

## MARICO REVENUE UP 23%- GROWTH ALL ACROSS

Mumbai, Jan 22, 2009

Marico achieved a turnover of Rs 623 crore during the quarter ended Dec 31, 2008(FY09), registering a growth of 23% over the corresponding period in FY 08. All Marico's businesses- consumer products in India, international business and Kaya skin solutions- showed healthy growth. Marico's portfolio mix, skewed towards items of daily consumption, enabled a robust growth in topline despite ambient economic slowdown.

Profit After Tax (PAT) during the quarter was about Rs 51 crore, a growth of 11% over Q3FY08. If one excludes the one-time income accounted in Q3 FY 08, the growth would be higher at 20%.

Q3FY09 was, in Y-o-Y growth terms, the 33<sup>rd</sup> consecutive quarter of topline growth and the 37<sup>th</sup> consecutive quarter of PAT growth.

### Consumer Products Business – Domestic:

Parachute continued to lead in market share in India with a volume market share of 48% during Dec 2007- Nov 2008, while Nihar's share in the category stood at 6%. Parachute coconut oil in rigid packs recorded a volume growth of 9% over Q3FY08.

During the quarter Saffola's price premium over other branded refined edible oils expanded significantly, causing deceleration in volume growth to about 3% in Q3FY08. Expectations for the forthcoming quarters are however that Saffola will grow at a healthier rate.

Marico's Hair Oils experienced healthy growth- rigid packs grew 15% in volume. Marico's basket of hair oils (that includes Parachute Jasmine, Nihar perfumed hair oils, Hair & Care and Shanti Badam Amla) had a market share of about 20% during Dec 2007- Nov 2008.

Marico introduced three new products- 1 in Hair care and 2 in Health care.

- **Parachute Advansed revitalizing Hot Oil** is a coconut oil for winter enriched with warming oil, rosemary, thyme and patchouli.
- **Saffola Zest** a salty baked snack, combines strong health benefits with great taste to give consumers a novel healthful snacking experience. Saffola Zest is being prototyped in Maharashtra.
- **Saffola Rice for weight management** a low Glycemic Index (Low GI) product is being prototyped in Andhra Pradesh.

Said Saugata Gupta, CEO- Consumer Products Business. ***"We are introducing innovative products that bring significant value to the consumer. Through the two Saffola prototypes, this brand, highly trusted by consumers, can begin to play an increased role in their lifestyle. Marico will take Saffola's equity beyond refined edible oils en-route to becoming one of India's most respected brands"***.

## International Business:

Marico's international Consumer Products business grew by 44% during Q3FY09, across territories.

- **Marico Bangladesh** continues to do well, led by its flagship, Parachute coconut oil, which now commands a market share of 72%. It recently introduced a hair dye under the brand HairCode that would leverage the strong Parachute distribution network.
- **Marico Middle East** is now a strong No. 2 in Hair Creams- with the success of Parachute cream that has a unique positioning- "nourishment plus protection from harsh water", and about 24% market share- quite close to the market leader in the GCC countries.
- **Marico Egypt** has been undergoing a transition from directly servicing several wholesalers to dealing with them through a distributor, aimed at supply chain efficiencies, and also the setting up of a third manufacturing facility near Cairo. The transition has taken longer than anticipated. Parallely, the Egyptian economy has been impacted by high inflation (over 20%). These factors have caused de-growth in business during Q3 FY 09 and on year to date basis. The transition is now almost complete and inflation too seems to be easing- it is now down to 16% from the peak of 23%. This should help us to reverse the trend this trend during Q4FY09.
- **Marico South Africa** has performed in line with expectations, with a positive response to the launch of new flavours in **Hercules** castor oil and the restaging of the brand **Caivil**.

**Vijay Subramaniam, CEO- International Business added - "We now look at our International Business through a twin-focus lens- while growing the topline, we have also commenced supply chain initiatives to improve margins. Thus, Marico Bangladesh has taken up backward integration through local copra crushing, Marico Egypt has commissioned a third factory to serve the MENA region".**

## Kaya:

Kaya sustained its growth tempo, growing at 59% over Q3FY08, and notching up a turnover of Rs 41 crore in Q3FY09. Kaya added 6 new Skin Clinics in Mumbai, Delhi, Hyderabad and Chennai. Kaya now has 84 clinics, up from 65 in March 2008. Of these 73 clinics are operational across 20 cities in India while there are 11 clinics situated in the Middle East.

**Rakesh Pandey, CEO Kaya, was happy that "the Kaya Skin Clinic business is moving ahead firmly in its journey towards a pre-eminent position in Skin Care Solutions."**

## Outlook:

Marico's long term focus would continue to be on sustainable profitable growth. The Company will continue to invest in existing brands, while building a pipeline of new products and solutions that provide significant delight to its customers. **"In the short –term, however, Marico is cautiously optimistic"** said Milind Sarwate, Chief HR & Strategy. **"While Inflationary pressures in India seem to be easing, the economic growth ambience is uncertain and the threat of volatility still prevails. In these circumstances, we would focus on building long term consumer franchises, with a design that margin expansion will follow when normalcy returns."**

## 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, Fiancée, 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's products reach about 30 countries world-wide. Marico's subsidiaries operate in Bangladesh, UAE, Egypt, South Africa and the USA. 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- 37 for Profits and 33 for Sales. The Marico scrip is listed on the Bombay Stock Exchange (BSE) (Code 531642) & on the National Stock Exchange (NSE) (Code "MARICO").

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