Marico – An Information Update for Q1FY12

(Quarter ended June 30, 2011)

Group Turnover	**INR**	**~ 1049 Cr. Up ~33 %**
Profit Before Tax	**INR**	**~ 108 Cr. Up ~18 %**
Net Profit	**INR**	**~ 85 Cr. Up ~15%**

Marico achieved a turnover of ~INR 1049 crore (~USD 233 mio) during Q1FY12, a growth of ~33% over Q1Y11. There has been an upward inflationary pressure on consumer businesses. Notwithstanding this the underlying volume growth over Q1FY11 was ~21%. About 7% of this was contributed towards by acquisitions while about 14% constituted organic volume growth. The second half of FY11 had experienced an unprecedented increase in the input prices. The company passed on a significant portion of this by taking retail price increases in a phased manner over H2FY11. The company is however conscious of the long term growth potential in its markets. It has therefore focused on expanding its consumer franchise and continuing to provide an impetus to grow market size, particularly in coconut oil. It has thus chosen a temporary contraction in operating margins to ensure long term growth.

Profit after tax (PAT) for Q1FY12 was ~INR 85 crore (~ USD 19 mio), a growth of ~15% over Q1FY11.

The above mentioned profit numbers for Q1FY12 include certain items that are not strictly comparable with Q1FY11.

- The Company had made a provision for excise duty during Q1FY11 on coconut oil sold in packs up to 200 ml amounting to INR 8.8 crore (~USD 2 mio). As explained in our information update last quarter, the company discontinued making this provision and disclosed this as a contingent liability.
- The PBT and PAT for Q1FY12 include a charge on account of amortization of Intangible Assets amounting to INR 2.6 crore (USD 0.6 mio). As explained in our information update last quarter this is as required under India GAAP.
- Neither of these adjustments has an impact on cash flow.

The PBT and PAT during Q1FY12 would show a growth of ~11% and ~10% over Q1FY11 respectively after making an adjustment for the two non comparable items mentioned above. The EBITDA margin for Q1FY12 would be ~11.9% compared to ~14.5% during Q1FY11 (before considering the provision of excise duty as explained above)

Over the years, Marico has focused on sustainable profitable growth. Q1FY12 is in Y-o-Y terms, the:

- 43rd consecutive Quarter of growth in Turnover and
- 47th consecutive Quarter of growth in Profits

Marico's Investor Relations efforts are co-ordinated by

Anubhav Rastogi	Head – Investor Relations	(anubhavr@maricoindia.net)
Chaitanya Deshpande	EVP & Head - M&A and Investor Relations	(chaitanyajd@maricoindia.net)
Milind Sarwate	Group CFO & CHRO	(milinds@maricoindia.net)

For further information / clarification, Marico may be contacted on

Telephone : (91-22) 6648 0480 Fax: (91-22) 6649 0112 E-mail: milinvrel@maricoindia.net

Consumer Products Business - India:

During Q1FY12 the Consumer Product Business in India recorded a volume growth of ~15% over Q1FY11 demonstrating healthy demand and continued business momentum. This growth was contributed towards by an expansion in the coconut oils market, share gain in value added hair oils and expansion in Saffola's franchise. This volume growth was achieved despite the retail price increases necessitated in H2FY11 owing to high inflation in input costs. The Consumer Products Business in India achieved a turnover of INR 762 crore (~USD 169.3 mio) a growth of about ~47% over the corresponding quarter in the previous year. The Company had divested its refined edible oil brand "Sweekar" during Q4FY11. The growth numbers are without considering Sweekar in the base. The overall growth after considering Sweekar in the base is ~36%

Coconut Oil:

Parachute, Marico's flagship brand recorded robust volume growth during the quarter. Parachute coconut oil in rigid packs, the focus part of its portfolio, grew by ~10% in volume as compared to Q1FY11. This volume growth can be partly attributed to the successful introduction of two budget packs in the recent past, namely 175 ml at the INR 45 price point and 45 ml at the INR 12 price point. High input prices that prevailed over the last few quarters have put pressure on local and regional players mainly on their ability to retain consumers at increased prices. Parachute has benefitted during the quarter from the decreased competitiveness of these players. The Company however believes that competition will regain normal intensity once the input prices correct downwards.

