Marico – An Information Update for Q3FY11

(Quarter ended December 31, 2010)

Group Turnover	**INR**	**~ 818 Cr.**	**Up ~22 %**
Profit Before Tax	**INR**	**~ 84 Cr.**	**Up ~4 %**
Net Profit	**INR.**	**~ 70 Cr.**	**Up ~12%**

Marico achieved a turnover of ~INR 818 Cr (USD 182 mio) during Q3FY11, a growth of ~22% over Q3FY10. The volume growth underlying this revenue growth was healthy at ~15%. With firming of input prices since Q2 of FY11 the company took price increases in the latter part of Q2FY11 and in Q3FY11 in select SKUs. This has led to an inflationary impact on the top line. Pricing power of Brands enabled the Company to pass on a part of input cost increase to consumers. The company is however conscious of the long term growth potential in the Indian market. It has therefore focused on retaining consumers and continuing to provide the impetus to grow the market, particularly in coconut oil. Consequently, it has chosen a temporary contraction in operating margins to ensure longer term growth.

Profit after tax (PAT) for Q3FY11 was ~INR 70 Cr (USD 15.5 mio), a growth of ~12% over Q3FY10.

Over the years, Marico has focused on sustainable profitable growth. Q3FY11 is in Y-o-Y terms, the:

- 41st consecutive Quarter of growth in Turnover and
- 45th consecutive Quarter of growth in Profits

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Consumer Products Business - India:

The overall growth in the Consumer Product Business in India was ~19% while the underlying volume growth was ~10%. The Company has been taking initiatives to drive rural growth and as a result the growth was ~28%, as compared to urban growth of ~17%. The share of rural sales to total has hence grown to ~27% in Q3FY11.

Parachute & Nihar

During the quarter Parachute coconut oil in rigid packs grew by 14% in value terms. Despite a high base last year on account of consumer offers run during Q3FY10, Parachute coconut oil in rigid packs grew by ~5% in volume. FY11 has witnessed a steep rise in copra prices particularly from the second quarter. While the company decided to absorb a part of this abnormally high upward movement of input costs, it increased retail prices to pass on a proportion of the cost push. These retail price increases, in the context of a high food inflation environment may have led to some slow down in the volume growth rate with consumers at the lower income levels feeling the pinch of inflation.

Copra the raw material for coconut oil had witnessed a significant fall in prices in FY10, Q3FY10 recording the lowest prices of all quarters. From this low base there has been a steep rise in copra prices. Average copra rates during Q3FY11 were higher than in Q3FY10 by a very significant ~62%. Most of this rise can be attributed to the spiraling of the global Palm Kernel oil and Palm oil table. (While pure coconut oil is the preferred cooking medium in parts of the country, it may be substituted with palm oil when palm oil prices remain at a normal discount to coconut oil. When palm rises to close the gap, consumers may switch to coconut oil thus increasing its demand and consequently the market rates). The abnormally high prices are expected to soften in coming months in anticipation of the coconut flush season. The consequent squeeze in Company margins are therefore likely to of a temporary nature. While the precise timing of the easing of copra prices is difficult to forecast, the Company expects to get back to a normal margin band in FY12

Even as the company maintains a bias for franchise growth through volume expansion, the sharp increase in input costs necessitated rounds of retail price increases. The weighted average price increase, including a round in December 2010 was ~24% which compensates for a significant portion of the cost push.

The input cost increase in recent months has been rapid and implementation of price increases owing to pipeline stocks has not kept pace. There has been continued upward pressure on input costs through January 2011. The Company is thus in the process of taking another round of price increases to the tune of 8-9%. Whilst these increases may help to maintain the margin per unit volume in the same band, there may be a fall in the margin as a percentage to the higher sales realization.

