Marico – An Information Update for Q1FY11

(Quarter ended June 30, 2010)

Group Turnover	**Rs**	**790 Cr. Up 13 %**
Profit Before Tax	**Rs.**	**91 Cr. Up 18 %**
Net Profit	**Rs .**	**74 Cr. Up 32%**

Marico – Profitable Growth Sustained

Marico achieved a turnover of Rs 790 crore during Q1FY11, a growth of 13.4% over Q1FY10. The volume growth underlying this revenue growth was healthy at 16%. The value growth was lower owing to deflation in some of the company's key input materials part of which the company chose to pass on to the consumer during the second half of last year in order to expand its consumer franchise.

Profit after tax (PAT) for Q1FY11 was Rs 74 crore, a growth of 32% over Q1FY10. These results include the following items that are not strictly comparable with Q1FY10:

- A provision of Rs 8.8 crore towards excise duty on dispatches of coconut oil in packs up to 200 ml, made by the Company on conservative principles. The corresponding amount for Q1FY10 was Rs 4.8 crore for the period starting June 3, 2009 to June 30, 2009.
- Net profit of Q1FY10 includes an expense of Rs 4.1 crore pertaining to the sale of the Sundari business.

If these items were to be ignored, the PAT for the quarter would have been at Rs. 79.7 crore, a growth of 26% over Q1FY10.

Marico has kept up its track record of quarterly growth. Q1FY11 is in Y-o-Y terms, the:

- 39th consecutive Quarter of growth in Turnover and
- 43rd consecutive Quarter of growth in Profits

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Consumer Products Business - India:

Parachute & Nihar

Parachute, Marico's flagship brand, continued to expand its franchise during the quarter. Parachute coconut oil in rigid packs, the focus part of its portfolio, grew by ~14% in volume as compared to Q1FY10. This provided a good start to the year with robust growth in lower price point recruiter packs accelerating conversions from loose oil.

From a low base in FY10, there has been some rise in copra (dried coconut kernel – the raw material input for coconut oil) prices. Average copra prices during Q1FY11 were higher than in Q1FY10 by ~4%. The company did not implement any price changes in Q1FY11. With further trending up in copra prices in the July-September quarter, Parachute has taken price increases in select SKUs. In the smaller volume packs such as 20 ml and 50 ml which are Parachute's "recruiter packs" the retail prices have been maintained at Rs 5 and Rs 10 respectively so as to continue to upgrade loose oil users into packed and branded coconut oil. The company estimates that about 40% of the coconut oil market is in loose form. This provides the potential for sustained growth in the coconut oil franchise over the medium term.

The focus part of Parachute's portfolio is the rigid packs. The non-focus component, predominantly flexi (pouch) packs with lower margins than rigids, comprises ~25% of Parachute sales in volume terms. Being more sensitive to the premium over loose oil, this non-core part of the portfolio did not experience growth in volume over Q1FY10. Consequently the volume growth for Parachute Coconut oil as a whole was ~11%.

Parachute's volume share during the 12 months ended June'10 was 46%. Together with Nihar and Oil of Malabar, Marico's volume share in the Rs 1900 crore branded coconut oil segment in India was 53.3%.

During the year FY10, the Central Board of Excise & Customs (CBEC) issued instructions vide a circular wherein it classified coconut oil packed in container size up to 200 ml as hair oil, which is chargeable to excise duty with effect from the date of the circular that is June 3, 2009. The company had filed writ petitions with the High Courts and believes it has a strong legal case on merits. The company continues to clear all coconut oil from its factories without payment of excise duty. The matter is currently sub-judice and it could take some time for it to resolve completely. Pending such outcome, as a matter of abundant caution, the company had decided to make a provision for the excise duty on packs up to 200 ml, which the excise department has sought to classify as hair oil to the extent of 75% of the duty payable in the unlikely event that the decision goes against the company. There has not been any development in the matter in Q1FY11 and therefore the Company continues to provide for 75% of duty payable on coconut oil packs of upto 200 ml. The provision for this quarter is Rs 8.8 crore (Q1FY10 Rs 4.8 crore). The provision made during FY10 was Rs 29.4 crore.