Copra (dried coconut kernel – the raw material input for coconut oil) prices saw an unprecedented increase in H2FY11. There was no let up on the upward pressure on prices during Q1FY12 and average market prices of Copra during Q1FY12 were ~5% higher than in Q4FY11. In the interests of maintaining and growing its consumer franchise and the expectation of a correction in prices during the quarter, the company maintained retail prices in Q1FY12. Consequently, it experienced some compression in margins during the quarter.

The decline in input costs came later than anticipated. After having held firm throughout the first quarter, prices in July 2011 came off by about 20% as compared to June 2011. During the last few days this has seen a reversal once again with prices increasing by 10% creating an uncertainty around which way they will eventually go. Should there be a definite reduction in coming months, the Company may consider passing on the benefit to the consumers.

In order to leverage the strength of its brand Nihar in the eastern part of the country the Company is in the process of transitioning Parachute's sub- brand "Uttam" under the Nihar umbrella.

During the 12 months ended June 2011, Marico's volume share in the ~INR 2000 crore (USD 450 mio) branded coconut oil segment in India was ~52.3%.

Saffola

Over the last few years, Saffola has been leveraging the trend towards proactively managing a healthy lifestyle. Adopting Saffola is one of the shifts that consumers continue to make. The Saffola range of blended refined oils (4 variants) operates in the premium niche of the refined edible oils market. The franchise grew by ~15% in volume terms during Q1FY12 compared to

Q1FY11. Saffola maintained its leadership position in the super premium refined edible oils segment with a market share of ~52.9% during the 12 months ended June 2011.

During Q1FY12 the average market prices of safflower oil and rice bran oil were up ~27% and 45% respectively as compared to Q1FY11. Earlier the Company had taken price 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. Last year the company introduced Saffola Arise, a low glycemic index rice and it also entered the breakfast cereals market with the introduction of Saffola oats. The response to Saffola Arise has been mixed. Saffola Oats introduced in June 2010 has met with a favourable response. The company will continue to innovate in the packaged food space and prototype new products in near future..

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 3000 crore (USD 650 mio) branded hair oils market. Hair oiling remains a deeply ingrained hair conditioning habit on the Indian sub-continent. The Company has done scientific research and conducted successful clinical trials to establish the benefits that hair oiling provides to consumers. With rising incomes in India there exist increasing opportunities 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 ~32% over Q1FY11 in volume terms. Moreover the introduction of new sub-segments in Marico's portfolio such as Parachute Advansed Ayurvedic Hot Oil, Parachute Advansed Ayurvedic cooling oil and Parachute Advansed Ayurvedic Hair Oil have grown the overall hair oils franchise by bringing specificity and creating more occasions for use. The Company is now focusing on scaling up its presence in these sub segments. Parachute Advansed Ayurvedic Oil was extended to Andhra Pradesh and Karnataka in Q4FY11. Encouraged by its success in the southern markets where it enjoys a market share of ~11%, the brand was introduced in Maharashtra during Q1FY12. Similarly Parachute Advansed Cooling oil has gained good traction in the southern markets and achieved a market share of ~9%. Nihar Shanti Amla continues to gain market share on the back of disruptive pricing and achieved a volume market share of ~15.5% for the 12 months ended June 2011.

Marico's hair oils franchise had achieved market share gains during FY11 and has continued to do so. There has been a shift of around 150 basis points since Q1FY11. Its volume market share during the 12 months ended June 2011 was ~23.3% up from 17% about 5 years ago. These market shares gains have been achieved through providing consumers with specific solutions, product innovation, packaging restaging, participation in more sub-segments of the value added hair oils category and continued media support in some of the brands and penetrative pricing action in others.

Rural Sales:

Marico has taken initiatives to drive greater rural penetration over the last two years or so. It has endeavored to reach a larger number of retail outlets in the rural hinterland directly through its distributor sales force rather than depending on wholesalers to service these outlets. This has improved the quality of the sales call and provides the opportunity to sell-in a wider range of products. In recent times, the sales reach has increased largely on the back of penetrative pricing in Shanti Amla and lower price point packs in Parachute. During FY11, Marico's rural sales clocked a faster pace of growth than its urban sales. Rural sales comprised about 27% of the company's Indian FMCG sales as compared to 25% in FY10. As a result of continued focus the share of rural sales in Q1FY12 has increased to ~30%

International FMCG Business

Marico's International FMCG business (its key geographical constituents being Bangladesh, MENA (Middle East and North Africa), South Africa and South East Asia) comprised ~23% of the Marico Group's turnover in FY11. The Company's international business continued its growth journey clocking a turnover of INR 224 crores (USD ~ 50 mio) during Q1FY12 a growth of ~26% over Q1FY11 boosted by the acquisition of 85% equity in International Consumer Products in Vietnam in February, 2011. The table below analyses the growth during the quarter.

