

Notes:

1. Continuing sales accelerated, grew by a strong 6.8% up from 3.7 % in FH 03. Domestic Home and Personal Care categories recorded a growth of 5.2% led by 42.5% in Skin, 33.7% in Colour Cosmetics and 10.8% in toothpaste. HPC Power Brands grew by 7.7 %, sustaining the robust growth trend of the previous five quarters. The Beverages business has revived with a strong 9% growth. In Foods business, culinary products grew strongly by 22.8%. Exports grew by 5.1% led by Beverages exports posting 26.5% growth.
2. Operating Profit (Profit before Interest and Tax) for the quarter has improved by 6.3%. PBT and PAT was lower by 1.5% and 2.9% respectively, due to interest cost (Rs. 29.96 crores for the quarter) on bonus debentures allotted to shareholders in July 03.
3. a. The company has completed transfer of its domestic Edible Oils and Fats Business in India and Nepal to Bunge in Aug 03.  
  
b. The company has also entered into a Memorandum of Understanding with a third party for transfer of mushrooms business undertaking through sale and transfer of equity shares and debentures held by the company in KICM (Madras) Ltd, a wholly owned subsidiary.
4. The results for the quarter and nine months are not comparable to those of the previous period to the extent of :

Sale of the Seeds business	w.e.f April 2002
Transfer of the Leather Exports business to a subsidiary company	w.e.f April 2002
Sale of Diversey Lever Business	w.e.f May 2002
Transfer of Mushroom Exports business to a subsidiary company	w.e.f July 2002
Sale of edible Oils and Fats business	w.e.f 29 <sup>th</sup> August 03

Adjusting for above, net sales for SQ '03 is Rs. 2415.87 crores (SQ '02: Rs. 2262.33 crores), Profit Before Interest and Tax for SQ '03 is Rs. 482.45 crores (SQ'02: Rs. 458.0 crores) and PAT is Rs 407.97 crores. (SQ '02 : Rs 423.35 crores).

Similarly, net sales for 9M '03 is Rs. 7309.84 crores (9M '02: Rs. 6982.26 crores), Profit Before Interest and Tax for 9M'03 is Rs. 1411.80 crores (9M'02: Rs. 1320.98 crores) and PAT for 9M'03 is Rs. 1247.35 crores (9M'02: Rs. 1190.90 crores).

5. Exceptional Items :	Rs. Crores
Profit arising out of disposal of edible Oil and Fats business	56.20
Provision for loss arising out of disposal of Mushroom undertaking	(19.03)
Provision for loss on Fixed assets arising out of restructuring of Bangalore factory of Culinary Products division	(8.71)
Total Exceptional Income (net)	28.46
Taxation on above (credit)	6.61
Exceptional Item (net of tax)	35.07

Company has plans of restructuring (exceptional costs) some of its manufacturing operations absorbing this exceptional income.

6. Investor complaints status

Complaints pending resolution as on 1 <sup>st</sup> July 03	: 12
Complaints received during September quarter	: 260
Complaints resolved during September quarter	: 220
Being progressed for resolution as on 30 <sup>th</sup> September 03	: 52

7. Previous period figures have been regrouped wherever necessary to conform to this period's classification.
8. The text of the above statement was approved by the Board of Directors at their meeting held on 30<sup>th</sup> October 2003.

Limited Review :

The Limited Review for the quarter, as required under clause 41 of the Listing Agreement has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above Results and Notes which need to be explained.

For more details, visit our website at <http://www.hll.com>

By order of the Board

Place: Mumbai  
Date: 30<sup>th</sup> October, 2003

CHAIRMAN

### Notes on Segment Information

1. Personal Products segment margins improved by 210 bps. Soaps and Detergent Segment Margin was impacted by higher material cost, investment in quality, additional outsourcing consequent to lockout in Kolkata Factory and decline in premium Personal Wash portfolio.
2. Exports profitability was impacted by appreciating rupee, unfavourable movement in castor oil prices and poor price realisation in marine products. Other segment includes loss of Rs.5.34 crores ( SQ 02 : Rs. 5.43 crores) relating to plantations business
3. Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other un-allocable expenditure includes expenses incurred on common services not directly identifiable to the individual segments and corporate expenses. Unallocable income largely includes income from investment of surplus funds and dividends from subsidiary companies.

Capital Employed figures are as at 30th September 2003, 30th September 2002 and 31<sup>st</sup> December 2002. Unallocated corporate assets less corporate liabilities mainly relate to investments net of bonus debenture liability.