

Media Release

Year	2008-09
Turnover	Rs. 2388cr
Net Profit	Rs. 189cr

Turnover and profit consistently growing over the corresponding quarter of the previous year, for the past 37 quarters and more

1 out of every 8 Indians is a Marico consumer

Marico's distribution network covers over 33 lac retail outlets

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

Kaya cosmetic dermatology has been a pioneer with over 100 clinics in India, Bangladesh and the Middle East

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

Parachute is the world's largest packaged coconut oil brand

Parachute ranked the 2nd 'Most Trusted Brand' in Bangladesh and awarded Superbrand status in UAE, in 2009

Marico Bangladesh is the first Bangladeshi subsidiary of an Indian company to get listed

Marico sustains volume growth and margins Q3 FY 10 Net Profit up 22%



Growth Story continues to roll on

Marico's sustainable profitable growth story continued to play out during the quarter ended December 31, 2009 (Q3FY10)

During the quarter Q3FY10, Marico achieved a turnover of Rs 670 crore, a growth of 8% over Q3FY09. The company's brands however achieved a volume growth of about 14% and revenue growth was lower owing mainly to some reduction in prices to sustain franchise growth while maintaining margins in a scenario of deflation experienced in some of the company's key inputs. Profit before tax (PBT) was Rs. 81 crore, a growth of 24% over Q3FY09. Profit after tax of Rs. 62 crore showed a growth of 22% over Q3FY09. The results for Q3FY10 include two items that are not strictly comparable with the corresponding quarter in the previous year. Adopting conservative principles, the company made a provision of Rs 11 crore towards excise duty on dispatches of coconut oil in packs up to 200 ml. Marico Bangladesh Limited also made a provision for impairment of assets pertaining to its soap brands to the extent of Rs 4.5 crore. The PAT during Q3FY10 before these items is 42% higher than in Q3FY09.

Marico has kept up its track record of sustained growth. Q3FY10 is in Y-o-Y terms, the: 37th consecutive Quarter of growth in Turnover and 41st consecutive Quarter of growth in Profits

Consumer Products Business - India

Marico's flagship brand, Parachute, achieved a volume growth of about 8% in volume over Q3 FY09 in rigid packs, the focus part of the portfolio. Parachute's share in the coconut oil category inched up during the quarter. Its volume market share for the 12 months ended December '09 was 45.9%. Together with Nihar and Oil of Malabar, Marico's share in the branded coconut oil segment in India was 53.4%. In order to invest in continued category growth, Parachute as the market leader recently revised the retail prices of some of its low unit packs downwards so as to keep the premium over loose oil at a sustainable level.

Marico's second flagship brand - Saffola has expanded its consumer franchise base and grew by about 18% in volumes. Saffola's strong performance has resulted in its overtaking volumes of Sundrop (the other player in the super premium refined edible oil category) for the first time during the month of December '09.

Marico backed its portfolio of hair oils with continued media support and consumer offers in through Q3FY10. Parachute Advanced Ayurvedic Hot Oil introduced in the early part of the calendar year was scaled up during Q3FY10. It received a good response in the North where oil can freeze during the winter months. During the quarter, Marico's hair oils in rigid packs grew 10% in volume over the corresponding period in the previous year. Marico's basket of hair oils including Parachute Jasmine, Nihar perfumed hair oils, Hair & Care and Shanti Badam Amla maintained its market

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share at 21% during the 12 months ending December 2009. The share during the quarter was higher at 22.3%.



Marico seeks to continuously bring new and differentiated product propositions to its consumers. After a successful prototype in Andhra Pradesh and Mumbai, the company has commenced the roll out of Saffola Arise, its low Glycemic index rice that keeps you feeling light after eating and yet keeps you fuller for longer. The company is also prototyping two differentiated cooling oil variants - Nihar Naturals Coconut Cooling Oil in Bihar and Parachute Advanced Coconut Cooling Oil in Andhra Pradesh.

Saugata Gupta, CEO-Consumer Products, commented, "Marico will continue to prototype new product ideas to create new engines of growth for the future. Given that Marico's consumer product business' annual turnover will now be in the region of Rs 2000 crores, the company will focus on new product initiatives with a potential more commensurate with its size."

International FMCG Business

Marico's International business, (Key geographies - Bangladesh, Middle East and North Africa [MENA] and South Africa), has been steadily growing and comprises about 23% of the group's turnover. In Q3FY10 the business grew by about 24% over Q3FY09. The growth in Indian Rupee terms is partly deflated owing to the appreciation of the INR. Business growth (excluding the currency movement) was slightly higher at 28%.