Particulars	Y-o-Y Growth	%
Organic growth	Existing Geographies	20
Inorganic growth	Vietnam	19
Total Business Growth		**39**
External Factors	-FX changes -VAT cascade in Bangladesh	(13)
Net Reported Growth		**26**

There has been a change relating to Modified Value Added Tax (MODVAT) led price cascade in Bangladesh. MODVAT on materials which was earlier a part of the Cost of Goods Sold must now be shown as a reduction from Sales to arrive at Net Sales. As a result of this re-classification the reported Net Sales through out FY12 will be partly depressed when compared to the corresponding figure in the previous year. This adjustment is profit neutral.

The EBDITA margins in the International FMCG business were ~10% during Q1FY12. There has been an all-round cost push in all its geographies. In addition, in certain territories in MENA the authorities have been discouraging companies from taking price increases in a bid to contain inflation.

Bangladesh

In Bangladesh, Parachute continues to play out its market expansion strategy by converting loose oil users to packed branded coconut oil while maintaining its strong leadership position. It continued to ride on the growth momentum backed by a strong thematic campaign. The brand continues to be amongst the Top 5 most trusted brands. (Source: Bangladesh Brand Forum).

The Company is building upon its strategy of leveraging the extensive distribution network created by Parachute. Hair Code hair dye has maintained its 29% value market share during the quarter thus establishing itself as a strong number 2 player. In the value added hair oils space Parachute Advansed Beli, a light hair oil with a floral fragrance, is showing a positive trend while the recently launched Parachute Advansed Cooling Oil has seen encouraging placement in the market. The response to Saffola refined edible oil introduced in Bangladesh in FY11 is in line with expectations. This provides confidence about achieving continued growth in Bangladesh through these new categories that complement the growth of the flagship, Parachute.

MENA (Middle East and North Africa)

The overall environment in the region is relatively better than that in the earlier quarter but not without instances of sporadic protests and disturbances. Some of the territories that still face instability such as Libya, Yemen and Syria continue to face closure of operations. However they comprise only about 5% of Marico's business in the MENA region. While our outlook on the long term trends in demand for personal care products in the region remains positive, the growth in the immediately ensuing quarters may be unpredictable.

The Company continued to leverage local consumer insights and has launched a new range of Hair Oils and Hammam Zait under Parachute Secrets. This range leverages the tradition and belief amongst Arab women about the hair nourishment properties of certain ingredients. The initial response is encouraging.

In Egypt the combined market share of Fiancée and Hair Code was maintained at ~57%. Hair Code has been restaged with a new visual identity and campaign. Fiancée was backed by a campaign reinforcing its VFM positioning.

South Africa

The South African business continued its growth journey recording a strong double digit Y-o-Y growth over Q1FY11. Caivil Just for Kids continued to be the leader in the Kids hair care market. Given the inflationary situation the market witnessed some degree of down-trading. However Marico's representation in the VFM segment through Black chic was able to capitalize on this trend. Overall Marico's hair care brands have been growing steadily and improving their market shares in the ethnic hair care market in South Africa.

South East Asia

The business environment in Vietnam remained challenging during the quarter with high inflation of 15% and cost push in power and fuel. Further, the Central Bank had devalued the currency by 7% in February 2011 leading to a rise in the cost of imported materials.

X-Men, a leading Men's grooming brand saw an uptick in its market share, aided by the launch of the new 4-Step X-Men campaign. Apart from the thematic TVC for shampoo, the campaign prompts a full male grooming regimen through the use of X-Men extensions in shower gel, face wash and deodorant. The thematic has been supported by a 360-degree surround PR, including a digital campaign, out door visibility and merchandising. The overall response is as per expectations. The TVC was ranked as the 6th most liked TVC across FMCG in the quarter. The other business segments of Skin Care and Foods are tracking as per plan. The integration of operations is on track.

