

# Procter and gamble mergers and acquisition



P&G Ltd is a leading multinational based in Cincinnati, USA. With sales of around 78.9 billion dollars or 3,779 billion rupees approx in 2009 and a presence in almost 180 countries P&G has touched 4.2 billion people across the world, and aims to touch 5 billion by 2015. It has a presence in the beauty and grooming, Health and well being and the Household care segment.

In the Skin care segment, some of the major brands are Olay, Gillette and Braun. In the hair care segment, its major brands include Pantene, Wella, Rejoice, Head and Shoulders etc. It is also present in the hair colour segment with products like Nice 'n' Easy and Natural Instincts.

P&G has looked at the inorganic way of growth also especially in its personal care business. Some of the major acquisitions that it has made in this segment are mentioned below in a brief.

In 2001, P&G acquired Clairol for an all cash deal of 4.95 billion dollars or 232.65 billion rupees approx. This was primarily done to have the strong hair business of Clairol in their basket. P&G had no presence in the hair colour segment and the Herbal Essences line of Clairol was the market leader.

The acquisition was a strategic decision, as it saw more sense to acquire the 2nd biggest player after L'Oreal. The immediate impact of this acquisition was the 2.5% increase in revenue, after a miserable 2000, as sales for the company had stagnated. In terms of distribution and marketing, P&G was able to add value and achieve economies of scale as it distributed and marketed the Clairol with its existing brand of products.

With the advent of the new millennium, it was imperative to expand into newer geographies, and for P&G it meant Europe and Latin America. With this objective in mind, in 2003 it acquired Wella, a leading marketer of beauty salon products for 5 billion dollars or Rs 230 billion approx. Wella had a dominant market share in the hair care segment in these geographies and along with P&G's reach in the US, it aimed at having a dominant position in the Women's hair care segment. As part of the of the integration strategy after the acquisition, P&G sought to complement the sales of professional care products of Wella and personal hair care products like Pantene, Head and Shoulders, and Herbal Essences. This was a major push, that P&G was looking for, as the Wella's inclusion lead double digit growth in revenues in 2004.

The biggest buy in this space came in the year 2005, when P&G acquired Gillette for 57 billion dollars, approximately Rs 2500 billion. This was also done with a view of catering to the entire household. The male grooming segment was worth 5. 5 billion dollars and P&G was not present in this segment. The well known products of Gillette were Mach 3 razor, Duracell, Oral -B, Right guard and Braun. Thus, it gave P&G access to not only the men's grooming segment but also the gadget market with Braun.

Gillette was already an established brand with 31 plants in 14 countries and significant presence especially in the BRIC countries. This strong presence across geographies was expected to lead to strong synergies and significant cost reductions.

These were the major acquisitions by P&G in the most profitable and fast growing segment of personal care and beauty. P&G was also seeking to diversify its business risk by expanding into different geographies and different market segments where it had no presence earlier. By acquiring Clairol, Wella and Gillette, P&G had complimentary brands and products which helped it achieve synergies in scale in marketing, distribution and promotion.

## **UNILEVER**

Unilever has 400 brands across 14 categories of home, personal care and food products. They have big global brands with a broad based portfolio like Dove, Axe, Clear, Lux, Ponds, Suave, Lipton to name a few. They are world no. 1 in Savoury, dressing, tea, ice cream, spreads, deodorants, mass skin. World no. 2 in Laundry, daily hair care, and they have local strength in oral care and household cleaning.

Unilever has made several strategic acquisitions in the past few years. Their acquisitions in the personal and hair care business include the following.

On 2nd April 2009 they purchased the hair product business of TIGI. Major brand in TIGI's portfolio includes Bed head, S-Factor and Catwalk. The acquisition was valued at 411.5 million dollars (Rs. 19.90 billion).

On 25 Sep 2009 they acquired the Sara Lee's personal care business for 1.275 billion Euros (Rs 89.78 billion). The brands included Radox, Sanex, Duschads.

## **Colgate Palmolive Ltd**

Colgate Palmolive is one of the leading companies across the world in the household and personal care industry, present in more than 200 countries. It has a wide range of products under various categories including oral care, personal care, pet nutrition, home care and professional oral care. Few brands under personal and oral care are Palmolive Spa, Palmolive Aroma shower gel, Palmolive Natural Liquid Hand Wash Family Health, colgate dental cream, colgate max fresh, colgate total 12, colgate sensitive tooth brush and colgate zig zag.