Saffola

Marico's second flagship brand, Saffola, is positioned strongly on the "good for the heart" platform and rides the trend in increasing concern around health and heart health in India. With this increasing awareness several households have begun using Saffola as part of their adoption of a healthier lifestyle. The super premium niche of the branded refined edible oils market thus continues to expand. A new theme advertisement was launched in May 2010 based on the insight that fatigue due to a weak heart could lead to life not being lived to the fullest. During Q1FY11, Saffola refined oils recorded a strong volume growth of ~17.5% over Q1FY10 and continued to maintains its leadership position. The higher volumes are expected to increase the customer base for Saffola as the brand has a high retention rate.

Q1FY11 saw a decline in the edible oil table. Prices for two of Saffola's key inputs safflower oil and rice bran oil showed a ~12% decline and ~1% increase respectively over the corresponding quarter in the previous year. No prices changes were implemented in Saffola during the quarter.

In the longer term, Saffola would like to establish itself as a leading healthy lifestyle brand. It has commenced its journey in the foods space and in the long term plans to have a basket of offerings that provides healthy food options throughout the day. During Q4FY10, Saffola Arise was launched across key Saffola markets at invitational pricing and has been supported by insightful advertising. The initial performance has been encouraging with indications that repeat purchases are taking place. Saffola Arise is also receiving the support of influencers such as nutritionists. The packaged rice market in India is ~Rs 400 Cr and is growing at over 20%, especially in Modern Trade. With its health positioning the company hopes to create a sizable franchise for itself over the next two to three years.

In line with this strategy the company introduced Saffola Oats in the month of June 2010. The product is being prototyped primarily in the Modern Trade format in select cities across India. The Oats market in India is ~ Rs 120-140 crore and is growing at a healthy rate of ~40%. The company expects to participate in this category growth and create for itself a sizeable franchise over the next two to three years.

Hair Oils

Marico offers its consumers a basket of value added hair oils for their pre-wash and post wash hair conditioning, nourishment and grooming needs in the Rs 2600 crore branded hair oils market. Hair oiling remains a deeply ingrained hair conditioning habit on the Indian sub-continent. With rising incomes in India there has been an opportunity to serve consumers looking for value added options to their hair oiling needs.

During the quarter, all Marico's hair oils brands recorded healthy growth. The company's hair oils portfolio in rigid packs grew by ~27% over Q1 FY10.

Marico's hair oils franchise had a volume market share of 21.6% during the 12 months ended June 2010. It has gained ~150 basis points in Q1FY11 over Q1FY10. This has been achieved through packaging, restaging and continued media support in some of the brands and penetrative pricing action in others. With the objective of generating trials and expanding its base, Shanti Badam Amla, which comprises a relatively small part of Marico's hair oils portfolio, commenced an aggressive price off this calendar year. This has led to the brand increasing its volumes by ~92% during Q1FY11 over Q1FY10. It is hoped that most of the trialists will remain with the brand.

Parachute Therapie a coconut oil based hair vitalizer that heals damaged roots and controls hair fall was relaunched in October 2009 in a 100 ml pack size at a price point of Rs 100. The response is in line with expectations.

The company plans to increase its participation in the hair oils category by entering the cooling oils segment which is estimated to be ~18% of the Hair oils market in volume terms. It is currently prototyping two differentiated cooling oil variants - Nihar Naturals Coconut Cooling Oil in Bihar and Parachute Advansed Coconut Cooling Oil in Andhra Pradesh which is meeting action standards.

Distribution:
Over the last few years rural incomes have been on the rise leading to higher consumption in the rural markets. Improved infrastructure and increased media reach has facilitated better coverage. In an attempt to tap this opportunity the company began to focus on expanding its distribution network through direct coverage of retail outlets in rural markets in select states. This has begun to yield early results. The company's rural sales have grown at a faster pace at ~15% as against ~13% in Urban. In the medium to long term, the company will focus on both expansion of its rural reach and also the introduction of products and SKUs more amenable to the rural markets.

