

**PUBLIC ANNOUNCEMENT ON BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH THE STOCK EXCHANGES**

This Public Announcement is made pursuant to the provisions of Regulation 8(1) read with Regulation 15(c) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended and contains disclosures as specified in Schedule II to these Regulations.

Offer for Buy-Back of Equity Shares from Open Market through Stock Exchange(s)

**1. THE OFFER & BUYBACK PRICE:**

1. Hindustan Unilever Limited ("HUL" or the "Company") hereby announces its intention to Buy-back its fully paid-up equity shares of face value of Re. 1/- each ("Equity Shares") from the existing registered shareholders/beneficial owners of the Equity Shares of HUL ("Buy-back") through the open market using the nationwide electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), pursuant to Article 169A of the Articles of Association of the Company and in accordance with Sections 77A, 77AA and 77B of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("the Buy-back Regulations") at a price not exceeding Rs. 280/- per Equity Share ("Maximum Buy-back Price") payable in cash, for an aggregate amount not exceeding Rs. 630 crores ("Offer Size") i.e. within 25% of the Company's fully paid-up Equity Share Capital and Free Reserves as per the Audited Balance Sheet as on March 31, 2010.

12. The aggregate Paid-up Equity Share Capital and Free Reserves of the Company as on March 31, 2010 was Rs. 2,551.26 crores and under the provisions of the Act, the funds deployed for Buy-back shall not exceed 25% of the Paid-up Equity Share Capital and Free Reserves of the Company. Accordingly, the maximum amount that can be utilised in the present Buy-back is Rs. 637.81 crores. Further, under the Act, the number of Equity Shares that can be bought back shall not exceed 25% of the Paid-up Equity Share Capital of the Company. Accordingly, the maximum number of Equity Shares that can be bought back cannot exceed 54,54,21,695 Equity Shares being 25% of 2,18,16,86,781 Equity Shares of face value of Rs. 1/- each as of March 31, 2010. The Company, subject to the Maximum Buy-back Price, proposes to Buy-back a minimum of 56,25,000 Equity Shares ("Minimum Buy-back Shares").

13. The Maximum Buy-back Price of Rs. 280/- has been arrived at after taking into account the trends in the market price of the Equity Shares of the Company during the last six months prior to the date of Board Meeting. The average closing market price of the Equity Shares in the last three calendar months prior to June 11, 2010 (being the date of Board Meeting) in which the proposal of Buy-back was approved, on the BSE was Rs. 232.81 and on the NSE was Rs. 233.07. The Maximum Buy-back Price of Rs. 280/- is at a premium of approximately 20% over the aforesaid prices.

14. The Company will implement the Buy-back by way of Open Market purchases through the BSE and the NSE using their nationwide electronic trading facilities. The Company shall not Buy-back its Equity Shares from any person through negotiated deals, whether on or off the Stock Exchange(s) or through spot transactions or through any private arrangement in the implementation of the Buy-back.

15. The maximum amount required by the Company for the said Buy-back aggregating Rs. 630 crores will be met out of the Share Premium account and/or Free Reserves of the Company.

**2. AUTHORITY FOR THE OFFER OF BUY-BACK:**

Pursuant to the provisions contained in Article 169A of the Articles of Association of the Company and Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Companies Act, 1956 and the provisions contained in the Buy-back Regulations, the present Buy-back from open market through Stock Exchanges has been duly authorised by:

a. a Resolution passed by the Board of Directors of the Company (hereinafter referred to as "the Board") at their meeting held on June 11, 2010;

b. a Special Resolution passed by members of the Company through postal ballot, the results of which were declared on July 26, 2010.

**3. BRIEF INFORMATION ABOUT THE COMPANY:**

3.1 HUL was incorporated on the 17th day of October, 1933 under the Indian Companies Act, VII of 1913 initially under the name of Lever Brothers (India) Private Limited. Subsequently, the Company's name was changed to Hindustan Lever Limited vide certificate issued by Government of India, Ministry of Company Affairs dated 1st day of November, 1956. Vide a certificate issued by Government of India, Ministry of Company Affairs dated 11th day of June, 2007, the name of the Company has now been changed to Hindustan Unilever Limited.

