

## Media Release

Year 2010-11

Turnover Rs. 3128cr  
Net Profit Rs. 286cr

Turnover and profit consistently growing over the corresponding quarter of the previous year, for the past 42 quarters and more

1 out of every 4 Indians is a Marico consumer.

Marico distribution network covers over 33 lac 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

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

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

Marico was awarded the 'IMC Ramkrishna Bajaj National Quality Award (RBNQA) .

Marico won the 'Gold Award' at the prestigious Economic Times 'India Manufacturing Excellence Awards' 2010.

Marico won 'Silver' at the Greentech Environment Excellence Award 2010

Marico awarded the Nasscom CNBC TV18 - IT User Award 2010, for excellence in IT application.

## Marico Records 33% Top Line growth

Marico achieved a turnover of ~INR 1049 crore during Q1FY12, a growth of ~33% over Q1FY11. There has been an upward inflationary pressure on consumer businesses. Notwithstanding this the underlying volume growth over Q1FY11 was ~21%. About 7% of this was contributed towards by acquisitions while about 14% constituted organic volume growth. The second half of FY11 experienced an unprecedented increase in the input prices. The company passed on a portion of this by taking retail price increases in a phased manner over H2FY11. The company is however conscious of the long term growth potential in its markets. It has therefore focused on expanding its consumer franchise over margin expansion.

The growth in top line was seen across the Company's three business units. The Indian Consumer Products Business registered 15% growth in volume terms – key contributors being Parachute Coconut Oil (in rigid packs) at 10%, Saffola Oils at 15% and Hair Oils at 32%. Marico's International business posted an organic growth of 20% lead by price and volume while its skin care solutions business grew by 24% aided by the acquisition of Derma Rx, Singapore in May 2010. Kaya, sans Derma Rx posted a revenue growth of 6%.

Marico has demonstrated Sustainable Profitable Growth over the last decade. Q1FY12 was in Y-o-Y terms the – 43rd consecutive quarter of Turnover growth and the 47th quarter of Net Profit growth.

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading Consumer Products & Services Group, in the global beauty and wellness space. During 2010-11, Marico recorded a turnover of Rs. 31.3 billion (~USD 695 Million) through its products and services sold in India and 25 other countries in Asia and Africa.

Marico touches the lives of 1 out of every 4 Indians, through its portfolio of brands such as Parachute, Saffola, Hair & Care, Nihar, Mediker, Revive and Manjal. The international portfolio contributes to 23% of the Group's revenue, with brands like Parachute, HairCode, Fiancee, Camelia, Aromatic, Caivil, Hercules, Black Chic, Code 10 and Ingwe. In addition, the company acquired one of leading Vietnamese FMCG Companies - International Consumer Products Corporation (ICP) which has brands like X-Men, L'Ovite and Thuan Phat. Marico is also present in the Skin Care Solutions segment through Kaya Skin Clinics in India, Middle East and Bangladesh and Derma Rx in Singapore.

Marico's focus on sustainable profitable growth is manifest through its consistent financial performance – a CAGR of 22% in Turnover and 27% in Profits over the past 5 years. Marico has successfully achieved several consecutive quarters of y-o-y growth- 47 for Profits and 43 for Sales.

Business Unit-wise details have been given in the next two pages.

## Media Release

Year	2010-11
Turnover	Rs. 3128cr
Net Profit	Rs. 286cr

Turnover and profit consistently growing over the corresponding quarter of the previous year, for the past 42 quarters and more

1 out of every 4 Indians is a Marico consumer.

Marico distribution network covers over 33 lac 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

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

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

Marico was awarded the 'IMC Ramkrishna Bajaj National Quality Award (RBNQA) .

Marico won the 'Gold Award' at the prestigious Economic Times 'India Manufacturing Excellence Awards' 2010.

Marico won 'Silver' at the Greentech Environment Excellence Award 2010

Marico awarded the Nasscom CNBC TV18 - IT User Award 2010, for excellence in IT application.

### Consumer Products Business

Marico's Consumer Products Business in India grew by 15% in volume and 36% in value during Q1FY12 over Q1FY11. The overall value growth would be 47% if a like to like comparison is done by not considering sales of its refined edible oil brand Sweekar which was divested in Q4FY11. This was achieved through growth across key established portfolios – Parachute coconut oil, Saffola refined edible oil and hair oils as well as the introduction of new products. The Company also achieved a higher rate of growth in its rural markets, taking the share of rural sales in its revenue to 30% during the quarter.

Parachute, Marico's flagship brand recorded robust volume growth during the quarter. Parachute coconut oil in rigid packs, the focus part of its portfolio, grew by ~10% in volume as compared to Q1FY11. Marico's coconut oil brands Parachute and Nihar together had a volume market share of ~52.3% during the 12 months ended June 2011.