Marico's Malaysian business continues to grow at a very healthy rate. Code 10 has responded well to the brand restage and the renewed thrust to distribution.

Skin Care Solutions:

During Q1FY12, Kaya's skin solutions business achieved a turnover if INR 62.7 crore (~USD 14 mio), recording a revenue growth of ~24% over Q1FY11. The base quarter Q1FY11 includes revenues of the Derma Rx business in Singapore from May 25, 2010. On an overall basis Kaya made a loss of INR 7.4 crore (~ USD 1.65 mio) at the PBT level as compared to a loss of INR 4.7 (~USD 1 mio) in Q1FY11. The reported revenue and loss during Q1FY12 takes into account the following changes made in the accounting practice and policy at Kaya during Q4FY11;

(1) The practice of revenue deferrals on sale of packages (impact INR 5.25 crore (~USD 1.2 mio)
(2) The amortization of intangible assets amounting to INR 1.2 crore (~USD 0.3 mio).

Kaya had also engaged the services of a strategy consultant and incurred an exceptional cost of INR 1.6 crore (~USD 0.35 mio) during the quarter. If we were to make an adjustment for these factors such that the two periods are comparable, then there is a positive shift in profit to the extent of INR 5.35 crore (~USD 1.2 mio) over Q1FY11.

Derma Rx reported a turnover of INR 14.7 crore (USD 3.3 mio) and PBT of INR 3.3 crore (USD 0.7 mio) during the quarter ended June 30, 2011.

Kaya continued to introduce services at affordable price points to serve as traffic builders. During Q1FY12 it introduced a new service for fairness called Aqua Advanced Fairness. This launch was advertised on radio and print backed by digital & CRM campaigns. Such services are broadening Kaya's Everyday Skin Care solutions offering.

Kaya is in the process of unlocking portfolio synergies by introducing products from Derma Rx in India. In addition to the products introduced in Q4FY11, three new advanced skin care products from the Derma Rx range were launched. These include Anti Acne and Anti Ageing products. The response has been encouraging. The share of products to total turnover has increased to ~19% in Q1FY12 compared to ~13% in H1FY11 and ~17% in H2FY11. This is in line with the Company's strategy to increase the share of products to about ~23%-25% in the next ~2 years. The company will continue to introduce more products in India in a phased manner. Derma Rx products are in the process of being introduced in the Middle East too. A launch is expected by early Q4FY12. We believe that introduction of these products makes the range of products at Kaya more comprehensive. Higher product sales will generate more through-put from the clinics and help improve their ROCE.

The Company is cautious in terms of expansion plans but may continue to add a few clinics at strategic locations to drive growth. During Q1FY12 one clinic was opened each in India and Riyadh, Middle East. Kaya now offers its technology led cosmetic dermatological services through 105 clinics: 82 in India across 26 cities, 17 in the Middle East and 2 in Bangladesh in addition to the 4 clinics and medispas in Singapore and Malaysia through Derma Rx.

The Kaya business in India and the Middle East has achieved same store collection growth of 14% over Q1FY11 and 11% sequential quarter growth over Q4FY11. This is a leading indicator of the successful implementation of various initiatives and steps taken by the Company in the last few quarters to improve its performance.

OPERATING MARGIN STRUCTURE FOR MARICO GROUP

% to Sales & Services (net of excise)	Q1FY12	Q1FY11
Material Cost (Raw + Packaging)	57.1	51.2
Advertising & Sales Promotion (ASP)	9.8	11.9
Personnel Costs	6.7	6.9
Other Expenses	14.5	15.5
PBDIT margins	11.9	14.5
Gross Margins (PBDIT before ASP)	21.7	26.4

Notes:

1. The above ratios are before considering provision for excise duty amounting to INR 8.8 crore (~USD 2 mio) in the financials for the period ended Q1FY11 to facilitate a like to like comparison.
2. The year 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 ~ 96% higher than in Q1FY11. Market prices of Safflower Oil and Rice Bran were up by 27% and 45% respectively compared to Q1FY11. The Company chose to pass on a part of the input cost increase to consumers.
3. The company endeavours to keep its absolute margins per unit within a band. A significant increase in realizations per unit will result in reflecting a lower margin in percentage terms.
4. Increases in ASP, Personnel costs and other expenses have not kept pace with the 33% revenue growth leading to some decline in percentage terms.
5. 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	Q1FY12	Q1FY11
Return on Capital Employed - Marico Group	27.8%	33.8%
Return on Net Worth – (Group)	35.6%	42.6%
Working Capital Ratios (Group)		
- Debtors Turnover (Days)	17	20
- Inventory Turnover (Days)	49	49
- Net Working Capital Turnover (Days)	56	53
Debt: Equity (Group)	0.74	0.66
Finance Costs to Turnover (%) (Group)	0.9%	0.9%