It has recorded worldwide sales of \$15, 327 million in 2009 which is level with the sales in 2008 being \$15, 330 million. The organic sales excluding mergers and acquisitions, foreign exchange and divestment grew by 6. 5%.

Colgate Palmolive has strengthened its global position by acquiring brands in the oral care and home care categories. Following is a description of the same in brief

Colgate started in the 18th century as a soap manufacturer and merged with Palmolive-Peet company in 1928. Colgate initiated its international operations being a pioneer by creating a Canadian subsidiary in 1913 and France in 1920. Eventually, it expanded its operations in Australia, Philippines, Germany, United Kingdom and Mexico. In 1953 it officially became Colgate-Palmolive company.

Since the company was focusing on international operations and was seeking growth in the personal care business, in 1985 Colgate-Palmolive merged with Hong Kong-based Hawley & Hazel which being a leading oral care company

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added to its strength to expand its presence in Asian markets. In 1987, Colgate acquired a line of liquid soap based products through Softsoap from Minnetonka which was an essential step towards Colgate being the pioneer in the liquid soap category. Colgate had achieved decent gross margins in the beginning of 1990's, hence it decided to invest in research and development. It announced restructuring of the infrastructure by reducing the number of employees and factories, thereby adopting a growth strategy to enter different avenues as it was facing tough competition from Procter and Gamble.

In 1992, Colgate acquired Mennen Company for 670 million dollars. This widened its personal care business line by addition of the best U. S. deodorant brand, Mennen Speed Stick, and the number two baby-care brand, Baby Magic. During the same course of time, Colgate achieved success in skin-care and hair products. The strengths of Colgate, like distribution and marketing reach gave a major push to the Mennen brands in terms of geographic coverage. Further, in 1993 the purchase of S. C. Johnson & Son, Inc.'s liquid hand and body soap brands in Europe and the South Pacific it speedily progressed in the liquid soap market and became the market leader due to this acquisition.

In 1995 Colgate purchased Kolynos Oral Care from American Home Products worth \$1.04 billion. Kolynos being a widely accepted brand in Brazil and a leader in several other Latin American countries widened its oral care portfolio. This purchase pushed Colgate's share of the Latin American oral-care market from 54 percent to 79 percent. Colgate also increased its market share at a global level by implementing product development and

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huge amount of investments in marketing strategies and advertising expense. It introduced antimicrobial agent based toothpastes which increased its acceptability overseas.

Next, Colgate acquired European oral care firm GABA Holding AG worth \$866 million. GABA, was operating in 15 countries with annual sales of close to \$300 million. Its strength in the pharmacy channel supported Colgate's leading position in the European retail market. This increased Colgate's share of the European toothpaste market to 33 percent.

In 2006 Colgate stepped into the fast-growing Naturals segment by acquiring Tom's of Maine which was a leading manufacturer of natural toothpaste for US \$100 million.

At present, Colgate Palmolive has a lot of subsidiaries across 200 countries. But, it is publicly listed only in US and India.

## **L'Oreal**

France based L'oreal has a century of expertise in cosmetics, with 17.5 billion euro's in consolidated sales in 2009.

It has 23 brands and is present in 130 countries. Few of the brands they have in their stable include Garnier, Maybelline New York, and Body Shop etc, which also have a presence in India.

Although L'Oreal had created a niche in the segments that it was present in, it still looked at opportunities to grow inorganically across the world. One such opportunity came by in the year 2007, when it announced that it was acquiring 100% of the Turkish hair care product company Canan.

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Canan, founded in 1981, achieved high sales numbers of 26 million euros in 2006, mainly through its brand Ipek, which was 4th in the mass market hair care segment. The Turkish cosmetics market was expanding strongly, and the acquisition of Canan was important as it also had a manufacturing in Istanbul. It also had an extensive presence in the retailing chains across the country and that is something L'Oreal was interested in, as it would help it push the other brands of the company, when they would finally be introduced in Turkey

Focussing on hair care and the cosmetics business, in quick succession, they also acquired 2 professional salon distributors in the US.

The 1st of them was in 2006 when it acquired Beauty alliance, which through its business model was selling to 1, 25, 000 salons through 870 distributor sales consultants and 400 professional consultants. It had achieved sales of 372 million dollars in 2006. Close on the heels of this purchase, it acquired Maly's west which had a significant presence in the western states selling to 30, 000 salons through 340 distribution sales consultants and than 100 professional outlets.

These acquisitions allowed the creation of a particularly high performance beauty salon distribution model combining the American distribution system and L'Oreal ' s expertise in hairdressing salon partnerships.

