



## **MARICO STEPS UP TOPLINE GROWTH – UP 28%**

Mumbai, July 24, 2008

---

Marico recorded a turnover of Rs 601 crore during Q1FY09, a growth of 28% over Q1FY08. The growth was across all its businesses (consumer products in India, international business and Kaya skin solutions). More than half of the growth – about 15%- came from volume expansion.

During the quarter, Marico achieved a Profit After Tax (PAT) of Rs 46 crore, a growth of 15% over Q1FY08.

### **Consumer Products Business – Domestic:**

Parachute continued to maintain its leadership in India. During the 12 months to May '08, it had a volume market share of 48% in the branded coconut oils category, led by Parachute and Nihar showing volume growth ranging from 8% to 10%.

The Saffola refined edible oils franchise grew by 28% in volume over Q1FY08, led by Saffola Gold. The volume growth was boosted by the introduction of a new variant, Saffola Active. Even as the brand operates in the niche super premium segment of the market in India, its strong and relevant proposition ensures a broadening consumer base.

The Hair Oils category experienced healthy growth. As in the past, the company has focused on rigid pack sales of its portfolio. Marico's hair oils in rigid packs grew 26% in volume over the corresponding quarter in the previous year.

During the quarter, Marico commenced the prototype of Parachute Advanced Night Repair Cream and Maha Thanda Hair Oil. Other new products recently rolled out include Parachute Advanced Starz, Hair & Care Almond Gold and Saffola functional food for Diabetics.

**Said Saugata Gupta, CEO- Domestic Consumer Products Business.**  
***“In an uncertain and difficult macro environment, we have focused on growth in consumer franchise. Such growth may come at a higher cost than before, but the investment would pay for itself in the long run.”***

### **International Business:**

Marico's international business grew by 37% during Q1FY09. In its traditional markets (the Middle East and Bangladesh), the FMCG business continued to grow and record share gains. In Bangladesh, Parachute coconut oil extended its market dominance backed by strong marketing support. During the 12 months ended May '08, its market share was 69%. The thrust on expanding the franchise of Parachute hair cream in the Middle East continues. A refurbished campaign for the anti-dandruff variant of the cream was launched targeting Asian Males in the GCC region, helping in capturing the "problem solution" user segment. The Egyptian brands, Fiancée and HairCode currently enjoy a market share of 62%. The process of integration of the business in South Africa is progressing well. During Q1FY09, Marico South Africa, led by the brands Caivil, Black Chic and Hercules clocked a turnover of Rs 14 crore.

**Said Vijay Subramaniam, CEO- International Business- *"For Marico Overseas, this year is one of consolidation, as we build on the inorganic gains of the past two years."***

### **Kaya:**

During Q1FY09, Kaya recorded a turnover of Rs 36 crore, a growth of 62% over Q1FY08. Revenue growth in clinics in India in Q1FY09 that were operational in Q1FY08 too was 25%. Kaya introduced a Deep Pigment Reducer Peel under its skin renewal system in Mumbai. The results have been encouraging and the service has been extended to Delhi with plans of a national roll out during Q2FY09. At the beginning of FY09, 65 skin clinics were operational, 56 in India and 9 in the Middle East. During Q1FY09, Kaya has opened 4 new clinics. Three of these are in existing cities. Kaya is now offering its services for the first time to customers in Lucknow. In the Middle East, a new clinic was opened in Sharjah. Kaya is well on track to open about 15 clinics during the year. Kaya Life offering holistic weight management solution which was launched in FY08 currently has 3 centers – all in the city of Mumbai.

**Rakesh Pandey, CEO Kaya said *"We are pleased that along with organic growth, we are holding the momentum for new clinic set ups."***

### **Outlook:**

The environment has been experiencing significant inflation in input prices, across crude oil derivatives, polymers and edible oils. Price increases may protect absolute margins, but percentage margins do tend to suffer for all players in the Industry. Against this backdrop, Marico intends to maintain its focus on long term sustainable growth, by continuing to invest in creating growth engines for the future. ASP Spends are likely to be maintained, so as to strengthen established brands and build new ones.

**Milind Sarwate, Chief of HR & Strategy stated- *"Marico considers it important to not get distracted by the cacophony of the economic slowdown. We will think beyond the immediate quarters and strategise for long term value creation."***

**About Marico:**

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. 19.1 billion (about USD 455 Million) during 2007-08. Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Kaya, Sundari, Aromatic, Fiancee, HairCode, Caivil 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 (70 in India and The Middle East), the Sundari range of Spa skin care products (in the USA & other countries) and its soap franchise (in India and Bangladesh).

Marico's focus on sustainable profitable growth is manifest through its consistent financial performance – a CAGR of 21% in Turnover and 30% in Profits over the past 5 years- while setting a record of several consecutive quarters of year on year growth- 35 for Profits and 31 for Sales.

The Marico scrip is listed on the Bombay Stock Exchange (BSE) (Code 531642) & on the National Stock Exchange (NSE) (Code "MARICO").

Regd Office: "Rang Sharda", K C Marg, Bandra Reclamation, Bandra (West), Mumbai - 400050, India. Email: [millinvrel@maricoindia.net](mailto:millinvrel@maricoindia.net)

Websites: [www.marico.com](http://www.marico.com), [www.saffolalife.com](http://www.saffolalife.com), [www.kayaclinic.com](http://www.kayaclinic.com), [www.sundari.com](http://www.sundari.com), [www.parachuteadvanced.com](http://www.parachuteadvanced.com), and [www.maricoinnovationfoundation.org](http://www.maricoinnovationfoundation.org)