* Turnover Ratios calculated on the basis of average balances

1. There has been a decline in the Group's ROCE in Q1FY12 compared to Q1FY11 mainly on account of the investment made in Vietnam.

2. The Net Debt position as of June 30, 2011 of the Marico Group is as below-

Particulars	INR Cr	USD Mio
Gross Debt	648	144
Cash/Cash Equivalents and Investments	268	60
Net Debt	379	84
Foreign currency Denominated	525	117
Foreign currency - Payable with in One Year	203	45
Rupee Debt	123	27
Rupee Debt - Payable with in One year	73	16
Foreign Currency Denominated	81%	
Total Payable with in One Year	43%	
Average cost of Debt (%) - Pre Tax	4.3%	

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 a healthy debt service coverage.

3. The Debt denominated in foreign currency is either hedged or enjoys a natural hedge against future probable exports .
4. The Company periodically reviews and hedges the variable interest liability for long term loans using Interest Rate Swaps.

Capital Expenditure and Depreciation

The Company plans to invest ~INR 80 -100 Crore (~USD 18 -22 mio) in capital assets in FY12. The annual recurring capital expenditure is to the tune of ~INR 40 crore (USD 8.8 mio) .This estimate excludes any potential acquisition opportunities.

Depreciation during Q1FY12 is ~INR 16.9 Crore (~USD 3.8 mio) compared to ~INR 12 Crore (USD 2.7 mio) in Q1FY11. The depreciation was higher this quarter mainly of account of the following reasons

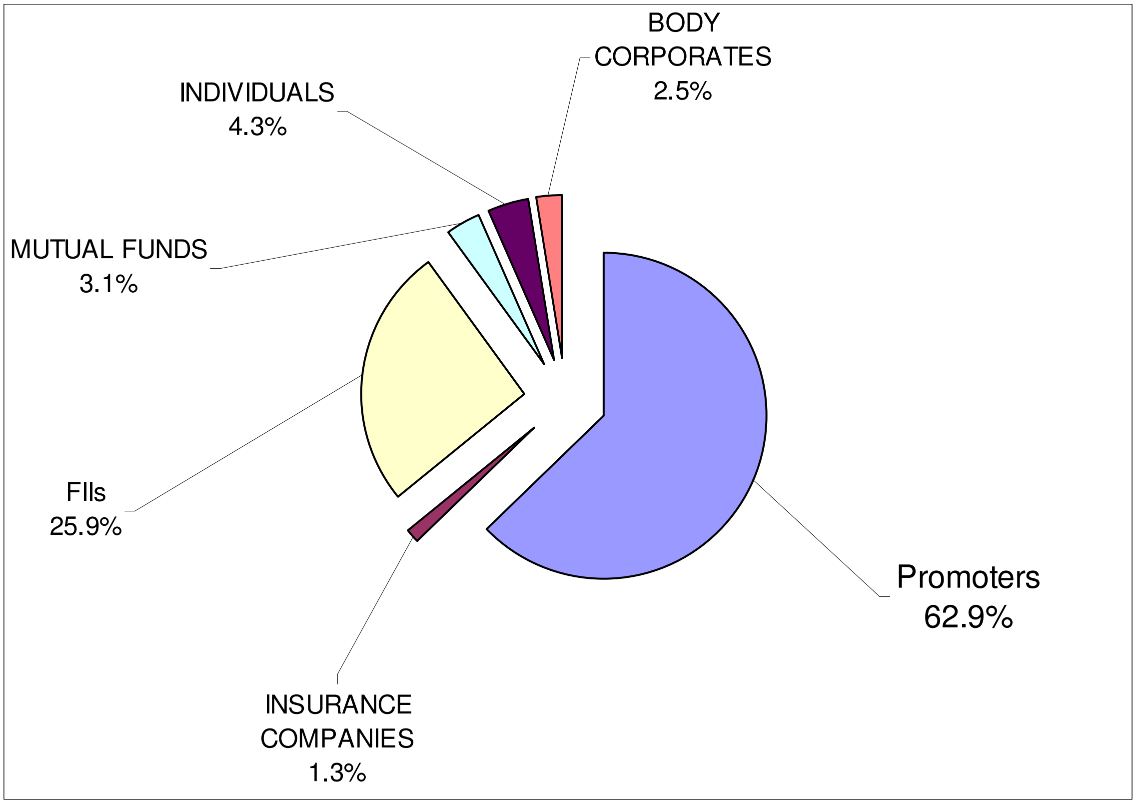
1. Amortization of intangible assets amounting to INR 2.6 crore (~USD 0.6 mio). As explained in our information update last quarter this is as required under India GAAP and was implemented by the company is Q4FY11.
2. As a result of consolidation of International Consumer Products in Vietnam the depreciation has increased by INR 0.80 crore (~USD 0.17 mio)
3. Part of the increase can also be attributed to the capital expenditure incurred in the factories at Poanta Sahib and Baddi in India during Q1FY11. There is full quarter's depreciation charged in Q1FY12

