



3 December 2018

The Board of Directors
Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai 400099, India

Dear Sirs

We understand that the Board of Directors (the "**Board**") of Hindustan Unilever Limited ("**HUL**" or the "**Company**") is considering the amalgamation of the Company with GlaxoSmithKline Consumer Healthcare Limited (the "**Transferor Company**") through a scheme of amalgamation between the Company and the Transferor Company and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Merger**").

Be advised that while certain provisions of the Merger are summarised below, the terms of the Merger will be more fully described in the scheme document to be published in relation to the Merger (the "**Scheme Document**"). As a result, the description of the Merger and certain other information contained herein is qualified in its entirety by reference to the Scheme Document.

Pursuant to the Merger, the Company will issue and allot to all the shareholders of the Transferor Company, 439 fully paid up equity shares of par value INR1 each of the Company for every 100 fully paid up equity shares of par value INR10 each of the Transferor Company held by such shareholder ("**Share Exchange Ratio**").

The Share Exchange Ratio is based on the valuation report dated 2 December 2018 prepared by S.R.Batliboi & Co. LLP, Chartered Accountants (the "**Valuer**"), being an independent professional valuer appointed by the Board of the Company for recommending a share exchange ratio for the Merger (the "**Valuation Report**").

The Board has appointed HSBC Securities and Capital Markets India Private Limited ("**HSBC**" or "**we**" or "**us**") to issue a fairness opinion to the Company in relation to the Share Exchange Ratio proposed by it based on the recommendations set out in the Valuation Report.

This opinion is subject to the scope, limitations and disclaimers detailed herein.

Scope of our review

In arriving at the opinion set out below, we have, among other things:

1. reviewed the Valuation Report and discussed the Valuation Report with the Valuer;
2. reviewed the draft Scheme Document dated 30 Nov 2018
3. reviewed certain publicly available business information on the Company and the Transferor Company;
4. reviewed the annual reports for the Company and the Transferor Company for the financial years ending 31 March 2016, 31 March 2017 and 31 March 2018 and the standalone unaudited financial results for the Company and the Transferor Company for the six months ending 30 September 2018;

5. reviewed the reported price for the Company and the Transferor Company;
6. compared selected valuation multiples of the Company and the Target Company with those of certain publicly traded companies that we deemed to be relevant;
7. reviewed certain analysts' estimates for the Company and the Transferor Company;
8. used certain valuation methods commonly used for these types of analyses and taken into account such other matters as we deemed appropriate including our assessment of current conditions and prospects for the industry and general economic and market conditions.

Assumptions and limitations

In giving our opinion:

1. we have relied on the assessment of HUL's management on the commercial merits of the Merger, including that the Merger is in the best interests of the Company and its shareholders as a whole;
2. we have relied without independent verification, upon the accuracy and completeness of all of the information (including, without limitation, the Valuation Report) that was made available to us or publicly available or was discussed with or reviewed by us (including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this opinion;
3. we have not been provided with any financial forecasts or other internal financial analysis relating to the Company or the Transferor Company or a copy of the Company's or the Transferor Company's business plans;
4. we have had limited access to the management of the Company and have had no access to the management of the Transferor Company. We have therefore not discussed with management the past and current business operations or the financial condition of the Company or the Transferor Company;
5. while we have used various assumptions, judgements and estimates in our inquiry, which we consider reasonable and appropriate under the circumstances, no assurances can be given as to the accuracy of any such assumptions, judgements and estimates;
6. we have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the Merger will be obtained in a timely manner without any adverse effect on the Company;
7. we have not made any independent evaluation or appraisal of the assets and liabilities of the Company and its subsidiaries or the Transferor Company and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of the Company or the Transferor Company under any laws relating to the bankruptcy, insolvency or similar matters;
8. we have made no adjustment to the share price of the Company or the Transferor Company for the purposes of our analysis;
9. we have not conducted any independent legal, tax, accounting or other analysis of the Company or of the Merger and when appropriate we have relied solely upon the judgements of the Company's legal, tax, accountants and other professional advisers who may have given such advice to the Company without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganisation

or transaction costs that may arise as a result of the Merger in our analysis. In addition, we have not performed any independent analysis of the situation of the individual shareholders of the Company, including with respect to taxation in relation to the Merger and express no opinion thereon;