3.2 HUL is India's leading Fast Moving Consumer Goods ("FMCG") company whose journey in India started with Sunlight soap in 1888. With it, began an era of marketing branded FMCG in India. Sunlight was followed soon after by Lifebuoy in 1895 and other famous brands like Pears, Lux and Vim. The Company's corporate existence came into being with the establishment of Hindustan Vanaspathi Manufacturing Company which was followed by Lever Brothers India Private Limited in 1933 and United Traders Limited in 1935. These three companies merged to form Hindustan Lever Limited in November 1956. The Company was renamed as Hindustan Unilever Limited in June 2007. The Company created history when it was listed on the Bombay Stock Exchange, Kolkata Stock Exchange and Madras Stock Exchange in 1956 and offered the first public equity to Indian shareholders. The Company became the first foreign subsidiary company in India to offer equity shares to Indian public. Today, HUL is listed on the BSE and the NSE. As on March 31, 2010, the Company has 3,56,469 shareholders in total and the non-promoter shareholding is 47.98%. The shareholding pattern of the Company as on March 31, 2010 is as under:

Category	No. of Folios	Shares held (Nos)	% of holdings
Unilever and its Associates	9	1,13,48,49,460	52.02
Mutual Funds & Unit Trust of India	167	7,06,72,545	3.24
Central Government/State Government(s)	1	0	-
Financial Institutions / Banks	168	86,89,076	0.40
Insurance Companies	22	22,82,70,126	10.46
Foreign Institutional Investors	433	31,59,63,311	14.48
Bodies Corporate	3,010	7,56,58,898	3.47
NRIs/Foreign Corporate Bodies/Foreign Nationals/ Overseas Corporate Bodies	4,106	77,29,689	0.35
Directors and their Relatives	20	1,19,693	0.01
Resident Individuals & Others	3,48,533	33,97,33,963	15.57
Total	3,56,469	2,18,16,86,781	100.00

3.3 The brief audited financial information of the Company for the last three financial periods and unaudited financial results for the three months ended June 30, 2010 is given below:

	December 31, 2007 (12 months)	March 31, 2009 (12 months)	March 31, 2010 (12 months)	Three Months ended June 30, 2010 (Unaudited)	(Rs. crores)
Total Income	14,106.96	20,829.05	17,873.44	4,918.34	
Profit Before Taxation	2,146.33	3,025.12	2,707.07	669.49	
Profit After Taxation & Before Exceptional Item	1,743.12	2,500.71	2,102.68	521.18	
Net Profit	1,925.47	2,496.45	2,202.03	533.21	
Equity Dividend (Total)	1,976.12	1,634.51	1,417.94	n.a.	
Paid-up Equity Share Capital	217.75	217.99	218.17	218.21	
Reserves & Surplus	1,221.49	1,843.52	2,365.35	n.a.	
Net Worth	1,439.23	2,061.51	2,583.52	n.a.	
Debt	88.53	421.96	-	n.a.	
<b>Key Ratios</b>					
Basic Earnings per Share (Rs.)	8.73	11.46	10.10	2.44*	
Book Value per Share (Rs.)	6.61	9.46	11.84	n.a.	
Debt Equity Ratio	0.06	0.20	-	n.a.	
Return on Capital Employed (%)	78.0	107.5*	103.7	n.a.	
Return on Net Worth (%)	80.1	103.6*	88.2	n.a.	

\* Total Income includes financial income  
\*\* Shown on an annual basis  
\* Not annualised (relates to 3 month period)  
n.a.: not applicable

**4. NECESSITY FOR BUYBACK**

The Buy-back is proposed on account of the Company's strong cash flow delivery and the accumulated cash being more than what is needed to fund growth. The Buy-back is expected to:

- reduce outstanding number of shares and consequently increase Earnings per Share over a period of time and enhance long term value creation;
- effectively utilise surplus cash; and
- make the Balance Sheet leaner and more efficient to improve key ratios like Return on Net Worth, Return on Assets, etc.

**5. EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

As per the requirements of Sections 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, the Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Special Resolution on Buy-back of Company's shares:

1. The Company intends to acquire Equity Shares each of face value of Re. 1/- at a price not exceeding Rs. 280/- per Equity Share ("Maximum Buy-back Price") with the total aggregate amount to be expended not to exceed Rs. 630 crores which is within 25% of the Company's fully paid-up Equity Share Capital and Free Reserves as per Audited Balance Sheet as on March 31, 2010.

