

## MARICO- GROWTH STORY ROLLS ON Q1 SALES UP 38%, PAT UP 46 %

Mumbai, July 25, 2006

Marico's growth strategies rolled out an impressive performance in Q1FY07, with Group turnover of Rs. 372.8 crore (up 38%), Profit Before Tax (PBT) of Rs 41.4 crore (up 72%) and Profit After Tax (PAT) of Rs. 30.3 Crore (up 46%).

Releasing the quarter's results, Mr. Harsh Mariwala, Chairman and Managing Director, stated – "Our strategies centered on Sustainability and Profitability are paying off- growth this quarter has been quite handsome - both organic and inorganic."

The Board of Directors of Marico Limited, at its meeting held on July 25, 2006 declared a first 2006-07 interim of 13.5%, making this the 22<sup>nd</sup> consecutive quarter of dividends. It is also the 23<sup>rd</sup> quarter of growth in turnover and 27<sup>th</sup> quarter of growth in profits.

Contribution to growth was largely uniform across Marico's businesses - In the domestic market, Parachute coconut oil, the flagship brand, continued to show good volume growth and maintained its market share of over 50%. Saffola, another leading brand, has been witnessing the results of a 360-degree marketing strategy of reaching out to consumers. During Q1FY07 it notched up a double-digit growth apart from winning awards from marketing pundits. Said Mr. Saugata Gupta, Chief – Marketing and Sales- "It is pleasing to lead a pack of strong brands, which win both consumers and awards."

Nihar, recently acquired from HLL, is now well integrated into the business and has grown over FY 06 in both coconut oil and perfumed hair oils. Mr. Milind Sarwate, Chief Financial Officer stated- "Effective integration of the 4 brands acquired recently by Marico enthruses us to seek more inorganic growth opportunities."

Marico's recent launches and prototypes also performed well during the quarter. Parachute After Shower Cream, Marico's first foray into the men's grooming segment, has in a short span of one year garnered a market share of 41%. Other new products being launched or prototyped are Parachute Sparsh baby Oil and baby soap, Parachute Therapie – Marico's high-end efficacious hair fall solution, the Youth product, Parachute Advanced Hair Perfect Leave-in moisturizer and Saffola Cholesterol Management Atta Mix.

Marico's hair oil range in rigid packs (Parachute Jasmine, Hair & Care, Shanti Amla Badam and Parachute Advansed) grew 20% in volume.

During Q1FY07, Kaya, Marico's skin solution business recorded a turnover of Rs 16 crore, a growth of 54% over Q1FY06. The Kaya consumer base in India has increased to over 130,000. Kaya Skin Clinic now reaches its customers through 43 clinics in India and 3 in the UAE. In June 2006, Kaya Skin Clinic was featured amongst the Top Day Spas in Dubai by Asia Spa magazine published out of Hong Kong.

During Q1FY07 Marico's International FMCG business grew by 56% with a turnover of about Rs. 37 crore for the quarter.

In the Middle East, Parachute hair cream continues its good performance and now leads the market in the UAE, with a market share of 29%. Marico's hair oils and Parachute Hamaam Zait Cream too have begun expanding their franchise in the region. In Bangladesh, Parachute Coconut Oil retained its strength with over 55% market share.

Many of Marico's campaigns won accolades this quarter. At the recently concluded Emvies 2006 (awards for best media strategies and innovations across India) Saffola won 4 awards in the categories of Radio, People's Choice, Best Strategy and Cinema Activation. In a recent survey by Reader's Digest, consumers voted Saffola Gold the Most Trusted Brand in the cooking oil category.

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## About Marico

Marico is a leading Indian Group in Consumer Products and Services in the Global Beauty and Wellness space. Marico's Products and Services in Hair care, Skin Care and Healthy Foods generated during 2005-06 a Turnover of about Rs.11.5 billion (USD 250 Million). Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Kaya, Sundari and Aromatic. Marico's brands and their extensions occupy leadership positions with significant market shares in most categories- Coconut Oil, Hair Oils, Anti-lice Treatment, Premium Refined Edible Oils, Fabric Care etc. Marico is present in the Skin Care Services segment through Kaya Skin Clinics (46 in India and the UAE), the Sundari range of Spa skin care products (in the USA & other countries) and also through a recently acquired nascent soap franchise (in India and Bangladesh). Marico's branded products are also present in Bangladesh, other SAARC countries and the Middle East.

The Overseas Sales franchise of Marico's Consumer Products is one of the largest amongst Indian Companies and is entirely in branded products and services. Every month, over 70 Million consumer packs from Marico reach approximately 130 Million consumers in about 23 Million households, through a widespread distribution network of more than 2 Million outlets in India and overseas.

Marico's focus on sustainable profitable growth is manifest through its consistent financial performance – a CAGR of 13 % in Turnover and 15% in Profits over the past 5 years- while setting a record of several consecutive quarters of year on year growth- 27 for Profits and 23 for Sales, and distributing dividends for 22 consecutive quarters. The Marico scrip is listed on the Bombay Stock Exchange (BSE) (Code 531642) & on the National Stock Exchange (NSE) (Code "MARICOIND").

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