Effective Tax Rate:

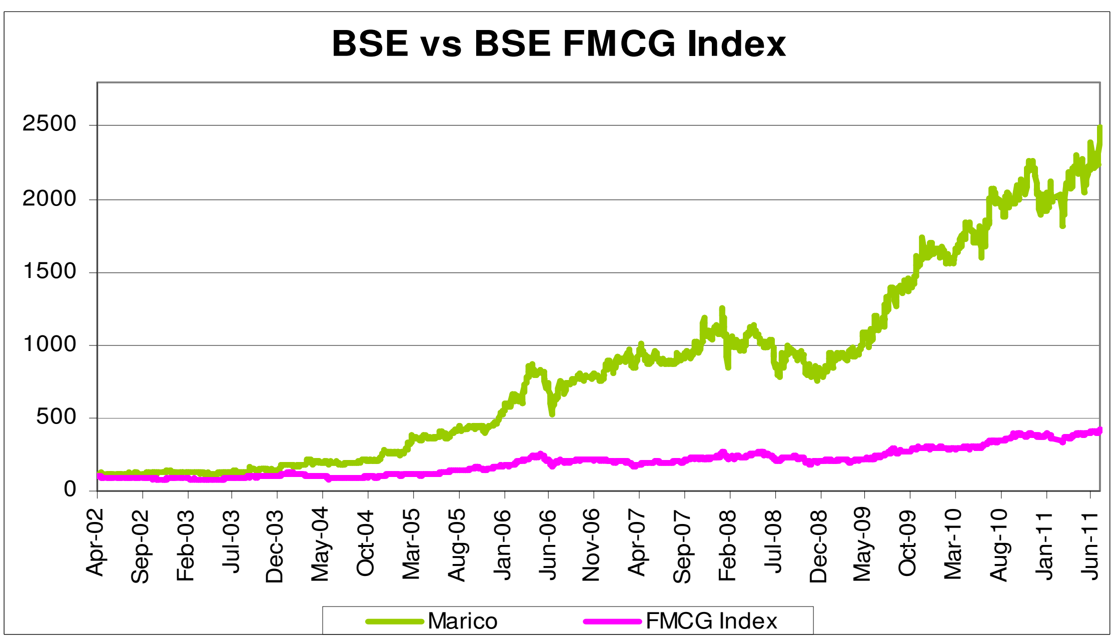
The total effective tax rate (as % of PBT) after considering MAT credit and deferred tax for Q1FY12 is ~20%. There is no material deviation from the effective tax rate for Q1FY11. The Company expects its effective tax rate to be around ~20% during FY12 and FY13.

SHAREHOLDING PATTERN

The Shareholding pattern as on June 30, 2011 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. 9574 crores (USD ~ 2.1 bio) on June 30, 2011. The average daily volume on BSE and NSE during Q1FY12 was about 14048.

