

## HINDUSTAN LEVER LIMITED - March Quarter 2004 RESULTS

- ◆ Volume growth accelerates to 7% in HPC ; Value growth of 3.5 %
- ◆ Foods power brands grow 8%; Overall Foods growth 1.4%
- ◆ Continuing Sales grow 3%
- ◆ EBIT declines 13.7% mainly due to strategic pricing and brand investment

MUMBAI, April 29, 2004: Hindustan Lever Limited (HLL) continuing sales grew 3% for the quarter ended 31st March 2004. Home & Personal Care (HPC) stepped up its volume growth to 7%. The sales value growth of 3.5% is lower due to price reductions. Foods power brands grew 8% with overall foods growth at 1.4%.

Operating Profit (profit before interest and income tax) at Rs. 359 crores declined by 13.7% mainly due to strategic price and brand investments to fuel growth and win against competition. PBT (Profit Before Tax) at Rs 370 crores and PAT (Profit After Tax) at Rs 303 crores declined by 25.8 % and 20.9% respectively, due to interest payable on bonus debentures issued to shareholders and lower financial income. Net Profit after providing for exceptional items was Rs. 295 crores.

In HPC, Skin Care brands continue to grow strongly led by Fair & Lovely and Ponds. Color Cosmetics grew explosively led by Lakme. Personal Wash grew strongly led by Lifebouy , Lux and Pears. Strategic investments in Shampoo quality and pricing were made to drive consumption. In toothpaste, Pepsodent continued good volume growth. Laundry grew volume but flat sales value due to price reductions in Surf and Surf Excel.

The Foods power brands recorded good growth of 8%. Brooke Bond, which was relaunched last year, made encouraging progress. Lipton doubled its sales while Bru continued to grow strongly. Culinary products and Salt grew satisfactorily.

Mr.M.S.Banga, Chairman commented: "Our business is now totally focused. The Indian market opportunity is huge and we will leverage our strengths and powerful brands to drive growth. Our commitment to delivering exceptional consumer value is reflected in our investment in quality and pricing. We will not hesitate to make financial commitments to defend and strengthen our market position in the face of competition. We will create long term value for shareholders by driving profitable growth across all our categories."