

HINDUSTAN LEVER LIMITED – September Quarter 2004 RESULTS

- ◆ Volume growth of 6 % in HPC ; Value growth of 2.7 %
- ◆ Volume Market Share gained in Hair and Laundry
- ◆ HPC Advertising spend up 27%
- ◆ EBIT declines 30.6% mainly due to continuing price and brand investment
- ◆ EBIT margins Improves by 100bps over JQ 04

MUMBAI, October 28, 2004: Hindustan Lever Limited (HLL) announced its results for September Quarter 2004. HPC volumes grew by 6% on the back of enhanced brand investments, while sales value grew at 2.7%, due to price reductions taken earlier this year. Advertising spends was stepped up by 27% compared to last year, to build our brand equities. In an intense competitive scenario, the company strengthened its leadership position and gained volume market shares in Hair and Laundry. Shampoo volumes grew by over 40% and Laundry volumes increased by 9% on a large base.

Brooke Bond, accounting for 90% of tea sales grew by 5%. Bru instant coffee continued to grow well. Overall, Beverages sales growth was impacted by the planned discontinuation of 'A1" brand.

Processed Foods sales declined due to phased trade stock reduction in salt and culinary products, de-focussing of atta in unviable geographies and lack of success in certain culinary products launched in the previous year with consequential impact on results.

Continuing FMCG sales decline for the quarter were flat representing an improvement over the 2.3% decline in JQ 04.

EBIT (profit before interest and income tax) at RS. 335 crores declined 30.6%% led by strategic pricing in Laundry and Shampoo, enhanced brand investments and lower results in foods. In comparison to JQ 04 margins in HPC were held. PBT (Profit Before Tax) at Rs. 360 crores and PAT (Profit After Tax) at Rs. 282 crores declined by 31.7% and 30.8% respectively, due to lower financial income. Net Profit after accounting for exceptional items was Rs. 324 crores.

Mr. M.S.Banga, Chairman commented: "Despite continuing intense competition, we have strengthened our leadership position specially in Hair and Laundry. This has been achieved through strategic brand investments backed by innovation and activation. In Foods we have reduced trade stocks to improve the efficiency of the supply chain and ensure stock freshness. The results reflect the impact of these long-term investments. The success of

these and other measures across the businesses will be the basis for our return to sustained profitable growth.”

RECORD DATE

The Board of Directors at their meeting held on 28th October 2004 has fixed 1st December 2004 as the RECORD DATE for ascertaining the name of debentureholders who would be entitled to redemption as well as the half yearly interest payment @ 9% p.a. Debenture Certificate held in physical form need not be surrendered to the Company.