OUTLOOK

- **Fundamentals in place to leverage India growth story**
- **New Product Pipeline being made robust – scalability a key objective**
- **Continued growth in International Business , near term MENA environment uncertain**
- **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. In coconut oils in India the company will aim to grow by leading market expansion through its low unit size packs. The Company expects to achieve volume growth 6% to 8% per annum in the medium term. In hair oils in India, Marico will focus on share gain through introduction of differentiated and innovative products and providing specificity to consumers accompanied by effective communication. Successful execution of this strategy is expected to result in annual volume growth of 15% to 17% over the next 2-3 years. The Company's efforts in expanding rural reach is also expected to contribute towards franchise expansion in coconut oils and hair oils. Saffola is riding a trend in healthy living being adopted by the Indian consumer. The brand expects to continue to grow its basket of premium refined edible oil by about 15% in volume each year. In addition the Company plans to build a sizeable business in the healthy foods space by leveraging Saffola's equity.

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 male grooming in MENA and Vietnam. The Company will focus on complementing growth of Parachute Coconut Oil in Bangladesh by establishing other products introduced in the market. In South Africa it would work on increasing share in key categories and over the medium term in expanding its footprint to other parts of sub-Saharan Africa. In the immediate term the approach in MENA will be cautious. However the long term potential given current penetration levels in Marico's categories of interest remains positive. Code 10 in Malaysia is expected to continue to show very healthy growth albeit on a small base. In Vietnam, the Company will focus on the process of integration. The business is expected to grow in healthy double digits though the bottom line may be modest owing to the conscious strategy of higher investments in advertising during the year

Kaya skin business in India is showing early signs of recovery having posted growth at same clinic level for the third consecutive quarter. 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.

The medium to longer term outlook on all the company's three businesses remains positive. In the short run however cost push is likely to keep margins under pressure and increased retail prices may have some impact on volume growth given the overall squeeze on the consumers' wallet. Should there be a sustained decline in input prices; the Company may pass back a part of the benefit to consumers in the interest of growing volumes. The Company will carry a higher interest burden in FY12 owing to the consideration paid towards the acquisition of shares in ICP, Vietnam.

In the medium term the Company will focus on strengthening the building blocks for future value creation - strong equities for its existing brands amongst its consumers, volume growths, robust new product pipelines and competitive supply chain effectiveness.

Contents of the Update

This update covers the following:

1. Financial results and other developments during Q1FY12 for the Marico Group - 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., The DRx Medispa Pte. Ltd., DRx Investment Pte. Ltd. , DRx Aesthetics Sdn. Bhd, International Consumer Products Corporation, Beauté Cosmétique Societé Par Actions ,Thuan Phat Foodstuff Joint stock Company

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

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.

Annexure 1

Average Market Prices of Key Input materials					
	Rs/100KG	Rs/10KG	Rs/10KG	Rs /lt	Rs / kg
Month	COPRA CALICUT	KARDI OIL JALNA	RICE BRAN	LIQUID PARAFFIN	HDPE
Apr-10	3,407	641	346	37	77
May-10	3,395	633	350	37	77
Jun-10	3,484	639	354	37	76
Jul-10	3,610	662	368	42	74
Aug-10	3,854	704	387	45	73
Sep-10	4,789	714	389	51	73
Oct-10	4,789	714	389	51	73
Nov-10	5,267	731	414	52	73
Dec-10	5,585	741	430	52	73
Jan-11	6,231	840	450	53	73
Feb-11	6,753	840	480	55	73
Mar-11	6,179	840	482	58	73
Apr-11	6,639	814	478	58	74
May-11	6,865	791	512	57	74
Jun-11	6,675	821	533	61	74
Q1FY12 Vs Q1FY11	96%	27%	45%	59%	-3%
Q1FY12 Vs Q4FY11	5%	-4%	8%	7%	1%
Note - these rates are based on simple daily average of market rates and are not necessarily the rates at which the Company has made its purchases					