Also, staying with the US, where major of its acquisitions have taken place, they acquired PureOlogy, in May 2007. PureOlogy is a luxury American brand sold through hair dressers in the professional hair care market.



It was then one of the fastest growing hair care brands in the US, with 2006 sales touching 57 million dollars and it was a significant addition into L'Oreal's fold.

## **The roaring Indian decade**

The Indian FMCG industry is a key sector in the Indian context, since it is one of the few sectors that have been able to work on the last mile distribution, by having a robust and dynamic rural play too. From a \$9 billion industry in 2000, the Indian FMCG industry has catapulted to become a \$25 billion industry in 10 years. A big part of this growth story has been written by Indian FMCGs, which have recorded CAGRs of 15-16% over the past decade, compared to the industry average of 14.5% and Hindustan Unilever's 5.5% (source: IDFC Securities report).

The aggressiveness with which the Indian FMCGs are expanding appears to have its roots in their overwhelming success against MNCs on their home turf. In 2000, Hindustan Unilever commanded more than 60% of the market in most key FMCG categories such as soaps, detergents and shampoos. A decade later, according to the report, the tables have turned and Indian FMCGs are clearly on top. HUL's sales in most categories are less than half of the rest of the listed Indian FMCG players.

The markets have applauded their toils. The market capitalisation of Godrej Consumer Products, for instance, has multiplied 27 times from Rs 304.8 crore in 2000 to Rs 8,315.7 crore in 2010. Similarly, Marico has grown from Rs 362.5 crore to Rs 6,431 crore in 2010, while Dabur has grown from Rs 2,336.5 crore to Rs 13,861.2 crore in 2010 over the same period. Compare

this with HUL: in 2000, its market cap was at Rs 53,694.6 crore, more than twice the value of all the Indian FMCG companies combined. But in 2010, its market cap has crumbled to Rs 49,689.5 crore. The sales and profit figures show similar trends: from Rs 1,046 crore in 2000, Dabur India became a Rs 3,389 crore company in 2010, while Marico grew from Rs 650.39 crore to Rs 2,660.76 crore over the same period. HUL's growth chart shows no such exponential growth: from Rs 10,978 crore in 2000, it earned Rs 17,979 crore a decade later.

That is the rosy part; these companies have been able to ride the wave in the Indian growth story. The Indian market although not saturated, has been tapped to a large extent. These companies soon realised that they had to go global to diversify their risks and also provide them another avenue for growth. That's obviously easier said than done, when these companies go global, they will face uncertain geographies, regulations and different consumer behaviour. They also have presence of local players in those markets and large MNC's present there who will have a head start in those markets. What will be even more challenging is to be able to bring in synergies in between these acquisitions to their existing businesses.

The temptation to go global is always strong as the return on investments on international businesses is more brisk than in domestic business. The kind of price brands are able to command in this category of cosmetic care is higher in overseas markets in India. But it is also imperative to realise that the global play cannot be at the expense of the Indian market, which still offers a lot of scope and potential for growth. Without having a strong base in the country of origin, it does not make sense to make any venture abroad.

In this report, we have looked at a few global and Indian companies who have made significant acquisitions worldwide, with a focus on Marico Industries Limited.

## **Indian companies making it big globally**

### **Godrej Consumer Products Limited**

Outlook Business 24 July 2010

The Godrej group was established in 1857. It is one of India's most trusted brands. It has seven major companies under it; they are into FMCG, appliances, industrial engineering, real estate, agri-care, security etc. Godrej consumer products ltd (GCPL) is its consumer products division. 20 percent of their business is done overseas. They are present in more than 60 countries.

The estimated value of their acquisitions in the personal care segment is \$600 million.

They have a global 3 by 3 strategy. They are present in 3 continents- Asia, Africa and Latin America through 3 core categories hair care, personal wash and home care. Over the past few years, they have been following a focussed approach to identifying acquisitions that fit well with their business strategically.

They entered the UK market in Jan 2005 by acquiring the company Keyline brands. The brands in their portfolio include Cuticura, Erasmic, Adorn, Nulon, Apri.

Godrej entered South Africa in Sep 2006, while Marico entered in OCT 2007, almost a year after. They acquired the company Radipol. They have brands like Inecto (ethnic hair colour brand) Soflene (hair and skin colour brand).

They also acquired Kinky in April 2008.

They entered Nigeria in March 2010. They acquired the company Tura which is a personal care brand.

They entered Indonesia in April 2010, they acquired the company Megasari which is in the home care, personal care and hair care segment.