Parachute's volume market share during the 12 months ended November'10 was ~45.4%. Together with Nihar and Oil of Malabar, Marico's volume share in the INR 1900 Cr (USD 422 mio) branded coconut oil segment in India was ~52.4%. The Company has gained around 130 bps market share in Rural in MAT November 2010 compared to MAT November 2009

On June 3, 2009 (Q1FY10), the Central Board of Excise & Customs (CBEC) issued a circular wherein it classified coconut oil packed in container size up to 200 ml as hair oil, which is chargeable to excise duty at 10.3% (less abatement of 35%) on MRP with effect from the date of the circular. 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, to the extent of 75% of the duty payable in the unlikely event that the decision goes against the coconut oil manufacturers. There has not been any material development in the matter in Q3FY11 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 INR 9.6 Cr (Q3FY10 INR 11 Cr). The provision made during FY10 was INR 29.4 Cr. The cumulative provision carried in the company's books as of December 31, 2010 is INR 56 Cr (USD 12.4 mio).

Saffola

Over the years Saffola has created a very strong franchise for itself in the super premium refined edible oils market. It continues to leverage its good for heart equity riding the trend in increasing concern around health and heart health in India. Several households have adopted Saffola in order to lead a healthier lifestyle (a preventive measure as opposed to being largely doctor recommended). During this year's World Heart Day, Saffola launched its "Young at Heart" campaign partnering leading hospitals, diagnostic centers and dietician teams to educate consumers about their "heart age". With the introduction of blends (currently Saffola refined oil is offered to consumers in four blends), the Company has been able to bring Saffola to its consumers in a range of price points. Given that the brand has a healthy consumer retention rate, an increased household base is expected to create a larger long term franchise for the brand. The healthy growth trend in the Saffola refined oils franchise volumes continues. During Q3FY11 it recorded a volume growth of ~13% over Q3FY10 with overall value growth of 24% and maintained its leadership position in the super premium refined edible oils market with a market share of ~51% during the 12 months ended November 2010.

Prices for two of Saffola's key inputs safflower oil and rice bran oil showed a ~3% and ~25% increase respectively over the corresponding quarter in the previous year. The Company has taken prices increases in select packs to compensate for this cost push.

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. In line with this strategy the Company introduced Saffola Oats in the month of June 2010. The product prototyped primarily in the Modern Trade format in select cities across India received a good response. The Oats market in India is ~ INR 120-140 Cr (USD 26.6 mio) and is growing at a healthy rate of ~40%. The nascent market and healthy trend provides room for all players to participate in this category growth. Saffola will also play a role in expanding the market.

During Q4FY10, Saffola Arise was launched across key Saffola markets. The performance so far has been encouraging in the West & South India markets where short grain rice is common. Repeat purchases of Saffola Arise are taking place and the brand is also receiving the support of influencers such as nutritionists. The packaged rice market in India is ~INR 400 Cr (USD 88.8 mio) and is growing at over 20%. With its innovative health positioning the company hopes to create a sizable franchise for itself 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 INR 2600 Cr (USD 577.7 mio) 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 ~31% over Q3FY10 in volume terms. The growth number is higher partly because some of the pre-festive sales that were included in last year's Q2 base took place in Q3 in FY11. Notwithstanding that the growths remain robust in the Company's portfolio of established hair oils brands with most variants clocking growth of over 20%. Moreover the introduction of new sub-segments in Marico's portfolio such as Parachute Advansed Ayurvedic Hot Oil, Parachute Advansed Ayurvedic cooling oils and Parachute Advansed Ayurvedic Hair Oil have grown the overall hair oils franchise by bringing specificity and creating more occasions for use.

Marico's hair oils franchise had a volume market share of ~22% during the 12 months ended November 2010. The share has grown from about ~ 17% about 4 years ago. There has been a 140 basis points gain in the market share during Ytd Q3FY11 over the same period last year with exit November 2010 gains of 250 basis points. This has been achieved through providing consumers with specific solutions, product innovation, packaging restaging and continued media support in some of the brands and penetrative pricing action in others.

International FMCG Business

Marico's International FMCG business (its key geographical constituents being Bangladesh, MENA (Middle East and North Africa) and South Africa) comprises ~23% of the Marico Group's turnover basis FY10 annual turnover. The company's international business continued to grow handsomely in Q3FY11 registering a ~33% top line growth over Q3FY10 driven by ~25% volume growth and ~8% price led growth. However appreciation in the Indian Rupee has resulted in a reported growth of 28%.