MRP Changes in Select SKU's												
	20 ml	50 ml	100 ml	200 ml	500 ml	200ml	100ml	200ml	1 Ltr	1 ltr	1 Ltr	1 ltr
Month/SKU	Parachute Coconut Oil	Parachute Coconut Oil	Parachute Coconut Oil	Parachute Coconut Oil	Parachute Coconut Oil	Parachute Jasmine	Hair &Care	Hair &Care	Saffola-Kardi Oil	Saffola Tasty Blend	Saffola Gold	Saffola Active
Apr-10	5.00	10.00	20.00	40.00	90.00	49.00	36.00	63.00	145.00	96.00	112.00	89.00
May-10	5.00	10.00	20.00	40.00	90.00	49.00	36.00	63.00	145.00	96.00	112.00	89.00
Jun-10	5.00	10.00	20.00	40.00	90.00	49.00	36.00	63.00	145.00	96.00	112.00	89.00
Jul-10	5.00	10.00	21.00	40.00	92.00	49.00	36.00	63.00	145.00	96.00	112.00	89.00
Aug-10	5.00	10.00	21.00	42.00	92.00	49.00	38.00	69.00	145.00	96.00	115.00	91.00
Sep-10	5.00	10.00	21.00	42.00	92.00	52.00	38.00	69.00	145.00	98.00	115.00	91.00
Oct-10	5.00	12.00	23.00	45.00	96.00	53.00	38.00	69.00	152.00	98.00	120.00	96.00
Nov-10	5.00	12.00	23.00	45.00	96.00	54.00	38.00	69.00	160.00	103.00	128.00	99.00
Dec-10	5.00	13.00	25.00	49.00	106.00	54.00	40.00	70.00	160.00	110.00	128.00	99.00
Jan-11	6.00	14.00	27.00	53.00	116.00	60.00	40.00	70.00	160.00	110.00	128.00	99.00
Feb-11	6.00	14.00	27.00	53.00	116.00	60.00	40.00	70.00	165.00	117.00	135.00	107.00
Mar-11	6.00	14.00	27.00	53.00	116.00	60.00	40.00	70.00	165.00	120.00	135.00	107.00
Apr-11	6.00	12.00 - 45 n	27.00	53.00	116.00	64.00	42.00	75.00	165.00	120.00	135.00	107.00
May-11	6.00	12.00 - 45 n	27.00	53.00	116.00	64.00	42.00	75.00	165.00	120.00	135.00	107.00
Jun-11	6.00	12.00 - 45 n	27.00	53.00	116.00	64.00	42.00	75.00	165.00	120.00	135.00	107.00

Annexure 2 - 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 INR 31.3 billion (about USD 695 Million) during 2010-11. Marico markets well-known brands such as Parachute, Saffola, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Kaya, Derma Rx, Aromatic, Fiancée, HairCode, Caivil, Black Chic, Code 10, Ingwe, X-Men, L'Ovite and Thuan Phat. 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, Male grooming etc. Marico is present in the Skin Care Solutions segment through 103 Kaya Skin Clinics and Derma Rx clinics 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, Singapore, Malaysia and Vietnam.

Marico's own manufacturing facilities in India are located at Goa, Kanjikode, Jalgaon, Pondicherry, Dehradun, Daman, Poanta Sahib and Baddi and are supported by subcontracting units. Marico's subsidiaries, Marico Bangladesh Limited, Egyptian American Investment and Industrial Development Corporation, Marico Egypt Industries Company (erstwhile Pyramid for Modern Industries), Marico South Africa Pty Ltd., and International Consumer Products Corporation have their manufacturing facilities at Mouchak, near Gazipur in Bangladesh, 6th October City, Egypt, Salheya City, Egypt, Sadaat City, Egypt, Mobeni in Durban, South Africa and Ho Chin Min City, Vietnam 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, Nihar Naturals, Nihar Shanti Amla, Parachute Advansed Ayurvedic hair oil, Parachute Advansed Cooling oil)	Hair Oils	~23	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, Nihar Naturals, Nihar Shanti Amla, Parachute Advansed Ayurvedic hair oil, Parachute Advansed Cooling oil)	Hair Oils	_	23-24

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

Marico has consistently sought to broad base its brand basket. The new products dealt in by the Company during last 5 years have now assumed a critical mass. 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

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 105 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.

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 (INR crores)	FY 07	FY 08	FY 09	FY 10	FY11	CAGR %
Sales & Services	1,557	1,905	2,388	2,661	3128	22
Profit Before Tax	150	205	230	298	376	31
Net Profit (PAT)	113	169	189	232	286	27
Earnings per Share - Annualised (Rs)*	1.9	2.8	3.1	3.8	4.7	25
Book Value per Share (Rs)*	3.2	5.2	7.4	10.7	14.9	
Net Worth	192	315	453	654	915	
EBITDA%	12.7%	12.9%	12.7%	14.1%	12.2%	
ROCE %	36	42	35	34	22	

* 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.