It acquired Argentina-based based hair care firm Argencos SA.

Godrej is still on the lookout for more acquisitions. It has been on an aggressive acquisition spree, in hair colour, insecticides and soaps. The company's board in Dec 2009 had given approval to raise up to 30 billion rupees in debt and equity to fund mergers and acquisitions.

## **WIPRO Consumer Care and Lighting**

Wipro Consumer care and lighting is part of the Wipro group of companies involved majorly in the IT services. It is based in Bengaluru and made revenues of 208 crores in revenue for yearend 2009. From being a purely vanaspati company, it has grown to own a vast plethora of brands spanning across categories. Some of the major brands that it has include Santoor, Chandrika, Yardley etc. It has never been a major force to reckon with in the dynamic FMCG business in the country. In the last couple of years, it has acquired a few brands internationally, keeping in mind the trend that has

been witnessed in FMCG companies, specifically in the personal care segment. The 2 acquisitions have been mentioned further.

It acquired Singapore based Unza holdings limited in July 2007 for Rs 1, 010 crores. Unza has a wide range of products like body lotions, deodorants, shampoos and shower gels under the brand name Enchanteur. One of the major strengths of Unza was its ability to deal with the modern retail chains, as half of its revenues came from selling to such chains. The Indian retail sector is under constant change, and this acquisition was timely as the revenue for Wipro Consumer care rose by over 87% in the immediate year after the acquisition of Unza.

Unza's major markets included Vietnam, Hongkong, China, Indonesia, and Malaysia. As mentioned earlier, major personal care businesses were planning to go international and specifically the south east asia, middle east and African regions. The acquisition of Unza gave Wipro two bonus mature markets in China and Hongkong. The idea was to bring in cost efficiencies to its products, by increasing the margins that these products earn. The only flip side to this was the fact that Wipro had to make heavy spends on advertising and promotions as most Indians were not aware of this brand. But, the scale this acquisition brought Wipro was important to give it a push in the FMCG space.

In November 2009, Wipro announce that it has acquired the Yardley business in Asia, Middle East, Australasia and certain African market for 45. 5 million dollars, approximately Rs 2, 118 million from UK based Lornamead Group. This has given the Wipro group a heritage brand in its kitty as Yardley was

established in 1770 and it has a very strong equity globally in markets including Asia, Middle east and Australasia. Wipro's strong R&D was expected to give a strong push to one of the most powerful brands in the personal care market.

## **Dabur India Limited**

It is one of the leading consumer goods company in India with a turnover of Rs 2834. 11 crore (FY2009). It is one of the few consumer goods company to have a significant manufacturing presence across the world, with 17 plants. Their master brands include Dabur, the ayurvedic healthcare brand, Vatika - premium hair care, Hajmola - tasty digestives, Real - fruit juices and beverages and Fem - Skin care products.

It has been able to create a niche in the minds of the consumer, with the USP of ayurvedic products. Although, they have garnered a significant share in the Indian market, this USP meant that it left them with little or no options to grow in organically. Acquisitions abroad were not easy to come as the ayurveda and nature based products is an USP no other company offered.

The international business division, a SBU within Dabur India limited, catered to the healthcare and personal care needs of customers across different international markets like Gulf region, Egypt, Nigeria, Bangladesh, Nepal and the US.

Although, it made a few acquisitions in the country like Balsara who was present in the hygiene and home products business and also fem care Pharma, a leading player in the country's women care segment. These acquisition offered Dabur to enter newer product categories and markets.

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In the international market it made its first move as, in July 2010, it acquired Hobi Kozmetik group, a leading personal care products company in Turkey. 3 subsidiaries of Hobi were bought for a total consideration of 69 million dollars, approximately Rs 3, 231 million. This is in line, with their idea of further consolidating and expanding their already substantial presence in the Middle east and the North Africa region.

Hobi Kozmetik, has a wide range of hair care and skin care products under the ' Hobby' and New Era brands. It also commands a 35% market share in the hair gel category. What is noteworthy is that its products are sold across 35 countries. Dabur has a host of international brands that enjoy pole position across their respective categories. So, Hobi's brands have to get into synergy with Dabur's offering soon, so that capitalization on the strengths of Dabur's businesses across the international operations is significant.

### **Colgate Palmolive India Ltd**

Colgate Palmolive India Ltd started in the year 1937. It offers various products in India and internationally in the personal care, oral care, household care and pet nutrition. It has a market capitalization of 2. 4 billions.