International FMCG Business

Marico's International FMCG business (its key geographical constituents being Bangladesh, MENA (Middle East and North Africa) and South Africa) now comprises about 23% of the Marico Group's turnover. The company's international business continued to grow handsomely in Q1FY11 registering a ~29% over Q1FY10 driven by ~17% volume growth and ~12% price led growth. However the overall reported growth is 22% taking into account a 7% impact of exchange rate fluctuations attributed to appreciation of the Indian Rupee.

Bangladesh
In Bangladesh, Parachute continues to focus its efforts on increasing the size of the market through driving conversions from loose oil to packed oil. Its market leadership position has been strengthened further and it now commands a volume share of 74% during the 12 months ended May 2010 with shares in recent months going upto 76%. Marico expects continued growth in its Bangladesh business through market growth in branded coconut oil and leveraging the extensive distribution network created by Parachute to launch new products. Hair Code hair dye has been able to establish itself as the second largest hair dye brand in the country. A strong 360 degree media campaign with presence on TV, print and outdoor media as well as in-salon activations and in-store visibility has helped in this achievement. Adding to its portfolio in the Bangladesh market, the company made a foray into the refined edible oil segment with the launch of Saffola towards the middle of the quarter. The initial response is positive.

MENA (Middle East and North Africa)
Despite some slowdown in overall FMCG demand in the Middle East, both Parachute Cream and Parachute Gold hair oil experienced healthy growths as compared to the corresponding quarter in the previous year. In the GCC (Gulf Cooperation Council) countries, Parachute cream maintained its market leadership position with a market share of 27 % during the 12 months ended May 2010.

Marico's business in Egypt comprising the hair cream and hair gel brands Fiancée and Hair Code continued to turn in healthy growth. The company invested in promotional campaigns and capitalized upon the soccer world cup fever with limited edition soccer packs. The company had launched Parachute Gold hair oil in Egypt during Q4FY10. As part of its effort to unlock portfolio synergies, Parachute Hair Cream was launched in Q1FY11 along with the scale up of Parachute Gold hair oil. Sales are being supported with an integrated marketing campaign on TV, outdoors and visibility. The initial response to the placements is encouraging.

The new plant that was set up to exclusively manufacture the Parachute range of products for supplies to the MENA region has stabilized and is now fully operational. The transition of manufacturing from India to Egypt for the GCC region is nearing completion and we expect the entire sourcing to be from Egypt by end of Q2FY11.

South Africa

The South African business continued to build on the momentum gained last year and achieved over 20% growth during Q1FY11 over the same quarter in the previous year. All the brands Caivil, Black Chic and Hercules performed in line with expectations.

Kaya Skin Clinic

During Q1FY11, Kaya acquired Derma Rx, the Singapore based skincare clinics business. Derma Rx, led by one of Singapore's eminent aesthetic physicians, Dr S. K. Tan, operates three centers in Singapore and one in Kuala Lumpur. With a customer base of about 37,000, Derma Rx generates a turnover of about Rs 50 cr. This acquisition provides Kaya, access to an advanced range of skin care products and a strong sourcing network, including suppliers of products from developed nations. Besides establishing itself in the South East Asian region, the company plans to introduce Derma Rx products into its range of offerings, at Kaya clinics in India and the Middle East over time. This would enable Kaya to increase its share of revenue, from sale of products, from the current level of about 13% to over 20%.

Derma Rx's founders, Dr S. K. Tan and Ms. Janifer Yeo, will continue to be engaged in the business, for the next three years, to facilitate the transition and provide Kaya, with the know-how and experience, from their expertise in aesthetic solutions, in a relatively more evolved market.

