Media Release

Year 2011-12

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Net Profit Rs. 317cr

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Marico Consolidates FMCG Business, Demerges Kaya to be listed separately as Marico Kaya Enterprises Ltd.

Saugata Gupta to be Marico CEO, Vijay Subramaniam to be Kaya CEO

Marico Limited's Board of Directors has, at its meeting held today, approved restructuring of Marico's businesses, corporate entities and organization, effective April 1, 2013.

This restructuring is a proactive step to build on Marico's sustained value creation, by proactively re-organizing itself, taking into account

- the context of increasing convergence of businesses in Consumer Products Business (CPB) in India and the International FMCG businesses (IBG) and
- Kaya's distinct potential to create value as an independent business

The business portfolios of CPB and IBG businesses are increasingly mirroring each other especially after the company acquired the portfolio of youth brands including Set Wet, Zatak and Livon earlier this year. The company also strongly believes that for the next phase of its Value Creation journey, the Kaya business should be run in an entrepreneurial manner independently from the FMCG business of Marico.

Corporate and Business Restructuring

The Consumer Product Business (CPB) and International Business Group (IBG) will now form a unified FMCG business. Kaya will be sharply re-defined as a separate business.

Marico Limited is currently the apex corporate entity, which effectively owns all businesses in the group. It proposes to create two separate companies through partitioning of the current Marico Limited, into an FMCG Business Company which is Marico Limited (already in existence) and a Kaya Business Company which will be Marico Kaya Enterprises Limited (MaKE, to be formed) or any such other name as may be approved by the Registrar of Companies.

The business undertaking of Kaya housed in Marico Limited shall be demerged into MaKE through a High Court approved Scheme of Arrangement under sections 391 to 394 read with sections 78 and 100 to 103 of the Companies Act, 1956, subject to approvals by the shareholders and creditors and lenders in Marico Limited. As a consideration, the shareholders of Marico Limited as on the record date, a date likely to be in June or July 2013, shall be issued 1 share of MaKE with a face value of Rs. 10 each to be issued at a premium of Rs 200 per share for every 50 shares of Marico with a face value of Re. 1 each. Consequently, the shareholding structure of MaKE will mirror the shareholding structure of Marico Limited. The Exchange ratio may create fractional entitlements. There will be the customary mechanism for cash being paid to the members of Marico in proportion to their respective fractional entitlements.

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MaKE will also be listed on the BSE and the NSE, just like Marico Limited is and will continue to be. Listing may take about 60-75 days from the date of receipt of approval of the Scheme of Arrangement from the Court.

MaKE will have its own separate Board of Directors, distinct from Marico's Board. Harsh Mariwala will continue to be the Chairman and Managing Director of both Marico Limited and Marico Kaya Enterprises Limited.

There is unlikely to be any adverse impact on the income statement of Marico Limited or Kaya Limited or MaKE pursuant to the Scheme of Arrangement except for the costs of executing the proposed Scheme. These costs are not expected to be significant.

The Company believes this corporate restructuring will lead to enhanced shareholder value through:

- Sharper focus and greater energy across both organizations and businesses
- Synergies across the value chain, product portfolios, talent pool and capability through an integrated FMCG business, in India and overseas
- Resurgence in the Kaya Business through a distinctly entrepreneurial approach and independent leadership team
- More customized ways of managing Kaya-specific talent

Kaya has, over just a decade, become a highly recognized brand in India. It is the market leader in the Middle East - recognized as a SUPERBRAND for the past three years in a row. Our investment in DRx clinics, Singapore & Malaysia has further strengthened the Kaya proposition. We therefore continue to be strong votaries of Kaya's potential.

Organizational Restructuring

Marico

Saugata Gupta, who currently heads CPB will lead the overall FMCG Business, as Chief Executive Officer - Marico. He will continue to report to Harsh Mariwala.

Saugata joined Marico in January 2004 as Head - Marketing, headed the Sales function in addition in 2006 and became the CEO of the Consumer Products Business (CPB) in 2007. He has led CPB through consistent turnover growth, market share gains, strengthened brand equities, new product success and improved margins. These provide a strong platform for success of the unified FMCG business.

Kaya

Vijay Subramaniam, who currently heads the International FMCG business, will take over as Chief Executive Officer - Kaya, effective April 1, 2013. He will be in charge of the Kaya business in India and overseas. He will continue to report to Harsh Mariwala.

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Vijay joined us in March 2006. Over the past 7 years, he has successfully scaled up the international business turnover ten-fold from less than Rs. 100 crore to nearly Rs. 1000 crore. The scale up has been profitable and has been achieved through both organic and inorganic routes - Vijay has also led over five acquisition efforts to success in emerging markets outside India, through to their integration. The international business today enjoys market leadership positions in many markets and has grown to become a 600 member team. Vijay has built the international business, in an entrepreneurial manner, aggressively driving a "my business" mindset. These skills will be best leveraged for the next phase of value creation and growth in Kaya.

Ajay Pahwa, Chief Executive Officer - Kaya, has decided to leave the organization, to pursue an entrepreneurial venture backed by Private Equity Investment. Ajay will continue to play his current role till April 1, 2013. During Ajay's 3 year tenure, Kaya top line has doubled. He led Kaya's maiden acquisition of DRx Clinic which strengthened Kaya's product and service portfolio. Kaya business has stabilized as it has achieved same store sales growth during the last 8 consecutive quarters. Ajay played a significant role in repositioning the brand and crafting a new retail format – Kaya Skin Bar, which has been launched in Bangalore recently. He created a culture of customer centricity and cost consciousness which enabled the business to improve margins.

Corporate / Support Functions

The Finance Function will continue to be centrally organized and will act as a Shared Service Group (SSG) for both Marico and Kaya. Milind Sarwate, Group CFO will continue to report to Harsh Mariwala.

Over the years, the company has moved from an Integrated Group HR towards Business Embedded HR for greater business empowerment and flexibility. This trend will now be strengthened. It will have separate HR functions for Marico and Kaya, to focus on distinct businesses that have differing talent models.

Effective Date

The Corporate Entity restructuring is subject to shareholder, creditors, lenders and other contractual, statutory and regulatory approvals as may be required. The appointed date of the demerger is April 1, 2013. It may however take about 6 months to obtain the necessary approvals and complete all formalities.