In 2007, it acquired 75% stake in Professional Oral Care Products Pvt Ltd based in Goa which manufactures and supplies toothpaste to Colgate Palmolive India Ltd. Further, it also acquired 75% stake in Advanced Oral Care Pvt Ltd an 100 % stake in SS Oral Hygiene Products Pvt Ltd in 2008.

The sales dropped in the toothpaste and toothbrush market in 2009 as compared to 2008. This did not hamper the sales of Colgate Palmolive to a

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very great extent. In fact, even though the personal and home care industry was facing negative inflationary effects due to which companies increased the prices, Colgate Palmolive adopted a volume based strategy. Since, it faces competition from HUL and P and G, Colgate Palmolive decided to further strengthen its position as a market leader by acquiring a 100% stake in CC Heath Care which is a Hyderabad based tooth powder manufacturer in March 2010.

Presently, Procter and Gamble is planning to come up with its Crest toothpaste brand. The idea is to take away market share. This may lead to a price war which is a major concern for investors.

## **Emami**

Its gross revenue was over Rs 1000 cr. in FY 2010 with a CAGR of 27% over last 5 years while its net sales grew by 35. 7% in FY 2010. Their domestic distribution network includes over 2800 distributors, 4, 00, 000 retail outlets and brand reaches 26, 00, 000mn outlets through other trade channels.

Emami Limited has over 30 brands under its portfolio, 4 of which are Rs. 100 cr. brands. It has developed strong brands like ' Navratna', ' BoroPlus', ' Fair and Handsome', Sona Chandi, Fast Relief, Mentho Plus and has recently acquired Zandu. Emami's products in different categories like cool oil, antiseptic cream and fairness cream for men are market leaders in their respective segments.

Emami's products are available in 60 different countries. Their international business contributes about 14% of the total revenue. Most of their international business growth comes from Middle East, CIS and SAARC. The



international business is growing at a CAGR of 38% over the last 5 years.

One of their business objectives is to foray into new categories and international business in order to drive revenue growth. In fact they are focusing on setting up manufacturing facilities in Egypt and Bangladesh.

Emami Ltd. bought Zandu Pharmaceuticals for Rs 750 crore-plus in 2008.

The brand Zandu, one the strongest Ayurvedic Brand, has a market share of about 43% of the balm market in India. This acquisition was aimed at building a strong Ayurvedic Ethical / Generics portfolio, promoted through doctors and strong consumer marketing driven OTC Business. The production commenced at the Pantnagar unit, located in the tax free zone of Uttaranchal. Post acquisition integration process was undertaken by streamlining sales channels in the north, east and west zone. This helped Emami strengthen the network further, in Western India. Their sales realizations increased by over 10% owing to the improved distribution coverage and penetration. It helped the company focus on incremental sales from alternate channels like state governments, PSUs and institutions.

More acquisitions in the personal and healthcare sector in the domestic market is on the company's radar. It has about 1, 000 cr. set aside for its acquisitions, and Paras Pharma has been suggested by their financial consultants seems to fit the bill. Encouraged by their performance post Zandu acquisition Emami Limited is also on lookout for acquisitions abroad for inorganic growth in FMCG sector.

## **Marico Limited**

Marico Ltd. is one of India's leading FMCG players in the beauty and wellness space. Its brands and brand extensions have significant market share in various categories like hair oils, coconut oil, refined and premium edible oils.

Its flagship brand is Parachute coconut oil, which is the largest branded coconut oil commanding a huge market share of the Indian, organized coconut oils segment. Its other flagship brand includes Saffola, which is the leader in the edible oils segment and now has entered into the foods category Saffola diabetes management, Saffola cholesterol management atta mixes, Saffola Arise which is a lower GI rice which contains good carbohydrates and Saffola Salt which is the healthier choice in salt, with less sodium and higher potassium and calcium.

Over the last 17 years, Marico has been continually building new brands, creating new categories and has been a leader in various markets.

Marico houses well known hair care, health care and skin care brands.

Under hair care it has brands like Parachute, Nihar, Shanti, Mediker, Shanti Badam Amla, Silk and Shine, Hair code, Black Chic, Hair and care etc.

Under health care it has premium edible oils, and functional foods

Under Skin care they have brands like Mediker, Manjal, Kaya skin care products.

Competitive advantages:

Marico has a strong distribution network, which ensures a pan-India presence. Marico has a well-built network in Middle East, African countries, and SAARC.

Marico also enjoys strong brand equity; it also enjoys the leadership or the second position wherever it has its presence. Therefore it has a pricing power over the other players in the market.