During Q1FY11, Kaya skin clinics (before Derma Rx) achieved a revenue growth of 3% over Q1FY10. In a reversal of the trend during the last two quarters, the business also achieved a sequential quarter growth of 1%. On a same clinic basis however, there was a decline in revenue by 5%. During Q1FY11, Kaya skin business achieved revenue of Rs 50.6 crore (including revenue of Rs 5.1 crore from Derma Rx), a growth of 14% and incurred a loss of Rs 4.7 Cr at PBT level.

During Q4FY10, the management reviewed all its existing clinic operations and decided to close down / relocate 7 skin clinics which did not hold long term potential, by June 2010. During the quarter Kaya closed down 6 clinics in India. Kaya endeavors to maximize access to its guests by relocating to more convenient locations. Kaya now offers its technology led cosmetic dermatological services through 99 clinics: 81 in India across 26 cities, 13 in the Middle East and 1 in Dhaka in addition to the 4 clinics in Singapore and Malaysia through Derma Rx. During FY11, while Kaya plans to add 4-5 clinics in the Middle East it is unlikely to open any new clinics in India.

In order to improve customer retention Kaya began to offer a new service, Kaya Everyday Radiance which sought to attract customers on a more repetitive basis. During Q1FY11 two more services in skin maintenance/enhancement were introduced – Aqua Radiance and Juvederme Voluma. A new TV Campaign was launched in May with the objective of reinforcing Kaya's expert positioning along with increasing new customer numbers. .

OPERATING MARGIN STRUCTURE FOR MARICO GROUP

% to Sales & Services (net of excise)	**Q1FY11**	**Q1FY10**
Material Cost (Raw + Packaging)	51.5	50.3
Advertising & Sales Promotion (ASP)	11.9	12.1
Personnel Costs	6.7	6.8
Other Expenses	16.6	16.9
PBDIT margins	13.3	13.8
Gross Margins (PBDIT before ASP)	25.2	25.9

Notes:

1. The quarter witnessed some inflation in input materials. Market prices of Copra, the input for coconut oil, which accounts for ~40% of the company's raw material cost, was ~ 4% higher than in Q1FY10. Prices of Rice Bran Oil and HDPE were higher by ~1% and ~17% compared to corresponding quarter in the last year. There was however a reduction in prices of Safflower oil by ~12%
2. Other expenses as a % of sales were lower primarily due to exchange gains in Q1FY11 (Rs 0.3 crores) as against exchange loss in Q1FY10 (Rs 1.8 crores). Excise Duty provision of Rs 8.8 crores and Rs 4.8 crores is included in Q1FY11 and Q1FY10 respectively. PBDIT margins before Excise Duty provision would be 14.4% for Q1FY11 and 14.5% for Q1FY10.
3. The detailed Financial Results and other related useful information are available on Marico's website – http://www.marico.com/investor_relations/latest_updates.html

CAPITAL UTILIZATION

Over the years, Marico has been maintaining a healthy Return on Capital Employed (ROCE). Given below is a snapshot of various capital efficiency ratios for Marico:

Ratio	Q1FY11	Q1FY10
Return on Capital Employed - Marico Group	 33.8%	 41.4%
Return on Net Worth – (Group)	42.3%	46.1%
Working Capital Ratios (Group) - Debtors Turnover (Days) - Inventory Turnover (Days) - Net Working Capital Turnover (Days)	 20 49 53	 16 46 49
Debt: Equity (Group)	0.65	0.78
Finance Costs to Turnover (%) (Group)	0.96	1.24