Bangladesh

In Bangladesh, Parachute continues to play out its market expansion strategy by converting loose oil to packed branded coconut oil while maintaining its strong leadership position. The brand has gone from strength to strength and was recognized last year as the 2nd most trusted brand in Bangladesh across categories. The Company is building upon its strategy of leveraging the extensive distribution network created by Parachute. The success of Hair Code hair dye (market share of around 25%) and the encouraging response to Saffola refined edible oil introduced earlier this year provides confidence about achieving continued strong growth in Bangladesh through these new categories to complement the growth on the flagship, Parachute.

MENA (Middle East and North Africa)

Marico's business in Egypt comprising the hair styling brands Hair Code and Fiancée continued to turn in healthy growths this quarter and maintained its market share of ~57%. As a part of

Company's strategy to unlock portfolio synergies Parachute Gold hair oil was launched in Egypt during Q4FY10 and Parachute Hair Cream in Q1FY11 and the initial response is encouraging.

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 December 2010. The performance of Parachute Therapie launched in the Middle East in Q1FY11 is in line with expectations. The launch is being supported by ATL and BTL campaigns aimed at driving trials and building a user base. It has gained traction in relevant channels of super markets and pharmacies.. Launch of products under the Brand Hair Code in the Middle East is in progress.

South Africa

The South African business continued to build on the momentum gained last year in Q3FY11 as well. All the brands Caivil, Black Chic and Hercules have performed well clocking a growth of over 30% for the portfolio. This healthy growth was bolstered further by the acquisition of Ingwe in Q2FY11. The growth in Q3FY11 over Q3FY10 including this inorganic growth was ~ 45%. This growth is expected to help towards building a business with critical mass in Southern Africa.

Malaysia

Integration of the Code 10 brand acquired late last year is on track and the business has grown by 30% on the back of Brand renewal efforts and distribution gains.

Skin Care Solutions:

During Q3FY11, Kaya's skin solutions business recorded a revenue growth of ~40% over Q3FY10, boosted by the acquisition of Derma Rx in May 2010. It achieved a turnover of INR 62 Cr (USD 13.8 mio). The acquisition also helped the Kaya business to post a operating profit of INR 4.1 Cr (USD 0.91 mio) in Q3FY11. This was after considering finance costs of INR. 0.9 Cr (USD 0.2 mio) but excluding the one time exchange gain of INR.0.7 Cr (USD 0.16 mio) relating to short term loans provided to Derma Rx for financing the acquisition.

The Kaya business without Derma Rx also achieved a revenue growth of ~11% over Q3FY10 .In an encouraging reversal of trend the business also demonstrated a same clinic YoY growth of ~10% (This is following a few consecutive quarters of same clinic growth decline)

The Kaya business (excluding Derma Rx) incurred a loss of Rs 0.9 Cr (USD 0.2 mio), down from a loss of Rs 3.5 Cr (USD 0.8 mio) in Q2FY11 and Rs 6.2 Cr (USD 1.4 mio) in Q1FY11.

Kaya business in India delivered a growth of ~5% in Q3FY11 over Q3FY10, despite closure of six clinics in Q1FY11. On a same clinic basis Kaya India grew by ~8% (This compares with a peak decline of ~13% in Q4FY10). This was aided by consumer promotions offered during the festive season to invite customers to the clinics to experience Kaya. These promotions were designed to act as a traffic builders at a price point of INR 990 for a single session of all service verticals along with easy upgradable offers. They were backed by advertising on Radio & Press as well as robust Digital & CRM plans. The change in media strategy from TV to Radio & Press has resulted in better utilization of resources and sharper communication focus. Kaya will continue to use consumer promotions in future in the form of Loyalty and Referral offers.