2. The Board of Directors of the Company at its meeting held on June 11, 2010 approved, subject to the consent of the Members of the Company, the proposal for Buy-back of Company's shares in accordance with Article 169A of the Articles of Association of the Company and in accordance with the provisions of Sections 77A, 77AA, 77B and all other applicable provisions of the Companies Act, 1956, (hereinafter referred to as "the Act") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as "the Buy-back Regulations").

3. The Buy-back is proposed to be implemented by the Company from the Open Market purchases through the BSE and the NSE (hereinafter collectively referred to as "the Stock Exchanges").

4. There will be no Buy-back from any person through negotiated deals whether through the Stock Exchanges or through spot transactions or through any private arrangement.

5. The Buy-back is proposed on account of the Company's strong cash flow delivery and the accumulated cash being more than what is needed to fund growth. The Buy-back is expected to:

- reduce outstanding number of shares and consequently increase Earnings per Share over a period of time and enhance long term value creation;
- effectively utilise surplus cash; and
- make the Balance Sheet leaner and more efficient to improve key ratios like Return on Net Worth, Return on Assets, etc.

6. The aggregate Paid-up Share Capital and Free Reserves of the Company as on March 31, 2010 is 2,551.26 crores and under the provisions of the Act, the funds deployed for Buy-back shall not exceed 25% of the Paid-up Capital and Free Reserves of the Company. Accordingly, the maximum amount that can be utilised in the present Buy-back is Rs. 637.81 crores. The total aggregate amount proposed to be expended for the Buy-back is Rs. 630 crores, which is within the maximum amount as aforesaid. Further, under the Act, the number of Equity Shares that can be bought back during the financial year shall not exceed 25% of the Paid-up Equity Shares of the Company. Accordingly, the maximum number of Equity Shares that can be bought back cannot exceed 54,54,21,695 Equity Shares being 25% of 2,18,16,86,781 Equity Shares each of face value of Re. 1/- as per Audited Balance Sheet as on March 31, 2010.

7. The Maximum Buy-back Price of Rs. 280/- has been arrived at taking into account the trends in the market price of the Equity Shares of the Company during the last six months prior to the date of Board Meeting. The average closing market price of the Equity Shares in the last three calendar months prior to the Board Meeting on the BSE was Rs. 232.81 and on the NSE was Rs. 233.07. The Maximum Buy-back Price of Rs. 280/- is at a premium of approximately 20% over the aforesaid prices.

8. The Resolution seeks to authorise the Board to Buy-back Company's shares up to 25% of the Paid-up Share Capital and the number of Equity Shares to be bought back by the Company will be within the limits as aforesaid. The funds required for the Buy-back will be drawn out of the Share Premium Account and/or Free Reserves of the Company.

9. The actual reduction in outstanding number of shares would depend upon the price at which the shares are bought back as well as the total number of shares available for purchase. However, assuming the shares are purchased at the maximum price (Rs. 280/-) and that the Company would be in a position to successfully purchase shares for an amount of Rs. 630 crores as approved by the shareholders, the total number of shares that would be purchased in terms of the approval of the shareholders would be approximately 2,25,00,000 Equity Shares and the outstanding shares would accordingly reduce to that extent.

10. a. The aggregate shareholding of the Company and its associates (hereinafter referred to as "the Promoters") as on the date of the Notice is 1,13,48,49,460 Equity Shares of face value of Re. 1/- each constituting 52.02% of the total Equity Share Capital of the Company. Pursuant to the Buy-back of Equity Shares as proposed, and depending on the response to the Buy-back offer, the percentage holding of the Promoters would increase marginally. Such an increase in the percentage holding of Promoters is consequential and indirect in nature and falls within the limits prescribed under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

b. No shares were either purchased or sold by the Promoters during the period of six months preceding the date of the Board Meeting at which the proposal for Buy-back is approved.

c. The Promoters will not participate in the Buy-back.

d. The aggregate shareholding of the Directors of the Company as on the date of the Notice is given in the following table.

Name of the Director	No. of Shares		% holding as on 11.6.2010
	as on 1.12.2009	as on 11.6.2010	
Mr. Harish Manwani	22,130	22,130	0.0010
Mr. Nitin Paranjpe	37,975	41,731	0.0019
Mr. Sridhar Ramamurthy	1,146	1,146	0.0001
Mr. Gopal Vittal	9,405	9,405	0.0004
Mr. Pradeep Banerjee	10,787	10,787	0.0005
Mr. Dhaval Burch	18,403	18,403	0.0008
Mr. Deepak Parekh	38,250	38,250	0.0018
Prof. C. K. Prahalad	Nil	Nil	n.a.
Mr. Aditya Narayan	Nil	Nil	n.a.
Mr. S. Ramadorai	Nil	Nil	n.a.
Dr. R. A. Machelkar	Nil	Nil	n.a.