In Bangladesh, Parachute coconut oil continues to go from strength to strength. Its market share over the last 12 months has moved up beyond 73%. Hair Code hair dye was launched in the Bangladeshi market FY09 and has begun to leverage the retail reach established by Parachute. In the Middle East, both Parachute cream and Parachute Gold hair oil turned in a strong performance. Parachute cream recorded share gains in KSA, Oman and Kuwait and strengthened its No1 position in the GCC. Parachute Gold hair oil has leveraged its learning from Parachute Advanced in India and its campaign on using hair oil before a shampoo has been received well. The Egyptian brands Fiancée and Hair Code are tracking well. Sachets introduced to the market in Egypt last year are helping to drive penetration in the category. Despite the macro recessionary trends in South Africa, all three Marico brands Caivil, Hercules and Black Chic continued to show y-o-y growth. In January 2010 Marico made an entry into the Malaysian hair styling market through the acquisition of the brand Code 10 from Colgate-Palmolive Company.

Said Vijay Subramaniam, CEO, International Business, "Our focus on brand building in each of our key markets is yielding results. We have created winning propositions. It is a testimony to the brand's equity that Parachute is now the second most trusted brand in Bangladesh (Bangladesh Brand Forum 2009)".

Kaya

Marico became the first organized player in dermatology led skin care segment in India. Over the last few years it has built scale and during the quarter Kaya Skin Clinic opened its 100th clinic in Guwahati. Kaya now offers its services across 27 cities in India and 9 in the Middle East. In January 2010 Kaya established a presence in Bangladesh with its first clinic in Dhaka.

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During Q3FY10, Kaya's skin care turnover grew by 10% over Q3FY09. Given the discretionary nature of consumer spending at Kaya the business has been impacted by the overall economic slowdown. Besides, the price increase taken by Kaya consequent to the imposition of service tax from September 1, 2009 has also acted as a dampener to growth. The business in the Middle East as a whole has performed well with KSA and the other Emirates making up for the slow down in Dubai. The company remains confident about the medium and long term growth and profitability prospects of Kaya Skin Clinic.

Ajay Pahwa, CEO, Kaya explained, "Kaya plans to focus on improving lifetime value of a customer. We have commenced the prototype of Kaya Everyday Radiance extending our skin expertise to our consumers' daily skin regime. Kaya may take a temporary break in clinic additions in India while continuing to expand in the Middle East during the year FY11".

Outlook

The company expects to sustain overall volume growth. However, food related inflation being experienced in India may have some impact on the rate of growth of the personal care and edible oil categories in the immediate term. In the medium term Marico will focus on expanding its franchises while maintaining the price premiums of its brands at sustainable levels. A prudent pricing strategy will be backed by investments in advertising and sales promotion to help expand categories in which Marico is a leader and gain share in others. Marico will leverage the equity of its established brands and enhance the strength of its distribution network to tap into the growing consumer demand in rural India. It will also create new opportunities through differentiated product offerings such as Saffola Arise in India, Hair Code Dye in Bangladesh, flavoured castor oil in South Africa and Kaya Everyday Radiance in its skin clinics.

Milind Sarwate, Chief- Finance, HR & Strategy, said, "Our Uncommon Sense approach to value creation has helped us deliver sustained y-o-y growth on the topline and bottom for several consecutive quarters. As we enter the new decade we will build on our current strengths and acquire other relevant ones to stay competitive and drive growth".

Marico is a leading Indian Group in Consumer Products & Services in the Global Beauty and Wellness space. Marico's Products and Services in Hair care, Skin Care and Healthy Foods generated a Turnover of about Rs. 23.9 billion (about USD 478 Million) during 2008-09. Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Kaya, Aromatic, Fiancée, Hair Code, Caivil, Code 10 and Black Chic. Marico's brands and their extensions occupy leadership positions with significant market shares in most categories - Coconut Oil, Hair Oils, Post wash hair care, Anti-lice Treatment, Premium Refined Edible Oils, niche Fabric Care etc. Marico is present in the Skin Care Solutions segment through Kaya Skin Clinics (101 in India, Middle East and Bangladesh), and through its soap franchise (in India and Bangladesh). Marico's focus on sustainable profitable growth is manifested through its consistent financial performance – a CAGR of 24% in Turnover and 28% in Profits over the past 5 years - while setting a record of several consecutive quarters of year on year growth- 41 for Profits and 37 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