

Media Release

Year	2009-10
Turnover	Rs. 2661cr
Net Profit	Rs. 232cr

Turnover and profit consistently growing over the corresponding quarter of the previous year, for the past 39 quarters and more

1 out of every 4 Indians is a Marico consumer.

Marico distribution network covers over 33lac retail outlets

Most Marico brands enjoy a leadership position (No. 1 or No. 2) in their respective categories

Parachute is the world's largest coconut oil brand

Marico was awarded the NDTV Profit Business Leadership Award 2009 in the FMCG (Personal Hygiene) category

Superbrands voted Parachute a Super Brand in UAE & Bangladesh and Hair Code in Egypt

Parachute ranked the 2nd Most Trusted Brand in Bangladesh

Kaya was awarded the 'Most Admired Retailer for Health and Beauty' at the Images Retail Awards '09

Marico Jalgaon won the Runners-up trophy at the G-CUBE Good Green Governance Award in the Manufacturing category.

Marico Dehradun won the Greentech Safety Silver Award 2010, for outstanding achievement in Safety Management, in the FMCG sector.

MARICO SUSTAINS HEALTHY VOLUME GROWTH

Healthy Volume Growth

Marico achieved a turnover of Rs. 790 Cr during Q1 FY11, a growth of 13.4% over Q1 FY10. The volume growth underlying this revenue growth was healthy at 16%. The value growth was lower owing to deflation in some of the company's key input materials, part of which the company chose to pass on to the consumer, during the second half of last year, in order to expand its consumer franchise.

Profit after tax (PAT) for Q1 FY11 was Rs 74 Cr, a growth of 32% over Q1 FY10.

Marico has kept up its track record of sustained growth. Q1 FY11 is in Y-o-Y terms, the: 39th consecutive Quarter of growth in Turnover and 43rd consecutive Quarter of growth in Profits

Consumer Products Business – India

Parachute, Marico's flagship brand, continued to expand its franchise during the year. Parachute coconut oil in rigid packs, the focus part of its portfolio, grew by ~14% in volume as compared to Q1 FY10. Parachute's volume share during the 12 months ended June'10 was 46%. Together with Nihar and Oil of Malabar, Marico's volume share in the branded coconut oil segment in India was 53.3% in the Rs. 1900 Cr branded coconut oil market.

Marico's second flagship brand, Saffola, is positioned strongly on the 'good for the heart' platform and rides the trend in increasing concern around health and heart health in India. With this increasing awareness several households have begun using Saffola, as part of their adoption of a healthier lifestyle. The super premium niche of the branded refined edible oils market thus continues to expand. During Q1 FY11, Saffola refined oils recorded a strong volume growth of ~17.5% over Q1 FY10 and continued to maintain its leadership position. The higher volumes are expected to increase the customer base for Saffola as the brand has a high retention rate.

During Q4 FY10, Saffola Arise was launched across key Saffola markets, at invitational pricing and has been supported by insightful advertising. The initial performance has been encouraging with indications that repeat purchases are taking place. With its health positioning, the company hopes to create a sizable franchise for itself, in the rapidly growing Rs. 400 Cr packaged rice market, over the next two to three years. In line with its strategy to launch foods under Saffola, the company introduced Saffola Oats in the month of June 2010. The product is being prototyped primarily in the Modern Trade format, in select cities across India.

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With rising incomes, there has been an opportunity to serve consumers looking for value added options for their hair oiling needs. During the quarter, all Marico's hair oils brands recorded healthy growth. The company's hair oils portfolio in rigid packs grew by ~27% over Q1 FY10. With the objective of generating trials and expanding its base, Shanti Badam Amla, which comprises a relatively small part of Marico's hair oils portfolio, commenced an aggressive price-off this calendar year. This has led to the brand increasing volumes by ~92% during Q1 FY11 over Q1 FY10. It is hoped that most of the trialists will remain with the brand. Last year, the company relaunched Parachute Therapie, a coconut oil based hair vitalizer that heals damaged roots and controls hair fall, in a 100 ml pack size, at a price point of Rs 100. This has received a good response. In order to increase its participation in the hair oils segment, the company is currently prototyping two differentiated cooling oil variants in Bihar and Andhra Pradesh which is meeting action standards

Marico's hair oils franchise had a volume market share of 21.6% during the 12 months ended June 2010. The market share has grown by 150 basis points in Q1 FY11 over Q1 FY10.

Saugata Gupta, CEO-Consumer Products, commented, "We are encouraged by the expansion in franchise across all three major segments – coconut oil, premium refined edible oil and value added hair oils. This sets us up to deliver strong volume growth during the year as planned."

