

Notes:

1. Total sales grew by 12.9% during the quarter. FMCG sales grew by 13.4% driven by 11.1% growth in HPC business and 25.0% growth in Foods.
2. Operating profit (Profit before Interest and Tax) for the quarter grew by 20.4%. Profit before tax was higher by 24.1%, while PAT grew by 24.4%. Net Profit increased by 29.6%.due to the impact of exceptional items (see note 3).
3. Exceptional items net of tax for June Quarter '07 comprise: Profit from sale of a property (Rs 27.4 crores); costs relating to restructuring and voluntary retirement schemes (Rs 5.2 crores); and provision for diminution in value of investments in a subsidiary (Rs 1.0 crore).
4. The results for the quarter are not comparable to those of JQ'06 to the extent of amalgamation of Modern Foods (India) Limited and its subsidiary with the Company.

Adjusting for the above, net sales for JQ'07 is Rs. 3,460.16 crores (JQ'06: Rs. 3,083.23 crores); Profit before interest and tax is Rs. 505.62 crores (JQ'06: Rs. 420.54 crores); PAT is Rs. 471.31 crores (JQ'06: Rs. 379.26 crores) and Net Profit is Rs. 492.48 crores (JQ'06: Rs. 380.59 crores).

Similarly, net sales for H1'07 is Rs 6,624.69 crores (H1'06: Rs 5,881.28 crores); Profit before interest and tax is Rs 884.27 crores (H1'06: Rs 753.73 crores); PAT is Rs 804.90 crores (H1'06: Rs 673.24 crores) and Net Profit is Rs 885.10 crores (H1'06: Rs 823.45 crores).

5. In accordance with the transitional provisions contained in Accounting Standard 15 "Employee Benefits" (AS-15) issued by Institute of Chartered Accountants of India, the difference of Rs. 126.34 crores (Rs. 83.40 crores net of tax) between the liability in respect of Post Retirement Medical Benefits existing on the date of adoption of the said standard and the liability that had been recognized on the same date under the previous accounting policy, has been adjusted, net of tax, against the opening (1st January 2007) balance in the General Reserve.
6. Provision for Taxation includes Fringe Benefit Tax of Rs. 10.00 crores.
7. Investor complaints status

Complaints pending resolution as on 1 st April 2007	: 02
Complaints received during JQ' 07*	: 42
Complaints resolved during JQ' 07	: 42
Being progressed for resolution as on 30th June 2007	: 02

* Essentially relating to non receipt of dividend/interest warrants
8. Previous period figures have been regrouped wherever necessary to conform to this period's classification.
9. The Board of Directors at their meeting held on 29th July, 2007 have resolved to pay Interim Dividend of Rs 3.00/- per share of Re.1/- for the year 2007. The dividend will be payable on 22nd August, 2007

Notice is hereby given, pursuant to Section 154 of the Companies Act, 1956 that the Company has fixed 8th August, 2007 as the RECORD DATE for the purpose of ascertaining the shareholders who would be entitled to receive the interim dividend for the year 2007.

10. The text of the above statement was approved by the Board of Directors at their meeting held on 29th July 2007.

Limited Review : The Limited Review by the Statutory Auditors for the quarter as required under clause 41 of the Listing Agreement has been completed and the related Report is being 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: 29th July 2007

Harish Manwani
Chairman

Notes on segmental information

1. 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. Un-allocable income includes income from investment of surplus funds and dividends from subsidiary companies.

Capital Employed figures are as at 30th June 2007 and 30th June 2006. Unallocated corporate assets less corporate liabilities mainly relate to investments