* Turnover Ratios calculated on the basis of average balances

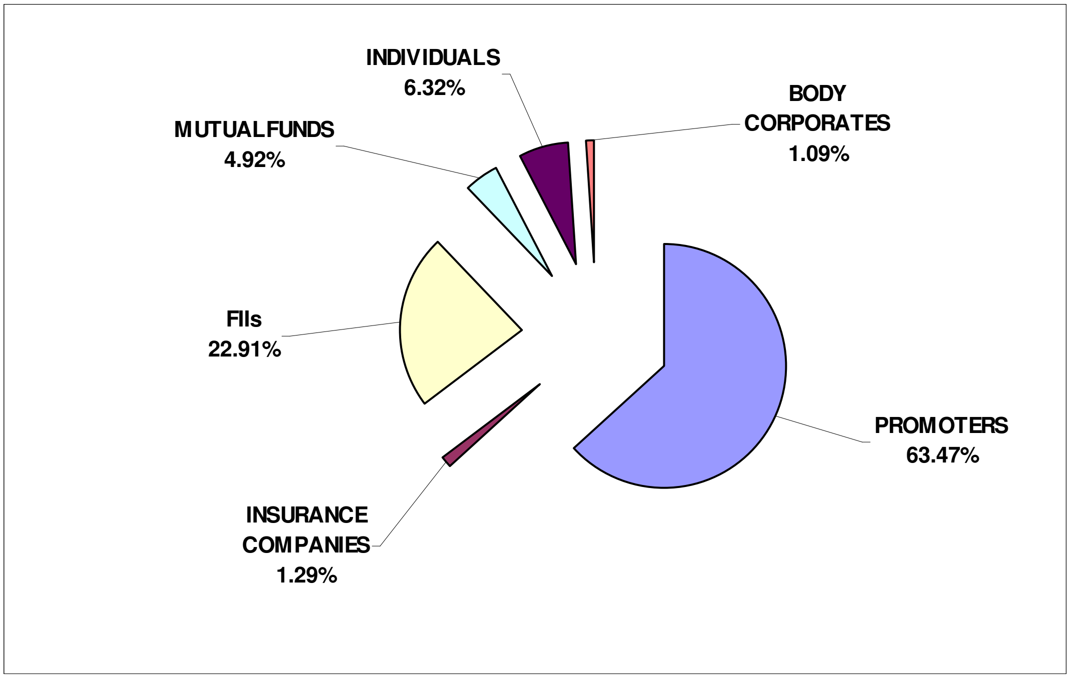
1. The debtor's turnover has increased partly on account of the international business constituting a larger share of turnover. The market norms from debtors in the international business are higher than in India. Inventory days have increased primarily due to strategic build up particularly in safflower and copra.
2. As of June 30, 2010 the Marico Group had a net debt of Rs 267 Crore (Gross Rs. 461 Crore). Of the gross debt about Rs. 203 Crore is denominated in US Dollars. About Rs. 168 Crore of the USD debt is repayable with in a year. About Rs. 229 Crore debt denominated in Indian Rupees is payable within a year. The average cost of the debt is about 5.0 %. The company may roll over some of the loans when they fall due during the year. Marico has adequate cash flows to maintain healthy debt service coverage
3. The Company adopts a conservative policy for hedging its foreign currency exposures using a mix of forwards, plain vanilla options and hedging on a net basis. Foreign currency trade loans and imports are hedged immediately on contracting the same.

Effective Tax Rate:

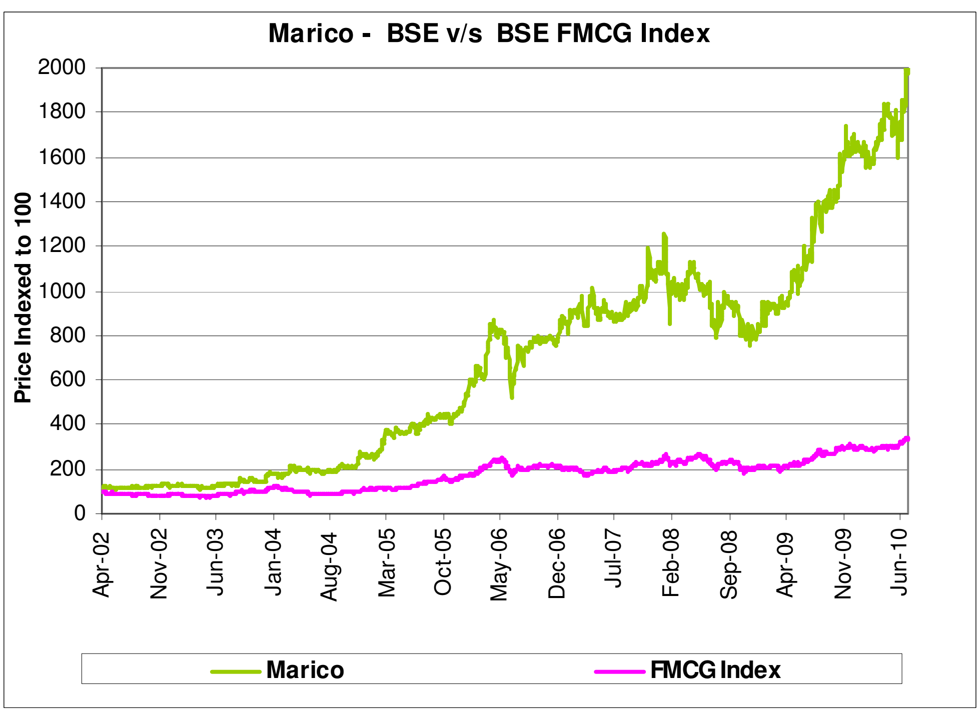
The total effective tax rate (as % of PBT) after considering adjustments for MAT credit and deferred tax for Q1FY11 is 17.8%. As a result of investing in manufacturing facilities in zones enjoying concessional tax rates and the share of International Business increasing in the Group, the Company expects to maintain the effective tax rate at under 20% over the next two years.

SHAREHOLDING PATTERN

The Shareholding pattern as on June 30, 2010 is as given in the graph below :



SHARE PERFORMANCE ON STOCK EXCHANGES



- Marico's long term performance on the stock exchange vis-a-vis its peer group is depicted in the graph alongside.
- Marico's market capitalization stood at Rs. 7857 crore on June 30, 2010. The average daily volume on BSE and NSE during Q1FY11 was about 47,593 shares

OUTLOOK

- **Sustained volume and value growth in consumer products (India & international)**
- **Consolidation in Kaya India and building scale in Kaya Middle East**
- **Sustained performance in group margins**
- **Continued investments for the future**

The consumer products business of the company expects to sustain overall volume growth and to improve value growth. Though there may be some increase in input costs from the low levels experienced in FY10, the company expects to be able pass these on to the consumer and maintain its unit margin in the same band, given the strength of its brands. At the same time, in the medium term the company would like to focus on growing its brand franchise rather than increasing margins unduly. With the rural markets growing faster than urban ones, the company is planning to focus on rural markets in order to drive deeper penetration for its existing products and also to create a basket of products more amenable to these markets. In coconut oils in India the company expects to grow through holding the price point on low unit packs (Rs 10 and below). In hair oils in India, Marico will focus on share gain through effective communications, and introduction of differentiated and innovative products. Saffola is riding a trend in healthy living being adopted by the Indian consumer. The brand expects to continue to expand its franchise in the premium refined edible oil niche. It will also extend its good for heart equity to foods. Saffola Arise and Saffola Oats are the first two initiatives in this regard. The company will continue to prototype new product ideas to create new engines of growth for the future. Given the current size of Marico's consumer product business, the company will focus on new product initiatives with a potential more commensurate with its size.

In the International consumer products business, Marico will focus on growing the categories where it has dominant share -such as in coconut oil in Bangladesh and creams and gels in Egypt. In the Middle East and South Africa it would work on increasing share in key categories. The company has also commenced the process of expanding its distribution to neighboring countries from its hubs in the Middle East, Egypt and South Africa. This is expected to widen Marico's playing arena in West Asia and Africa in the medium to long term. The acquisition of Code 10 in Malaysia has marked Marico's entry into the South East Asian region. Integration is in line with plan and over time, this is expected to grow into a new pillar for growth for Marico's international business. Marico expects that its international business can clock a business growth of about 20% per annum over the next few years. It will also focus on improving its margins gradually to match current Company average.