Marico's second flagship brand, Saffola, continues to ride the trend in increasing concern around health and heart health in India. The Saffola refined oils franchise grew by 15% in volume terms and retained its leadership position in the super premium segment of refined edible oils with a market share of 52.9% during the 12 months ended June 2011. During Q1FY12 Marico's hair oils franchised registered a growth of 32% over Q1FY11. There has been a shift of around 150 basis points since Q1FY11. Its volume market share during the 12 months ended June 2011 was ~23.3% up from 17% about 5 years ago. This market share gain has been achieved through providing consumers with specific solutions, product innovation, packaging restaging, participation in more sub-segments of the value added hair oils category and continued media support in some of the brands and penetrative pricing action in others.

The Company's new product initiatives are tracking well. Last year the company introduced Saffola Arise, low glycemic index rice and entered the breakfast cereals market with the introduction of Saffola oats. In March 2011 the company introduced two new varieties, a long grain and a Basmati to cater to regional preferences. Saffola Oats introduced in June 2010 has met with a favourable response. The company will continue to innovate in the packaged food space but has prioritized breakfast foods to start with. The Company is also focusing on scaling up its presence in the various sub segments of the value added hair oils category. Parachute Advanced Cooling oil has reached a market share of 9% in South India, while Parachute Advanced Ayurvedic Oil having received an encouraging response in Southern India has been rolled out in Maharashtra too.

**Saugata Gupta, CEO-Consumer Products**, commented, "Q1FY12 has given us a very promising start to the new financial year, despite the inflationary environment. We will continue to build on this momentum in the coming quarters"

### International business

Marico's International business (comprising about 23% of the group's turnover) grew by 26% over Q1FY11 boosted by its acquisition of 85% stake in International Consumer Products in Vietnam. The underlying organic business growth was at 20%.

Parachute continued its good run in Bangladesh. The brand is rated amongst the Top 5 most trusted brands in the country. The Company has leveraged Parachute's strong distribution network to introduce new products. Hair Code hair dye has maintained its 29% market share thus establishing itself as a strong number 2 player. Other brands such as Parachute Beliphool and Parachute Advanced Cooling oil are showing promise.

## Media Release

Year	2010-11
Turnover	Rs. 3128cr
Net Profit	Rs. 286cr

Turnover and profit consistently growing over the corresponding quarter of the previous year, for the past 42 quarters and more

1 out of every 4 Indians is a Marico consumer.

Marico distribution network covers over 33 lac 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

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

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

Marico was awarded the 'IMC Ramkrishna Bajaj National Quality Award (RBNQA) .

Marico won the 'Gold Award' at the prestigious Economic Times 'India Manufacturing Excellence Awards' 2010.

Marico won 'Silver' at the Greentech Environment Excellence Award 2010

Marico awarded the Nasscom CNBC TV18 - IT User Award 2010, for excellence in IT application.

The overall environment in MENA (Middle East and North Africa) is relatively better than that in the earlier quarter but not without instances of sporadic protests and disturbances. Some of the territories that still face instability such as Libya, Yemen and Syria continue to face closure of operations. However they comprise only about 5% of Marico's business in the MENA region. While our outlook on the long term trends in demand for personal care products in the region remains positive, the growth in the immediately ensuing quarters may be unpredictable.

The South African business continued its growth journey recording a strong double digit Y-o-Y growth over Q1FY11. Marico's Malaysian business continues to grow at a very healthy rate and has responded well to the brand restage and the renewed thrust to distribution in Code 10. In Vietnam, X-Men, which is a leading Men's grooming brand, saw an uptick in its market share, aided by the launch of the new 4-Step X-Men campaign.

Said **Vijay Subramaniam, CEO, International Business**, "Marico's International Business has recorded healthy business growth despite a challenging environment. We will now focus on scaling up our business in all geographies to realize benefits that come with scale. We will do this by exploiting headroom for growth in our core products and entering adjacencies by leveraging local consumer insights".

### Kaya Skin Solutions Business

During Q1FY12, Kaya's skin solutions business achieved a turnover of INR 63 crore recording a revenue growth of ~24% over Q1FY11, Kaya continued to introduce services at affordable price points to serve as traffic builders. During Q1FY12 it introduced a new service for fairness called Aqua Advanced Fairness. Kaya is in the process of unlocking portfolio synergies by introducing products from Derma Rx in India. In addition to the products introduced in Q4FY11, three new advanced skin care products from the Derma Rx range were launched. These include Anti Acne and Anti Ageing products. The response has been encouraging

On an overall basis Kaya made a loss of INR 7.4 crore at the PBT level as compared to a loss of INR 4.7 in Q1FY11. However these two loss figures are not strictly comparable owing to certain changes in accounting implemented in Q4FY11 and some exceptional cost items in Q1FY12. Adjusting for these there is a positive shift in the profit of INR 5.4 crore.

**Ajay Pahwa, CEO, Kaya** said, "The Kaya business in India and the Middle East has achieved same store collection growth of 14% over Q1FY11 and 11% sequential quarter growth over Q4FY11. This is a leading indicator of the successful implementation of various initiatives and steps taken by the Company in the last few quarters to improve its performance".

**Milind Sarwate, Group CFO and CHRO** remarked: "High inflation has led to short term margin pressures for most FMCG companies. Marico has chosen to stay focused on volume growth and franchise expansion as its stays the course to deliver long term sustainable profitable growth"