International FMCG Business

Marico's International business, comprising about 23% of the group's turnover grew by 22% over Q1 FY10. The underlying business growth was higher at 29% which got partly offset by the appreciation in the Indian Rupee.

In Bangladesh, Parachute's market leadership position has been strengthened further and it now commands a volume share of about ~74%, basis 12 months ended May 2010. Marico expects continued growth in its Bangladesh business through market growth in branded coconut oil and leveraging the extensive distribution network created by Parachute to launch new products. Hair Code hair dye has been able to establish itself as the second largest hair dye brand in the country. Adding to its portfolio in the Bangladesh market, the company made a foray into the refined edible oil segment with the launch of Saffola, towards the middle of the quarter and the initial response is encouraging.

In the Middle East, both Parachute Cream and Parachute Gold hair oil experienced healthy growths despite some slowdown in overall FMCG demand. Marico's business in Egypt, comprising the hair cream and hair gel brands Fiancée and Hair Code, continued to turn in healthy growth. As part of its effort to unlock portfolio synergies, Parachute Hair Cream was launched in Q1 FY11 along with the scale up of Parachute Gold hair oil. Sales are being supported with an integrated marketing campaign on TV, outdoors and visibility. The South African business also continued to build on the momentum gained last year and achieved over 20% growth during Q1 FY11 over the same quarter in the previous year.

Said Vijay Subramaniam, CEO, International Business, "Marico's international business has had a satisfying journey over the last few years. We feel confident that we will continue to find and leverage the right growth drivers, in our quest to build a sustainable business that contributes meaningfully to the Marico Group's strategic objectives."

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Kaya

During Q1 FY11, Kaya acquired Derma Rx, the Singapore based skincare clinics business. Derma Rx, led by one of Singapore's eminent aesthetic physicians, Dr S. K. Tan, operates three centers in Singapore and one in Kuala Lumpur. This acquisition provides Kaya, access to an advanced range of skin care products and a strong sourcing network. The company plans to introduce Derma Rx products into its range of offerings, at Kaya clinics in India and the Middle East over time. This would enable Kaya to increase its share of revenue, from sale of products, from the current level of about 13% to over 20%.

During Q1 FY11, Kaya skin clinics (before Derma Rx) achieved a revenue growth of 3% over Q1 FY10. In a reversal of the trend, during the last two quarters, the business also achieved a sequential quarter growth of 1%. On a same clinic basis, however, there was a decline in revenue by 5%. During Q1 FY11, Kaya skin business achieved revenue of Rs. 50.6 Cr (including revenue Of Rs. 5.1 Cr from Derma Rx), a growth of 14% and incurred a loss of Rs 4.7 Cr at PBT level.

In order to improve customer retention, Kaya began to offer a new service, Kaya Everyday Radiance, which sought to attract customers on a more repetitive basis. During Q1 FY11 two more services in skin maintenance/enhancement were introduced – Aqua Radiance and Juvederme Voluma. A new TV Campaign was launched in May, with the objective of reinforcing Kaya's expert positioning, along with increasing new customer numbers.

Ajay Pahwa, CEO, Kaya said, "Kaya will focus on creating new standards in skincare solutions and delivering efficacious results. We are training our teams to identify individual guest needs, to design customized solutions, backed by latest technology. We have made investments in CRM to build a lifetime relationship in nurturing our guests' skin beauty".

Established in 1990, Marico is one of India's fastest growing Consumer Products & Services groups, in the Global Beauty and Wellness space. During 2009-10, the company generated a turnover of Rs. 26.6 billion (about USD 600 Million). Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Kaya, Fiancée, Haircode, Caivil, BlackChic and Code 10. Today, one out of every four Indians is a Marico consumer. Marico's brands occupy leadership positions and significant market shares in their respective categories. Marico is present in the Skin Care Solutions segment through Kaya Skin Clinics in India, Middle East and Bangladesh. In addition, Marico also acquired the aesthetics business, of the Singapore based Derma Rx Asia Pacific Pte. Ltd. (Derma Rx), under the Kaya portfolio.

Marico's focus on sustainable profitable growth is manifested through its consistent financial performance – a CAGR of 21% in Turnover and 27% in Profits over the past 5 years. Marico has successfully achieved several consecutive quarters of y-o-y growth- 43 for Profits and 39 for Sales. The Marico scrip is listed on the Bombay Stock Exchange (BSE) (Code 531642) & on the National Stock Exchange (NSE) (Code "MARICO").

Marico Websites: www.marico.com, www.maricobd.com, www.saffolalife.com, www.kayaclinic.com, www.haircodeworld.com, www.parachuteadvanced.com and www.maricoinnovationfoundation.org