Over the past few quarters Kaya skin clinics have experienced a slow down in India. In the short term therefore, the company plans to work on improving its revenue streams from the existing clinics in India. It will continue to drive new clinic growth through expansion in the Middle East. It has taken Kaya longer to achieve profitability than the company had earlier anticipated. The longer term attractiveness of the business however remains intact and Kaya expects to deliver the targeted ROCE over the next 3 to 4 years.

Contents of the Update

This update covers the following:

1. Financial results and other developments during Q1FY11 for the Marico Group – Marico Limited and its subsidiaries - Kaya Limited, Marico Bangladesh Limited, MBL Industries Limited, Marico Middle East FZE, Kaya Middle East FZE, Marico South Africa Consumer Care (Pty) Limited, Marico South Africa (Pty) Limited, CPF International (Pty) Limited, MEL Consumer Care SAE, Egyptian American Investment & Industrial Development Company SAE, Marico Egypt Industries Company SAE (erstwhile Pyramid for Modern Industries), Wind CO, Marico Malaysia Sdn. Bhd., Derma Rx International Aesthetics Pte. Ltd., The DRx Clinic Pte. Ltd., DRx Meditech Pte. Ltd., The DRx Medispa Pte. Ltd., DRx Investment Pte. Ltd. and DRx Aesthetics Sdn. Bhd.

2. A Profile containing basic/historical information on Marico.

We recommend that readers refer to the Marico Group financials to get a better appreciation of the business performance. A copy of the latest Annual Audited Financial Results of Marico Limited as also that of the Group is available on Marico's website

http://www.marico.com/investor_relations/annual_reports/Consolidated_Annual%20Report_2009-10.pdf

Disclosure Of Information, Communication With Investors / Analysts / Financial Community

Marico issues fresh information updates, like the one you are reading now; on the day it declares its Quarterly Financial Results. Some forward looking statements on projections, estimates, expectations, outlook etc. are included in such updates to help investors / analysts get a better comprehension of the Company's prospects and make informed investment decisions.

Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints.

All the aforesaid information is also available on Marico's Website: www.marico.com

In view of this, information contained in such updates is made public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 1992. Marico typically holds a general meeting with investors, analysts and other members of the financial community once a year, in April, apart from periodic meetings/ conference calls, from time to time, with individual members of the financial community.

Profile giving Basic / Historical Information

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. 26.6 billion (about USD 600 Million) during 2009-10. Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Kaya, Derma Rx, Aromatic, Fiancée, HairCode, Caivil, Black Chic and Code 10. 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 (99 in India, The Middle East, Bangladesh, Singapore and Malaysia).

Marico's branded products are present in Bangladesh, other SAARC countries, the Middle East, Egypt, South Africa and Malaysia. The Overseas Sales franchise of Marico's Consumer Products (whether as exports from India or as local operations in a foreign country) is one of the largest amongst Indian Companies and is entirely in branded products and services.

Marico's own manufacturing facilities in India are located at Goa, Kanjikode, Jalgaon, Pondicherry, Dehradun, Daman and Poanta Sahib, Baddi and supported by subcontracting units. Marico's wholly owned subsidiaries, Marico Bangladesh Limited, Egyptian American Investment and Industrial Development Corporation, Marico Egypt Industries Company (erstwhile Pyramid for Modern Industries), and Marico South Africa Pty Ltd. have their manufacturing facilities at Mouchak, near Gazipur in Bangladesh, 6th October City, Egypt, Salheya City, Egypt, Sadaat City, Egypt and Mobeni in Durban, South Africa respectively.

Marico was incorporated in 1988 and during 1990 took over the then 40-year old consumer products business of The Bombay Oil Industries Limited. It made its initial public offer for equity shares in March 1996. Given below is an overview of Marico's market standing.