\*Appointed as Director w.e.f. March 1, 2010  
# Ceased to be a Director w.e.f. March 1, 2010  
\*Appointed as Director w.e.f. April 1, 2010 due to sad demise  
n.a.: not applicable

None of the Directors of the Promoter Company are holding any shares of the Company

e. Except for Mr. Nitin Paranjpe, whose shareholding has increased on account of credit of the stock grants under the Employees Stock Grant Scheme of the Company, none of the above Directors have purchased or sold any shares in the Company during the period of six months preceding the date of Board Meeting at which buy back was approved, namely June 11, 2010.

f. The Directors of the Company do not intend to participate in the Buy-back.

11. As required under the Act, the ratio of the debt owed by the Company would not be more than twice the Share Capital and Free Reserves after the Buy-back.

12. As per the provisions of the Act, the Special Resolution passed by the shareholders approving the Buy-back will be valid for a maximum period of twelve months from the date of passing of the said Special Resolution. Subject to the maximum price for Buy-back and maximum validity period of twelve months, the time-frame and the price

will be determined by the Board (which expression shall also include a Committee of Directors and Senior Managers of the Company constituted for this purpose)

13. As per the provisions of the Act, the Company will not be allowed to issue fresh Equity Shares within a period of six months after the completion of the Buy-back except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

14. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

15. The Board of Directors hereby confirms that it has made a full inquiry into the affairs and prospects of the Company and has formed the opinion;

a. that, immediately following the date on which the results of postal ballot are declared, there will be no grounds on which the Company could be found unable to pay its debts;

b. that, as regards its prospects for the year immediately following the date on which the results of the Postal Ballot are declared, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date; and

c. that, in forming its opinion for the above purposes, the Board has taken into account the liabilities including prospective and contingent liabilities as if the Company were being wound up under the provisions of the Act.

16. The Company shall transfer from its Free Reserves a sum equal to the nominal value of the Equity Shares purchased through the Buy-back to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent Audited Balance Sheet.

17. The Report dated June 11, 2010 received from M/s. Lovelock & Lewes, the Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

"In connection with the proposed buy back of Equity Shares approved by the Board of Directors of Hindustan Unilever Limited (hereinafter referred to as the 'Company') at their meeting held on June 11, 2010, in pursuance of the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and based on the information and explanations given to us, we report that:

a. we have enquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2010, which were taken on record by the Board of Directors at their meeting held on May 25, 2010. These financial statements are to be placed before the members of the Company for adoption at the ensuing Annual General Meeting scheduled for July 27, 2010;

b. the capital payment (including premium) of an amount not exceeding Rs. 637.81 crores towards the buy back of Equity Shares properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956 and is within the permissible limit of 25% of the paid up equity capital and free reserves of the Company, as computed below. The amount of Share Capital and Free Reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2010:

c. the Board of Directors of the Company, at their meeting held on June 11, 2010, have formed their opinion as specified in clause (i) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of declaration of results of postal ballot on July 26, 2010.

d. This report has been issued at the request of the Company in connection with the proposed Buy-back and cannot be used for any other purpose."

18. None of the Directors is concerned or interested in this Resolution, except to the extent of their shareholding in the Company, as detailed above. The Board commends the proposal for approval by the Members of the Company.

It may be noted that, in connection with 17a, the financial statements of the Company for the year ended March 31, 2010, were adopted by the members of the Company at the Annual General Meeting held on July 27, 2010.