Four new advanced skin care products from Derma Rx range were launched addressing Acne and Skin Ageing concerns. The response for these products has been encouraging. The share of products to total turnover has increased to ~17% in Q3FY11 compared to ~13% in earlier quarters. This is line with the Company's strategy to increase the share of products to about ~20%-22% in the next ~2 years. The company will continue to introduce more products in India in a phased manner. Derma Rx products will also be introduced in the Middle East by Q4FY11. We believe that introduction of these products makes the range of products at Kaya more complete. These products will set a new standard for Acne and Pigmentation management and enable us to offer to our customers a holistic skin care solution. Higher product sales will be able to generate more through-put from the clinics and help improve their ROCE.

During the quarter one clinic was added in the Middle East. There have been 3 new clinic additions in the Middle East and 1 in Bangladesh in FY11 so far. No clinic additions are likely to be made in India during FY11.

Kaya now offers its technology led cosmetic dermatological services through 102 clinics: 81 in India across 26 cities, 15 in the Middle East and 2 in Bangladesh in addition to the 4 clinics and medispas in Singapore and Malaysia through Derma Rx.

OPERATING MARGIN STRUCTURE FOR MARICO GROUP

% to Sales & Services (net of excise)	Q3FY11	Q3FY10
Material Cost (Raw + Packaging)	52.7	47.5
Advertising & Sales Promotion (ASP)	11.0	12.7
Personnel Costs	6.8	7.1
Other Expenses	17.3	18.0
PBDIT margins	12.2	14.8
Gross Margins (PBDIT before ASP)	23.2	27.4

Notes:

1. The quarter witnessed steep inflation in prices of input materials. Market prices of Copra, the input for coconut oil, which accounts for about ~40% of the Group's raw material cost, was ~ 62% higher than in Q3 FY10. Prices of Safflower Oil, Rice Bran Oil and HDPE were higher by ~3%, ~25% and ~4% respectively compared to the corresponding quarter in the previous year. The Company was able to pass on a part of the cost increase to consumers. The fall in operating margin is 260 basis points whereas the cost of materials increased by 520 basis points.
2. With increased input costs and retail prices, while the company may maintain its absolute margin per unit at around the last three years's average , the higher sales realization base will reflect a lower margin in percentage terms.
3. Increases in ASP, Personnel costs and other expenses have not kept pace with the 22% revenue growth leading some decline in percentage terms.
   a. ASP has been lower in Kaya with a change in strategy to focus on press and digital media instead of television advertizing.
   b. Other expenses are lower partly due to a lower provision for excise duty at 75% of the theoretical excise duty as compared to 100% being provided up Q3FY10.

4. 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	**Q3FY11**	**Q3FY10**
Return on Capital Employed - Marico Group	 28.9%	 34.5%
Return on Net Worth – (Group)	33.0%	41.4%
Working Capital Ratios (Group) - Debtors Turnover (Days) - Inventory Turnover (Days) - Net Working Capital Turnover (Days)	 23 46 53	 22 52 61
Debt: Equity (Group)	0.50	0.68
Finance Costs to Turnover (%) (Group)	0.94	1.0

* Turnover Ratios calculated on the basis of average balances

1. As of December 31, 2010 the Marico Group had a net debt of INR 116 Cr (USD 25.8 mio) (Gross INR 434 Cr (USD 96.4 mio)). Of the gross debt about INR 258 Cr (USD 57.3 mio) is denominated in foreign currency. About INR 162 Cr (USD 36 mio) of the foreign currency debt is repayable with in a year. The entire debt denominated in Indian Rupees is payable within a year. The average cost of the debt is about ~5.5 %. The company may roll over some of the loans when they fall due during the year or redeem investments for repayment. Marico has adequate cash flows to maintain healthy debt service coverage.
2. The Company periodically reviews and hedges the variable interest liability for long term loans using Interest Rate Swaps.
3. The Company had decided to adopt Accounting Standard (AS) 30 in FY10 – Financial Instruments: Recognition & Measurement issued by The Institute of Chartered Accountants of India. Accordingly the net unrealized gains or losses in respect of outstanding derivative instruments and foreign currency loans at the period end which qualify for hedge accounting are reflected in the 'Hedge Reserve Account', which will get recognized in the Profit and Loss account when the underlying transaction or forecast revenue arises.