10. we have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which the Company or the Transferor Company is or may be a party or is or may be subject, or of any government investigation of any possible unasserted claims or other contingent liabilities to which the Company or the Transferor Company is or may be a party or is or may be subject
11. we have not conducted any physical inspection of the properties or facilities of the Company or the Transferor Company;
12. we have assumed that the Merger will be consummated on the terms set forth in the Scheme Document and that the final version of the Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion;
13. we have assumed that the Share Exchange Ratio will not be subject to any adjustments and express no opinion regarding any adjustments to the Share Exchange Ratio after the date of this opinion;
14. we have assumed that the management of the Company are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

We are expressing no opinion herein as to the price at which any securities of either the Company or the Transferor Company will trade at any time.

Relationship with HSBC

HSBC was not requested to, and did not, provide advice concerning the structure, the Share Exchange Ratio or any other aspects of the Merger or to provide services other than the delivery of this Fairness Opinion. HSBC did not participate in negotiations with respect to the terms of the Merger and any related transactions. Consequently, HSBC has assumed that such terms are the most beneficial terms from the Company's perspective that could under the circumstances be negotiated with the Transferor Company.

We will receive a fee from the Company for rendering this opinion. In addition, the Company has agreed to indemnify us for claims arising out of our engagement for providing the opinion.

In the past two years, HSBC and its affiliates have provided financing and other services to the Company and its affiliates and to the Transferor Company and its affiliates (the "Transferor Group") and have received fees for the rendering of these services, and may continue to provide such services to the Company and its affiliates and the Transferor Group and receive fees in relation thereto. Such services may include, without limitation, providing foreign exchange hedging services to the Transferor Group in relation to the Merger and providing financing facilities to the Transferor Group (and the proceeds of the Merger may impact HSBC's position as a provider of financing to the Transferor Group). In the ordinary course of their businesses, HSBC and its affiliates may actively trade in the equity securities of the Company and the Transferor Company, for their own accounts, or for the accounts of customers

and, accordingly, may at any time hold a long or short position in such securities.

Other limitations

This opinion is addressed to and provided solely for the Board of Directors of the Company exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Exchange Ratio. This letter shall not confer rights or remedies upon, and may not be used or relied on by, any holder of securities of the Company, any creditor of the Company or by any other person other than the Board of Directors of the Company.

HSBC is acting for the Board of Directors of the Company and no one else in connection with the Merger and will not be responsible to any person other than the Board of Directors of the Company for providing this opinion. Neither the existence of this letter nor its contents may be copied in whole or in part, or discussed with any other parties, or published or made public or referred to in any way, without our prior written consent in each instance, except that this opinion may be described in and included in its entirety in the Scheme Document. We take no responsibility or liability for any claims arising out of any such disclosure and we specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion.

This opinion shall be governed by the laws of India.

Specifically, this opinion does not address the commercial merits of the Merger nor the underlying decision by the Company to proceed with the Merger nor does it constitute a recommendation to any shareholder or creditor of the Company as to how such shareholder or creditor should vote with respect to the Merger or any other matter.

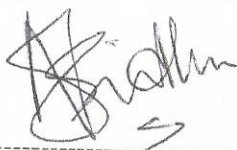
The ultimate responsibility for the decision to recommend the Merger rests solely with the Board of Directors of the Company.

Conclusion

Based upon, and subject to, the foregoing we are of the opinion that, as of the date hereof, the Share Exchange Ratio is fair, from a financial point of view, to the shareholders of the Company.

Yours faithfully,

HSBC Securities and Capital Markets (India) Private Limited



Name: Nirvaer Sidhu

Designation: Managing Director



NAME: TANU SINGH

DESIGNATION: ASSOCIATE DIRECTOR