**6. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN:**

6.1 The Share Capital of the Company is as follows:

**Authorised Share Capital:**  
Rs. 225,00,00,000 lakhs comprising of 225,00,00,000 Equity Shares of Re. 1/- each issued, subscribed & Paid-up:

**As on March 31, 2010 (being the date of last audited accounts)**

**As on June 11, 2010 (being the date of board meeting)**

**As on August 11, 2010 (being the date of postal ballot)**

Rs. 218,16,86,781 lakhs comprising of 2,18,16,86,781 Equity Shares of face value of Re. 1/- each

Rs. 218,16,86,781 lakhs comprising of 2,18,16,86,781 Equity Shares of face value of Re. 1/- each

Rs. 218,23,20,120 lakhs comprising of 2,18,23,20,120 Equity Shares of face value of Re. 1/- each

**Notes:**

(i) As on 31st March 2010, of the above Equity Shares:  
(a) 1,13,48,49,460 Equity Shares of Re. 1/- each are held by Unilever PLC, the holding company, and its associates including 1,09,48,06,150 shares of Re. 1/- each held by Unilever India Limited

(b) 79,53,79,675 Equity Shares of Re. 1/- each are allotted as fully paid-up pursuant to a contract for a consideration other than cash.

(c) 1,31,68,54,620 Equity Shares of Re. 1/- each are allotted as fully paid-up bonus shares by way of capitalisation of share premium and accumulated profits.

6.2 The shareholding pattern of the Company as on 11th June, 2010 (being the date of board meeting) is shown below:

Particulars	No. of Equity Shares	% of the Equity Capital	No. of Shares post Buy-back*	% of holding post Buy-back*
Promoters and/or persons who are in control and/or persons acting with them	1,13,48,49,460	52.02%	1,13,48,49,460	52.56%
Institutional Investors (Mutual Funds, Banks, FIs, FII's)	63,86,47,073	29.27%	1,02,43,37,321	47.44%
Others (Pvt. Corporate Bodies, Indian Public, NRIs/OCB's)	40,81,90,248	18.71%	-	-
<b>Total</b>	<b>2,18,16,86,781</b>	<b>100.00%</b>	<b>2,15,91,86,781</b>	<b>100.00%</b>

\* Assuming that as a part of the Buy-back, 2,25,00,000 Equity Shares are bought back at the Maximum Buy-back Price of Rs. 280/- for an aggregate amount of Rs. 630 crores. The shareholding, post Buy-back, may differ depending upon the actual number of Equity Shares bought back through the Buy-back.

6.3 There are no partly paid-up shares or outstanding convertible instruments.

6.4 (a) The aggregate shareholding of Unilever PLC and its associates (hereinafter collectively referred to as "the Promoters") as on August 11, 2010 is 1,13,48,49,460 Equity Shares each of Re. 1/- constituting 52.02% of the Equity Share Capital of the Company. Pursuant to the Buy-back of Equity Shares as proposed, and depending on the response to the Buy-back offer, the percentage holding of the Promoters would increase beyond the aforesaid percentage. Such an increase in the percentage holding of Promoters is consequential and indirect in nature and falls within the limits prescribed under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

(b) No shares were either purchased or sold by the Promoters during the period of last twelve months preceding the date of this Public Announcement.

(c) The Promoters and persons in control of the Company shall not participate in the Buy-back.

(d) The aggregate shareholding of the Directors of the Company and Directors of the Promoters of the Company as on the date preceding this Public Announcement is given in the following table.

Name of the Director	No. of Shares		% holding as on PA date
	as on 12.08.2009	as on 11.08.2010	
Mr. H. Manwani	22,130	22,130	0.0010
Mr. Nitin Paranjpe	33,575	51,631	0.0024
Mr. Sridhar Ramamurthy	1,146	1,146	0.0001
Mr. Gopal Vittal	9,405	9,405	0.0004
Mr. Pradeep Banerjee	N/A	N/A	0.0005
Mr. Dhaval Burch	15,653	15,653	0.0007
Mr. D.S. Parekh	38,250	38,250	0.0018
Prof. C.K.Pralhad	Nil	Nil	n.a.
Mr. A. Narayan	Nil	Nil	n.a.
Mr. S. Ramadorai	Nil	Nil	n.a.
Dr. R. A. Machelkar	Nil	Nil	n.a.

\*Appointed as Director w.e.f. March 1, 2010  
# Ceased to be a Director w.e.f. March 1, 2010  
Ceased to be a Director w.e.f. April 1, 2010 due to sad demise

(e) None of the Directors of the Promoter Company hold any shares in the Company.

(f) Except for Mr. Nitin Paranjpe, whose shareholding has increased on account of credit of the stock grants under the Employees Stock Grant Scheme of the Company, none of the above Directors have purchased or sold any shares in the Company during the past twelve months preceding the date of the Public Announcement.

(g) The Directors of the Company do not intend to participate in the Buy-back.

**7. SOURCES OF FUNDS:**