Capital Expenditure and Depreciation

The Company plans to invest of ~INR 60 Cr (USD 13.3 mio) in capital assets in FY12. This estimate excludes any potential acquisition opportunities. Company's annual recurring capital expenditure is ~INR 20 Cr (USD 4.4 mio) per annum.

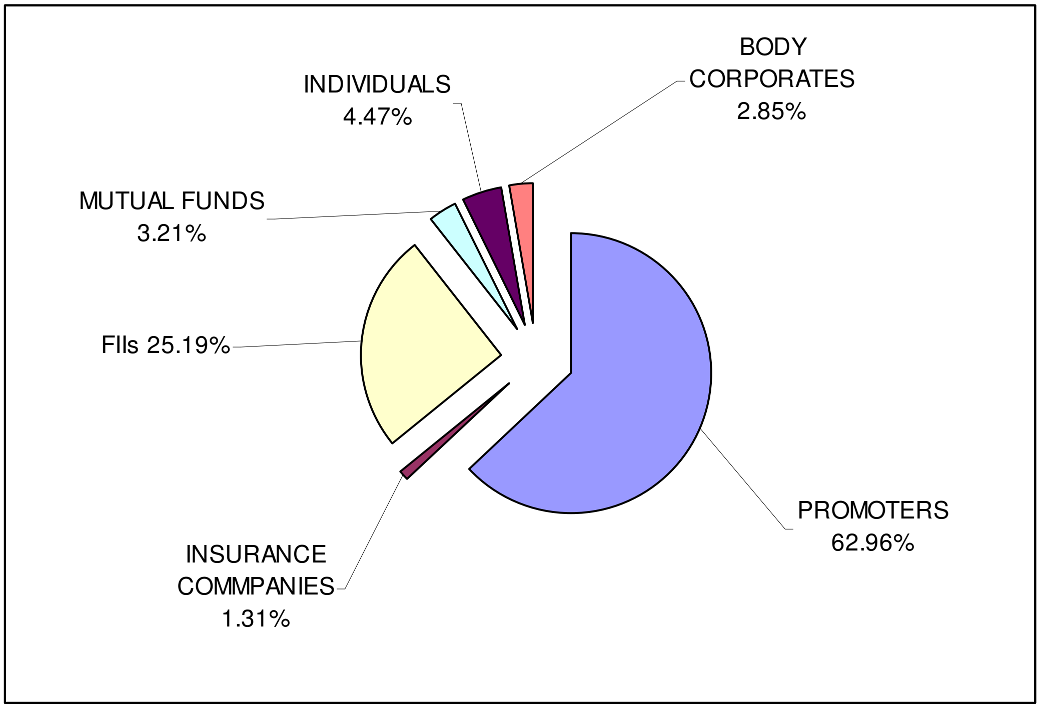
Depreciation during Q3 FY11 is INR 14.6 Cr (USD 3.2 mio) compared to INR 16.6 Cr (USD 3.7 mio) in Q3FY10. The depreciation was higher last year on account of impairment of assets to the extent of INR 4.8 Cr (USD 1.1 mio)

Effective Tax Rate:

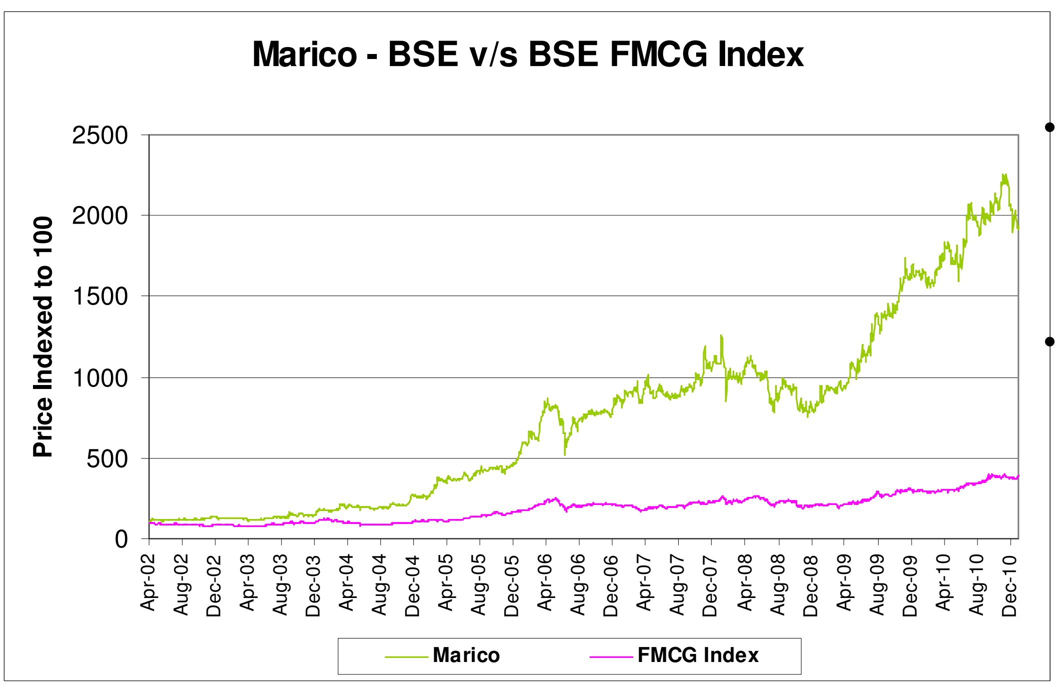
The total effective tax rate (as % of PBT) after considering MAT credit and deferred tax for Q3FY11 is ~16%. As a result of investing in manufacturing facilities in zones enjoying concessional tax rates the Company expects to maintain the effective tax rate at ~16% for FY11. This could increase to ~18% to 20% in FY12 as the Pondicherry factory where Parachute Coconut Oil is manufactured will move out of the tax exemption period in FY12.

SHAREHOLDING PATTERN

The Shareholding pattern as on December 31, 2010 is as given in the graph below :



SHARE PERFORMANCE ON STOCK EXCHANGES



- Marico's long term performance on the exchange vis-a-vis its peer group is depicted in the graph alongside.
- Marico's market capitalization stood at Rs. 7432 on December 31, 2010. The average daily volume on BSE and NSE during Q3FY11 was about 16188 shares.

OUTLOOK

- **Fundamentals in place for organic volume growth in India – Secular growth story, rural markets, GDP growth**
- **New Product Pipeline being made robust – scalability a key objective**
- **Continued growth in International Business including in select geographies in Asia & Africa**
- **Kaya India showing early signs of recovery**

The Company expects to be able to continue to focus on its long term strategic objectives with a bias towards franchise expansion in its businesses. While there has been a temporary squeeze in margins, the Company estimates that input prices will ease during FY12, even though the precise timing and the extent are difficult to forecast. With the easing of the cost pressure the Compant expects to regain a part of the lost margins. Given the long term sustainable growth potential in the markets that the Company operates in, it will endeavour to maintain margins within a sustainable band and focus on growing volumes and building strong equities for its brands amongst its consumers.

In coconut oils in India the company expects to grow by leading market expansion through its low unit size packs. In hair oils in India, Marico will focus on share gain through effective communications, and introduction of differentiated and innovative products and providing specificity to consumers. 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 equity to healthy foods. 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 significant market share -such as in coconut oil in Bangladesh and creams and gels in Egypt. In the Middle East it would work on maintaining the leader position in hair creams and in South Africa it would work on increasing share in key categories. The acquisition of Code 10 in Malaysia has marked Marico's entry into the South East Asian region. 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.

Kaya skin business in India is showing early signs of recovery having posted growth on same clinic level in Q3FY11. In the short term therefore, the company plans to work on improving its revenue streams from the existing clinics in India and bring the business firmly back on the growth track. It will continue to invest in 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 Q3FY11 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/ann_report_view_2009_10/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, Code 10 and Ingwe. 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 (81 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 Cr (70 Mio) packs to around 13 Cr (130 Mio) people every month. Marico's products reach around 2.3 Cr (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

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 98 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 Crs)	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	
EBITDA%	12.6%	12.7%	12.9%	12.7%	14.1%	
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.