less : Cost of Capital	21	28	26	22	24
<b>Economic Value Added</b>	<b>28</b>	<b>29</b>	<b>31</b>	<b>38</b>	<b>48</b>
% to Average Capital Employed	17.3	15.2	14.9	18.3	21.1