Brands	**Category**	**Indicative Market Share range %**	**Rank**
Parachute, Oil Of Malabar, Nihar	Coconut Oil	51-53	1
Hair Oil (Hair & Care, Parachute Jasmine, Parachute Advansed, Shanti Badam Amla, Nihar)	Hair Oils	20-22	2
Mediker	Anti Lice Treatment	~ 90	1
Revive	Fabric Starch	~ 80	1

Source: A.C.Neilsen Urban Retail Market Research and Company Sources

Marico's frontline brands have shown remarkable resilience against competition - refer the market share statistics given below:

Brands	Category	1992 (%)	Now (%)
Parachute, Oil Of Malabar, Nihar	Coconut Oil	48-49	51-53
Hair Oil (Hair & Care, Parachute Jasmine, Parachute Advansed, Shanti Badam Amla, Nihar)	Hair Oils	_	20-22

Source: A.C.Neilsen Urban Retail Market Research and Company Sources

Marico has consistently sought to broadbase its brand basket. The new products dealt in by the Company during last 5 years have now assumed a critical mass and contribute 11% to the group business. In the process, Marico's dependence on Parachute has consistently been reducing. From a share in the range of 70% - 75% in early 90's, Parachute in India today contributes about 30% to the top line of Marico. Its share in profits too has come down.

Reach

Marico procures one out of every 13 coconuts produced in India. Marico sells over 7 Crore (70 Mio) packs to around 13 Crore (130 Mio) people every month. Marico's products reach around 2.3 Crore (23 Mio) households through over 33 Lac (3.3 Mio) retail outlets serviced by its nation-wide distribution network comprising 4 Regional offices, 32 carrying & forwarding agents (CFAs) and about 3600 distributors and stockists. Marico's distribution network covers almost every Indian town with population over 20,000.

The table below provides an indicative summary of Marico's Distribution Network in India.

	Urban	**Rural**
Sales Territories	135	35
Towns Covered ('000's)	3.2	11.0
Distributors	850	-
Super Distributors	-	120
Stockists	-	3,600

In Bangladesh, Marico reaches over 370,000 outlets.

Skin Care Solutions

Marico entered the skin care solutions business through Kaya Skin Clinics offering a range of highly effective and safe services based on cosmetic dermatological procedures and products. Services offered at Kaya use US FDA approved technology and have been specifically customized for Indian skin. In-clinic dermatologists recommend a personalized series of treatments. The chain of Kaya clinics (all company owned) is now 99 strong, spread across 26 cities in India and a presence in the Middle East, Bangladesh, Singapore and Malaysia. Its customer base is now more than 600,000.

marico
be more. every day.

Financial Highlights

Marico has maintained a steady top line and bottom line growth over the past decade with a consistently healthy Operating Return on Capital Employed (ROCE).

Particulars (Rs crores)	FY 06	FY 07	FY 08	FY 09	FY 10	CAGR %
Sales & Services	1,144	1,557	1,905	2,388	2,661	21
Profit Before Tax	98	150	205	230	298	32
Net Profit (PAT)	87	113	169	189	232	27
Earnings per Share - Annualised (Rs)*	1.5	1.9	2.8	3.1	3.8	26
Book Value per Share (Rs)*	4.5	3.2	5.2	7.4	10.7	
Net Worth	261	192	315	453	654	
ROCE %	26	36	42	35	34	

* For a meaningful comparison of EPS and Book Value, the numbers for the previous years have been re-computed taking into account sub-division of equity shares to a face value of Re 1 per share.

Business Model and Organization

Marico's business model is based on focused growth across all its brands and territories driven by continuously improving value propositions to consumers, market expansion and widening of retail reach. Marico aims to be the leader in each of the businesses; by heightened sensitivity to consumer needs, setting new standards in the delivery and quality of products and services through processes of continuous learning and improvement. The model ensures that Marico is present in unique / ethnic Indian Product or Services categories where typical MNCs would not be strong. Therefore, Marico does not, unlike many other Indian FMCG Companies, get caught in MNC cross fires.