Marico is also present in the largely under penetrated Indian beauty service segment through its Kaya range of products and clinics, which acts as a growth driver and provides it with sufficient room for augmenting future revenues.

International consumer products business

In the global space the major markets for Marico are the Middle East, Bangladesh, Egypt, and South Africa.

The International Business group of Marico reaches out to more than 20 countries. This group was formed in the early 1990's. The IBG customizes its product offerings to suit the requirement of diverse cultures.

## **Graphical exposition of Marico's Total sales from financial year 2004 to 2009 and IBG's Contribution**

Source: Company Website

Marico is present in Bangladesh through its wholly owned subsidiary Marico Bangladesh Ltd which produces and sells branded coconut oil under the

brand name Parachute. It is also present in the soaps segment through the acquisition of Camelia and Aromatic in the year 2005.

In South Africa it acquired Enalini Pharmaceuticals consumer division pty. Ltd in Nov 2007. It has 3 brands in its portfolio which face competition from the local brands such as Amka and MNC brands of Unilever and L'oreal.

In Egypt they acquired brands like Hair Code and Fiancee in 2007. Where Fiancee is the market leader and Hair Code has the 2nd position in the category of creams and gels.

The company uses Egypt as its manufacturing hub to service North African markets such as Morocco, Sudan, Libiya and the Middle East region.

Data for FI-2010

### **KAYA- Marico's presence in Indian beauty care segment**

Kaya Ltd, which was earlier Kaya Skin care limited was Marico's big leap from consumer products to providing holistic solutions and moving into the service space. With the rise in the disposable income amongst the youth and propensity to spend, kaya limited wanted to focus on meeting the emerging needs of the modern day consumers by providing useful and effective services in the beauty and wellness space. In a short span of 8 years, Kaya has grown at an unprecedented pace, with over 100 clinics in India, Middle East and Bangladesh.

Out of a total of 101 clinics, they have 13 centres in the Middle East, 1 in Dhaka and 87 spread across the country. This was the strength of their clinics by 2009. In 2010, they acquired Derma Rx, a Singapore based  
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Wellness Company to give a fillip to the wellness business. Kaya Ltd, has also been a steady contributor to the revenues of IBG and is part of the continuous focus on the services aspect of the beauty care business that Marico Ltd wants to be a big part of.

## **Marico's global foray**

### **Marico's Strategy in South Africa**

Marico entered the South African market on 31st Oct 2007. The firm acquired the consumer division of Enalini Pharmaceuticals, Enalini Pharmaceuticals Consumer Division PTY LTD (EPCD) through a competitive bidding process.

Enalini Pharmaceuticals is a Durban based hair care company for around Rs. 52 crore. At that time the company's annual turnover was Rs. 53 crore and was present across segments such as hair relaxers, after care hair care and hair conditioners.

For Marico this was an opportunity to partake in the fast growing market in South Africa. EPCD had 3 leading brands Caivil in premium segment, Black chic in value for money health care and Hercules in OTC health care.

Harsh Mariwala said " It helps us extend the Marico footprint to a new geography with potential, thus taking us a step further towards becoming a global player in beauty and wellness"

On 13th August 2010 Marico Ltd acquired over-the-counter health care brand ' Ingwe ' from Guideline Trading CC, South Africa, for an undisclosed sum.

' Ingwe' has a turnover of Rs15 crore. This is Marico's second acquisition in South Africa and the 7th globally.

" It (Ingwe) complements the Hercules range. I am confident this acquisition will strengthen our distribution reach...and step up our growth momentum," John Mason, managing director, Marico, South Africa, said in a statement.

Marico's South African business recorded a 34% growth in the financial year 2010, now the overall size of the business is Rs63. 80 Crore.

The Indian consumer goods companies, are facing rising competition at home, and are looking at the African market as an opportunity, where there is rising demand which will boost growth.

## **Egypt**

Marico's Egypt journey began in 2006, by acquiring the Brand Fiancee which operates in the 3 segments gels, cream and cream-gels. Cream-gels contributed to almost 70% of its business, and it was considered as a pioneer in this market. The major products which came under Marico's fold through this acquisition were Fiancee Hairfood cream, Fiancee 2\*1cream gels and a few more.

In quick succession by January 2007, Marico acquired a leading hair care brand Hair Code along with its manufacturing facility. It has a highly successful hair gel brand under its wing, which has more than 50% market share.

This acquisition really propelled Hair Code's business in the region, with its integration with Marico's strength and expertise in this segment. Immediate analysis shows that mar